

HARMONIZING DEVELOPMENT & BUSINESS INDICATORS TOOL USE CASE: TWIGA FOODS

HARMONIZING DEVELOPMENT & BUSINESS INDICATORS

The Harmonizing Development and Business Indicators (HI) tool seeks to highlight the existing alignment between USAID objectives and private sector objectives. It was created for USAID Relationship Managers¹ who seek to engage private sector enterprises, which might include multi-national (MNC), national or regional organizations.

The HI tool maps existing business-relevant indicators to Foreign Assistance Framework Standardized Program Structure and Definitions (SPSD) indicators. To represent indicators for private sector objectives, a number of well-known environmental, social, and governance (ESG) indicator frameworks were used, such as Global Reporting Initiative (GRI) and SASB, as well as the Global Impact Investing Network's (GIIN) framework, IRIS+.

While the Sustainable Development Goals (SDGs) do not act as an ESG framework, companies often use the SDGs as a guide for their ESG strategies. As a result, the SDGs were added to the HI tool.

Relationship managers can use the tool to better understand partner motivations, recognize common monitoring needs, and identify engagement opportunities. To learn more about ESG frameworks along with why and how the private sector is using them, please refer to the Guidance Document.

1. Relationship managers is used throughout the document as a substitute for program officer or implementing partner relationship manager.

CONTEXT & BACKGROUND

Twiga Foods - a Kenyan e-commerce and food distribution platform - buys fresh produce directly from smallholder farmers through rural aggregation centers, and sells the produce to city vendors, with delivery within 24 hours. Twiga provides a viable solution to food insecurity in Sub-Saharan Africa by leveraging mobile phones, modern distribution and logistics, and other technology, to collaborate across a highly fragmented and informal retail industry. With a toll-free call center and 24/7 customer support via WhatsApp, Twiga is revolutionizing market access for fresh produce suppliers and vendors.

Twiga aims to sustainably lower the amount of disposable income that Africans currently spend on food, to match that of developed markets which have benefitted from centuries of infrastructure and supply chain investment due to global inequalities and unsustainable resource extraction. Through its self-sustaining closed ecosystem, Twiga helps to increase profits for smallholder farmers; improves farmer productivity and livelihoods; removes costly intermediaries; and effectively serves over 8,000 farmers daily.

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Visit www.Twiga.shop for the best deals



Revolutionizing African Retail

In sub-Saharan Africa, 90% of retail is informal, highly inefficient and characterized by layers of intermediaries.

Twiga simplifies the supply chain between fresh food producers, FMCG manufacturers and retailers through a B2B e-commerce platform. This removes the need for many intermediaries, significantly lowering the cost of food for consumers. Twiga has over 100,000 registered customers and delivering to 10,000 every day.

By creating this closed eco-system in this \$700bn industry in sub-Saharan Africa, Twiga will revolutionize retail.

Image 1: Screenshot from Twiga Foods' website.

USE CASE PRIMARY SCENARIO

How and why might the USAID relationship manager search the tool for indicators that will benefit both USAID and Twiga?

- System: HI Tool
- Primary Actor: USAID Relationship Manager

Twiga Foods does not utilize any ESG reporting frameworks. Small and medium enterprises face many challenges in reporting in alignment with well established sustainability frameworks and standards, due to limited financial, human, and legal resources. The following use case serves as an illustrative model and training on how the HI tool might assist a USAID Relationship Manager in identifying existing alignments between USAID's and TWIGA's objectives, as well as the monitoring and evaluation of these objectives. After identifying potential alignments, the USAID Relationship Manager may choose to engage Twiga based on a deeper understanding on how this enterprise model might inform international development work.

The screenshot shows a search interface with five filter categories: 'SPSD Categories', 'SPSD Program Area', 'Engagement Objective', 'Business Indicator Source', and 'SDG Goal'. Each category has a dropdown arrow. To the right is a 'Reset' button. Below the filters is a search bar with a placeholder text 'Search by phrase... (press Enter to search)' and a magnifying glass icon.

Figure 1: HI Tool indicator categories and search bar.

Given that USAID is already an established non-investing partner for Twiga, the USAID Relationship Manager may have preliminary insight into potentially relevant search categories. For example, using a combination of search criteria which align with Twiga’s stated mission and vision, such as Economic Growth (under SPSD Categories); Agricultural Sector Capacity (under SPSD Program Area); and Agricultural Production and Revenue (under Engagement Objective), yields 9 potentially relevant indicator matches.

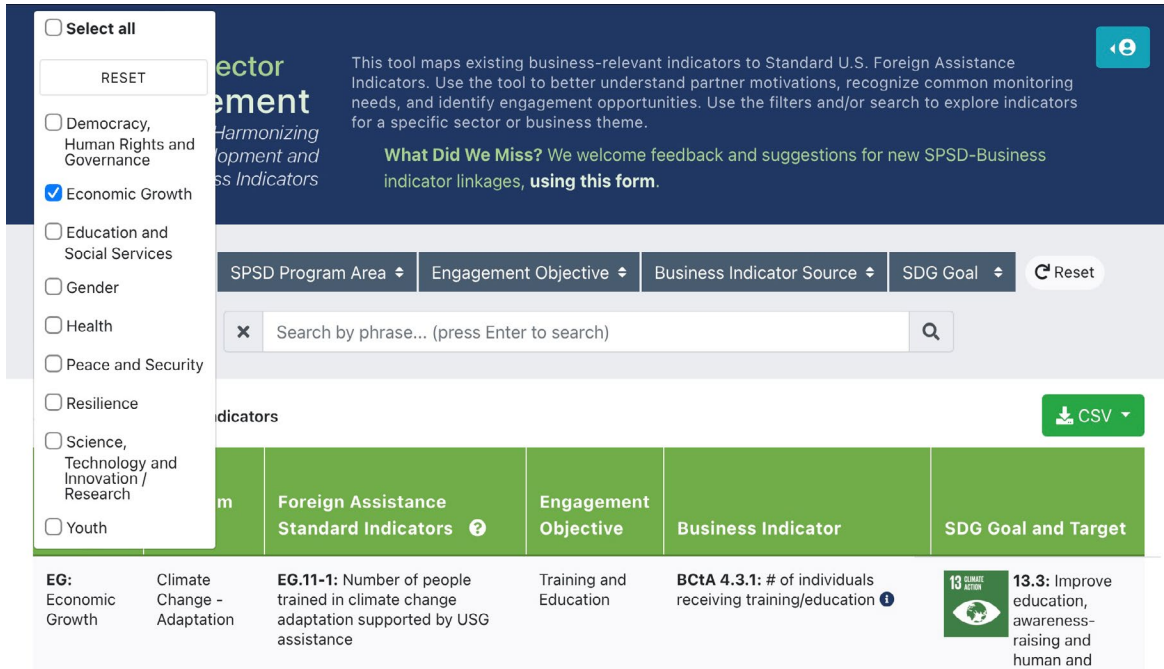


Figure 2: The ‘SPSD Categories’ drop down list with one subcategory selected.

Adding additional subcategories under SDG Goal to the search criteria will not result in less indicator matches in this case. Nonetheless, narrowing down the search results even further may not be necessary. The USAID Relationship Manager might identify one or more relevant indicator matches. Noting the existing partnership between USAID and Twiga, these results may inform efforts to strengthen the relationship between both organizations, as well as their joint ability to address development priorities.

For example, after consulting with the executive leadership team of Twiga, the USAID Relationship Manager might learn that the organization has the internal capacity to begin reporting in the next fiscal year, and that the current economic and political climate in the region will support this investment. Alternatively, after consulting with both organizations’ leadership teams, the USAID relationship manager might be advised that Twiga would need to implement new mechanisms to facilitate ESG reporting. USAID may be able to partner with them on this initiative (or identify another stakeholder more suitable), if internal and external factors would support this investment at the time.

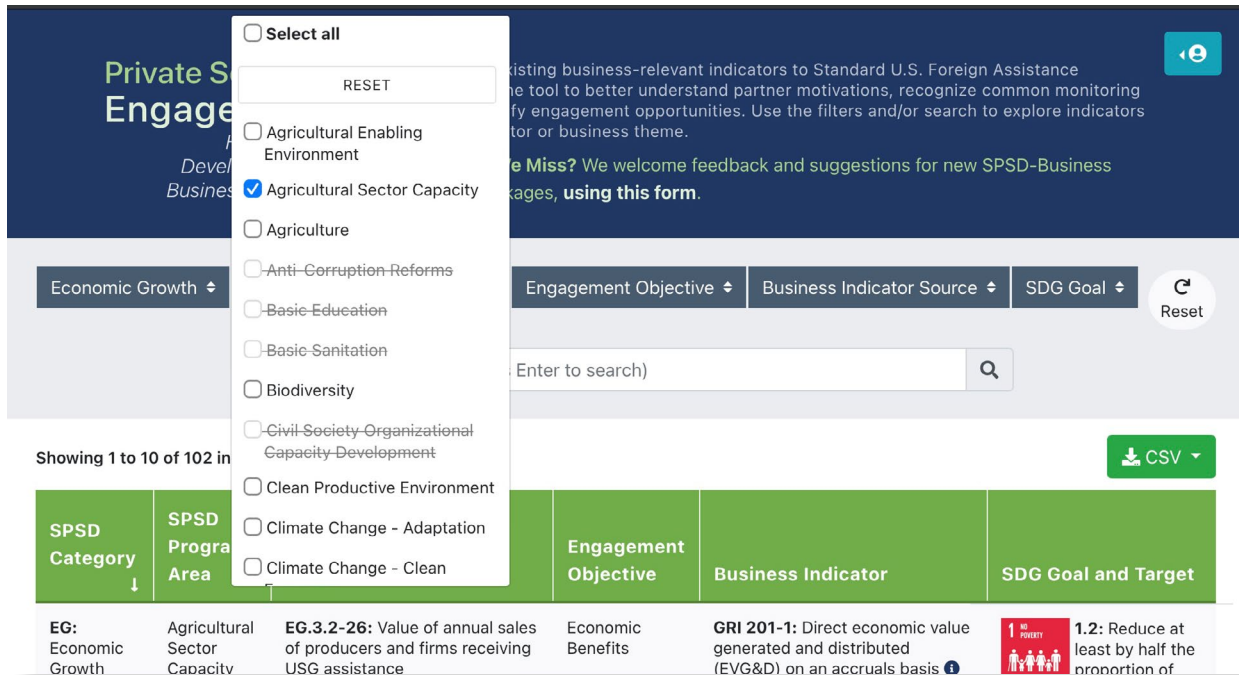


Figure 3: The 'SPSD Program Area' drop down list with one subcategory selected.

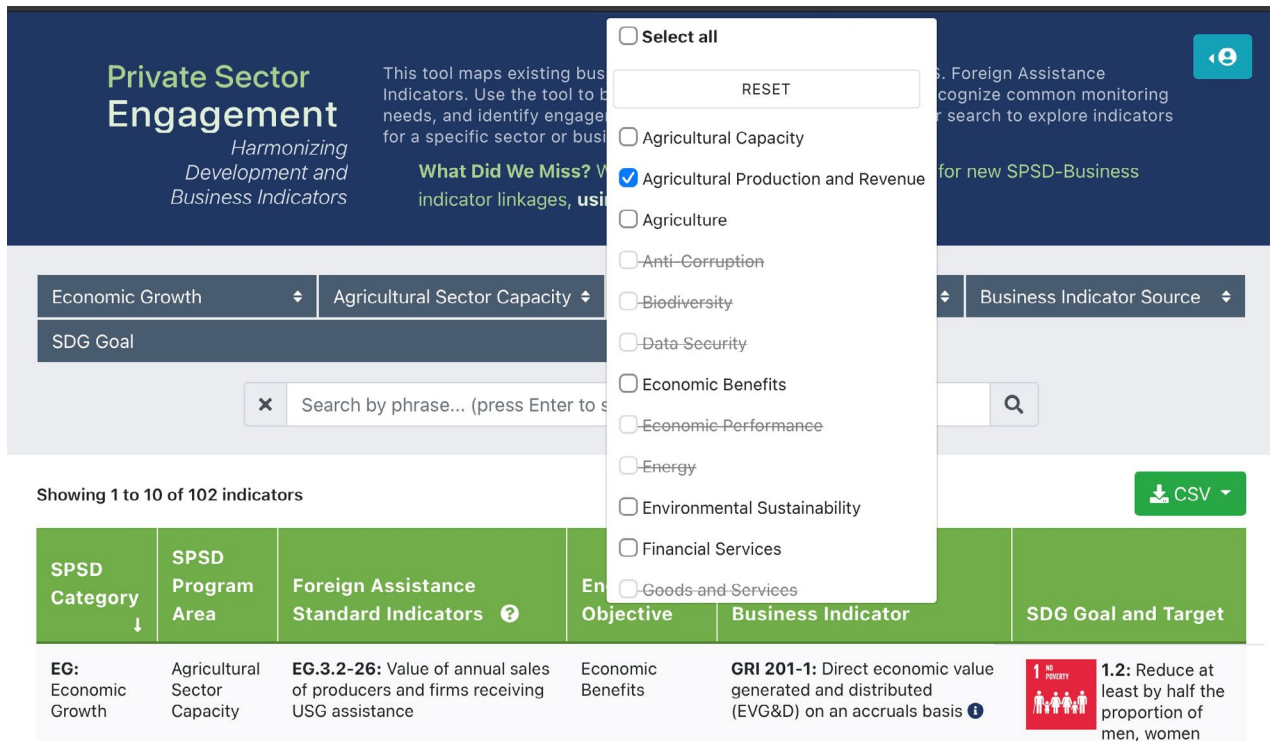


Figure 4: The 'Engagement Objective' drop down list with one subcategory selected.

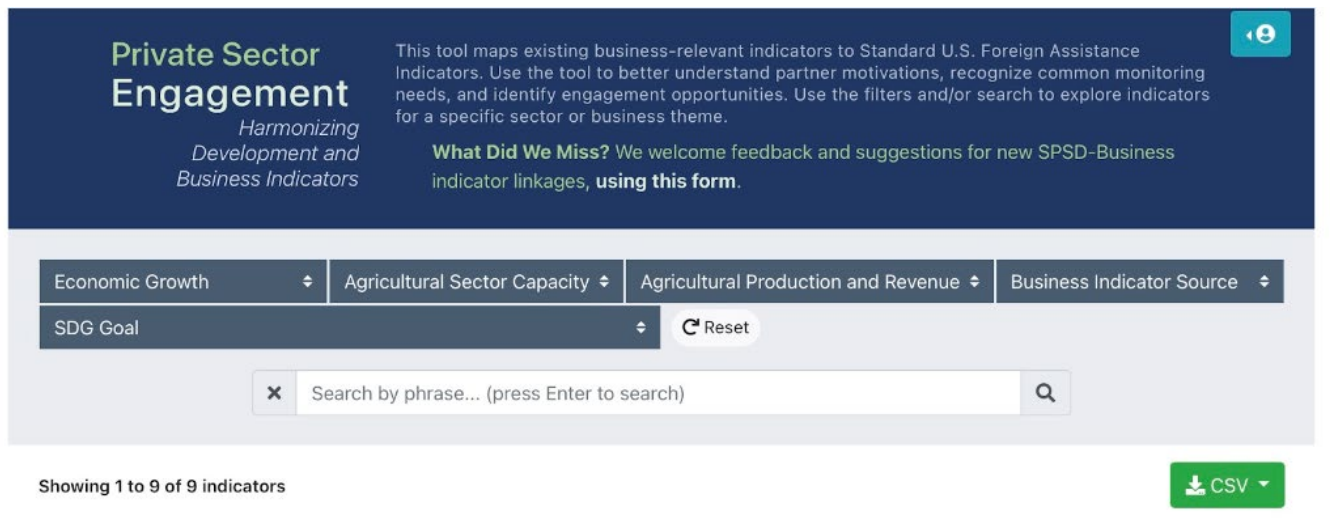


Figure 5: The HI Tool indicator categories and search bar showing nine indicator matches after ‘Economic Growth’, ‘Agricultural Sector Capacity’, and ‘Agricultural Production and Revenue’ subcategories have been added to the search

FUTURE IMPACT

In either of the above-mentioned scenarios, the HI Tool facilitates the identification of existing alignments (and potential gaps) between indicators that are relevant for business reporting commitments on socio-economic impacts. As a result, USAID internal, technical officers who are involved in private sector engagement and associated results monitoring, might better foster private sector engagement with joint monitoring and mutual understanding of the results each organization aims to achieve.

Source: <https://twiga.com/>