

Organisation Strategy for Denmark's engagement with the Sustainable Trade Initiative (IDH) 2015-2020

The mandate and mission of IDH

The Sustainable Trade Initiative (IDH) is a key sustainability player with engagement in app. 40 countries worldwide. IDH's mission towards 2020 is to accelerate and up-scale sustainable production and trade, promote synergy between aid and trade and thereby contribute to the implementation of the global sustainability goal (SDG). This is done by building coalitions of front running companies, civil society organizations, governments and other stakeholders in order to develop strategies and supply chain models which address key social and environmental challenges. IDH has demonstrated that it is possible to lift entire value chains from small holder farmers in developing countries to the European consumer to higher social and environmental standards. A core element of the IDH strategy towards 2020 is to support the development of inclusive agricultural value chains that empower small-scale farmers to sell to more stable, bigger or higher-value markets.

Denmark supports IDH with core funding because:

- IDH provides added value by scaling and accelerating sustainable global trade and development.
- IDH is a leading knowledge centre on sustainable trade and is innovative in its approach by creating public-private coalitions in key commodity sectors.
- IDH offers efficient cooperation with the private sector and has ensured a strong commitment from private businesses, also financially.
- IDH can assist Danish companies in addressing sustainability challenges including uptake of sustainable produce and is highly valued by participating Danish companies.

The Sustainable Trade Initiative (IDH)	
Established	2008
HQ	Utrecht, Netherlands
Human Resources	Approx. 75 staff
Financial resources, 2016-2020	<p>The budget for 2016-20 is € 215 million (DKK 1,600 million).</p> <p><u>Match-funding by private sector:</u> At least 50 pct. Ratio of private contributions have increased from 0.17 in 2008 to 2.77 in 2014 with an average of 1.76.</p>
DK contribution 2015-17	40 m. DKK
Core sectors	cotton, coffee, tea, cocoa, fruit and vegetables (including flowers and species), palm oil, soy and aqua culture
Donor meetings	2-3 annually

Key challenges for IDH:

- To strike the right balance between deep impact in key sectors and demand for addressing new sectors.
- Address insufficient market uptake of sustainable produce by companies to obtain real market transformation.

Denmark will expect IDH to:

- Enhance smallholder productivity and livelihood improvements
- Mainstream gender equality
- Ensure cost effectiveness
- Ensure that more Danish companies and stakeholders benefit from IDH expertise on sustainable business models