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COMMITTEE ON COMMODITY PROBLEMS

JOINT MEETING OF THE THIRTY-NINTH SESSION OF THE INTERGOVERNMENTAL GROUP ON HARD FIBRES AND THE FORTY-FIRST SESSION OF THE INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

Tanga, United Republic of Tanzania, 15-17 November 2017

A BOTTOM-UP PARTICIPATORY FORESIGHT APPROACH FOR JUTE, ABACA, COIR, KENAF AND SISAL LEADING THE WAY FORWARD TO 2030¹

I. INTRODUCTION

1. The key objective of this project is to improve the process of collective reasoning of the past, present and the future of the jute, abaca, coir, kenaf and sisal (JACKS+) fibre sector by the FAO Intergovernmental Group on Hard Fibres and the Intergovernmental Group on Jute, Kenaf and Allied Fibres (IGG/HFJU).

2. This report presents a foresight framework that can be used to generate insights into the JACKS+ fibre sector collectively and to facilitate the process of consensus building. It seeks support of the IGG/HFJU to initiate implementation of activities, emphasising institutionalization of the approach and capacity development.

3. There is still limited empirical evidence on the economic importance of these commodities despite their obvious potential to alleviate hunger and poverty. At the same time, demand for and the potential of using these materials is steadily rising and trade in these products, in both primary and processed forms is becoming increasingly complex. This warrants further attention and analysis. As traditional economic models are not always able to capture these changes and complexities, a new approach to analysis and projections is warranted. To this end, a participatory bottom-up foresight approach is proposed which aims to improve and complement forecasts and helps the IGG/HFJU to meet its objectives.

¹ This document was submitted by Mr Dilip Tambyrajah, International Natural Fibres Organization.

4. The aim of IGG/HFJU is to proactively and collectively shape the future of the JACKS+ fibre sectors. The sectors could contribute towards green economic and sustainable development by strengthening income generation, safeguarding environment and enabling food security.

5. Since 2009, the IGG/HFJU has articulated several areas for action but could not make progress due to many constraints. Finally, the various options were narrowed to two focus areas, as proposed in the report “Now, the time to act”. The key proposal was a bottom-up participatory approach to enhance the group’s foresight capabilities. The second core area proposed was Research and Development and Sustainable Development Systems including standards, which, however, is not the subject of this report.

6. At the IGG/HFJU meeting held in Colombo in November 2015, the Group discussed and endorsed the report “Now, the time to act” and recommended follow-up actions. The 71st session of Committee on Commodity Problems, held in Rome in October 2016, also endorsed the report of IGG.

7. The key purpose of this document is to seek further support of the IGG-JACKS+ to:

(1) Accelerate actions needed to start a programme aimed at generating information based on the foresight framework that is presented in this report.

(2) Initiate capacity development in foresight thinking and its use to support policy and strategy development, at collective and national levels.

(3) Institutionalize this activity to ensure its sustainability.

(4) Take actions to generate the resources needed, both financial and human.

(5) Based on outcome of these activities initiate production of a flagship publication “The State of JACK+ Fibers 20XX”.

II. BACKGROUND: STATISTICS AND PROJECTIONS OF JACKS+ FIBRES

8. Since the formation of the IGG Hard Fibres in 1966 and the IGG² Jute, Kenaf and Allied Fibres in 1963, a key function of these platforms has been to keep members “informed” about market developments. In the early years these two IGGs, the main concern was about commodity-dependent developing countries. The IGGs discussed quotas and informal indicative price arrangements, which were considered the mechanisms to manage supply and demand. The discussions focused on jute and sisal and less on abaca and coir. Statistics related to production, exports, buffer stocks and “consumption” could have played a role in these deliberations.

9. In addition to providing trade statistics, the FAO started to produce “projections”³ and quantitative prospects on the commodities. While quantitative data is fully recognized as essential for evidence-based policymaking and strategy development, discussions are needed on how quantitative methods could be improved and tailored for the JACKS+ sector. Given the lack of experience of the

² IGGs are platforms through which producing and consuming countries of the commodities meet regularly to deliberate on matters related to, amongst others, international commodity agreements.

³ A multi-country partial equilibrium model of raw fibres and fibre good markets is used as a basis for FAO projections. Supply is calculated on the basis of area and yield, driven by prices, costs and changing technology, except in the case of coir, which is a by-product of coconut production. Demand is driven by income and population, and prices of substitutes, in particular synthetic fibres. Trade is driven by relative country prices and tariffs. Projections have been adjusted by the judgement of FAO experts. The foresight approach will complement this quantitative approach towards a more holistic analysis of the natural fibres industry.

JACKS+ group in this area, also a capacity development effort is needed to complement the expertise available within FAO.

10. This project aims to fulfil the request of IGG/HFJU members to broaden and improve the “scope of information” generated towards more than the current trade related statistics and projections focus. The foresight approach, which includes the use of both qualitative and quantitative tools, will generate information that could satisfy the needs of the JACKS+ fibres Group for evidence-based policy making.

III. THE PROPOSED FORESIGHT FRAMEWORK: BOTTOM-UP PARTICIPATORY APPROACH

A. THE FOUNDATIONS

11. In a group setting of IGG/HFJU people involved perceive and interpret differently the past and present. They implicitly form ideas leading to different notions of the future(s). Participants may emphasize or have different ideas about the time horizons of events. Some may consider the future as the continuation of the past, which could block their capacity to form new perspectives. Therefore mechanisms are needed to align and unify, as much as possible, the various perspectives of the members regarding the developments thus enabling them to act effectively and efficiently. Consensus about what is being observed is needed to enable collective actions.

12. To structure the process, a foresight framework, consisting of a 2-stage approach, is proposed to enable analysis and consensus building.

13. The first stage of the proposed framework is about achieving three key (meta) objectives:

- Understand the multiplicity of futures, caused by human action, and develop self-confidence to conceive and shape them.
- Arrive at a consensus that one of these futures is the most preferable outcome. Use this as the guiding vision for the JACKS+ fibres future actions. Be prepared for the “other less preferred futures” that will unfold. This through a process of continuous strategic conversations.
- Engage in strategic, bottom-up and participatory, conversations about capacity building, collective and individual learning, network forming, knowledge generation and institutionalization. This ensuring a sustained institutional memory of the JACKS+ fibres.

The first stage is about strengthening and developing the collective capabilities towards strategically understanding the contextual environment that is and will shape the future of JACKS+ fibres. To make the process results tangible, it will be codified into a document suitable to communicate the state and future of the JACKS+ fibres. Based on the outcome of the first stage, strategic plan(s) for action could be developed in stage two.

B. THE TWO STAGES PROCESS: UNDERSTANDING THE CONTEXTUAL ENVIRONMENT AND STRATEGIC ACTION PLANNING

14. Figure 1 shows diagrammatically the foresight framework for JACKS+ fibres. A two-step process is proposed in order to manage the process and mobilize the necessary resources. The stages are:

- Stage 1: Understanding the contextual environment shaping the JACKS+ fibres sector.
- Stage 2: Strategic actions and programmes to be planned at collective level of IGG/HFJU and inputs for national level planning.

15. The demarcation and the reasons to consider the contextual environment are provided in Appendix 1. Each aspect shown in Figure 1 will be briefly explained in section 3.3 for a better understanding of the framework.

16. Further discussions amongst the members of the IGG/HFJU are encouraged on the need for JACKS+ fibre industry level analysis. This analysis could be conducted at a collective fibre and country level and focus on the structure and composition, technology level, R&D capabilities, investment levels, human resources, degree of organization etc.

FIGURE 1: PROPOSED FORESIGHT FRAMEWORK

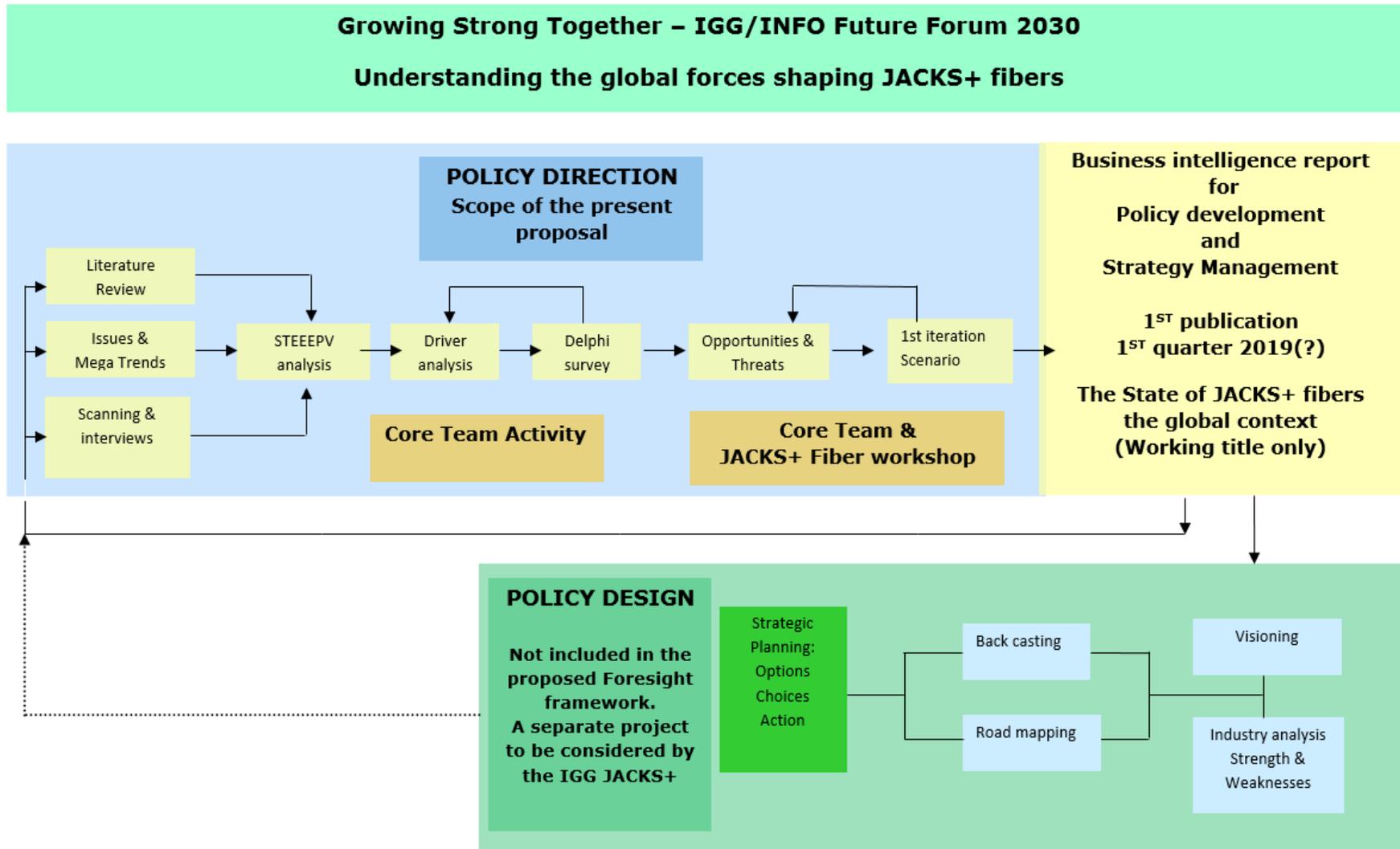


Table 1. The summary description of the framework

Stage	Methods and tools	Remarks
<p>Intelligence gathering: Scanning and surveying to establish basic knowledge about trends, weak signals, their future direction of development and mutual appreciation of situations, issues, influencing factors and uncertainties. It is about understanding how the systems work and behave.</p>	<p>Literature reviews</p> <p>Interviews</p> <p>Technology and Markets scanning.</p> <p>Mix of instruments consisting of</p> <p>Bibliometric and (big) data mining in domains of business and technology. Network analysis and visualization etc.</p> <p>Delphi survey.</p> <p>Profiles and number of participants will be decided later.</p> <p>Cooperation and support of the JACKS+ fibre group is essential to successfully conduct the survey.</p>	<p>The key focus: Environmental Scanning (ES), particularly the Contextual environment of JACKS+ fibres.</p> <p>For analytical purposes the ES will be characterized as Social, Technological, Environmental, Ecological, Economic, Political and Values (STEEEPV). This will be combined with generic “Mega trends” relevant to JACKS+ fibres.</p> <p>Delphi survey to solicit the opinions and judgement of experts operating in the JACKS+ Fibre domains. Aimed at developing ideas about the likelihood of developments, when particular developments might happen and assessment of impact. The survey could assist in obtaining view-points on priorities.</p> <p>Leiden workshop of 20 and 21 April 2017 resulted in group consensus about the need for insights in the relationship between the UN Sustainable Development Goals (SDGs) and JACKS+ fibre sector.</p> <p>Climate Change and its impact on JACKS+ fibres.</p> <p>Horizon Scanning (HS) exercise could be undertaken to address both domains.</p> <p>IGG decision needed to develop the HS exercise.</p> <p>Capacity development and institutionalization will enable the JACKS+ fibres group to undertake foresight activities both collectively as South-South-North network and at country level.</p> <p>HS in both domains is suitable for action learning during capacity development.</p> <p>Consensus must be reached at a key domain: Science, Technological and Innovation. On-going discussions since 2009 about this domain. To be resolved at IGG meeting.</p>

Table 1. The summary description of the framework (cont'd)

Stage	Methods and tools	Remarks
<p>Imagination: Creativity and modelling in the efforts to grasp the underlying dynamics of the system</p>	<p>Scenarios development with mainly qualitative modelling.</p> <p>Impact analysis to examine the interrelationship between variables as judged by experts on JACKS+ fibre domain.</p> <p>A method for quantitative modelling is to be decided.</p>	<p>The scenarios to be based on the data from the intelligence gathering stage will be descriptive in nature. It will be a combination of exploratory and normative approaches i.e. hybrid. A 2 x 2 or even a 2 x 2 x 2 matrix could be considered.</p> <p>Existing quantitative modelling tools used by the FAO may be considered provided they are robust and JACKS+ fibre specific. The models must be subjected to systematic verification by the JACKS+ fibre group in cooperation with the FAO experts.</p>
<p>Integration: Appraisal in which the possible futures arising from the dynamics and developments have been considered and delineated</p>	<p>SWOT analysis</p>	<p>The scenarios developed in the imagination phase will be the backdrop to examine the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the JACKS+ sector.</p> <p>Based on this a narrative could be articulated as where the JACKS+ fibres could be in the year 2030.</p> <p>The results of this exercise will be the “raw information” and basis to produce the flagship publication.</p>

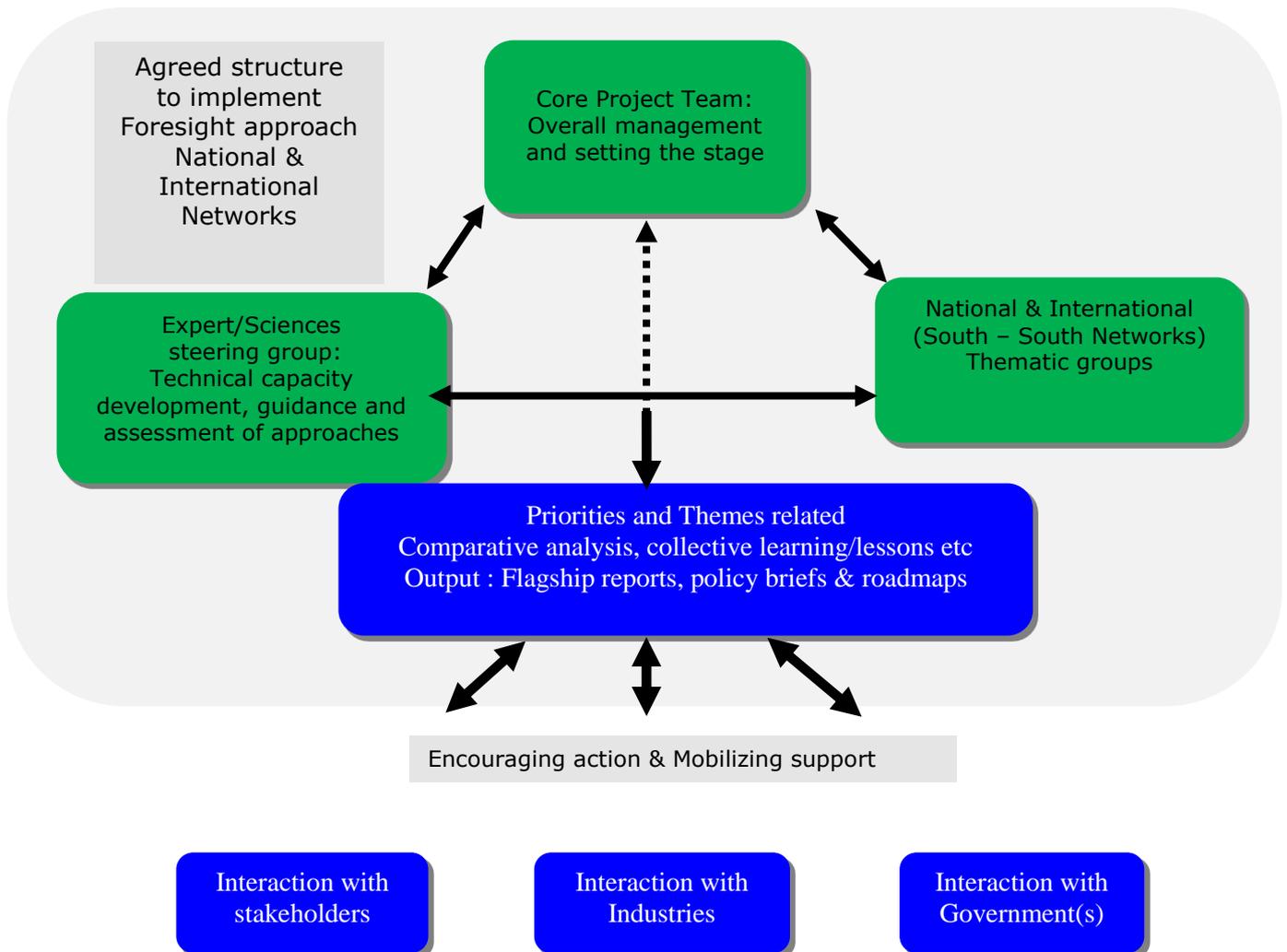
Source: Column 1, loosely based on Ian Miles, Ozcan Saritas and Alexander Sokolov (2016), Foresight for Science, Technology and Innovation.

IV. CREATING STRUCTURES FOR NEW WAYS OF KNOWLEDGE GENERATION

A. INSTITUTIONAL FRAMEWORK FOR THE JACKS+ FIBRES

17. In this project social innovation will be about finding new ways of tackling the social and economic needs of JACKS+fibre producers and improving their capabilities in this area. High turnover of people involved in the policy and strategy development process tends to be disruptive. Therefore a stable organizational setup is needed for continuity and institutional memory at national and international levels. Figure 2 defines a probable structure to organize this activity.

Figure 2: Possible arrangement to organize the knowledge based forward looking activities & collective learning for proactive engagement



18. The different components of the organizational setup Roles and their responsibilities are summarized in the table 2. below.

Table 2. The organizational setup: expected roles and responsibilities

Core team	<p>Consisting of key INFO members from JACKS fibre producing countries, in cooperation with FAO IGG secretariat.</p> <p>The core team should decide about the information needs of the group and how to generate this.</p> <p>There are severe gaps in knowledge and data to econometrically model JACKS+ fibres development (e.g. projections). The role and use of statistical data will be a focus area. The team should reach a consensus on the way forward.</p> <p>The core team should facilitate the formation of national teams and mobilize resources to ensure continuity.</p>
National and international thematic teams (South-South-North networks)	<p>Based on priorities and themes chosen, this team would work on subject matters recommended by the core team.</p> <p>The network is based on collective learning and sharing knowledge and experiences.</p>
Expert/sciences team	<p>An international experts and science team would assist in methods and tools for policy analysis based on state of the art approaches. Where possible the expertise available within the FAO would be mobilized (e.g. for capacity development).</p>

B. AN URGENT NEED: CAPACITY DEVELOPMENT

19. The IGG can be seen as an “interpreting system” of collective knowledge generation and learning networks. The acquisition and dissemination of “knowledge” are essential for the survival of JACKS+ fibres, operating in an increasingly complex environment. This can encourage innovation and industry development. Generating knowledge needs to be systematic.

20. In this project discussions will be initiated to explore the needs and possibilities to start capacity development, specifically in “futures thinking”. The collective approach will be about the empowerment at national level so the JACKS+ fibre sector(s) can shape their future.

V. The implementation and way forward: summary

A. PLANNING

21. The foresight framework will be presented to the IGG group during in November 2017. The key decisions to be made:

- (1) Resources needed (funds and people) to implement activities and sources.
- (2) Agreement to set-up national level teams/networks to support the JACKS+ fibres foresight process.
- (3) Timeframe, implementation strategy and Agency

22. The implementation will be action and learning oriented. It will consist of international workshops and capacity development initiatives.

B. THE BUDGET NEEDED AND EXPECTED OUTCOME

23. The budget needed will be estimated as soon as the IGG/HFJU have endorsed the proposed approach and main sources identified. The expected outcomes of the first stage of the foresight exercise are:

- (1) Information generated to produce a flagship publication “The State to JACKS+ fibre in 2030” (working title).
- (2) Capacity developed and institutionalization within each JACKS+ fibre producer country.
- (3) The institutional basis created for JACKS+ fibres to collectively and individually develop strategic actions.

C. PROPOSED IMPLEMENTATION AGENCY

24. The implementation of the proposed project needs several skills and know-how. This applies to foresight methodologies, knowledge and understanding of the strategic and operational context of JACKS+ fibres. The International Natural Fibre Organization (INFO) unites the key JACKS+ producers and has in-house expertise beneficial for the implementation of the project. International foresight experts, familiar with JACKS+ fibres, will support the INFO team. Several departments within the FAO are (in)directly involved in many in areas of concern of the project hence the available expertise will be mobilized.

APPENDIX 1: Boundaries: Analytical focus of the proposed foresight approach

In this appendix an explanation is provided about the scope of the approach proposed.

Transactional and Contextual environment

In the vocabulary of corporate strategy management the “external environment” is categorized as the “contextual environment” and “transactional environment”. It is assumed that the “firm” can exert influence on the transactional environment, consisting of competitors, suppliers, stakeholders, consumers etc. The firm/company has very limited to no (direct) influence on the contextual environment.

The initial exclusion from analysis: The transactional environment

Given the large diversity of the JACKS+ fibres industries, generating insights into all product/market combinations served by JACKS+ fibre would need large funds.

The focus on contextual environment

The contextual environment consisting of constraints, events, trends, weak signals and surprises for analytical purposes is categorized as Social, Technological, Economic, Environment, Ecology, Political and Value systems (STEEEPV). These STEEEPV forces would be “shaping” the context of the JACKS+ fibre industries.

Figure 3 and Figure 4 provide the proposed demarcation for analysis.

Figure 3: Environments of the firm/businesses

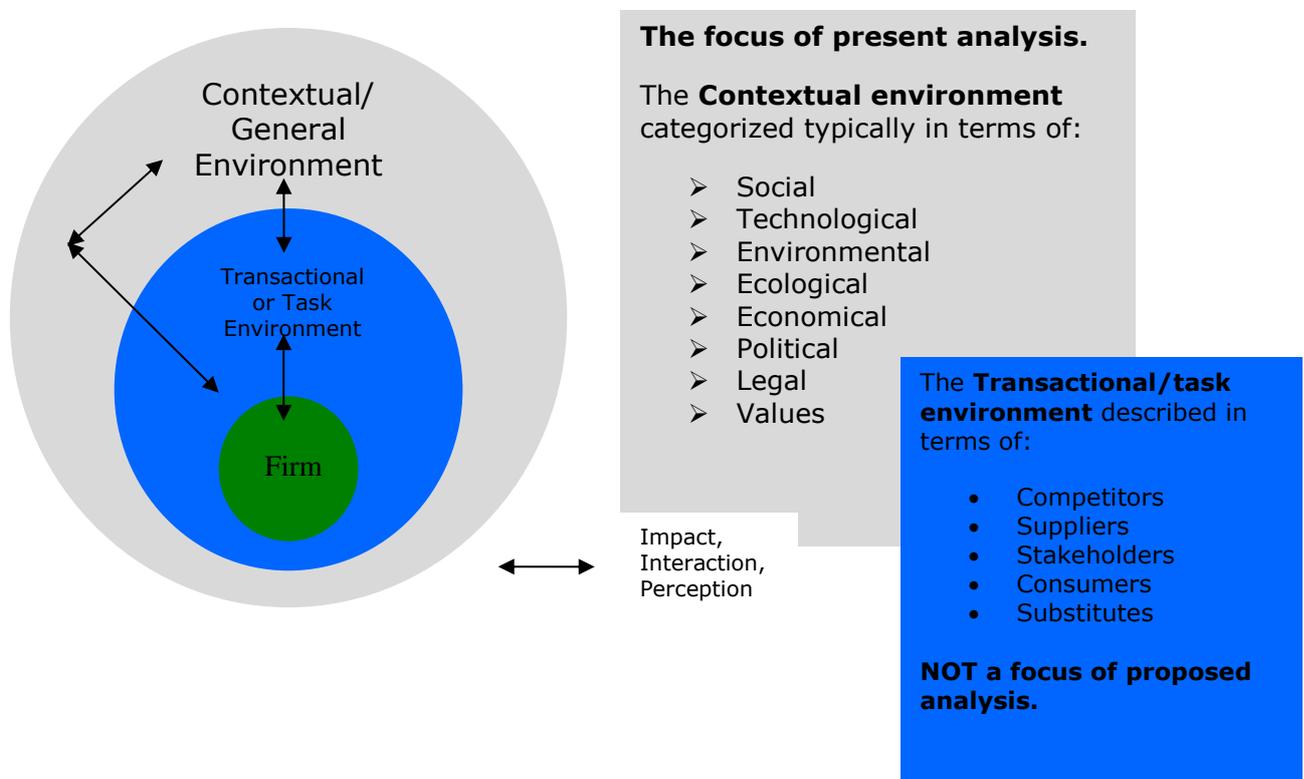


Figure 4: Highly simplified supply chain of JACKS fibres

