

# Living Income Webinar Series

## Role of sustainability standards systems in living income strategies

19<sup>th</sup> June 2018



# Today's webinar facilitators



**Adam Romo**  
Coordinator Impacts  
and Innovations  
**ISEAL Alliance**



**Rita Mendez**  
Assistant Impacts  
**ISEAL Alliance**



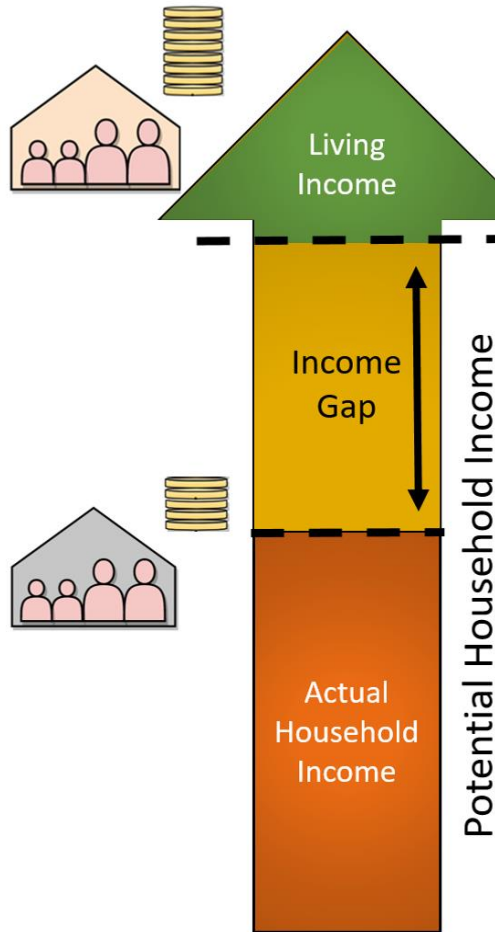
# Agenda

1. **Introduction** to the Living Income CoP, and guest speakers.
2. **ISEAL**: The role of sustainability standards systems in closing the income gap.
3. **Discussion throughout** focusing on the experiences of standards in income improvement and potential future development.
4. **Open Q&A**



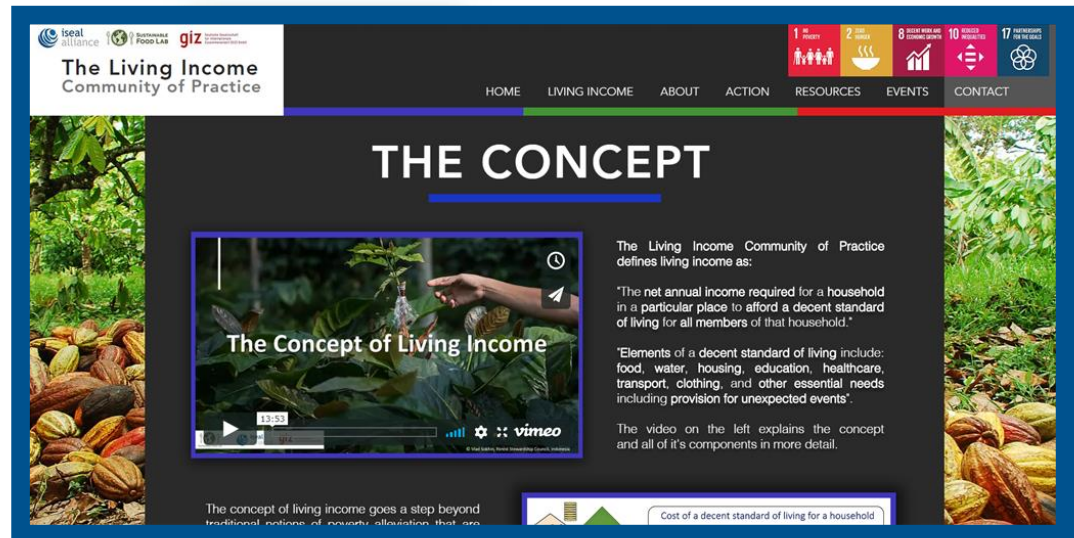
# The Living Income Community of Practice

Foster collaboration and support organisations in their journey towards improving farmer incomes, and enabling farmers to achieve a decent standard of living.



Cost of a decent standard of living for a household

Cost of decent food + Cost of decent housing + Cost of other essential needs + Provisions for unforeseen events



# The Living Income Community of Practice

Fostering collaboration and support organisations in their journey towards improving farmer incomes, enabling farmers to achieve a decent standard of living.

Facilitate learning and exchange around measurement

Understand the gap between actual and living income

Identify and discuss strategies to close the income gap

Learning across sectors  
and helping organisations realise SDG commitments

**Open community of practice**

Sharing information about the efforts of different actors in this space

Learn more: [www.living-income.com](http://www.living-income.com)



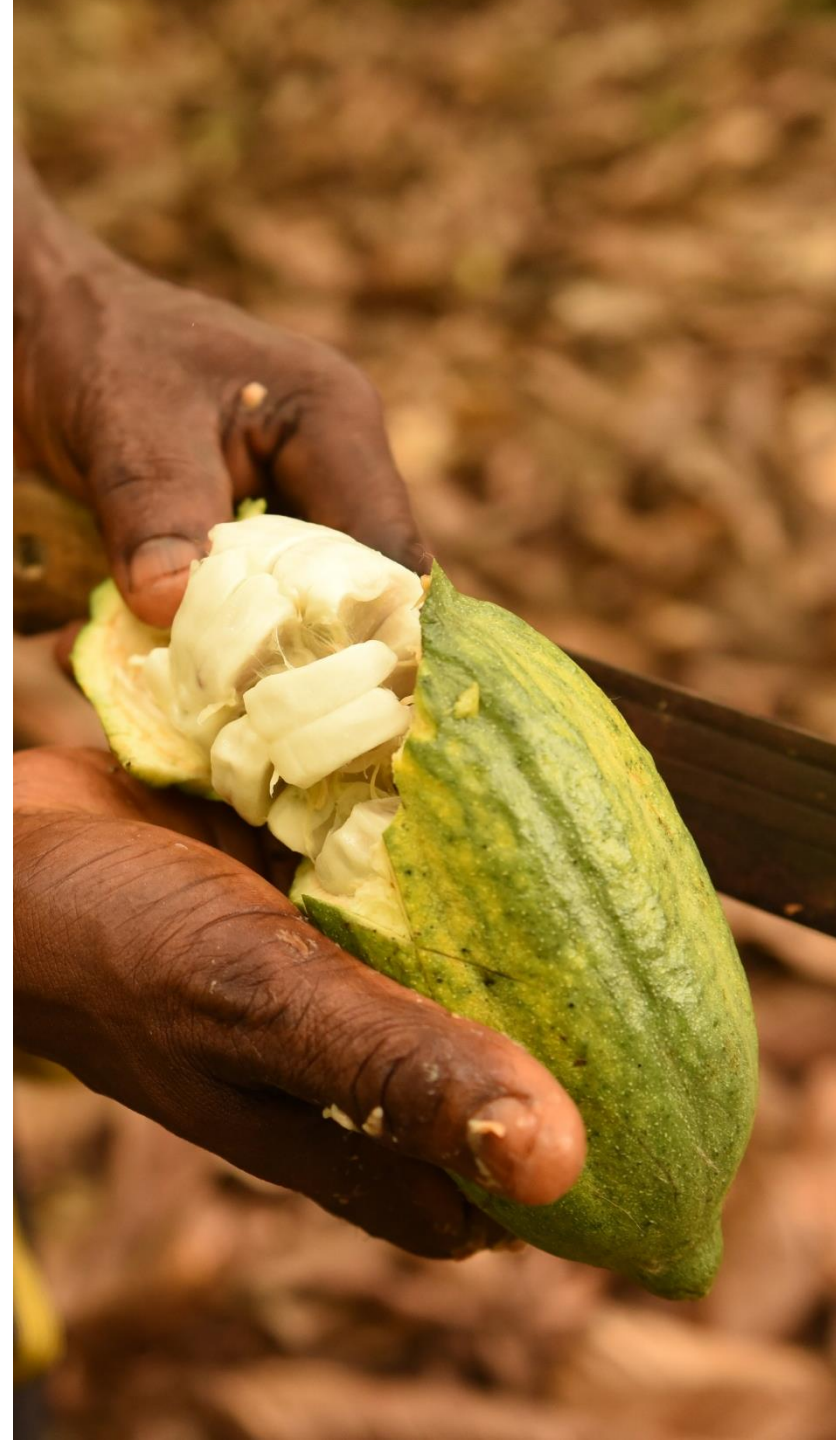
# Today's guest speaker



**Marta Maireles**  
Manager, Impacts  
and Innovations  
**ISEAL Alliance**



**Kristin Komives**  
Director, Impacts and  
Innovations  
**ISEAL Alliance**



# Sustainability Standards and Living Income

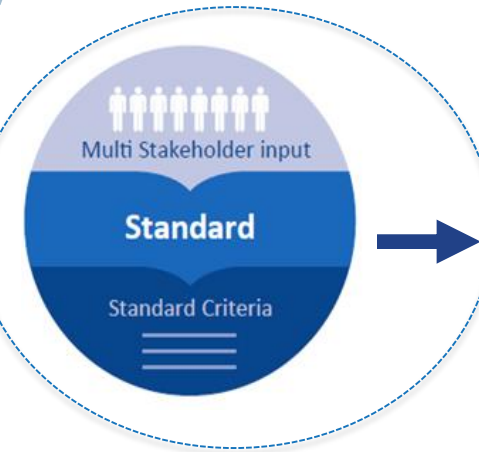
Strategies & innovations to close the income gap in collaboration  
with other actors



# What is a sustainability standard system?

Impact monitoring, evaluation and learning

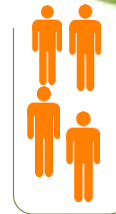
Sustainability platforms



Supply chain actors



Capacity building



Assurance system

Traceability system

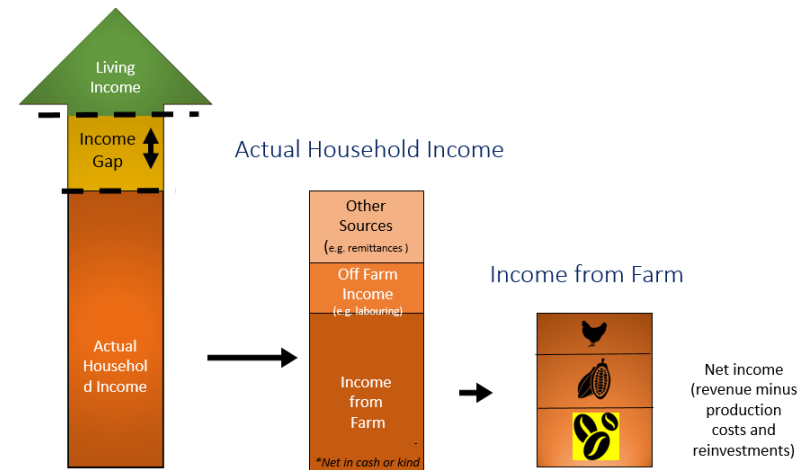




# Closing the household income gap

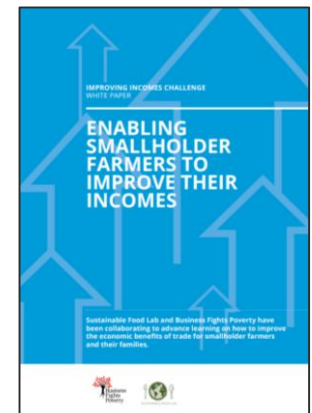
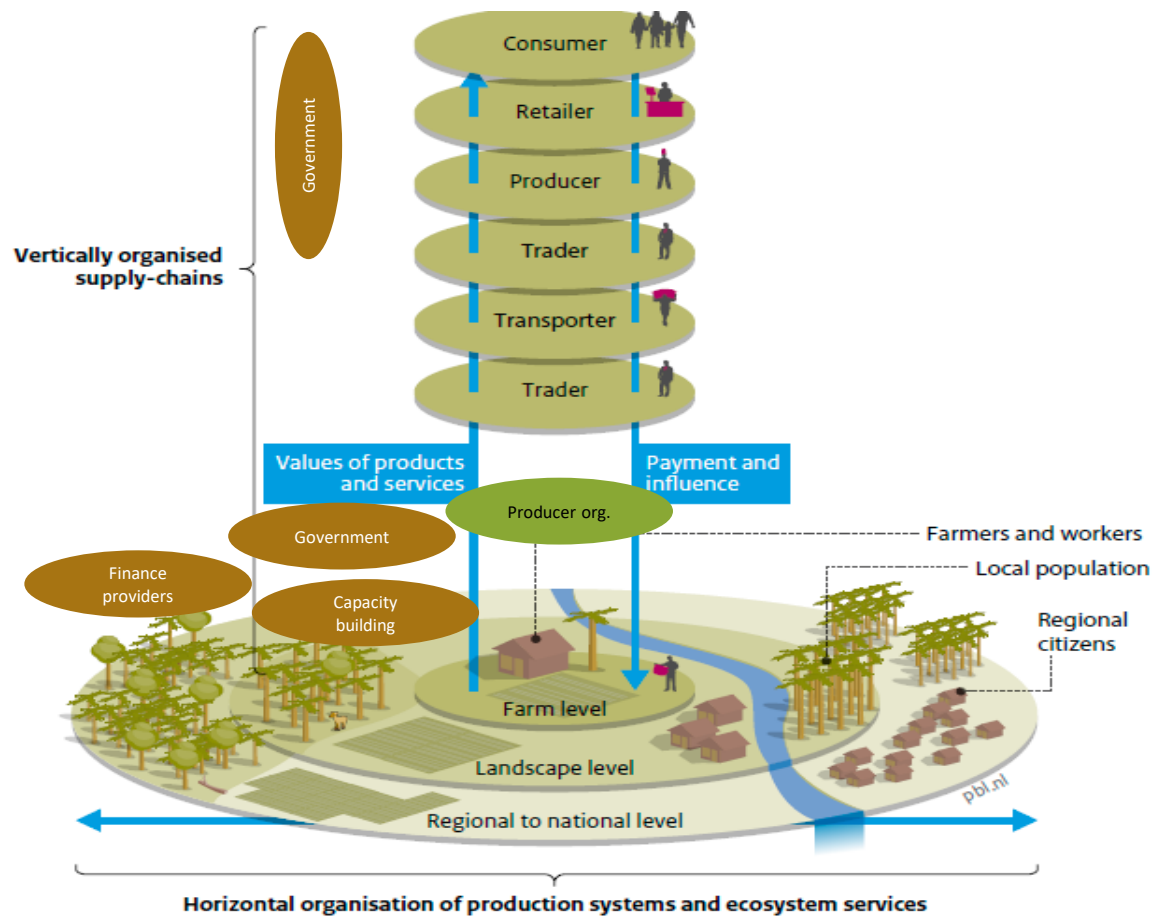
Combined effort and shared responsibility to household incomes to allow for a decent standard of living

- › Net income from a crop as a fraction of the total household income.
- › Variables that can be influenced depend on the type of actor and local conditions



# Network of actors

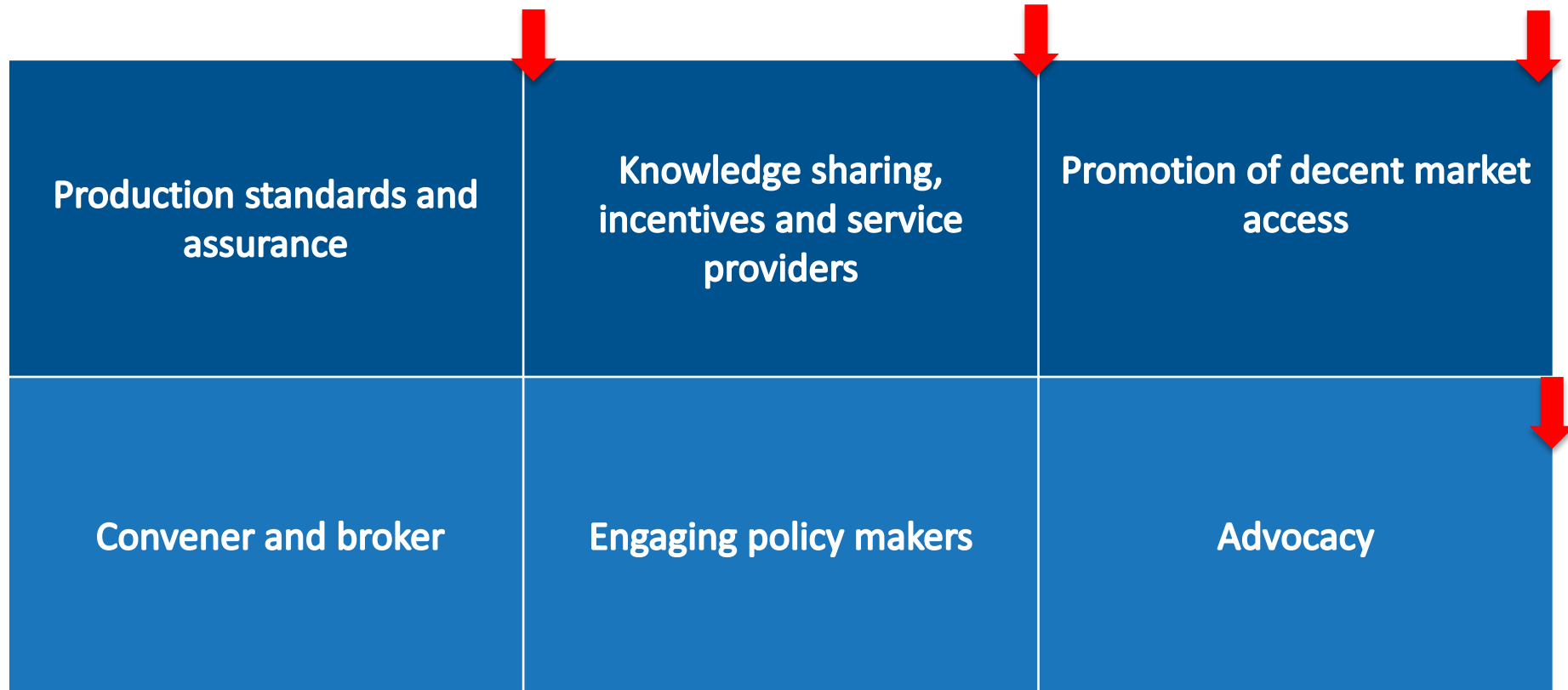
Sustainability standards as part of an ecosystem of actors



Source: Adapted PBL

# Strategies for closing the income gap

From the perspective of sustainability standards





# Production standards and assurance

## › Improved quality, productivity & efficiencies

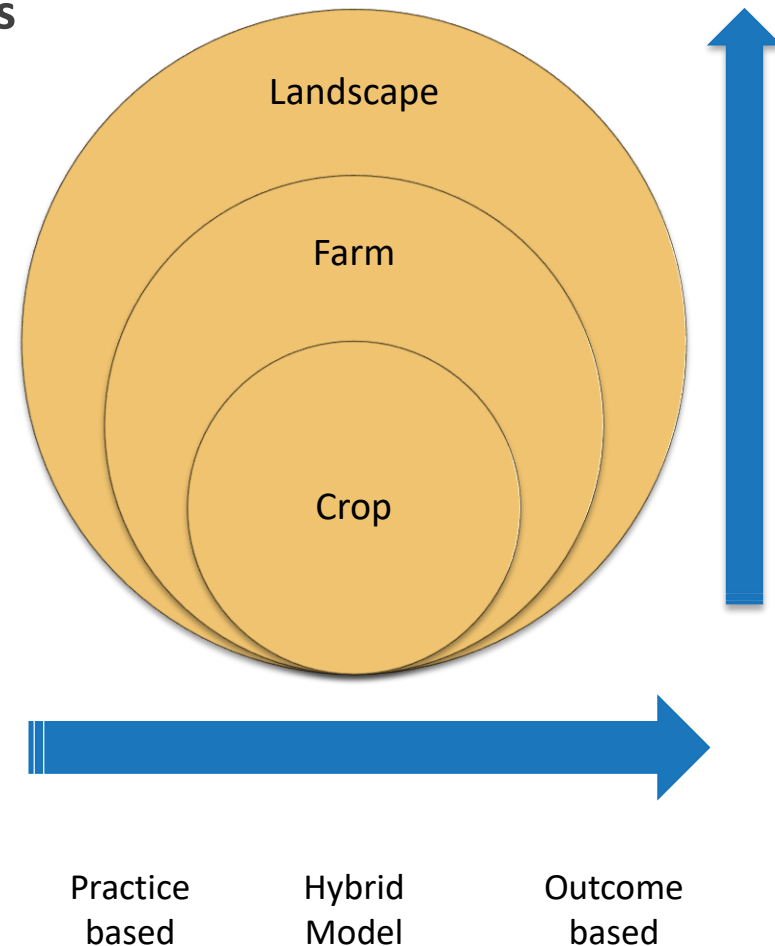
- › GAP, integrated pest management, etc.
- › Spill-over: farming households applying practices to other crops

## › Farming as a business

- › IMS & record keeping
- › Investments

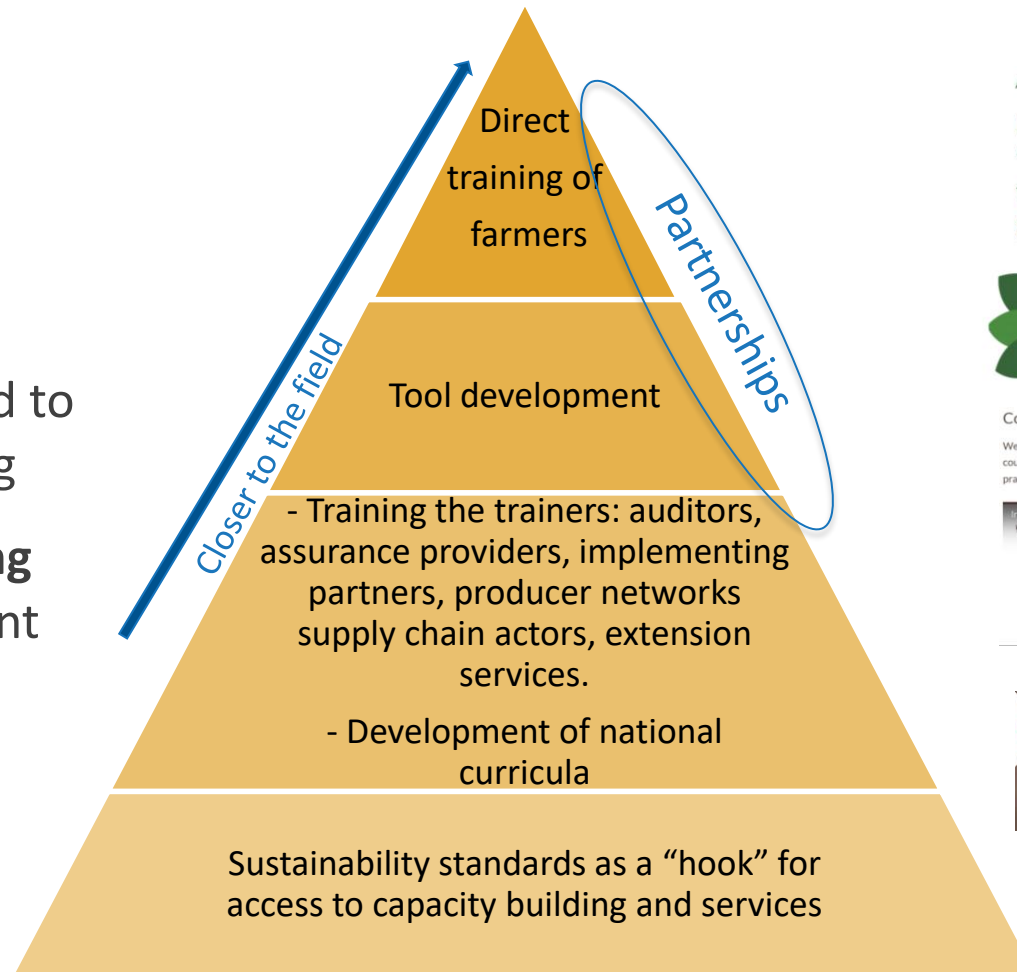
## › Resilient farms and households

- › Female participation & empowerment
- › Climate smart ag.
- › Diversification
- › OHS & Child labour



# Knowledge sharing, incentives & service providers

1. **Social capital sphere** Group formation & strengthening
2. **Economic incentives** linked to capacity building
3. **Capacity building sphere** - different models



Adding value to the IPM Coalition Database:

Development of the  
**“Which Pesticide?”- App**  
to support reduction of  
pesticide use and risks



#### Course Description

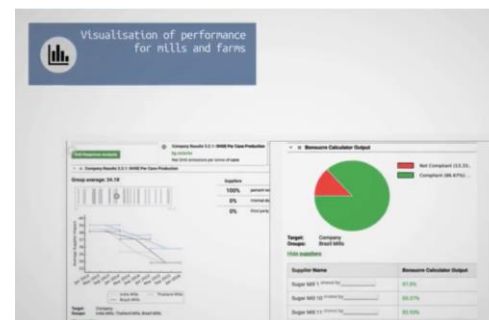
Welcome to the Rainforest Alliance's sustainable agriculture online training course, which provides trainers and farmers all over the world with a practical and comprehensive learning resource.



# Knowledge sharing, incentives & service providers (2)

## Driving change with stepwise approaches and using data and information to drive improvement

- › Stepwise approaches
- › Performance measurement tools linked to capacity building and assurance
- › Rethinking the role of the Internal Management System (IMS)





# Promotion of decent market access

## Pricing

### ›Min prices

- Cost of production

### ›Premiums

- Fixed vs negotiated
- Guide the use of the premium
- Margin escalation
- Transparency on amount and use

### ›Reference price

## Trading relationships

### ›Transparency in pricing

### ›Business models

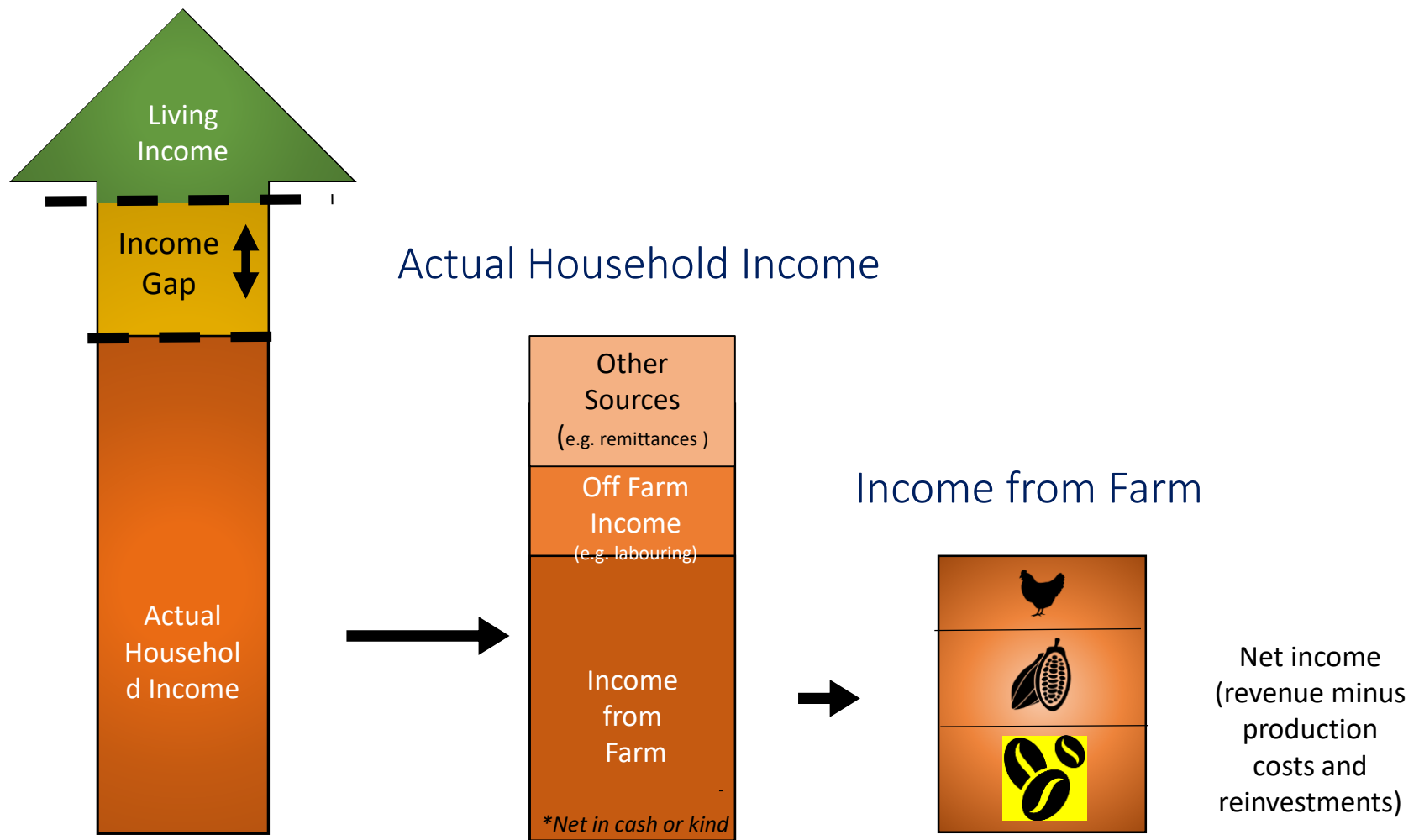
### ›Trader standard

- Contracts, transparency, timely transfer of premium and price differential

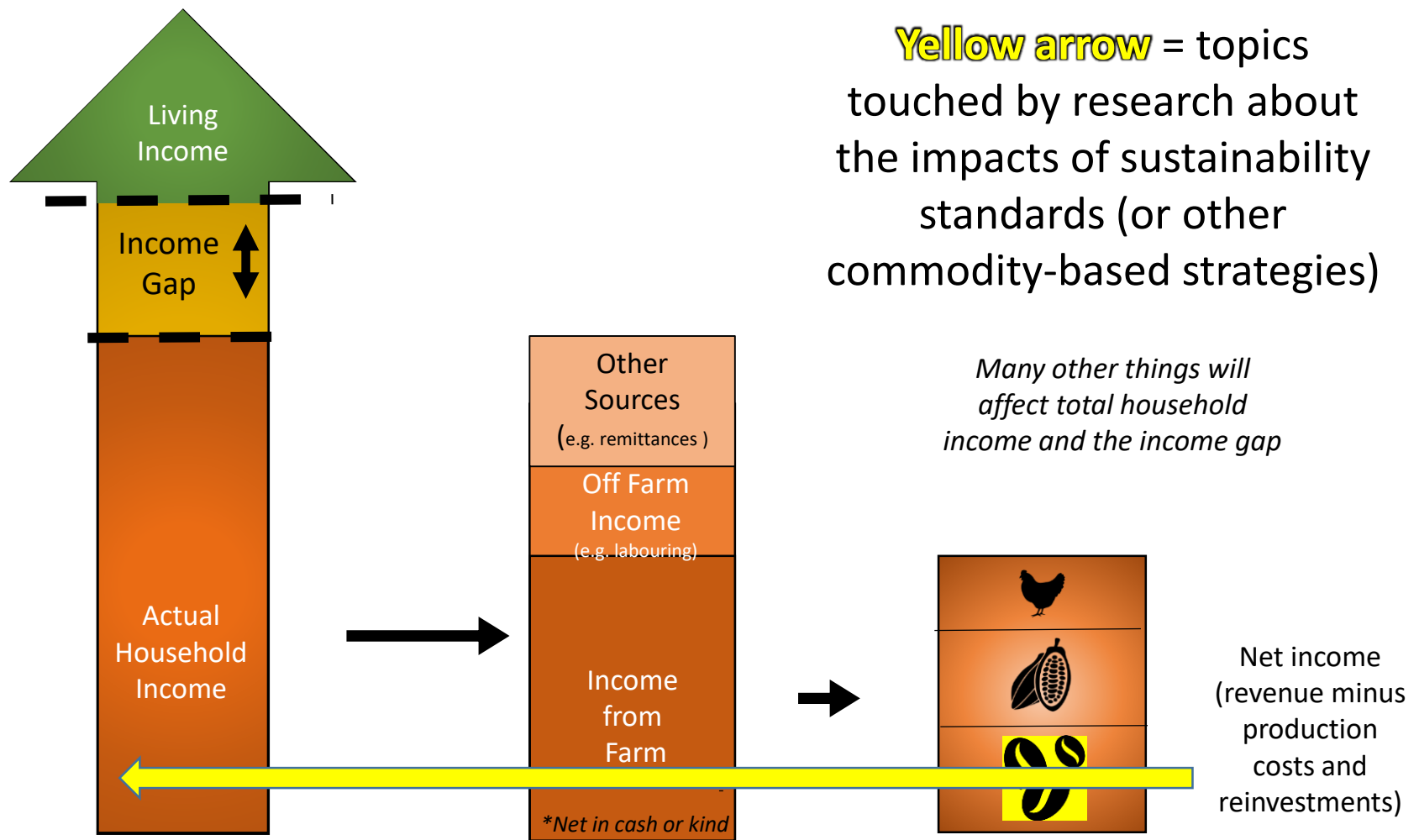


Note: Any benefits associated with this strategies depend on the amount of product sold as certified

# What evidence is telling us...

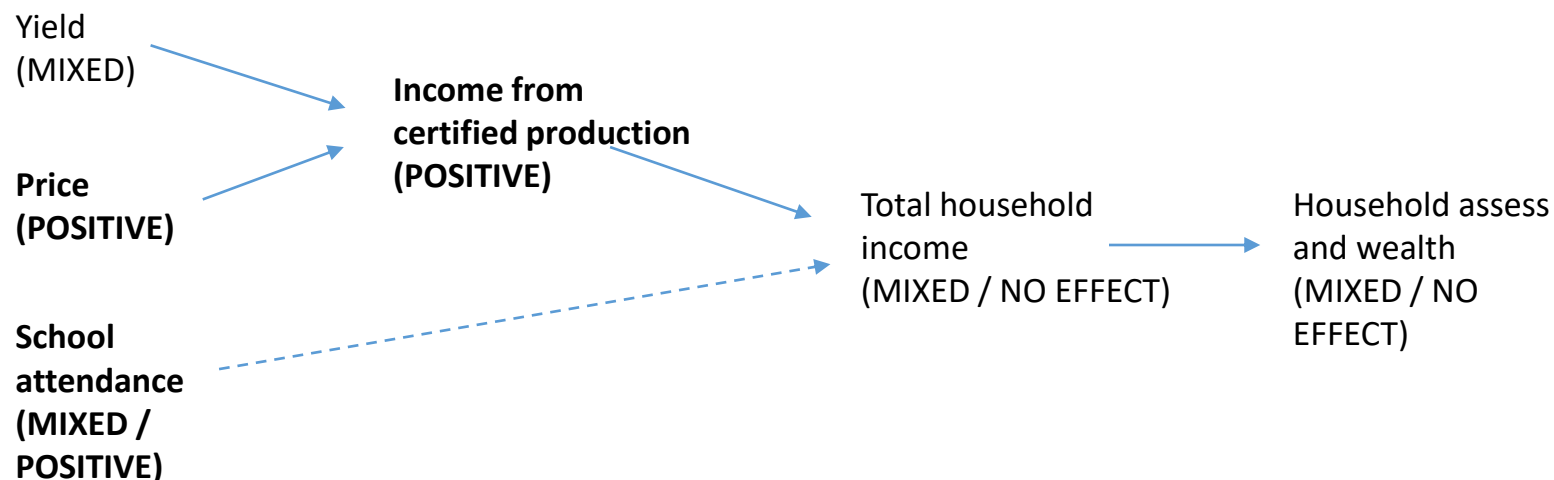


# What evidence is telling us...





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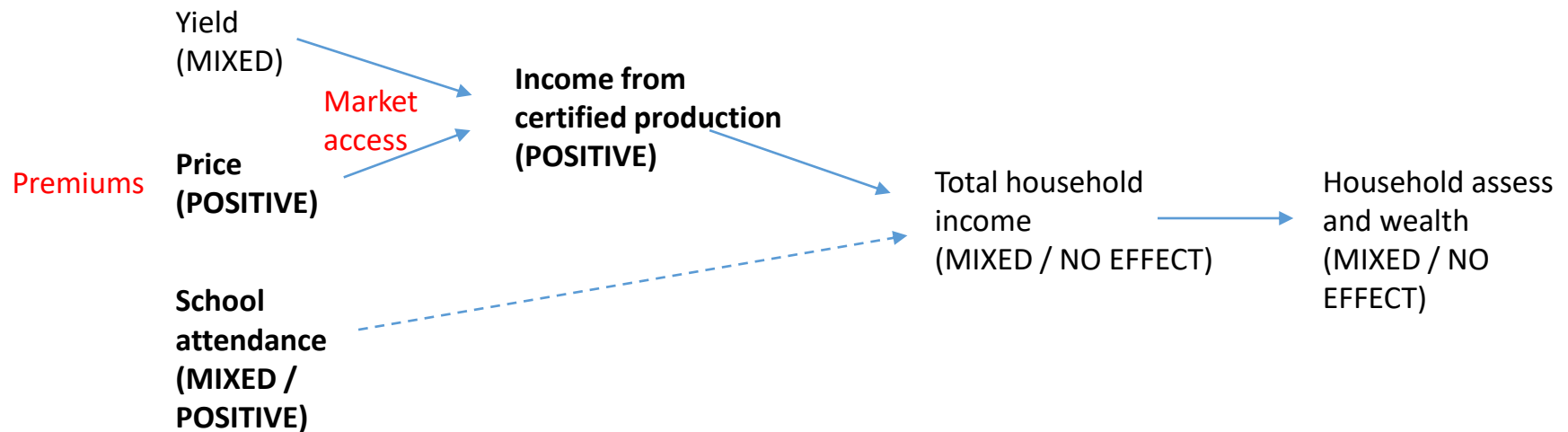


## **Clearer picture of effect on intermediary variables**

– and picture is largely what we would expect and hope to see, though there is variation across cases

*Systematic review: effectiveness of agricultural certification schemes for improving socio-economic outcomes in low- and middle-income countries (SOAS 2017)*

# What evidence is telling us...



**Conforms to picture that emerged for review of studies on business benefits:** Upstream users most cited benefits of standards are market access, price, and operational efficiency (Aidenvironment 2017):

# Strategies for closing the income gap

From the perspective of sustainability standards

Production standards and assurance	Knowledge sharing, incentives and service providers	Promotion of decent market access
Convener and broker	Engaging policy makers	Advocacy



# Convening and brokering action

## › Access to finance & link to the finance sector

- Pre-financing the payment of contracts
- Act as reference to lenders
- Supporting financial literacy
- Facilitating access to credit
- Crop insurance?

## › National and international platforms

## › M&E and farmer profiling

## › Benchmarks as a pre-competitive advocacy tool

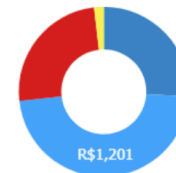
This living wage is based on...



Rural Brazil, Brazil



Family of 4 with 1.71 workers



Cost of **basic but decent living** for a family = R\$2,534

- Food
- Non-Food, Non-Housing
- Housing
- Provision for Unexpected Events



Mandatory deductions from pay: R\$147

# Engaging policy makers



- › Some ISEAL members are working with government to embed their standards in national regulations

# Advocacy

- › Role of governments encouraging businesses to pay higher prices
- › Working with advocacy organisations

# Community of Practice Updates

- Launch workshop for a Living Income Benchmark in Ghana and in Cote d'Ivoire – blogs available
- New sections - the Living Income website:
  - The Concept
  - The Applications
- **Summer break until August!**

## Study Launch Workshop - Calculating a Living Income benchmark for cocoa growing regions of Ghana

March 1, 2018 | Adam Romo



Under the banner of the Living Income Community of Practice, over 50 actors with a stake in Ghana's cocoa production, including producers, government actors, businesses, sustainability standards, researchers and NGOs, met for a workshop in Accra to launch a pivotal stu...

[Read More](#)

## Calculating a living income benchmark for cocoa growing regions of Côte d'Ivoire (disponible en français)

April 18, 2018 | Friederike Martin



[Cliquez ici pour lire en français](#)

More than 50 key actors in the Ivorian cocoa sector came together on March 20th 2018 in Abidjan to launch the living income benchmark study for cocoa-producing regions in Côte d'Ivoire. The workshop feeds into wider work to calculate l...

[Read More](#)

## THE CONCEPT



The Living Income Community of Practice defines living income as:

"The net annual income required for a household in a particular place to afford a decent standard of living for all members of that household."

"Elements of a decent standard of living include: food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for unexpected events".

The video on the left explains the concept and all of its components in more detail.

## THE APPLICATIONS



If you calculate the cost of a decent standard of living in a particular geographic area you can use this figure as a living income benchmark. This works on the assumption that if a smallholder household is earning a combined income that is enough, or more than enough, to cover the costs associated with a decent standard of living, then they are most likely earning a living income.

Once you have this benchmark there are a number of ways in which it can be used, some of which are described in the video and below:

Thanks!





# Stay informed!

## Living income

[www.living-income.com](http://www.living-income.com)

## Living wage

<http://www.isealalliance.org/our-work/improving-effectiveness/global-living-wage-coalition>

[SIGN UP FOR GLWC BENCHMARK RELEASES](#)

## Questions? Email us at:

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And remember to add your upcoming, ongoing and finalised studies to the Sustainability Impacts Learning Platform

<http://www.sustainabilityimpactslearningplatform.org>