Navigating systemic market transformation

Mid-term review of IDH 2021-2025

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Executive Summary

Introduction

The Sustainable Trade Initiative (IDH) was founded in 2008 as a public-private partnership to drive sustainability in international trade. Emerging from the 2007 Schokland Agreements in the Netherlands, IDH was conceived to foster collaboration between businesses, trade unions, NGOs, and government to promote sustainable production and trade practices across key global commodity chains.

For the 2021-2025 funding period, the mission of IDH is to drive systemic market-transformation towards better jobs, better income and better environment for both men and women, by achieving change in three interconnected outcome areas: improved sector governance, improved business practices, and field-level outcomes. The roles that IDH plays as a "market system change agent" are centred around convening stakeholders, co-financing field-level projects, and learning and innovation.

At of the end of 2023, IDH employed 368 full-time equivalents (FTE), representing a diverse workforce consisting of 54 different nationalities. The organisation operates from 16 country offices around the globe, with its headquarters based in Utrecht, the Netherlands. The yearly income of the organisation has been around EUR 60 million.

IDH is organised in different business units and corporate departments, which operate in a matrix structure. IDH has five main Business Units (BUs): Strategy & Insights (S&I); Agri-Commodities; Value Chain Transformation (VCT); Landscapes; and Textiles & Manufacturing (T&M). IDH has portfolio of about 60 programmes that are organised by BU and which are operating in over 40 countries.

This report presents the findings of the mid-term evaluation (MTE) of the IDH corporate portfolio in its 2021-2025 funding period. It serves five evaluation objectives:

1. Evaluate the relevance, coherence, effectiveness, efficiency, impact and sustainability (OECD DAC Criteria) and scalability of the portfolio of programmes.
2. Ensure accountability and evaluability.
3. Assess additionality of IDH investments.
4. Conduct an organisational performance assessment to assess IDH's performance (including its financial viability), in relation to its organisational motivation, capacity, and external environment.
5. Identify areas of learning and recommendations for improvement.

Evaluation approach

To meet the five evaluation objectives the evaluation synthesises evidence from six information sources.

Evidence	Description
IDH Documentation and Monitoring Data	We reviewed a wide range of IDH documents, including theories of change, concept notes, policies, annual plans, monitoring data, and reports.
Third-Party Evaluations	The review incorporated third-party evaluations of IDH programmes, analysed using the OECD/DAC criteria. These evaluations provided insights into IDH's performance and contribution to the goals of the MYP 2021-2025. The coverage of these evaluations was uneven across business units (BUs) and not fully representative of IDH's entire portfolio. The evaluations were checked against IOB quality criteria and systematically analysed using NVivo.
Deep Dives	We developed deep-dive case studies to generate learning regarding multiple IDH roles and their contribution to systemic market transformation and increased gender equality. Using process tracing, the cases critically reflect on contribution claims and underlying assumptions in the IDH theory of change, plus IDH additionality and other conditions enabling or hindering results. The cases were selected for their potential learning value, while also aiming to reflect programme variation in the IDH portfolio.
Sector Survey	An online survey was administered among 244 external stakeholders, including investors, private sector representatives, policymakers, NGOs, and researchers. They provided feedback on changes in the sector over the past four years and IDH's role in these changes.
Key Informant Interviews	In total 130 interviews were conducted with key stakeholders both within and outside IDH to gather detailed insights. These interviews supported the overall evaluation and provided context to the data.
Workshops	Workshops with the business units, the M&E and I&I team, and the impact committee were held at different stages of the evaluation to discuss findings and refine our analysis. These sessions included discussions on IDH's strategies and validation of preliminary results.

Main findings

Relevance

IDH works in a highly diverse set of international sectors and is active in widely diverse countries and landscapes. IDH's approach is, however, surprisingly uniform: similar concepts and theories of change are applied in different contexts. Despite this, IDH programmes are consistently found to respond well to stakeholder needs and priorities, including the needs of farmers, workers, and communities. The quality of programme and intervention design is generally high, showing a comprehensive understanding of the unique challenges and opportunities within each sector or landscape. IDH is thus successful in contextualising its uniform theories of change and concepts to the specific sector or landscapes it is working in.

A key success factor seems to be IDH's local presence in the countries where they work and having persons in those country offices with substantial contextual knowledge.

There is one point of attention. Not all interventions are inclusively designed. Some programmes lacked sufficient involvement of beneficiaries, Southern partners, and CSOs in their design.

Coherence

IDH programmes demonstrate substantial coherence with the efforts of other actors in the same sectors and landscapes. These programmes are not only well-aligned with policies, regulations, and other interventions but also actively contribute to increased coherence within sectors and landscapes, particularly through convening stakeholders.

Alignment between different stakeholders is not only an outcome of IDH's work. It is also a pre-condition for success. However, in areas where stakeholder positions diverge tremendously or are internally inconsistent, IDH's convening power seems to reach its limits.

A key factor contributing to coherence is the staff's ability to engage high-level company decision-makers across various sectors. They understand the private sector and communicate effectively. This strength is particularly evident in IDH's convening work and in the development of concepts and tools that simplify complex ideas and intervention strategies, such as the roadmap to living income, making them more understandable and actionable for companies.

Additionality

The work that IDH does is largely found to be additional: processes would not have materialised without IDH or would have materialised differently, for example, on a smaller scale, slower, or with less quality. This is apparent in two areas. First, IDH is credited with the development of novel, high-quality and practical solutions to critical challenges, which either fill gaps or speed up change. Second, IDH's role in strengthening sector governance through public-private convening is seen by stakeholders as being additional to what other organisations do. For example, there are others working on living income in cocoa, including some with convening power, but the combination of IDH's size, solid sector knowledge and trust among stakeholders is widely considered as unique. It has enabled IDH to convene influential public and private actors on difficult and sensitive issues such as pricing and procurement practices.

Progress on self-reported KPIs

According to the result measurement framework, IDH is largely on track to achieve its 2023 KPI targets. The self-reported achievements indicate that IDH is cumulatively on track in convening multi-stakeholder coalitions, signing agreements, leveraging co-financing, and reaching the agreed number of farmers, workers, and companies through their programmes. There are two key areas of underperformance: the area of forest under sustainable management and the number of workers who receive higher wages.

A limited number of programmes (one or two) account for the majority of progress in several KPIs. For example, just one programme, the climate-smart cotton landscapes programme, accounts for almost all the farmers (90%) reported to have increased their incomes.

Improved sector governance

IDH has made a significant contribution to improved sector governance, particularly by raising awareness, convening relevant actors, and aligning understanding on critical issues. This has led to 95 multi-stakeholder agreements, many with ambitious specific, measurable, and timely sustainability targets.

Internationally, IDH has predominantly convened large brands, retailers, and traders in food and garment sectors. International convening work is complemented by efforts in commodity origin countries, both at a sector and landscape level. For the Landscapes business unit, multi-stakeholder agreements are between the key stakeholders within a landscape and typically take the form of PPI compacts with targets for sustainable production and the inclusion of communities (in terms of participation and benefit). Local ownership, particularly by government authorities, is high in most landscapes.

Deep dive on sustainable calves: The Sustainable Production of Calves project is part of IDH's landscape work. It supports small-scale calf producers in Brazil to meet government requirements on land use, with traceability to verify the absence of deforestation. An initial pilot led to Carrefour selling the first batch of 100% traceable deforestation-free meat through the programme's Protocol in 2019. By linking the Protocol with government systems, IDH is helping generate infrastructure for a national-level solution. In 2023, IDH leveraged a pledge by meatpackers and the leather industry to support the registration of 1 million head of cattle in a Sustainable Calves Platform by 2025, including tagged animals from farms outside the Programme.

IDH supports multi-stakeholder coalitions by brokering knowledge generated in the sector, by IDH and others, and by creating easy-to-use tools and concepts which speak to company managers. IDH's added value is especially in this brokering role, using knowledge from different sectors and contexts and combining this with an effective knowledge communication strategy.

Monitoring of progress is a key step that is typically included in most multi-stakeholder agreements, but the quality of progress monitoring varies greatly and typically relies on unverified self-reported data by stakeholders. While data is relatively reliable at the level of company actions, it is less accurate on the results of these actions, such as on the effects on farmers' incomes, deforestation, or child labour.

Effectiveness on sector governance in IDH's programmes depends on high quality facilitation, high-level company engagement, and a strong in-country reputation. Effective facilitation involves managing complexity, investing in meaningful discussions, reconciling conflicting views, and maintaining focus on ultimate objectives. This is a key strength of several IDH programmes. However, challenges such as staff turnover, lack of trust, and varying external conditions like political support and public enforcement capacity can present hurdles to effect change.

Field-level projects

Achieving the targets set by multi-stakeholder coalitions can be further aided by providing co-financing for developing and testing innovative business models. This has the potential to contribute to these targets by influencing international business practices or generating local demonstration effects. Evidence indicates positive field-level effects from IDH's co-financed projects. While these projects perform well, they don't always serve as best practice cases or pilots of innovative business models.

Besides piloting novel business approaches, we can distinguish at least three other purposes of field level projects. First, studies are co-funded to generate knowledge and recommendations on key issues, informing strategies and interventions. Second, field-level projects are sometimes directly providing services and solutions to fill gaps in order to reach programme or multi-stakeholder objectives. Lastly, field-level projects are used for coalition building and influencing. Indeed, projects can foster collaboration among partners and establish a culture of "getting things done". However, there is a risk that projects, while creating a sense of momentum, also distract from more difficult change that is needed.

Deep dive on Grains for Growth (G4G): G4G aims to build a domestic grain market from which large offtakers will be able to reliably source five major grains within Ghana. The focus is on building market linkages between actors, helping SMEs access finance, and helping SMEs to provide smallholder farmers with the inputs and assistance they require. Since the beginning of the programme, targets for grain sourced domestically by offtakers have been exceeded. G4G is particularly credited for its role in creating networking opportunities within the sector, and connecting SMEs with each other, with offtakers, with farmers, and with finance providers. It is relatively early to judge the likely scale and sustainability of results. However, the question is the degree to which the innovations enabled by G4G will sustain without direct grant support.

Improved business practices

IDH has successfully raised company awareness, secured commitments to sustainability targets, and stimulated co-financing for field-level projects. Achieving deep business practice change in line with commitments is, however, not yet secured. This is especially a challenge among Northern-based multinational companies that operate in a global market system.

Particularly, we find yet insufficient progress among multinational companies in changing practices that would enable living incomes and living wages to be earned by farmers and workers. While successful sector governance and field-level pilots are creating awareness and knowledge, in many cases this does not sufficiently affect company motivation, capabilities, and market opportunities to take the step from commitment to deeper business practice change. Stronger pressures from NGOs and government policies and regulation could help, but companies appear stuck in a market system that demands cost minimisation, leaving very limited room to make the required investments or pay higher prices and wages.

Deep dive on living wages in the banana sector (LWB): IDH works with large European retailers to confront low wages amongst banana workers, providing tools for companies to identify the living wage gap, and creating a positive environment which encourages them to take action. Retailers in four European countries have committed to close the gap in their supply chains, with two UK retailers publicly announcing specific plans for additional payments and multi-year contracts. IDH has contributed through creating retailer consortia, obtaining commitments, and creating tools to measure the living wage gap. As yet, there is no measurable gap closure, and solutions are left in the hands of individual retailers. However, IDH is committed to ongoing piloting, learning, and knowledge sharing to improve understanding of relevant solutions in different contexts.

Changing procurement practices has also been challenging in the landscape programmes, where IDH is trying to attract global buyers to their landscapes and having them adopt landscape-based preferential sourcing.

Where we do see changes in business practices among buyers, as a result of IDH programmes, is where there is a clear business case. This can be the result of legislation, market demand, and/or NGO pressure. Here, buyers do have sufficient motivation but do not yet have the capability or the market opportunity to make the changes. IDH has, in some cases, successfully enabled these companies to change their procurement practices—resulting in business practice change also among their suppliers.

In other successful cases, especially in programmes in the VCT (Value Chain Transformation) business unit, the business practice change does not require sustainability investments but is related to addressing market imperfections and reducing inefficiencies in the value chain. Here, the required changes by companies are fully in line with the incentives present in the current market systems.

Efficiency

When it comes to the efficient use of programme resources, third-party evaluations mostly make positive assessments. Timeliness—to what extent the results were achieved within the intended timeframe—is however more critically assessed. Reasons include design issues (e.g., overly ambitious timelines and targets), external contextual conditions (e.g., COVID-19 and government changes) and internal factors (e.g., communication and staff turnover).

Contribution to impact

In terms of *better jobs*, we see quite a bit of evidence of IDH improving better working conditions. Through two key programmes in particular, workers have greater awareness of gender-based violence and the availability of complaints and redressal mechanisms (through WSAF), and are protected from preventable factory risks like fires (LABS). However with respect to impact on wages of workers, there is no evidence for any impact so far.

Deep dive on Women's Safety Accelerator Fund (WSAF): WSAF aims to address the root causes of gender-based violence (GBV) in the Indian tea sector, through interventions targeting tea garden management, women workers and communities, and local government. IDH's biggest contribution to change has been at community level, working through implementing partners with strong expertise. This has enabled increased awareness of what constitutes GBV, with examples of enhanced agency, courage and confidence of women to speak out, and the resolution of some GBV cases. However, for these changes to become transformative, it will require greater and ongoing attention by WSAF to the depth and continuity of new attitudes and behaviours.

In terms of *better income*, impact evaluations show some improvements in income in some of the programmes, but this remains at small-scale—reaching a limited number of farmers—with relatively small net-income increases. Closing living income gaps for all farmers supplying to a specific market remains an ambition that is very far away. The income effects that can be discerned are primarily the result of field-level projects rather than systemic changes at the business level, for example, related to changed procurement practices or other broad company policies and strategies.

The impact by IDH on *better environment* is arguably the most difficult to assess. Deforestation rates are volatile and it is difficult to estimate what would have happened in absence of an IDH programme. Past evaluations of IDH programmes largely have not yet put forward sufficient evidence to demonstrate impact on forest cover in a convincing way.

Gender equality

Good progress has been made to ensure all IDH's programmes are gender intentional with clear requirements for reporting sex-disaggregated data. Ambitions for developing more gender transformative programmes are also significant. However, to date most of the evidence for results on gender equality primarily focuses on women being reached by IDH programmes, rather than on outcomes such as increased representation and decision-making by women or transformation of restrictive gender norms at field level.

Scaling

Innovative business cases are expected to be scaled by private sector companies and markets. However, evidence of actual scaling is limited. Third-party evaluations often assess scaling potential rather than actual outcomes, with well-documented independent evidence of scaling in only a few cases.

Successful scaling through further investments and practice adoption by IDH partners occurs when there is a clear business case and strong incentives, often supported by government policies and regulations. A major barrier to scaling identified is the lack of access to finance in many contexts where IDH operates. Another factor is the diversity of companies and contexts related to a sector. 'Proven business cases' will always apply to only a specific subset of circumstances.

Evidence gets particularly patchy for the scaling pathway of duplication and crowding in, which involves organisations that are not a direct partner of IDH. The sector survey shows that external stakeholders value the role of IDH in learning about inclusive business models and supporting partnerships and coordination mechanisms. However, there is yet insufficient evidence to firmly conclude that this second scaling pathway, based on indirect, non-IDH supported change, is occurring.

Sustainability

Around half of the third-party evaluations rated the sustainability of IDH's programmes as 'good' or 'very good'. These evaluations along with the deep dives identify success factors to ensure sustainability of programmes, which include embedding programmes in national structures, securing access to finance for long-term investments, and creating clear incentives for the private sector to continue efforts.

In the other half of the cases, sustainability was rated 'moderately'. Issues included insufficient institutional anchoring, weak governance structures, lack of private sector interest, and challenges in securing ongoing funding. Concerns were also raised in some evaluations and deep dives about whether the planned exit of IDH from certain programmes might be premature, potentially jeopardising the longevity of positive outcomes.

Systemic Market Transformation

We identify two distinct approaches to systemic market change in IDH. First, there are the programmes that address 'wicked' problems in larger international sectors that are beyond the direct sphere of influence of IDH. This is for example the case in the programmes working to align an overall sector with living income or living wage, or in the source-up programme where buyers are linked with landscapes as verified sourcing areas. These programmes require deep structural, relational, and transformational changes in current market systems before programme objectives become attainable.

The ambition of a living income for all cocoa farmers supplying to the Netherlands and Belgium, for example, only seems attainable if policies become more conducive, if power imbalances between farmers and other actors are addressed, if social and environmental externalities are priced-in, and if there is a less skewed cocoa land distribution among cocoa farmers. These changes are evidently beyond IDH's direct sphere of influence.

Deep dive on living income in the cocoa sector (LIC): IDH is convening public-private partnerships to leverage commitments to improve smallholder incomes and establish a pre-competitive environment for positive change in the cocoa sector. It is also partnering with large corporates to link farmer support with core business activities. Overt time, IDH is contributing to a substantive shift in mindsets amongst companies, with more attention being given to the need for farmers to achieve a living income, including discussing price as a driver. IDH partners have also begun experimenting with new practices that can contribute to a living income. The challenge is whether conditions are in place for the sector to translate commitments and pre-competitive knowledge sharing into structural changes in purchasing practices that improve farmer incomes.

Secondly, there are the programmes that focus on less complex, more narrowly-bounded systems and that have slightly less ambitious objectives and which are able to leverage the power of buyers to address technical issues or upstream value chain inefficiencies. LABS and G4G are examples here. These programmes arguably have more potential to reach their objectives as a result of the lower bar and the "simpler" system. They typically also require less deep market system change that can be achieved in shorter timeframes. The required change evidently lies within IDH's sphere of influence.

Deep dive on Life and Building Safety (LABS): LABS aims to foster a safer working environment in the apparel and footwear industry, and has supported a high level of factory remediation related to preventable fire, electrical, and structural safety risks. IDH's main contribution has been in convening major garment brands at international level, as these introduce their suppliers to the programme and create the motivation for these factories to act. LABS coordinators then oversee factory reviews and remediation, while also convening stakeholders in the industry to share best practices.

Based on these analyses, it might be tempting to focus more resources on easier to change market systems in order to achieve more tangible results for larger numbers of farmers and workers in the short term. We would, however, argue that IDH's relevance and additionality is highest in addressing the more wicked systemic problems at sector and landscape level. The movement towards more equitable and sustainable global commodity markets bears enormous potential for widespread societal benefit. The investment of public funds, through IDH, is required precisely because the business case is yet to be created, and because there is a longer time horizon with high risks of failure.

When we zoom out, we can see how IDH has progressively evolved its approach and altered the course of a number of sectors in its fifteen-year history. IDH has shifted from accelerating certification initiatives to raising the bar for better incomes, jobs, and environment, and is now advocating for more integrated sustainability agendas and more sustainable procurement practices. It has been drawing lessons from failures as well as successes. This highlights IDH's ability to adapt and innovate in response to complex challenges. Our recommendations aim to support IDH to continue to evolve its approach especially in response to systemic challenges at sector and landscape level.

Reflections on organisational performance

IDH is considered a highly professional organisation with the ability to attract skilled and motivated staff. Its local presence and diverse workforce enhance its effectiveness, although staff turnover in some cases poses a challenge. IDH excels in collaborating with high-level company managers and developing tools for complex strategies—although this is found to be more challenging with SMEs. IDH expects its four mutually reinforcing roles to foster market system change, which is confirmed by the evaluation. International convening, intelligence and IDH tools enable and inform programmes, field level projects, and investments. Vice-versa, intelligence & insights and learning from field experiences enable and inform convening at national and international levels. However, there are gaps in connecting international and national activities, with room for better integration of local insights into international dialogues.

The integrated learning model combining S&I and M&E has not yet fully materialised. M&E within IDH has, so far, been driven by accountability and KPI progress rather than by continuous improvement through evaluation and learning. The organisation lacks a structured reflection process and adaptive management approach. Field-level projects often lack designs optimised for learning, replication, and scaling, partly due to limited in-country capacity and limited involvement of S&I or M&E experts.

IDH has integrated gender considerations into its processes since 2015, and since 2021, it has become a key impact area. While good progress has been made, gender equality is not yet fully mainstreamed within the organisation.

Recent EU regulation is highly relevant to the work of IDH. IDH's strategy towards this regulation includes brokering private sector solutions, facilitating government-company collaborations, and providing insights to influence stakeholders. This approach has opened up new opportunities for IDH to engage with large companies and support sustainable production practices.

Core funding is essential for IDH as an agent contributing to market system transformation. However, securing this type of funding is not without its challenges as restricted funding tied to specific programmes seems to be on the rise. While earmarked funding contributes to the financial viability of the organisation, it might undermine the potential for creating synergies between IDH’s roles.

Recommendations

1. Persist in driving systemic market transformation towards better incomes, better jobs, better environment, and gender equality by continuing to combine the synergetic IDH roles of convening, co-financing, and learning.

2. Create programme-level strategies, based on a diagnosis of the six conditions of systemic change, clearly setting out the changes required to achieve programme objectives, and the assumed pathways to these changes.

3. Re-configure the three roles of IDH to serve broader system change objectives:

   a. Strengthen collaborations with civil society organisations, governments, and knowledge institutes. While the private sector will remain IDH's key focus and its ability to convene private decision-makers is core to its additionality, market failures cannot be solved by market solutions alone. Driving transformational system change beyond IDH's direct influence will require using IDH roles in convening, co-financing, and learning to promote aligned action also among non-private actors, which can fill gaps in the conditions necessary for systemic change.
   b. Clearly articulate the full range of objectives that can be achieved through IDH's co-financing role, beyond testing innovative business models, and how funding acts as a change mechanism in these different cases. Embed these objectives within a comprehensive systems change strategy.
   c. Play the role of knowledge broker, instead of generator, linking demand and supply for knowledge in the sector, by co-financing and steering knowledge institutes, re-packaging knowledge in digestible formats, and convening more frequent interaction between knowledge institutes and governments, companies, and civil society organisations.

4. Elevate profound sector-wide changes in business practices as the ultimate outcome within IDH's theory of change. Improved sector governance and field-level outcomes should remain important ingredients, because of their synergy, but there is room for expanding towards other outcome areas, if deemed necessary based on a system diagnosis.

5. Ensure that all programmes drive systemic market transformation—this is where the additionality of IDH lies. This might involve incremental change and focusing on "small wins", but these should always involve profound changes, (radically) new practices, insights and values.[1] This provides energy and progress in the transformation process.

6. Continue to actively monitor the developments related to the EU regulations and directives to identify spaces to use IDH's influence and roles to leverage their positive impact and to avoid harm, particularly related to exclusion of smallholders and disengagement from high-risk deforestation landscapes.

7. Ensure gender goals, targeting, and intervention logic are realistic, context-specific, and better integrated into BUs and programme-level ToCs, with adequate resource allocation and gender-specific KPIs.

8. Evaluate the realism of IDH's targets in programmes and projects, differentiate aspirational goals from attainable targets on impact level, and establish interim targets for the most

ambitious programmes.

9. Introduce a more systematic adaptive management cycle at both the programme and corporate levels, allowing for timely adjustments. Ensure monitoring, evaluation, and learning is designed and implemented to feed in this adaptive management cycle and that adaptive management feeds the design of monitoring, evaluation, and learning activities.

10. Develop a rolling agenda that outlines IDH's corporate learning objectives to enhance strategic learning across the organisation. Business unit and programme level learning agendas can feed into this corporate agenda, which also allows identification of common learning themes. Develop relevant monitoring indicators for learning purposes, including capturing more qualitative changes, and not only KPIs for accountability.

11. Centralise evaluations to ensure they contribute systematically to the learning agenda.

12. Ensure meaningful involvement of beneficiaries, Southern partners, and CSOs in system diagnosis, programme designs and adaptive management processes.

13. Donor recommendations:

    a. Continue providing core funding to support IDH's work on achieving systemic change in global commodity sectors. This will be essential also to ensure the type of adaptive management and learning approach set out in these recommendations.
    b. Allow IDH to be flexible in adjusting short-term objectives, theories of change, and activities evidenced in documented adaptive management processes.
    c. Hold IDH accountable through a streamlined set of KPIs to track progress with less emphasis on the outcomes and impacts of field-level activities and more precise indicators that capture deeper business practice change. Complement this with yearly reporting on internal learnings and organisational adjustments, as well as independent mid-term and end-term evaluations based on synthesised evidence.

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Acronyms

BU	Business Unit
CFI	Cocoa and Forest Initiative
CIGHCI	Côte d'Ivoire-Ghana Cocoa Initiative
CNA	National Farmers Confederation (Brazil)
CS3D	Corporate Sustainability Due Diligence Directive
CSA	Climate-smart agriculture
DANIDA	Danish International Development Agency
DD	Deep dive
DDE	Dutch Sustainable Economic Development Department
DISCO	Dutch Initiative on Sustainable Cocoa
EAE	Ex Ante Evaluation
EE	Endline Evaluation
EUDR	European Union Deforestation free Regulation
G4G	Grains for Growth
GBV	Gender-based violence
GWSF	Global Women's Safety Framework
IDH	Initiatief Duurzame Handel – Sustainable Trade Initiative
IDS	Institute of Development Studies
ISLA	Initiative for Sustainable Landscapes
KIT	Royal Tropical Institute
LABS	Life and Building Safety
LI	Living income
LIC	Living Income Cocoa
LW	Living wage
LWB	Living Wages Banana
MAPA	Ministry of Agriculture, Livestock and Food Supply (Brazil)
MFA NL	Dutch Ministry of Foreign Affairs
MTE	Mid-Term Evaluation
MYP	Multi-Year Plan
NGO	Non-Governmental Organisation
NICFI	Norway's International Climate and Forest Initiative
ODA	Official Development Assistance
PPI	Production, Protection & Inclusion
PPP	Public-private partnership
SECO	Swiss State Secretariat for Economic Affairs
SHF	Small-holder farmer
SMT	Salary Matrix Tool
T&M	Textiles and Manufacturing
VAW	Violence against women
VCD	Value Chain Development
VCT	Value Chain Transformation
VSLA	Village savings and loan associations
WSAF	Women Safety Accelerator Fund

IDH at a glance

1. IDH at a glance

1.1. IDH's history (2008-2020)

2023 saw IDH's 15-year anniversary, celebrating 15 years of public-private collaboration.[2] The organisation has its origins in the Schokland agreements, which were signed in the Netherlands on June 30, 2007. One of those agreements concerned a declaration of intent for IDH.[3] Businesses, trade unions, NGOs, and the Ministries of Development Cooperation, Economic Affairs and Agriculture, Nature and Food Quality acknowledged the necessity of joining forces in stimulating sustainable trade.[4] The original idea was to create a Dutch initiative modelled after the Ethical Trade Initiatives (ETI) in the UK and Denmark (Etisk handel).[5] However, it was decided to not follow the more demanding ETI approach, but to create a more collaborative model in which the initiative would help frontrunner companies to make their supply chains more sustainable.[6] The text box below shows the first set of principles formulated in 2008, the year in which IDH received a starting capital of 31 million euros from the Ministry of Foreign Affairs and a year later, in 2009, 54 CEOs of large companies spoke out in favour of making the supply chains in which they were active more sustainable, and named IDH as the platform to facilitate this process.[7] IDH would pay up to 50% of the pilot costs of sustainability innovations of frontrunner companies to reduce the cost of risky sustainability investments.[8]

Text box 1. Principles from the IDH Hoofdlijnenakkoord (October 2008)

Multi-stakeholder platform. IDH is a multi-stakeholder Initiative. Its stakeholder groups are the private sector, labour unions, non-governmental organisations and the government. IDH bundles the forces of these stakeholders to catalyse sustainable trade. In all programmes, Southern partners will be included from the start, sharing responsibility for the programme.

Catalyser, not implementer. IDH does not implement, but facilitates and enables its stakeholders to implement. The participants jointly determine objectives, process, planning, results and performance indicators.

Focus on action and mainstreaming. Participants of IDH are doers, actively engaging in programmes that tackle key sustainability bottlenecks in international commodity chains. The programmes aim to accelerate sustainability from niche to mainstream, delivering tangible improvements in the first links of the chain (in developing countries) and increasing market shares for sustainably produced products (European and domestic markets commitment.

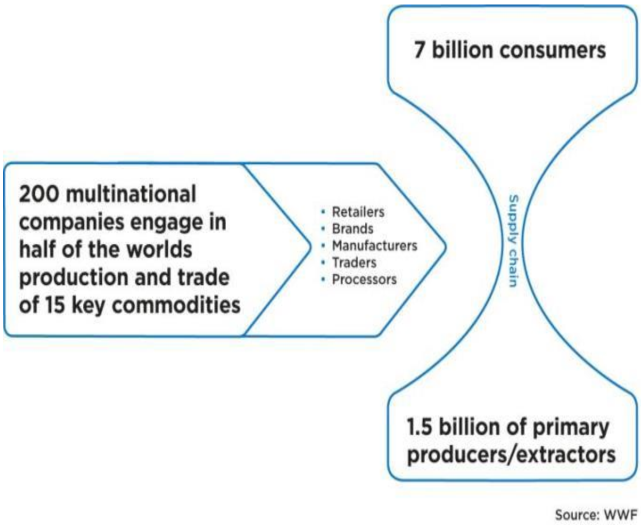
Participants of IDH co invest in the programmes. They contribute at least 50% of the programme budget, the other half is contributed by IDH. The participants commit for multiple years of collaboration, they commit to decision-making consensus within IDH, and they commit to the sharing and exchange of information regarding the programmes.

Learning. IDH collects, develops and exchanges information, knowledge and experience regarding how to increase sustainability in international commodity chains Learning enables frontrunners to move even faster, while supporting others to overcome thresholds.

Collaboration. IDH strives to collaborate with European and global partners active in sustainable commodity markets, particularly within the same sectors/value chains. Potential partners are from the private sector, NGOs, labour unions, governments, donors and knowledge centres.

The strategy of IDH sprung from the ideas on market transformation of Jason Clay of WWF.[9] He argued that 300-500 companies control 70% of the trade of the 15 commodities that form the largest threat to biodiversity loss worldwide. "If we work with those, if we change those companies and the way they do business, then the rest will happen automatically" (Jason Clay, 2010)[10]. Using that reasoning (illustrated in Figure 1), "according to IDH, moving these companies (with their massive outreach to both producers and consumers) from niche to norm in terms of sustainable production and trade is key to successful sector transformation."[11]

Figure 1: Global trade analysis by WWF.



Rather than executing training programmes etc. for large numbers of smallholder farmers all over the world, IDH started working on leveraging systemic market transformation by focusing on a few selected commodities by following, supporting, and accelerating what frontrunner companies were doing.[12] In 2011, IDH was formally established as a non-profit foundation ("Stichting") under Dutch law with purpose "to promote sustainability in the main international trade chains. It aims to reinforce public-private consortiums that operate in those international chains in order to create positive impact and value (from an economic, social and environmental perspective) in developing countries and emerging markets."[13] During this first period frontrunning companies were mainly using the instrument of certification, and this became the main focus of IDH at first.

The premise of market transformation causing real change at a large scale proved to be very attractive to public funders.[14] Next to the Dutch government, in 2012, the Ministry of Foreign Affairs of Denmark became a partner of IDH by providing earmarked contributions to projects in Uganda, Ethiopia, and Mozambique (2013-2015). In November 2013, IDH and the State Secretariat for Economic Affairs (SECO) officially announced their partnership and SECO became a core donor of IDH next to the Dutch government[15]. SECO is the Swiss federal government`s centre of excellence for all core issues relating to economic and labour market policy.[16] In 2015, Norway also joins as a donor for specific programmes.[17]

After a few years, the limits of certification became clear to actors from the public and private sphere alike. The realisation that certification was not going to lead to large scale transformation and impact, instigated other innovations at IDH, focussing on farmer finance, living income, living wage, etc[18]. These innovations were instigated by actions of frontrunning companies such as Mars and Unilever.

However, IDH realised that it was not enough to have the CEOs of frontrunning companies on board, as shareholders in the end have most decision-making power.[19] Voluntary changes by multinational companies did not materialise as expected and the repertoire of voluntary change seemed to be limited.[20]

At the same time the experiences in the palm oil sector in Indonesia lead to another realisation. While some companies were willing to make radical changes to halt deforestation, the government of Indonesia did not allow them to. That led to the deep realisation that convening only the private sector is not enough to instigate market transformation.[21] The relationship between governments of commodity-producing countries and international companies is a complicated one, shaped by colonial histories.[22]

All of these issues and realisations, lead to changes in the strategy of IDH, one of which was the development of so-called landscape programmes. In the landscape approach, governments in commodity producing countries take up a much more prominent role in working towards market transformation and in 2014, IDH starts the Initiative for Sustainable Landscapes (ISLA) in six landscapes aiming to "leverage private interests in sustainable landscape management to convene public private partnerships to jointly design, co-finance and drive plans that halt deforestation, balance land and water use and create alternative livelihoods."[23] From engaging in landscape approaches, IDH soon realised that it needed to make connections with the investment sector to create more leverage.[24] This led to the establishment of several innovative funds, and investment became a much more central part of the full proposition of IDH.[25] In 2015, the Multi-Year Plan (MYP) 2016-2020 was approved and the new strategic direction included a focus on landscape approaches, innovative finance, and a stronger emphasis on gender and beyond certification strategies such as Renovation & Rehabilitation, Services Delivery Models and Verified Sourcing Areas.[26]

A simultaneous and related shift in the organisation was the one from only working predominantly out of the office in Utrecht to having local offices and staff in several locations around the globe. In January 2012, IDH established an in-country presence in Vietnam, following in 2013 with a hub in Indonesia to "closely align international programme efforts with national government strategies and realities on the ground."[27] In the years after IDH expanded to more countries in Africa, Latin America, Europe, and Asia, coming to 16 offices in total. This shifted IDH from merely being a foreign agent propagating a foreign agenda, to becoming much more embedded in different contexts allowing the organisation to take a more bottom-up approach.[28] Next to working on global commodity chains, IDH started more recently to engage with local/regional value chains in an attempt to transform local food systems and to increase food security in Africa.

From 2020, IDH's strategy shifted from following and supporting frontrunning company strategies on market transformation towards a more proactive strategy in which the IDH impact themes (better jobs, better income and better environment) are leading. With this shift also comes a different, more critical, attitude towards companies.[29] According to our interviewees, this new attitude could only materialise now, because the organisation needed to reach a certain level of maturity and a reputation of trustworthiness in the eyes of companies in order to be able do so.[30] So IDH is currently transforming to an organisation that is pushing companies, rather than only supporting them in there sustainability efforts.

Despite these changes over time, the organisation still adheres to most of the principles that were formulated in 2008 (Text box 1). The biggest diversions from these are twofold: 1. the addition of field-level projects in which IDH partly became implementer, and 2. the diversification from a sole focus on commodity markets to also include local/regional food systems in Africa.

Throughout the years, the main question within IDH has been: are we really transforming market systems?[31] IDH's journey towards systemic market transformation is well captured by this quote from the 2018 IDH book on collaborative transformation: "Addressing the 'wicked problem' of sustainability transitions involves crafting 'clumsy solutions'. It is an intrinsically imperfect and complex process of collective exploration, where solutions only become obvious after the transition has ended and the whole playing field has been transformed. Such complexity requires the artful work of many change agents."[32]

1.2. IDH 2021-2025

Current goals and strategy (2021 – 2025)

For the 2021-2025 period, the mission of IDH is "to drive systemic market-transformation towards better jobs, better income and better environment for both men and women." "Systemic change" is referred to as changes in network structures or behavioural norms. "Market transformation" refers to stakeholders in a sector addressing systemic issues by adopting practices in three inter-connected spaces: the sector governance space, business practice space, and field-level space.

IDH's ToC narrative explains these spaces as follows: "The *sector governance space* refers to the policy and regulatory environment, as well as the capability of the sector to collect revenue and reinvest it in a strategic manner. It also involves coordinating and aligning of stakeholders. IDH recognises the dependency of the sector upon the broader context of political, economic, environmental, sociocultural, and technological factors. The *business practice and market space* refers to business practices and the relationships between producers, their organisations, service providers, value chains, and consumers within a sector. IDH considers private sector as the key driver for transformational change. Improved governance and proof of concepts and pilots in landscape and field level space are instrumental in creating private sector commitments to adopt improved practices and bring them to scale. The *field level space r*epresents the location (origins) of the production unit (which may be farms, forests, or factories) and its relationship with the surrounding communities and ecosystems.

We can discern a certain vertical relation between these three spaces. Sector governance pertains to a group of organisations comprising a sector and how the behaviour of this group is guided by rules, norms, and actions. Business practices pertain to *individual* companies and their policies and behaviour vis-à-vis other companies (including farmers) in their supply chain. *Field-level* refers to farmers, workers, communities, and nature, and how they are influenced by IDH and their partners through changed sector governance, changed business practices, or field-level projects.

In the MYP2021-2025, IDH has formulated the following impact objectives for 2025:

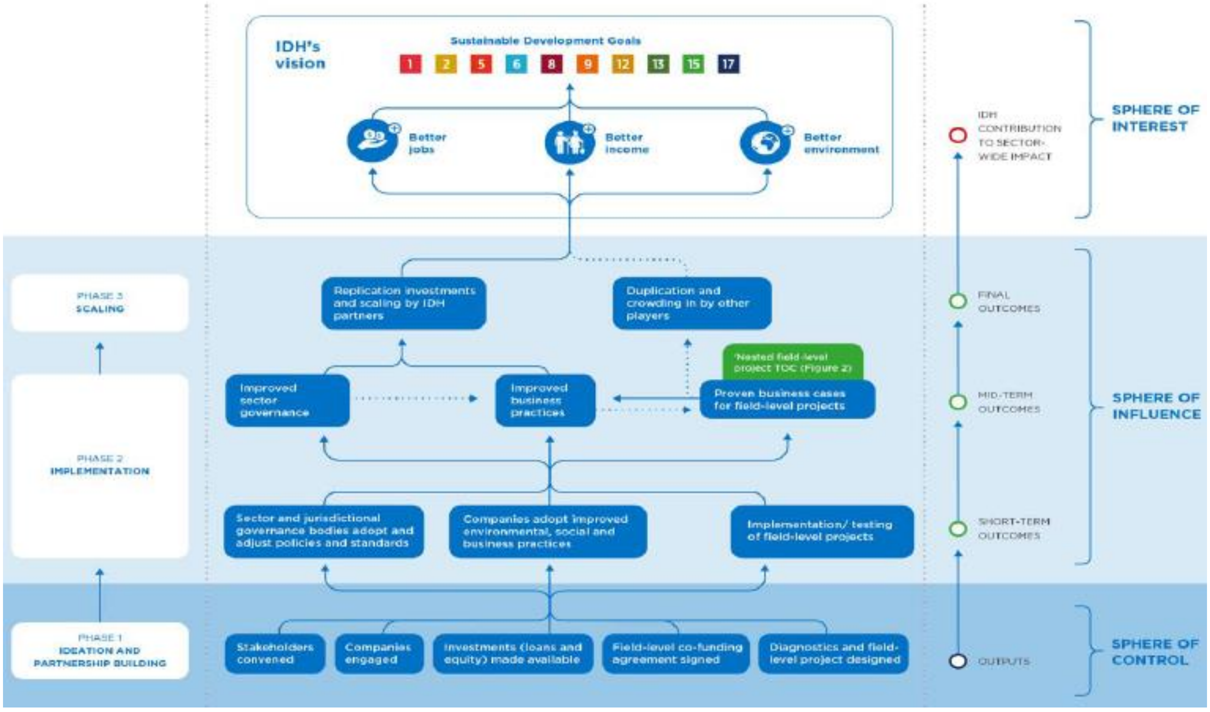
- **Better jobs:** IDH helps to improve the working conditions of 4.1 million workers of which 2.6 million are women. IDH helps to narrow the living wage gap for 146.000 workers of which 60.000 are women.

- **Better income:** IDH contributes to improve income for 1.05 million farmers, of which 305,000 are women, and to increase incomes by 21% from focal crops.
- **Better environment:** IDH contributes to reduce GHG emissions by 900,400 tCO_2 (eq) and to sequester and additional 2.6 million tonnes. In addition, 11.3 million hectares of forest or watersheds and 4.6 million hectares of cropland are covered by production, protection, and inclusion practices.

These are the *direct* objectives that are to be achieved as a result of IDH activities. Next to this direct impact, IDH strives to have an *indirect* impact through systemic market transformation beyond the organisations they directly work with.

The IDH Corporate Theory of Change (ToC) illustrates how IDH intends to achieve its goals (see Figure 2 below).

Figure 2: IDH corporate theory of change 2021-2025



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The ToC identifies three stages in programme delivery: ideation and partnership building; implementation; and scaling. **Ideation and partnership building** are in IDH's sphere of control and includes convening stakeholders, engaging companies, making investments available, providing diagnostics, and designing and co-funding field-level projects. **Implementation** is done through partnerships and therefore beyond the sphere of control. This should lead to outcomes in three result areas: improved sector governance, improved business practices, and the implementation and testing of field-level projects. In the third and final phase, IDH intends to achieve **scale** beyond the results of their partnerships. Scale is to be reached by IDH partners replicating and scaling IDH investments or by non-partners crowding in and duplicating IDH approaches. The key scaling mechanisms mentioned by IDH in the multi-year plan 2021-2025 are:

1. **Market uptake of more sustainable practices.** This should help drive transformation from niche markets to mainstream markets, impacting on demand for more sustainable products. Adoption and replication by companies requires business cases that create value for them. Providing proof that a business case is successful is considered another important prerequisite. Through convening activities IDH is working towards collective market uptake commitments, and guides the process towards meeting those commitments through collective goal setting and planning.

2. **Commercial finance** is considered an important way to scale-up investments in inclusive and sustainable business models. Experience has taught IDH that this is a slower and more challenging process than initially anticipated.

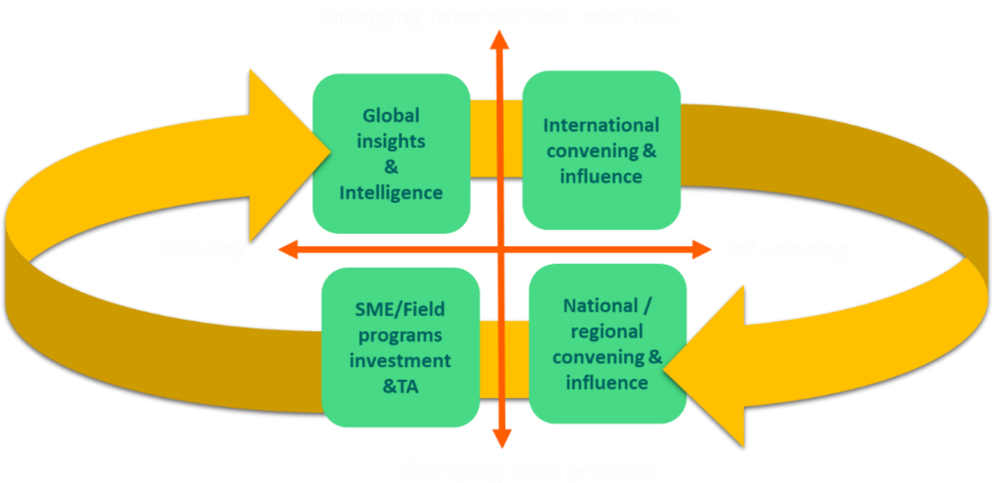
3. **Public sector support** is assumed to play an essential role in achieving impact at scale. This can happen, for example, if the public sector improves the enabling environment (e.g., by influencing parameters that are inducive for replicating and scaling sustainable business models) or integrates sustainability in trade agreements, policies, regulation and enforcement.

4. **Partnerships & sharing learnings**. A key scaling pathway for IDH is through thought leadership and learning from innovative business models, generating knowledge products, and through dissemination. Through convening sector-platforms and jurisdictional compacts and by partnering with governments, private-sector companies, civil society, international organisations, and knowledge institutes, IDH facilitates sharing of best practices and lessons and can create impact beyond a single organisation.

Scaling innovative practices or policies within the sectors and landscapes is considered an essential element in achieving systemic market transformation. The end goal is a sector that generates better jobs, better incomes, and a better environment in a way that is sustainable (perpetually self-sustaining) and inclusive (everyone is benefitting).

Figure 3 gives a high-level summary of the roles that IDH plays as a "market system change agent" at international corporate/market level (top) and at national/regional level (bottom) by playing both convening and brokering "influencing" roles (right) and investment "delivery" roles (left). Most IDH projects combine these roles in one way or another. The assumption is that each role reinforces other roles. In particular, work at the international level is assumed to "cascade" to positive change in local practices. Learnings from local practices are then assumed to convert back to insights and standardised tools and roadmaps that can be used in international convening. These reinforcing relationships is what will be referred to in the remainder of this report as *synergy*.

Figure 3: IDH quadrant of interconnected market system change roles (IDH, 2023)



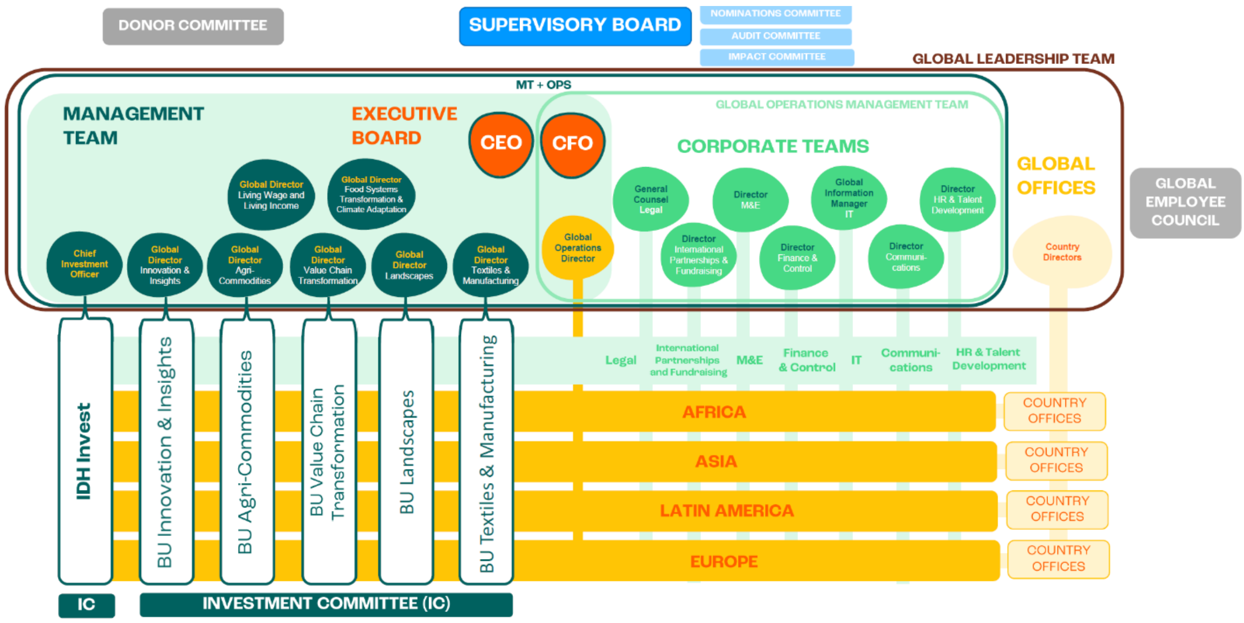
IDH's unique entry point, according to its multi-year plan, is working together with the private sector to help them achieve a positive impact on the SDGs: "by bringing them to the table, commit to a joint vision, start initiatives to co-create business cases for innovative solutions, unlock investments, and scale successful approaches for the public good."

Organisational structure

As of the end of 2023, IDH employed 368 full-time equivalents (FTE), representing a diverse workforce consisting of 54 different nationalities The organisation operates from 16 country offices around the globe, with its headquarters based in Utrecht, the Netherlands. IDH is organised in different business units and corporate organisational departments, which operate in a matrix structure (see below).[33] Over the past three years, the yearly income of the organisation was around EUR 60 million.

IDH has five main Business Units (BUs): Strategy & Innovation (S&I); Agri-Commodities; Value Chain Transformation (VCT); Landscapes; and Textiles & Manufacturing (T&M). The BUs each work towards contributing to the three impact themes of IDH, based on their own specific (set of) ToC(s).

Figure 4: IDH Organigram (IDH, 2023)



The *Agri-commodities* BU aims to contribute to sector-wide impacts and scalable sustainable practices in global value chains. This BUs main focus is on transforming the global coffee, tea, and cocoa sectors. Living income and living wages are important concepts in this process. Moreover, the business unit focuses on so-called "sector initiatives" in which IDH convenes diverse stakeholders in established sector-specific (e.g. Fruits and vegetables, Vanilla, Bananas, etc.) sustainability initiatives, consisting of brands, retailers, traders, processors and producers, as well as civil society organisations and financial institutions or academic/knowledge partners.

VCT is a BU fully focused on transforming African value chains. Through a business-led approach, the BU aims to support the transformation of domestic and regional African food value chains into economically viable, inclusive, and resilient value chains that contribute to improve food and nutrition security in Africa, create local economic value and support increased local and regional trade.[34]

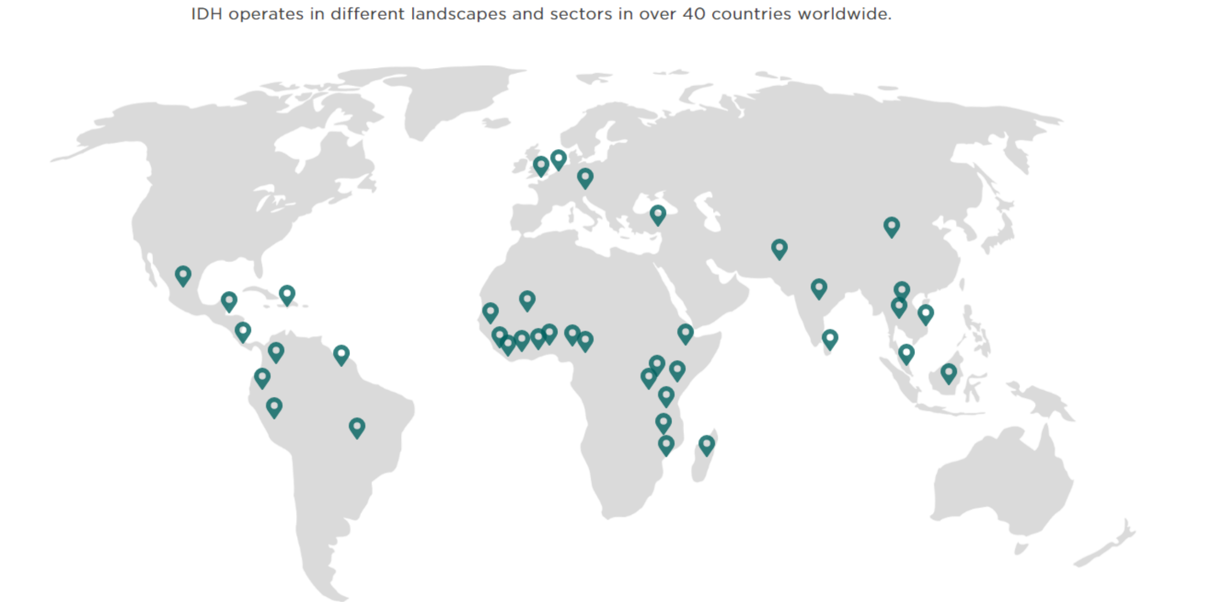
The *Landscapes* BU runs programmes which bring together businesses, governments, farmers, communities and civil society to build sustainable governance models in tropical sourcing areas, or landscapes. Through their "Production Protection and Inclusion" (PPI) approach, this BU aims to create areas where agricultural products are grown sustainably (Production), forests and natural resources are safeguarded (Protection), and communities thrive (Inclusion).[35]

The *T&M* BU focuses on creating a sustainable and inclusive textile and apparel supply chain, from the cultivation of fibres to the production of finished products. Their efforts focus on: 1. Materials, where they aim to improve cotton farmers' incomes and promote climate-resilient, regenerative farming; 2. Manufacturing, where they aim to enhance working conditions, wages, and building safety, and scale inclusive, sustainable business models; and 3. Markets, where they aim to ensure sustainable production includes climate and gender interventions and collaborate with leading brands to support their sustainable sourcing commitments. This comprehensive approach aims to create a more inclusive, sustainable textile and apparel industry.[36]

The *S&I* BU plays a different role. It leads IDH's thought leadership, develops tools and solutions, it manages and coordinates activities related to the impact themes (through impact leads), it supports peer-to-peer learning and a collaborative environment, and it provides advice on the three impact themes and gender at the strategic level to the different internal teams.

IDH has a large portfolio of programmes, spread across different BUs (see Annex 8: Available third-party evaluations). These programmes are operating in over 40 countries around the globe (Figure 5).

Figure 5: IDH's countries of operation



Evaluation approach

2. Evaluation approach

2.1. Evaluation objectives

The evaluation has five main objectives responding to the need for both accountability and learning:

1. **Evaluate the relevance, coherence, effectiveness, efficiency, impact** and **sustainability** (OECD DAC Criteria)[37] and **scalability** of IDH programmes and intervention designs.
2. Ensure accountability and evaluability.
3. **Assess additionality** of IDH investments in private sector development.
4. Conduct an **organisational performance assessment** to assess IDH's performance – also in terms of financial viability - in relation to the organisational motivation, the organisational capacity, and the external environment.
5. Identify **recommendations** for improvement.

2.2. Evaluation questions

The evaluation seeks to answer eight research questions:

1. **Relevance.** To what extent does IDH respond to sector and landscape needs and priorities for realising a transformation towards Better Jobs, Better Income, Better Environment and Gender Equality?
2. **Coherence.** To what extent are the IDH interventions internally coherent and synergetic and externally coherent?
3. **Effectiveness and Impact.** To what extent has IDH made progress towards achieving its objectives at outcome and impact level, what was the impact on systemic market transformation, and what explains this performance?
4. **Gender equality.** To what extent does the IDH approach towards transforming sectors and landscapes contribute to gender equality, and what has most effectively contributed to this goal?
5. **Sustainability and scaling.** To what extent is the progress towards transforming sectors and landscapes likely to continue after project completion, and how can sustainability and scale up be strengthened?
6. **Efficiency.** To what extent does IDH deliver, or is likely to deliver, results in an economic and timely way?
7. **Staff capacity.** How adequately does IDH allocate and manage human resources for thought leadership, advocacy and technical guidance, and what factors are driving or constraining this performance?
8. **Strategic Learning.** To what extent has IDH contributed to and made effective use of evidence and knowledge (theory, research, experiences) on market transformation?

2.3. Evaluation scope

The evaluation assesses activities and results achieved in the period 1 January 2021 to 31 December 2023. This also includes evaluations that cover results that have been achieved partially in a period before our reference period and partially within our reference period. In addition, with the aim of making the evaluation as relevant as possible for learning and current strategy development, we also take into account activities and evidence in the first part of 2024, where this has been drawn to our attention and made available.

The effects of the Farmfit Fund investments are not considered in this evaluation. The field-level outcomes considered are therefore only those that are co-financed or facilitated by IDH through the programmes in the four business units included in the evaluation (agri-commodities, landscapes, value chain transformation, and textiles and manufacturing).

Efficiency is only evaluated at the programme-level, not at the organisational level.

2.4. Evidence base

This evaluation report synthesises evidence from six information sources (see below).

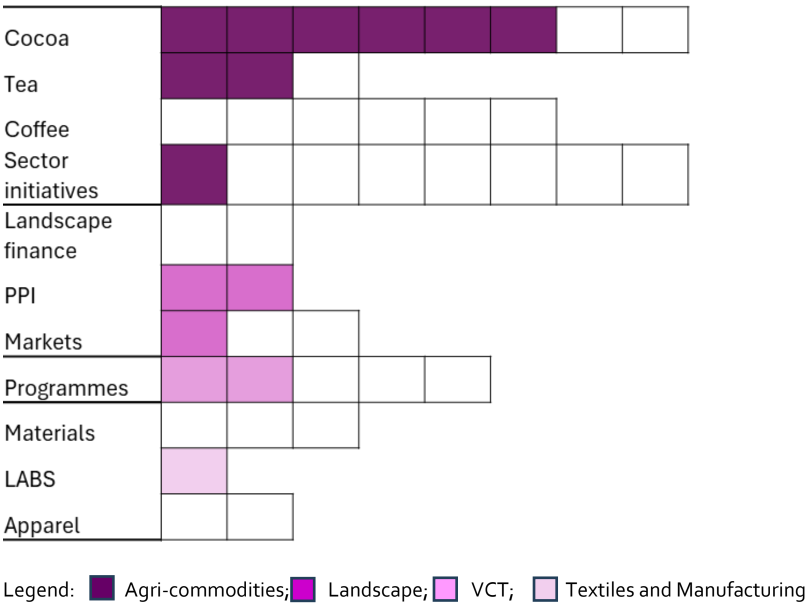
IDH documentation and monitoring data

IDH gave the evaluators access to a large body of data consisting of: ToCs on different levels, concept notes, organisational policies, presentations, IDH annual plans, RMF data, and reports, programme-level annual monitoring reports, third party evaluations, etc. Whenever a gap in data was identified the evaluators contacted IDH to obtain additional data, if available.

Third-party evaluations

The review includes an assessment of IDH's portfolio using the OECD/DAC criteria based on available third-party evaluations of IDH programmes and projects. This analysis was done with the aim to garner insights into the overall performance of IDH's portfolio of programmes and how it contributes to achieving the goals and objectives of the MYP 2021-2025. The evidence base of third-party evaluations available within IDH is, however, not representative for the entire portfolio of IDH (for an overview see Annex 8: Available third-party evaluations). Some evaluations are only for a small part about programmes related to IDH. In that case only the part relevant to IDH is coded. Moreover, sometimes multiple reports evaluate just one programme (e.g. Beyond Chocolate is evaluated across three third-party evaluations). The available evaluations are unevenly divided over BUs. Figure 6 shows the part of IDH's portfolio that is covered by the third-party evaluations.

Figure 6: Coverage of available third-party evaluations



Evaluations range from being completed in 2021 to the first quarter of 2024. Some evaluations cover a time period starting in previous funding cycle and had relatively little overlap with the current funding cycle (e.g. the NICFI evaluation). The evaluations do therefore not necessarily represent the current state of affairs of a programme or business unit, but rather show the programmes and projects that were evaluated on the OECD/DAC criteria by third-party evaluators and covered by the current funding period of IDH. Every third-party evaluation was checked against the IOB evaluation quality criteria and subsequently coded in NVivo using an elaborate codebook (see Annex 13).

Six deep-dive case studies

A third element of the evaluation involved six deep-dive case studies to generate learning regarding IDH's approach and the ways in which IDH fulfils its different roles to support systemic market transformation and increased gender equality. These are designed to generate insights which are unlikely to be systematically available through our other sources. The six cases were selected for their potential learning value, while also aiming to be more representative of the IDH portfolio than the available third-party evaluations, covering different IDH impact themes, geographies and sectors (Table 1). **The deep dives are not intended nor should be read as standalone programme evaluations. A full evaluation of the programmes included in the deep dives was beyond both our scope and resources, and in many cases, a programme evaluation already existed and formed part of our evidence base.**

The analysis used process tracing to critically reflect on the IDH theory of change. In each deep dive, we identify and critically analyse the validity of IDH contribution claims in key impact pathways, asking what changes occurred and how these unfolded, and the ways in which IDH support contributed to this change. We also considered additionality with respect to IDH support, and the particular conditions enabling or hindering the results in each case. To assess additionality, we systematically gathered and assessed perspectives on the likelihood of changes emerging without IDH support. This analysis focused on other forms of support or drivers for change that were available, discussing with interviewees potential alternative explanations for outcomes. We used these inputs to form a view on whether the same processes were likely to have emerged without IDH's contribution, with the same quality, speed or magnitude. Our focus was primarily on development additionality.

The evidence base for the deep dives included the IDH documentation described above, notably, business unit or programme theories of change, presentations, programme-level monitoring reports, RMF data, and existing third-party evaluations. In addition, we carried out 96 interviews across the six cases, speaking with representatives of the private sector, government, farmers organisations and civil society, as well as IDH programme staff (Annex 12). We primarily spoke to actors who were directly involved with IDH and therefore who could speak in detail about changes in the sector and IDH's contribution to these. In addition, to mitigate potential bias, each deep dive identified at least one respondent that was familiar with the sector and issues that were the subject of the case study but were not directly part of the IDH programme. These were generally consultants, NGOs or development agencies who could provide a more independent and critical perspective.

Table 1: Detailed list of deep dive case studies

Code	Name	Short name	Start date	Most recent evaluation	Country Sector	Context
DD 1	**Living income in the cocoa sector**	LIC	Various	Various	Côte d'Ivoire Cocoa	The economic, social and environmental sustainability of cocoa is being undermined by extreme poverty amongst cocoa farmers, most of whom fail to reach a living income. IDH is convening public-private partnerships to leverage commitments to improve smallholder incomes and establish a pre-competitive environment for positive change, while partnering with large corporates to link farmer support with core business activities, including procurement.
DD 2	**Living wages in the banana sector**	LWB	2019/ 2020	2023	- Bananas	A significant proportion of workers on banana plantations are paid below living wage. Power in the supply chain is increasingly shifting towards large retailers, who source from multiple traders and producers and compete strongly on price, putting pressure on producers to lower costs. IDH works with large European retailers to confront these issues, providing them with tools to identify the living wage gap in their banana supply chains, and creating a positive environment which encourages retailers to take action to close this gap.
DD 3	**Women Safety Accelerator Fund**	WSAF	2021	2023	India Tea	In India, 60% of workers in the tea sector are women, but many face unsafe working conditions, physical and mental abuse and sexual harassment at work and home. Abuses are enabled by a 'deep silencing' culture whereby violence goes unreported and unaddressed. WSAF leverages the efforts and capacity of local NGOs, tea workers, tea producers, buyers and retailers towards addressing the root causes of gender-based violence, through interventions at the level of garden management, women workers and communities, and government.
DD 4	**Life and Building Safety**	LABS	2019	2024	Vietnam Apparel	LABS aims to promote better jobs for workers by fostering a safer working environment in the apparel and footwear industry. This is especially relevant against the backdrop of the Rana Plaza disaster in Bangladesh in 2013, which led to numerous deaths of factory workers, for which international brands were forced to take some responsibility. LABS convenes global brands, who recommend their supplier factories to the initiative. LABS then provides coordinators who oversee factory reviews and remediation to improve life and building safety. The programme operates across

						four countries, but the deep dive focuses on Vietnam.
DD 5	**Sustainable calves**	Calves Programme	2015	2023	Brazil Calves	Beef accounts for 13.3% of Brazilian agricultural GDP, but is a critical source of deforestation. Although the Brazilian beef sector has a formal agreement to eliminate the commercialisation of beef produced on illegally cleared land, it only covers a fraction of mostly large suppliers. The Sustainable Production of Calves programme is supporting small-scale producers to meet government requirements, and has set up a traceability system to document the origin and trajectory of calves to verify the absence of deforestation.
DD 6	**Grains for growth**	G4G	2022	-	Ghana Grains	Ghana has seen a shift from subsistence towards commercial farming over the past decades. However, smallholder farmers face barriers to producing grains of sufficient quality and quantity to meet domestic demand. The G4G programme aims to build a domestic grain market from which large offtakers will be able to reliably source five major grains in the country. The focus is on building market linkages between actors, helping SMEs to access finance, and helping SMEs to provide smallholder farmers with the inputs and assistance they require.

Sector survey

To complement the portfolio review and deep dives, a survey was developed to measure perceptions of external individuals familiar with IDH's work. The survey was distributed via email and through social media and administered online. It had 244 respondents distributed among investors, private sector, policy makers, non-government organisations, and consultants or research partners working in the sector.

Respondents were asked about changes in the sector over the past four years on seven aspects of sustainable and inclusive trade, and the extent of IDH's contribution to these changes. Contribution scores from 0 to 100 were calculated by scoring and multiplying the two answer categories, with 0 indicating no change, a decrease, or no contribution, and 100 indicating a strong increase with significant contribution by IDH.[38]

Key informant interviews

Throughout the evaluation process many interviews took place. First, during the inception period 18 interviews took place with key internal and external stakeholders, including business unit representatives, key programme staff related to potential deep dives, donors and IDH’s CEO Daan Wensing. These interviews were important to enable us to establish the context, and particularly to better understand the organisation and its portfolio. It also helped us to tailor the scope of the evaluation and to confirm the selection of deep-dive case studies. Second, to gather evidence for the deep dives, 96 stakeholder interviews took place (see above). Third, for the organisational performance assessment the organisational data provided by IDH was complemented by 16 interviews with key informants, both internal and external to IDH, including IDH's current as well as the former CEO, CFO, head of MEL, BU representatives, and donor representatives. Please see Annex 12 for a full list of meetings and interviews.

Workshops

During the course of the midline evaluation, we have held three types of workshop to align our work with that of IDH at key moments during the evaluation. Theory of change workshops were held with four BUs in Q4 of 2023. These sessions focused on system change dynamics related to the two outcome focal areas of the evaluation: gender equality and systemic market transformation. The objective was to draw out the teams' implicit strategy, which may not be fully visible in the theory of change and corporate strategy documents.

During Q2 of 2024, a series of validation workshops was held with each of the five BUs to cross-check emerging findings. Through these workshops IDH had the opportunity to reflect on the assessments made by the evaluation team and reflect on the recommendations made. The evaluation team in turn used this feedback to refine their assessments.

Text box 2. Triangulation between outcome monitoring, deep dives, and third-party evaluations

It is important to understand why the assessment based on IDH monitoring data might, in some instances, appear more positive than the deep dives and third-party evaluations. This discrepancy arises from different methods of counting results, using different reference frameworks, and employing different assessment methods. Outcome monitoring "counts" progress by recording instances where a minimum level of success is achieved according to the RMF guidance. In contrast, evaluations and deep dives assess whether the expected business practice changes, as outlined in the programme-level theory of change, are occurring and whether these changes are sufficient to achieve the overall programme objectives.

2.5. Limitations

There are several limitations to this mid-line evaluation. As is inherent to largely desk-based evaluations, the study is highly dependent on information provided by IDH or external consultants. This data was sometimes incomplete, not up to date, and varied in quality. Due to the incomplete coverage of programmes and varying completion dates, the available third-party evaluations do not provide a representative overview of the current status of the IDH portfolio. Second, the evaluation was highly dependent on IDH to connect the evaluation team to interviewees, which could create some bias. To partially mitigate this bias, the deep dive researchers added interviewees that were knowledgeable about IDH and the context studied, but were not directly involved in the relevant programme. However, these were inevitably a much smaller number than IDH partners. Third, the possibility of the MTE to get a good overview of all activities was inherently limited due to time and resource constraints to capture all dynamics in IDH. The deep dives offered the possibility to go deeper in understanding IDH contribution and additionality. Even here, though, resources had to be targeted where they could best generate value so not all deep dives covered the full range of programme activities. In particular, LWB and the sustainable calves project had had third-party evaluations completed just as our evaluation was starting. In these deep dives, we chose to focus on a narrower range of key IDH contribution claims where further evidence gathering was likely to deliver new learning, while the third-party evaluations of these programmes were included in the portfolio review. Finally, there is inevitably some subjectivity in our use of counter-factual thinking to assess IDH additionality in the deep-dive case studies. Nevertheless, we took due measures to be systematic in gathering and weighing evidence, as described above.

Relevance and coherence

3. Relevance and coherence

In this chapter, we assess the relevance, coherence, and additionality of the IDH programmes. The chapter particularly draws on the third-party evaluations, which are complemented from insights from the deep dives.

3.1. Relevance

IDH works in a highly diverse set of international sectors—including staple crops, cash crops, aquaculture, spices, nuts, flowers, fruits and vegetables, cotton, and manufacturing—and is active in many diverse countries and landscapes. Despite the variety in contexts and sectors, IDH's approach is surprisingly uniform. IDH consistently applies the corporate and the BU-specific theories of change and uses similar concepts in very different contexts. Despite this uniform approach, IDH's programmes are seen to be performing overall (very) well in terms of relevance and responsiveness to different contexts (Table 2).

First, programmes respond well to stakeholder needs and priorities. The third-party evaluation of the cassava VCD programme in Nigeria, for example, finds that, "A key strength of the cassava programme's intervention to ensure field level sustainability was that it addressed key priorities of stakeholders. In addition, the implementation was tailored to the specific capability of partnering processors. Each pilot was co-designed with processors to match the organisation's goals, resources, capacity and operations"[39]. We find other examples in LIC (DD 1), where living income as a goal is considered highly relevant both to farmers and to the future of the cocoa sector, and the sustainable calves project (DD 5), which addresses a critical driver of deforestation in key Brazilian biomes.

Table 2: Assessment of Relevance in third-party evaluations

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Relevance																	

Legend: Performing well against criterion; Performing well against criterion, with minor shortcomings; Performing moderately well against criterion; Underperforming relative to criterion; Inconclusive; Not evaluated in the respective report. Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex Ante Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

Second, the quality of programme and intervention design is generally high. For WSAF (DD 3), the third party evaluation notes: "...we find that the project intervention areas [...] are aptly designed to respond and redress the experiences of GBV [gender based violence] that the respondents report. These in tandem with the strengthening the agency of Change Agents and the Ally Network and the liaison with external service providers and regulatory authorities provide a strong intervention framework for the enhancement of women's safety within the tea estates"[40]. The design of the sustainable calves programme (DD 5) goes beyond companies monitoring and eliminating deforestation from their own value chains to more directly and deeply address root causes of deforestation by indirect suppliers. The landscape approach more generally is highlighted for its holistic approach to addressing the complex problems presented by diverse landscapes.[41] "Compared to more mainstream, commodity-based sustainability solutions, such as sustainability certification, it offers a more holistic approach to addressing commodity-driven deforestation."[42]

However, while some programmes are considered inclusive in their design (e.g. the cassava programme in Nigeria, WSAF, and the PPI landscape programmes in general), the inclusion of beneficiaries, local partners, and/or CSOs when designing programmes and interventions is a point of attention.[43] While there are some positive developments with efforts to increase opportunities for farmer voices to be heard in events and working groups on LIC (DD 1), Southern voices are still under-represented. The living wage banana evaluation finds: "Not involving producer groups and worker unions from the onset in tool development and implementation comes at a cost. IDH has not been giving priority to engaging with local producers and labour unions. ... This approach has led to criticism by producers and labour unions of IDH taking a top-down and European dominated approach. The criticism is of two kinds: being left out of the development of the tools to set benchmarks and LW gaps, and not being involved in the gap determination or validation itself. Both result in a lack of trust and disagreement with the identified gaps and hence data contested by these stakeholders."[44]

A similar issue is identified in the Farmfit Africa mid-term evaluation: "It appears that beneficiaries have not been directly involved in the development of the strategy. As for the SDM [Service delivery model] tool itself, during the KIIs it was mentioned as more supply driven than demand driven. Whereas the value proposition of the Farmfit programme consists of an SDM analysis, potential technical assistance, and financing through the Farmfit Fund, most companies only engaged with Farmfit for the SDM analyses." While there might be valid practical reasons for why this is the case, "this is often not in line with the beneficiaries' expectations and aspirations."[45]

3.2. External coherence

External coherence is also assessed as very good across the third-party evaluations (Table 3). IDH programmes are not only well-aligned with policies, regulations, and other interventions but also actively contribute to external coherence as a core element of public-private convening work. IDH is occupying a sometimes difficult niche between supporting and amplifying already established policies, programmes and interventions, and providing a novel approach by harmonising and aligning these.

For the PPI landscape programmes, actively organising coherence is a core part of the approach: "The Green Growth Plans (GGP) and PPI Compact processes involved a multitude of stakeholders and the programme aligns with the provincial and district level plans and, at the same time, includes priorities of other stakeholders."[46] Furthermore, the NICFI evaluation for the landscape programme in Brazil explains that: "IDH has supported the PCI Strategy in a context where both government and private sector were already committed to environmental causes and social inclusion, but where there was little coherence and lagging (or lacking) implementation. The PCI Strategy is crucial for achieving Mato Grosso's sustainability ambitions, implementing the Forest Code (which had set conservation targets but lagged behind in implementation) and putting to practice the corporate sustainability policies of many private sector companies (e.g. zero-deforestation policies). IDH was able to build on existing efforts and motivation to put in place a holistic model of sustainable landscape management—first at state level and then replicated at municipal level through five PCI Compacts signed between 2018 and 2020."[47] As part of this landscape, the Calves Programme (DD 5) actively responds to Brazilian public sector priorities at multiple levels (international, national, state, local), while IDH's access to government at state and municipal levels pulls in key private sector partners.

Table 3: Assessment of External Coherence in third-party evaluations

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Coherence																	

Legend: Performing well against criterion; Performing well against criterion, with minor shortcomings; Performing moderately well against criterion; Underperforming relative to criterion; Inconclusive; Not evaluated in the respective report. Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex Ante Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

The ability of IDH staff to convene high-level actors from the private sector is highly commended by interviewees.[48] In LIC (DD 1), we find that staff experience of working at high levels in different sectors, but especially within companies, means that they know how the private sector works and can speak the right language. The strong company relationships built by the cocoa cluster means they are trusted and listened to, including in Boardrooms. In LWB (DD 2), IDH has contributed to the significant momentum on living wages in the banana sector through its convening of European banana retailers, a role that has been "clear and appreciated",[49] according to the third-party evaluation.

IDH does not only seek coherence with the public and private sector, but also with interventions by civil society or activist organisations with similar ambitions. For example, in its tea sector convening work, IDH is recognised to be harmonising participant strategies towards a common approach on living wage: "IDH's work is well aligned to the strategies of other organisations, such as Rainforest Alliance who requires companies to measure wage gaps, Fairtrade who is showing interest in the subject matter and Thirst who wishes to work on systemic change in the sector, including on wages and working conditions. Companies valued the fact that IDH are working on something that is also a requirement in Rainforest Alliance's new standard (i.e. measuring the gap between prevailing and living wages). This is much better than investing in a parallel process/data collection tool which would lead to duplication of effort and wasted resources. IDH has an important role to play in standardising benchmarks, matrices and auditing."[50] Similarly in LIC (DD 1), IDH has contributed to a common monitoring and reporting approach for company commitments across different national initiatives on sustainable cocoa. It has also made a strategic choice to support and amplify Tony's Open Chain as a holistic procurement model towards a living income (e.g. rather than developing their own model).

3.3. Additionality

We understand additionality as the extent to which IDH or its programmes contribute to results that would not have materialised without it or where the results would have been different, e.g. in scale, speed or quality. Few third-party evaluations explicitly assess the additionality of IDH. However, we found quite a number of positive indications of the organisation's additionality in the reports. For example in the third-party evaluation of the Cocoa Origins programme: "...there are indications that many of the Cocoa Origins companies and partners would not have been involved in this kind of work without this programme"[51] and in the CocoaSoils programme: "For a long time now, home-based and targeted research in the cocoa sector has been lacking and CocoaSoils is filling the gap."[52]

In general, the deep dives point to two major areas of IDH additionality. First, IDH is credited with the promoting novel, high-quality and practical solutions to critical challenges, which either fill gaps or speed up change. LABS' work on factory safety in Vietnam (DD 4) complements government regulations and is additional in being more detailed and practically implementable than other guidance available. Combined with the incentives created for factory compliance through the involvement of large brands, LABS is speeding up change. Similarly, the Calves Programme (DD 5) is creating the conditions for forest protection and remediation measures amongst indirect suppliers in the beef sector. While other initiatives also work on sustainability in the sector, interviewees identified IDH's integrated approach, taking into account economic benefits for farmers, provision of technical assistance and supporting traceability, as speeding up these processes. In G4G (DD 6), multiple interviewees from different points in the value chain commented on how IDH had facilitated connections with other value chain actors which would not otherwise have happened, such as links between SMEs and smallholder farmers, SMEs and large premium offtakers, or SMEs and financial institutions.

In cassava in Nigeria, the third-party evaluation finds that IDH "worked on introducing a novel model for processors to source sustainable supply of inputs at moderated prices. None of the previous programmes included this approach, and the participating processors did not have out grower farming schemes in place (before the support), thus a new business model was introduced."[53]

Second, IDH's public-private convening is seen by stakeholders as being additional to what other organisations do. In LIC (DD 1), although there are others that also contribute to improved sector coordination, IDH's cocoa knowledge and ability to engage senior decision-makers creates a unique capacity for brokering dialogue and enables IDH to convene influential public and private actors on difficult and sensitive issues such as pricing and procurement practices. In LWB (DD 2), IDH's facilitation of retailers' commitments to close the living wage gap builds on the work of others which have historically worked on living wages, while being both significant and additional in creating new momentum. In WSAF (DD 3), IDH's engagement of multiple stakeholders towards eliminating violence against women (VAW) is seen as unique in its scale and speed.

Programme effectiveness and efficiency

4. Programme effectiveness and efficiency

In this chapter, we examine IDH's progress towards achieving its objectives at the outcome level and explore the factors behind this performance. We analyse each of the three outcome areas in the corporate theory of change: improved sector governance, field-level projects, and improved business practices. We also assess the extent to which these results are achieved efficiently.

Table 4: Third-party evaluation assessment of outcome areas

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Sector governance																	
Business Practices																	
Field-level sustainability																	

Legend: Performing well against outcome area; Performing well against outcome area, with minor shortcomings; Performing moderately well against outcome area; Underperforming relative to outcome area; Inconclusive; Not evaluated in the respective report. Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex Ante Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

4.1. Improved sector governance

Convening multi-stakeholder coalitions is one of IDH's key contributions to improved sector governance and landscapes. Convening stakeholders is intended to generate concrete agreements on sustainability objectives for a sector or landscape and allows for collective planning, monitoring of actions, and knowledge sharing. In addition, in some programmes, IDH stimulates and supports the adoption of new or improved policies and standards, or the enforcement thereof. All sources of evidence, including third-party evaluations (Table 4), deep dives and Sector survey (Annex 10: Results Sector Survey), find that IDH has made a significant contribution to improved sector governance.

Self-reported progress on sector governance

According to the KPIs (Table 12 in Annex 9: Progress on IDH KPIs 2023), IDH is well on track to achieve their envisaged results on improved sector governance. IDH reports to have convened 141 multi-stakeholder coalitions, which is significantly higher than their 2023 target (103). The number of multi-stakeholder agreements signed is, however, slightly lower than targeted (95 vs. the targeted 105). In particular, the sector initiatives and Textiles & Manufacturing business unit contributed to more convening but fewer agreements than expected.

This monitoring data also shows that IDH has contributed to 57 new or improved policies or standards, or the enforcement of these, which implies a significant overperformance versus the target of 17 in the multi-year plan. This result is particularly driven by the activities of the landscapes business unit and the sector initiatives, which reported to have achieved change in 25 policies or standards.

Evaluation findings

The most tangible results that can be directly attributed to IDH are awareness raising, convening of relevant actors across different domains, and aligning understanding with respect to critical issues, leading to multi-stakeholder agreements in which a sector or a set of landscape stakeholders commit to sustainability targets with varying ambition levels. In Chapter 1, we have shown that the convening work started with the private sector and later on was extended to also include public actors.

According to the sector survey (see Annex 10: Results Sector Survey), external stakeholders have, in the past four years, perceived an increase in the number sustainability platforms in their sector and in the level of coordination and number of partnerships, and see a clear contribution of IDH to these changes.

In agri-commodities, IDH has predominantly convened large brands, retailers and traders that are important buyers of cocoa, coffee, tea and other food crops and ingredients. With respect to LIC (DD 1) IDH has brought together the majority of stakeholders in the Dutch and Belgian cocoa sectors through DISCO and Beyond Chocolate. IDH are credited with contributing to awareness and acceptance that the living income gap of farmers is a critical sector challenge (see Text box 3). Through involving and enabling the right participants, including commercial decision-makers and motivated individuals, IDH has raised the bar, leading to specific, measurable and time-bound sustainability targets to close the LI gap for farmers supplying the Dutch and Belgian market by 2030.

Text box 3. IDH's role in putting living income on the agenda in the cocoa sector (see DD 1)

The economic, social and environmental sustainability of cocoa is being undermined by extreme poverty amongst cocoa farmers. In Cote d'Ivoire, the world's largest cocoa producer, 73-90% of farmers fail to reach a living income.[54] A multitude of factors contribute to this failure including global price volatility and low farm gate prices, declining yields, lack of producer organisation, low access to finance and small land sizes.

IDH has been working in the cocoa sector for 15 years, and in the current period, is working with businesses, governments and other supply chain partners towards making living income a reality for cocoa farmers. One core strategy is to convene public-private partnerships to set and leverage commitments on smallholder income and establish a pre-competitive environment for positive change.

The deep dive finds that the last five or six years have seen a substantive shift in the sector, with more attention now being given to the living income gap facing cocoa farmers. Importantly, companies are accepting more responsibility for resolving this gap, including a willingness to discuss price as one driver. This shift started from 2018, driven by a combination of civil society activism, government pressures and private sector dialogue, and has gathered momentum in the last two to three years. IDH is also one important contributor to these changes. At sector level, the Cocoa Cluster brought together different stakeholders, provided concrete evidence showing that existing approaches were not working, and helped generate a common understanding and language, through tools like the LI Roadmap. IDH also involved new actors, such as retailers, and commercial people within cocoa brands and traders. Neither had historically been very engaged in sector sustainability discussions.

The Cocoa Cluster is seen to do this well, drawing on deep content knowledge, good people skills and the ability to keep participants focused on key issues. While there are many others working on living income in cocoa, including some with convening power, interviewees point to the combination of IDH size, multi-stakeholder approach, and concrete cocoa knowledge as a unique combination that underpins these outcomes. Now the challenge is for the sector to translate this positive pre-competitive environment into more structural changes in purchasing practices that improve farmer incomes.

Similarly, IDH's contribution to influencing attitudes on living wages in the banana sector, and to stimulating retailer commitment to closing the gap, has been both significant and additional (DD 2). In total, 30 retailers across four countries have committed to close the gap as of 2023.

On the other hand, IDH's convening efforts do not always lead to concrete commitments, as shown by the experience of the tea sector. "...IDH efforts for convening the GTC has increased awareness on the need for transformative changes in the tea sector. However, this has not resulted in concrete commitments by the participants from producer and packer/brand companies to take concrete steps towards transformative changes."[55]

For the Landscapes business unit, multi-stakeholder agreements are between the key stakeholders within a landscape and typically take the form of PPI compacts, in which targets are set regarding agricultural production, protection of natural resources, and the inclusion of communities (in terms of participation and benefit). The ISLA evaluation across seven landscapes found that the programme improved landscape governance through multi-stakeholder coalitions at national, regional and local levels with agreed PPI targets, implementation plans and governance structures. Local ownership of PPI Compacts, particularly by government authorities, is reported high in most landscapes.

In the Calves programme (DD 5),the PPI in Mato Grosso state has been a key factor enabling private investment in more sustainable calf production due to political support, a solid governance structure and concrete targets. Furthermore, by working with Brazil's National Farmers Confederation (CNA) and environment agency (MAPA), the programme's tools are being adapted for a national-level protocol that creates the opening to scale results beyond Mato Grosso.

Text box 4. Creating the Infrastructure for the Sustainable Production of Calves in Brazil (DD5)

Beef accounts for 13.3% of Brazilian agricultural GDP, and Mato Grosso (MT) state is the country's largest producer. However, cattle raising is a critical source of deforestation. Although the beef sector has a formal agreement with Brazil's Federal Prosecutors Office to eliminate the commercialisation of beef produced on land that was illegally cleared, only direct suppliers are controlled. Yet for every direct supplier, an average of two indirect suppliers breed and raise calves. These producers are generally smaller in scale, with low access to technology and finance, and are often in a poor or irregular situation regarding land management and registration under the Brazilian Forest Code.

The Sustainable Production of Calves programme is part of IDH's landscape work in MT, and was launched in collaboration with five industry partners, including the National Farmers Confederation (CNA). Through its partners, IDH is supporting small-scale producers to meet government requirements, and has set up a traceability system, the Sustainable Calves Protocol, which is maintained by CNA. The system documents the origin and trajectory of calves sold under the Programme and verifies the absence of deforestation.

An initial pilot of the protocol enabled Carrefour to sell the first batch of 100% traceable deforestation-free meat in 2019, and the programme is now expanding. Cargill is implementing it in the Pantanal region of MT, although progress has been slower than expected. IDH has also signed an MoU to expand the programme to Pará state and worked with CNA to launch the protocol nationwide. The aim is to integrate the protocol with technological solutions for beef traceability being developed by CNA and the Brazilian Ministry of Agriculture, Livestock and Food Supply.

The deep dive finds that IDH contributed to these outcomes through leveraging private co-investment, and supporting the state landscape strategy, which was also strongly backed by the Governor. Given the pressure on the beef sector over deforestation, it is likely that measures to address indirect suppliers would eventually have been introduced, but IDH has sped up these processes. In addition, by linking the protocol with government systems for land registration and traceability, IDH is helping generate the infrastructure for a national-level solution. In 2023, IDH leveraged a collective pledge by the three largest meatpackers and the leather industry to support the registration of 1 million head of cattle in a Sustainable Calves Platform by 2025, meaning that tagged animals from farms outside the Programme will be included. While 1 mn head of cattle is an important number, it remains a fraction of the industry, however, which has over 34 mn head of cattle in MT state alone.

The Value Chain Transformation unit focuses on convening actors in regional value chains to facilitate the transformation of African food systems by getting commitments for local sourcing and collectively resolving bottlenecks in local value chains. For example, the Southern African Alliance has led to several regional food companies, including Unilever and Freshmark, committing to source 80% of the raw materials they need from the region.

Once the multi-stakeholder coalitions are formed and agreements are made, IDH supports these by brokering knowledge, creating easy-to-use tools, and employing an effective communication strategy to facilitate dialogue and collective planning. IDH is effective at using knowledge generated in the sector, including by other knowledge institutes, to create tools and concepts which speak to company managers and can guide company action. Examples of tools include the IDH roadmaps on living income and on living wages, which have garnered prominent attention, providing stakeholders with a systematic approach to closing these gaps in their sectors.

In the case of WSAF (DD 3), IDH was approach by Unilever to adopt, operationalise and scale the Global Women's Safety Framework in Rural Spaces (GWSF), a tool designed by Unilever and UN Women. IDH is combining this with its own expertise to generate awareness and understanding of the complex challenge of VAW in the tea sector. Other recent IDH tools and evidence supporting multi-stakeholder coalitions include farmer segmentation tools, a Salary Matrix Tool (SMT) to measure living wage gaps, a study on value distribution in the coffee value chain, and a regenerative agriculture handbook. Through the SMT, for example, retailers and producers in the banana sector have quantified the gap between living wages and their workers' salaries, with the gaps of 103,731 employees mapped so far (see DD 2). According to the third-party evaluation of this work, "retailer action [to address the living wage gap] is clearly driven by the availability of data on LW gaps."

Monitoring of progress is a key step that is typically included in most multi-stakeholder agreements, with companies reporting progress towards the agreed targets. The quality of monitoring, which typically relies on unverified, self-reported data by stakeholders, and company accountability for commitments varies. In LIC (DD 1), for example, data is relatively reliable at the level of company actions, but accurate data on farmers' incomes and LI gap reduction is limited, and it has proved challenging to devise mechanisms to hold companies accountable for action aligned to their commitments. While monitoring and aggregate reporting exert some pressure, this is only to a limited extent. This challenge has been recognised by IDH staff and partners in the cocoa sector and DISCO, for example, has identified partner accountability as a key focus area for the next phase.

In the case of the Cocoa and Forest Initiative (CFI), IDH has enabled public and private actors to come together on the topic of deforestation, but the foreseen forest monitoring system is not yet put in place. The evaluation concludes that "action plans for the two countries are well designed but the goals were probably too ambitious, so there is a need to be more realistic on what can be achieved"[56]

Contribution to new or improved policies and standards and enforcement

There is less conclusive evidence on the contribution of IDH to new or improved policies and standards, and their enforcement. It is inherently more difficult to assess the influence of IDH on policies and standards due to a large influence of other contextual factors. However, it is clear that IDH has been closely *involved* in many processes with governments to introduce, improve, or enforce policies or standards, mainly those that can contribute to better working conditions and better environment.

In the landscapes programme, there are many examples of IDH supporting the implementation of policies or the enforcement of legislation.[57] For example, in addition to providing direct technical support for participating producers to register and regularise their land in accordance with the Brazilian Forest Code, the sustainable calves programme (DD 5) has implemented a hub to provide environmental orientation to other producers in the jurisdiction but outside the programme. Beyond the Calves Programme but within the framework of the local PPI Compact, IDH has also provided support to the Mato Grosso state government to improve validation of land registration. Nevertheless, state capacity remains a bottleneck.

LABS (DD 4) has helped Vietnamese specialised agencies to access scientific knowledge and practical solutions, enabling them to bring regulations on factory safety in line with international best practice. There is also good evidence that these guidelines are easier to interpret and use than government regulation alone.

Interestingly, WSAF (DD 3) has improved policy outreach (rather than enforcement per se) through public-private convening that has helped 'open the gates' of the tea estates to government initiatives and services related to VAW. This has enabled women and youth to access services such as one-stop centres, helplines and free legal aid. However, weak government capacity remains a constraint, as does the gender-blindness of certain government services such as the police.

Conditions influencing effective sector governance

The third-party evaluations mention several factors that contribute to effective sector governance in IDH's programmes. One crucial factor is effective facilitation, which involves managing complexity, investing in meaningful discussions, reconciling conflicting views, and maintaining focus on ultimate objectives. Not all programmes were seen to have sufficient staff capacity in this area. However, Beyond Chocolate (DD 1) was cited as an excellent example of thinking and working with complexity. Another critical factor is IDH's ability to engage companies at a high level, involving key decision-makers. This approach is particularly evident in the cocoa sector, where engaging top-level executives has proven essential, although maintaining this engagement is challenging. In-country reputation also significantly influences sector governance. This reputation is built through past successes and the ability to bring co-funding. For example, the Cocoa Cluster in Côte d'Ivoire has developed a strong reputation through the FCIP programme and its funding for the Côte d'Ivoire–Ghana Cocoa Initiative (CIGHCI).

Beyond programme implementation, external conditions also affect the quality and outcomes of sector governance. In both the calves programme and WSAF (DD 3 and 4), political will at state and local government levels have been key to programme development. However, these cannot be taken for granted when replicating to new areas. The flip side, however, is that low public knowledge and/or enforcement capacity has been a barrier to effective implementation, as discussed above. Finally, company engagement in multi-stakeholder processes is particularly motivated where civil society, media and/or government pressure is high, as demonstrated by LIC (DD 1) and WSAF (DD 3).

4.2. Field-level projects

According to the corporate theory of change, IDH and its coalitions of partners "actively promote co-investments in field level change to demonstrate the business case for new sustainability models that can later be brought to scale by dissemination to both IDH partners and other players in the sector". Evidence indicates positive effects from IDH-supported field-level projects. However, they do not necessarily function as best practice cases or innovative business models to generate sector-wide impact where proven concepts are scaled up (e.g., through Farmfit).[58] While this is sometimes the pathway pursued, we identify multiple other types and objectives of IDH field-level investment.

Self-reported progress on achieving field-level outcomes

According to self-reported data (see Table 13 in Annex 9: Progress on IDH KPIs 2023), IDH is well on track in achieving most of their envisaged results in terms of field level outputs and outcomes. All except one KPI is above or near to their 2023 targets. IDH is reaching many more farmers than planned with training (1044K vs. 728K targeted for 2023) and access to inputs and technology (1318K vs. 336K targeted for 2023). Also in terms of the area of cropland under sustainable production practices/management, we see that IDH is on track. IDH is behind target on the number of hectares of forest under sustainable management. Due to delays in several landscapes, the current KPI stands at 857,260 hectares, which is below the 2023 target of 1,264,198 hectares. The MYP 2021-2025 target has been reviewed in November 2023 and, based on forecasts, substantially lowered from 2,079,758 ha to 1,011,000 ha.

For most of the KPIs, a limited number of programmes account for the majority of progress. For example, almost two-thirds of the farmers and workers trained fall under the Agri-commodities business cluster (676K), of which half are trained through WSAF (356K). With access to inputs and technology, almost 60% of farmers (774K) are reached through just one programme: the climate-smart cotton landscapes in India, Brazil, and Chad. Similarly, in terms of forest and cropland under sustainable practices/management, it is mainly the landscape programmes in Brazil, Indonesia and Vietnam that are responsible for the results.

Evaluation findings

The third-party evaluations and the deep dives are, by and large, also positive about the field-level effects IDH has had through their projects. Out of the 14 external evaluations that report on field-level outcomes, 13 evaluators judge the effectiveness of IDH as "very good" or "good"(Table 4). However, there is large variation in the size of projects, the level of innovation and the nature of IDH's role. For example, in cocoa (DD 1), Beyond Chocolate has co-funded eight projects, such as the pilot of the living income reference price carried out with a consortium of seven organisations and 134 cocoa growing households.[59] At the same time, IDH has provided governance oversight—but without co-funding—for the test at scale of Nestle's Income Accelerator Programme. This is working with 10,000 cocoa-farming farmers towards an innovative use of financial incentives to promote and reward socially and environmentally beneficial behaviours.[60]

Across IDH's portfolio, we identify at least four different logics and approaches to generating field-level outcomes. The first is, indeed, piloting novel business approaches, as envisaged in the corporate theory of change, designed to generate learning and knowledge and—if successful—to influence international business practices, and generate sector-wide impact where proven concepts are scaled up. IDH's support for Nestle's income accelerator programme would fit here, even though there is no IDH co-funding involved. Second, are cases where piloting is designed to have a direct local demonstration effect. In the Cassava project in Nigeria, for example, IDH tested two schemes to close the gap between supply and demand for cassava while integrating smallholders into the supply chain: block farming and community farming. The evaluation concludes that the pilots demonstrated the feasibility of these models in various contexts and it is highly likely that processors will continue using them.

Third, IDH has co-funded a variety of studies which are intended to generate knowledge and recommendations about specific problems and potential solutions linked to its core impact themes. These have included two relatively small projects as part of LWB (DD 2): one to understand the root causes of living wage gaps in the banana sector in Costa Rica, Belize, and Colombia, and the other aimed at empowering workers in Cote d'Ivoire to better negotiate wages.

Fourth, IDH is directly providing services and solutions to fill gaps, bringing into action multi-stakeholder agreements or company commitments. This is particularly observed in the landscape programmes. For example, in the South West Mau forest of Kenya, IDH co-finances surveillance of the protected forest, rehabilitation of degraded forest, and intensification of the local livestock sector (to reduce dependence on forest grazing).[61] Another example is the Calves programme (DD 5) in Brazil, providing technical assistance to small- and medium-sized calf producers focused on sustainable intensification of production, land and environmental regularisation, including the restoration of forest areas, and improved socio-environmental practices. As discussed in Section 4.1, the programme has gained national interest with the potential for scaling, although finance remains a challenge. Beyond the Landscapes BU, LABS (DD 4) has created an 'infrastructure' for factory safety issue remediation, designed collectively with the global apparel brands financing the programme. In G4G (DD 6), IDH provides co-funding to SMEs to help them to improve their practices and the practices of smallholder farmers who supply them, as well as providing technical assistance to SMEs to demonstrate their creditworthiness to commercial lenders.

Text box 5. Enabling SMEs to raise domestic grain production in Ghana

While Ghana has seen a shift from subsistence towards commercial farming over the past decades, smallholder farmers face barriers to producing grains of sufficient quality and quantity. The G4G programme aims to build a domestic grain market from which large offtakers will be able to reliably source five major grains domestically. The focus is on building market linkages between actors, helping SMEs to access finance, and helping SMEs to provide smallholder farmers with the inputs and assistance needed to produce high-quality grains.

Since the beginning of the programme, targets for the number of SMEs and offtakers engaged have been exceeded, as well as targets for grain sourced domestically by offtakers. Through the programme's work with local authorities and SMEs, it is improving women's access to land and processing centres.

The deep dive highlights the holistic nature of G4G's support including inputs, finance, market linkages, and female empowerment, finding that many of these changes would not have happened without IDH. G4G is particularly credited for its role in creating networking opportunities within the sector, connecting SMEs with each other, with offtakers, and with farmers, as well as with finance providers. For example, alongside key partners, G4G organised the National Rice Fair, which attracted central government support.

At this relatively early stage of the programme, it is difficult to judge the scale and sustainability that G4G is likely to achieve. The involvement of important players in the domestic market gives confidence regarding scale. However, the question is whether some of the innovations enabled by G4G will sustain without direct grant support.

Finally, a number of field-level projects partially or primarily serve coalition building or influencing purposes. The two LWB (DD 2) field-level projects already discussed are both knowledge generating and coalition building, and the Beyond Chocolate pilots also likely have this dual role. Indeed, IDH in their theory of change recognises that systemic change naturally takes time to materialise and that multi-stakeholder coalitions "can buy time by ensuring that discrete shifts become tangible along the way." IDH often begins with smaller projects that, when successful, can be expected to establish a culture of "getting things done together" amongst partners and to encourage further cooperation.[62] However, the question raised by some interviewees with respect to LIC (DD 1) is when is co-funding effectively creating momentum and when is it distracting attention and resources from more difficult changes to commercial practices.

Conditions influencing effective field-level outcomes

There are many factors that positively affect outcomes related to field-level sustainability. The active involvement of multiple stakeholders, such as governmental actors at national, regional, and local level, enhances intervention effectiveness. We can see this, for example, through the evaluation of Agri-connect, where a successful campaign promoting youth and women participation in cooperatives resulted from proactive engagement with government officials at various administrative levels.[63] Moreover, several evaluations show that by complementing government initiatives and coordinating efforts, programmes can leverage resources more effectively and maximise impact. Ensuring that women are involved in decision-making positions significantly enhances effectiveness in the case of gender-transformative programmes like WSAF (DD 3). Finally, comprehensive programme designs that simultaneously address multiple challenges for smallholder farmers, for African SMEs, or multiple challenges within one landscape—if well designed—also enhance the effectiveness of field-level projects.

A number of factors were found that hinder effectiveness. While good management of in-country relationships, particularly with government officials, enables effective piloting of innovations, these relationships have been weakened by high staff turnover in countries like CDI, Indonesia and Vietnam. High turnover dampens coordination, undermines efficiency and can result in parallel implementation processes. Second, operational issues and delays outside IDH's direct control, such as regulatory or partner-related issues, can hinder outcomes. These can be mitigated to some degree through rigorous planning, collaboration, and proactive risk management. Finally, economic factors are raised as a challenge in several third-party evaluations. A lack of (access to) finance reduces the ability of companies to fund complementary projects, particularly those requiring long gestation periods. External economic factors, such as unfavourable market prices, inflation, etc. can also negatively affect project outcomes. The third-party evaluation of Agriconnect shows that unfavourable green leaf prices, and high input prices, have undermined outcomes for farmers. Moreover, inflation can lead to strained financial resources needed for ongoing operations and payments.

4.3. Improved business practices

IDH views the private sector as essential for sector-wide transformational change. Improved governance and successful pilots at the field level are key to securing private sector capacity and commitments to adopt and scale better practices. By bringing the sector together, setting sustainability targets, and supporting innovation with knowledge and co-funding, IDH aims to change the practices of retailers, processors, factories, traders and plantations. This aligns with the original idea that influencing major agri-food companies can significantly impact the regions, communities, workers, and farmers involved in producing these commodities. In recent years, however, IDH also started working with other types of businesses, including in the textile and manufacturing sector and African SMEs to improve African food systems, which is the focus of the VCT BU.

Although IDH monitoring data shows good progress towards improved business practices, our findings suggest IDH effectiveness is weaker here when compared to the other two outcome areas. IDH programmes have enabled or influenced some businesses to change some practices, particularly where positive incentives have been in place. However, despite achievements in raising company awareness about sustainability issues, facilitating company commitment to sustainability targets and stimulating co-financing of field-level projects, achieving deep change in line with commitments is not yet secured. This is especially a challenge among Northern-based brands and retailers, where the market system being influenced is broad and the scale of change required is deep.

Self-reported progress on business practices

According to outcome monitoring by IDH (see Table 14 in Annex 9: Progress on IDH KPIs 2023), programmes are more or less on track against key KPI targets related to improved business practices. By the end of 2023, the private sector had co-funded field-level projects for about EUR 46 million, which is slightly higher than the target for 2023 of EUR 43.8 million and already very close to the initial MYP 2021-2025 target of EUR 47 million.

We also see that a limited number of programmes contributed to most of the outcome KPIs. Of the value chain actors with improved access to finance (n=470), most are accounted for by the Coffee Farmer Income Resilience Programme which led to 389 value chain actors (cooperatives and plantations – 83% of the IDH-wide result) getting USD bank accounts for coffee trading[64], which can be considered as a relatively superficial improvement in access to financial services. The number of value chain actors that adopted or updated their sourcing, procurement policies or strategies (382) is for a large extent driven by the sector initiatives—accounting for 339 companies (or 88% of the IDH-wide result). Here, all companies that are committed to be a member of a sector initiative are counted, as it is assumed to be a change in company policies that relates to sourcing.[65] However, you could also argue that becoming a member is just a form of participation in a programme and not the outcome. This indicator, like many RMF indicators, measures reach more than outcomes.

Evaluation findings

The picture of IDH effectiveness in changing business practices emerging from the third-party evaluations and deep dives provides a somewhat contrasting picture when compared to self-reported progress, with a more moderate assessment of effectiveness. (See Text box 2 for methodological reflections on differences in findings between monitoring data and evaluation findings). Out of the 15 external evaluations that report on business practice change (Table 4), we see that two evaluations judge the effects as "very good", five evaluations judge the effects as "good", and eight judge the effects as "moderate." The overall pattern suggests that the combination of improved sector governance and field-level outcomes are contributing to some changes, but do not automatically lead to broad and deep improvements in business practices.

In some cases, the required business practice is not yet clear, meaning that companies cannot embed changes. For example, in the NI-SCOPS programme, the evaluators show that partners are testing different approaches on the ground with smallholders to increase palm oil yields and revenues, while also improving climate-smart agriculture and sustainable land management. While the field-level projects show promise, they are still in early stages and the evidence of results for SHFs is currently anecdotal. It will therefore take some time before we can logically expect any notable impact for transforming the palm oil sector in a substantial way.

In the case of LWB (DD 2), the programme's focus so far has been on obtaining retailers' commitments and enabling them to quantify the gap between living wages and workers' salaries using the tool developed by IDH. This is an important pre-condition, since companies need to be able to understand the scale of finance required to close gaps. Two retailers, Lidl and Sainsbury's, have also announced actions to close gaps, through additional payments or premiums. However, there is considerable debate regarding the path to scalable, sustainable changes in wages and whether retailers taking action separately is a feasible solution.[66] IDH plays a stimulating role in these debates and provides some support for field-level work, and more time will be required to assess the degree to which this is leading to business practice change in line with living wage goals.

Text box 6. IDH's role in closing the living wage gap in the banana sector

A significant proportion of workers on banana plantations are paid below living wage, although the exact living wage gap is hard to measure. Power in the supply chain is increasingly shifting towards large retailers, who source from multiple traders and producers and compete strongly on price, putting pressure on producers to lower costs. IDH works with European retailers to confront these issues, providing tools to identify the living wage gap in their banana supply chains, and supporting action to close this gap.

Retailers in four European countries have committed to closing the living wage gap in their banana supply chains, guided by IDH's "Roadmap on Living Wages", which sets out five steps towards closing this gap. So far two UK retailers have publicly announced the actions they will take to close the living wage gap, using additional payments and multi-year contracts. Other retailers are reportedly also making arrangements, but no details are available yet.

The deep dive finds that IDH's contribution and additionality are clear. Through creating retailer consortiums, obtaining commitments, and creating widely used tools to measure the living wage gap, IDH have created an environment in which retailers are encouraged and incentivised to take action. It is widely accepted that IDH has been instrumental in the changes achieved in the sector.

As yet, however, there has been no measurable closure of the gap. The deep dive raises a number of questions regarding the development of solutions to close this gap, which is left in the hands of individual retailers. These questions relate to the effectiveness of the specific solutions chosen by the two UK retailers as well as of the general "hands off" approach of individual companies, rather than coordinated solutions. However, IDH is committed to an ongoing process of piloting, learning, and knowledge sharing between actors in the banana sector towards generating solutions that close the gap. IDH also contributing funding to research and pilot projects to improve understanding of how to close living wage gaps in different contexts.

Time is also a factor with respect to the depth of business practice change achieved. With WSAF (DD 3), IDH has played a key role in engaging tea companies internationally to fight violence against women (VAW), enabling a large number of tea estates in India to put mechanisms and structures in place to address this issue, and creating awareness and understanding amongst staff and workers. There is a high ambition to scale further in the next phase of the programme. However several sources question whether the changes are sufficient to generate deep and lasting change in entrenched norms and practices affecting VAW. For example, training has focused on a limited number of individuals, with limited or no follow-up sessions planned, and some estates lag in dedicating sufficient resources (time, staff capacity, worker availability). There is limited evidence of progress on other intended outputs related to VAW, including safe infrastructure, upward mobility for women, concrete support to survivors, and accountability mechanisms; areas that are now the focus of WSAF phase II. Ensuring that VAW is truly addressed hinges on continued management interest and commitment on tea estates as well as broad-based support of other stakeholders. Yet, this continued commitment is not ensured and may require more focus, such as on demonstrating business returns from WSAF interventions to tea company and garden management.

Where we do see clear changes aligned with impact goals is where there is already a clear business case, such as through (a combination of) legislation, market demand, and/or NGO pressure. In the case of LABS (DD 4), remediation of factory safety issues in Vietnam is driven by the market. The programme is designed such that factories are recommended by the brands which source from them. Factories seeking to secure their market access are thus incentivised to comply with LABS standards, which also means the factories comply with government safety guidelines. The brands themselves are partly motivated by the Rana Plaza disaster in Bangladesh in 2013, with LABS enabling them to operationalise the necessary changes.

Text box 7. LABS work towards a safe working environment in the apparel, footwear, and textile sector in Vietnam

The LABS initiative has the aim of "Promoting better jobs for workers by fostering a safer working environment in a pre-competitive initiative with the reach and scale of the apparel and footwear industry." This is especially relevant against the backdrop of the Rana Plaza disaster in Bangladesh in 2013, which led to numerous deaths of factory workers, for which international brands were forced to take a degree of responsibility.

The programme logic is that with the right guidance and incentives, factories will address safety issues and create a better environment for workers. LABS convenes global brands, who recommend their supplier factories to the initiative. LABS then provides coordinators who oversee reviews of factory safety and remediation of issues. The programme operates across four countries, but the deep dive focuses on Vietnam, where the textile sector contributes 15% of GDP and employs 4.3m people.

Previous evaluations identify a high rate of remediation success, and that safety training for staff has been well received. IDH's main contribution has been in convening major garment brands at international level and creating momentum in addressing safety issues in their supply chains. The role of the brands is important in creating the motivation for factories to act. Within Vietnam, while there are other organisations operating safety programmes, LABS has been credited with providing more comprehensive and practical support for factories, as well as convening stakeholders in the industry to share best practice. IDH's role in convening brands to do this is important and additional.

LABS has achieved a significant scale of change, contributing to benefits for many workers. The affordability of remediations for smaller and older factories is flagged as a potential barrier, but does not appear to have affected participating factories to date. The route to wider sectoral transformation beyond LABS partners is unclear, although the team is investing in expanding their influence and engaging more stakeholders.

Similarly, the Calves Programme (DD 5) has introduced a technical protocol for calf producers, to ensure compliance with Brazilian forest legislation, and created a financial incentive for change. In the Carrefour pilot, Agro Jacarezinho, the calf buyer involved in the programme, paid a 5% bonus for ear-tagged, guaranteed deforestation-free calves. They also bought calves by weight, rather than the usual practice of paying a fixed price per head, creating a further incentive for improved production practices. As a French company, Carrefour wanted to demonstrate it was addressing deforestation, and the Calves Programme and protocol made this outcome possible. As in LABS, here the business case is accompanied by regulatory incentives—since changes are in line with Brazilian and European policies and regulations.

In programmes under the VCT BU, there is positive evidence of business practice change being incentivised by IDH's field-level piloting. The evaluation of the Nigeria cassava programme, for example, concludes that it is very likely that processors will continue to implement the new farming models developed in the programme. This is attributed to the clear incentives that are in place for processing companies, namely increased and higher quality of cassava roots at moderated prices, all year round. In G4G (DD 6), particular success has been demonstrated through IDH's focus on gender mainstreaming in the SMEs with which they work, piloting and scaling up practices such as the creation of rice parboiling centres which allow women to increase their income. However, the focus is less on sustainability practices and more on addressing market imperfections and reducing inefficiencies in the value chain. While achieving this outcome is challenging, the required changes are fully in line with the incentives present in a conventional market system and do not require sustainability investments.

The evidence for effective business practice change is weakest with respect to multi-national companies implementing policies, strategies, and procurement practices related to living income and living wage. Similarly, global buyers are hesitant to adopt landscape-based preferential sourcing models. Where progress is weak, sector governance and field-level pilots are creating awareness, knowledge and commitment, but are not sufficiently generating the combination of motivation, capability and market opportunities to take a firm step from commitment to deeper practice change.

Taking the landscape programmes, ISLA is evaluated as performing very well in terms of improving sector governance; however, overall the evaluators conclude that "when it comes to changes in business practices and field-level sustainability, the progress of ISLA landscapes against country-level ToCs is more challenging". Despite some successes in attracting landscape finance to replicate and scale up sustainable production models, it has proven challenging. There is often a mismatch between the requirements of global investors and the producing companies active in ISLA landscapes In some cases, even generating new business models has been difficult where producing companies do not see a business case to invest in a project, despite committing themselves to the targets of the PPI Compacts and being active members of MSCs. Finally, despite successes in Brazil and Vietnam, it has proven challenging to link landscapes as preferential sourcing areas to global buyers. This suggests that the business case for a landscape-based sourcing model is not always clear.[67]

Similarly, a positive pre-competitive environment will only go so far towards real business change unless accompanied by incentives. For example, in cocoa (DD 1), it is a clear achievement that 80-85% of participating traders and brands in Beyond Chocolate and DISCO have living income strategies which cover 15-23% of farm households supplying to companies in these platforms. This progress is welcomed. However, the broader context is that this number reflects reach and it is unclear to what degree and for whom these strategies are improving incomes. In addition, while some retailers have important changes to sourcing practices for certain product lines, such as adopting the five TOC sourcing principles, and brands are seen to be actively considering sourcing options, these remain initial steps. DISCO did not reach its (very ambitious) interim milestones in 2021, and brands are not yet sourcing in line with living income principles. This challenge of accountability and turning commitments into action has been recognised by IDH. DISCO, for example, sees it as a key area of focus in its next phase.

Conditions influencing effective business practice change

Overall, these findings suggest that IDH has been most effective in changing business practices where solutions are known and downstream buyers provide the carrot or stick to drive changes amongst their suppliers, or where changes promoted by IDH align with existing market incentives. It is much more difficult to build a compelling business case for large buyers to adopt more sustainable procurement practices against market pressures. However, where these buyers are motivated for intrinsic reasons or due to external drivers, such as NGO campaigns or government regulation, IDH can enable them to operationalise new practices. For Carrefour in Brazil (DD 5), international pressure related to deforestation in the Amazon, along with the Brazilian Forest Code and the PPI Compact created this type of conducive context. With WSAF (DD 3), media stories related to worker rights and wellbeing on Indian tea estates are significantly impacting the industry, triggering interest from Indian producers as well as international buyers and retailers in addressing VAW.

The availability of existing mechanisms or channels to operationalise business practice changes are also enablers. Both Lidl and Sainsbury's (DD 2) had existing arrangements with Fairtrade which allowed them to lead in implementing LW payments on bananas using the Fairtrade premium. Here the roles of IDH and Fairtrade are complementary: Fairtrade has experience in using a premium payment model, and strong relationships with producers; IDH enables the private sector commitment and enables companies to understand the LW gap.

On the other hand, economic and financial factors are barriers to change. In the case of LABS in Vietnam (DD 4), smaller factories lack financial resources and their remediation of safety issues will be determined by the trade-off between the costs of the necessary changes and the potential losses from brands if they are unable or unwilling to comply. While IDH's tools and pilots show possible pathways to sustainable business practices, systemic economic barriers affecting sectors, including profit-maximisation, competitiveness and limited margins in conventional commodity chains, remain impediments. Where companies are stuck in a market system that demands cost minimisation, and there is limited room to make the required changes, likely the system itself needs to change.

Barriers also lie in structures, institutions and norms outside the control of businesses but which affect outcomes. For example, land rights and family sizes affect the ability of households to close the LI gap in cocoa (DD 1). VAW in the tea sector in Assam is influenced by low wages, livelihood insecurity and the lack of education affecting many women workers, as well as the immense power inequality between workers and garden management (DD 3). Since these factors contribute to the root causes of the system dynamics that IDH aims to change, the question is how far they can be influenced, and where a more fundamental rethinking of programme assumptions is required. See Section 5.4 for further reflections on systemic change.

4.4. Efficiency

We have predominantly assessed the efficiency of IDH through the meta-analysis of third-party evaluations. Efficiency is essentially made up of two components: 1. operational efficiency – how well resources are used to come to results, and 2. timeliness - to what extent the results were achieved within the intended timeframe.

Table 5: Third-party evaluation assessment of Efficiency

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Coherence																	

Legend: Performing well against criterion; Performing well against criterion, with minor shortcomings; Performing moderately well against criterion; Underperforming relative to criterion; Inconclusive; Not evaluated in the respective report. Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex Ante Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

When it comes to the efficient use of resources, we mostly find positive assessments. For example, CFI was found to have managed the resources very efficiently, because the platforms managed to produce results with only few resources available.[68]. Also other programmes are found to be cost-effective: "WSAF Interventions are planned with the tea garden or estate as a unit. The cost of delivery at a garden level is approximately Euro 5,500 in year I and Euro 2,200 for a follow-up year (with lower intensity of engagement). Considering the multiplicity of stakeholders, size of workforce and community – this is a fairly cost effective programme (cost per worker at Euro 5 in year I and Euro 2 in year 2. With scaleup, and templatisation of processes – it may be possible to further reduce this cost marginally."[69] Also the VCD work in Nigeria is giving value for money: "With a total profit of €9,371,744 for all farmers who had harvested at the time of the study, this means that for €1 spent by IDH, farmers earned €8.04 increased profit over the baseline value"[70].

The less positive assessments often relate to timeliness. While WSAF is considered operationally efficient, the evaluator found that timeliness is a weak point of the programme: "The programme design conceived an intense 1-year timeframe for delivery – whereas in reality only half of that time was available for on-ground delivery (only the off-season for tea plucking). This meant that many key actions were crunched into a shorter period reducing the number of feasible touch points between the implementation partners and the community. This meant timeliness of delivery was not a strength of the programme and key follow-up action couldn't happen."[71] Also NI-SCOPS was found to not deliver on timeliness by the mid-term evaluators. "When compared to the agreed design, the programme is not on track to deliver the planned results on time and to budget. There are several reasons for this, including design issues (e.g., overly ambitious timelines and targets), external contextual conditions (e.g., COVID-19 and government changes) and internal factors (e.g., communication and staff turnover). The programme worked hard to adjust and adapt, by revising targets, work plans and budgets throughout the last two years against the backdrop of the pandemic and by using virtual engagement as much as possible."[72]

Contribution to impact and systemic market transformation

5. Contribution to impact and systemic market transformation

In this chapter, we explore how IDH's approach contributes to impact and assess whether this impact is scalable and sustainable. Finally, based on lessons learned from the portfolio and deep dives, we reflect on IDH's overall systemic change ambitions.

Although this mid-term review might seem premature—we cannot expect the full impact of this funding period to have materialised yet—there is much to learn from programmes that started in previous funding periods and this is a good moment to take stock whether IDH is on track to achieve systemic market transformation.

5.1. Contribution to better income, better jobs, and better environment

Self-reported progress on impacts

IDH is reporting strong performance on KPIs for better incomes and a better environment, being close to or above the targets (Annex 9: Progress on IDH KPIs 2023). However, progress is lagging in the area of better jobs. While the KPI for the number of workers with improved working conditions is on track, there is a long way to go to reach the 2025 target, and no progress has been made in reducing the living wage gaps for workers.

A few programmes contribute disproportionately to the reported impact. Almost 90% of the households that have increased their income are supported through the climate-smart landscape programme. The remaining achievements in increased income derive from numerous programmes under the agri-commodity and landscape business units. Improvements in working conditions result mainly from LABS, reaching over one million workers, and WSAF, reaching about 335,000 workers. A high proportion of women are reflected in these numbers.

It is important to note that these numbers do not reflect the net effect of IDH, considering what would have happened without IDH intervention. There is also no indication of the magnitude of the improvement or change for these households. For example, the numbers report an increase in net income but not by how much or how the number relates to reaching a living income. Outcomes like improved income and working conditions are at the outer edges of IDH's sphere of influence. Many other factors and actors determine whether these targets are effectively reached. This makes that the monitoring of these outcome areas helps to reflect on impact, but is less useful for adaptive management and assessing the effectiveness of IDH support.

Evaluation findings

There is limited independent evidence from impact evaluations that confirm the positive impact reported by IDH on incomes, jobs, the environment and on gender equality. See Table 6 for an overview of the assessments from third-party evaluations.

In terms of *better jobs*, evaluations confirm impact on better working conditions, particularly for women through WSAF and LABS (also see DD 3 and 4). In the case of LABS, better working conditions means workers no longer face potential harm from preventable fire, electrical, and structural safety risks. For WSAF, improved working conditions are linked to awareness raising on VAW and the availability of internal complaints committees and grievance redressal mechanisms. However, the third-party evaluation indicates it is too early to realistically assess WSAF impacts. Instead, they identify some early evidence of impact, e.g." an enhanced sense of safety due to project activities"[73], albeit anecdotal.

Table 6: Assessment of impact in third party evaluations.

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Better jobs	NA	NA	NA		NA					NA						NA	
Better income								NA	NA		NA						NA
Better environment								NA	NA		NA					NA	NA
Gender equality			NA					NA	NA								

Legend: Performing well against impact area; Performing well against impact area, with minor shortcomings; Performing moderately well against impact area; Underperforming relative to impact area; Inconclusive; Not evaluated in the respective report; Impact area not applicable for the evaluated programme. Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex Ante Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

With respect to impact on the wage workers receive, there is no evidence yet, and thus no impact on the living wage gap to report. The LWB evaluation indicates that there is no concrete evidence yet of any reduction or closure of living wage gaps for workers on banana plantations by retailers that were convened by IDH.[74] IDH's work on tea sector convening is evaluated along similar lines: "Few companies have reached the stage of closing the LW gap, which many see as the most important step. During the summit there were opinions that IDH has underestimated the complexity of this step."[75]

Another way to reach impact is through the *creation* of jobs. In the cassava VCD work in Nigeria, 4,000 permanent jobs were targeted by the programme, of which 3,292 were reported as achieved. In addition to these, 99,800 temporary jobs were created. The evaluators conclude that this particular result fell short of target in part due to the constraints and limited opportunities imposed by the COVID-19 pandemic.[76]

In terms of *better income*, the programme that reported the biggest results—the climate-smart cotton landscapes programme—is not covered by a third-party evaluation yet. These results could thus not be validated. The evaluations of other programmes show improvements in income have happened in some cases, but these reach a limited number of farmers with relatively small net-income increases. For example, the third-party evaluation of Agriconnect shows an income increase of net incomes of 11% for tea farmers in Tanzania.[77] The exception is, however, the cassava VCD work in Nigeria where farmer incomes were found to increase by 371%.[78]

Reported income increases are mostly from field-level projects, rather than the result of systemic changes at the sector level. Closing living income gaps for all farmers supplying to a specific market, remains an ambition that is very far away. This is also true in smaller setting. For example, in a pilot by Colruyt, supported by Beyond Chocolate, farmers were paid a Living Income Reference Price, and these contributed to a significant 31% average income increase for participating farmers. Still, 95% of farmers remained below the living income benchmark, earning on average 45% of a living income, with 33% of farmers earning below the extreme poverty line[79].

IDH does have access to some data on indirect effects as a result of changes in procurement practices. In cocoa, for example, IDH report 26,869 farmers with improved income through Beyond Chocolate and 12,630 through DISCO (see DD 1); although these figures are dependent on company reporting and have a number of measurement issues. On the one hand, not all companies report and therefore the figures may be underestimates; on the other hand, there is no third-party verification of the figures and the assumptions that lay behind them are unclear. IDH's contribution also needs validation as it is not clear which company strategies that have led to income improvements are a result of Beyond Chocolate and DISCO.

The impact by IDH on *better environment* is arguably the most difficult to assess. Deforestation rates are volatile and it is difficult to estimate what would have happened in absence of the IDH programme. Past evaluations of IDH landscape programmes largely have not been able to assess impact on forest cover in a convincing way. The exception is the South-West Mau landscape where a case can be made that there was a strong decline in deforestation rates and that IDH contributed significantly to the conservation and rehabilitation of forest.

5.2. Impact on Gender Equality

Gender equality has been a key impact theme for IDH since 2016 (IDH 2016–20 strategic plan). Evidence suggests that since 2020 programmes across BUs primarily follow two approaches to gender: 'gender intentional' or 'gender transformative' (see definitions in Figure 7) with mandatory reporting of sex-disaggregated data in IDH's RMF. Most programmes are gender intentional (80%) with some being gender transformative (13%) (see Table 16 in Annex 9: Progress on IDH KPIs 2023). However, this is not clear-cut as some programmes labelled as 'gender intentional' show ambition to be more empowering and transformative (e.g. LABS).

Figure 7: Approaches to gender (source: IDH Gender Tool)

Out of seventeen third-party evaluations, only eight were able to assess impact on gender equality. Assessments ranged between 'very good' (four programmes), 'moderate' (three programmes) and 'bad' (one programme) (see Table 6).

Nonetheless, the understanding and assessment of 'impact' varied across evaluations and programme approaches to gender: out of the eight programmes evaluated only WSAF follows a 'gender transformative' approach. Impact was mostly assessed in relation to the inclusion of women and youth in trainings or in other elements of programme implementation and on gender awareness and sensitisation activities (i.e., reach) (all eight programmes). Seven programmes were assessed favourably in terms of reach and inclusion with one programme (The Cocoa & Forest Initiative) evaluated negatively due to poor representation of women and youth in the programme's governance structure. In a few cases, impact assessments went beyond reach to also encompass the development and implementation of gender policies and other gender strategies in a value chain or in a workplace in benefit of women and overall contributing to women's empowerment. Finally, there were instances where impact considered the programme's positive role in shifting gender norms, attitudes and behaviours for accessing a particular asset such as land (e.g. NI-SCOPS via its block farming model and through engagement with traditional authorities), or money (e.g. Cocoa Origins through VSLAs); and, most notably, for transforming an entire sector (e.g. WSAF via addressing VAW in the tea sector, see DD3).

Key insights from the meta-analysis of the eight third-party evaluations are that gender awareness and women's inclusion in key field activities are observed across programmes. There are also signs of IDH programmes' contributing to shifting some gender norms and attitudes towards specific issues. In addition, there are signs of increased participation and representation of women in key activities in some programmes. Women and youth representation beyond field activities and, in particular, in programmes' governance structure is, however, often lacking.

A common issue across programmes listed as 'gender intentional' is that, although reporting of sex disaggregated data is mandatory, often data and a gender analysis is missing. More generally, some deep dives, e.g. the Calves Programme (DD 5), critically reflect on how genuine it is to claim that programmes are gender 'intentional' if they do not necessarily identify and address the specific constraints that women face, leading to a conflation between reaching women with programme interventions, such as training vs addressing their specific needs.

Text box 8. Transforming gender norms, attitudes and behaviours in the Indian tea sector through WSAF (DD3)

In India, tea production provides direct and indirect employment to approximately 10 million people, of whom 60 percent are women. However, concerns related to the human rights and wellbeing of women working on Indian tea estates are significantly impacting the industry[80]. Particularly in Assam, unsafe working conditions, physical and mental abuse and sexual harassment at work and home are amongst these harms. Moreover, there is a 'deep silencing' culture whereby violence goes unreported and unaddressed, exacerbated by low educational levels, normalisation of violence against women, and wage and livelihood insecurity.

IDH and Unilever initiated WSAF in 2020 to respond to and accelerate implementation of UN Women's holistic Global Women's Safety Framework in Rural Spaces. WSAF leverages the efforts and capacity of local NGOs, tea workers, tea producers, buyers and retailers towards addressing the root causes of GBV through interventions at the level of garden management, women workers and communities, and government.

The deep dive identifies increased awareness of what constitute GBV at home and work, and examples of enhanced agency, courage and confidence of women to speak out . There has been increased reporting by women of domestic violence and child abuse at community level increased use of external services to address GBV and the resolution of some GBV cases.

The deep dive finds that WSAF's biggest contribution to change was at community level. This included outreach through implementing partners with strong expertise, and delivery of tailored communication and awareness raising activities. While the step from awareness to action is large, the examples of courage and confidence to speak shows that the 'deep silencing' culture is changing. There was also support for community-level prevention and response to GBV, through mobilising community 'change agents', such as mothers' clubs and equipping them with information on accessing care and protection mechanisms. Identification and training of women to act as first respondents connecting survivors with appropriate service providers is another measure

The institutionalisation of important community mechanisms was identified as a gap at mid-term, and WSAF is working on addressing this, initially within 50 Tea Estates. More generally, transformative change will require ongoing attention to the depth and continuity of the changes in attitudes and behaviours, rather than focusing only or primarily on scaling.

In summary, significant progress has been made to ensure all IDH's programmes are gender intentional including having clear requirements for reporting sex-disaggregated data. Ambitions for developing more gender transformative programmes are also evident. External evaluations generally assess IDH programmes favourably in terms of gender. All of this indicates that IDH is a gender sensitive organisation. Yet, there is uneven understanding and application of gender intentionality both internally (across BUs and programmes) and externally (e.g. in third-party evaluations), with conflation between reach and impact, poor compliance in reporting sex-disaggregated data, and lack of agreement on what constitutes 'impact'. Taken together, this limits the evidence on IDH's overall impact on gender equality.

5.3. Scaling and sustainability

Scaling and sustainability of programmes are considered pre-requisites for changing markets with large benefits for workers, famers, communities, and natural areas. In this sub-section, we examine the evidence for this.

Table 7: Assessment of scaling and sustainability in third-party evaluations

Evaluation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Type	MTE	MTE	EE	EE	EE	EE	MTE	MTE	MTE	EAE	MTE	MTE	EE	MTE	EE	MTE	MTE
BU	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	AC	LS	LS	LS	VCT	VCT	TM
Replication and scaling																	
Duplication and crowding-in																	
Sustainability																	

Legend: Performing well against criterion; Performing well against criterion, with minor shortcomings; Performing moderately well against criterion; Underperforming relative to criterion; Inconclusive; Not evaluated in the respective report Evaluation numbers correspond to the list in Annex 8. MTE = Mid-Term Evaluation; EE = End Evaluation; EAE = Ex nte Evaluation; BU = Business Unit; AC = Agri-commodities ; LS = Landscapes; VCT = Value Chain Transformation; TM = Textiles & Manufacturing.

Scaling

A central part of IDH's corporate-level ToC is that the models and sustainability solutions with proven business cases in the implementation phase are taken to scale by private sector companies and markets[81]. This is what in the MYP is referred to as "market uptake." As such, the replication and scaling stage is essential for IDH's theory of change. If successful, and the ToC holds true, the market-driven models developed by IDH in partnership with business, will be replicated by further investments and scaling by IDH partners (pathway 1), and new stakeholders will crowd-in and additional investments in the models and solutions will be secured (pathway 2). This second pathways is outside the direct control of IDH, but IDH hopes to contribute to this pathway by sharing knowledge and insights generated from interactions with direct partners.[82]

Self-reported progress on scaling

According to self-reported data, IDH has already surpassed its 2025 targets on the first scaling pathway. The landscape BU is responsible for more than 60% of the additional funds leveraged. In terms of the percentage of volume sourced sustainably by retailers and brands who are IDH partners, IDH has exceeded the MYP target. However, the MYP 2021-2025 included two additional KPIs that at the time were still under development related to 1. proven field level business cases that are scaled-up by IDH partners and 2. crowding-in by other external stakeholders (see in Annex 9: Progress on IDH KPIs 2023). While these indicators generate potentially useful insights to further qualify the two scaling pathways within the context of IDH's ToC, we did not find data on these indicators in the RMF.

Evaluation findings

In the third-party evaluations, assessments of scaling, where they exist, often focus on scaling potential rather than actual outcomes. This is the case in the Agri-connect MTE of IDH's work in Southern Tanzania, where the likelihood for scaling is positively assessed: "Various interventions that focused on improving smallholder tea farmers through FFS are likely to be upscaled for example, IDH and its consortium partners, including the government, can design and implement a similar programme that targets tea-growing areas beyond Southern Highlands Tanzania."[83]

For other programmes, such as LABS, we see that the first scaling pathway has already materialised and is assessed as "quick and effective". The third-party evaluation mainly attributes it to the strategic collaboration with key industry players, as well as direct involvement of factory owners, workers, and management. Essentially, the international brands convened by IDH either recommend or mandate factories to participate in LABS. IDH is also scaling the number of brands involved. For example, there is evidence that IDH's positive relationship with the Vietnamese government helped to bring a new corporate partner on board. On the other hand, there may be a natural limit to this pathway, as the brands that support LABS expect it to work only with the factories they source from. Moving beyond internationally-oriented factories towards broader market transformation will require a different approach, likely through IDH's national convening role. The IDH team is planning outreach to non-LABS factories for the coming year. However, the evaluators state that "the involvement of diverse stakeholders in the LABS programme poses a coordination challenge, and the potential expansion into more varied industries emphasises the necessity for proactive measures to effectively address and prepare for heightened complexities".

When it comes to the second scaling pathway – crowding in of new stakeholders – the sector survey finds that stakeholders perceive learning on innovative business models in their sector has increased and that IDH has contributed to this (see Annex 10: Results Sector Survey). Still, it is very difficult to assess the extent to which this learning translates into changed practices. Third-party evaluations, for this reason, only assessed the potential for this scaling pathway: "Some KII respondents mentioned the programme's potential to expand and replicate its success in diverse industries, considering the transferability of LABS standards and experiences. For example, the safety measures brought to the apparel, footwear and accessory industries by LABS could also be replicated in other industries such as food, wood, bamboo, and handicrafts."[84] There is yet insufficient evidence to firmly conclude that this second scaling pathway, based on indirect, non-IDH supported change, is occurring.

The Calves programme (DD 5) offers an example of scaling field level work through the second pathway, aided by IDH convening. A national protocol for the sustainable production of calves, based on the pilot with Carrefour, was launched in 2022. This national protocol enables integration of information on the social and environmental production of calves with new technological solutions for calf traceability being developed by CNA and MAPA. IDH has now secured a collective commitment from the three largest meatpackers in Brazil and the leather industry to support the registration of at least 1 million head of cattle in this Platform by 2025. This is still a fraction of the total Brazilian cattle population but means that tagged animals from other farms, not only those that are part of the IDH-supported programme, will be included.

Scaling processes are challenging in a number of programmes. In the case of WSAF (DD 3), for example, interviewees warned that rapid scaling of the number of participating tea estates (from 300 to 550) in the next phase of the programme threatens to undermine the depth and continuity of interventions, with a focus on quantity over quality meaning limited impacts for women. The NI-SCOPS evaluation shows that for the second scaling pathway to emerge, more and bigger market players at national, regional, and global levels and other influential governments still need to be brought on board. The evaluation states that "this is not an easy feat to achieve and remains a major work in progress"[85] and solid evidence on successful approaches on the ground with SHFs to increase palm oil yields and revenues while also improving climate smart agriculture (CSA) and sustainable land management practices, is needed.

One of the main factors that is limiting the potential for scaling is a lack of finance for companies wanting to take up innovations. We see this for example mentioned in the third-party evaluation of Cassava Nigeria and ISLA. The ISLA evaluation explains that replication and scaling of business models related to sustainable production is challenged by the lack of funding for landscape management, due to a mismatch between the expectation of landscape-wide activities by global investors, such as climate funds, and the restricted sourcing domain of the producing companies active in the various landscapes. Despite its successes, this difficulty of catalysing sufficient and appropriate finance is also identified as a challenge in the calves programme (DD 5).

Another factor hindering scaling processes is the diversity of companies in a sector. Solutions for large (global) companies are not automatically applicable to or attainable for medium-sized companies, which generally have fewer resources and different incentives structures than multinationals. In addition, where programmes work across multiple contexts, a solution is not necessarily universally applicable. For example, in LWB (DD 2), ensuring that producers pay living wages might require the involvement of different mechanisms or stakeholders depending on the context, such as the strength of a country's trade unions and industrial relations. Therefore, 'proven business cases' will always apply to only a specific subset of companies.

Another factor that might impede scaling is the reluctance towards data sharing by individual companies. The third-party evaluation of the Cocoa Soils programme finds challenges in getting some of the private sector partners to sign the scaling agreement due to their policy on data sharing. Most of these companies treat each other as competitors. The evaluator states that "the key lesson here is not to easily assume that entities would be willing to share information so easily."[86]

Sustainability

In the third-party evaluation, sustainability is mostly understood as the likelihood that benefits for key stakeholders that are a result of the programme will continue into the future—so prospective, rather than actual sustainability. Around half of the third-party evaluations that consider sustainability assess IDH programmes as good or very good. In these cases this is mostly attributed to three main factors, which are also identified in the deep dives.

The first factor is actively embedding the programme in national coordination structures or government programmes. This becomes visible in the NICFI evaluation where "alignment with government plans at provincial and district level, and shared objectives among stakeholders are important factors in place that can ensure that the results attained by the programme will be sustainable." [87] The LABS evaluation shows that "across Vietnam, Cambodia and India, the LABS standards have increased their sustainability due to their work of integrating its standards into national guidelines and its work creating national platforms where it can engage with and gain support from stakeholders."[88] The programme also aims to create a network of trainers that understand safety issues and know how to remediate them. For WSAF (DD 3), public-private partnership (PPP) arrangements are intended to sustain change after the programme ends, although the lack of explicit structure and governance, unclear implementation roadmap, and existence of power structures within and among PPP members put sustainability at risk.

The second factor mentioned is access to finance for long-term investments. In the NICFI evaluation this is posited to positively contribute to the sustainability of the programme. For G4G (DD 6), IDH's introduction of SMEs and commercial banks creates the conditions for relationships that endure beyond the life of the programme. Initially these commercial investors require the risk-sharing arrangements created by G4G to make investment in SMEs feasible. However, they also indicated that when G4G support ends, they would be able to continue to lend to those SMEs that had demonstrated a good track record of creditworthiness.

The third factor involves clear incentives for the private sector. In the third-party evaluation of the cassava programme in Nigeria, evaluators consider it very likely that processors will continue to implement the new farming model, because it directly responds to their needs for increased and higher quality of cassava roots at moderated prices.[89]

The other half of evaluations that consider sustainability assess IDH programmes as performing moderately. The factors behind these results mirror the ones mentioned above. A lack of institutional anchoring, for example, jeopardises the sustainability of the CFI. Similarly, the third-party evaluation of NICFI finds: "another hurdle is the nature of response expected vis-à-vis the capacity of state and national authorities to monitor and implement regulatory change and their willingness to pursue the PO agenda without being reminded by NI-SCOPS." [90] In a number of cases the governance structures that are put in place are not considered strong enough to continue in the same manner without the support of IDH, as discussed above with respect to the PPPs supported by WSAF. Insufficient business incentives is another factor facing WSAF, with the evaluation pointing to the need for more focus on demonstrating business returns for tea estates. In the NICFI evaluation, the lack of interest by big private sector actors is mentioned as a barrier to ensure that early outcomes translate into long-term change. Finally, challenges in securing finance are mentioned most often as a risk to sustainability, including for CFI and for the cassava work in Nigeria. While the sustainability of the cassava work is assessed as good, the evaluators state that "the most critical factor that needs to be addressed for sustainability is [continued] access to finance."[91] This is because training is expensive and without funding, new farmers will not be trained.

In some evaluations and deep dives, the question is raised if the foreseen exit of IDH is too early for the positive benefits that are created to continue. For WSAF and LABS (DD 3 and 4), these questions are raised with respect to training and technical assistance and whether these have been sufficient to generate long-lasting change in widespread norms and practices. In Mato Grosso, Brazil, the exit strategy involves the institutionalisation of the landscape compact and the development of a business model to secure long-term funding, although these outcomes are not yet guaranteed. The ISLA evaluation questions whether a complete exit of IDH from the ISLA programme would be desirable and posits the need for a more nuanced strategy for IDH to transition towards a full exit[92]. Developing clear exit strategies, either at programme or intervention level, should be a point of attention for IDH in the remainder of this funding period.

5.4. Reflections on the systemic change ambitions of IDH

Finally, we discuss IDH's ambition of achieving systemic market transformation that is assumed to be a pre-condition to achieve better incomes, better jobs, and a better environment sustainably at scale.

In this section we draw on learning from two deep dives, LIC (DD 1) and LABS (DD 4), to illustrate different types of problems and different ways in which IDH targets systemic change. Based on these two cases we then reflect on the broader portfolio of IDH and zoom out to better understand the role of IDH as a systems change agent, whether IDH is doing the right things to achieve systemic change and opportunities for higher effectiveness. Guided by the 'Conditions of systems change' framework by Kania et al. (2018) presented in Text box 9, we consider the extent to which IDH has been influencing the conditions which hold the system in place in each case and whether we can expect these conditions to be influenced.

Living income in the cocoa sector (DD 1)

The systemic problem addressed by the IDH cocoa cluster is that the majority of West African cocoa farmers, including those supplying cocoa to the EU and other high-income countries, live in poverty. As a result, they have limited capacity to invest in good agricultural practices and cocoa rejuvenation, which in turn undermines the sustainability and long-term viability of international cocoa value chains. A multitude of factors create this problem, including but not limited to low farm gate prices, small land sizes, aging trees and lack of producer organisation, and these are affected by decisions and behaviours of consumers, brands, and processors, mostly in the global north, as well as traders, cooperatives, government agencies, farmers, and workers in cocoa-producing countries.

IDH is tackling this problem through implementing programmes to influence multiple system conditions that are holding the problem in place and thus transform the sector to one where farmers earn a living income. Both the deep dive and stakeholder survey showed that the respondents perceived improvements in relationships, practices and resource flows and that IDH plays a contributory role in these change processes[93].

- **Relationships:** By convening international and national platforms and organising international conferences, key actors from a range of different backgrounds in private, public, and non-profit sectors are now communicating more effectively about the living income gap and how it can be closed, and are better aligning strategies with this new understanding.
- **Resource flows:** Through the ISCOs and field-level projects it supports, IDH has influenced resource flows towards farmers, including both knowledge and money (premiums). Knowledge resources have also been generated that flow in the opposite direction, through encouraging and enabling data and insights on living income objectives to be monitored and shared.
- **Practices:** Through the knowledge generated, alongside other tools and concepts, such as the living income roadmap, smart-mix of interventions, and procurement practices principles, IDH has facilitated agreements with the sector in the Netherlands and Belgium, in which companies have committed to close LI gaps by 2030 (see Text box 1). New strategies are being implemented by partners and IDH is working to support effective models for scaling.
- **Mental models:** Since its inception, IDH has contributed to shifting mental models within the sector, elevating sustainability on the agenda of large cocoa companies. Specifically, IDH has raised awareness about the living income gaps experienced by cocoa farmers, and contributed to an acceptance that businesses have a role to play in addressing this gap, with farmgate prices being a legitimate consideration.

Despite these advances, the continued significant living income gap indicates that there are conditions which keep the problem in place. These may include 'structural' factors such as insufficient or inappropriate government policy. Levers of change at the EU level includes the EU Corporate Sustainability Due Diligence Directive requiring companies to address the impact of the purchasing practices on living income. Changes to sourcing practices alone may, however, not suffice. A 2024 FAO and BASIC publication suggests that even if all current margins were redistributed, a living income for all farmers might still not be affordable. Another structural issue is the small land size many cocoa farmers rely on, which limits income potential despite higher prices or productivity increases.[94]

They also include 'relational' factors. Systems change is often described as transforming the relationships between those who make up the system. Power imbalance is a significant feature of the cocoa system, which is dominated by a small number of traders and brands. The large market and political power of the dominant companies in the sector is at odds with attempts at market transformation. Changing these conditions, even to a small degree, would mean building farmers' political and market power.

With respect to mental models, despite the significant shift as companies have come to accept the living income gap as a problem that they have a role in resolving, there are likely to be implicit biases through which companies make sense of the problem and potential solutions. The dominant paradigm of shareholder value maximisation, for example, conflicts with the goal of improving cocoa suppliers' income. This paradigm makes accepting a purpose-driven model like Tony's Open Chain difficult, despite indications that commercial success and sustainability are possible. As a result, conventional sourcing practices dominate despite commitments, prioritising low-cost, bulk cocoa procurement and impeding system change.

Many of these issues are touched upon by IDH already. In that sense, IDH has recognised them as holding back systemic change to achieve the high living income ambitions in the sector. For example, IDH is aware of the limited margins in the cocoa value chain, of the importance of true price, and is actively promoting scaling of Tony's Open Chain model. Some of these elements are difficult to change, and likely beyond IDH's current sphere of influence. What is needed is a well-documented diagnosis of the conditions constraining market transformation and a strategy to make progress, alongside a structured adaptive management approach. In sectors like cocoa, with a handful of powerful buyers and global commercial pressures, studies suggest that structural change is likely to require a combination of public, private and social forms of governance, underpinned by complementarities between transnational forces and local institutions[95]. This puts even more emphasis on IDH's work through international and local partnership approaches, and of fostering synergies between these partnerships at international and local levels.

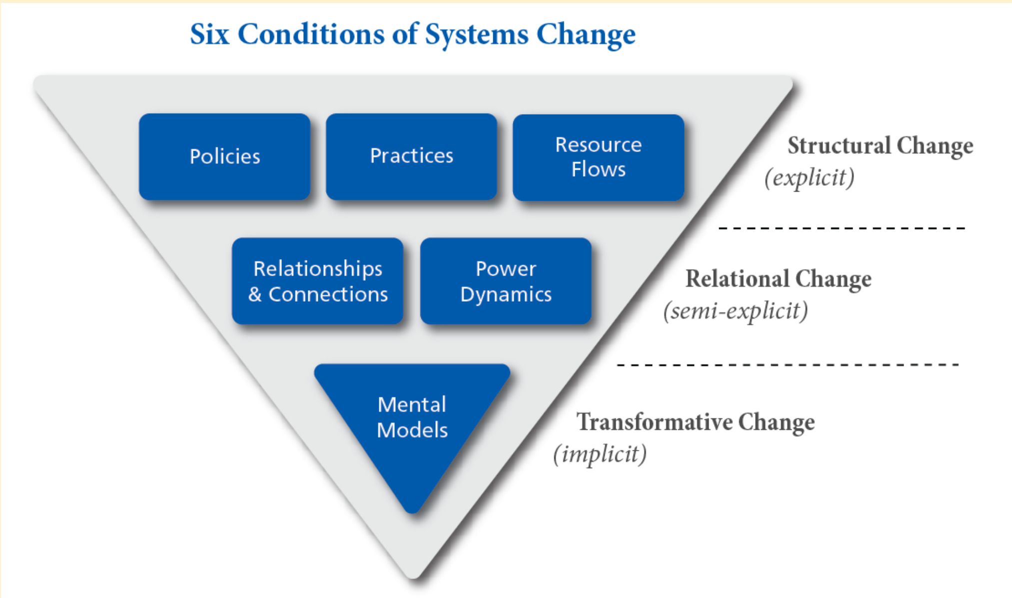
Text box 9. Systems Change Conceptual Framework

The IDH working definition of a system is a dynamic set of actors, relationships, functions and mindsets that are interconnected and determine the prevailing way of working or operating in a certain domain.[96]

Kania et al. (2018) identify six interdependent conditions that hold a (systemic) problem in place (see Figure 8) and which can act as levers of systemic change.

- **Policies:** Government, institutional and organisational rules, regulations, and priorities that guide the entity's own and others' actions.
- **Practices:** Espoused activities of institutions, coalitions, networks, and other entities targeted to improving social and environmental progress. Also, within the entity, the procedures, guidelines, or informal shared habits that comprise their work.
- **Resource Flows:** How money, people, knowledge, information, and other assets such as infrastructure are allocated and distributed.
- **Relationships & Connections**: Quality of connections and communication occurring among actors in the system, especially among those with differing histories and viewpoints.
- **Power Dynamics:** The distribution of decision-making power, authority, and both formal and informal influence among individuals and organisations.
- **Mental Models**: Habits of thought—deeply held beliefs and assumptions and taken-for-granted ways of operating that influence how we think, what we do, and how we talk.

Figure 8: Conditions of systems change (Kania et al. 2018).



Life And Building Safety in Vietnam (DD 4)

The problem addressed by the LABS programme in Vietnam is that the factories in the garment sector are often unsafe for workers, related to general, fire, electrical and structural safety issues. IDH facilitated a pre-competitive agreement between garment brands to collectively invest in developing minimum safety standards, and provide technical support to factories referred by the brands, to enable them to remediate safety issues. In this way, LABS is also creating a mechanism through which factories can demonstrate to brands that they are complying with safety standards. The system that keeps this problem in place involves foremost the factories themselves, and their capability and motivation to address these issues, as well as the broader apparel and footwear sector of domestic and international buyers and sector associations, and the government agencies and rules regulating and enforcing safety regulation.

IDH is tackling this problem by influencing structural and relational system conditions that affect worker safety:

- **Resource flows and practices:** LABS has introduced significant resource flows in the form of knowledge and information towards apparel and footwear factories, in order for these to invest in improving safety. It also holds knowledge-sharing sessions with government and industry bodies to share best practices and supports the implementation of standards prescribed by global brands. Financial resources have also flowed in from these brands to fund technical assistance. The attention to life and building safety in the sector has improved and, therefore, we see incipient signs of the reallocation by factories of time and money to these aspects of the business. With rising financial pressures in the sector, there is a risk that smaller and older factories may be unwilling or unable to make the necessary resources available, risking that only large or profitable factories meet requirements.
- **Policies**: There is evidence that LABS has helped the Vietnamese government enhance technical safety standards to align with international best practices.
- **Relationships:** LABS has helped to create an ecosystem of trainers that understand and therefore can continue to address safety issues in Vietnam, provided that resources continue to be directed to these issues. This may rely on the brands to continue to fund technical assistance on an ongoing basis. In addition, IDH is working to raise awareness on building safety beyond the brands and factories it currently works with, aiming for new brands to join and refer factories to the programme. Already one more brand has been onboarded. However, we do not find evidence of non-LABS factories adopting LABS standards as yet.

The sub-system where IDH has been effective in changing business practices consists of a network of several international brands and their suppliers. The improvements have benefited half a million workers, about 15% of Vietnam's garment sector workforce. Key success factors include the clear business case for factories to improve their safety conditions, linked to accessing international markets, as well as the alignment with national and sector-level policies. There are, however, questions regarding whether conditions are in place for wider market transformation, such that resources continuing to flow to factory safety, and other factories in Vietnam, which do not have brands imposing safety conditions as a supply chain requirement, make the necessary changes.

Reflections on the system change ambitions in IDH's broader portfolio

The two cases illustrate very distinct approaches. The living income work in the cocoa sector focuses on a highly complex or 'wicked' global challenge through various programmes and interventions. Market transformation will likely require changes in all system conditions. LABS addresses a more technical problem in a sub-system of the garment sector. Here, changes predominately in structural conditions have been sufficient to realise the intended impact, although there is a risk that changes will not endure if circumstances change, including once IDH exits.

A similar pattern is evident in much of IDH's work. The required system changes in the cocoa sector are similar to those required in coffee, bananas, and other agri-commodities, focusing on altering buyer business practices in a market were multiple large brands and intermediate value chain actors operate. Similarly, the Landscape BU aims to link buyers to landscapes as verified sourcing areas, trying to influence multiple competing brands to develop new sourcing requirements and market niches. Other programmes more closely resemble LABS, with improvements affecting thousands of households without necessarily constituting broad-based system change at sector level. These focus on a simpler and more narrowly bounded system where the desired change is also more aligned with company incentives. For example, G4G starts with buyer demand and offers a diverse portfolio of business advice, relationship building, and grants to key actors in the value chain, leading to enhanced market coordination. These changes involve altered relationships, resource flows, and practices but do not require significant changes in policies, power dynamics, or mental models.

Implications for IDH

While it might be tempting to shift more resources to easier to change systems that generate tangible results in large numbers of beneficiaries in the short term, we would argue that IDH's relevance and comparative advantage is actually higher in contributing to addressing the more wicked systemic problems at sector and landscape level. Having said this, achieving change in these global sectors will be non-linear and will likely require some experimentation and piloting of efforts to address change in all six system conditions, including thinking through who may be able to change conditions outside IDH sphere of direct influence.

IDH has progressively evolved its approach and evidently altered the course of a number of sectors in its fifteen-year history. The organisation has shifted from conventional certification methods to raising the bar for better incomes, jobs, and environment, and expanded to a more integrated sustainability agenda. This journey highlights IDH's ability to adapt and innovate in response to complex challenges, and underscores the importance of continuous learning and adaptation in pursuing systemic transformation.

Reflections on organisational performance

6. Reflections on organisational performance

6.1. Organisational capacity and motivation

We have identified several factors intrinsic to IDH that either contribute or impede the effectiveness of the organisation in reaching its goals. Throughout our research we find that IDH is perceived as a highly professional organisation. The financial management within IDH seems to have improved greatly over the past two years, which is confirmed by the two core donors of IDH. The financial management system is currently still operated and controlled at HQ level, however, the plan is to further decentralise the system and delegate authorisation to local offices that have the required capacities. The professionalism of the organisation is also reflected by the quality of IDH employees, which we have seen evidenced in many of the data analysed. IDH is able to attract highly skilled and motivated staff, both at HQ and in local offices. A key asset of the organisation seems to be IDH’s local presence in the countries where they work and having persons in those country offices with substantial contextual knowledge. In addition, there is also great diversity in nationalities among staff in headquarters.

Another key strength of IDH is the organisation's ability to collaborate with high-level company managers across various sectors.[97] IDH’s understanding of the private sector and effective communication skills are particularly evident in its role as a convener and in developing conceptual frameworks and tools that simplify complex ideas and intervention strategies, such as the roadmap to achieving a living income for companies. However, while IDH is very attuned to global businesses, there is sometimes a disconnect with small and medium-sized enterprises (SMEs), which impedes the potential for market transformation at a larger scale.

A point of attention is that the turnover of staff in some business units is high (e.g. for the Landscape BU turnover rate was 28,4% in 2022)[98], which might compromise the efficiency of an organisation that is very much built around forging relationships and convening actors. The HR department is aware of this issue and has made an elaborate analysis of what type of employees leave and for what reason, and has implemented a strategy to retain people for longer periods of time. The average turnover within IDH in 2023 came down to 17% from 21.3% in 2022.

IDH has an organisational culture where high professional standards prevail. While one could argue it is necessary for the connection with high-level (global) private sector actors to also pertain to business standards, a number of stakeholders representing different sectors of society this can feel misaligned with the ultimate aims of IDH. For example, events are usually held in quite expensive venues, which are very distant from the local realities of smallholder farmers and other beneficiaries of IDH. Moreover, it might signal to some audiences that public money is not spent carefully enough. Especially in locally organised events, the feeling by some stakeholders is that resources can be spend more modestly, and that not everything has to be “glossy”. As a sustainable trade initiative focused on reducing poverty and environmental degradation, IDH’s practices, such as flying internationally and hosting events in luxurious venues, might seem inconsistent with their objectives. While these practices may sometimes be necessary, they require careful consideration to ensure they align with the organisation's mission.

Some important stakeholders of IDH question the work of the VCT BU, mainly because of two reasons.[99] While it seems there is funding available for this type of work, the fit with the overall DNA and mission of IDH is questioned. It is felt that the focus on domestic and regional value chains, distracts from the attention to global trade, and diverts too much from the organisations' origins, thereby having a less focused and therefore less convincing narrative about the organisations raison d'etre, and misfits with the ideas on market transformation depicted in Figure 1. Second, it is felt that other organisations are doing this type of work already for long periods of time and are highly capable of doing it. Therefore, the additionality of IDH in this space is considered limited.

6.2. Internal coherence and synergy

Section 1 presented an overview of the four roles that IDH sees itself playing to foster market system change, with the assumption that these roles are mutually reinforcing, strengthening internal coherence and synergy. From the theory of change workshops held at the start of the evaluation, we understand that work at the international level (convening, data, intelligence, tools) is assumed to "cascade" to positive change in local practices, while the combination of intelligence & insights and learning from field successes and challenges is expected to enable effective convening of targeted actors at national or international levels through including through insights, tools and roadmaps for convening and programme design. Finally, convening at both national and international levels are simultaneously expected to enable replication and scaling, accelerating market transformation.

Insights from third-party evaluations

Within the third-party evaluations we find little information on internal coherence and synergy. Most of these reports evaluate coherence purely in terms of *external* coherence. The Farmfit Africa evaluation does assess how this programme is integrated within IDH's wider work. It finds that that Farmfit Africa is increasingly linked with IDH's broader strategies and activities. This has in turn generated "a common understanding of what must be done to continue to work towards Farmfit's vision", particularly with respect learning around inclusive business programmes and Better Income for farmers. However, the evaluation also describes ongoing strategic discussions at IDH, including regarding the role of Farmfit in working with projects and as core part of the IDH M&E and learning unit, which "might also reflect the tension between the emphasis on finance and impact (FCDO focus) and the emphasis on learning and innovation (BMFG focus)." This quote shows how IDH's internal coherence is conditional on funding priorities of donors and these can sometimes negatively affect coherence.

Insights from deep dives

The deep dives assessed synergies between the four IDH roles and the contribution of these roles to systemic changes in markets and gender equality. They focused on the degree to which the combination of some or all these roles mutually reinforced each other's effectiveness, and whether the type and scale of outcomes identified rely on the combined efforts of these roles. We find that international convening, intelligence and IDH tools enable and inform field level programmes and investments, and that intelligence & insights and learning from field successes and challenges also enable and inform convening at national or international levels. However, synergies between international activities and national convening are weakly developed.

For LIC and LWB (DD 1 and 2), IDH international convening, roadmaps and other tools like the income drivers and the SMT are informing and enabling field level programmes. In turn, we also identify synergies between intelligence & insights, including learning from the field, and convening at international level. For LWB, we find synergies between IDH tools and convening retailers. For example, the use of the SMT enables companies to understand their gap and make appropriate commitments to close it. For LIC, evidence from the field is used to inform international convening and dialogue. Learning especially of what is not working (certification, challenges in closing rather than reducing the LI gap) has been particularly influential in shaping global debates.

However, as discussed in section 4.2, there is need to strengthen the rationale for field level programmes, and we also see an opportunity to better align these with knowledge gaps (e.g. how to change power relations and margins in the supply chain) and IDH capacity and additionality. While the roadmap tools are cited by stakeholders as valuable for communication and to generate a clearer awareness and understanding of the scale of challenges to be addressed, they suggest a relatively linear and data-driven change trajectory and would benefit from further reflections on new business practices and how these would be motivated. Within LWB, IDH staff argue that the centralised development of field level projects on living wages in the banana sector do not make sense, since the needs and potential solutions are context specific. This may point to the need instead to engage in national convening and influencing.

Other examples of synergies between international convening and field-level projects are found in WSAF (DD 3) and LABS (DD 4). The foundation of the LABS remediation programme in Vietnam and other Asian countries is IDH's convening of global brands and retailers and development of guidelines on life and building safety, based on international best practice. Similarly, WSAF interventions depend on IDH's convening of five international tea actors that provide funding and strategic input, and likely also encourage tea estate engagement, and on the GWSF, an international framework by Unilever and UN Women. It is interesting that WSAF relies on GWSF, versus proprietary tools. This has perhaps contributed to a WSAF theory of change that departs from the corporate theory of change, and which may better reflect power dynamics and relational aspects of systemic change.

In the case of WSAF and LABS there are some efforts to connect field-level learning with convening, although this is weaker. For example, the WSAF pilot generated insights that led to an adaptation of the programme. From focusing only on government legislation on sexual harassment, the programme expanded to include other legislation related to domestic violence and child abuse, following discussions with some of the women involved. However, such examples were rare, suggesting that these synergies could be strengthened.

In the case of the calves programme (DD 5), we find learning from a successful field level pilot of the protocol for the sustainable production of calves is directly informing national-level convening, and this creates the potential for scale.

The area where evidence of positive synergies is weakest is between international convening / intelligence activities and national convening in producing countries. In particular, we found a gap with respect to cascading knowledge and voices from national convening in sourcing countries into the international sphere. Farmfit promises to be a vehicle to strengthen sharing of Southern insights, but this learning is only recently being synthesised and made accessible.

There are examples in the deep dives of cascading in the other direction, from international convening and intelligence to national convening. LABS, for example, creates positive synergies by working with the National Stakeholder Committee in Vietnam, to bring visibility of global best practice, such as through workshops and sharing LABS standards. For WSAF, IDH convening at international level with certification bodies, and tea buyers/brands cascades to work at national level, supporting public-private agreements to advance policies on VAW. However, we did not find evidence that insights generated at these national convenings are informing international dialogue. For example, structural factors in the global tea industry, including power imbalances between international and local value chain actors, help create the conditions that enable VAW and influence the potential for sustained market transformation. What is the potential for such issues to inform international dialogue and strategy development with those driving programme funding and strategy?

In LIC (DD 1), national-level convening work primarily involves support for CIGHCI in its efforts to develop a joint economic pact on sustainable cocoa. It is not evident, however, that IDH support for international convening is informed by the work with CIGHCI . That said, the national convening work is relatively nascent and new measures for communication and coordination have been discussed. In LWB, no national convening is taking place, but interviewees saw IDH as becoming more hands-on in facilitating partnerships with local actors , particularly in Latin America.

6.3. Gender integration

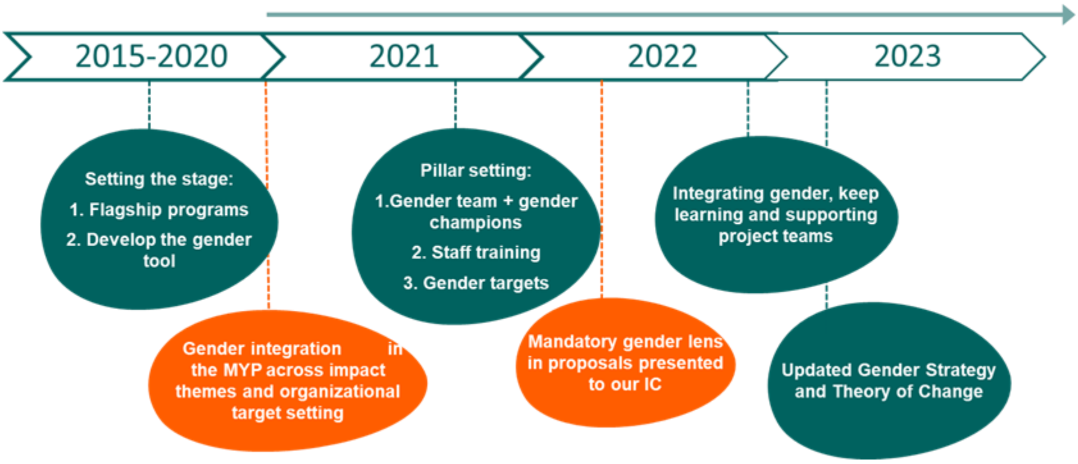
Gender programming

Gender has been integrated into IDH's internal processes and operations since 2015, effectively becoming an impact area in 2021. As noted in section 5.2, IDH approaches gender in two ways: gender intentional programmes (minimum criteria) and gender transformative programmes (aspirational, with two concrete examples to date: WSAF and G4G).

As of January 2022, all programmes need to apply the gender tool which is IDH's main method to integrate gender considerations into a project/programme. The tool is versatile and can be used to assess gender within IDH projects, programmes and platforms including KPI measurement on gender, as well as within partner organisations. It focuses on six priority areas: gender strategy, data collection, inclusive workplace, inclusive consultation, inclusive tailoring, and independence and control over resources (Table 18 in Annex 11: IDH Gender Tool). The tool asks a series of questions to support IDH staff to examine their projects/programmes, either individually or with their partners and, based on the answers, it provides a list of potential gender intentional or gender transformative recommendations including main and key performance indicators.

While potentially useful, the evidence collected so far indicates a limited use of the tool beyond designation of a gender intentional or gender transformative approach with IDH programmes being the main users. Sex-disaggregated data collection is often lacking with limited gender analysis to inform programmes' strategies. The most common priority areas (and corresponding main KPIs) across programmes assessed are inclusive workplace and inclusive consultation.

Figure 9:IDH Gender Timeline (Source: IDH)

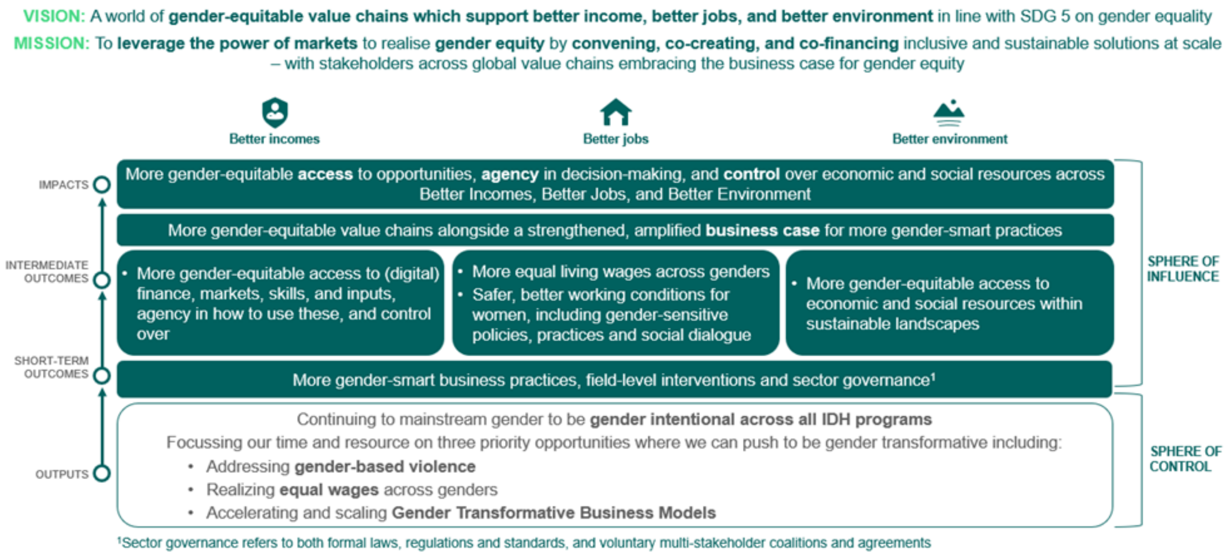


Besides the gender tool, and to further support IDH's commitment to gender equality, at the end of 2023 IDH's gender strategy was updated. The strategy followed a consultative and collaborative process involving internal and external IDH stakeholders. The resulting strategy uses a three-pronged approach: (1) deepening by focusing resources on three priority opportunities and towards gender transformation; (2) broadening by working towards gender intentionality across all IDH programmes and sector convening; and (3) internalising by building internal enablers including human capital, technology and partnerships and by continuing efforts to promote gender equality within IDH's internal organisation with the goal of "making IDH a role model of a gender-smart organisation".[100] The strategy envisages how IDH intends to work towards gender equality from 2023 and until 2025, specifically through:

- Clear formulation of IDH's mission, vision and priorities until 2025 (Figure 10).
- Set key strategic priorities across *broadening*, *deepening* and *internalising* with the goal of advancing gender and equality issues within market systems and towards transformation. Significantly, this builds from current IDH work in GBV, particularly of gender transformative programmes such as WSAF while, at the same time, it advances novel approaches including an accelerator towards 'Gender Transformative Business Models' (e.g. ABERA project) (see full priorities in Figure 11).
- Develop a high-level implementation plan and 5-8 most critical KPIs to measure success (in process).

However, and while the strategy has been advanced by IDH management, the BUs are responsible for adapting the strategy to particular contexts, defining concrete activities, and overall strengthening their gender activities, goals and progress indicators up to 2025.

Figure 10: IDH Gender Theory of Change



Although done collaboratively and with the support of IDH management, the development of the strategy was led by IDH gender team which consists of 2 ½ FTE (as of May 2023). Additional gender knowledge and staff also added to the strategy. In total, IDH gender 'human resources' include the gender team, gender champions across BUs who are responsible for training and assisting programme teams, and one BU with a 50% dedicated local gender expert. Additional gender expertise is procured as needed. While considerable, and as noted by the gender champions and focal points interviewed as part of this mid-term evaluation, the overall limited gender capacity across programmes, particularly for gender intentional programmes, can be seen as a key limiting factor to achieve impact on gender equality.

Lack or limited gender knowledge and support to programmes can translate into unclear goals, vision and implementation plans, in difficulties in aligning gender ambitions with IDH's three impact areas, tracking progress towards gender equality, and in reporting impact. While gender capacity building is being done across BUs and programmes (see next section), this should be accompanied by parallel efforts to strengthen IDH's BUs gender staff.

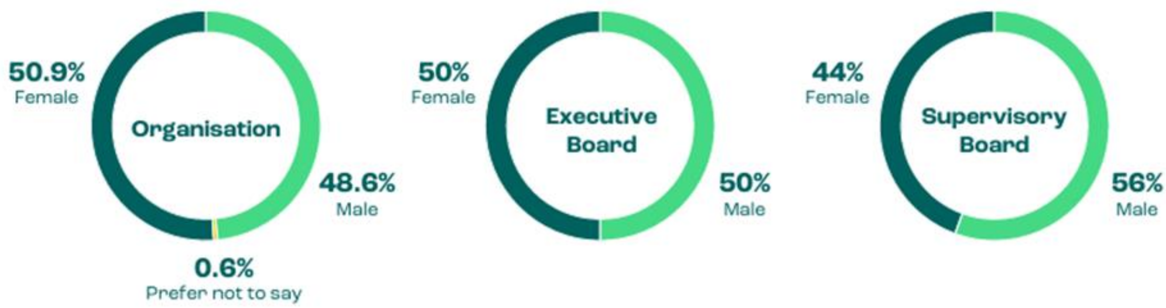
Gender in the workplace

According to IDH's Annual Report 2023, IDH's global workforce consisted of more women (53.3%) than men (46.5%), with a gender balanced Executive Board and with a Supervisory Board comprised of four women (out of nine members) (Figure 11). IDH monitors attrition and turnover. According to December 31st 2023 data, the turnover was higher for women (20%) than for men (17.8%) although, in general, turnover rates across IDH were lower compared to 2022 (16.1% for men; 25.2% for women). In 2023, internal mobility rates were higher for women (11.5%) than for men (9.8%). Women also had higher promotion rates (11%) than men (7.5%). The analytics do not provide detailed information on types of promotions and specific reasons of why women experienced more promotions than their male counterparts. To partially understand other aspects of gender in the workplace beyond the available data, the Organisational Performance Assessment looked at five areas:

1. Leadership and talent pipeline

2. Equal pay and gender pay parity
3. Inclusive culture
4. Anti-sexual harassment policies
5. Gender knowledge and capacity assessment

Figure 11. Overview of gender in the workplace



Leadership and talent pipeline refers to understanding IDH's commitment to attracting, retaining, and developing women into senior leadership positions. IDH's Career Guide and Competency Framework and IDH's Human Resources Guidebook provide key insights on how this is done in the Netherlands and globally. However, limited attention is given to the professional development of women. The Guidebook outlines ten functions that the department is responsible for, including talent management and professional development and training, however, it recognises shortcomings in terms of ensuring this follows a diversity, equity and inclusion perspective (DE&I). Concrete steps to address this include the development of a DE&I action plan in 2024 with specific emphasis on measuring, monitoring and analysing relevant DE&I data and setting up relevant KPI(s) for the organisation, including:

- *Gender pay gap:* measure any delta between salaries paid to males and females on a Hay level in country
- *Promotion percentages:* measure any delta between number of males and number of females having been promoted during the past 12 months, the average time to promotion and the RSP level given.
- *Internal lateral moves*: measure any delta between the number of lateral (or downward) for male and females over the past 12 months.
- *Leadership roles:* measure the number of males and females in leadership roles, the number of nationalities amongst the managerial level in comparison to the total number of nationalities in the organisation.
- *Performance Management:* measure if there is any difference in the scores given to males and females.
  - Is there a difference to be measured in the scores given by males and females.
  - Is there a difference in the distribution of scores per country.
  - Measure the turnover and attrition rate for males and females, after what period of time are people leaving, how many of the ones left in the last 12 months, are male/female.

- Measure the participation in trainings for male, female, Hay level, country and the spent.

IDH already measures these indicators (except the number of nationalities amongst the managerial level in comparison to the total number of nationalities in the organisation) and publishes them on annual basis.

The plan also has a recruitment and selection policies component which aims to develop five key topics throughout 2024-2025: (1) define upfront what is the underrepresented group in the team the vacancy appears and ensure that applicants from this group are represented in the final short list, (2) train hiring managers on interview techniques to avoid bias, (3) ensure vacancy texts are inclusive, (4) ensure the interview panel is diverse, and (5) focus on competencies. Leadership trainings (although not necessarily focused on women) are also provided regularly across IDH locations.[101]

There is limited information on **equal pay and gender pay parity**. However, there are plans to develop this further in the DE&I 2024 plan. Currently, IDH conducts an 'Adjusted and Unadjusted Gender Pay Gap' analysis, which represents the difference in average monthly base salary (FTE) of male employees, compared to female employees, not accounting for other factors that might influence pay. A regression analysis is being conducted for each IDH location (minimum of 10 female and 10 male employees using the linear regression). The regression analysis is used to determine the relationship between "gender" and "pay" (defined as a monthly FTE gross salary). The main goal being to assess whether gender plays a major role in explaining differences in pay, along with other employee characteristics affecting the pay differences at IDH (including job level, job family, business unit, nationality, tenure and age).

In 2023, the exercise focused in the Netherlands. Results indicated that the average base salary of male employees at IDH Netherlands is 21.4% (2022: 23.3%) higher than the average base salary of female employees at IDH Netherlands. The average base salary of male employees at IDH NL is higher than the average base salary of female employees at IDH NL for Hay level 19, 18 and 17 and lower than the average base salary of female employees for Hay level 16 and 15. While the regression results showed gender has no effect on pay (with job level, age and tenure being the main characteristics affecting pay), the Human Resources department recognised "the existence of structural differences in gender distribution per Hay level, which need to be addressed in the recruitment/career progression policies".[102] The results were communicated to IDH employees.[103]

In terms of IDH's **inclusive culture**, HR survey results show employees are overall satisfied with current ways of approaching and documenting inclusivity highlighting diverse (geographical and expert) representation as well as a general inclusive and collaborative approach in strategic topics including development of IDH's mission, vision and values. Concrete actions and policies to ensure employees' wellbeing are also helpful. Important resources include the Code of Conduct, HR guidebook, IDH's Career Guide and Competency Framework, Values and Behaviours, and DE&I trainings connected with IDH's values (courage, integrity, inclusivity) and vision of leadership. Notwithstanding this, and as acknowledged by the Human Resources team, there are important areas of opportunities that will need to be addressed in the DE&I plan including development of concrete efforts to ensure visibility of underrepresented groups (in particular LGBTQIA+) and investment in awareness of (unconscious) bias.

Another area that needs development is IDH's **gender and anti-sexual harassment policy**. While the issue is briefly mentioned in IDH's Code of Conduct in connection with supporting an inclusive culture and towards "creating a safe and fair working environment that's free from harassment and discrimination and promotes equity for all individuals", this is not done in a detailed or systematic manner. The main mechanism to address this is IDH's SpeakUp Policy which describes the process and procedure for raising concerns about irregularities or potential misconduct and in support of a safe workplace culture. IDH staff members and third parties can report misconduct online or by phone via IDH's SpeakUp system. IDH has 4 internal confidential advisors that staff members can either reach out to directly or anonymously through the SpeakUp system. An anonymised summary report is discussed with the leadership team and shared with the Board.[104]

Finally, we looked at current **gender knowledge and capacity** in IDH to understand how this affects gender programming and overall IDH's aim of advancing gender equality. An adapted survey of UN Women Gender Equality Capacity self-assessment was developed. The survey results are not representative of IDH as an organisation, the purpose was to identify the gender knowledge and capacity of key decision makers across IDH. In total 17 staff took the survey, this included heads of BUs, head of M&E and core staff, Gender staff, and PLs of deep dives (6 in total) (Table 8).

Table 8. Main characteristics of survey participants

Characteristic	Detail
Gender	65% women, 35% men
Age	Ave. 44 years
Locations	7 (Kenya, Netherlands, Cambodia, Belgium, Vietnam, Brazil, India)
Nationalities	8(South African, Kenyan, Dutch, Indian, Brazilian, Vietnamese, Zimbabwean, Cambodian)
Educational background	Undergraduate education: 94% Graduate/Post-Graduate education: 59%

The majority of the participants received orientation on gender issues (88%), with about half having taken (taking) special gender courses delivered by IDH staff (DE&I sessions, IDH internal gender training) and externals (UN Women Training Center). All participants were satisfied with the gender trainings received; more than half received support from IDH in different ways including online and offline formal trainings from Gender team, gender champions and gender specialist attached to a BU (unknown), as well as informal sessions with colleagues (gender and non-gender staff) to discuss gender topics and challenges.

The results on knowledge and capacity on gender equality and women's empowerment indicate that for most participants gender topics influence their everyday work to a significant extent (59%), with most also noting that gender is very relevant to the overall mandate of IDH (82%) – however, some respondents note gender is relevant but only to a limited degree (41%). Most survey participants indicated being familiar with the International conventions on Gender Equality and the

Empowerment of Women (76%), with the majority being aware of the difference between gender mainstreaming and equal representation (82%). Significantly, most participants were also aware of gender policies, strategies, and/or gender focal points or networks in place at IDH (94%).

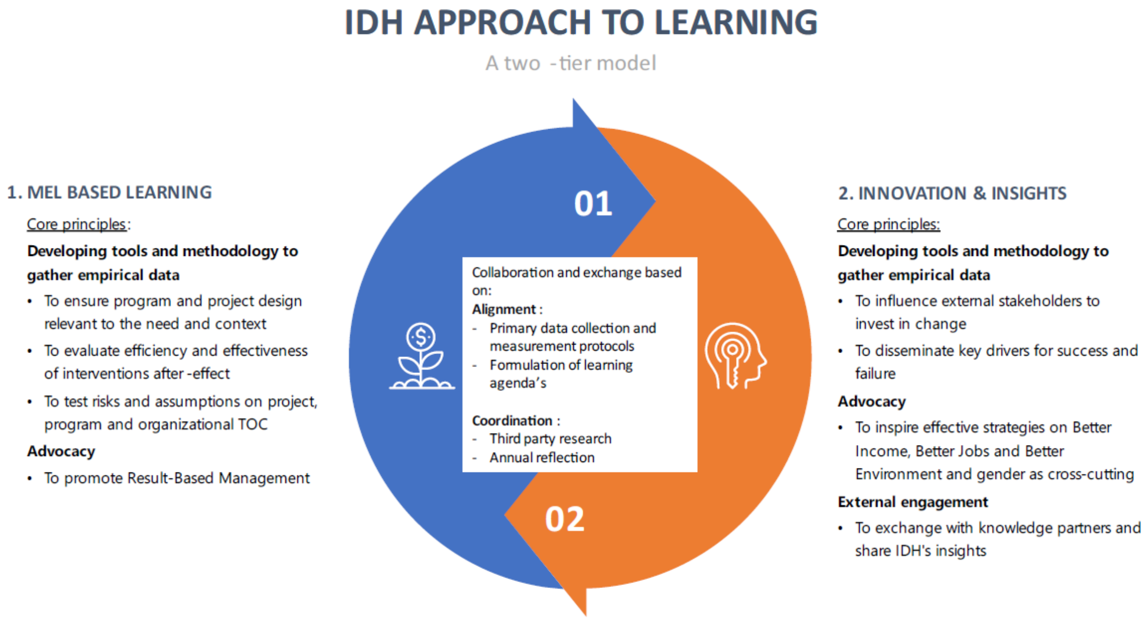
The top gender-specific skills across participants in terms of confidence to apply this knowledge in their everyday work are: gender-sensitive communications (41%), inclusion of gender into administrative/operations documents (41%), collection and analysis of sex-disaggregated data (35%), integration of gender into strategic planning processes (35%), gender-responsive M&E (35%), policies and plans for the equal representation of women (35%), gender analysis for strategic planning (29%), training/capacity development for gender equality (24%), inclusion of gender into policies, administrative instructions and other directives (24%). Overall, participants would like to further their gender knowledge and capacity on gender in operations, gender programming and in IDH gender policies and strategies with a preference towards embodied learning (e.g., face to face, on the job/learning by doing, coaching).

Overall, there is significant gender knowledge and capacity among the surveyed group on key gender equality topics including on gender programming resulting from continuous internal (formal and informal) training from IDH Gender team, gender champions/specialists and HR team. However, important knowledge and capacity gaps exist primarily (but not exclusively) in operations such as gender-responsive audit (47%), gender-responsive budgeting and tracking of resources (35%), and gender-responsive planning (29%). Importantly, the staff also recognises gender as relevant for IDH work (within the organisation and externally) and acknowledges the focus and knowledge on gender (equality) has improved over time; yet there are areas of opportunities.

6.4. Strategic learning

The Strategies and Innovation (S&I) Business Unit (previously I&I) has historically played a prominent role in strategic learning at IDH. During the previous funding period, M&E was a small part of S&I, but it has now become a distinct and prominent function within the organisation.[105] Currently positioned under the CFO, M&E has received increased resources, including more operational budget and more staff at the corporate-level, business units, and country offices. We see signs that the additional M&E capacity at BU-level is leading to more learning, reflection, and adjustments based on the insights from third-party evaluations.[106] The corporate M&E team has so far, however, primarily focused on accountability, successfully establishing a more robust and reliable result measurement framework (see Text box 10 for feedback on the current M&E framework).[107]

Figure 12: IDH approach to learning (source: IDH narrative theory of change).



Consequently, the learning model whereby lessons emerge from an integrated approach by both S&I and M&E, as shown in

Figure 12, has not yet fully materialised. Documenting learning is still mainly positioned within the S&I business unit and remains centred on developing forward-looking innovations, relying heavily on learning-by-doing, international literature, and primary research conducted or commissioned by S&I and the business units. As discussed in Section 4.1, IDH is effective in this area, particularly in its role as a broker, by using available knowledge across sectors and contexts, developing practical concepts and insights, and using an effective communication strategy.

Text box 10. Detailed feedback on MEL framework

Theories of change

1. Many of the programmes and projects are guided by a clear and detailed theory of change.
2. There is a clear narrative for the corporate theory of change.
3. At the business unit and programme-level key assumptions can be more explicitly identified.
4. Impact targets are sometimes unrealistically ambitious.
5. Scaling pathways are poorly articulated.
6. Gender can be more explicitly integrated.
7. The systems change mechanisms can be made more explicit, particularly for ToCs at BU level.
8. Business practice change can be further refined, by distinguishing different types of business practice change.
9. Business practice change seems an outcome of sector governance and field level. This could be made more explicit.

Result Measurement Framework:

10. The RMF guidance document is very clear and sets clear standards. Attainability of the standards could be reviewed.
11. There is a clear system of aggregation from programme to BU to corporate level.
12. The power-BI dashboard with RMF data works well and is useful.
13. The high number of indicators at the corporate level leads to high monitoring costs at all levels of the organisation, and does not seem to be necessary for effective monitoring.
14. Cut (or at least reduce) higher level outcome and impact indicators. The RMF is particularly useful for monitoring progress on agreed outputs and reach, and should be used as such. Acknowledge the limitations of the RMF in reporting on the effects of IDH.
15. Reduce the number of indicators on field-level outcomes. These should be instrumental for business practice change. These indicators might give a perverse incentive to fund large projects even if they do not have market transformation potential.
16. Increase indicators on business practice change, distinguishing between different types of change processes.

Evaluations

17. Evaluations largely meet IOB knock-out criteria but still vary in quality and usefulness, which would make a review of the terms of reference guidance useful.
18. Centralised evaluation programming is lacking causing imperfect coverage for synthesis evaluations, such as this corporate level evaluations.
19. For the endline, ensure evaluation coverage of the programmes that claim the largest reach in terms of outcomes and impact in the RMF.
20. A more explicit learning strategy is helpful in which the third-party evaluations provide more value for organisational learning.
21. There is room for more cross-programme evaluations that focus on learning hotspots and on assessing systemic change. These should use longer time frames and be able to deal with complexity.

We do find there is room for optimising learning from field-level projects. The ISLA evaluation, for example, assesses that "it is important that field-level projects are seen as vehicles for learning about impact and for demonstrating business cases. This requires project designs optimised for learning, replication and scaling; independent and high-quality (impact) studies; transparency about results; and a clear communication strategy. **This is currently lacking in most field-level projects.**" One reason for this could be due to limited in-country capacity to optimise projects for learning and scaling and the limited involvement of S&I or M&E experts in the design and implementation.[108]

While IDH has adapted over its fifteen-year history (see Chapter 1), this has mostly been through undocumented learning-by-doing without a structured reflection process based on monitoring, evaluation, and learning. There is no systematic and continuous improvement of design and implementation through an adaptive management approach. This omission is significant because adaptive management is crucial for organisations like IDH that operate in complex environments.[109] When the path to achieving envisioned change is uncertain, systems that allow rapid adaptation based on timely, robust, and relevant insights are essential. Such a system requires closer interaction between programme management and MEL staff, ensuring decisions are informed by solid MEL insights and MEL is adjusted to meet knowledge needs.[110] Currently, there is no organisation-wide knowledge agenda where knowledge needs are documented. There is an annual cycle of reporting and planning, complemented by mid-year reviews, allowing reflection at the corporate level, but this is driven primarily by progress on KPIs rather than evaluations and other forms of learning.[111]

Reasons for this likely include the emphasis on accountability by donors.[112] Additionally, there appears to be a mindset within IDH focused on "getting things done," with KPIs being a key measure of success. This focus on KPIs may create a perverse incentive not adapting if doing so makes achieving KPI targets in the short-term more uncertain.

6.5. Adaptation to external environment

A multitude of external factors contribute or impede the effectiveness of IDH in reaching its goals. For example, price volatility can instantly erase progress made in term of improved farmer incomes. However, in this mid-term evaluation we will specifically hone in on one specific external factor: recent regulation coming from the EU and the adaptation process of IDH vis-à-vis that newly established regulation.

This regulation, particularly the European Union Deforestation Regulation (EUDR), is expected to significantly drive sustainable sourcing in the private sector, especially in the cocoa, coffee, soy, wood, palm oil, rubber, and cattle sectors. However, there are also several risks associated with the regulation, including that companies supplying to the EU, will "move their sourcing away from high deforestation risk countries and from smallholder farmers as the costs and risks related to establishing robust traceability systems are considered high."[113] This could reduce market access for producers in these regions, negatively impacting their incomes. Moreover, if companies avoid high-risk areas, deforestation may not be effectively addressed as products from these regions may go to areas without such regulation in place. These opportunities and risks presented are extremely relevant to the work and mission of IDH.

Before 2022 IDH did not have a particular strategy in place of how to engage with the EU. However, as part of the landscape work, IDH was monitoring the developments around the EU Green Deal.[114] In 2022, when the first draft of the EUDR was released, IDH reviewed the draft and identified the risks inherent in the regulation. IDH joined forces with Proforest, an organisation that works globally to support responsible production and sourcing of agricultural and forest commodities, and together wrote a positioning paper on how the regulation could be altered so that it would have a positive effect on smallholders and forests[115]. On the basis of this paper IDH started engaging with the responsible commission representative. Through this engagement, IDH realised that influencing the drafting of the regulation would require lobbying specialists and resources that IDH did not have at that time. Therefore, IDH decided to not further engage in influencing the drafting of the regulation itself. at the EU level, but rather focus on the implementation & impact mitigation of the EUDR in producing countries.[116]

Based on this decision, IDH developed an extensive strategy towards the engagement with the EU in 2023[117] and a strategy towards the EUDR in particular.[118] IDH does not see it as its role to support compliance to the EUDR by individual companies, but rather "to help ensure that compliance can benefit smallholders, investment in sustainable production can continue to accelerate, and that non-EU markets can also raise their import standards."[119] IDH's EUDR strategy consists of three types of activities: 1. Broker pre-competitive private sector solutions; 2. Facilitate government-company collaboration; and 3. Provide insights to influence governments, the EU, and private sector. An example of the first one is developing pilots in different locations, for example in Cameroon on preventing deforestation in community forests. An example of the second is the execution of pre-competitive traceability pilots, with the Vietnamese government, companies and the EU. An example of the third type of activity is a recent publication. IDH collaborated with Proforest and Solidaridad on a Briefing Note titled "the opportunities and risks of using Declaration in Excess for EUDR compliance". In this briefing note directed towards EU policy makers, the organisations share their initial insights on the "declaration in excess as the Commission is preparing its further guidance on this topic. Furthermore, IDH is engaging with the Dutch and Belgian National Competent Authorities (NCAs). These are government agencies designated by each member state of the European Union (EU) to oversee the implementation and enforcement of specific regulations and directives within their jurisdiction. These authorities are responsible for ensuring that businesses and other entities comply with the legal requirements set out by EU legislation. In the context of the European Union Deforestation Regulation (EUDR), NCAs play a crucial role in monitoring and enforcing the regulation's provisions.

In its strategy process, IDH is thus actively monitoring the developments related to the EU regulations and is looking for spaces in which their influence and skills leverage the most impact. SECO, one of IDH's core donors, feels that IDH is doing very good work in this regard, from which they learn a lot. So far, the new EU regulations seem to open up space for accelerated business practice change. Large companies that were previously not interested to collaborate with IDH are now actively approaching the organisation to engage with them.[120]

For the upcoming CS3D regulation, IDH does try to influence the policy at EU level around the inclusion of living income. However, at the time of writing, we do not have any concrete data about this.

IDH's strategy towards EU regulation includes brokering private sector solutions, facilitating government-company collaborations, and providing insights to influence stakeholders. This approach has opened new opportunities for IDH to engage with large companies and support sustainable production practices.

6.6. Financial viability

IDH currently has two core donors. In 2020, IDH entered into a 10-year partnership with the Dutch Ministry of Foreign Affairs (MFA) for 150 million Euro in core funding. In 2021, IDH reinforced the strategic partnership with the Swiss State Secretariat for Economic Affairs (SECO) by working on stronger in-country collaboration, which resulted in contracting a 4-year partnership agreement with SECO. This partnership is a continuation of the partnership announced in November 2013, when SECO officially became a core donor of IDH next to the Dutch government.[121]

Table 9: Key financials IDH convening & programmes (Source IDH AR2023)

	Actuals 2023	Budget 2023	Actuals 2022
IDH reported income (mln)	€ 59.8	€ 59.9	€ 51.9
Total program cost	€ 51.8	€ 52.7	€ 44.6
Total organizational cost	€ 7.8	€ 7.1	€ 6.9
Organizational cost/total cost (%)	13.1%	11.9%	13.4%
IDH program contribution, excl private & other (mln)	€ 24.1	€ 22.6	€ 20.8
Private sector contribution (mln)	€ 43.8	€ 46.8	€ 42.7
Ratio private-sector contribution to IDH program contribution, excl private & other	1.8	2.1	2.1
Share core funding in total funding (%)	43%	42%	39%
Share core Dutch MFA in total funding (%)	39%	37%	33%
Share Dutch MFA in total funding (%)	51%	53%	46%
Share strategic funding in total funding (%)	73%	75%	65%

IDH has an income of around 50-60 million Euro a year. In 2023, 43% of IDH's funding consisted of core funding, provided for by the Sustainable Economic Development Department (DDE) of the Dutch Ministry of Foreign Affairs and SECO. IDH is contractually obligated to become less dependent on funding from the Dutch Ministry of Foreign Affairs (MFA NL).[122] Both core donors indicate the need to attract additional core funders. The ambition is to have the core part of MFA NL in total funding to be below 35% by 2025 (in 2023 at 39%), and the share of total Dutch MFA in IDH's funding to decrease to 25% by 2030 (in 2023 at 51%).[123]

Core donor funding is essential for the current setup of IDH, because it allows the organisation to work on insights and intelligence and on convening roles, which are essential for IDH as "market system change agent" and for the ToC of the organisation. On average 10% of the budget is spent on IDH's global insights and intelligence role, 25% on international convening, 10% on national convening, while 45% of the budget is spent on field programmes and technical assistance. The remaining 10% is spent on enabling roles, such as M&E.[124]

While, core funding is essential for IDH as agent contributing to market system transformation, securing this type of funding is not without its challenges. From 2016-2020, the Danish International Development Agency (DANIDA) was also core donor of IDH. However, in 2021, DANIDA decided to provide a bridging grant of DKK 15 million as un-earmarked core funding for the first implementation year of the MYP 2021-2025, and continue supporting IDH only with earmarked funding from 2022 onwards. IDH indicates that, while it is very important, they cannot mobilise additional core funders on their own, but they need the help of the Dutch and Swiss governments to do this.[125] However, the current political landscape is quite challenging in this respect, because throughout Europe ODA budgets are under pressure. Providing earmarked funding for specific programmes and/or geographies, which align more directly with a government's own priorities is an easier story to tell to the electorate than providing core funding for which the effects are less directly visible and tangible.

While the current core donors are satisfied with the relationship with IDH, it is essential that IDH's objectives align with their own. While earmarked funding is available for IDH's VCT work, one of the core donors indicates that the VCT work is not their priority and is felt to remove focus from sustainable trade.[126] When priorities divert too much, this might have consequences for securing core funding in the future. Moreover, current core donors are concerned that funders who provide substantial earmarked funding may disproportionately influence the organisation without contributing equitably to its essential functions, such as convening and learning, which are central to IDH's mission. A potential solution is to require strategic partners to allocate an additional percentage of their earmarked funds towards supporting the overall organisation, specifically to finance convening and learning activities.

The share of earmarked as a share of total funding increased in 2023 to 73% versus 65% in 2022, in absolute amounts an increase of €9.5m.[127] In 2022, IDH signed a partnership agreement resulting in 80 million DKK funding to be received from DANIDA for the period January 2022 to December 2025. During 2023 new partner agreements were signed, a 5-year partnership with NORAD for 22 million Euro destined to Food Systems in East Africa starting from 2024, and a second phase of NI-SCOPS (The National Initiatives for Sustainable and Climate-Smart Oil-Palm Smallholders) as from 2024, funded equally by MFA NL and FCDO each for an amount of €9M for a period of 5 years, complementing market-driven, supply chain initiatives in palm-oil producing countries.[128]

In 2023, IDH leveraged programme contribution to third parties with a private-sector contribution ratio of 1.8, which is lower than last year (2.1) and budget (2.1). Public-private funding ratios vary per project, depending on the degree of convergence between the public good and the private interest, the number of private partners involved in the programme and/or how much market finance can be leveraged in case of innovative finance projects.[129]

Conclusion

7. Conclusion

7.1. Key takeaways

This mid-term evaluation of IDH's corporate portfolio addresses eight evaluation questions covering IDH's responsiveness to sector and landscape needs; the coherence and synergy of its interventions; progress towards improved sector governance, field-level outcomes, and business practice change; contribution towards impact; the sustainability and scaling of interventions, and its contributions to systemic market transformation. In addition, the organisational performance of IDH was assessed by looking at its capacity and motivation, adaptation to the external environment, and its financial viability.

Overall, IDH is found to be a highly professional organisation that is making significant progress in convening multi-stakeholder coalitions, signing multi-stakeholder agreements, leveraging co-financing, and reaching the targeted number of farmers, workers, and companies through its programmes. IDH's programmes are responsive to sector and landscape needs, contributing to greater coherence and improved governance. Businesses have become more aware of sustainability issues, showing increased commitment to sustainable change. They have gained more knowledge on how to achieve this change, making small but impactful improvements that enhance working conditions, benefit farmers, and reduce deforestation risk.

However, the deep business practice changes needed to meet global sustainability commitments, such as on living income, are not occurring quickly or widely enough. Therefore, the committed targets seem unattainable at this point. Throughout its fifteen-year history, IDH has demonstrated an ability to adapt and innovate in response to complex challenges. What is needed now is a next iteration in IDH's approach such that systemic transformation of global commodity markets, with the potential for widespread societal benefit, becomes attainable in the longer term.

7.2. Recommendations

1. Persist in driving systemic market transformation towards better incomes, better jobs, better environment, and gender equality by continuing to combine the synergetic IDH roles of convening, co-financing, and learning.

2. Create programme-level strategies, based on a diagnosis of the six conditions of systemic change, clearly setting out the changes required to achieve programme objectives, and the assumed pathways to these changes.

3. Re-configure the three roles of IDH to serve broader system change objectives:

    a. Strengthen collaborations with civil society organisations, governments, and knowledge institutes. While the private sector will remain IDH's key focus and its ability to convene private decision-makers is core to its additionality, market failures cannot be solved by market solutions alone. Driving transformational system change beyond IDH's direct influence will require using IDH roles in convening, co-financing, and learning to promote aligned action also among non-private actors, which can fill gaps in the conditions necessary for systemic change.

b. Clearly articulate the full range of objectives that can be achieved through IDH's co-financing role, beyond testing innovative business models, and how funding acts as a change mechanism in these different cases. Embed these objectives within a comprehensive systems change strategy.

c. Play the role of knowledge broker, instead of generator, linking demand and supply for knowledge in the sector, by co-financing and steering knowledge institutes, re-packaging knowledge in digestible formats, and convening more frequent interaction between knowledge institutes and governments, companies, and civil society organisations.

4. Elevate profound sector-wide changes in business practices as the ultimate outcome within IDH's theory of change. Improved sector governance and field-level outcomes should remain important ingredients, because of their synergy, but there is room for expanding towards other outcome areas, if deemed necessary based on a system diagnosis.

5. Ensure that all programmes drive systemic market transformation—this is where the additionality of IDH lies. This might involve incremental change and focusing on "small wins", but these should always involve profound changes, (radically) new practices, insights and values.[130] This provides energy and progress in the transformation process.

6. Continue to actively monitor the developments related to the EU regulations and directives to identify spaces to use IDH's influence and roles to leverage their positive impact and to avoid harm, particularly related to exclusion of smallholders and disengagement from high-risk deforestation landscapes.

7. Ensure gender goals, targeting, and intervention logic are realistic, context-specific, and better integrated into BUs and programme-level ToCs, with adequate resource allocation and gender-specific KPIs.

8. Evaluate the realism of IDH's targets in programmes and projects, differentiate aspirational goals from attainable targets on impact level, and establish interim targets for the most ambitious programmes.

9. Introduce a more systematic adaptive management cycle at both the programme and corporate levels, allowing for timely adjustments. Ensure monitoring, evaluation, and learning is designed and implemented to feed in this adaptive management cycle and that adaptive management feeds the design of monitoring, evaluation, and learning activities.

10. Develop a rolling agenda that outlines IDH's corporate learning objectives to enhance strategic learning across the organisation. Business unit and programme level learning agendas can feed into this corporate agenda, which also allows identification of common learning themes. Develop relevant monitoring indicators for learning purposes, including

capturing more qualitative changes, and not only KPIs for accountability.

11. Centralise evaluations to ensure they contribute systematically to the learning agenda.

12. Ensure meaningful involvement of beneficiaries, Southern partners, and CSOs in system diagnosis, programme designs and adaptive management processes.

13. Donor recommendations:

    a. Continue providing core funding to support IDH's work on achieving systemic change in global commodity sectors. This will be essential also to ensure the type of adaptive management and learning approach set out in these recommendations.
    b. Allow IDH to be flexible in adjusting short-term objectives, theories of change, and activities evidenced in documented adaptive management processes.
    c. Hold IDH accountable through a streamlined set of KPIs to track progress with less emphasis on the outcomes and impacts of field-level activities and more precise indicators that capture deeper business practice change. Complement this with yearly reporting on internal learnings and organisational adjustments, as well as independent mid-term and end-term evaluations based on synthesised evidence.

Annexes 1-6: Deep Dives

Annex 1: Deep dive 1: Living income in the cocoa sector (separate PDF report)

Annex 2: Deep dive 2: Living wages in the banana sector (separate PDF report)

Annex 3: Deep dive 3: Women safety accelerator fund in India (separate PDF report)

Annex 4: Deep dive 4: Life and Building Safety in Vietnam (separate PDF report)

Annex 5: Deep dive 5: Sustainable calves in Brazil (separate PDF report)

Annex 6: Deep dive 6: Grains for growth in Ghana (separate PDF report)

Annex 7: IDH's portfolio of programmes

Table 10: IDH's portfolio of programmes

Note: the programmes in bold have been covered by the deep-dive case studies of this evaluation or are part of the meta-analysis of third-party evaluations.

Business Unit	Programme cluster	Programmes
Agri-commodities	Cocoa	**Beyond chocolate***^** **Cocoa & Forest Initiative*** **Cocoaperation^** **Cocoa origins*** **Cocoa Soils*** **Côte d'Ivoire-Ghana Cocoa Initiative (CIGHCI) ^** **Dutch Initiative on Sustainable Cocoa (DISCO)^** **Procurement & branding for living income cocoa^** **Roadmap to deforestation free cocoa***
	Coffee	Coffee as a nature-based solution Coffee farmer income resilience programme (CFIRP) Coffee sector initiatives Colombia living income programme East Africa living income (EALI) Procurement & branding for living income coffee South India coffee programme (starting in 2023/2024) Vietnam landscapes
	Tea	**Agri-connect Boresha Chai**** **Procurement & branding for living income and living wage tea*** Small Tea Growers Sustainability Programme (STGSP) **Women Safety Acceleration Fund (WSAF)* ^**
	Sector initiatives	Aquaculture Flowers and plants Fresh Fruits and Vegetables Juices, purees & Concentrates **Living wage banana commitments*^** Nuts Roadmap towards living wages Spices Vanilla

Landscapes	PPI	Huila, Colombia Cesar, Colombia Magdalena, Colombia **Mato Grosso, Brazil*^** **Maranhão, Brazil*** **Pará, Brazil*** **Wider Tai Forest Area, CDI*** **Rift Valley, Ethiopia*** **South West Mau Forest, Kenya*** **Central Highlands, Vietnam*** **Aceh & North Sumatra, Indonesia*** **West Kalimantan, Indonesia*** **Papua, Indonesia*** Ondo & Edo State, Nigeria Sabah, Malaysia **South East, Liberia*** **North West, Liberia*** **Grand Mbam, Cameroon***
	Landscape finance	LDN TAF Agri3 TAF
	Markets	**NI-SCOPS*** Markets
Textiles & Manufacturing	Materials	Better Cotton Climate Smart Cotton Landscapes Alternate materials
	Apparel	WARP INSTEP
	Life and Building Safety (LABS)	**LABS*^**
Value chain transformation	VCD	Grown sustainably in Africa Hortinvest **Grains for Growth Ghana^** **Cassava VCD*** Aquaculture VCD
	Farmfit business support	**Farmfit business support***

* indicates that a third-party evaluation for (part of) this programme has been included in the meta-analysis

^ indicates that (part of) the programme or cluster is included in one of the deep dives

Annex 8: Available third-party evaluations

Table 11: Available third-party evaluations

	Title of third-party evaluation report	IDH programme evaluation relates to	Type of evaluation	Period reviewed	Business Unit
1	Improving Income and Nutrition of Smallholder Tea Farmers in Southern Tanzania Program	Agri-connect Boresha Chai (1)	MTE	2020-2023	Agri-commodities
2	Mid term evaluation agri connect	Agri-connect Boresha Chai (2)	MTE	2021-2023	
3	Evaluation of the multi-stakeholder initiative 'Beyond Chocolate'	Beyond Chocolate (1)	EE	2018-2022	
4	Evaluation of the integration of decent work into the development of value chains	Beyond Chocolate (2)	EE	2016-2022	
5	Impact of the living income for cocoa farmers in Côte d'Ivoire: A chainwide collaboration to move from concept to reality	Beyond Chocolate (3)	EE	2020-2023	
6	Final Evaluation of the Cocoa Origins Program	Cocoa Origins	EE	2017-2022	
7	Sustainable intensification of cocoa production through the development and dissemination of integrated soil fertility management (CocoaSoils project)	Cocoa Soils	MTE	2017-2022	
8	From knowing the living wage gap to closing it Mid-term evaluation of the project on living wages in the banana sector	Living Wages Banana	MTE	2019-2023	
9	Evaluation of tea sector convening on Living Wage	Procurement & branding for living income and living wage tea	MTE	2019-2022	
10	Ex-ante evaluation of the cocoa & forests initiative and the	The cocoa & forests initiative	EAE	2022-2023	

	roadmap to deforestation-free cocoa	The roadmap to deforestation-free cocoa			
11	Midline study of Women's Safety Accelerator Fund (WSAF) in the tea sector in Assam	WSAF	MTE	2020-2023	
12	NI-SCOPS midterm review report	NI-SCOPS	MTE	2019-2023	Landscapes
13	Evaluation of the Connecting Production, Protection & Inclusion Partnership Programme A partnership between IDH, the Sustainable Trade Initiative, and NICFI, Norway's International Climate and Forest Initiative (July 2017 – December 2021)	NICFI	EE	2016-2021	
14	Mid-term evaluation of the Initiative for Sustainable Landscapes (ISLA) programme 2021-2025	The Initiative for Sustainable Landscapes (ISLA)	MTE	2021-2023	
15	Endline study for IDH cassava programme in Nigeria	Cassava VCD Nigeria	EE	2018-2021	VCT
16	IDH Farmfit Africa -Impact Evaluation: Mid-Term Report Volume I	Farmfit business support	MTE	2019-2021	
17	Outcome evaluation of LABS programme in India, Cambodia and Vietnam	LABS	MTE	2019-2023	T&M

Annex 9: Progress on IDH KPIs 2023

Table 12: IDH monitoring of outputs and outcomes for improved sector governance (source: IDH).

Level	INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	Forecast Target 2025
Outputs	Number of multi-stakeholder coalitions, committees, secretariats, initiatives, and platforms convened to sign and support a common vision, goals, or strategy on sustainable development or sourcing	38	141	103	155	177
Outcomes	Number of multi-stakeholder agreements signed as a result of IDH interventions	18	95	105	115	134
	Number of new or improved policies or standards that are effectively enforced	14	57	42	17	66

Table 13. IDH monitoring of outputs and outcomes of field-level projects.

Level	INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	Forecast target 2025
Outputs	Number of farmers and workers trained	42,850	1,044,404	727,668	1,586,054	1,428,000
	Number of female farmers and workers trained	13,547	502,252	363,429	581,591	589,000
	Number of farmers who gained improved access to financial services	8,850	373,455	204,507	683,500	393,000
	Number of female farmers who gained improved access to financial services	2,463	253,983	47,044	190,598	162,000
	Number of farmers gained access to inputs and technology, including ICT	15,338	1,317,761	336,071	85,850	1,162,000
	Number of female farmers gained access to inputs and technology, including ICT	5,056	522,271	63,763	23,058	280,000
	Number of agronomists, extension workers and experts trained	8,030	63,291	24,632	29,355	63,000
	Number of female agronomists, extension workers and experts trained	720	17,392	7,264	5,735	18,000
Outcomes	Adoption rate of sustainable manufacturing, production, and land-use management practices	5%	54%	58%	65%	67%
	Number of farmers with increased number of crops (including those intercropped with focus crop) cultivated by the farmer	633	668,345	80,018	525,350	844,000
	Number of female farmers with increased number of crops (including those intercropped with focus crop) cultivated by the farmer	506	139,713	10,082	129,730	183,000
	Number of farmers with increased number of animal products (meat, dairy, wool, honey, etc.) produced on farm for sale or for consumption.	1,206	10,619	2,020	6,370.00	11,000
	Number of female farmers with increased number of animal products (meat, dairy, wool, honey, etc.) produced on farm for sale or for consumption.	362	3,636	638	1,145	3,400

	Number of farmers with offtake seasonal, annual or longer-term contracts signed per year	559	38,088	41,343	35,201	68,000
	Number of Female farmers with offtake seasonal, annual or longer-term contracts signed per year	336	12,443	3,261	9,700	16,000
	Number of licensed / certified farmers or farmers compliant to the quality or sustainability standards of offtakers	408	32,479	41,834	34,400	54,000
	Number of licensed / certified female farmers or female farmers compliant to the quality or sustainability standards of offtakers	0	12,428	3,454	4,870	12,800
	Number of households or production facilities with improved water availability and access	0	5,824	19,182	345,000	36,600
	Number of female households or production facilities with improved water availability and access	0	1,900	1,047	90,000	10,500
	Area of forest(ed) land under sustainable (agro) forest management or other improved conservation or protection practices	383,300	857,260	1,264,198	2,079,758	1,011,000
	Area of cropland and other non-timber commodity production under sustainable (intensification) production and management practices	188,710	647,690	568,781	1,367,734	985,000

Table 14. IDH monitoring of outputs and outcomes related to improved business practices

	INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	Forecast target 2025
Outputs	Number of Value Chain Actors reached with technical assistance (non-financial assistance)	173	2,272	1,305	2,985	2,527
	Number of diagnostic analysis finalised	6	1,759	2,371	3275	3,328
	Number of Value Chain Actors with MoUs, funding agreement to invest, trade, and/or provide services	62	498	524	199	588
	Private investments co-funding in the program	2,494 K	46,843 K	43,780 K	47,079 K	237,055 K
Outcomes	Number of Value Chain Actors with improved access to financial services such as blended finance, equity, or serviced through investment deals or commercial loans	13	470	173	554	261
	Number of Value Chain Actors that adopted or updated their sourcing, procurement policies or strategies to include sound social and environmental sustainability criteria and goals	12	382	381	16	421
	Offtake volumes of focus crops (metric tons)	1,660	354,650	245,293	85,500	630,000

Table 15. IDH monitoring for selected impact indicators

INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	Forecast target 2025
Number of farming households with increased net income	4,116	753,275	64,879	1,557,994	960,000
Number of female farming households with increased net income	1,506	145,642	5,166	68,196	191,000
Percentage of net income increase from focus crop(s)	0	18%	5%	21%	19%
Number of workers with improved working conditions	355,000	1,381,067	1,475,237	4,130,000	2,089,000
Number of female workers with improved working conditions	213,000	928,656	880,685	2,662,000	1,247,000
Number of workers with reduced living wage gap	0	0	0	146,000	50,000
Number of jobs supported	0	176,034	118,417		185,000
Area of soil under restoration and rehabilitation practices (on site)	0	151,733	89,056	224,954	302,000
Number of hectares of forest/watersheds covered by PPI governance	7,362,111	8,052,896	7,491,860	11,354,369	13,239,000
Number of hectares of cropland covered by PPI governance	2,620,154	4,269,320	3,793,378	4,614,997	5,408,000

Table 16. IDH monitoring on gender

INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	%Forecast target 2025
Percentage of projects in IDH portfolio that are gender intentional	80%	80%	81%	80%	63%
Percentage of projects in IDH portfolio that are gender transformative	0%	13%	14%	10%	34%
Percentage of projects in IDH portfolio that are gender unintentional	20%	7%	5%	10%	6%

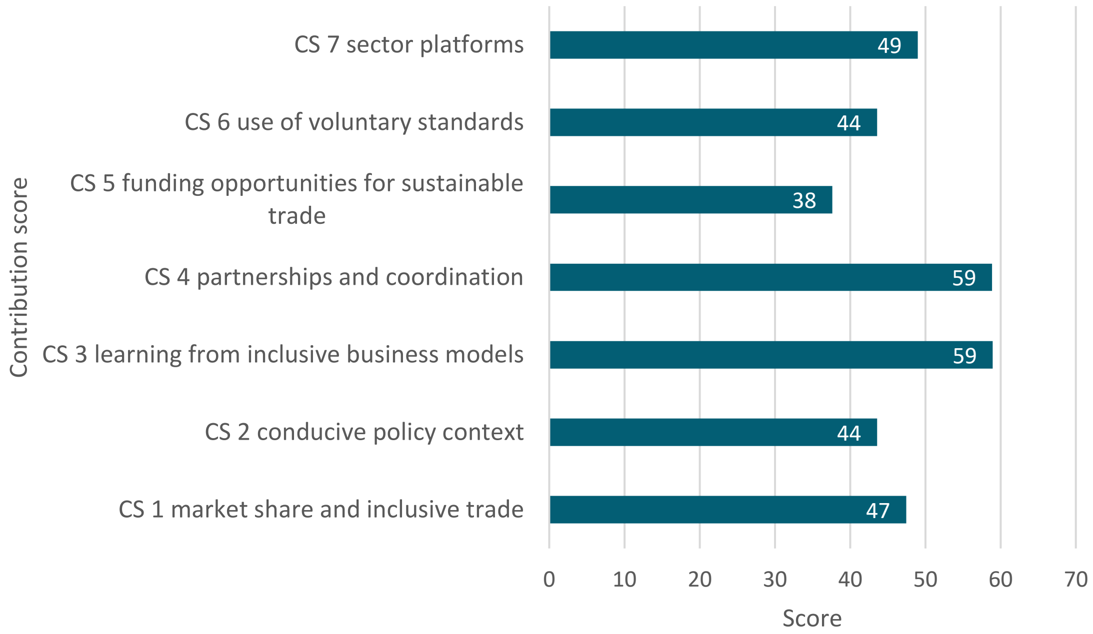
Table 17. IDH monitoring data on scaling

Result area	INDICATORS	Baseline	Cum. Results AR2023	Cum. Targets AP2023	MYP Target 2021-2025	%towards 2025 target
Replication of investments and scaling by IDH partners	Other sources of public, private or blended-finance investments/funding leveraged by the programme	85,930,803	364,767,297	405,475,588	264,000,000	138%
	Percentage volume sourced sustainably by retailers and brands	3%	46%	58%	38%	121%
	Description of proven field level business cases and scale-up by IDH partners	-	-	-	-	-
Duplication and crowding in by other players	Description of crowding-in by other players	-	-	-	-	-

Annex 10: Results Sector Survey

To complement the portfolio review and deep dives, a survey was developed to measure perceptions of external individuals familiar with IDH's work. They were asked about changes in the sector over the past four years on seven aspects and the extent of IDH's contribution to these changes.

Figure 13: Results stakeholder survey: contribution scores IDH.



The results of the survey are summarised by Figure 13. The contribution scores mostly fall between 40 and 60, indicating an improvement on all outcomes with a clear contribution by IDH. The number of respondents that did not see any improvement or no influence by IDH was very low. Therefore, these average contribution scores can be considered as being relatively high, also compared to other instances where this methodology was applied (e.g., in Ton et al. 2023), particularly given that some of the aspects on which we have elicited stakeholder perceptions are about quite broad sector changes.

The highest contribution scores (59) by IDH are on the aspects of partnerships and coordination, and on the learning from inclusive business models. The lowest contribution scores are given on funding opportunities for sustainable trade, the conduciveness of the policy context, and the use of voluntary standards.

Looking at the differences in responses by type of respondent there are some deviations from this pattern. In Europe, for example, the highest contribution scores are given to the market share of sustainable and inclusive trade and a conducive policy context. In Africa, on the other hand, partnerships and coordination activities as well as funding opportunities received the highest contribution scores. This probably aligns with the focus on sector governance and obtaining company commitments on sustainable trade in the EU, and the focus on landscape convening, value chain development, and field level projects in Africa.

Of course, there is a positive-response-bias as respondents are knowledgeable of the support and reached through IDH-related communication channels. We think, however, that the evidence is strong enough to discard the counterfactual assumption that these changes in the sector would have occurred also without IDH support.

Annex 11: IDH Gender Tool

Table 18: Overview of IDH Gender Tool

	Priority Areas	Definition	Main Key Performance Indicators	Additional Key Performance Indicators
1	**Gender Strategy**	Gender Equality is a strategic interest to the project, or partner to the extent that the project or partner have a gender strategy in place along with the requisite resources (for example technical staff/budget and KPIs).	Gender strategy in place with gender KPIs and budget allocated to implement gender strategy	**Gender Intentional** Gender technical staff employed Companies apply gender strategies in their service delivery model. **Gender Transformative** Increased number of women in leadership and management postions
2	**Data collection**	Whether the partner has put in palce a gender intentional/gender transformative approach to collect and analyse sex disaggregated data, or whether the projects specifies disaggregation of data by sex.	Sex disaggregated data collected and analysed	**Gender Intentional** Proportion of female and male customers reached Proportion of increased income for women and men
3	**Inclusive Work place**	Whether the partner gender intnetional/gender transformative formats to foster a safe working structure in place to prevent and protect against sexual harassment and Sex Gender Based Violence.	Number of workers women with improved working conditions Number of women with reduced living wage gap Number of jobs for women supported	**Gender Intentional** Number of farming households with increased net income Percentage of net income increase from focus crop(s) Number of females recruited Number of female staff employed Number of female staff retained Number of women workers covered by Collective Bargain Agreements (Reduced) number of Sex Gender Based Violence cases reported Number of female staff on permanent contract. Procedures for preventing and dealing with sexual harassment implemented Number of corrective actions taken/cases resolved **Gender Transformative** Proportion of living wage gap closed Higher female staff retention rates Wage equality for women and men in the same position High number of female senior and middle management Number of employees paid through a digital money transfer registered in their own name
4	**Inclusive Consultation**	Whether the partner puts in place gender intentional/gender transformative consultative formats (conducts a gender needs assessment and applies it in their service delivery approach)	Proportion of women reached	**Gender Intentional** Number of women with access to services Number of women with access to finance Number of women trained Number of women with increased yields Number of women with increased income **Gender Transformative** Women's access to and use of information, technology and sustainable services Number of women with access and control of income
5	**Inclusive Tailoring**	Whether the partner has put in place intentional/gender transformative approach that meets the needs and preference of women and men or the project is designed in a manner that meets the needs and preferences of men and women.	Increased income for women Increased number of women accessing (skills/inputs/finance/market linkages/GAP)	**Gender Intentional** Increased number of women reached with business development services Number of women linked to Savings and Credit Cooperative Organisations Number of women collectives strengthened **Gender Transformative** Increased number of women with access to mobile money Increased time productivity Increased number of business networks
6	**Independence and control over resources**	Whether the partner has put in place a gender transfromative approach that enhances women's access and control over productive resources	Proportion of women in the SDM/project who have control of and benefit from productive asse	**Gender Transformative** Number of women that own and control a greater proportion of productive assets Number of women who use their own bank accounts to save money and make payments Number of women who have access to credit Number of women who have expanded access to information on health, nutrition and livelihood Number of women who have more social capital and greater self-confidence

Annex 12: Key Informant Interviews

Table 19: Meetings and interviews during the inception phase

Interview type	Number of interviews
Business unit representatives	7
Programme staff for potential deep dives	8
CEO	1
Donors	2
TOTAL	18

Table 20: Number and type of interviews for Deep Dives

	DD1	DD2	DD3	DD4	DD5	DD6	TOTAL
IDH staff	9	2	2	4	2	4	**23**
Government/ Authorities	4	1	-	1	4	2	**12**
Private sector/ industry body	10	2	3	7	4	10	**36**
Farmer representative	2	-	-	-	-	2*	**4**
Civil society/ technical expert	6	2	2	3	3	-	**16**
Global standards body		1	-	-	-	-	**1**
Other		-	2	2	-	-	**4**
TOTAL	**31**	**8**	**9**	**17**	**13**	**18**	**96**

DD1 = Living income in the cocoa sector, DD2 = Living wages in the banana sector; DD3 = WSAF; DD4= LABS; DD5 = Sustainable calves; DD6 = G4G. * Farmer focus group discussions with multiple farmers each.

Table 21: Number and type of interviews for organisational performance assessment

Interview type	Number of interviews
Business unit representatives	4
Representatives of supporting departments	4
In-country Programme staff	1
CEO (current & former)	3

KIT INSTITUTE

institute of development studies

CFO	2
Donors	2
TOTAL	16

Annex 13: NVivo code book

Background

This document presents the coding manual to guide the assessment of IDH's portfolio based on available third-party evaluations of IDH programmes and projects. This assessment is part of the mid-term evaluation of IDH's corporate portfolio (2021-2025). The analysis will give insights into the overall performance of IDH's portfolio of programmes and how it contributes to achieving the goals and objectives of the MYP 2021-2025.Two different types of documents will be coded using the same coding tree: mid-term evaluations and end-line evaluations.

Coding tree

Parent Code	Child Code	Grandchild Code	Detailed description
1. Relevance (no coding on this level)	responding to needs, policies and priorities		Code ANY text that relates to: 1. Whether the intervention addresses beneficiaries' needs and priorities (including for different categories of women and men) 2. Who is and/or is not involved in the design of the intervention and how this affects the intervention's design and implementation 3. Whether the intervention is aligned with the priorities (e.g. strategies and policies) of organisations involved in funding, implementing and/or overseeing the intervention 4. Potential tensions or trade-offs with regard to whose needs and priorities are met through the intervention Xcode as relevant (especially in relation to assessment)
	being sensitive and responsive to context		Code ANY text that relates to: 1. How the context was understood and accounted for when the intervention was designed 2. How the context was understood and accounted for during implementation Note for point 1 and 2: Context includes economic, environmental, equity, social, cultural, political economy, and capacity factors Xcode as relevant (especially in relation to assessment)
	quality of design		Code ANY text that relates to: 1. How well the intervention was built to address relevant priorities and needs and whether goals have been clearly specified 2. If stakeholders' priorities and needs are articulated in the intervention's objectives, its underlying theory of change, theory of action and/or modus-operandi 3. The extent to which the programme addresses gender equality in the design / implementation. a. To what extent does IDH address (gender) equality concerns in its programming? B. What methods are used to do so and which have proven effective? c. Does IDH give adequate

		consideration and act accordingly in regard to equality and gender issues within market systems? Always Xcode with Gender Equality and Assessments (if present). Xcode as relevant (especially in relation to assessment)
	responsiveness over time	Code ANY text that relates to: 1. Adaptations to external contexts of the intervention over time 2. Adaptations to internal changes of the intervention over time 3. The extent to which the object of evaluation mitigated risks that would undermine its purpose, or was adapted to seize a good opportunity, or to better meet needs 4. Trade-offs in whose needs are prioritised as a result of adaptations Note for point 1: Context includes economic, environmental, equity, social, cultural, political economy, and capacity factors Xcode as relevant (especially in relation to assessment)
2. Coherence (no coding on this level)	internal	Code ANY text that relates to: 1. Alignment of the object of the evaluation with wider IDH frameworks 2. Alignment of the object of the evaluation with other interventions implemented by IDH in or that affect the same operating context Code ANY mention in relation to point 1. and 2. of: a. How harmonised activities are b. If duplication of efforts and activities occurs c. If the interventions complement each other Xcode as relevant (especially in relation to assessment)
	external	Code ANY text that relates to: 1.The alignment of the object of the evaluation with external policies and frameworks 2. The alignment of the object of the evaluation with international laws and commitments to gender equality 3. The alignment with interventions implemented by other actors that affect the same operating context 4. The alignment with interventions implemented by other actors in the same operating context Code ANY mention in relation to point 1., 2., 3., and 4. of: a. How harmonised activities are b. If duplication of efforts and activities occurs c. If the interventions complement each other Xcode as relevant (especially in relation to assessment)
3. Effectiveness (no coding on this level)	sector governance outcomes	Code ANY text on *<u>outcomes</u>* of the object of the evaluation related to: 1. the policy and regulatory environment (including private regulation, i.e. voluntary sustainability standards) 2. the capability of the sector to collect revenue and reinvest it in a strategic manner

		3. the coordination and alignment of stakeholders Xcode as relevant (especially in relation to assessment and differential results)
business-practices outcomes		Code ANY text on *outcomes* of the object of the evaluation related to: 1. changes in business practices :market actors that adopted or updated their sourcing, access to finance, service delivery models, procurement policies or strategies (etc.) to include sound social and environmental sustainability criteria and goals 2. the relationships between producers, their organisations, service providers, value chains, and consumers within a sector Xcode as relevant (especially in relation to assessment and differential results)
field-level outcomes		Code ANY text on *outcomes* of the object of the evaluation related to: 1. the location of the production unit (which may be farms, forests, or factories) 2. its relationship with the surrounding communities and ecosystems (including aspects linked to gender equality) Xcode as relevant (especially in relation to assessment and differential results)
differential results		Code ANY text on *outcomes* of the object of the evaluation: 1. that distinguishes between outcomes for different categories of people (e.g. men, women, youth, minorities, etc.) If applicable: Xcode with sector governance outcomes, business-practices outcomes, and field-level outcomes
factors influencing outcomes (if possible: no coding on this level)	that positively influence outcomes	Code ANY text related to: 1. Internal and external factors to the intervention that positively influence *outcomes* (e.g. quality of implementation, management, human resources, adaptive capacity, financial aspects, regulatory aspects, implementation modifications, deviation from plans, etc.). Xcode as relevant
	that negatively influence outcomes	Code ANY text related to: 1. Internal and external factors to the intervention that negatively influence *outcomes* (e.g. quality of implementation, management, human resources, adaptive capacity, financial aspects, regulatory aspects, implementation modifications, deviation from plans, etc.). Xcode as relevant
replication and scaling by IDH partners		Code ANY text related to: 1. replication and scaling of market-driven models developed by IDH in partnership with business by further company investments Xcode as relevant

	duplication and crowding-in by external actors	Code ANY text related to: 1. crowding-in of new stakeholders, and additional investments in the models and solutions by external actors Xcode as relevant
4. Efficiency (no coding on this level)	economic efficiency	Code ANY text related to: 1. cost-efficiency at all levels of the ToC: outputs, outcomes and impacts 2. to what extent appropriate choices regarding cost-efficiency were made and trade-offs were addressed in the design stage and during implementation 3. the way that resources were allocated between target groups and time periods, as well as the options that were available for purchasing inputs according to market conditions Xcode as relevant (especially in relation to assessment)
	operational efficiency	Code ANY text related to: 1. how well resources were used during implementation. Including, but not limited to: a. the extent to which human and financial resources were used as planned and appropriately and fully utilised b. the extent to which resources were misallocated, budgets underspent, overspent, etc. c. the extent to which resources were redirected as needs changed d. the extent to which risks were managed in relation to operational efficiency e. the extent to which decisions were taken which helped to enhance efficiency in response to new information f. the extent to which logistics and procurement decisions optimal? Xcode as relevant (especially in relation to assessment)
	timeliness	Code ANY text related to: 1. to what extent the results were achieved within the intended timeframe 2. whether the timeframe was realistic or appropriate 3. to what extent the timeframe was reasonably adjusted during the intervention 4. to what extent efforts were made to overcome obstacles and mitigate delays Xcode as relevant (especially in relation to assessment)
5. Impact (no coding on this level)	better jobs	Code ANY text on *impacts* of the object of the evaluation related to: 1. creating better jobs, which means improving working conditions, worker representation, health and safety at the workplace and achieving a living wage Xcode as relevant (especially in relation to assessment)

	better income		Code ANY text on ***impacts*** of the object of the evaluation related to: 1. better income, which means farming households have more, stable and/or equitable income that moves farming household income towards a living income Xcode as relevant (especially in relation to assessment)
	better environment		Code ANY text on ***impacts*** of the object of the evaluation related to: 1. better environment, which includes a number of aspects such as: a) Improved availability and quality of water resources for women, men and ecosystems, as well as an equitable distribution of the available water resources among users; b) Improved quality/health/condition of soils used for production of agricultural goods/commodities; c) Increased area of forests and other natural ecosystems. Reduced degradation of natural ecosystems, including reduction of deforestation; and d) Reduction and removals of Greenhouse Gas emissions, and enhanced uptake of greenhouse gas emissions. Xcode as relevant (especially in relation to assessment)
	gender equality		Code ANY text on ***impacts*** of the object of the evaluation related to: 1. increased gender equality including evidence where women (and men) of different categories are strengthening their voice, increasing their decision-making power, contributing or experiencing the transformation of power relations in ways that increase their access and/or control over assets, knowledge, finance, capacities and resources 2. increased personal safety of women (producers, workers, managers, etc.) and the reasons for this (e.g., new investments in infrastructure, prevention and response mechanisms, gender-based violence trainings, helpline, etc.). Note: IDH ToC defines gender equality as "*a state where people are free to develop their personal abilities and make choices without the limitations set by stereotypes, gender norms, or prejudices. Gender equality is a precondition for advancing development, reducing poverty and promoting sustainable development.*" Xcode as relevant (especially in relation to assessment)
	factors influencing impact (if possible: no coding on this level)	factors positively influencing impact	Code ANY text related to: 1. Internal and external factors to the intervention that positively influence ***impact*** Xcode to better jobs, better income, better environment, and/or gender equality if possible

		factors negatively influencing impact	Code ANY text related to: 1. Internal and external factors to the intervention that negatively influence *impact* Xcode to better jobs, better income, better environment, and/or gender equality if possible
	unintended effects (if possible: no coding on this level)	positive effects	Code ANY text related to: 1. positive *impacts* that are a result of the IDH programme, but were not intended or envisaged when the intervention was designed Xcode as relevant
		negative effects	Code ANY text related to: 1. negative *impacts* that are a result of the IDH programme, but were not intended or envisaged when the intervention was designed Xcode as relevant
6. Sustainability (no coding on this level)	building an enabling environment		Code ANY text related to: 1. how an intervention contributed to improving the enabling environment for development Note: this can include capacities strengthened (at the individual, community, or institutional level); improved ownership or political will; increased national (and where applicable subnational) financial or budgetary commitments; policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; or improved processes for public consultation in development planning. Xcode as relevant (especially in relation to assessment)
	continuation of positive effects		Code ANY text on: 1. the continuation of net benefits created by the intervention that are already evident (actual sustainability) 2. the net benefits for key stakeholders that are likely to continue into the future (prospective sustainability) Xcode as relevant (especially in relation to assessment)
	enablers		Code ANY text on: factors that enhance the sustainability of net benefits over time Xcode as relevant
	risks		Code ANY text on: factors that inhibit the sustainability of net benefits over time (risks) Xcode as relevant
	trade-offs		Code ANY text on: 1. trade-offs between instant impact and potential longer-term effects or costs 2. trade-offs between financial, economic, social and environmental aspects

		Xcode as relevant
7a. IDH roles	synergies	Code ANY text on: 1. positive interplay between two or more of IDH's roles Note: IDH's four roles include: - global insights & intelligence (learning and innovation) - SME/ field programmes, investment & technical assistance (co-financing) - national / regional convening & brokering - international convening & brokering Xcode as relevant
	other forms of interplay	Code ANY text on: 1. unintended, less successful, or negative interplay between two or more of IDH's four roles Note: IDH's four roles include: - global insights & intelligence - SME/ field programmes, investment & technical assistance - national / regional convening & brokering - international convening & brokering Xcode as relevant
7b. Additionality		Code ANY text related to: 1. whether the object of the evaluation will lead, or has led, to effects which would not have occurred without the intervention 2. whether the public input resources are additional to what might anyway be invested by partners, as well as the timing of it (input additionality) 3. the extent to which the IDH programme contributes to development impact that would not have materialised without it (development additionality) Xcode as relevant (especially in relation to assessment)
7c. Strategic learning	Use of evidence and knowledge	Code ANY text on: 1. the *use* of evidence and knowledge (theory, research, experiences) by IDH on market transformation including for different categories of women and men (e.g. young men and young women) 2. factors promoting or hindering the use of evidence and knowledge 3. the extent to which the use evidence and knowledge contributes to decision-making Xcode as relevant (especially in relation to assessment)
	Development of evidence and knowledge	Code ANY text on: 1. the *development* of evidence and knowledge (theory, research, experiences) by IDH on market transformation including for different categories of women and men (e.g. young men and young women) 2. the extent to which systems are in place to record learning

		3. the extent to which evidence functions are adequately resourced Xcode as relevant (especially in relation to assessment)
	M&E	Code ANY text on: 1. the extent to which M&E systems are in place 2. the quality of monitoring and evaluation 3. the extent to which IDH is evaluating its contributions to market transformation and gender equality 4. the extent to which M&E systems inform programme managers on the effects of programmes on gender equality and market transformation Xcode as relevant (especially in relation to assessment)
7d. Areas for improvement		Code ANY text related to: 1. areas for improvement as identified by the third-party evaluator Xcode as relevant
8. Gems (coding on this level only)		Code key information/data that clearly demonstrates how the OECD/DAC criterion is or is not being met by IDH ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/IDH roles
9. Assessment (no coding on this level)	++	Code ANY text: 1. Assessing the programme/intervention as performing very well in relation to a specific OECD/DAC criterion. Note: Look for terms like excellent, exceptional, outstanding, and synonyms thereof. ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/IDH roles
	+	Code ANY text: 1. Assessing the programme/intervention as performing well in relation to a specific OECD/DAC criterion. Note: Look for terms like good/well, decent, positive, adequate, and synonyms thereof. ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/synergies
	+/-	Code ANY text: 1. Assessing the programme/intervention as performing moderately/neutral in relation to a specific OECD/DAC criterion. Note: Look for terms like reasonable, moderate, satisfactory and synonyms thereof. 2. That indicates there have not been any changes in outcomes and/or impact ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/synergies
	-	Code ANY text:

	1. Assessing the programme/intervention as underperforming in relation to a specific OECD/DAC criterion. Note: Look for terms like weak, unsatisfactory, insufficient, meagre, and synonyms thereof. ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/synergies
--	Code ANY text: 1. Assessing the programme/intervention as performing very bad in relation to a specific OECD/DAC criterion. Note: Look for terms like poor, inadequate, and synonyms thereof. ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/synergies
?	Code ANY text: 1. Indicating that the evaluation is not able to assess the performance of the programme/intervention in relation to a specific OECD/DAC criterion. ALWAYS Xcode to original text and OECD/DAC criterion and/or additionality/synergies

General Coding Procedures

The portfolio assessment follows the principles of Systematic Content Analysis (SCA), which is a replicable technique applied to analyse a variety of texts, images, sounds, etc., based on explicit rules of data coding[1]. Overall, SCA (i) enables evaluators to shift through large volumes of data with relative ease systematically; (ii) allows inferences to be made which can be corroborated using other data collection methods; (iii) helps to identify trends and patterns in documents; and (iv) provides an empirical basis for monitoring change through time.

Coding is fundamental in SCA. The development of a coding tree helps to identify key themes and analytical categories (parent and child codes), organises the data (in this case, mid-line and end-line third-party evaluations), and provides the evaluator with a means to structure any data interpretations into certain quantitative (counting) methods. The SCA used in the Portfolio Review uses NVivo qualitative software and follows three coding procedures:

1. All evaluators work using the same coding tree, consisting of six "main themes" or "parent codes" following the OECD/DAC criterion (1-6), three evaluation-specific codes (7a.-7d.), and two "supporting themes" or "supporting parent codes" (8-9). All evaluators use the same format for organising and naming the third-party evaluations.
2. Each evaluator is assigned an evaluation, and it is their responsibility to code it in its entirety following the codebook guidelines. Each evaluator conducts separate "topical waves" or passes through each evaluation to analyse the text and apply all of the relevant codes in a systematic way (seven in total). In the first read through of the evaluation, no coding takes place. During the second read, the analysis and coding should focus only on the topics

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covered in the first main theme (Relevance). A second reading of the evaluation then focuses on the set of topics in the evaluation covered only in the second main theme (Coherence). The subsequent passes through the document will cover the remainder of the seven themes. These "topical waves" of coding allow the evaluator to focus their analysis, which reduces coding errors and omissions. The two supporting themes (8-9) are captured as needed.

3. Weekly meetings with the evaluating team are held to ensure coding reliability. Once the individually coded evaluations are finalised, they are entered into a Master NVivo project. Final analysis within and across evaluations is done in the Master project.

Endnotes

[1] See also: Termeer, C. J., & Dewulf, A. (2019). A small wins framework to overcome the evaluation paradox of governing wicked problems. *Policy and Society*, 38(2), 298-314.
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[18] Interview data (former) IDH management
[19] Ibid.
[20] Ibid.
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[23] IDH. (2023, December 13). *History*. https://www.idhsustainabletrade.com/history/
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