CGI 2016 ANNUAL MEETING
NEW YORK CITY
SEPTEMBER 19–21

TURNING IDEAS INTO ACTION™

Engaging Smallholder Farmers in Value Chains:

Emerging Lessons

1271 Avenue of the Americas, 42nd Floor • New York, NY 10020 • T: 1 212 397 2255 • F: 1 212 397 2256 • clintonglobalinitiative.org

September 2016

TABLE OF CONTENTS

EXECUTIVE SUMMARY

In 2014, the Clinton Global Initiative (CGI) published a report, Commitment Portfolio Analysis 2005-2013, analyzing commitments made from 2005-2013. That report, the first of its kind, took stock of the more than 2,800 commitments made by that time, and identified common trends to better understand the CGI commitments' portfolio in aggregate. This report helped to significantly advance CGI's understanding of what issues are being addressed by commitments in CGI's portfolio and where they are having an impact.

In 2016, the portfolio of CGI Commitments to Action continues to grow and serves as a resource for understanding trends in approaches to addressing key global challenges. Members of the CGI community have made more than 3,500 Commitments to Action – the majority of which have been successful or are ongoing in their efforts to make a positive impact in communities around the world. CGI encourages continuous learning and aims to understand how it can best support commitment development and implementation. In June 2016, CGI published a study, Analysis of Unfulfilled Commitments, identifying trends among the commitments reported unfulfilled through the end of 2015.

Now, with this report, CGI seeks to deepen the understanding of the commitments' portfolio and highlight effective approaches, through the analysis of a group of commitments working to address a specific challenge (i.e. connecting smallholders to global value chains).

While sustainable agriculture has long been an area addressed by CGI members, recent years have shown an increase in commitments with the specific aim of connecting smallholder farmers to the global economy. For this report, CGI examined five commitments made by multinational corporations, nongovernmental organizations, and social enterprises aimed at empowering smallholder farmers and connecting them to global corporate value chains. In particular, CGI focused on the power of partnerships in enabling these commitments and the role neutral conveners can play in facilitating the necessary connections. Through conversations with key stakeholders engaged in each of these commitments, including the commitment-makers and partners, CGI has drawn out lessons learned and best practices to be shared with others working in this field—along with the greater CGI community. These include:

- The long-term financial viability of multinational food and beverage companies is incumbent on them shifting to more sustainable supply chains. Partners and smallholder farmers play a key role in enabling this shift.
- The success of a project relies on the willingness of smallholders to participate in and steward the program. To this end, smallholders should be engaged as early as possible.
- Pilots are essential to assess and refine the complex aspects of a large-scale, multi-partner, multi-sector commitment.
- Commitment-makers should tailor key performance indicators (KPIs) to local contexts, using the insights of local partners to establish appropriate goals.
- Neutral conveners enable partnerships between diverse actors, play a catalytic role in project development, and provide accountability mechanisms to support the long-term success of these projects.

ABOUT THIS REPORT

PURPOSE

In 2014, CGI published a report, Commitment Portfolio Analysis 2005-2013, analyzing commitments made from 2005-2013. This report, the first of its kind, took stock of the more than 2,800 commitments made by that time, and identified common trends to better understand the CGI commitments' portfolio in aggregate. This report helped to significantly advance CGI's understanding of what issues are being addressed by commitments in CGI's portfolio and where they are having an impact. Furthermore, in June 2016, CGI published a study, Analysis of Unfulfilled Commitments, identifying trends among the 190 commitments reported unfulfilled through the end of 2015. CGI has made a concerted effort to continue learning from the commitments' portfolio and better support commitment development and implementation. To this end, CGI seeks to deepen the understanding of the commitments' portfolio and highlight effective approaches, through the analysis of a group of commitments working to address a specific challenge (i.e. connecting smallholders to global value chains). This report intends to contribute to the knowledge base of best practices related to implementing specific projects in global settings, maximizing the positive social impact of ongoing and future projects and expanding CGI's knowledge sharing with members of the CGI community.

BACKGROUND

According to the Food and Agriculture Organization of the United Nations (FAO), 80 percent of the food consumed in Asia and Sub-Saharan Africa is produced by smallholder farmers, many of whom are increasingly burdened by smaller parcels of land and limited prospects for income generation. Improved productivity and opportunity for smallholder farmers can be unlocked by expanding their access to markets, resources, and agricultural inputs through global value chains.

Since 2005, members of the CGI community have made over 120 commitments that are directly engaging and supporting smallholder farmers and which have a total estimated value of $3.7 billion, when fully funded and implemented. Through the collective impact of these commitments, commitment-makers have reported that more than 50 million farmers or small-scale producers have gained access to inputs, supports, and markets.

SELECTED COMMITMENTS

This analysis includes five commitments, made by multinational corporations, nongovernmental organizations, and social enterprises aimed at empowering smallholder farmers and small- and medium-sized enterprises (SMEs) and connecting them to global corporate value chains.

- In 2015, the Hershey Company committed to train 7,500 smallholder farmers in Ghana on improved agronomic practices and empower them to supply commercial markets with groundnuts (known in the U.S. as peanuts).

- In 2015, the Smallholder Farmers Alliance and its partners committed to create and implement a new value chain in Haiti for moringa, training 730 smallholder farmers and establishing a new commercial export company with participating farm cooperatives who will receive shares to become part owners.

- In 2015, Unilever, Acumen, and the Clinton Giustra Enterprise Partnership committed to improve the livelihoods of over 300,000 smallholder farmers, by scaling social enterprises and linking them to inclusive global supply chains and distribution networks.

- In 2014, Sodexo committed $1 billion in spend to bring more micro-, small-, and medium-sized enterprises (SMEs), especially those owned and operated by women, into its global supply chain.

- In 2011, Heineken committed to locally source 60 percent of the raw materials used in its African beer brands by 2020.

METHODOLOGY

The commitments included in this report were selected specifically for their alignment with the focus of this study: engaging smallholders in global value chains. All five commitments are focused on operations in Asia and Sub-Saharan Africa with a total estimated value of over $1 billion ($1,029,550,000). These commitments were made between 2011 and 2015, include engagement from the private, public, and social sectors, and have clear, time-bound and aspirational goals that mark a significant shift away from conventional sourcing practices.

To guide this study, and inform the interviews, CGI made the following assumption and hypothesis:

With the assumption that cross-sector global partnerships are critical to connect smallholders with global value chains and enable long-term growth in smallholder businesses, CGI hypothesized that the proliferation of global partnerships in this field thrives when a neutral actor convenes across sectors and supports these connections by: facilitating partnerships; cultivating a learning community; spotlighting challenges; increasing the visibility of certain issues; and highlighting successful approaches.

The scope of the interviews was intended to reveal key dimensions of the role of partnerships in these commitments and test CGI's hypothesis about the role of neutral conveners in fostering these partnerships. To this end, the key informant interviews followed a standard set of questions, along the following lines of inquiry:

- **Concept Development & Partnership Building**
  - What types of partnerships exist within these commitments?
  - How were local partners and stakeholders engaged?
  - How did the consideration of possible risks inform the commitment plan and approach?
- **Commitment Implementation:**
  - What lessons learned/best practices can be drawn from these commitments to support other work in this space?
  - What unintended consequences occurred due to the implementation of these commitments?
  - What is the business case for these activities? Do the results to date suggest it will be proven?
- **Role of Neutral Conveners:**
  - How have neutral conveners (including CGI) supported this work?
  - What value is added by the efforts of neutral conveners?

CGI transcribed and coded each interview, highlighting common themes and compiling them as takeaways in this report. In most cases common insights have been drawn from multiple interviewees. Some insights were shared by only one person, but have been included because they are broadly applicable to the industry and sector.

CGI interviewed representatives from the commitment-making and partner organizations associated with the five commitments. In total, 16 people from 10 organizations were interviewed for this report:

ORGANIZATION	INDIVIDUAL	TITLE
ACHIEVING 60% LOCAL SOURCING OF RAW MATERIALS IN AFRICA		
European Cooperative for Rural Development	Niels Hanssens	Deputy Executive Director
Heineken	Paul Stanger	Local Sourcing Director for Africa/Middle East
Heineken	Tarekegn Garomsa	Raw Materials Development Manager
ENERGIZE LEARNING: LOCALLY SOURCED GROUNDNUTS FOR GHANA		
The Hershey Company	Jeff King	Senior Director Sustainability, CSR, and Social Innovation
ENHANCING LIVELIHOODS INVESTMENT INITIATIVE (ELII)		
Acumen	Yasmina Zaidman	Director of Strategic Partnerships
Clinton Giustra Enterprise Partnership	Mark Gunton	Chief Executive Officer
Clinton Giustra Enterprise Partnership	Mesakh Adu	Farmer
Clinton Giustra Enterprise Partnership	Soro Souleymane	Farmer
Unilever	Rebecca Marmot	Global Vice President Partnerships
HAITIAN MORINGA VALUE CHAIN		
Kuli Kuli	Lisa Curtis	Founder and Chief Executive Officer
Smallholder Farmers Alliance	Hugh Locke	Co-founder and President
SMALL BUSINESS, BIG IMPACT: BUILDING INCLUSIVE SUPPLY CHAINS		
Sodexo	Darlene Fuller	Senior Director Supplier Diversity
Sodexo	Neil Barrett	Group Vice President Sustainable Development
Sodexo	Rachel Sylvan	Director of Engagement, North America
WEConnect International	Elizabeth Vazquez	Co-Founder and Chief Executive Officer
WEConnect International	Michael Tobolski	Director of Corporate Relations

To support the planning and writing of this report along with validation of CGI's findings, CGI appointed an external advisory committee. The advisors were selected based on their ability to contribute one or more of the following:

- Topic expertise
- Familiarity with the design and authoring of case studies or similar reports
- Familiarity with CGI and the commitments model

The advisory committee includes:

ORGANIZATION	INDIVIDUAL	TITLE
Fidelity Charitable	Sarah Gelfand	Vice President, Program Management
Bridgespan Group	Nidhi Sahni	Partner
Sustainable Food Lab	Don Seville	Co-Director
The Bill & Melinda Gates Foundation	Nushina Mir	Senior Program Officer, Measurement & Evaluation

OVERVIEW OF THE CLINTON GLOBAL INITIATIVE

CLINTON GLOBAL INITIATIVE

Established in 2005 by President Bill Clinton, the Clinton Global Initiative (CGI), an initiative of the Clinton Foundation, convenes global leaders to create and implement innovative solutions to domestic and global challenges. CGI Annual Meetings have brought together 190 sitting and former heads of state, more than 20 Nobel Prize laureates, and hundreds of leading CEOs, heads of foundations and NGOs, major philanthropists, and members of the media. To date, members of the CGI community have made more than 3,500 commitments which have improved the lives of over 430 million people in more than 180 countries.

CGI also convenes CGI America, a meeting focused on collaborative solutions to economic recovery in the United States, and CGI University (CGI U), which brings together undergraduate and graduate students to address pressing challenges in their communities or around the world.

WHAT IS A COMMITMENT TO ACTION?

CGI convenes leaders to drive action through its unique model. CGI does not fund or implement commitment projects, but instead facilitates action by helping members connect, collaborate, and develop effective and measurable Commitments to Action. CGI staff support the development of commitments by facilitating dialogue, providing opportunities to identify partners, showcasing the actions taken by commitment-makers, and communicating results.

A Commitment to Action—the defining feature of CGI—is a plan for addressing a significant global challenge. Participants must make a Commitment to Action to be a part of CGI. Commitments can be small or large and financial or nonmonetary in nature. Many commitments are the result of cross-sector partnerships, with members of the CGI community combining efforts to expand their impact. It is important to note that commitments are not donations to the Clinton Foundation. Every CGI commitment must meet three basic criteria:

- NEW: A CGI commitment must present a new idea or approach to a major challenge. While ongoing work is not eligible, an expansion of a successful program does qualify as a valid Commitment to Action. Additionally, participants can become partners on other CGI commitments by, for example, providing in-kind support or technical expertise.
- SPECIFIC: A CGI commitment must outline a specific approach to a problem, have clear and feasible objectives to be accomplished within a defined period of time, and articulate the desired outcome of the effort.
- MEASURABLE: A CGI commitment must have specific quantitative or qualitative goals that can be monitored by the commitment-maker to evaluate progress over time. As each commitment is implemented, annual progress is reported to CGI to show the extent of its impact.

HOW DOES CGI COLLECT DATA FROM ITS MEMBERS?

As each commitment is implemented, CGI asks its commitment-makers to provide a progress update on their commitment every year. Commitment-makers report cumulative impact against the specific target metrics set when the commitment was developed, in addition to providing a variety of other qualitative data related to the commitment (summary of progress, lessons learned, best practices, etc.). The CGI Commitments staff review progress reports, make that progress publicly available on the CGI website, relay this collected information in year-round meetings in order to create a shared learning community, and help other members explore what works and what does not in addressing global challenges.

DOES CGI VERIFY THE DATA RECEIVED FROM COMMITMENT-MAKERS?

All data is self-reported by CGI commitment-makers. CGI serves as a platform for companies, individuals, governments, and nonprofits to learn from one another's efforts, in an effort to maximize the success of CGI members — not as a watchdog organization to evaluate the effectiveness of a specific organization's work on global challenges. During the commitment development process, CGI staff work with each commitment-maker to establish target metrics that are realistic and maintain the same approach CGI takes in the reporting progress. Additionally, CGI works with the organization to ensure it has the capacity to accurately measure, evaluate, and report on their impact. The commitment-maker is ultimately responsible for identifying the metrics most appropriate for measuring a commitments' impact.

INTRODUCTION

Multinational food and beverage companies are increasingly recognizing that it is in their best interest to engage more smallholder farmers in their global value chains.

According to recent data, by the year 2050, the global population is expected to exceed nine billion people. Beyond ensuring that everyone has strong and reliable access to education, employment, energy, and health care, feeding over nine billion people within the next 35 years will require an estimated 60 percent increase in global food production. This challenge becomes more daunting when we consider that, according to 2013 research published in Nature Communications, industrial agriculture may be reaching the limits of food production; meanwhile, climate change will continue to have a negative impact on food production.

Innovative solutions must be adopted to meet current and future demand for food around the world, while simultaneously balancing the health of global ecosystems with economic growth.

The greatest opportunity to meet this growing demand, and in a sustainable manner, lies with the 500 million small-scale farms in Asia and Sub-Saharan Africa. These farms employ 2.5 billion people and collectively provide 80 percent of the food supply in those regions. Despite the volume of food they produce, smallholder farmers generally have low access to technology, limited resources in terms of capital, skills, and risk management, depend on family labor for most activities, and have limited capacity in terms of storage, marketing, and processing. These constraints limit the ability of smallholders to achieve their full potential, but improved productivity can be unlocked by increasing smallholders' access to markets and resources through global value chains. Given that smallholders comprise over 30 percent of the world's population and the majority of the world's poor, smallholder sourcing programs provide a unique opportunity to make large-scale livelihood investments and support poverty alleviation.

Cross-sector global partnerships and collaboration are critical to enable long-term growth in smallholder businesses and connect large multinational food and beverage companies with small-scale farms. The 2014 CGI Portfolio Analysis found that successful CGI commitments increasingly rely on partnerships and multi-sector partnerships and that commitments with partnerships were observed to have higher success in reaching their stated goals, compared to commitments implemented by single actors. However, effective partnership building can be difficult in practice. Therefore, a neutral convener could play a key role in supporting the proliferation of global partnerships in this field by convening organizations across sectors and facilitating these connections, cultivating a learning community, spotlighting challenges, and highlighting successful approaches.

While sustainable agriculture has long been an area addressed by CGI members, recent years have shown an increase in commitments with the specific aim of connecting smallholder farmers to the global economy. For this report, CGI examined five commitments made by multinational corporations, nongovernmental organizations, and social enterprises aimed at empowering smallholder farmers and small- and medium-sized enterprises (SMEs) and connecting them to global corporate value chains. In particular, CGI focused on the power of partnerships in enabling these commitments and the role neutral conveners can play in facilitating the necessary connections. Through conversations with key stakeholders engaged in each of these commitments, including the commitment-makers and partners, CGI has drawn out lessons learned and best practices to be shared with others working in this field—along with the greater CGI community.

MAKING THE CASE (THE CHALLENGE)

Key Takeaways

- The long-term financial viability of multinational food and beverage companies is incumbent on them shifting to more sustainable supply chains. Partners and smallholder farmers play a key role in enabling this shift.
- A project's success relies on smallholders' stewardship of the program and they should be engaged as early as possible.
- Local sourcing initiatives can create value for both companies and smallholders. By ensuring alignment with both local partners' and global business' goals companies ultimately described little risk to the commitment's implementation.

Why should multinational food and beverage companies invest in smallholder farmers? And why should smallholder farmers work with multinational food and beverage companies? Even before understanding how to set up a successful project, CGI sought to understand the drivers that support commitments in this space, specifically the five CGI examined. Elaborating on the business case for these investments and partnerships, companies, such as Heineken, Hershey, Sodexo, and Unilever, noted that programs engaging smallholders and SMEs in their value chains help them to achieve their corporate goals, both financially and socially. In addition, smallholders, such as those working in the Unilever value chain, discussed the opportunity to increase their yields and income. In this way, local sourcing initiatives can be positioned as win-win-win projects for farmers, companies, and governments. Through these initiatives, farmers win through increased productivity and access to reliable markets, companies win through securing local supply, and national governments win through increased support for agriculture development.

In all cases, the companies CGI interviewed emphasized that their long-term financial viability is incumbent on them shifting to more sustainable supply chains—not only to ensure the long-term supply of a given product, but also to generate positive brand awareness and loyalty. For this reason, the positive social impacts of these investments are inherently tied to the business case of the investments and help drive financial success for a given company. In addition, these projects, particularly pilots, can create opportunities for companies to gain market intelligence for a future business opportunity. In support of this notion, Rebecca Marmot, Global Vice President of Partnerships at Unilever, acknowledged the value of sourcing from smallholders, stating, "There is a very strong business case for us to look at new sourcing models. […] We, as a business, have to ensure that we can guarantee security of our supply in order to ensure that our business runs smoothly and operates in the most efficient way possible."

While these multinational food and beverage companies are global businesses, their goods and services are both sourced and delivered locally. Therefore, it is in a company's best interest to invest in the local communities it serves to generate positive awareness of its local brand, especially in new markets. This not only helps to establish long-term relationships in a given region, but also can help to ensure long-term supply for a given product and long-term cost savings due to avoided tariffs. In particular, CGI found that by prioritizing local contexts and needs in a project's design and ensuring alignment with the business goals, companies ultimately described little risk or negative unintended consequences in their commitments. Neil Barrett, the Group V.P. of Sustainable Development at Sodexo, remarked, in describing the value of local partners and prioritizing local communities, "[W]e employ locally, we engage local suppliers, and it's the people on the ground […] that create those local connections, partnerships."

Aside from the business drivers that enable increased sourcing from smallholder farmers, the long-term success of a project relies on the willingness of those smallholders to participate in and help steward the program. It is incumbent on the company architecting a new sourcing program to consider how farmers make decisions: largely based on their own economic interest. If a farmer's participation in a program can ensure greater financial stability, through increased and reliable agricultural yields and income, then that farmer will be incentivized to adopt new practices. In the case of Heineken's commitment, Paul Stanger, Local Sourcing Director for Africa/Middle East, acknowledged that without showing farmers the benefits of participating in the program, it was hard for the project to gain momentum. Once a few willing farmers began contributing to the program and saw success, they then worked to convince more of their peers to join. It was only by patiently working to build the trust of farmers that Heineken started to see progress in this commitment, eventually scaling to include 10,000 farmers in Ethiopia alone.

Buy-in at the local level is critical to the success of a project. Many challenges and risks arise when there is not appropriate buy-in from local stakeholders, specifically smallholders and country managers. Examples of these risks include the sheer number of smallholder farmers that are needed to aggregate, as opposed to large-scale industrial farms, as well as the issue of side-selling. Niels Hanssens, Deputy Executive Director of the European Cooperative for Rural Development (EUCORD), noted the risk of side-selling by the smallholder farmers. Despite receiving support from the commitment-makers, such as Heineken, the smallholder farmers always have the option to turn around and sell to competitors. Education on improved production practices as well as guaranteed markets are key for overcoming these challenges and mitigating these risks. Niels Hanssens said, “If there is no guaranteed market, farmers will move back to their old practices, if they don’t see the importance of using improved seed, fertilizer, and all the improved production practices.”

Because participation from smallholder farmers is critical to the success of the project, they should be engaged as early as possible. And this early engagement can help to build trust and assuage farmers’ fears of exploitation by large companies as noted by Niels Hanssens of EUCORD. To this end, many people, CGI interviewed, highlighted the importance of listening, persistence, and patience to build transparent and successful relationships. As Tarekegn Garomsa, Raw Materials Development Manager of Heineken, emphasized, “It is possible to work with smallholder farmers. You have to closely support them. It is not something you can bring in a year or two. You have to take time and you have to be patient.”

ARTICULATING A SPECIFIC GOAL

Key Takeaways

- CGI commitment-makers should establish a specific and ambitious goal, around which they and their partners can set specific key performance indicators (KPIs).
- Pilots are essential to assess and refine the complex aspects of a large-scale, multi-partner, multi-sector commitment.
- Co-creation of the commitment objectives is essential to ensure that all partners contribute to and shape the shared goal. A diverse group of global and local partners can help bring a project to scale and can fill expertise or knowledge gaps.

When developing a new commitment, organizations should establish both a specific and ambitious goal, to be used as a guiding star around which the necessary systems and operations can be designed. For example, in 2011, Heineken set a clear, time-bound, and aspirational goal of locally sourcing 60 percent of the raw materials used in its African beer brands by 2020. The announcement of a large and notable goal can serve as a call to action, emphasizing that a commitment-making organization is shifting its internal and external priorities. In doing this, a company indicates to its clients and employees that it is invested in the success of a large goal, such as the well-being and sustainability of the communities in which it works. Neil Barrett of Sodexo noted, “It’s been very positive to reinforce our brand. It’s been very positive to do good things, out in the community, and I think it’s helped to give our employees a sense of pride in what they’re doing, and how they’re going about it, and the results we’re achieving.” In addition, all related activities and key performance indicators (KPIs) should be business-case oriented to support the execution of this goal.

Establishing a notable goal can also have the ancillary benefit of generating new business and partnership opportunities. The majority of commitment-makers and partners that CGI interviewed described additional business opportunities that have stemmed from these commitments, including opportunities for further expansion into new markets and the development of new product lines. These projects can open the door to operational efficiencies across an organization, through new access to people and partners. All stakeholders have varying responsibilities and priorities and the commitment development and implementation process is a matter of navigating these competing priorities and finding natural alignment.

Beyond setting an aspirational goal, commitment-makers, including large multinational companies, espoused the value of starting small and recognized the need to begin with a pilot program before scaling. Pilots are essential to assess and refine the complex aspects of a large-scale, multi-partner, multi-sector commitment. In implementing a pilot, commitment-makers and partners can target issues early on, at a smaller scale, and learn how to mitigate these problems in the future. Pilots allow for commitment-makers to scale the project in "bite-sized pieces," as noted by Rebecca Marmot, of Unilever, which is all a part of "a process of learning and modifying the model as you go along." "We begin evaluating every new opportunity to develop smallholders into a supply chain for Unilever [under our Enhancing Livelihoods Investment Initiative commitment] by jointly prospecting value chains and designing in-country pilots with local Unilever teams," said Mark Gunton, Chief Executive Officer of the Clinton Giustra Enterprise Partnership (CGEP). "We then validate assumptions and refine our business plans during the pilot over the next several months." Effectively evaluating the success of a pilot and making any necessary modifications requires an investment of time and patience, all of which serve to make a more successful commitment. Issues that arise from the pilots can be addressed early on, making the model or project more effective. Given the volatility and risks associated with agriculture, the multinational food and beverage companies CGI interviewed emphasized the benefit of using a pilot to incubate a larger goal and build relationships with farmers and other partners.

Commitment-makers should not underestimate the value that partners bring to a commitment. Organizations interviewed for this report emphasized that partners are necessary to help bring a project to scale and that they can provide expertise or knowledge the commitment-maker might not have. In describing Heineken's goal of 60 percent local sourcing and the contribution partners make toward this objective, Paul Stanger underscored, "Absolutely we needed partners. We're a beer and soft drink and cider producer. We're not farmers." Partners can help ensure the long-term success and sustainability of the project by establishing local relationships, aggregating supply, and providing an overall understanding of the local context. For Heineken, a key implementing partner is EUCORD, which manages many of the partners in Heineken's value chain, including: coordinating with associations and cooperatives, providing technical assistance to smallholders, and liaising with input providers, microfinance institutions, regional governments, and research institutes.

Both global and local platforms may be necessary to effectively implement a commitment. Rachel Sylvan noted "the importance of a global vision with local execution", adding that "partnerships need to be able to support that." Oftentimes the countries in which these commitments are being implemented lack an enabling environment to support public-private partnerships, and thus have gaps in the necessary inputs, finance, and capacity building. Partners from all sectors can contribute resources and expertise in order to address these gaps. While the commitment-makers highlighted in this report advocated for the value diverse partners can contribute to a commitment, they also acknowledged that partners can also introduce new challenges, outside of the project implementation. A large number of diverse partners can make it difficult to develop, measure, and report on shared goals, as organizations each have their own KPIs and strategic priorities. For this reason, it is crucial that there be open and regular communication between all commitment-makers and partners.

Co-creation of the commitment objectives with all partners is essential to ensure that all parties have the opportunity to contribute to and shape a shared goal. By approaching all planning conversations with this common goal in mind, commitment-makers and partners can best align themselves with the proposed strategy, the roles of each player, and the plan of action. Transparency and effective communication are essential to ensure that all partners are in agreement. Confusion or miscommunication during any step in the commitment development process can undermine a commitment's successful implementation. To mitigate this, each partner organization must be transparent and clearly articulate their contribution to the project, supporting the establishment of a common language in order to execute the goals and vision of the project. Beyond establishing a shared goal, each participating organization should distill their contributions to the commitment to discrete KPIs. When launching their shared initiative, Enhancing Livelihoods Investment Initiative, to link over 300,000 smallholders to global value chains, Unilever, Acumen, and CGEP established a formal structure, to manage and maintain their partnership. At the project's outset, Unilever presented its supply and quality requirements to Acumen and CGEP so that they could identify strategic areas to support Unilever in achieving its business and social goals. Following this mapping exercise, each organization established their own KPIs to measure progress toward their individual and shared goals. The partners continue to adapt this governance structure to facilitate increased coordination, enabling effective communication and shared accountability.

IMPORTANCE OF INTERNAL BUY-IN

Key Takeaways

- Commitment champions drive resources toward a project and are critical to ensure the long-term success of a project.
- A team-based approach, involving employees from each partner organization in the planning and implementation of a commitment, can mitigate the challenges associated with staff turnover and managing governance structures
- Because smallholder sourcing programs require a greater investment of resources than importing raw materials, it is necessary to generate buy-in throughout the value chain and ensure that everyone is committed to the goal.

While not unique to value chain projects, commitment champions or advocates within the commitment-making and partner organizations are critical to ensure the long-term success of a commitment. The five commitments included in this report are all ambitious and long-term projects, comprised of multiple phases, requiring a large internal investment of personnel, time, and financial resources. Champions in an organization's leadership, such as the CEO, can set the tone, guaranteeing that a project is prioritized within the organization and communicating from the top-down its importance. Conversely, employees throughout an organization can drive internal buy-in from the bottom-up, reinforcing the value of a project on their individual teams. When questioned on the importance of internal buy-in, Jeff King, Hershey's Senior Director of Sustainability, CSR, and Social Innovation, emphasized, "You absolutely have to have senior level leadership buy-in for these large initiatives. Finding individuals at the working level who are supportive and excited is easy, you need senior leaders to help drive across all levels of the organization." And Niels Hanssens of EUCORD described key players as being "both at headquarters and at the operating company level."

Employee engagement is equally as important as senior leadership buy-in. Having a notable goal and a compelling story that is supported by senior leadership can reverberate through an organization and generate excitement among employees about the organization and the project's goal. This enthusiasm can amplify an employee's pride in her organization's brand and direction, and ultimately a willingness to be engaged and to participate. Employees can take ownership in the project and be proud to be a part of an organization working in new and innovative ways.

Recognizing that the partnership and governance structures built into a commitment can be difficult to manage at times, a champion can also help advocate for and position an organization's priorities within the commitment objectives. In the day-to-day implementation of commitments, personal relationships between various stakeholders are key to strengthening the partnerships of a commitment and staff turnover can limit team cohesiveness and the project's sustainability. For this reason, a team-based approach, involving multiple employees from each partner organization in the planning and implementation of a commitment, is the most effective way to accommodate and mitigate the challenges associated with staff turnover. In the absence of a team-based approach, a project can become indefinitely stalled if the commitment champion were to leave the organization. Yasmina Zaidman, Director of Strategic Partnerships at Acumen, noted: "What's helped us a lot…is the strength of our agreement and the fact that this is a broad partnership; there's not just one person on each side who's making it all happen." In having this kind of diversity and strength in numbers, implementing organizations can leverage various resources and maintain a project's momentum, despite staff turnover.

Heineken noted that it is vital for the private sector partner to be committed to the goal at the local, in-country level, as well as at the corporate level. Strong commitment is needed from those at the country-level, such as country managers, because developing sustainable, local value chains can require a larger investment of time, energy, and financial resources that conventional sourcing practices (i.e. importing raw materials). As noted earlier, these aspirational goals require patience and time—often on the scale of many years. Sodexo found that the connections between their local supply management personnel and the businesses in the communities in which they work are crucial to their work. Having this local country manager is key to local relationship building, and overall sustainability of the project. Commitment-makers shared that it can be difficult to create incentives to support local sourcing programs as these programs are contradictory to traditional procurement systems, requiring more time and involving more risk.

MITIGATING RISK

Key Takeaways

- A primary way that commitment-makers and partners mitigate risk is through the diversification of suppliers and buyers.
- Commitment-makers should tailor KPIs to local contexts, using the insights of local partners to establish appropriate goals.
- Partners play an important role in helping to identify and mitigate emerging risks. Co-creation of commitment goals and governance structures with partners can ensure that emerging risks are addressed before they escalate.

As the saying goes, even the best laid plans can often go awry. And, arguably, agriculture may be one of the most inherently risky business endeavors. Given that most crops are harvested on an annual cycle, farmers only have one opportunity in a year to maximize their return. Anything from extreme climate events to political instability to disease outbreaks can jeopardize a crop's yield, a farmer's potential profit, and a company's supply for a given product. For this reason, project planning should involve an evaluation of potential risks and incorporate risk mitigation strategies for any preventable and predictable risks.

The projects featured in this study are complex and lend themselves to various risks. Risk is the possibility that an unexpected event may affect a commitment, with either positive or negative impact. Risk can affect any aspect of a commitment, including: people, processes, technology, funding, and other resources. While some risks are inherently unpredictable or difficult to manage, with effective planning, many risks can be anticipated in the project plan. CGI encourages ambitious and long-term projects and along with that ambition and innovation comes inherent risk. As an example of an effective risk assessment, before commencing, Unilever, Acumen, and CGEP, enlisted the support of a third-party consulting firm to conduct an objective survey of potential risks to their commitment and develop a suite of risk mitigation strategies—the result of which has helped to manage the potential negative consequences of various large-scale risks.

One of the primary ways that commitment-makers and partners described mitigating risk is through the diversification of suppliers and buyers. As Hugh Locke, the co-founder and President of the Smallholder Farmers Alliance, described "the first level of risk mitigation is to start with a purchase order and immediately after that go after more orders to ensure long term sales diversification." From the smallholder perspective, this means ensuring that they have multiple revenue streams and lines of business so that they are not dependent on purchase orders from a single entity. Many multinationals, such as Sodexo, will often work with their suppliers to connect them with additional clients and purchase orders. Additionally, multinationals, recognizing the risks in having a purchase order fulfilled by only one group of smallholders, also make an effort to place their purchase orders with multiple suppliers. In adopting this approach, smallholders and multinationals plan for risks on both the supply and demand side and work to mitigate the negative impacts on a community if a company is forced to close a line of business.

Acknowledging that these are often global projects, being implemented across multiple regions and geographies, it is important for commitment-makers to be flexible and tailor an approach and KPIs to the local environment. Paul Stanger noted, "It is critical that operational project management is established locally and local sourcing projects can't be run from headquarters." Understanding the local context also serves as a fundamental risk mitigation strategy for commitments. This includes not only understanding the local cultures and customs, but also an acknowledgement of general mistrust that may have arisen from past development efforts. The most effective way to achieve this is through listening to the stories and perspectives of all partners and stakeholders and integrating this throughout a commitment's design. As Jeff King, of Hershey, stated, "I think early on it's a lot of listening, really trying to understand the problem before you come up with the solution. It might have been the solution you had on day one, but you really need to listen to the problems that they [local partners] have and try to make sure the solution is going to meet their issues versus the thing that you show up and want to try to accomplish." Often risks are created when the commitment-makers do not understand the needs of smallholders, but local partners can ensure that appropriate decisions are being made, given the local context. Central to this notion is approaching every situation with humility, appreciating a diversity of voices in the planning and implementation, and acknowledging that the right answer or correct way of doing things does not live with one person.

In addition, the network of partners involved in a given commitment can play an important role in helping to identify and mitigate emerging risks. Partners can also contribute to certain risks in a commitment, especially in the absence of regular communication and transparency in decision-making. Accepting that regular communication structures do not naturally occur without the buy-in from and participation of all partners, governance structures are necessary to ensure frequent communication. At their strongest, these projects unite organizations across different sectors, cultures, and geographies and this diversity of perspectives makes a project ever more resilient.

ROLE OF NEUTRAL CONVENERS

Key Takeaways

- Neutral conveners play a range of roles. Most critically, they can enable partnerships between diverse actors, play a catalytic role in project development, and provide accountability mechanisms to support the long-term success of projects.
- Three opportunities for neutral conveners to support future smallholder sourcing initiatives include:
    - Increasing engagement from the finance sector to invest in smallholder sourcing initiatives
    - Enabling smaller organizations to access partnership opportunities
    - Providing spaces for industry-specific conversations

Through interviews with commitment-makers and partners, CGI found that cross-sector global partnerships and collaboration are valuable to enable long-term growth in smallholder businesses and connect large multi-national food companies with small-scale farms. Furthermore, CGI's 2014 Portfolio Analysis found that the prevalence of partnerships in commitment-making has increased over time and that commitments implemented through partnerships achieve more success against their goals than commitments without partners. Given this, the proliferation and importance of partnerships in this field is maximized with the support of a neutral actor to support the formation of cross-sector partnerships and cultivate a community in which actors can learn about challenges, successes, and best practices.

A neutral convener is any platform that brings together multiple organizations to facilitate networking opportunities, spotlight various global challenges, promote knowledge sharing, and catalyze action. In CGI's interviews, companies articulated a range of roles that can be played by neutral conveners: on one end, some conveners play a very active role in shaping partnerships and specific agendas, while on the other end, some conveners play a more passive role that is limited to organizing the actors in question.

In the interviews conducted by CGI, enabling and ensuring the proliferation of partnerships for smallholder sourcing initiatives was cited as perhaps the most important role of convening platforms. As partnerships require a significant investment of time and resources to forge, manage, and maintain, neutral conveners can address some of these obstacles by creating spaces for diverse and trusted actors to network. A contrast was observed in this study between two broad types of convening platforms: 1) larger, learning-focused conferences that provide broader thought leadership and general networking opportunities, and 2) smaller, industry-focused roundtable discussions centered on strategy, decision-making, and targeted networking. Through the Annual Meeting, CGI most closely embodies the latter. However, CGI also has the ability to organize smaller groups of likeminded organizations by connecting members based on their shared priorities. Whether facilitating relationships between implementers or funders, neutral conveners must excel at matchmaking, requiring a substantive understanding of different actors' needs and goals. Neutral conveners who successfully assume this matchmaking role can also assist in level-setting among potential partners, by supporting the communication of different players' roles.

Beyond coalition building, neutral conveners can also play a catalytic role in project development. For instance, CGI's commitments model acts as a forcing mechanism that requires companies to be intentional and timely in the project design phase, by necessitating that companies think through an array of project aspects and adhere to deadlines. As Neil Barrett of Sodexo explained, "A neutral convener can help mold the aspirations of all the parties into something that is agreed [upon] by all, and therefore that establishes a much better methodology for moving around […] a well-defined target." Neutral conveners can also inspire action around certain topics by setting a specific agenda, thereby providing external encouragement and validation of projects addressing certain populations or challenges. The ability of conveners to facilitate conversations and eliminate silos between diverse actors can also greatly enhance the sharing of best practices, knowledge, and lessons learned, providing organizations with actionable information. WEConnect International's Co-Founder and Chief Executive Officer, Elizabeth Vazquez, articulated that without convening platforms, "it's really hard to know what is working and what is not, and what things you could be doing differently and what things cannot be done unless other stakeholders in that ecosystem are making it possible. Everyone needs to be better networked to make this type of work effective." Neutral conveners can also provide advice or consultative services of their own by aggregating information related to the experience of member organizations and communicating key findings to broader audiences.

Finally and critically, companies that develop projects with the support of convening platforms, such as CGI, are provided with powerful accountability mechanisms. For example, providing a platform on which companies can publicly announce projects motivates them to ensure follow-through on new initiatives, particularly when these announcements lead to media coverage and public awareness of the projects in question. Launching an initiative through a high-profile convening platform ensures that parties external to the implementing organizations will expect results and updates. CGI provides an important accountability mechanism in this manner by soliciting annual progress reports from all active commitments. In many interviews, participating organizations expressed the importance of such reporting mechanisms, as they set an expectation that progress will be not only be achieved, but also effectively measured and shared. Furthermore, conveners can ensure that organizations have developed feasible monitoring and evaluation strategies before a project even begins, ensuring their ability to give accurate project updates over the lifecycle of the project.

Companies interviewed elucidated a few key ways in which neutral conveners could provide additional support in the future to organizations implementing smallholder sourcing programs, or complex, partnership-based programs generally.

As organizations grow their smallholder sourcing initiatives, funding will be necessary to take these programs to scale. Neutral conveners can play a critical role in facilitating funding relationships by bringing the finance community or other major investors to the same table as implementing organizations.

Neutral conveners can continue to provide access to smaller organizations who are engaged with the topic, but may not traditionally have the opportunity to be "in the room" with large corporate actors, such as the companies implementing many of the smallholder sourcing commitments in this report. Cross-sector partnerships are critical to the viability of smallholder sourcing initiatives and according to CGI analyses, to projects in general. Hugh Locke of the Smallholder Farmers Alliance, for example, said that CGI provides "the broadest possible range of engagement in smallholder farming" and that the diversity of organizations present "ensures that all the stakeholders are in the room when the discussions are happening". Because of its diverse, cross-sectoral membership and the legitimacy it provides to participating organizations, CGI has been ideally situated to provide these services.

Neutral conveners with industry or commodity-specific knowledge also have a valuable role to play. Many interviewees articulated the important part that industry-specific meetings play in their work. These platforms provide highly specialized knowledge and discussion on certain commodities, regions, or markets. As mentioned previously, CGI's strength has historically been its large, broad-based meetings, which, due to the breadth of CGI's membership, are not able to fill the role of industry meetings. However, CGI has increasingly demonstrated success in convening smaller groups of members in more strategic, year-round meetings, or Action Networks, proving its ability to provide more specialized content when there is a critical mass of members whose priorities align. This demonstrates that there is a clear opportunity for convening platforms to play an important role in driving strategic conversations around smallholder sourcing going forward.

CONCLUSION

CGI examined five commitments made by multinational corporations, nongovernmental organizations, and social enterprises aimed at empowering smallholder farmers and connecting them to global corporate value chains. CGI sought to understand the role partnerships play in enabling these commitments and the role neutral conveners can play in facilitating the necessary connections. Through conversations with key stakeholders engaged in each of these commitments, including the commitment-makers and partners, CGI has derived these key findings:

- The long-term financial viability of multinational food and beverage companies is incumbent on them shifting to more sustainable supply chains. Partners and smallholder farmers play a key role in enabling this shift.
- The success of a project relies on the willingness of smallholders to participate in and steward the program. To this end, smallholders should be engaged as early as possible.
- Pilots are essential to assess and refine the complex aspects of a large-scale, multi-partner, multi-sector commitment.
- Commitment-makers should tailor KPIs to local contexts, using the insights of local partners to establish appropriate goals.
- Neutral conveners enable partnerships between diverse actors, play a catalytic role in project development, and provide accountability mechanisms to support the long-term success of these projects.

Given these findings, CGI identified the following as opportunities to strengthen work and commitments in this sector:

- Cross-sector partnerships, to enable smallholder sourcing programs, will continue to grow as multinational corporations increasingly recognize the necessity and value of engaging smallholders in global value chains. For this reason, neutral conveners can continue to play a key role in enabling and supporting these partnerships.
- It is incumbent upon neutral conveners to continue convening across sectors, rejecting silos and ensuring that stakeholders at all levels are engaged early and often.
- Additional funding is necessary to take these programs to scale. Neutral conveners can facilitate the engagement of the finance community and other investors in these programs, highlighting investment opportunities and addressing the associated risks, to close funding gaps.

RESOURCES

SELECTED COMMITMENTS

ACHIEVING 60% LOCAL SOURCING OF RAW MATERIALS IN AFRICA (CGI ANNUAL MEETING 2011)

CGI Track / Subtopic: Food Systems / Agriculture
Commitment Status: Ongoing

Commitment By: Heineken
Partner(s): Kingdom of the Netherlands; EUCORD; IFDC; ICCO; USAID; Schokland Fund; African Enterprise Challenge Fund (AECF); Nigerian Institute for Agricultural Research (IAR); Common Fund for Commodities; Sierra Leone Agricultural Research Institute (SLARI); Finance Salone; Benimix; Alliance for Green Revolution in Africa (AGRA)
Estimated Total Value: $16,000,000 over 9 Years
Project Start: 9/22/2011
Geographic Scope: Burundi; Cote d'Ivoire; Democratic Republic of the Congo; Egypt; Ethiopia; Nigeria; Rwanda; Sierra Leone; South Africa

In 2011, Heineken committed to locally source 60 percent of the raw materials used in its African beer brands by 2020. By working with NGO partners, such as EUCORD and IFDC, to provide agricultural support and training for small-holder farmers while increasing the percentage of raw materials (such as barley, sorghum, rice, and maize) sourced from local farming communities, Heineken will: 1) secure a sustainable supply of raw materials for its beers in Africa; 2) help to strengthen the competiveness of the African agricultural sector, eventually lowering the prices of local grains; 3) improve the livelihoods of rural households over time; and 4) reduce its own carbon footprint by shortening its supply chains for raw materials and cutting transportation costs.

Progress Update: March 2016

In 2015, Heineken sourced 49% of its agricultural raw materials within Africa; up from 48% in 2014. Heineken has 24 local value chains across 11 African countries, seven of which are implemented in partnership with The Netherlands government.

ENERGIZE LEARNING: LOCALLY SOURCED GROUNDNUTS FOR GHANA (CGI ANNUAL MEETING 2015)

CGI Track / Subtopic: Food Systems / Access to Markets
Commitment Status: Ongoing

Commitment By: The Hershey Company
Partner(s): Ghana School Feeding Program
Estimated Total Value: $3,000,000 over 3 Years
Project Start: 10/1/2015
Geographic Scope: Ghana

In 2015, the Hershey Company committed to train 7,500 smallholder farmers in Ghana on improved agronomic practices and empower them to supply commercial markets with groundnuts (known in the U.S. as peanuts). The Hershey Company purchases groundnuts to manufacture Vivi, a vitamin-fortified protein snack that it distributes to the Government of Ghana's school feeding program. This commitment aims to achieve 100 percent local sourcing of groundnuts for Vivi from Ghana's farmers, by helping them increase groundnut quality to meet standards for commercial use and by constructing a local groundnut roasting facility. Meeting this sourcing goal will improve the livelihoods of local farmers by increasing the quality and price of their products; in addition to the access they will have to the Hershey Company's supply chain, the farmers will gain the capacity to grow groundnuts that can be sold on formal markets in the long-term.

Progress Update: June 2016

To date, Hershey has made good progress with respect to sourcing a roaster for the Project Peanut Butter facility in Kumasi. In partnership with USAID Ghana, Hershey has finalized all the technical specifications for the roaster and is beginning the bidding process as specified by the USAID procurement process. Farmer training been intentionally delayed, as Hershey does not want to approach farmers until they are fully confident in facility's ability to process local peanuts.

ENHANCING LIVELIHOODS INVESTMENT INITIATIVE (ELII) (ANNUAL MEETING 2015)

CGI Track / Subtopic: Market-Based Approaches / Access to Markets
Commitment Status: Ongoing

Commitment By: Acumen; Unilever; Clinton Giustra Enterprise Partnership
Estimated Total Value: $10,000,000 over 3 Years
Project Start: 1/1/2015
Geographic Scope: Cote d'Ivoire; Ghana; India; Indonesia; Kenya; Tanzania; Uganda

In 2015, Unilever, Acumen, and the Clinton Giustra Enterprise Partnership (CGEP) launched the Enhancing Livelihoods Investment Initiative (ELII), a 3-year, $10 million effort to dramatically improve the livelihoods of over 300,000 smallholder farmers in Africa, South Asia, Latin America and the Caribbean, by scaling impact enterprises and linking them to inclusive global supply chains and distribution networks. Acumen will invest in and provide management support to enterprises that can be linked to global supply chains; The Enterprise Partnership will jointly create supply chain and distribution enterprises aligned with the goals of the ELII; and with operations in over 190 countries and over half their footprint is in developing and emerging markets, Unilever will bring the scale, influence, and resources to demonstrate a replicable model. With over 2.5 billion people engaged in smallholder agriculture globally, producing 80 percent of food consumed in emerging markets, enhancing their income and sustainability is a global imperative.

Progress Update: March 2016

Under the Enhancing Livelihoods Investment Initiative (ELII), a partnership between Unilever, Acumen and CGEP, a first investment has been made to impact smallholder tea farmers.

Acumen and Unilever announced in November 2015 they will invest a total of $747,450 to enable BURN Manufacturing to bring their new low-cost, energy efficient wood-burning cookstove, Kunikoa, to Unilever smallholder tea farmers in Kenya and Tanzania. An investment pipeline has been developed with Acumen and CGEP to plan deployment of funds over the next two years.

HAITIAN MORINGA VALUE CHAIN (CGI ANNUAL MEETING 2015)

CGI Track / Subtopic: Response & Resilience / Nutrition
Commitment Status: Ongoing

Commitment By: Smallholder Farmers Alliance (SFA)
Partner(s): The Timberland Company; Whole Foods Market, Inc.; Kuli Kuli; World Central Kitchen; Prodem SA
POS Bio-Sciences; Haiti Ministry of Environment
Estimated Total Value: $550,000 over 2 Years
Project Start: 10/1/2015
Geographic Scope: Haiti

In 2015, Smallholder Farmers Alliance (SFA) and its partners committed to create and implement a new value chain in Haiti for moringa, qualified as a "superfood" for its exceptionally high nutritional content and a crop that is increasing in global demand. Over the course of one year, SFA will provide agricultural training to 730 smallholder farmers, as well as technical assistance and business training for women farmers to help them establish and expand small businesses for processing the moringa leaves into powder. In addition, SFA will establish a new commercial export company with participating farm cooperatives who will receive shares to become part owners. The US-based Kuli Kuli Company will create a new food product made from Haitian smallholder grown-and-processed moringa leaf powder. Whole Foods Market will then introduce this new food product in over 150 of its U.S. stores.

Progress Update: June 2016

The Smallholder Farmers Alliance (SFA) and its partners have successfully created a new export market for moringa. The value chain starts with men and women smallholder farmers, growing thousands of moringa trees and harvesting the leaves. This is followed by women farmers processing those leaves into powder, which ends up in the new Moringa Green Energy shots that are manufactured by the Oakland-based Kuli Kuli and currently sold at all 435 Whole Foods Market outlets throughout the United States.

SMALL BUSINESS, BIG IMPACT: BUILDING INCLUSIVE SUPPLY CHAINS (CGI ANNUAL MEETING 2014)

CGI Track / Subtopic: Market-Based Approaches / Supply Chains
Commitment Status: Ongoing

Commitment By: Sodexo Group
Partner(s): WEConnect International
Estimated Total Value: $1,000,000,000 over 3 Years
Project Start: 9/1/2014

In 2014, Sodexo committed $1 billion in annual spend to bring more micro-, small-, and medium-sized enterprises (SMEs), especially those owned and operated by women, into its global supply chain. This investment will be used to develop a standard supply chain inclusion program for global deployment. The program will help local Sodexo operations train and incentivize their supply teams to source from SMEs, make the supplier on-boarding process easier for SMEs to navigate, and support the development of SME partners with new training programs. These training programs will be designed to help suppliers work more effectively with Sodexo and meet quality standards that will help them become more competitive in the marketplace overall. Sodexo will also continue to work with intermediary organizations, such as WEConnect International and local cooperatives, to expand opportunities for local businesses. To ensure effective management of this initiative Sodexo will develop a system for tracking global spend with SMEs and expand best practices in SME sourcing to new countries.

Progress Update: June 2016

In the 2015 Fiscal Year, 30 Sodexo country operations, out of the 40 Sodexo expected to be reached by 2017, now have a local supply chain inclusion program. Of the 30 country operations participating in the local supply chain inclusion program, 14 have a system in place to track which of their suppliers are SMEs.

Work on the program is structured in two separate parts involving different stakeholders. These parts form the ecosystem that will ultimately ensure success of the overall program and improve the quality of life for people in the communities where Sodexo operates.

Part 1: Internal Sodexo Program
The program will help refine policy, program definitions, and deployment actions and via various means create internal awareness and engagement, measurement and reporting. Specifically, local Sodexo operations will train and incentivize their supply teams to source from SMEs, either independently or via the collaborative enabling platforms. To ensure effective management of this initiative Sodexo will develop a system for tracking global spend with SMEs and expand best practices in SME sourcing to new countries.

Part 2: Collaborative Enabling Platform
Sodexo understands that it can expand its impact and meet its CGI commitment by collaborating with third-party organizations focused on the development of SMEs. Creating an Enabling Platform will not only assist Sodexo's supply chain teams in connecting with SMEs, but also will make the pathway easier for SMEs to become a successful partner to Sodexo. Through this platform Sodexo will work with partners, such as WEConnect International, to inform strategy, identify potential suppliers, better understand value creation considerations, overcome specific operational issues, review supply chain challenges for SMEs in particular countries and create a more conducive business environment for SMEs.

INTERVIEW QUESTIONS

Concept Development & Partnership Building

- Did you need partners to help implement this commitment? In what key areas? How did you identify and develop the necessary partnerships?
- How have you engaged local partners and stakeholders? How were they identified and what role do they play in their communities? How were the needs and priorities of the farmers factored in to the commitment?
- Do you have an exit strategy for this commitment? How will you know when to implement this strategy? What role will the partners play in its execution?
- What leadership buy-in was necessary from each partner to launch the commitment? How would you describe the willingness of your organization's leadership to collaborate with other partners?
- Did your organization think about risk in the design and implementation phases? In what ways were the partners chosen to mitigate these risks to the commitment?

Commitment Implementation

- What are two examples of where the commitment's strategy and objectives were challenged? Did the partners play a role in addressing and/or contributing to these challenges?
- Can you share two examples of how the partnerships of this commitment have worked particularly well and how the different partners added value? What would you replicate?
- Can you share two lessons learned about collaboration in the context of this commitment?
- Were there any unintended consequences that resulted from the particular design, approach, or implementation of this commitment?
- Is there a business case for the activities of your commitment? If so, has it been proven or do the results to date suggest that it will be proven? How have the partners contributed to or strengthened the business case?

Role of Neutral Conveners

- What role do you think neutral conveners play in this field?
- What are the most important functions of a neutral convener?
- Why did your organization choose CGI as the platform to launch this project?
- Beyond filling out the Commitment to Action Form, how did you engage CGI in the process of making and implementing this commitment?
- What are some specific ways CGI supported this commitment? What are some of the challenges you experienced in engaging with CGI? Did you have certain expectations that were not met?
- How have you engaged other convening organizations or platforms? Which ones? What value did those provide?

COMMON TERMS

Smallholders: Common characteristics of smallholders are that they have low access to technology, limited resources in terms of capital, skills, and risk management, depend on family labor for most activities, and have limited capacity in terms of storage, marketing, and processing. While there is no universally accepted definition for "smallholder," the term generally refers to producers that cultivate less than two hectares of land. Smallholders also include fishers, harvesters and other individuals who work in agroforestry, aquaculture, and seafood production.

Global Value Chain: The entire series of activities by which a company adds value to raw materials to create a finished product.

Neutral Convener: Platforms that bring together multiple organizations to facilitate networking opportunities, spotlight various global challenges, and catalyze action.

Risk: The possibility that an unexpected event may affect a commitment, with either positive or negative impact. Risk can affect any aspect of a commitment, including: people, processes, technology, funding, and other resources.

REFERENCES

FAO, 2012. *Smallholders and Family Farmers: Sustainability Pathways*. Web. 15 Aug. 2016.

Faurés, J-M, 2008. "Glossary." *Water and the Rural Poor Interventions for Improving Livelihoods in Sub-Saharan Africa*. Rome: FAO.

IFAD and UNEP, 2013. Smallholders, Food Security, and the Environment. Web. 15 Aug. 2016.

Porter, J.R., L. Xie, A.J. Challinor, K. Cochrane, S.M. Howden, M.M. Iqbal, D.B. Lobell, and M.I. Travasso, 2014: Food security and food production systems. In: *Climate Change 2014: Impacts, Adaptation, and Vulnerability. Part A: Global and Sectoral Aspects. Contribution of Working Group II to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change* [Field, C.B., V.R. Barros, D.J. Dokken, K.J. Mach, M.D. Mastrandrea, T.E. Bilir, M. Chatterjee, K.L. Ebi, Y.O. Estrada, R.C. Genova, B. Girma, E.S. Kissel, A.N. Levy, S. MacCracken, P.R. Mastrandrea, and L.L.White (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, pp. 485-533.

Grassini, P, Eskridge, K. M., Cassman, K. G., 2013. Distinguishing between yield advances and yield plateaus in historical crop production trends. Nature Communications 4 (2013).

UNEP, 2013. Smallholder Farmers Key to Lifting Over One Billion People Out of Poverty." UNEP. 4 June 2013. Web. 15 Aug. 2016.