

Sustainable and Inclusive Economic Development

A Key Role for Australian Non-government Organisations





After Mourine from Cameroon became blind in 2005, she stopped being actively involved in her family and community, and believed she had no value at all. She faced enormous amounts of stigma as a result of her disability. After receiving training through a CBM livelihoods project, she has been able to access economic opportunities that mean she can earn a living and contribute to her community. © CBM Australia.

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Sustainable and Inclusive Economic Development: A Key Role for Australian Non-government Organisations

“We look forward to bringing together the best of government, business and civil society from Australia and partner countries to drive sustainable economic growth and reduce poverty in our region.”

Julie Bishop, Minister for Foreign Affairs¹

Purpose

The new Department of Foreign Affairs and Trade (DFAT) framework for engagement with non-government organisations (NGOs) recognises the important role of NGOs in assisting the poor to fully participate in the economy and benefit from economic growth, ensuring the most marginalised members of society are not left behind.²

This paper presents a snapshot of the work of seven Australian NGOs³ engaged in supporting a broad spectrum of economic development initiatives globally. The case studies highlighted are intended to showcase the breadth of work these particular Australian NGOs are undertaking in this area and to stimulate discussion with DFAT regarding the role of Australian NGOs, and civil society more broadly, in working with government and the private sector to advance sustainable and inclusive economic development across the Indo-Pacific region.

Achieving improved economic and social outcomes for all citizens of developing countries requires a collaborative effort between government, private sector and civil society to ensure increased national incomes are directed toward reducing poverty and the benefits of growth flow to the poorest, most marginalised members of society, including children, youth, women, ethnic minorities, people with disabilities, and communities vulnerable to natural disasters and conflicts. NGOs and civil society

organisations have a critical role to play in ensuring economic development considers the unique assets, interests and needs of local communities and does not reinforce unequal or uneven wealth distribution within countries.

Recommendations

Recommendation 1: DFAT’s economic growth investments need to include targeted and explicit strategies to enable all community members to access and benefit from economic development.

In keeping with the focus of the Australian aid program on promoting economic growth in ways that provide pathways out of poverty⁴, the Australian NGO partners authoring this paper call upon DFAT to design and fund inclusive development programs that offer real opportunities for all community members to access and benefit from economic development. Without targeted and explicit strategies to enable pro-poor outcomes, DFAT aid for trade and economic growth investments risk delivering benefits only to those women and men who are already economically mobile and capable – and reinforcing the current exclusion of the poorest and most marginalised. The private sector and NGOs are driven by different bottom lines. NGOs have strong, well-established links with poor communities and are uniquely placed to facilitate poor and marginalised women and men to overcome the significant barriers that prevent them from realising a safe and dignified livelihood, establishing successful enterprises or participating equitably in the formal workforce. DFAT should leverage the experience of NGOs to design economic growth investments that are genuinely inclusive and reduce inequality.

¹ Commonwealth of Australia, DFAT, *Creating shared value through partnership: Ministerial statement on engaging the private sector in aid and development*, August 2015

² Commonwealth of Australia, DFAT, *DFAT and NGOs: Effective Development Partners*, December 2015

³ CARE Australia, Caritas Australia, CBM Australia, Oxfam Australia, Plan International Australia, Save the Children Australia, and World Vision Australia

⁴ Australian Government Department of Foreign Affairs and Trade, *Australian Aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability*, June 2014

Recommendation 2: DFAT's economic growth investments should include a comprehensive set of metrics to assess social and environmental factors as well as macro-level growth indicators, including specific consideration of impacts for the poorest and most marginalised community members.

DFAT should engage civil society in developing a comprehensive set of metrics to assess the impact of economic development investments, that consider social and environment factors – including explicit outcomes for the poorest and most marginalised – as well as macro-level growth indicators. In particular, robust monitoring needs to track any negative unintended outcomes of economic development initiatives, such as inequitable household-level economic decision-making between women and men or increased economic and domestic burdens on working women. For example, the current DFAT South East Asia Investing in Women Initiative design⁵ does not include any explicit monitoring of pro-poor outcomes. While the program as it is currently framed will almost certainly deliver on the commitment of the Australian aid program to promote prosperity, engage the private sector and empower women, it could potentially achieve all of these without delivering any tangible benefits for very poor women and subsequently their children. If the Australian aid program is truly focused on providing pathways out of poverty that are inclusive of all community members, the metrics to assess the impact of its investments need to explicitly reflect this.

How Australian NGOs are promoting sustainable and inclusive economic development in the Indo-Pacific region

Many of the world's largest economies today are corporations rather than nation states. The Transnational Institute reported a total of 37 corporations in the top 100 economies in 2014.⁶ As noted by the Commission on Growth and Development⁷, “private sector activity can be a powerful driver of economic growth”.⁸ But the Commission also noted that “Growth is not an end in itself. But it makes it possible to achieve other important objectives of individuals and societies. It can spare people *en masse* from poverty and drudgery”.⁹

Global poverty reduction results over the last three decades have been impressive. In 1990, 47 percent of the world's population lived below the World Bank's US\$1.25/day poverty line. By 2010, the incidence of poverty had fallen to 22 percent.¹⁰ But progress has been much slower in Low Income Countries (LICs), where the benefits from growth (if any) are not flowing down to everyone and any gains made can be quickly undone if disasters or crises occur. Average incomes among the poor in LICs in 2010 remained almost as low as they were in 1981.¹¹ Half of all children in these countries are living in poverty.¹² LICs in the Indo-Pacific region include Afghanistan, Bangladesh, Cambodia, Myanmar and Nepal.

The potential of the private sector to impact on economies across the Indo-Pacific region is undisputed – whether through the rapid expansion of multinational corporations or, on a different scale, the increasingly significant role played by small

⁶ www.tni.org/stateofpower2014

⁷ The Commission on Growth and Development was a two year program funded by the World Bank, Australian Government and other donors and brought together 21 leaders, policy-makers and academics across developing and developed countries including two Nobel prize-winning economists.

⁸ Commission on Growth and Development, *The Growth Report: Strategies for Sustained Growth and Inclusive Development*, 2008

⁹ Ibid

¹⁰ Millennium Development Goals Report, 2013

¹¹ World Bank, *The state of the World's Poor*, Economic Premise, October 2013

¹² Ibid

⁵ <http://dfat.gov.au/about-us/grants-tenders-funding/tenders/business-notifications/Pages/investment-design-south-east-asia-investing-in-women-initiative.aspx>

and medium enterprises (SMEs). But private sector investment alone is not sufficient to deliver sustainable and inclusive development outcomes. That demands a multi-faceted response, and Australian NGOs have a key role to play in achieving this.

In the economic development sphere at both national and international levels, NGOs are pivotal in seeking to complement macro-level growth initiatives (reforms, global trade, large scale economic infrastructure projects, etc.) with micro-level interventions designed to reduce poverty and empower local communities (support for small scale farmers, promoting access to local markets, strengthening value chains, providing access to financial services). NGO interventions are designed to encourage and assist responsible and ethical practices on the part of the private sector, governments and other stakeholders to deliver positive changes for the poorest and most marginalised. At the same time, NGOs are focused on facilitating cross-sector partnerships and providing training and skills development necessary for marginalised individuals and groups to be 'job ready', breaking down many of the barriers that prevent the poor from acquiring and sustaining employment, developing their enterprises and participating in the formal economy. Australian NGOs are already making substantial contributions across this spectrum of activities.

“Put simply, reducing excessive income inequality is not just sound social policy, but sound economic policy as well. Fund research has confirmed that growth and inclusion reinforce each other.”

Christine Lagarde, Managing Director, International Monetary Fund¹³



*Children looking at the coffee beans that enable their parents to support their education and health needs
Photographer – Kebede Gizachew, World Vision Australia*

¹³ Christine Lagarde, Managing Director, International Monetary Fund, Catalyst for Change: Empowering Women and Tackling Income Inequality, October 2015

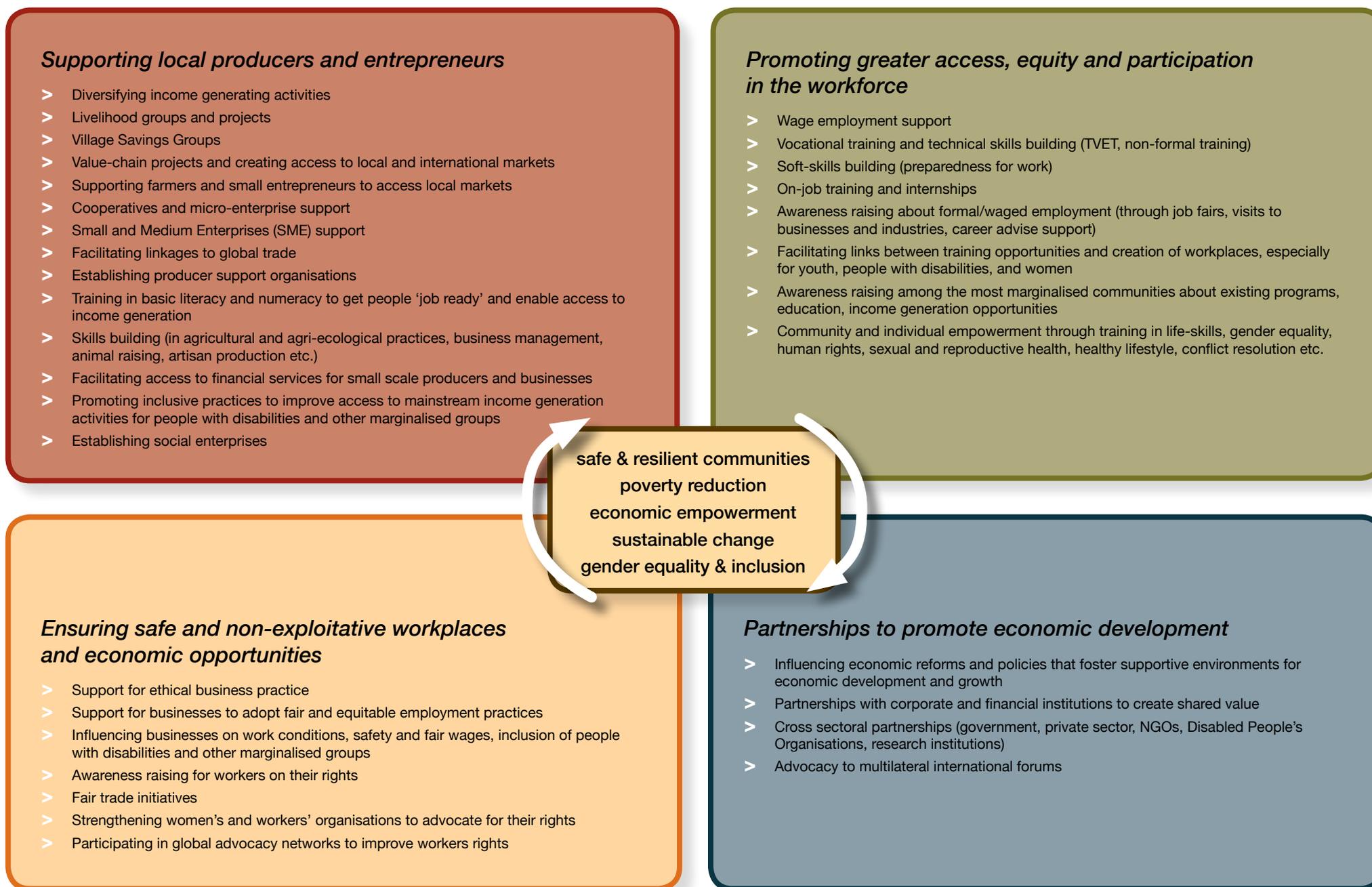


Figure 1: How Australian NGOs are engaging in inclusive and sustainable economic development

Supporting local producers and entrepreneurs: linking micro-enterprises with markets

SMEs are the backbone of many economies in the Indo-Pacific region. According to the Asian Development Bank, SMEs comprised 98 percent of all enterprises in the Asia-Pacific, employed 66 percent of the national labour force, contributed 38 percent of gross domestic product (GDP), and accounted for 30 percent of total export value from 2007 to 2012.¹⁴ But they face a host of challenges including lack of access to markets, information and financial services. NGOs play a key role in linking individuals and communities with new opportunities to generate incomes and improve their livelihoods. They help communities to understand domestic (whether local or national) and international markets and the requirements needed to take advantage of them. They leverage their strong links with community producers and artisans to build trust between different parties in developing production value chains that bring together diverse stakeholders. And they work with small producers and entrepreneurs to introduce new technologies and ways of working to strengthen individuals' and communities' access to and control over markets, natural resources and other assets.

A particular focus for NGOs is ensuring women and other marginalised groups are able to increase their share in local economies. Projects range from training and awareness raising among marginalised groups about alternative income and resource generation; to supporting livelihood groups, village savings and loans associations/groups; establishing links to microcredit and other financial services; as well as to building economic resilience of communities in post emergency and conflict settings.

Small-scale producers – many of whom are women – are an important constituency for NGOs. Growth in agriculture has been shown to be at least twice as effective in reducing poverty as growth in other sectors of the economy.¹⁵ Investments in small-scale farming can not only stimulate markets, but also address food access constraints for people living in poverty.¹⁶

The following case studies demonstrate how three Australian NGOs are working with local producers and entrepreneurs to successfully overcome barriers to market access.



Sustainable Livelihoods project – AACES (Australia Africa Engagement Scheme), Mahenge Diocese, Tanzania – Photographer Janeen Murphy, Caritas Australia 2011

¹⁴ Asia Foundation, Boosting Economic Mobility in Asia: SMEs as Drivers of Inclusive Growth, August 2015, <http://asiafoundation.org/in-asia/2015/08/12/boosting-economic-mobility-in-asia-smes-as-drivers-of-inclusive-growth>

¹⁵ World Bank, World Development Report 2008: Agriculture for Development

¹⁶ Food and Agriculture Organisation of the United Nations, How to Feed the World in 2050 (FAO, 2009)



Caritas Australia's current DFAT-funded program in Malawi and Tanzania builds on ten years of experience in integrated community development programs in Africa. Over 40,000 people have strengthened their economic participation as a result of interventions promoting access to capital and markets. 362 village savings and loans (VSL) groups have been established, with 85 percent female membership; 60 percent of women involved in the VSL groups are engaged in income generation activities following entrepreneurship skills training; and 5348 VSL members each earned an average of USD 172 over a six month cycle in 2013 compared to USD 24 at the start of the project. In Malawi, 5900 farmers have improved access to markets and market information and have signed an agreement with the National Smallholder Farmers' Association of Malawi (NASFAM) to buy their groundnuts, soya and beans at improved prices. Input suppliers have been brought closer to the people through community seed fair systems. 10 percent of the households involved in the project have used their increased incomes to construct permanent houses.



Revolving Goat Scheme – AACES, Endashang'wet, Tanzania – Photographer Richard Wainwright, Caritas Australia 2013



World Vision works with 45 farming communities across Cambodia, totaling more than 115,000 farming households. Access to agricultural inputs and technical advice is crucial to increasing agricultural productivity and farming household incomes. Lors Thmey, a Cambodian social enterprise established by iDE, uses a network of 235 franchised farm business advisors to provide advisory services and agricultural inputs (such as seeds and irrigation equipment) targeted at smallholder farmers. World Vision works with Lors Thmey to link farm business advisors to World Vision supported communities, develop and refine appropriate agriculture kits for sale, and address barriers for women, people with disabilities and those who are very poor. Agriculture kits are offered on credit, and target identified market constraints in value chains. Through this innovative project, Lors Thmey is developing its business model and expanding its customer base in World Vision project areas. At the same time, the project is enabling World Vision and Lors Thmey to develop and test solutions for microfranchise models that address barriers for women, people with disabilities and the very poor who are at risk of market exclusion.



Agnes and her father sell solar lights in her community as a Microfranchisee of Global Cycle Solutions – World Vision Australia



Oxfam Australia Trading (OAT) is a social enterprise and a subsidiary of **Oxfam Australia**. Since 1962, it has been selling Fairtrade and ethically sourced products from developing countries and Australian Aboriginal and Torres Strait Islander communities to the Australian public. Each year, OAT works in collaboration with over 130 producer groups in 39 countries, supporting thousands of artisans and farmers – many of whom are women – to gain economic empowerment, independence, and to realise their right to a sustainable livelihood. OAT empowers marginalised communities by paying them fair and stable prices for their work, supporting them to gain the skills they need to develop their business, and enabling them to access global markets.

The Toxin Free Producer Network is a social enterprise and cooperative working with over 200 communities in Sri Lanka. Initially supported through a collaborative partnership between Oxfam in Sri Lanka and Rainforest Rescue International, it has benefited from OAT's 'First Step Producer' program to access its first trade and export relationship. OAT provided the social enterprise with expertise in product, labeling and brand development, pricing, logistics and export, which enabled the social enterprise to create five new products for export and distribution across OAT's 11 shops and online sales network in Australia. Profits generated from this trading relationship are invested back into the wider community and into the social enterprise itself to provide specific product processing inputs, further increasing productivity.



*An artisan from Oxfam Shop Producer Partner Gospel House Handicrafts in Madampe, Puttalam District, Sri Lanka.
© Pavithra Jovan de Mello – Oxfam AUS*

Promoting greater access, equity and participation in the workforce

Creating greater access and participation in formal employment is another crucial component of economic empowerment and poverty reduction. NGOs play an important role in this area through supporting technical, vocational and non-formal training and skills building, tailored to the specific needs of the poorest and most marginalised groups (women, young people, people with disabilities, illiterate adults, ethnic minorities, etc.). In addition to training and technical skills building, NGOs focus on job preparedness and soft-skills development programs, as well as job search support, linking classroom education to on-job training and internships, and building a strong network of skilled and informed persons in the labour market that helps successful entrepreneurs grow their businesses by hiring suitable workers.

The following case studies highlight some of the innovative ways in which Australian NGOs are collaborating with government and private sector stakeholders to increase access and participation of poor and marginalised groups in the workforce.



In Bangladesh, **Save the Children** is working with the Danish Government (Danida) and several Scandinavian textile companies to support young workers to gain access to basic schooling and life skills, technical education, apprenticeships and, in the end, a decent job. The Work2Learn model focuses on safe work for workers under the age of 18, including child protection considerations; and for those over 18, the focus is decent work. Crucially, the vocational education component of the model is customised to meet the demands of the project corporate partners, ensuring the skills young workers develop meet market needs. This win-win strategic cooperation between Save the Children and the corporations involved ensures that youth are earning a salary throughout the process, and that they will be given a decent job in the end.



Plan has been working in partnership with REACH since 2004 – a Vietnamese, non-government organisation specialising in vocational training and employment for the country's most disadvantaged youth. The organisation employs an innovative, highly pragmatic and effective training model that matches the needs of underprivileged youth with local industry and labour market requirements and demands. Project successes include:

- > More than 12,000 disadvantaged youth trained since 2004.
- > Over 80 percent of REACH graduates maintain stable employment six months after their training.
- > REACH graduates usually earn about US\$100 per month – more than twice what they were earning before they enrolled at REACH.
- > 50 percent of REACH graduates get promoted or receive a salary increase in their first year of employment



REACH students celebrate their graduation in Vietnam © 2016 Plan International



CBM Australia, through their partner Cameroon Baptist Convention and with Australian Aid funding, is collaborating with mainstream vocational training and apprenticeship providers and a mainstream microfinance provider in Cameroon to facilitate inclusion of people with disabilities in training and employment opportunities. 103 vocational training centres and apprenticeship providers have been trained on inclusive approaches and all are now providing training opportunities to people with disabilities. Many trainees have gone on to self-employment following the training. The project also partners with a microfinance provider to provide loans to women and men with disabilities through a group loan product. 1,352 people with disabilities have accessed these loans: a recent evaluation found they are enabling recipients to earn a living, generate a profit and meet other financial needs such as paying for children's schooling. Notably, these loans to groups of people with disabilities were being repaid at a higher rate than other loan products the microfinance organisation was offering. Next steps include strengthening these achievements by exploring partnerships with key regional employers on inclusive approaches to employment, and working with the state employment institution to circulate information on existing competencies and job opportunities.



In Cameroon, CBM's partner has been training apprenticeship providers on inclusive approaches in order to facilitate apprenticeships to people with disabilities. Through this program Ernest, who lives with an intellectual disability, has gained a shoe-making apprenticeship and this is giving him financial independence. Many other people with disabilities are similarly benefiting from this approach. © CBM Australia.



CARE is working with the Papua New Guinea Coffee Industry Corporation, a government regulatory body, and the three largest coffee exporters in the country to improve the economic and social wellbeing of women coffee farmers in the Highlands region. Coffee is a major export commodity for PNG earning between PGK 300 million and 1 billion per year, yet many of the country's coffee-producing areas are disadvantaged, largely subsistence-farming dependent and characterised by lack of access to markets, services and income generating opportunities. Women in these areas suffer disproportionately from poverty and their lives are severely impacted by the gender relations institutionalised in households, communities, and government agencies. Women work more hours than men on coffee production yet have little access to income from their labour. They are also constrained by unequal access to productive resources and extension services, representing less than five percent of participants in all extension training.

This project works with coffee exporters and cooperatives to improve the services they provide to coffee farmers so they are inclusive of women. In addition, the project aims to address the social constraints to coffee production including families' lack of business and financial management skills, women's lack of access to extension services, and families not working together effectively to maximise productivity and quality. Since the start of the project:

- > Women's participation in extension services has increased from less than five percent to 33 percent (and as high as 55 percent in some areas).
- > Two private sector partners have commenced a 12 month program during which they will host high achieving female agricultural graduates. This is addressing a critical gap of female extension officers working in the industry (currently there are fewer than five) – a key barrier to women's meaningful engagement in, and benefit from, coffee activities along the value chain.
- > There have been incremental positive changes in household attitudes and behaviour, such as joint decision making and more equitable workloads, which enable the whole family to achieve more from their coffee farming.

- > Women's cooperatives have been linked with coffee exporters, strengthening the supply chain and increasing income earning opportunities for women farmers.



CARE working on family business training to support women and men working at the household level in the coffee industry. © Tom Greenwood (2014)/CARE

Ensuring safe and non-exploitative workplace and economic opportunities

NGOs work with governments and new and existing enterprises to promote more inclusive business models. Appropriate social inclusion policies can ensure that women and men, people with disabilities and other marginalised groups all benefit from economic development through employment and income generating opportunities, access to safe and fair jobs, and access to non-exploitative financial services and resources such as microfinance. NGOs also work to improve labour rights, to strengthen workers organisations and local communities to demand their fair share of benefits from economic development. In addition, NGOs work to eliminate harmful work and economic exploitation of the poor and most marginalised people, especially children, to ensure that in cases where children are involved in work, it does not interfere with their education or development. Influencing happens through working directly with governments and key stakeholders, but also through global networks and forums that have an impact on policies adopted by governments in a number of areas that are important for poverty reduction and economic development.



In Sri Lanka's Tea Plantations, women are subject to discrimination, rarely rising to supervisor-level positions and living in the poverty and isolation of estate communities. Community Development Forums, like those **CARE** has established in Sri Lanka, give workers access to forums alongside estate managers where they can jointly learn to discuss and negotiate issues in a non-confrontational way. Engagement in these forums has helped women gain confidence to raise issues and concerns around working conditions with managers, and to take on leadership roles in their work and community. This helps empower female workers, and contributes to a more sustainable tea sector. Findings from this CARE program showed that workers achieved better working conditions, a greater say on estate conditions, improved access to services and a renewed sense of dignity. Meanwhile, the estates spent 16 fewer hours per week settling disputes with workers, there was a 25 percent increase in the number of hectares plucked by the same size workforce, and increases between 10 and 20 percent in their yield of good quality tea.



Tea pluckers in Nuwara Eliya, Sri Lanka, work in the fields during a break in the rain. Five days a week, tea pluckers on this estate pick 18 kg of tea leaves each to meet the quota for the tea plantation where they live and work. The women have permanent indents on the top of their heads where the weight of the bag cuts into their scalp. © Melanie Brooks (2008)/CARE



As **Oxfam** demonstrates through its own work, civil society plays a critical role in ensuring the accountability of governments and the private sector. Across the Indo-Pacific region, civil society groups are working with businesses to improve their operations as well as acting as watchdogs of corporate practice. The Bangladesh Fire and Building Safety Accord is one example of highly effective civil society and business cooperation and collaboration. Following the Rana Plaza building collapse in 2013 which killed more than 1,100 workers – mainly young women – Oxfam along with international campaign organisations, civil society groups, Bangladeshi and international trade unions, and the Bangladesh Government contributed to the establishment of the Accord. Oxfam campaigned to raise awareness amongst Australian consumers, including Oxfam supporters, to encourage Australian companies to join the Accord. Twelve Australian companies (including Kmart, Target, Cotton On, Forever New, Woolworths, Specialty Fashion Group, Katie's, Millers, Rivers, Crossroads, Autograph and City Chic) have signed on. The Accord will oversee safety inspections in more than 1,600 garment factories in Bangladesh and ensure safer conditions for two million Bangladeshi workers.

Partnerships to promote economic development

Australian NGOs have long partnered with the private sector – both in Australia and internationally – in working to alleviate poverty and improve the wellbeing and situation of the poorest and most marginalised people. Partnerships happen in a number of ways, from corporate social responsibility investments in Australian NGO-supported programs to joint shared value initiatives between Australian NGOs and their private sector partners. Shared value was prominent in the recent Ministerial Statement on private sector and aid, where it was noted: “The concept of shared value¹⁷ forms the foundation of our vision – that businesses can deliver sustainable social impact in developing countries while achieving commercial returns. Finding new and creative ways to increase collaboration and partnering between government, the private sector and NGOs will be critical to realising this vision”.¹⁸

Implicit within a shared value approach is a cultural change in how the private sector goes about its business. Different stakeholders need to work together proactively to address complex development challenges. Considerable effort is required to understand the operating context and to design appropriate interventions that can deliver transformative development outcomes for the poorest and most marginalised, as well as generating financial returns. The following case studies demonstrate shared value approaches between four Australian NGOs and their private sector partners.

¹⁷ Michael Porter and Mark R. Kramer, *Creating Shared Value*, Harvard Business Review, January 2011

¹⁸ Commonwealth of Australia, DFAT, *Creating shared value through partnership: Ministerial statement on engaging the private sector in aid and development*, August 2015



Oxfam Australia has worked with Women in Business Development Incorporated (WIBDI) in Samoa since 2001, supporting them to lay the foundations for export and scale-up to meet private sector supply chains internationally. Together, Oxfam and WIBDI have developed new opportunities for community producers to export virgin coconut oil. WIBDI now has an exclusive contract with the multinational corporation The Body Shop to provide community-grown coconut oil for its cosmetic products. This has improved the income-generation opportunities for hundreds of families in Samoa. Today, 2.5 percent of Samoa's GDP is derived from virgin coconut oil. In addition to coconut oil, Oxfam and WIBDI have helped to facilitate the export of dried bananas (sold by All Good in New Zealand) and coffee and vanilla (sold by C1 Espresso in Christchurch). WIBDI also helps Samoan communities to export traditional finely-woven mats. These mats – which can sell for thousands of dollars – provide a significant income for women in rural areas. Their export also helps to renew pride in the cultural significance of mats. Oxfam supports WIBDI's work in 150 villages, assisting at least 2000 people on 500 rural farms.



WIBDI has been working with Samoan farmers to export organically certified Misiluki bananas to New Zealand since 2008. © Jane Ussher – Oxfam



Jasper Coffee is an Australian-owned company, established in Melbourne in 1989. The first roaster in Australia to offer organic coffee, Jasper Coffee takes a keen interest in the livelihoods of coffee growers, seeking to make a difference in their lives by participating in initiatives such as Fairtrade, and also by partnering with World Vision Australia. **World Vision Australia** helped Jasper Coffee identify a source of coffee in one of its Area Development Programs in Ethiopia. Jasper Coffee sells the Fairtrade-certified coffee in Australia and coffee sales support World Vision's work in Ethiopia, including work with coffee farmers to improve the quality of their product. Through this partnership, Jasper Coffee is able to offer the Australian public a high quality AA Grade product that also supports the coffee-growing families of Yirgacheffe in Ethiopia. The combination of World Vision's community-based support, access to viable markets, and the Fairtrade premium have delivered transformational benefits for the participating producers and their communities:

- > Members of the participating cooperatives have increased their income from coffee by an average of 50 percent.
- > Cooperatives received higher net profits and disbursed dividends to members.
- > School enrolment has dynamically increased, and health and housing conditions of producers have also improved.
- > Cooperatives invested the Fairtrade premium in construction of social infrastructure including schools, bridges, electricity, and improved roads.
- > Cultivation of shade grown coffee has protected native forests from the environmental destruction seen in other parts of Ethiopia.
- > The level of capital in the cooperatives means the project is now self-sustaining.



The coffee beans grown in Kachore, Ethiopia that support the growth in economic development. Photographer Kebede Gizachew



Plan and Accenture are partnering through Accenture's Skills to Succeed program. Initiated in 2010, the partnership now covers 11 countries. In 2011, Accenture and the Accenture Foundation committed US\$1.93 million over three years to fund a project to equip 3,500 young adults in India and Vietnam with training to prepare them for jobs in industries such as information technology, customer relations, business process outsourcing and electronic repair.

The following year, an additional US\$3.65 million over three years was granted to train 7,100 young adults in Thailand and Indonesia with the technical, vocational and entrepreneurial skills necessary to find employment or build a business. At the World Bank Group Annual Meetings in 2014, The World Bank Group, Accenture, International Youth Foundation, Plan International, International Labour Organization, RAND Corporation and Youth Business International jointly announced the establishment of Solutions for Youth Employment (SFYE – <https://www.s4ye.org/founding-partners>). SFYE aims to meet the global challenge of youth employment through ambitious but concrete and measurable actions to improve youth employment outcomes by 2030 by building youth capacities, boosting private sector growth and job creation, encouraging entrepreneurship and the development of new firms, and improving information flows.



Hospitality students learn how to wait on tables at the REACH centre, Vietnam

© Plan International



In collaboration with the multi-national corporation Danone, **CARE** launched a new social enterprise named JITA in Bangladesh. JITA's remit is to advance rural distribution programs in the country, employing local tradeswomen to sell household and healthcare products to 'last mile' communities. JITA now employs over 4,000 women, providing them with regular and sustainable income, has a targeted reach of 10 million households and, in addition to distributing products from large corporations, such as Danone and Unilever, is also working with 100,000 local entrepreneurs and small-holders to leverage the distribution channels created by the scheme for local products.

Comparative advantage – why working with NGOs makes good business sense

Successful NGO economic development programs deliver cost effective outcomes, which lead to sustainable and long lasting change. NGOs have flexible and ethical ways of working, and the ability to adjust quickly to changing environments and contexts through robust monitoring and evaluation processes and systems. They can ensure economic development is inclusive and culturally appropriate, environmentally sustainable, promotes gender equality, and reaches the poorest and most marginalised people. Many of the economic development programs are capable of being scaled up or applied, sometimes with modifications in different contexts – in this way they can also be incubators for economic change and development for the poorest and most marginalised. NGOs also work with the private sector, governments and civil society to encourage and support responsible and ethical business practices that deliver positive changes for the poorest and most marginalised and consider the perspectives and needs of local communities. As shown in the case studies in this paper, Australian NGOs are able to leverage their considerable local and international networks in their project delivery, including established operational infrastructure, the contributions of other private and public actors to value chain development, and the invaluable trust connections they have earned over a long period of time.

Next steps

The importance of inclusive economic growth is increasingly recognised globally and it is one of the 17 Sustainable Development Goals¹⁹ of the *2030 Agenda for Sustainable Development* adopted by world leaders in September 2015. Achieving a sustainable reduction in poverty on a large scale will require the constructive engagement and collaboration of a broad range of sectors and stakeholders – including governments, the private sector and NGOs. Cross sector partnerships establish collaboration between organisations from different sectors, allowing partners to leverage their respective knowledge, skills, resources and assets in ways that create solutions which none of the partners could have developed on their own.²⁰ A multi-sector approach to private sector engagement and economic empowerment maximises the complementary strengths of government, business and NGOs and enables greater economic participation of the poorest and most marginalised individuals and communities. DFAT already recognises this in its policy on the private sector and aid – Australian NGOs look forward to advancing this agenda with DFAT and its private sector partners, and to identifying further opportunities for collaboration and learning.



CARE working with women in the coffee sector in PNG.
© Tom Greenwood (2014)/CARE

¹⁹ United Nations, *2030 Agenda for Sustainable Development, Sustainable Development Goals: Goal 8*
<https://sustainabledevelopment.un.org/sdg8>

²⁰ <http://www.wvi.org/united-nations-and-global-engagement/publication/getting-intentional-cross-sector-partnerships>