

LEGEND State of the Debate Report: Promoting More Inclusive Business Models in Agriculture

Terms of Reference

Background

LEGEND and the State of the Debate Report

The DFID-funded programme — Land: Enhancing Governance for Economic Development (LEGEND) — aims to provide a unique contribution towards improved knowledge and practice as a global public good. LEGEND aims to mobilise knowledge and capacity for design and delivery of new DFID country programmes, improve land governance as an essential and inclusive basis for economic development, and strengthen land and property rights at scale. Through building policy coherence globally and stimulating innovation across civil society, private sector and sector at country and local levels, LEGEND aims to improve the quality and impact of land investments of all kinds so they contribute sustainably to growth while safeguarding rights and opportunities for poor people — rural and urban — especially women.

The State of the Debate (SoTD) report is an annual contribution from the LEGEND programme towards global discussions about how to realise improved land governance and better quality land investments. The SoTD aims to take stock of where the debate is on different themes relating to this — capturing different voices on the debate — and charting ways forward. Whilst not being a systematic review of the evidence or creating new empirical research, it is a carefully thought-through overview of the debate in the literature and amongst stakeholders, which may establish a new conceptual lens for analysis and provides ways of bringing in a plurality of different and perhaps conflicting views.

Inclusive business models

The concerns raised by the recent wave of large-scale land acquisitions for agribusiness investments gave rise to calls for more inclusive models for commercial agriculture. Some concerned observers have called for companies to eschew consolidating land into large estates under corporate holdings, and instead source produce from local suppliers under various contractual arrangements. However, it is not clear that any one model of production is consistently able to deliver better opportunities and outcomes than others for neighbouring rural dwellers.

The notion of ‘inclusive business models’ has gained traction globally, but there is still little international consensus or critical analysis on what makes investments more or less ‘inclusive’ and how to measure inclusivity. At the same time, a growing body of research and practice provides useful pointers, and debates about inclusive investments in agriculture have evolved considerably in recent years.

Aim of the report

The LEGEND ‘State of the Debate 2017’ report aims to summarise the latest thinking on inclusive business models for agribusiness investments, draw lessons from recent experience and chart ways forward for policy and practice.

Scope of work

The report will provide a critical review of how the literature defines inclusivity and measures it – and the level of consistency and precision across the different conceptions. It will bring together different voices of stakeholders to check against the interpretations drawn from the literature, and clarify what scope there really is for businesses and governments to make agricultural investments more inclusive (with reference to different kinds of supply chains/business models) and possible incentives/levers to make this happen in practice.

Given the focus of LEGEND on land governance and responsible private investment, the report will need to highlight the role of land in relation to other factors. The report also aims to go beyond the views of responsible investment of “doing no harm”, highlighting positive benefits for and win-win scenarios for those who might lose land rights or access to and quality of natural resources as a result of agribusiness investments.

The report should focus on the production and sourcing of raw materials rather than on production alone. Inclusivity and the room or scope to increase it is, to a large extent, a function of how the upstream part of the supply chain is structured, which is in turn shaped by different product and processing characteristics. This leads to some broad ‘types’ of supply chains and the report should aim to identify these recognising their significant dependency or relationship with these characteristics to provide some useful and grounded ideas on how what increased inclusivity would mean in each of these contexts.

The report should focus on four questions:

1. How are different supply chains structured to produce and process agriculture products? Land use and access will be key but there will be other factors as well.
2. What are the economic, social/political and technical drivers (incentives and pressures) for these businesses to produce/source raw materials in a particular way?
3. What are the implications of these approaches for “inclusivity” (and what implications does this have for land)? This requires a discussion of the key characteristics of inclusivity and different interpretations of this to propose a working definition of this. How do we know if benefits have been shared *fairly* and with *whom*?
4. What are the policy implications of this? What is realistic to demand of businesses, and what are the opportunities and challenges associated with this?

The author(s) should:

- Outline the background and context for the discussion on inclusive business models.
- Produce a framework to conceptualise inclusiveness as it applies to agricultural investments, referring to both the literature, and to how practitioners and businesses use and understand the term. This should consider inclusiveness in terms of both processes and outcomes, and should seek to look at inclusiveness for different groups in rural societies. The gender dimension of inclusion and how the land acquisition and use requirements of different business models can affect the gendered dynamics of local development is an important part of this.

- Use the conceptual framework to identify a typology of business and partnership models for responsible agricultural investment, and the circumstances under which they can be more or less inclusive.
- Summarise the latest thinking and evidence on inclusive business models, types of interventions and policy measures adopted to promote them.
- Comment on the uptake of inclusive business models and report on areas of consensus, areas of disagreement, areas of uncertainty on what works, and why.
- Identify next steps for policy makers, private sector, producer organisations, lenders, donors and civil society.

Methods

Sources of information

The author should base the paper on an extensive review of existing documents (both research and “grey” literature); material and perspectives shared at international conferences and colloquia; and interviews with key participants in the sector including businesses, NGOs, producer organisations and funders. Developing a clear conceptual framework for analysing the material is a key part of the assignment.

The author should propose a detailed methodology, conceptual framework and an annotated report outline and provide actionable recommendations.

Engagement with the CLST and wider stakeholders

The consultant will be expected to engage closely with the LEGEND CLST throughout the assignment. The consultant will liaise closely with the task leader (Anna Locke) and principal advisor (Lorenzo Cotula) at the outset of the assignment to define the approach, key parameters, content and targeted bodies of work to consider and communicate regularly on the direction of the assignment. The CLST advisory committee will also provide input at key junctures. Input from the task leader and advisory committee will be and the consultant should plan to work independently to review the literature and interview key informants.

The consultant will also be expected to engage with the private sector and outside voices working on this, such as Bill Vorley (IIED), Colin Poulton (SOAS) and Steve Wiggins (ODI) through interviews. The Interlaken Group may be used as a sounding board to capture both private sector and civil society voices, facilitated by DFID and the CLST.

Outputs

- An annotated outline and methodology for the study.
- A draft and final 40-page maximum State of the Debate report in English summarising findings. This should include a 1-2-page executive summary with recommendations for policymakers and other key stakeholders.
- The author may be requested to participate in efforts to disseminate the report following production. However, this should not be considered when submitting the proposal.

Key milestones

December 19 th 2016	Annotated outline and methodology
February 10 th 2017	First draft report
March 3 rd 2017	Revised draft report
April 7 th 2017	Final report and sign-off

April 25th 2017
April 27th 2017

Publication of State of the Debate report
Dissemination

Consultant Profile

The consultant will be familiar with investment models, partnership approaches, small- and large-scale production models, and policies and programming in the agricultural sector globally. Good knowledge of the relevant literature is fundamental.

How to apply

Please submit an expression of interest to Nehal Gupta-Hocking n.gupta-hocking@odi.org.uk by December 8, 2016. This should include a 1-2 page statement setting out the author's experience and understanding of the subject matter, and how they propose to carry out the assignment. This should also include a financial proposal. Please note that the proposed budget should not exceed £24,000. Proposals will be assessed on a combination of quality and cost.