



Tackling impact in developing countries in partnership with private sector

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**the sustainable
trade initiative**

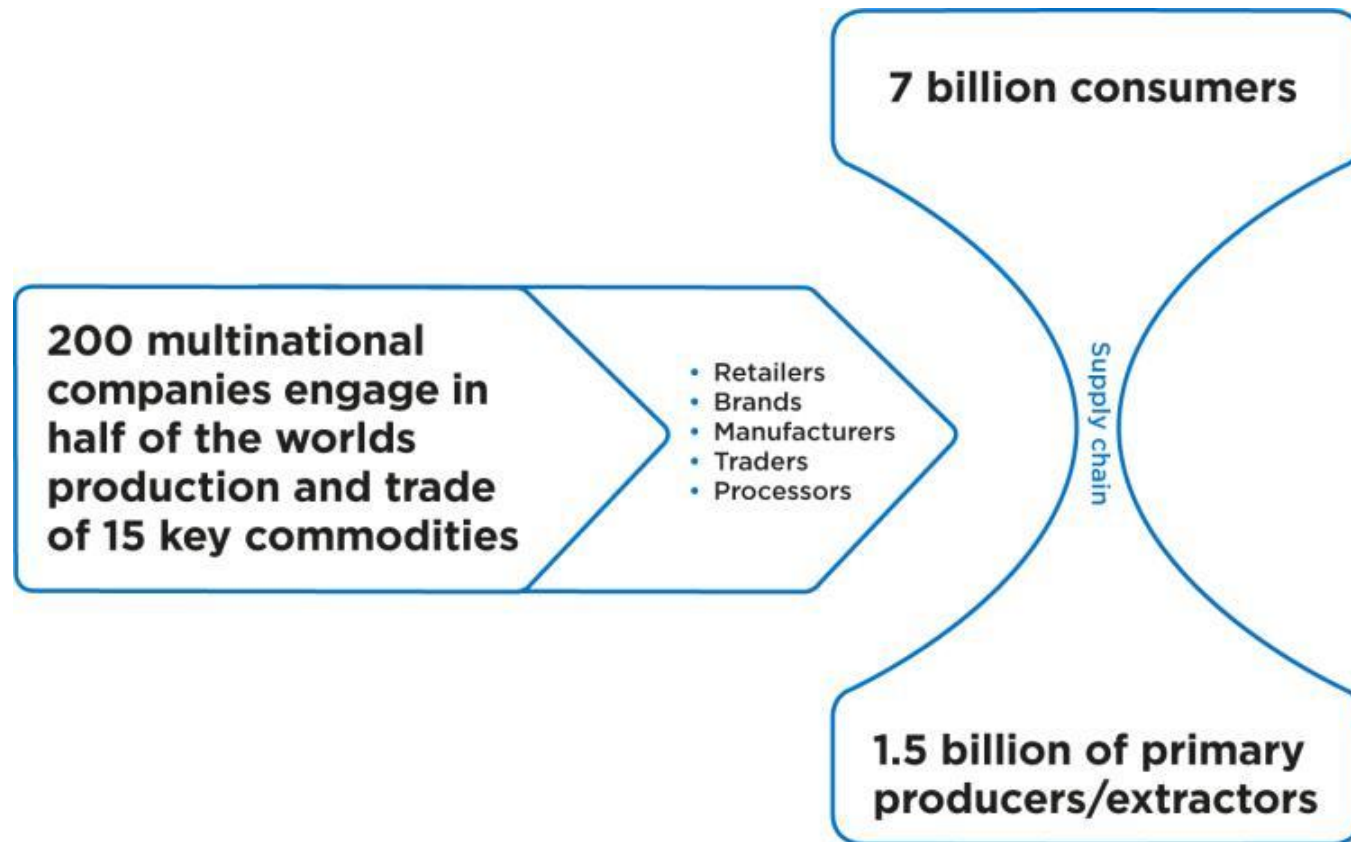


the sustainable
trade initiative

- Public private **partnership** facility
- Funded by Dutch, Swiss and Danish ODA
- Impact on MDGs 1, 7 and 8 and PSD
- **18** commodity chains in **50** countries
- **300** companies
- **30** international NGOs
- **130** million Euro investment capital

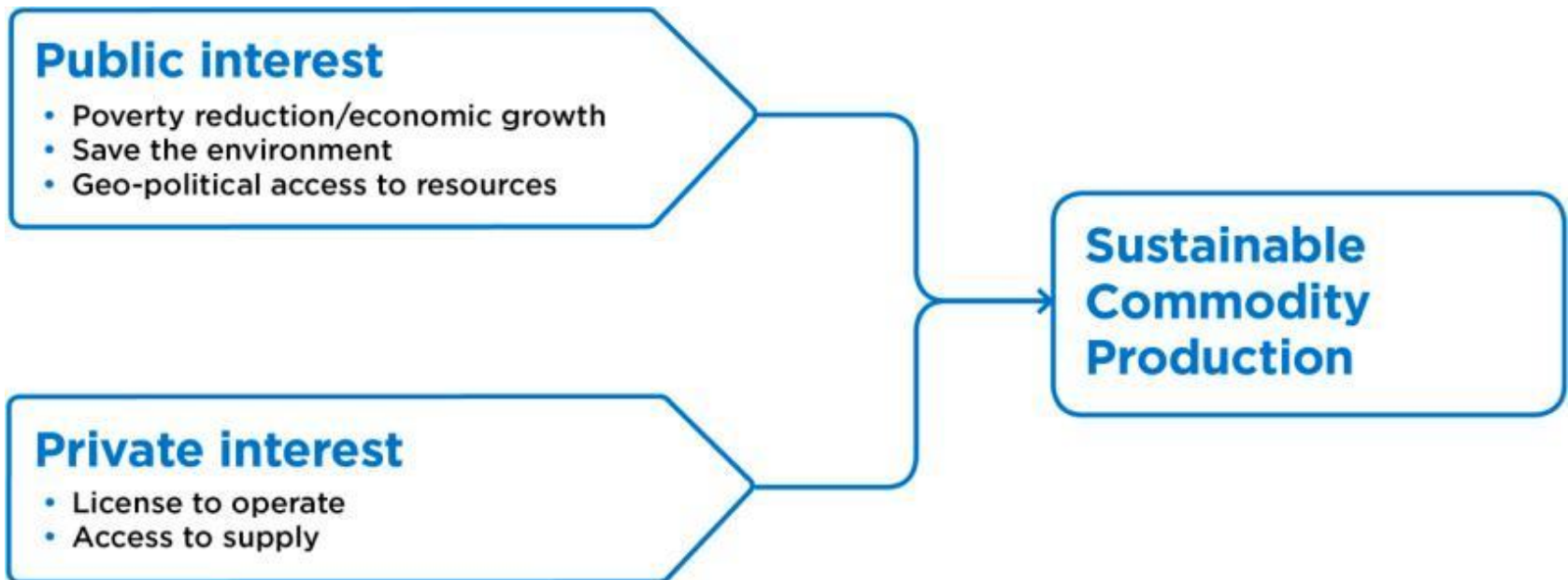


Focus on high impact commodities

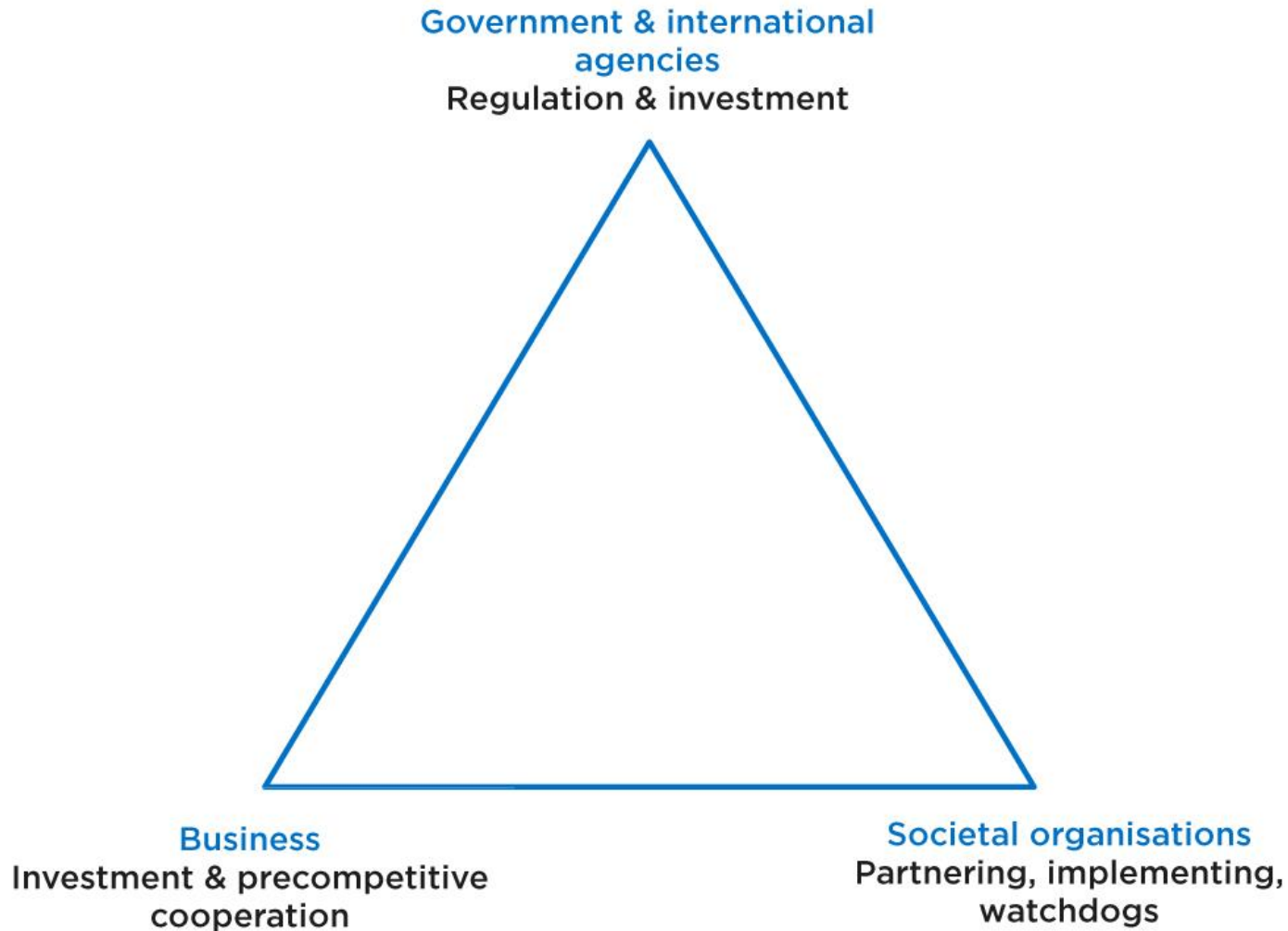


Source: WWF

A business case for public private partnerships



Cooperation is vital for scale

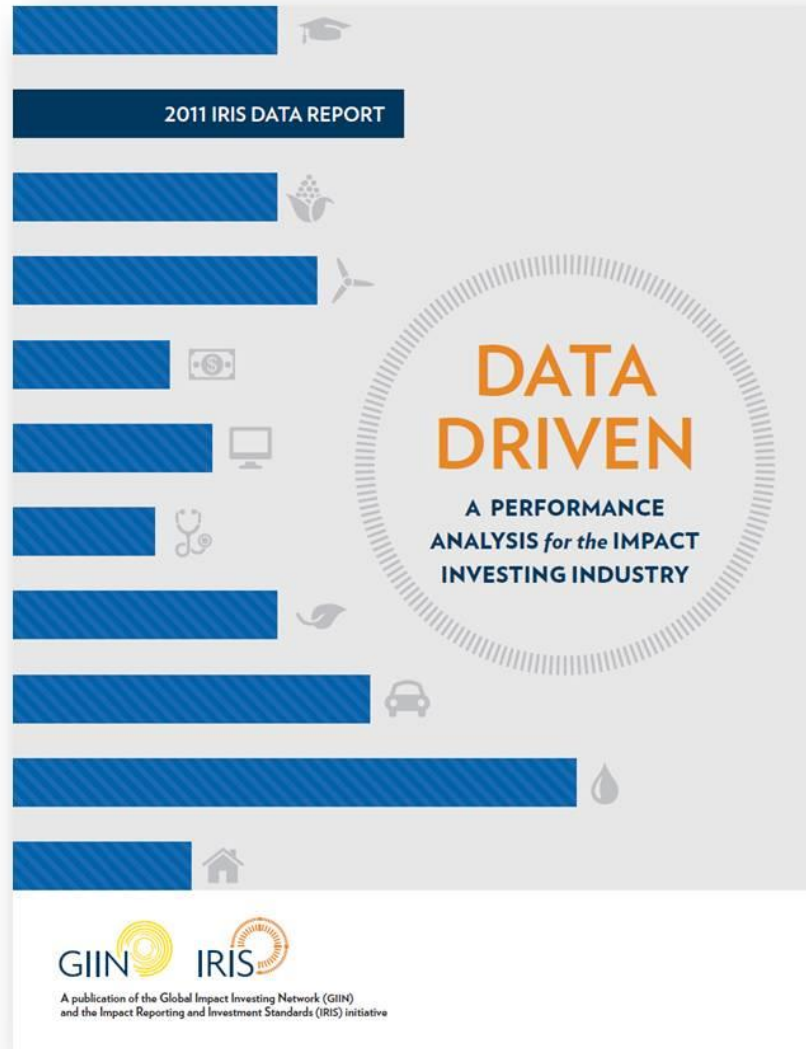


Business drivers for performance and impact measurement

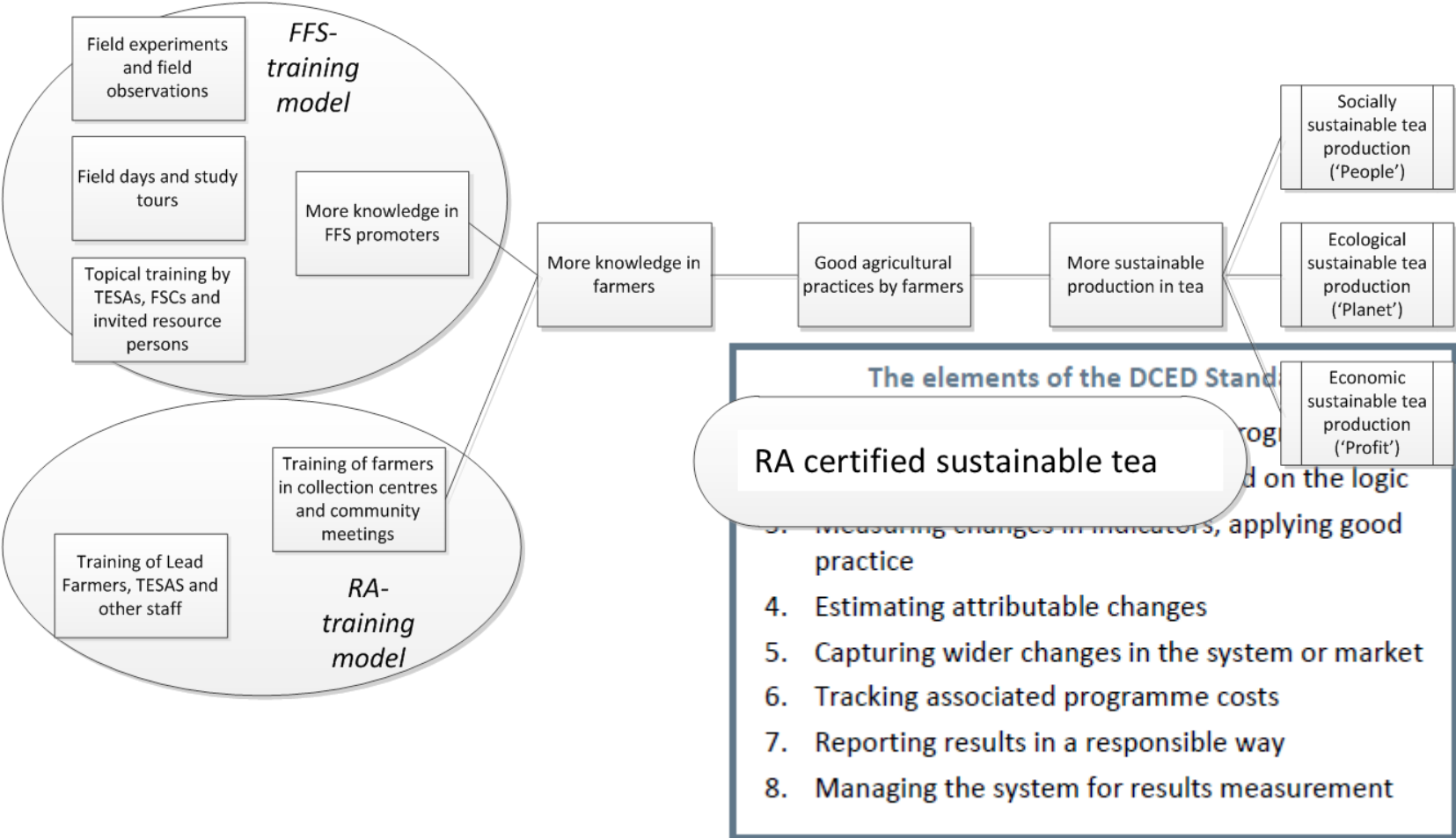
1. Accountability towards donors and shareholders
2. Driving performance and returns on investment
3. Consumers demanding increasing transparency



Accountability towards shareholders



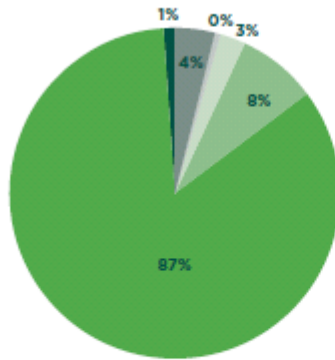
Accountability towards donors – delivering on MDGs – DCED standard



Driving performance and returns on investment tea

Figure 1a. Cost of RA Certification of one factory

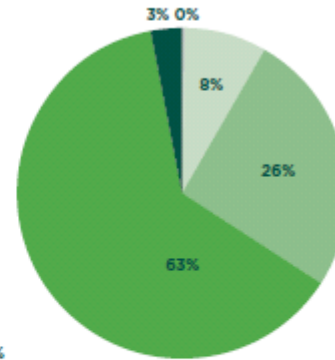
\$328,074



- Factory Compliance 1%
- Training RA level 4%
- Training factory level 0%
- Internal Audit 3%
- External Audit 8%
- Farmer Compliance 84%

Figure 1b. Recurrent Cost of RA Certification

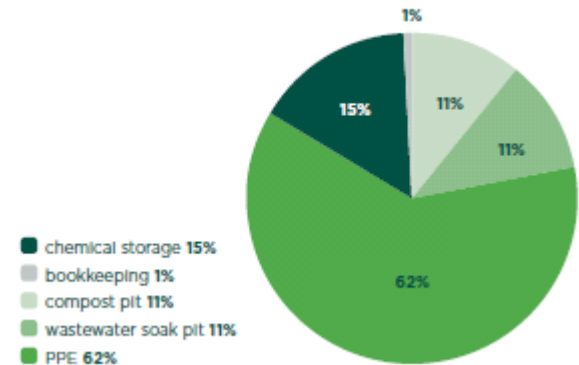
\$99,870



- Factory Compliance 3%
- Training RA level 0%
- Training factory level 0%
- Internal Audit 8%
- External Audit 26%
- Farmer Compliance 63%

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

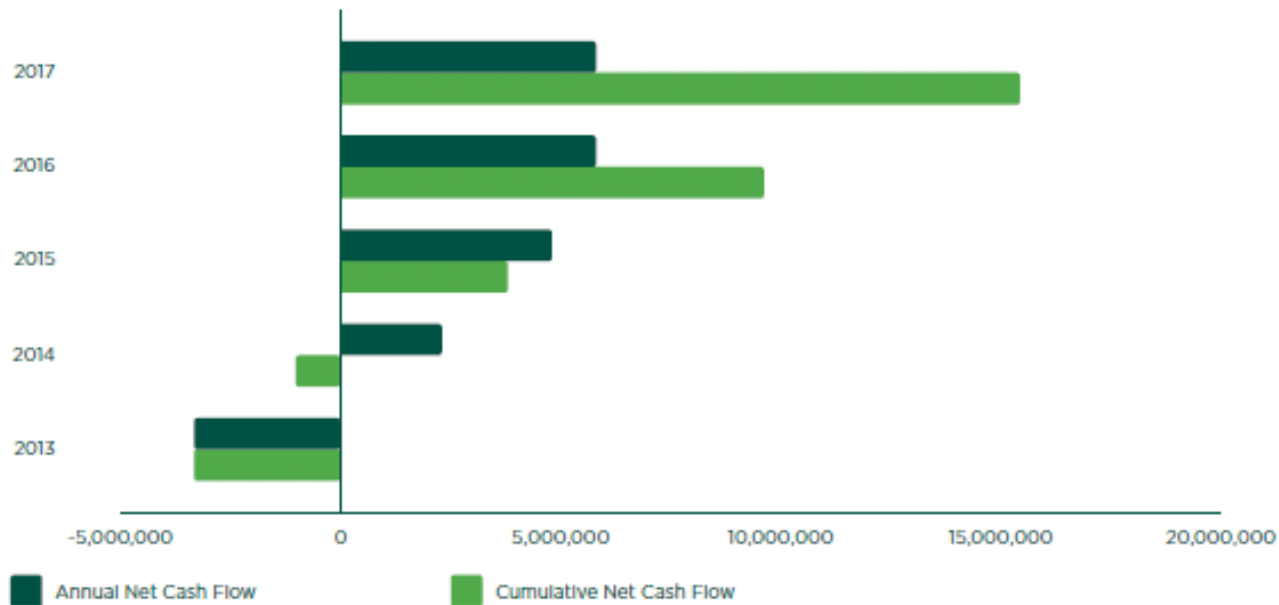
Figure 2. Components of Farmers Compliance Cost



- chemical storage 15%
- bookkeeping 1%
- compost pit 11%
- wastewater soak pit 11%
- PPE 62%

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.



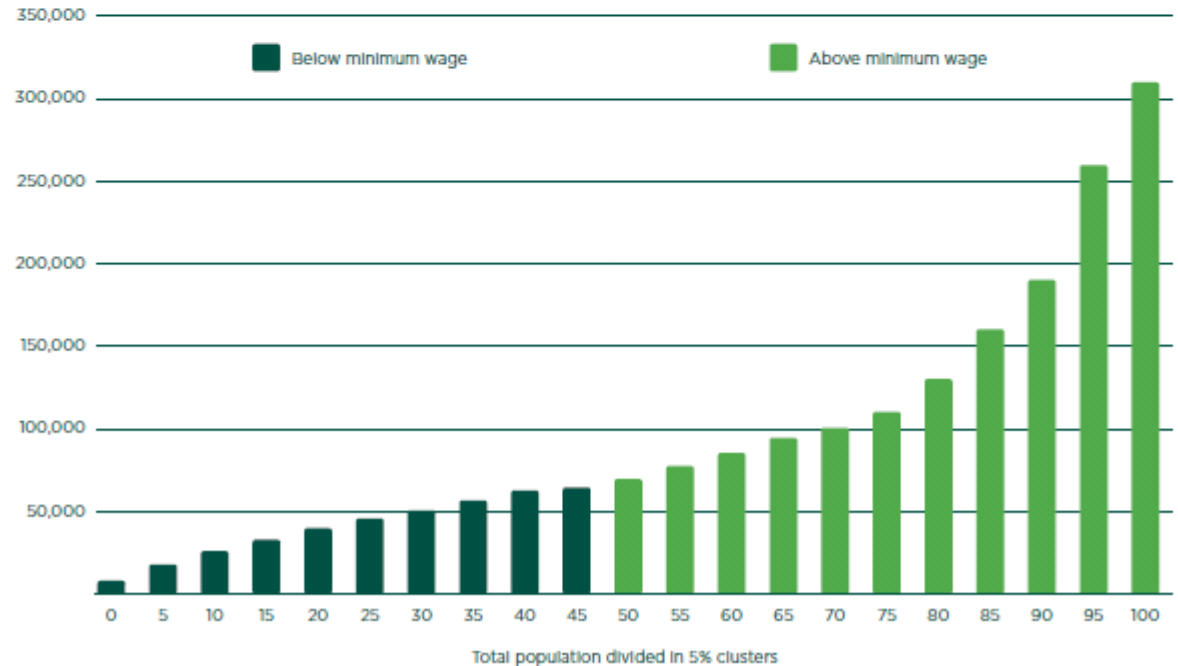
All calculations are in USD, based on the assumption that the USD/KES exchange rate will remain stable at 85 KES per USD. The scenario assumes 18% yield increase for FFS farmers and 9% yield increase for Indirectly involved farmers.

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

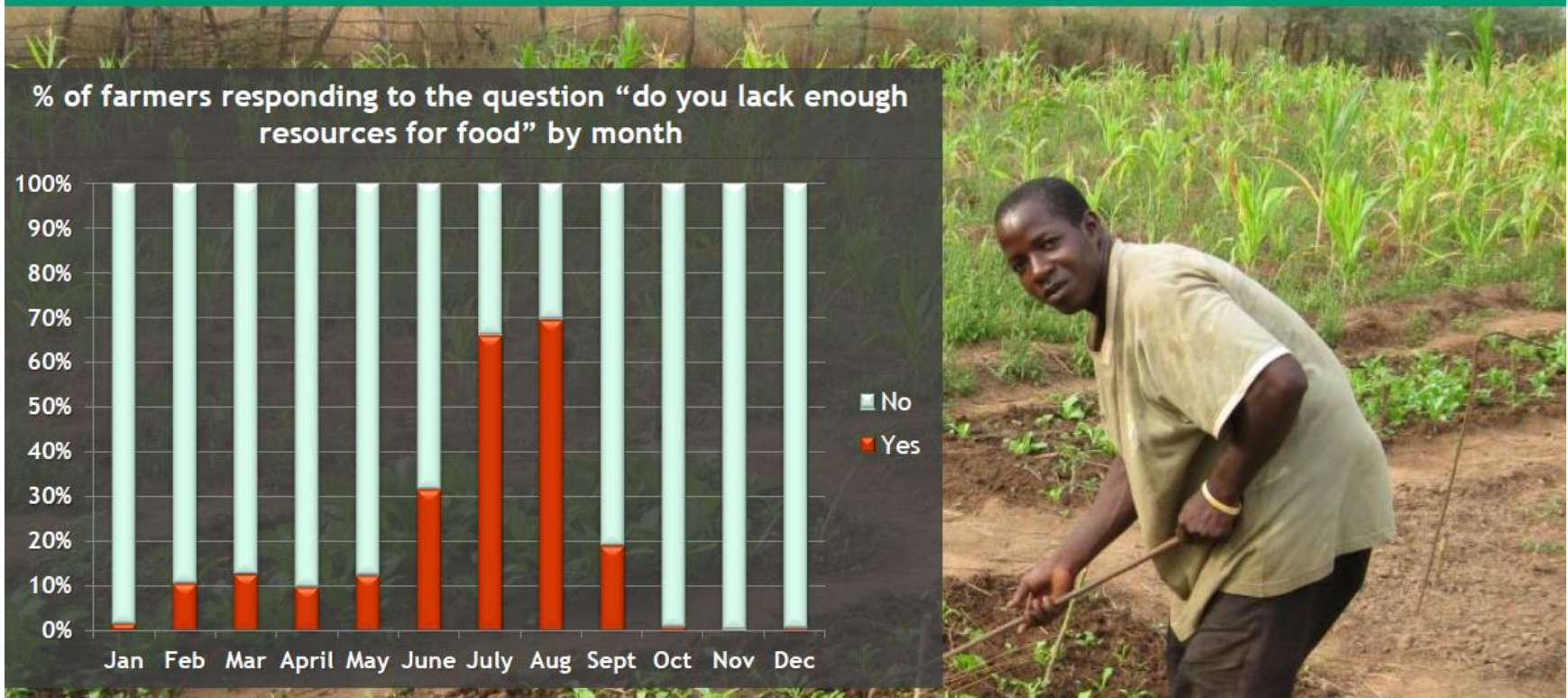
High poverty rate is prevalent amongst cocoa farmers



- Cocoa farmers have higher poverty rates than the average household in Côte d'Ivoire
- One in three farmers are considered extremely poor (i.e. live on less than \$1.25/day), and four in five live on less than \$2.50/day
- 40% of farmers in Haut Sassandra are extremely poor (under \$1.25 day)
- Farmers who are Senoufo/Niaboua are poorer than all other groups.

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

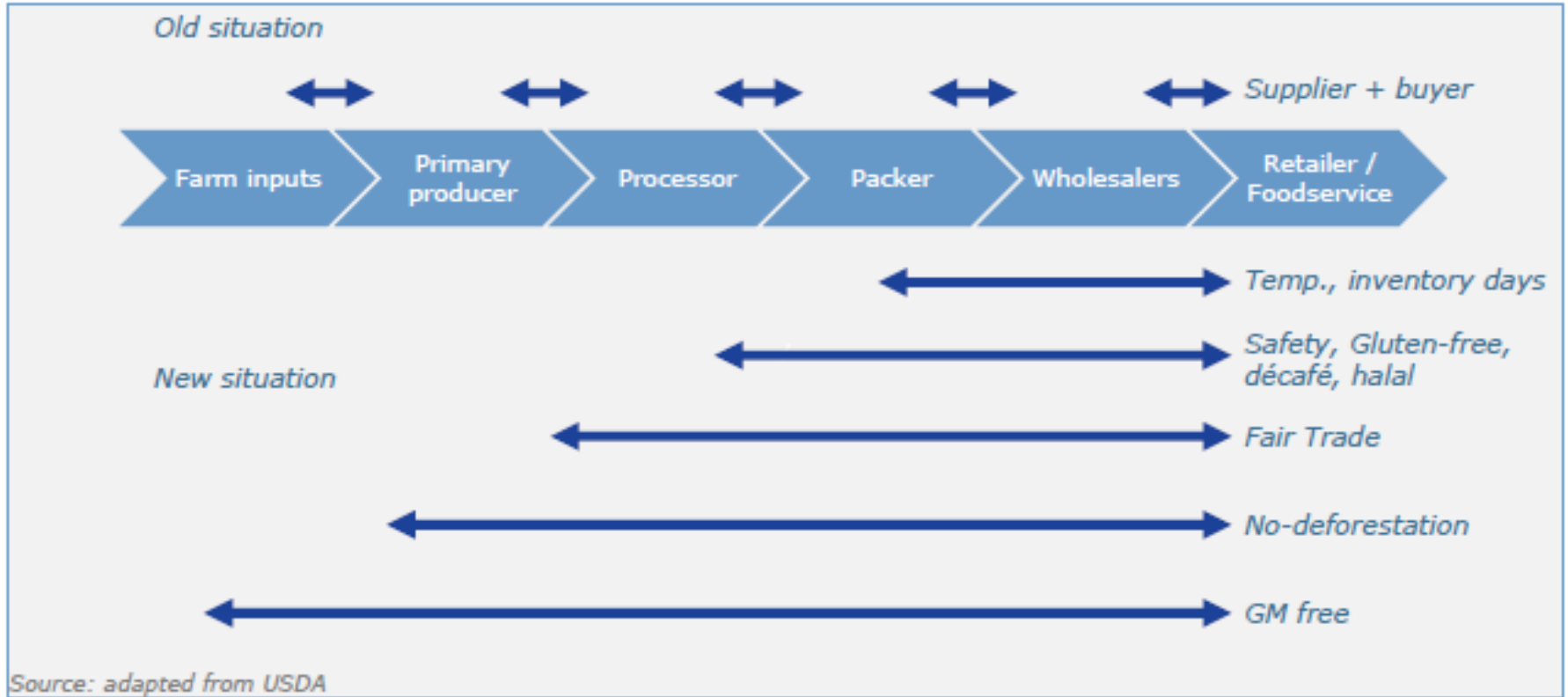


Certified farmers allocate more land to cocoa and other cash crops vs non-certified (73% vs 63% for cocoa)

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)

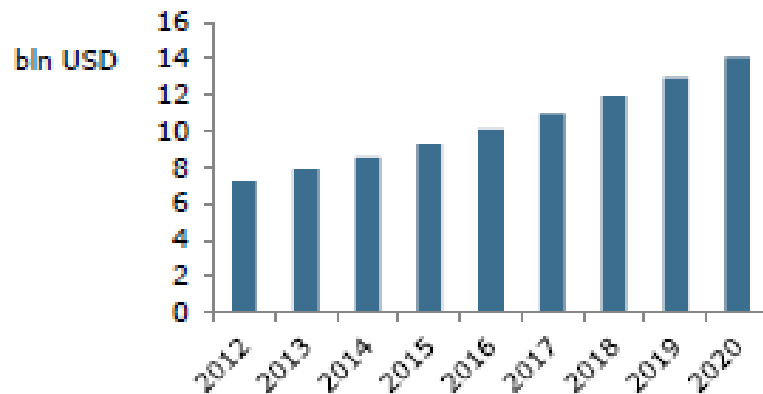
Consumers demanding increasing transparency



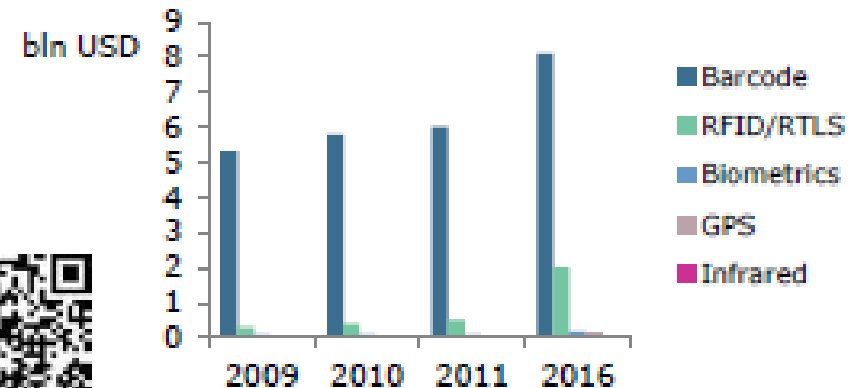
Traceability systems are increasingly used to access and share supply chain information

Innovations in technology support extending traceability systems

Expected growth in tracking technologies in food



Global food traceability market by technology



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?**