



August 2020

Research Tender

Investment and Sourcing through Smallholder Supply Chains

Idea: In connection with previous work on deforestation, sustainable soy and palm oil, small holder farmers have emerged as a key stakeholder group for delivering on social *and* environmental objectives (particularly on deforestation). However, companies use a variety of supply chain strategies to engage with small holders and sometimes appear to have competing goals between social and environmental outcomes. It is not clear what works and what doesn't.

Broad question: Given the diversity of approaches, NGO partners and levels of transparency, how can we tell whether a company's small holder programs are effective?

Requirements:

Key research questions could include:

1. How do global companies (both consumer goods and processing) work with smallholders, on paper and in practice? *Maximum two pages per company. Can include interviews. We welcome suggestions of up to three additional companies who have outstanding practices.*
2. What are the key ESG issues for companies to consider when sourcing from and investing in smallholder supply chains, including red flags? *Brief overview based on 1.*
3. What are the main models used to aggregate smallholder supply (e.g. contract farming, outgrower schemes, cooperatives, franchise models)? *Brief overview, desktop research.*
 - a. What are the key factors that enable/constrain social or environmental benefits in different smallholder aggregation models?
 - b. How are these impacted by country context and type of crop?
 - c. Describe the role and influence of the main trading companies? How can they be influenced?
4. What is the interrelation between smallholder farming and deforestation? *Brief overview, desktop research.*
 - a. In which export crop supply chains?
 - b. In which geographies?
 - c. What examples exist of effective strategies to stop deforestation linked to small holders? What lesson/key elements can be drawn from successful strategies?

Companies in Scope:

To be provided.