

## **Organisation Strategy for the Sustainable Trade Initiative (IDH) 2015-2020**

This Strategy for the cooperation between Denmark and The Sustainable Trade initiative (IDH) forms the basis for the Danish contributions to IDH, and it is the central platform for Denmark's dialogue and partnership with IDH. It sets up Danish priorities for IDH's performance within the overall framework established by the organisation's own strategy *'Innovating for Impact at Scale. 2016-2020'*. In addition, it outlines specific goals and results vis-à-vis IDH that Denmark will pursue in its cooperation with the organisation. Denmark will work closely with like-minded countries towards the achievement of results through its efforts to pursue specific goals and priorities.

### **1. The mandate, mission and management of IDH**

#### Mandate and mission

The Sustainable Trade Initiative (IDH) is a key sustainability player with engagement in app. 40 countries worldwide driving sustainability in key value chains. IDH's mandate is to accelerate and up-scale sustainable production and trade. This is done by building coalitions of front running companies, civil society organizations, governments and other stakeholders in order to develop innovative strategies and supply chain models which address key social and environmental challenges. In these partnerships, companies and other stakeholders commit to sustainable sourcing in their production and inclusive business development. This will impact on sustainable development, including poverty alleviation, environmental sustainability and fair, transparent and enhanced trade as set out in the international development goals (SDG 1, 2, 5, 8, 12, 14, 15 and 17).

Transformation of commodity value chains is a key element in ensuring sustainable and inclusive growth. IDH has demonstrated that it is possible to lift entire value chains from small holder farmers in developing countries to the European consumer to higher social and environmental standards for example in the cotton and coffee sector where the amount of sustainably produced cotton and coffee has increased with support from Danish development aid. Through higher productivity and income for small scale producers, supply chain efficiency, gender equality, reduction of waste, higher performance standards, better management practices and better labour practices, enhanced local value creation can be achieved. At the same time building a business case, where companies benefit from increased stability of supply, better product quality and less impact on the environment.

IDH is currently engaged in seven key sectors: cotton, coffee, tea, cocoa, fruit and vegetables (including flowers and species), palm oil, and aqua culture and have targeted interventions in 11 other sectors.

#### To achieve these objectives IDH will:

- Build result-oriented coalitions of companies, NGOs, trade unions and governments;
- Coordinate objectives and sector programmes in keys sectors;
- Finance sustainable supply chain programmes to help e.g. small holders and raise private match-funding; and

- Assist companies and other stakeholders in addressing challenges to sustainable production and trade based on IDH's expertise as a leading knowledge centre in this area as well as analyse and disseminate key learnings from ongoing programmes.

In this manner, IDH provides added value by scaling and accelerating sustainable trade.

IDH engages more than 250 private sector partners in public-private partnerships, including several companies that are frontrunners in driving sustainable and responsible production forward at the global level e.g. Unilever, Nestle, IKEA; Bestseller and Arla. Approximately 25 pct. of companies partnering with IDH are Dutch. The following Danish companies and organisations are cooperating with the initiative: Arla, Bestseller, DLG, Nordic Seafood, Espersen, Danish Seafood Association, Danish Fashion Institute and the Confederation of Danish Industry. In preparation of this strategy, Bestseller and Nordic Seafood have been interviewed about their experience working with IDH. They found IDH highly professional, efficient, responsive and relevant. Furthermore, both companies expressed that the results achieved on sustainable product uptake would not have been possible without support from IDH.

It will be a key priority to facilitate further participation of Danish companies and other Danish stakeholders in IDH programmes and partnerships in order to promote sustainable commodity sourcing and production and ensure that Danish companies and stakeholders benefit from IDH's extensive expertise and knowledge on sustainable business models in line with the Danish priorities of promoting green growth, building innovative partnerships with the private sector and engaging more companies in addressing development challenges as set out in Danish strategy for development cooperation 'The Right to a Better Life' (2012).

Denmark became a bilateral donor to IDH in 2012 with an earmarked contribution of 10.2 million DKK covering the period 2012-2014 to the cotton sector programme in Mozambique and the coffee sector programme in Uganda and Ethiopia. Good progress has been made in both programmes. Sustainable produced cotton and coffee have increased according to the targets set, and farm schools have been established to train and certify farmers according to sector-wide sustainability standards.

#### Donors and financing needs

IDH was set up in 2008 as a joint initiative of the Dutch government, private companies, NGOs and trade unions. The Dutch government is the largest donor with a contribution of 123 m euro for 2008-2015 and 100 m euro for the next phase of 2016-2020. Switzerland joined as a donor in 2013 and has provided 30 m CHF for the period 2013-2017 and is planning further core funding after 2017.

IDH aims to grow into a pan-European initiative in inclusive growth and sustainable development. Given IDH's extensive knowledge in the fields of global value chains and its innovative approach to scaling and accelerating sustainable trade, IDH can become a key driver in taking the sustainability agenda forward in Europe in close partnership with Denmark and Netherlands and other like-minded countries as well as front running-companies.

The level of activity set out in the IDH strategy 2016-2020 requires funding in the range of 45 million euro annually. IDH thus has a financing gap of 15-20 million Euros annually. To bridge this gap, it is currently in dialogue with a number of donors including: Sweden, Ireland, Norway, Austria, UK and the European Commission (DG Dev). IDH expects to conclude an agreement with Sweden (SIDA) for core funding and possibly also Ireland (Irish aid) and the Norwegian ministry of Climate and Environment on thematic support in 2016.

All IDH programmes are co-funded by the private sector with minimum 50 pct. of the total programme cost. This means that implementation of a programme only begins with a (minimum) of 1:1 match funding of IDH investments by the private sector. Since its inception in 2008, ratio of private contributions have improved significantly from 0.17 in 2008 to 2.77 in 2014 with an average of 1.76. This positive development shows a strong commitment of the private sector to actively – and financially – promote sustainable trade initiatives through IDH programmes based on public-private partnerships. Companies with responsible sourcing strategies are driven by growth opportunities, security of supply, reputation, competitiveness and/or mitigation of food safety and quality risks. It is in the interest of the business to build efficient, transparent and responsible supply chains.

It is a criterion for participation in IDH programmes that the companies subscribe to the OECD guidelines for Multinational Enterprises<sup>1</sup> and ILO conventions. In this manner, IDH programmes have responsible business conduct as an integral part of its partnerships.

#### New strategic framework 2016-2020

The future strategy of IDH covers the period 2016-2020 and sets out to turn the organisation into a pan-European initiative and bring the IDH program to scale based on the results achieved so far, including deeper market transformation through moving beyond certification, promoting shared value creation and improving farmer resilience and productivity in order to further accelerate sustainable trade.

This will also require an organisational adaptation to ensure robust and efficient programmes and delivering results as the initiative grows. Currently, IDH has a relatively heavy senior management structure with 5 directors in an organisation of app. 75.<sup>2</sup> The operational costs including personnel, offices, communication etc. have increased from 0.3 m Euros in 2008 to 4.3 m Euros in 2014. Putting operational costs in relation to programme expenditures gives a ratio of 16 pct. for both 2008 and 2014 and in relation to total funds managed (programme expenditures plus private sector funds) gives a ratio of 11 pct. in 2008 as compared to 5 pct. in 2014, which must be considered satisfactorily. In the collaboration with Denmark a 7 pct. overhead is applied in line with the Danish aid management guidelines. IDH has begun a process to consolidate its structure further to ensure continuous efficiency and cost-effective programme delivery. IDH will advertise vacancies in Denmark. An organigram is included in annex 2.

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<sup>1</sup> THE OECD guidelines for Multinational Enterprises encompasses the United Nations Guiding Principles for Business and Human Rights.

<sup>2</sup> Corresponding to 50 Full Time Equivalent and 17 field staff on fixed term contracts.

The partnership with IDH will be implemented in accordance with the Guidelines for Management of Danish Cooperation with Multilateral and International Organisations (2014).

### Management Structure and Results Measurement

The governing bodies of IDH are the Supervisory Board and the Executive Board. The Supervisory Board is multistakeholder<sup>3</sup> with representatives of both private companies and civil society organisations. It appoints its own members. It is charged with supervising the policy of the Executive Board and IDH's performance. The Supervisory Board has established an Audit Committee, a Nomination and Remuneration Committee and an Impact Committee to ensure proper oversight and technical guidance. The Supervisory Board will be further 'internationalised' by 2016 to adequately reflect the international role and partner network of IDH. The Danish Ministry of Foreign Affairs will assist IDH in identifying possible Danish candidates for future vacancies in the Supervisory Board, i.e. a Danish private sector representative, NGO or other specialist. Denmark will furthermore identify possible candidates for future vacancies in the IDH impact committee.

The Executive Board (Executive Director and one of four Program Directors) is responsible for the management of the organization and are accountable to the Supervisory Board.

IDH has in 2015 established a Donor Committee as a key part of its management structure to ensure donor alignment and facilitate a more strategic dialogue on policy making and setting the future direction of the organization. The current members of the Donor committee are the donor countries Netherlands, Switzerland and Denmark. The committee replaces the former Policy and Program Committee (representatives of IDH's donors) as well as individual annual meetings with donors.

IDH has developed a general result measuring framework (M&E) focused on delivering public good that will be applied by all programmes in the IDH strategy 2016-2020 (see section 3.1.). The framework is based on the standard for monitoring and evaluation that is formulated by the Donor Committee for Enterprise Development (DCED) of which Denmark is a member.

IDH works with local implementing partners in all programmes and thus conducts a number of tender processes. IDH tender policy is based on the principles that the process should be transparent, based on a fair selection and according to EU public procurement procedures.<sup>4</sup>

## **2. Strategic considerations**

A key priority for Denmark is to create sustainable growth, including sustainable value chains and responsible business conduct as set out in Denmark's strategy for development

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<sup>3</sup> The Supervisory Board currently has 8 members and is chaired by André Veneman, Director Sustainability at Akzo Nobel. Other members include Berry Martin, Executive Board Member, Rabobank the Netherlands, Gosse Boon, CFO Nutreco, Mrs. Farah Karimi, Executive Director Oxfam Novib and Johan van de Gronden, Director WWF the Netherlands.

<sup>4</sup> The threshold values that IDH follow are that assignments below 50.000 EUR are not requiring a tender procedure. Assignments in the range between 50.000 and 200.000 EUR require a tender procedure with at least 3 applicants. Assignments above 200.000 EUR must follow official EU public procurement procedures.

cooperation ‘The Right to a Better Life’ (2012). IDH is representing an innovative approach to sustainable growth by linking public and private partners. IDH has been successful in convening large companies and other partners on a pre-competitive basis to address challenges of sustainable production and trade on a large scale.

An increasing number of companies perceive cooperation as a means to serve business interest as well as producing shared value and public good at scale. What was considered exceptional only a few years ago, is now unfolding at large scale: public-private partnerships of multinational companies, governments and civil society organisations jointly addressing issues that were traditionally the domain of the public sector such as poverty reduction, deforestation, gender equality and addressing climate change. Public-private partnerships as convened by IDH offers a possibility to address issues of public good such as poverty reduction, improved working conditions, deforestation, sustainable land-use and climate change by bundling and leveraging private and public knowledge, entrepreneurial skills, technological innovation and finance.

Effective cooperation with and within the private sector - locally and internationally - is imperative in delivering sustainable growth and development. As a neutral convenor, IDH is able to bring key stakeholders including private companies around the table, demand serious commitment, and get them to cooperate in a result-oriented manner. The precompetitive cooperation of major companies (and competitors) in the IDH programmes is innovative and creates the basis for large-scale sustainability impact in producing countries. Another strength of IDH is its leveraging power to mobilize resources from both public and private partners. Furthermore, learning and innovation are integral parts of IDH programme design. IDH has built substantial knowledge and expertise that is also highly relevant for Danish companies.

IDH also faces some challenges. IDH was only created in 2008. It has thus had a number of lessons learned, including on how to move beyond certification to deeper market transformation and how to maximise impact on poverty alleviation, which is being addressed in the IDH strategy towards 2020.

A review carried out by IOB (the Policy and Operations Evaluation Department, MFA, Netherlands) in august 2014 pointed to the following main findings and recommendations: IDH has succeeded in becoming a main player in advancing coalitions of companies and other stakeholders for sustainable commodity sourcing and has provided a strong boost to certification of primary producers in developing countries on mainstream sustainability standards. At the output level, the larger programmes including cotton and coffee achieved practically all targets set for the period up to 2013 or overshot them. However, the impacts of standards and certification for primary producers in developing countries are rather modest, albeit positive. Certification is furthermore not sufficient to provide poverty alleviation for small holder producers and workers. Another key challenge is insufficient market uptake by companies of the quickly growing supply of certified produce. Certified sales of cocoa, coffee, tea and cotton are currently less than 1/3 of what farmers produce. There is thus a need to move beyond certification, which has been defined as a core priority for IDH towards 2020. The work to move beyond certification has been initialized in IDH’s cocoa, coffee and tea

programmes, including increasing productivity and improving farming methods through farm schools for small holders.

Grant funding is the main financing tool of IDH in sector programs. This will remain the case toward 2020. However IDH plan to explore the possibilities of innovative financing to create scale and deliver enhanced public good impact. In partnership with the Dutch development bank, FMO, IDH will developed best practice in managing innovative financing (based primarily om risk-sharing in providing finance to small holders) in the context of supply chain transformation with a focus on small scale farmers. The aim by end of 2017 is to provide more than 80.000 small holders with access to finance. IDH sees a clear opportunity here to act as a catalyst for the financial sector as well as the supply chain.<sup>5</sup>

### **3. Main priorities and focus areas in Denmark's collaboration with IDH**

IDH's mission towards 2020 is to accelerate global commodity chains towards sustainability by building public-private coalitions that commit to sustainable sourcing on the market side and inclusive business development on the supply side. On the basis of the IDH strategy 2016-2020, there will be two main focus areas for the collaboration:

#### **I. Enhancing smallholder inclusion, productivity and livelihood improvements in seven key sectors: Cotton, coffee, tea, cocoa, palm oil, aqua culture and 'fresh and ingredients' (fruit, vegetables, cashew, spices and flowers)**

A core element of the IDH strategy 2016-2020 is to support the development of inclusive agricultural value chains that empower small-scale farmers to sell to more stable, bigger or higher-value markets. A main focus of IDH's programs is the first links of the supply chain, in particular the producer – which is often a smallholder farmer. In most of smallholder agriculture around the world, farming systems are poorly resourced and generate insufficient revenue to provide a decent livelihood. Sustainable intensification of farming as well as supply chain transparency are critical to improving these rural livelihoods. Given this setting, the key elements of IDH's programs will target supply chain investments into technological innovations, higher yields, farm rehabilitation, good agricultural practices and improved availability of inputs. Concretely, small holders are trained in good agricultural practices and certified according to sector wide sustainability standards through farms schools and their access to fertilizer and seeds improved.

Cotton: No commodity is as polluting as cotton. About 10 pct. of all agricultural chemicals used worldwide are processed by the cotton sector. Due to the environmental damage caused, coupled with issues of high costs and low incomes for the farmers, the demand for organic and fair trade cotton has grown rapidly. Nevertheless, the organic cotton market is predicted to stay relatively small. There is thus a need for market transformation that makes sustainable cotton the norm. As part of the strategy 2016-2020, IDH aims to drive sustainable change in the cotton sector supplemented by targeted interventions in the wider apparel sector. IDH is a key driver in the public-private partnership, who aims to speed up the implementation of the Better

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<sup>5</sup> The innovative financing project with FMO is initially limited to 5 m Euro of IDH spending.

Cotton Initiative (BCI) making sustainable cotton production the mainstream standard. Other partners include Bestseller, IKEA, H&M, Marks & Spencer, Adidas and Levi Strauss & Co.

In the coffee value chain, IDH is a partner in the The Sustainable Coffee Program (SCP), which is a global, pre-competitive, public-private initiative that involves industry and trade partners, governments, NGOs and standard setting organizations in the coffee sector. IDH focus interventions on bringing global sustainable coffee production and sourcing practices to scale, by aligning stakeholder investments in producer support programs, which aim to improve farmer livelihoods and increase sustainable yields to meet growing demand.

The IDH Tea Program promotes both sustainable tea production in Africa and Asia and sustainable procurement in Western Europe and Asia. It is a cooperation of Europe and Asia's largest tea packers, and the most important certifiers and NGOs in the sector. The IDH Tea Program aims to upscale sustainable tea production and consumption.

The IDH cocoa program brings together over 40 pct. of the worldwide cocoa processing industry and 30 pct. of worldwide chocolate manufacturing businesses. It also involves local governments and other stakeholders. Farm productivity is a key condition for a sustainable cocoa economy. Revitalization of cocoa farming requires a 'productivity package' which comprises of Good Agricultural Practices, improved planting material, fertilizer and financing. IDH focus on how to develop the agro-input markets in West-Africa to become more transparent and competitive, to give cocoa farmers access to farm inputs in a socially and environmentally sustainable manner.

IDH Palm Oil Program builds industry coalitions to develop innovations and maximize impact on key challenges such as traceability, compliance with sustainability standards, smallholder productivity, and access to finance and sustainability monitoring. The objectives of the program are to avoid deforestation and greenhouse gas emissions associated with palm oil production, while improving productivity and income for app. 100,000 smallholders.

IDH Programme on 'Fresh and Ingredients': The major part of this programme (focussed on the retail sector) is fruit and vegetables production. IDH is part of the Sustainability Initiative on Fruits and Vegetables (SIFAV), which aims to make imports of fruits and vegetables from Africa, Asia and South America 100 pct. sustainable by 2020. Main intervention include setting up the minimum requirements for social and environmental sustainability and building a broad sector commitment, promoting global standard equivalency of the eight existing standards in the fruit and vegetable sector and building the capacity of producers and small holders to comply with sustainable production practices.

IDH Programme on Aquaculture. This demand-driven program aims to increase responsible production by fish farmers in a number of Asian countries of the European import of shrimp, tilapia and pangasius by 15 pct. in 2015.

These value chains of agricultural produce based on small holder production will be a main focus of the Danish collaboration with IDH. It builds directly on the Danish support for the IDH coffee programme in Ethiopia and Uganda and cotton programme in Mozambique (2012-

14) and offers synergy with the Danish priority area of turning agriculture and food production sectors into drivers of sustainable and inclusive growth as set out in the Danish strategy for development cooperation.

## **II. Mainstreaming of gender equality and empowerment of women across IDH's programmes and interventions**

Towards 2020, IDH will integrate gender equality and empowerment of women across IDH programmes with the goal of fully embedding gender equality in the business practices of the private sector (SDG5). Equal opportunities, labour condition, empowerment and protecting women against sexual harassment will be important elements in farmer field schools, sourcing strategies and investment plans of IDH.

In the past, gender equality and empowerment of women was not systematically addressed in IDH programmes. However, IOB recommends in their 2014-review that the gender dimension is strengthened. On this basis, IDH has defined gender as a priority area in the 2016-2020 strategy as well as the current sector transformation strategies for cocoa, coffee, tea and cotton. In this regard, IDH will need to build its knowledge base, including through cooperation with recognized civil society organisations with expertise in addressing gender equality and empowerment of women.<sup>6</sup>

The integration of gender equality in IDH programmes and interventions will be a main focus of the Danish collaboration with IDH in line with the Danish strategy for development cooperation and the human rights based approach to development.

### **3.1. Result areas and Result Measurement**

IDH has developed a result measurement framework for the strategy 2016-20 including a set of result chains related to three general results areas for each programme. The results framework will be applied by all programmes under the strategy 2016-2020. The three results areas are:

1. Change in business practices: Relating to the main business actors in the value chain at corporate level, this change involves more sustainable business practices.
2. Improved sector governance: Relating to sector agencies and institutions (systems, capacities, policies, rules and regulations) this change involves managing the sector in a more sustainable way (making it profitable, resilient, environmentally and socially sound) on local and international level.
3. Improved field-level sustainability: Relating to producers, workers and producer communities and their livelihoods, this change involves sustainability impacts such as their economic situation, social wellbeing and sustainability of the natural resource base.

The role of IDH is established as: 1. Broadening market commitments to a pan-European and global level; 2. Enhancing local convening and shared value creation; 3. Moving from grants to

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<sup>6</sup> Including Hivos, Wo=Men, Agri-ProFocus m.fl

innovative finance; 4. Embedding gender in the transformation strategy; and 5. Learning on deep impact issues and integration into performance measurement.

On this basis, a set of indicators covering the two Danish focus areas of small holder inclusion and gender equality has been selected from IDH results measurement framework in annex 1. A joint mid-term review will be undertaken with other donors in 2017.

### **3.2. Synergies**

Exploring further synergies with other Danida-supported programmes and initiatives to promote sustainable value chains will be of high priority in the future collaboration with IDH. Including the following:

It is a strategic priority in Danish development cooperation to work for a stronger private sector. IDH programmes focus on a number of priority countries for Danish development assistance, where Denmark also supports private sector development through bilateral programmes and Danida Business Programmes. The support for IDH will therefore complement these programmes and offer potential synergy that will be explored through continued dialogue with the Danish embassies in question and IDH.

The Global Green Growth Forum (3GF). IDH is a key partner and 3GF wishes to further engage IDH as a strategic partner. The institutional collaboration between 3GF and IDH will focus on two components 1) knowledge sharing, inputs on the 3GF programme, and high-level participation in 3GF activities 2) development of and participation in collaborative partnerships with scalable green growth potential. Furthermore, a partnership initiative for the textile industry was launched in 2014 under the heading '*A race to the top*'. It aims to build a case for market transformation in the textile industry with Vietnam as a pilot country. IDH is the lead convener. Other partners include ILO, IFC and major brands such as Levi's Strauss.

The Global Environment Facility (GEF) is in the process of preparing a multi-agency program on Commodity Supply Chains (45 m. USD). The focus of the program is palm oil, soy and beef with special attention to large producer countries like Brazil and Indonesia (plus a country in Africa to be selected). The aim of the program is to reduce the global impacts of agriculture commodities on deforestation, climate change and biodiversity. Denmark contributes to GEF with 435 m. USD over a four year period (2014-2017).

Denmark is also supporting International Finance Corporation's (IFC's) interventions to promote sustainable value chains, including through the 'Inclusive Green Growth Program'. IDH is partnering with IFC in a number of sector programmes and is currently seeking partnership with IFC among others to create "think-tank dialogues" where sector stakeholders share thought leadership around complex sustainability challenges and actionable pathways.

#### 4. Budget

(million DKK.)	Year						(million DKK)
	2015	2016	2017	2018	2019	2020	I alt
Core contribution	-	20	20	-	-	-	-
<b>Total funding (accumulated)</b>	-	<b>20</b>	<b>40</b>	-	-	-	<b>40</b>

A contribution of 40 m DKK over two years (2016-2017) is part of the Finance Bill for 2015.

After the first phase (2015-2016), Denmark will consider further core funding for the remaining period of the IDH strategy. The decision will be based on an assessment of initial results achieved as well as clear added value for Danish companies and other stakeholders indicated by: 1) An increasing number of Danish companies and other stakeholders participating in IDH-led programmes and partnerships and 2) A survey of a select number of Danish companies on their experience with IDH. Further funding is subject to the approval of the relevant appropriation authorities.

#### 5. Assessment of risks

IDH has a well-developed risk management framework including external, programmatic, organisational and financial risks as well as mitigation measures. In relation to the Danish support, the following risks have been identified:

Risks	Risk Probability	Risk Impact	Mitigation Measures
The strategic plan 2016-20 may not be fully financed by bilateral donors	Medium	Medium	IDH has outlined an alternative financing scenario in the strategic plan to cater for a lower level of donor funding.
IDH engage with a number of partners in implementation of the global roll out programme and there is thus an immanent risk of misuse of funds	Medium	Low	IDH policy on fiduciary risk management is included in the Code of Conduct, which apply to all staff, consultants and partners. The policy includes a whistle-blower system where people anonymously can report cases of misconduct to the appropriate level i.e. managers, Executive Board or the Supervisory Board. In cases of gross misconduct the staff may be laid off or a contract may be cancelled and as appropriate the cases referred for legal action. So far no cases have been reported.
The use of ODA funds for private sector development does not comply with established guidelines for additionally e.g. the DCED guidelines	Medium	High	The IDH Supervisory Board and the Executive Board must ensure that the use of ODA funds for private sector development is done in compliance with established guidelines for additionally e.g. the DCED guidelines. This will also be followed by the Donor Committee.
IDH is facing challenges implementing programmes according to plans resulting in limited absorptive capacity of donor	Medium	Medium	IDH must strive to ensure that annual implementation plans are realistic in terms of timing of activities, delivering of outputs and spending of funds. Delays in implementation

funds			and accumulation of donor funds must be reported to the Donor Committee
The market uptake is not sufficient to match production levels under the IDH supported sustainable trade initiatives	High	High	IDH must address the demand-side as well as the supply-side of the market transformation equation. The issue of market uptake will be addressed in the context of the strategy 2016-2020 .
With engagement in 18 sectors and limited resources both in terms of finance and staff, there is a risk of spreading the butter too thinly across sectors and lose focus	Medium	Medium	The IDH strategy 2016-20 is addressing the issue of exit strategies in general as well as for the specific programmes. An exit strategy will be applied when there is no further need for IDH intervention or where the responsibility can be transferred to another party. Consequently IDH is planning to exit a number of programmes which will bring the IDH portfolio to 11 sectors

## Annex 1: Selected indicators from IDH results measurement framework

<b>Danish focus area I: Enhancing smallholder inclusion, productivity and livelihood improvements in seven key sectors: Cotton, coffee, tea, cocoa, palm oil, aqua culture and 'fresh and ingredients' (fruit, vegetables, cashew, spices and flowers)</b>		
<i>Indicator:</i>	<i>Metrics/specifics</i>	<i>Type</i>
<b>IDH results area 1: Changing Business Practices</b>		
Private sustainability investment by IDH program partners in the program	Total and co-funding ratios	Quantitative
Sustainability embedded at corporate level by set of SMART formulated KPIs	In sector and other sectors of company	Qualitative
Uptake rate of certified/verified/sustainable production by program partners	By sector	Quantitative
Global market share of certified/verified/sustainable produced sourcing	By sector	Quantitative
<b>IDH results area 2: Sector governance</b>		
Number of small holder producers aggregated by program company to effectively receive services	By sector	Quantitative
Effectiveness of multi-stakeholder platform associated with the programme	By sector	Qualitative
<b>IDH results area 3: Improved field level sustainability</b>		
Number of producers (m/f) trained on key subjects for sustainable production, environmental and social sustainability issues	By sector	Quantitative
Volume of certified/verified/sustainable produced production	By sector	Quantitative
Number of processing facilities with sustainable productions	By sector	
Improved wages (m/f)	By sector	Quantitative
<b>Danish focus area II: Mainstreaming of gender equality and empowerment of women across IDH's programmes and interventions</b>		
<b>IDH results area 2: Sector governance</b>		
Effectiveness of multi-stakeholder platform associated with the programme	By sector. Effective sector policies on gender	Qualitative
<b>IDH results area 3: Improved field level sustainability</b>		
Improved gender equality	By sector	Qualitative and quantitative

