

Living Income Workshop 4/5/6 October 2021

The Living Income Community of Practice



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



What is Credible and Effective Work in Living Income?

5 October 2021

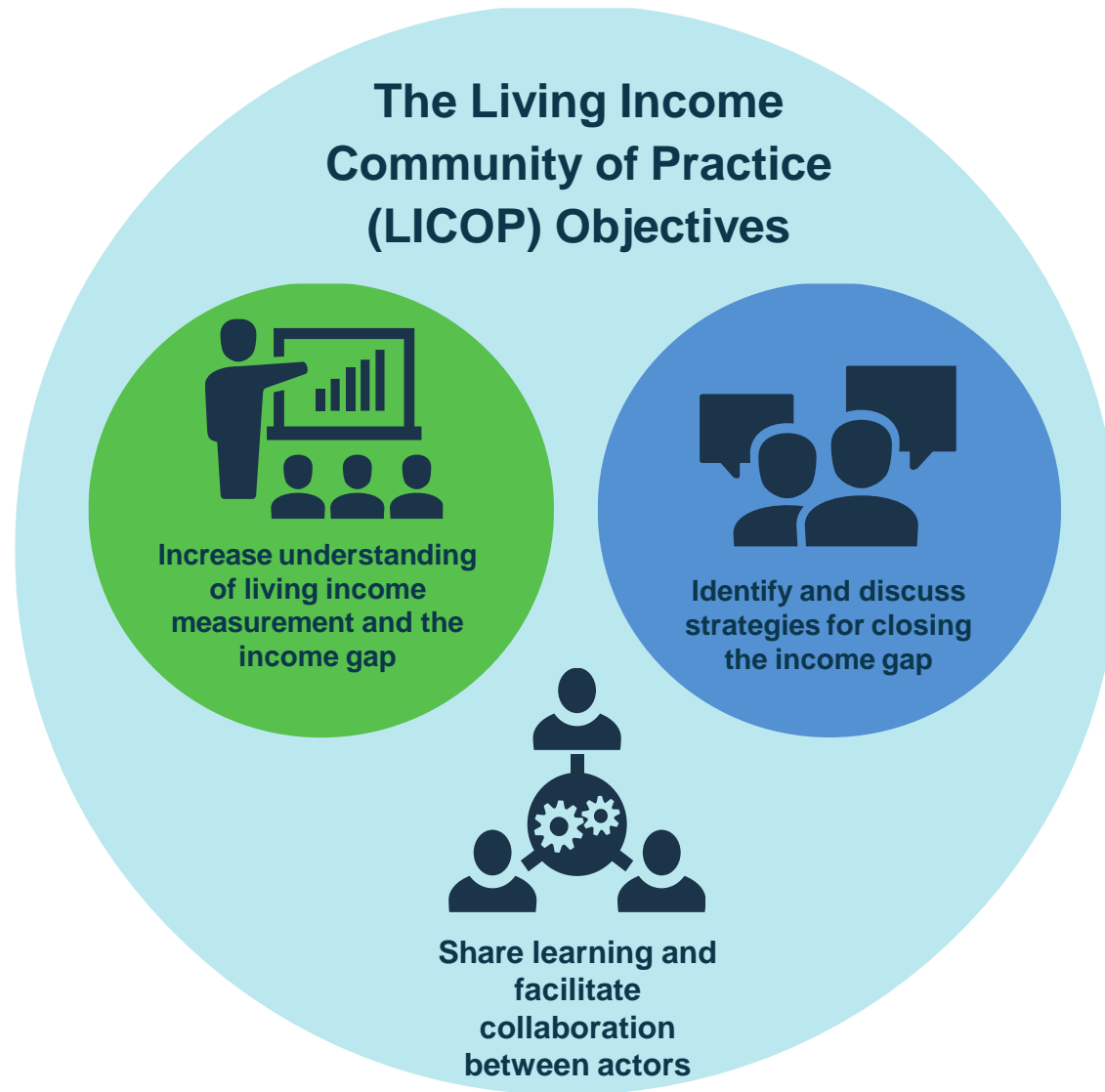
14:00-16:00 BST (GMT +1)



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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

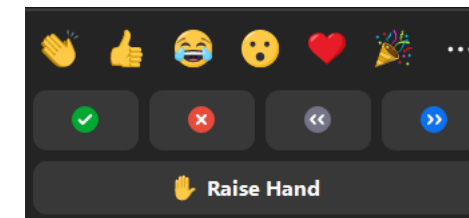
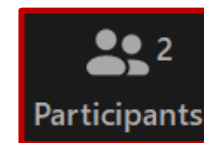
- When you join, if necessary edit your name and add your organisation in brackets; e.g., [Rita \(ISEAL\)](#)
- To do this, simply click on the “Participant button”
- Next, click on “Rename” next to your name in the Participant list

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

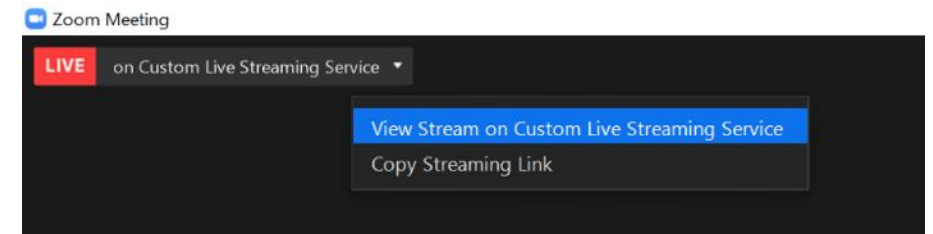


Wordly is available during the plenary session

- See the 'LIVE' sign in the top left corner



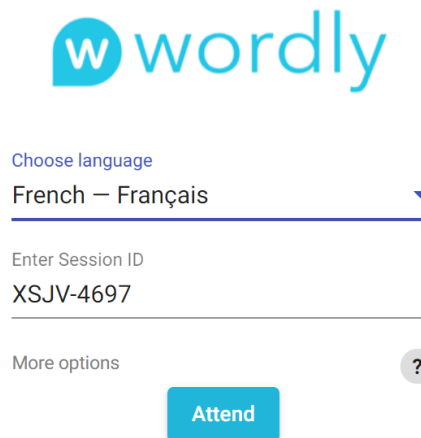
- Click on the drop down menu, select 'view stream on custom live streaming service'.
- This will open up a new browser tab
- The translations will come in here as people speak. English is the default, but you can change the language by clicking on the language selection and changing it.



Or

Use URL Code (provided in the chat)

- <https://attend.wordly.ai/join/XSJV-4697>
- 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 may 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



**Stephanie
Daniels**
Senior Program
Director
**Sustainable
Food Lab**



Christina Archer
Strategic
Advisor,
Livelihoods
**Sustainable
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Thilo Liedbauer
Advisor for Sector
Programme
Sustainable
Agricultural Supply
Chains and
Standards
GIZ



**Kristin
Komives**
Director,
Impacts
ISEAL Alliance



Don Seville
Sustainable Food
Lab



LICOP workshop 3 day agenda

OCT 4th 2021
2-4pm BST

SESSION #1

**PRACTICALITIES IN
MAINSTREAMING THE
LIVING INCOME CONCEPT**

OCT 5th 2021
2-4pm BST

SESSION #3

**WHAT IS CREDIBLE AND
EFFECTIVE WORK IN LIVING
INCOME**

OCT 6th 2021
2-4pm BST

SESSION #4

**CAN LIVING INCOME BE
THE SILVER BULLET IN DUE
DILLIGENCE OBLIGATIONS**

OCT 4th 2021
4.30-6.30pm BST

SESSION #2

**INTRODUCCION AL
CONCEPTO DE INGRESO
DIGNO**

4 sessions across 3 days
Registration still open for
tomorrow's session

**OCT 5th 2021
2-4pm BST**

SESSION #3

WHAT IS CREDIBLE AND EFFECTIVE WORK IN LIVING INCOME

Workshop hosts



Kaitlin Sampson
Programs and
Communications
Associate
Sustainable Food Lab



Stephanie Daniels
Senior Program
Director
Sustainable Food Lab



Rita Mendez
Senior Coordinator,
Impacts
ISEAL Alliance

OCT 5th 2021
2-4pm BST

SESSION #3

WHAT IS CREDIBLE AND EFFECTIVE WORK IN LIVING INCOME?

TIME
(BST)

Duration

AGENDA

2pm

20m

Welcome & Networking

2.20pm

45m

Part 1: Building Blocks of Credible, Effective Living Income Programs

3:05pm

45m

Part 2: Breakout Groups

Group 1: Price and Trading Terms – what can we learn from the front runners?

Group 2: Income Diversification– Testing Assumptions for Effective Smart-mix of Interventions

Group 3: Credible and Effective Living Income Action: Views from Civil Society and Investors

3:50pm

5m

Wrap Up: *What's happening in the community?*

Easy retro

- Use the link provided in the Chat
- Easy retro will open in the browser
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- You can upvote answers you agree with

Create a FREE board



 Search

Sort by order ▾



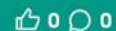
 Share



What is one critical element of your work on farmer incomes?



linking training with cash incentives -incentivizing improvement encourages adoption of new practices



What challenges do you still foresee in credible, effective living income work?



the lack of transparency in supply chains



Plenary: What specific questions do you have for the speakers?



Can you say something about Shared Responsibility /accountability?



Breakout Group 1 Questions & Comments: Price and Trading Terms



Once reference price is defined what are companies doing to ensure it reaches producers?



Breakout Group 2 Questions & Comments: Income Diversification



How do we ensure uptake ? and not leave producers stranded with additional stock that has no market?



Breakout Group 3 Questions & Comments: Credibility-Goals and claims that can be validated



How and who defines what is credible?



Networking Session (15 mins)

Groups of 3-4:

Introduce yourself
and share one
critical element of
your work on
farmer incomes?



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

Multiple pathways towards a living income

The importance of data/information for cost-effective (tailored) farmer support

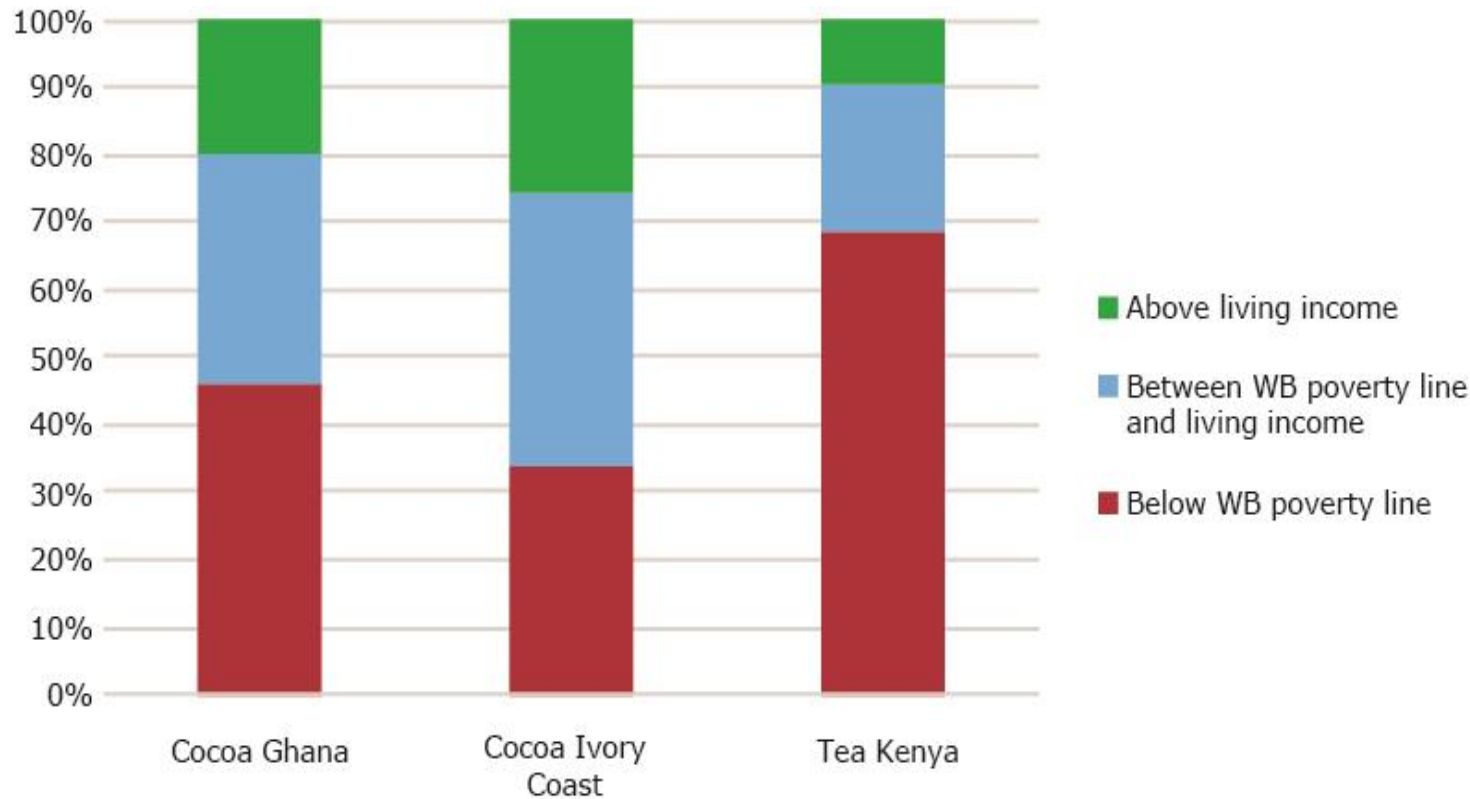
Yuca Waarts & team of researchers



This Photo by Unknown Author is licensed under [CC BY-SA](#)

One third of farmers to achieve a living income

Without structural change



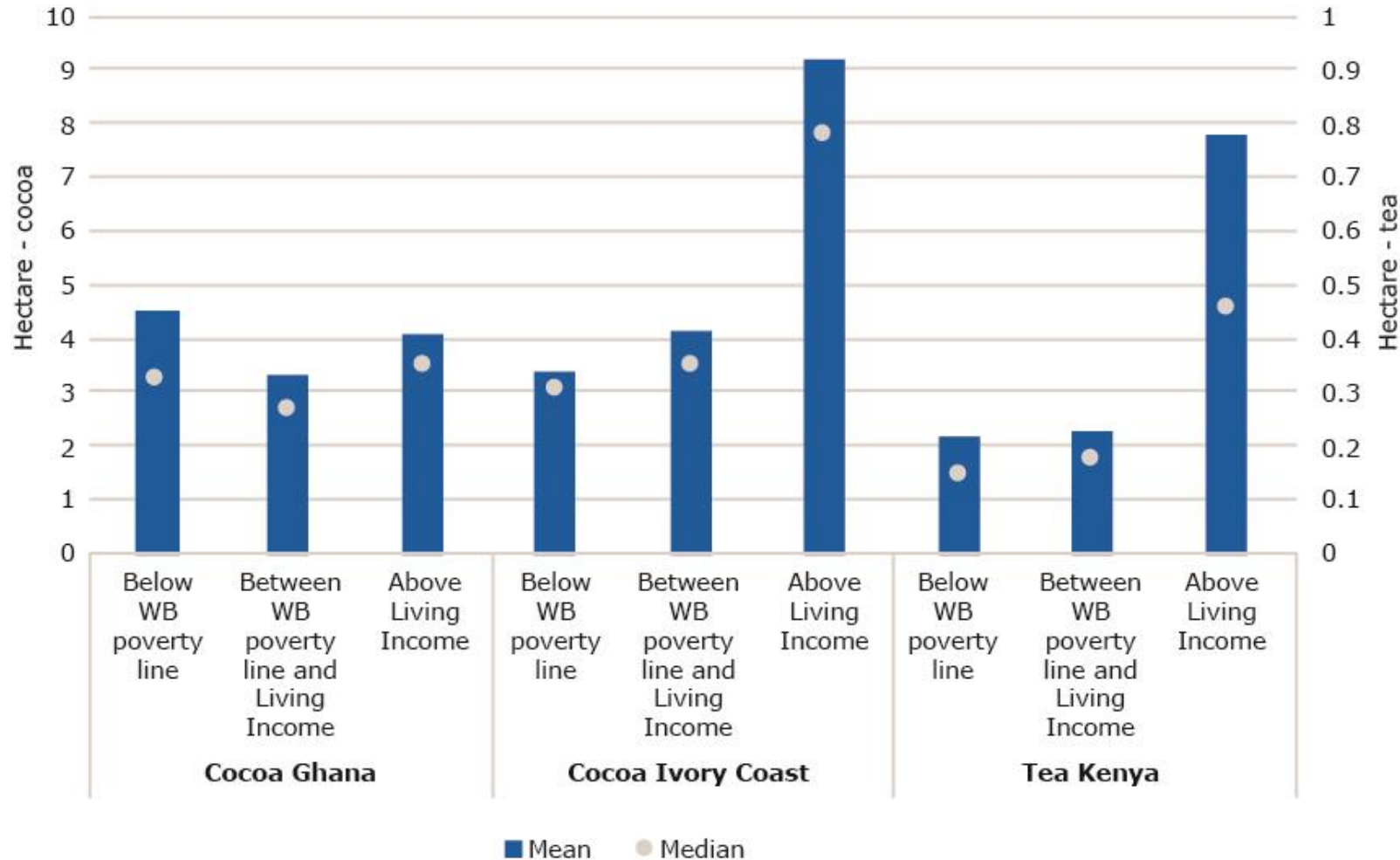
Many tree-crop commodity farmers are still poor, **despite millions invested in interventions** in the past two decades.

Household income increases of **max 30%** is found in studies. While **200% or even more is** required for **all farmers** to **earn a living income**.

Only one third of cocoa and tea farmers is estimated to be able to achieve LI **without structural change**.

Resource inequality drives income inequality

Root cause: Farm size

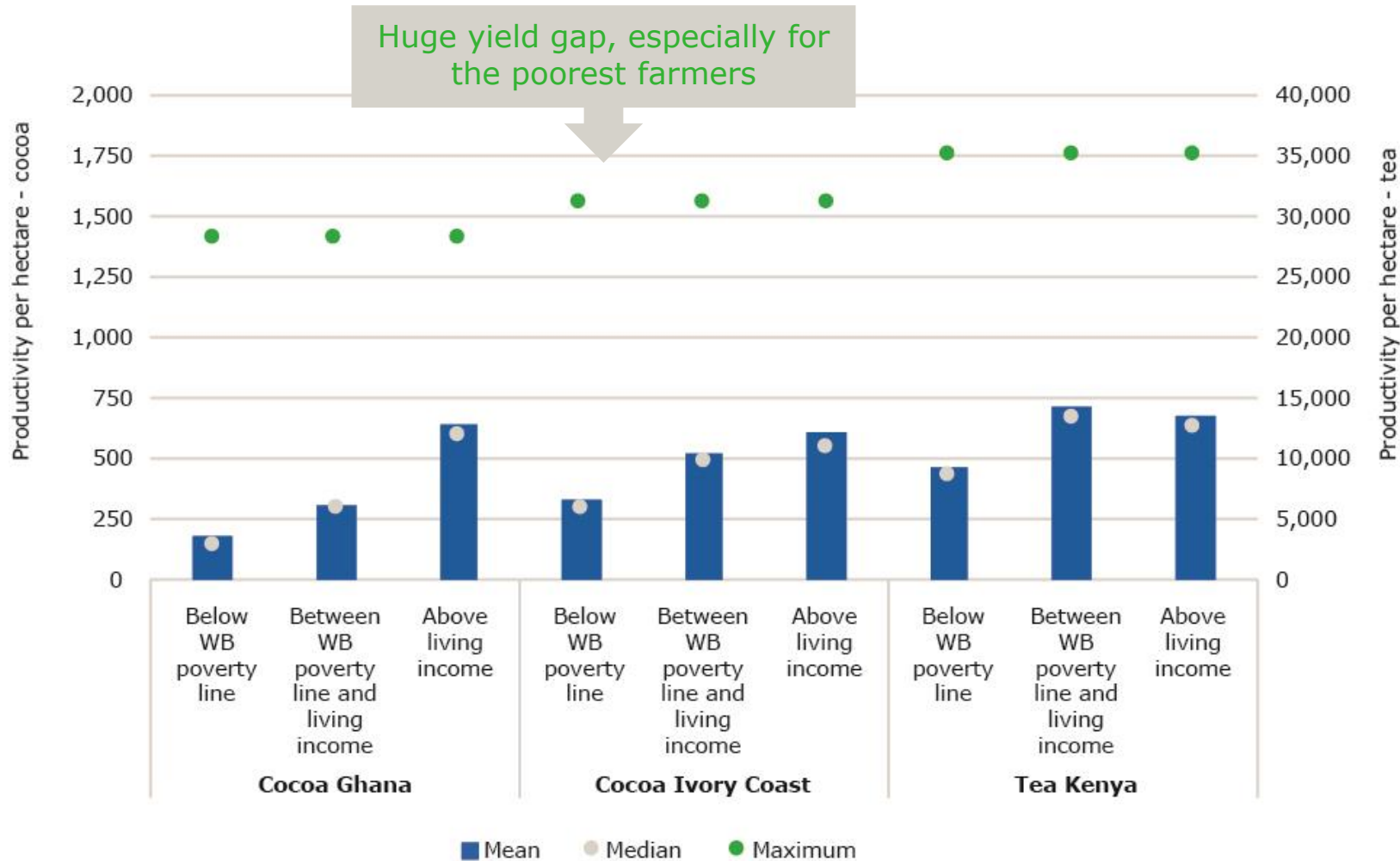


In Ivory Coast and Kenya, **the poorest farmers have the smallest farm sizes.**

In Ghana, other factors, such as **low yield per ha**, are more important drivers of poverty than farm size.

Farm size is a **structural factor underlying** poverty as it cannot change easily and farms are getting smaller.

Root cause: inability to invest → large yield gap

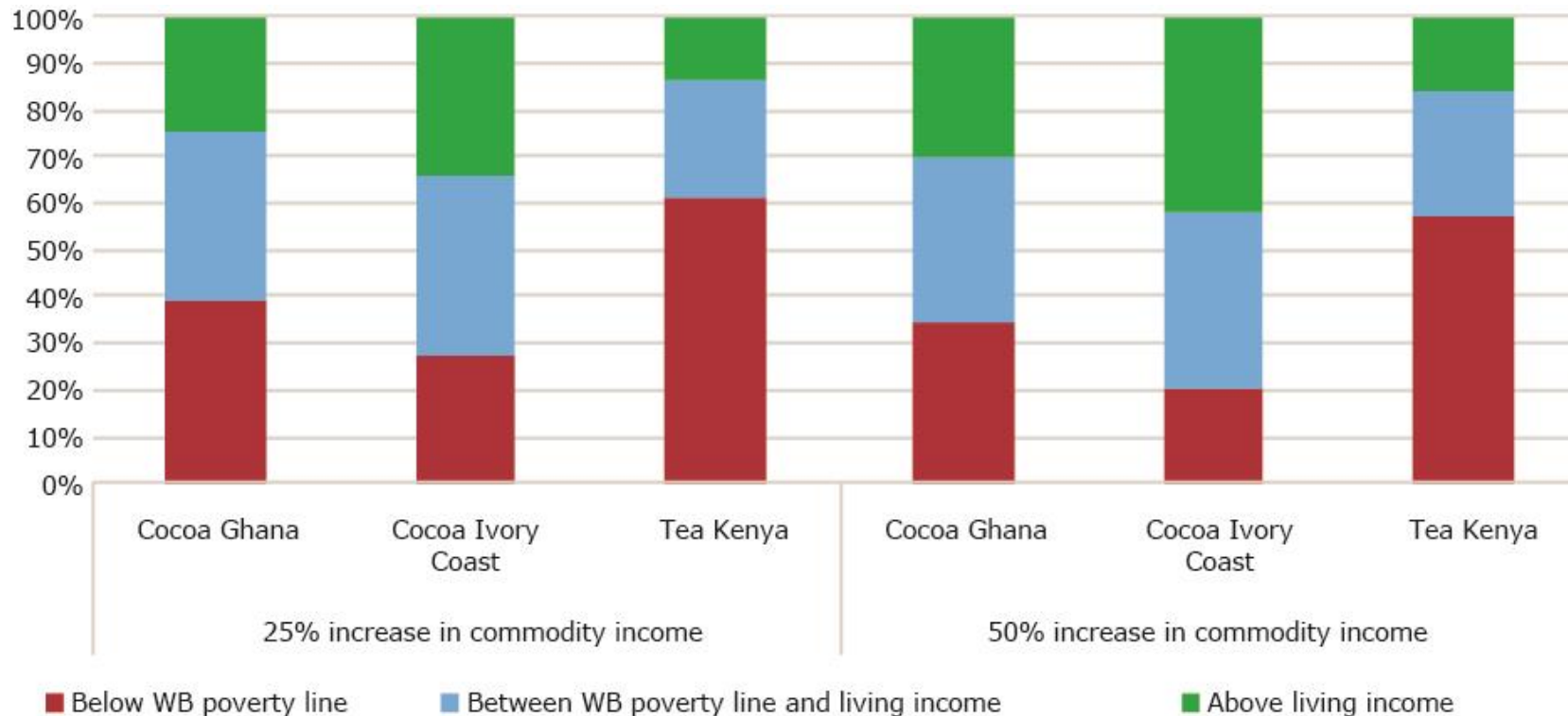


In Ghana and Ivory Coast, **low mean yields per hectare** because inability to invest.

In Kenya, farmers with “relatively high” mean yield/ha **still earn below the living income line** because of small farm sizes.

High yield gaps because of inability to invest

Root cause 3: unstable and unremunerative prices



Even with huge **price increase** many farmers **earn less than a living income**.

The poorest farmers benefit least due to low volumes produced.

Because of **small farm sizes** and/or **low yield per hectare**.

Other root causes: **commodity dependency (few alternatives)** and **labour “stickiness”**

From information/data to (tailored) support

Living income gap: proportion + extent	Urgency of situation
Poverty & behavioural drivers: household & supply chain	Overall design
Model impact of interventions: pathways for improvement	Overall targets/design
Segmentation households: potential for living income	Detailed design/target
Discuss with households on aspirations & opportunities	Key for effectiveness
Design incl. context e.g. market & climate change outlook	Long term incl. scale
Partnering for implementation e.g. diversification	Roles / long term
Stakeholder engagement for challenges outside influence	Discussions / leverage

Multiple pathways for achieving living income

Supply management
Functioning supply chain
energy, infrastructure, employment

Short term: tailored farm services, higher prices

Short term: on-farm diversification, prices, PES

Short term: higher prices, resilience and cash transfers

Long term: education, employment, land governance, social protection

Earn LI or have potential to do so

Proportion without potential to earn a LI
Without structural change

Thank you!

For more information, please
contact:

Yuca Waarts: yuca.waarts@wur.nl

Further reading:

- [507120 \(wur.nl\)](#)
- [535141 \(wur.nl\)](#)





DISCO LIVING INCOME ROADMAP

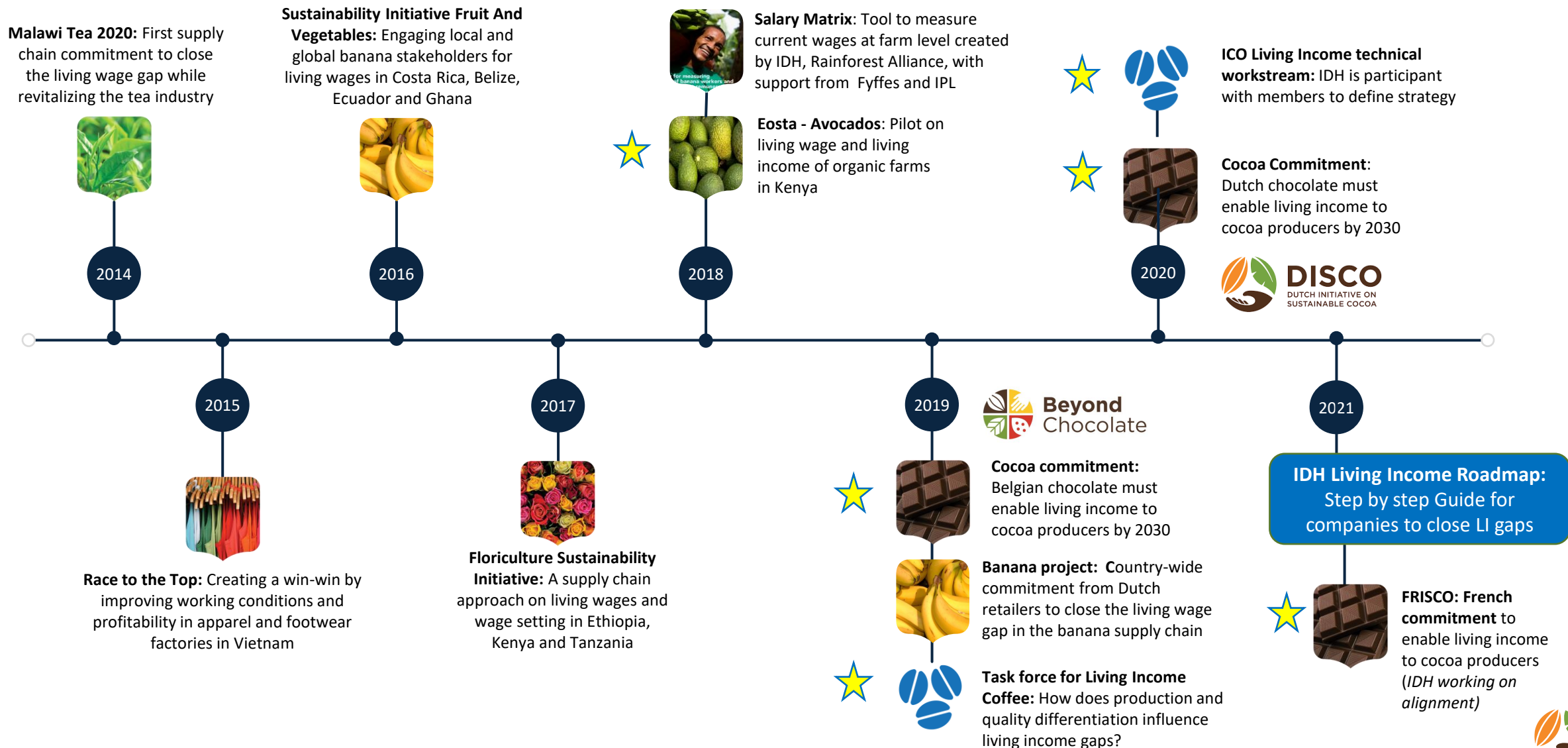
Building blocks of credible and effective work on living income:
COLLABORATIVE INFRASTRUCTURE

LICOP Workshop
05 Oct 2021



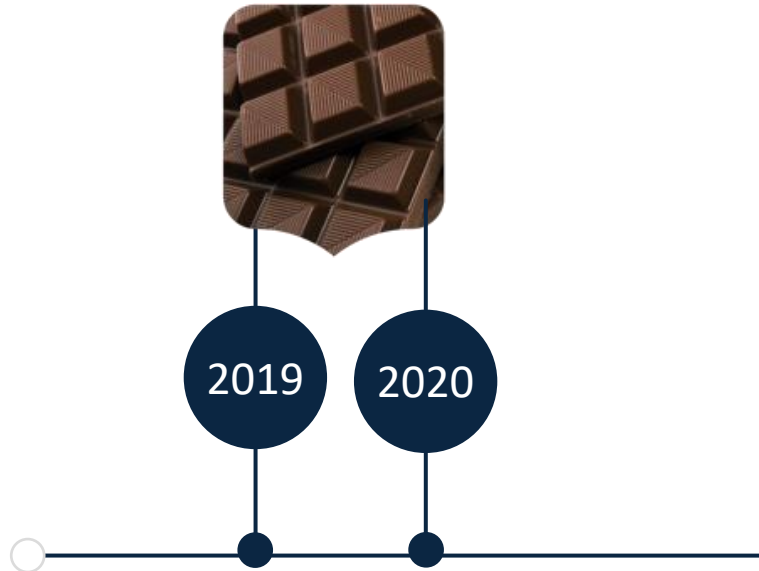
IDH's living wage & living income journey

★ Indicates living income



Convening National Sustainable Cocoa Platforms

Belgium & Dutch commitments to enable living income among cocoa smallholder farmers



By 2030, all partners jointly undertake to ensure that cocoa growers that supply to the Belgian market will earn at least a living income



By 2030, enable families which have cocoa farming as their main livelihood activity and supply cocoa to the Netherlands to earn a living income

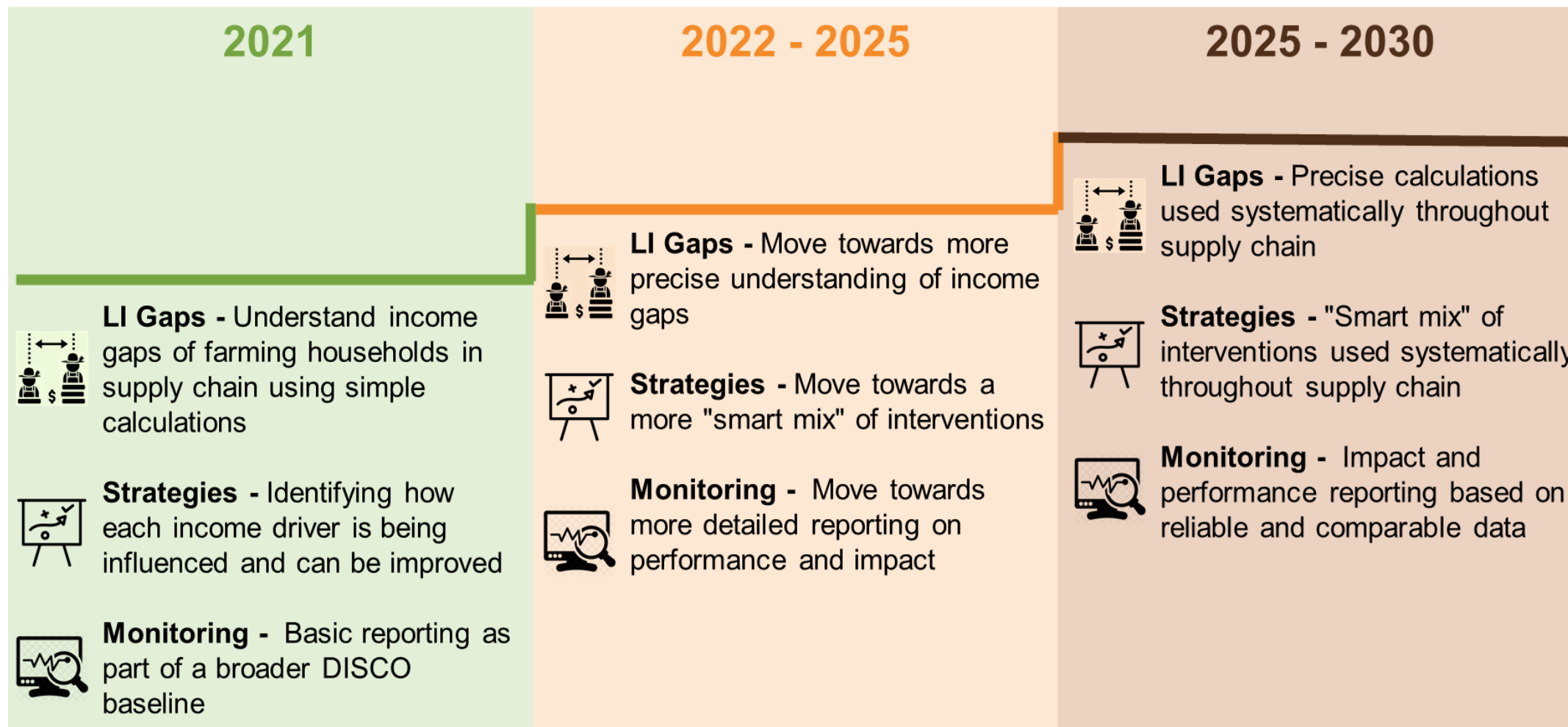
Collaborative infrastructure allows:

- Collective Commitments
- Common frameworks to support Action & Learning, and
- Monitoring, Evaluation & Accountability

DISCO Guidance on Action & Learning:

Incremental steps to closing living income gaps

Indicative timeframe to 2030



Collective Effort with Different Pieces of the Puzzle

Overview of DISCO signatories: supply chain signatories

Traders/processors	Large manufacturers	Smaller manufacturers	Retailers
<ul style="list-style-type: none"> • Barry Callebaut • Cargill Cocoa & Chocolate • Crafting Markets • Export Trading Group (ETG) • JS Cocoa • Olam Cocoa • Tradin Organic 	<ul style="list-style-type: none"> • MARS • Mondelēz • Nestlé • Tony's Chocolonely 	<ul style="list-style-type: none"> • Delicia • De Euforij Chocolate • Friesland Campina 	<ul style="list-style-type: none"> • Albert Heijn • Chocoladeverkopers • Jumbo • Superunie

Overview of DISCO signatories: non-supply chain signatories

Government	Certification/standard organizations	Civil society	Service providers & knowledge institutes
<ul style="list-style-type: none"> • Ministry of Foreign Affairs of The Netherlands • Ministry of Agriculture, Nature and Food Quality of The Netherlands 	<ul style="list-style-type: none"> • Fairtrade Nederland • Rainforest Alliance 	<ul style="list-style-type: none"> • Fairfood • Farmgate Cocoa Alliance Oxfam Novib • Save the Children • Solidaridad Network • Tropenbos International • UNICEF The Netherlands 	<ul style="list-style-type: none"> • Agriterra • Agro Eco • Equipoise • Port of Amsterdam • Koninklijk Instituut voor de Tropen





[Link to Roadmap](#)

Added Value for Sector Transformation:

The cocoa sector has been leading the way on living income ... But there's still a lot we don't know!

Important to walk this road together in order to make real sector gains:

- Determining what smart mix of solutions work for different farming households
- Building common approach to data collection and usage including improving practices around data ownership with farmers and cooperatives
- Working together with governments to give shape to an enabling (social/environmental/business) environment

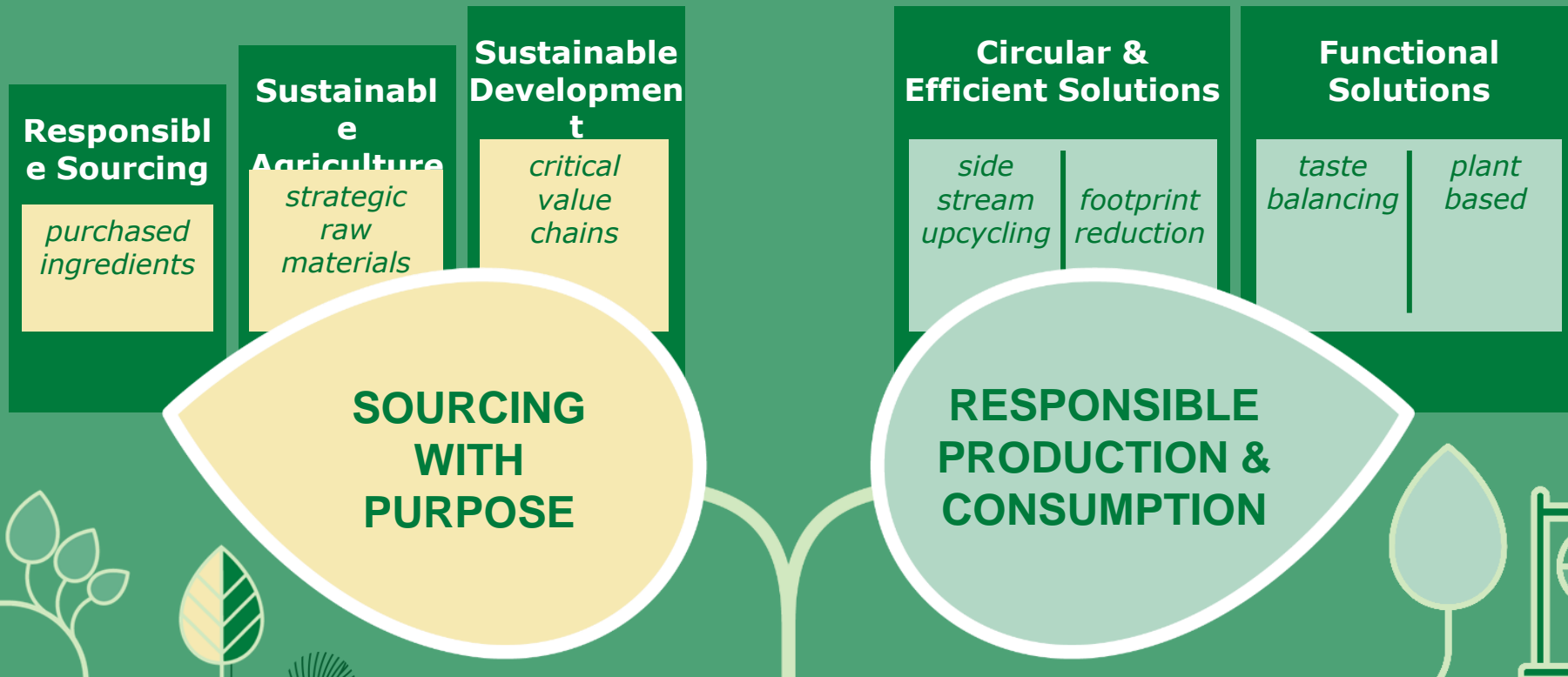
Healthy Challenges Ahead:

- Accelerated action towards incremental progress (changing business as usual and measuring change)
- Measuring apples with apples – moving towards comparable reliable data
- Ensuring we are working with all farmers and not only the smallest LI gaps, understanding complexity of different needs
- Alignment between different actors – sharing the risks and defining effective partnerships for closing LI gaps
- Alignment of similar journey with other cocoa platforms



PARTNERING FOR SUSTAINABLE IMPACT & LIVING INCOMES

Positive Impact Beyond Boundaries



*Fußzeile



Driving towards Living Incomes

Working Together to maximize impact



Ground-breaking 10-year Public-Private Partnership
Match-funding of private contribution from BMZ (65:35)
System-wide approach
Community-based interventions
Proven Practice of Change

Building on Madagascar : iconic ingredients in iconic brands



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BMZ  Federal Ministry
for Economic Cooperation
and Development



Public-Private Partnerships

Complimentary skillsets for greater impact



With more 'petals' to come...



Critical Success Factors for Living Incomes

Insights from our experience

- **Being close to farmers** - engaging, understanding their needs (& other stakeholders), building respect
- **"Doing (not seeing) is believing"** - not so much a "theory of change" as "proven practices of change"
- **Taking a holistic approach** - whole farm income, not simply the "hero" cash crop; tackling on-farm and community/landscape/sector-wide challenges;
- **Addressing the critical aspects on Finance**
- **Working with selected partners**
- **Smallholder Family farming as a business**
- **Being there for the long term**

Easy retro

- Use the link provided in the Chat
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Session 3: WHAT IS CREDIBLE AND EFFECTIVE WORK IN LIVING INCOME

★ Prime Directive Anonymous

Create a FREE board

Search Sort by order Share

What is one critical element of your work on farmer incomes?

+

linking training with cash incentives -incentivizing improvement encourages adoption of new practices

0 0

What challenges do you still foresee in credible, effective living income work?

+

the lack of transparency in supply chains

0 0

Plenary: What specific questions do you have for the speakers?

+

Can you say something about Shared Responsibility /accountability?

0 0

Breakout Group 1 Questions & Comments: Price and Trading Terms

+

Once reference price is defined what are companies doing to ensure it reaches producers?

0 0

Breakout Group 2 Questions & Comments: Income Diversification

+

How do we ensure uptake ? and not leave producers stranded with additional stock that has no market?

0 0

Breakout Group 3 Questions & Comments: Credibility-Goals and claims that can be validated

+

How and who defines what is credible?

0 0

Session 3: Part 2

Breakout Rooms

Group 1

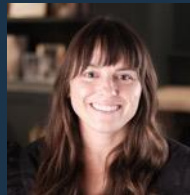
Price and Trading Terms – what can we learn from the front runners?

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)

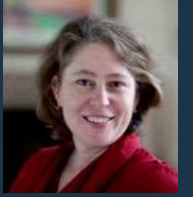


Group 3

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

Panelists

Kristin Komives-Moderator
(ISEAL Alliance)



Uwe Gneiting
(Oxfam)



Stina Nilsson
(Sustainalytics)



Key Points from the Breakouts

Group 1 Price and Trading Terms – what can we learn from the front runners?	Group 2 Income Diversification– Testing Assumptions for Effective Smart-mix of Interventions	Group 3 Credible and Effective Living Income Action: Views from Civil Society and Investors
Panelists	Panelists	Panelists
<p>Don Seville-Moderator (Sustainable Food Lab)</p> <p>Grayson Caldwell (Bellwether Coffee)</p> <p>Monica Terveer (Sustainable Harvest)</p> <p>Paul Schoenmaker (Tony’s Chocolonely)</p>	<p>Friederike Martin-Moderator (GIZ)</p> <p>Ashlee Tuttleman (IDH)</p> <p>Rupert Day (Cargill)</p> <p>Robin Hooft van Huijsduijnen (Sucafina)</p>	<p>Kristin Komives-Moderator (ISEAL Alliance)</p> <p>Uwe Gneiting (Oxfam)</p> <p>Stina Nilsson (Sustainalytics)</p>

Key points from break out 3

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

Credibility	Effectiveness
<ul style="list-style-type: none">• Beyond commitment and analysis, to real action• Beyond stand alone projects, to integration in procurement and other business practices• Share your roadmap• Set targets (that you might not meet) – and learn what works and doesn't• Measure, monitor, and communicate• Use relevant and proportionate claims	<ul style="list-style-type: none">• Transformative action, even beyond supply chains<ul style="list-style-type: none">• pricing, macro-economic issues, gender, bargaining power, government action• Focus on the most vulnerable• Consider root causes• Use your own leverage• Tailor responses to sector and regional context• Tackle the tough questions

Towards Guiding Principles for Credible and Effective Company Actions



1. PRIORITIZE ACTIONS

- a) Consider materiality
- b) Think route causes and system impact
- c) Assess leverage in own business practices, specific geographies and sectors



2. MAXIMIZE IMPACT

- a) Act and invest commensurate to scale
- b) Focus on promising levers and aligned actions where you have most impact
- c) Embed actions in broader initiatives



3. MEASURE PROGRESS

- a) Understand and be open about your starting point
- b) Monitor results and progress
- c) Align and support collective research and monitoring efforts



4. COMMUNICATE RESULTS

- a) Be transparent about goal, role and results
- b) Make only claims that are relevant and proportionate to actions
- c) Watch out for attribution claims

ISEAL is currently soliciting stakeholder feedback on general principles for effective company action. To join the discussion please contact: Patrick@isealalliance.org and Sheila@isealalliance.org



What Next?



Federal Ministry
for Economic Cooperation
and Development



Deutsche Gesellschaft
für internationale
Zusammenarbeit (GIZ) GmbH



SUSTAINABLE FOOD LAB

Photo © tea field Kenya Rainforest Alliance RA

LICOP Q4 Webinars

NOVEMBER

Strengthening Systems & Frameworks to monitor, track & assess income Improvements

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.

24th 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.

30th Nov

DECEMBER

Strategies by group as well as newer sectors to the topic

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.

8th Dec

Advancing Living Income in Non-agricultural space

-Join us to reflect how other sectors are approaching the topic of living income & livelihoods

15th Dec
(tbc)

Sign UP for the Newsletter to be kept informed: <https://www.living-income.com/contact-us>

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