

## Theme: Agriculture

# Smallholder farming in Asia - pathway to food security and sustainable agriculture

## 1. Rationale

A key challenge in Asia is how development of smallholder farming can contribute to food and nutrition security, poverty reduction and sustainable agriculture. Eighty percent of the farmland in Asia and sub-Saharan Africa is managed by smallholders. In poor countries, livelihoods of 2.5 billion people depend on the food and agriculture sector and, among those, 1.5 billion people are smallholders who provide up to 80 percent of the food supply in Asia.<sup>1</sup>

Despite their important role in food security and sustainable agriculture, smallholders are the most food and financially insecure, given an array of challenges including lack of human capital, limited access to infrastructure, markets, technologies, financing, market price information, lack of national policy support, lack of access to land and emerging climate change risks.

As a result, the potential of smallholders to enhance food security and sustainable agricultural development is inhibited by poverty. Improving production capacities and the resilience of smallholder farmers is essential for food security, poverty reduction, job creation and sustainable growth in Asia. Empirical evidence shows that agricultural growth in smallholder farming can be 11 times as effective in reducing extreme poverty as growth in other sectors.<sup>2</sup> In 2017, the United Nations proclaimed the United Nations Decade of Family Farming (2019-2028), placing family farming at the centre of the international agenda to achieve positive change in the global food system. Supporting smallholder farming also plays a crucial role to meet the 17 Sustainable Development Goals (SDGs), including important targets such as Zero Hunger, No Poverty and Gender and Social Equality by 2030.

## 2. Description

SEI is calling for submission of concept notes on a regional event which will address the issue of smallholder farming in the context of sustainable agriculture and food security in Asia; and explore innovative solutions, collaboration and partnership among different sectors and stakeholders. The regional event can be in the format of a policy dialogue, conference, or multi-stakeholder forum. It is encouraged that innovative formats be used for a regional dialogue on the topic of interest are proposed. It can be a one-off event, but preferably a part of a series of events.

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<sup>1</sup> Smallholders and family farmers, FAO:

[http://www.fao.org/fileadmin/templates/nr/sustainability\\_pathways/docs/Factsheet\\_SMALLHOLDERS.pdf](http://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf)

<sup>2</sup> Food and nutrition security and role of smallholder farms: challenges and opportunities, European Commission: <https://ec.europa.eu/jrc/en/publication/food-and-nutrition-security-and-role-smallholder-farms-challenges-and-opportunities-workshop>

The event is expected to focus on either one or more of the themes described below. (Applicants are encouraged to contact SEI for further discussion about the format and content of the event if they wish to adopt a theme which is not listed below.)

### **1) Improving financial services through digital technologies and data**

Demand for capital investment and sustainable financial services is remarkably high in rural areas to achieve growth in the agricultural sector. However, smallholder households in developing countries lack the required capital investment and access to financial services for sustainable agricultural development. It is estimated by FAO that most smallholder farmers are marginalized from formal market systems and financial services.<sup>3</sup> Digital technology is a potential game changer for improving the inclusion of smallholder farmers in financial services and value chains. A range of digital financial services have been launched in recent years aimed specifically at smallholders. Despite plentiful challenges, there is widespread interest in exploring digital financial services to overcome traditional economic and cultural barriers that currently limit smallholders. The proposed event may wish to explore and discuss how feasible, scalable and accessible financial technologies and innovations can be to support sustainable livelihoods. Potential topics for further discussion may include how data and digital technologies can be leveraged to enable new financial products and services for smallholders; how further data, research and evidence-base for financial technologies and innovations can be built to persuade businesses, financial investors and policymakers; how interventions for promoting financial inclusion in rural households can be informed by understanding the demand and drivers of innovation; how good governance and policies can be built to ensure appropriate legal frameworks and an enabling environment; how the inclusion of vulnerable groups such as women, youth and minorities can be addressed with the support of digital financial services.

We are interested to see the event as a space to promote public-private cooperation and dialogue and understand the perspectives and needs of diverse stakeholders including the private and financial sectors as well as non-financial service providers.

### **2) Public-private farming partnership**

The pursuit of sustainable agricultural development with the inclusion of smallholders has been slowed down by the gap between high demand for investment and low public budgetary allocations to the sector in developing countries. Innovative public-private partnerships that bring together business, government and civil society actors are increasingly becoming a mechanism to address this problem. The proposed event may explore and discuss four areas for potential partnership: (1) developing sustainable and transparent agricultural value chains; (2) conducting joint research focusing on innovation and technology transfer in agriculture; (3) building and upgrading market infrastructure and (4) delivering business development services to farmers and small and medium enterprises. Suggested topics to be covered in the event can include youth-led and/or female-led agribusiness, best practices of partnerships in supporting the growth of smallholder farming; holistic approach to supporting the design and implementation of partnership programmes; regulatory and institutional frameworks to enable the partnership arrangements; governance issues such as transparency, accountability and

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<sup>3</sup> New trends in agricultural finance, Global Partnership for Finance Inclusion: <https://www.gpfi.org/sites/gpfi/files/documents/02-New%20Trend%20Agricultural%20Finance%20Report-Final-LowRes.pdf>

inclusion of vulnerable groups; potential for replication and scaling up in the regional context; and the incorporation of financial institutions in partnerships.

### 3) **Social inclusiveness in smallholder farming**

The 2030 Agenda for Sustainable Development seeks to ensure that the SDGs are met for all segments of society, with a particular focus on most vulnerable groups. Smallholder agriculture presents a huge potential to meet the food security needs of millions of people in developing countries in Asia. However, the full development potential of smallholder farming will be constrained without the inclusion of vulnerable groups.

Women comprise approximately 43% of the agricultural labour force in developing countries and up to almost 50% in East and Southeast Asia. About 68% of working women in extreme poverty are found in the agricultural sector.<sup>4</sup> In addition, rural populations are ageing across the world while agriculture continues to be the most important source of employment for older people in low and middle-income countries. In Asia, 75% of economically active people over 60 identify agriculture as their primary source of income. The data shows that agriculture is particularly important for older women, with 62% of economically active older women in Asia citing agriculture as their main source of income.<sup>5</sup> In many countries in Asia, the marginalization of the poorest of the poor is linked to “land grabbing” by both the state agencies or large agrobusiness conglomerates, combined with the lack of access to land, and formal land-use rights.

In ASEAN, the biggest problem smallholders face is lack of access to sufficient land along with insecurity of land tenure. Smallholders either own a limited amount of land; rent land; or, in many cases live on land they do not legally own.<sup>6</sup> Hence, these vulnerable groups have differential access to agricultural resources for productivity improvement and different adaptive capacity in face of changes and challenges. This challenging reality demands attention and solutions from policymakers and practitioners in supporting an inclusive approach to smallholder farming and enhancing the resilience and empowerment of communities that are facing multiple vulnerabilities. This theme seeks to discuss and develop a better understanding of impacts, opportunities and constraints that the vulnerable groups face in the context of smallholder farming development in the region by bringing together a range of stakeholders from governments, donors, international and national non-government organizations, and the private sector.

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<sup>4</sup> Smallholders and family farmers, FAO:

[http://www.fao.org/fileadmin/templates/nr/sustainability\\_pathways/docs/Factsheet\\_SMALLHOLDERS.pdf](http://www.fao.org/fileadmin/templates/nr/sustainability_pathways/docs/Factsheet_SMALLHOLDERS.pdf)

<sup>5</sup> The aging of rural populations: evidence on older farmers in low and middle-income countries, Help Age International: <https://www.helpage.org/silo/files/the-ageing-of-rural-populations-evidence-on-older-farmers-in-low-and-middleincome-countries.pdf>

<sup>6</sup> Common challenges of smallholders in ASEAN: Lacking access to land, water, market and state: Environmental Governance and strategies for sustainability in the Lower Mekong basin: [https://www.researchgate.net/publication/329627127\\_Common\\_Challenges\\_of\\_Smallholders\\_in\\_ASEAN\\_Lacking\\_Access\\_to\\_Land\\_Water\\_Market\\_and\\_State\\_Environmental\\_Governance\\_and\\_Strategies\\_for\\_Sustainability\\_in\\_the\\_Lower\\_Mekong\\_Basin](https://www.researchgate.net/publication/329627127_Common_Challenges_of_Smallholders_in_ASEAN_Lacking_Access_to_Land_Water_Market_and_State_Environmental_Governance_and_Strategies_for_Sustainability_in_the_Lower_Mekong_Basin)

### 3. Expected results

The proposed event is expected to achieve one or more of the following outcomes:

- Highlight the importance of smallholder farming towards a more sustainable agricultural development, food security and poverty reduction in Asia
- Explore technological, financial and institutional innovations and solutions to support the development of smallholder farming in the region
- Explore inclusive approaches to smallholder farming development which bring about benefits for the next generation and vulnerable groups, particularly youth, women and the rural poor
- Inform and contribute to current research, practices and policies with regards to smallholder farming development in the region

The event will create a space for dialogue, learning and discussion of collaborative approaches to smallholder farming development among different stakeholders and sectors, including the private and financial sectors, governmental agencies, and vulnerable groups. It is also expected that the event will bring about concrete recommendations in terms of practices and policies to further the development of smallholder farming in Asia.

In addition to the expected results, the event is expected to provide these outputs:

- A detailed report that captures the key discussion outcomes regarding the current situation, opportunities, challenges and recommended ways forward for smallholder farming in Asia. The report is also expected to outline any possible follow-up actions and collaborations emerging from the event.
- A proposed communication plan which may include the following elements: **what** are the communication products, **who** the communication products are targeted at, **when** and **how** the communication products are delivered to targeted audience. Other communication outputs such as social media and newspaper or web articles are encouraged to inform and raise awareness among a wider audience about the importance of smallholder farming in Asia, as well as key recommendations put forward from the event. The communication plan may also consider other tools such as policy briefs for the purpose of policy advocacy.

### 4. Theme-specific criteria

The successful event proposal will meet the following criteria:

1. Multi-stakeholder engagement and inclusiveness: Multi-sectoral collaboration should be at the centre of the agenda. The event needs to engage with a wide range of stakeholders from different sectors, groups and different levels such as government, private sector, international organizations, civil society, farmer organizations, representatives from smallholders and vulnerable groups, research institutes and think tanks, associations and networks. This includes the human rights sector and an approach to pursue integrated solutions that can improve the protection of both environment and people, and/or (at least) avoid systems and policies that harm human rights.
2. Potential impacts for changes in policy and practice: The event should potentially lead to concrete actions or recommendations for changes in policy and practice with regards to smallholder farming development in Asia. Contributions to specific policy

frameworks is an advantage. The proposed initiative will ideally deliver impacts at the regional level, including but not limited to alignment with the regional strategic agenda, processes and development frameworks such as the Sustainable Development Goals; engaging with regional bodies, networks and alliances; empowering marginalized groups particularly youth and women, and contributing to enhanced regional synergies.

3. Feasible, scalable, accessible, inclusive and contextualized innovations or approaches: the proposed event ideally discusses and explores innovations and approaches to promote the development of smallholder farming which are feasible, scalable, accessible and inclusive in the context of the region.