

# Living Income Community of Practice

## Topic Specific 2021 webinar series

### The Living Income Community of Practice



Photo © tea field Kenya Rainforest Alliance RA

**Sustainability Systems – Showcase of projects that work to meet producer needs and positively influences livelihoods & resilience**

8<sup>th</sup> December 2021  
14:00-15:30 BST (GMT +1)



# Today's Facilitators



**Sheila Senathirajah**  
Senior Manager, Innovations  
ISEAL



**Liliana Petkova**  
Project Support, Impacts and  
Innovations  
ISEAL



# The Living Income Community of Practice



**Living Income Community of Practice** is an alliance of partners dedicated to the vision of thriving, economically stable, rural communities linked to global food and agricultural supply chains.

For more information and to join the community visit: [www.living-income.com](http://www.living-income.com)

Contact: [livingincome@isealalliance.org](mailto:livingincome@isealalliance.org)

# Main Discussion Agenda

- (10m) Recap Sustainable Livelihoods & the Living Income Concept
- (45m) Meeting producer needs and positively influencing Livelihoods & Resilience
  - **Bonsucro:** Good Practice, Better Finance
  - **Textile Exchange:** Incentivizing good practices through (market driven) Impact Partnerships
  - **Aquaculture Stewardship Council:** Supporting greater alignment to enable data and knowledge sharing.
- (30m) Discussion and Q&A
- (5m) Wrap Up

# Sustainable Livelihoods

**Sustainable livelihood means having the means, capacity, and income to cover basic needs (*at least meeting a living income*) and to be resilient to withstand and overcome shocks and unexpected events without undermining natural resources.**

What are **pathways** to support a decent standard of living?

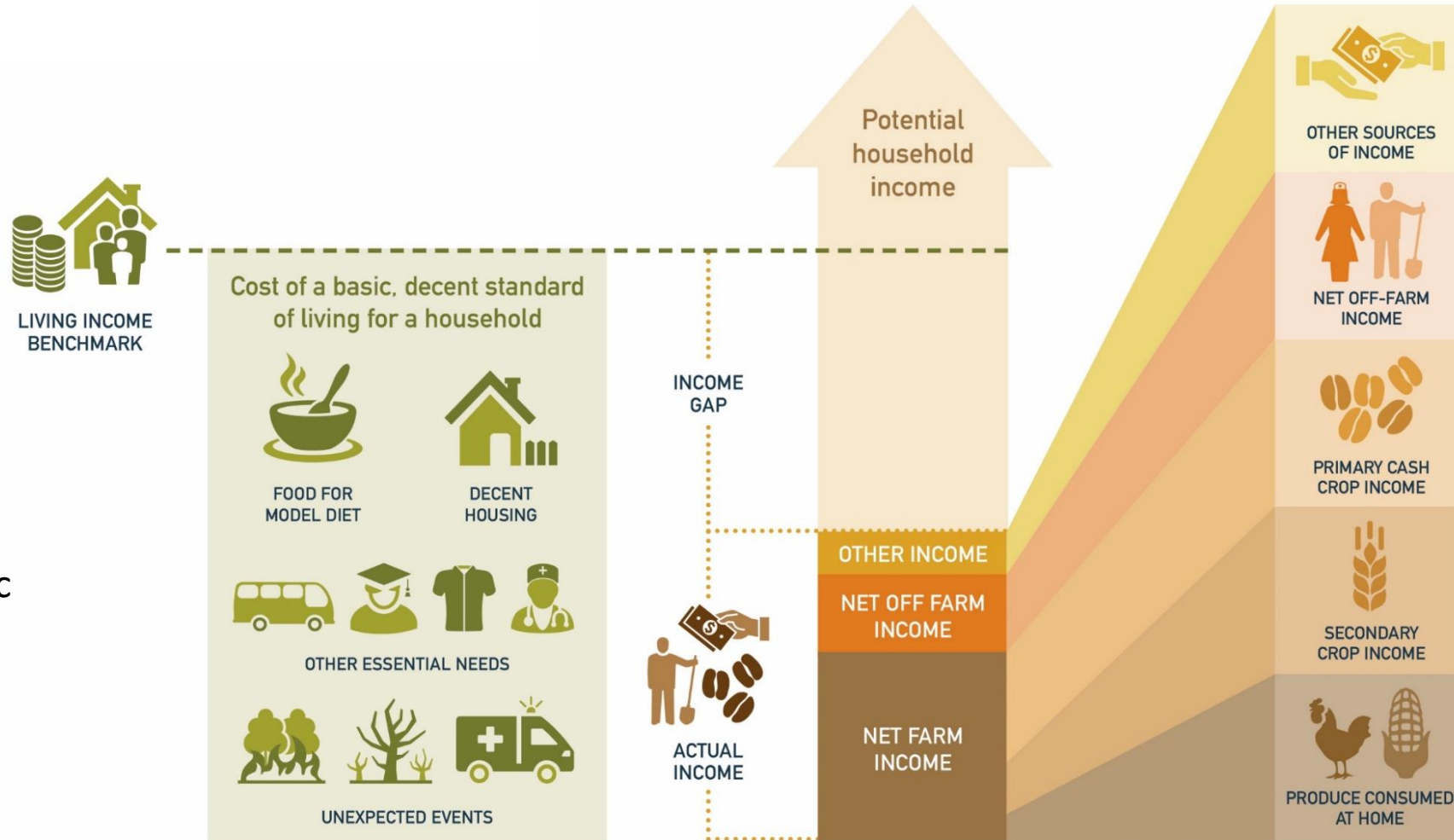


What are the **right enabling conditions** and **targeted support** to support **economic resilience**?

# Enabling a Decent Standard of Living

## The Living Income Community of Practice

Living income concept goes a step **beyond traditional notions of poverty alleviation**. It focuses on a decent standard of living as opposed to basic subsistence and survival



A household income is made up of **multiple components of income** sources (including subsistence)

# Enabling conditions and targeted support to support livelihoods & resilience

## The Living Income Community of Practice



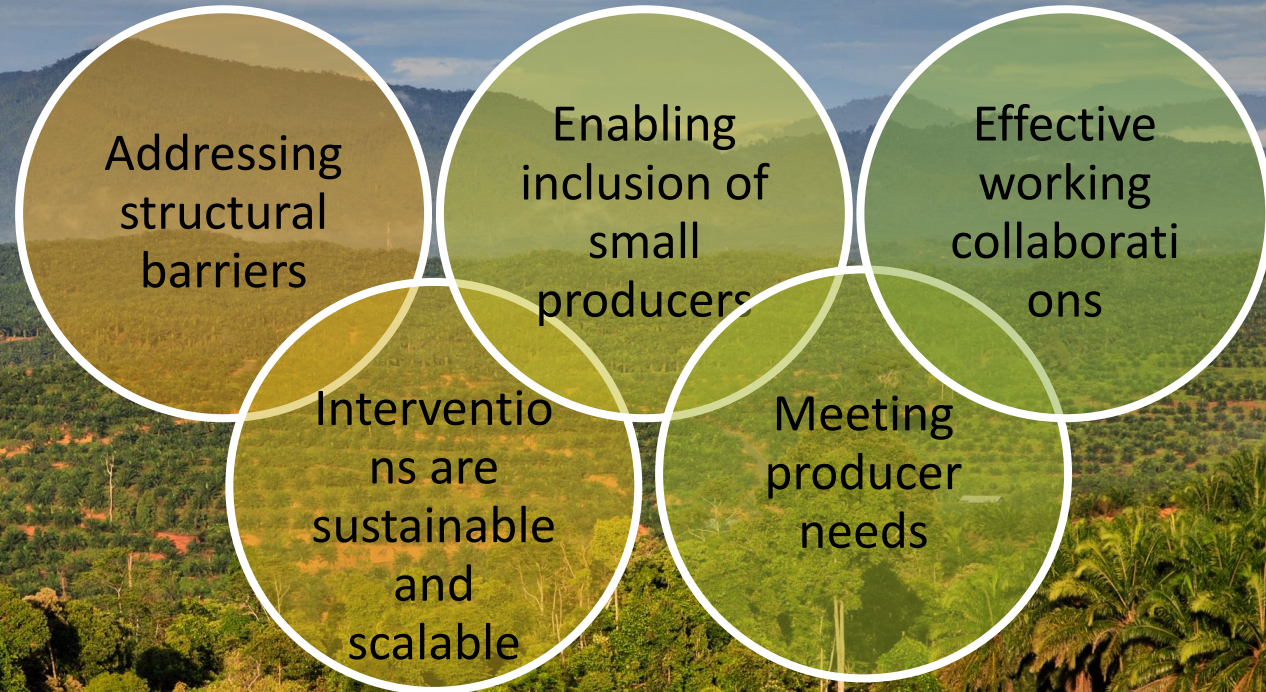
No singular strategy can address income. Intervention required at various levels -*mix of strategies focussed at farm and enabling environment.*

No singular organization is going to be able to address this independently. Need alignment and collaboration -*multi actor collaboration.*



# Today's Focus

How do market-based tools deliver **impacts** on key topics linked to farmer livelihoods?





# Today's Speakers

How to use a **landscape based approach** to incentivize change?



**Incentivizing good practices through (market driven) Impact Partnerships**

The use of Impact incentives (across multiple commodities) to directly support producers that are meeting their sustainability goals.

How to enable access to **preferential finance terms?**



**Supporting access to finance**

Improving access to finance (from banks and financial institutions) through a data collection, management and sharing tool in support of improved production practices and certification; better practice, better finance.

How to **better share data** and **operate more efficiently?**



**Supporting greater alignment to enable data and knowledge sharing.**

Enhance integration between certification and ratings schemes to help encourage more responsible aquaculture around the world.



# Improving Livelihoods



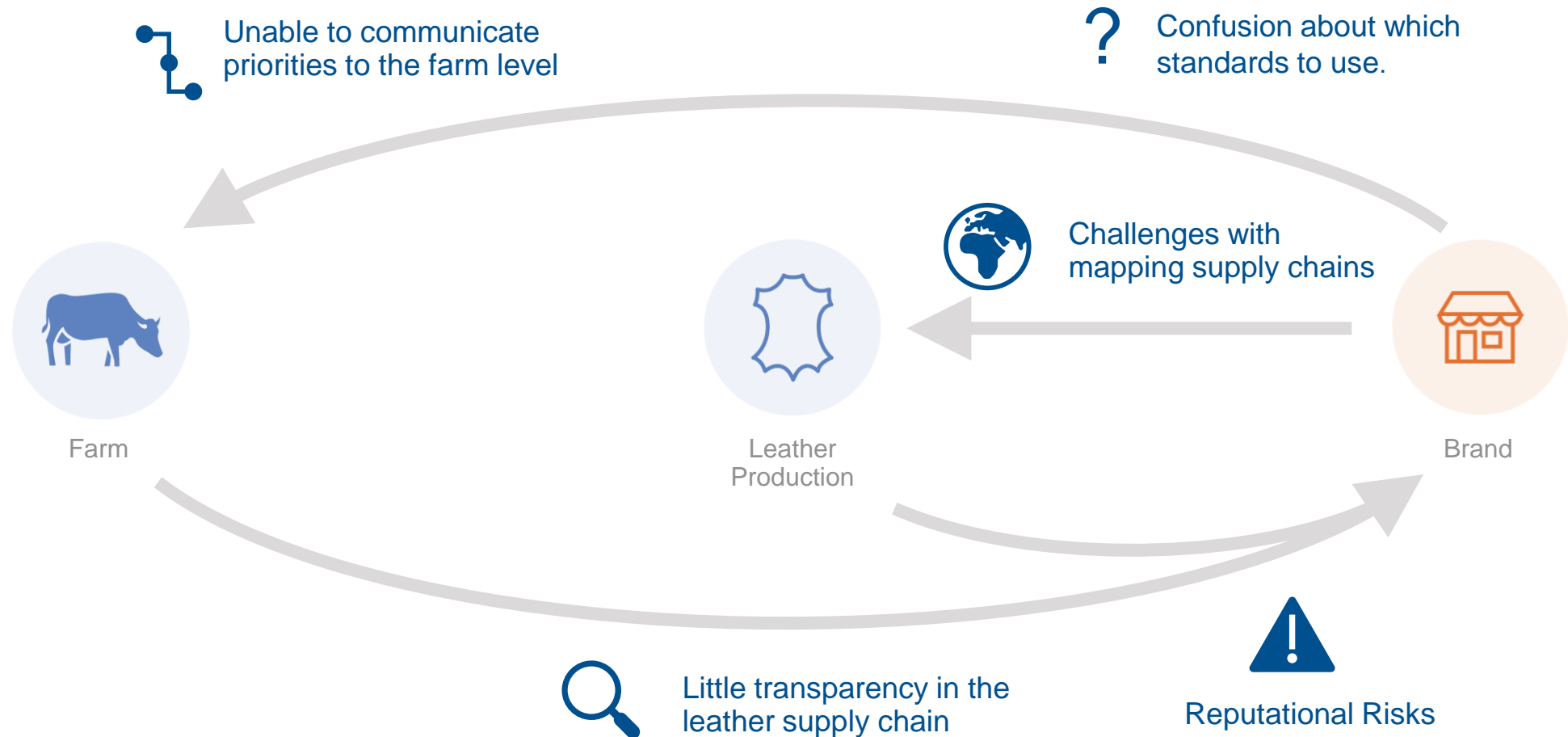


# Introduction

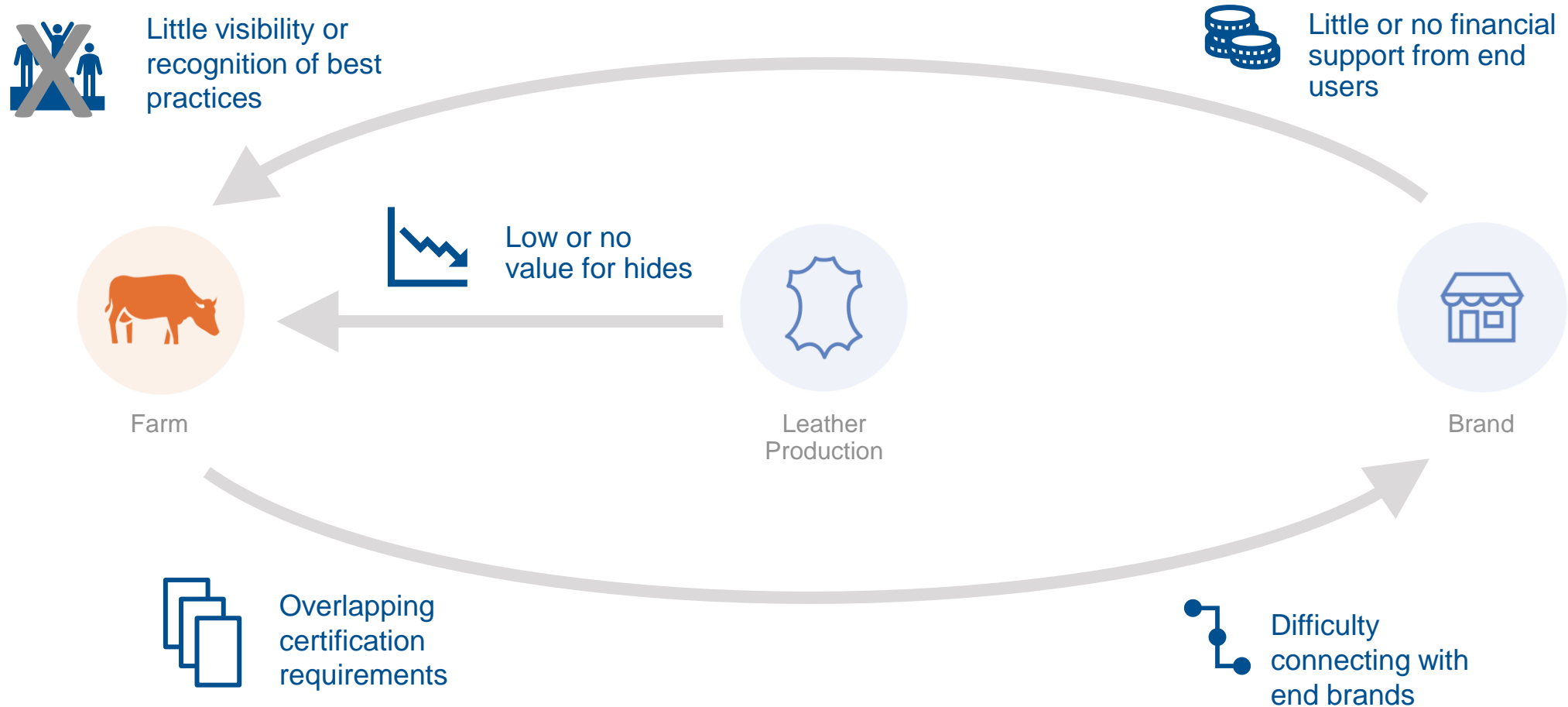
Impact Incentives, Impact Partnerships, Impact Alliance and  
Systems Change



# Challenges for Brands

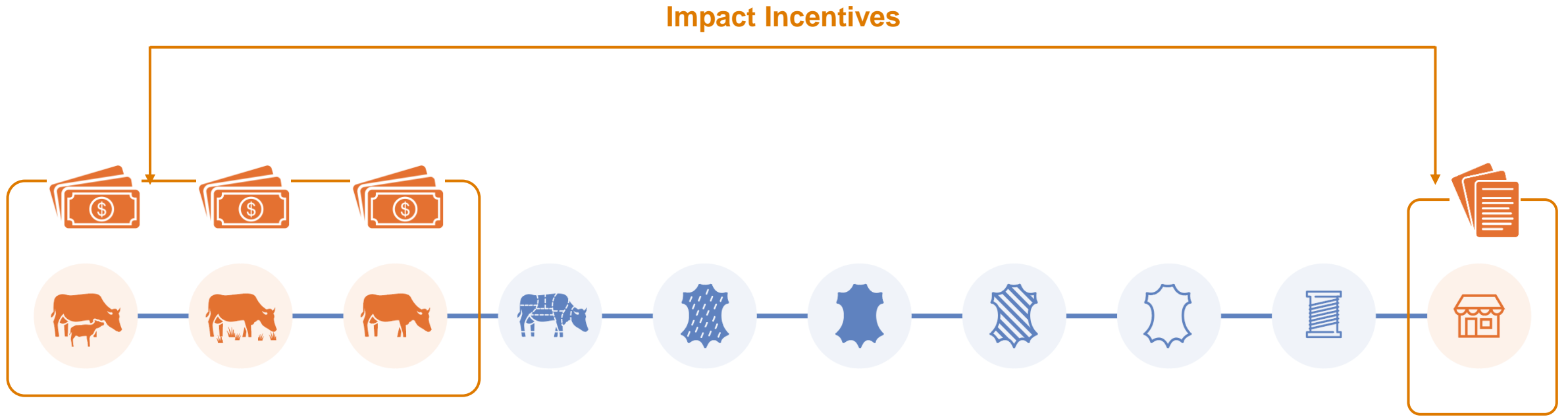


# Challenges for Cattle Producers



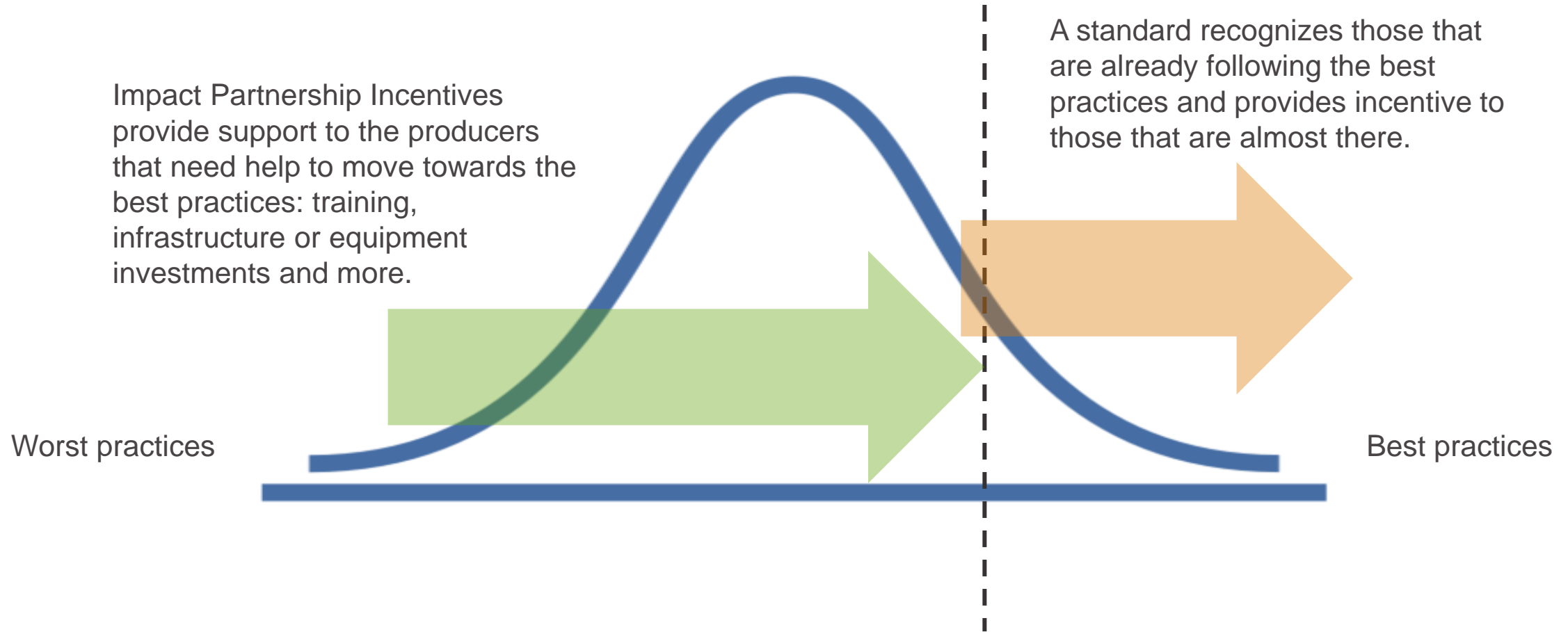


# Impact Incentives



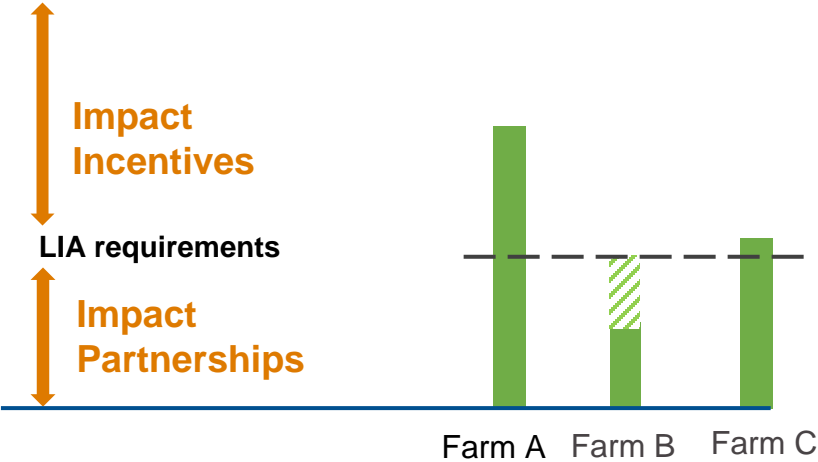
Impact Incentives are issued to a farmer when a set of sustainability criteria have been confirmed to have been met. Impact Incentives provide a way for brands to deliver direct financial support to farmers for doing the right thing.

# Driving Change where it is needed most





# Impact Partnerships





How to make impact happen?

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# DEFORESTATION & CONVERSION- FREE (DCF)

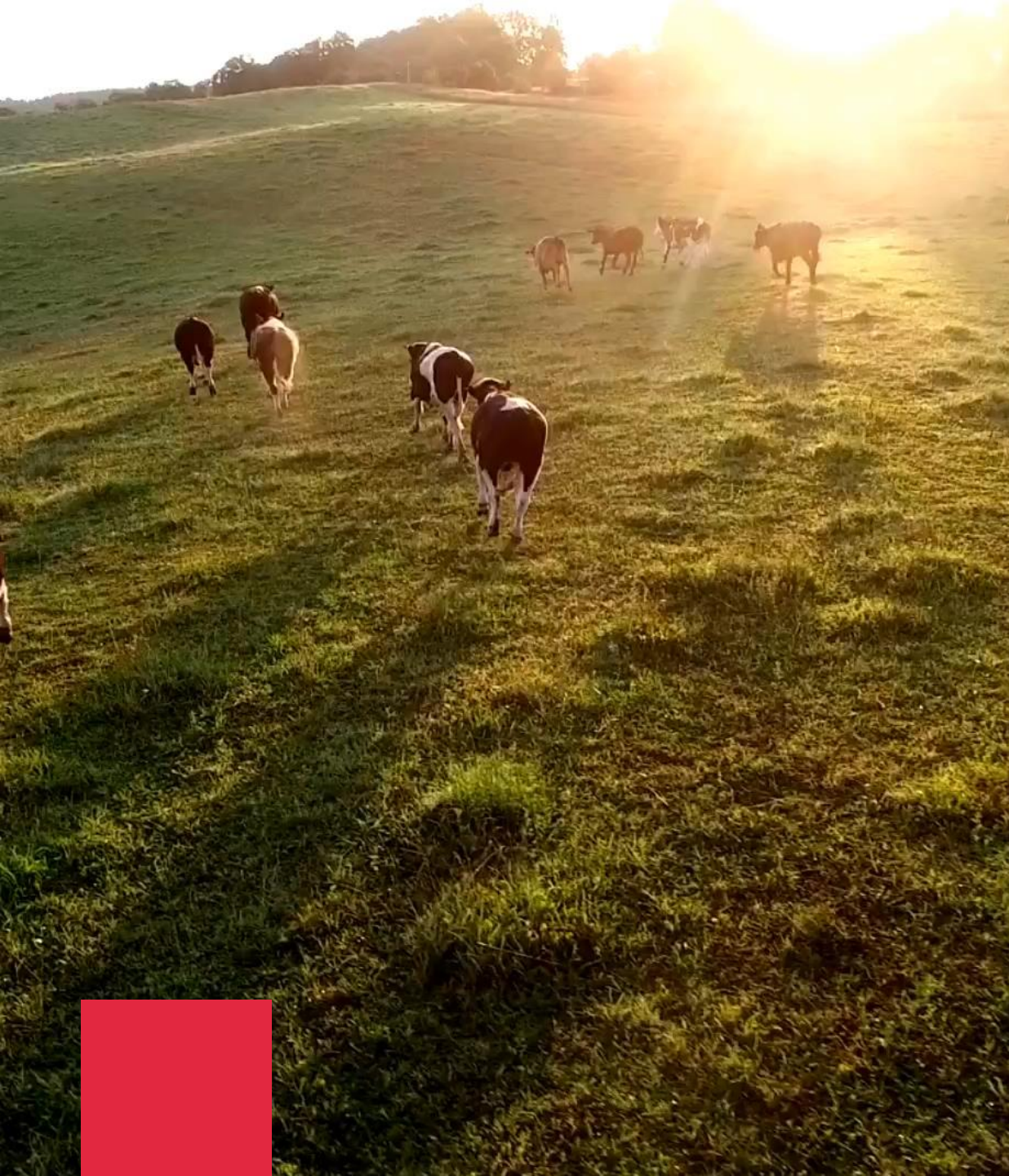
All Impact Incentives support farms that are verified to meet the Accountability Framework definitions of Zero Gross Deforestation or Conversion.

Because the Impact Alliance represents multiple sectors, we have the opportunity to amplify impacts in high-risk landscapes. For example, incentives can be sold for soy, beef and cattle in the Amazon Biome.

Making impact happen.







What are Impact Incentives?

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# ANIMAL WELFARE

All Impact Incentives support farms that are verified to meet a baseline of animal welfare that represents the OIE guidelines. Many standards will go beyond this, but we felt that it was important to establish an inclusive minimum threshold.

# Impact Alliance

## Members:



## Partners:



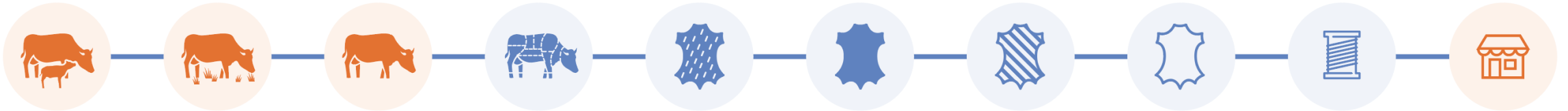


# Systems Change

Addressing structural barriers, creating enabling environments

# Impact Incentives address systems issues

- Long, complex, opaque supply chains
- Brands walking away from 'high risk' supply regions
- Lack of coordination between schemes
- Long term reliance of producers on support programs
- Costs and risks of certification is carried by the producers





# Shared Costs, Shared Risks

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- In a typical certification situation, the producer must make investments and pay for certification before receiving any additional income the certified outputs
- With Impact Partnerships, Program Partners will identify the costs needed to meet the standard within the timeframe, and will sell Incentives to brands to cover these costs

## Longer term commitments

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- Brands are encouraged to invest in Impact Partnership Incentives for the full time that it takes for the producers to meet the standard
- Brands are also encouraged to continue to support the individual producers once they leave the Partnership, by purchasing Impact Incentives from them directly, or even by sourcing physical goods



# Increased Resilience

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- By supporting producers to move to higher levels of animal welfare, we are protecting or increasing productivity. Healthier animals will be more resistant to stresses.
- Animal welfare also impacts biodiversity loss, poverty alleviation, disaster resilience, land use conversion, global food security, greenhouse gas emissions, and climate change.

# Increased use of standards

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- “The growing body of research evidence shows that standards systems can and do have positive impacts – including preventing the worst practices, improving profitability for smallholders and conserving biodiversity and tree cover.”
- Impact Partnership Incentives allow brands to support producers to become certified
- Impact Incentives allow brands to support producers to be certified



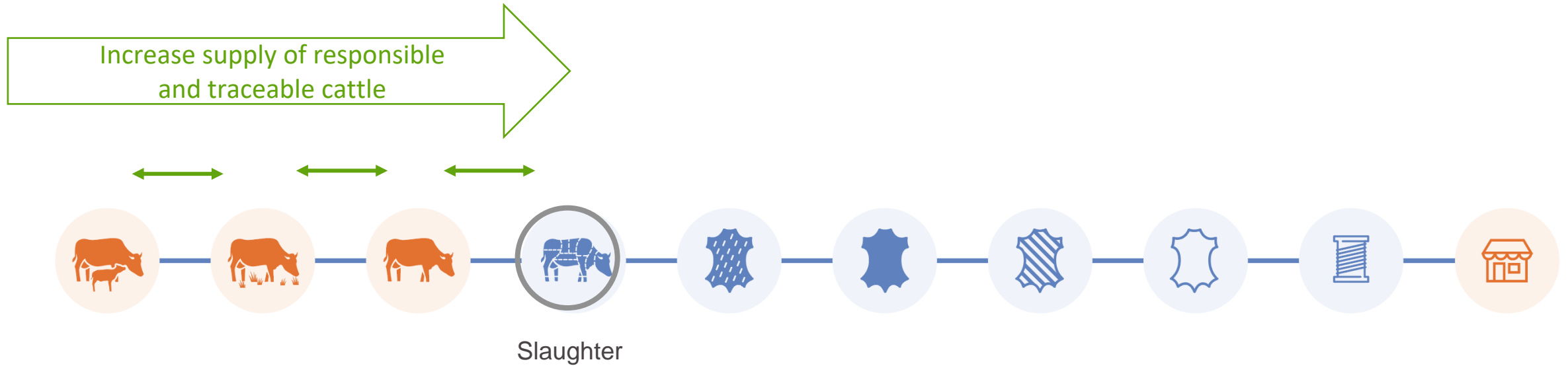
# Improved Livelihoods

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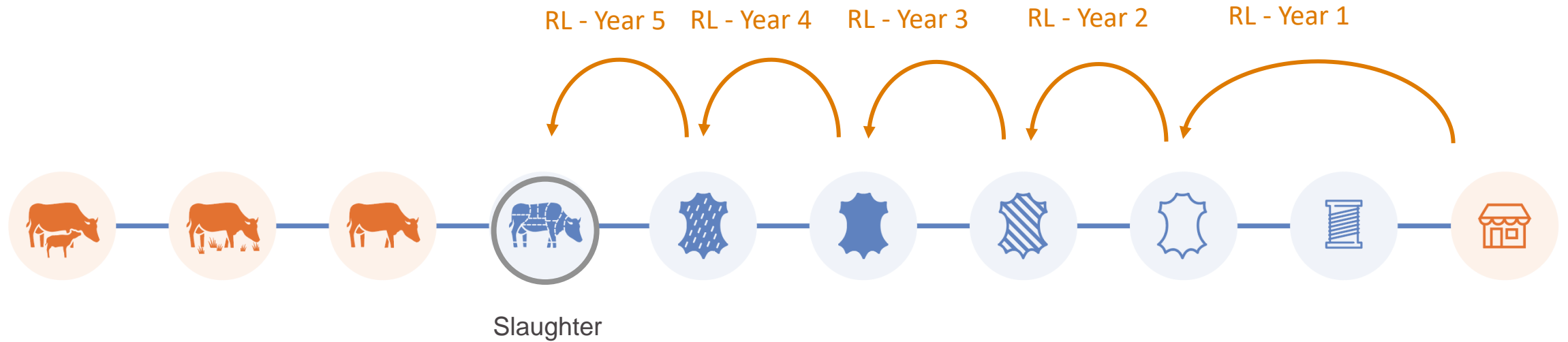
- Brands have a business case to support best practices by producers that they would otherwise not connect with
- Producers can therefore increase their incomes by being paid for their sustainability efforts
- Both sides also benefit from access to aggregated impact data, and ideally from creating long term relationships



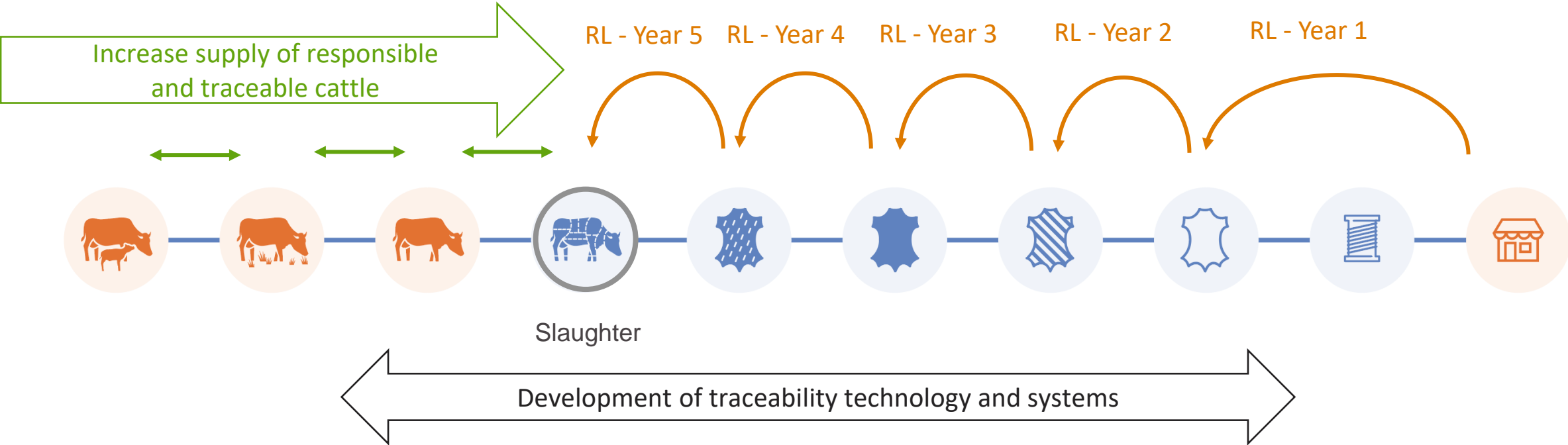
# Building traceability into the system at farm level



# Building traceability into the system through brands



# Creating the conditions for DCF sourcing



Accountability  
Framework





# Including Smallholders

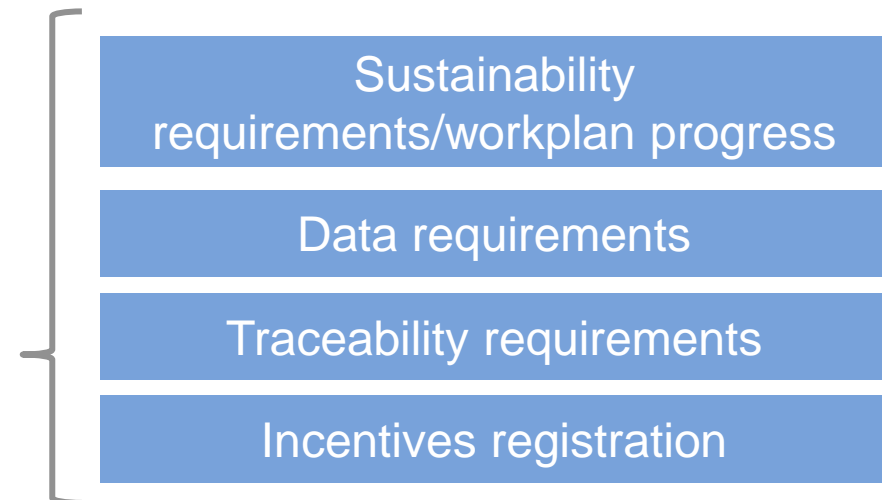
Impact Partnerships

# Program Partner Requirements

- Program Partners shall conduct a **baseline assessment** against the chosen Impact Incentives scopes.
- Program Partners shall conduct a **gap analysis** to determine what changes need to be made within a period of three years.
- Program Partners shall develop a **workplan** that outlines the specific actions of how the farm or farm groups will meet the scopes relating to the Impact Incentives within the 3-year period, including the support they will provide to the farm or farm groups.
- Partner programs shall **support the farms** to meet the requirements of the Impact Incentive scopes.

This may be done through:

- Delivery of training;
  - Provision of educational materials;
  - Financial support for infrastructure investment;
  - Financial support for equipment purchases;
  - Data collection
- Program Partners shall **engage a third-party verifier**



# Sustainability and Scalability

Impact Alliance



## How is this model sustainable?

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- It is a market mechanism, not a one-off aid investment
- It offers value to both ends of the supply chain
- It can be a pathway to producers selling physical certified goods
- It can be a pathway for brands to build up responsible and traceable supply chains that they can eventually source from

## How is this model scalable?

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- It is a cost-effective way for brands to take immediate action to address issues at the beginning of their supply chains
- It uses broad-based scopes that can apply across multiple commodities
- It provides a solid infrastructure of policies, procedures, agreements and technology that make it beneficial for additional commodities and Impact Alliance members
- It helps all players to reach individual, industry and global goals and targets

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# Good practice, Better finance

Living Income Community of Practice webinar  
8 December 2021





## Good practice, Better finance

This project aims to develop a new *methodology* which will make it possible to assess the sustainability performance of farmers and landscapes by using existing standards as guidance.

The methodology and supporting tools should inform decision makers of FI's regarding sustainability profiles of clients.



### Funded by:



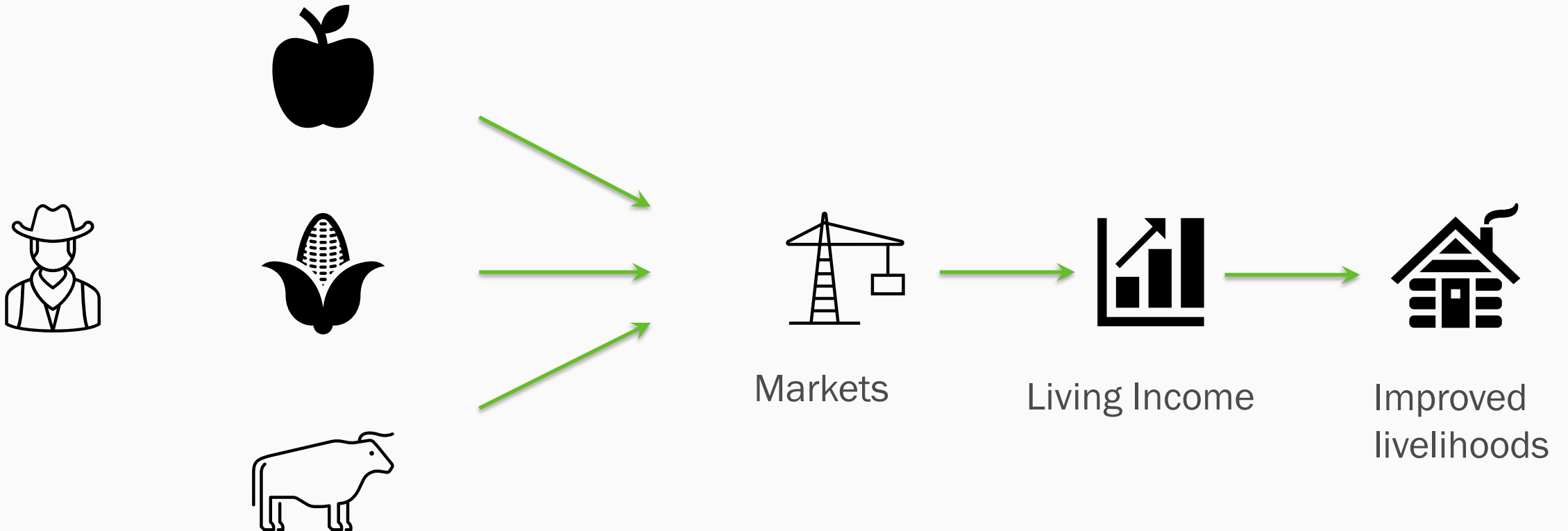
Schweizerische Eidgenossenschaft  
Confédération suisse  
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Confederaziun svizra

Swiss Confederation

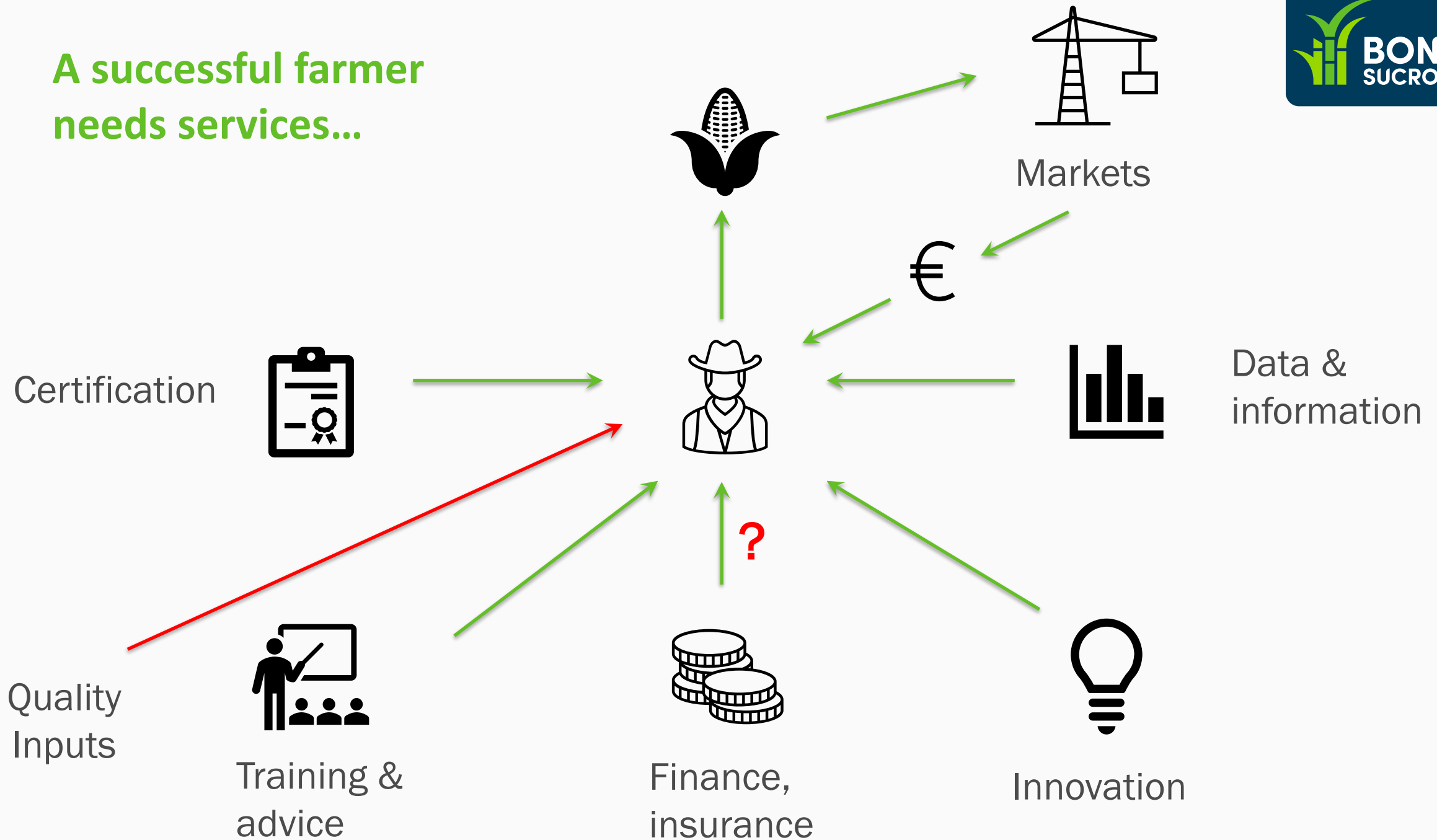
Federal Department of Economic Affairs,  
Education and Research EAER  
**State Secretariat for Economic Affairs SECO**



# Quality and sustainability produced products

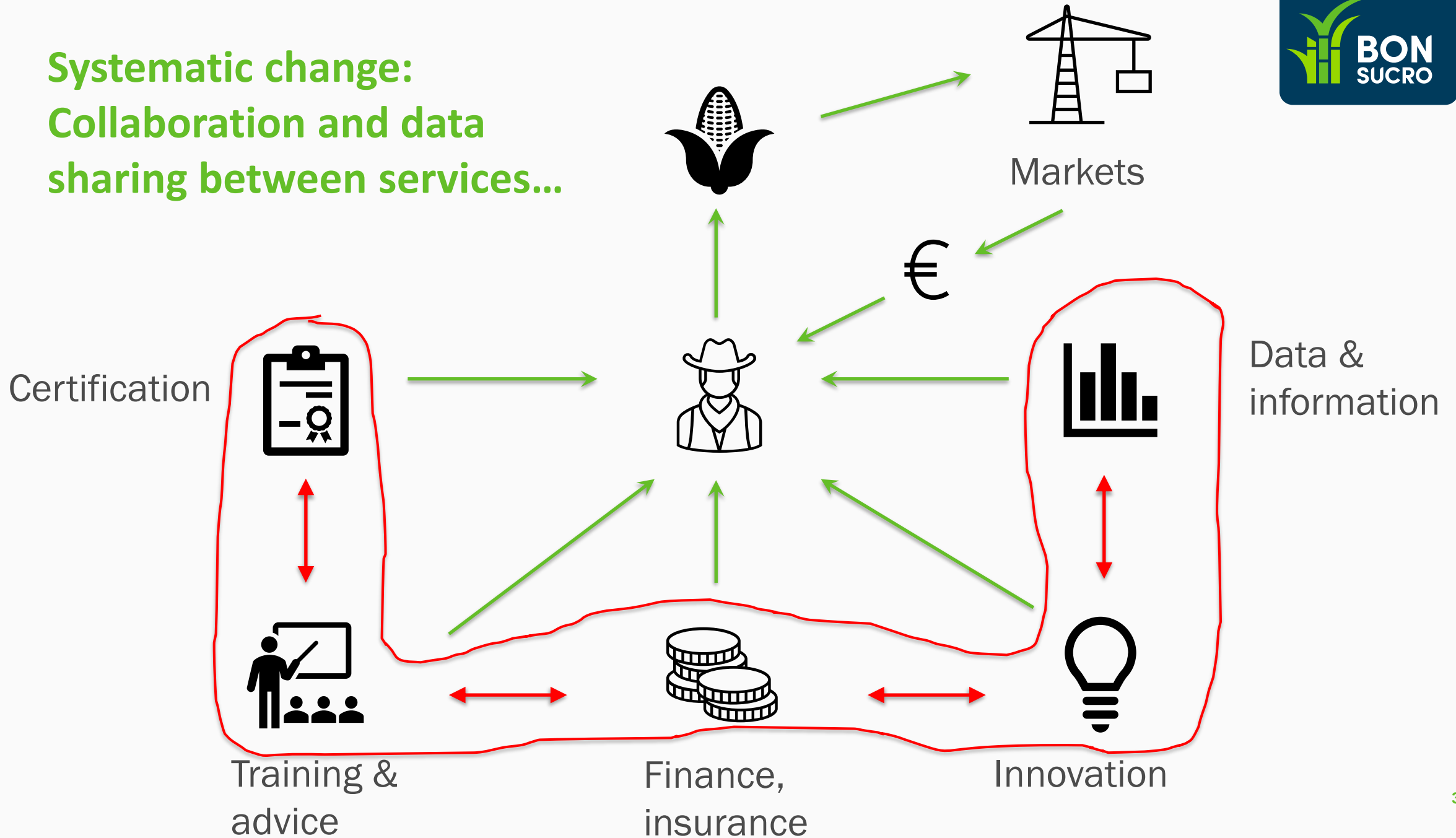


## A successful farmer needs services...

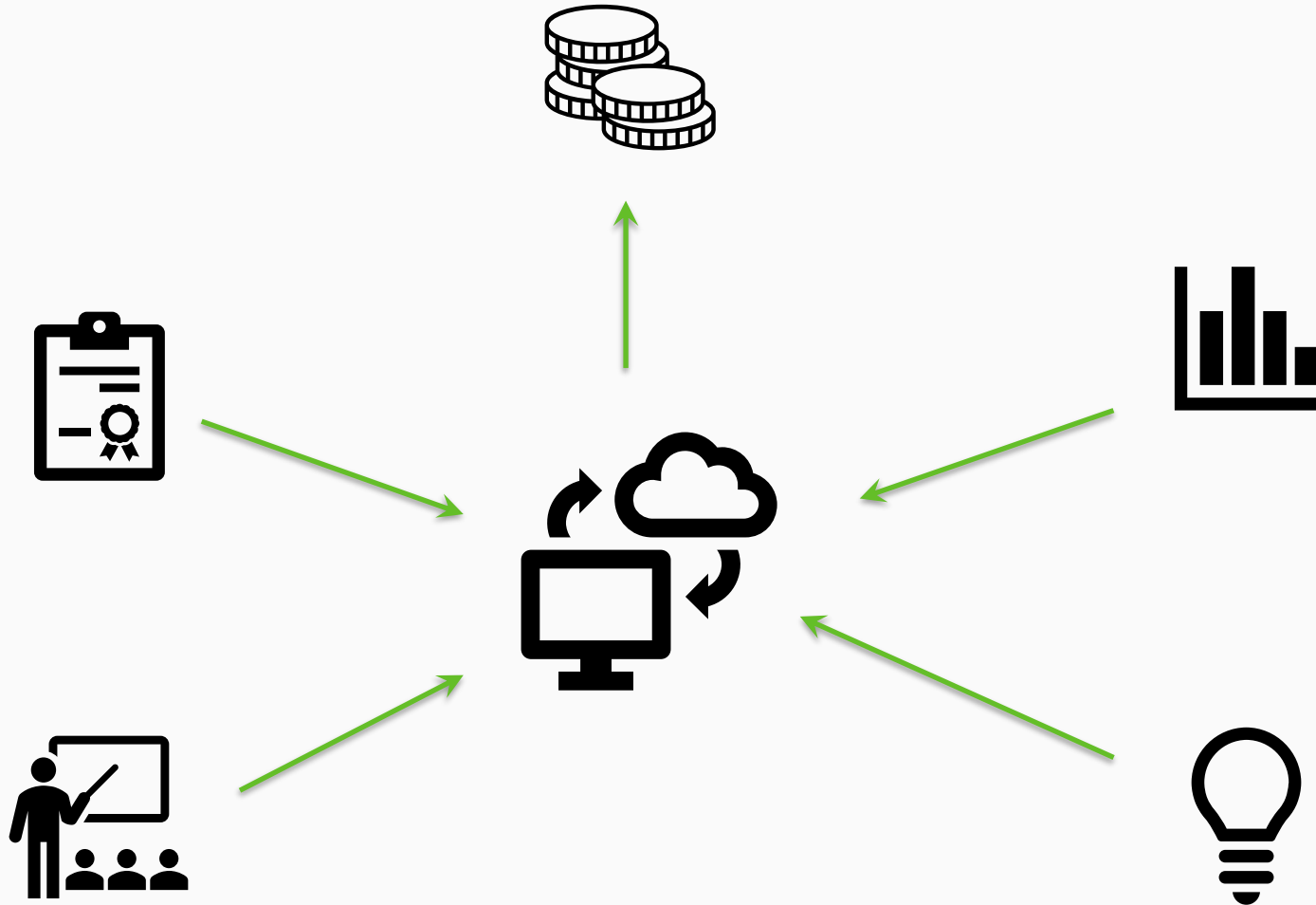




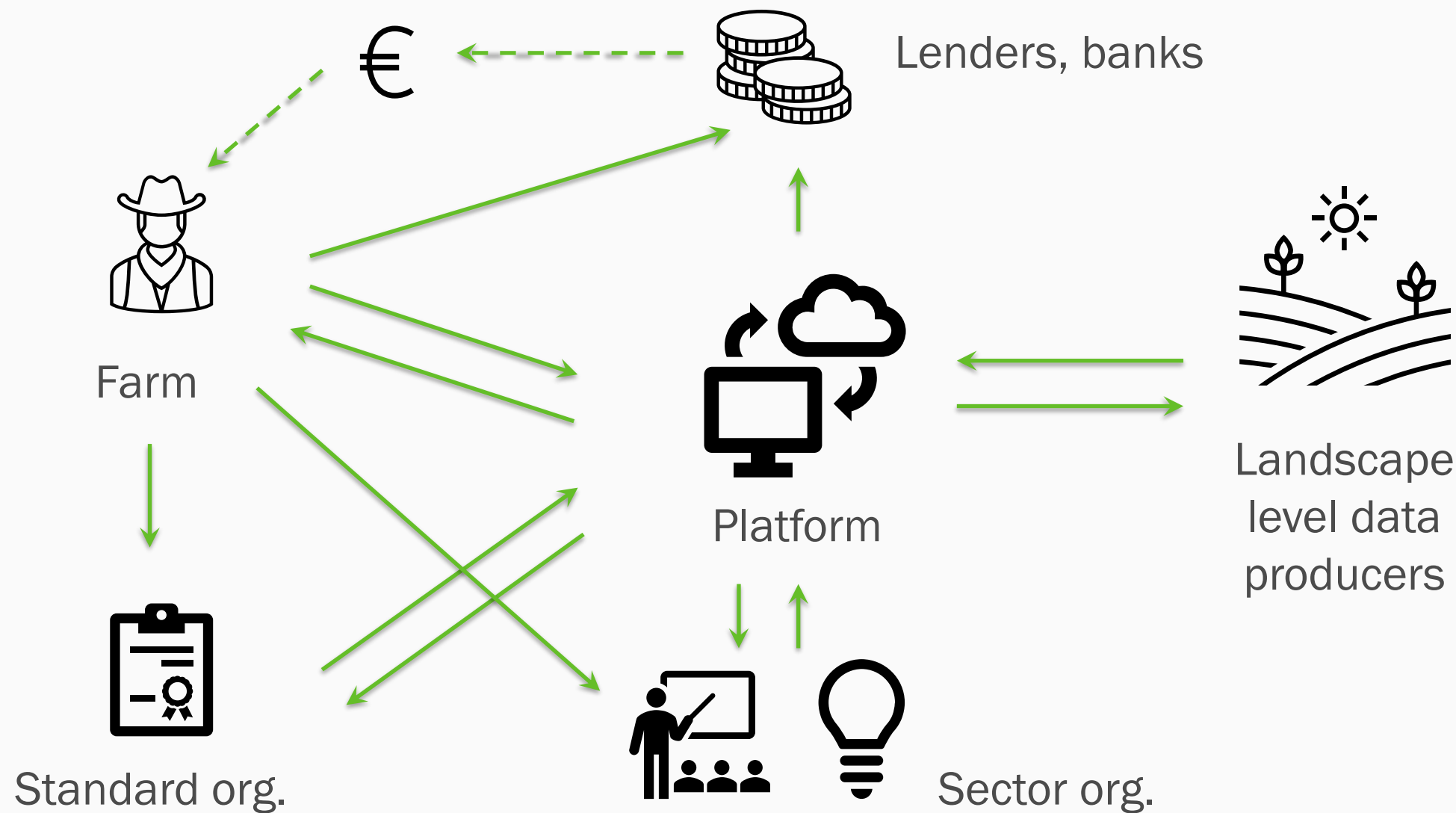
## Systematic change: Collaboration and data sharing between services...



## Platform to support lenders



# Lenders need data to understand client's risk profile

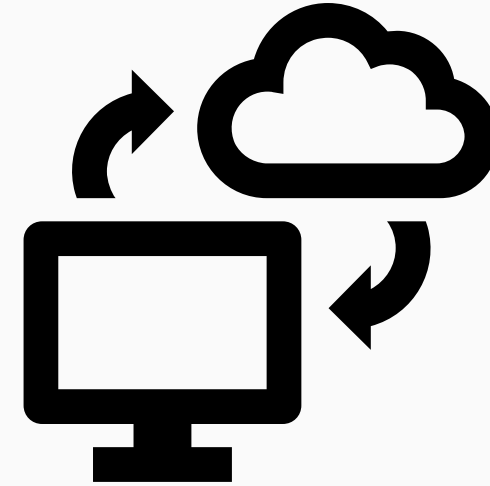




## The platform: Collecting, managing and sharing data

### Members:

- Farmer organisations
- Agricultural research institutes
- Sustainability Standards organisations
- Water management agencies
- Any other organization with relevant data
- Lenders, banks
- Insurance companies

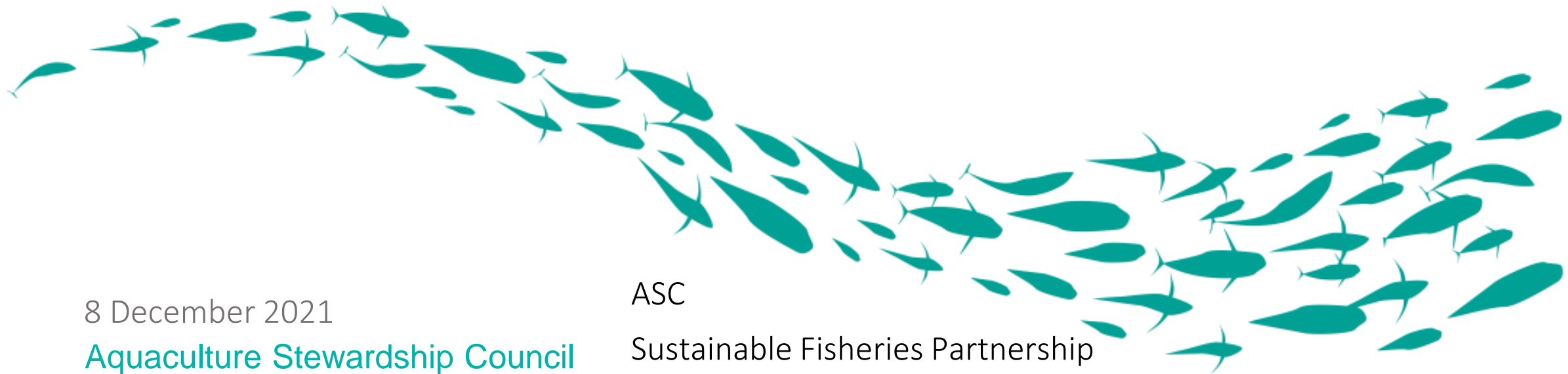


# Integration of Seafood Certification and Jurisdictional Assurance Models



*Streamlining the path towards sustainability in the aquaculture industry*

ISEAL Innovations Fund: Living Income COP



8 December 2021

Aquaculture Stewardship Council  
[www.asc-aqua.org](http://www.asc-aqua.org)

ASC

Sustainable Fisheries Partnership

Monterey Bay Aquarium Seafood Watch



# Enabling conditions and drivers to sustainable livelihoods

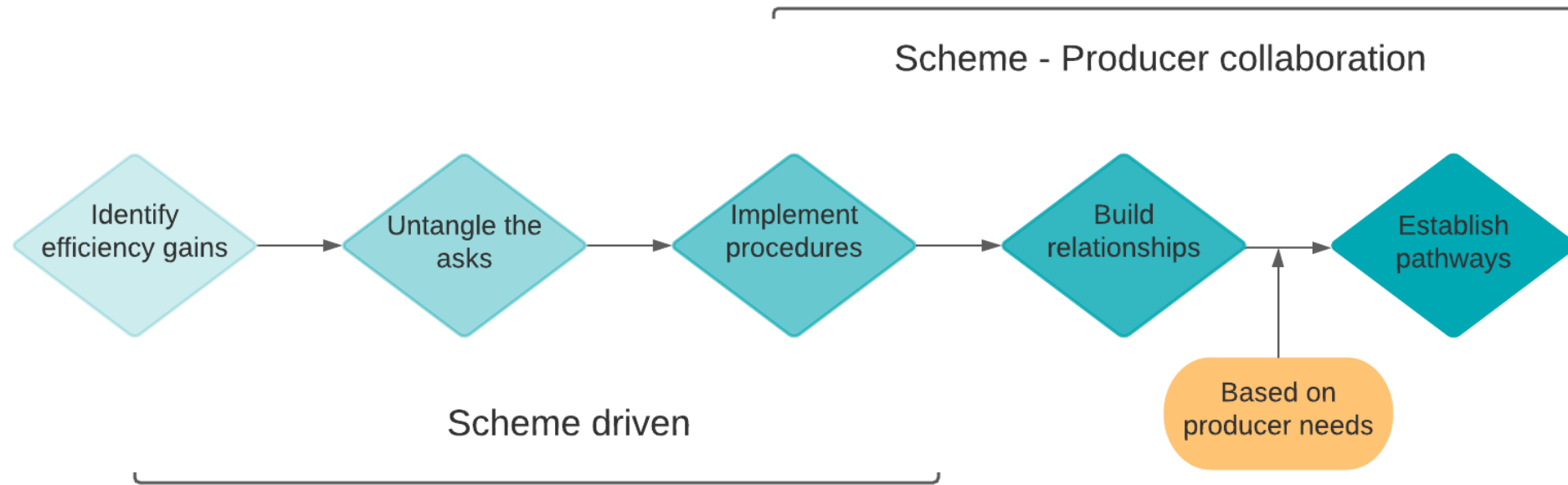
- Current activities and lessons from piloting aquaculture improvement projects



# Identifying & achieving common goals for collective improvement



Enabling producers

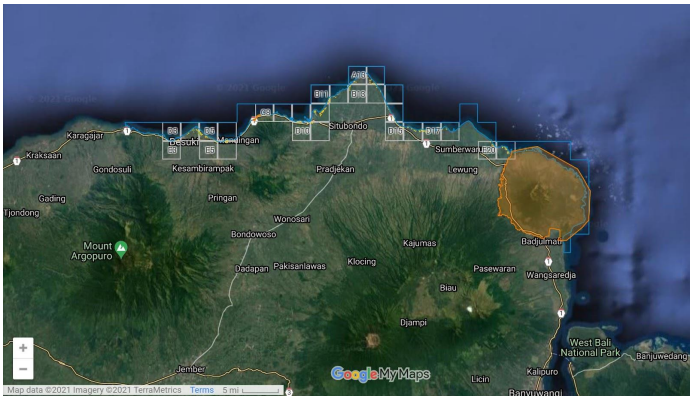
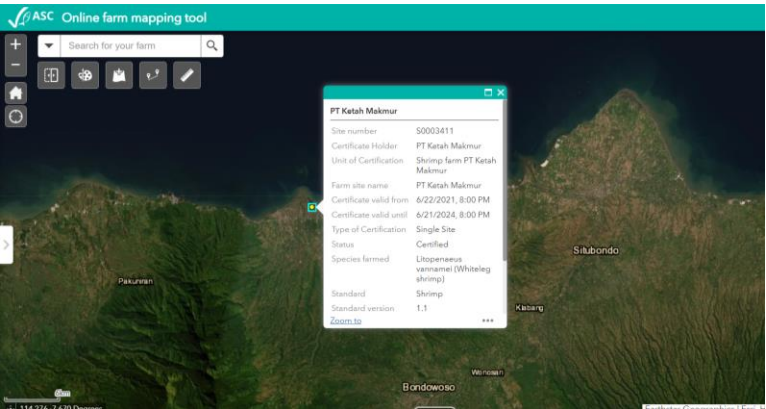


None of this is novel • Plan for the long game





# Strength in numbers, but consider the scales



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,  
Education and Research EAER  
State Secretariat for Economic Affairs SECO

Identify  
efficiency gains

“to improve the consistency of the data they collect and the ways in which they apply this data”



The Integration of Seafood Certification and Jurisdictional Assurance Models

## ASC/SFP/SFW Standards and Data Mapping Study

Aquaculture Stewardship Council (ASC)  
The Sustainable Fisheries Partnership (SFP)  
Monterey Bay Aquarium Seafood Watch® program (SFW)

Prepared by Peter Bridson



Final Report: March 11<sup>th</sup> 2020

- reduced assessment times and costs
- acquisition of better data
- reduced direct requests to data providers
- improved decision-making, and more accurate outputs.

-> it's in the data.

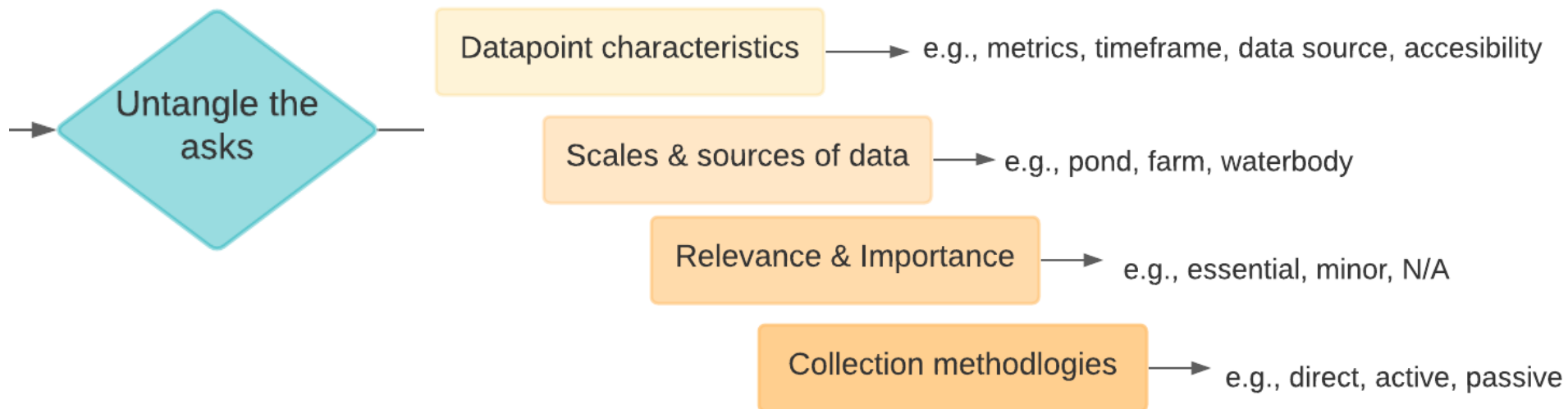
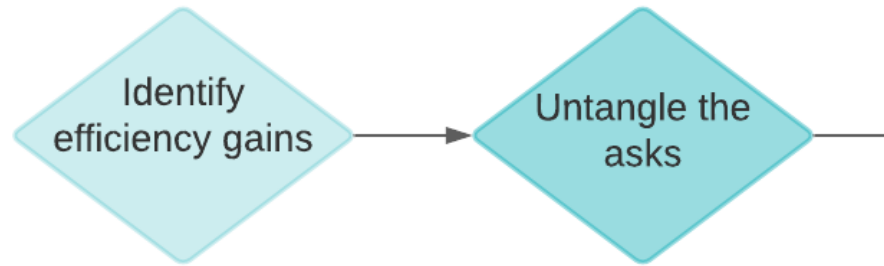


Table 5: Sectional Scope of the Analysis

	Sections	ASC	SFP	SFW	Assessed?
1	Regulatory framework and compliance	✓	✓	✓	Yes
2	Code of practice/producer organization	✗	✓	✓	Yes
3	Habitat and EIA	✓	✓	✓	Yes
4	Shrimp health - disease	✓	✓	✓	Yes
5	Predators and wildlife	✓	✗	✓	Yes
6	Treatments - chemical use	✓	✗	✓	Yes
7	Species and escapes	✓	✗	✓	Yes
8	Source and movements of stock	✓	✗	✓	Yes
9	Feed	✓	✓	✓	Yes
10	Effluent	✓	✓	✓	Yes
11	Energy	✓	✗	✗	Yes
12	Wastes	✓	✗	✗	Yes



“Better market information about responsible aquaculture practices at farm and industry level will accelerate demand for, and supply of, certified seafood. This will improve take-up of the programmes and drive positive environmental and social impacts on the ground in line with the SDGs (including biodiversity, climate change, food security, livelihoods).

“

Leading to:

- Greater availability or sharing options for ASC farm-level audit data.
- Greater utilization of ASC farmer knowledge on local production practices and characteristics.
- Shared data sources and resources at a provincial or national scale.





Risk calculator provides guidance for remote and on-site verification actions.

- Aquaculture specific factors
- ASC sectoral performance factors
- Third-party risk factors

### Risk Areas

- |  |
|--|
| C1. Species & country  |
| C2. Site size distribution                                       |
| C3. Site spatial distribution                                    |
| C4. Data availability  |
| C5. AIP sales  |
| C6. Deficiency history   |
| C7. No of sites to be reviewed in remote & on-site verifications |

Frequency for remote / onsite verification



Implement  
procedures



**FISHSOURCE** ABOUT HOW FISHSOURCE WORKS IMPROVEMENT PROJECTS REQUEST ANALYSIS LOGIN / REGISTER

**Shrimp** Thailand

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Thailand

PROVINCE / STATE  
Chachoengsao

PROVINCE / STATE  
Chanthaburi

PROVINCE / STATE  
Chumphon

PROVINCE / STATE  
Rayong

PROVINCE / STATE  
Songkhla

SUMMARY

MANAGEMENT AREAS

ANALYSIS

SCORES

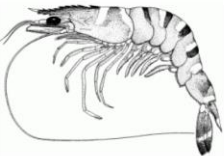
Profile updated on 31 March 2019

### SUMMARY

#### IDENTIFICATION

**SCIENTIFIC NAME(s)**  
*Penaeus monodon*, *Penaeus vannamei*, *Penaeus merguensis*


Image: FAO 2020 via Wikimedia Commons



**Monterey Bay Aquarium Seafood Watch**

RECOMMENDATIONS SEAFOOD BASICS FOR BUSINESSES OUR PROJECTS COLLABORATIONS

**GOOD ALTERNATIVE** Buy, but be aware of concerns



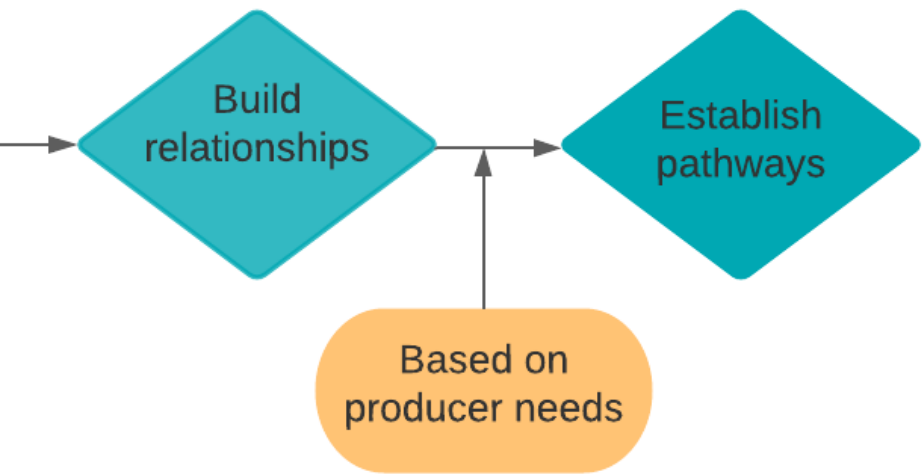
## Giant tiger prawn

*Penaeus monodon*

**Also known as**  
Asian Tiger Shrimp, Black Tiger Prawn/Shrimp, Ebi, Tiger Prawn/Shrimp

**Country or region**  
Myanmar

**Farming method**  
Ponds



## The ASC-Improver Programme

- Stepwise and transparent pathway to move the aquaculture industry to embrace zonal management by coordinating and driving improvements undertaken at the farm and landscape level.
- Reaching out to more farmers through the organising of training courses across AIP sites will be useful in spreading knowledge of better ways of doing aquaculture.



# Provide support to small & under resourced aquaculture farms



Designed for:



**Farmer  
collaboration for  
improvement**



**Partnership for  
market access**



**Capacity building  
for more  
responsible  
practices**

To provide:



**Access to certification**



**Better access markets**



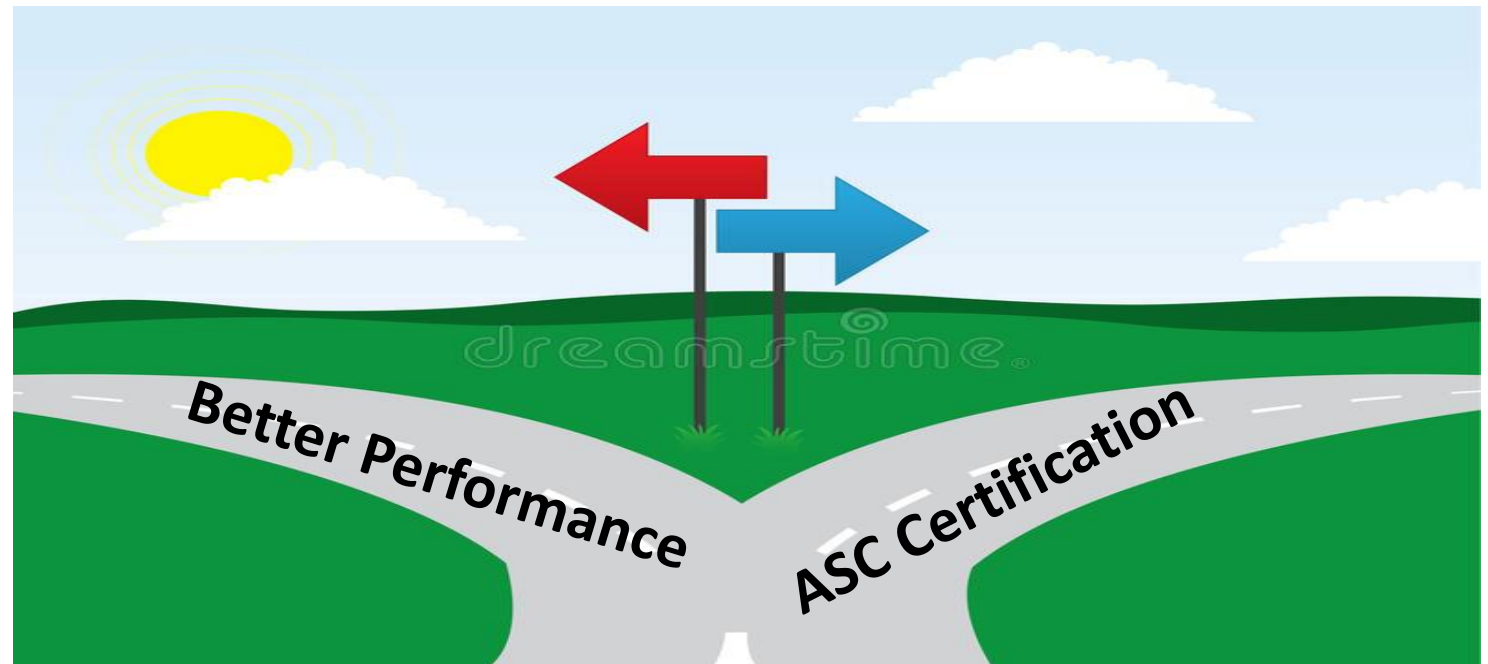
**Improve performance**

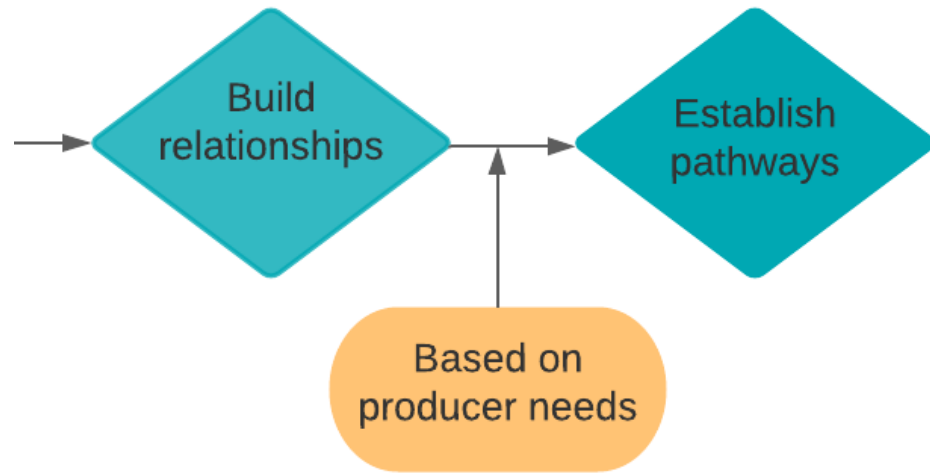


# The ASC IP bridges the gap



Focus is on more responsible practices





What is the current landscape?

Who's engaged?

What are the key issues for farmers?

Where are the primary challenges?



### Training Needs and Landscape Assessment of Shrimp Sector in East Java, Indonesia

Prepared for:

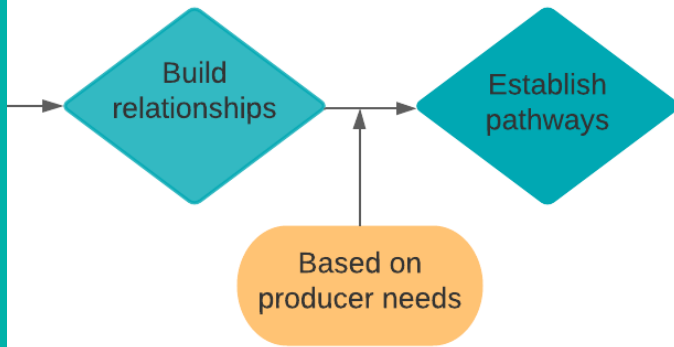
AQUACULTURE STEWARDSHIP COUNCIL  
27 Old Gloucester Street  
London WC1N 3AX United Kingdom

Prepared by:

YAYASAN SUSTAINAQUA INDONESIA  
Cilendek Timur  
Bogor 16112 Indonesia

**March 2021**





- Local implementers
- Programme requirements and implementer training with processor partners
- Kick off meeting was attended by 83 people: government, farmers group, and packers
- Support by local government and supply chain partners

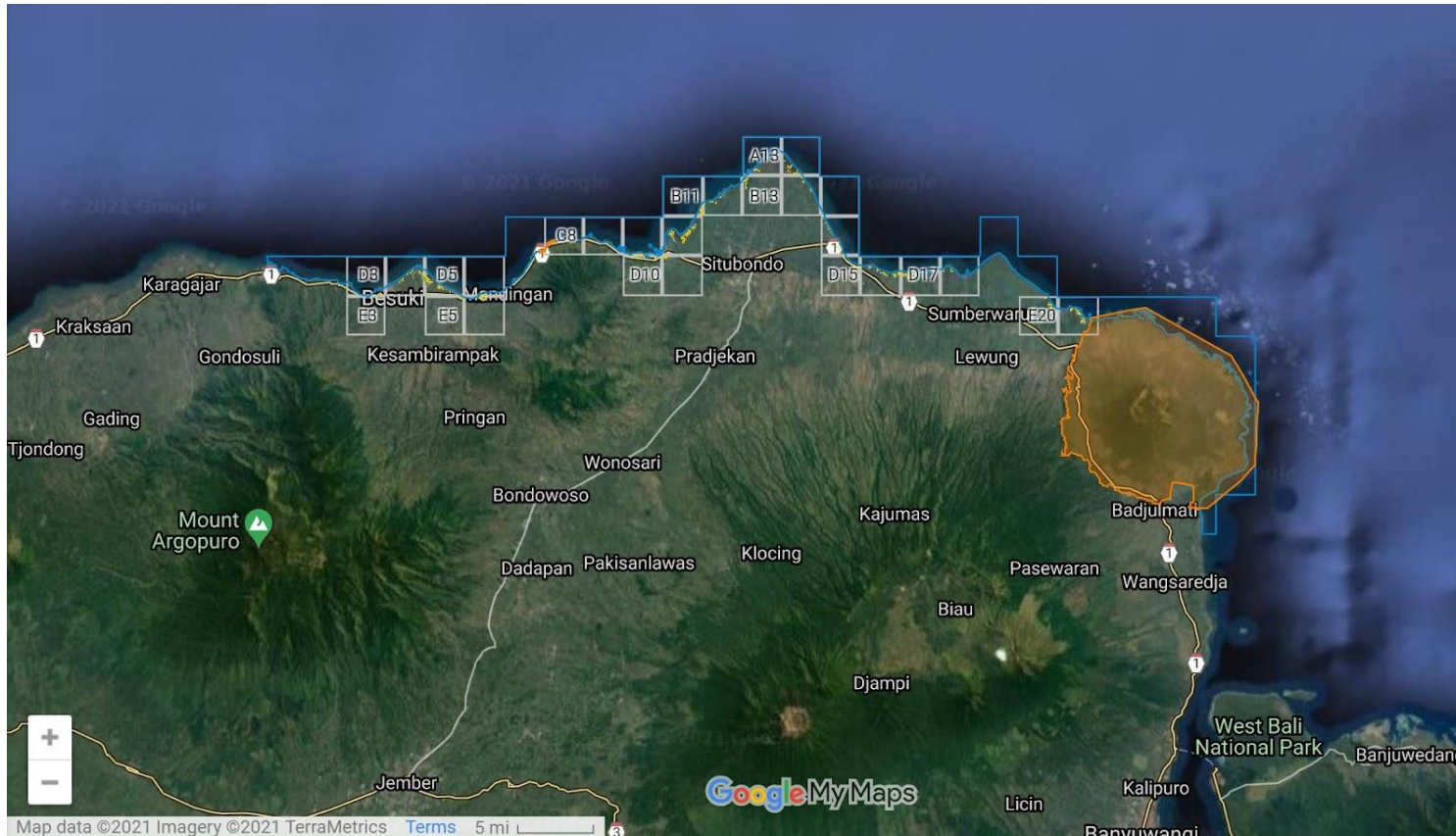


- Early signs of engagement:
  - AIP2BP: 19 farms; AIP2ASC: 5 farms
- Training in water quality analysis
- Use of remote technologies



# Remote Regional Assessment

- Develop area-based assessments that build an understanding of the general characteristics
- Initial understanding and risk assessment of the potential of an area to make improvements
- Identify areas which are primed for certain pathways, which may not have been identified otherwise.



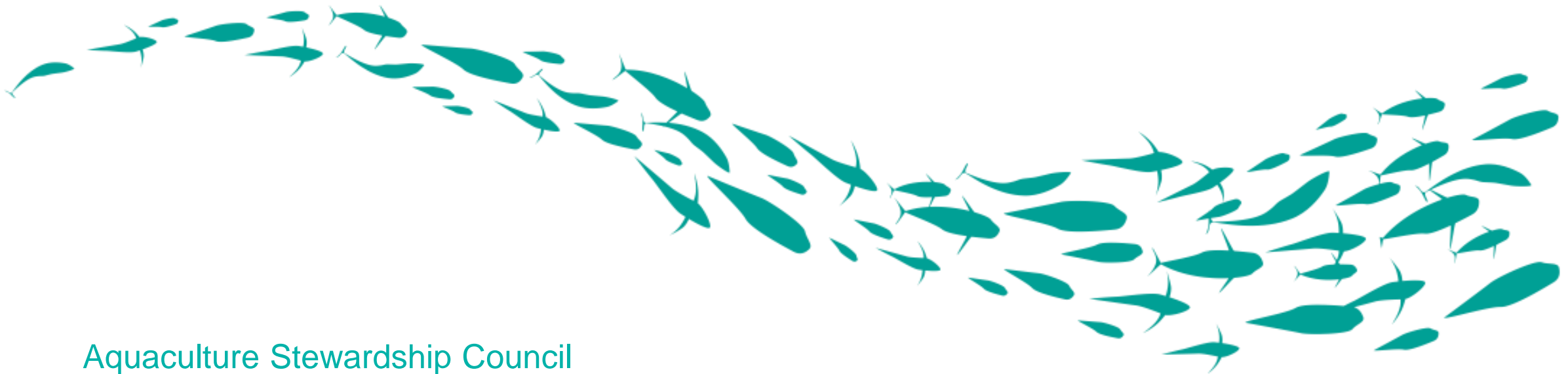


# Thank you



Jill Swasey

[Jill.Swasey@asc-aqua.org](mailto:Jill.Swasey@asc-aqua.org)



Aquaculture Stewardship Council  
[www.asc-aqua.org](http://www.asc-aqua.org)



# Stay informed!

## Living income

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

Mailing list: <http://eepurl.com/gMKLgT>

Linkedin group: <https://www.linkedin.com/groups/13784101/>

## Living wage

<https://www.globallivingwage.org/>

Questions? Email us at:

[livingincome@isealalliance.org](mailto:livingincome@isealalliance.org)



# Thank you!



Federal Ministry  
for Economic Cooperation  
and Development

**giz** Deutsche Gesellschaft  
für internationale  
Zusammenarbeit (GIZ) GmbH

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