



PRACTICE GUIDANCE

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Building Long Term Sustainability In Multi-Stakeholder Platforms

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Practice Guidance: Building Long Term Sustainability In Multi-Stakeholder Platforms

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Context

Multi-Stakeholder Platforms (MSPs) have emerged as a popular approach to agricultural commodity sustainability, as the impact of decades of stakeholders' commitment and effort in an individual, unconnected basis continues to be elusive. Public and private sectors increasingly recognize that problems are too complex to be solved by any single actor. MSPs are spaces where stakeholders build a shared vision and a willingness to take joint action to solve the overwhelming challenges facing the world's food and agriculture systems.

While some platforms are short-to-medium term instruments to overcome immediate problems, many MSPs are meant to be long-term permanent structures to ensure long-term improved dialogue and collaboration between stakeholders, who work together on emerging challenges to continued sustainability. A permanent collaborative structure will help keep stakeholders engaged and committed. It will help to continuously build new alliances between stakeholders, and allow actors to shift their thinking and activities as they learn over time to achieve the desired impact.

Many MSPs are established with support from donor-funded projects, so the financial sustainability of the future collaboration of the collective effort needs to be co-designed by those involved early on, so the cycle of action, learning and reflection together within the system can continue beyond the initial project funding.

Objective and Format

This document was developed by UNDP's Green Commodities Programme with support from the Global Environment Facility-funded Good Growth Partnership and SECO, the Swiss State Secretariat for Economic Affairs, to guide the co-design processes which will ensure the long-term sustainability of an MSP.

It was collaboratively developed in a participatory process extending over 4 stakeholder webinars which synthesized the experience of more than 30 practitioners.

It provides a series of ideas, options and suggestions on MSP sustainability that have been generated by the members of the Green Commodities Community. The guidance is presented in three categories:

1. Institutional capacity

Establishing a future backbone with the institutional capacity necessary to facilitate collaboration, collective action, and learning.

2. Financial sustainability

Ensuring financial sustainability in the form of permanent funding streams that allows continued collaboration.

3. Political resilience

Strengthening political resilience to protect MSPs from collapse when governments or key officials change.

Some of the proposed solutions are more suitable for platforms at national and sector level, while others can be applied in subnational jurisdictions or landscapes.

1 - Institutional capacity

As you support the co-design process of a future collaborative support structure beyond the project funding, we recommend you put the following topics down for consideration, and work with a skilled external facilitator to reach agreement:

- **Identify the host institution(s).** This can be a government entity (such as a ministry or a specialized technical agency that is the country's designated responsible for the commodity) or it can be non-governmental institutions, such as a university or research organisation. The host can sometimes be a hybrid between public institutions and private actors, or it could be that a new institution is established for this purpose. It is important that the host institution has the capacity, competence, and willingness to take on the new coordinating role. This future role should be clearly defined in the co-design process.
- **Review existing collaboration structures.** With a shift in activity and a new host institution it is essential to review the collaboration structure and consider revising it. This could build on existing inter-governmental coordination mechanisms, NGO forums or private sector guilds or associations. Most essential is that any revision made keeps multi-stakeholder trust and relationships.
- **Build skills and capacity.** Consider whether the host institution and its people have sufficient skills and capacity to support the collaboration, learning and monitoring roles needed. Where there are gaps a training plan will help prepare people to take on new responsibilities. Also, consider formalizing the roles for other organizations, both public and private to support the host, including outside experts specialized in systemic change processes and the facilitation of multi-stakeholder collaboration.
- **Align with public planning.** Commitments made by government agencies as part of the collective action need to be reflected in public planning and budgeting.

Work with champions. In each organization that takes part in the collaboration there are dedicated individuals who are willing to take on the leadership role for this collective work – they are often more passionate, speak on behalf of the group and put in more time and effort voluntarily. It is important to

identify these champions, support them and encourage their leadership potential. Indonesia's sustainable palm oil platform is a useful case study for the recommendations made here.

It can be hard to anticipate the institutional capacity needed, which will vary depending on the process that the stakeholders co-create. It is particularly important, though, to include questions of institutional capacity in the design process from the beginning and then closely monitor improvements along the way.

2 - Financial sustainability

There are several options for long-term MSP funding after UNDP's initial donor funding ends. The long-term funding mechanisms outlined here are for ensuring continuity in collaboration and cycles of learning in action. The bulk financing necessary to implement joint or individual commitments as part of the collective action is not addressed in this guidance note.

Here again, in supporting the co-design process of a future collaborative structure and backbone beyond the project funding, we recommend you put the following topics down for consideration, and work with a skilled external facilitator to reach agreement.

- **Export-tax funded.** Some of the world's most successful commodity production countries have set up sustainable finance schemes to help cover the cost of supporting and developing the sector, and promoting their goods.

A good example is Colombia, which leverages a small tax on the export of coffee. The funding, which is channelled into the National Coffee Fund and administered by the Colombian Coffee Federation, helps pay for farmer extension support, coffee research, coffee promotion and advertising and other services that benefit the Colombian coffee sector. The funding has helped make Colombian coffee one of the most recognizable agro-commodity products, and the sector one of the best organized in the world. The viability of such a funding scheme will depend heavily on local conditions, but philosophically it makes sense that the productive sector itself pays, as opposed to relying on other government revenue, for example. <https://federaciondecafeteros.org/wp/national-coffee-fund/?lang=en>

- **Payment for services.** Another way of generating revenue within the sector is to charge fees to larger producers and companies in the supply chain, including, for example, fees for permits to operate, payment for inspections of different types, payment for obligatory training in sustainable production practices, etc. By charging for services, the host institution can get an income stream to help sustain the sector collaboration over time.

- **Membership fees.** An often-proposed idea is to charge a membership fee for participation in the MSP initiative. This needs to have a clear benefit to each member and sliding scales from zero to a maximum can be designed to reflect the range of non-profit to corporate members.

A good example is the Better Cotton Initiative, which charges all members a differentiated annual fee - producers, retailers, traders, civil society - with clear benefits for each to participate. This fee also gives the member specific services and options, so it is a blend of the payment for services and membership fees. www.bettercotton.org

- **Donor contributions.** To achieve financial sustainability of the platform, it is important to eliminate dependency on a single donor and the risk of collapse if that funding stream ends. There is no reason a multi-stakeholder collaborative institution/structure should not be able to capture funds from several donors and projects, in return for coordination and shared learning functions and for mobilizing joint stakeholder action that make projects and investments more successful and efficient.

For example, the multi-stakeholder process in Indonesia's palm oil sector – one of the Green Commodities Programme's most ambitious processes, which aims to address complex sustainability issues in one of the world's largest agro-commodity sectors, will certainly receive support from private sector and public donors for many years to come as pressure on palm oil sustainability continues to increase. To the extent that the platform can become an effective mechanism to coordinate action of multitudes of sustainability investors, it should also be able to receive funding to cover the cost of the

- **Government funding.** One option for long-term platform sustainability is to build the cost of running the platform into public budgets. The cost of doing so is not overwhelming, particularly when the government draws benefits from it and the functions are mainstreamed within public and private institutions. In many countries, the cost of MSP operations would be negligible for governments to take on. When aiming for public funding, remember MSPs often cover a broad range of issues. The broad focus can help align public funding from many different sources, including budgets for rural development, poverty alleviation, community development, food security, small business development, environmental sustainability, etc. These budgets are likely to be allocated to different government institutions and at national and subnational levels, and it is important to engage them to secure investments.
- **Mix and match.** In most countries, the most realistic funding model is likely to be a hybrid system that combines several of the options mentioned above: voluntary donations, stable government funding, fees, or export tax. Platform sustainability will depend on the capture of funding from different sources. Co-designing the proper financial architecture and infrastructure is important including e.g., trust funds that can legally receive funding from different and mixed sources.

Combined, the funding options represent a fully resourced scenario for MSP financial sustainability. A hybrid model should be well defined, with the funding responsibilities of each contributor acknowledged, and the funding model made official and binding.

It is important to co-design the funding model alongside the institutional capacity early in the collaboration to avoid the shock of stakeholders suddenly having to take on the full role and responsibilities once a project ends. If the host institution has gradually become accustomed to securing financing for the collective work and has seen benefits, learned from challenges, and adapted along the way, the chances are good that the collaboration can continue and thrive.

3 - Strengthen Political resilience

A challenge for MSP processes, just as for most development work, is the disruption that often arises from change in government, because of elections, or because of internal reshuffling of high-level government officials. The change in key personnel can mean loss of political commitment built over time, and delays while new commitment is established. Shifts in government after elections can also result in policy change, shift in priorities or reduction in funding available for MSPs. There are, however, several things that can be done to keep the political commitment that is paramount for platform sustainability. Consider the following:

- **Low-cost operating structure.** Political commitment is easier to maintain while there is an on-going project that funds the work. The commitment gets harder to sustain once public institutions need to fund and implement their commitments. At that time, it will be important to have a light backbone support structure that is viable in the longer term and that can operate at a cost-effective level. A light structure will be easier to maintain overtime and can grow as the funding mechanisms mature.
- **Synergy with government priorities.** Establish linkages between MSPs and joint commitments or agreements with the government's broader objectives, including its commitment to international development goals and agreements (e.g., SDGs (Sustainable Development Goals), Climate Targets, Green Economy), and then to promote the idea that MSPs will help the government achieve its promises. If the commitments fit in with work that the government wants to do anyway it helps maintain momentum from the government to the platform work.
- **Highlight national benefits.** A variety on the theme above, is to identify and promote the contribution of MSP-generated collective action to key areas of national interest, which are likely to change little over time: increasing export earnings, poverty alleviation and rural development, and keeping countries' commitments to international agreements, such as zero deforestation, climate change goals etc. The government's support will inevitably be much stronger if it properly understands how platforms can help the government be successful.

The establishment of the government-led Indonesia Palm Oil Forum provides a collaborative space for government, industry and civil society organisations to develop together a broad-based plan on how to maximise the economic benefits arising from the development of the sector, while minimising its adverse social and environmental effects. In 2019, after more than two years of consultations, the Sustainable Palm Oil National Action Plan (NAP) was formally adopted by Presidential instruction. Implementation at the national level, and with complementary efforts at provincial and district levels, is now under way, benefitting from the trusted relations that were built up through meetings involving 203 organisations; 14 government ministries are involved in the implementation.

- **Highlight win-wins.** One important area where the MSP can help the government be better off, is that it helps the government improve the governance of productive sectors. Governance of commodity sectors is often weak and it can be attractive for the government to have a tool to engage producers and supply chains in voluntary collective action.
- **Get high-level commitment.** While collaboration processes will often involve technical specialists and mid-level executives, a successful MSP for systemic change needs buy-in from decision-makers at the highest level, across all types of institutions. The high-level commitment can be built through a separate ‘VIP track’ of stakeholder engagement which engages decision-makers in a more executive setting. To get access at the right level you may need to keep a high-level political operator, e.g., an ex-minister or ex-vice-minister with excellent political connections. It is often also more effective to have peers as ambassadors to grow the ‘VIP Track’ with large national companies promoting the platform to their peers, and similarly for non-profits, producers, and civil society. For MSP processes at the sub-national level, it will often be easier to count on direct participation of decision-makers.
- **Work across political boundaries.** Involve and nurture ‘champions’ across the political spectrum, including future political leaders on their way up, and avoid MSP becoming entangled in party politics.
- **Build broad consensus.** Broad consensus among stakeholders in a productive sector helps maintain commitment from government (as well as all other actors) as few governments will wish to challenge this.

The viability over time of MSP processes is more secure if they are kept less political and in harmony with the country’s long-term development goals that are widely agreed among stakeholders. When possible, build on existing processes and highlight synergies with stated cross-party priorities.

Conclusion

To build successful processes that sustain results over time we have highlighted several ideas, principles, and general rules that practitioners should keep in mind. For all these the following apply:

- First, do it early, and certainly well before project funding runs out;
- Second, co-create with stakeholders, including the financing and institutional capacity; and
- Third, maintain political commitment throughout.

As UNDP Food and Agricultural Commodity Systems' Global Head Andrew Bovarnick puts it:

“We need a constant stream of innovation for the Decade of Transformation to 2030, and effective collaboration is a key part of this stream. The relationship between technical solutions and collaborative systemic change is a virtuous circle: improving multistakeholder collaboration improves adoption of new technical innovations which, as they succeed, improves trust and collaboration.”