



Inclusive Agricultural Trade Scan

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Colophon



Eggplant grown for the local market in Tanzania provides picking jobs and fresh products

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This scan is about “inclusive agricultural trade”. Trade in agricultural sectors is shaped by measures that influence the way the sector is governed, as well provide supportive services such as infrastructure, research, finance, etc. Inclusive agriculture trade aims to put in place measures that help those who currently benefit least from agriculture, so they can capture a fair share of growing trade.

When macroeconomic measures are being planned - such as new taxation regimes, roads or mobile networks, or investments in agriculture research – it may not be immediately obvious how they will affect various groups differently. Careful thinking can reveal this, and make it possible to make more ‘inclusive’ choices.

For example, investments in agricultural research can focus on crops such as varieties of soya or maize for large-scale, mechanised production or it can focus on traditional vegetables or drought-resistant crops that small-scale farmers prefer to grow. Agriculture investment schemes can target heads of households – often men – or create mechanisms that also give women access to necessary loans.

Why an Inclusive Trade Scan?

Many businesses and farmers that want to be more inclusive put their effort into building inspiring individual businesses, or in developing more inclusive value chains; this is what they can influence or control. The trade environment is simply taken as a given that is sometimes helpful and often not. Yet this environment often is of critical importance for the chances of making inclusiveness grow. This scan helps to get you thinking about how your trade environment helps or hinders inclusive efforts.

Who is the Inclusive Trade Scan for?

The Inclusive trade scan is meant for anyone who is thinking about how their or a new agribusiness initiative includes those involved: workers, farmers, different consumer groups, traders, and others. It is particularly relevant for governments developing agriculture sector strategies and setting investment priorities, donors (such as embassies and philanthropic funds) investing in trade measures and aid-oriented initiatives, and international NGOs implementing projects at all levels. The scan can also help companies think what market conditions best to influence for more space for inclusion.

The scan is a good way for two parties, such as a government service and an international donor, or a company and a funder, to build common understanding how new initiatives can be made more inclusive.

How does it work?

This publication gives an overview of how agricultural trade can take place on three different levels: as an individual agribusiness, as a value chain, and as a trade environment. Each higher layer affects the one below. A scan helps the user assess the inclusiveness of the projects, initiatives, and investments that they are starting. This is particularly relevant in the design and approval phase, when changes can be made more easily.

This tool helps to:

- Create common language on what inclusivity means in the agriculture sector.
- Clarify differences between the trade environment, value chains, and individual businesses when it comes to inclusivity.
- Get people thinking about what exactly in the trade environment is blocking their efforts, how this might need changing, and who is best placed to change it.
- Help those who are starting initiatives to think about how inclusive their efforts are and what more is possible.

Understanding inclusiveness

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There are many descriptions and definitions of inclusive agribusiness; the exact definition is not critical. What is important is to think about what inclusive agribusiness aims to do: to structurally improve the opportunities and benefits of agribusiness relationships for low-income and disempowered people. Opportunities and benefits can be improved on the supply side (as a producer or employee) and on the demand side (as a consumer).

While often emphasis is placed on the benefits to livelihood (i.e., economic benefits), social and environmental benefits can also be targeted. Finally, inclusive agribusiness and trade is deliberate about enhancing inclusivity in the design and implementation of initiatives.



Vegetable irrigation

In this tool, we identify three aspects of inclusiveness:

- 1. Who is included:** the social groups that are typically excluded from exerting power over, and receiving major benefits from, agribusiness relationships, and who are now deliberately being drawn in. These typically include smallholders, women, elderly, youths, the landless, the jobless, minorities, and so on. Since the inclusion of a particular group is deliberately targeted, we refer to these as the 'target groups' of the inclusive initiative.
- 2. How are they included:** the process by which the target groups are involved in the design, implementation, and outcomes of the inclusive initiatives.
- 3. What the effect is:** the intended outcomes for the target groups, whether economic, social, or environmental. This tool is meant to help the user assess the inclusiveness of an initiative, project, intervention, or investment. In the rest of this document, any of these four terms is used to refer to all the others.

In the tool, we make a distinction between "process" and "outcomes" in relation to inclusivity.¹ The process is about who and how, while the outcomes are about what.

Proces: WHO and HOW

Being more inclusive begin with the process of tackling a new initiative. This includes the way different groups are consulted or take part in decision-making processes (the principles of engagement), who is

checking whether things are being done appropriately and properly (due diligence), how problems and issues can be addressed (remediation), and who work and progress is reported to (accountability).

The following aspects strongly affect the shape taken by a new initiative.

- **identifying** who you want to benefit from the business initiative.
- **assessing** their needs.
- **engaging** them in decision-making.
- **providing** space for remedies.
- **monitoring** the outcomes of the project as input for adaptive management.

Outcomes: WHAT

The outcomes refer to the opportunities and benefits for all groups involved in the initiative - and in particular for the target groups that are in need of greater inclusivity. These outcomes can be considered in terms of the following well-known dimensions.

- **Outcomes:** what is relevant to your target groups?
- **Impact:** does the project contribute to more fairness and improved economic, social, and environmental opportunities and benefits for your target groups?
- **Sustainability:** is the initiative based on a viable business model that incorporates inclusive priorities in the core model? Can it be sustained over time?
- **Scale:** does the project create opportunities that are both equally accessible to all target groups and scalable?

Understanding inclusiveness

Outcomes of inclusive trade are:

1.

Vulnerable groups are included in diverse parts of the value chain, based on strong value propositions.



2.

Products and services are provided that are agreeable, affordable, safe and healthy, sus-tainable and accessible to all.



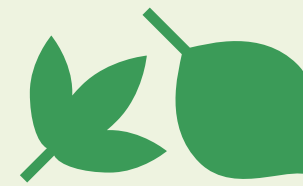
3.

Business generates profits that through fair taxation and/or corporate programs also contribute public goods.



4.

Stewardship of the natural resource base becomes a shared responsibility.



5.

Responsible agribusiness investments & inclusive business models can demonstrate contribution to the Sustainable Development Goals (SDGs).



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Three levels of trade

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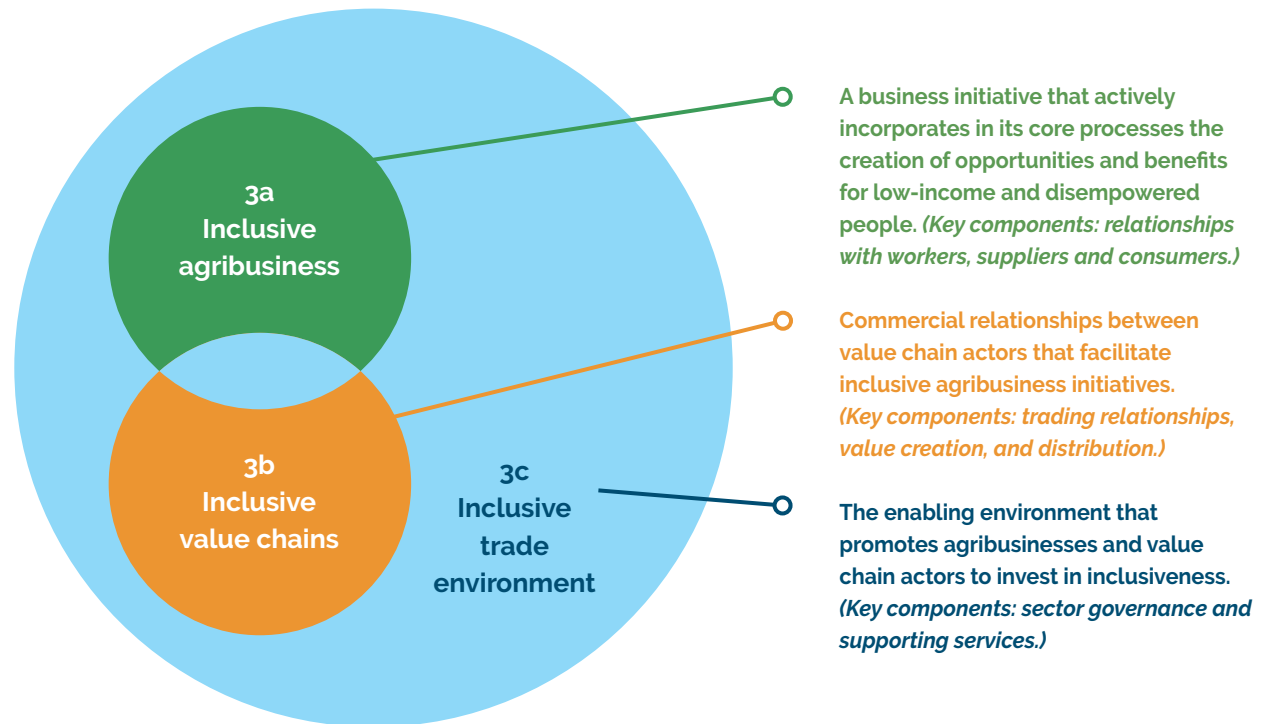
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Agricultural trade can take place on three different levels: as an individual agribusiness, as a value chain, and as a trade environment. Each has its own dimensions relevant to greater or lesser inclusivity. Greater inclusion ultimately needs to take place for the individual person who is connected to an agribusiness level. The value chain and trade environment need to ensure that greater inclusion takes place where it is needed.



3a Inclusive agribusiness

Inclusive agribusiness projects usually look at how an individual company creates opportunities and benefits for low-income and disempowered groups "such as smallholders and surrounding communities". These projects are usually run by individual agribusinesses that are close to these groups "such as large-scale producers, primary processors, and traders with direct links to smallholders".

3b Inclusive value chains

The space an individual agribusiness has to invest in inclusiveness depends partly on its terms of trade with its immediate buyers. These terms may depend on the terms set further downstream the value chain. For example, unfair trading conditions, such as low prices, late payments, or a lack of respect for contracts can undermine an agribusiness' investments in inclusiveness. By contrast, fair trading practices, such as long-term purchasing agreements, fair prices, or prefinance can all facilitate such investments. Inclusive agribusiness thus requires inclusive value chains.

3c Inclusive trade environment

The performance of agribusinesses and value chains depends partly on the enabling environment, which refers to how sectors are governed. This includes policies and regulations (such as trade, labour rights, and land tenure), planning and coordination, and public investments made in a sector. The enabling environment also refers to the services available to agribusinesses and other value chain actors. Services that can support investments in inclusiveness include research, finance, technology transfer, input provision, and the dissemination of market information.

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Inclusive agribusiness initiatives create opportunities and benefits for low-income and disempowered groups. The groups can consist of workers, suppliers, communities, or consumers.

Inclusive agribusiness initiatives should not be about isolated or temporary projects. An inclusive agribusiness makes inclusiveness an integral part of its business model. This requires leadership buy-in and supportive corporate policies and tools, as well as performance measurement and reporting on relevant topics.



Farmers checking for bean pests and diseases

The following topics could be relevant when promoting inclusive agribusiness:

Worker relationships

- **Staff composition**, such as gender balance, hiring of local people, and hiring of disabled people.
- **Working conditions**, such as wages, health and safety measures, maternity leave, health insurance, and working hours.

Supplier relationships

- **Local procurement of products and services**, such as from smallholders, women, and local businesses.
- **Procurement practices**, such as long-term purchase commitments, sourcing plans, short payment terms, no bonded contracts, and prefinance.
- **Service delivery**, such as the provision of inputs, capacity building, and finance to suppliers.

Community relationships

- **Respect for ownership and user rights** to land and other natural resources, such as water and forests.
- **Avoiding pollution and disturbances**, such as waste, noise, and air pollution.
- **Community engagement and investment**, such as investment in water and sanitation, education and health services; sponsorship of local sports and cultural associations; promotion of alternative income-generating activities for women and youths, complaint mediation, such as in case of conflict or breaking contract.

Consumer relationships

- **Creating products and services that are demanded by your target groups**; drawing target groups in during product development.
- **Ensuring products and services are accessible and affordable**, such as through package sizes and distribution networks.

Inspiration from: UN Guiding Principles Reporting Framework & Blab Best Practice Guide: Diversity & Inclusion in Your Workplace

Do the [Inclusive Trade Scan](#) and assess the inclusiveness of projects, initiatives, and/or investments relating to inclusive agribusiness.

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Guts Agro Industry, Ethiopia

Guts Agro Industry is an ISO 22000-2005 certified company that processes nutritious foods, it is headquartered in Bishoftu (also called Debrezeit) in Ethiopia. It was established in 2005, and by 2017 it had 160 employees and had quadrupled its capital. Since its establishment, Guts Agro Industry has introduced innovative products that meet the highest nutritional standards at affordable prices. Guts Agro offers super cereal (CSB+), Lembo snacks, Yanetshiro powders, MAmole iodized table salt, and purified industrial salts to the local market. It has developed baby cereals marketed under the Libdel brand, as well as a high-quality,

low-cost nutritious food branded "Supermom's", for infants over six months; this primarily targets the huge consumer base in the country.



Supplier relationships	Worker relationship & gender	Community relationship
<p>While trying to ensure that its supply is sustainable, the company's operations have benefited several thousand local farmers, creating sustainable markets for their produce via their respective cooperative unions.</p> <p>"Working with cooperatives is not easy. But we still believe that it is the best option. We have a responsibility towards the local people, the beneficiaries of our operations, and for sustainability and traceability. These people are close to our factory; they should be aware of the benefit of their produce, what can be made from their maize."</p>	<p>The company introduced the first door-to-door distribution model in the country, with the aim of reaching low-income consumers with all its affordable products. The distribution model is known by the brand name LIKIE, Amharic for means 'my size' or 'tailored for me'. It operates in four regions: Oromia, Amhara, SNNPR, and Dire Dawa.</p> <p>All the nutritious food the company makes is handled by women. To distribute its products, Guts Agro works with 120 entrepreneurial female agents. They chose middle-aged women who were married with two to four children, who might breastfeed her children.</p>	<p>Engidu Legesse Yesuneh, co-founder of Guts Agro explains:</p> <p>"We also try to use the local language for brands we develop, such as Lembo Snacks. The locals love it when they realize that it is made of maize. This changes the industry. The farmers changed us as a company. They changed our workers, and indirectly our suppliers, our packaging, and the country as whole."</p> <p>As part of its corporate social responsibility, the company supports 40 orphans in Hawassa city in collaboration with the Mary Joy Development Association, and provides potable underground water for the local communities around its Bishoftu compound.</p>



Inclusive value chains

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Inclusive agribusiness requires inclusive trading practices throughout the value chain. The trading relationships between value chain actors, from producers to end-users, have a dominant influence on the space that individual agribusiness initiatives have to invest in inclusiveness.

As with individual agribusiness initiatives, value chain actors should also integrate inclusiveness into their core business activities; this requires leadership buy-in, supportive corporate policies, and tools - as well as monitoring of the quality of trading relationships.



Improved bush beans perform better than local varieties. Delivery systems to get them to farmers make the real difference.

The following topics could be relevant when promoting inclusive value chains:

Trading relationships

- **Stable trading relationships**, in the form of multiannual contracts and no annual tendering.
- **Transparent supply chains**, in the form of knowledge of producers and traceability of goods across the supply chain.
- **Responsibility for trading practices**, in the form of clarity and fairness of contractual terms, as well as respect for them; sourcing plans; short payment terms; no bonded contracts; transparency and fairness in mechanisms relating to quality, sustainability, volumes, and delivery.
- **Open communication and collaboration**, in the form of frequency and quality of communication and information sharing; structures for collaborating and shared problem solving.
- **Balance of power**, in the form of the ability to influence decisions; no abuses of power; systems for complaint handling and dispute resolution.

Value creation and distribution

- **Fair pricing**, in the form of transparency and fairness in price determination, incentives for good performance (such as quality and sustainability), and disincentives to poor performance.
- **Market responsiveness**, in the form of the ability to respond to changing customer needs and to capture new market opportunities.
- **Value addition**, in the form of the ability to add more value and to capture higher end markets, and in this way create more opportunities for value capture among the target groups.
- **Service delivery**, in the form of providing technical support, inputs, market information, and finance.

As with individual agribusiness initiatives, value chain actors should also integrate inclusiveness into their core business activities; this requires leadership buy-in, supportive corporate policies, and tools - as well as monitoring of the quality of trading relationships.

Inspiration from LINK, IIED Fairness survey, Fairtrade Trader Standard, FAO Principles for responsible contract farming

Do the [Inclusive Trade Scan](#) and assess the inclusiveness of projects, initiatives, and/or investments relating to inclusive agribusiness.



Inclusive value chains

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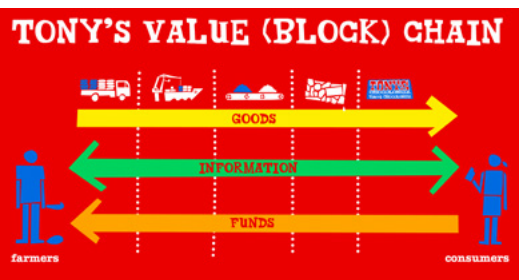
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Tony Chocolonely

Stories of children working as slaves on cocoa plantations in West Africa formed the basis for the foundation of Amsterdam-based chocolate company Tony's Chocolonely. In 2003, a group of Dutch investigative journalists discovered this type of slavery. Flabbergasted, they tried everything they could think of to tell the world about the problem and the need to fix it. After numerous disappointments, they decided to set an example by trying to produce a slave-free chocolate bar themselves. Almost fifteen years later, this journalism project has evolved into the leading chocolate producer in the Netherlands: Tony's Chocolonely.

Henk Jan Beltman, one of three owners, sees Tony's as a social enterprise, even though, in his vision, social entrepreneurship is a label that will hopefully no longer be necessary in the near future. 'If you say "we're a for-profit company",

you're mixing up your goal and your means. Social entrepreneurship implies by definition that you balance your striving for social goals with entrepreneurship. The mission always comes first. Tony's aim is to create the conditions for the eradication of child slave labour, ultimately aiming to positively alter the practices of the bigger chocolate companies in the world. Tony's thus states that 'together, we want to make chocolate 100% slave-free'.



Trading relationships and value creation

Transparent supply chains

Most chocolate brands currently buy their beans on the bulk market, where beans cannot be traced back. Tony's wants to take responsibility for its entire value chain, and thus ensures its chocolate is 100% traceable. To put these ideas into practice, the company is developing a system called Beantracker. This system makes it possible to trace Tony's beans by following the location and quantity of beans in real time. Tony's believes that cooperation is vital to ban slavery and child labour. For this reason, the Beantracker system will also be made available to Tony's competitors.

Fair pricing

The price farmers receive for their cocoa beans is generally too low to provide farmers with a living income—an amount with which they can meet their basic needs. The farmers receive a 'farm-gate price' for each kilo; this is a minimum price set by the governments of Ghana and Ivory Coast that is tied to the market price. To ensure a living income, Tony's pays two additional premiums: a Fairtrade premium and the Tony's premium. The Fairtrade

premium is set at USD 200 per ton and is paid to the local trader by Tony's export partner CocoaSource. Tony's additional premium, which has been paid out since 2013, is determined on a seasonal basis by looking into new insights about living incomes and up-to-date farm-gate prices. At the time of writing, the farm-gate price is at an all-time low. Tony's premium is therefore USD 400 per ton. This premium is paid out to the farmers' cooperatives.

Stable trading relationships

One of the ways in which Tony's is trying to halt slavery and child labour is by investing in long-term commitments, at least five years in duration, with cooperatives in Ivory Coast and Ghana and other partners in the value chain. This provides cooperatives and farmers with income certainty, enabling them to invest in better technologies for future production.

Strengthening the position of farmers

When farmers join forces in cooperatives, they can share knowledge, search for new buyers and markets,

and access resources cheaper by using the advantage of scale. Despite these benefits, only 30% of farmers in West Africa are members of a cooperative. Tony's wants to show farmers the benefits of joining a cooperative, and therefore invests in the professionalization of their partner cooperatives.

Service delivery

In its Annual Fair Report 2016–2017, Tony's clearly states that "it is also the farmers' responsibility to maximize their income. They have to run their farms professionally so they produce at least 800 kg per hectare. In practice, many farmers do not manage this production rate, and have an average production rate of approximately 450–500 kg per hectare. In these cases, even with the premium, farmers will not earn a living income."

For this reason, Tony's also supports the professionalization of farmers by providing financial resources and connecting farmers with local consultants. They work with 'role model farmers', who inspire and empower others to use innovative techniques.



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The performance of agribusinesses and value chains partly depends on the enabling environment. In fact, once an inclusive business is established and is operating with inclusive values, the trade environment becomes a major influence on the possibility for this greater inclusiveness to become the 'new normal way of doing business'.

The enabling trade environment has two basic components: sector governance and supportive services.

Sector governance

Sector governance refers to the policy and regulatory environment and to the capability of a sector to collect revenues and make reinvestments. It also includes the process of coordination of key stakeholders. Sector governance should support the creation of a level playing field, regulatory incentives for inclusiveness, alignment between key stakeholders, and strategic investments. It is important to consider how governance may increase or reduce opportunities and benefits to low-income and disadvantaged people.

- **Stakeholder dialogue and coordination:** platforms or governing bodies that align key stakeholders around a shared vision and a road map for the sector; standards, guidelines, and tools; influencing policy; sector-wide monitoring and learning.
- **Policy and regulation:** The establishment of coherent rules and systems that effectively govern sectors. Key elements include market management (such as regulations related to trade, quality, price, demand, and supply), social and environmental regulation (such as labour, water, and forests), land governance (for example, land use planning and land tenure), and the rules governing producer organizations (such as cooperative law) and service provision (licenses and imports, for example).
- **Investment:** The generation of revenues on the sector level to make strategic reinvestments in, for example, research, quality management, or market promotion. Key elements include revenue generation mechanisms (such as taxes and fees) and reinvestment mechanisms (like subsidies, trust funds, investments, and loans).

Supportive services

The second component of the enabling trade environment is the services available to agribusinesses and value chain actors to support their investments in inclusiveness. It is important to promote those services and delivery models that are tailored to needs of specific segments of these actors and to the ultimate target groups. Such services may include:

- **Research and development,** for example in better-performing crop varieties, inputs, and crop management systems, processing, packaging, and transportation.
- **Infrastructure,** such as transport, communication, energy, market, water, sanitation, education, and healthcare.
- **Information,** such as market information and weather services.
- **Capacity building,** such as training, demonstrations, monitoring, and knowledge tools.
- **Inputs and technology,** for example, plant material, fertilizers, machinery, and packaging material.
- **Financial services,** like short, medium, and long-term credit, insurance, and hedging.
- **Market promotion,** such as branding and marketing of national products, trade missions, and exhibitions.

Inspiration from Springfield, Aidenvironment, CFS Principles for Responsible investment in agriculture and food systems, 3R Issue Brief



Tana River watershed, Kenyan Water Resource Management Authority (WRMA), testing water samples from the river, in support of farmers along the watershed to better manage their land, preventing soil erosion - which clogs up the waterways for other users further downstream.

Do the [Inclusive Trade Scan](#) and assess the inclusiveness of projects, initiatives, and/or investments relating to inclusive agribusiness.



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The Philippines: Pioneering inclusive business policy

Inclusive business is needed to provide solutions to the poor: in the Philippines, about 60% of the population (or 57 million people) have a family income of less than PHP 18,000 a month (\$3 per head per day), 40% have less than PHP 12,000 (about \$2 a day), and 26% live in absolute poverty with less than PHP 8,500. To tackle this high level of poverty and to address some of the related development challenges, the government of the Philippines has identified the promotion of inclusive business as a key policy priority.

An ADB study in 2013 estimated that there are about 20,000 social enterprises, cooperatives, NGOs and community-based organizations in the Philippines all working in one way or the other with the poor. However, the poverty rate has not declined in a decade. The study found that there are perhaps only 100 inclusive business models, of which as few as 15 are investable. The government has thus decided to take a more radical approach to the promotion and development of inclusive business.

Sector governance

Investment

The most pioneering step has been the development of an **Inclusive Business Accreditation System** that helps to distinguish inclusive business models from other types of investment. This has been put in place for three key reasons:

1. Accreditation systems are important in establishing trust and accountability for new concepts - as shown, for example, in the fair trade, sustainability, and organic market sector.
2. While all companies contribute to economic growth, only a few companies have business models that make growth more inclusive.
3. For government programs and banks to better target investment support, there is a need to distinguish companies generally contributing to growth from companies with inclusive business models.

Some of the recommendation related to IB-accredited companies:

1. There should be a Services and Monitoring Lane established for inclusive business-accredited projects: such projects that are also registering for

incentives should be prioritized to receive advisory services for dealing with other government agencies in the paper trail, as well as aftersales service in complying with registration and accreditation requirements.

2. Lending institutions financing accredited agribusiness and tourism projects should qualify for enhanced guarantee cover.
3. Inclusive businesses can be further enhanced by granting preferential treatment to base-of-pyramid households linked with inclusive businesses and their enterprises. Such support may be designed so as to prioritize MSMEs already linked to inclusive businesses. Moreover, an inclusive business may be tasked with providing technical and other services, so as to optimize government support for MSMEs.

Fiscal incentives: Inclusive Business Policy Plus

A more radical approach to integrating inclusive business in government programs entails major legislative changes in fiscal incentives, mandatory allocation, and subsidies. For fiscal incentives, reforms are divided into two scenarios.

1. Inclusive business-accredited projects should qualify for pioneer status in the fiscal incentive scheme. For domestic firms, pioneer status extends the ITH by two years; for foreign investors, pioneer status entitles them to register with the BOI for both fiscal and nonfiscal incentives (subject to other conditions, such as exporting 70% of its production and divesting to Filipino ownership after 30 years.)
2. Under a new fiscal incentive regime, grants of fiscal incentives should be reserved exclusively for firms with inclusive business accreditation.
3. To promote inclusive business and social impact, base-of-pyramid households and suppliers within an inclusive business-accredited value chain should be prioritized to receive transfers. Capital financing for MSMEs should be provided using matching grants for enterprise development; capital financing for socialized housing should be provided as co-payment grants to base-of-pyramid households.

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The Inclusive Trade Scan involves four steps:

Step 1: Business context

Describe your business context following the three business levels describes previously: individual business, value chain, and trade environment.

Step 2: Process questions

These questions will help you reflect on the processes you followed to develop your initiative, from identifying your target groups, to monitoring the outcomes.

Step 3: Outcome questions

Answer these outcome questions to reflect on how the anticipated outcomes of your initiative will affect your target groups.

Step 4: Setting priorities

This step helps you summarize your conclusions and use them to set your priorities. You can do this on your own or, even better, through a discussion with other stakeholders in the initiative.

All of the questions given on how inclusive your initiative is apply equally to all levels. There is no black and white here: an initiative is less or more inclusive; it is rarely completely inclusive or completely exclusive.

The questions are generally open-ended. There is no scoring or ranking offered; the interpretation very much depends on the perception of the person answering them.

All questions can be answered with a simple yes or no. You may want to further understand what has been done and how this has effected, in which case you can reflect on this. This will help you to think about what you might have missed, and what could be improved on in the future.

The same questions can be answered in by different people: comparing their answers and discussing differences can be an effective way of gaining understanding of the current situation, and of where greater inclusion might be possible.



Trading locally grown tomatoes on the market in Arusha, Tanzania.

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Inclusive Trade Scan

Step 1: Business context

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Before you start to think about how inclusive your initiative is, it is important to be clear on what your context is. Here you can describe your initiative for each of the three business levels described earlier: individual business, value chain and trade environment.

It can be useful to do this with different people, for example with your business partners. That will help reveal if you share the same understanding of what kind of initiative you are starting to build up.

- 1. Individual business.** Describe your business here in terms of what products or services you are creating, who your market is, what market demand you are meeting, how you get your products to your customers. Add who your suppliers are and what they supply, who your workers are and in what communities you operate.
- 2. Value chain.** Describe here your key business partners, both upstream and downstream, and what you offer each other in terms of goods and services. Describe key aspects of your trading relationship: how you communicate, key terms of trade, how terms of trade are decided on. Also describe how you create value together and how that is shared between you.
- 3. Trade environment.** Describe here the way the sector you operate in is governed, both legally and informally. What policies and regulations do you find most helpful, which give you most problems? How easy is it to get investments for greater inclusiveness? Also describe which supportive services you make regular use of, and which you miss.

Inclusive Trade Scan

Step 2: Process questions

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Being more inclusive begins with the process of tackling a new initiative.

This includes

- the way different groups are consulted or take part in decision-making processes (the principles of engagement),
- who is checking whether things are being done appropriately and properly (due diligence),
- how problems and issues can be addressed (remediation),
- who work and progress is reported to (accountability).

The following aspects strongly affect the shape taken by a new initiative.

- **identifying** who you want to benefit from the business initiative.
- **assessing** their needs.
- **engaging** them in decision-making.
- **providing** space for remedies.
- **monitoring** the outcomes of the project as input for adaptive management.

1. Are you **identifying** low-income and disadvantaged groups (i.e., the target group) that are potentially affected by your initiative?

Considerations: Think about those who you are targeting as customers, those who you buy from or hire in, as well as those that could be indirectly affected by what you are doing and how you arrange that.

2. Are you **assessing** at an early stage how the initiative will affect the target group positively or negatively?

Considerations: This can be within your team only, within your business, through consultation with your target group or by asking civil society groups.

3. Are you **engaging** the target group in decision-making processes regarding the initiative?

Considerations: Think about who decides about things ranging from what products/services you are offering, how trade relationships are set, how and when you communicate about what, etc.

NO
MAYBE
POSITIVE
YES

4. Are you **taking action** to promote opportunities and benefits for the target group (or to prevent or mitigate potential negative impacts)?

Considerations: Think about what you have in place to respond to changing circumstances, where you might have more space to invest in more inclusiveness or respond to comments from others.

5. Are you **monitoring** the impact of your action on low-income and disempowered groups and adapting what you are doing where needed?

Considerations: Think about any indicators you may have that are relevant to some aspect of inclusiveness described earlier, and how you use them in the way you monitor progress.

6. Are you **remediating** the situation if your target group is harmed by actions or decisions related to your initiative?

Considerations: Think about any complaints procedures you have in place, or how you follow up on internal progress meetings that flag negative effects.

NO
MAYBE
POSITIVE
YES

Inclusive Trade Scan

Step 3: Outcome questions

Inclusive agribusiness
• Case example

Inclusive value chains
• Case example

Inclusive environment
• Case example

Inclusive Trade Scan

• **Step 1:**
Business context
• **Step 2:**
Process questions
• **Step 3:**
Outcome questions
• **Step 4:**
Setting priorities

The outcomes refer to the opportunities and benefits for all groups involved in the initiative - and in particular for the target groups that are in need of greater inclusivity. These outcomes can be considered in terms of the following well-known dimensions.

- **Relevance:** is the project relevant to your target groups?
- **Scale:** does the project create opportunities that are both equally accessible to all target groups and scalable?

Does the project, initiative, intervention, investment...

Relevance

1. **Empower** the target group to be active and effective players in the initiative?

Considerations: Do you have some kind of on-going consultation process with your target group, do they have a place in any of your internal organisational structures?

2. Create opportunities and benefits that meet the **different needs** of specific target groups?

Considerations: How do you know what the needs are of your target groups? How have you translated your market research into products/services that are part of your core business?

3. Ensure target groups have the **awareness and capabilities** needed to capture the opportunities?

Considerations: Are you investing in any kind of capacity development for your target group: trainings, demo's, skills classes, etc?

4. Have the flexibility to **adapt** to changing context and needs?

Considerations: Do you have an regular product assessment and adaptation process? Do you have regular reflection moments/processes?

NO
MAYBE
POSITIVE
YES

Does the project, initiative, intervention, investment...

Scale

5. Promote opportunities which have to potential to be **scaled**?

Considerations: Are your products/services targeting a very small niche of customers, or are they potential of more general interest?

6. Have a **scaling strategy** to grow the impact?

Considerations: Have you considered what you will do after initial success? Will you consolidate what you have, will you seek to expand? And how you thought how you will expand your volumes/markets/inclusiveness in a deliberate manner?

NO
MAYBE
POSITIVE
YES

Inclusive Trade Scan

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The outcomes refer to the opportunities and benefits for all groups involved in the initiative - and in particular for the target groups that are in need of greater inclusivity. These outcomes can be considered in terms of the following well-known dimensions.

- **Impact:** does the project contribute to more fairness and improved economic, social, and environmental opportunities and benefits for your target groups?
- **Sustainability:** is the initiative based on a viable business model that incorporates inclusive priorities in the core model? Can it be sustained over time?

Does the project, initiative, intervention, investment...

Impact

7. Contribute to a **fair sharing of the benefits, costs, and risks** among the stakeholders? (In terms of, f.e., value distribution, trading practices, and employment contracts.)

Considerations: Think about who decides what has value and how this is shared between whom. Does everyone have equal voice in this process?

8. Contribute to **improved livelihoods and resilience**? (In terms of, f.e., income, assets, food, access to basic services, to natural resources.)

Considerations: Think about how your initiative helps your target group to act independently in response to possible changes in their circumstances.

9. **Respect human rights**? (Such as workers' rights, freedom of movement, freedom to possess goods, and right to food and shelter.)

Considerations: Think about universal rights as well as rights that might be specific to your country.

10. Contribute to the **preservation or restoration of natural resources**? (Such as water, forest, soil, biodiversity, and air.)

Considerations: Think of any aspect you have included as part of your goals or assumptions for your initiative.

NO
MAYBE
POSITIVE
YES

Does the project, initiative, intervention, investment...

Sustainability

11. Build upon a **viable business case**?

Considerations: Will your initiative generate a realistic profit margin within a clear time frame based on market demand? If you need grants or subsidies to start up will you be able to phase them out?

12. Promote benefits that can be **sustained**?

Considerations: are the outcomes one-off, or are they the result of a healthy business, part of structural agreements or embedded in policy and regulation?

NO
MAYBE
POSITIVE
YES



Inclusive Trade Scan

Step 4: Setting priorities

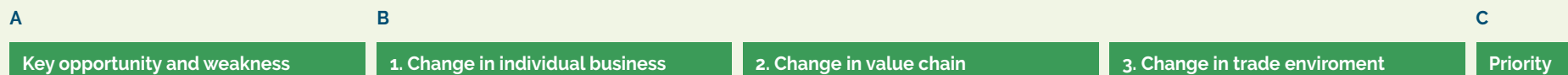
Comparing and discussing for better priorities: It is possible to have two or more people individually fill in the Inclusive Trade Scan for the same initiative. You can then compare findings to see where there is agreement and where there are differences. Through that discussion you can come to an agreement on what needs to change and why.

Having filled in the questions above, now is the time to use this to set your priorities for action. Action can imply changing your plans and design or re-visiting your processes.

A. Based on the detailed answers from the previous 3 steps, **identify the strongest and the weakest aspects** of the processes you followed and the outcomes you formulated.

B. Write down for each point **what needs to change** at each of the three levels to either make best use of the opportunity or remove a key weakness.

C. To **prioritize your actions** compare your answers with your current business context. Which changes in your processes or outcomes offer the best chance of resolving a key weakness or make use of an opportunity in your current situation?



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Colophon

The Inclusive Business Scan was developed within the 3R (robust, reliable resilient) - from 'Aid to Trade' project. This project draws lessons from the EKN Dutch Embassy programme in Agriculture and Food and Nutrition Security (FNS) with competitive agri-food sectors in Kenya.

The Inclusive Trade Scan is part of efforts to make sure that 'inclusiveness' remains an actionable priority as trade-oriented investments grow.

The current design was based on a workshop of Kenya partners in the EKN program. It now needs testing for adaptation: we warmly invite anyone using this to share their experiences with joost.guijt@wur.nl.

The Inclusive Trade Scan is a joint production between Wageningen Centre for Development Innovation and Aidenvironment.

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