



Centro Internacional de Agricultura Tropical
Desde 1967 / *Ciencia para cultivar el cambio*



RESEARCH
PROGRAM ON
Policies,
Institutions,
and Markets

Led by IFPRI

How to build, monitor and measure inclusive value chains

Defining Inclusiveness

Inclusiveness means different things to different people:

- Different entry points
- Different levels of inclusiveness

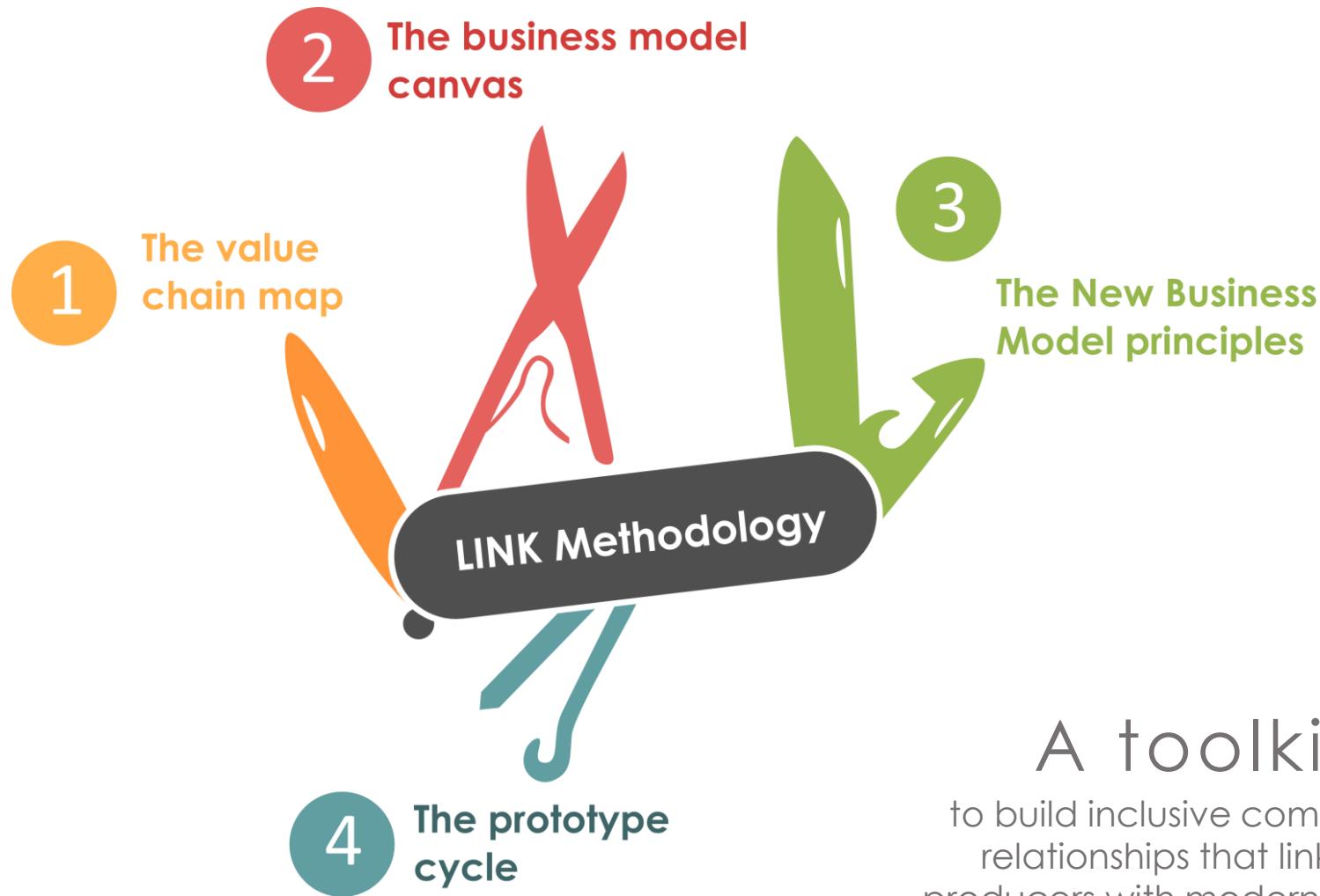
A win-win relationship between smallholder farmers and businesses

Inclusiveness can be an unintended consequence of the company's business. Or the company can purposefully make a decision to place equal value on creating social outcomes and revenue in its business strategy.

Grow Asia, 2015

Inclusiveness builds on mutual trust between actors, proper incentives for long-term engagement in the value chain, transfer of skills, and a balancing of power in decision-making within the value chain.

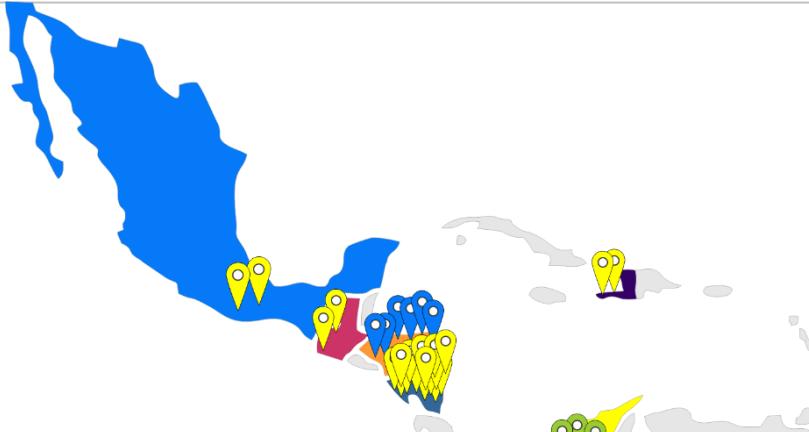
Seas of Change initiative, 2014



A toolkit
to build inclusive commercial
relationships that link rural
producers with modern markets.

LINK origins

LINK METHODOLOGY



Mexico (2)
Haiti (2)
Guatemala (2)
Honduras (6)
Nicaragua (15)
Colombia (10)
Ecuador (4)
Peru (5)
Bolivia (2)



 **Seas of Change**
scaling inclusive agri-food markets

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Produced by the
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Innovation (CDI)
for the
Seas of Change Initiative

**Is Inclusive
Business
for you?**

Managing and upscaling an inclusive company: Lessons from the field

WAGENINGEN CTA

TOGETHER WITH SUPPLIERS AND PARTNERS WE HAVE PROVIDED HELP AND TRAINING TO 570,000 SMALLHOLDER FARMERS

WE CONTINUOUSLY LOOK AT MORE SUPPLY CHAINS TO HAVE POSITIVE SOCIAL AND ECONOMIC IMPACT ON SMALL HOLDERS

We are other directly in business with smallholder farmers or indirectly in the examples here

- We have been directly involved in agriculture activities targeting smallholders
- We have contributed cash in programmes of better training
- We have contributed cash in programmes that create employment and yield improvements
- We are promising to support local governments in their role in promoting more inclusive and more transparent procurement processes for farmers
- We have provided planning material and training on modernizing agriculture to farmers
- We link farmers directly to our organizations or to others in our network as well, for example, via lending programs

TOMATOES FROM INDIA Agroforestry and Maharatna government and Hindustan Oil Company have invested in a tomato processing plant, creating available which consumers can buy. Our Kisan Krushak brand from

VETIVER OIL DAIRY ALLIANCE COCA TEA TEA VANILLA

PALM OIL INDONESIA GREEN CHEESE TOMATO CHERRY TEA VEGETABLES

PALM OIL SUGAR COCONUT BLACK SOYBEAN

BLACK SOY BEANS INDONESIA

PALM OIL FROM INDONESIA A close cooperation between Unilever and WFO-scheme the first palm oil scheme in Indonesia. Unilever continues to inform consumers about this

WORKING WITH TEA FARMERS An agreement with the Tanzanian government aims to positively impact over 100,000 tea farmers in Mufundi through the development of tea gardens

6,000 HECTARES OF SMALLHOLDER TEA FARMS The Kenya Tea Development Agency has now phased its Tea Garden Development Project (TGD) in 2011

763 HECTARES OF PLANTATIONS Unilever and Unilever technology connects smallholder farmers directly to agricultural best practices in ultimately improving their yields and Lipton continues to inform consumers about this

7,000 FARMERS ENGAGED IN THE PROGRAMME Unilever



Public Private Partnerships: Only for the well-off?

Evidence from the Productive Alliances Program in Colombia



ENHANCING THE LIVELIHOODS OF SMALLHOLDER FARMERS TOOLKIT

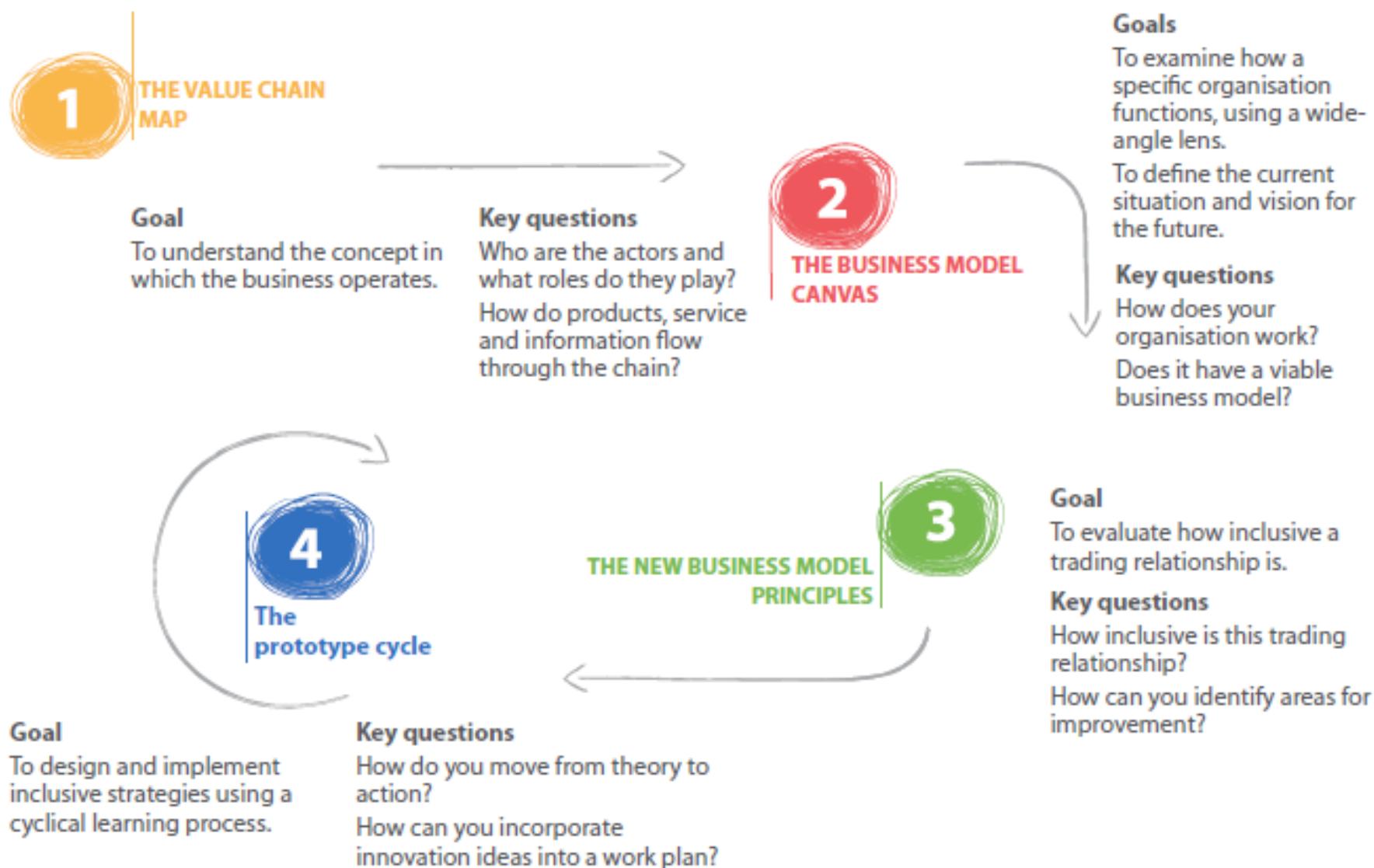
ENHANCING THE LIVELIHOODS OF SMALLHOLDER FARMERS
ENGAGING OUR SUPPLIERS
A GUIDE FOR PROCUREMENT TEAMS

ACKNOWLEDGMENTS

UNILEVER

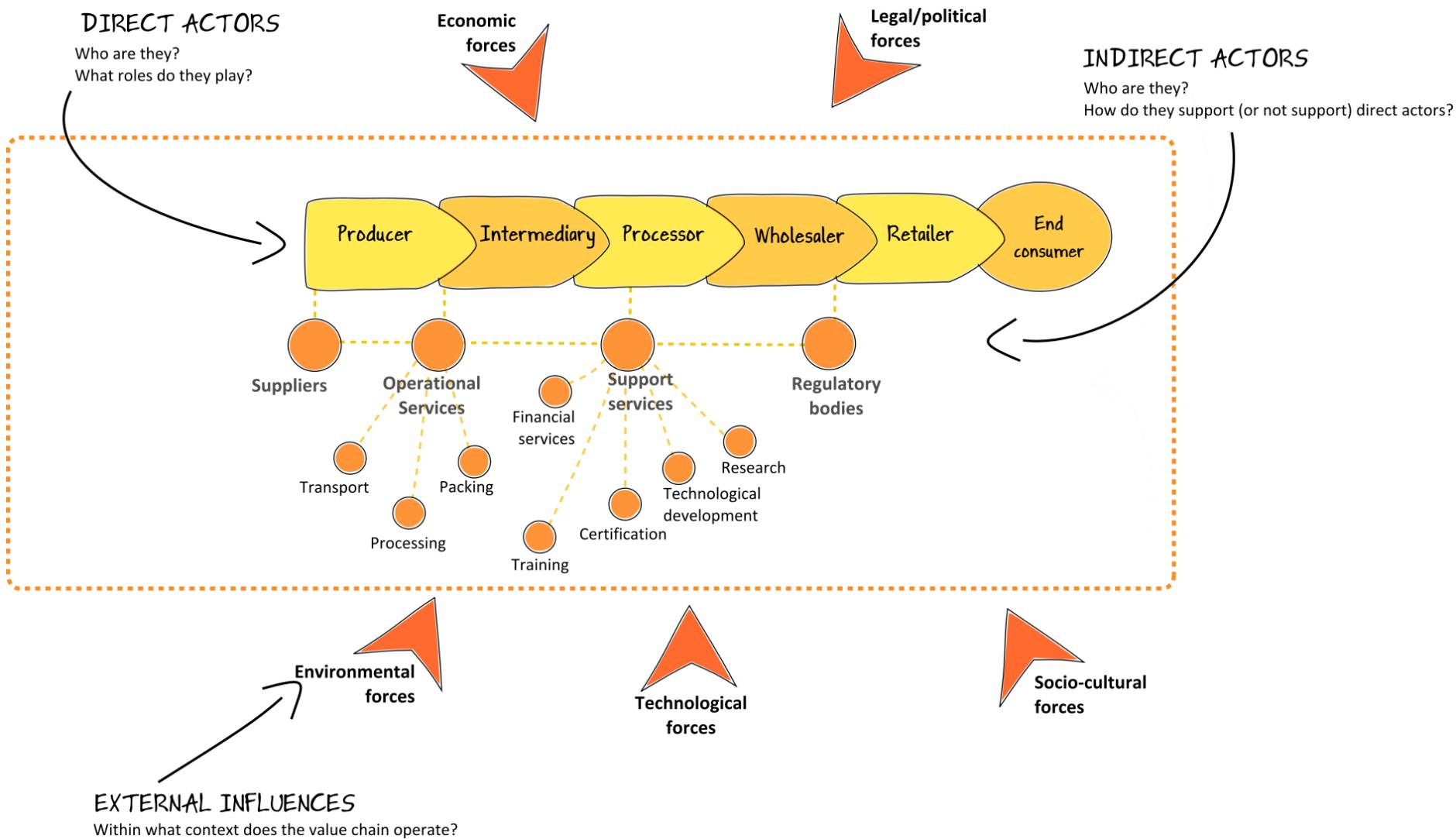
Photo of a pile of red tomatoes and a photo of farmers in a tractor in a field.

CIAT



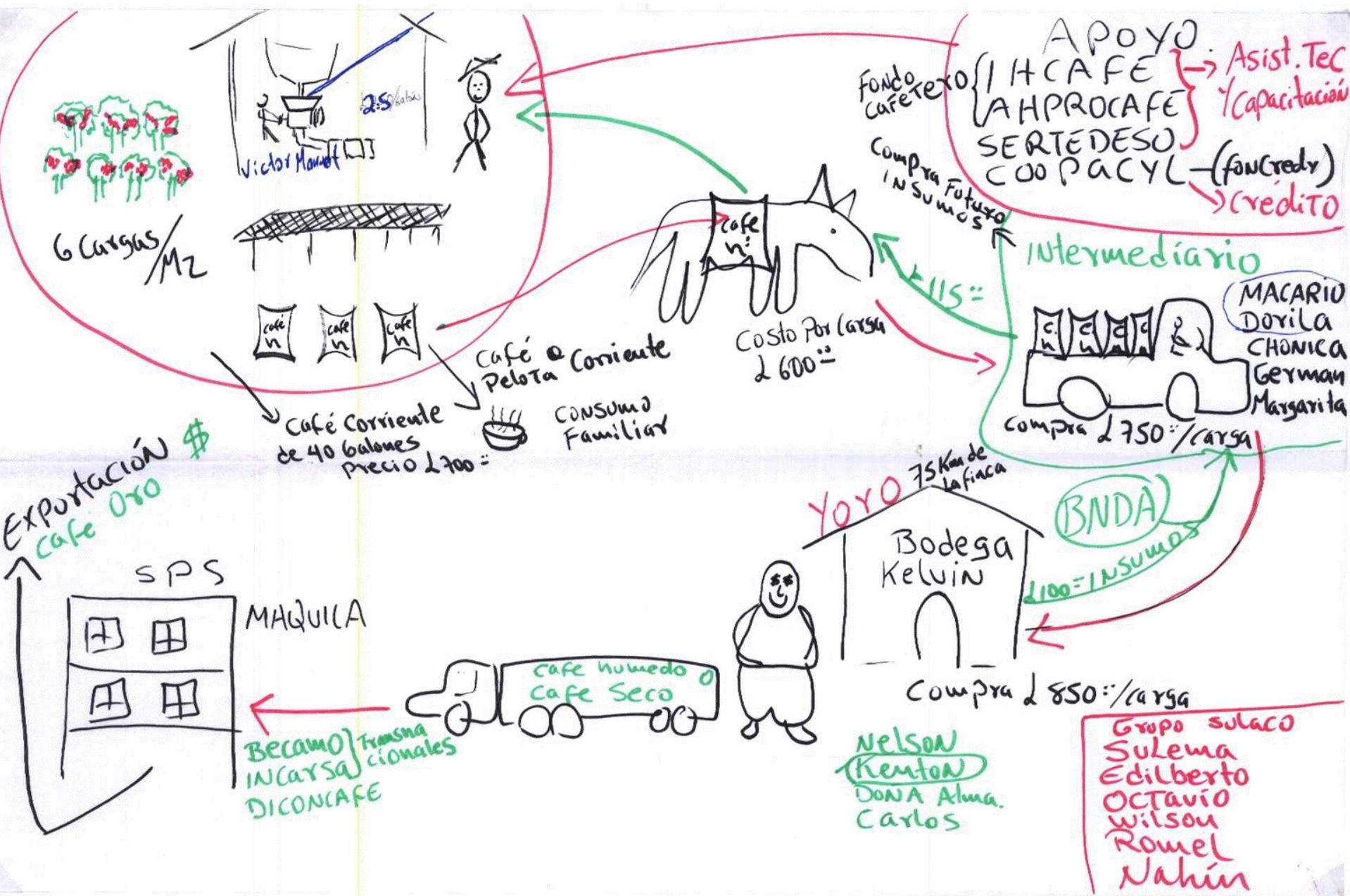
Tool 1: The value chain map

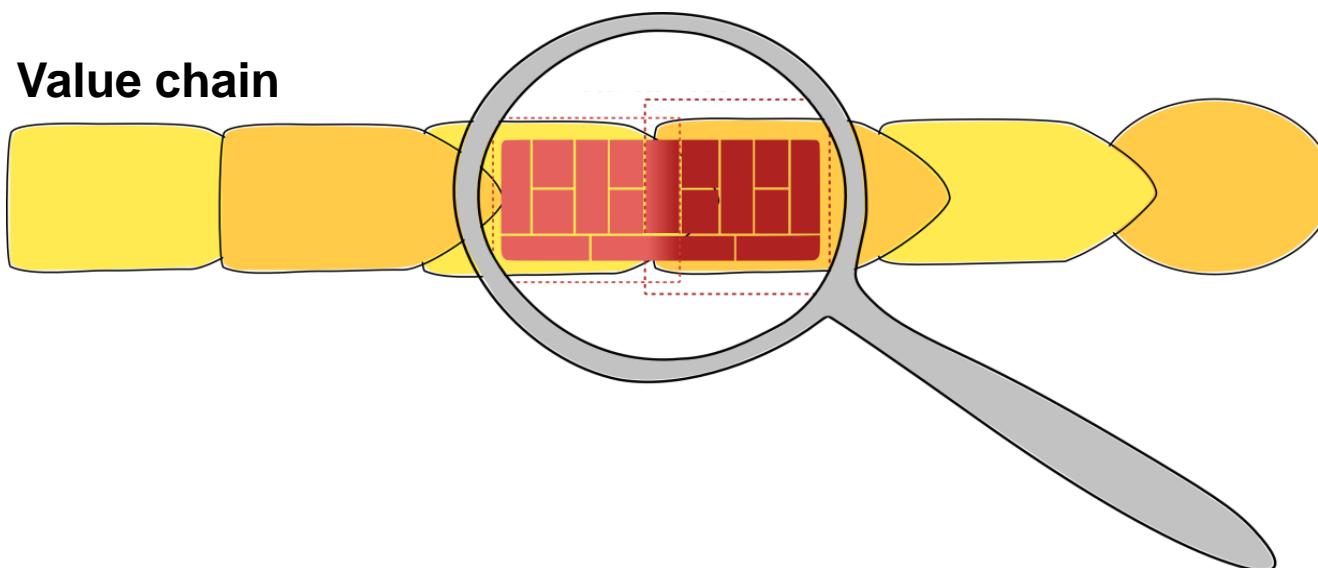
LINK METHODOLOGY



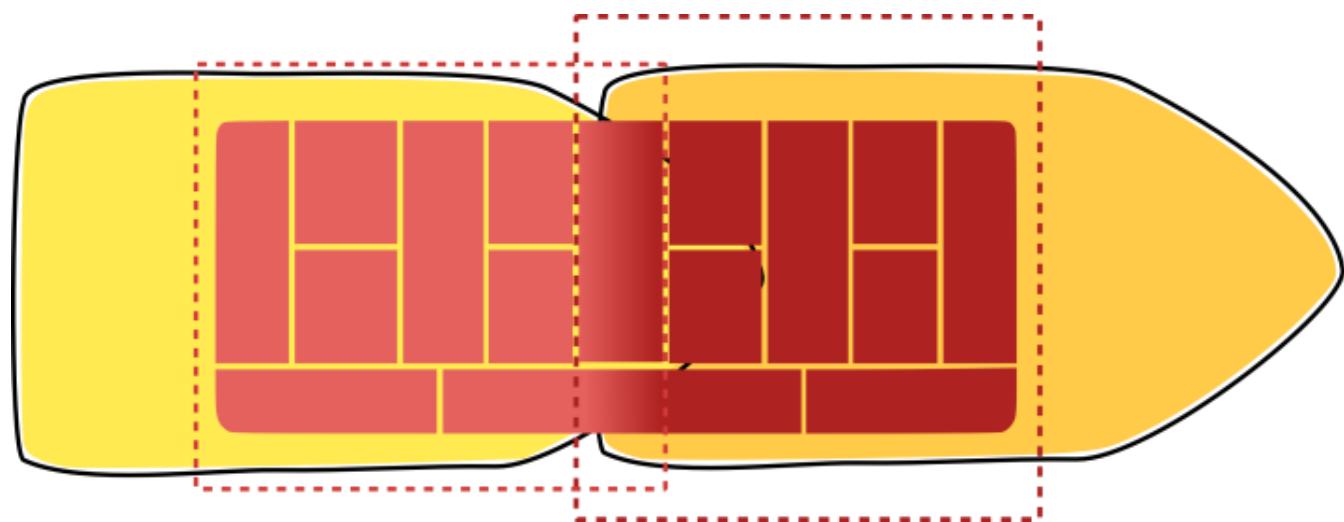
Example: coffee value chain in Honduras

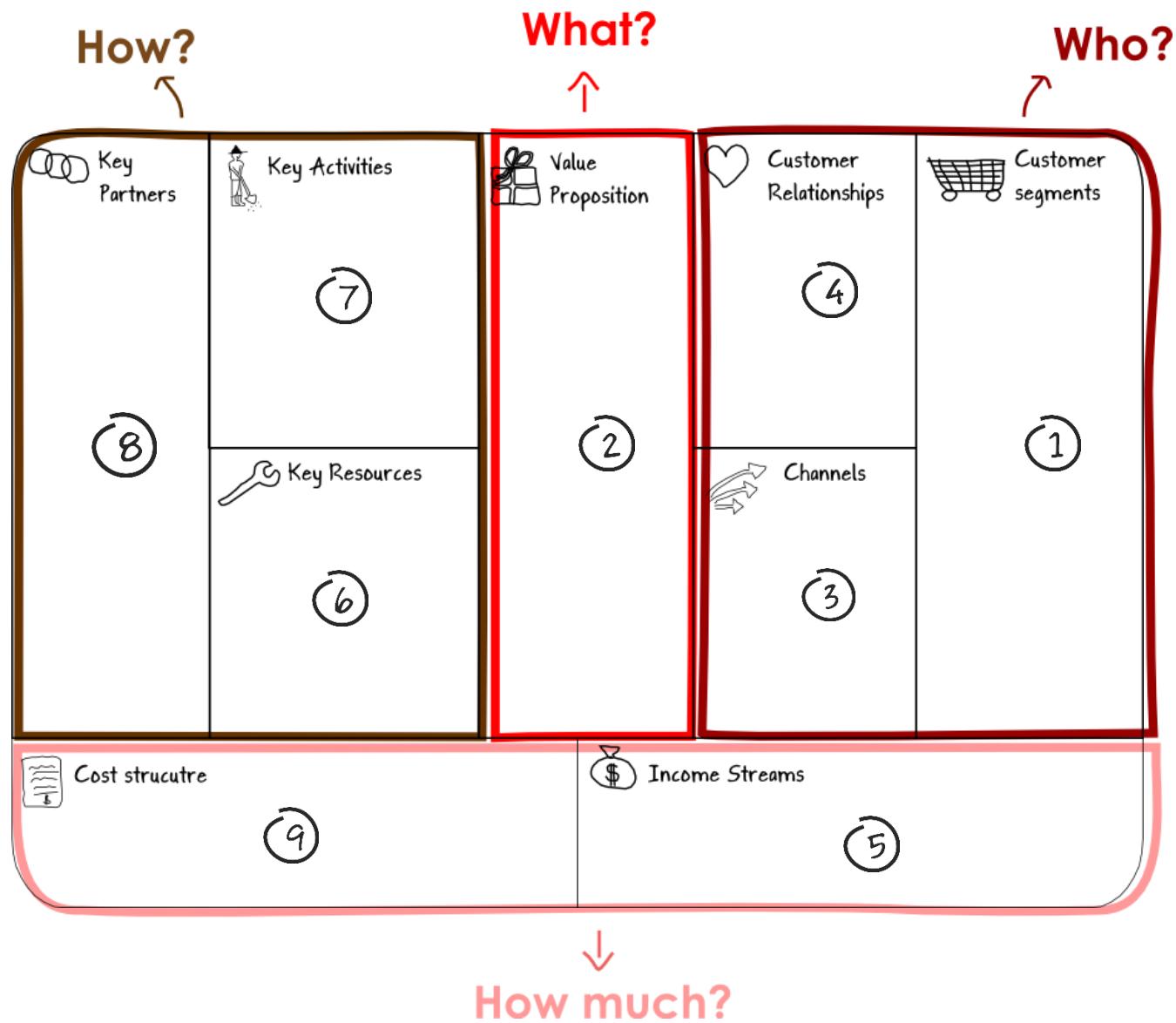
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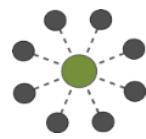
Business model





Tool 3: The New Business Model principles

LINK METHODOLOGY



1. Chain-wide collaboration

Do actors share the same goals?

Do actors exchange information regularly?

Are there structures in place to motivate collaboration or shared problem solving?

Is there one or more “champions” who will lead the process of co-innovation?

Do all actors understand and acknowledge the interdependence of the trading relationship?

2. Effective market linkages

Are trading relations stable?

Are trading relations profitable?

Do actors take advantage of market opportunities?

Do actors respond quickly enough to the changing needs of clients?

3. Fair and transparent governance

Are sale/purchase volumes and prices communicated clearly?

Are quality standards clear and consistent across the chain?

Are risks understood and shared proportionately along the chain?

Are trading relationships based on formal contracts or clear informal agreements?

4. Equitable access to services

Do producers have access to technical support services provided by the buyer or an indirect actor?

Do producers have timely access to market information provided by the buyer or an indirect actor?

Do producers have access to financial services provided by the buyer or an indirect actor?

5. Inclusive innovation

*Are innovation processes carried out collaboratively?
Who participates and why?*

If innovation is evident, who gains from the results?

Are there profit-sharing mechanisms in place?

Are small-scale producers encouraged to participate in inclusive innovation?

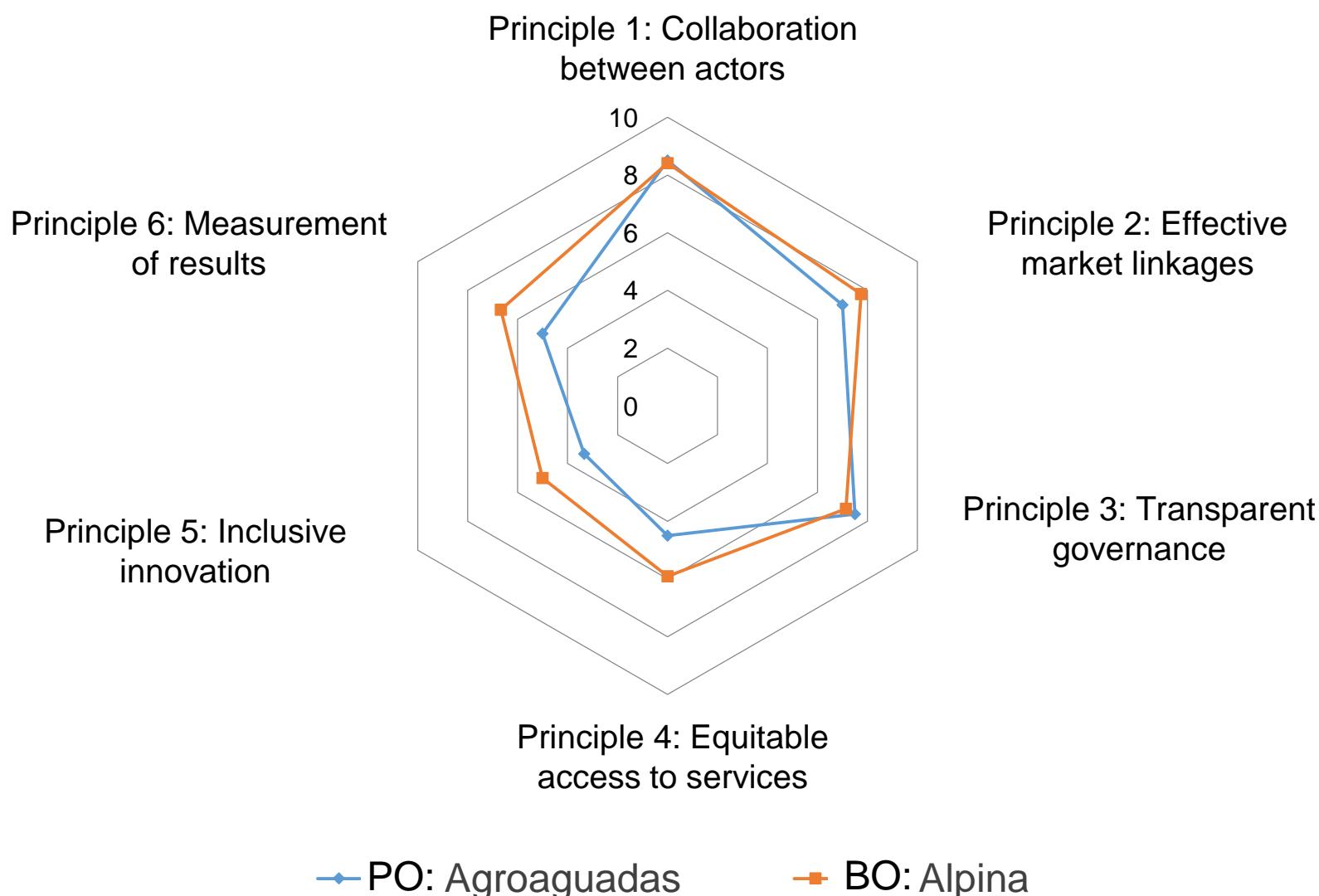
6. Measurement of outcomes

Have indicators been established that will measure the success of the business relationship?

Are the results of the business relationship measured frequently?

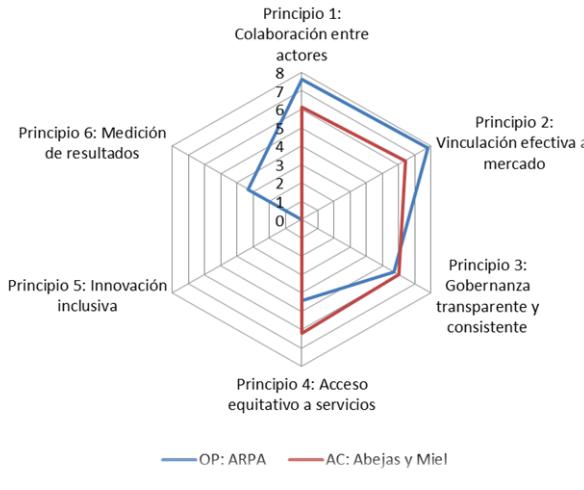
Are there feedback loops in place to guarantee effective chain-wide management and decision-making?

Example: Perception of inclusion between AGROAGUADAS & Alpina

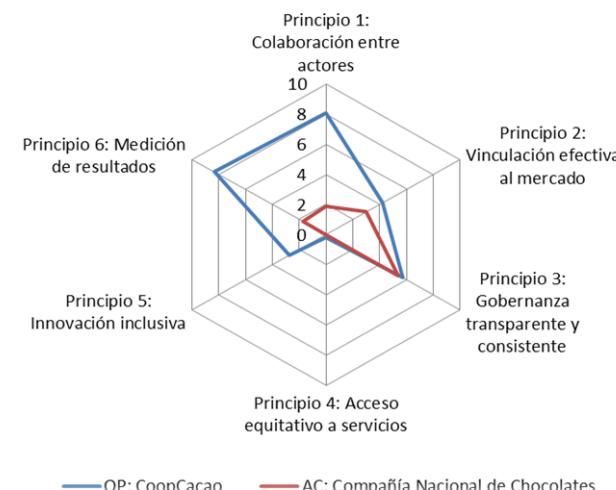


Example: Perceived levels of inclusion in successful PPPs

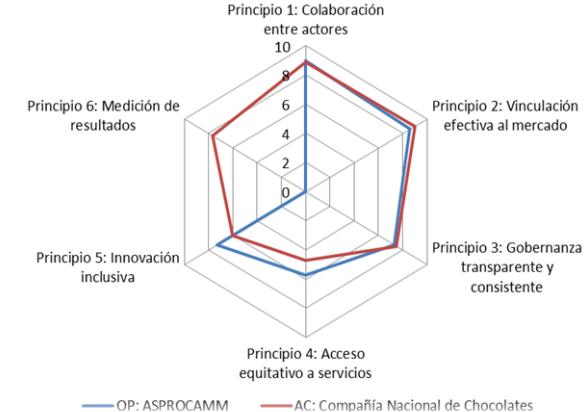
MIEL - ARPA



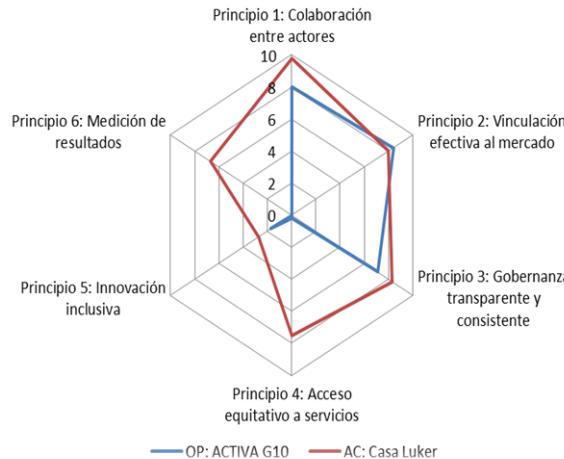
CACAO - COOPCACAO



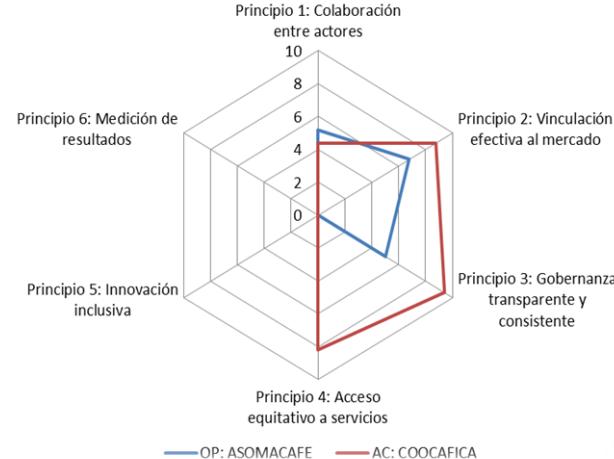
CACAO - ASPROCAMM



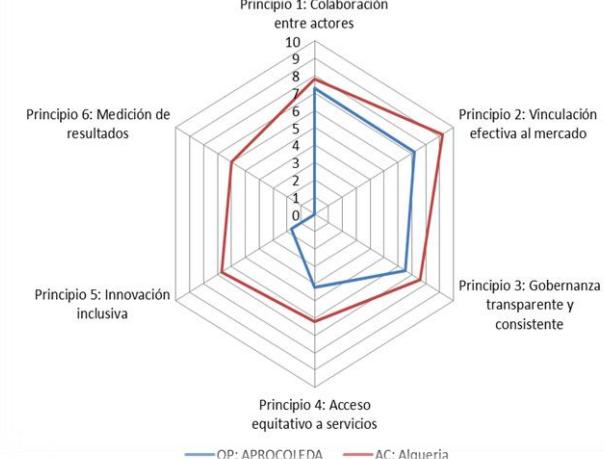
CACAO - ACTIVA G10

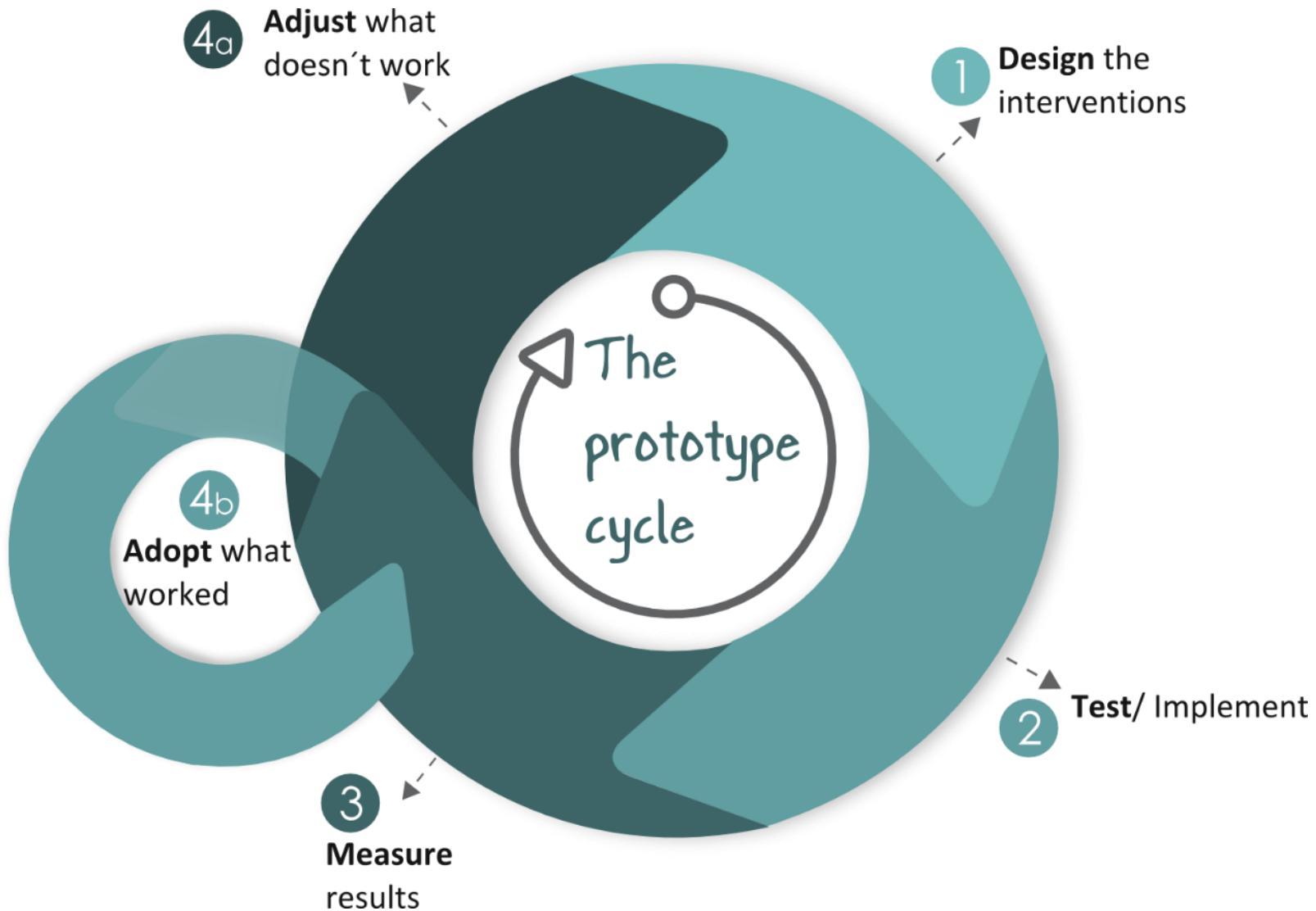


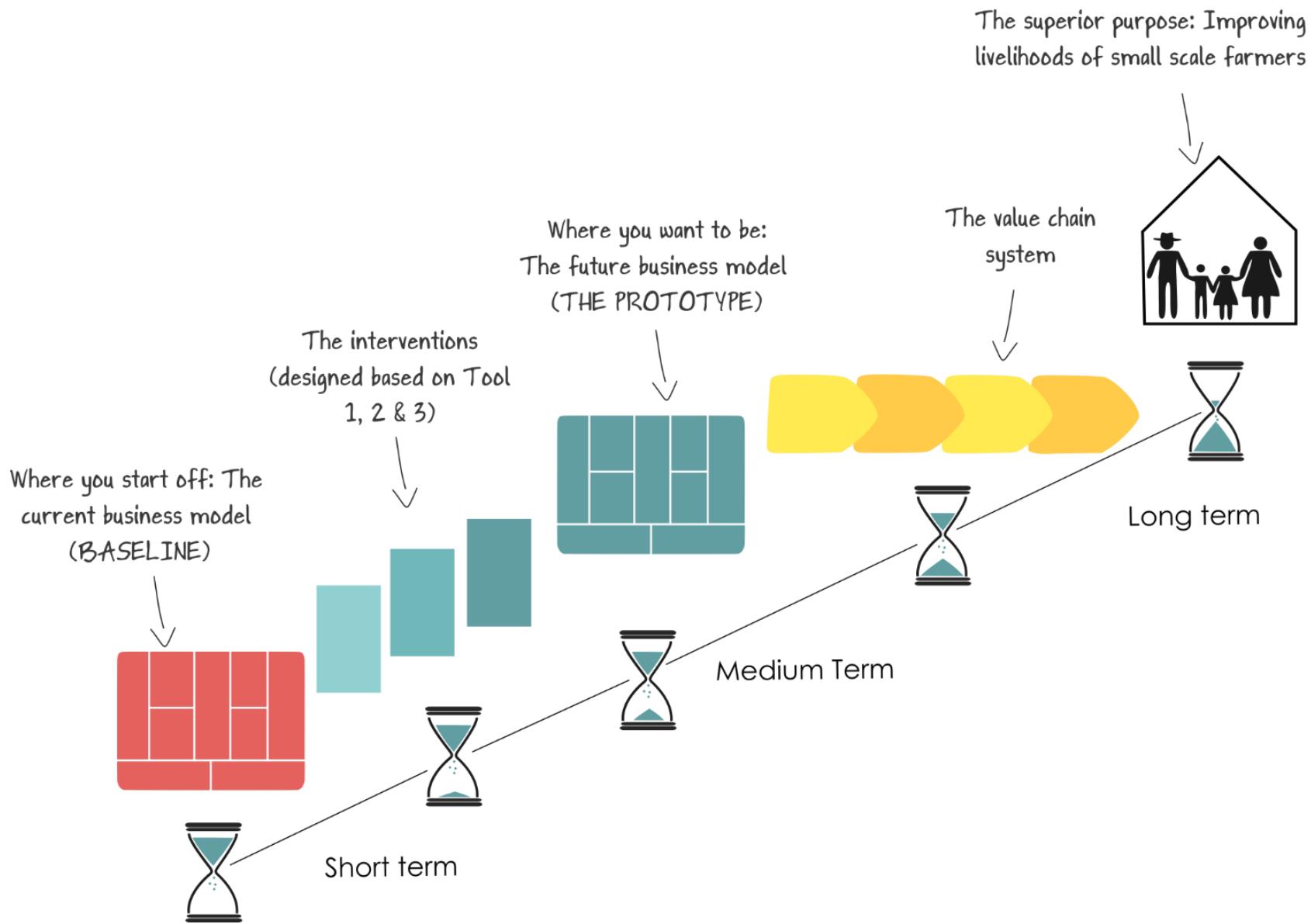
CAFÉ - ASOMACAFE



LECHE - APROCOLEDA









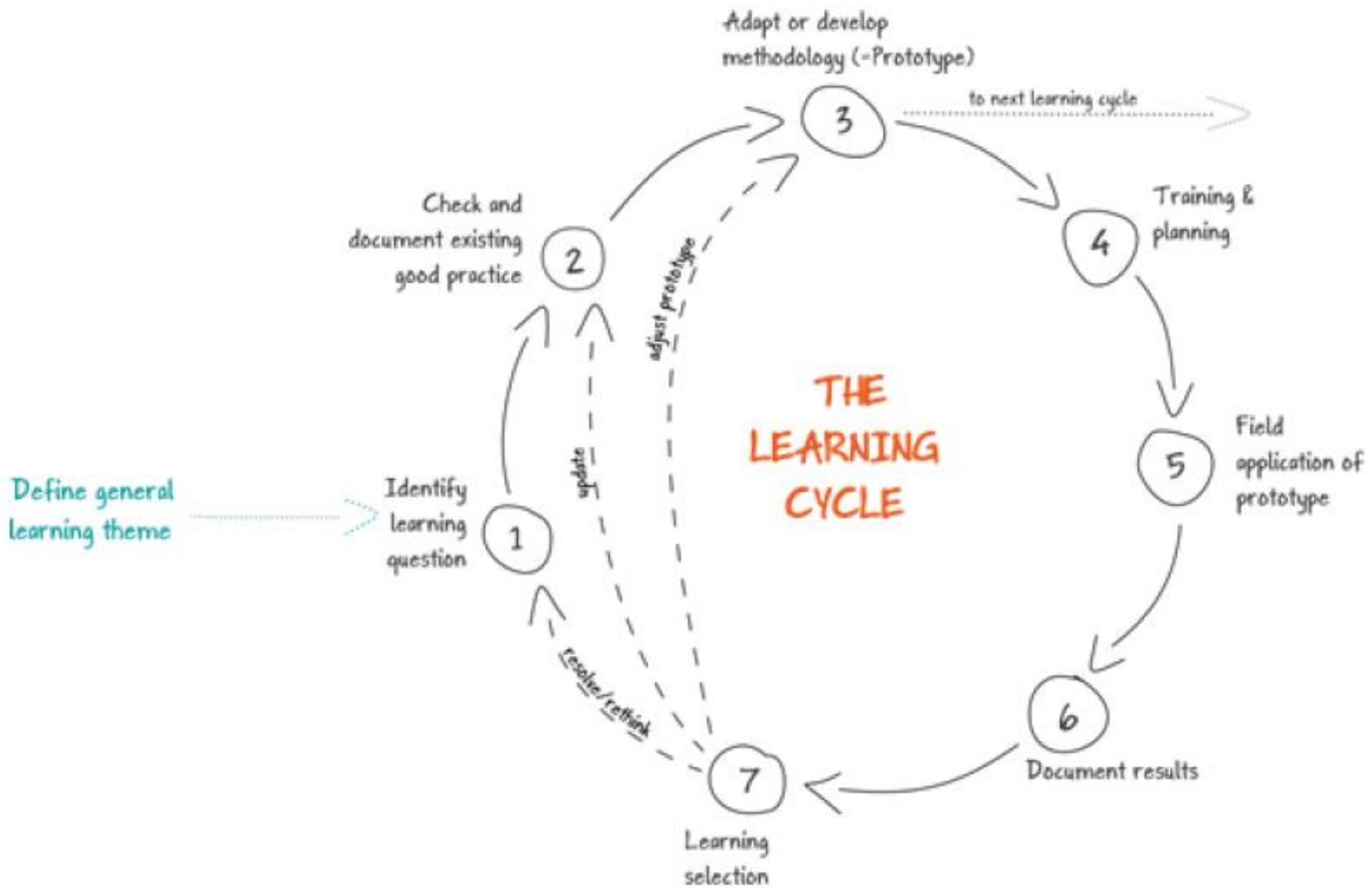
Proper measurement of results is key to enable value chain actors to make the right decisions

Bridging research and development for:

- Faster learning about what works, where, for whom and under what conditions
- Improved approaches, methods and tools
- Better program design
- More effective development interventions
- Robust evidence to document results and influence others



Learning cycle



- Across several countries: Vietnam, Cambodia, Myanmar, Indonesia, Philippines
- Initial focus on Inclusive Business (first learning cycle) but possibility to expand to other topics
- Process is starting with CIAT and Heifer – Need to expand to other development practitioners and research organizations

THANK YOU

