The Living Income **Community of Practice**







Living Income Workshop 15/16 June 2022

A practical workshop for those looking to turn commitment into action.

15 June 2022 14:00-16:30 BST (UTC +1)







Session Guidelines

SIMULTANEOUS TRANSLATION

- Simultaneous translation is available for the plenary session
- On the toolbar, click on Interpretation and select your preferred language
- The languages available for interpretation are Spanish and French.
- For those that do not need the interpretation please select off

RECORDING

- The main session is being recorded and will be shared with all members on the Living Income platform
- Break outs are not being recorded

INTRODUCE YOURSELF

- Edit your name and add your organisation in brackets; e.g., Sheila (ISEAL)
- To do this, simply click on the "Participant button"
- Next, click on "Rename" next to your name in the Participant list

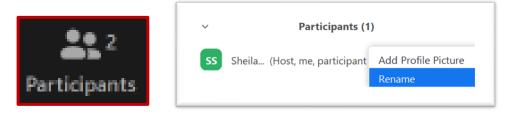
HOW CAN I ASK A QUESTION/COMMENT?

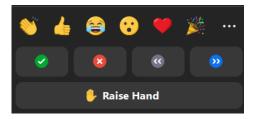
- Raise your virtual hand (look for this at the bottom of the Participant list) and organisers will call on you and you can unmute yourself
- Or pop the question in the **chat box**
- Please keep yourself muted when not speaking

TECHNICAL DIFFICULTIES?

Reach out to carla@isealalliance.org in the chat box or write an email to livingincome@isealalliance.org







LICOP workshop facilitators



Simon J. Gmeiner Policy Advisor Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)



Rita Mendez Senior Coordinator, Impacts ISEAL Alliance



Stephanie Daniels Senior Program Director Sustainable Food Lab



Kaitlin Sampson Program Manager Sustainable Food Lab



Sheila Senathirajah Senior Manager, Innovations ISEAL Alliance



Carla Rodriguez Coordinator, Impacts, and Innovations ISEAL Alliance



Christina Archer Strategic Advisor, Livelihoods Sustainable Food Lab



Kristin Komives Director, Impacts ISEAL Alliance



Kealy Sloan Program Manager Agriculture & Development Sustainable Food Lab

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 my 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!



2 Day Workshop Overview

June 15th 2022 2-4.30pm BST

Day #1

What drives improvement in farmer income and who can lead and influence these drivers?

□ (10m) Intro

- (60m) Plenary: Income Drivers & Effective LI programmes
- (10m) Networking
- (55m) Discussion groups: Pillars for an effective
 LI programme

June 16th 2021 2-4.30pm BST

DAY #2

Can we start to build a shared understanding of good practices when communicating about action on living income?

(10m) Intro

- (60m) Plenary: Living income reporting (trends, systems, frameworks)
- (10m) Networking
- (55m) Discussion groups: Translating commitment to action

Agenda- Day 1

TIME (BST/GMT +1)	Duration	Session
2:05 - 2:15pm	10m	Introduction to Living Income Community of Practice
2:15 – 3:15pm	60m	 Panel discussion: Understanding the drivers of living income and roles of different actors Income Drivers: What do we know of the income drivers and how they work? Effective Company programs: A review of the principles of a credible industry program and what has been learned in the cocoa sector.
3:15 – 3:25pm	10m	Networking session
3:25 – 4:20pm	55m	 Discussion groups: Critical pillars necessary for an effective living income program 1. Elements of an effective living income programme 2. Regenerative Agriculture & Living Income 3. Is there a professional farmer organization that can aggregate and provide services to farmers, and advocate and negotiate on their behalf?
4:20 – 4:30pm	10m	Close

Introduction (10m) **Living Income Community of Practice**

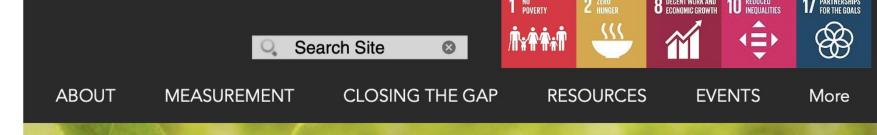
The Living Income **Community of Practice**

Federal Ministry for Economic Cooperation and Development





The Living Income Community of Practice



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











2015-17

Formalization of LICOP by founding partners





Strengthening LICOP as a neutral, multi-sector, multi-actor platform



2017- now

Growing the LICOP Global community



Country	Count	Percentage
IDUnited States	208	17.8
III Netherlands	159	13.0
ШGermany	151	13.0
ID United Kingdom	108	9.3
IDSwitzerland	88	7.5
II) India	34	2.9
IDGhana	30	2.0
III Colombia	25	2.2
Шкепуа	22	1.9
IDSingapore	22	1.9

Supporting the movement of Living Income







Development of

• Providing clarity

2017

elements of Living

Living income

on the core

concept

income

The Living Income Looking for a Community of Practice Living Income Benchmark? What is a living income benchmark? Where can you find one The Living Income Looking for a Community of Practice Living Income • _ _ _ qiz :----- (3) Benchmark? What is a living income benchmark Where can you find one? What to do if no benchmark exists FAQ v.1.0 May 2020

Development of Foundational Guidances

- Benchmarks
- Measurement
- •Strategies to close income gap

2018-2019

GLOBAL LIVING WAGE COALITION

ALIGN

Sustaining Momentum

- •Supporting action
- •Strategic partnerships

2020-20221

•Building Alignment with existing Initiatives

Scaling LI Pathway

- •Strengthen digital backbone for LI
- •Strategy support
- •Strengthen position as Focal point on Ll

From Living Wage to Living Income

• Creating space for LI discussion

2015

LICOP Foundational Resources



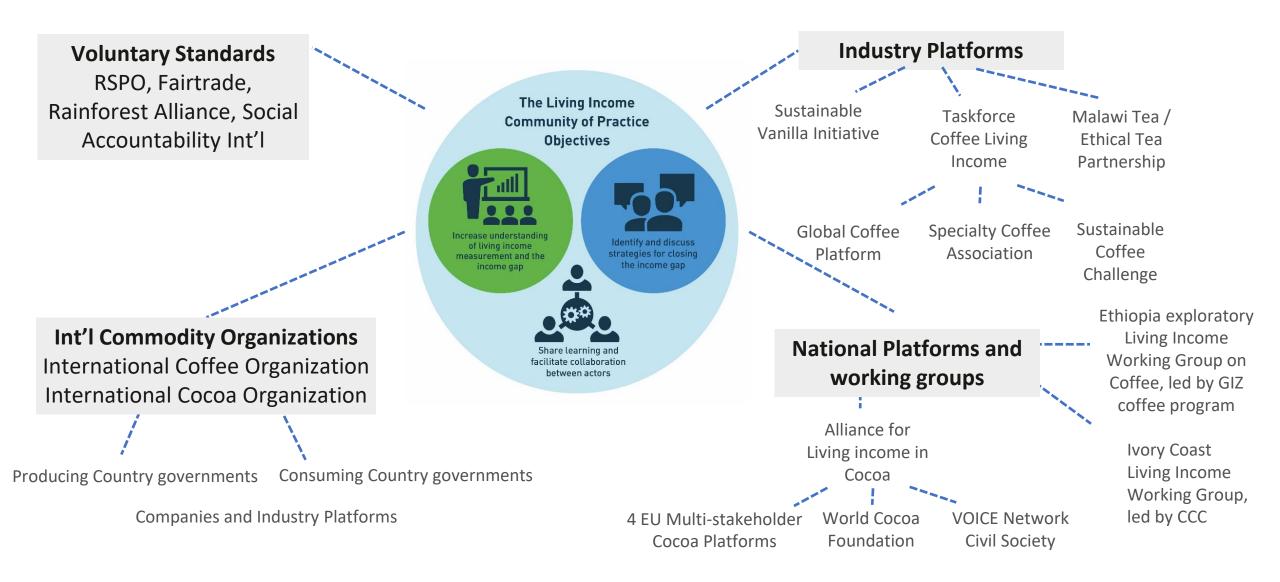




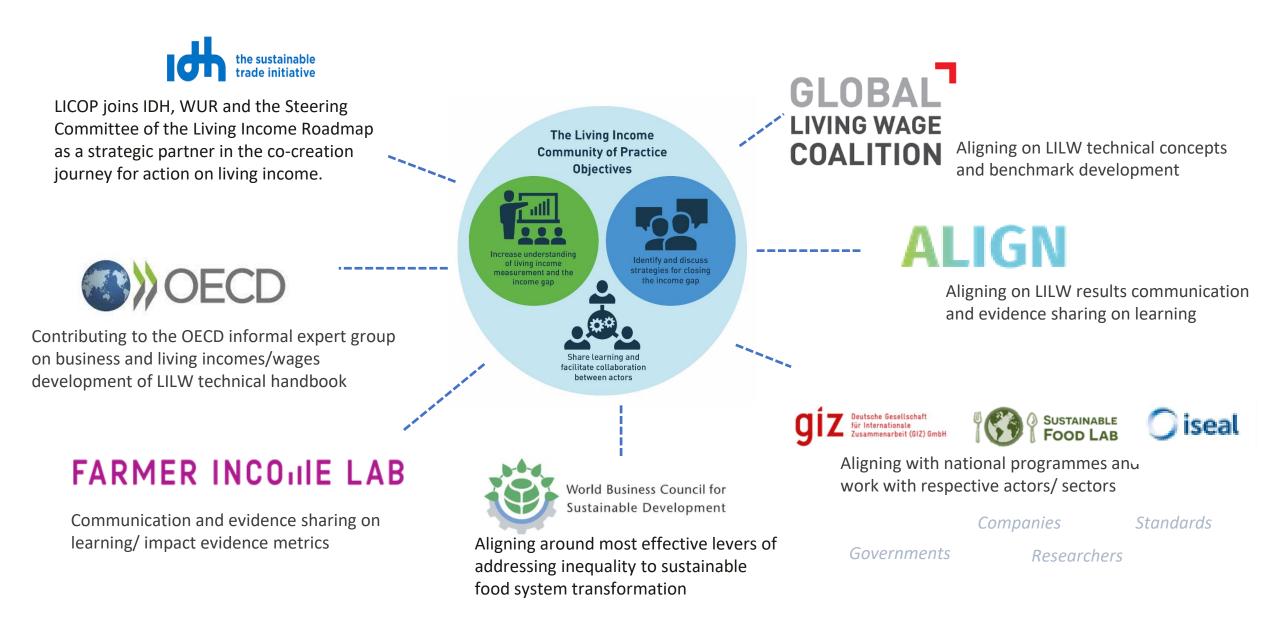
Company & Government Toolkits to support strategy development.

Also available in Spanish

Supporting Action of Sector & Industry Platforms



Building Alignment with existing Initiatives



THE LIVING INCOME CAMPAIGN

Living Income workshops are part of a Living Income Campaign





The Living Income Community of Practice

Federal Ministry for Economic Cooperation and Development

Living Income roadmap steering committee

Outcome Statement LIVING INCOME SUMMIT 2022

We acknowledge:



Majority of smallholder farming households that produce the world's food live in poverty



A decent standard of living is at the heart of our shared interest



need for Male and fem



Male and female farmers are entrepreneurs who manage family businesses



 Achievement of living incomes for households is a shared responsibility

This implies:



We each have a role to play from our position in the food system



We need to address the
issues of inequitable value
distribution, risk distribution
& value creationWe need to aim at
developing trade that goes
beyond commodities and
supports long term



We need to improve the enabling environment for responsible and equitable trade and investment



We are committed to further co-create a multistakeholder frameworks



sustainability



Future of LICOP?

Have your say! (Put down in the chat box)

Where do you think LICOP can support this community to accelerate work on improving livelihoods?



Panel Discussion (60m) Understanding the drivers of living income and roles of different actors

LICOP Moderator



Stephanie Daniels Sustainable Food Lab



Richard Rogers Farmer Income Lab & Managing Director, Rogers MacJohn LLC

Plenary Speakers



Ashlee Tuttleman IDH – The Sustainable Trade Initiative



Martha Rainer Opoku Mensah Oxfam











Panel Discussion Enabling Smallholder-based agricultural transformation:



Richard Rogers Farmer Income Lab & Managing Director, Rogers MacJohn LLC Understanding the context and the enabling environment is critical to an effective living income initiative. Recent research by the Farmer Income Lab highlights the pillars of an effective enabling environment in which farmers can thrive.







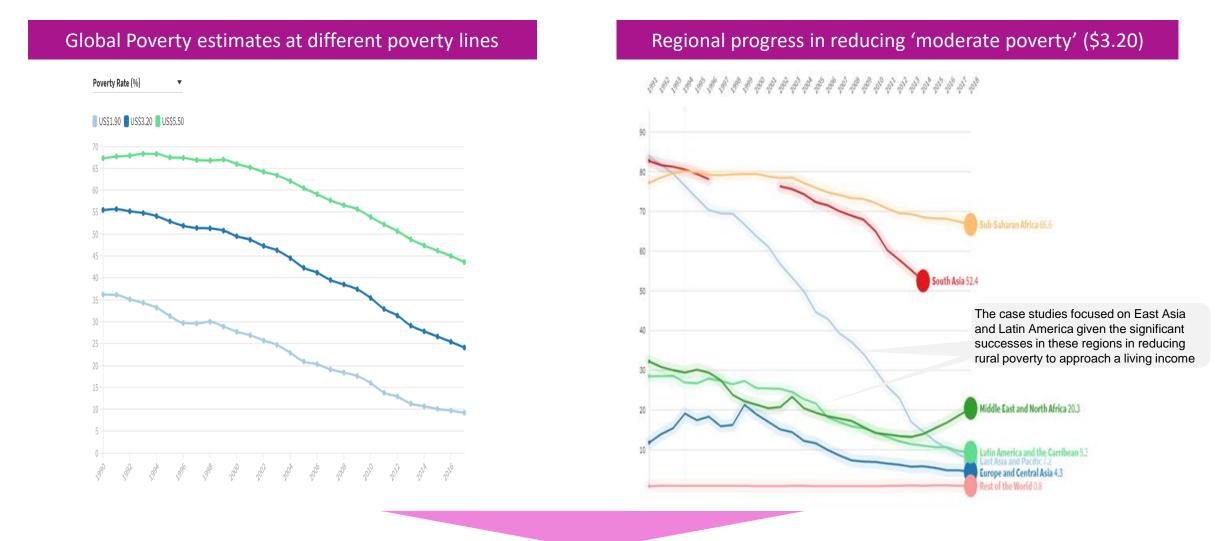


FARMER INCOME LAB

Enabling Agricultural Transformation Research Key Findings

Living Income Community of Practice June 15, 2022

Reducing extreme poverty is an international success story, however, achieving livable incomes across rural populations is still unfinished business

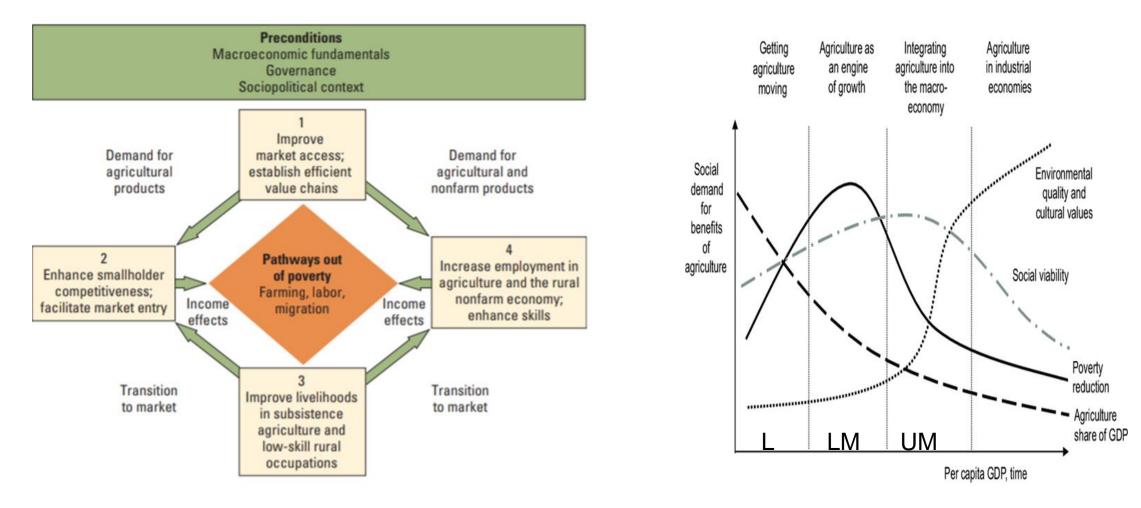


Only 11 developing countries have had major and sustained success in reducing moderate rural poverty

Source: <u>https://blogs.worldbank.org/opendata/monitoring-poverty-us320-and-us550-lines-differences-and-similarities-extreme-poverty</u>

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The contribution of agriculture to (extreme) poverty reduction is great at early stages of development; less so thereafter

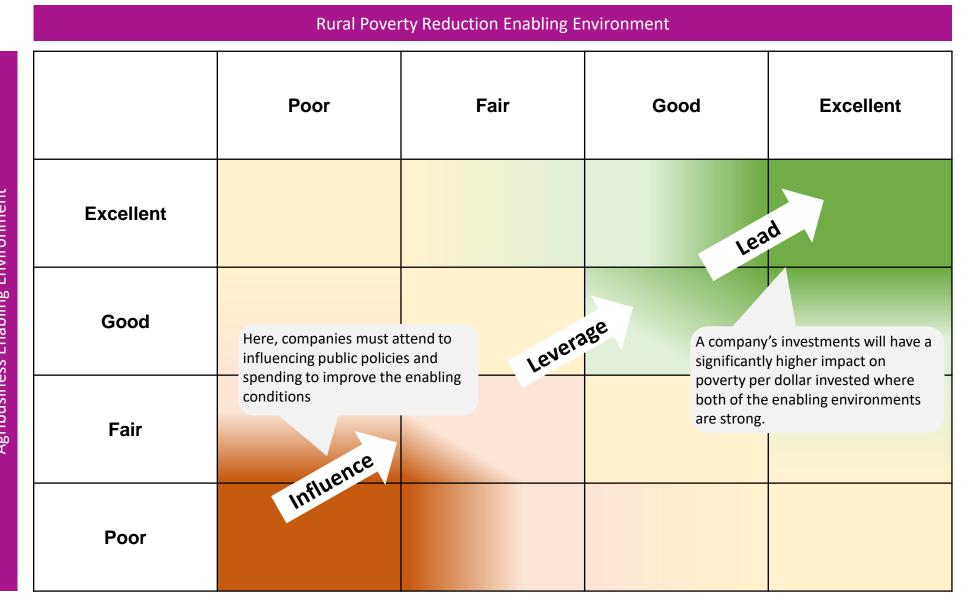


In low-income countries, a 1% growth in agriculture has 3x more extreme poverty reduction effects than 1% growth in non-agriculture

Later stage drivers of poverty reduction: non-farm employment and HVA

Source: WDR 2008

In the developing world, the operating contexts vary enormously, and the 'double Wibling's strong rural poverty and agribusiness enabling environments are critical Environment

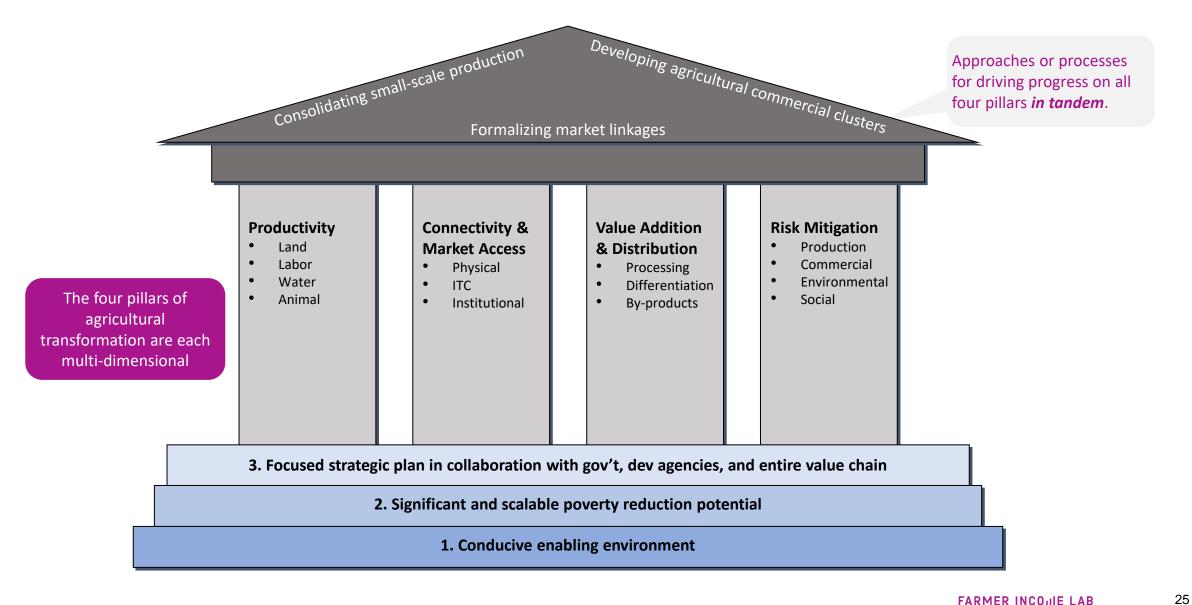


(e.g., secure
land, physical
links, access to
water,
sanitation,
health and
education
services, gender
equity,
accountable
local gov't, etc.

Ag Commerce Enabling Environment (e.g., regulatory quality, rule of law, macroeconomic stability, trade and

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Where the foundations for the 'double win' are favorable or improving, a joint strategic plan should be developed to address the four pillars of ag transformation – in tandem



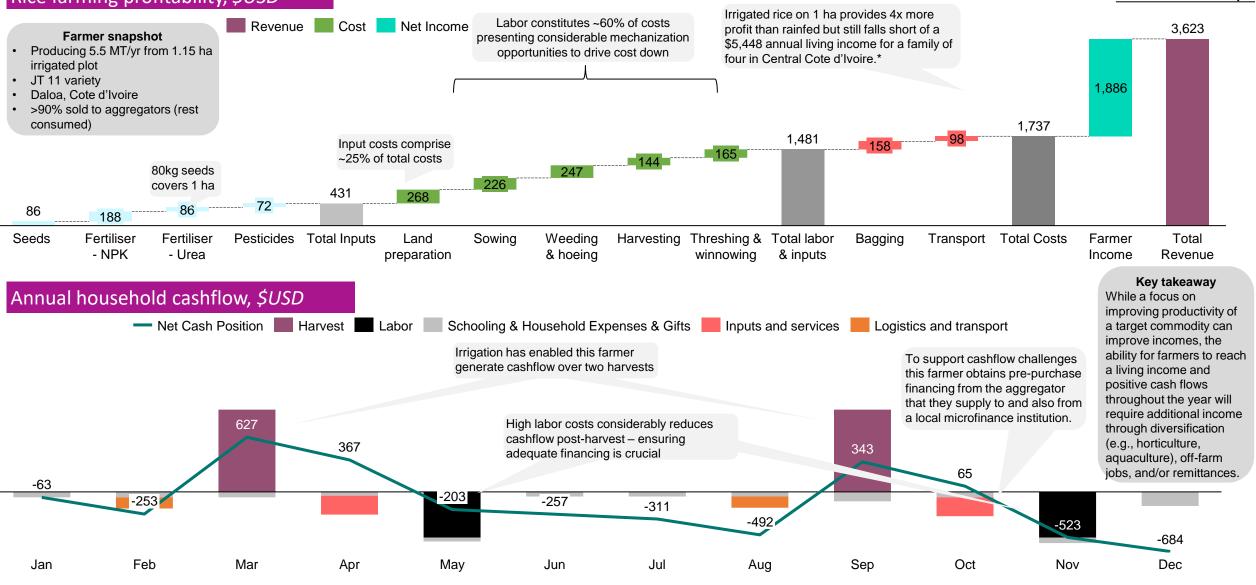
Based on lessons learned from countries on solid growth trajectories, there are key areas where companies can lead, leverage, or influence aspects of ag transformation

		Optional approaches to explore as part of strategic plan				
Steps	Evaluate enabling environment and poverty reduction potential	Develop a strategic plan with gov't and key stakeholders	Create agricultural commercial clusters (ACCs)	Consolidate small-scale production where relevant	Formalize value chain linkages	Clarify roles and track progress
Objectives	In current and potential sourcing origins, assess the enabling environment and political will, as well as farmer and value chain economics to determine scale of impact potential	Form a multistakeholder platform to develop a joint strategic plan for rural economic growth that leverages the region's comparative and competitive advantages	With the support of gov't infrastructure investments, co-locate sourcing, storage, input supply, mechanization services, processors, logistics, and research facilities	Based on the minimum farm size for economic viability, support culture-appropriate approaches for facilitating the consolidation and mechanization of production	Strengthen the value chain to improve productivity, profitability, and risk mgmt. of farmers to become reliable long-term suppliers of quality produce	Define key investments and activities needed by gov't, companies, research institutions, farmers, and others; monitor progress, learn, and course correct as needed
Multistakeholder Platform Roles	Companies lead Government leverages Dev't agency influences	Dev't agency leads Government leverages Companies influence	Government leads Companies leverage Dev't agency influences	Government leads Companies leverage Dev't agency influences	Companies lead Government leverages Dev't agency influences	Dev't agency leads Government leverages Companies influence

Thank you

Detailed economic analyses of farmer profitability and cash flow is essential for understanding most effective opportunities for increasing incomes and resilience

Rice farming profitability, *\$USD*



1 According to the Living Income Report by the Ivoirian Center for Socio Economic Research (2018) Source: Rogers MacJohn LLC on behalf of Bill & Melinda Gates Foundation (Sep-Oct 2020)

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Côte d'Ivoire - Example

Based on lessons learned from countries on solid growth trajectories, there are key areas where companies can lead, leverage, or influence aspects of ag transformation

Optional approaches to explore as part of strategic plan

				λ		
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Key activities	 Determine gaps in the required enabling conditions - both for poverty reduction and agri-business growth Assess agro-climatic conditions and varieties for quality and value addition opportunity Determine measures to grow competitiveness Segment and target farmers based on farm economics: profitability, cash flow, and financial resilience needed to reach a living income Conduct due diligence on human rights issues 	 A neutral development agency should form a multistakeholder plat- form, where companies should inform local and national gov't and civil society on how to improve the enabling conditions. Explore approaches for driving progress on the four pillars of smallholder- based ag transformation Develop focused strategy and implementation plan for agribusiness growth and farmer support systems to help farmers deliver quality product, achieve living incomes and improve competitiveness 	 Work with input suppliers, farmers, communities, local gov't, traders, and peer industry players to determine optimal location of ACCs and plan for sustainable farmer livelihoods Work with government to deploy resources for critical infrastructure and sustainable resource (water, soil) management Support national ag research institutes to open satellite facilities and extension services Collaborate with banks to open up lines of credit for trade/ input finance 	 Work with civil society, development agencies to support gov't capacity to facilitate the leasing or selling of land Conduct human rights due diligence and develop plans with gov't, civil society, communities and farmers to consolidate land holdings, where appropriate, to improve production efficiency Secure agreements with mechanization providers for locally- adapted equipment, parts, and service 	 Work with gov't to strengthen governance and business plan of farmer cooperatives Develop trust-based productive alliances with coops and others to explore value-added processing and distribu- tion of value and risk favorable to farmers Benchmark farmgate price as % of FOB comp- etitive to other origins Establish stable, long- term contracting with farmers to help them profitably invest in farm with lower risk 	 Determine roles and responsibilities for imple- mentation of strategy, policies, standards, and investments needed Develop environmental and social sustainability standards along with traceability systems with industry and value chain stakeholders Work with governments to integrate recommend- ations into policy and institutional capacity building to meet the needs of farmers and the communities
Roles	Companies lead	Development agency leads	Government lead	Government leads	Companies lead	Development agency leads
	Government leverages	Government leverages	Companies leverage	Companies leverage	Government leverage	Government leverages
	Develop't agency influences	Companies influence	Developm't agency influences	Developm't agency influences	Developm't agency influences	Companies influence

Panel Discussion Income Drivers



Ashlee Tuttleman IDH – The Sustainable Trade Initiative What do we know of the income drivers and how they work? IDH will share its recent work on addressing key drivers and developing a Multistakeholder Framework for Action.









Taking a Multistakeholder Approach

Collaboration for closing living income gaps



Most farmers are far from reaching a living income

Potential to earn a living income	Total commodity volume	Income from diversification	Farmers with no/low potential for earning a living income	-	
inving income	volume	uiversincation			
No / low potential	Low Average	Low	Farmers with some potential for earning a living income	+	
Some potential	Low Average	Average Low			
Potential	Average Above average	Average Low	Farmers with potential for earning a living income	++	
Likely	Above average High	High Above average	Farmers (likely) earning a living income	+++	

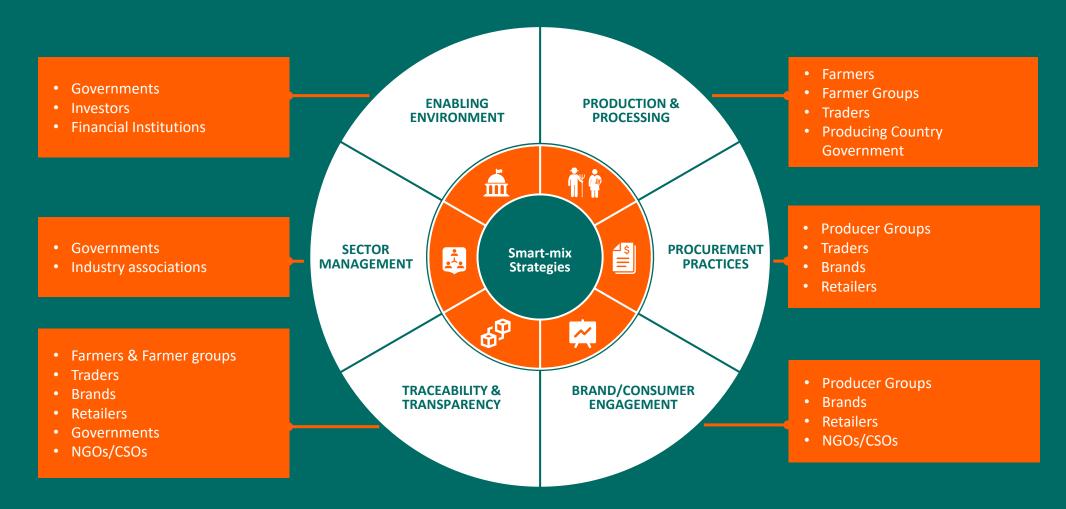


Income drivers overview





All stakeholders have a role to play

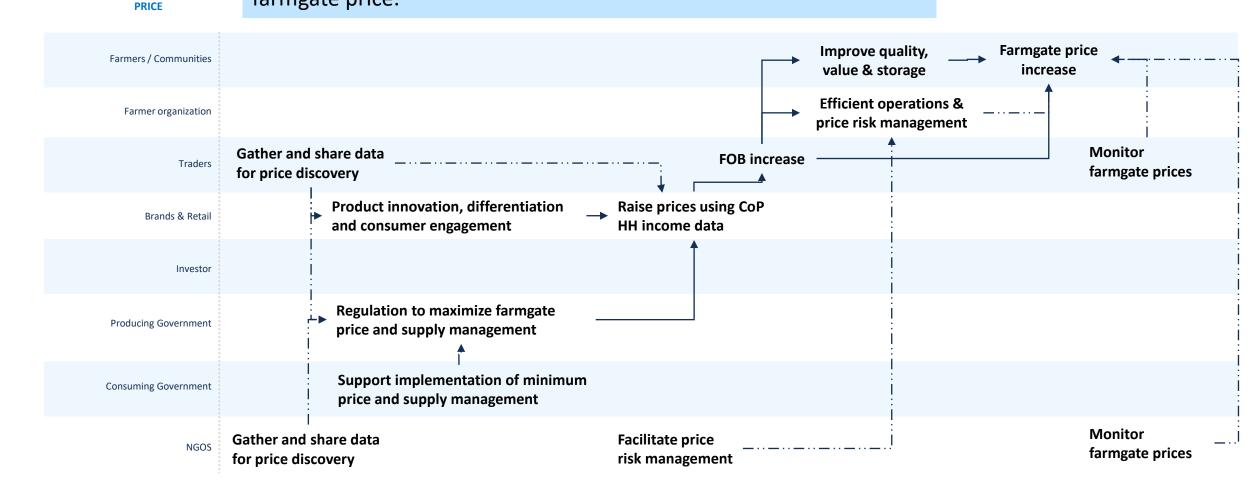




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Case Example: Value and risk distribution through price increase and price risk management are multistakeholder strategies that improve farmgate price.

Lead or Invest



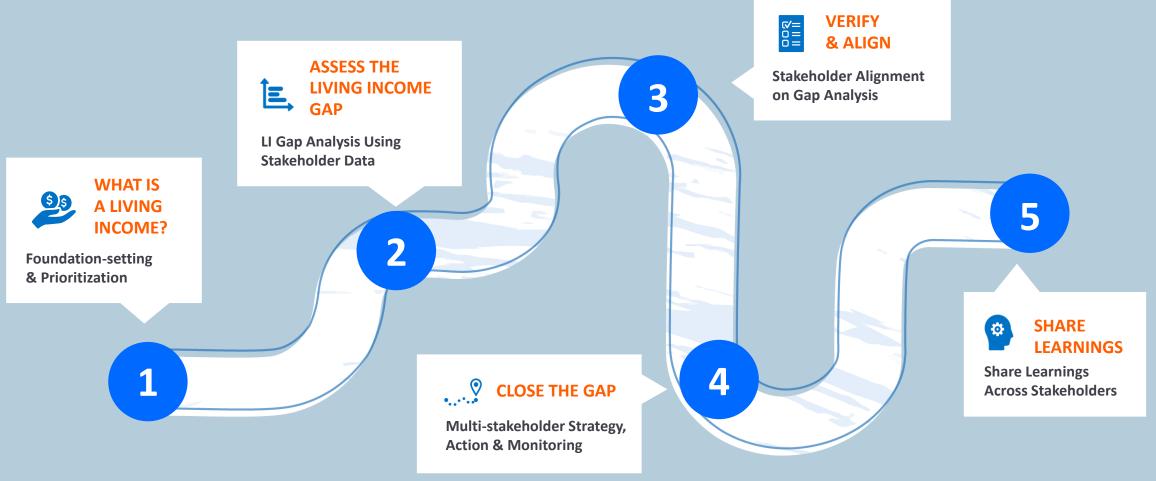
Disclaimer: Situation varies based on local and sector context

DANIDA





Living Income Roadmap





Panel Discussion Effective Company programs



Martha Rainer Opoku Mensah Oxfam A review of the principles of a credible industry program and what has been learned in the cocoa sector.











LIVING INCOME PRACTITIONER'S WORKSHOP

Effective Company programs: A review of the principles of a credible industry program and what has been learned in the cocoa sector

Presented by: Martha Rainer Opoku Mensah



Categorizing Companies' FI strategies

- Discrete interventions
- Explicit living income focus
- Often testing an innovation
- Often includes income baseline
- Small-scale
- Examples: ALDI, LIDL

Living income pilots

Sustainability programs



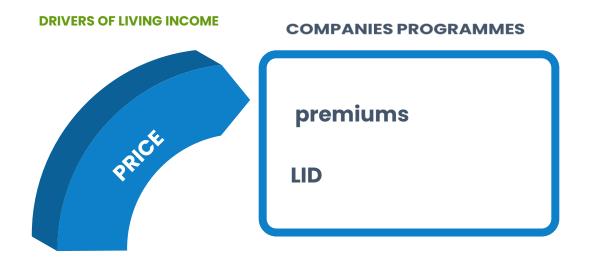
- Large-scale programs (multiissue)
- No explicit living income reference
- Often no income baseline
- Examples: Nestle/ MARS

Some Living income pilot programs IN GHANA-COCOA

- MARS- LEAP (Livelihood Ecosystem Advancement Program)
- Nestle: Nestle Income accelerator program
- LIDL: Way to go project
- REWE: Living Income in Tree Crops project



Drivers of living income vs company programmes





COMPANIES PROGRAMMES

GAP training Farm development plans Provision of planting materials



Farm vs. off farm diversification; often linked to community development and gender strategies (e.g. VSLAs)



Input support to farmers, training on GAP, etc.

What's the observations

- There are significant similarities in how companies are addressing farmer income in their sustainability programs- Productivity still seems like the strongest focus, followed by diversification. Cost of production, and price see less attention
- Both productivity and diversification strategies are facing some challenges in delivering higher incomes to farmers:

-Productivity: adoption, cost of production

-Diversification: access to markets, access to finance

- Robust data on farmers' income levels and changes are difficult to find, making it difficult to assess the impact of companies' efforts to raise farmer incomes.
- The focus on gender is limited in Living income interventions.

Thank you!



You will be put into Breakout rooms

Try to turn on your video if your connection permits

Introduce yourself

Share what were your main takeaways from the session

Networking Session (10m)









Discussion Group (60m) Critical pillars necessary for an effective living income program

Moderator

TOPICS



Stephanie Daniels Sustainable Food Lab

How can we ensure that we've addressed the critical pillars necessary for success in a living income program?

- Elements of an effective living income programme
- Regenerative Ag & Living Income
- Is there a professional farmer organization that can aggregate and provide services to farmers, and advocate and negotiate on their behalf?

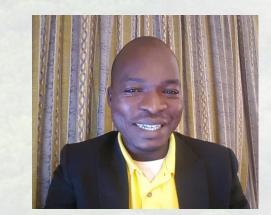








Addressing the critical pillars necessary for an effective living income program



Abdulahi Aliyu Rikolto How can we ensure that we've addressed the critical pillars necessary for success in a living income program? What do we need to consider in any living income initiative.









Breakout Options

Group 1 Elements of an effective living income programme

Discussant

Antonie Fountain Managing Director (Voice Network)



Group 2 Regenerative Ag & Living Income

Discussant

Joel Brounen, (Solidaridad Colombia)

Martine Jansen, (Rabobank)

Moderator: Seth Petchers (Sustainable Food Lab)





Mariela Wismann (Rikolto)

Marise Blom

(SCOPEinsight)



Group 3

Professional farmer organization

Discussant

(LICOP Facilitators: Stephanie, Kealy)



(LICOP Facilitators: Kaitlin)

(LICOP Facilitators: Rita, Sheila)











Oil palm landscape © RSPO

Easy Retro- Capture feedback

- Use the link provided in the Chat
- Easy retro will open in the browser
- Use the plus icon to type something under the text box
- You can upvote answers you agree with

Easy Retro	Breakout 1: Elements of an effective live	ving income programm	ne 🔶 🛧 Prime Directive	sheila@isealalliance.org 🔒
VOICE is launching a Living income Compendium to guide ac successful living income initiative.	Q Search	Sort by order \lor 🔲 🖯	Share Settings	
Key points raised	Outstanding questions	Is this an area where LiCoP can support better?		
+	+	+ +		
Urgent action needed 凸 0 (€ What has worked well ? What evidence	is available? : 企 0 〇 0		

Group 1 Elements of an effective living income programme



Antonie Fountain Managing Director, Voice Network VOICE is launching a Living income Compendium to guide action and critical elements to include in a successful living income initiative.





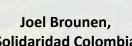






Group 2 **Regenerative Ag & Living Income**







Solidaridad Colombia

Martine Jansen, Rabobank



Moderator: Seth Petchers Sustainable Food Lab

Is the effort also considering the need for farmers to transition to regenerative practices and adapt to climate change?

Federal Ministry r Economic Cooperation and Development







O MBINING NET ZERO 8 LIVING INCOME STRATEGIES

Martine Jansen Head of Partnerships Rabobank

Brounen Country Manager Colombia Solidaridad

1 Rabobank Solidaridad

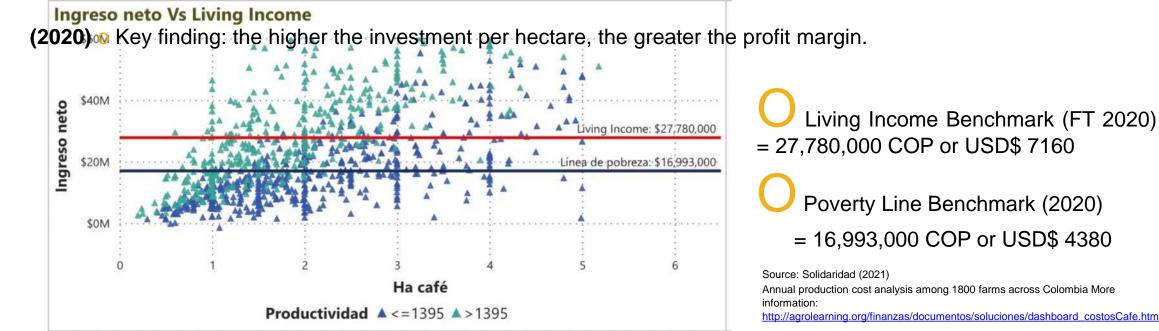


COFFEE PRODUCTION COLOMBIA

0

2020 Living Income Benchmarks in Colombia (Fairtrade, CIAT, Trueprice,

Solidaridad) o 64% of the families in the analysis did not reach the Living Income level



Solidaridad 1 Rabobank

O LIVING INCOME GAP - COFFEE PRODUCERS POTENTIAL FOR AGROFORESTRY

CONVENTIONAL AGROFORESTRY

Solidaridad 1 Rabobank



TRIPLE BUSINESS CASE FOR FARMER

Productivity and quality: + Consistency + Increase



Mitigation:

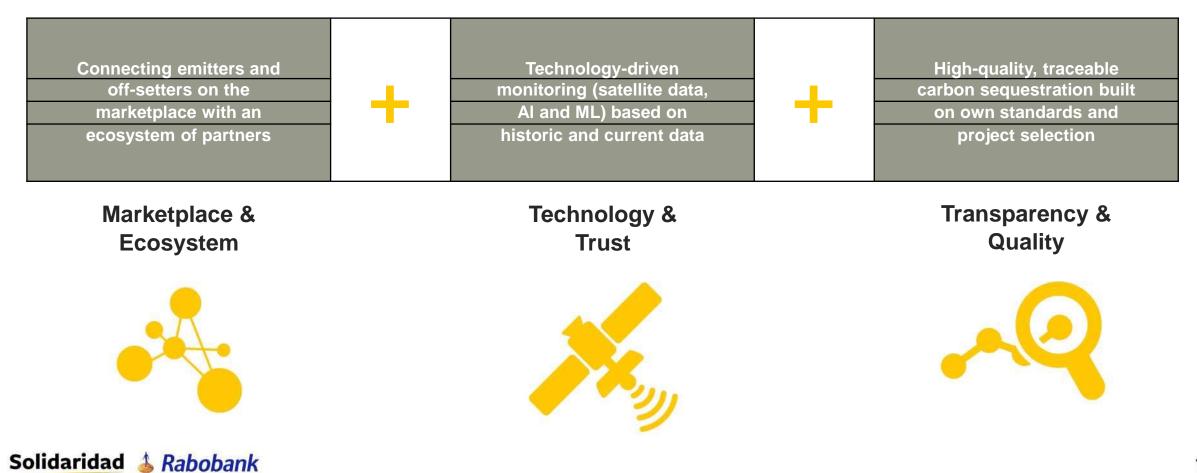
+ Income from carbon emission sales + Carbon reduction

O AGROFORESTRY OFFERS POTENTIAL TO COMBINING NET ZERO & LIVING INCOME STRATEGIES



5 CONVERTING AGROFORESTRY INTO VALUE FOR FARMERS: ACORN

CACORN: GLOBAL, TECHNOLOGY-ENABLED TRANSPARENT MARKET PLACE FOR CARBON SEQUESTRATION



ACORN 7 **PROCESS CYCLE EXPLAINED**

The process cycle is structured around the Acorn platform. Local partners provide the lead role in the process towards suppliers. Rabobank coordinates the validation, verification and commercial transactions towards buyers.



SATELLITE TECHNOLOGY

MONITORING

- Surveillance supported in AI and ML technologies
- Satellite data based on historical and updated information
- Traceability, transparency and quality н.
- Technical specifications
- CRU's / Tokens



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.

Ex: The customer has a carbon footprint and buys CRU's



&

Cost-efficient

Impact

Success-rate





Substantially reduce workload and resources required to link farmers to Voluntary Carbon Markets, creating a viable business case for carbon reduction by farmers within supply chains Improve client relationship by providing carbon payments at a fair price to smallholders in the network

Increased success rate of implementation of agroforestry by ensuring additional income stream for farmers

Operational costs covered through fee out of carbon sales

Service for corporates to include on-farm sequestration in Scope 3 reduction with measurable results for net zero and living income strategies

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CINSETTING AND SCOPE 3 REDUCTION:

ACORN CAN SUPPORT VALUE CHAIN PLAYERS IN THEIR QUEST TO REDUCE AND REMOVE CARBON



VALUE CHAIN

Considerations

• The Acorn Framework requires a minimum price of

of which 80% is for the benefit of the farmer. This should ensure a fair business case for farmers implementing & maintaining the agroforestry system

- The Acorn Framework stipulates that farmers should benefit from carbon credit price increases which is expected given the strong demand and limited supply of credits in the VCM
- Acorn services follow the Acorn Framework and Methodology, certified by Plan Vivo. This provides an additional quality assurance which becomes increasingly important in the sector
- Acorn deems that farmers need to be compensated beyond the investment costs (e.g. seedlings, fertilizer) and technical assistance (e.g. training, capacity building) alone to ensure effective agroforestry implementation and prevent farmer drop out and reversal events

as insetting and scope 3 reduction

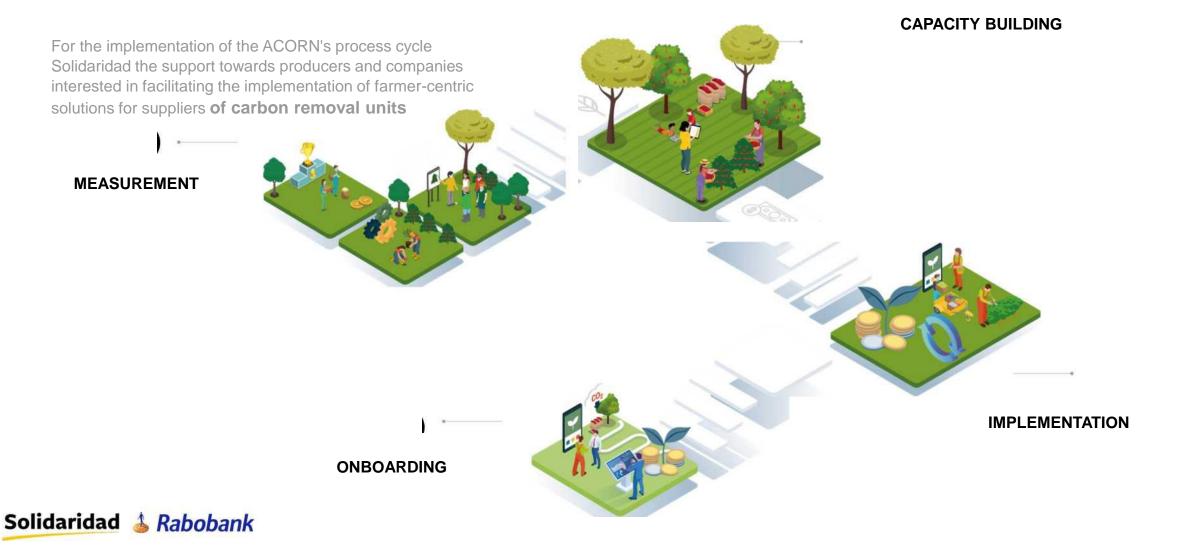
ACORN SERVICES VS. GHG REQUIREMENTS

Requirements for including removals in GHG inventory ¹	Acorn services		
Companies should ensure ongoing carbon storage monitoring to account for and report potential future reversals	Acorn provides ongoing monitoring for >20 years after last sequestration event, approved by Plan Vivo		
Companies shall only report removals that are accounted for using primary data specific to the carbon pools in their operations/value chain	Acorn measures biomass on smallholder plot level via remote sensing and performs an independent baseline assessment		
Companies shall only report statistically significant removals and use conservative values so to not overestimate C02 removal values	Acorn projects follow a methodology for carbon measurements which has been approved Plan Vivo		
Companies should account for all life cycle GHG emissions on farmer level (i.e. come up with net emissions on farmer level)	A third party specialized in estimating life cycle GHG emissions on farm level is required		
The company should demonstrate traceability to the entities that own/control the carbon pools where removals are stored	Traceability on farm level is the responsibility of the company that aims to reduce its scope 3 emissions through removal		

1: Carbon accounting requirements are subject to final GHG protocol (Land Use and Removal) and SBTi FLAG guidance which are currently being drafted

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SUPPORT TO BUILD LASTING CAPACITY AMONG FARMERS, ORGANIZATIONS AND SUPPLY CHAIN PLAYERS





INCREASED ON-FARM RESILIENCE AND MITIGATION



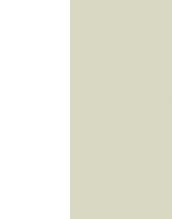


hectares





tonnes CO₂





Solidaridad

RESULTS AT FARM LEVEL:

FROM CARBON POSITIVE TO CARBON NEGATIVE

2	327 1964	(Kg C02 eq)	2649 1843	
1058 750		1100 _ 689		1138
Fertiliser Dire production indire	32 31 oct and Pesticides ctfield N20		8 9 Wastewater off-farm essing transport	Carbon stock To! changes -531

YearO (Baseline)

Year 3



C IMPACT ACORN ON NET INCOME AND LIVING INCOME GAP: REDUCING CARBON, ADDING REVENUES

6 ton CO2/ha tree-based sequestration on average after year 3 Minimum of 20 EUR per ton CO2 through ACORN

o Adding approx. 8% on net income of farmer through carbon emission sales (current carbon prices) for 2 ha farm o

Increased productivity around 10-15% after year 4



CONSIDERATIONS TO SCALE AGROFORESTRY/ACORN LESSONS LEARNED FROM COLOMBIA

O Implementation capacity (data quality, agroforestry design) o

Business case for farmers and local partners (incl. fair price for carbon) o

Scalable solutions for data collection and payment o Favorable tax

regulations for carbon trade

THANK YOU

Martine Jansen Head of Partnerships Rabobank Joel .Brounen Country Manager Colombia Solidaridad



Group 3 Roles of Professional Producer Organizations in Living income



Marise Blom, SCOPEinsight



Mariela Wismann, Rikolto This session explores the role of professionalized farmer organisation in providing services and consistent markets for farmers, and the critical role of these organizations in both improving and sustaining higher farmer incomes.









Roles of Professional Agribusinesses in Living income

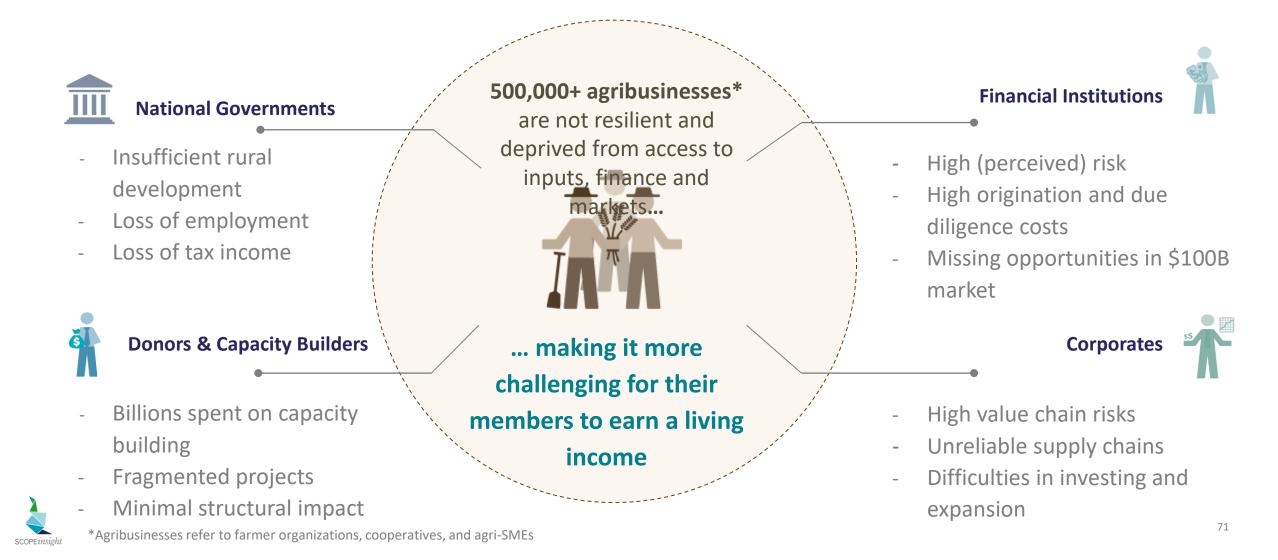
Introducing SCOPEinsight's Living Income Model

June 15, 2022





Many stakeholders are affected by agribusinesses that are not run as a professional business, including their members

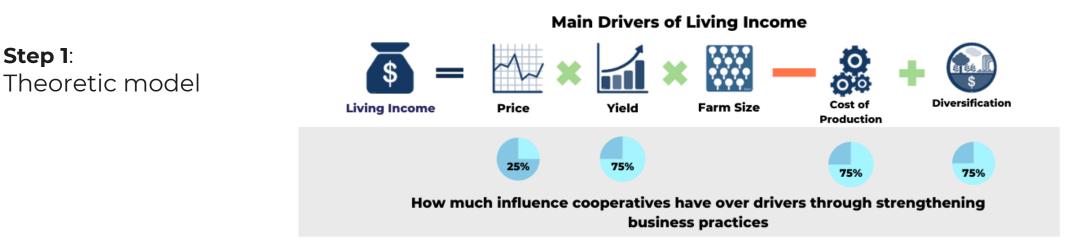


The SCOPEinsight approach has been implemented by partners in 52 countries and 19 agricultural sectors



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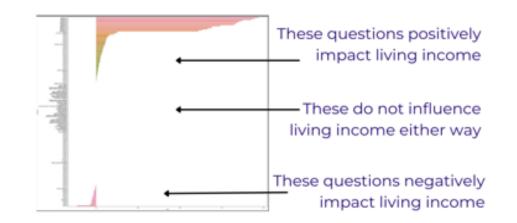
We develop models and use SCOPE Data to find drivers behind Living Income that agribusinesses can influence



Step 2:

Step 1:

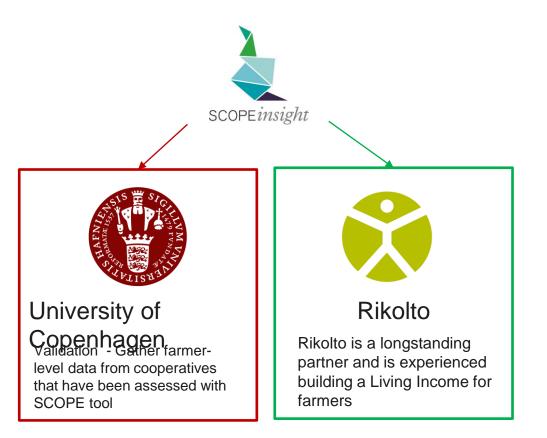
Use data & machine learning to determine which questions inform the different elements





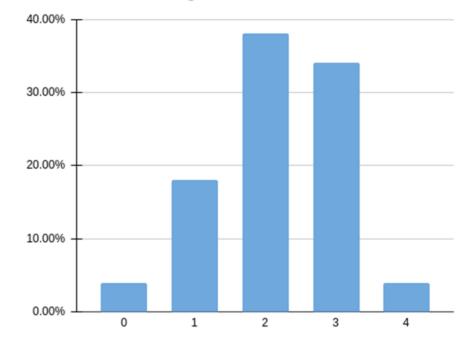
After we validate our model, we will provide Living Income Scores at agribusiness, program and/or value chain level

We are validating our model in two ways:



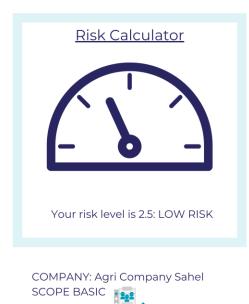
Our data shows that not many coops are able to create a favorable environment

Distribution of Living Income Scores



The SCOPE Living Income Model also provides TA guidance per agribusiness, so they can work on improving the Living Income environment for their members

IMPROVEMENT AREAS



TO IMPROVE YOUR SCORE, YOU NEED TO FOCUS ON:





Financial Management

Operations

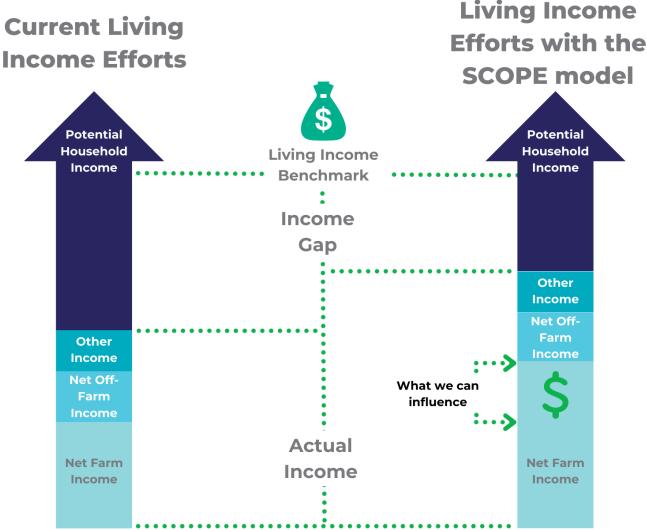
THE ANSWERS THAT RESULTED IN THIS RISK RESULT:

- Does the organization actively market its products and services?
- Does membership of the organizations provide economic value to its members?
- Is the organization aware of the different types of market risks?
- Which training and member support activities does the organization carry out?
- How often has the organization had legal problems in the last 3 years?



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In conclusion, professionalizing agribusinesses is one factor – an important one - in positively affecting living income levels





Adapted from the Living Income Community of Practice

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Thank you

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Professional producer organizations in living income

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June 15th, 2022



Key elements in our receip



Enabling environment

Inclusive markets

Sustainable food production



5 elements to take into account

1) Price

- The private sector must be willing to pay a **better price**.
- "Inclusive business" must be the heart of the private sector, if the supply chain wins, a more conscious and resilient chain is ensured.

2) Real action

- All parties must be committed to implementing it
- Working in **multi-stakeholder spaces** is key, as is the possibility of discussing and proposing joint actions that reduce risks and promote quality coffee.



5 elements to take into account

3) Transparency

- For example, local government must establish a lower tax burden
- Or propose incentive policies, such as funds for the development of research for coffee (resistant to pests and diseases, without neglecting cup quality) and technical assistance.

4) Economic empowerment

- All members of the household should participate in increasing household income, including women and youth.
- "no one is left behind"



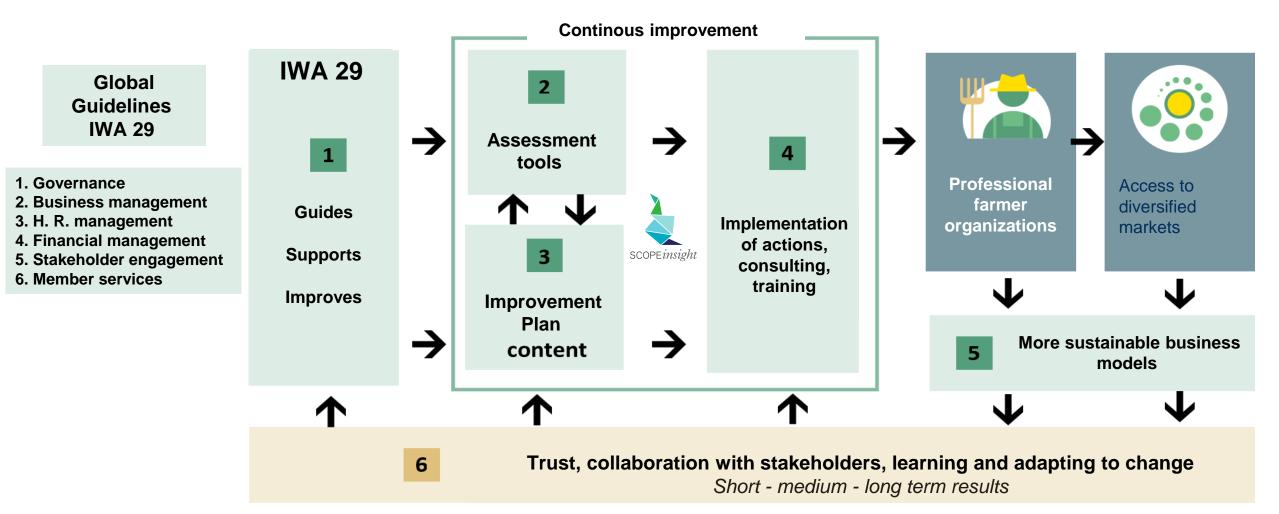
5 elements to take into account

5) Professionalization

- Farmers' organizations should provide **services, besides training**, to help farmers make informed choices
- Farmers must be professional to reap the full **benefits of diversification**.
- How we do it? With assessments, design and implementation of improvement plans and an iterative monitoring process.



A professional organization





Collaborative work



• The Agribusiness Market Ecosystem Alliance (AMEA) and ISO have developed the IWA 29 standard on guidelines for the professionalization of agricultural organizations,

 In Honduras and Peru, after a participatory process involving various stakeholders in the agricultural sector led by the competent standardization authority, IWA 29 was evaluated and adopted

• The process will advance to its implementation with the participation of various stakeholder, for example the AMEA local network

IWA 29: PROFESSIONAL FARMER ORGANIZATION - GUIDELINES OVERVIEW



What will we eat tomorrow?

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Napoleón Molina. Responsible Coffee Program in Honduras and Nicaragua. <u>Napoleon.Molina@rikolto.org</u>

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What Next?



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SUSTAINABLE FOOD LA

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2 Day Workshop Overview

June 15th 2022 2-4.30pm BST

Day #1

What drives improvement in farmer income and who can lead and influence these drivers?

- (60m) Plenary: Income Drivers & Effective LI programmes
- □ (10m) Networking
- (60m) Discussion groups: Pillars for an effective
 LI programme

June 16th 2021 2-4.30pm BST

DAY #2

Can we start to build a shared understanding of good practices when communicating about action on living income?

- (60m) Plenary: Living income reporting (trends, systems, frameworks)
- □ (10m) Networking
- (60m) Discussion groups: Translating commitment to action

Upcoming LICOP webinar themes

Check out latest
 webinars: LICOP website>
 Engagement

<u>https://www.living-</u> <u>income.com/engagement</u>

Federal Ministry for Economic Cooperatio

July

Tools to enable the calculation of LI Price and the LI gap

August

Climate & Living Income

Q4

Measurement & Impact Reporting



NEW LICOP website

Deutsche Gesellschaft

Zusammenarbeit (GIZ) GmbH

für Internationale

isea

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Federal Ministry for Economic Cooperation

and Development

 New features: Search function for all resources
 New addition: Resources in multi languages (Spanish/ French). The Living The Concept News & Events Tools & Resources Who We Are a Income **Community of Practice** > TOOLS & RESOURCES > PUBLICATIONS **PAPERS AND REPORTS** TYPE \checkmark LEVEL OF ENGAGEMENT \checkmark SECTOR \checkmark USE 🗸 $\operatorname{ACTOR} \lor$ practitioner's guide income measurement PDF PDF The Living Income Looking to measu A practitioner's guide and framework for selecting toolkits Community of Practice incomes and the an appropriate approach to income measurem *sea- giz totat. @ mt., 101 income gap? This document supplements the 'Income measurement practitioners guide' How do you measure household incom-when working towards a living income? V1.0 V1.0 How do you approach calculating the living income gap? Authored by ISEA What to do if data is missing or absen Authored by ISEA FAG.v.1.0 Oct 2021 March 2022 To support corrections, pricing, for improving to plean it context Adamption during the object March 2022 FAQ Actual Incomes Beginner Guidance Document | Other Guidance Document Actual Incomes | Private Sector Strategies | Private Sector | Looking to measure Living Researchers | Beginner Learner Incomes and the Income Gap? Income Measurement Key trade-offs between income How do you measure household **Practitioner's Guide** measurement toolkits income, when working towards a living income? How do you This resource presents the key A practitioner's guide and approach calculating the living framework for selecting an trade-offs between different income gap? What do I do if data appropriate approach to income income data collection toolkits to is missing or absent? help practitioners make measurement. appropriate choices when devising an approach to Author: Author: smallholder household income lildemarie Brouwer, Dr. Lewison ISEAL measurement. Chiwaula, Jessi Grillo et. al.

New Tools & Guidance's

Some upcoming tools & guidance's from our partners

Share in Chatbox! What are you working on?

iseal

Federal Ministry for Economic Cooperation



Updated Database of Benchmarks now available

https://align-tool.com/resource-library

the sustainable trade initiative

Collaborating for Impact: Development of a framework of action

https://www.idhsustainabletrade.com/news/livingincome-summit/



Living Income Gap estimator & Pricing Tool

http://live-ina.ichwillfair.de/en/tips-tools/

Thank you!

The Living Income Community of Practice







