

Development Fund Organisational Strategy 2021-2030

- Condensed version –

*Building rural resilience and
local empowerment for food-
security and diversified
livelihoods*

(Approved by the DF Board 15 September 2020)

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Prefix

This organisational strategy outlines The Development Fund's (DF) ambitions towards 2030. It aligns the organisation's goals with the 2030 Agenda, and especially *Sustainable Development Goal 2 – No hunger* and the goals of the official Norwegian development policy. Being launched in the context of the Covid-19 pandemic, this strategy comes with reservations of its relevance towards the unforeseen long-term effects of corona on development efforts, and will most likely have to be reviewed within two years to ensure it is aligned with the new reality.

This condensed version contains essential parts and most of the strategic choices, as compared to the extended version that provides both background and a more detailed rationale for these choices. The condensed version provides an easier access to the strategy and is more suitable to share with partners and supporters.

Development Fund's Organisational Strategy 2021-2030 – condensed version

1. Introduction

For more than 40 years the Development Fund (DF) has collaborated with local communities and civil society organisations in developing countries to improve food security and income generation of highly vulnerable and marginalised rural communities and small-holder farmers. Hundreds of thousands of small-scale farming households received DF-support to develop resilient livelihoods and eliminate hunger, malnutrition, and poverty in their communities. While this approach to development is well proven and increasingly recognized as an effective way to ensure food security and development for the poorest, support has been weak over several decades to boost small-scale agriculture's role in sustainable food systems from governments and many donors. DF has a proven and diversified approach that improves the lives of small-scale farmers, which is more needed than ever before as climate change, depletion of natural resources, marginalisation and a dysfunctional food system causes increases in hunger and extreme poverty. Building the resilience of vulnerable rural communities to tackle challenges, has become even more relevant with the Covid-19.

DF's main goal in the coming period is that small-scale agriculture communities are resilient and part of sustainable food systems. The preconditions to achieve this are improved food-security and nutrition, higher and diversified incomes, and empowered and inclusive social organisations in the rural communities. DF aims to double its impact over the next decade in line with the ambitions of the 2030 agenda, mainly by upscaling support to rural communities in the countries where we already have a presence: Ethiopia, Somalia, Malawi, Mozambique, Guatemala and Nepal.

2. The challenges as we see it

Conflicts, economic slowdown, climate change, degradation of natural-resources and the Covid-19 pandemic are key causes of rising global hunger. In poor countries climate change is adding multiple stressors on land, and particularly affecting the most vulnerable rural poor dependent on agriculture. Already two thirds of the undernourished people in the world work in agriculture, and rural populations in low-income countries are significantly more food insecure than their urban counterparts. Extreme poverty is primarily a rural phenomenon where about 80 % of the extreme poor and 75% of the moderate poor live. Most people living in extreme poverty work in agriculture. This is related to multiple factors: small plots of agricultural land, extremely low rates of productivity and diversification of income, limited or no access to credit, markets, input and extension services, low resilience/high vulnerability to natural disasters, degraded natural resources, and low political priority resulting in little or no access to education, health and other services. The result in 2020 is that we as an international community is far off from achieving the target of the first Sustainable Development Goal (SDG 1) of less than 3% of the global population living in extreme poverty and of SDG of no extreme malnutrition by 2025. At the same time climate gas emissions and land and biodiversity degradation is projected to continue their increase, despite international agreements to the contrary.

Smallholder farmers, on the other side, provide up to 80% of food consumed in large parts of the developing world. Agriculture is the main form of employment in rural areas, as a small-holder farmer or as a farm labourer. Due to lack of resources and knowledge to invest in their land or livelihoods, the rural poor often cannot benefit from new technologies or access markets to boost their productivity and income. Increasing support to marginalized rural communities is therefore a key to reduce extreme poverty. Investing in smallholder farmers is an important way to increase food security and nutrition for the poorest, as well as food production for local and global markets.

Increased efforts to support small-holder rural communities is therefore a key to improve food-security.

Supporting small-holder farmers access to and strengthening their rights to plant genetic resources is critical to maintain agro-biodiversity, strengthen climate adaptation and increase production and income in marginalized rural communities. Agro-biodiversity is the source of plants resisting diseases and pests, tolerance to stresses, nutritional quality and diversity, adaptation to climate change, and increased yield. This diversity is a safety net for small-scale farmers and is a key component of a resilient farming system. Local or informal seed systems where farmers select, produce, exchange, and/or locally sell or buy seed of farmers' varieties is the most reliable seed sources for smallholder farmers, covering up to 90% of the seed demand in developing countries.

Ecosystem restoration and sustainable climate adapted agricultural intensification for the poorest are identified internationally as two of the most viable options to increase productivity, halt degradation, foster ecosystem service recovery, generate increasing incomes, and sequester carbon.

Over the last few decades civil society organisations have played a key role also in the strengthening marginalized rural communities in developing countries by providing key services where authorities' services are absent or weak, and as a watchdog promoting human rights and providing a voice to vulnerable rural groups. The more recent backlash against democracy has resulted in a shrinking space for civil society both globally and within many countries. The 2030 agenda, however, calls for the participation of civil society, and its partnerships with private sector and governments. For international non-governmental organisations, continued partnership with a broad range of civil society actors should continue to be a priority, at the same time as our role as defenders and protectors of civil society organisations and defenders are more needed than never.

3. Development Fund's goals, vision, mission and values

Development Fund's objectives and priorities are closely aligned with the 2030-agenda and contributes directly and indirectly in the global effort to achieve several Sustainable Development Goals (SDG) related to social justice, economic development and environmental protection. DF contributes particularly to *SDG 2 No hunger* and its underlying targets, but also *SDG 1 No poverty*.

Development Fund's overarching goal is

Small-scale agriculture communities are resilient and part of sustainable food systems.

Three objectives must be achieved to realize the overarching goal

Improved food-security and nutrition, higher and diversified incomes and empowered and inclusive social organisations in rural communities

Based on these goals, DF has developed its long-term vision, its mission statement (purpose), organizational ambition and its values:

Development Fund's Vision

Our vision is a sustainable and just world with freedom from hunger, poverty and marginalisation.

Development Fund's Mission

Our mission is to work with marginalized people in rural communities to end hunger, poverty, and injustice by strengthening climate adaptation, biodiversity and sustainable food systems. We respect local assets and needs and empower people to drive their own development.

Development Fund's ambition as an organisation

By 2030 Development Fund is widely regarded as the expert on food security, biodiversity and climate adaptation in developing countries, and as one of the most effective organisations with well documented results.

The four values that guides Development Fund's choices and work are:

Sustainability: We base our work on the principle of sustainable development, aiming to improve the livelihood of present and future generations – environmentally, economically and socially. We make sustainable choices in our day to day activities.

Solidarity: Our work is based on the principle of solidarity with marginalized people in developing countries - we recognize their struggles and support their fight to improve their rights and lives. We practice solidarity as One Organisation working in agreement and supporting each other to achieve our goals.

Equality: We work to create a just world based on equal opportunities for everyone, human rights, mutual respect and democratic principles. We recognize the innate worth of all people and value of diversity. We practice these principles in our everyday work as part of One Organisation-approach.

Integrity: Our aim is to be honest, transparent and accountable at all levels, in order to ensure the effectiveness of our actions and the use of our resources.

In addition to these values, Development Fund promotes ethical behavior of our staff and partners through our Code of Conduct, anti-corruption policy, do-no-harm approach and commitment to promote gender equality, non-discrimination and human rights-based approach to the right to food and food security.

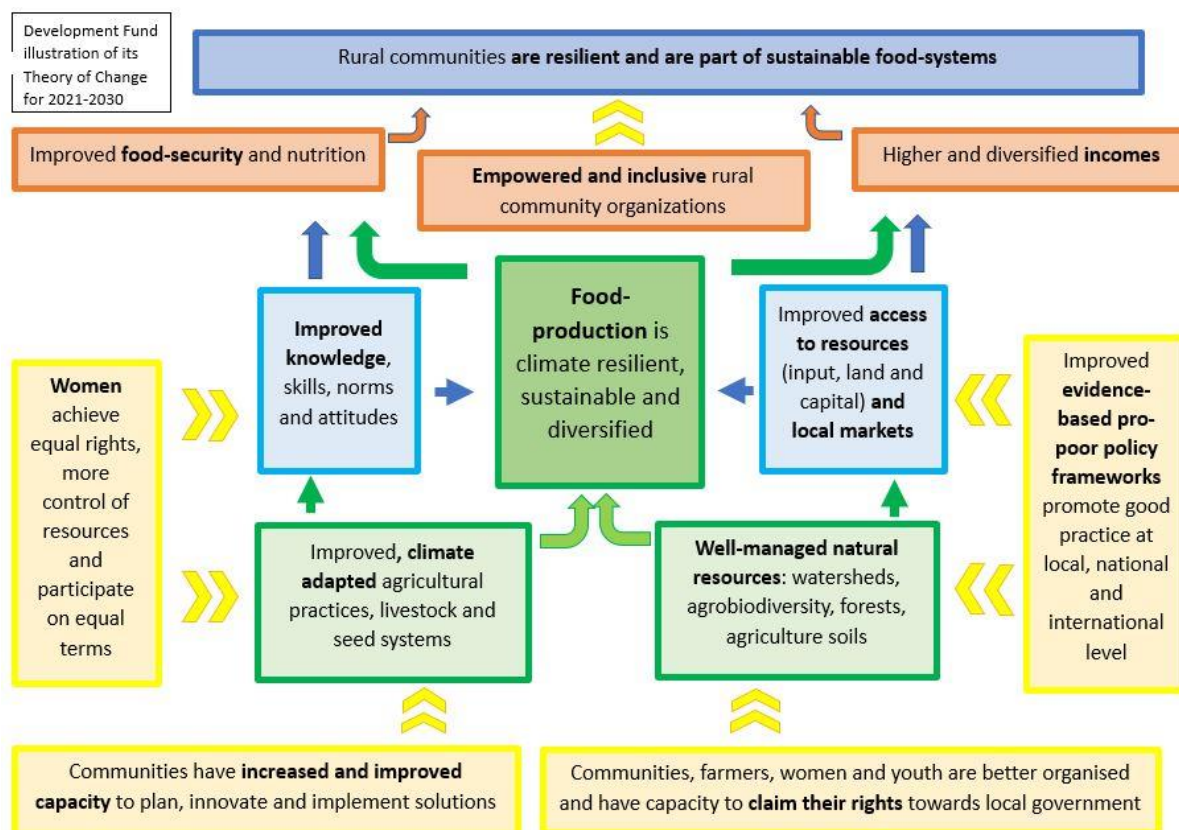
4. Development Fund's theory of change

Poverty, hunger and marginalisation are mostly found in small-scale agriculture communities in developing countries due to resource scarcity, marginalisation by society at large and increasing negative effects of climate change. These communities are often particularly vulnerable to climate shocks, other natural disasters and conflicts. While it is high on the political agenda of the international community and the Sustainable Development Goals (SDG) 1 and 2 to eliminate poverty and hunger by 2030, these issues have been neglected in rural areas to the extent that malnutrition and extreme poverty now are on the rise in absolute numbers. In recent years it is increasingly recognized that supporting small-scale farmers is key to turn this trend around and reach these SDGs.

Resilient communities can withstand or recover quickly from crisis conditions, such as impacts of extreme weather events resulting from climate change (higher temperatures, droughts, floods and crop diseases), the degradation of natural resources such as soil, forests and water, or pandemics such as Covid-19. *Sustainable food systems* deliver food security and nutrition for all in such a way that the economic, social and environmental foundations to ensure food-security and nutrition for future generations are not compromised.¹ Small-scale agriculture communities would benefit from being part of such a system. A sustainable food system lies at the heart of the SDGs, that call for major transformations in agriculture and food systems in order to end hunger, achieve food security and improve nutrition by 2030.

At the heart of DF's theory of change is the goal that **food-production in the communities is diversified, climate resilient and sustainable** to achieve increased and more stable production. This is key to ensure sufficient nutritious food for the households' own consumption and a surplus to

¹ FAO's definition)



generate income. **Improved knowledge, skills, norms and attitudes** is a precondition for improved food-production and nutrition, as is training that ensures **improved, climate adapted agricultural practices, livestock and seed systems**. Another precondition for improved food-production is **improved access to resources (input, land and capital) and local markets**; as well as **well-managed natural resources: watersheds, agrobiodiversity, forests, agriculture soils**. Several immaterial preconditions for this to happen are related to social inclusion, organisational capacity and policy frameworks. One such condition is that **women achieve equal rights, more control of resources and participate on equal terms** with men. Also, **youth** increasingly make up the majority in developing countries and rural communities, and as such they are crucial for the resilience of the communities and functioning of food systems. An organisational precondition is that the **communities have increased and sufficient capacity to plan, innovate and implement the practical solutions** to be the drivers of their own development. It is also necessary that **communities, farmers, women and youth are organised and empowered to claim their rights towards local government**, so that they may legally manage natural resources, and claim and access public services and support. A final precondition to reach the overarching goals is that **improved evidence-based policy frameworks promote good practices at the local, national and international level** create favourable conditions for local agriculture communities.

Cross-cutting principles

DF aims to safeguard our values and cross-cutting concerns in our work. Our main approach to safeguard anti-corruption, human rights, gender equality and environment is based on the principle of do-no-harm and by using risk-analysis during and throughout the implementation of our activities. This work is not only aiming at reducing negative consequences of our interventions, but also to promote practices that can strengthen the rights of our target group.

5. DF's Programme approach 2021-2030

Target groups: DF's main target group is rural agriculture communities in selected developing countries, mainly food producers: smallholder farmers, agro-pastoralists, and pastoralists. Many of them are custodians of important natural endowments and local ecological knowledge. DF prioritizes support to rural communities in remote or underserved areas in developing countries where other development actors are less present. In addition, DF works to empower and address the interests of individuals within rural communities that for various reasons experience marginalization and discrimination, mainly women and youth.

DF's approach

- When promoting sustainable agriculture practices to achieve resilient, food secure smallholder communities, DF's focus and approach are grassroots, bottom-up support to the rural communities. This serves to mobilise and strengthen their own assets, capacities and strategies, and their own efforts for development.
- When DF brings new agricultural inputs, techniques, tools and machinery into communities, the approach it is to build on and combine with local systems.
- Environmental protection and sustainable natural resource management is integrated in all work.
- DF takes a sustainable food systems approach, considering farmers' triple roles as both consumers, producers and suppliers to the market of both processed and unprocessed foods.
- DF organizes the project participants in groups around the activities promoted by the programmes: saving and credit groups, farmers cooperatives, water usage groups etc.

6. Thematic priorities, specialised competencies and contribution and DF

DF has developed and tested approaches and methodologies in the field and have gained a lot of experience on what are the most and least successful to develop food-security, resilience, and sustainable food systems.

- **Farmers' seed systems:** DF holds a leading role as one of the few international development actors working on strengthening farmers' seed systems at both local (community) and national/international (policy) level. This is a position we would like to keep and further strengthen in the coming decade. We also believe that we can play a key role in continuing linking climate adaptation in agriculture with sustainable management of natural resources, through merging mitigation and adaptation measures.
- **Climate adaptive villages:** Early in the coming strategy period, DF will develop a version 2.0 of the CAV-approach. There is a huge potential to strengthen the watershed approach and CAV as a land use planning approach. Moreover, integrating other approaches and methodologies into the CAV will strengthen the usefulness and impact of the approach.
- **Training of farmers in climate adaptive agriculture:** In the coming strategy period, we will work on strengthening the approach, particularly through the integration of work on crop genetic diversity to strengthen climate-resilient farming and further diversify production to improve nutrition, improve training and refresher courses for lead farmers and reduce the number of follower farmers for each lead farmer.
- **Crop diversification:** DF will continue to promote crop diversification but will strengthen the links other approaches such as community seed banks and lead farmer.
- **Community Seed Banks and agrobiodiversity:** In the coming period, we aim to examine closer how well we are addressing reintroduction or rehabilitation of lost varieties through community seed banks, as well as consider how to reintroduce other methods, such as participatory varietal selection or plant breeding, to strengthen our approach.

- **Microfinance and credit schemes:** While we do not aim at developing one single model for microfinance and credit schemes, we will in the early phase of the coming strategy period identify the main factors for success and constraints of these approaches to improve our work in this area.
- **Gender equality and gender mainstreaming:** While we have been successful in terms on increasing women's participation, we will, in the coming period, focus more on the quality of participation as well as documenting in a more systematic way how our work and approaches contribute to the empowerment of women and increased gender equality. Income generating activities for women, also beyond the agriculture sector, will be an important part of our work, as well as efforts to close the gender gap in agriculture.
- **Youth empowerment:** In the coming period we will continue to strengthen and spread the Young Women Can Do It approach in and beyond Malawi and Ethiopia.
- **Social mobilisation and strengthening of civil society:**
 - In the coming period DF will continue to prioritize and even strengthen our methodologies supporting the development of resilient civil society organisations, so they are able to continue to deliver results and contribute to local and national democracy also after their partnership with DF.
 - We will also consider if we should take on an even stronger and more visible role as defenders of civil society and activists that are under threat as an effort to counteract the trend of shrinking space of civil society.
 - We will continue to explore how we can use cooperatives or other kind of farmers' organisations as an approach to link farmers to markets. This will require more reflection and analysis of enabling factors and constraints of previous experiences.

7. Our level of ambition

To double our impact towards 2030, the following key performance indicators are defined:

- 300 000 small holder farmers have improved food security and nutrition through diversification of crops and climate adaptive agriculture
- 200 000 small holder households have doubled their income through increased production and diversification of sources of income
- 100 000 small holder farmers have improved access to seeds through community seed banks
- 400 climate adaptive villages have increased their resilience to climate change by implementing climate adaption plans
- 800 grassroots organisations are strengthened
- At least 50% of the beneficiaries are women

8. Development Funds roles, partnerships, and alliances

In addition to collaborating closely with civil society at national and grass-roots level, we also partner up with other key stakeholders such as research institutions, government institutions and private sector where we can play complementary roles:

- **The Development Fund:** DF will consider if combining work through local civil society organisations while doing direct implementation of selected reference projects, could be beneficial to better understand local context, assess the performance of partners and provide better support to these. DF will in 2021 assess the experience of the first direct implementation, and then decide if and how this will be done in the future.
- **Civil society:**

- DF will continue to build and develop strong partnerships with local civil society organisations. Our partners will continue to play a key role in the implementation of our programmes, at the same time as strengthening of civil society, including our partners, will be an important goal for our work.
- We will also work closely with other civil society organisations in Norway and internationally for joint advocacy efforts.
- We will assess our collaboration with Diaspora and the potential for results before we decide whether to re-establish the collaboration with such groups.
- **Research institutions:** In the coming period we will step up DF's efforts to both strengthen existing collaboration with research institutions and explore new possibilities for collaboration with the aim to improve the quality and effectiveness of our interventions.
- **Government and government agencies:** In the coming period DF will continue to mainly operate at an arms-length distance to government institutions, but we will step up our support to local partners' work towards these, either to strengthen coordination and collaboration with local and national government, advocate for policy change, or play the role of watch-dog when governments overstep rights.
- **Private sector:** In the coming period DF will build on our experience from collaboration with private sector and continue to explore possibilities for increased and improved collaboration.

9. Geographic areas of intervention

DF aims to continue working in the six countries where DF had programs as of 2020 (Ethiopia, Malawi, Mozambique, Somalia, Nepal and Guatemala), as these are among the least developed in their regions and the need for DF support high. In this DF we can capitalize on accumulated experience, credibility, and networks. All but Guatemala are Partner countries of the Norwegian authorities. DFs will prioritize over the next few years to grow the smaller program portfolios (Mozambique, Nepal and Guatemala) to improve impacts and cost-effectiveness, while consolidating the programs in the others. If a relevant opportunity arises, DF wants to explore the development of portfolios in one or two additional countries.

- If DF is unsuccessful over the next three years in significantly increasing the volumes, impacts and cost-effectiveness of the smaller programs from 2020 levels, and is unable to stimulate more cross-fertilization between them, the Board will decide when and how DF should phase out its engagement in these countries.
- If a relevant opportunity arises, DF wants to explore the development of portfolios in one or two additional countries. This could be in connection with the new Norwegian ambitions for food-security and agricultural development, and/or strategic interests/opportunities that may arise in countries such as Eritrea and Colombia.

10. Funding needed to fulfil strategy

Institutional funding, both in Norway and internationally, is linked to private and corporate funding. Our ambitions on growth in each one of these funding sources should be matched and supportive. As some institutional funding schemes, such as Norad's civil society, and Darwin Initiative require own contributions in monetary form, increased funding from these sources depend on growth in private and corporate funding. Other institutional funding schemes, such as EU, require matching funds, which again require that we have funding from either institutional donors, or private/corporate donors. At the same time, private and corporate funding can be boosted by an increase in

institutional funding as this will enable us to reach more beneficiaries and increase our impact, which again increases our relevance.

- In the first year of the strategy period DF will develop a comprehensive fundraising plan for both private and public funding to ensure a step by step and well-coordinated approach to double the funds raised towards 2030 from 2018 levels.
- DF will reduce the dependency on funding from the Norwegian government by significantly increase its levels of international and private funding. This includes having funding from at least 3 international institutional donors by 2025
- DF will prioritize to increase the portfolios in Nepal, Guatemala and Mozambique, and maintain the 2020 levels of funding for Malawi, Ethiopia and Somalia in the first few years of the strategy, and then consider to expand to other countries if funding is available.

11. How do we make DF fit-for-purpose to realise the strategy?

- **Organisational structures and resources:** To get a clearer picture of the cost/benefits of having country offices, DF aims to conduct an internal evaluation in the start of the strategy period of the experiences so far, with the aim to develop a better understanding and approach to a fit-for-purpose representation in the field.
- **One-Organisation approach:** Early in the coming strategy period DF will prioritise, as One Organisation projects, the realisation of a second One Organisation Week, the development of minimum standards and guidelines for program, improve the capacity and efforts to mobilize funding from international donors, and increased efforts to bring innovative solutions and technology to partners and the further development of a joint digital collaborative platform.
- **Partnership approach:** In the coming strategy period, we aim to strengthen DF's ability and effort to support the development of partner's capacity for quality program implementation, financial management, governance, and advocacy.
- **Program capacity:**
 - DF will assess if the mainstreaming of thematic approaches into country programmes has improved or reduced the quality and focus on agro-biodiversity and climate adaptation. Other thematic areas may also require a broader programme approach as well.
 - During the first year of the strategy, DF will consider establishing thematic teams within areas such as agro-biodiversity and climate, as well as the need for reviving the private sector team.
 - DF needs urgently to consider how to respond to increasing rates of climate induced disasters, including the implications for our needs to strengthen our capacity on emergency response, as well as increasing our focus on the nexus between emergency response and long-term development in areas that are prone to natural disasters and climate shocks.
- **Communications:** DFs key communication targets for the next strategy period are:
 - Increase brand awareness in Norwegian public from close to 0 in 2019 to 25 % in 2030.
 - DF is recognized as a key source of information on climate change and sustainable food systems by Norwegian media – journalists call us to get information.
 - 25 % yearly increase in media coverage over the next ten years
- **Policy and advocacy:** A key policy goal for DF and partners in the coming strategy period is to influence donors and governments to invest more to reach common goals for food-security, rights and poverty reductions. In this context, it will be important to demonstrate how building resilience in rural communities against climate change also develops resistance against the negative effects of the pandemic.
- **Learning approach:** In the coming strategy period we will implement the MEAL strategy, first by

- Develop an organizational M&E plan that identifies information needs at organizational, country and project levels, and how these can be incorporated into MEAL processes.
- Streamline the system to focus on the most useful data, and invest sufficiently in capacity building and coordination to ensure high quality data
- Establish a centralized platform for secure storage and management of MEAL data, and integrate appropriate technologies and procedures for data entry, cleaning, and analysis
- Invest in analysis and knowledge-sharing mechanisms in line with the intended purpose
- **Administration and human resources**
 - **Human resources:** By 2022 DF fulfils its duty to care for staff, meaning that security considerations and measures are integrated in staff recruitment, onboarding, training and operations.
 - **Financial management:** At the start of the strategy period it will be a priority to implement the DF InSight financial management standards launched in late 2020, to be coordinated by FAT.
 - **Digitalisation:** To progress further with digitalisation, external support will be needed in the short term, and dedicated internal systems managers needed in the longer term.
 - **Anti-corruption and PSEA:** By pro-actively raising awareness and seeking out risks of mismanagement of resources and abuse, we aim to continuously improve routines, prevent and eventually minimize wasteful and unacceptable practices.
- **Internal governance:** In 2021 the Board will present alternatives for a new organisational set-up by mid-2022