



**OXFAM  
INNOVATION LAB**



**OXFAM**  
America

OXFAM INNOVATION LAB

# AN IDEA: FROM SEED TO SCALE



## SEED STAGE

With “ears on the ground,” we work with our partners to identify a problem affecting the people we serve.



page 4

## GERMINATION STAGE

Using research, we seek innovative solutions to right the wrong we’ve identified.



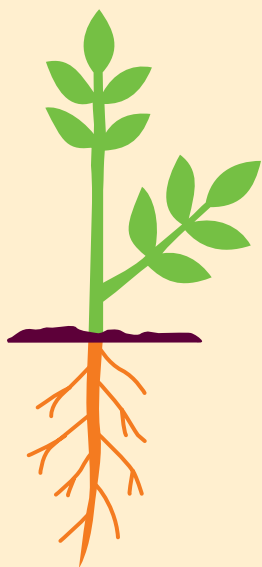
page 8

## DEVELOPMENT (PILOT) STAGE

We launch a pilot initiative to test our idea.

## BEHIND THE BRANDS (BTB)

page 12

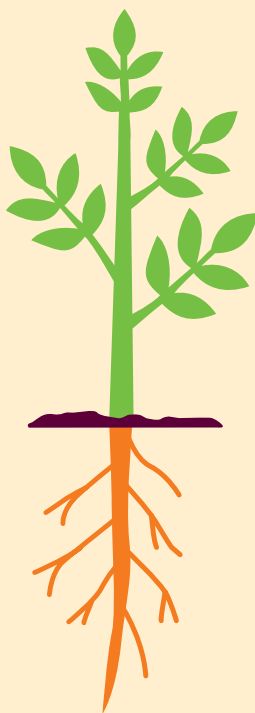


### EARLY GROWTH STAGE

We monitor and evaluate our initiative to improve and refine our solution.

## RURAL RESILIENCE INITIATIVE (R4)

page 16

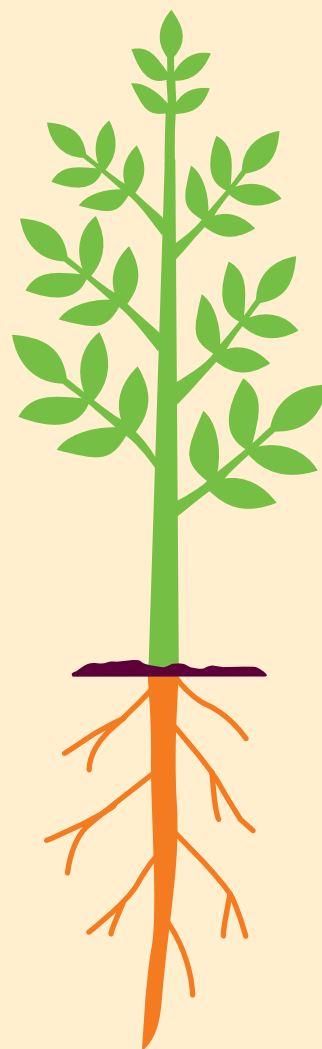


### EXPANSION STAGE

As the initiative grows, we conduct an impact evaluation to gauge its effectiveness.

## POVERTY FOOTPRINT STUDY (PFS)

page 20



### AT SCALE

If the initiative is effective, we work with local partners and use advocacy to bring it to scale.

# INTRODUCTION

The private sector has a vast and growing influence over people living in poverty. To right the wrongs of poverty, hunger, and injustice, Oxfam must find new ideas and new ways of engaging and harnessing the private sector to pro-poor ends. To fulfill our mission in the 90-plus countries where we operate, we need to make those ideas work on a global scale. That is why Oxfam has created the Innovation Lab, a systematic way to identify core challenges with potential for market systems solutions, seek out good market-based ideas, run pilot projects to make them better, communicate what we learn, and encourage others to take up initiatives with a proven track record.

## INNOVATION LAB

Oxfam America has developed a model of innovation incubation that is based on timely intelligence gathering and strategic research. Based on findings from our rapid scans of trends and real-time assessments, we design new initiatives in a collaborative effort among Oxfam's private sector department, strategic research unit, policy department, creative communications team, and country offices' programmatic teams. Ideas for innovation pilots emerge from a mix of intelligence gathering on the ground and trends and horizon scanning at a global level.

### OXFAM'S WORK IN THE INNOVATION LAB IS ROOTED IN THREE CORE BELIEFS:

- Economic growth and healthy markets are essential to overcoming poverty.
- Growth alone is not enough, as poverty is fundamentally tied to marginalization and power disparities.
- Long-term development solutions require systemic approaches to markets, cutting across government, business, and civil society.

Our private sector and research teams work together with country offices to develop a pilot. Our monitoring, evaluation, and learning team designs a system to provide real-time data for rapid pilot adjustments. Our creative team gathers journalistic stories and stakeholder profiles to generate high-quality mixed-media communications, showcasing personal perspectives and lessons learned. The Innovation Lab provides the space for collaborations between staff within these departments to generate the full cycle of work involved in successful piloting.

Research informs every phase of the Innovation Lab's work. We perform strategic research to identify promising ideas and analyze the local market in which they will operate. Our strategic research unit has a wealth of experience generating rapid scans of trends, organizing expert meetings on development challenges and potential solutions, and engaging in longer-term strategic research projects for designing evidence-based interventions. In addition to informing Oxfam's own program and advocacy agenda, our research is used by philanthropic foundations, multilateral organizations, and other international nongovernmental organizations (NGOs).

Monitoring lets us know what's working and what isn't. We have built a world-class research and evaluation team. Once an initiative is up and running, we study its impact to be sure it's achieving measurable results. We are constantly learning and improving.

Influencing policy, always at the heart of Oxfam's work, is the key to allow great ideas to flourish. We partner with local organizations, producers, and entrepreneurs to advance locally sustainable solutions. Active citizens must have the capacity to engage with markets and market actors effectively and to hold governments and corporations accountable.

Oxfam has decades of experience working at local, national, and global levels. In collaboration with Oxfam offices in more than 90 countries, we are able to draw from and connect ideas across the world. We have developed an approach to the private sector that seeks maximum influence through a mix of pressure and partnership. We engage closely with business, government, and civil society leaders to ensure that solutions are systemic and sustainable.

The Innovation Lab is a natural outgrowth of our proven model to take great ideas, incubate them, and bring them to scale. We are increasingly turning to impact investing—coupling innovative financing mechanisms with social and environmental returns—as a way to grow our most successful initiatives. We now have projects at every stage of the pipeline:

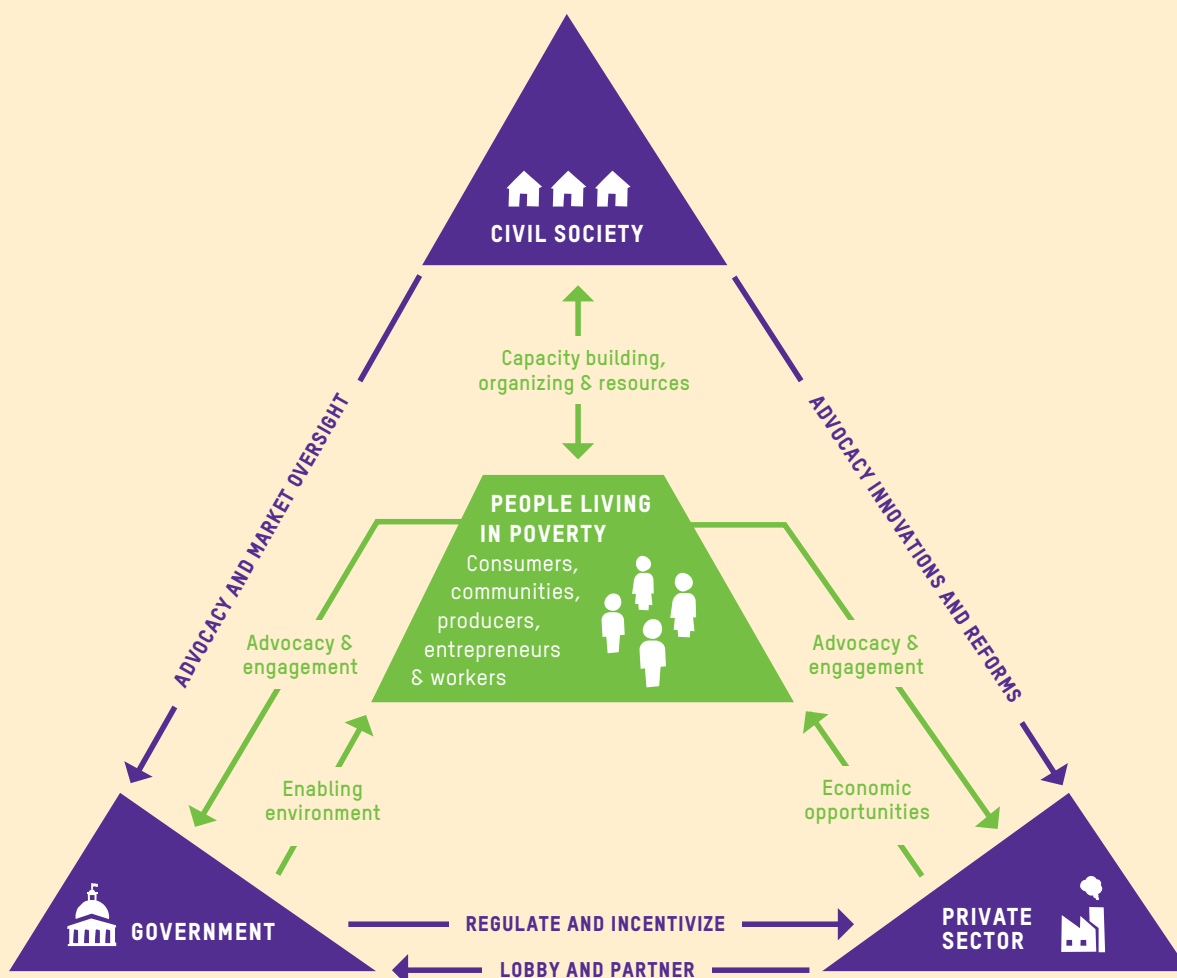
- **WOMEN IN SMALL ENTERPRISE (WISE)** This initiative is poised to make its first loans to allow women entrepreneurs in Guatemala to grow their businesses later this year.
- **EQUITABLE FOOD INITIATIVE (EFI)** This new certification program focused on food safety, environmental stewardship, and farmworkers' rights is earning revenue and expanding on farms throughout North America.

- **BEHIND THE BRANDS (BTB)** This campaign targets the 10 largest food and beverage companies in the world. It has produced major wins, from improving the lives of female cocoa suppliers to ending land grabs in the sugar supply chain.
- **RURAL RESILIENCE INITIATIVE (R4)** This major innovation insures smallholder farmers against the risks of climate change, and is now active in two countries as part of its global expansion.
- **POVERTY FOOTPRINT STUDY (PFS)** This methodology was recently adopted by the UN Global Compact as a proven means to measure and surface companies' impact on human rights.

## MARKET SYSTEMS APPROACH

With the Innovation Lab, Oxfam employs a “market systems approach” that seeks structural change in targeted markets through engagement with a wide range of actors. Oxfam acts as a catalyst in mobilizing key government, business, and civil society actors to identify and address market constraints. As illustrated in the diagram below, Oxfam seeks to intervene strategically at various points across a market. The approach aims to bring tangible benefits to small-scale producers, workers, entrepreneurs, and communities—while reinforcing their rights and voice in development.

## THE MARKET SYSTEMS APPROACH



INNOVATION LAB

# WOMEN IN SMALL ENTERPRISE (WISE)

## THE PROBLEM

Although countless women around the world run small businesses, the odds against women entrepreneurs can be staggering. In Guatemala, for example, banks require nearly twice as much collateral from women running businesses than from men. This is in a context where women own only 13 percent of land, the most common form of collateral. As a result of these barriers, smart, talented women are unable to get the capital they need to grow their businesses.

## THE INNOVATIVE SOLUTION

The Women in Small Enterprise (WISE) initiative combines impact investing with Oxfam's rights-based approach to support women's economic empowerment in Guatemala. WISE participants will have the opportunity to obtain credit from local Guatemalan banks backed by the WISE Fund and will have access to individual coaching, financial training, and peer-to-peer support to enhance business skills and build confidence.

With increased credit and skills, the women will be able to grow their businesses, hire more workers, support their communities, and serve as role models to inspire others to overcome gender-based obstacles.



GERMINATION STAGE





## WHAT IS THE INNOVATION?

WISE combines best practices from impact investing with Oxfam's deep commitment to break down gender-based barriers to ensure that women reach their full potential as entrepreneurs.

WISE targets the "most missing" of the missing middle—women entrepreneurs who have outgrown the small loan sizes of microfinance but lack access to commercial credit that would allow their businesses to take flight. To address this challenge, WISE has crafted an innovative approach that employs an impact investment fund to backstop loans and works through local partners to bridge the skills and confidence gaps that hold women back from achieving their goals.

WISE applies the principles of impact investing—seeking social gains alongside financial returns—to increase its impact. The \$1.2 million WISE Fund will leverage more than \$8 million in private banking lending, an 8 to 1 ratio. The fund's focus on women is already turning heads in the impact investing world, as investors recognize that women present a grossly underserved market and are worthy credit risks—in many cases, outperforming men.

WISE is also on the vanguard of joining impact investment with philanthropic capital. Through WISE, Oxfam seeks to demonstrate the power that impact investing can have when paired with a rights-based approach to development. Oxfam's advocacy efforts will extend WISE's reach far beyond the parameters of the program itself. Through a public campaign, Guatemalan banks and governmental institutions will recognize the social and financial returns associated with investing in women.

## CALL TO ACTION

**IMPACT INVESTING:** Raising \$1.2 million fund—\$650,000 raised, with \$550,000 needed to close the fund.

**DONATION:** Raising \$600,000 for next five years of the program, \$2.1 million over 10 years.

**GROUNDRESEARCH:** (1) How do we best integrate men and households in the delivery of programming that advances the economic rights of women? (2) What are the linkages between a woman's economic empowerment and her ability to escape gender-based violence? Are there unintended consequences to economic empowerment work that actually heighten the risk of gender-based violence?

**BLUE-SKY RESEARCH:** Impact investing funds must look beyond their own investments and their own industries to identify what influence they can have on poverty alleviation in the markets in which they are operating. How do we integrate policy/advocacy work with impact investing in a way that creates systemic change for people living in poverty?

## OVERVIEW

WISE is a comprehensive women's economic empowerment initiative. We will work through local partners to enhance financial inclusion, improve self-confidence, strengthen hard skills, and grow the support networks of women taking part in WISE.

The WISE Fund gives women entrepreneurs access to investment capital by backstopping loans made by local Guatemalan banks to WISE participants. The fund will guarantee up to 50 percent of the losses of the WISE-backed loan portfolio, giving the Guatemalan banks the assurance they need to provide market-rate loans to WISE participants.

Women entrepreneurs will receive pre- and postinvestment training, individualized coaching, and peer-to-peer connections to ensure that they have the skills and support they need to repay their loans and grow their businesses.

## PROSPECTS AND CHALLENGES

WISE is at an exciting moment—the countdown to program launch is on. We have brought together local partners to support the program participants, we have begun outreach to women entrepreneurs, and we have identified a Guatemalan banking partner. We began preinvestment training in June 2014 and will make the first set of loans this fall. We have also begun to plan for WISE 2.0—how to take the learnings from WISE in Guatemala and apply them on a macroscale.

Big challenges remain. WISE confronts decades of entrenched discrimination and marginalization of women. That is why we have forged partnerships with institutions that have deep local knowledge and the courage and commitment to tackle these challenges head-on.

With so many stakeholders, coordination and communication are key. Focusing on our primary goal—giving women entrepreneurs the tools they need to succeed—provides the grounding for everyone to move forward together.

Oxfam will gather the stories and experiences of the WISE entrepreneurs to drive advocacy efforts to level the playing field for women across Guatemala.

## STAKEHOLDERS

WISE will be implemented through local Guatemalan partners in research, finance, training, and policy advocacy. We will contract with experts such as those at Rafael Landívar University to gain a deep understanding of the local context and ground our policy agenda in action-oriented research. A network of local capacity-building organizations will provide the women with comprehensive financial training, coaching, and market access support. Advocacy efforts will focus on the Guatemalan government and the Guatemalan banking sector to overcome barriers to women-run small businesses and to change public perceptions of women's entrepreneurship. WISE is backed by impact-minded investors and donors, and is anchored by Argidius, a Swiss-based foundation that focuses on supporting entrepreneurs and growing businesses.

## GOALS

### **1. SUSTAINABLE GROWTH OF WOMEN-RUN SMALL AND GROWING BUSINESSES:**

Increase access to financial resources and appropriate capital for women-run SGBs with demonstrated growth potential, so that these businesses can grow into sustainable enterprises.

### **2. WOMEN'S EMPOWERMENT THROUGH ENHANCED**

**SKILLS:** Provide women business owners with empowerment-based business training, coaching, and peer-to-peer networking that enhance business skills and improve confidence while encouraging more equitable gender roles.

### **3. CHANGED PUBLIC PERCEPTION OF WOMEN ENTRE-**

**PRENEURS:** Promote changing perceptions around the roles of women and men by strengthening the image of women entrepreneurs as role models and leaders in communities where this role is not the norm, and by promoting the acceptance of women as business leaders among private sector actors (e.g., formal financial institutions) and the general public.

### **4. SUPPORTIVE POLICY ENVIRONMENT FOR WOMEN'S ECONOMIC EMPOWERMENT:**

Develop policy advocacy initiatives that remove impediments, tackle the institutional barriers women-run businesses face, and create new opportunities for women's entrepreneurship through public or private sector policy change.



## WISE PROFILE

# MEET MARCO MONROY

Cultural discrimination and a lack of assets often hold women entrepreneurs in Guatemala back, making it difficult for them to grow their businesses. WISE, or Women in Small Enterprise, is a new Oxfam initiative that helps women overcome those barriers and gain access to midsize loans.



On Jan. 2, 2014, Marco Monroy began a new adventure, one that requires a skill mastered by just about every small business owner on the planet: the ability to keep track of many things at once. And if that business owner happens to be a woman, with children to raise and a house to run, she is going to be an expert at all-around juggling.

Women entrepreneurs who are on the cusp of moving their enterprises to a new level are precisely those whom Monroy is aiming to help in his role as coordinator of Oxfam's WISE program in Guatemala. Like them, he has a lot to manage, from coordinating partnerships with banks and local organizations to overseeing the legal structure of the WISE Fund, and helping to develop an advocacy strategy that will improve the opportunities for businesswomen in Guatemala.

Trained as an engineer, Monroy worked for four years with an agro-exporter helping it to triple its exports, and he comes to this job with a keen understanding of what women are capable of if they are given a fair chance. As a consultant for Friendship Bridge, a Guatemalan organization that provides microcredit and education to women, he saw firsthand how Guatemalan women run their businesses and efficiently pay off their loans. He expects no less of the women who will eventually participate in the WISE program.

"The challenging part is we're swimming against the current," said Monroy, noting that discrimination against women in Guatemala makes it difficult for them to advance in the business

world. But he's confident that women will embrace the chance to grow their businesses and change their lives.

Even when women are successful, however, they may experience a sense of guilt. They have taken a path different from their mothers and other women, a path that has required them to focus on their own achievements. One of the serious limitations women face is an absence of role models.

"We are trying to open the gate of opportunity," said Monroy.

INNOVATION LAB

# EQUITABLE FOOD INITIATIVE (EFI)

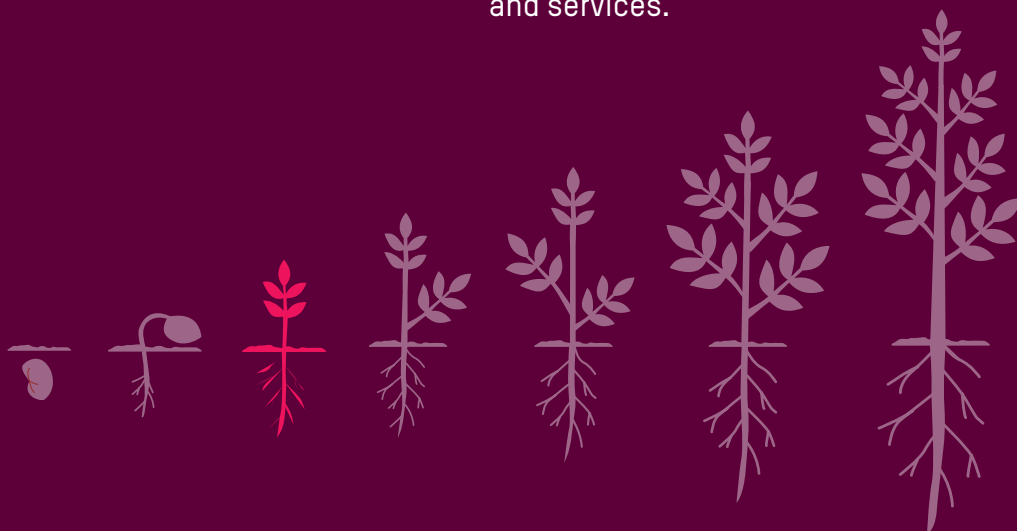
## THE PROBLEM

The people who harvest our produce are among the lowest-paid and most marginalized workers in America. The country's 1.6 million farmworkers earn an average of \$12,500 to \$15,000 per year. Common pest management strategies create toxic risk for farmworkers and raise consumer worries about health and the environment. Large retailers—and consumers—have major concerns about the risks of foodborne illnesses in produce supply chains.

## THE INNOVATIVE SOLUTION

The Equitable Food Initiative (EFI) is a groundbreaking multi-stakeholder certification scheme that improves the wages and working conditions of farmworkers while enhancing pest management and food safety on produce farms. By engaging farmworkers, growers, food companies, and consumers around common interests, EFI is developing innovations that create measurable benefits for everyone in the produce system.

Over the next five years, we plan to positively impact the wages, working conditions, and “voice” of 80,000 largely immigrant farmworkers through a certification program that improves conditions on 400 farms in the US, Mexico, and other countries. Within approximately seven years, EFI will fund a substantial portion of its operations through revenue generated by fees and services.



DEVELOPMENT (PILOT) STAGE



## WHAT IS THE INNOVATION?

**EFI is a new model to promote partnership among buyers, vendors, and farmworkers that establishes a supply of safer and healthier food to consumers, is fair to workers, and is profitable to farmers, retailers, and food service providers.**

EFI has created a standard, a leadership training program, and an ongoing verification protocol to boost food safety, environmental stewardship, and farmworkers' rights. On each farm in which it is involved, EFI trains a core leadership team of workers and managers to implement its labor, pesticide, and food safety benchmarks on-site. That team then trains the rest of the workforce, adding hundreds of eyes and ears to the monitoring and verification of the farm's compliance. Retail and food service companies seeking higher levels of assurance about food safety and ethical working conditions will support growers to comply with the standard, and conscious consumers will seek out the EFI label. This dynamic pushes resources back through the value chain to farmworkers.

EFI's focus on worker involvement and active collaboration among the stakeholders sets this initiative apart from other certification processes. Once a farm has been certified by a third-party auditor, an EFI-trained leadership team helps workers to verify ongoing compliance, thereby reducing the likelihood of future labor violations, produce contamination, or pesticide hazards on the farm. Because of this continuous verification, the EFI label will create greater assurance for consumers that workers are treated fairly and that food safety protocols are observed in the production of EFI-certified fruits and vegetables.

## CALL TO ACTION

**IMPACT INVESTING:** Actively soliciting program-related investments, supported by EFI's training, certification, and licensing revenue.

**DONATION:** Raising \$2 million over the next year and \$6.5 million through 2017.

**GROUNDING RESEARCH:** An independent assessment of stakeholder benefits on the first 10 EFI-certified farms.

**BLUE-SKY RESEARCH:** Can EFI's 24/7 farmworker-driven verification system be utilized to benefit stakeholders beyond compliance verification?

**ABOVE:** Farmworkers tend crops in Salinas, CA. The Equitable Food Initiative aims, in part, to improve wages and working conditions for such workers. *Liliana Rodríguez / Oxfam America*

## OVERVIEW

EFI tackles labor, food safety, and pest management challenges simultaneously by training farmworkers to identify problems at the point of production and empowering and incentivizing workers to provide solutions. To begin addressing these challenges, EFI stakeholders met with companies, growers, and advocacy organizations to identify win-win measures for improving the wages and working conditions of farmworkers. In EFI meetings with the top food retailers in the US, these vendors acknowledge that food safety and social accountability are significant vulnerabilities in their industry. EFI's key innovation is to assert that motivated, trained, and incentivized farmworkers can address retailers' and consumers' concerns about working conditions and food safety in the produce industry.

## PROSPECTS AND CHALLENGES

EFI anticipates total costs of \$9.7 million over the three years from April 2014 to March 2017 as the project certifies 200 farms that employ some 40,000 farmworkers. Over this period, EFI will refine the systems and procedures required to expand significantly in subsequent years and to be capable of certifying thousands of US and international farms in the produce supply chains of major retailers and food service companies.

Of the initial three-year cost, some \$4.05 million will be generated by training and certification fees, with the balance of \$5.65 million to be funded by foundation grants, long-term loans, and program-related investments (PRIs). To maintain a healthy cash flow, EFI seeks a total of \$6.5 million in investment for the period April 2014 to March 2017. This plan projects that EFI will be able to cover more than 50 percent of its quarterly operating expenses with program-generated revenue after five years.

EFI plans to certify an additional 200 farms in 2017 and approximately 1,000 by the end of 2020, by which point we anticipate that EFI will cover all core operating costs with program revenues.

## STAKEHOLDERS

EFI, founded by five major farmworker organizations and Oxfam America, who then partnered with retailers, growers, and food safety advocates to launch the initiative.

Costco has made a major commitment to EFI, and EFI is now working with six of Costco's major produce suppliers. Beyond the obvious benefits to farmworkers and consumers, these stakeholders firmly believe that EFI represents a "new economy" paradigm for reconciliation and collaboration between labor and capital. EFI shows that strange bedfellows and former adversaries can come together to create solutions that would have been impossible without the courage and vision to work across lines of difference.

## GOALS

Over the next two years, EFI plans to certify up to 100 farms that employ 20,000 workers. Key goals:

**1. ENGAGING RETAILERS:** EFI will partner with five major retailers and 20 of their suppliers to certify 100 farms by mid-2016.

**2. EXPANDING LEADERSHIP TRAINING:** By mid-2016 EFI will work with a network of 20 trainers and approximately 1,250 workers to implement and monitor the on-farm standards.

**3. REFINING EFI'S CERTIFICATION AND VERIFICATION PROTOCOLS:** By mid-2016, EFI will have formalized management systems around certification and rolled out our 24/7 verification scheme.

**4. ESTABLISHING AN INDEPENDENT ORGANIZATION:** By mid-2016 EFI will be an independent nonprofit certification agency with sustainable financing and governance.

**5. EVALUATING EFI:** By mid-2016, EFI will publish the results of an independent assessment of stakeholder benefits on the first 10 certified farms.



## EFI PROFILE

# MEET PETER O'DRISCOLL

For much of the past 30 years, Peter O'Driscoll has been working with agriculture and the food system. Now, as director of the Equitable Food Initiative (EFI), he is helping to build a certification program that will improve the lives of farmworkers while focusing on their role in preventing foodborne illnesses.



There is plenty that the Equitable Food Initiative (EFI) will do to improve the lives of farmworkers. But one element of the program, perhaps more than any other, promises the biggest change: affirmation of their dignity.

Peter O'Driscoll, EFI's project director, tells the story of a visit he made to a farm last year with Oxfam board member Dan Glickman, secretary of agriculture under President Clinton. They spoke with one of the women farmworkers who had been trained by EFI, and asked what had most impressed her about the program. She ticked off a few things, including improved wages and the workers' new role in food safety.

"But the most important thing for me," O'Driscoll recalls her saying, "happened the first day the EFI trainers arrived to train us as a leadership team. The moment they walked through the door I understood that our employer respected us, and believed that we had something useful to contribute. It's changed the way I think about my work, and the way

I talk to my daughter about farm work as skilled labor. They acknowledged my dignity."

Fundamental change in an industry often plagued by conflict between labor and management is what EFI is all about. And what excites O'Driscoll about the initiative at this moment in time is the convergence of need and solution.

"The beauty of EFI is that it's the first approach that we're aware of that actually focuses on farmworkers' role in preventing foodborne illness," says O'Driscoll. "According to the Centers for Disease Control and Prevention, fresh produce is the leading cause of foodborne illness. If farmworkers are trained to recognize threats to food safety and incentivized to care, then they can be a major factor in changing that statistic. And that creates real value for workers, growers, retailers, and consumers alike."

Though this is O'Driscoll's first experience with building a certification program, he is no stranger to agriculture and the food

system. They have been part of his life for much of the past three decades, starting with a seven-year stint in El Salvador where he worked with small-scale farmers displaced by civil conflict.

"I know something about designing programs that empower disenfranchised farmers and workers to have a chance," says O'Driscoll, who first got involved in social justice work as a teenager. "I was very moved in my high school years by exposure to social justice teaching, and that passion continues to fuel my work today."

Now, that journey has placed him at the cusp of a new opportunity to improve working conditions for farmworkers. Both the US Environmental Protection Agency and the Department of Labor have expressed interest in working with EFI. As EFI prepares to spin off from Oxfam as an independent entity, O'Driscoll's role is to guide that transition and make the most of the initiative's very real potential.

**ABOVE:** Peter O'Driscoll, project director for the Equitable Food Initiative, has been working on agriculture and food system issues for much of the last 30 years. *Photo courtesy of Peter O'Driscoll*



INNOVATION LAB

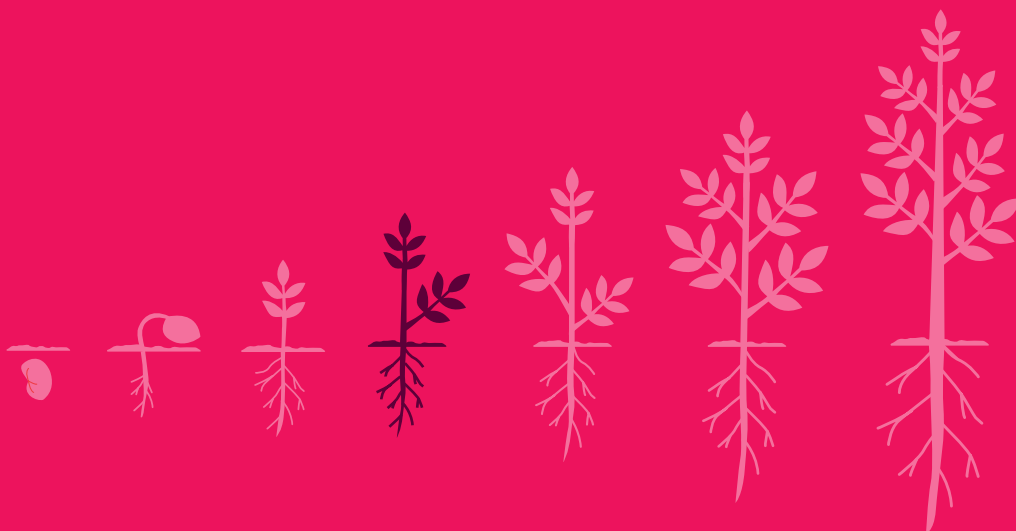
# BEHIND THE BRANDS (BTB)

## THE PROBLEM

The world's largest food and beverage companies have enormous influence. Their policies drive how food is produced, the way resources are used, and the extent to which the benefits trickle down to the marginalized millions at the bottom of company supply chains. The problem is that the interest and voices of those millions are not well represented in how the biggest food and beverage companies conduct their business.

## THE INNOVATIVE SOLUTION

Oxfam's Behind the Brands campaign aims to provide people who buy and enjoy products made by the world's 10 largest food and beverage companies with the information they need to hold the Big 10 accountable for what happens in their supply chains.



EARLY GROWTH STAGE



## WHAT IS THE INNOVATION?

Behind the Brands is a race to the top for the world's biggest food and beverage companies, harnessing the power of active citizens, consumers, and concerned investors to push corporations to reform their business practices to benefit people and the planet.

At the heart of Behind the Brands is a scorecard ranking the Big 10 food and beverage companies. Since February 2013, hundreds of thousands of people around the world have joined Oxfam to challenge the way the major food and beverage players manage their supply chains. Using social media tools and an innovative web platform, stakeholders in the global north and south and investors interested in greater transparency have made concrete asks to the Big 10. This innovative approach—now in its second year—has resulted in real, measurable change. As a result of the Behind the Brands campaign, all 10 companies have improved their practices.

The companies' initial scores were largely disappointing—especially when it came to two key issues: none of the Big 10 sufficiently addressed inequality faced by women working on farms, and not one company was adequately ensuring their suppliers respect the land rights of communities.

Over the past year, more than 500,000 actions taken by consumers, civil society organizations, and investors representing billions of dollars have achieved real success.

### Doing right by women

Thanks to more than 100,000 actions, Nestlé, Mondelez, and Mars each made important commitments to eliminate the challenges facing women in their cocoa supply chains.

Oxfam has developed a road map to track progress and has provided guidance to the companies as they have implemented these commitments.

## Stopping land grabs

A year ago, land rights issues were largely ignored in the policies of the Big 10. Six out of the 10 companies scored just one point on land, and the injustice of land grabs that lead to people being left homeless and hungry was barely recognized.

But after 270,000 calls for land justice, both The Coca-Cola Company and PepsiCo committed to zero tolerance for land grabs throughout their supply chain. As part of this commitment, Coca-Cola is conducting human rights impact assessments and evaluating land rights in Colombia and Guatemala. PepsiCo is conducting a similar assessment in Brazil and will begin assessments in Mexico, the Philippines, and Thailand over the next year.

## CALL TO ACTION

**IMPACT INVESTING:** Explore whether impact investing can be employed to fund corporate advocacy efforts.

**DONATION:** \$1 million in funding for the climate change campaign spike.

**GROUNDING RESEARCH:** Rigorously assessing the implementation of commitments that companies have made in response to Behind the Brand's advocacy efforts.

**BLUE-SKY RESEARCH:** How can corporate supply chains be mapped so that companies, consumers, and investors truly understand the risks and opportunities that they contain?

**ABOVE:** As a public awareness effort for the Behind the Brands campaign, Oxfam redesigned the packaging for Oreo cookies with a message about the power of consumer action to influence Nabisco. *Emily Drees / Oxfam America*

## OVERVIEW

The scorecard looks at seven themes, weighing each theme equally:

1. Transparency at a corporate level
2. Women farmworkers and small-scale producers in the supply chain
3. Workers on farms in the supply chain
4. Farmers (small-scale) growing the commodities
5. Land, both rights and access to land and sustainable use of it
6. Water, both rights and access to water resources and sustainable use of it
7. Climate, both relating to reducing greenhouse gas emissions and helping farmers adapt to climate change

## PROSPECTS AND CHALLENGES

Reforming the supply chain of the world's largest food and beverage companies is not a short-term challenge. Oxfam will update the scorecard regularly and will continue to improve and strengthen it over time. We will consult with a range of stakeholders, engaging in rigorous debate and dialogue with companies, civil society, and industry experts. Throughout the life of the Behind the Brands campaign, Oxfam will conduct a yearly process of reviewing and improving the indicators that make up the scorecard and will update the data as additional information becomes available. We will also look and listen for specific cases where action can make an immediate difference.

Behind the Brands' next major focus is one of the single most urgent issues of our time. Climate change is already having a massive impact on the lives of farmers and communities around the world. Extreme weather events like Typhoon Haiyan in the Philippines and the historic drought in California show worrying examples of what could be in store. While the scale of the climate challenge is much bigger than companies' current efforts to reduce their impact, Behind the Brands aims to shift that balance.

## STAKEHOLDERS

The Behind the Brands Scorecard assesses the agricultural sourcing policies of the world's 10 largest food and beverage companies. We based our selection on companies with the largest overall revenues globally, as well as their position in the Forbes 2000 annual ranking, which measures companies on the basis of composite sales, assets, profits, and market value. The 10 companies assessed in the scorecard (in order of company size) are:

- |              |                                   |
|--------------|-----------------------------------|
| 1. Nestlé    | 6. Mars                           |
| 2. PepsiCo   | 7. Danone                         |
| 3. Unilever  | 8. Associated British Foods (ABF) |
| 4. Mondelez  | 9. General Mills                  |
| 5. Coca-Cola | 10. Kellogg                       |

## GOALS

The scorecard approaches six of the seven themes (all except transparency) in a similar way. These indicator categories rely on publicly available documents to address the following questions:

**1. AWARENESS:** Does the company demonstrate general awareness of key issues relating to that theme and does it conduct projects to understand and address these key issues?

**2. KNOWLEDGE:** Does the company demonstrate it measures, assesses, and reports key issues and facts specifically in its supply chains that relate to that theme?

**3. COMMITMENTS:** Does the company commit to addressing the key issues relating to that theme in its supply chains?

**4. SUPPLY CHAIN MANAGEMENT:** Does the company require its suppliers to meet relevant standards related to that theme?

The transparency theme is structured differently. It has a broader focus and rewards companies for disclosure on cross-cutting and corporate-level issues.

## BTB PROFILE

# MEET MARIA NAZARETE DOS SANTOS

As the global demand for sugar intensifies, so does the rush for land to grow it. Meanwhile, some communities like these fishing families from Brazil are caught up in a struggle that's anything but sweet.



Maria Nazarete dos Santos lives in a two-bedroom brick house equipped with running water and electricity. But if she can't make a living there, it's not much of a replacement for the life she had to leave behind—as a fisherwoman on an island in an estuary in Sirinhaém in Brazil's Pernambuco state.

Fishing families had occupied the estuary's 17 islands since 1914, selling their catch to supplement the crops they grew. That changed in the early 1980s, when a giant sugar production company, Usina Trapiche, began trying to force the fishermen off the public islands. Pressure picked up in the late 1990s, soon after the company changed hands. According to the islanders, Usina Trapiche's private militia cracked down, wrecking the homes and farms of the families living there and threatening them with further violence if they didn't leave. In 2002, after years of fighting for their land rights in court, the islanders—53 families all told—were expelled.

Some, like Nazarete dos Santos, 41, received small houses to move into, but others got nothing and, reportedly, are now homeless. For many, lives of

hardship have replaced self-sufficiency. They can no longer plant fruit trees, cassava, and other crops, and the fishing grounds that help support them are far from the slums where many live. Compounding their problems is the pollution the community says the Trapiche mill pours into the estuary, making fishing impossible for at least half the year.

"The loss of fish isn't just felt by me, but everyone who fishes on the river," said Maria Christina de Holdanda Santos, who has been fishing in the area for 35 years. "We are losing our income."

The amount of land used for sugar production in Brazil doubled between 2000 and 2010. Globally, demand for sugar is expected to rise by an estimated 25 percent by 2020, which will propel even greater competition for the land on which to grow it.

Thanks to Oxfam's Behind the Brands campaign, though, bitter conflicts like this have become a little less likely. After more than 272,000 consumers signed petitions and took action, PepsiCo committed in March 2014 to take steps to stop land grabs in its global supply chain.

Coca-Cola, another target of the campaign, made a similar commitment the previous November. Both committed to a policy of "zero tolerance" for land grabs and will require their suppliers worldwide to do the same.

Coca-Cola also promised to engage with suppliers and growers to pursue fair resolution to any disputes in its supply chains, including the case involving Usina Trapiche in Brazil, pledging to "take action and use our influence on the final outcome of these disputes."

"This is the kind of engagement we are looking for to ensure communities in specific land conflicts ... are treated fairly," said Irit Tamir, an adviser in Oxfam's private sector department. "Companies like [these] have a tremendous amount of influence with traders and suppliers, with governments in the countries in which they do business. ... They can bring others along toward respecting land rights."

**ABOVE:** Maria Nazarete dos Santos was among a number of people who earned their living by fishing until they were expelled by a sugar production company from the islands where they lived and fished. Amy Christian / Oxfam

INNOVATION LAB

# RURAL RESILIENCE INITIATIVE (R4)

## THE PROBLEM

For the 1.3 billion people living on less than a dollar a day who depend on agriculture for their livelihoods, vulnerability to climate-related shocks is a constant threat to their food security and well-being. Helping communities manage risk to increase resilience to climate-related shocks is integral to addressing global poverty.

## THE INNOVATIVE SOLUTION

In response to this challenge, the Rural Resilience Initiative (R4) makes a risk management toolbox available to the most vulnerable populations through the social safety net they already use. These safety nets are serving an estimated 100 million people in the world's poorest countries. In partnership with the World Food Programme, the R4 innovation provides a path to strengthen these safety nets from handing out food to distributing a network of risk management tools.







## WHAT IS THE INNOVATION?

Vulnerable farmers have the ability to buy weather insurance with their labor from existing social programs, strengthening the resilience of households and governments in need, while at the same time building sustainable markets.

Using agricultural insurance as a means to alleviate poverty is not a new innovation. But giving farmers the opportunity to work for insurance instead of paying for it is. R4 has found a creative way to ensure that everyone has access to insurance, even those who cannot afford the sticker price. The idea arose from farmers themselves, through a participatory process. Typically expensive, insurance is inaccessible to many smallholder farmers. R4's insurance-for-work program offers these farmers a means to "pay" their insurance premiums by contributing to their communities through risk reduction activities, such as composting, digging, irrigation channels, and planting vegetable gardens. Over time, by reducing their financial vulnerability, farmers will be more able to pay for insurance premiums with cash instead of labor.

Currently up and running in Ethiopia and Senegal with plans to expand to additional countries, R4 represents a new kind of partnership, bringing public, private, and civil sector actors together in a strategic, large-scale initiative. These collaborations represent a shift from traditional corporate social responsibility approaches toward shared value relationships that build on the strengths of the partners in all three sectors. By focusing on a common goal, R4 improves the resilience of rural households and increases the combined capacity of governments, corporations, and civil society.

## CALL TO ACTION

**IMPACT INVESTING:** If R4 generates savings to participating countries, then social impact bonds may be an effective tool to scale.

**DONATION:** Supporting the growth of the program is easy—the cost of the smart subsidy that enables at risk households to work in exchange for a weather insurance policy is \$12 per household. An additional \$12 per household sponsors the community risk reduction work that mitigates disaster before it happens.

**GROUNDRESEARCH:** Does the presence of R4's risk mitigation strategies reduce costs to a participating country's social safety net?

**BLUE-SKY RESEARCH:** How can disaster-risk insurance policies for governments actually benefit vulnerable populations? Can sovereign-risk pooling serve as an effective way to address disaster and climate change risks on the country level? Will insurance payouts to poor governments for disasters actually reach the people who need the funds the most?

**ABOVE:** Gebru Kahsay and his grandson inspect a field of teff in Adi Ha, Ethiopia. Kahsay is a farmer and was an early participant in a crop micro-insurance pilot in his community. *Eva-Lotta Jansson / Oxfam America*

## OVERVIEW

The project enables poor farmers to strengthen their food and income security through a combination of improved resource management (risk reduction), insurance (risk transfer), micro-credit (prudent risk taking), and savings (risk reserves).

The work is implemented by a range of stakeholders who provide trainings (e.g., financial literacy, disaster risk reduction), organize activities, and offer services (e.g., credit, insurance).

## PROSPECTS AND CHALLENGES

R4 focuses on integration into existing social protection systems, allowing the program to be applied at a much larger scale and lower cost.

Because R4 builds on government safety net programs, it is eventually intended to become government owned and operated. At the same time, due to the nature of the innovation, R4 constitutes a first step toward fostering a sustainable insurance market for poor people, a relatively new market in many developing countries. R4 will help to increase understanding among both insurers and farmers about appropriate insurance products, and will ensure sustainability by institutionalizing insurance through private sector financial entities.

One key challenge to the R4 model arises directly out of its innovation in bringing together a large number of public and private sector partners. Building and sustaining the many partnerships that are central to the success of R4 is critical. The requisite coordination, monitoring, and capacity building depend on the success of partnerships among research partners, governmental partners, civil society partners, communities, associations, and private sector partners.

Another challenge for R4 is increasing transparency and accountability of financial products. In contexts where a mandatory auto policy is the only insurance available, farmers can be unfamiliar with insurance products and find it difficult to accept them. Integration of civil society into public-private partnerships builds trust and empowers community members to demand fair service from governments and businesses.

## STAKEHOLDERS

Oxfam convenes government, business, and civil society to achieve solutions at scale. The R4 project is jointly managed by Oxfam America and the World Food Programme. Local decisions are made by local government and local NGOs, and at the village level by a village design group.

## GOALS

**1. HELPING FARMERS TO REDUCE RISK:** R4 links labor-based safety nets that provide cash or food in exchange for work on community projects with community risk reduction activities that protect assets against disasters and improve productivity. Farmers in R4 will have access to tools to build physical resilience to weather-related shocks, and they will exchange community resilience work for enrollment in the insurance program.

**2. TRANSFERRING RISK THROUGH INSURANCE:** R4 will work through agricultural insurance providers to offer risk protection to farmers through agricultural microinsurance.

**3. MANAGING RISK THROUGH INTEGRATED SAVINGS:** R4 leverages Oxfam's experience with women's savings groups to help households create stronger financial bases. Members of savings groups will have access to reliable savings mechanisms, which can be used as collateral for loans and insurance.

**4. UNLOCKING CREDIT TO TAKE ON SMART RISK:** R4 will help to address larger financial needs through access to microcredit and financial training.

#### R4 PROFILE

# MEET BINTA NDAO

As a part of a broader initiative to create climate safety nets, farmers in eastern Senegal pay crop insurance premiums through labor, while controlling erosion and improving soil quality in their communities.



It is a Sunday morning at Binta Ndao's house. A young woman pounds millet; another grinds groundnuts into a paste for cooking. The village, Kalbiron, is quiet, with most families doing the washing and taking a day off from preparations for the next growing season as they await the rains.

Ndao is a middle-aged married mother of seven children, aged 2 to 25. She and her husband grow millet, groundnuts, cowpeas, and sesame on two hectares of land scattered around the village. They struggle to produce enough food to feed the family, even after they sell their one cash crop: sesame seeds. Ndao says that last year her production was not good, despite growing a decent amount of sesame. "We had to find money elsewhere to buy millet and rice for the family," she says.

Farmers here face serious challenges, and Ndao lists them: "We lack good-quality seed," she says. The second problem: "Termites eat our plants." After that she says the soil quality in the area is poor, and rain-fed agriculture is risky because "sometimes there is rain, but it is not well distributed."

It's a tough environment for a farmer. Through Oxfam's Saving for Change program, women in Kalbiron started working with a local organization called La Lumière to establish village savings groups to help them save money and access small loans to make extra money or meet emergency needs like medication for sick children or food during lean times.

Ndao is in a savings group with 25 other women who meet weekly and make a small deposit into a group fund. "I borrow 2,000 CFA francs (about \$4) to buy onions to resell," she says. "I make about 1,500 CFA (about \$3) profit, which I reinvest in more onions." She also uses her profit to buy food. "I really appreciate this group," she says. "Before ..., if someone was sick or you had a problem, you did not have any resources."

### Less erosion, better soil quality

Oxfam and La Lumière are using the four savings groups in the region to implement the R4 program that has proved so promising in Ethiopia. Community members are working on projects to further reduce their risks,

like building 34 walls and dams to protect low-lying areas prone to flooding and to help improve soil quality. The labor in these projects is like an insurance premium: in the event of a drought, participants will receive a payout from the local insurance company.

The high level of organization among the women in Kalbiron has helped mobilize people for the community projects. "There needs to be solidarity," says Fatimata Dicko, Oxfam's program officer in Senegal. "Saving for Change groups already feel like they are making positive changes in the village, and they want to do more to help the village". "Dicko says the next community projects will be the digging of new wells and the rehabilitation of existing wells near areas recently established for dry-season vegetable gardening.

Binta Ndao says the risk reduction measures the farmers are taking with the community projects should help. "It was hard, hot work moving all those stones, but it will help limit floods in the valleys where we grow rice," she says. "And we need to stop the sand from coming."

**ABOVE:** Binta Ndao says that the erosion control projects she worked on in her village should help reduce vulnerability to floods. *Brett Eloff / Oxfam America*

INNOVATION LAB

# POVERTY FOOTPRINT STUDY (PFS)

## THE PROBLEM

The idea of the “carbon footprint” has emerged as a powerful tool to hold companies accountable for their impact on the environment. But tools to measure companies’ impacts on the people and communities they affect have been slower to develop. Corporate supply chains that extend around the globe have a massive impact on millions of people living in poverty—what is needed is a way to assess and address that impact.

## THE INNOVATIVE SOLUTION

Oxfam America believes that local citizens are best positioned to hold companies accountable for their impacts on the community. As a result, we developed the “poverty footprint” study, in which local civil society organizations partner with companies to undertake a detailed assessment of how the company’s practices and policies impact people living in poverty.

The poverty footprint methodology has grown to maturity within Oxfam and is now being employed by the UN Global Compact, expanding its potential reach around the world.







## WHAT IS THE INNOVATION?

Poverty footprint studies (PFSs) are a new way for local civil society organizations to hold corporations accountable for the poverty impacts of their supply chains. At the same time, they allow corporations to engage stakeholders and consumers more meaningfully.

Greater knowledge about carbon footprints has proven to be a major catalyst for corporations to improve their environmental practices and has led to a significant corporate savings. The same can hold true for poverty: the best way to promote greater transparency and to build markets in developing countries is for companies to partner with civil society organizations to bring to light the impacts and risks in their own supply chains.

For many multinational companies, developing and emerging markets are the target markets of today and the future. By the year 2050, 85 percent of the world's population will live in developing nations. The "base of the pyramid" is considered to be a \$5 trillion consumer market. If communities in these nations are not thriving, there will be no future markets for these companies.

What's more, local civil society organizations are best positioned to give voice to their own communities and assess the on-the-ground impact of corporate supply chains. By partnering with local organizations, corporations ensure that their poverty analysis will be robust and credible—and will help to build civil society capacity.

Many social factors, such as gender, empowerment, and corporate effects on institutions, are very difficult to measure. The poverty footprint methodology presents a clear and logical way to measure these social factors and determine both how the company's practices are impacting poverty as well as how poverty is influencing the sustainability of the company's business model and customer base.

## CALL TO ACTION

**IMPACT INVESTING:** Seek financing for an organization to bring stakeholders and corporations together to undertake poverty footprinting.

**DONATION:** Fund a poverty footprint study, partnering with civil society organizations and a corporation.

**GROUNDRESEARCH:** Rigorously analyze existing poverty footprint studies to assess their impact.

**BLUE-SKY RESEARCH:** Is there a way for corporations to credibly fund their own accountability? What would an independent watchdog fund financed by corporations look like?



## OVERVIEW

Oxfam's poverty footprint tool examines a wide range of corporate policies and practices through the lens of five dimensions that Oxfam has determined are critical to helping people move out of poverty: livelihoods, health and well-being, diversity and gender equality, empowerment (how much voice people have related to issues that affect them), and security and stability (access to resources to help people living in poverty endure shocks to their livelihoods and well-being). These dimensions of poverty are assessed along the company's value chain and in an analysis of the company's macroeconomic impact, marketing practices, effects of environmental practices on communities, and policies and interactions with institutions (lobbying, involvement in industry associations, and so forth).

## PROSPECTS AND CHALLENGES

Oxfam spent eight years developing and piloting the poverty footprint methodology, and we recently forged a new partnership to take the innovation to scale. In 2013, Oxfam signed an agreement with the UN Global Compact to disseminate and promote poverty footprinting among the compact's thousands of corporate members.

Transparency is key to stronger engagement and improved practices. Environmental, economic, and social impact studies should eventually be mandated by law for high-impact projects and initiatives. PFS offers a robust and participatory model to move academic and business support in that direction.

## STAKEHOLDERS

The key target market for the PFS methodology is forward-looking businesses with a commitment to transparency and accountability. Poverty footprinting will provide the basis for companies and stakeholders to design innovative solutions and pursue policies and practices that reduce poverty.

## GOALS

1. Solicit public comments on the PFS methodology in order to build consensus on measuring the poverty impacts of supply chains.
2. Develop a "toe print" technical version of the study to streamline the process and accelerate adoption of PFS while still producing powerful outcomes.
3. Ensure that 2017, 50 companies undertake a poverty footprint study.
4. Influence three major corporate reporting standards through technical footprints in the extractives, food and beverage, and financial services industries.



**ABOVE:** Shoppers make their way through the crowd in Hom Market in Hanoi, Vietnam.  
*Abbie Trayler-Smith / Oxfam*

## PFS PROFILE

# MEET JANE NELSON

As an adviser to Oxfam's poverty footprint initiative, Jane Nelson is passionate about improving the relationships between companies and the communities where they do business. And, as a Harvard University professor, she's teaching a new generation of leaders to do the same.



Jane Nelson knows what it's like to move between the developing world and the corporate world. Born and raised in Zimbabwe, Nelson went directly from studying agriculture in rural South Africa to working at a major multinational bank.

"The smallholder farmers ... were some of the most entrepreneurial, problem-solving, economically rigorous people I'd met," said Nelson. "Then I was suddenly in this big, global banking entity, with these massive trading floors moving millions of dollars around the world, and also making economic decisions. ... And these were like two different planets. There was just no connection."

Since then, Nelson has dedicated her career to bridging the two. She serves as director of corporate social responsibility at Harvard University's Kennedy School of Government and is an adviser for Oxfam's poverty footprint initiative.

"I've always believed there are both direct and indirect positive and negative links between the activities of large corporations and the low-income producers ... in their value chains,"

said Nelson. "And I have always been passionate about how to improve those links and make them as mutually beneficial as possible."

In 2009, Nelson served on the advisory group for Oxfam's groundbreaking poverty footprint study with Coca-Cola and SABMiller. "It was a great innovation that Oxfam developed, not only having the joint research team, but setting up an external advisory group. We came from different perspectives, different disciplines," she explained. Though the advisers gave input into every aspect of the study, "we received far more than we could give."

Nelson identified three important innovations of the poverty footprint methodology. First, it documents the connections between companies and poor communities in an evidence-driven, fact-based way. Second, it creates a space for joint learning between companies and local civil society organizations. And third, it generates a product, in the form of the poverty footprint study itself, to guide wider debate and discussion.

Today, said Nelson, companies "are realizing that it's in their best interest to get more data-driven, clear, and specific" about how their operations affect people living in poverty. "It's no good saying, 'Well, we create jobs' or 'We have good programs for managing water.' ... You've got to go beyond anecdote and have rigorous data and analysis on what those impacts are."

Nelson remains involved in the next phase of the initiative, in which Oxfam is partnering with the UN to help develop a lighter-touch, easy-to-use version of the poverty footprint study. She also incorporates lessons from the methodology into her classes at the Kennedy School.

"There's this amazing group of young people ... who are passionate about corporate responsibility or business in human rights or impact investing," she said. "These new converging fields are all, in different ways ... looking at market-based solutions to poverty eradication and development, or they're looking at avoiding and minimizing negative impacts of market-based approaches. And I've had the great privilege of being able to look at both sides."



**FOR MORE INFORMATION, PLEASE CONTACT:**

**ROBERT SILVERMAN**  
Senior Advisor  
Private Sector Department  
Oxfam America  
[rsilverman@oxfamamerica.org](mailto:rsilverman@oxfamamerica.org)  
(617) 517-9479

**AMY MULLEN**  
Deputy Director  
Institutional Support  
Oxfam America  
[amullen@oxfamamerica.org](mailto:amullen@oxfamamerica.org)  
(617) 728-2599





Reuben Bett pours milk at the Kabiye Dairy in Kenya.  
*Ami Vitale / Oxfam America*

**COVER:** Outside the Kabiye Dairy in Kenya, a truck with the capacity to carry 10,000 liters of milk—all collected from local farmers—is readied to deliver it to a creamery about 40 kilometers away. *Ami Vitale / Oxfam America*



**OXFAM**  
America

**HEADQUARTERS**

226 CAUSEWAY STREET, 5TH FLOOR  
BOSTON, MA 02114-2206  
(800) 77-OXFAM

**POLICY & ADVOCACY**

1100 15TH STREET NW, SUITE 600  
WASHINGTON, DC 20005  
(202) 496-1180

[info@oxfamamerica.org](mailto:info@oxfamamerica.org)  
[oxfamamerica.org](http://oxfamamerica.org)

OXFAM AMERICA IS A GLOBAL ORGANIZATION WORKING TO RIGHT THE WRONGS OF POVERTY, HUNGER, AND INJUSTICE. WE SAVE LIVES, DEVELOP LONG-TERM SOLUTIONS TO POVERTY, AND CAMPAIGN FOR SOCIAL CHANGE. OXFAM AMERICA DOESN'T TAKE FEDERAL FUNDS, BUT WE DO SUPPORT EFFECTIVE DEVELOPMENT PROGRAMS.

© 2014 Oxfam America Inc. All Rights Reserved. Oxfam America is a registered trademark of Oxfam America Inc., and the Oxfam logo is a registered trademark of Stichting Oxfam International. 1404030

 Printed on 100 percent post-consumer recycled paper.

