



John Paul II Foundation
Dialogue, Cooperation and Development - Onlus

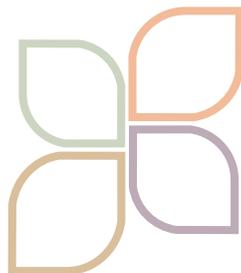
INTEGRATED STRATEGY FOR SMALL FARMERS QUALITY, SUSTAINABLE AND INCLUSIVE AGRI-BUSINESS

FOR A SUSTAINABLE DEVELOPMENT OF AGRICULTURAL
VALUE CHAINS BY COUNTERACTING THE EFFECTS
OF CLIMATE AND ECONOMIC CRISIS



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Introduction

The onlus John Paul II Foundation for dialogue, cooperation and development coordinates in the Middle East the multi-country Small Farmers program, made of triennial interventions on different agricultural value chains (Dates, Cherries, Apricots, Aloe Vera etc.). The aim of these interventions, founded by the Italian Agency for Development Cooperation, is to supply small and medium farmers with a direct and continuous technical support, thanks to internal specialised personnel and experts coming from renowned international organisations, whose work is based on partnerships that contribute to the cooperation of expert economists, agronomists, product sector experts, chemists, market analysts, agribusiness managers and cooperative experts.

A program of continuous technical assistance, best practices sharing based on Italian successful cooperative agribusiness experiences globally renowned for their innovative and sustainable organisational models and their market oriented production based on a solid quality control system.

The program aims at an organisational upgrading of agribusiness enterprises in terms of:

- **PRODUCTIVITY**, aiming at quality, environmental eco-sustainability and a market oriented production, through the definition of quality standards and the Quality Management System (QMS)
- **MANAGEMENT**, aiming at a precise business objective through an operational development plan (UOP), based on the improvement of the governance of farms and agribusiness companies, the identification of clear roles and responsibilities aimed at managing every aspect of the business, investments on innovative plants and development of new internal competencies.
- **MARKETING**, carried out through a market strategy development based on: a) a continuous monitoring of market and competitors aimed at defining both new product and market targets; b) a marketing and promotional strategy based on the upgrading of the brand and the participation in international fairs aimed at a direct sale in the organized market.

Scope of this document

“systematize and replicate the project strategy”

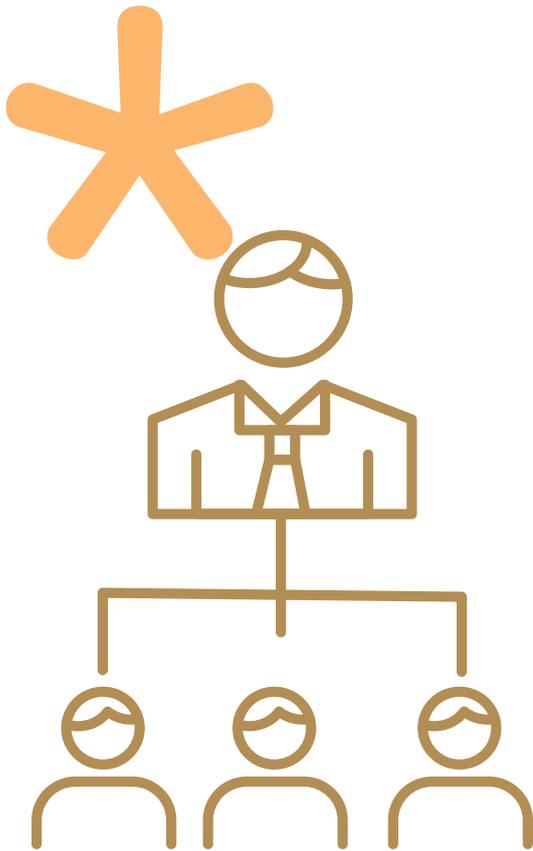
The present International cooperation scenario is undergoing a change that has enabled the main donors and international organisations to promote focused, wider and long lasting interventions through synergies between different actors (from various sectors) aimed at offering high level technical expertise. In this context the John Paul II Foundation, focused on fighting poverty and reducing the impact of climate change and economic crisis in the marginal rural areas, has obtained remarkable results in the relaunch of the agrofood sector, thanks to a proven team of experts and research institutes partners, standing out as a relevant expertise in the rural development and agribusiness strategies.

The main International partners involved are: the Consiglio Nazionale delle Ricerche – Istituto di Ricerca sugli Ecosistemi terrestri (CNR IRET), the Fondazione Archeologia Arborea, the Federazione Trentina della Cooperazione, the University of Florence – Action research for co-development (ARCO-PIN), CHIEAM Istituto Agronomico Mediterraneo of Bari and Confcooperative.

This document is meant to present the strategy, activities and services carried out by the Foundation experts aimed at an innovative and impacting action plan for the reorganization of the agricultural supply chains oriented to quality and to the sale on local and international markets.

This business plan, proposed by the Foundation to donors, international organizations and non-governmental bodies, is made of 4 macro components and can be implemented as a complete ACTION PLAN or by single COMPONENTS depending on the specific needs of the target groups.

PROGRAM STRATEGY COORDINATION AND MANAGEMENT



As a result of the experience gained thanks to a direct management of triennial development programs in several agricultural sectors in disadvantaged contexts, the Foundation has consolidated a management methodology involving a collaboration with experts both at international and local level. For a long-term coordination the Foundation makes use of

- a) **a senior agro economist** coordinator on site.
- b) **a senior economist** expert in agribusiness for the network coordination in Europe
- c) **local agronomists**
- d) **local economists** (experts of markets, cooperative management and governance, business plan)
- e) **an administrator**. It also takes advantage of internal short-term experts and consultants from institutions and research centres that are partners in the project.

Organisational structure

The GP2 Foundation is in charge of direction and makes use of an on-site coordinator, a senior economist in Italy, local agronomists economists (number depending on the project) and a financial manager in order to have a complete control of the coordination of activities and international partnerships

From an operational point of view, a management committee is set up and it is composed of an on-site coordinator and a referent for each partner that takes part in the operational planning of the project and coordinates the planned activities. The on-site coordinator works out an annual operational plan together with the counterpart and partners, which will be monitored by four-monthly verifications to put in place corrective actions for the management of contingencies and the achievement of the results in due time. As for administration, the local office will act under the coordination of the Italian administration office. Each partner, under the responsibility of their legal representative, assumes organizational and financial commitments for all the duration of the project, thus actively participating in the planning of objectives, results and activities.

In the strategic framework, a program steering committee is set up and it includes representatives of partners, donors and governmental/municipal institutions involved in the project, that every six months ensure the supervision of the objectives and intervention policies and enhance the creation of synergies between the various areas of work.

For technical aspects, a scientific committee of the program is set up: experts in different sectors (agronomy, market, quality control, agroecology, and business planning), that meet upon a management committee request and support technicians involved in the project..

Monitoring and external evaluation

The objective is to monitor progress, to take note of changes in progress and to define prompt corrective actions to maximise the impact of the action and achieve the strategic objectives set.

Professionals involved: the strategy evaluation implies the involvement of an external economist from Catholic University of Milan, who is an expert in monitoring and evaluation. This study, based on annual missions, involves also local university students and researchers, who are in charge of collecting data from beneficiaries involved in the strategy, farmers, cooperatives and similar bodies not involved in the program. The comparative analysis of the two targets is focused on the following strategic objective indicators:

- % increase in average productivity per farm or per company
- % increase in average sale price
- % increase of first selection production
- % increase of producers using environmentally sustainable methods
- % increase in sales volumes in the local and international market and in the channels activated
- % increase of total employees in the agricultural sector
- % increase in the number of businesses run by women and youths
- % increase in the turnover of agricultural enterprises involved
- % increase of wealth transfer in favour of the satellite activities generated by the strategy

The measurement of the indicators described is based on annual benchmarks that are measured with reference to an initial baseline and it aims at providing insights and learning to improve the effectiveness and replicability of the intervention strategy.

Duration of the program

In order to ensure long lasting impact results that can generate a solid process of change, the strategy management develops over a period of 36 to 48 months.

FROM RISK ANALYSIS TO OWNERSHIP STRATEGY

In order to ensure a long-term sustainability of the development strategy, the John Paul II Foundation involves the beneficiaries of the intervention and the local actors in the:

- 1) analysis of the situation and risks,
- 2) planning of the strategy,
- 3) management of the strategy.

The objective is to ensure in the various phases of the intervention a broad active participation of target beneficiaries, individual producers and local actors such as public and private institutions, in order to ensure (by measuring progress) the gradual consolidation of the ownership of the community involved in relation to the intervention carried out and also the gradual taking over of the structures created and/or upgraded through the investments of the program.

Methodology

1) The **situation and risk analysis** is carried out with a dynamic work of data collection and direct dialogue with beneficiaries, existing associations of reference and local key actors in order to have a clear vision of the:

- a) Farmers' situation in terms of products, farming extension, physical environmental conditions, production tools, available resources, means of access to output and input markets, problems and limitations (baseline study for farmers and producers).
- b) Existence and conditions of reference association structures present in the area of intervention, available resources, functions and governance, activities and services carried out, degree of social inclusion (mapping and baseline study for associations)
- c) Ability to engage and support, skills and resources available (land, real estate, financial resources, services...) by main local actors (mainly municipalities, local departments of the Ministry of Agriculture and other bodies such as universities, research and development and promotion Institutes etc...)
- d) Analysis of critical issues in terms of cultural, social and economic barriers that may hinder the path of associated organisational development and the access to new sales channels.
- e) Development prospects in terms of organisation and production at individual level, in association with other producers and at market level

To ensure an active involvement of beneficiaries at this early stage, various approaches and instruments are envisaged:

- Initial meetings for the program presentation to the Institutional actors and the sharing of strategies and synergies.
- Collection of a first database of individual producers (from municipalities, Ministry of Agriculture departments, etc.)
- Sharing of information about the program and collection of individual data (baseline study for farmers and producers), through face to face meetings with small groups of producers based on their know-how and preferences (Small Farmers Groups).
- Meetings with producers' associations (if any) to disseminate the program information and collect the associations data (baseline for associations)
- Survey on the possibility to develop associative forms in case they are not present in the community of the intervention (to be carried out during the baseline phase, questionnaire on intention to consociate)
- Collective preparation (first involved producers and active local actors) of the project launch initiative
- Public launch of the program in the community of reference caring to get the maximum participation. If not reachable with a single event, several collective events are planned.

Communication is facilitated by the creation of first WhatsApp groups and the identification of reference persons for Small Farmers Groups.

Thereafter the WhatsApp groups are expanded according to functional criteria in order to ensure cohesion and flow of information (for production areas, neighbourhoods etc...) or, if possible, a single Wapp group is created

The degree of participation and interest in setting up or strengthening associations (cooperatives in the first place) is measured by creating a set of specific questionnaires to be used during meetings (see developed formats).

The project logical framework presents specific indicators that measure the growth of the level of aggregation of individual producers.

2) The planning phase is based on the previous analysis and it is developed through the involvement of the beneficiaries:

a) In the analysis of possible development scenarios for production, organizational and marketing re-organisation;

b) In the analysis of the subsequent scenario's objectives with particular reference to the activities in associated management with other producers related to the completion of the production and sale cycle and products;

c) In identifying the development strategy and sharing it focusing on to the contribution of each producer in terms of active participation and economic resources;

3) The strategy management phase involves a continuous verification carried out by staff in charge of the project and it is aimed at:

- a)** Monitoring the participation in the strategy caring to comply with the Quality Management System and its application on the production phase;
- b)** Monitoring the active participation in the social life of the cooperative;
- c)** Identifying how the producers and stakeholders contribute to the sustainability of the cooperative in terms of:

a. Acceptance and compliance with the delivery regulations and the product processing management model, storage, sale preparation and sale;

b. Complay with of the enterprise risk sharing commitments through the economic support of members, or aspiring associates, for the covering of the operating costs of the plants and structures needed by the project. The contribution required may be obtained through an increase in capital by the members or through the transfer of capital by prospective members as part of creation of the new cooperative or as a share in the existing cooperative. The compensation between the parties must be equivalent (on the one hand resources provided by the project and on the other hand beneficiaries and stakeholders resources) and able to cover operating costs.

c. In some contexts, the role of the local public authority is fundamental, either out of direct interest in the economic development of the community or in response to requests from producers benefitting from the strategy; the public body can provide land or public facilities to invest on for the processing and conservation of the product. Sometimes, involved public authorities play a role in the contribution to cover utility and other related production costs. The presence of the public body is important to ensure an inclusive approach to all producers.



The above approach is a FGPII prerequisite to ensure the direct involvement of beneficiaries at all stages of the strategy and to consolidate their ownership for the long-term sustainability and impact of the project.

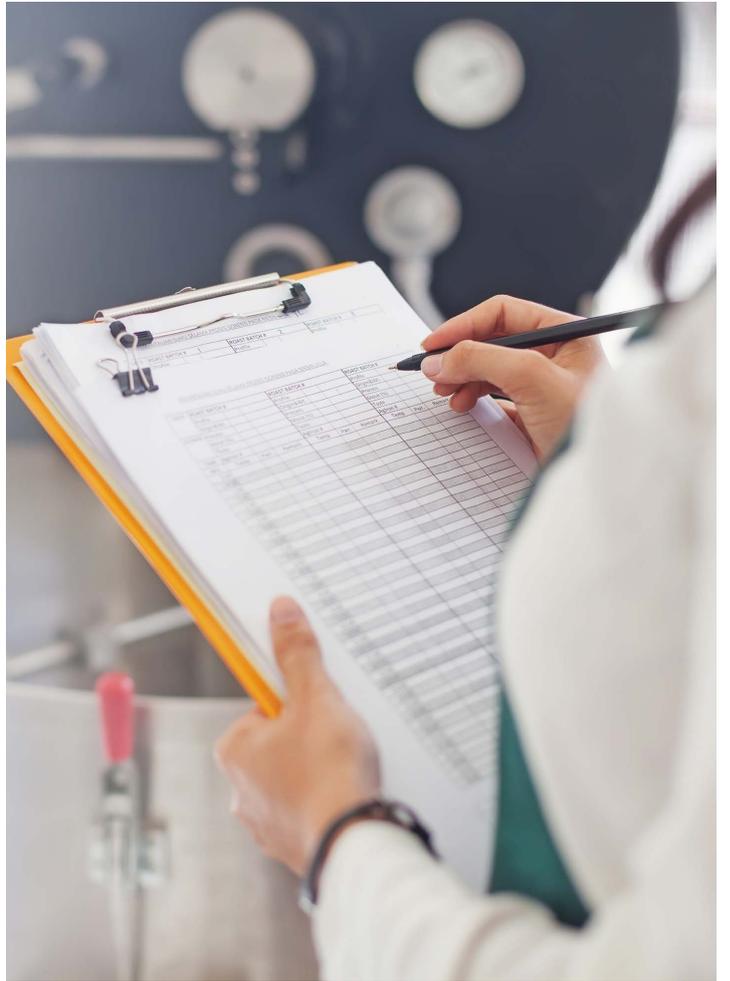
ACTION PLAN

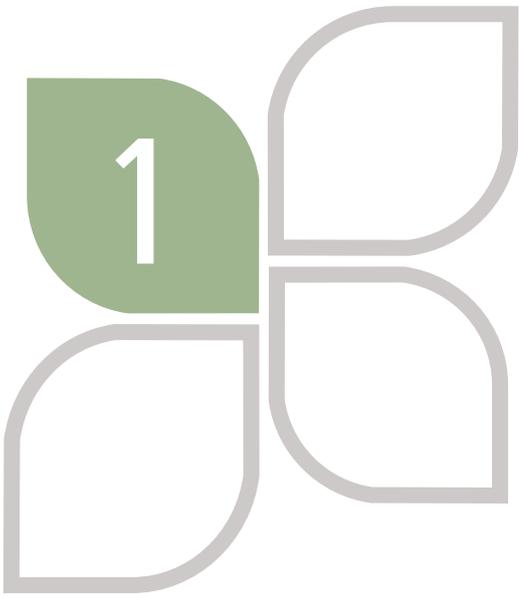


This program adopts a sustainable strategy based on quality and inclusive agro-ecology, which enables small farmers to play a role in the value chains of international economic systems and to have a systematic approach that can bring together different agricultural supply chains through solid and common general principles such as:

1. A quality and environmentally sustainable production (**QMS Quality management System**)
2. An associated management of services that enables small farmers to get new business opportunities (**ISB Inclusive Social Business**)
3. An innovative and efficient organisational model proceeding from a development and sustainable operative plan (**UOP**) aimed at a well-defined medium-term business objective.
4. A **marketing strategy** shared by all the value chains based on a marketing and promotion plan, which enables to enter the most profitable sale channels thanks to the participation in international fairs and a continuous market analysis

The “**Small farmers**” program proceeds from these principles, which have been developed in integrated modules thanks to a team of experts. In particular it is made of 4 PARTS:





QMS

Quality Management System

Objective

requalification of the whole production system in its different phases:

a) management of the plant, the soil, irrigation, fertilizers and the agro-eco-system

b) harvest

c) post-harvest, selection and preparation of the product for storage and sale.

Implementation and application of QMS quality control procedures aimed at the best management of the plant and the post-harvest to obtain a quality, environmentally sustainable and market-oriented production.

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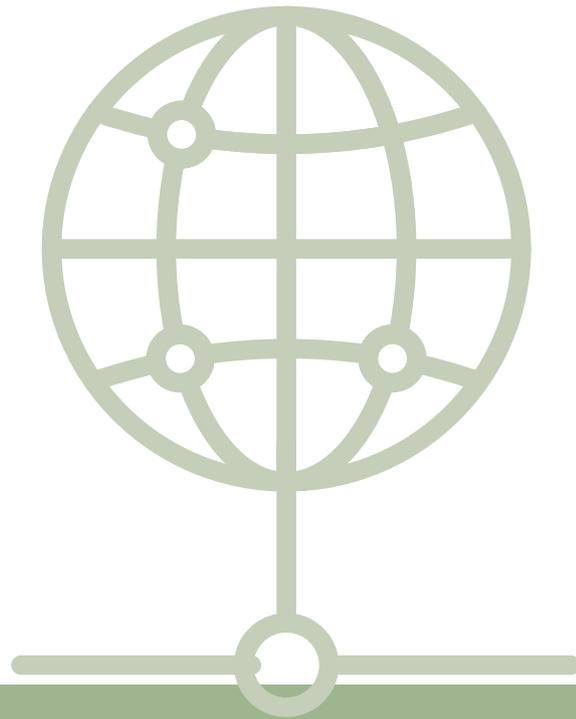
1.0 Preparation and strategic coordination for the connection between the QMS and a development and sustainable operative plan

Expertise involved

Economy and management of agricultural value chains

The QMS preparation and subsequent application represents one of the most important development factors of the strategy. The QMS procedures are the result of the analysis of many factors: market demand, competitors, target market legislation, agricultural, social and economic territorial context, business objectives, cost control management, environmental sustainability and social conditions of the strategy. All these procedures require a strategic coordination of the actors involved in the production, governance and marketing, aimed at translating every different interest into a single objective.

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1.1 Quality standards for an agro-ecologic production on the field and an optimisation of natural resources use (water, soil and nutrients)

Expertise involved

agro- ecology researchers

The reorganisation of the agricultural production oriented to quality, productivity and environmental sustainability, requires an analysis aimed at evaluating the plant's life conditions and its productivity. This approach involves agroecological and sustainable systems to be used to control pathogens, in irrigation, fertilisation, pruning and in soil cover. Particular attention is paid to the irrigation efficiency and the increase of the ecological complexity of the business systems to increase biodiversity. Deficit irrigation techniques are required in dry environments, as they are able to maximise the profits and save precious water at the same time. As for the increase of biodiversity in the business system, the concept of micro ecological net is applied by using agro-techniques that enhance soils grass cover, agricultural rotations, the increase of organic substances in the soil and the inclusion of arboreal elements in the cultivated areas. In particular, natural barriers and linear elements made of trees and bushes improve the micro-environmental conditions and increase the resistance to pathogens and crop physiopathology. Also, the inclusion of phased flowering melliferous species enables the apiary business with consequent environmental and economic benefits for rural areas.

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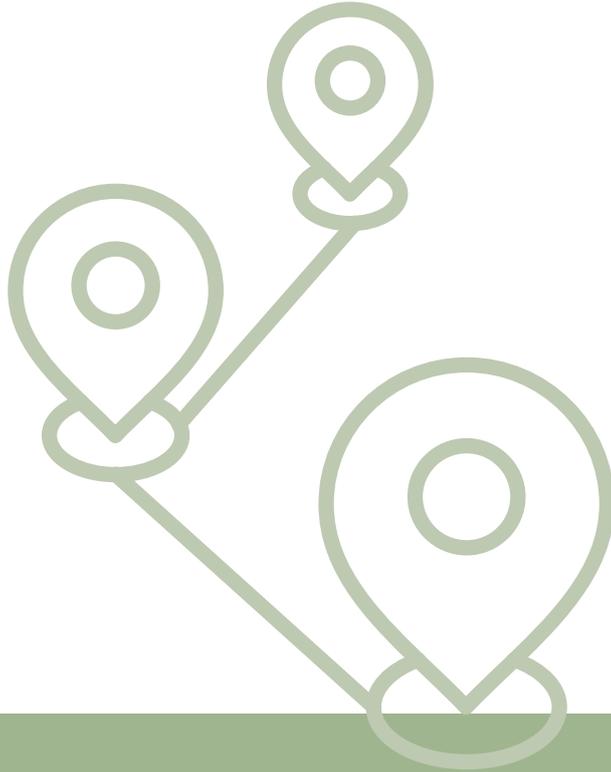


1.2 Principles of enhancement of a quality brand through bio-culture (environment, man and territory)

Expertise involved

Natural science, genetics and history.

This module includes several phases. The first one involves a bio cultural analysis based on aspects related to toponymy, historical, documentary and archival sources. The objective is the search for elements related to the traditions and origin of the plant. These are important elements to enhance local typical products and aim at setting up the marketing strategy based on solid historical and traditional elements. This study is also essential in order to better know the origin of cultivated species and varieties and their traditional uses, also in terms of phylogenetics and adaptation to the area of cultivation. This is an essential information to understand the biological cycle of the plant with its criticalities in order to enable effective interventions on the health of the plant and consequently on the quality, productivity, resilience to climate change and environmental sustainability. These are strategic elements to intervene effectively with a strategy of productive redevelopment, which is aimed at enhance production. These characterizing elements will be indispensable for researchers that will support agronomists and producers in their work



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1.3 Geo-statistic and spatial elaborations for the support of quality, sustainable and inclusive agri-business

Expertise involved

remote sensing expertise, geostatistics, and geographic information systems

Depending on varieties and cultivation conditions this module provides sampling and geo-referencing of leaves and soil, sample treatment and isotope analysis, geostatistical processing of data. The module includes an elaboration of environmental statistics and territorial isoscape models of stable isotopes.

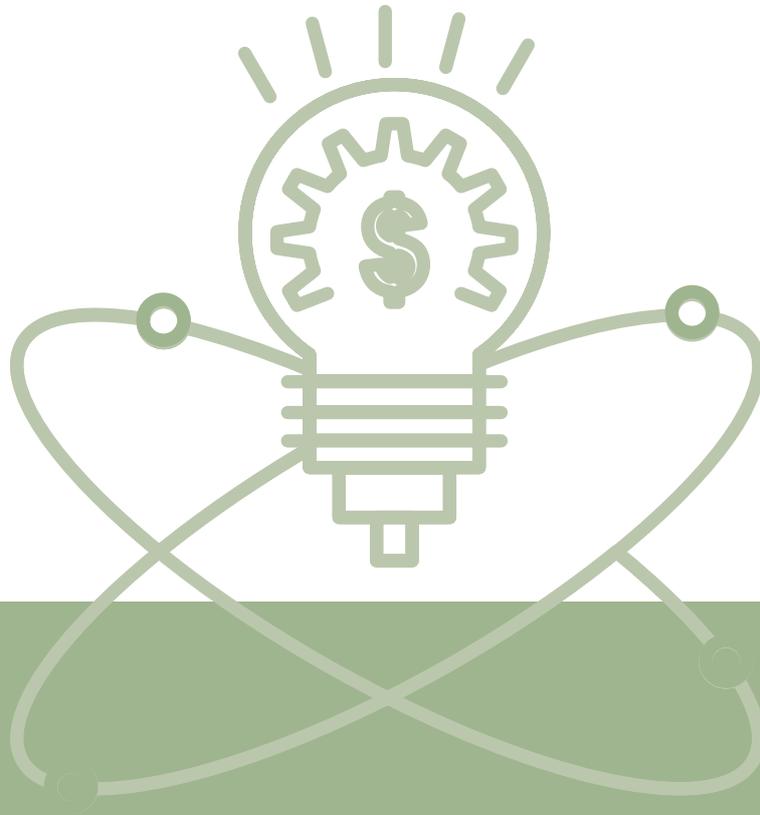
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1.4 Agro-ecological interventions and actions for the mitigation and adaptation to climate change

Expertise involved

agricultural and forestry biodiversity, agro-ecology, climate change.

The strategy proposed is based on a site-specific study and on the dissemination and sharing of production systems that are strongly oriented to principles of agroecology; in particular of conservation and regenerative agriculture. Agroecology is an approach that deals with the complex relationships between the elements of an agroecosystem. Understanding these relationships is fundamental for the planning of rural systems in synergy with the ecological networks they are part of. Achieving this synergy on a territorial scale leads to the development of multifunctional attributes and resilience within the socio-ecological system. The ecosystem functions, which are intrinsic to a vital rural landscape, are recovered or increased by preserving and expanding the contents of local biodiversity, while also improving well-being and social welfare. Maintaining biodiversity in soils and vegetation underpins any production strategy aimed at strengthening resilience both to climate-related and other problems. Based on a detailed analysis of socio-ecological contexts, the team of experts and researchers is able to promote an agronomic management aimed at regenerative and conservative objectives of soil fertility and natural resources, in order to enhance the mitigation and adaptation capacity of rural systems within



climate change scenarios. Diversification, integration, multi-cropping, adoption of agroforestry models and other sustainable management practices, are all tools capable of guiding current agriculture from looming scenarios of socio-agroecological collapse to those of a future agriculture, where the keywords are: multifunctionality, social equity and inclusion, ecological and social networks, circular economy, bioeconomy, protection of the environment and biodiversity, mitigation, adaptation and resilience.

This analysis and the subsequent application of agroecological techniques is accompanied by a continuous monitoring of the ecosystem situation of soils and biodiversity. Monitoring enables to check the ecosystem evolution in response to agroecological techniques and climate change. This research, carried out by CNR-IRET and FAA in coordination with local research institutes, will be based on a memorandum of understanding for the Ministries of Agriculture and Environment aimed at implementing government policies and reaching international agreements to mitigate the effects of climate change.



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1.5 Quality standards for the conservation, recovery and enhancement of plant biodiversity.

Expertise involved

agronomy, research, conservation and enhancement of genetic resources and local varieties.

History, traditions, landscape and genetics must be considered for the research and enhancement of ancient local varieties that are often the result of a thousand-year-old culture and must be safeguarded both as cultural heritage and as genetic resources.

Plant biodiversity plays an essential role in sustainable agriculture, with a wealth of local varieties and ecotypes that farmers have been selecting for centuries. Protecting biodiversity ensures the maintenance of the agroecosystem and food security.

By combining historical research, traditions and popular knowledge with appropriate genetic analyses, it is possible to describe ancient varieties and improve their cultivation, to enhance their characteristics and their resistance and to reintroduce them in local and international markets. The relationship with local farmers to improve cultivations and their economy. Farmers are often the depositaries of traditional knowledge of cultivation and use of genetic resources but also require agronomic technical information...

Information is collected from farmers and other sources, such as archival, historical and scientific literature. Genetic analysis can also confirm or deny the origin of varieties, settle synonymies and clarify many similarities or differences.



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1.6 Quality standards for the management of harvest, delivery, selection, conservation and of the product ad preparation sales. Accordance with the main international ISO certifications

Expertise involved

agro-food product sector

The adoption of good agricultural practices, operating and management procedures complying with recognized international standards (e.g. Global Gap, ISO 9001, BRC) supports operators in improving the quality of their production, and it is also a prerequisite to enter target international markets. Standardised quality procedures will be structured paying particular attention to: a) Environment, through the introduction of eco-friendly practices, for example in relation to fertilisation and disinfestation phases; b) Economic sustainability and improvement of management practices; c) Ethical behaviour, promoting the safety and health of workers, as well as the general well-being of the local community. The procedures will be part of a Quality Manual that will be the basis for the implementation of an Integrated Management System (QMS) developed starting from ISO 9001. The ever increasing demand of certifications both by great distributors and consumers has made them an important marketing tool



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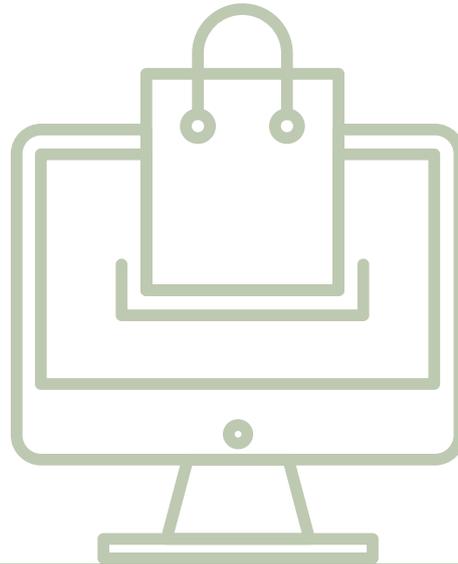
1.7 Quality standards in the management of the laboratory in charge of the chemical analysis of the product. Food Quality and analytical Control

Expertise involved

Food technology and analytical control

On the basis of the reference value chain, especially in view of an international marketing outlet, the activity may provide for a characterization of the selected varieties in order to define their quality, title and ownership, also in relation to the compliance with international standards for the sale in foreign markets. The analytical supervision for the product characterisation may cover among others: qualitative-quantitative profile of the active substances (HPLC-DAD analysis for the evaluation of the different chemical classes of the phytocomplex), measurement of the antioxidant and anti-radical properties (UV-VIS spectrophotometric test: Folin-Ciocalteu method and DPPH test).

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1.8 Traceability of supply chain and origin/ quality labelling for consumers.

Expertise involved

agro-food products and food technology

A well structured and documented system of traceability is necessary to follow the production along the whole supply chain from field to sale. The sale of agri-food products in European markets requires suppliers to implement the traceability procedures, to be able to trace inputs and outputs and to determine quality and quantity. These standardised and documented procedures, may be less widespread among small Farmers in extra European countries rural contexts. In order to guarantee traceability, the use of smart information technologies can manage and secure data (origin and quality for consumers) along the whole supply chain. The information collected may be available in the supply specifications, in the technical data sheets and on sales labels.



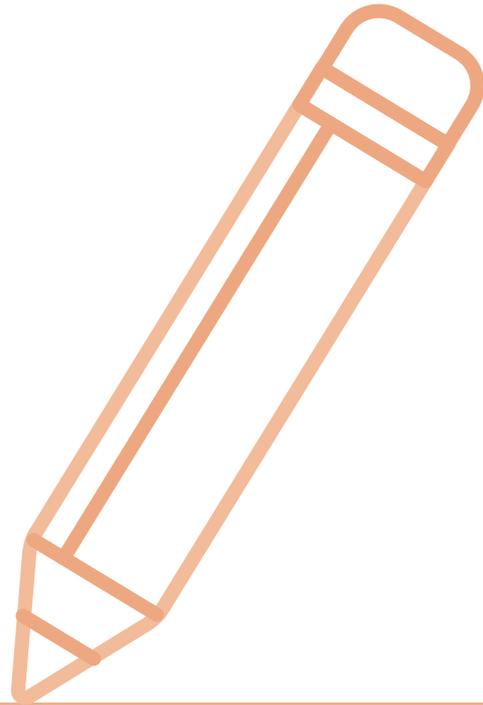


ISB

Inclusive Social Business

Objective

Reviving the supply chain by identifying associated management formulas of production, processing and sale of the product and also providing small producers and workers with access to expertises, innovative plants and collective services for the processing and sale of the product. Development of models of democratic governance inspired by cooperative principles. Support to public institutions through technical assistance programs and exchanges of best practices with Italian institutions aimed at reviving services in favour of enterprises.



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2.1 institutional capacity building for the management of public services that support the economic, financial and organizational development of cooperatives.

Expertise involved

Development economics

This module provides a strategy to strengthen the stakeholders involved in the governance institutional structure of the cooperative system at national and local level. In particular, during the start-up phase, a deep knowledge of the local context from a normative, socio-cultural and economic point of view is developed to gain a comparative basis for the effective exchange of good practices and face-to-face and distance technical assistance. The exchange of good practices and technical assistance covers issues related to the regulatory framework, to services put in place to support the cooperative system and to the monitoring role that institutions can play within the QMS. Another issue is the creation of a “cooperative culture” aimed at ensuring the effectiveness of this legal form and increasing socio-economical sustainability in contexts where cooperatives do not exist and where they are only a legal way to obtain benefits.

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2.2 Inclusion of small farmers, women and young labour force in the supply chain for a social and sustainable development

Expertise involved

Social development

This module provides a strategy for including vulnerable groups in the production process of supply chains. In particular, promoting collective bargaining arrangements which enable the use of female labour force for seasonal employment both during the harvest period and in the product processing phase for the market. This is also a way to prevent the phenomenon of illegal hiring, an informal system of temporary agricultural work, which is still globally widespread and that exploits cheap labour force to its own benefit, without considering any ethical principles, human rights and right to work. The inclusion of women's associations in the supply chain can bring great added value, as they can benefit from an educational path that leads them to specialize and acquire professional skills that can be used in different sectors and constantly along the year. This strategy aims at empowerment that can strengthen the negotiating power of female workers whose greater qualification in the management of the different phases of the production process allows them not only to be selected for seasonal labour but also to be employed in new phases of the production process.



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2.3 Cooperativism, principles and opportunities in the cooperative entrepreneurship

Expertise involved Cooperativism

The objective of this module is twofold:

At institutional level, with reference to governmental sector bodies, the strategy intervenes on a critical issue typical of some Middle East countries regarding the interpretation of the law on cooperativism and its application often too restrictive and sometimes binding for a full economic and commercial development of the country cooperative system. Presenting the experience of the Italian cooperativism and its innumerable socioeconomic results at world level, allows a direct confrontation between European and Middle East institutions dealing with cooperativism. A comparison that highlights the great potential of cooperative development and favours it by intervening on the limits of a too restrictive regulatory interpretation.

At the level of civil society and agricultural cooperatives, the strategy envisages a path of governance strengthening through technical assistance in identifying a management model.

It is also planned to raise awareness of both agricultural producers and school children and students with the aim of creating a cooperative culture.

The promotion of cooperative entrepreneurship can be an important vector of development in social business specially to give voice to the role that women and young generations can have in the agribusiness.

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2.4 Cooperativism, delivery management models, production and sale services

Expertise involved

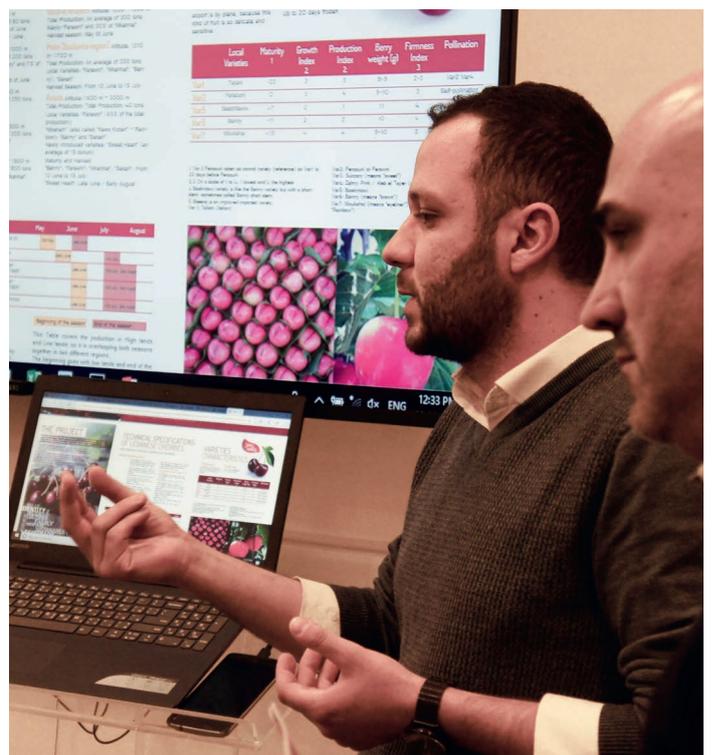
agricultural economics and cooperativism

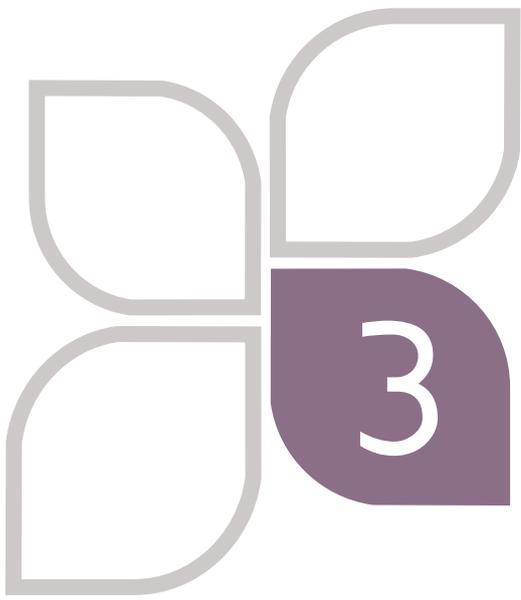
the objective of this module is the identification of an efficient, transparent and effective internal management model of the cooperative aimed at enhancing the participation and the loyalty of the members to social life.

The module provides for a technical assistance path on the following topics:

- characteristics of a fruit and vegetable cooperative
- management of product delivery and definition of delivery regulation
- marketing analysis and target identification
- market analysis and identification of partners and customers
- analysis and selection of the product according to quality and size

The expert's support will enable the directors of cooperatives/producer groups to set up in a transparent and objective way the charging of both direct and indirect operating costs, so that the processing system, preservation and sale of products can be effective, accepted and able to produce economic benefits.



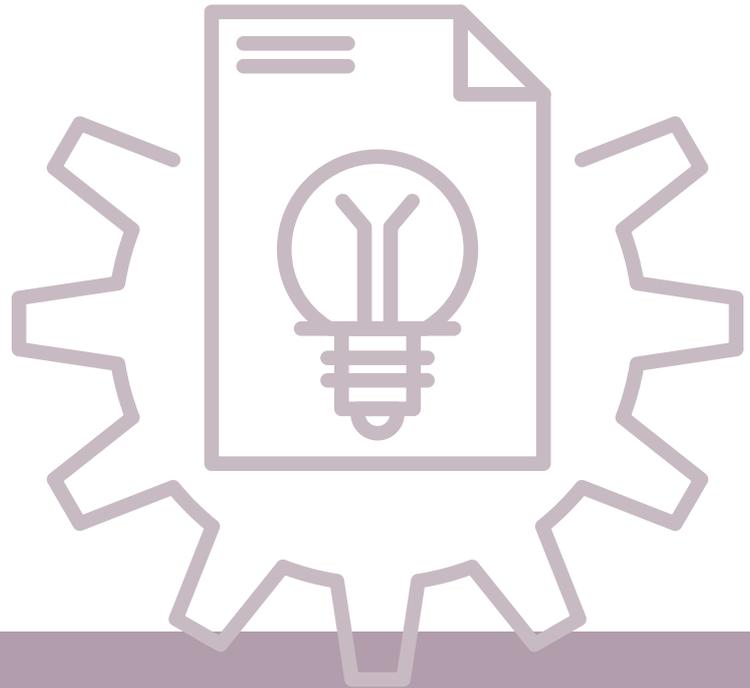


UOP

Upgrading Operational Plan

Objective

To redevelop the management of cooperatives and target producer associations by implementing an operational plan for development and sustainability (UOP) aimed at achieving a clear 3/5-year positioning objective. A support to cooperatives aimed at a) an analysis of the internal challenges, the external context of the market and the competitors; b) the identification of business development opportunities which are relevant to the definition of a clear enterprise objective. The next step is the operating plan of development and sustainability aimed at the definition of the investments in technological innovation of the equipment's and retraining of roles and functional competences. And then to the pursuit of the business objective, consisting in completing the production cycle up to the finished product and selling it at more profitable conditions in national and international markets.



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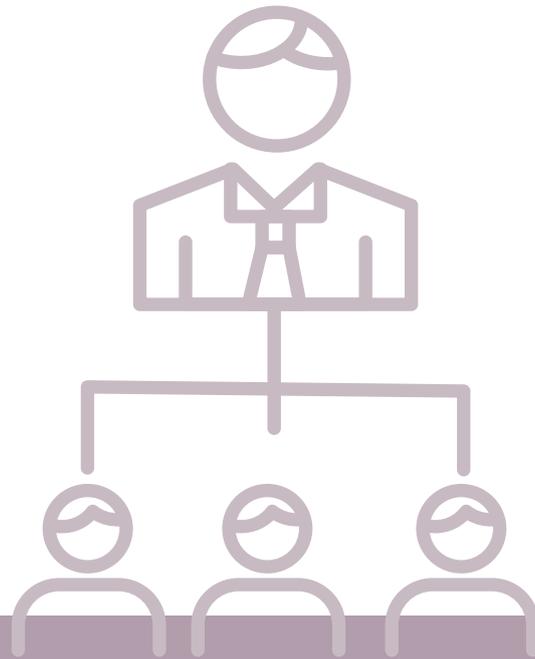
3.1 From the analysis of challenges, internal organisational potential and competitors, to the development of a 3 / 5 year business

Expertise involved

Economy and business administration

This module is based on a support process aimed at a complete analysis of internal challenges and opportunities (focus group discussion) and the study of competitors. The module objective is a clear vision of the existing context and its projection on possible future alternative scenarios on which basing business objectives. A business expert supports this analysis and focuses on possible scenarios suitable for the positioning of the business both in a local and international context. The development of a business idea in the medium term will be the expected outcome at the end of the analysis carried out by the expert: from a business target to the development of action planning.

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3.2 Development and sustainable operative plan - Upgrading Operational Plan as operational planning tool of the business project

Expertise involved

Economy and business administration

This module completes the analysis that has led to the identification of a future positioning of the business in the productive and marketing context both local and possibly international. It is a direct technical assistance program aimed at: 1) profiling the organizational structure at a strategic and operational level, aiming at the objective set. 2) identifying a way to strengthen skills or create new internal competences, also through exchanges of best practices in Europe. 3) identifying new management procedures and a new model of internal governance with clear roles and responsibilities. 4) developing an investment plan aimed at providing the company with tools, plants and equipment for the management of the business and the achievement of the positioning objectives.

A fundamental aspect is the identification of an internal management system through organizational processes (e.g. rules for the delivery of the product including the qualitative assessment in access to the warehouse) and the identification of roles and responsibilities.

The outcome of the module is the definition of an operating plan of development and sustainability based on a medium- and long-term objective, with intermediate assessments and a clear, well defined investment plan for assets and technical assistance, training and exchange of best practices

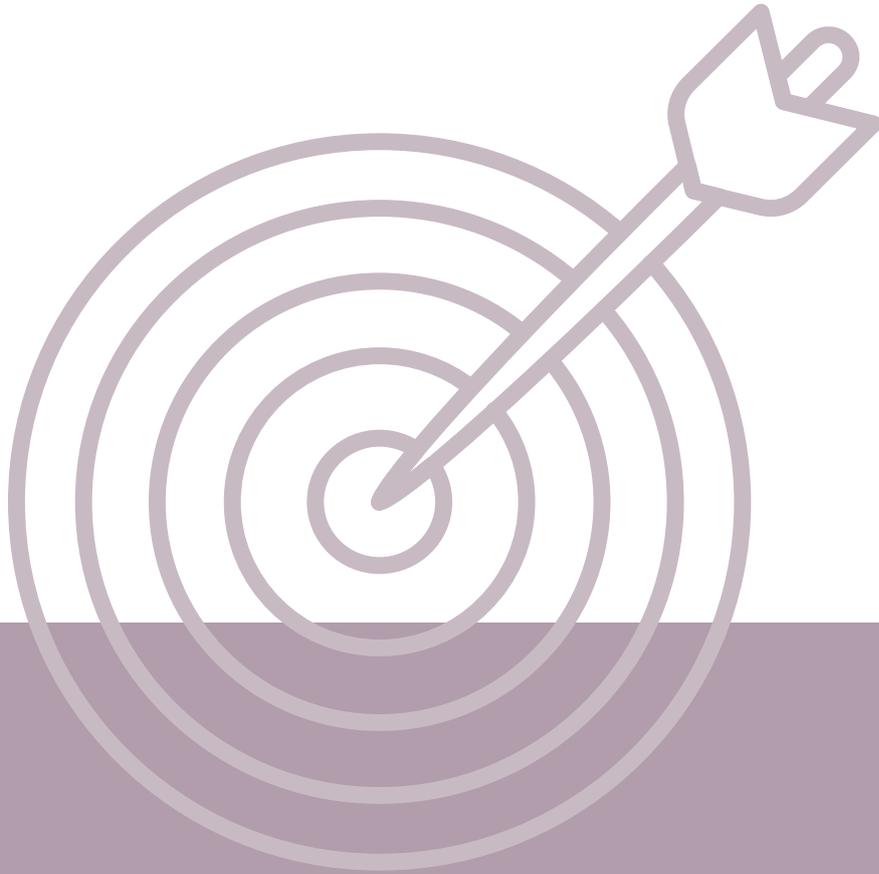
WORK PACKAGE

3.3 Control of management costs as indispensable tool for a business strategy, product sale and delivery management by the cooperative members

Expertise involved

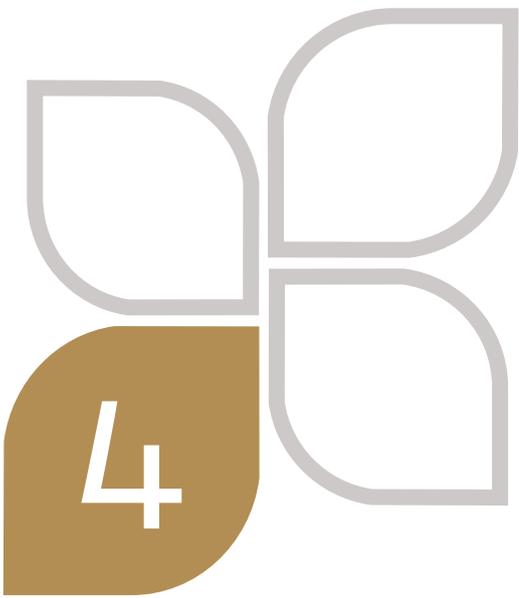
Economy and business administration

This module is based on the identification of the management costs subdivided by cost centres aimed at a clear and transparent knowledge of the expenses to bear during the processes of production and product processing starting from the arrival to the warehouse after the harvest phase. An analysis of direct and indirect costs is essential for the definition of a management model in total transparency and accepted by producer members for a long-term sustainable management of the cooperative/association. The allocation of indirect costs will have to follow rules previously shared and possibly based on objective data. Only after a study of the operating costs it is possible to elaborate the regulations of product delivery and redistribution to shareholders of the proceeds of sales net of cooperative costs. The transparent situation of direct costs and the objective allocation of indirect costs enables a clear picture of the economic situation of the business project and its evolutionary dynamics.

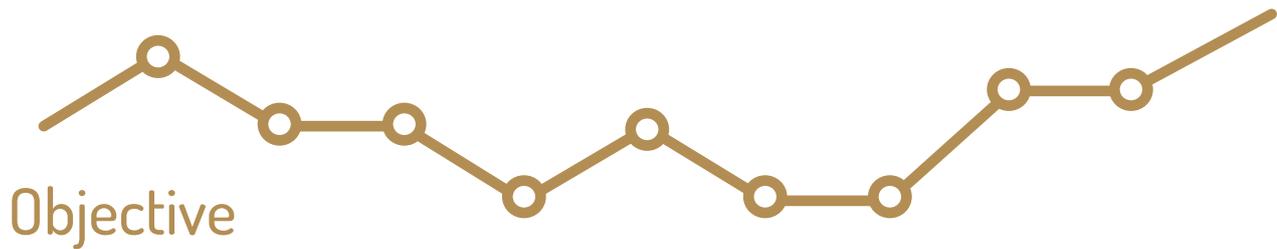


This strategy gives clear directions for the business project and at the same time it lays the foundations for a solid and loyal social life, for an efficient collective management of the processing activities and sale of the product, to the benefit of scale economies and greater profits. In this way small farmers become an active part of the value production chain.





From market analysis to business strategy



Objective

To have a clear vision of the market and of its evolutionary dynamics focusing on the qualitative and quantitative needs of the product. Starting from a market analysis, it is defined a strategy of production reorganization oriented to the buyers' needs: the redevelopment of a marketing strategy aimed at identifying market channels and target product types and the implementation of a communication and marketing plan aimed at promoting the product to potential buyers. A key phase is the participation in international fairs. The activation and the management of marketing channels pass through the identification of a commercial referent and the upgrading of his competences. In this phase the brand development is a fundamental element.

WORK PACKAGE

4.1 Market analysis and potential buyers database definition

Expertise involved

Economist and market analyst

This module concerns an analysis of products demand in both national and international markets.

a) At local level, the study provides for interviews with the main distribution chains, buyers and regional agrifood markets. This analysis is aimed at understanding the product demand as per its varieties and qualitative/quantitative characteristics. This study is able to show for each market the trend in demand and prices basing on product type and timeline, in order to understand how seasonal dynamics could affect prices. This study also provides for an assessment of the packaging and preparation of the product required by customers target groups.. The on-site market study is completed by creating a database of buyers and direct contacts with customers and markets aimed at facilitating the following process of continuous monitoring of the market that the cooperatives commercial referents will carry out in the future.



b) At international level, this study is intended to analyse the global demand in order to identify target markets that are of direct interest to producers, both for higher returns and for the internal and external conditions. The study analyses the reference product trade flows both by volume and by price. The dynamic of the product market is framed through a trade flow analysis of both importing and exporting countries. This analysis is developed by product types: organic, first or second choice, processed or unprocessed. The study also elaborates the reference legislation of importing countries and the required certifications. Starting from this information, the cooperatives referents, assisted by the expert market analyst, can define a marketing strategy and some target markets on which directing their marketing actions and participation to fairs. This study requires the creation of a database of international buyers that undergoes a promotional and marketing campaign aimed at the sale of the product. The market analyst is responsible for transferring to the cooperative commercial manager the competences needed for a continuous monitoring of the market that follows the analysis phase.

WORK PACKAGE

4.2 Market strategy planning and marketing/ promotion plans. Commercial strategy and brand development.

Expertise involved

Promotion and marketing

This module is the first phase after the market analysis and the identification of target markets and it lays the basis for the development or redevelopment of the commercial strategy. Its aim is to define a commercial offer for the target markets that is based on a pricing policy and a market penetration strategy for the access to new sales channels. The development of a promotion and marketing strategy that effectively allows the penetration into the target markets and the opening of new commercial channels, is fundamental for the development of a new brand or the brand redevelopment. Very often the marketing and communication component of agricultural producer organisations is neglected and overshadowed. The development of a brand enables a qualified positioning in the target markets and at the same time it enhances both the identity and the process of productive redevelopment oriented to the quality



that producers are implementing. The development of a brand involves a deep analysis of the producer's identity, the territory and the change in progress. A marketing professional supports this process by highlighting the criteria for approaching the needs of national and international markets. The development of a brand is followed by the development of a brand book, that is, a set of guidelines for the use of the brand and its image through a digital communication system. The module ends with the definition of a promotion and marketing strategy that provides a continuous distance support for the design of personalised promotion campaigns through digital tools and is aimed at each of the identified market targets. The promotion and marketing strategy cooperates with the management as for the respect of price policy and the business plan, as well as the market objectives that will be gradually pursued in the medium term.

WORK PACKAGE

4.3 Market strategy planning and marketing/ promotion plans. Planning and management of the relationships with buyers , participation in international fairs and organisation of meetings with traders.

Expertise involved

Economics. Promotion and Marketing

This module provides for the definition of concrete actions for the activation of the commercial strategy to be developed with diversified instruments and actions. The search for new customers involves an evaluation of target customers and an action planning aimed at building solid business relationships. The action scheme implies an in loco evaluating process carried out by an expert and producers' commercial referents that analyses the situation and plans the start-up route, management and monitoring of results by ensuring a continuous online support. The use of digital communication tools (website, promotional newsletters) and specific promotion



and marketing actions (participation in international and national trade fairs, meetings with traders and buyers both on site and abroad) is envisaged to organize events for the products presentation and the commercial proposal. The strategy is carried out by market experts through exchanges of best practices with Italian agrofood cooperatives following a quality and market-oriented approach. The use of digital tools and the implementation of continuous promotional campaigns through newsletters aimed at target customers enables communication aimed at building customer loyalty to the product and the project. The participation in international trade fairs allows to reach a multiplicity of potential buyers but also to analyse competitors business strategies and acquire competences coming from leaders in the sector. Finally, the organization of events with buyers in the production areas, enables a presentation of the product and the requalification strategy aimed at achieving new quality standards. These meetings are meant to retain customer loyalty and to build solid business relationships.

PREVIOUS EXPERIENCE OF THE JOHN PAUL II FOUNDATION IN THE EXECUTION

Support for the production, management and commercial reorganization of Palestinian and Egyptian date producers cooperatives (AID 010601)

FINANCIAL ASPECTS	1.298,20 € (X 1000 Euros)
TERRITORIAL AREA	Palestinian Territories and Egypt
DURATION:	3 years
START DATE:	2016
START DATE:	2019
FUNDING SOURCES	Italian Agency for Development Cooperation (AICS)
FGPII ROLE	Implementing body
DESCRIPTION	Creation of a network of national and international partners aimed at strengthening the model of governance and the date producers' capacities in production, managing and marketing field. Improvement of the Chamber of Commerce officials' capacities for the support to the local entrepreneurs and the access to more sustainable and profitable international markets.

International network for the sustainable development and production, managing and marketing innovation of small farmers in the cherry agri-business supply chain in Lebanon

FINANCIAL ASPECTS	1.422,10 € (X 1000 Euros)
TERRITORIAL AREA	Lebanon, Bekaa Valley,
DURATION:	3 years
START DATE:	2017
END DATE:	2020
FUNDING SOURCES	Italian Agency for Development Cooperation (AICS)
FGPII ROLE	Implementing body
DESCRIPTION	Creation of a national and international network of services aimed at supporting the management, production and marketing upgrading of small cherry farmers and their cooperatives governance in order to improve the quality and profitability of their products. The project also supports public entities that provide services to farmers.

of initiatives in the agribusiness sector

Improvement of product quality and production, managing and marketing innovation of small farmers in the apricot agri-business supply chain in Lebanon as a means for a sustainable and inclusive rural economic development.

FINANCIAL ASPECTS 1,450,00€ (X 1000 Euros)

TERRITORIAL AREA Bekaa Valley, Lebanon

DURATION: 3 years

START DATE: 2017

START DATE: 2020

FUNDING SOURCES Italian Agency for Development Cooperation (AICS)

FGPII ROLE Implementing body

DESCRIPTION The project aims at improving the quality and sustainability of the production, managing and marketing management of small producers clusters in the apricot agricultural supply chain in the Bekaa Valley in Lebanon and it is carried out through technical assistance activities, training and exchange of best practices aimed at product quality improvement and access to more profitable markets. It is developed in three components addressed to small farmers clusters and aimed at favouring their managing, production and marketing requalification and a governance component aimed at influencing local public institutions on issues related to the implementation of the legislation on cooperativism and the creation of support services to small farmers.

Promotion of Aloe Vera agri-business supply chain through the implementation of a pilot project aimed at supporting small farmers cooperatives in the Karak area in Jordan

FINANCIAL ASPECTS 1,080,00€ (X 1000 Euros)

TERRITORIAL AREA Jordan, Jordan Valley and Plateau

DURATION: 3 years

START DATE: 2018

END DATE: 2021

FUNDING SOURCES Italian Agency for Development Cooperation (AICS)

FGPII ROLE Implementing body

DESCRIPTION The action aims at promoting the start up of the production supply chain of Aloe for marketing purposes and for the development of rural areas affected by climate change and economic crisis caused by the conflicts in the Middle East. The project makes use of the collaboration of international and local scientific partners and civil society and encourages the aggregation and improvement of the productive, managing and marketing skills of small farmers, with a focus on women that operate in the semi-arid areas of the Jordan Valley and the Plateau area on the border with Syria. The project is based on the principle of quality and environmental sustainability through a market-oriented agro-ecological approach and social inclusion.

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**SMALL
FARMERS**



**JOHN
PAUL II**
FOUNDATION

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