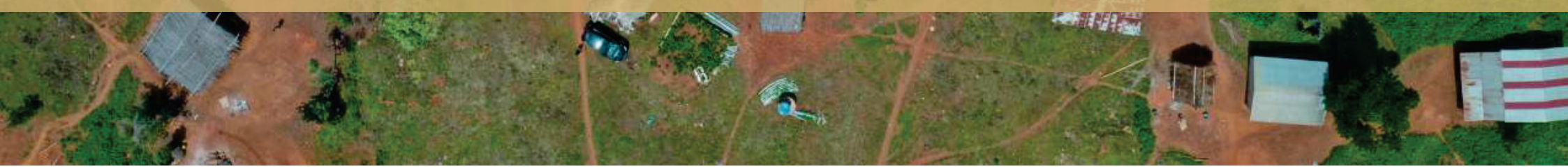




EnRoute ..
Join the journey



INTERVENTION STRATEGY



Intervention Strategy Considerations

Closing the Living Income Gap requires making strategic decisions on the approach and subsequently the combinations of interventions that are to be selected. EnRoute will take a multicommodity gender-sensitive household approach towards Living Income: as the income a household earns usually comes from multiple sources to which different household members contribute – and intra-household dynamics are known to influence household decision-making and investments.

2.1 Living Income Strategy

A multicommodity approach: cocoa, coffee and cashew

EnRoute looks beyond cocoa to also include coffee and cashew. Roughly 50% of ETG-Beyond Beans (ETG-BB) cocoa farmers in the Daloa area of Ivory Coast are also producing cashew and/or coffee. However, most private sector sustainability initiatives are limited to a single product (e.g., cocoa), presenting a significant opportunity for diversification and the implementation of best practices to new commodities. A focus on a single commodity also presents a risk of “pushing” problems such as child labour into different commodity supply chains within the same communities. Through a multi-commodity approach, EnRoute can holistically target geographic areas, which has the potential to create greater on-the-ground impact for communities.

A holistic approach: mix of interventions targeting household level

As the definition of a Living Income focuses on household income, a holistic Living Income strategy should also focus on the household rather than on the farm or farmer. Households are a complex entity with a broad range of income activities and expenses, as well as gendered dynamics. Decision making on the investments, division of labour on farm and in household chores, make up for big differences in revenues and child protection. With EnRoute, we put the household as the centre and starting point of the journey to close the Living Income Gap. In this strategy, women and men define together how they divide the labour, income and what to invest in the cash crop, diversification or the household needs such as education for the children.

The focus on household level has the benefit of capturing the diversity of income streams. However, sometimes it can lead to overlooking gender differences regarding income-generating roles and contributions.

It has been well documented that women tend to prioritize their families' health, nutrition, and education when spending income.

Considering that women represent the majority of actors at the lower income levels of agri-based supply chains, EnRoute explicitly targets gender dynamics in its Living Income strategy and ensures that invested resources will flow directly to and/or benefit women.

The EnRoute project understands that there is a complex relationship between poverty and child labour. There is mixed evidence regarding the effect of poverty reduction on child labour. EnRoute's strategy to alleviate child labour alongside the gradual closure of the Living Income Gap, will focus on interventions that not only increase household income or reduce household cost but interventions that also tackle household bottlenecks and incentivise parents to use child labour on their farms. These bottlenecks could be shortage of labour, periodic cashflow shortages and labour-intensive non-farm chores amongst others.

Intervention Strategy Considerations

Recent studies in different commodities show that reaching a Living Income requires positive action at multiple variables. For most households, the Living Income Gap is too large for it to realistically close through focused efforts that target a single income driver. Thus, there is simply no short-cut nor single-sided solution to Living Income. In fact, a Living Income strategy needs to combine interventions from different income/cost drivers, thus generating multiple contributions to the household income. At the same time, a Living Income strategy that targets multiple drivers spreads income risk and thereby increases household income resilience. The EnRoute Living Income strategy therefore consists of a smart mix of interventions to enable households to earn a Living Income from the multiple sources.

Cash vs. services or both

In academia and the commodity industries, there remains much debate if cash (higher price) or services (yield increase, diversification) should solve the living income gap. This project and experiment wants to uncover the relative merit of cash and service interventions and is therefore comparing the two. But exchanges with sector experts and internal reorientation, the consortium also adds a package that combines the cash and service interventions. As this package has twice the cost, there are limitations in the comparison. But the ultimate impact of each package, and the relative effect of cash on top of service delivery is an interesting component to get a better understanding of

Business benchmark alignment

Within an experimental project, an opportunity could arise to pilot the largest and strongest possible intervention and cash packages to reach the ultimate goal: closing the living income gap. However it is the ambition of the consortium to do so, such an extensive package would come at a high price. And this project being driven by agri-business player ETG and their clients, costly packages would not have large scaling opportunities.

The consortium therefore balanced the impact vision and available funding for scaling, by selecting packages of an average industry value of 200EUR per farmer per year.

Building on existing scope and track record

In selecting interventions for the smart mix, it appears, not are within the scope of influence of ETG-Beyond Beans. The Beyond Beans Foundation is currently developing and implementing projects across ETG's commodity supply chains in collaboration with partner companies, NGOs and government agencies. It is important in the design of the intervention packages to select interventions that ETG-BB and its local partners can feasibly and confidently implement.

For example, interventions aimed at increasing cocoa land size and land security are very important yet are deemed outside ETG-BB' immediate scope of influence.

Focus on Cote d'Ivoire

Based on the baseline study shared in this report, for Togo there are still many unknown in the living income drivers that deserve attention. The Project A also made it clear that many interventions (eg VSLA, mobile payments etc) are not yet as developed in Togo that it is easy to build partnerships with local implementers. Therefore, in consultation with RVO it was decided to focus Project B on a single country, being Cote d'Ivoire and have a separate follow-up on Togo. For Cote d'Ivoire the infrastructure, network and knowledge are in place to build on and make EnRoute living income strategies a success from the start.

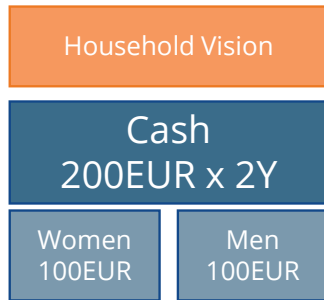
The following slides will visualize the ultimate *experimental design* the consortium has developed. The slides after discuss the *design process* and explain in more detail the *cash transfer* and *smart mix of intervention packages*.

Intervention Strategy

Experiment Design

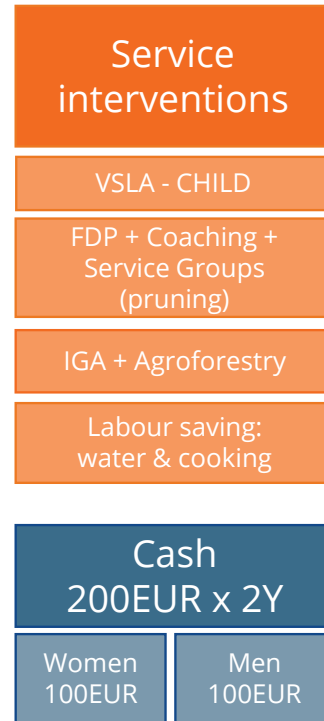
Group 1 Cash

200 HH



Group 2 Cash + Service

200 HH



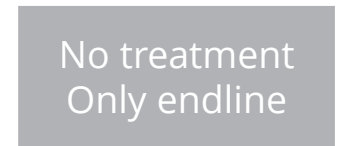
Group 3 Service

200 HH



Group 4 Control

200 HH





INTERVENTION PACKAGES



Intervention Packages

Cash transfers

Drawing from the Living Income strategy from the previous section, this section outlines the approach, content and design for each of these intervention packages as developed by consortium partners.

3.1 The Cash Package

After the creation of a household development plan, households will receive 200EUR in cash transfers. It will be a non-conditional cash transfer to be paid via mobile money in a number of tranches in months when households are cash-strapped.

There are different modalities possible for EnRoute to support cocoa farming households with a cash package. Decisions had to be made on the size, conditionality, disbursement method, as well as timing and frequency of the cash transfer. These all have an effect on farmer household behaviour. Each decision will incentivize different behaviour and necessitates a very deliberate design exercise for the cash package.

Size

A cash transfer that is too small does not aid households in its saving and investments but will rather be used solely on household consumption. At the same time, a cash amount that is too large will not be scalable as it would affect the bottom-line of cocoa traders and chocolate makers too much. Thus, EnRoute aims to find the amount that is realistically scalable for different organizations working on improving cocoa farming households. The size of the cash package which is 200EUR, was therefore chosen to mirror the average amount that chocolate makers are now spending on sustainability activities per year per farmer.

If cash payments turn out to be impactful and chocolate makers are willing to spend this amount on sustainability initiatives, then the cash transfer becomes a highly scalable intervention.

Conditionality

Cash transfers can either be conditional (with terms of expenditure or pegged to performance) or unconditional (without any conditions).

A price premium would be a form of conditional cash transfer pegged to sales volume of the main crop (mostly cocoa). EnRoute's starting point was to provide farmers with a price increase per volume of cocoa. However, during the development of the holistic Living Income strategy that centred around a household with improved gender dynamics, the consortium decided against a price increase.

Intervention Packages

Cash transfers

Increasing the price of the main crop (in this case cocoa) can have a number of unwanted consequences:

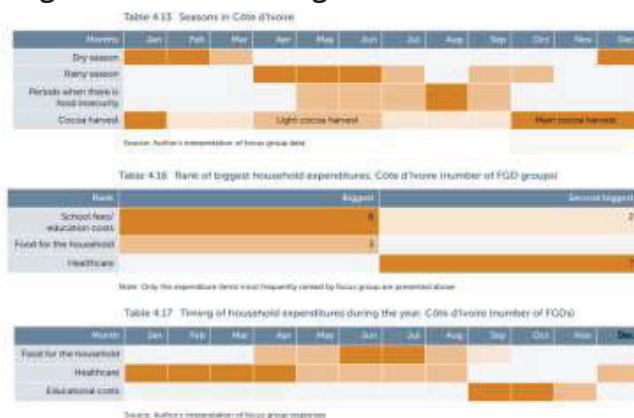
- It benefits wealthier farmers more;
- It might have a negative effect on price due to an increase of total production;
- It funnels resources mostly to male farmers; and
- It solely stimulates cocoa production while diversification of income is needed to close the Living Income Gap.

Instead, a non-conditional cash transfer was chosen to reflect our beliefs in farmers' agency to select the right strategies for closing the Living Income Gap together with other adult household members.

Leading research from [Banerjee et al.](#) discusses the effectiveness of cash transfers and suggests that more research is needed to find out whether a form of behavioural intervention such as a non-binding plan could lead to improved impact on income.

As outlined in our Living Income strategy, the consortium deploys a household strategy in which improved gender dynamics form a key ingredient towards closing the Living Income Gap. These considerations were an argument for an innovative approach to providing cash transfers after the creation of a household development plan for each farmer household. This form of non-binding plan builds on improved gender dynamics and nudges farmer households to avoid spending cash only on daily consumption.

Figure 2: Understanding household cashflow



Source: KIT, 2018, *Demystifying the Cocoa Sector in Ghana and Côte d'Ivoire*

Timing and Frequency

The timing and frequency of cash disbursements have not yet been decided. The consortium will build on the expertise of local partners to perform a household cashflow analysis to find the right frequency and timing to alleviate farmer households from periods of significant negative cashflow and to allow for investments for future revenues.

The cashflow analysis will build on previous [research from KIT](#) and considers:

- Seasonality and type & timing of household expenditures and different crop calendars for cocoa, coffee and cashew; initial idea is to disburse between June-September being cash low moments in cocoa, coffee and cashew
- Intended impact (reducing child labour and increasing investment for future revenues;
- The number and size of tranches throughout the season; initial idea is to disburse in 2 instalments, so that the size allows investment rather than consumption
- The total number of seasons that is required for impact; and
- The recipients, whereas the men and women have different typical expenditure, where women are prioritizing the child welfare; initial idea is to disburse 50% to the man and 50% to the woman (first wife in case of polygamy)

Intervention packages

Cash transfers

Disbursement channel

Mobile Money is a technology that allows people to receive, store and spend money using a mobile phone. As many cocoa farmers in Togo and Ivory Coast do not have access to a bank account, using MoMo for cash transfers becomes a serious alternative to bank transfers.

The efficiency of using Mobile Money (MoMo) has been well established by ETG-BB and other organizations working on cash transfers. EnRoute builds on this experience and will use Momo for cash disbursements. Each farmer household without mobile phones will receive a mobile phone to be able to receive the transfer. To improve gender dynamics, the consortium, together with local partners, will design a method to disburse cash between family members within a farmer household.



Intervention Packages

Design process

3.2 The Service Package

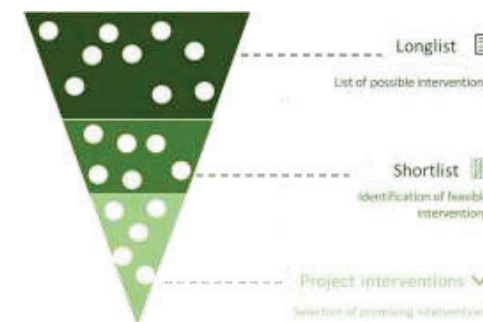
Approach

The consortium partners developed a comprehensive mapping of all on-going field interventions being implemented by ETG, The Beyond Beans Foundation and partners in the project's focal areas. The list was then extended with known effective and innovative interventions, drawing on previous experience of KIT and Oxfam Novib. This extensive longlist of possible interventions was used as input for the development of the service package.

Not all interventions on this longlist, however, were considered to be within the scope of influence of ETG-BB. For example, interventions that targeted land size as an income driver were outside this scope. A shortlist was created that included all interventions that were within the scope of influence of ETG-BB.

As explained in section 2, our strategic focus on the household, improved gender dynamics and root causes of child labour formed guiding principles for selecting the interventions for EnRoute. This focus was the basis for a list of criteria, developed by the consortium partners, that became a scoring matrix for shortlisted interventions. Incorporating other important elements, the full set of criteria are included in the table 1.

Figure 3: Intervention selection funnel



Source: Oxfam Novib, 2022

Table 1: Intervention scoring criteria

Criteria	Explanation
Child labour relevance	The degree to which the intervention addresses the root causes of child labour
Household cost reduction	The cost of intervention compared to increased income potential
Scalability	The potential for ETG-BB to scale the interventions (inter)nationally
Time investment/duration	The possibility to implement the interventions within the project duration
Feasibility	The ability of ETG-BB and partners to implement interventions
Innovation	The innovative character of the intervention
Cost	The total cost per household

Intervention Packages

Design process

The initial scoring sheet included farmer segmentation as a criterion to allow for the fact that not all interventions are equally relevant for all farmer households. A statistically driven segmentation strategy will not be undertaken in this project, due to operational limitations. Instead, it was decided to focus on farmer households with school-going children as they are most relevant for EnRoute due to its focus on the relationship between child labour and closing the Living Income Gap.

Each intervention was scored using the rich experience of Enroute's consortium partners. This was followed by a review of the overall coherence of highest scoring interventions to create a smart mix of interventions as a package. The resulting package of interventions focused on the most effective and most feasible interventions from a household perspective that:

- Improve household-decision making;
- Save household costs;
- Reduce unpaid household labor; and
- Increase alternative income.

Table 2: Intervention scoring sheet

		Criteria	Child labour relevance	Cost reduction	Efficiency	Scalability	Time investment/duration	Feasibility	Innovation	Cost in EUR/Household	Overall
Interventions											
1	Farmer Development Plan	MEDIUM	LOW	MEDIUM	HIGH	MEDIUM	HIGH	MEDIUM	40	MEDIUM	
2	Farm labor service group	HIGH	HIGH					MEDIUM		MEDIUM	
3	VSLA- CHILD	HIGH	LOW	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	120	HIGH	
4	Mobile Money (MoMo)	LOW	LOW	HIGH	HIGH	LOW	HIGH	MEDIUM	5	HIGH	
5	Facilitate Access to Savings Account	MEDIUM	LOW	HIGH		LOW	HIGH	MEDIUM	60	MEDIUM	
6	Investments in childcare, labor-saving devices, and running water	HIGH	HIGH					HIGH		TBD	
7	School fund (or credit)	HIGH	HIGH	MEDIUM				HIGH	10	HIGH	
8	Promote/incentivize new land tenure agreements			MEDIUM	MEDIUM	MEDIUM	LOW	HIGH	200	LOW	
9	Household Development Plan + GALS	MEDIUM	LOW	HIGH	HIGH	LOW	HIGH	HIGH	50	HIGH	
10	Income diversification training	MEDIUM	MEDIUM		MEDIUM	MEDIUM	HIGH	HIGH	50	HIGH	
11	Income generation (material, transport, linkage to market)	MEDIUM	MEDIUM		MEDIUM	MEDIUM	MEDIUM	MEDIUM		MEDIUM	
12	Provision of input finance	LOW	MEDIUM		MEDIUM	MEDIUM	MEDIUM	LOW	10	LOW	
13	Payment for Ecosystem Services for Agroforestry	LOW	LOW	MEDIUM	HIGH	MEDIUM	HIGH	HIGH	10	MEDIUM	
14	Agroforestry shade trees	LOW	MEDIUM	HIGH	HIGH	LOW	HIGH	LOW	5	MEDIUM	
15	Access to soft loans and seed money	LOW	LOW							LOW	
16	Organic compost production	MEDIUM	HIGH					HIGH	1000	LOW	
17	Cookstoves	MEDIUM	HIGH	HIGH	HIGH	LOW	HIGH	MEDIUM	10	HIGH	

Intervention Packages

Smart mix of interventions

EnRoute has selected a holistic package of interventions that facilitate improved household decision-making. This ultimately aims to reduce household costs, to reduce unpaid household labor, and to increase alternative income. The idea is that interventions will be phased to increase the efficacy of their combination in the package.

Year 1

The first year will deploy interventions that target improved household-decision making. The interventions introduced are facilitative in nature and will serve as the foundation for additional interventions.

Improve household-decision making

The service package starts in year 1 with the implementation of a **Village Savings and Loan Associations (VSLA) + Gender Action Learning System (GALS)**.

Specifically, the VSLA+GALS is an approach focused on:

1. household financial capacity building;
2. the development of household business/action plans; and
3. women empowerment.

In this project, VSLA+GALS will be combined with a specific **child labour remediation module (CHILD)**.

As part of the VSLA+CHILD approach, participating households develop **Household Development Plans**, which encourage goal-setting, income diversification and financial planning.

During the first year, the Household Development Plans will be accompanied by a **Farmer Development Plan (FDP)** to allow a household to invest in its main crop or an alternative crop if desired. At The Beyond Beans Foundation, this methodology is called **Cocoaching**. With **Cocoaching**, farmer households are provided with concrete advice that matches their farm's needs and their personal situation, promoting Improved and Climate Smart Agricultural Practices that lead to higher yields. The programme is based on Grameen Foundation and Rainforest Alliance's FarmGrow application.

Beyond Beans further improved the tools and created an efficient, holistic, and cost-effective version of the programme that can be scaled across supply chains.

After the initial plan a farmer receives 4 **individual coaching** visits per year.

Reduce on farm labour constraints

The main limiting factors in executing the FDPs are investments in cash (eg fertilizer) and labour, as many farmers are aging and the hard work cannot be executed by the farmer alone, and for which some farmers will ask their children to help. Therefore, EnRoute will be setting up **skilled farm labour service groups**.

These groups of young farmers and youth from the community equipped with labour saving devices (eg pruning tools). Households will gain the option of deploying these labour groups at an affordable rate during labour-intense periods. This would enable them to allocate household labour towards alternative income sources. EnRoute will provide a subsidized service for (1ha of) pruning in year 1, as it shows the effect on yield already after months, and this can give a mental boost and added revenue to further invest in the FDP.

From year 2

In the second year, once a clear vision has been developed for future household investment on- and off-farm, additional interventions will be introduced. These interventions aim to reduce household cost, saving household labour and increase income from alternative sources.

Save household costs

Older children and teens are more at risk of becoming engaged in child labour and being exposed to hazardous work. Often, parents are unable to pay for children's education which leads to these children dropping out of school. The school fund intervention reduces the financial burden of cocoa farming households by covering school fees for children in secondary school and with it reduces incentives to deploy child labour on cocoa, cashew and coffee farms.

Intervention Packages

Smart mix of interventions

(year 2 continuation)

Reduce unpaid household labour

In many developing countries, children devote substantial time to collecting fuel-wood and fetching water. [Levinson et al.](#) show that there is a relationship between time consuming work and children's school attendance. As the collection of fuel-wood is laborious and often performed by women and girls, improved cookstoves [have shown](#) to enhance agricultural productivity and reduce the labour inputs for farmers. The introduction of improved access to running water will also be explored to save households time collecting water.

EnRoute will introduce these interventions to support, especially women, in reallocating non-paid household labour to paid or income generating labour. Community assessment will be executed in the EnRoute regions, to understand the needs for water points, after which installation of repairs of water points is planned. For clean cooking, the VSLA-CHILD group gatherings will be used as a sensitization platform where it is demonstrated how clean cookstoves reduce the wood consumption and protect women and children from breathing smoke.

Before committing to the implementation of these interventions, EnRoute will perform a simple context specific analysis to make sure that each intervention can be feasible and effective.

Increase alternative income

Decreasing farming households' dependence on cocoa has multiple benefits. Household income becomes more resilient against shocks that affect cocoa price and productivity. Further KIT (2022) shows evidence that dependence on cocoa has a negative correlation with access to financial services. Income diversification, however, correlates positively with having savings. EnRoute will support households with starting **Income Generating Activities** (IGAs).

These IGA's can take different forms, on farm and off farm and with different settings and time horizons.

On the existing farms food crop production can provide additional seasonal income, whereas agroforestry (timber or fruit trees) that secure revenue in the long term, while it also protects cocoa and coffee trees from the sun. But also group activities can be started, most often springing from the VSLA groups, that work on processing (cassava), livestock raising or trade activities.

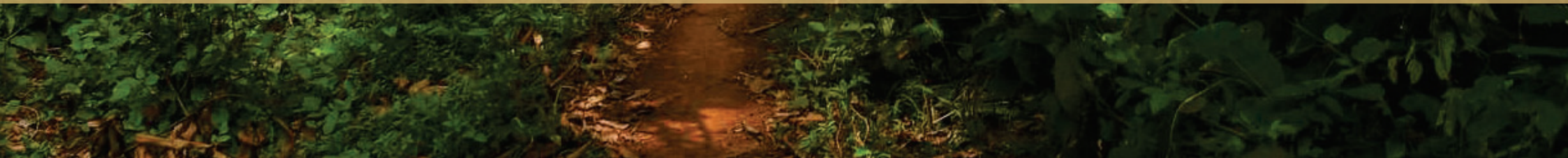
Within EnRoute, the development of IGAs will lie in the HHDP where every family develops their vision and focus activities, and groups can be formed within VSLA-CHILD platforms of families that have the same ambitions.

So the IGA support requests will arise from the groups during the VSLA-CHILD sessions. However, Beyond Beans has an insight in high potential IGAs from other regions and will showcase these during the VSLA-CHILD sessions as an inspiration. And based on earlier programmes Beyond Beans foundation has gathered a network of parties that can support in training, material and market linkage that is required to successfully launch the IGAs.

EnRoute will provide on farm and off-farm diversification training for couples (and other household members that contribute to farming) in the second year of the project. A focus on alternative crops without market access is projected not to be as effective for increasing household income. Therefore, EnRoute will accompany diversification training with other interventions such as commercial training and access to market linkages for selling certain non-cocoa crops. The first year of the project will be used by ETG-BB to create a shortlist of alternative income sources for which it can provide farmer households with access to markets.



NEXT STEPS



Project B

Next steps

This section outlines the outstanding issues and next steps to be taken for EnRoute regarding its Living Income intervention packages

Next steps Project B

Togo separate FBK Project

As part of Project A it was concluded that in Togo there both the Child Labour prevalence and Living Income gap are really high. However, Project A also showed that ETG, Beyond Beans and cooperatives have to develop the teams and capacities to address the big challenge. Between the consortium and RVO it was decided that Togo would merit a separate full FBK project. A separate application is in the making for this. Therefore the Project B will cover only Cote d'Ivoire going forward.

Project B EnRoute

Following baseline study by KIT, the consortium has defined 3 intervention packages to better evaluate sustainability activities within the private sector to better tackle challenges such as LI and CL prevalence in supplying countries. The proposed intervention packages will be implemented with 600 households, via a 2-year program in Côte d'Ivoire, with 2 supplier cooperatives of ETG Beyond Beans located in Man and Daloa region.

Research design Project B

EnRoute will compare cash package and a service packages through 3 packages with separate groups of beneficiaries:

The program will aim to address two considerations:

1. To what extent do different packages (1,2,3) increase Household income (and reduce the LI gap) and does that decrease the risk of CL prevalence?
2. What elements or dynamics of the intervention (packages) have potential, and how can an ideal balance of cash and service interventions be designed within the private sectors sustainability programs ?

Project B intervention packages

Intervention 1 / Group 1 (200EUR/HH):

The beneficiary 200 HH of this intervention will benefit from a "cash package" intervention - that is receiving only cash of an amount of 200 EUR/year per HH, that is 100EUR per men/women

Intervention 2 /Group 2 (200EUR/HH):

The beneficiary 200 HH of this intervention will benefit from a "smart mix of services" that is sustainability activities that tackle environmental and social issues at the cocoa farm/community level

Intervention 3 / Group 3 (400 EUR/HH):

The beneficiary 200 HH of this intervention will benefit from a "smart mix of services" and of "cash package" both equivalent to 200 EUR

Group 4 / Control group

A group of 200 HH will be surveyed in the endline, they will not receive any interventions and will be randomly selected just for the end line study.

Next Steps: Project B

Outstanding questions

Not all aspects in the design of both intervention packages are finalised. The consortium is still considering the exact cash out moments and amounts. A cashflow analysis needs to be made to decide on the best timing and frequency of the cash transfers.

To finalise the design of the service package, ETG-BB and local partners will critically review the interventions that will be implemented in the second year of the project.

This review will analyse the feasibility of interventions facilitating running water, it will project the expected impact of farm labour service groups, and it will create a shortlist of alternative income sources for farmer households that decide to focus on alternative income generation.

The bigger picture

ETG is integrating the learnings from the HR Due Diligence report in the CSR policies and guidelines.

The bundle of smart mix of living income interventions is being discussed with different chocolate maker clients to discuss if they want to adopt this outside of the EnRoute scope.

Generally these discussions will take longer and might require the lessons and impact of the first year of implementation. Therefore ETG is starting early with sensitizing clients on the matter to prepare for early scale from 2023-24 onwards.

ETG and Beyond Beans are preparing a Notes from the Field newsletter to clients and sector partners that will be publicly available. The consortium is also discussing to share broader elements of the baseline study with the sector over summer.