

Living Income Workshop 4/5/6 October 2021

The Living Income Community of Practice



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Ensuring a decent standard of living for all

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

Session 3: Part 1

Building Blocks of Credible, Effective Living Income Programs

LICOP Moderator



Stephanie Daniels
Sustainable Food Lab



Alex Arnaud Assanvo
Cote d'Ivoire - Ghana
Cocoa Initiative

Plenary Speakers



Yuca Waarts
Wageningen
University



Hamish Taylor
Symrise



Gael Lescornec
IDH/Dutch
Initiative on
Sustainable Cocoa

What are the critical elements and challenges for credible and effective work in Living Income?

Incentivising improvement encourages the adoption of new practices

Understanding the use of benchmarks and other data to better shape research

Difficulties to **calculate costs**, specially for secondary activities

Need **more transparency** in value chains

Need for a paradigm shift where primary production is more highly valued for both the products and ecosystem services they provide

Need for data on the whole system: farm data, value chain actors, and sector policies

Critical **needs for structural mechanisms** that shift value to origin and farmers - Ensuring farmer voices are included

Need for **regulation and enforcement** given that voluntary action has only partially worked

Structures for collaboration that promote transparency and learning between actors to understand what works and what can be improve

Holistic approach needed (market access, crop diversification, cash flow management, insurances,...)

Addressing **purchasing practices and prices** is important

Session 3: Part 2

Breakout Rooms

Group 1

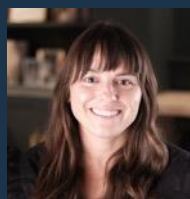
Price and Trading Terms – what can we learn from the front runners?

Panelists

Don Seville-Moderator
(Sustainable Food Lab)



Grayson Caldwell
(Bellwether Coffee)



Monica Terveer
(Sustainable Harvest)



Paul Schoenmaker
(Tony's Chocolonely)



Group 2

Income Diversification– Testing Assumptions for Effective Smart-mix of Interventions

Panelists

Friederike Martin-Moderator
(GIZ)



Ashlee Tuttleman
(IDH)



Rupert Day
(Cargill)



Robin Hooft van Huijsduijnen
(Sucafina)



Group 3

Credible and Effective Living Income Action: Views from Civil Society and Investors

Panelists

Kristin Komives-Moderator
(ISEAL Alliance)



Uwe Gneiting
(Oxfam)



Stina Nilsson
(Sustainalytics)



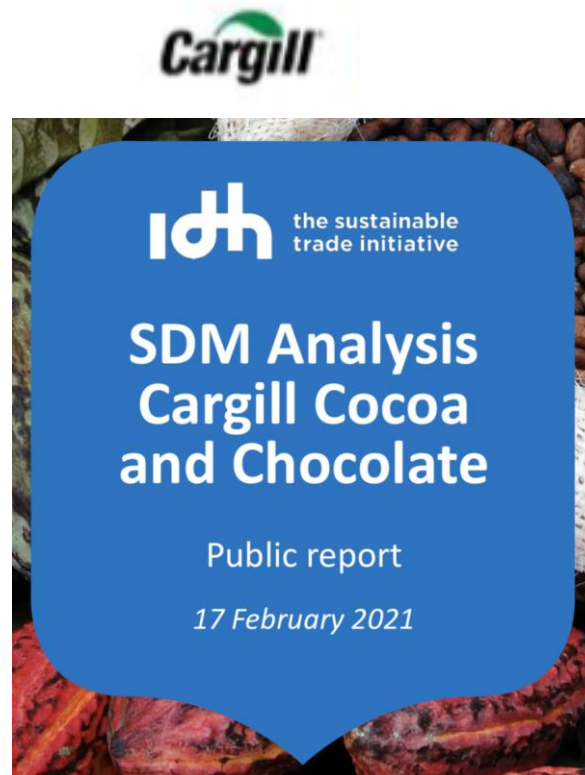
Group 2

Income Diversification– Testing Assumptions for Effective Smart-mix of Interventions



IDH Service Delivery
Model Analyses

<https://www.idhsustainabletrade.com/approach/service-delivery-models/>



Price and Trading Terms – What does success look like? What is working well and what are the main challenges?

Key Take Aways

Data can be a powerful business tool for cooperatives (e.g. a tool to negotiate contracts with other organization)

Success in companies' commitment to living income prices must include **cooperatives buy-in**

Success depend on the ability to **understand prices paid**, based on credible data and providing stability to farmers.

The challenge is to **make sure there is a democratic structure** at the cooperative level and **resources are well distributed across**

Partnerships and collaboration is key to help uncover and share gaps in the data as well as install an efficient data collection system

Increasing productivity at the same time than income diversification is reinforced (farmers are not dependent on one source of income).

Income Diversification– Testing Assumptions for Effective Smart-mix of Interventions

Key Take Aways

Analysing the **profitability models for farmers** is key for program design

Income Diversification may not be the best route to farm profitability

Harmonized and rigorous SDM analysis extremely useful for evaluating potential impact

Data is required on both current and projected farm profitability

Profitability and ROI of traders' **Service Delivery Models** is key to designing a 'smart mix' LI strategy

Robust **Farm Economic Model** can enable a company to plan with more confidence

Cargill analysis showed **investments in main crop** (cocoa) was by far best route to increase incomes

Labor need and availability is major factor in ability to diversify

Diversification must be done **strategically**, with partners in landscape and sector

Linking **soil fertility to income diversification** can result in multiple wins

Services, including business training and finance, must be **tailored to women**

Credible and Effective Living Income Action: Views from Civil Society and Investors

Key Take Aways and questions

How and who defines what is credible?

How do we achieve living income through **elevating pricing without accusation of influencing the market price?**

Different **levels of claims** make actions more transparent

What is the **risk of overclaiming** and what is the **verification process** to avoid it?

To avoid claims being solely based on compliance, we need **strategies in place that prove income gap reduction** (concrete evidence on income improvements).

How could targets be set considering they might be **very context-specific?**

The **use of sustainability claims in brands marketing** is the elephant in the room.