

Living Income Community of Practice – Workshop Notes

2021 Living Income Workshop – Empowering action towards improving living income

19 May 2021

Summary Session 3: Living Income & Livelihoods – emerging topics

Moderator: Stephanie Daniels ([Sustainable Food Lap](#))

This interactive session helped to understand what is happening at the sector level. We provided an overview of the LI state of play in a number of key sectors. This session offered the opportunity for participants to introduce themselves and to share their work in small groups. We also heard an update on what we know so far about living income efforts on cocoa, coffee and vanilla. Finally, Anu Huhtisaari from Ethical Tea Partnership gave an update on living income and living wage work in the tea sector.

Participants were asked to share Strategies or Measurement examples from the sector/the commodities they are working in.

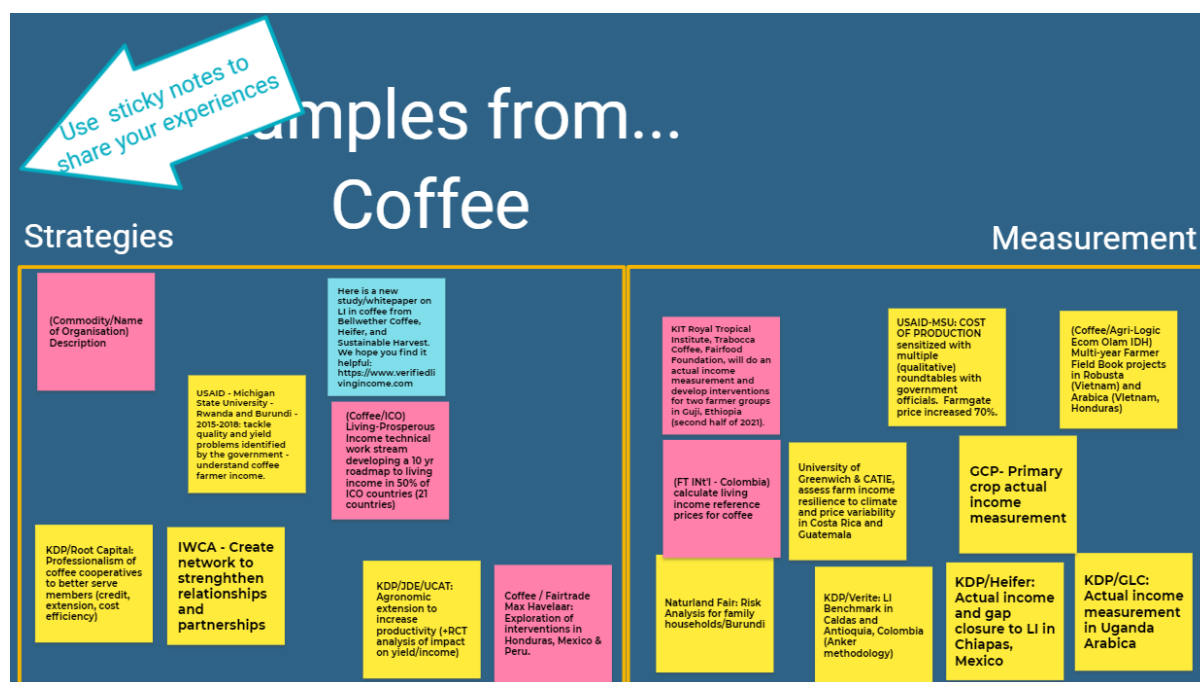


Figure 1 Example Coffee

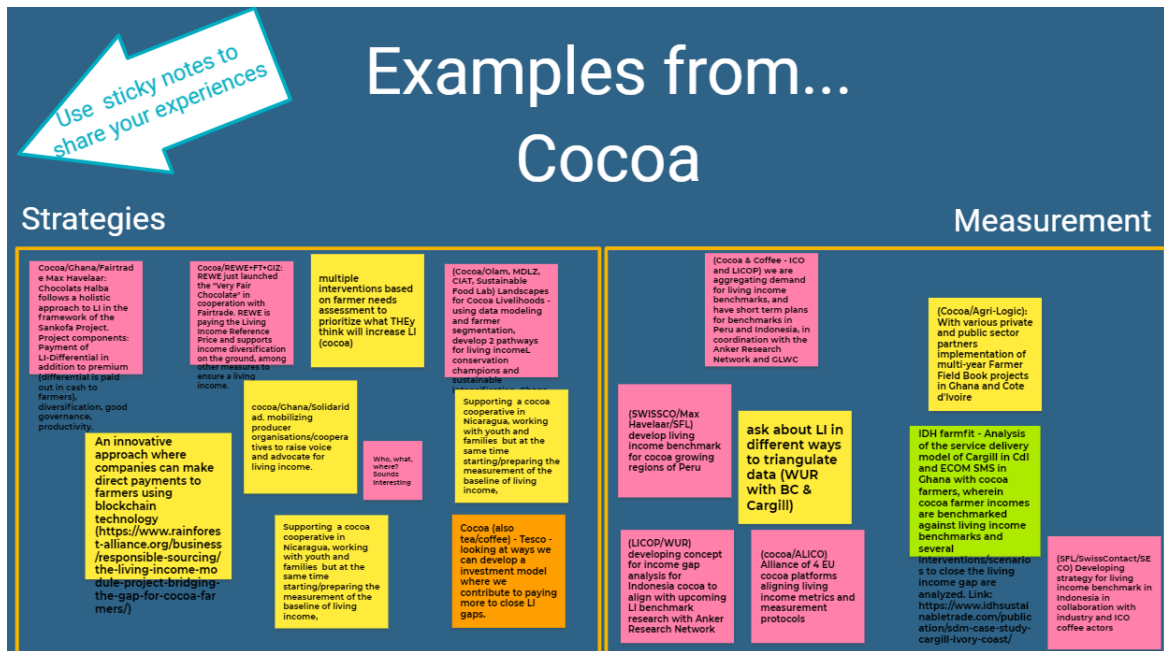


Figure 2 Example Cocoa



Figure 3 Example Tea

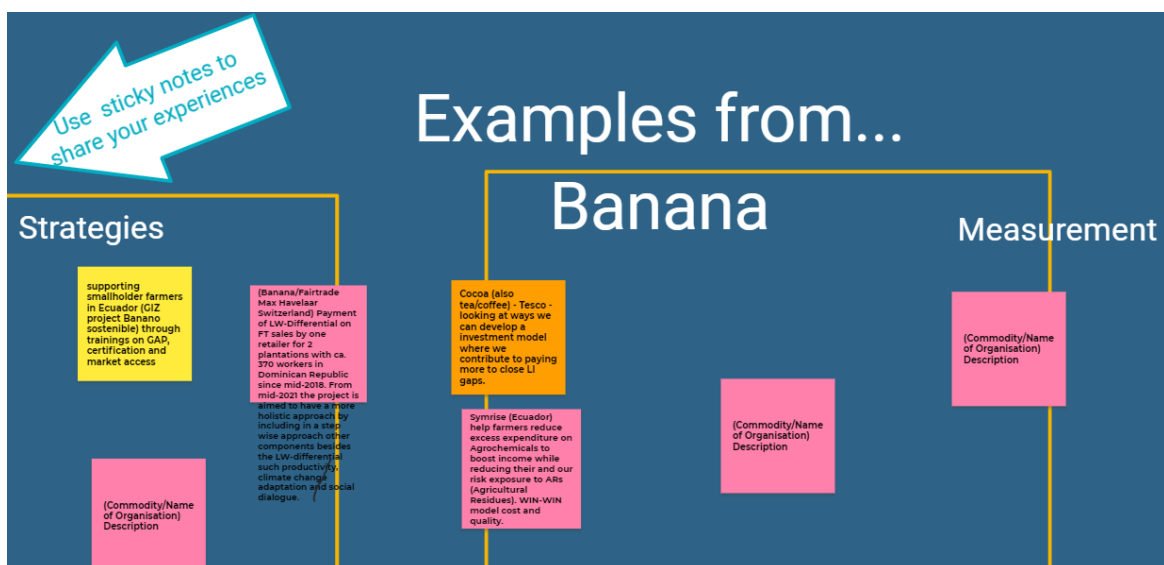


Figure 4 Example Banana

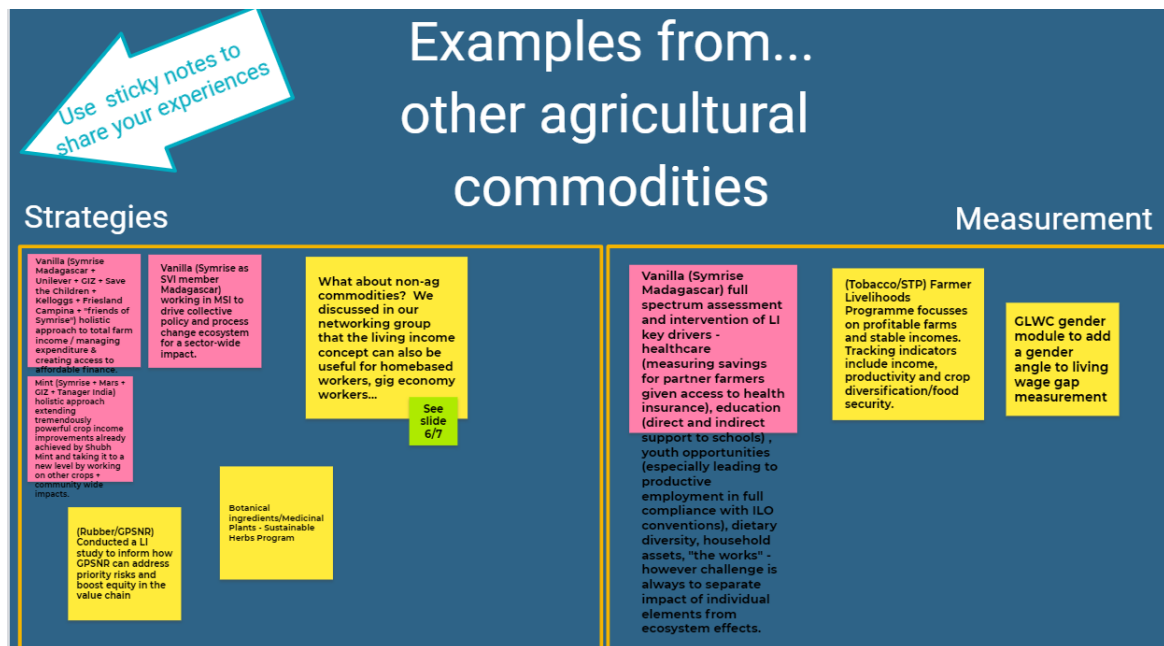


Figure 5 Example other agricultural commodities

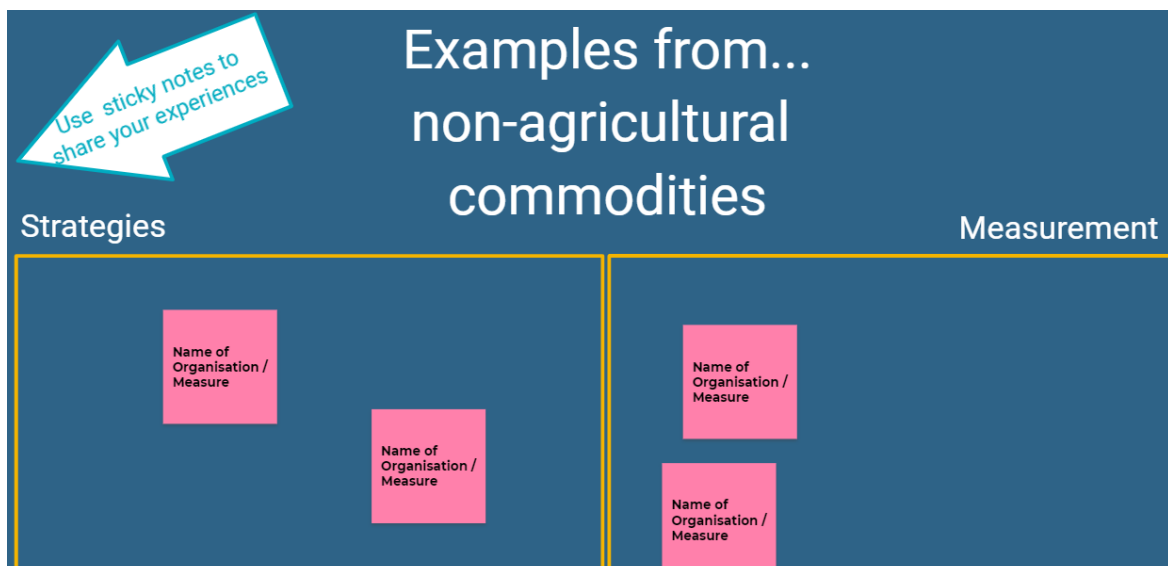


Figure 6 Example other non-agricultural commodities



Figure 7 Example wild Harvest natural products

Breakout discussions

In the second part of the session, Participants had the option to choose between four different breakout groups. Those were led by discussants who can frame the challenge and questions on key emerging topics such as Gender empowerment and living income, Savings and financial capital for improved and diversified income, Farm Services to improve productivity and Youth and inspiring the next generation of farmers.

Breakout 1: Gender Empowerment and Living income

Moderator: Friederike Martin ([GIZ](#))

Discussants: Anna Laven (Independent researcher and advisor), Inge Jacobs ([MARS](#)) and Blanca Castro ([IWCA](#))

Women take a large role in agriculture. 80% of food produced in Sub-Saharan Africa is produced by women. Are we putting sufficient emphasis on women and are they benefiting from the interventions we are making?

Anna Laven ([KIT](#))

- If you don't know the right problem, you don't know the right solution: often we don't understand the underlying causes of gender inequality and disempowerment. That means we can't find a solution.
- In cocoa, women are left out of Trade and Services. This creates an inequality as women don't work in the cocoa industry.
- Women are also not included in living income strategies as "breadwinners". Most interventions around cash crop (cocoa for example) focus on men. Women's efforts are focused around other income generating activities.
- Recently created the Empathy Report with MARS: <https://www.kit.nl/project/the-resilience-journey-with-mars/>

Inge Jacobs ([MARS](#))

- Creating equality is a journey that will take some time because it's a behaviour change. By doing nothing we are perpetuating the problem and solidifying the status quo. It is important to focus on girls and providing them opportunities.

Blanca Castro ([IWCA](#))

- Focused on building capacity within local groups, because the local groups know the context and situation best. Regional differences exist because the stakeholders are different, culture etc.
- Women can make changes on their own, they just need to have self-esteem and information to help them.

Outstanding Questions that Arose in Discussion

- What challenges for gender empowerment initiatives have you encountered when thinking at living income rather than living wage level?

Breakout 2: Savings and financial capital for improved and diversified income

Moderator: Stephanie Daniels ([Sustainable Food Lab](#))

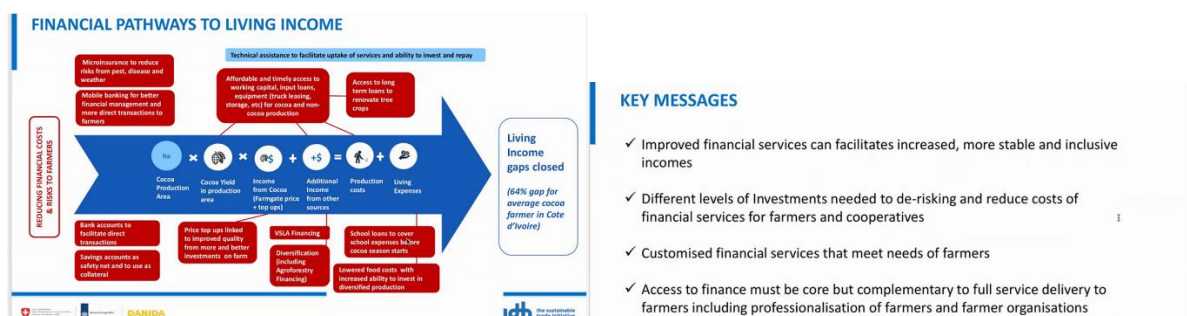
Discussants: Abdulahi Aliyu ([Rikolto](#)) and Gael Lescornec ([IDH](#))

Abdulahi, Rikolto

- Access to finance is an important element for driving income improvements. Rikolto describes and approaches at 3: Invest in services, Level of services to be provided to cooperatives and SME financing
- Village farmer saving and loan associations support farmers to get better at saving and applying for finance. Provide technical assistance and services to coops on top of loans. For SME's - trying to provide cheaper financing to them to make it easier for them to exist and provide services for farmers. Supporting all of these over time - financing changes over time and support to connect with traditional and main banks in relevant regions.

Gael, IDH

- Investing in smallholder farmers is perceived as high risk to financiers. With income being the goal posts however - can look at financing from different angles. What are the types of financial products and services that can both help to improve and stabilise incomes? Different income levers can be connected to different financial products and services. E.g. Saving accounts and support around saving are a safety net - solution for income stability. Long term improvements - access to loans to grow and innovate. Need to think broader about financial solutions and products beyond what is typical.
- Financial services need to be catered to the needs of farmers, but also be facilitated by initiatives that support payment and include multistakeholder solutions. IDH working in cocoa and coffee in multistakeholder space to provide financial solutions and products at different levels. IDH have developed a service delivery model analysis to identify best actions to take to improve financial services that can improve incomes. This helps organisations to think broadly and holistically.



Outstanding questions that arose in discussion

- *Q Provide unconditional cash transfers for 100 weeks with support. How would you recommend building links to living income or incomes relative to living income to define products? –*
- **A Abdulahi** - With CVSL's through Kuapa Cocoa - understanding what investors used their money for - found that it was mainly to pay for school fees of their children then for farm improvements. Community schemes help pay back issues that are a worry for financiers. Use these schemes to force banks to reduce interest rates to make borrowing more affordable. CVLS almost acts as a coop to lobby and collectively push banks to provide better and more affordable services .
- **A Geal** - Depends a lot on who is doing the lending - would probably need to be a close exercise with the government if living income is going to be used to define exact products.
- *Q Understanding how money is used is important to then determine how to connect women who receive loans to the right solutions and services. Thinking of de-risking. How do you do this?*
- A De-risking finance needs to happen at different levels and the system has to be conducive. Smallholders are a new asset class for financiers. What financing for what purpose? Important question to ask.
- **A Abdulahi** - Major lesson is to support income diversification on top of VSLA's - higher uptake where diversification and CVSLA's are used in combination. Found this from experience - 1 crop less uptake and success of the schemes. VSLA's have a 1 year cycle but also need to think longer term.

Breakout 3: Farm Services to improve productivity

Moderator: Don Seville ([Sustainable Food Lab](#))

Discussants: Ashlee Tuttleman ([IDH](#)) and Paul Stewart ([Technoserve](#))

In terms of an efficient and effective service delivery model,

- we need to look at productivity improvements as part of the smart-mix strategy that goes beyond productivity/yield
- we need to structure farm service offering in ways that appeal to different kinds of farmer to use the services and adopt new practices
- we require reliable data and analysis is needed to bring transparency and to be able to define strategies and inform where investment is needed.

Breakout 4: Youth and inspiring the next generation of farmers

Moderator: Christina Archer ([Sustainable Food Lab](#))

Discussants: Gerardo Pataconi ([ICO](#)) and Jenny Hanbert ([Hanns R. Neumann Stiftung](#))

Main points raised

- Youth being involved in the process / being the main actor. Youth don't want to leave their communities just for the sake of doing that. It's more about involving many actors to make a community a home for young people.
- Benchmarking is very important, and measurement to differentiate by age

Materials relevant to the session

- Cargill Service Delivery model:
https://www.idhsustainabletrade.com/uploaded/2021/02/210217_Cargill_SDM-Report_PUBLIC_FINAL.pdf
- Coffee Kids Coffee Article: Guatemala: <https://www.interamericancoffee.com/guatemala-coffee-kids-huehuetenango/>
- Coffee Kids Coffee Article 1: Honduras: <https://www.interamericancoffee.com/news/coffee-kids-uniocafe-meet-honduras-coffee-entrepreneurs/>
- Coffee Kids Coffee Article 2: Honduras: <https://www.interamericancoffee.com/honduras-coffee-kids-coffee-project/>
- Coffee Living Income Task Force, Strategy Handbook: https://www.idhsustainabletrade.com/uploaded/2020/02/TCLI_FR_3.2_Lres_singlepages_5-full-report.pdf
- SAFE/SFL/HRNS Youth Initiative review: https://sustainablefoodlab.org/wp-content/uploads/2018/12/Investing_In_Youth_In_Coffee_Growing_Communities_web.pdf
- Coffee Kids 2020 Annual Report: <https://www.hrnstiftung.org/wp-content/uploads/2021/03/Coffee-Kids-Annual-Report-2020.pdf>
- <https://sustainablefoodlab.org/investing-in-youth-in-coffee-growing-communities/>
- <https://www.mars.com/sites/g/files/jydpvr316/files/2020-12/The%20Resilience%20Journey%20Empathy%20Generation%20%28Phase%201%29.pdf>