Report

Great Expectations: Realising social and environmental benefits from public-private partnerships in agricultural supply chains

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Key messages

- Public-private partnerships (PPPs) in agricultural supply chains can help solve social and environmental problems, like deforestation, that need collaborative solutions. However, they do not offer the same value as strong policy frameworks.
- Securing social and environment benefits from PPPs requires: balancing the different cultures and objectives of partners; strengthening the capacity of local partners to implement activities on the ground; exerting pressure on businesses to move towards better practices, realised through campaigns and brand concerns.
- Criteria should be developed to determine under what conditions public sector funding is considered appropriate to support PPPs. These should be based on an analysis of the social, environmental and economic outcomes, and full costs and benefits, of the proposed intervention.
- Private sector should provide funding and matches to public sector funds, both because of the business benefits and to strengthen buy-in.

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Abbreviations

BLCF	Business Linkages Challenge Fund
CAR	Cadastro Ambiental Rural - Brazil's Rural Environmental Registry
DFID	UK Department for International Development
DGIS	Netherlands Directorate General for international cooperation
FCMC	USAID's Forest Carbon, Markets and Communities programme
FFS	Farmer Field Schools
FIP	Forest Investment Program
IDH	The Sustainable Trade Initiative
KTDA	Kenya Tea Development Agency
MCC	United States Millennium Challenge Corporation
NORAD	Norwegian Agency for Development Cooperation
POPSI	Palm Oil Producer Support Initiative
RSPO	Roundtable on Sustainable Palm Oil
SAN	Sustainable Agriculture Network
TNC	The Nature Conservancy
USAID	United States Agency for International Development
WAGS	WildAsia Group Scheme

Executive summary

With expansion of agriculture the leading driver of deforestation, there is a need to incentivise changes in supply chains to reduce forest loss caused by agricultural production, while still meeting the growing demand for food. Public-private partnerships (PPPs) – involving governments, companies and civil society actors – have received attention as a potential means of tackling forest loss, based on the premise that each partner brings different expertise to the table, and that more can be achieved together than by the partners working independently.

This report uses four case studies of partnerships of public sector, private sector and civil society organisations, aimed at addressing social and environmental concerns relating to the production of agricultural crops. Information was gathered through desk-based research based on documentary analysis and semi-structured interviews. Input was gathered from more than 30 people, including partners involved in the case studies and people working in public sector, private sector and civil society organisations not directly involved in the case studies, to gather broader perspectives. The aim is to explore lessons learnt from these partnerships by asking:

1) What are the **roles and motivations** for the partnerships?

2) What is the **role and justification** of the public funding provided?

3) To what extent might the partnerships be **scaled up or replicated**?

4) What have been the **key barriers and enabling factors** relating to the partnerships?

The case studies

Table 1 shows key information about the four case studies.

The Alliance for Economic Development in the San Martín Region (Peru coffee)

This partnership works with local farmers to increase sustainable coffee production in a region traditionally affected by illegal coca growth and deforestation. Working together, TechnoServe, the U.S. Agency for International Development (USAID), and Olam provided increased knowledge, development of grower associations, and market access. The ability of each partner to leverage their expertise in training and community organisation (TechnoServe), governance (USAID), and markets (Olam) has helped provide a new environmentally and economically sustainable production system for the local community.

Responsible Soya Project (Brazil soya)

For almost 10 years The Nature Conservancy (TNC), Cargill, and a number of public sector funders have worked together to incentivise sustainable soybean production in Brazil. Farming practices have changed due to a commitment from Cargill to purchase only soybeans that have not caused illegal deforestation and TNC's efforts to improve monitoring of farmers' forest conservation practices. Over the years this work has significantly expanded across Pára and Mato Grosso, and now more farmers participate in the regional registry that observes if their practices are meeting forest protection laws.

Farmer field schools and certification of smallholders (Kenya tea)

Unilever worked with the Kenya Tea Development Agency (KTDA) to establish Farmer Field Schools to support smallholders to improve farm management practices. Following commitments by Unilever to purchase certified tea for major brands, they worked with Rainforest Alliance to apply the standards required to achieve Rainforest Alliance certification, using the Farmer Field Schools as the vehicle to roll out certification. The work was part-funded by Unilever and KTDA, with additional funding from the UK Department for International Development (DFID) in the pilot phase and later The Sustainable Trade Initiative (IDH). In contrast

with the other case studies, an explicit objective of Unilever was to shift the entire consumer tea industry with the aim of getting consumer tea prices to rise, as they had the largest market share.

Supporting smallholders and small-businesses towards RSPO (Malaysia palm oil)
WildAsia worked with Keresa Plantations to develop a model to organise, support and market smallholder farmers in the palm oil supply chain. Funding was provided via Solidaridad, who receive funding from the Dutch government. Match-funding must be provided and, for this partnership, funding was secured from two companies - CONO Kaasmakers and Johnson & Johnson. As enough funding was provided by these donations to cover the costs of the project, this ultimately replaced the Dutch government funding. In contrast with the other case studies, there is no direct market link provided by multinational corporations. This reflects the palm oil supply chain where end users are often not directly linked to producers. The implementing partners were two Malaysian companies, WildAsia and Keresa Plantations (who provided the market link), while the civil society organisation, Solidaridad, was the conduit for the funds.

Roles and motivations

The case studies indicate that the public sector, private sector and civil society have important and complementary roles to play within the partnerships and all perceive that there are benefits from involvement that support their own objectives. The private sector actors saw a benefit of the partnerships, generally based on reputational risks or opportunities that translate into business opportunities. The public sector and civil society interest stems from viewing market transformation as important to deliver environment and development objectives and to correct a market failure.

There are standard roles within the partnerships: initiator, funder, market link and implementer. However, which actor plays each role varies across the case studies, indicating there are generally no set roles for the sectors to play. For example, in the soy case study in Brazil, a civil society organisation (TNC) is the main implementing partner, while in Malaysia, it is a private sector actor (WildAsia).One distinct role is the market link, which is provided by the private sector actor. While not specific to the partnerships, another distinct role is the provision of enabling conditions through the policy and regulatory framework, which is the role of the public sector. While the actor playing the role of the implementer may vary, a key characteristic is the capacity and presence of that actor on the ground, to be able to undertake the activities and ensure adequate trust and engagement with local stakeholders.

Role and justification of public funding

The role of and justification for public funding falls into four categories:

- Providing a public good. For example, in case study on soy in Brazil, money is provided from the Amazon fund, as a payment for the reduced emissions from deforestation.
- Testing a business case / developing an approach. For example, in the case study on palm oil in Malaysia, Solidaridad provided funding to test the business case with the expectation of private sector uptake and resourcing if the business case was proven.
- Covering early implementation costs. For example, in the case study on coffee in Peru, initial public funding supported the development of a new self-sustaining market involving local producers and a global purchaser.
- Changing market conditions. For example, in the case study on tea in Kenya, Unilever aimed to shift the entire tea industry, internalising costs of improved practices.

The different categories have different implications, for example, relating to the need for continuing funding, or the potential for scale and replicability. The role of and justification for public funding needs to be explicit and clearly agreed between the partners to ensure there is a common understanding and common expectations.

Key recommendations:

- *'Threshold' or eligibility criteria should be developed to determine under what conditions public sector funding is considered appropriate to support public-private partnerships. This should be based on the social, environmental and economic outcomes and take into account the full costs and benefits.*
- *Partners should all seek to define clear objectives at the start, and a theory of change, including identifying and agreeing an exit strategy that considers how to best ensure long-term impacts from the partnership. Partnerships should include clear objectives on environment, social and business aspects.*

- *Private sector actors should provide funding and matches to public sector funds in public-private partnership activities, both because of the business benefits and to strengthen buy-in.*

Scaling up and replicating

In principle, the approaches used within the case studies could be replicable, though different contexts will bring different challenges and approaches will need to be tailored. For example, as TNC are working to apply a similar approach to the soya case study in the beef industry, the greater number of private sector actors is bringing new challenges. The need for adequate capacity on the ground and the tendency for partnerships to build on existing relationships are likely to limit the number of partnerships that will develop or be replicated elsewhere. This type of approach was also considered by some respondents to be resource-intensive, limiting the potential to achieve change at scale.

There are examples where an initiative can have a knock-on effect within the sector as in the case study on tea. In contrast with the other case studies, an explicit objective of Unilever was to shift the entire consumer tea industry with the aim of getting consumer tea prices to rise, as they had the largest market share. In some cases partnership activities may lead to indirect impacts within the supply chain or go on to be scaled up or replicated. However, a number of respondents felt that there needs to be a shift or complementary approach to drive change throughout a supply chain, rather than relying on individual projects and interventions. Roundtables and platforms were cited as approaches that can help target issues across a supply chain. Similarly, there is a need for governments (involved in both supply and demand) to provide the necessary policies and measures to incentivise sustainability throughout a supply chain. Where there is a lack of political will for these types of interventions, public-private partnerships might have a role in generating more support by demonstrating the business case and its viability.

Key recommendations:

- *A strategic portfolio of activities should be implemented to drive change within a supply chain, combining public-private partnerships with broader interventions such as multi-stakeholder platforms and public sector interventions.*
- *Public policies and regulation – in both demand and supply countries – and strengthened governance are needed to facilitate and promote better practices, and to provide a level playing field for more sustainable activities.*

Key barriers and enabling factors

The case studies have identified barriers to the partnerships such as local capacity and the need to establish relationships and build trust. These are discussed below under the enabling factors. However, a broader challenge when considering the role of public-private partnerships relates to limitations in understanding fully the outcomes and, in particular, the added value of the partnerships. In the case of tea in Kenya, there are external assessments of the partnership activities. However, this is not always the case. In general, the evidence base on public-private partnerships is considered scarce and rarely relying on sound and robust empirical evidence. There are potential tensions with the need for more independent assessments of public-private partnerships, as these can be resource intensive and rely on making available information that the partners may not be keen to divulge, potentially reducing the appeal of these types of partnerships.

The case studies indicate the challenge, at times, of balancing different objectives, cultures and approaches. In the case of coffee in Peru, farmers had historically had poor relationships with large private coffee purchasers and so building trust was necessary for this project. In all of the case studies the partnerships built on existing relationships between at least some of the actors – highlighted as a key factor. Trust between partners was also highlighted as an important enabling factor to facilitate the partnerships.

Capacity of organisations on the ground to deliver partnership objectives is critical. These are often provided by civil society organisations but the case studies also indicate the importance of capacity of local private sector actors (for example, KTDA in Kenya) and local government (for example, in the soya case study in Brazil). In the case of tea in Kenya, Unilever emphasised the critical role of KTDA, given their existing capacity and networks to reach out to smallholders.

The case studies identify the role of reputational risk created through public pressure and brand concerns. For example, brand concerns were highlighted as a motivation for Unilever in the case of tea in Kenya. The pressure results in traceability and sustainability being seen as posing genuine business risks and opportunities. As a consequence, it has driven the motivation behind the partnerships. For example, in the case of palm oil, Keresa's interest in achieving certification required them to ensure their supply chain met the necessary standards.

Key recommendations:

- *Independent assessments of public-private partnerships should be undertaken to provide transparent information about the outcomes and facilitate evaluation of their role.*
- *Actors interested in undertaking public-private partnerships should take time to identify partners that they can trust and develop relationships to balance cultures and values.*
- *Investments should be made to build local capacity, both for implementation and monitoring on the ground, and provide local partners with the time to build trust among local stakeholders.*
- *Campaigning civil society organisations should be supported to maintain the pressure within the system and continue to drive towards better practices within supply chains.*

While public-private partnerships cannot replace the need for good governance and a strong policy framework, they can support actors to comply with these regulations, and in some cases they can provide incentives for sustainability in the absence of a strong policy framework. There is the potential for significant scale within a particular market, either through indirect outcomes from the partnership or by using the partnership to test the viability and business case, putting pressure on governments, business and civil society to act.

Table 1: Summary of case study partnerships of public sector, private sector and civil society organisations.

Case study	Commodity (country)	Purpose	Level of funding	Years	Private Sector Partners	Public Sector Partners	Civil Society Partners
Alliance for Economic Development in the San Martín Region	Coffee (Peru)	Train farmers in practices that improve yield and quality of coffee in order to receive premium prices.	$1.2 million	2009 - current	• Olam: implementing partner and market link • Peru Opportunity Fund (family foundation): funder	• US Agency for International Development: funder	• TechnoServe: initiator and implementing partner
Responsible soya project	Soybeans (Brazil)	Increase the number of farmers and area of soybeans planted that are in compliance with Brazilian forest conservation laws.	$24 million	2004 – current	• Cargill: initiator, funder, implementing partner and market link • Local farmers unions: implementing partner • Fundo Vale (2009-2011): funder	• UK Embassy: funder (2004-2010) • Amazon Fund: funder (2011-current) • Brazilian government: funder (2011-2012) • The World Bank: funder (2011-2012)	• The Nature Conservancy: initiator and implementing partner
Farmer Field Schools & certification of smallholders	Tea (Kenya)	Train and educate smallholder farmers in sustainable farming practices, and help them achieve certification.	£509,000 for pilot; further funding for later phases	2006 – 2008 (pilot) 2009 – 2012 (upscaling) 2013 – (embedding sustainability)	• Unilever: initiator, funder and market link • Kenya Tea Development Agency: implementing partner and funder	• UK Department for International Development: funder (2006 – 2008)	• Rainforest Alliance: implementing partner • IDH: funder (2009 -) • Plus additional implementing partners supporting aspects
Supporting smallholders & small businesses towards RSPO	Palm oil (Malaysia)	Provide smallholders with a professional organisation to support and help with document keeping in order to achieve certification and work with RSPO mills.	£48,500	2010 - 2012	• Keresa Plantation: implementing partner and market link • WildAsia: implementing partner • CONO Kaasmakers: funder • Johnson & Johnson: funder	• Dutch Ministry of Foreign Affairs: funder	• Solidaridad: initiator

1. Introduction

In order to ensure global food security and avert dangerous climate change, the world faces the pressing challenge of protecting its remaining rainforests and enhancing food production. With expansion of agriculture the leading driver of deforestation (Boucher et al, 2011; Houghton, 2012; Kissinger et al, 2012), there is a need to incentivise changes in supply chains to reduce forest loss caused by agricultural production while still meeting the growing demand for food. A range of approaches are needed, targeted at both supply and demand. A recent report highlighted the different types of demand-side measures used: legislation; public sector measures, such as procurement policies; private sector measures, such as certification and voluntary moratoria; and consumer measures, such as campaigns and boycotts (Walker et al, 2013). Similarly, a range of measures are needed in supplier countries including policies and regulations and voluntary initiatives. This report focuses on case studies of voluntary initiatives aimed at addressing social and environmental concerns relating to production of four agricultural crops (see Box 1).

The case studies focus on public-private partnerships involving public sector, private sector and civil society organisations. Public-private partnerships have gained increasing attention, particularly since the 2002 UN World Summit on Sustainable Development in Johannesburg where the need for collaborative alliances was highlighted (Sathaye et al, 2007; Jorgensen, 2006). Public-private partnerships are gaining attention as a potential solution to a wide range of development and environmental problems, such as forest loss, based on the premise that each partner brings different expertise and capabilities to the table and that more can be achieved in collaboration than can be achieved by each partner working independently (Jorgensen, 2006).

A range of motivations has been highlighted for the different sectors to engage in public-private partnerships. Private sector motivations include improved reputation and brand value, development of local markets and improved risk management (Sathaye et al, 2007; Jorgensen, 2006; Lyon, 2003). Public sector and civil society are motivated by the opportunity to drive change in commodity chains to address unsustainable behaviour, to create markets for sustainable commodities and to attain potential benefits, for example, for smallholder producers and the environment (Bitzer, 2011). Public-private partnerships are not without challenges and issues that raise concerns. They have been criticised both as “bad for business” with the partnership objectives damaging profitability and “bad for development” due to potential limitations posed by the focus on a business case (Sathaye et al, 2007). There are also concerns that public-private partnerships funded by the public sector use public sector funds to support business objectives and profits, in activities that should be the responsibility of the private sector; or that these partnerships provide an opportunity for ‘greenwash’ with unsubstantiated claims of positive outcomes.

The three sectors can play a range of roles within public-private partnerships, including funder, implementer and initiator. The case studies within this report all involve the public sector as a funder of the partnerships; a multinational company as one of the private sector actors; and a civil society organisation as the lead implementing partner or supporting the implementation of part of the partnership. Public funding was a selection criteria because the report aims to understand the role and justification of public funding for public-private partnerships, given the

interest in using public funds to support activities that address social and environmental concerns within supply chains (see the Annex with a list of example funds).The aim of this report is to explore lessons from existing public-private partnerships by asking:

1) What are the roles and motivations for the partnerships?

2) What is the role and justification of the public funding provided?

3) To what extent might the partnerships be scaled up or replicated?

4) What have been the key barriers and enabling factors relating to the partnerships?

Box 1. Social and environmental concerns relating to production practices of studied commodities

Coffee (case study 3.1)

Coffee is grown across the tropical regions of Latin America and Caribbean, Africa and Asia. Peru is one of the top producers in the world. In the late 20th century, methods of coffee growing changed towards high yield, fast growing techniques (sun grown), requiring greater use of chemical inputs and leading to forest reduction, increased erosion, and chemical run off. More than half of all the coffee produced in the world is grown by smallholders, many of whom live in precarious economic situations. Productivity is often low, the quality of the coffee inadequate and pesticides and fertilizers are frequently used incorrectly, leading to pollution. Many farmers are vulnerable to significant price fluctuations. *Sources: Rappole et al (2003) and Solidaridad (2013a).*

Soya (case study 3.2)

Soybeans are an important global crop grown successfully in climates with year-round hot weather. The U.S., Argentina, Brazil, China and India are the world's largest soybean producers and represent more than 90% of global soybean production. Until very recently, the growth in demand for soybeans led to expansion and conversion destroying large areas of natural habitat, affecting tropical forest and other biodiverse areas. Production is reliant on huge inputs of pesticides, weedkillers and fertilisers, contaminating waterways. Expansion of land for cultivation has had large social impacts including conflict over rights to land and decreasing availability of food crops as soya production is favoured. *Sources: WWF (2013a) and SustainWeb (2013).*

Tea (case study 3.3)

Tea grows year-round in tropical and sub-tropical climates. The largest producers of tea are China, India, Kenya, Sri Lanka and Turkey. Tea is a labour-intensive crop and faces a myriad of social, environmental and economic challenges. Environmental challenges include contamination of soil, surface water and final product by pesticide residues, and soil erosion, soil degradation and the sedimentation of rivers. Poor yields and quality have led to high vulnerability of smallholders. Other social impacts include low wages and poor working conditions at some tea plantations, considerably limited or no access to social benefits, work-related injuries and health problems due to contamination by agrochemicals. *Source: Braga et al., 2012.*

Palm Oil (case study 3.4)

The majority of production occurs in South East Asia, although the crop is expanding globally, particularly in West Africa. It is associated with negative impacts such as deforestation and displacement of people. Deforestation leads to many environmental effects including air pollution and loss of biodiversity, endangering many iconic species. The greenhouse gas emissions resulting from loss of both forests and the underlying peatlands after deforestation are significant contributors to global emissions. The establishment of palm oil plantations has led to conflict over land with local communities and production is tainted by poor working conditions, lack of health and safety and low wages in many parts of the world. *Source: WWF(2013)*

2. Methodology

The report uses four case studies of public-private partnerships involving public sector, private sector and civil society organisations. In each of the partnerships, public funding is provided to support voluntary initiatives involving both a private sector actor and a civil society organisation aimed at addressing social and environmental concerns relating to production of agricultural crops. The initial focus was intended to be on public-private partnerships aimed at reducing deforestation but, following an initial scoping, the focus was broadened to social and environmental concerns. This was, in part, due to the limited examples focused specifically on deforestation. However, many of the aspects are likely to be relevant to partnerships with a goal of reducing deforestation. The partnerships were selected to provide examples from different supply chains and different countries and regions. While the partnerships all vary in terms of the scale of funding and length of time, they have all been operating for at least two years and focus on the production end of the supply chain.

For each of the case studies, information was gathered on:

- Partnership objectives and activities
- Partnership roles, including funder, implementer, local expertise and buyer; and motivations, including structure and governance
- Partnership funding, including the stated rationale for the public funding
- Stated outcomes achieved by the partnership, including, where available, information on environment and development outcomes and business impacts
- Stated indirect outcomes achieved by the partnership, such as influence within wider business activities; influence within the wider supply chain by other actors; use as a pilot for other activities / partnerships; policy influence
- Sustainability, scalability, replicability and barriers to success

Information was gathered through desk-based research based on documentary analysis and semi-structured interviews with the partners involved in the case studies. The extent to which information was drawn from the literature or interviews varies depending on the availability of information during the course of the study.

In addition, semi-structured interviews were conducted with people working in public sector, private sector and civil society organisations that are not directly involved in any of the case studies. These interviews were conducted to gather broader perspectives on the potential role and limitations of public-private partnerships.

The report based itself on stated outcomes, rather than making an appraisal of those outcomes. One of the challenges highlighted in the literature relating to public-private partnerships is the common lack of independent impact assessments or evaluations (IOB, 2013) hampering efforts to assess the outcomes and impacts of such partnerships. In some cases (for example, the case

study on tea in Kenya) there are publicly available documents appraising the outcomes, however, this is not always the case and it has not been within the scope of this research to appraise the stated outcomes.

Based on these four case studies, conclusions are drawn with the intention of informing stakeholders who may be interested in supply chain interventions to address deforestation. Recommendations are included for developing partnerships among private sector, public sector, and civil society actors.

3. Case studies

Table 2: Summary of case study partnerships of public sector, private sector and civil society organisations.

Case study	Commodity (country)	Purpose	Level of funding	Years	Private Sector Partners	Public Sector Partners	Civil Society Partners
Alliance for Economic Development in the San Martín Region	Coffee (Peru)	Train farmers in practices that improve yield and quality of coffee in order to receive premium prices.	$1.2 million	2009 - current	• Olam: implementing partner and market link • Peru Opportunity Fund (family foundation): funder	• US Agency for International Development: funder	• TechnoServe: initiator and implementing partner
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Supporting smallholders & small businesses towards RSPO	Palm oil (Malaysia)	Provide smallholders with a professional organisation to support and help with document keeping in order to achieve certification and work with RSPO mills.	£48,500	2010 - 2012	• Keresa Plantation: implementing partner and market link • WildAsia: implementing partner • CONO Kaasmakers: funder • Johnson & Johnson: funder	• Dutch Ministry of Foreign Affairs: funder	• Solidaridad: initiator

3.1 The Alliance for Economic Development in the San Martín Region (Peru coffee)

This partnership works with local farmers to increase sustainable coffee production in a region traditionally affected by illegal coca growth and deforestation. Working together, TechnoServe, the U.S. Agency for International Development (USAID), and Olam provided increased knowledge, development of grower associations, and market access. The ability of each partner to leverage their expertise in training and community organisation (TechnoServe), governance (USAID) and markets (Olam) has helped provide a new environmentally and economically sustainable production system for the local community.

Partnership objectives and activities

The Alliance for Economic Development in the San Martín Region of Peru was initiated in 2010 to promote implementation of good agricultural practices in the coffee supply chain, develop supply chains with equality between the supplier and buyer (Brett, 2013) and provide lawful economic agricultural opportunities (as opposed to historical coca plant production) (USAID, 2013). In addition to the long-standing work done in cooperation between USAID and TechnoServe to improve farmer production, the agreement between TechnoServe and Olam provided the critical component of a new market for the coffee produced using improved growing, production, and processing methods, including investments in processing infrastructure (Ganoza, 2013).

Through this project TechnoServe and Olam worked together to help provide farmers with the opportunity to move into the coffee market. The project re-organised the farmer community, ensured they had the knowledge of coffee growing and processing practices to provide a high-quality product, and provided them with a market that buys coffee at a price that appropriately reflects the value of the coffee.

Partnership roles and motivations

Prior to this partnership, barriers to environmentally and economically sustainable coffee production included processing practices that reduced quality due to climate and limited transportation options, limited access to markets and capital, and lack of governance related to illicit crop production. This partnership utilised the approaches, skills and knowledge of the partners with the aim of providing the local community with new environmentally and economically sustainable agricultural opportunities. Building on their previous work with Olam and USAID, TechnoServe was the initiator of this partnership.

TechnoServe organised farmers into selling groups, and provided several training modules and technical assistance for farmers, helping them increase productivity of coffee while protecting environmental resources (Brett, 2013). TechnoServe trained farmers in production, harvesting and some processing practices, which allows them to provide higher-grade coffee and receive premium value payments (Olam, 2011). By providing farmers a link directly with the buyer, Olam provided a market for higher-grade coffee, established new market connections, and logistical support for transporting coffee to the market with less loss of quality (Brett, 2013).

Olam had been interested in increasing their coffee sourced from Peru, and realised this was a key opportunity to create the farmer knowledge and farm management practices for growing high value crops (Brett, 2013). TechnoServe is known for their work with local communities and smallholder farmers to achieve environmental and development outcomes. They saw this opportunity as a way to meet their social development goals by linking local farmers with stable and profitable markets (Ganoza, 2013). In addition, since many farmers were lacking access to financing, the public funding to support access to credit, along with the private sector's provision of a market, was an important combination for this partnership to provide farmers with new economic opportunities.

USAID has been working with the Peruvian government since 2002 on their Alternative Development project, which aims to stop production of illicit crops and provide economic growth through legal crop production (USAID, 2013). Perennial crop production is considered an especially useful way to shift away from illicit crop production because the long-term effort it takes to garner these products does not allow farmers to shift quickly back to illegal crops. Public funding has been cited as important to overcome externalities such as covering the cost of training and establishment of farmers groups; however, Olam intends this work to be self-sustaining once it reaches a commercially viable scale (Brett, 2013).

Partnership funding

This work was supported by a $961,370 grant from USAID, as part of a larger grant provided to TechnoServe for a number of activities (Ganoza, 2013), and $250,000 from the Peru Opportunity Fund, a family foundation (Peru Opportunity Fund, 2013). The support from USAID is part of the Alternative Development Program, a long-standing U.S. and Peruvian government cooperative effort to address coca production and provide the region with lawful economic development opportunities.

Local and national governments in Peru provided an additional $5,000 for farmers to develop business plans, and provided access to government funding for individuals interested in productive investments. One of the groups in the region also received $45,000 from the Peruvian government for infrastructure investments (Ganoza, 2013).

Stated outcomes of the partnership

The work has reached over 500 farmers on 1,060 hectares (Ganoza, 2013; Peru Opportunity Fund, 2013). These farmers have successfully improved yield by about 45%, helping small coffee producers increase their average income by 30% since 2009. This is likely to be due to increased yields, improved market access, and a higher quality product – and this has been sustained through the recent spread of a coffee rust epidemic in the region (Brett, 2013; Ganoza, 2013). The project has also worked to increase the gender balance of farmers.

Stated indirect outcomes of the partnership

Olam, known in Peru as Outspan, feels this project has helped improve their image locally and specialty roasters are now specifically asking to be affiliated with coffee coming from this region so they can market it directly to end users (Brett, 2013). This project was based on providing formally organised associations of farmers, providing a number of positive benefits, including links with banking and microfinance institutions and access to buyers in addition to Olam. Furthermore, Olam has supported many farmers in attaining organic certification (Ganoza, 2013).

Sustainability and scalability

This partnership follows a model that has been used many times before (i.e. public funds were used by a civil society organisation to help communities overcome educational and technical barriers, which allowed the private sector to enter into the market and provide economic growth for local growers). Therefore, scalability may depend on the ability of civil society to continue to provide services, a growing market for high-quality product, and funding.

Over the years this partnership has grown to include more farmers. In the future Olam expects that the market created by this project should create self-sustaining farmer engagement because the farmers can receive higher prices for the better quality coffee grown through improved practices (Brett, 2013). In fact, a major outcome that helps with the sustainability of this partnership is a better understanding of market quality requirements among farmers.

Barriers to success

USAID funding for this project was useful for bridging the education and governance gaps necessary to meet quality requirements for small farmers to enter the international market, and for shifting more farmers away from illicit crops towards growing coffee. Olam would have been

unlikely to provide market connections for these communities without this public sector investment (Brett, 2013).

Cultural barriers existed as well. First of all, coffee farmers in the region historically have had poor relationships with large private coffee purchasers, so a lot of trust building was necessary for this project (Brett, 2013). Secondly, the first phases of the project needed to focus on supporting development of farmer associations while respecting their models of organisation, and social and commercial interests (Ganoza, 2013).

Finally, it is important to note that in addition to TechnoServe's long-standing experience working on development projects and existing relationship with USAID, their capacity to receive and meet accounting requirements for U.S. government grants made them a key partner for action (Brett, 2013).

Enabling factors and replicability

Prior to this project's farmer training and organisation of farmer association, the local ecological and weather conditions made it difficult for farmers to meet Olam's quality requirements – coffee was damaged as individuals transported their unprocessed coffee over long distances, often to small markets where they could not find purchasers. Establishment of community cooperatives, improved access to credit, and farmer education allowed these issues to be addressed (Ganoza, 2013), allowing farmers to obtain premium prices for higher quality coffee.

The existing relationships among the actors, including TechnoServe's work with Olam in Africa and TechnoServe's long-standing relationship with USAID, were critical for implementing this work. This specific work is currently being replicated in two other municipalities in San Martín in order to reach 750 additional farmers on over 1500 ha (Ganoza, 2013). Similar to the existing project, this new work will, in one location, help create farmer collectives, and in the second location link growers with a large buyer. TechnoServe has also applied the methodologies and experiences from their work in the coffee supply chain to develop a similar project with cacao growers, linking over 300 farmers with a prestigious U.S.-based chocolate manufacturer (Ganoza, 2013).

3.2 Responsible Soya Project (Brazil soya)

For almost 10 years The Nature Conservancy, Cargill, and a number of public sector funders have worked together to incentivise sustainable soybean production in Brazil. Farming practices have changed due to a commitment from Cargill to purchase only soybeans that have not caused illegal deforestation and TNC's efforts to improve monitoring of farmers' forest conservation practices. Over the years this work has significantly expanded across Pára and Mato Grosso, and now more farmers participate in the regional registry that observes if their practices are meeting forest protection laws.

Partnership objectives and activities

The Nature Conservancy (TNC) and Cargill came together in 2004 to help farmers improve their land management practices and address forest loss due to expansion of soybean production. The aim is to increase the number of farms and area of soybeans planted that are in compliance with Brazilian forest conservation laws. Since initiation, and through the intervening years, this work has been financially supported by a number public of sector sources, along with funding from Cargill and other private actors.

To meet the main objective of reducing deforestation from soybean farming, Cargill committed to purchase soya that had not caused illegal deforestation. To make sure this commitment could be met, TNC helped improve, expand and implement the Rural Environmental Registry (known by its Portuguese acronym, CAR, for *Cadastro Ambiental Rural*) (TNC, 2012). The CAR is intended to track soybean farmers' compliance with forest conservation laws, but was severely limited by the state's monitoring and enforcement capacity. Therefore, TNC also worked with local governments to create full-coverage mapping and monitoring systems. In addition, to expand participation in the CAR, TNC, in cooperation with local farmers unions, assisted farmers in applying to be part of the licensing system and demonstrating compliance (Cargill, 2012).

Partnership roles and motivations

Over ten years ago Cargill opened a new port for exporting soybeans in Santarém, causing apprehension about the impacts of increased demand (TNC, 2012). Environmentalists were anxious that tropical forest would be increasingly razed for farming, resulting in enormous international publicity campaigns against companies linked to the soybean supply from the region. In response to this public concern Cargill wanted to ensure their product was not causing deforestation (TNC, 2012). At the same time, TNC realised that working with companies would be critical for achieving their conservation goals on privately owned land (Cargill, 2012). This partnership was initiated to ensure soybean farming was not causing illegal deforestation.

Public sector funding, provided mostly as traditional aid grants, was used to support TNC's work engaging with farmers and supporting development and expansion of the Government's forest cover monitoring systems. This mapping work has allowed local governments to fully implement forest conservation laws, and to verify Cargill's commitments to purchasing sustainable soybeans. Cargill played an important role in providing a market for soybeans grown by farmers participating in the CAR (Cargill, 2012).

Partnership funding

This partnership has received significantly more funding than the other partnerships in this report, though it also covers a much larger area (in Pára alone the maps for this project need to cover over 23 million hectares). Since 2004, a number of public sector donors have provided grants for this work. This includes (Thompson, 2013):

- $307,000 from the UK Embassy for work in Santarém, Pará from 2004 to 2010
- $9,000,000 from the Amazon fund for work in Pará and Mato Grosso from 2010 to the present

- $1,750,000 from the Brazilian Ministry of Environment and the World Bank for work in Maraba, Pará and Santana de Araguaia, Pará from 2010 to 2011
- $1,750,000 from the Brazilian Ministry of Environment for work in Mato Grosso from 2011 to 2012

In addition, Cargill have provided $4,870,000 for work in Pará and Mato Grosso; and Fundo Vale have provided $3,000,000 for work in Paragominas, São Felix do Xingu, Novo Progresso, & Altamira (areas of Pará) from 2009 to 2011 (Thompson, 2013).

Additionally, Pará State has supported this work by purchasing high-resolution satellite images worth about $2,400,000 and increasing their monitoring capacity. TNC has also provided more than $1,000,000 of its own philanthropically-generated funds and additional institutional costs (Thompson, 2013).

Stated outcomes of the partnership

Since initially engaging with over 205 farmers covering 132,000 ha in Santarém alone, this partnership has expanded to over 17,000 farmers in thirteen municipalities (Cargill, 2012; Thompson, 2013;TNC, 2012). In Santarém almost all farms participating in the program have reported achieving zero net deforestation (Cargill, 2012), and in Pará deforestation in 2012 was less than a third of what it was in 2004 (INPE, 2013), though this could be due to multiple factors so it is not clear to what extent this reduction is directly attributable to the activities covered by the partnership. The partnership is currently working to expand their monitoring efforts to evaluate environmental impacts beyond just deforestation to impacts on water and biodiversity. A new partnership with a research programme led by Embrapa (the Brazilian Agricultural Research Corporation) and the University of Cambridge will provide social and economic analyses of this work in Santarem and Paragominas.

Stated indirect outcomes of the partnership

By improving governance, including the ability of farmers to meet legal requirements and the capacity of the local government to enforce those laws, this partnership had the indirect effect of readying farmers for certification, as compliance with local laws is a precondition for certification, such as under the Roundtable on Responsible Soya (Thompson, 2013).

Sustainability and scalability

The sustainability of this project is particularly important, as State and municipal governments still need to improve their monitoring capacity to capture changes at an increasingly fine resolution. This partnership has been successful at generating further funding from the public sector and scaling-up. Starting with less than half a million dollars only in Santarém, TNC have been able to attract significant additional financial contributions from other public sector donors in order to expand and replicate the approach into twelve other municipalities, and to include thousands more farmers.

Financial sustainability of the partnership may be helped through participation of the Amazon Fund. Because the Amazon Fund is intended to focus on activities that reduce emissions, the $9 million provided to this partnership is an indicator that this work could potentially be funded into the future as a REDD+ effort. However, this partnership is currently highly dependent on public funding, raising questions about sustainability, as State and municipal governments continue to build their capacity to map farms and monitor deforestation activities at the property level.

Barriers to success

From the initiation of this partnership it was clear that the very basic enabling conditions for legal soybean production were lacking (Thompson, 2013). Efforts to address this included building trust with farmers and creating coherent regulations and monitoring. For example, regulations lacked specific definitions of restoration, secondary forests and other terms relevant to meeting the laws (Thompson, 2013) making compliance difficult even for those who wanted to comply.

Enabling factors and replicability

The partnership began at a time when the political environment in Brazil was emphasising the importance of forest conservation. In fact, around the same time the Federal Government publically committed to significant reductions in deforestation (Boucher et al, 2011). Further evidence for the broad political support for addressing deforestation including a law passed in January 2010 requiring all rural properties to be mapped and registered in the CAR (though it had been required in some States prior to passage of the federal law) (Thompson, 2013; TNC, 2011).

The existing relationship between TNC and Cargill, who had worked together in the U.S., was important for being able to establish this partnership. However, establishing new relationships is considered possible and TNC is working on replicating a similar approach to improve beef production in Brazil (Thompson, 2013). This will require working in a geography where multiple companies compete to purchase the farmers' beef possibly making it more difficult to follow the soy model where Cargill's purchasing power had influence over local farm practices. The discrete roles for each partner, working with local governments and other key stakeholders (like the farmers union), and developing trust were all elements that would likely be needed to replicate this work.

The development of local government monitoring capacity in this project could provide an interesting template for other partnerships, which could be designed to support and bolster enforcement capability in developing countries by adding commercial incentives into the mix thus making compliance more attractive and reducing enforcement costs and challenges.

3.3 Farmer field schools and certification of smallholders (Kenya tea)

Unilever worked with the Kenya Tea Development Agency to establish Farmer Field Schools to support smallholders to improve farm management practices. Following commitments by Unilever to purchase certified tea for major brands, they worked with Rainforest Alliance to apply the standards required to achieve Rainforest Alliance certification, using the Farmer Field Schools as the vehicle to roll out certification. The work was part-funded by Unilever and Kenya Tea Development Agency, with additional funding from DFID in the pilot phase and later IDH. In contrast with the other case studies, an explicit objective of Unilever was to shift the entire consumer tea industry with the aim of getting consumer tea prices to rise, as they had the largest market share.

Partnership objectives and activities

Unilever and the Kenya Tea Development Agency (KTDA; a company that acts as an agent and buyer for most of the tea grown by smallholders in Kenya) began working with smallholders in 2006 with funding from the UK government's Department for International Development (DFID). The DFID funding was provided to establish four pilot Farmer Field Schools (FFS) at KTDA factories to support smallholders to improve production and implementation of more sustainable farm management practices (Braga et al, 2010b). The aim was to overcome challenges experienced by Unilever in supporting smallholder farmers to achieve their sustainable agriculture guidelines, while also helping smallholders achieve better financial returns (SustainAbility et al, 2008). The FFS adopted a learner-centred approach, which allowed farmers to decide on content and used a hands-on approach to training (Braga et al, 2010b; Unilever, 2009).

At the same time, Unilever made two key public commitments:

- By 2010, the tea in all Unilever mainstream teabags in Western Europe would be sourced from Rainforest Alliance certified farms.
- By 2015, the tea in all Lipton teabags sold globally would be sourced from Rainforest Alliance certified farms. (TCC, 2010)

To deliver these commitments, Unilever began working with the Rainforest Alliance to apply the Sustainable Agriculture Network (SAN) standards required to achieve Rainforest Alliance certification. Initially the Unilever plantation in Kericho was certified. Then the Farmer Field Schools were used as the vehicle to roll out certification training to smallholders. They were also used as a means to build awareness of Unilever's commitment to purchase certified tea and the price premium they would pay (Braga et al, 2010b), with the aim of generating further motivation towards certification. Unilever initially paid a $0.10/kilo premium for certified tea in an effort to jumpstart the market (Jay et al, 2008).

This initial phase has been followed by two further phases to upscale the work and embed sustainability within KTDA smallholder tea production.

Partnership roles and motivations

Unilever were very much the driving force behind the initial partnership. At the time, Lipton was not perceived as a 'shiny, vibrant brand' and was suffering in the market (Braga et al, 2010a). Unilever wanted to revitalise the brand and decided to do this by positioning the brand as values-driven. Market research showed that sustainability was a growing concern in key markets (Braga et al, 2010a) and, while Unilever had their own sustainability standards, they identified credibility as a key challenge in communicating Unilever's efforts to the public (Jay et al, 2008). They decided to select a third party certification scheme to support their sustainability efforts and provide credibility. By certifying the tea and enhancing the brand, they believed they could rebuild Lipton's market share and recover additional costs through market growth (Jay et al, 2008).

Unilever had been working with KTDA for 5 years (SustainAbility et al, 2008) and saw the initiative as an opportunity to move beyond a purely transactional relationship towards a partnership that was seen to be adding value (Birch, 2013). For KTDA, Unilever was an important business partner, buying approximately 25-30% of KTDA total production (Birch, 2013). They were interested in accessing the best possible quality tea to achieve the best price, so they were keen to provide farmers with support and advice (Waarts et al, 2012).

At the time, Rainforest Alliance had little experience with tea or in Africa (Braga et al, 2010a; Jay et al, 2008). Given this, it was challenging for Rainforest Alliance, particularly with the request to roll out certification quickly (Jay et al, 2008). The visibility of the Lipton brand, Rainforest Alliance's concerns about environmental and social issues related to tea, and a growing Rainforest Alliance programme in Africa all contributed to their decision to join the partnership (Jay et al, 2008).

Partnership funding

For the initial phase of work £509,000 was provided as a grant by DFID from the Business Linkages Challenge Fund (BLCF) (Unilever, 2009).The BLCF was a private sector business development initiative set up in 2000. It was designed to provide seed funding, of between £50,000 and £1 million to business working in developing countries to help them compete in new markets, transfer technology, improve competitiveness, and address the policy and regulatory environment for business. The funding required match funding from the private sector. Funding provided by DFID represented 45% of the total project costs, with Lipton and KTDA providing further funding (35.5% and 19.5% respectively; Unilever, 2009).

The later phases of the work have been funded by grants from the Sustainable Trade Initiative (IDH), Unilever and KTDA. IDH is a multi-stakeholder platform (with funding from, amongst others, the Dutch government) supporting the acceleration and upscaling of sustainability within mainstream commodity markets (Braga et al, 2010a).

Public funding for the work has been considered as crucial for the project, as the participatory approach of the FFS was relatively costly and time consuming (Braga et al, 2010b). While the work enabled Unilever to achieve their commitment to purchase certified tea, Unilever felt the public funding was justified because they are only buying a proportion of the tea and, therefore, the extension services provided by KTDA through the FFS went beyond their own supply chain (Vis, 2013).

Stated outcomes of the partnership

In addition to reports produced by partners, external assessments are available for the activities undertaken as part of this partnership, for example, Waarts et al (2012). Results reported from the three phases include:

- The pilot phase involved 120 farmers (Braga et al, 2010b) and led to 24 Farmer Field Schools being established (Boselie, 2013).
- By mid-2010, 36,000 smallholders were certified (Braga et al, 2010a).
- In 2011, five KTDA factories were certified, with nine being audited (Braga et al, 2010b); and by 2012, 28 out of 54 factories had been audited and were certified, with 19 factories preparing for certification (Waarts et al, 2012).
- By mid-2012, 598 KTDA staff and 1669 Lead Farmers (responsible for training other farmers) were trained, targeting more than 480,000 smallholder tea farmers (Waarts et al, 2012).

Reports state there has been an increase in yield that covers upfront and recurring investment costs within 12 to 36 months (Maytak and Boselie, 2013). Better product quality, adoption of better agricultural practices, increased biodiversity and reduced soil loss, alongside farmer's empowerment, knowledge improvement and group cohesion are also cited (Braga et al, 2010b).

While efforts were made to achieve a gender balance, it was mostly men that volunteered for the project (Unilever, 2009).

Unilever has seen an increase in market share in a number of countries. However, whether this is due to sustainable sourcing or better communications is not clear (Birch, 2013).

Stated indirect outcomes of the partnership

Indirect outcomes were important aspects of the partnership. DFID's BLCF was seeking broader market development and impact beyond BLCF partners. Knock-on outcomes throughout the tea market were central to Unilever's goals. Rather than the common approach of creating a premium brand, Unilever wanted to shift the entire consumer tea industry with the aim of getting consumer tea prices to rise. With the largest market share, Unilever had plenty to gain (Braga et al, 2010a).

This has been reported as having taken effect, with Unilever's move described as contributing to a 'tipping point' for sustainability in the tea sector, with several other major companies and brands including Yorkshire tea, Twinings and Tetley following suit and certifying their own tea supply chains (Braga et al, 2010a; TCC, 2010). This has also helped contribute to the sustainability and scalability of the actions.

Sustainability and scalability

Following the initial phase of funding from DFID, further phases of work have received funding via IDH, a multi-stakeholder platform supporting sustainability within mainstream commodity markets (alongside the funding provided by Unilever and KTDA). The third phase of the work, which is currently taking place, is focused on embedding sustainability within KTDA. One of the changes that have taken place over the course of the partnerships is the shift in 'leadership' from Unilever to KTDA, considered as important for sustainability (Birch, 2013; Vis, 2013). A further element that perhaps contributes towards sustainability is the commitment made by Unilever to source certified tea, which provided an imperative for Unilever and a market incentive for partners, given Unilever's prominence in the tea industry.

Central to the goals of Unilever was that this would not be a pilot but instead would be scaled up across their supply chain, in Kenya and in other countries. The rapid expansion of the programme, from the initial 120 farmers in the pilot phase, reaching out to more than 480,000 smallholder farmers by 2012, indicates that this work has gone beyond a specific pilot intervention. One of the challenges in scaling up was the need to reach out to a large number of smallholders. Here, the role of KTDA was key as the structure provided a route through which to roll out the programme. Challenges still remained, for example, for Rainforest Alliance to build capacity of staff and networks to keep up with the demand (Jay et al, 2008). In addition, the move towards farmer-led Farmer Field Schools is challenging (Boselie, 2013).

While Unilever is now working to roll-out its certification goal in other countries, each country will bring different requirements due to the different context, for example, in Argentina, an absence of an organisation like KTDA made reaching out to smallholders at scale more challenging (Braga et al, 2010b). Similarly, there were major challenges brought by expanding into markets in countries where the tea is mainly sourced internally, such as India and China, and where sustainability issues were not so prominent (Braga et al, 2010a).

Barriers to success

One of the major barriers to success in achieving the overall commitment was the number of people involved in the supply chain, with more than 2 million people globally supplying to Unilever (Jay et al, 2008). The process of establishing the FFS is naturally slow, with a need to build trust with the farmers before moving on to sustainability practices (Braga et al, 2010b; Jay et al, 2008). The goal of rolling out across Unilever's tea supply chain, coupled with a high level of interest from the smallholders, created a challenge for Rainforest Alliance to keep up with the demand, identifying and training local partners to implement the programme (Braga et al, 2010b; Jay et al, 2008).

The involvement of a number of partners also brought challenges, with a need to balance different expectations, priorities and cultures (Braga et al, 2010b; Unilever, 2009).

As Unilever has worked to roll-out its certification goal in other countries, barriers have been encountered relating to the different requirements of other countries and the greater prominence of domestic markets, as outlined above under sustainability and scalability.

Enabling factors and replicability

Two aspects appear to have been key to this partnership: KTDA and local partners providing a structure to facilitate roll-out; and the commitment made by Unilever to shift to buying only certified tea for its Lipton teabag blend.

The organisation of a large number of small scale tea farmers, through KTDA, is considered vital to shift from the pilot phase to the roll-out to thousands of smallholder farmers (Birch, 2013; Braga et al, 2010b). Linking FFS into existing KTDA structures and buying centres provided an important foundation on which to build the work (Unilever, 2009).

The public commitments made by Unilever to purchase certified tea provided an incentive to farmers for sustainability and certification (Braga et al, 2010a). This was facilitated by the strong role that Unilever had within the tea market, at the time purchasing 12% of the global supply and as the world's largest private buyer of Kenyan smallholder tea (Unilever, 2009), coupled with the vertical integration in the tea supply chain, with Unilever present throughout the chain (Birch, 2013; TCC, 2010).

3.4 Supporting smallholders and small-businesses towards RSPO (Malaysia palm oil)

In this partnership, WildAsia worked with Keresa Plantations to develop a model to organise, support and market smallholder farmers in the palm oil supply chain. Funding was provided via Solidaridad under their palm oil initiative, which receives funding from the Dutch government. Match-funding must be provided and, for this partnership, funding was secured from two companies, CONO Kaasmakers and Johnson & Johnson. As enough funding was provided by these private sector donations to almost cover the costs of the project, this ultimately replaced the Dutch government funding. The role of the partners differs from the other case studies in a number of ways. In contrast with the other case studies, there are no direct market links provided by multinational corporations, just the funding via Solidaridad. This reflects the palm oil supply chain where end users are often not directly linked to producers. The implementing partners were two Malaysian companies, WildAsia and Keresa Plantations (who provided the market link), while the civil society organisation, Solidaridad, was the conduit for the funds and provided support for implementation.

Partnership objectives and activities

Solidaridad established the Palm Oil Producer Support Initiative (POPSI) with the aim of supporting 10,000 smallholders and 30,000 plantation workers in Central and South America, Asia and Africa by the end of 2012 (Solidaridad, 2013c). They work to develop pilot projects that provide benefits to farmers and support moves towards certification where there is a clear business case; and work with mills, traders and consumer brands to get smallholders included in supply chains (Solidaridad, 2012).

WildAsia (a Malaysian consultancy company) worked with Keresa Plantations Ltd (a small palm oil company), with funding from Solidaridad's POPSI, to develop and test a new practical model to include independent smallholders in group certification – named the WildAsia Group Scheme (WAGS). The scheme aimed to develop new ways to organise, support and market smallholder farmers in the palm oil soil chain and to address existing gaps in the supply chain by building and strengthening relationships between smallholders, certified palm oil mills, traders and large corporations (Lim, 2013). Compared to large scale producers, independent smallholder farmers had been identified as having more difficulty in meeting the requirements of certification schemes (Lim, 2013; Solidaridad, 2013b). To address this, the project aimed to develop an outreach programme for smallholders and small plantation businesses to provide support on sustainable production, leading to RSPO (Roundtable on Sustainable Palm Oil) certification. The project also aimed to develop locally adapted training materials and trainers at the pilot site. At the time, there was considered to be a lack of working models to assist smaller businesses in understanding and implementing RSPO criteria for their plantations (Solidaridad, 2013b).

Partnership roles and motivations

Keresa Plantations was keen to achieve RSPO certification, which was dependent on its own system and suppliers, including smallholders, being compliant with the standards (Leegwater, 2013; Solidaridad, 2013b). Given challenges for smallholder farmers to meet these requirements, working with WildAsia acted as a third party to facilitate this process (Leegwater, 2013). Keresa Plantations and WildAsia had already been working together and WildAsia were keen to pilot a model for group certification of independent smallholders.

Solidaridad was looking to identify projects to fund under their POPSI programme and this partnership was a good fit to Solidaridad's approach of working to support smallholder farmers and workers to apply good agricultural practices, in order to improve their livelihoods and optimise environmental outcomes (Solidaridad, 2011).Solidaridad was receiving funding from the Dutch government. The Dutch government has increasingly worked to integrate trade and development, seeing value chain development as a way of promoting development (van Munster, 2013). It uses a variety of channels to achieve this, including supporting roundtables and capacity building programmes to support smallholders (Netherlands Ministry of Foreign Affairs,

2011). Solidaridad was seen as having a good track record of working with business models and innovative ways of working (van Munster, 2013).

Funding provided to Solidaridad by the Dutch government required match funding from private sector donors. For this partnership, funding was secured from two companies, CONO Kaasmakers and Johnson & Johnson, who wanted to support projects focused on the production of sustainable palm oil (Solidaridad, 2013d; Solidaridad, 2013e). These companies only provided funding rather than any direct market links. Keresa Plantations provided the market link as the buyer of the palm oil produced by the smallholders.

Partnership funding

Solidaridad has funding from RSPO and the Dutch Directorate-General for International Cooperation (DGIS) to support the POPSI programme. The funding from DGIS requires match-funding from the private sector.

The partnership with WildAsia and Keresa Plantations Ltd is one of 13 palm oil projects currently supported by Solidaridad (Leegwater, 2013) with a grant of €56,410 provided to support the project from June 2010 to December 2012 (Solidaridad, 2013b). The donations provided by the two private sector donors, Johnson & Johnson and CONO Kaasmakers, ended up nearly fully funding the project costs (£48,500), and therefore, the central funding from Solidaridad was displaced to support other POPSI programmes (Leegwater, 2013).

As a consequence of the funding from the two private sector donors, the project was ultimately not supported by public funding, but the 'promise' of the central funding is considered key – both to help draw private sector donors and to support activities that may not otherwise attract a private sector donor (Leegwater, 2013).

Stated outcomes of the partnership

In 2011 the first pilot group of 21 members was certified; another 33 members have since been certified (Solidaridad, 2013b). A series of training sessions have been organised, attended by a total of 140 smallholders and nearly 400 workers (Solidaridad, 2013b). There has been a reported increase in yield of approximately 20% and an increase in sales from 2,100 tons in 2010 to almost 4,400 tons in 2012 (Solidaridad, 2012). The adoption of better management practices has been reported as leading to reduced costs according to farmers (Solidaridad, 2013b), while the increased yields have reportedly led to higher revenues (Leegwater, 2013). Therefore, Solidaridad feels that the project has provided social benefits and yield benefits (Leegwater, 2013).

Solidaridad is less confident in identifying environmental benefits from this type of intervention. Whether the changes have reduced deforestation is not known, as while the yield has increased, it is not assumed that this will correspond to a reduction in deforestation (Leegwater, 2013). While the RSPO rules require better protection of High Conservation Value Areas, there are often questions about the extent to which auditors ensure that these rules are implemented (Leegwater, 2013).

Keresa has experienced additional costs, to provide the necessary safety equipment to workers for example, and the increased yields are viewed as important to counter these costs (Solidaridad, 2013f). The business case is, however, considered to be clear. The support provided to farmers to implement better practices leads to better outcomes for the farmers, who get higher yields and pay less for their inputs, and the mill, which gets a better supply of quality fresh fruit bunches (Leegwater, 2013).

Stated indirect outcomes of the partnership

In addition to establishing the model with Keresa Plantations, WildAsia were keen to use the pilot to develop the WildAsia Group Scheme (WAGS) (Leegwater, 2013; Solidaridad, 2013b). The WAGS system will now be used in other projects, for example, in Solidaridad-supported projects with Cargill and Nestle in Malaysia (Solidaridad, 2013b). The system is also now being

further developed in collaboration with the Malaysian Palm Oil Board with an eye on possible future implementation by them, providing a potential opportunity to scale up and replicate the activities (Leegwater, 2013).

Sustainability and scalability

The project is now considered to be self-sustaining, as there are no longer any promised or actual public sector funds committed to it, and Keresa is interested to scale up the initiative to other smallholders within their supply chain (Leegwater, 2013). Keresa were interested to receive further funding from Solidaridad to support rolling out the programme further. However, Solidaridad's approach is to support pilots to test if there is a business case. If this is demonstrated, they expect actors within the supply chain to invest in scaling up or replicating the approach, rather than providing further funding (Leegwater, 2013). They believe that Keresa will scale up the approach, now they have seen that it does have business benefits; whether this will be the case will show with time (Leegwater, 2013). To scale up the approach, Keresa will need to reach out to smallholders that are further from Keresa, which will be more challenging (Leegwater, 2013).

Barriers to success

Convincing farmers to join the training programme has been challenging as it took time to build trust and engagement of the farmers to consider changing the way they manage their farms (Lim, 2013; Solidaridad, 2013b). It also took time to get the right farmer groupings. These challenges meant that it took one year to establish the best approach, after which rolling out the programme was easier (Solidaridad, 2013b). While this is not considered to be an unreasonable timeframe to establish the approach, it is important to recognise the time required for early stages necessary to facilitate implementation.

A further challenge experienced by Solidaridad is in relation to their dependence on indirect information from implementing partners (Leegwater, 2013). This highlights the importance of strong relationships between the partners and supporting reporting as well as implementation capacity.

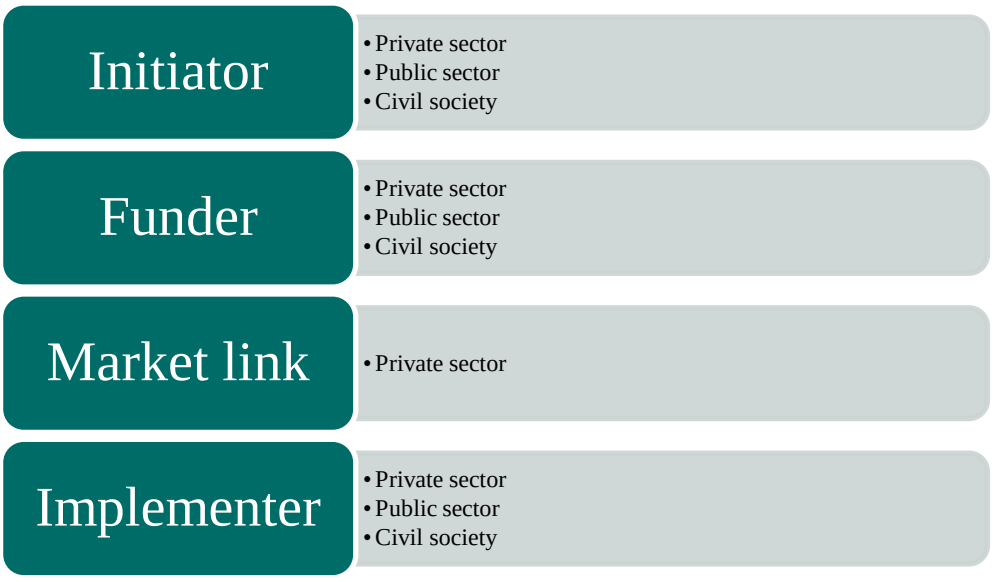
Enabling factors and replicability

The start-up funding provided through the partnership was considered important to supporting the smallholders and overcoming early bottlenecks (Solidaridad, 2013b). More broadly, the funding available from Solidaridad, provided by DGIS and RSPO, is considered to be vital in providing a flexible source of funding that can be used to attract private sector donors or to cover costs of activities that might not otherwise be funded, due to uncertainty and risk. The model applied by Solidaridad where this funding is replaced if other funding is secured provides an interesting approach that could be replicated elsewhere, if a programmatic approach such as this is used.

4. Discussion

4.1 What are the roles and motivations for the partnerships?

The case studies indicate that all three sectors - public, private and civil society - have important and complementary roles to play within the partnerships and all perceived that there are benefits from involvement that support their own objectives. While there are standard roles within the partnerships, as outlined below, the actor playing this role can vary, indicating that there are generally no set roles for the sectors to play. One distinct role is the market link, which is provided by the private sector actor. While not specific to the partnerships, another distinct role is the provision of enabling conditions through the policy and regulatory framework, which is the role of the public sector. While the actor playing the role of the implementer may vary, a key characteristic is the capacity and presence of that actor on the ground, to be able to undertake the activities and ensure adequate trust and engagement with local stakeholders.



There is often more than one actor playing each role (for example, Cargill, Fundo Vale and a number of public sector actors all provide funding for the soya case study in Brazil); and there is also often more than one actor from each sector involved playing varied roles (for example, the palm oil case study in Malaysia has two private sector actors as implementers and two private sector actors as funders).

Beyond these specific roles in implementing public-private partnerships, the sectors can play other roles (for example, the public sector has an important role in providing the policy and regulatory framework).

Private sector role and motivation

In all four case studies, one of the private sector partners is directly responsible for purchasing at least some of the produce. Given this, the private sector was described as making the initiatives 'real' by providing the link to the market. The position of the private sector within the supply chain appears to influence their motivations for entering partnerships. For example, Olam are much closer to the farm, and were motivated by ensuring consistent high-quality production to sell up the supply chain. On the other hand, Lipton is closer to the consumer and therefore Unilever were motivated by brand perception.

Public commitments, such as that made by Unilever to purchase certified tea, appear to play an important role in incentivising better practices to ensure market access. In three of the four case studies (excluding coffee in Peru), the private sector has provided funding to support the partnership activities. In some cases, private sector actors also act as an implementing partner, for example, KTDA in the case of tea in Kenya and WildAsia in the case of palm oil in Malaysia.

The private sector actors involved saw a benefit to entering the partnerships, generally based on reputational risks or opportunities that translate into business opportunities. For example, in the case of tea in Kenya, Unilever were motivated by a decline in the Lipton brand market share and their belief that sustainability would allow them to regain the market share. In some cases this motivation translated into an interest to support or undertake activities within a partnership that affected their own direct supply, while in other cases the motivation led to an interest to effect market transformation. While not necessarily identified as a driving factor for the private sector, the initiatives were, in some cases, identified to improve security of supply and quality of the produce, providing a further motivation for the private sector. For example, in the palm oil case study, the better practices improved the quality and provided a more steady supply for Keresa Plantations.

Public sector role and motivation

In these case studies the explicit role of the public sector has been through the funding provided. In three of the four case studies these public sector funds came with a requirement for private sector funding; see 'What is the role of the public funding provided?' below. In the case of soya in Brazil, the public sector also provided an important role in creating the regulatory framework, which the farmers were aiming to achieve compliance with. It is important to note that one of the criteria for the selection of these case studies was the provision of public funding, to understand the role that this played; and there are a range of other roles that the public sector, including in supply countries, can play. While not always explicit in these case studies, the public sector role – both on the demand and supply side – is often to create the broader environment and incentives through, for example, regulation and public policies. In the palm oil case study, the Dutch government provides funding for partnerships while also implementing demand-side measures.

The public sector interest in supporting these partnerships stems from viewing market transformation as important, with the aim of correcting a market failure where unsustainable products are cheaper than sustainable products. Given moves by developed country governments to put in place policies and measures to incentivise sustainable trade, there are perspectives that it is important for those governments to support measures relating to sustainable production. While not always explicit, a further motivation identified by some respondents was the interest of public sector actors to use public-private partnerships to demonstrate viability of sustainable production and provide 'leverage' with and gain support from, for example, other governments or private sector actors, for public sector interventions, such as regulation or public procurement.

Civil society role and motivation

Civil society actors play a range of different roles within these partnerships. They are often responsible for implementation on the ground, sometimes in a 'service delivery' capacity, at other times as the initiator behind the activities and partnerships. However, they are not always the lead implementing partner, with some private sector actors playing this role. They are often

the recipient of the funding (with some public sector donors not providing funds directly to a private entity) and responsible for reporting on its use to donors – a task that many of the private sector partners were not keen to undertake, due to the reporting requirements been considered too onerous and resource intensive. A further role of civil society is considered to be ensuring the broader social and environmental objectives are delivered, given this is central to their mission, with some respondents highlighting that civil society is considered important to create trust in the partnership activities.

As with the public sector, a number of civil society actors see the importance of market transformation to deliver on environment and development objectives, which acts as a motivation for these partnerships.

4.2 What is the role and justification of the public funding provided?

The role of public funding varies, with implications for longevity, scale and replicability

The case studies and respondents demonstrate different roles of and justifications for public funding. These can be categorised as outlined in table 2. The different categories have different implications, for example, relating to the need for continuing funding or the potential for scale and replicability.

Given the different potential roles of and justifications for public funding, this needs to be explicit and clearly agreed between the partners to ensure there is a common understanding and common expectations.

Table 3: Role and justification of public funding for public-private partnerships

Role and justification	Description	Self-sustaining?	Scale and replicability	Case study
Providing a public good	Public funding is used to pay for (some if not all of) a public good that would otherwise not have been achieved.	Depending on the public good. Some may require continuing funding, e.g. payments for environmental services, while others may be one off, e.g. infrastructure development.	If further funding is provided the result may be replicated, but cost/unit may remain steady.	Soy in Brazil: money is now provided from the Amazon fund, which is intended to support activities that reduce emissions from deforestation, as a payment for the environmental service provided.
Testing a business case / developing an approach	Public funding is used to cover the costs of an activity with an uncertain outcome, e.g. testing the viability of an approach, and reducing the risks.	In theory, after initial trail and development if the business case is demonstrated.	In theory, if a business case is demonstrated the activity can scale and efficiencies to reduce cost may be found.	Palm oil in Malaysia: Solidaridad provided funding to test the business case, with the expectation of private sector uptake and resourcing if the business case was proven
Covering early implementation costs	Covering the costs of activities that are resource intensive (for example, reaching out to smallholders) and, therefore, can be considered prohibitive from a commercial perspective.	Once early costs have been funded.	If further funding is provided to cover upfront costs for expanded and additional work.	Coffee in Peru: initial public funding supported the development of a new self-sustaining market involving local producers and a global purchaser Tea in Kenya: supporting outreach to smallholders with the ultimate aim of internalising costs within KTDA.
Changing market conditions	Public funding is provided with the aim of catalysing change within the market.	If market transformation is achieved.	If market transformation is achieved.	Tea in Kenya; Unilever aimed to shift the entire tea industry, internalising costs of improved practices.

Is there really a justification for public sector funding?

In contrast with the justifications outlined above, some of the respondents interviewed for this report questioned the justification of public funding given the business benefits of the activities. Deciding whether and when public funding is appropriate and for what objectives will need careful consideration.

There needs to be consideration of the full costs and benefits of an intervention to define a 'threshold' or criteria under which the public sector funding is considered appropriate and to what end (IOB, 2013). It relies on knowledge of the individual supply chain to understand where the sector is, where the real barriers are and identify opportunities and needs. Understanding the actors involved and their potential role and leverage in the supply chain is also important. While companies with a larger share in the market may have an attraction from the perspective of market transformation, smaller actors may be able to move more quickly presenting an opportunity for testing a new approach quickly. Competitiveness and reputational risk will be more acutely felt by certain companies, influencing the extent to which indirect impacts may be seen. As markets shift, with the growth in investment and demand from emerging economies, understanding the individual supply chain and having clear objectives will be vital to identify the right partnerships and the right context. Some respondents identified the importance of partners in providing this knowledge.

Private funding also plays an important role

Many respondents highlighted the importance of private sector funding, alongside the public funds. In part, this was considered necessary given the business benefits provided by the activities. It was also considered important to ensure adequate buy-in from the private sector actor to generate commitment to the partnership and activities; and given the benefits seen by the businesses. Reflecting this, in some of the case studies, match-funding was a requirement. The model used by Solidaridad provides an interesting example by using public funding to support activities that have high risks and to attract private funding as match-funding. If more than the necessary match-funding is secured from the private sector, the public funds are then disbursed to other projects, allowing flexibility through their programmatic approach.

Key recommendations:

- *'Threshold' or eligibility criteria should be developed to determine under what conditions public sector funding is considered appropriate to support public-private partnerships. This should be based on the social, environmental and economic outcomes and take into account the full costs and benefits.*
- *Partners should all seek to define clear objectives at the start, and a theory of change, including identifying and agreeing an exit strategy that considers how to best ensure long-term impacts from the partnership. Partnerships should include clear objectives on environment, social and business aspects.*
- *Private sector actors should provide funding and matches to public sector funds in public-private partnership activities, both because of the business benefits and to strengthen buy-in.*

4.3 To what extent might the partnerships be scaled up or replicated?

There is often an interest in the potential to scale up or replicate partnerships and the associated activities, as a means to drive change within the supply chain. In principle, the approaches used within the case studies could be replicable, though different contexts will bring different challenges and approaches will need to be tailored. For example, as TNC are working to apply a

similar approach to the soya case study in the beef industry, the greater number of private sector actors is bringing new challenges.

The need for adequate capacity on the ground and the tendency for partnerships to build on existing relationships are likely to limit the number of partnerships, which will develop or be replicated elsewhere (though the case study on coffee also highlights that existing partnerships may be used in other countries and with other supply chains). This type of approach was also considered by some respondents to be resource-intensive, limiting the potential to achieve change at scale.

There are examples where an initiative can have a knock-on effect within the sector as in the case study on tea. In contrast with the other case studies, an explicit objective of Unilever was to shift the entire consumer tea industry with the aim of getting consumer tea prices to rise, as they had the largest market share. The move to mainstream their commitment, rather than developing a niche brand, is considered important to encourage a tipping point across the supply chain (Braga et al, 2010a).However, the influence on the tea industry – described as an "unprecedented achievement" (Braga et al, 2010a) - was considered to be specific to Unilever's role and the vertical integration within the supply chain, rather than necessarily typical. Whether or not initiatives led to this broader change within the entire sector was cited by some respondents as closely linked to the extent to which sustainability became a competitiveness issue and whether the first-movers were perceived to have received a market advantage.

While in some cases partnership activities may lead to indirect impacts within the supply chain or be scaled up or replicated, a number of respondents felt that there needs to be a shift or complementary approach to drive change throughout a supply chain, rather than relying on individual projects and interventions.

Roundtables and platforms were cited as approaches that can help target issues across a supply chain, though recognising the risks that multi-stakeholders platforms can face challenges in agreeing high standards due to the broad membership and take far too long to develop. A number of respondents felt there was a complementary role for individual public-private partnerships and broader platforms: with public-private partnerships testing the viability or business case of approaches, while multi-stakeholder platforms can help level the playing field and deal with issues at the pre-competitive stage. For example, this complementary approach is used by the Sustainable Trade Initiative (IDH).

Similarly, there is a need for governments (involved in both supply and demand) to provide the necessary policies and measures to incentivise sustainability throughout a supply chain. However, a number of respondents felt there is little political will for these types of interventions and that public-private partnerships might have a role in generating more support, by demonstrating the business case and its viability, and indirectly. For example, if, as a consequence, private sector actors put pressure on governments to level the playing field (assuming they do not perceive a competitive advantage).

Key recommendations:

- *A strategic portfolio of activities should be implemented to drive change within a supply chain, combining public-private partnerships with broader interventions, such as multi-stakeholder platforms and public sector interventions.*
- *Public policies and regulation – in both demand and supply countries – and strengthened governance are needed to facilitate and promote better practices, and to provide a level playing field for more sustainable activities.*

4.4 What have been the key barriers and enabling factors relating to the partnerships?

Key barriers

The case studies have identified barriers to the partnerships, such as local capacity and the need to establish relationships and build trust, as discussed below under the enabling factors. However, a broader challenge when considering the role of public-private partnerships relates to limitations in understanding fully the outcomes and, in particular, the added value of the partnerships.

Understanding the extent to which the partnerships activities have delivered social and environmental outcomes is challenging, as often only anecdotal information is available. Often certification schemes are used to provide some form of independent verification. However, even then, in the case of palm oil in Malaysia for example, it is highlighted that there are limits to understanding the social and environmental outcomes.

Similarly, understanding the full costs and benefits, including how these are distributed amongst different actors, is challenging, though considered an important means for defining eligibility for public-private partnerships and, in particular, public funding, and understanding (IOB, 2013).

In the case of tea in Kenya, there are external assessments of the partnership activities. However, this is not always the case. In general, the evidence base on public-private partnerships is considered scarce and rarely to rely on sound and robust empirical evidence (IOB, 2013). One particular challenge relates to determining the added value of the partnership itself and what would have been different without the partnership or the public sector funding, or whether an alternative approach would have been more effective. Another key question is to what extent any impact spreads across the sector as a whole or whether it is just that firm or market leaders that adopt, leaving the others trailing behind.

There are potential tensions with the need for more independent assessments of public-private partnerships, as this can be resource intensive and rely on making available information that the partners may not be keen to divulge, potentially reducing the appeal of these types of partnerships.

Enabling factors

Balancing cultures and objectives

The case studies indicate the challenge, at times, of balancing different objectives, cultures and approaches. In the case of tea in Kenya, the involvement of a number of partners brought challenges, with the need to balance different expectations, priorities and cultures. In the case of coffee in Peru, farmers had historically had poor relationships with large private coffee purchasers and so building trust was necessary for this project. Though each of the actors has a motivation behind the partnership, these often vary and, therefore, there are likely to be different priorities for the outcomes of the partnership. In all of the case studies, the partnerships built on existing relationships between at least some of the actors – highlighted as key. Trust between partners was highlighted as an important enabling factor to facilitate the partnerships. This requires leadership – both to drive the initial commitments and engagements; and at the working level to deliver the partnerships, including taking the time to develop the relationships amongst partners.

Capacity to deliver

Capacity of organisations on the ground to deliver partnership objectives was highlighted as critical. While often provided by civil society organisations, the case studies also indicate the importance of capacity of local private sector actors (KTDA in Kenya) and local government (in the soya case study in Brazil). In the case of tea in Kenya, Unilever emphasised the critical role of KTDA, given their existing capacity and networks to reach out to smallholders, which has been a challenge in other countries where there has not been a similar actor in place. Similarly,

in the case of palm oil in Malaysia, WildAsia were considered to play a critical role, as a facilitator of the relationship between Keresa plantations and the smallholders. In the cases of soya in Brazil and tea in Kenya, building trust with the farmers was highlighted and local capacity was felt important to achieve this. Local capacity and embedding the programme within the local context were also highlighted as key for sustainability. Local capacity is also considered important for scale and reach (SustainAbility et al, 2008). However, a number of respondents highlighted that this capacity is often a limiting factor and will likely influence the potential for scaling up or replication in other contexts.

Pressure in the system

The case studies identify the role of reputational risk created through public pressure and brand concerns. For example, brand concerns were highlighted as a motivation for Unilever in the case of tea in Kenya. The importance of 'pressure in the system' was emphasised by a number of respondents and is reported as important more broadly. Campaigning by Greenpeace linking Amazon deforestation to soy exported to Europe has been cited as critical to the soya and meat industry actions (Nepstad et al., 2013; Walker et al., 2013), while, in response to public pressure and brand concerns, Nestlé made a commitment to zero deforestation and is working in collaboration with TFT to develop and implement guidelines to meet this aim (Wolosin and Springer, 2013). As noted above, reputational risks and opportunities were cited as the motivation behind private sector engagement. This appeared to be a greater concern than operational risks posed by unsustainable production.

The pressure results in traceability and sustainability being seen as posing genuine business risks and opportunities. Sustainability initiatives are considered to be important for enhancing brand and driving consumer loyalty (SustainAbility et al, 2008). As a consequence, it has driven the motivation behind the partnerships. For example, in the case of palm oil, Keresa's interest in achieving certification required them to ensure their supply chain met the necessary standards.

Key recommendations:

- *Independent assessments of public-private partnerships should be undertaken to provide transparent information about the outcomes and facilitate evaluation of their role.*
- *Actors interested in undertaking public-private partnerships should take time to identify partners that they can trust and develop relationships to balance cultures and values.*
- *Investments should be made to build local capacity, both for implementation and monitoring on the ground, and provide local partners with the time to build trust among local stakeholders.*
- *Campaigning civil society organisations should be supported to maintain the pressure within the system and continue to drive towards better practices within supply chains.*

5. Conclusion

Public-private partnerships can potentially yield better outcomes than the same players operating independently and can solve problems that need collaborative solutions. Investments should be made to build local capacity to facilitate effective public-private partnerships, while maintaining and increasing 'pressure' through campaigns and brand concerns will provide a continued incentive for progress.

Given the different range of potential roles of and justifications for public funding for public-private partnerships, this needs to be explicit and clearly agreed between the partners to ensure there is a common understanding and common expectations. A 'threshold' or eligibility criteria should be developed to determine under what conditions public sector funding is considered appropriate to support public-private partnerships. These should be based on the social, environmental and economic outcomes and take into account the full costs and benefits.

While public-private partnerships cannot replace the need for good governance and a strong policy framework, they can support actors to comply with these regulations, and in some cases they can provide incentives for sustainability in the absence of a strong policy framework. There is the potential for significant scale within a particular market, either through indirect outcomes from the partnership; or by using the partnership to test the viability and business case, putting pressure on governments, business and civil society to act.

Annex - Funding to support private sector actions to reduce deforestation

Donor and developing country governments, civil society, and multilateral organisations are increasingly interested in engaging the private sector to address the drivers of deforestation, often linked to an interest in delivering REDD+.

To date the major funding for private sector actions has focused on commodity supply chain efforts, though other innovative approaches are being developed. The funding opportunities listed here exemplify the importance of the private sector's flexibility in approaches for accessing this funding. For example, many of those listed will likely require working through non-governmental organisations, as shown in the case studies in this report.

Some funding opportunities that support private sector activities to reduce deforestation include the following.

Funding instruments

Amazon Fund

With a current portfolio of $194 million, the Amazon fund is one of the largest schemes to pay for emissions reductions through REDD+ (Amazon Fund, 2013). Project guidelines and criteria mention the importance of multiple stakeholders (Amazon Fund, 2012), and funds have been used to support initiatives working with the private sector (see case study in this report on soybeans in Brazil). Financing from the Amazon fund can be used in any of the Amazon Basin countries.

BioCarbon Fund

The World Bank's BioCarbon Fund is a public-private initiative to mobilise finance for forest carbon related projects. Since 2004 the fund has invested more than $90 million in projects, working with national entities, private companies, and non-governmental organisations (BioCF, 2013a). Furthermore, the fund investors include twelve private companies. The newest tranche of BioCarbon Fund projects (which has yet to be financed) has four main activities, including "building on opportunities for innovative public-private partnerships and incentivising sustainable investments on land; for example, encouraging investments in land productivity and supply chains by private companies" (BioCF, 2013b).

Forest Investment Program, FIP

The World Bank's Forest Investment Program works to support REDD+ efforts, and currently includes over $630 million pledged for work in eight countries (CIF, 2013a). Of this funding over $50 million has been set-aside specifically for initiatives that engage the private sector in REDD+ and promote sustainable management (CIF, 2013b). Proposals for projects will be chosen through a competitive process, with the first tranche of funding to be agreed in November 2013.

The Sustainable Trade Initiative, IDH

A collaborative of the Dutch, Swiss, and Danish governments, initiated with 130 million Euros. IDH aims to scale up sustainable trade. IDH works with a range of stakeholders, including private companies, civil society, governments, financial institutions, and knowledge institutions to implement strategies to transform supply chains. The IDH works on a 1:1 financing model in which the private sector provides matching funds for project implementation. *Source: IDH, 2013.*

UK International Climate Fund

The UK government recognises that "the private sector is a potential source of innovation and investment in better management of forests and land." Under its £2.9bn International Climate Fund, the UK is developing a Forests and Climate Change programme aimed at working with the private sector to increase the value of standing forests and address the agricultural drivers of deforestation. It includes support for: demand side-measures, enabling conditions to address investment barriers, 'greenfield' investments to increase the value of forests, 'brownfield' investments to promote deforestation-free production, and jurisdictional approaches that test these interventions at sub-national or national scale. This programme is expected to leverage private sector engagement and achieve carbon mitigation, conservation of biodiversity, and poverty reduction. *Source: UK, 2013.*

Donor government programmes

Millennium Challenge Corporation-Indonesia Green Prosperity Program, GPP

The U.S. Millennium Challenge Corporation is partnering with the Indonesian government to establish the Green Prosperity Program. Both grant and loan instruments for private enterprises, local governments, financial institutions, and civil society undertaking projects in Indonesia to reduce poverty while addressing environmental concerns. The programme will include $332.5 million specifically for "greater private sector investment in renewable energy and sustainable land practices." *Source: MCC, 2012.*

USAID Forest Carbon, Markets and Communities, FCMC

While not a financing mechanism itself, the FCMC aims to help provide technical assistance to USAID missions, REDD+ governments, and international stakeholders for development and implementation of integrated REDD+ activities. One of the major components includes work to establish the capacity to attract and engage private capital through a range of financial structures, including: risk management products, loan guarantees, registries, settlement and clearinghouse, audit and verification, public and private debt insurance, public-private partnerships, equity markets, municipal finance, emissions reduction purchase agreements, and donor-based support. *Source: USAID, 2012.*

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