

Living Income benchmarking, Peru and Indonesia

Section 1: Concept Overview

Project Objective: To calculate living income benchmarks in Peru and Indonesia to allow understanding of coffee farmers incomes and the gaps for different farmers to earn enough for a decent standard of living (living income).

Brief Description: The SCC Wellbeing & Prosperity CAN includes the goals of having living income benchmarks and PPPs to close income gaps. This effort includes studies to calculate robust, representative Living Income Benchmarks with the Anker Research Network as a basis to identify income gaps and structure PPP's to close and surpass those gaps in Peru and Indonesia. The goal is to conduct these studies with strong, multi-stakeholder support from the public, private and NGO sectors and aligned with the goals of the ICO Coffee Public Private Task Force Roadmap. These two countries also have industry and donor interest for benchmarking in cocoa growing regions and as such, the effort aims to bring these two industry/donor interests together for a larger scale benchmarking process.

In addition to this opportunity in Peru and Indonesia, a number of countries have been prioritized in the ICO Living-Prosperous Income workstream for developing benchmarks (in order to achieve the commitment of 80% of ICO exporting countries having Benchmarks by 2025). In 2021-22 these include: Mexico, Brazil, Honduras, Uganda, DRC, Vietnam, Colombia and Ecuador (in addition to Peru and Indonesia). We would be happy to discuss partnerships on those benchmarking activities, either through information/data sharing, as well as, in-kind and/or financial support.

Country of Focus: Peru, Indonesia

Key Performance Indicators:

| Indicator | Metric | Baseline | Project Target |
|---|------------------------------------|----------------|---------------------|
| Benchmark established in ICO producer country | Approved Benchmark by stakeholders | Forms baseline | Establish benchmark |

Please indicate how this project aligns with the 2025 Targets:

- Resilient supply
 X Improve well-being & prosperity
 Strengthen market demand
 Conserve nature

The project aligns directly with the Improve well-being & prosperity 2025 target of establishing Living Income Benchmarks in 80% of the ICO member producer countries.

Project Status: In development

... **Project Timeline:** Start date: July, 2021 End date: December, 2022

Section 2: Partnerships

Involved Parties:

| Organization Name | Role in Project | Contribution |
|----------------------|--|--------------|
| Sustainable Food Lab | Establish stakeholder group linked to ICO LPI group and SCC WPCAN;Liaise | In kind time |

| | | |
|---|---|--|
| | with researchers; Fundraise | |
| PERU | | |
| Max Havelaar Switzerland | Coordinator of SECO funds; Contribute actual income data for gap analysis (cocoa project only) | |
| SECO | Funder in both countries | ~CHF 25K |
| Ministry of Agriculture Peru | Link to national statistics and methods; Provide critical feedback to benchmark scope; Link to national coffee strategies and coffee roundtables | In kind time |
| Solidaridad Peru | Funding; Provide geographic priorities Contribute actual income data for gap analysis | ~Euro10K |
| 3 industry partners – Peru | Funding Provide geographic priorities | Euro 15K |
| Fairtrade International | Stakeholder review | In kind – calculation of living income reference price |
| INDONESIA | | |
| SECO | Funder | ~CHF 25K |
| Swiss Contact / Cocoa Sustainability Platform | Coordinate SECO funds, support researcher | In kind time |
| GIZ | Funder, for Sulawesi research | ~EURO15 |
| Ministry of Agriculture Indonesia | Link to national statistics and methods; Provide critical feedback to benchmark scope; Link to national coffee institute | In kind time |
| SCOPI | Provide critical feedback to benchmark scope and geographic coverage | |
| Rikolto | Provide critical feedback to benchmark scope; Contribute actual income data for gap analysis | In kind time |
| Fairtrade International | Stakeholder review | In kind – calculation of living income reference price |

Expectations for Partner Engagement:

1. Contribute the **geographic priorities** in these 2 countries for your coffee operations – where you would need a benchmark to be relevant for your work.
2. Consider **funding** for one of both of the studies
3. Join stakeholder review group to **review study design** (1 teleconference Q4 2021) and draft **study results** (1-2 teleconferences and/or in person meetings in country Q3-4 2022).

Deadline for partnership opportunities: 10/1/2021

Section 3: Funding

Project Costs*:

| | PERU | INDONESIA |
|----------------------------|-----------------|------------------|
| Total project costs | EURO 65K | ~EUR185K |
| Secured funding | EURO 45K | ~EUR 50K |
| Funding needed | EURO 20K | ~EURO135K |

*Estimated costs only. Anker Research Network will do scoping studies to review national data, consider geographic scope and extent of field research needed for representative benchmark studies.

Explanation of Funding Use: The funding is for the Anker Research Network to conduct robust, nationally representative living income benchmarks.

For more information on this project, please contact [Stephanie Daniels](mailto:sdaniels@sustainablefood.org) at sdaniels@sustainablefood.org