Tackling impact in developing countries in partnership with private sector

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idh the sustainable trade initiative

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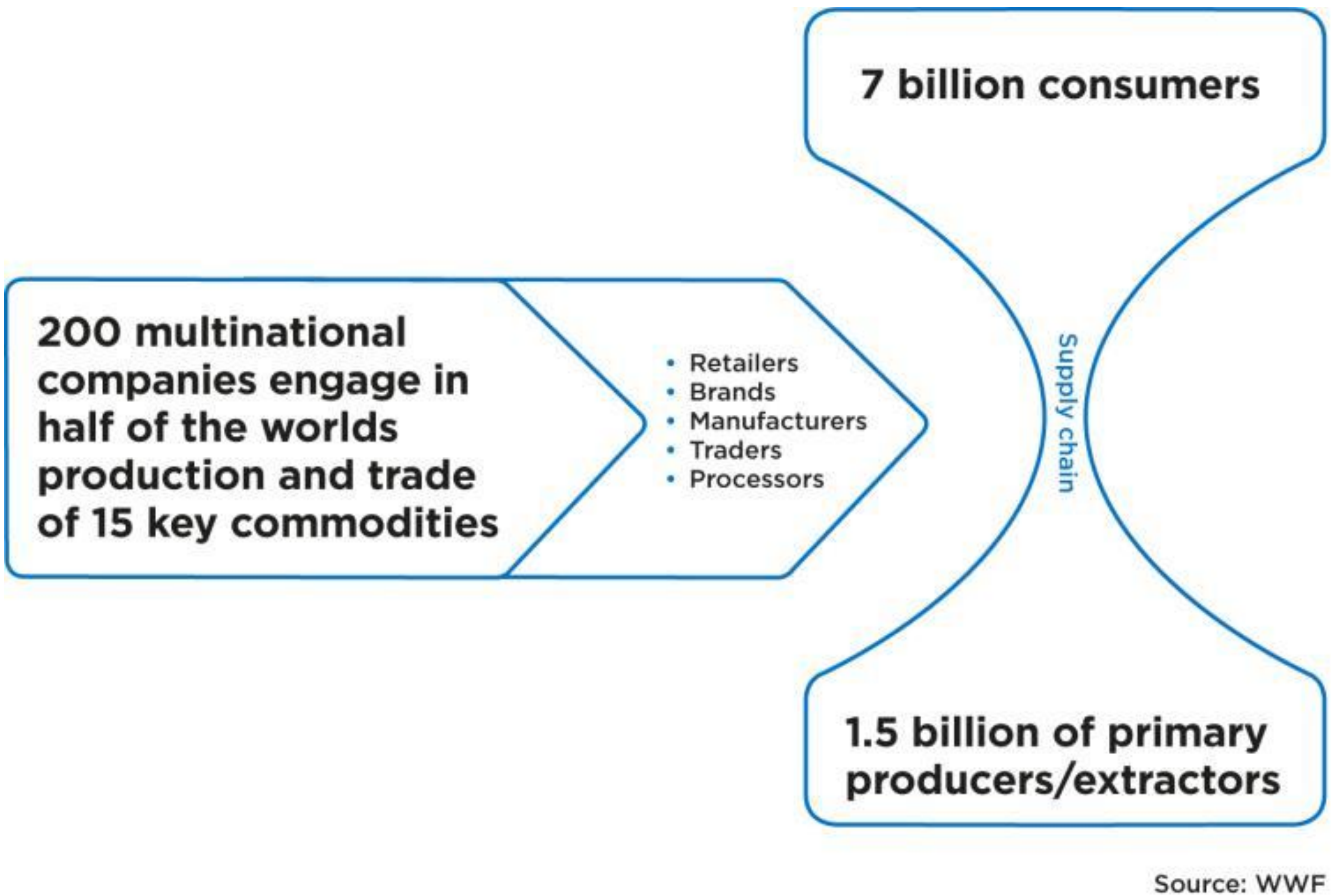
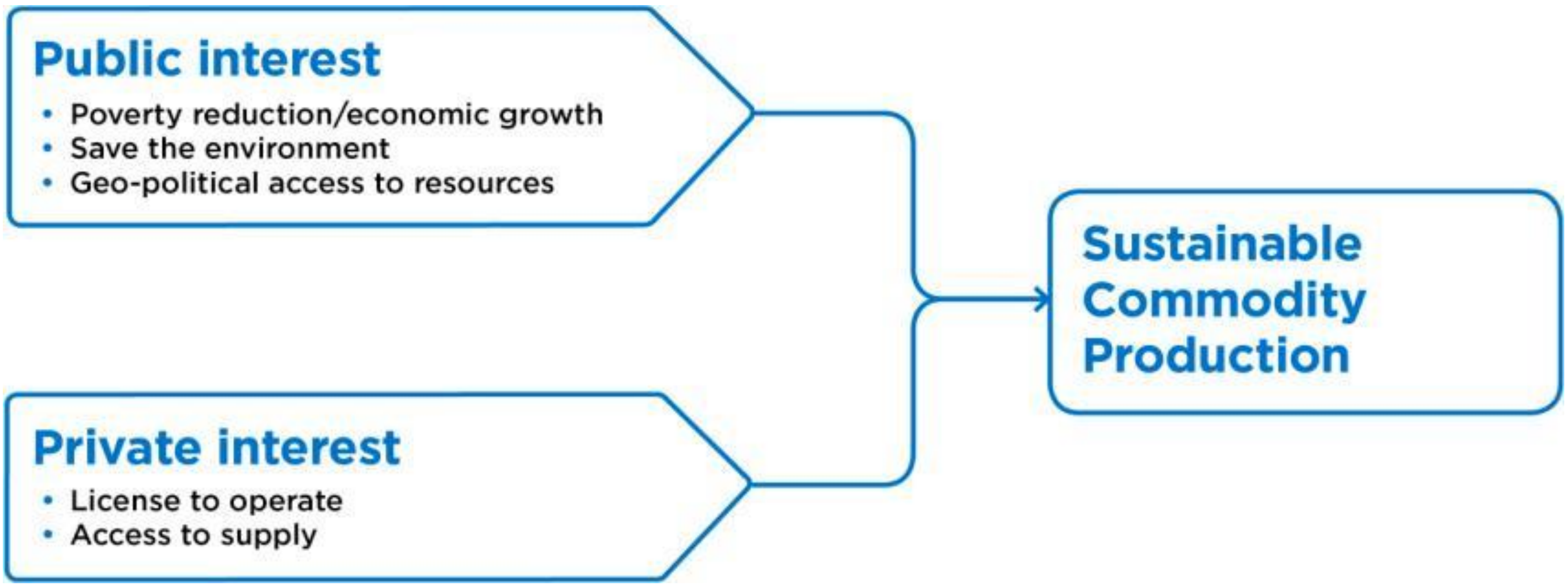
- Public private **partnership** facility
- Funded by Dutch, Swiss and Danish ODA
- Impact on MDGs1,7 and 8 and PSD
- **18** commodity chains in **50** countries
- **300** companies
- **30** international NGOs
- **130** million Euro investment capital

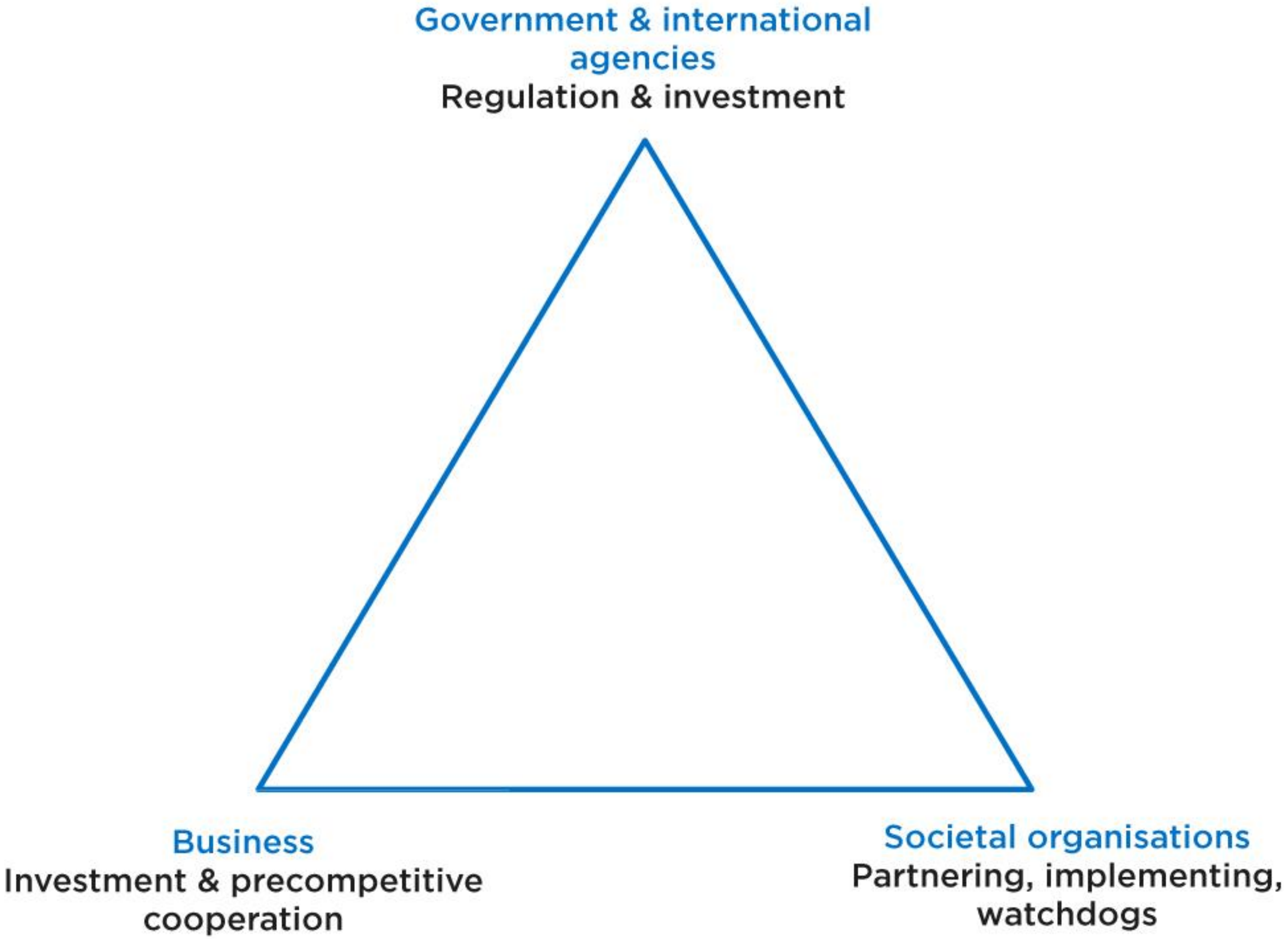
Focus on high impact commodities



A business case for public private partnerships



Cooperation is vital for scale



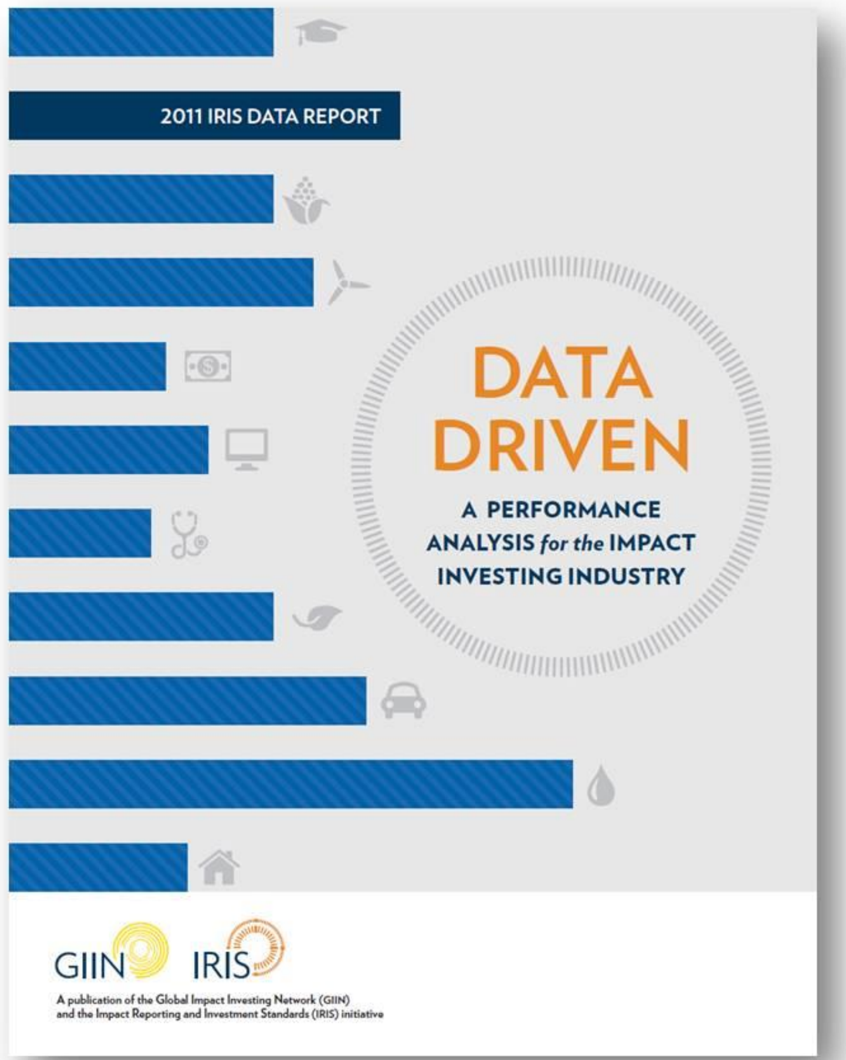
Business drivers for performance and impact measurement

1. Accountability towards donors and shareholders

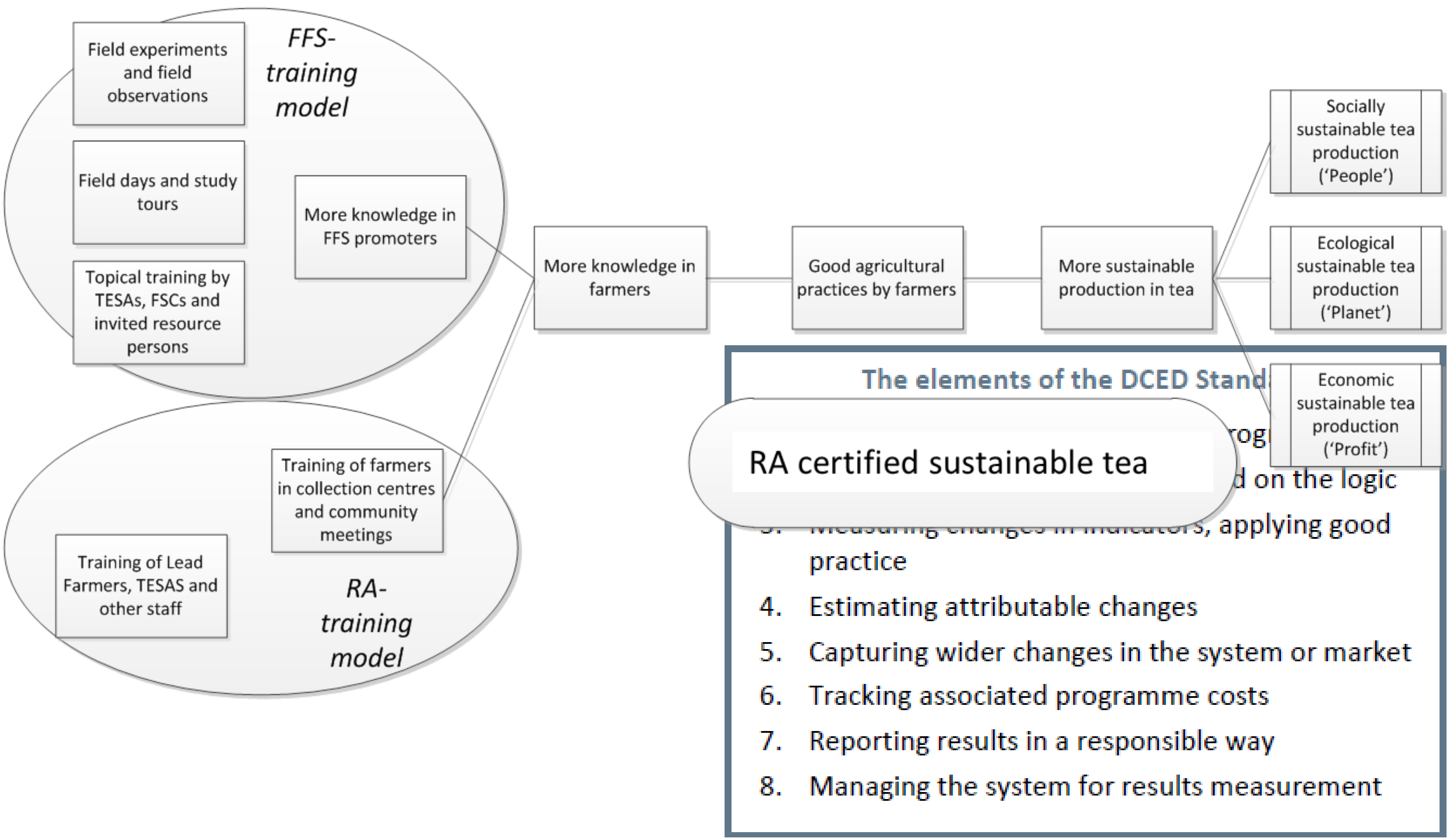
2. Driving performance and returns on investment

3. Consumers demanding increasing transparency

Accountability towards shareholders



Accountability towards donors – delivering on MDGs – DCED standard



Driving performance and returns on investment tea

Figure 1a. Cost of RA Certification of one factory

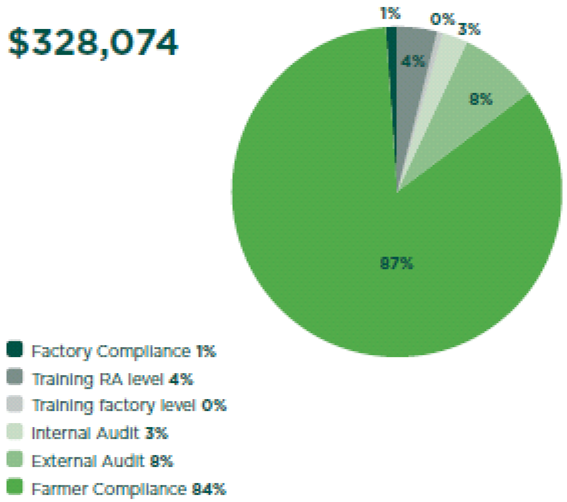
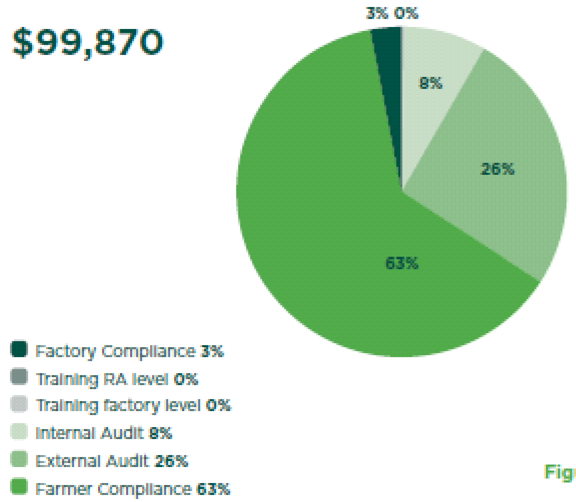
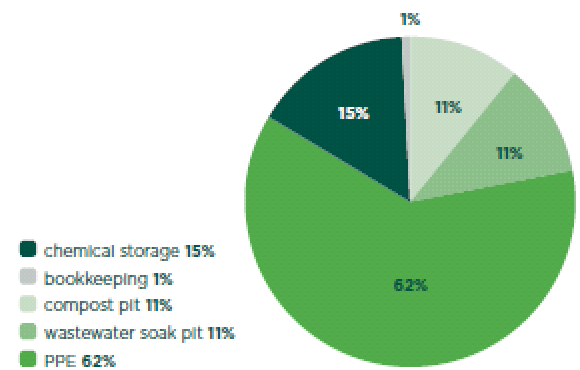


Figure 1b. Recurrent Cost of RA Certification



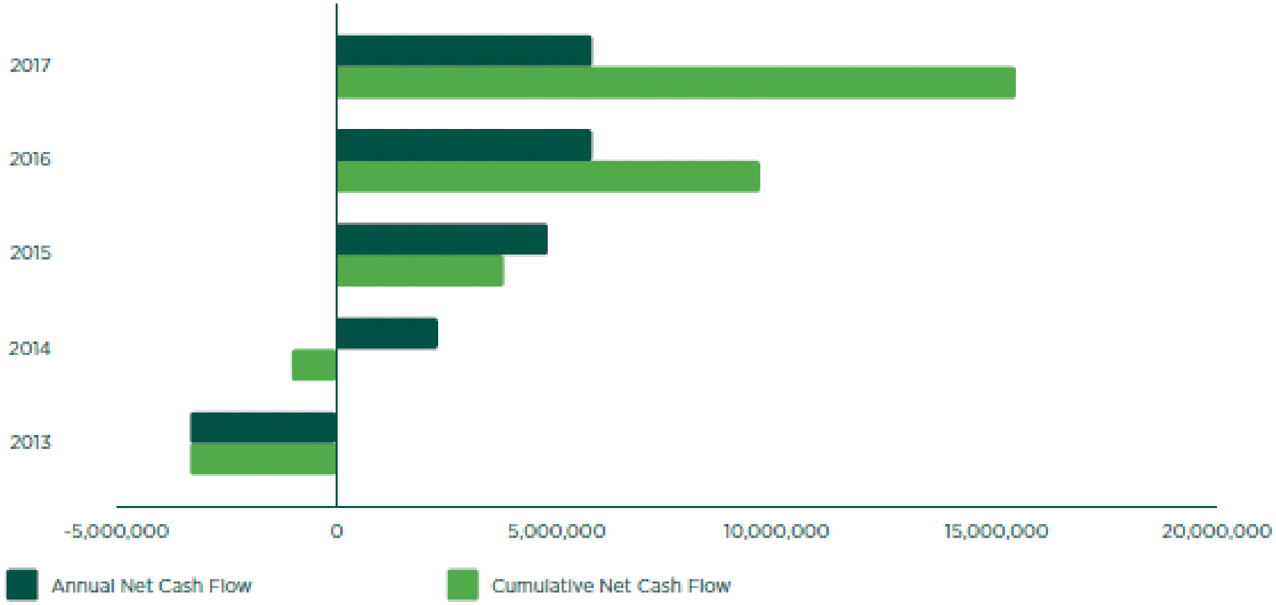
The Distribution shown in the figures is related to current one-time and recurrent costs of RA certification without taking into account future dynamics.

Figure 2. Components of Farmers Compliance Cost



Driving performance and returns on investment tea

Figure 4. Annual net cash flow and cumulative cash flow for yield increase scenario: 18% direct and 9% indirect.

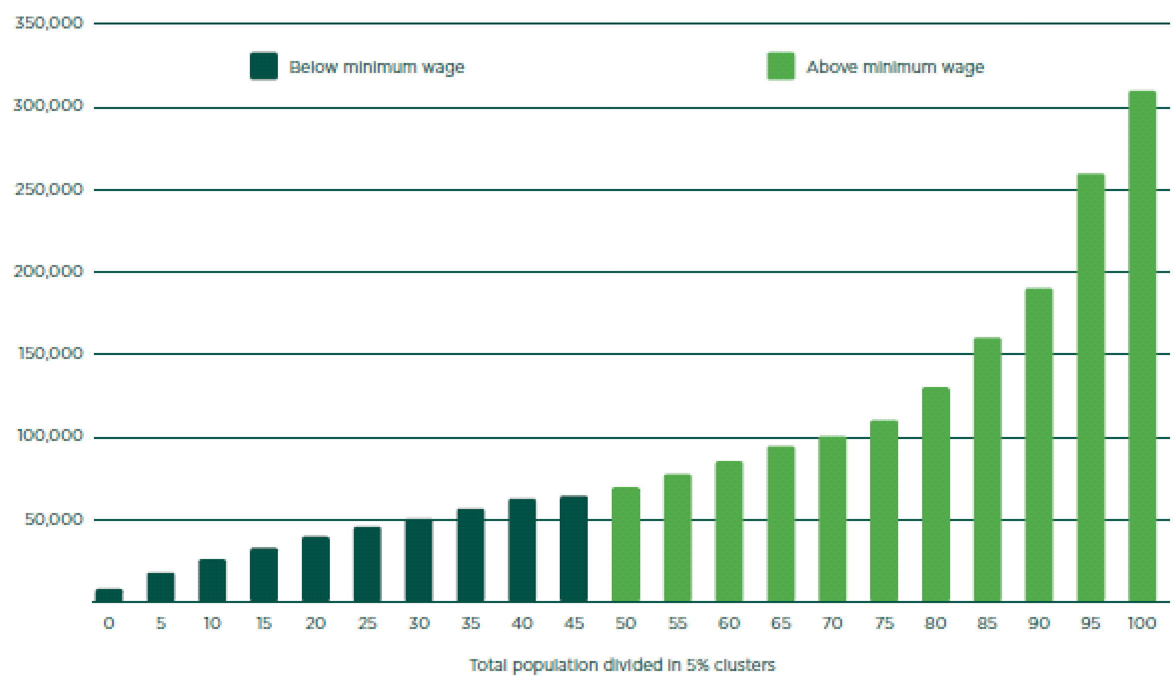


All calculations are in USD, based on the assumption that the USD/KES exchange rate will remain stable at 85 KES per USD.
The scenario assumes 18% yield increase for FFS farmers and 9% yield increase for indirectly involved farmers.

Driving performance and returns on investment

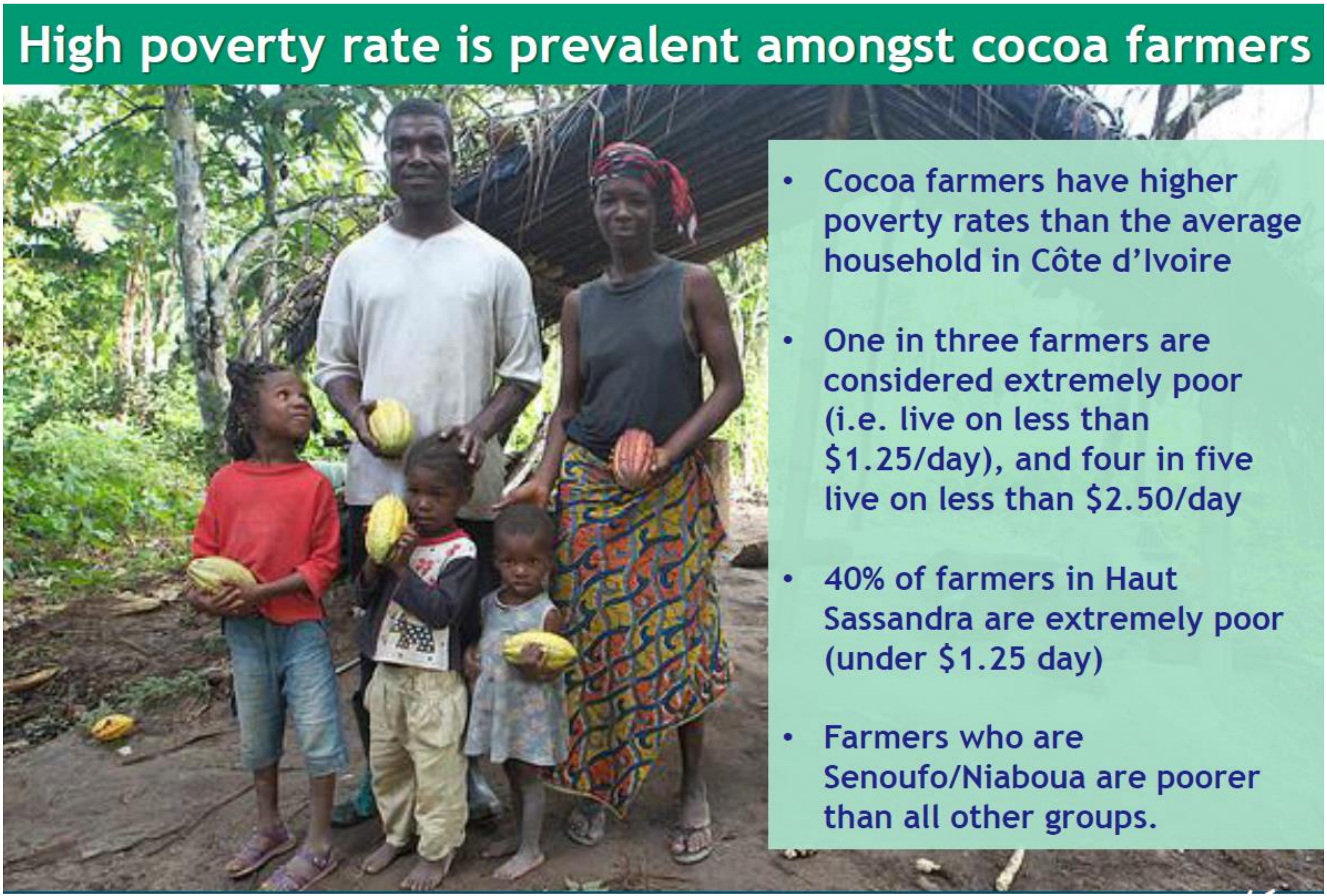
Figure 10a. Income distribution for normalized farmer population

Figure 10b. Income distribution for normalized farmer population after 36% yield increase



All calculations are in KES, assumed that the exchange rate will be stable at 85 KES per USD. The red bars illustrate the percentage of farmers with an income from tea production below the minimum wage of 70,550 KES per year.

Who is growing our food? cocoa



Who is growing our food? cocoa

Food insecurity is particularly acute from June thru August

- 30% of farmers cannot do not have enough to cover family’s food needs 3 months out of the year, and another 20% for four months or more.
- The situation is most severe between June-August.

Who is growing our food? cocoa

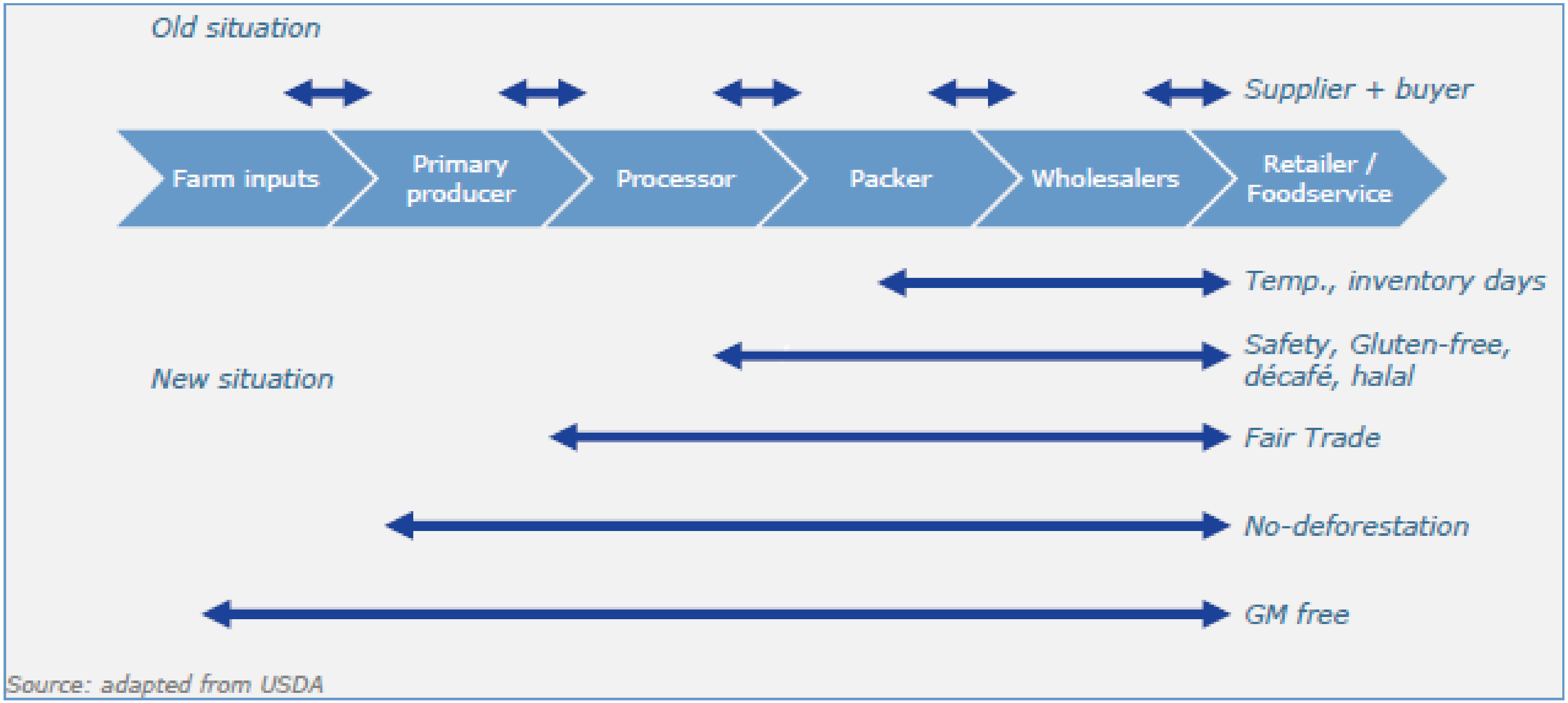
Certification improves farmer yields and income, and strengthens farmer-firm relationships

Certified farmers **allocate more land to cocoa** and other cash crops vs non-certified (73% vs 63% for cocoa)

Certified farmers **are more satisfied** with their coop or trader (69% vs 36% for non-certified)

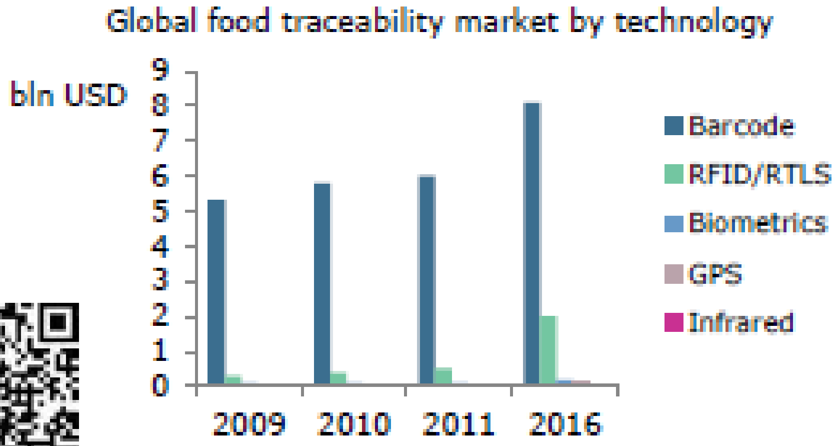
Certified farmers' **yields are 69% higher** on average than noncertified farmers' yields (378 vs 241 kg/ha)

Consumers demanding increasing transparency



Traceability systems are increasingly used to access and share supply chain information

Innovations in technology support extending traceability systems



Challenges and opportunities

- **Cost of data collection – scalability**
- **Quest for common indicators and methods**
- **Who is owning the data?**

- **Collaboration and shifting the pre-competitive space**
- **Enabling tools and technologies**
- **Mix of methods – closing the space between performance measurement and impact evaluation**
- **New role division between private sector, public sector, civil society and neutral convenors**

- **What are Austrian companies doing to enhance transparency and impact at scale?**