

Living Income Community of Practice

State of Play 2021 webinar series

The Living Income Community of Practice



Living Income State of Play April edition: Agricultural sector perspectives

1 April 2021

14:00-15:30 BST (GMT +1)

Today's Facilitators



Stephanie Daniels
Senior Program Director
Sustainable Food Lab



Rita Mendez
Senior Coordinator, Impacts
ISEAL



Federal Ministry
for Economic Cooperation
and Development

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

iseal



Housekeeping Rules

HOW CAN I ASK A QUESTIONS/COMMENT?

You will be kept muted throughout main session so,

- Raise your virtual hand (organizers shall unmute you)
- Type your question on the question box

WHAT HAPPENS IF THE NETWORK FAILS?

- Try to reconnect. If after 5mins it does not work, please refer to your emails for any updates from the organizer

TECHNICAL DIFFICULTIES ? Reach out to anja@isealalliance.org

Anti Trust Statement

As participants in this group, we need to be mindful of constraints of antitrust laws. During both the formal and informal parts of this meeting, participants shall not enter into discussions, agreements or concerted action that may have as their object or effect the restriction of competition. This prohibition covers the exchange of competitively sensitive information including, but not limited to, information concerning individual prices, production, sales, capacities, costs, rates, coverages, market practices, claims settlement practices, company level investments, or any other competitive aspect of an individual company's operation.

Each participant is obliged to speak up immediately for the purpose of preventing any discussion falling outside these bounds.

Thank you!



Agenda

5 min - Welcome

20 min - State of Living Income in Cocoa

20 min - State of Living Income in Coffee

15 min - State of Living Income in Cotton and Vanilla

10 min – Discussion and Q&A

10 min – LiCop news and resources

5 min – Closure

State of Play in Living Income

Sectors Updates from Cocoa, Coffee, Vanilla and Cotton

LICOP Moderator



Stephanie Daniels
Senior Program Director,
Sustainable Food Lab

The LiCop Sector Support

LICOP coordinating organizations are supporting a **harmonized approach to the concept of living income** through developing materials and presenting the concept in the following forums:

COCOA

- ❖ Consortium for 5 additional reference value/benchmarks
- ❖ European Union Multistakeholder Dialogue on Sustainable Cocoa
- ❖ Alliance for Living Income in Cocoa
- ❖ International Cocoa Organization Consultative Board
- ❖ Living income working group, Beyond Chocolate Platform
- ❖ World Cocoa Foundation Partnership Meeting

COFFEE

- ❖ Sustainable Coffee Challenge Collective Action Network on Farmer and Worker Well-being and Prosperity
- ❖ ICO Technical Workstream on Living-Prosperous Income

OTHER

- ❖ UN Food Systems Summit CEO Consultation
- ❖ Sustainable Tobacco Platform



TOWARDS A DECENT STANDARD OF LIVING FOR SMALLHOLDER FARMERS

Cocoa



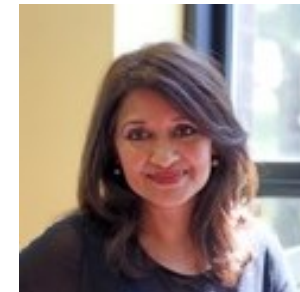
Manuel Kiewisch
Global M&E, Verification
& Learning Manager,
Mondelez



Yuca Waarts
Senior Researcher Sustainable
Value Chain Development,
Wageningen University



Charles Snoeck
Program Manager,
Beyond Chocolate / IDH



Cheryl Pinto
Values Led Sourcing Manager,
Ben & Jerry's





WAGENINGEN
UNIVERSITY & RESEARCH



**Beyond
Chocolate**



Belgium
partner in development



**the sustainable
trade initiative**



The background is a solid dark brown color. It features several stylized, lighter brown illustrations: a large leaf on the left, a hand with fingers spread in the upper center, a cookie with four holes in the lower center, and another large leaf on the right.

*“With great chocolate
comes great responsibility”*

Beyond Chocolate

95% of the Belgian chocolate market committed



Belgium

By 2030, all cocoa growers that supply to the Belgian market will earn at least a living income

600.000 tons of chocolate products exported annually by Belgian chocolate makers

74%

Cote d'Ivoire Ghana

275.000 cocoa Farmers

Buyers import

300.000 ton per year

managed by idh

Rikolto
Wereldwinkels
Oxfam
Trias
WWF
The Shift
Samilia Foundation
Bos Plus
Ngo's

Colruyt Group
Lidl
Delhaize
Aldi Belgium
Carrefour
Retail

Oikocredit
Kampani
BIO Invest
Alterfin
Incofin
Social impact investors

Enabel (Trade for Development Center)



Public sector

Marie-Christine Marghem (Minister for Sustainable Development)

Alexander De Croo (Deputy Prime Minister, Minister of Finance and Development Cooperation)

Didier Reynders (Deputy Prime Minister and Minister for Foreign Affairs)

ACV/CSC
ACLVB/CGSLB
ABVV/FGTB
Horev
Trade Unions

Universiteit Hasselt
ARES
KU Leuven
Universiteit Gent
VLIR-UOS
Universiteit Antwerpen
Vrije Universiteit Brussel
Universities/Knowledge centers

Libert
Tony's Chocolonely
Belvas
Kim's Chocolate
Chocolaterie Guylian
Van Hoorbeke
ZOTO
Nestlé
Mondelēz
ChopraBisco
Puratos (Belcolade)
Barry-Callebaut
Mars Belgium
Cargill
Chocolate Sector

Fairtrade
Biotorum
Vlaanderen
Rainforest Alliance
ISEAL
Standards



Actual income: \$1.04 to Living income: \$2.55

Cote d'Ivoire



Actual income: \$0.92 to Living income: \$2.17

Ghana



Beyond Chocolate



België partner in ontwikkeling

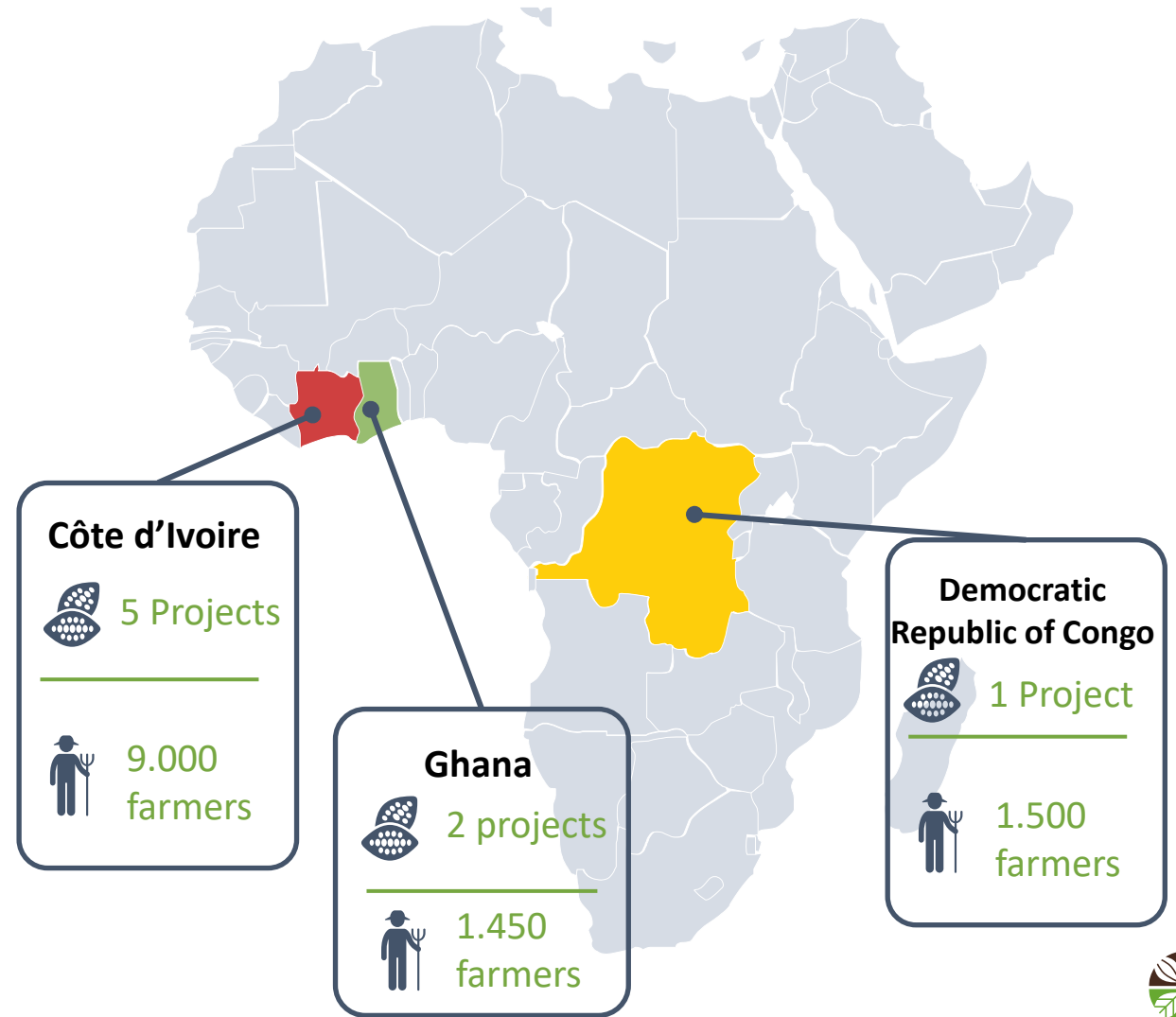


Living income pilot projects

High impact models, scalability by design

- A clear link with the Belgian market
- Developed by **coalitions of stakeholders**
- **Traceability** and innovation
- Ambition to **move faster** (additionality)
- Scalability by design
- **Capture learnings** to share back with the partnership

+6M € public-private investment in 8 pilot projects, reaching 12.000 farming households



Working together

Other European Initiatives for Sustainable Chocolate



GISCO

German Initiative on Sustainable Cocoa
June 2012



SWISSCO

Swiss Platform for Sustainable Cocoa
January 2018



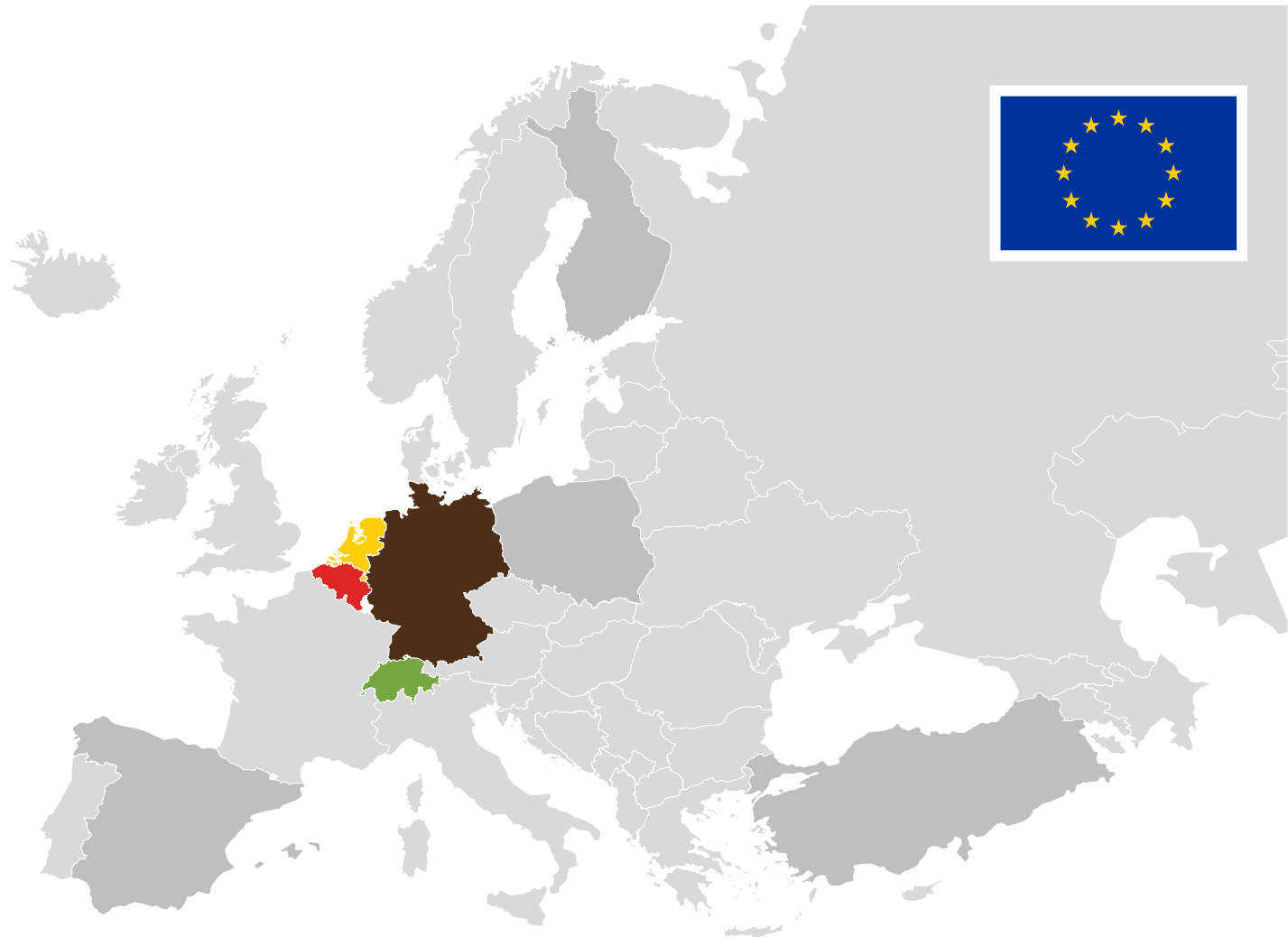
Beyond Chocolate

Partnership for a more sustainable Belgian
cocoa sector
December 2018



DISCO

Dutch Initiative for Sustainable Cocoa
July 2020



MoU - cooperation and joint learning

Beyond Chocolate, GISCO, SWISSCO and DISCO have signed a Memorandum of Understanding in order to:

- **bundle efforts** around **4 identified challenges** : (1) enhanced transparency, (2) living income, (3) deforestation and (4) child labour.
- coordinate and **align activities** on the operational level and among the working groups of the individual platforms;
- **streamline engagement with multi-national companies** with membership in more than one initiative;
- **harmonize the monitoring and evaluation** systems of the individual platforms.





Discussion and Q&A



TOWARDS A DECENT STANDARD OF LIVING FOR SMALLHOLDER FARMERS

Coffee



Carla Veldhuyzen van Zanten
Senior Advisor Sustainable Livelihoods,
Fairtrade International



Wolfgang Weinmann
Coffee Private Public Task Force
Coordinator,
International Coffee Organization



Edwin Rocha
Regional Program Director,
Heifer International



Christina Archer
Senior Advisor
Sustainable Food Lab & UNDP

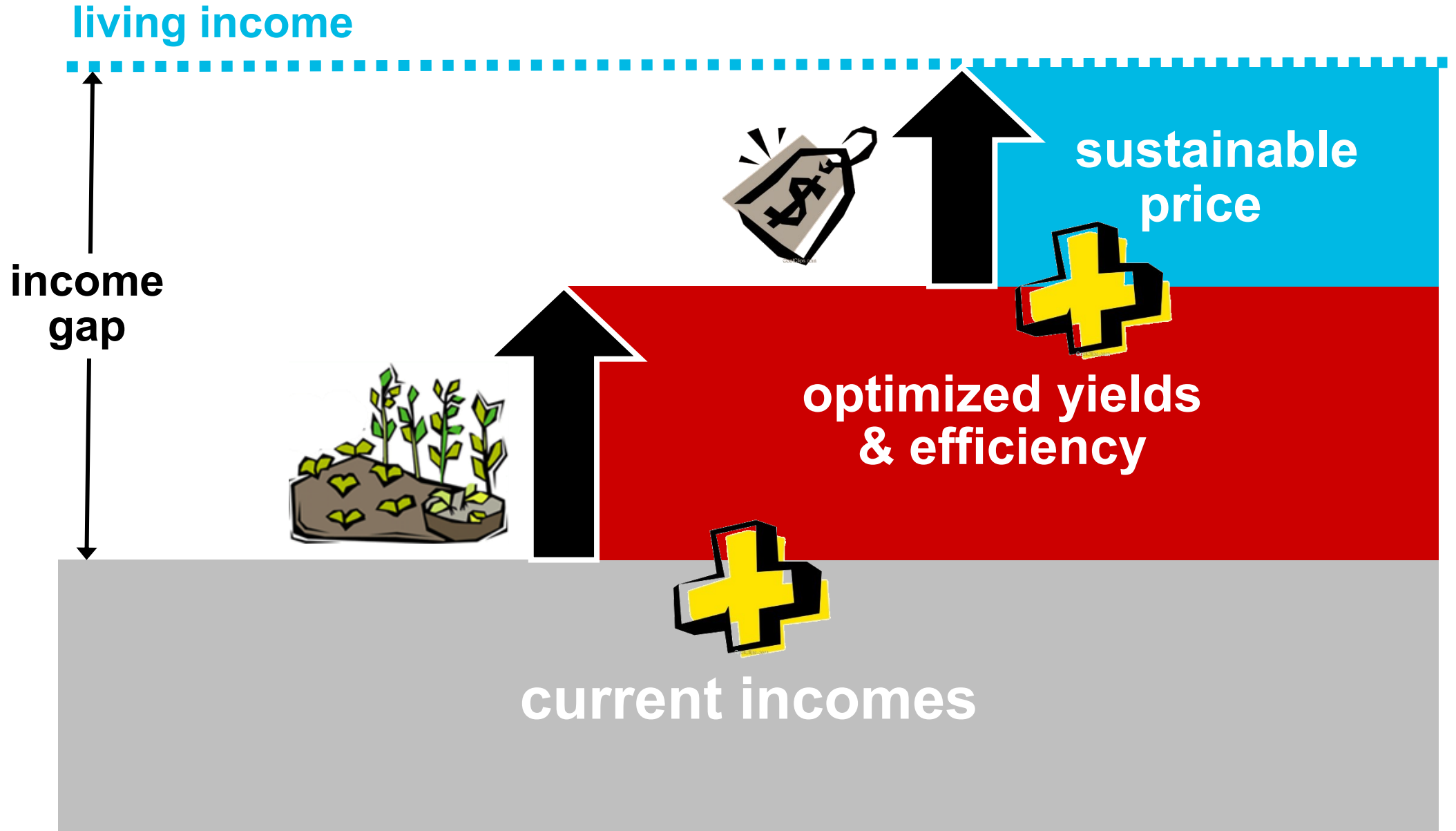
“Low prices lead coffee growers to abandon farms while others turn to coca”



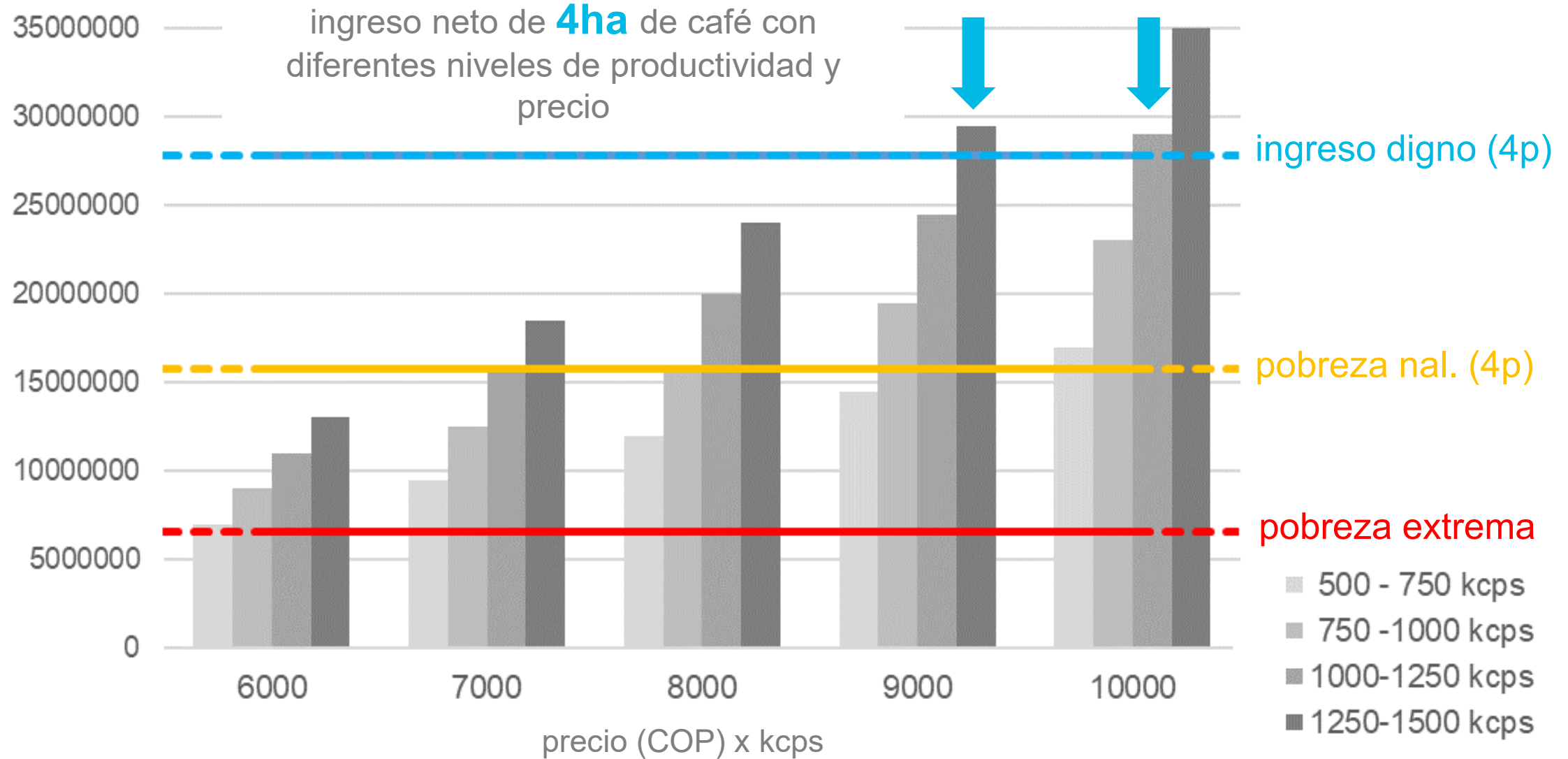
Fairtrade living income & coffee

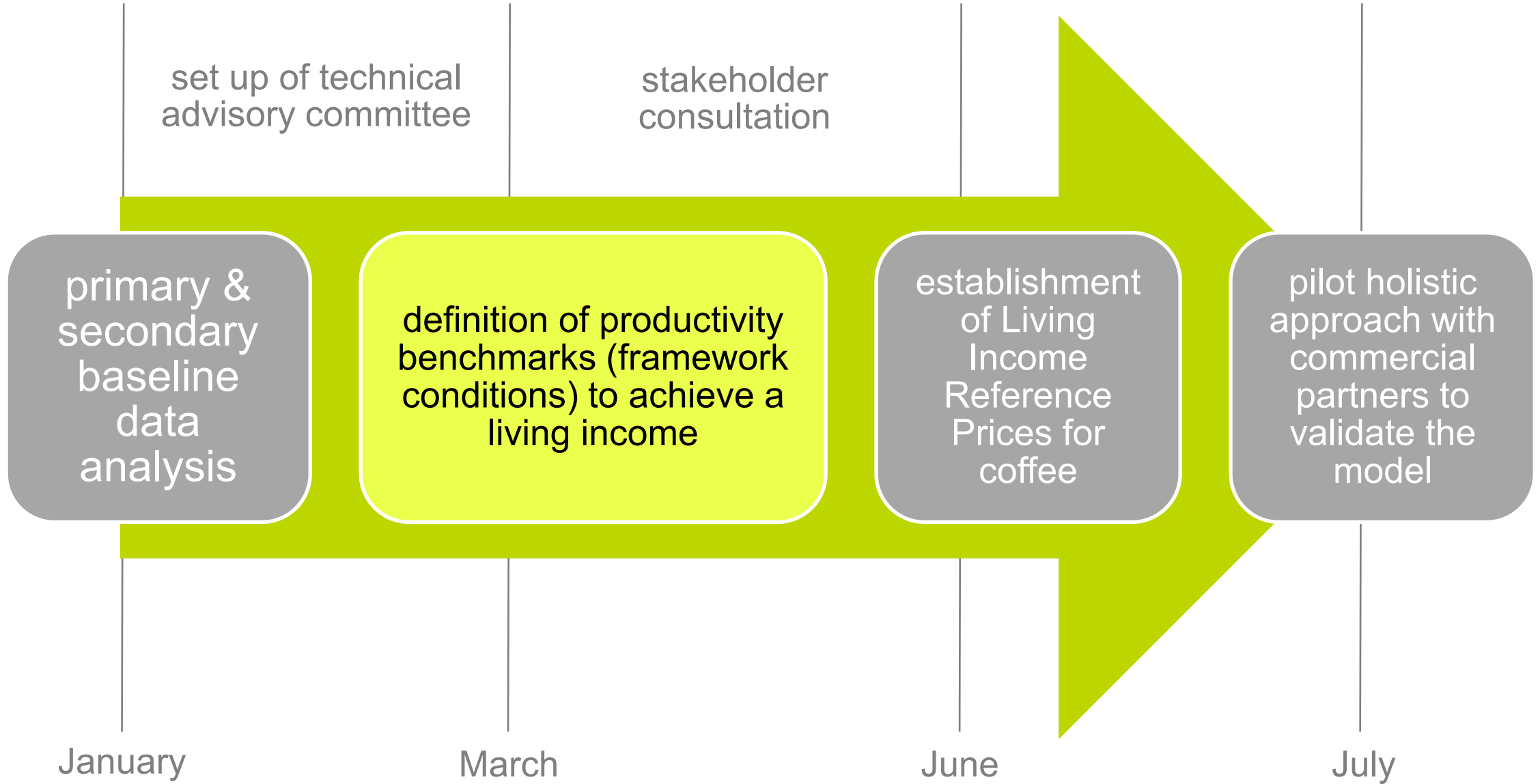
Carla Veldhuyzen | April 1st 2021





coffee income scenarios (Colombia, organic)





For further information, please contact: c.veldhuyzen@fairtrade.net



Living income in coffee

Experience of Beyond Coffee Project

Edwin Rocha Olguin

04/01/2021



Project goals:

Goal:

Increase the average net income of smallholder coffee producers in Honduras, Mexico, and Nicaragua by up to 25% through coffee and other sources.

Results of the project are:

- **Result 1.** Organizations made up of men and women, that provide products or services, strengthened their business management capabilities, and are sustainably linked to an inclusive market in the coffee value chain.
- **Result 2.** Producers diversify their sources of income.
- **Result 3.** Producers improve productivity and coffee quality.

Beyond Coffee Project

Total Target Group: 8,500 Coffee farmers
Project Cycle: October 2018 – February 2021

Mexico

WHO: 3,000 coffee farmers

WHERE:
Puebla, Oaxaca and Chiapas

MEXICO PROJECT AREA

Country	Actual Income	LI Benchmark	LIB Gap
Honduras	3,659.17	4,627.00	-21%
Mexico	1,814.25	3,711.00	-51%
Nicaragua	3,845.08	5,044.00	-24%

Nicaragua

WHO: 3,000 coffee farmers

WHERE:
Esteli, Nueva Segovia, Madriz,
Matagalpa and Jinotega

NICARAGUA PROJECT AREA

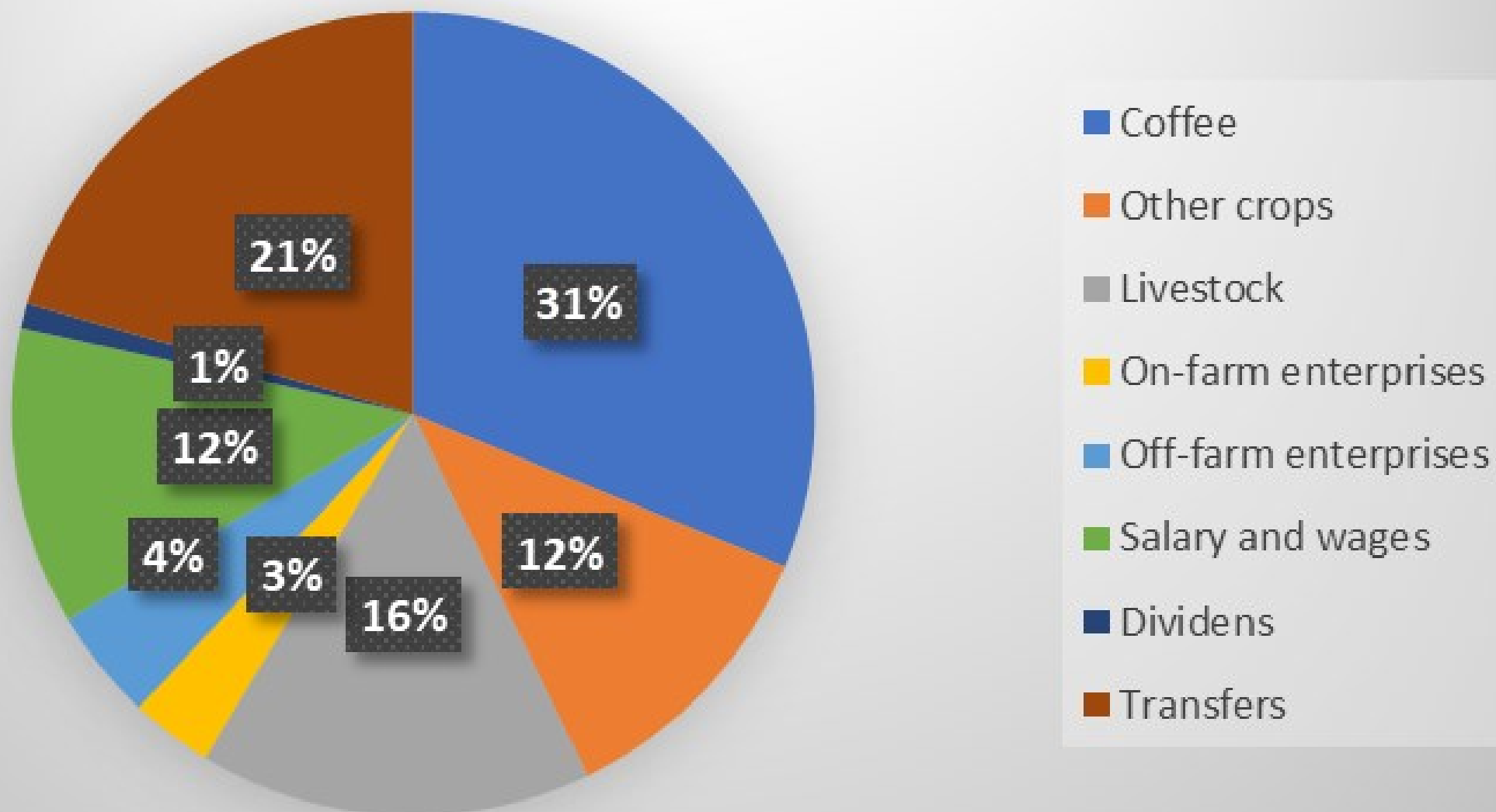
Honduras

WHO: 2,500 coffee farmers

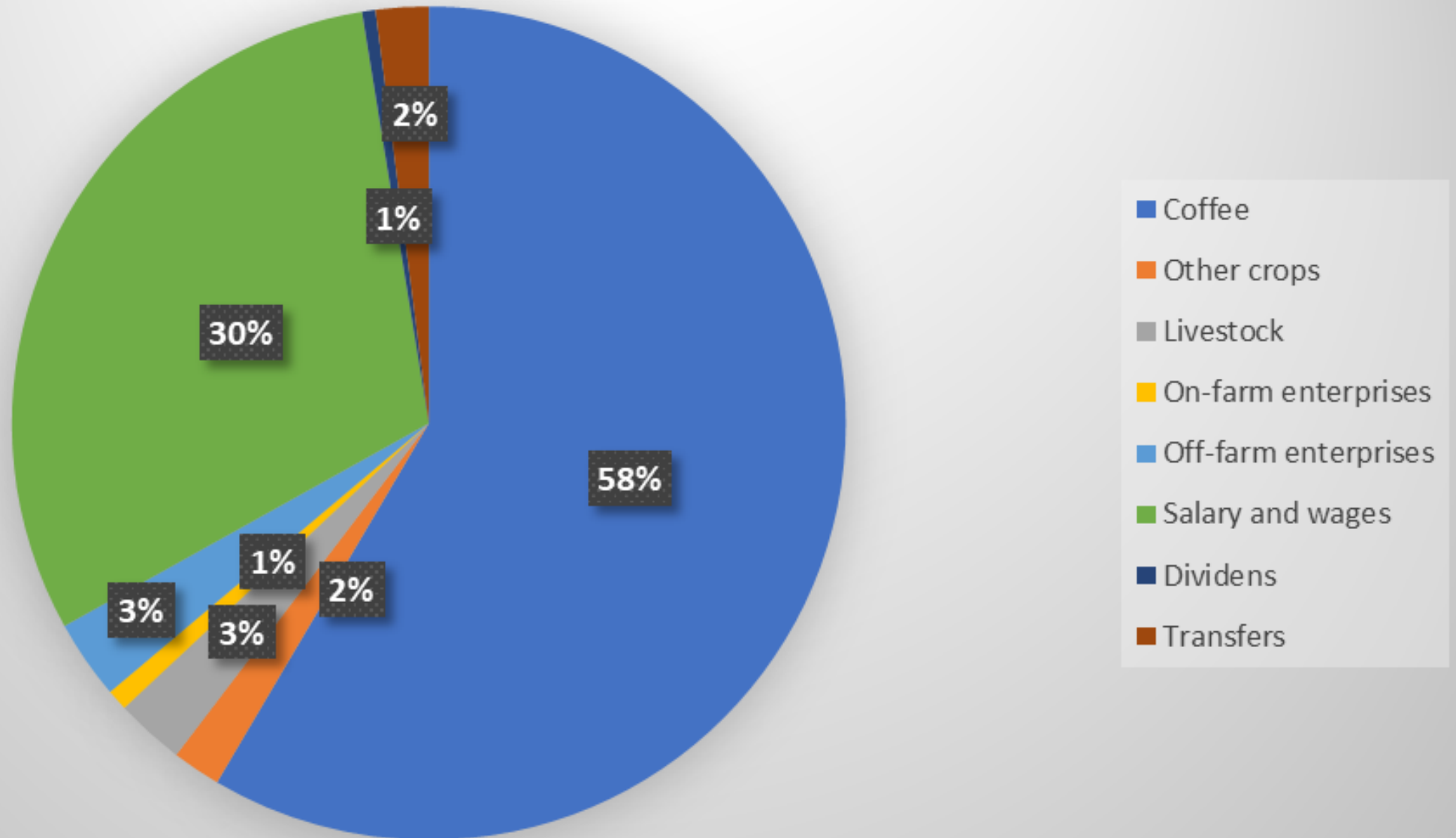
WHERE:
El Paraiso, Yoro, Comayagua
and La Paz

HONDURAS PROJECT AREA

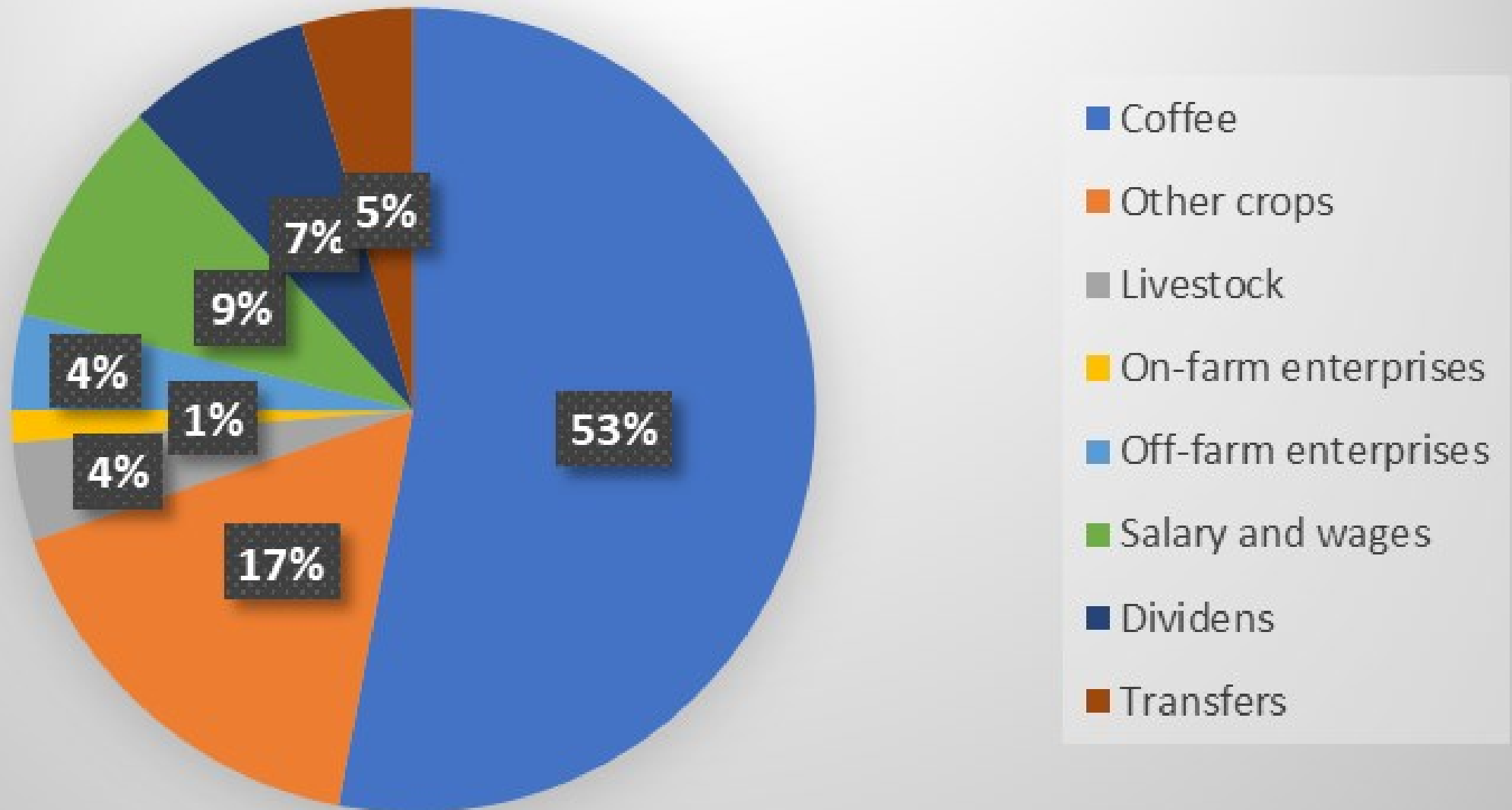
MX Actual Income 1,814.25 (USD)



HN Actual Income (3,659.17 USD)



NI Actual Income (3,845.08 - USD)



Pathways for intervention

1. Let the value chain redistribute wealth



2. Increase Productivity, Quality and Certification?



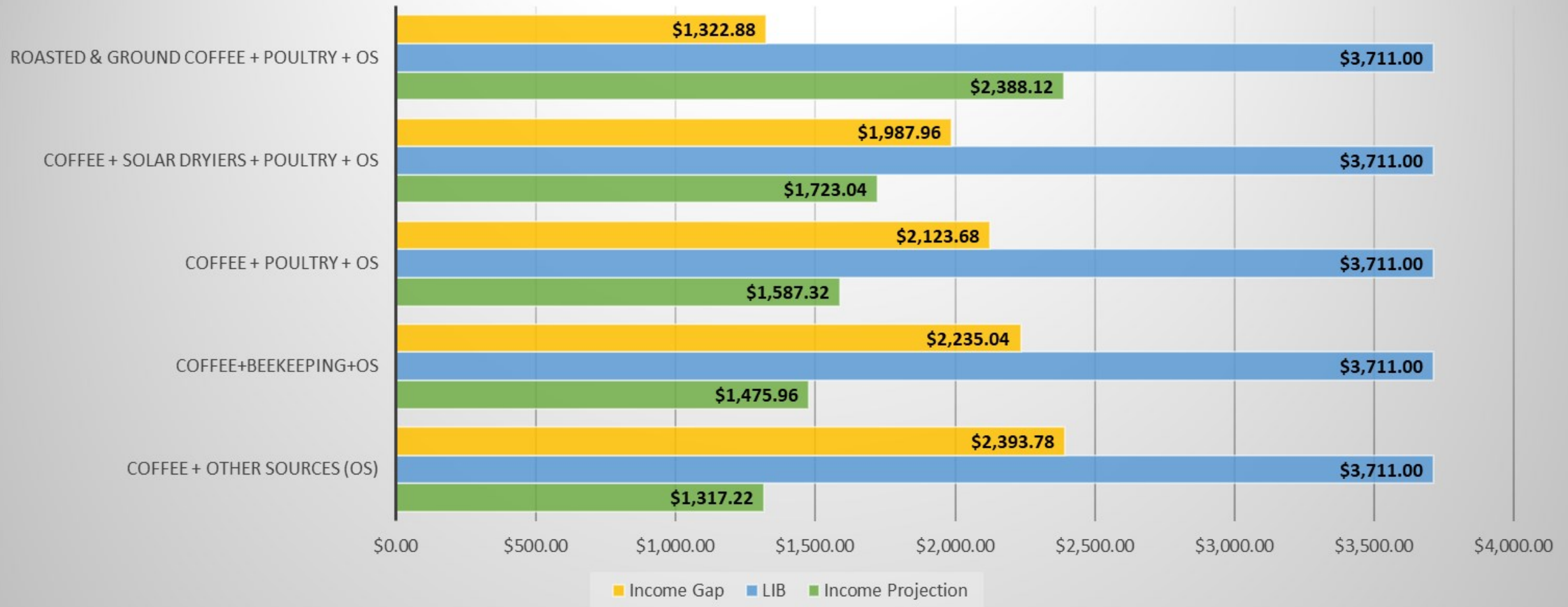
3. Diversification of Revenue?



4. Stratify supply based on demand and quality?



PRODUCTION MODELS TO CLOSE LI GAP - MX



Achievements:

Country	Target Group-Families	% of Families Closing Gap	# OF Families Closing LI Gap
Mexico	3,000	19%	570
Honduras	2,500	23%	575
Nicaragua	3,000	23%	690
TOTAL	8,500		1,835

Some learnings:

- LI benchmark is a very useful tool to confirm the most viable intervention strategies of the project to close the LI gap.
- We are managing sensitive information from families and to increase the accuracy of the data is necessary high level of confidence with organizations and farmers.
- Training of data collectors is key to secure the accuracy of the process.
- We are looking for options to optimize this process in terms of cost and time invested.

Thanks,
Gracias,
Merci



The ICO Coffee Public-Private Task Force:

*A unique model of
sector-wide collaboration*

Wolfgang Weinmann
Coordinator CPPTF, ICO

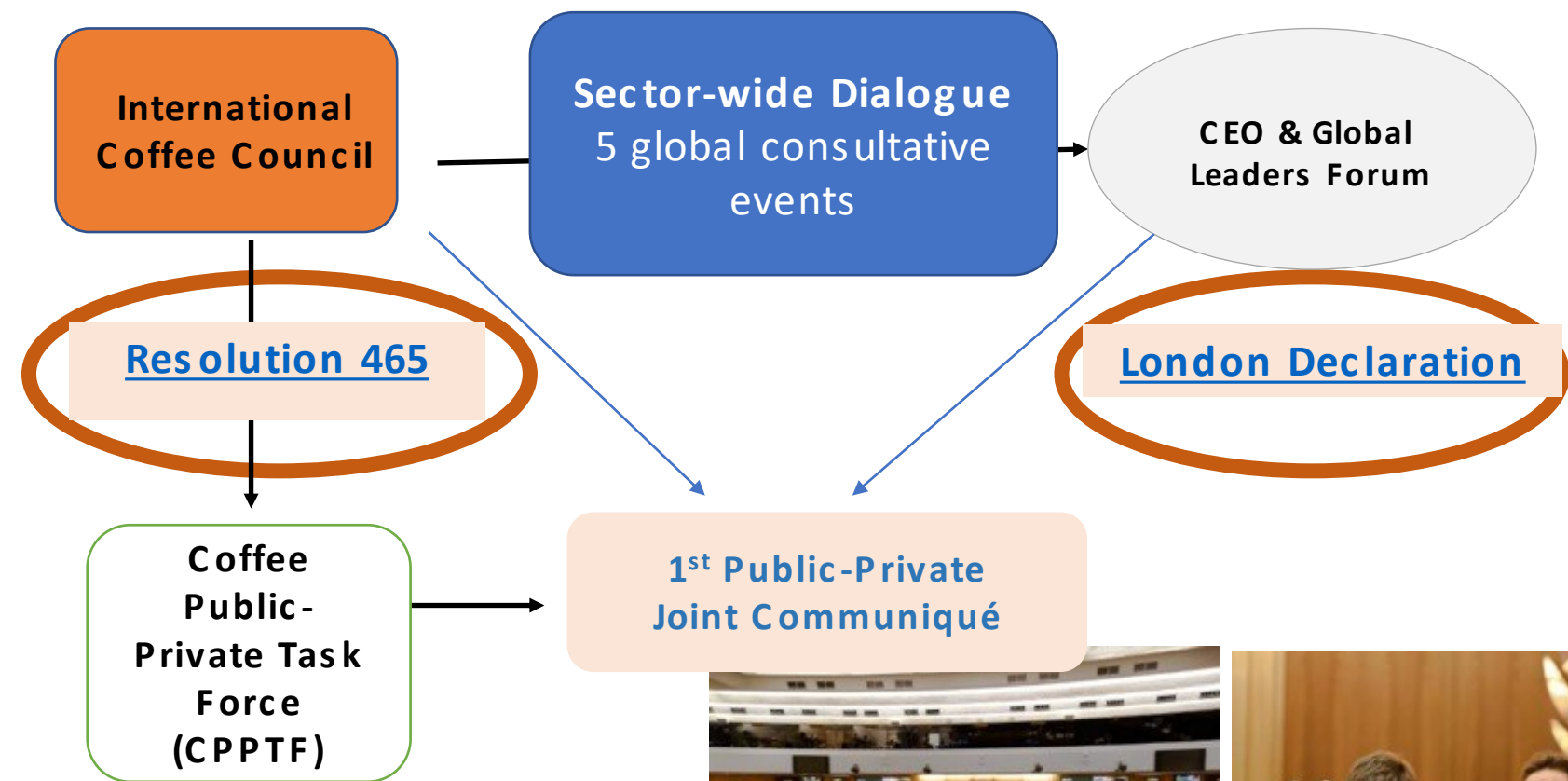
STATE OF PLAY IN LIVING
INCOME - Updates from leading
sectors

1 April 2021



INTERNATIONAL
COFFEE
ORGANIZATION

Background: a unique sector-wide response to the 'Coffee Price Crisis'



Private Sector A-Z (16)



**Signatories
London Declaration**



**Private Sector
Consultative Board**

ICO Member countries A-Z (15)




OBSERVERS:

co-signatories
&
civil society
organizations &
International
Organizations

Secretariat



Supporters and partnerships

 Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

 Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

On behalf of



Enveritas



 **COSA**
Committee On
Sustainability Assessment



Why the Task Force exists:

Economic unsustainability:

- **coffee producers do not earn enough to reach a Living Prosperous Income or even stay above the poverty line**
- vulnerable to the effects of external shocks (market, environment)
- lack access to capital, creating barriers to investment in sustainable production

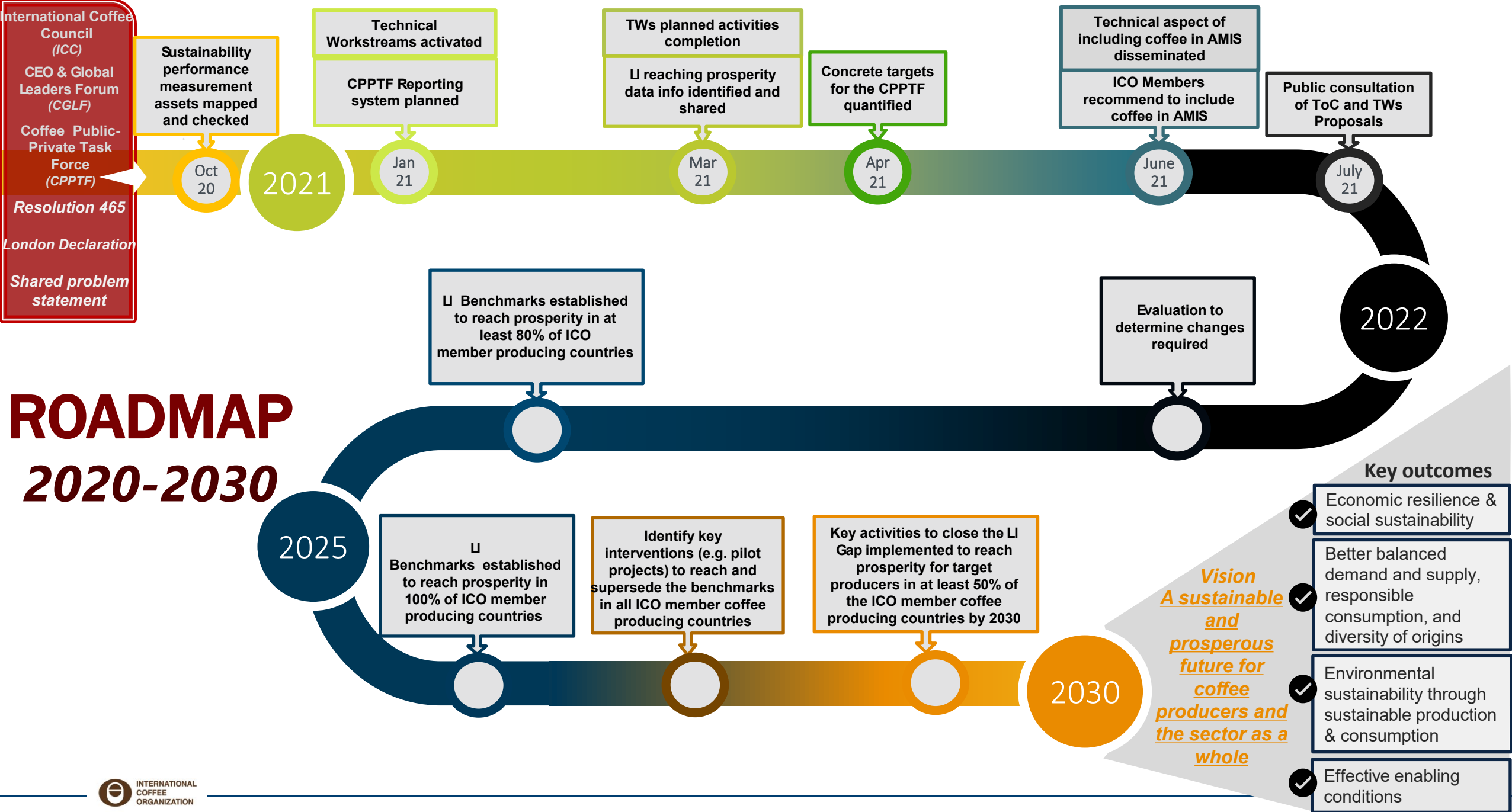
Social unsustainability:

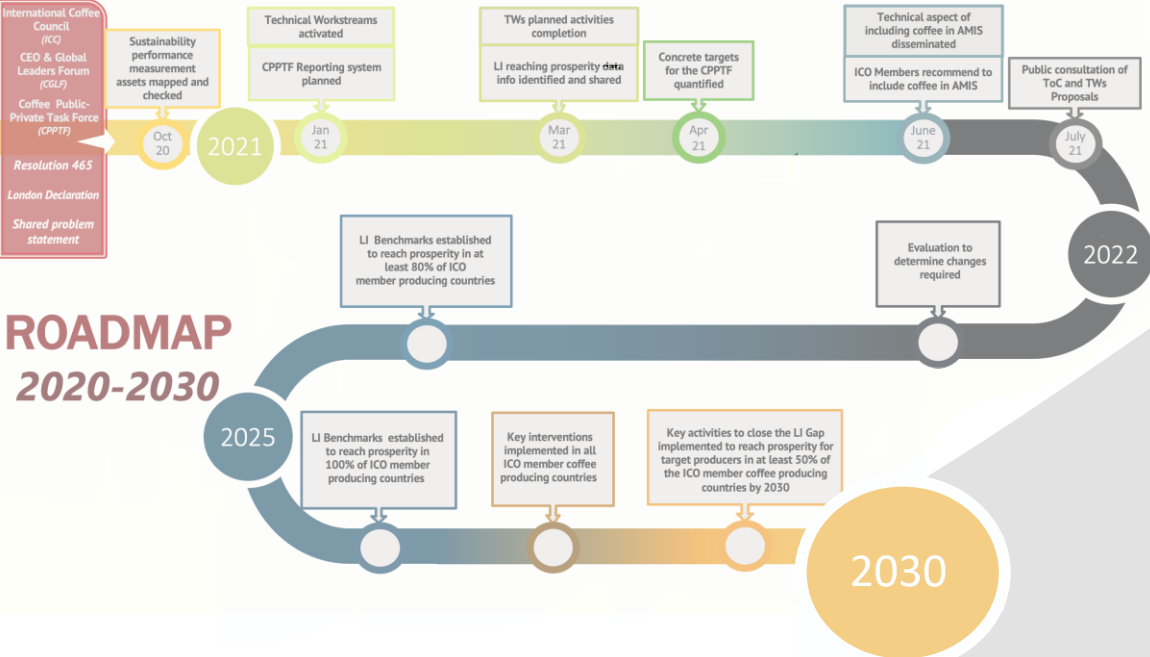
- high levels of gender inequality
- Risks of human rights violations are present throughout the sector

Environmental unsustainability:

- negative environmental outcomes, such as deforestation, soil degradation, loss of biodiversity, and greenhouse gas emissions
- climate change threatens the future of many coffee-producing regions







Vision

A sustainable and prosperous future for coffee producers and the sector as a whole

Key outcomes

- ✓ Economic resilience & social sustainability
- ✓ Better balanced demand and supply, responsible consumption, and diversity of origins
- ✓ Environmental sustainability through sustainable production & consumption
- ✓ Effective enabling conditions

What we do about it: Technical Workstreams –

<i>TW1: Living-Prosperous Income</i>	<i>TW2: Market Transparency</i>	<i>TW3: Market Policies and Institutions + Global Funding Mechanism</i>	<i>TW4: Sustainable Production & Responsible Sourcing & Consumption</i>	<i>TW5: Sector Coordination + Resilience and Inclusion of Women and Youth</i>
<p>Sector-wide transparency on the income gap</p> <p>Methodologies and strategies to close the income gap developed and implemented</p>	<p>Market info is available and used to proactively address or prevent price fluctuations and market shocks</p> <p>Enhance sector-wide transparency on Efficiency, Cost of production and the Living income gap in key production areas</p> <p>Improve functioning of market institutions (incl. futures markets) to benefit farmers</p> <p>Transparency on diverse origins</p>	<p>Policy and institutional development in exporting/importing countries supports sustainable production</p> <p>Global multi-stakeholder funding mechanism(s)</p>	<p>Sustainable use and protection of natural resources by the coffee sector</p> <p>Increased demand for sustainably produced coffee in traditional and emerging markets, especially in exporting countries</p>	<p>London Declaration operationalized</p> <p>Joint vision for the sector, Theory of Change and measurement framework developed</p> <p>Gender & Youth inclusion deeply integrated into Task Force and all TWS</p>

Roadmap Commitments, Living-Prosperous Income

Share information
sources on living income
for ICO members and
confirm sector strategy
for implementing L-PI
approach and meeting
aspirations.

Establish **LI Benchmarks**
in at least 80% of ICO
member producing
countries by 2025.

Implement L-PI pilot
projects in 4-6 countries
(to identify **LI gaps** and
interventions to close
and surpass those gaps
towards Prosperous
Income), to be
completed by or prior to
2026/27.

Establish **LI Benchmarks**
in 100% of ICO producing
countries by 2030.

By 2030, at least 50% of
coffee producing
countries that have
established
LI Benchmarks have
created and
implemented
collaborative PPPs to
close the LI Gap.

Close the income gap for
target producers in at
least 50% of the ICO
producing countries by
2030 (*with commitment
subject to revision in
2026*).

Reach and supersede the
income benchmarks
through a continuous
improvement process in
all ICO producing
countries.

Thank you



INTERNATIONAL
COFFEE
ORGANIZATION

Discussion and Q&A

TOWARDS A DECENT STANDARD OF LIVING FOR SMALLHOLDER FARMERS

Vanilla & Cotton



Don Seville
Executive Director,
Sustainable Food Lab /
Sustainable Vanilla Initiative



Heike Ostermann
Regional Program Director,
GIZ



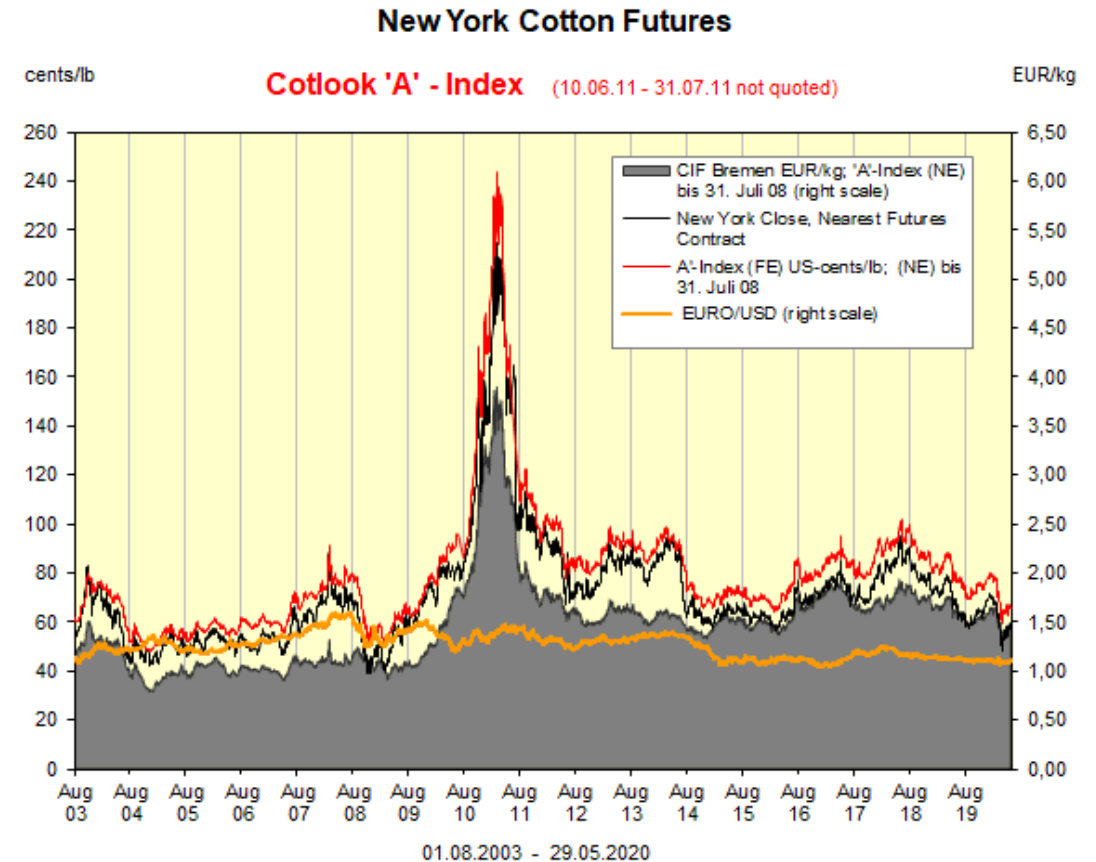
Living Income in cotton production

Experiences from GIZ

WEBINAR Living Income Community of Practice, April 1, 2021

1. Small holder cotton farmers are mostly exposed to price fluctuations on the world market

How can different institutional set ups in African Cotton producing countries which can influence prices, productivity and therefore income ?



2. Case examples and lessons learnt from GIZ cotton projects regarding income generation

Competitive African Cotton Initiative/COMPACI (2005-2017)

- where does additional income come from?
- Which is the enabling environment?

Global Project Sustainability and Value Added in Agricultural Supply Chains – case of Cameroon

- Presentation of a tool to calculate Living Income Differential for cotton small holders
- What works?





Discussion and Q&A



Living Income Community of Practice News

The Living Income Community of Practice



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Increase understanding
of living income
measurement and the
income gap



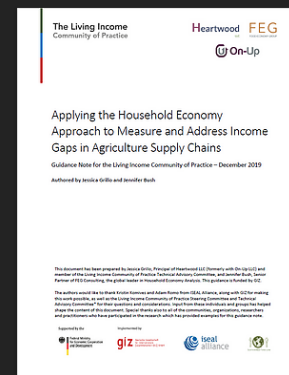
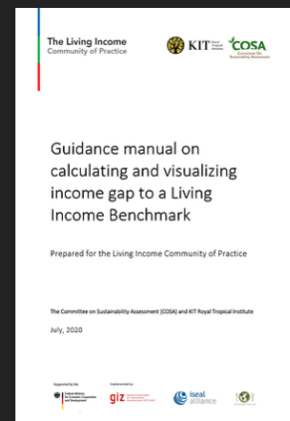
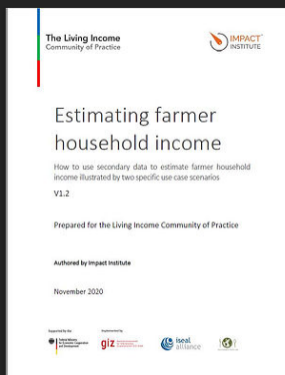
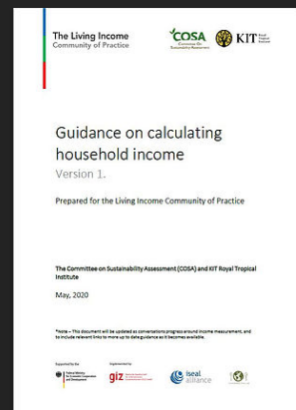
Identify and discuss
strategies for closing
the income gap



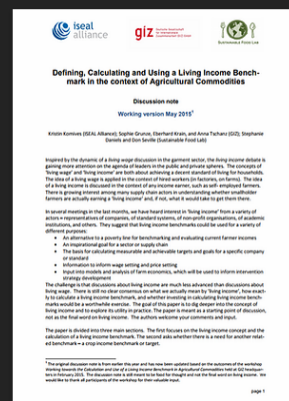
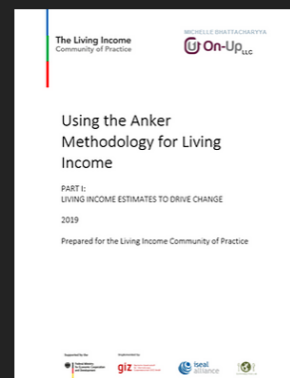
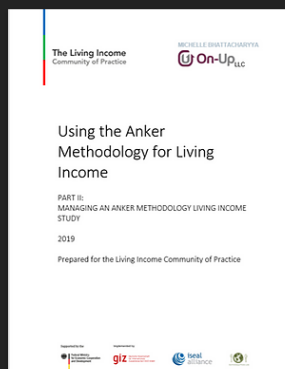
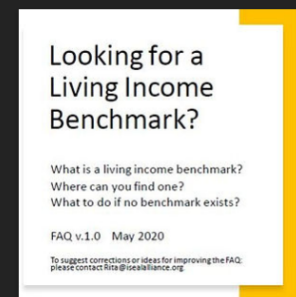
Share learning and
facilitate collaboration
between actors

LICOP RESOURCES

Actual income and income gap measurement



Living income benchmark definition and calculation



Developed with invaluable support from the Technical Advisory Committee composed of technical experts.

Access:

www.living-income.com/licopresources

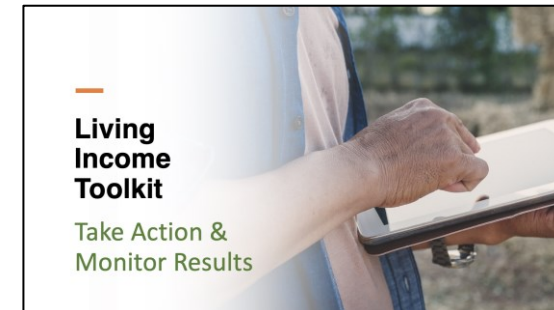
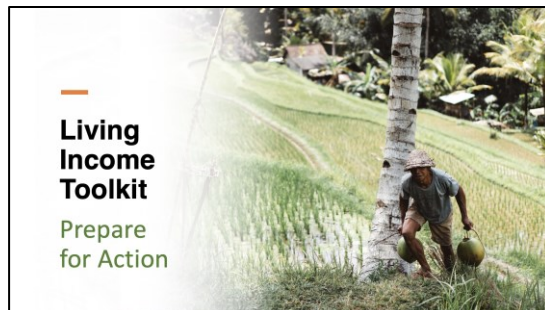
Toolkit - Guiding steps towards living income in the supply chain

How to mainstream living income in your company's activities

- Guide intended to provide resources and guidance to help practitioners
- PPT Slides and Graphics available for communication efforts
- Provides context on living income
- Practical steps for companies to:
 - Make the Case
 - Prepare for Action
 - Take Action & Monitor Results of efforts



Link to access: www.living-income.com/li-toolkit





ALIGN

Guidance tool on living wages and living income

- ALIGN is a **guidance tool** for agri-food companies, aiming to reduce complexity around the topic of living wage and income.
- ALIGN maintains all updated **living income and living wage benchmarks**
- Source map to learn about the **current state of wages, incomes and working conditions** risks in your supply chains

ALIGN

A platform by:



IDH Income measurement survey now available

Two surveys are available that focus on **coffee and cocoa** primary data collection.

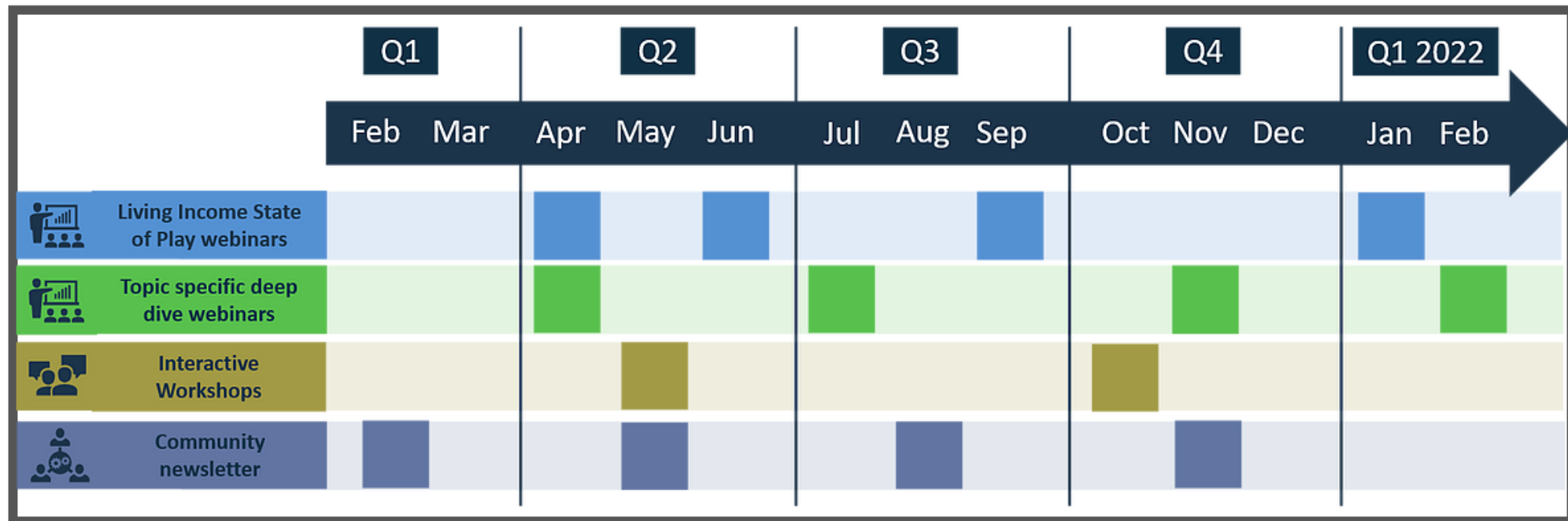
Another survey is in development for tea, and IDH is exploring other commodities.

The Income Measurement Survey is composed of 2 documents: 1) the User Guide (PDF) and 2) Intake Form and Farmer Survey (excel).

Survey available [here](#)



Events calendar 2021



Upcoming engagement opportunities

WEBINAR | Due Diligence for Living Income: *How to address poverty and prosperity in supply chains in light of new EU legislation*

[Thursday, 22 April - 2:00 pm - 3:30 pm BST]

WORKSHOP | Living Income Interactive Workshop 1

[May 2021 – exact date TBC]

Agenda in development, stay tuned for more information. Contact us if you would like to suggest topics.

Thank you!

