Living Income Workshop 4/5/6 October 2021



Ensuring a decent standard of living for all

4 October 2021 14:00-16:00 BST (GMT +1)









The Living Income **Community of Practice** (LICOP) Objectives **Increase understanding** of living income **Identify and discuss** measurement and the strategies for closing income gap the income gap Share learning and facilitate collaboration between actors

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.









Housekeeping



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

- When you join, if necessary edit your name and add your organisation in brackets;
 e.g., Rita (ISEAL)
- To do this, simply click on the "Participant button"
- Next, click on "Rename" next to your name in the Participant list

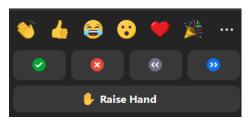
HOW CAN I ASK A QUESTIONS/COMMENT?

- 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
- Please keep yourself muted when not speaking
- Or pop the question in easy retro or in the chat box

TECHNICAL DIFFICULTIES?

Reach out to Anja (ISEAL) in the chat box or write an email to livingincome@isealalliance.org





Wordly – Real-time word translation



Wordly is available during the plenary session

See the 'LIVE' sign in the top left corner



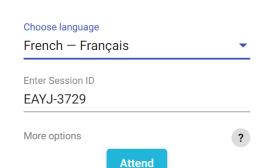
- Click on the drop down menu, select 'view stream on custom live streaming service'.
- This will open up a new browser tab
- The translations will come in here as people speak. English is the default, but you can change the language by clicking on the language selection and changing it.

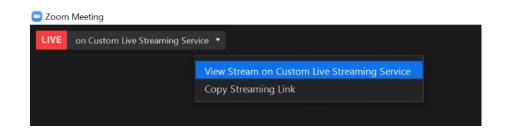
<u>Or</u>

Use URL Code (provided in the chat)

- https://attend.wordly.ai/join/EAYJ-3729
- Choose preferred language
- Click "Attend"







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!









LICOP workshop facilitators



Rita Mendez Senior Coordinator, Impacts ISEAL Alliance



Friederike
Martin
Advisor Sust. Ag.
Value Chains
and Standards
GIZ



Sheila Senathirajah Senior Manager, Innovations ISEAL Alliance



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Standards
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Kristin
Komives
Director,
Impacts
ISEAL Alliance



Don Seville Sustainable Food Lab













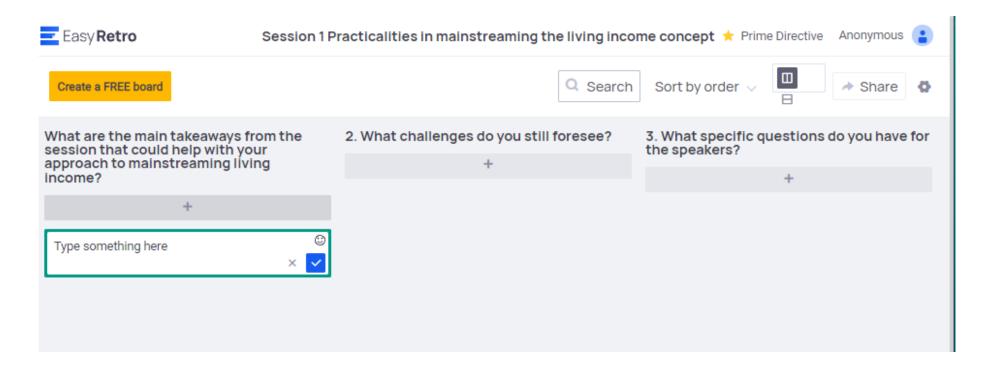


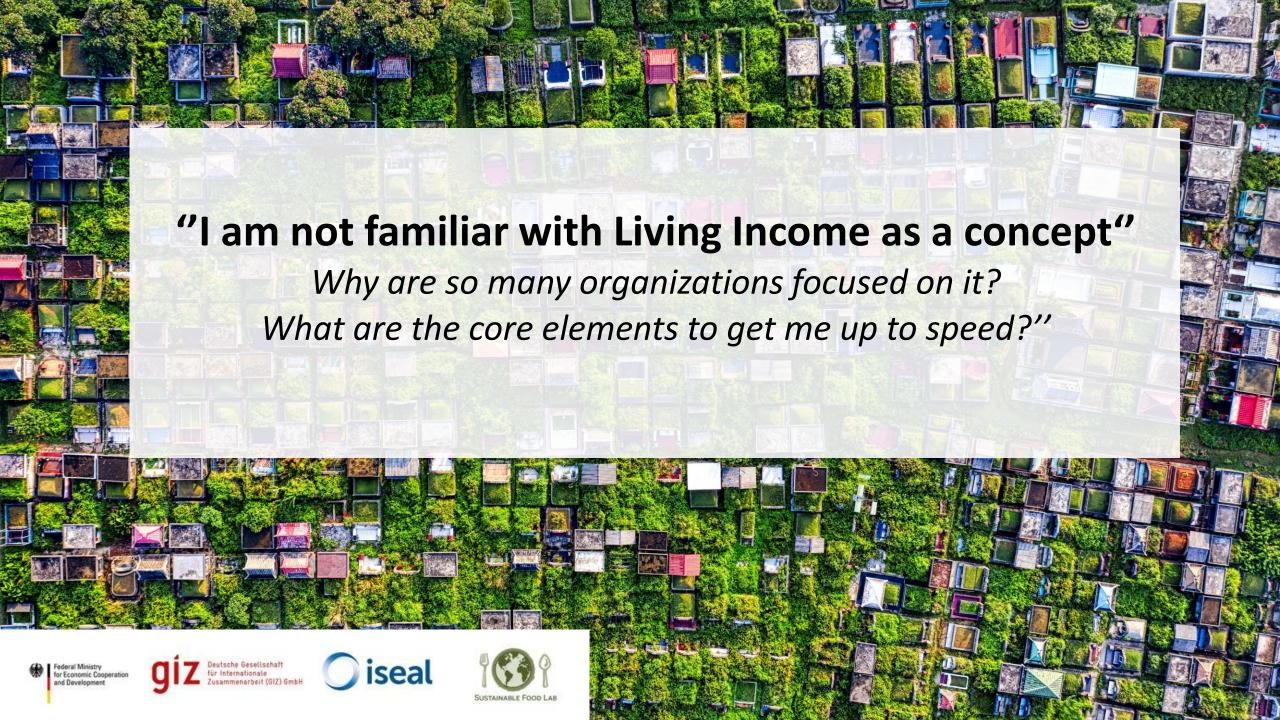
OCI 4" 2021 2-4pm BST **SESSION #1 Duration AGENDA** TIME **PRACTICALITIES IN** (BST) MAINSTREAMING THE LIVING INCOME CONCEPT **Welcome & Introduction** 2pm 10m Part 1: LIVING INCOME CONCEPT 2.10pm 10m The story behind living income Part 2: LIVING INCOME APPROACH 2:20pm From abstract to concrete: What do organizations think about 40m when mainstreaming living income? 3:00pm 15m **Breakout: Networking & Discussion** Part 3: LIVING INCOME MEASUREMENT 3:15pm 30m Approaching living income measurement: Practical next steps & gauging feasibility Wrap Up: What's happening in the community? 3:45pm 15m

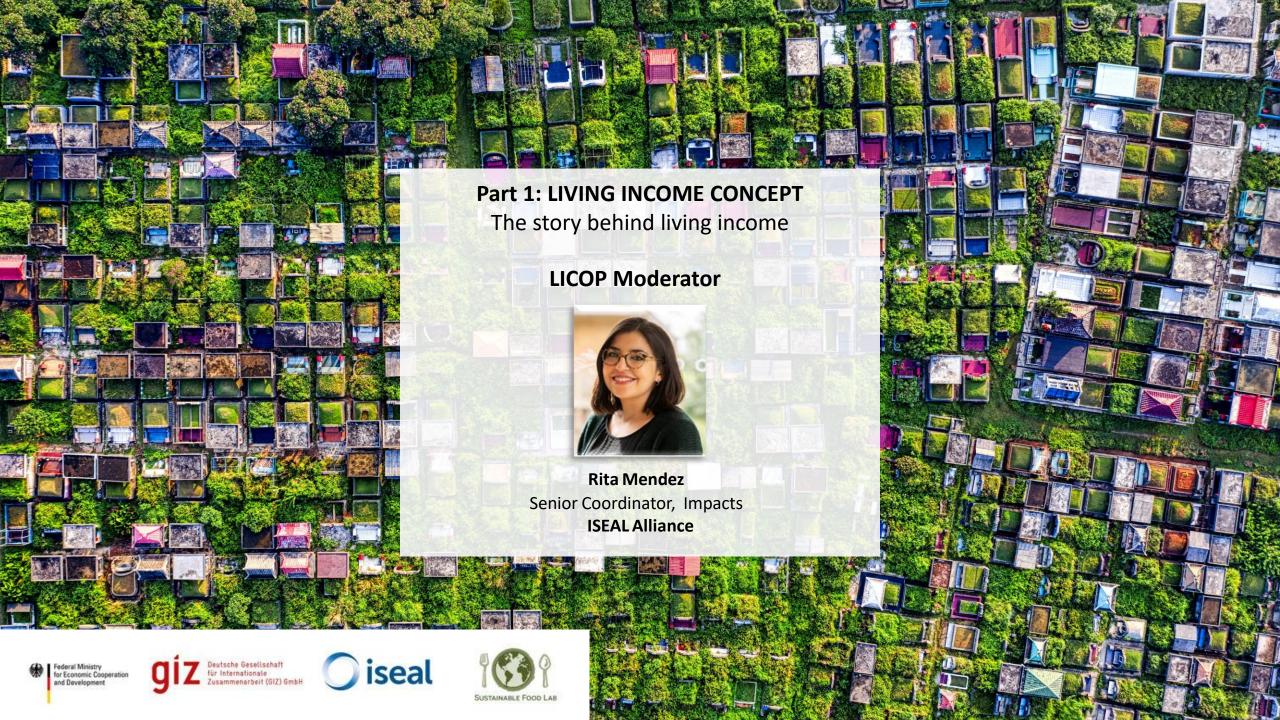
Easy retro



- 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





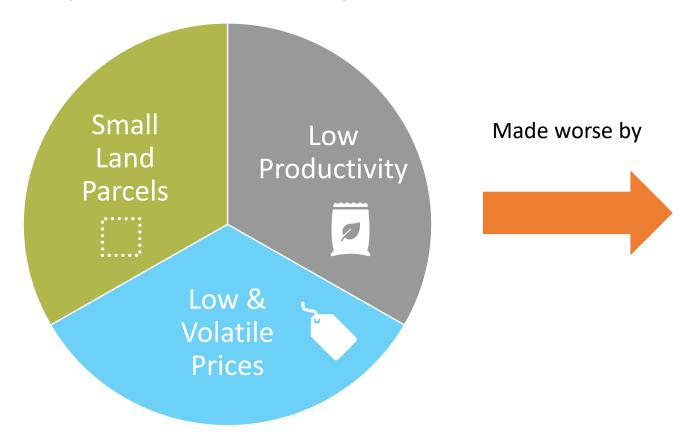




Globally, many smallholder farmers struggle with persistent poverty

There are approximately 500 million smallholder farmers (85% of the world's total). They produce crops like coffee, cocoa, tea and barley. Selling through formal and informal markets and often living in developing areas of Africa, Asia and Latin America.

Major cash crops produced by smallholder farmers don't provide adequate income in part because of:





Unpredictable Weather



Price fluctuation



Lack of Information



Lack of Technology



No Social Net



Inability to Organize



Lack of Alternative Work



Lack of Knowledge Sharing



Lack of Investment

Living Income Concept and International Conventions

Guarantee Human Rights

- A decent life
- Absence of slavery
- The right to fair remuneration



Universal Declaration of Human Rights

UN Guiding Principles

OECD and FAO Guidelines

Promote Sustainable Development

- Fight against poverty and hunger
- Elimination of child labor and forced labor
- Reduction of inequalities (including gender inequality)
- Protection of natural resources









Secure Supply and Quality of Raw Materials

- Supporting farmers to invest in their farms and diversify their sources of income
- Promoting agriculture as an attractive employment sector for young people

What is Living Income?

The Living Income Community of Practice

Living income is about the income level that would enable a family to afford a decent standard of living.

A basic, decent standard of living!





The Living Income Concept

What is the Living Income Concept?

The concept of a living Income focuses on the households' ability to afford a decent standard of living

What does it mean to be able to afford a decent standard of living?

The net annual income of a household, which comes from a variety of sources, is sufficient to cover the cost of a decent standard of living for a typical household in a particular place.

What does decency mean in this context?

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

What is the link between living income and living wage?





Living Wage

A worker earns enough in a standard work week to enable his/her family to afford a decent standard of living.

Both are derived from the idea of achieving a decent standard of living.

Living wage applies to an individual worker. Living income applies to a household.

The Living Income Community of Practice



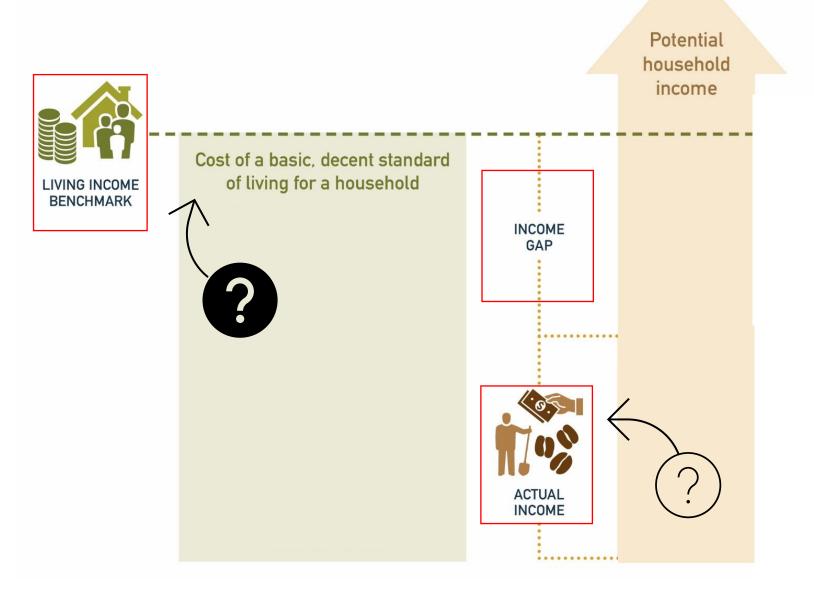
Living Income

Farming households earn enough in a year from all income sources to afford a decent standard of living.

https://www.globallivingwage.org

www.living-income.com

The Living Income Story







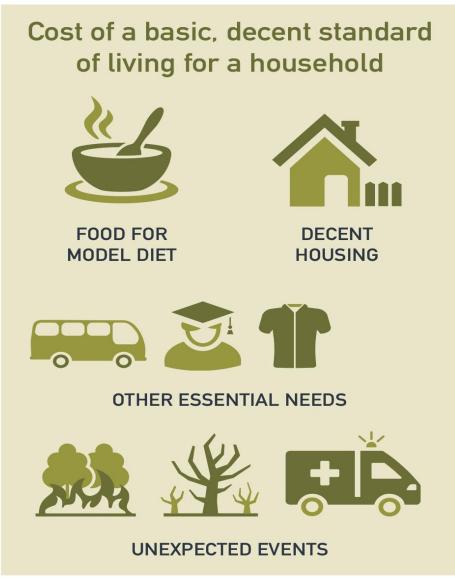






What is a Living Income Benchmark?





A living income benchmark is an estimate of the cost of a basic and decent standard of living for a household.

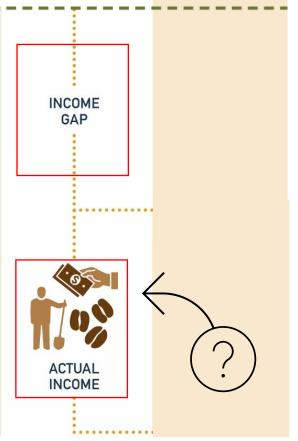
It answers the question: 'how much does a typical household in a particular place need to earn, from all income sources, in order to live a decent standard of living?

The Living Income Story



Potential household income









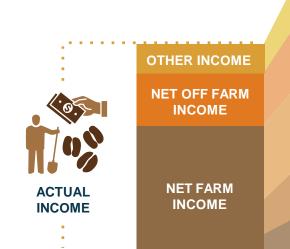






What is 'actual household income'?

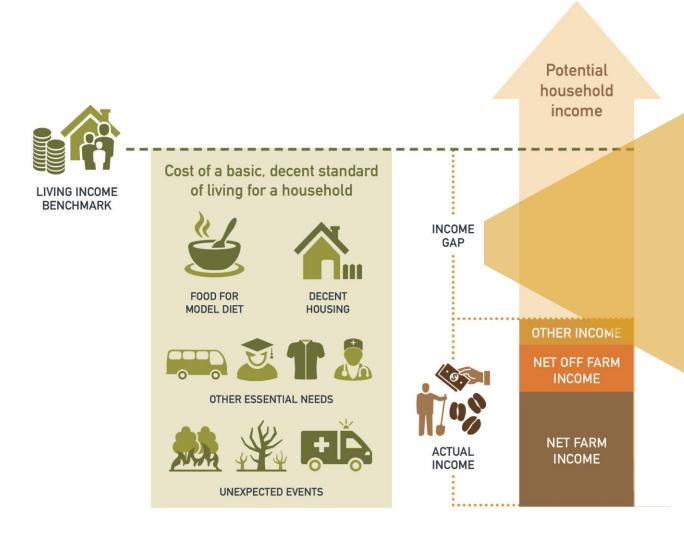
- Evidence shows that smallholder households draw their incomes from a variety of sources.
- These can be generally categorized into 3 (which can then be further subdivided):
 - Net farm income
 - Net off farm income
 - Other income
- Actual household income in the sum of the net incomes across these sources.





^{*}Note – farm income and what is considered primary cash crop income may not be the main income source for your farming households of concern.

What Is An 'Income Gap', and How Does It Relate to the Living Income Benchmark?



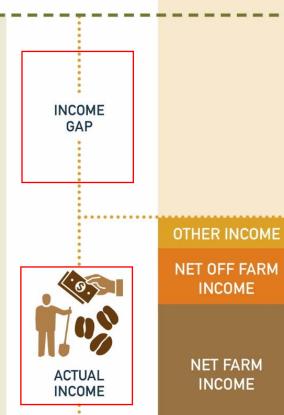
An income gap is the difference between the living income benchmark and current income of a typical farming household.

Learn more about calculating and visualizing the income gap to a Living Income Benchmark here and download this excel tool for gap visualization here.

The Living Income Story



Potential household income





AT HOME







FOOD FOR

MODEL DIET

Cost of a basic, decent standard

of living for a household

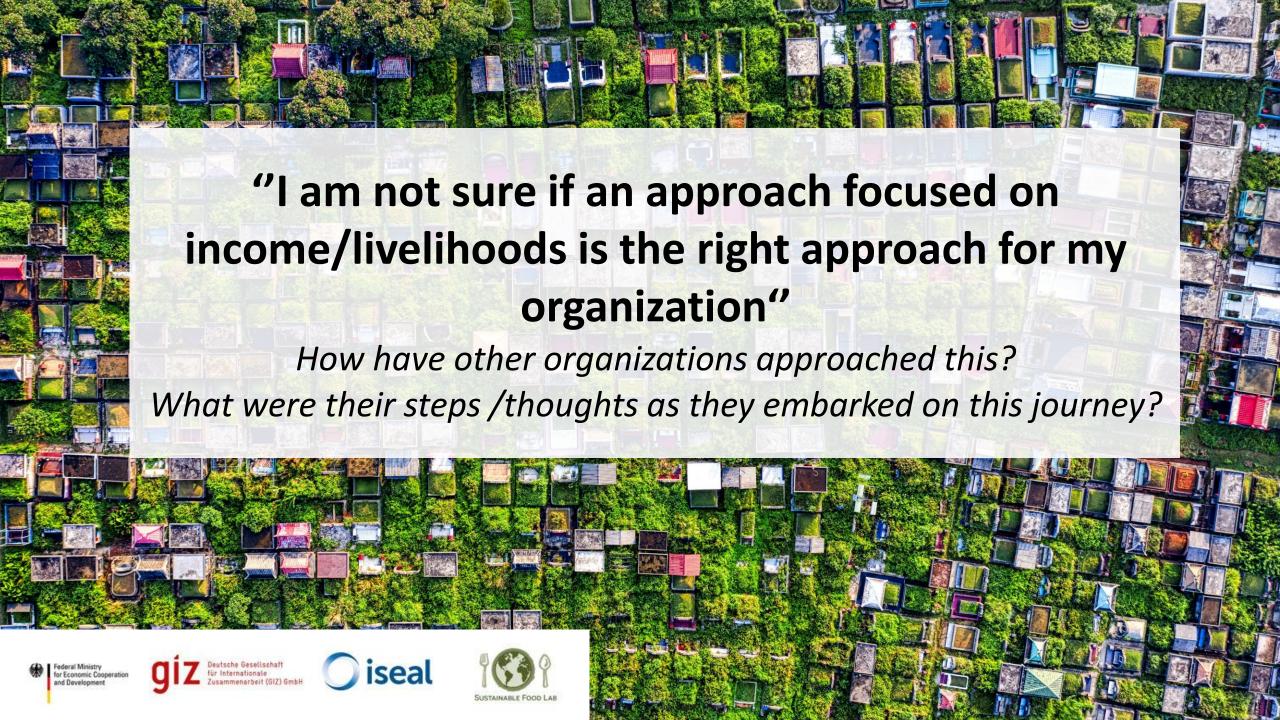
OTHER ESSENTIAL NEEDS

UNEXPECTED EVENTS



DECENT

HOUSING









Karène Volpato Ethical Sourcing Expert, Verification Programme Coordinator, UEBT



























































































































































UEBT FOCUS: INGREDIENTS FROM BIODIVERSITY

For beauty and personal care, herbal infusions, herbs and spices, functional foods, and natural pharmaceuticals

UEBT standard

- People and biodiversity
- Crop specific
- Small volume
- Smallholders, medium, large farms
- Cultivation, wild collection































How we approach living income

Prices paid to producers based on costcalculation

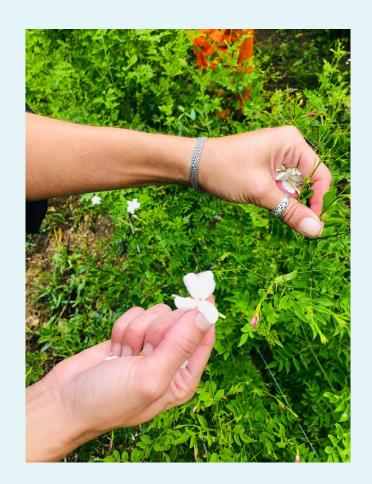
Embedded in our 2020 revised standard

Time valued at least at minimum wage level

Value of time cost calculations

Contribution to living income of producers and pickers

Time valued at living wage level and other measures





Challenges

- - **Sensitisation** Minimum wage is not the same as Living wage/Living income
- Reality

- Limited insight in time and inputs spent on assessed crops
- Many farmers/pickers do not receive minimum wage equivalent for time spend on assessed crops
- Assessed crops count for small % of overall income.
- Lack of living wage benchmarks (to value time)
- Assessing
- Auditors must be trained
- Improvement plans required
- Tools (i.e. benchmarks, cost calculation) needed





Thank you!

karene@uebt.org www.uebt.org

Learning a lesson





So what do we do?

To mainstream living income in our work





We combine multiple approaches

We collaborate with other actors







Breakout: Networking & Discussion (15 min)



 Try to turn on your video if you connection permits for the breakout group

- 1. Introduce yourself
- 2. What are the main takeaways from the session that could help with your approach to mainstreaming living income?
 - 3. What challenges do you still foresee?

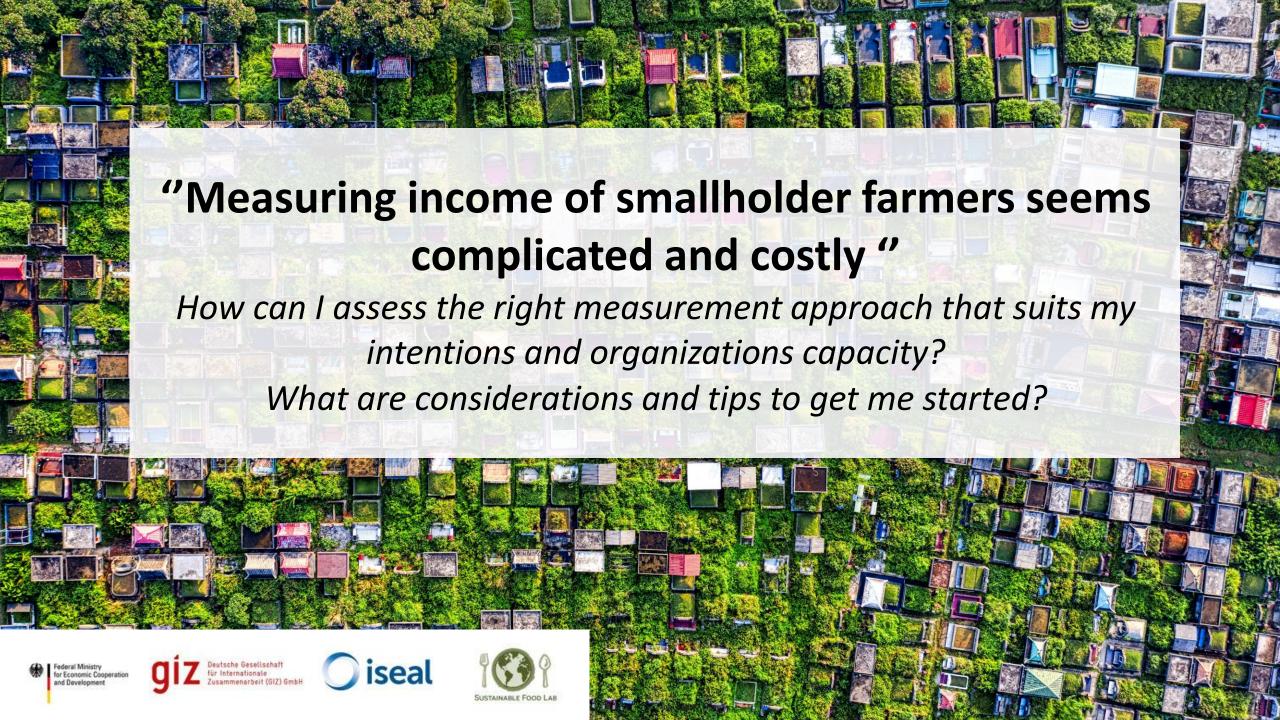




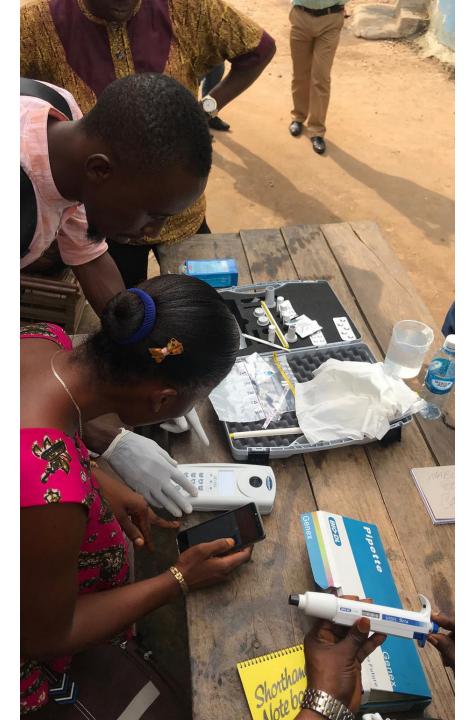












What we will cover

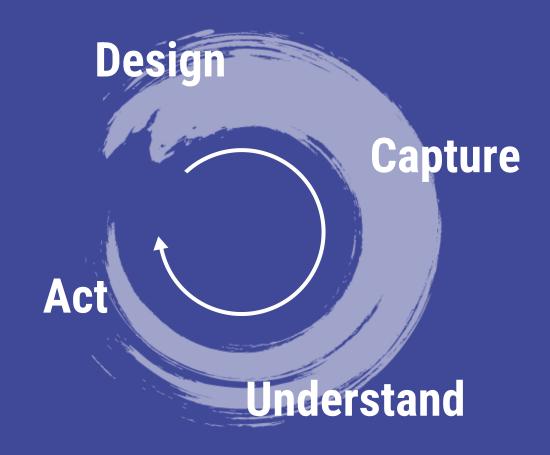
- Steps to take when measuring farmer income
- Considering your use case –making your decision
- Using data to formulate Data driven strategies
- Questions & reflections

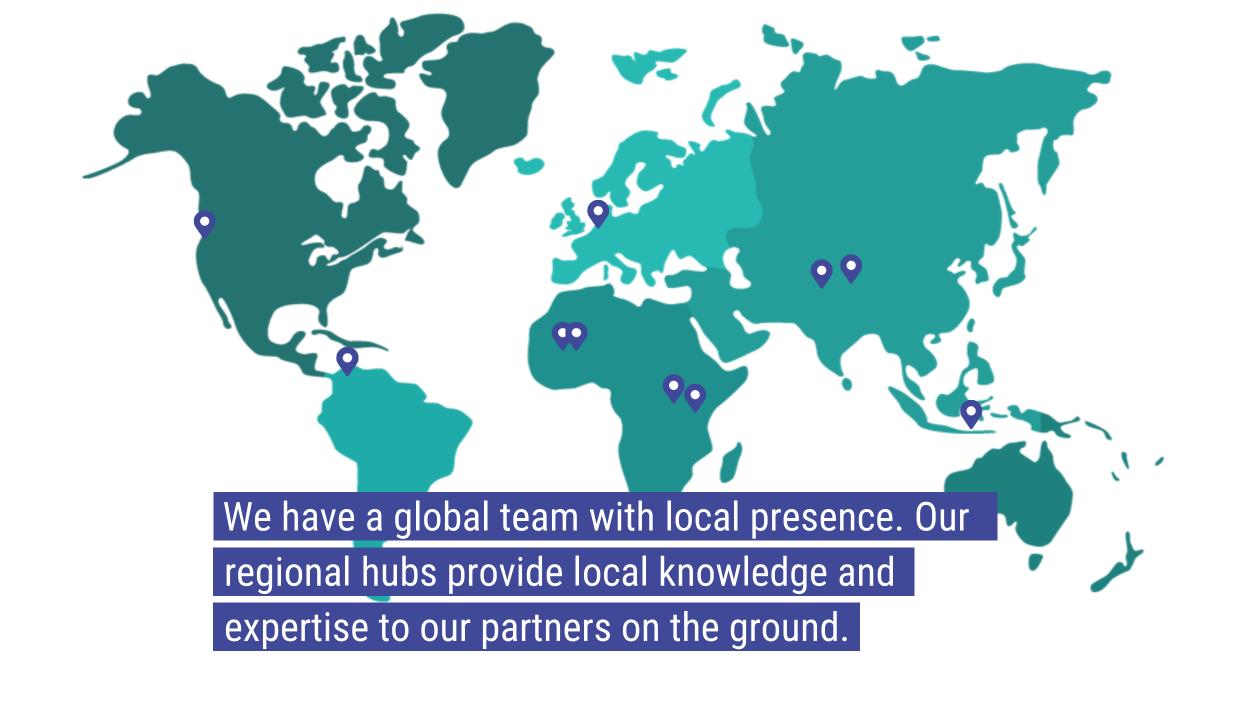
Akvo at a glance



The Data Journey

Our proven approach towards lasting impact for all





How to start

farmer income

measurement

Process summarised

Define the desired use of the data

2 Determine the type of income you want to measure

Discuss key questions

Create your project overview

Define the desired use of the data

Why do you want to measure income?

Purpose of data collection

- Program design (needs assessment)
- Monitoring
- Evaluation
- One-off study

Use of data

- Accountability
- Steering,
- Learning
- Policy development
- Profiling
- Communication

Input for decisions

- What will we measure?
- In what detail will we measure the indicators?
- What methods will we use?

Determine the type of income you want to measure

Eg. Net income from a crop or actual household income

Farmer income alone?

- Farmer income
- Living income gap
- Net-income from crop of interest
- Costs of production
- Fixed farming costs
- Net-income from livestock
- Household labour

Or more?

- Loans and savings
- Financial access
- Off-farm employment
- Income diversification
- Gender differences
- Climate resilience
- Household decision making
- Agricultural practices

Decision determined by:

- Purpose of data collection
- Use of data

3 Discuss key questions

What are the requirements, resources and challenges?

How will we address methodological considerations?

Which methods will we use to obtain the data?

Which costs and revenues will we measure?

Which data quality elements require priority?

Does the data need to be comparable?

Create your project overview

- Costs and revenues to be measured
- Expectations on data responsibility and other data quality elements
- ✓ Data collection instruments
- ✓ Sampling approach
- ✓ Possible challenges
- Requirements and available resources
- ✓ Etc.

Inception report

Content

- Purpose of data collection
- Indicators
- Methods
- Analysis plan
- Assumptions
- Decisions made

Should at least describe:

- What will be measured and for what purpose?
- What will not be measured and for what reason/with what consequences?

Akvo's learnings and recommendations



- Describe your measurement approach in a inception report that requires agreement of all stakeholders
- 2 Ensure involvement off all stakeholders in the design phase
- Have **one or two facilitators** with PMEL expertise and farmer income knowledge that facilitate the design phase
- 4 Collect **qualitative data** to learn about farmer income dynamics and to be able to answer the "why" questions
- Only collect data on outcomes that you can influence. Reflect: is the data required or "nice to have"?

Capacity required

What capacity is required?









Design

Capture

Understand

Act

You need
different skills
during the
different phases

Guide the process of creating clarity on the data needs, design your data collection methods, and plan the data collection.

Train data collectors and collect quantitative and qualitative data.

Integrate and analyse the relevant data sets and work with experts to translate the data into actionable insights for farmers.

Use the insights to plan new activities. What these new activities will entail will depend on the purpose of data collection.

The Living Income Community of Practice









Together with our **Technical Advisory Committee**, the Living Income Community of Practice identify the direction, priorities, and components of relevant technical work, technical guidance and resources that would be useful for the community.

The TAC are composed of experts in farm household economics and characteristics, and income calculation.



How do I decide which methods to use?

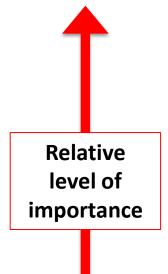
The income measurement methods and approach you apply will ultimately depend on:



Your use case — What is your purpose for measuring the gap? What are you trying to understand or achieve by measuring it? Beyond the income gap, are you looking to explore other things with the data?



The operational context – What are key determinants of income for your farmers in their location? What are the norms and practices that determine income revenues and related costs within their context?





<u>Your starting point and capacity</u> – What income related data do you have/ already exists? Do you have capacity to collect the data? What is your budget and timeline?

Income measurement use cases

Understanding the size of the gap (Magnitude)	Monitoring progress (Directionality)	Determining and designing interventions (Strategy definition)		
Living income gap hotspot analysis	Progress towards closing the gap	Program design		
A one-time estimate	Progress of specific farmers	Profit/production costs		
	Effect of programs	Reference price estimate		

Measurement scope broadens

Generally data level of detail required increases*

Use cases and the data collected in order to satisfy them are not necessarily mutually exclusive. However, an organisation should be wary of the potential implications of using data collected for one use case for another.

^{*}The meticulousness of measurement is also a choice driven by organisational priorities and capacity.

How do I choose an approach based on my use case? (1)

Below is a list of popular income measurement approaches:

Generally
level of detail,
accuracy, and
precision of data
and collection
cost increases*

- Farmer field book assessments and record keeping
- Farm level household surveys
- Mixed methods (some combination of focus groups, surveys and or secondary data)
- Focus group discussions and expert interviews (good qualitative data for understanding directionality and 'why?').
- Income estimation and modelling using secondary data

THIS IS A VERY ROUGH GUIDE. Resources required and data detail, accuracy, and precision can increase or decrease depending on your level of effort, <u>sampling approach</u>, and specific decisions made when applying each method.

How do I choose an approach based on my use case? (2)

Think about your use case and the level of detail that might be required for measuring the different elements of household income - farm, off farm, other, and their subcomponents (e.g. production costs).

A combination of approaches can be used to enumerate or estimate different elements of income relative to your use case.

To reduce costs, use more intensive methods to measure income elements that require deeper consideration, and less intensive methods to enumerate others.

Also think about other information that you may need to capture beside income data to satisfy your use case (e.g. income rate, yield, and qualitative data).

Practitioner's guide and methodology selection framework – COMING SOON



"Which elements of actual income might I need to pay more attention to in relation to my use case?"

Why is understanding operational context important?

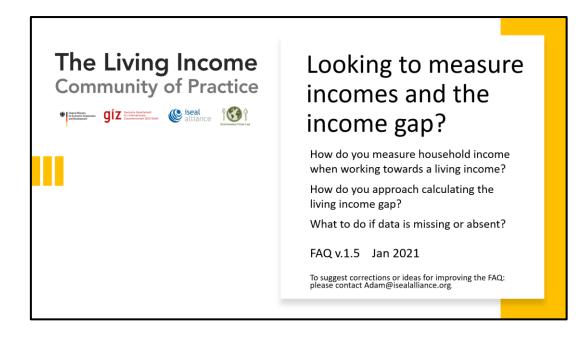
- Household income compositions vary across contexts. Norms and practices that determine income revenues and related costs can differ relative to the crops grown, agricultural conditions, cultural and geographic factors and so on...
- Understanding which income elements are relevant in your focus context, and their relative importance, will help:
 - Shape your measurement approach to that it is appropriate
 - Better understand measurement resource requirements
 - Ensure you are not wasting resources trying to collect irrelevant data.
- Building contextual understanding is also important as it will allow you to account for factors that may require methodological adjustments (e.g. low literacy rates, limited financial records).
- Use a pre-assessment to understand context and inform measurement (e.g. short household survey, community focus groups, review of secondary information or a combination)



'What are the key determinants of income and associated costs for your farming households?'

What are we currently working on to support measurement?

Income measurement FAQ



Provides answers to common questions around income measurement and summarises key insights from existing guidance.

Publication on LICOP website (Oct)

Practitioners guide and selection framework

Livining Income Community of Practice

A practicioners guide and framework for selecting an approach to income measurment

1.1. Overview

Given the nature and complexity of smallholder farming contexts, measuring smallholder incomes relative to living income can be an ambiguous task. There are several different angles from which to approach income baseline measurement, and various methods can be employed to obtain the data. Finding the balance between a feasible and cost-effective measurement approach, and the need to generate accurate, representative and fit-for-purpose data, is a shared challenge amongst organisations looking to achieve living incomes. Until now, knowing where to start and what route to take has required trial and error and a pioneering spirit.

This practicioners guide aims to support organisations select a suitable income measurement, whilst aiming to ensure comparability of income baseline data across organisations. It does this by outlining the different considerations an organisation should to make when framing an income measurement approach. It then presents a framework for choosing minimum and good practice methods for income enumeration, that can be interpreted based on these considerations. Finally, it outlines caveats

Aims to support organisations choose methods and an approach to income measurement based on use case, context and capacity.

Publication date Q1, 2022

Both aim to further support alignment around income measurement across organisations.

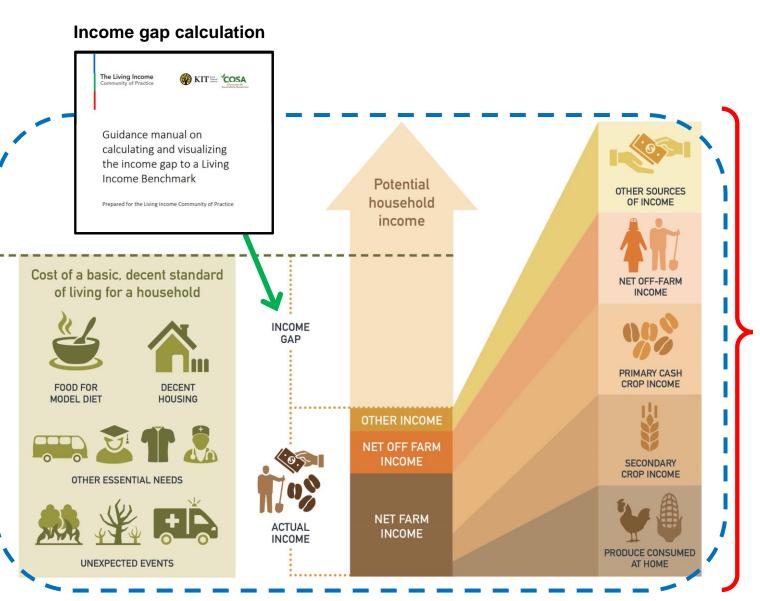
What resources are currently available?

All can be found in the 'Resources' section of the LI CoP website

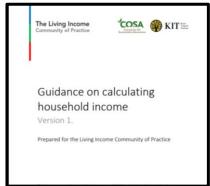


HEA framework

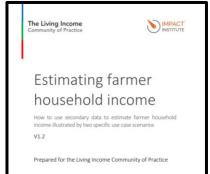




Income measurement using primary data



Income estimation using secondary data



Data driven strategies

How you can use farmer income to build a data driven strategy

- Follow our process
- Use a mixed-method approach: quantitative and qualitative data
- Prepare a framework that describes: research question indicator method analysis plan.

Monitoring framework

Intended outcomes	What question does it answer?	Who will use the information?	Indicator	Indicator description	Method type	Measurement frequency	Responsible	Costs
Outcome A					Household survey (Akvo Flow)			
Outcome B					Qualitative interview			
Outcome C					Existing data set			

Some of our work



Data collection at scale with IDH

IDH | **Agriculture** | 23 countries

Business advice, PMEL, Primary data collection support | Akvo Flow, Akvo Lumen

Challenge

In order to monitor and improve the outcomes of their programme, IDH needed to collect and use data on programme impact and farmer livelihoods across 23 countries.

Solution

Akvo set out to develop robust methodologies and processes to capture reliable and comparable data at scale. Akvo and IDH signed a global framework agreement in 2020 that will run until 2023.

Impact

Based on Akvo's advised methods, IDH has started collecting primary farm level data across its entire project portfolio. The programme team have also initiated impact evaluations to improve the programme using a data-driven approach.



Mars food | **Agriculture** | Pakistan, India, Cambodia

Tool training, Survey design, Data visualisation | Akvo Flow, Akvo Lumen

Learn more

Challenge

This programme aims to increase the sustainability of rice production among smallholders and suppliers in order to boost farmer incomes and protect the environment. However, collecting and verifying the required data for monitoring compliance of smallholders and suppliers is a slow and costly process.

Solution

Akvo and Mars Food have worked together in setting up the data collection system, Akvo Flow, and designing a visualisation dashboard in Akvo Lumen to make sense of the data. The data is then used to monitor the adoption of the SRP standard.

Impact

Continued monitoring of the data over 500 farmers, including the performance of the farms, provides important feedback to ensure the relevance and robustness of the SRP standard, while creating a basis on which to communicate progress towards sustainable farming practices in the future.



Need support with farmer

income measurement?

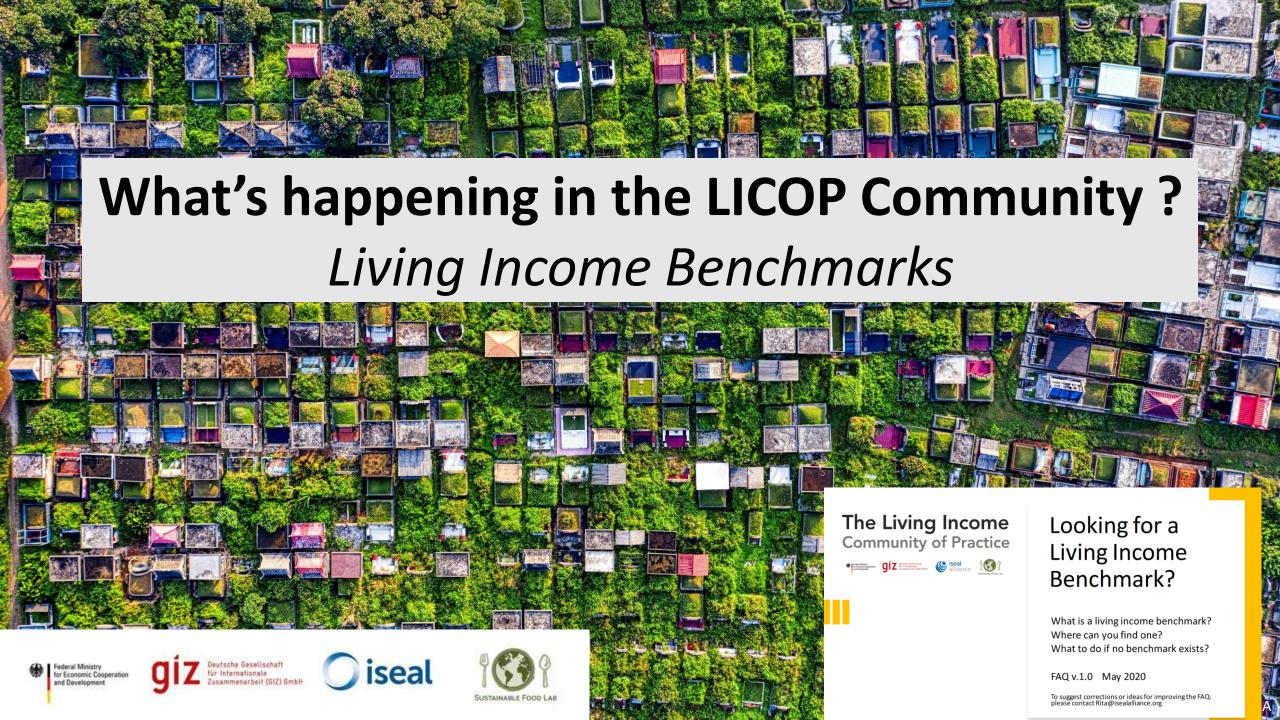
Call or email me and let's discuss how to collaborate

Jildemarie Brouwer

jildemarie@akvo.org

Akvo is headquartered in **Amsterdam** (the Netherlands). We also have offices in **Bamako** (Mali), **Ouagadougou** (Burkina Faso), **Nairobi** (Kenya), **Delhi** (India), **Singapore** and **Berkeley** (US).





Where do I start?

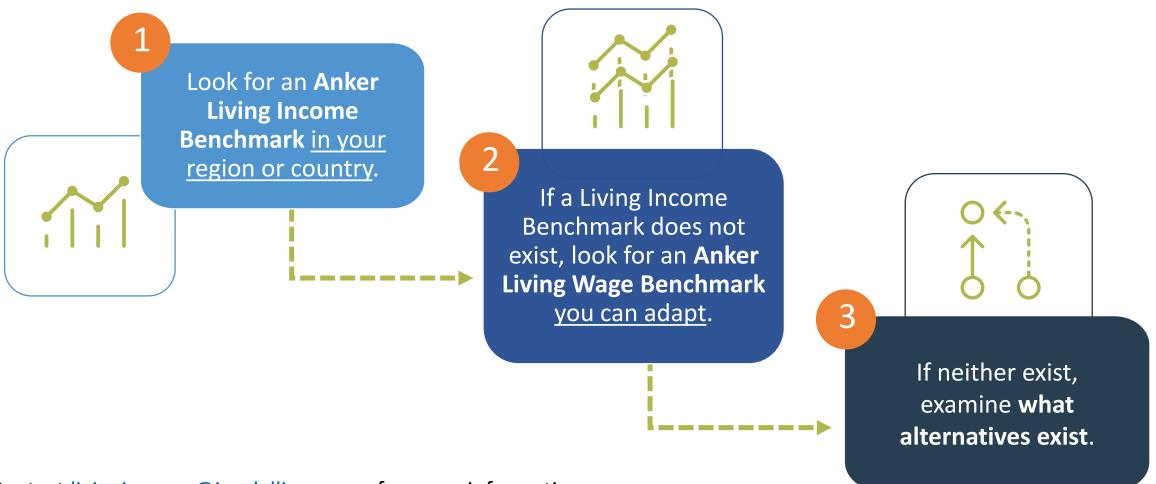
The Living Income **Community of Practice**











Contact livingincome@isealalliance.org for more information or if you are interested in getting involved in benchmarking

Living Income/Living Wage benchmarks for your geographic\area, using the Anker methodology

Urban/rural living income estimates (e.g. Anker reference values)

HEA Survival Thresholds

National poverty lines

World Bank poverty line

Living Income/Wage Benchmarks using the Anker Methodology are considered the most robust source of information due to the geographic specificity and ability to capture all relevant Living Income data such as locally verified costs of food and housing, while being standardized across countries.

Living Income Relevance

Geographic Specificity

Where Can I Find Living Income Benchmarks?

The Living Income **Community of Practice**









www.living-income.com/livingincome-benchmarks

All public Living Wage & Living income benchmarks are combined into one easyto -read document. Cross posted on ALIGN.





www.align-tool.com/resource-library

Guidance on living income and wage strategy, and the benchmark database of public benchmarks. Crossposted on Living-Income.com



www.globallivingwage.org

Anker Living wage estimates available in 34 countries, with application in multiple industries.

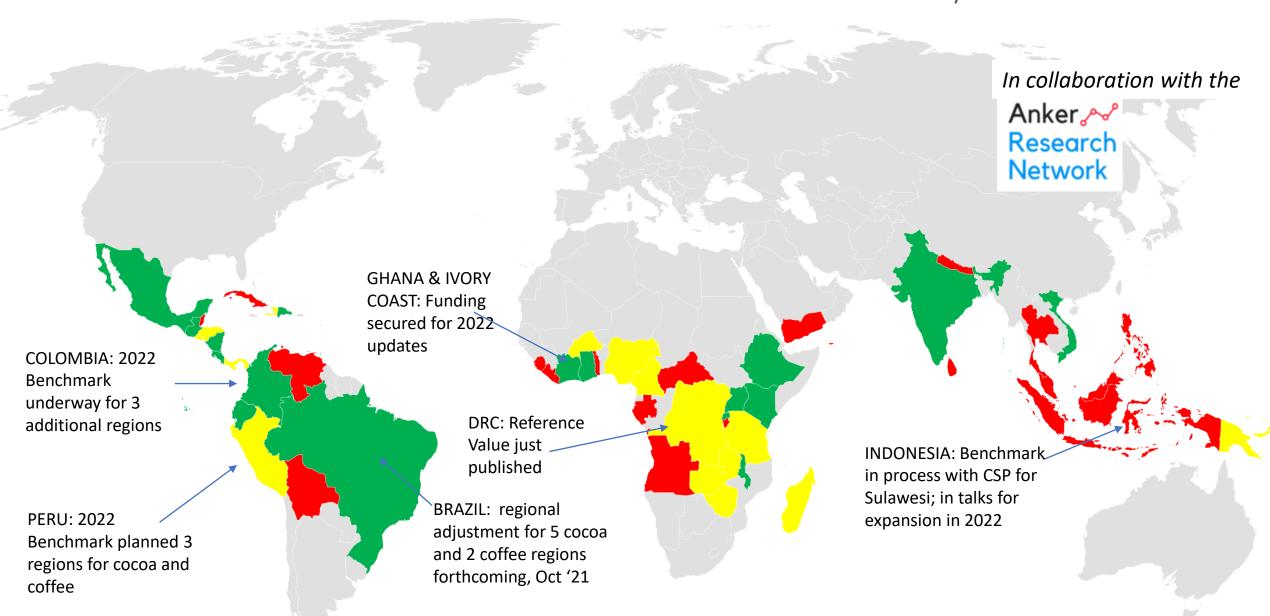


www.idhsustainabletrade.com/living -wage-identifier-tool/

The Roadmap on Living Wages offers solutions for measuring and closing living wage gaps and a global LW benchmark finder.

Growing Collaboration in the Cocoa & Coffee Sectors

■ No Benchmark Exists ■ Benchmark Exists ■ Reference Value or other Study Exists





Facilitating learning and exchange on living income between sectors



Sector Initiatives



Cocoa

 Linking Interest in LI in Cocoa and Coffee Sectors (Indonesia, Peru, Colombia)



Coffee

- Facilitating ICO Income Workstream in Coffee Public Private Task Force
- Developing tools for benchmarks and pilot projects



Tobacco

- Sustainable Tobacco Partnership
- Support to supplier guidelines
- Mapping common geographies for benchmarks

Cross Sector Initiatives



 Common tools and data on one website www.align-tool.com



 Coalition on Living income and Living Wage, UNFSS



- Food Systems Game Changers Lab linking with ag and farmer organizations in Global South
- Creation of Tools and Guidance for government actors, with FTAO











LI CoP contributing to UN Food Systems Summit



Commitments registry

Activity Feed

...









Coalition on Living Income by 2030

Solution Cluster 4.2.4

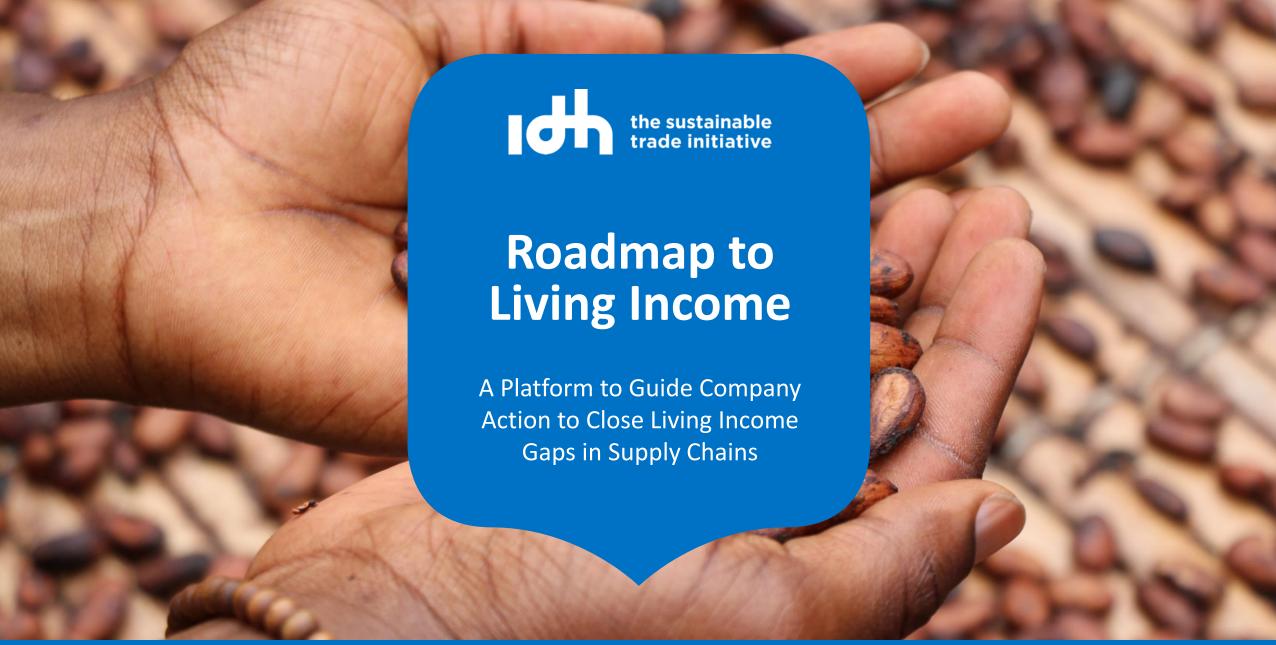
Ensuring the Right to Social Protection and Promoting Living Income and Wages of All Agri-Food System Workers



















What is the Living Income Roadmap?



Helps companies **take ambitious**, **aligned actions** to improve income & <u>close living income gaps</u> of farming households using a range of steps and guiding questions that are designed to be dynamic, changing as we learn.



Resources and data-driven tools to help guide company journeys to close living income gaps in their supply chain.



Steps encourage alignment on data and utilization of partnerships, with indications of a logical order while anticipating many steps are taken in parallel.



IDH utilizes the work of LICOP and organizations part of LICOP in this roadmap, which embeds LICOP guidance documents and tools, alongside those created by IDH.











IDH supports companies with these steps through a dedicated roadmap and tools. A great group of companies and organizations are part of the roadmap.











STEP 1: WHAT IS A LIVING INCOME?

STEP 2: IDENTIFY THE LIVING INCOME GAP

STEP 3: VERIFY THE CALCULATIONS

STEP 4: CLOSE THE GAP & TRACK PROGRESS

STEP 5: SHARE LEARNINGS







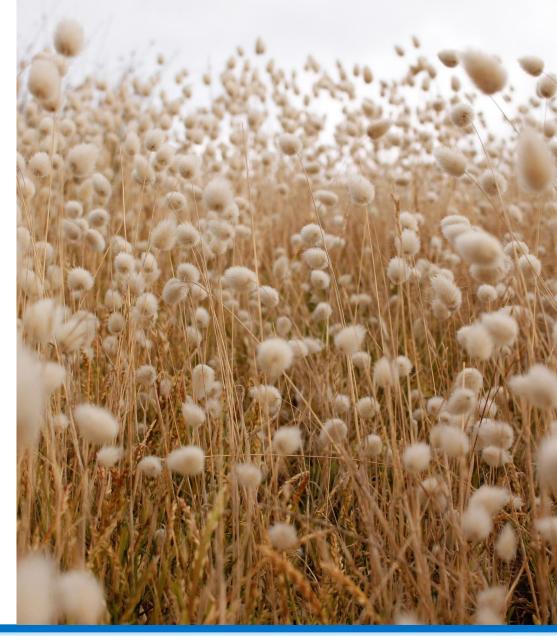
Will you join us in the effort to close living income gaps for farmers?







Join us at idhsustainabletrade.com/roadmap-on-living-income/ and become Friends of the Living Income Roadmap, a commitment-free learning community through which IDH will facilitate informal information exchange between interested companies and keep them informed on general progress in the living income space.













LICOP Q4 Webinars

In Nov, our focus will be on strengthening systems & frameworks to monitor, track and assess income improvement

In Dec, our focus will be on strategies by specific group as well as newer sectors to the topic.

	Webinar Title	Month
s r,	LI Measurement — Frequently Asked Questions -Join us in this session to build your understanding on measurement approaches, collecting & sourcing data and calculating and reporting on income.	24 th Nov
	Shared Accountability Framework (Farmer Income Lab) -Join us to know more about the framework, which is a set of shared measurement tools that assesses impact throughout the supply chain- from farm-level to MNC.	30 th Nov
	Sustainability Systems – Showcase of projects that works to meet producer needs and positively influences livelihoods & resilience -Join us to hear how sustainability systems are evolving their approaches by working collaboratively with various actors to bring about systemic change.	8 th Dec
	Advancing Living Income in Non-agricultural space -Join us to reflect how other sectors are approaching the topic of living income & livelihoods	15 th Dec (tbc)



