

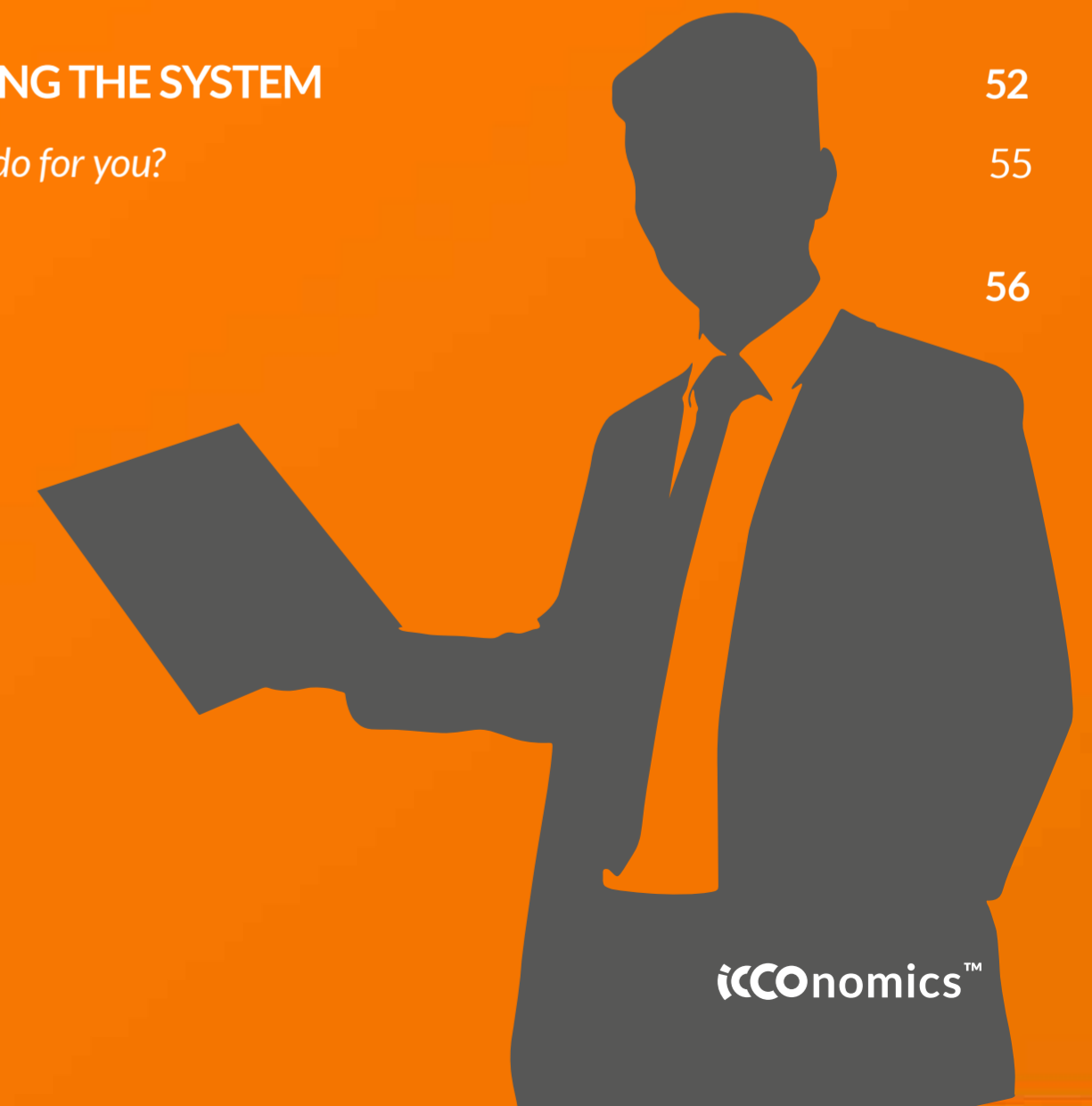
ieconomics™

**FROM CSR POLICY TO
A SUCCESSFUL INTERNATIONAL
BUSINESS CASE**



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FROM CSR POLICY TO SUCCESSFUL INTERNATIONAL BUSINESS CASE

Welcome to ICCOonomics. This E-book is for managers preparing and implementing a CSR policy with their colleagues and suppliers. They have an important task in a rapidly changing world because corporate social responsibility is no longer only about sustainability and environment. The social aspect is now also integral part of the policy. Just focussing on making money is no longer accepted. Consumers, business partners, governments and interest groups ask for a broader vision of the industry and businesses. But not every company knows how to deal with this request. However, lagging behind the current developments is no option any more. Therefore the launch of ICCOonomics.

ICCONOMICS

ICCONomics is ICCO's vision and a tool developed for you. It deals with corporate social responsibility in developing countries with a strong focus on the social aspects. We therefore mainly use the term "social enterprising" as from now.

ICCONomics always establishes a link to economic development as this is particularly relevant for you as a company. ICCONomics also takes making profit as a basic assumption point. But it always goes hand in hand with another basic assumption point:

You don't
only develop a CSR
policy to be
a benefactor

improving the living conditions and economic position of the people in the developing country that you do business with. And that is where you, the CSR professional, will find the social relevance, because that is also considered profit. In other words: you don't only develop a CSR policy to be a

benefactor but you are also led by business

interests. This book provides examples of small and large organisations that have gone through the same process and achieved wonderful results.



Photograph: Toto Camba

ICCO

ICCO assists with knowledge, networks and (access to) financing. It connects profit and non-profit parties, markets in the Netherlands (and Europe) and markets in developing countries. It hooks up people here and over there. With its world-wide network in more than 44 countries and regional offices in Asia, Africa and Latin America, ICCO is locally represented and knows exactly what is happening in situ. The specific services that ICCO provides are described later in this edition.



ICCO's world-wide network.

HOW SHOULD YOU READ ICCONOMICS?

ICCOconomics has been divided in **four levels**. In principle they are chronological but that doesn't mean that level 1 is per definition applicable to your situation. You might already be well on your way. Or you are just about to start and the first level will also be your first step. In other words: the size of your organization, the ambitions of you and your team, the extent to which you have integrated corporate social responsibility already ... determines which level can help you best in order to progress in your social entrepreneurship.

Moreover, this E-book deals with **two sides** of each step: a theoretical and practical aspect. In order to be able to oversee the opportunities and consequences of international social enterprising it might be good to know, for example, that guidelines have been developed by the United Nations and the Organisation for Economic Cooperation and Development (OECD). That would be a theoretical aspect. And for the practical aspect we use case studies. There are wonderful examples of people and organizations that apply social enterprising very successfully and equally impressive stories that prove who human rights are an essential part of ICCOconomics.

You can read ICCOconomics in accordance with your own insights and in the order that suits you while looking for the depth that matches your situation. Our aim is to present you with the many **opportunities** that entrepreneurs benefit from when enterprising socially. And those opportunities exist, especially in developing countries. Also if you are currently not trading abroad, opportunities are plentiful. Another goal is, of course, that you share ICCOconomics with your team. However, the most important element after reading ICCOconomics is that you know you are not alone in this. Read all about the services we can provide in order to turn your idea into a business opportunity.



LEVEL 1 - THE BEST START

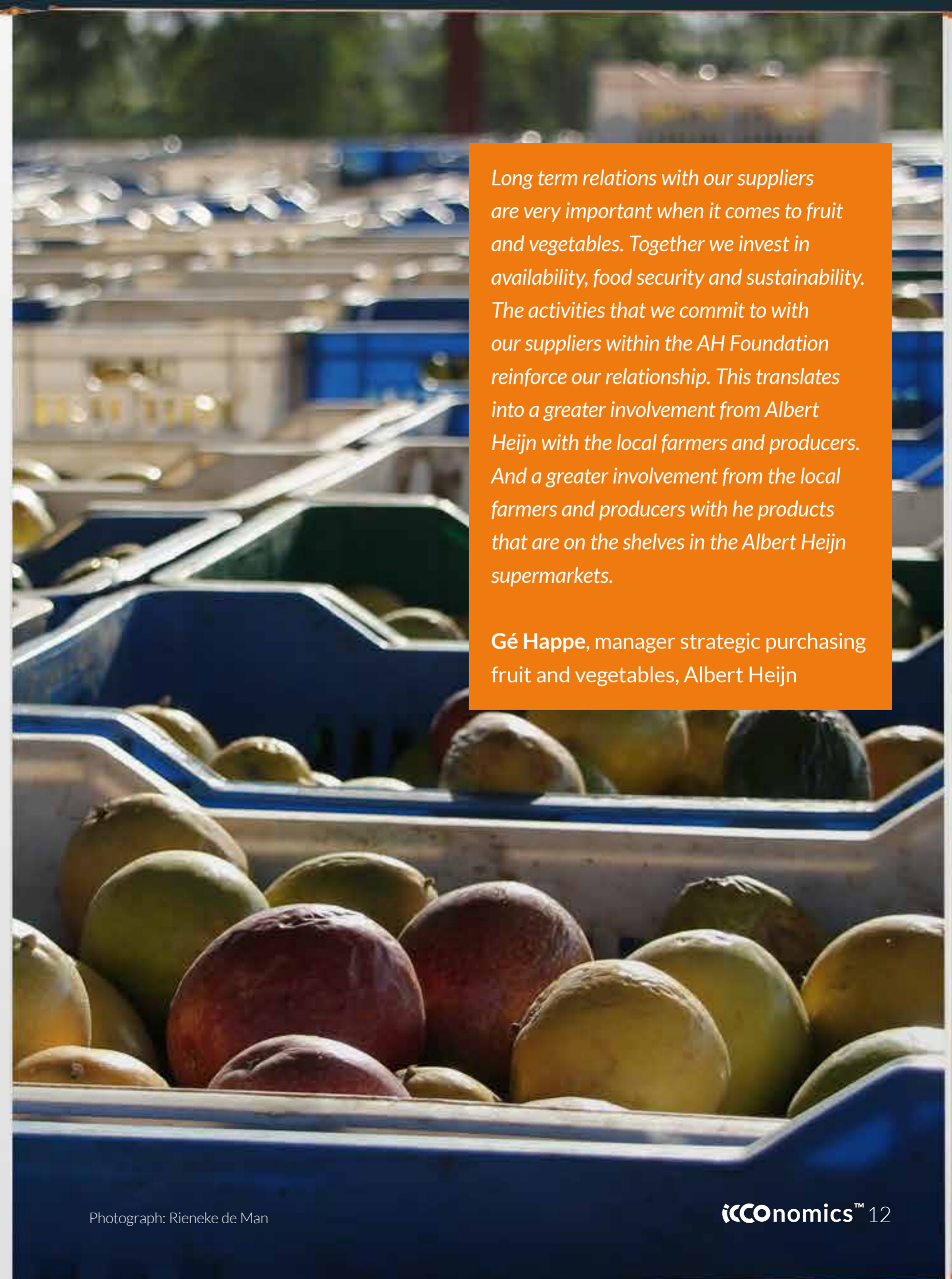
The first level of ICCOnomics can be used to define your social commitment. In this phase, a company is going to think about how it can contribute to the improvement of living conditions of people in developing countries. Most of the time the company sets up a fund in order to finance social activities. Level 1 is therefore often financed by the core business of a company but the activity itself is not related to the company. However, it is and remains an important element: the decision to 'make a difference' has been made and is executed.

CASE: THE AH FOUNDATION

A good example of how it starts on level 1 is the AH Foundation. Albert Heijn buys its fruit from the same suppliers in Africa for many years. These vegetables and fruit fill a large part of the fruit&veg section in their supermarkets. The hundreds of local farmers cultivating this produce depend on the local companies that supply Albert Heijn. Since 2007, Albert Heijn and a large number of African suppliers deposit part of their proceedings in the AH Foundation. The aim is to improve the living conditions of the farmer's families and their community and to build up sustainable business relations. The suppliers and the farmers decide themselves which projects are financed with the fund. Most of the time, money is spent on improving schools, sports facilities and sanitary but also in involving farmers when the demand increases. ICCO is the fund manager here and co-assesses the projects.

This AH Foundation example does not mean that Albert Heijn only acts on the first ICCOnomics level. The company goes much further. Albert Heijn wants to join forces with all African suppliers in order to ensure that all their vegetables, fruit and flowers are produced in a sustainable way in Africa and that all parties participate in the AH Foundation. More about this later...

Go to for a movie of 30 seconds about the AH Foundation.



Long term relations with our suppliers are very important when it comes to fruit and vegetables. Together we invest in availability, food security and sustainability. The activities that we commit to with our suppliers within the AH Foundation reinforce our relationship. This translates into a greater involvement from Albert Heijn with the local farmers and producers. And a greater involvement from the local farmers and producers with the products that are on the shelves in the Albert Heijn supermarkets.

Gé Happe, manager strategic purchasing fruit and vegetables, Albert Heijn



ALBERT HEIJN & ICCO A SUCCESSFUL COOPERATION

Ten percent of the fruit on the Albert Heijn shelves come from Africa. The pineapples, mangos and papayas for the Albert Heijn fruit salads for example come from Ghana. The fruit and vegetables crops that Albert Heijn purchases from our supplier in Ghana, provides a living for fifteen hundred local employees and hundreds of farmers and their families. Albert Heijn and ICCO want to contribute in a positive way to the living conditions of fruit and vegetable producers and their families. Meanwhile, many projects run simultaneously in Africa and with good results. Not only the suppliers' employees but the entire community benefit from the fund. Albert Heijn and ICCO believe in empowerment via education in order to combat poverty, unemployment and illiteracy.



Entire African communities now benefit from projects financed by the AH Foundation. Read more about this successful initiative illustrated by three inspiring examples:

Example 1 - Better future

‘Life long learning centers’ have been established in remote villages for the seasonal workers of Albert Heijn suppliers in South Africa and other neighbouring communities. The aim is to improve the living conditions and future opportunities for these people and their families. In Ghana, farmer’s families and employees have insufficient access to clean drinking water. The AH Foundation has drilled wells and laid pipes. New schools, sanitary facilities, a new grain mill and sports facilities have been built as well.

Example 2 - Health care

In collaboration with local authorities, the renovation of the Oloirien Clinic in Kenya and the training of the staff have been made possible. The clinic is for the Olerai population, a Masai tribe that suffers ethnic discrimination. The clinic now provides health care for 420 families. The continuation of the project will focus on the financial sustainability of the clinic.

Example 3 - Better education

The green-bean supplier for Albert Heijn supports, via the AH Foundation, the neighbouring Emmanuel school in Kenya. The children got uniforms, teaching materials and good teachers. Last year the school was extended. The next phase is the development of a completely new school that will also be a service center for the surrounding communities in relation to education, water supply and environmental awareness.

Certification

In order to be entitled to financial support from the AH Foundation, suppliers have to at least comply with the requirements for the BSCI-certification or a similar standard. The BSCI (Business Social Compliance Initiative) is an initiative to improve social circumstances in countries where Albert Heijn purchases products. BSCI maps out working conditions such as: absence of child labour, the number of working hours, wages, discrimination, health and safety for men and women and the right to assemble.

Right from the beginning, AH Foundation worked together with ICCO. What does this broad cooperation mean exactly?

As a specialist in the field of development cooperation, ICCO is a good partner for the AH Foundation. Albert Heijn knows a lot about fruit and vegetables and ICCO about the elements that are required for social enterprising. We manage the funds and look after the administrative and financial processing of the projects. The funds finance concrete and structural projects in Africa. We analyse the propositions based on our year-long experience. We assess whether the project can really contribute to the improvement of the living conditions. With regard to education, basic facilities, housing and health for example. We also safeguard the quality and sustainability of the projects, we support the implementation by local partners and we help the projects' monitoring and evaluation. **READ ON** how Albert Heijn developed its social enterprising even further and received the Best Partnership Award in 2013.



Photograph: Raymond Rutting



FairClimateFund. Another way to make a good start.

The cooperation between ICCO and AH Foundation is custom fit. But that is not always required in order to move forward in corporate social responsibility. A good example is the CO₂-compensation for companies, supplied by ICCO's FairClimateFund. Climate projects on household level in Africa and India for example result in rights that can be used to compensate your emissions. Want to **KNOW MORE** ?

Setting up a fund and depositing money is not so difficult.

Setting up a fund and depositing money is not so difficult. Using the money efficiently and in a sustainable way on the other side of the world is another matter. Albert Heijn is one of the companies that cooperate with ICCO in order to ensure that their CSR policy is beneficial here and over there. Not surprisingly, both organizations form a winning team; more about this in step 2. ICCO would like to help you as well to be successful with ICCOconomics. But let's first read about the other levels.

THE FIRST LEVEL OF ICCO ECONOMICS SUMMARIZED

On the first ICCO economics level, a company is going to think about how it can contribute to the improvement of living conditions of people in developing countries. Often by financing social activities with a fund, but this is not related to the core business. But the decision to "make a difference" has been made and is executed.



LEVEL 2 - BESIDES OPPORTUNITIES ALSO RESPONSIBILITY

We now move to a broader process whereby the organization doesn't just facilitate projects with social relevance but is becoming part of the project. The organization accepts its position in the chain and acts in this position in a socially responsible way. This is called chain responsibility. It might sound a bit heavy but it ensures that the organization contributes to a more sustainable economy where rights of all people are respected. Here and over there. Rights are quickly put under pressure indeed when economic interests come into the picture. However, if the involved companies apply corporate social responsibility, there will be attention paid to the rights of the men, women and children on location.

WHAT MEANS “CHAIN RESPONSIBILITY”?

Companies outsource more and more activities in order to save money and spread the risks. This results in more and more complex international production and supply chains. A product passes many chain links before it ends up with the final user. The increased chain complexity requires increased chain responsibility: a company has a permanent perception of (possible) violations of human rights (and environmental strain) in the chain, develops together with its suppliers a mechanism to avoid, or remedy if necessary, those violations/strain on the environment. This is also called respect, protect and remedy.

Proactive

More and more organizations take their CSR policy even further. They are not only driven by the ambition to ‘make a difference’. Other issues, such as the company image, care for climate change and the awareness that our natural resources will eventually dry up, play a role. It is probably even more important that the notion exists that companies, large and small, are soon simply expected to act in a socially responsible way. Some companies are pioneers, such as Unilever. An influential multinational that buys in large amounts of raw material from and processes in countries where human rights and sustainability are not always obvious. The company is aware of its position and has a proactive policy that includes chain responsibility. With this policy, Unilever does not only safekeep its own interest but also that of all other players in the chain, including women.

READ for more information about how Unilever has made the improvement of women’s rights and their labour position as priority.

Go to for a 30-second movie from UN-representative J. Ruggie about the Unilever policy.

ICCO periodically organizes a Human Rights & Business

conference in the Netherlands. We co-organize this with VBDO (Association of Investors for Sustainable Enterprising), PwC and CNV International. Through this conference we want to share as much knowledge as possible and provide action perspectives for even more successful social enterprising. The people attending the conference are representatives of companies, civil society organizations, consultants and policy makers.

Would you like us to keep you **POSTED**? Once you have filled in your contact details, you’ll receive a message about when and where the next Human Rights & Business conference takes place. You are very welcome to join us!

GUIDELINES

Why it is a good idea to accept your responsibility is a thing that most managers and entrepreneurs already know. How, that is another question. Chain responsibility has now been integrated in a number of recent guidelines. They create a clear framework for the (international) business world and state that organizations have their own responsibility to respect, amongst others, labour rights, human rights and environment.

The guidelines are an eye opener for many managers: they are a great tool when defining, preparing and executing the policy. We call them guidelines here but governments are now being encouraged to turn them into legislation. These guidelines cannot be seen as non-committal anymore, let alone be ignored. It is therefore advisable to apply them and not only from a business risk point of view.



The most well-known guidelines are the ones issued by the United Nations, the Guiding Principles on Business and Human Rights, established by special UN-representative prof. J. Ruggie.

In this video of two and a half minutes, prof. J. Ruggie discusses 'his' guidelines in detail: in which cases they are the most applicable, the role of the government in certain situations and the fact that the size of the business partner is no indication for any risks and responsibilities.

These UN principles confirm:

- the existing obligations for countries to protect and attain human rights and fundamental freedom;
- the companies' responsibility to respect human rights;
- the necessity to provide efficient mechanisms to avoid and if necessary remedy violations.

Based on these guidelines, our own Ministry of Foreign Affairs has set up the Nationaal Actieplan Bedrijfsleven en Mensenrechten (National Action plan Business and Human Rights). Moreover and under the Dutch presidency, the principles have been included in the OECD Guidelines for Multinational Enterprises. The Sociaal Economische Raad (SER or Social Economic Council) has neatly summarized the OECD-guidelines in a Checklist CSR Risk management.



Source: SER/CSR Risk management

CSR risk management in 6 steps

In 6 steps we will provide you with the practical tools described here below in order to define and implement CSR risk management. This information elaborates the international guidelines, based on the OECD guidelines, the UN Guiding Principles on Business and Human Rights and ISO 26000. The steps are the following (in accordance with the logic of a standard policy cycle).. Click on the arrows to go from one step to the next.



Read more about the Checklist CSR Risk management



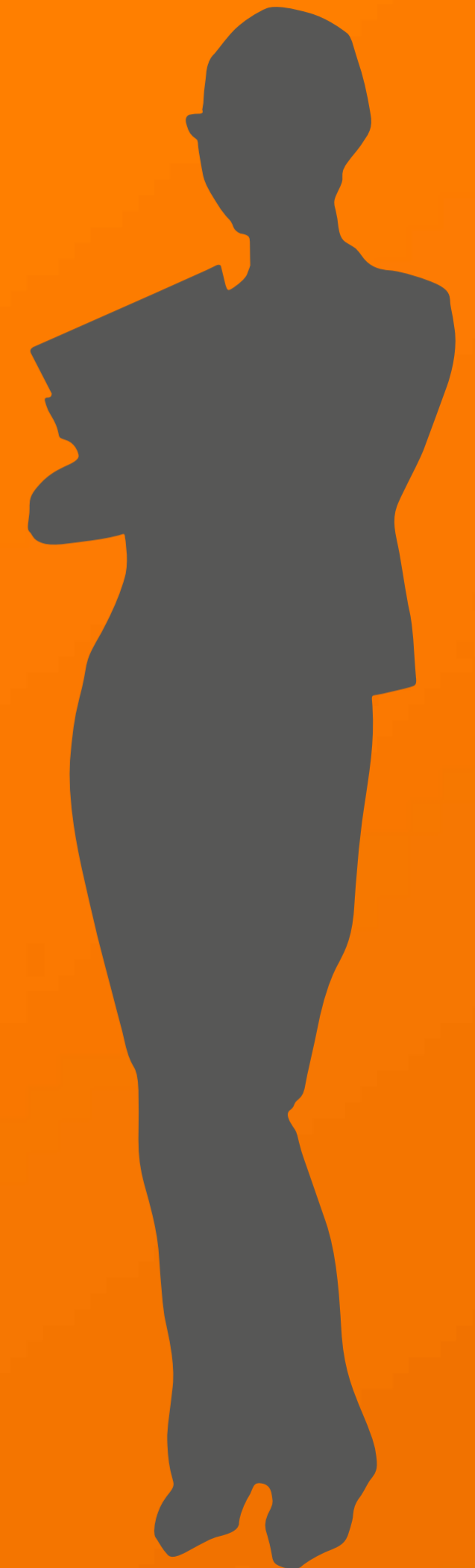
UN Principles on Business and Human rights:



National Action plan Business and Human Rights



The OECD Guidelines for Multinational Enterprises



CSR risk management in 6 steps

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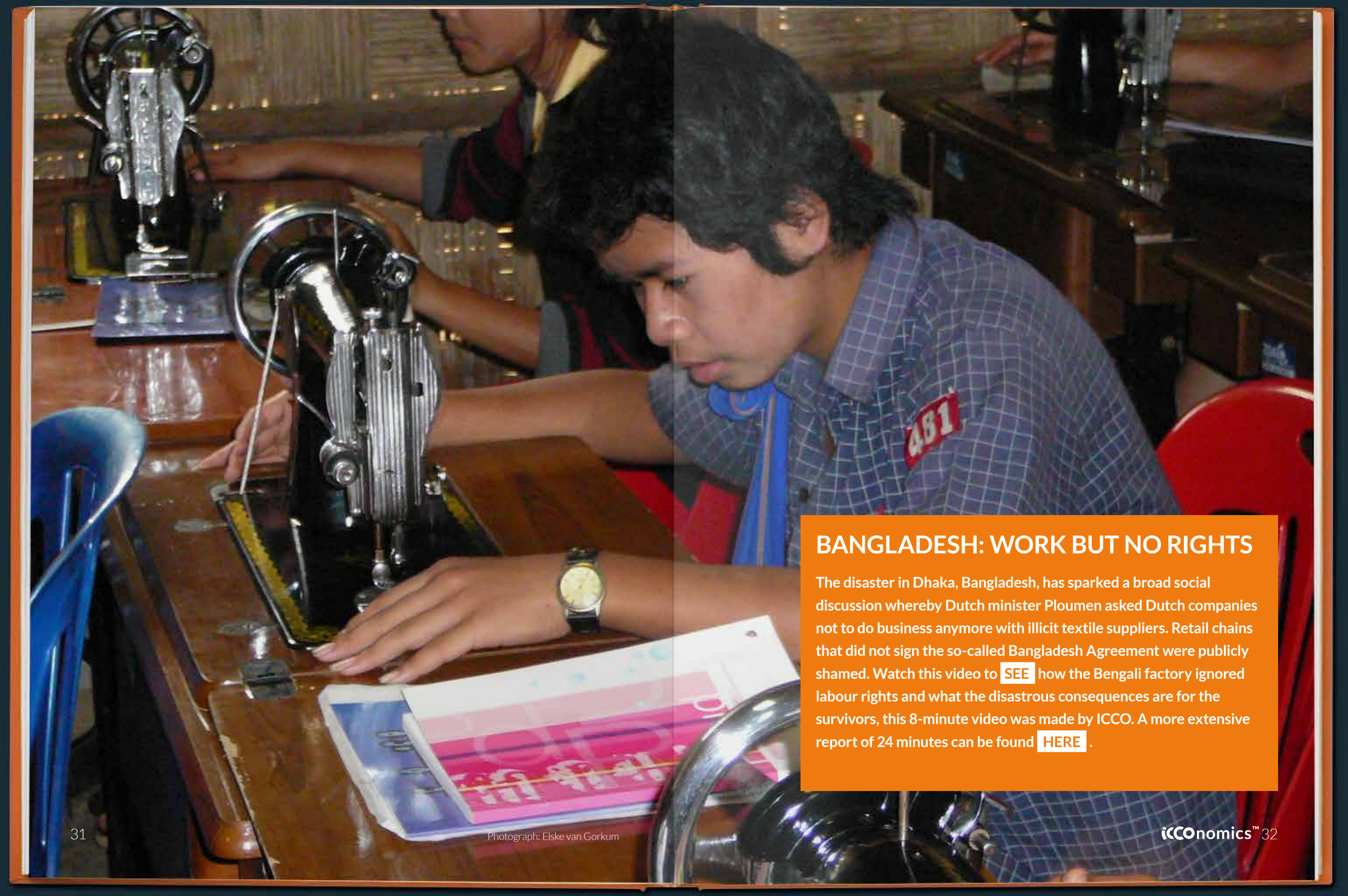


RIGHTS

Social enterprising takes human, land and labour rights into account. When you respect these rights, you acknowledge everybody's right to exist in the chain and you ensure that socio-economic security becomes possible in time. Only then can we really talk about social enterprising. The mapping out of human rights violations on chain level, in countries where you do business is a good first step.

Of the 48 human rights, a certain number deals with labour rights. And those are often violated, excessive unpaid overtime for example. An employee has to have good working conditions: enough light, regular breaks and - very important - a sufficiently safe work place. An example about how things can go terribly wrong is the disaster of April 2013 in a clothing factory in Bangladesh where more than 1,100 people perished when the buildings collapsed. Moreover, employees have the right to a living wage, a wage with which they can pay for their basic needs. But too low wages are often a problem as well.

Land rights are also mentioned in the OECD guidelines for multinational enterprises. And that is just as well. Because even if everything has been properly organized with the local farmers, unclear land rights can result in farmers being removed from their land from one day to the next.



BANGLADESH: WORK BUT NO RIGHTS

The disaster in Dhaka, Bangladesh, has sparked a broad social discussion whereby Dutch minister Ploumen asked Dutch companies not to do business anymore with illicit textile suppliers. Retail chains that did not sign the so-called Bangladesh Agreement were publicly shamed. Watch this video to **SEE** how the Bengali factory ignored labour rights and what the disastrous consequences are for the survivors, this 8-minute video was made by ICCO. A more extensive report of 24 minutes can be found **HERE** .

DUE CARE

By mentioning labour and land rights in the same sentence as human rights, you do not only ensure people's right to exist but also their socio-economic security. Social enterprising then even becomes sustainable social enterprising. A policy with "appropriate due care", also called due diligence, can help you to achieve this. In short, due diligence



Photograph: Florinda Nieuwenhuis

means first of all mapping out the current and potential effects of your company on human rights, secondly taking action and checking whether the action is successful and thirdly publishing how the effects are being approached. Effects do not only result directly from the own business operations but can also occur via the chain. But most of all: due diligence is not a once-off activity. It is a continuous process.

More about human rights according to the CSR Platform

Human rights incorporate economic, social and cultural as well as civil and political rights. Labour rights and community rights also belong to people's universal rights. The most fundamental human rights have been determined in the Universal Declaration of Human Rights. The Universal Declaration of Human Rights is the basis for two UN-conventions; the International Convention on Civil and Political Rights and the International Convention on Economic, Social and Cultural Rights. Enterprises have the responsibility to comply with the internationally acknowledged human rights within the field of their activities and business relations.

In 2011, the UN Guiding Principles on Business and Human Rights were adopted and these principles describe in detail what this responsibility implies. Some important aspects are:

- no involvement in or (indirect) contribution to violations of human rights;
- making an effort to avoid or compensate for violations there where violations may occur or already occur;
- pursuing an active policy that maps out risks in time in order to be able to act in time.

Besides the UN Guiding Principles on Business and Human Rights and the (broader) OECD Guidelines for Multinational Enterprises, ISO 26000 also emphasises compliance with and improvement of human rights. Some of the important elements in this guideline are:

- being extra alert on the compliance with human rights and not benefiting from war situations or situations when good governance is lacking;
- contributing to the improvement of the position of vulnerable groups, minorities and women;
- respecting adequate basic facilities and if possible helping to build them.

More about land rights according to the CSR Platform

When acquiring and/or using land and other natural resources in developing countries or countries with poor governance, the population's property rights and customary rights have to be respected. A reasonable compensation has to be paid when land is acquired or natural resources used. When the formal property rights are not clearly determined, international conventions and guidelines such as the UN Declaration on the rights of indigenous people and the UN resolution with regard to the right to food have to be included in the reflection.

The UN Basic Principles and Guidelines on Development based Displacement and Evictions describe the conditions for eviction that have to be complied with. In any case, alternative housing always has to be provided.



Photograph: Toto Camba

More about labour rights according to the CSR Platform

Human rights in relation to work have been determined in several articles of the Universal Declaration of Human Rights. The International Labour Organization of the United Nations (ILO) has elaborated the rights with regard to work and provides conventions and recommendations of which eight are considered fundamental.

They deal with the following subjects: non-discrimination; freedom of association and acknowledgement of the right to collective bargaining; ban on all types of forced labour and a ban on child labour. Companies should use the authoritative CSR norms to comply with, respect and improve the following labour rights:

- freedom of association and the right to collective bargaining
- ban on forced labour
- ban on child labour
- ban on discrimination
- the right to labour security
- the right to safe and healthy working conditions
- observation of the maximum number of working hours
- the right to equal remuneration of men and women
- the right to a living wage

The CSR platform stimulates and facilitates civil society organizations and unions in order to set up corporate social responsibility in companies. The platform achieves this by sharing knowledge and carrying out common (lobbying) activities that target the government. ICCO is an active and involved member of the platform.

CASE: AVOCADOS FROM SOUTH AFRICA

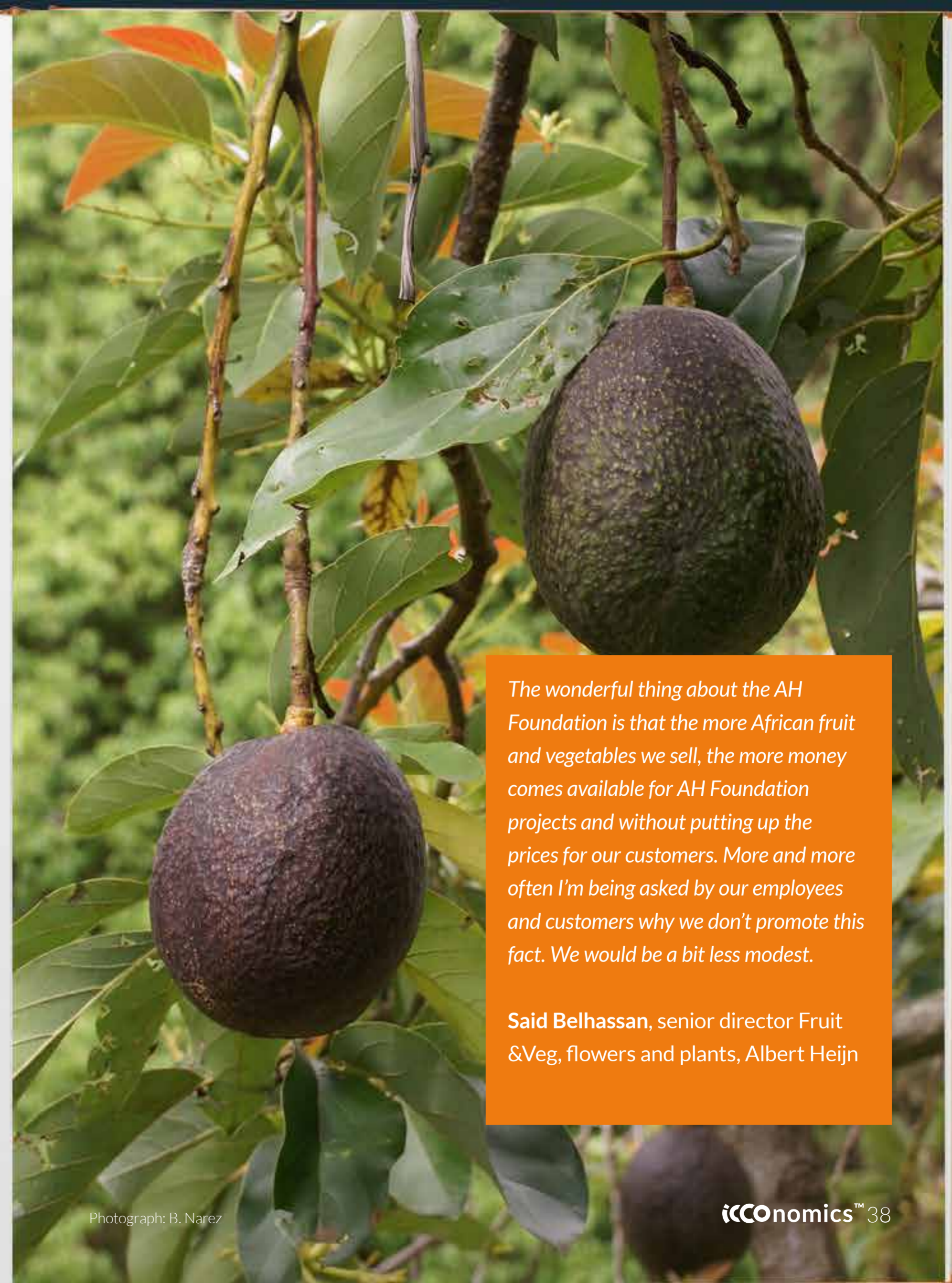
Did you know that ICCO and Albert Heijn won the Best Partnership Award in 2013 with a great business case about avocados from South Africa? Read here how social enterprising can put your company in the spotlights.

The Best Partnership Award rewards collaboration between companies and civil society organizations that transform international social issues into a business opportunity. In the category 'new corporate partnerships', a jury of 5 considered the collaboration between Albert Heijn and ICCO eventually to be the best. The aim of the cooperation is the proper connection of small avocado producers in the north of South Africa to the Albert Heijn production chain.

The chair of the jury praised the partnership because of its actual integration of sustainability in the business model. "This proposal guarantees a more sustainable production. It changes the entire chain."

The winning case

Albert Heijn wants to have avocados in its supermarkets all year round. However, this should not have a negative impact on the living conditions of local farmers. Partly thanks to ICCO's local knowledge and presence, avocado farmers have been organized and trained locally in order to form a strong organization. A partner made technical knowledge available to farmers in order to optimize the upkeep and irrigation of the trees. The small producers cannot only count on an increased production but this production meets international export standards.

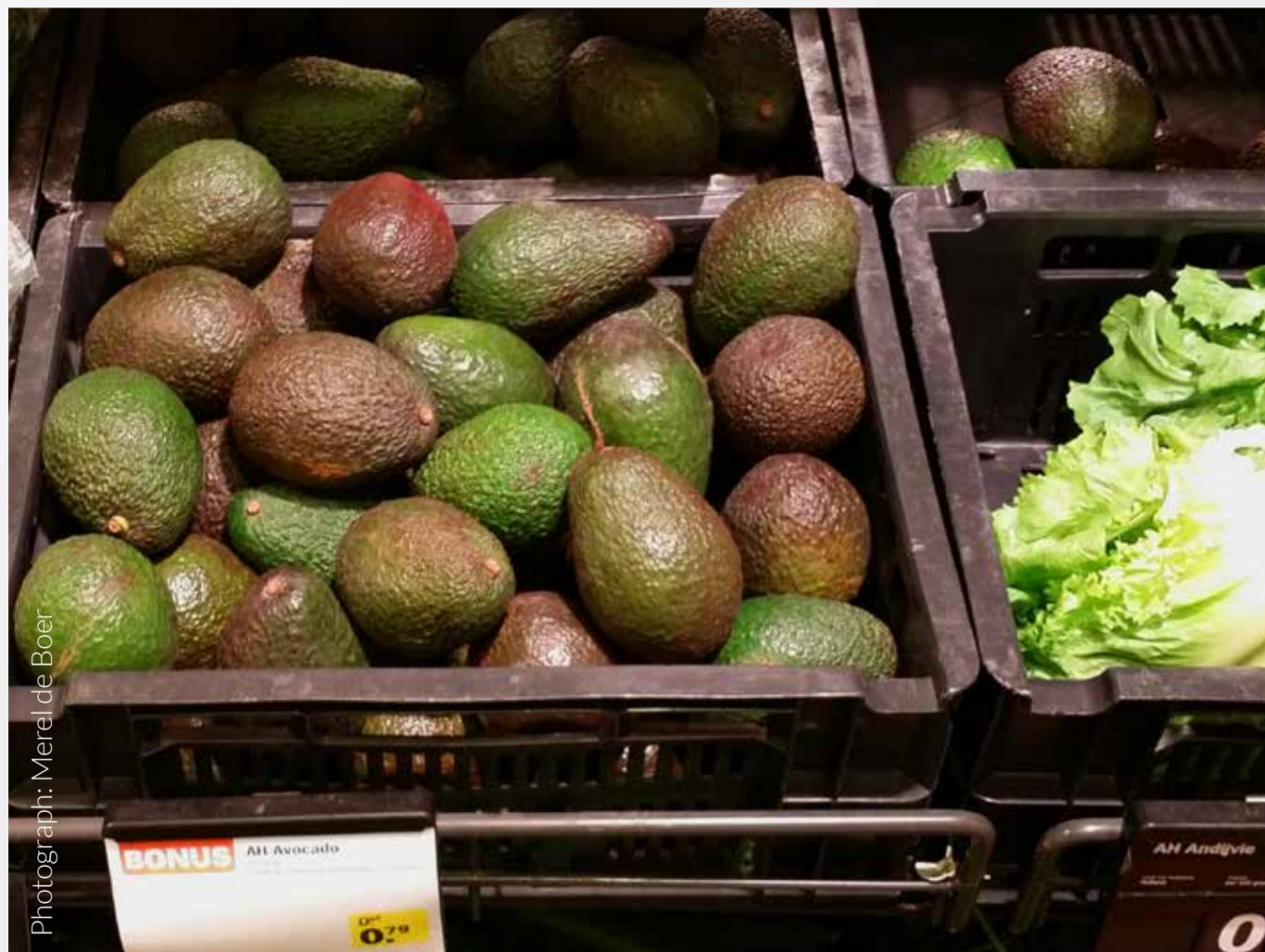


The wonderful thing about the AH Foundation is that the more African fruit and vegetables we sell, the more money comes available for AH Foundation projects and without putting up the prices for our customers. More and more often I'm being asked by our employees and customers why we don't promote this fact. We would be a bit less modest.

Said Belhassan, senior director Fruit & Veg, flowers and plants, Albert Heijn

Marian van Weert, ICCO company specialist: “As specialist in development cooperation, ICCO has been Albert Heijn’s partner for several years now. Thanks to our local office in Pretoria, we play an important role in making the chain sustainable. That results in a win-win situation for all parties involved: the farmers in South Africa produce more and better avocados in the early season and therefore earn more money. And Albert Heijn has a guaranteed supply of fresh avocados all year round.”

So plenty of guidelines for you to work with. But one needs more to turn a CSR policy into a good business case. A sparring partner for example. Like ICCO. And we prefer starting strong: The Six-Step-Approach by ICCOnomics.



SIX-STEP-APPROACH BY ICCONOMICS

During a two-day training, you and your colleagues learn how to implement the UN Principles on Business and Human Rights into daily practice. Indispensable for internationally operating organizations and international suppliers and the best start for companies with the ambition to extend their business activities to other countries.

The business world is now expected to respect human rights in their business operations and supply chain. But what does that mean for you? Where do you start? And what is been expected from you within the UN Principles? The ICCOnomics Six-Step-Approach training introduces six steps with which you and your team can work concretely. And what you need to go to the next step with regard to corporate social responsibility.

READ more about the ICCOnomics Six-Step-Approach training.

SIGN UP for the ICCOnomics Six-Step-Approach training.



WHAT CAN ICCO DO FOR YOU?

- **Six-Step-Approach training**

A two-day training for you and your team to learn how to implement the UN Principles on Business and Human Rights into daily practice.

MORE about this training.

- **Fair & Sustainable Advisory Services**

Advice for organizations and companies active in developing countries in cooperation with local experts.

MEER about Fair & Sustainable Advisory Services.

- **Agribusiness Booster**

ICCO's knowledge, network and financial means help you to kickstart in the agricultural sector in developing countries.

MEER about the Agribusiness Booster.

- **ICCO Investments**

An impact investment fund that invests in companies that prioritize a social goal.

MEER about ICCO investments.

- **Fair Climate Fund**

Companies and organizations scan, reduce and compensate their CO₂-emissions with this program.

MEER about the Fair Climate Fund.

And now?

ICCO can prepare certain things with you as we are aware of the circumstances on location and are able to transform the guidelines into concrete actions. Our priority is that your projects result in a good financial and social return. Has everything been said and done then about ICCOnomics? No: we still have another level if you are interested.



Photograph: Rieneke de Man

THE SECOND LEVEL OF ICCONOMICS SUMMARIZED

Level 2 of ICCOnomics is a broader process whereby the organization doesn't just facilitate projects with social relevance but is becoming part of the project. The organization accepts its chain responsibility, starts acting and operating in a socially responsible way and contributes to a more sustainable economy that respects human, land and labour rights. For these companies there are the guidelines from the UN and the OECD for example, incorporating the above mentioned rights. An efficient and inspiring way to start with level 2 is the Six Step Approach by ICCO.



LEVEL 3 - A SOCIAL PROPOSITION AS BUSINESS STRATEGY

The third level is basically a combination of the first and second level. In the first part we discussed financing projects of social relevance. And the previous chapter dealt with the chain responsibility that an organization accepts for the consequences of its business activities. On the third level you do both. You take your responsibility even further by becoming more active within the chain. Concretely: caring for the local communities where you produce or purchase becomes part of your core business.

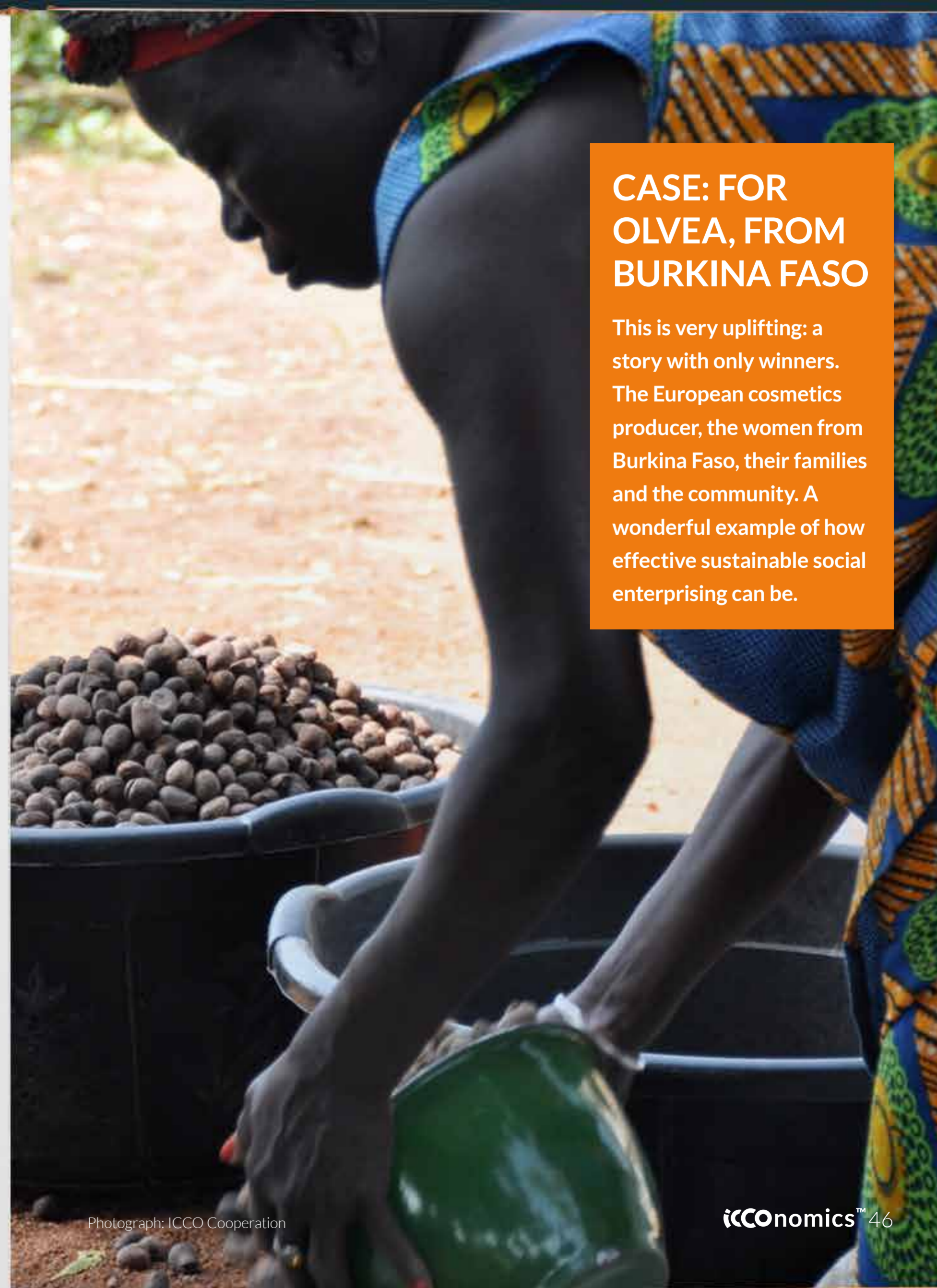
See how an entrepreneur turns an interesting business plan into a successful business case in two minutes. And even achieves his social objectives.

Partnership

The role of social partners (such as ICCO) increases on this level. Their added value is the knowledge of and the network in the countries where you are socially enterprising. Thanks to a closer collaboration between you and your social partner, a higher return -financial as well as social - becomes possible. Moreover, the local networks allow monitoring of the human rights and environment on location and joint action if necessary.

CASE: FOR OLVEA, FROM BURKINA FASO

This is very uplifting: a story with only winners. The European cosmetics producer, the women from Burkina Faso, their families and the community. A wonderful example of how effective sustainable social enterprising can be.



Photograph: ICCO Cooperation

Here you can discover the success story of the shea-nuts from Burkina Faso in seven minutes.

Partnerships with ICCO

Co-creation: cooperation with parties (private or public, global or local) in order to achieve common objectives. Each party contributes material and/or immaterial means.

Co-implementation: ICCO plays the role of administrator within a cooperative process or within a coalition of several organizations.

Strategic financing: financing a joint program - by means of subsidies or other financial solutions - and possibly also other roles.

Chain development: cooperation with other stakeholders in a chain of farmers, entrepreneurs & companies and intermediaries.

Investments: investing in the social and financial impact of entrepreneurship.

Congratulations!

Once your company reaches/has reached level 3 of ICCOnomics, we can only still congratulate you. It means that you actively participate in a social and sustainable way while making profit and improving the living conditions of people in developing countries. At this stage, ICCO Investments can be the right partner for you to develop your corporate social responsibility even further. ICCO Investments is an impact investment fund that invests in companies that make a social objective their priority.

ICCO Investments

With ICCO Investments, financial and social return is combined. Economic development contributes in a sustainable manner to the improvement of people's lives in developing countries. The establishment of an investment fund that expects social return on top of the financial return supports the goal to fight poverty and injustice. ICCO Investments provides loans, securities and participations in small and medium sized growing companies that contribute to sustainable development in developing countries where ICCO is active.

[READ MORE](#) about ICCO Investments:

THE THIRD LEVEL OF ICCONOMICS SUMMARIZED

When achieving the third level, a company becomes even more active in the chain: it takes its responsibility even further. Caring for the local communities where the company produces or purchases becomes part of the core business. The role of social partners also becomes more important as knowledge of and a network in developing countries is indispensable at this stage. Thanks to this closer collaboration, a higher return -financial as well as social - becomes possible.



Photograph: Siddharth Tripathy

WHAT CAN ICCO DO FOR YOU?

- **Six-Step-Approach training**

A two-day training for you and your team to learn how to implement the UN Principles on Business and Human Rights into daily practice.

MORE about this training.

- **Fair & Sustainable Advisory Services**

Advice for organizations and companies that are active in developing countries in cooperation with local experts.

MORE about Fair & Sustainable Advisory Services.

- **Agribusiness Booster**

ICCO's knowledge, network and financial means help you to kickstart in the agricultural sector in developing countries.

MEER about the Agribusiness Booster.

- **ICCO Investments**

An impact investment fund that invests in companies that prioritize a social goal.

MORE about ICCO investments.

- **Fair Climate Fund**

Companies and organizations scan, reduce and compensate their CO₂-emissions with this program.

MORE about the Fair Climate Fund.



LEVEL 4 - CHANGING THE SYSTEM

On level 3 you are working with a long term policy but on level 4 you apply a long term vision. This is something you can't do alone; it is therefore essential to join other organizations and governments that have the same ambition as you and your team. Your scope becomes broader: besides your own market, entire sectors are now to be dealt with. It's about the sum of the parts that is even more powerful than your own enterprising. In other words: you move your social entrepreneurship from micro to macro level. Exciting...

EQUITABLE COFFEE

Let's have a look at a well-known and successful case that makes this level a bit more concrete before it all becomes too cryptic: coffee with the Fairtrade label, in the Netherlands known as the Max Havelaar label. The concept started with the wish to avoid exploitation of coffee producers and to give people and the local community a better life. The certification was so valuable for the consumer that other labels were introduced rapidly. That is no problem because more than 60% of the coffee in Dutch supermarkets is currently certified and this percentage is expected to rise. ICCO financed the Fairtrade/Max Havelaar label and watched the system change happen.

However, a new threat developed: climate change. Did you know that the taste of a coffee bean changes - and not in a positive way - when the average temperature rises one degree? Three degrees means terrible tasting coffee. Considering the coffee consumption in the world, there is reason to protect the coffee bean against climate change. Such a complicated process cannot be carried out by a single party. All stakeholders and responsible parties contribute to this: companies, governments and local farmers. This case shows that carrying through a systematic change can be very efficient. To the extent that a 'climate neutral' label can now be seen next to the 'fair trade' one on the packet of coffee. ICCO was an important linking factor in this process, thanks to its knowledge and network on location.

In order to change the system, ICCO cooperates in coalitions with other parties. Such as the Initiatief Duurzame Handel (IDH or Initiative Sustainable Trade), promoting sustainability in international fruit and vegetable chains. Or with the BoP Innovation Center with who we ensure that people in developing countries at the bottom of the income pyramid get access to affordable products and services.

Read about the successful coffee case. The movie takes three and a half minutes.

WHAT CAN ICCO DO FOR YOU?

- **Six-Step-Approach training**

A two-day training for you and your team to learn how to implement the UN Principles on Business and Human Rights into daily practice.

MORE about this training.

- **Fair & Sustainable Advisory Services**

Advice for organizations and companies active in developing countries in cooperation with local experts.

MORE about Fair & Sustainable Advisory Services.

- **Agribusiness Booster**

ICCO's knowledge, network and financial means help you to kickstart in the agricultural sector in developing countries.

MEER about the Agribusiness Booster.

- **ICCO Investments**

An impact investment fund that invests in companies that prioritize a social goal.

MORE about ICCO investments.

- **Fair Climate Fund**

Companies and organizations scan, reduce and compensate their CO₂-emissions with this program.

MORE about the Fair Climate Fund.

POSTSCRIPT

We have talked about the four levels of ICCOconomics in this E-book. We hope that you understand better now why we have given this working method this specific name. Because it is about economy, whatever the level. But an economy that suits this era. An economy that is focussed on making profit while improving the living conditions for people in developing countries. With ICCOconomics, your CSR policy will be turned into a successful business case. We are always eager to hear your ideas and would like to evaluate them together with you in order to establish what the opportunities are. You are very welcome for a chat and a good cup of climate-neutral, Fairtrade coffee.

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