Scaling of Inclusive, Responsible and Sustainable Business Models

Final Report

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Executive Summary

FAIR for ALL aims to leverage the power of civil society to shape new ways of doing business in the global food system that work in favour of people and the planet. One lever for systemic change that FAIR for ALL focuses on is the promotion of alternative business practices that are inclusive and empowering. The aim is that at the end of this program, civil society together with partners from the private sector will have identified and enabled the co-creation, implementation and scaling of alternative business models within agricultural and extractives value chains. AidEnvironment has generated insights from available literature and case studies within and beyond Oxfam to support scaling of these alternative business models, which we have called Inclusive, Responsible and Sustainable Business Models (IRSBMs), for reasons explained in this report. These models are expected to be inclusive (benefitting suppliers, distributors, retailers, employees and/or customers) and generate R&S Impact (social Responsibility and environmental Sustainability).

We identified four different types of mechanisms for scaling Inclusive, Responsible and Sustainable (IRS) principles being adopted by businesses, or IRSBMs as a whole. The below scheme summarises the interrelations between these four different types of scaling mechanisms (SM), while the scheme on the next page describes the main characteristics of the scaling mechanisms that we have defined. There are examples available for each scaling mechanism but because of reasons of confidentiality these have been anonymised.

Figure 1: Relations between the four scaling mechanisms (SM) to achieve large-scale and long-term impact

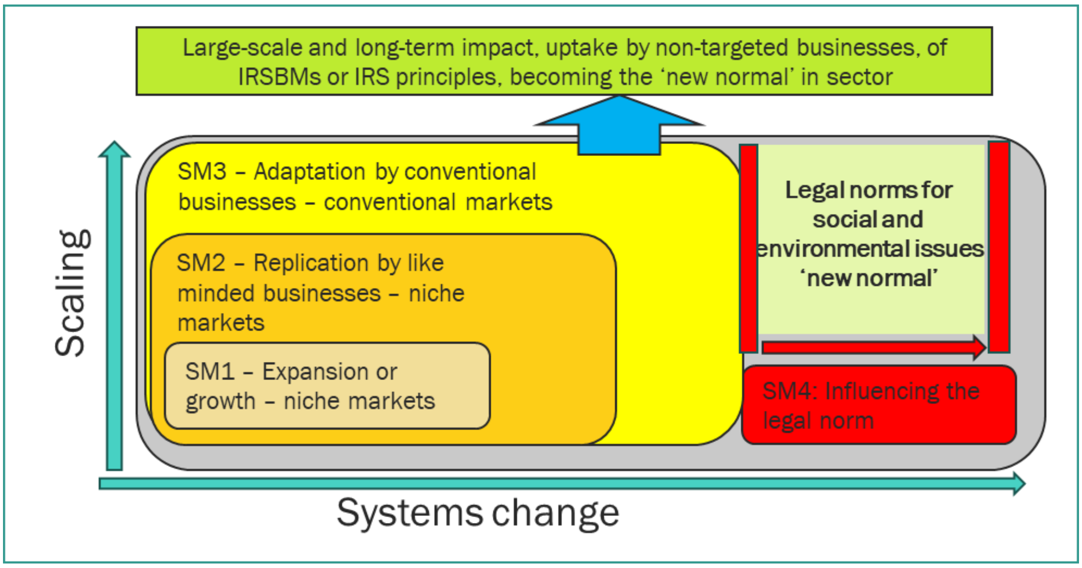


Table 1: Characteristics of four types of scaling mechanisms

Characteristic	Scaling mechanism			
	1. Expansion within business	2. Replication by like-minded businesses	3. Adaptation by other businesses	4. Influencing legal norms
Effect in time	• Direct, business wide	• Direct, business wide	• Direct, but limited in scope	• Indirect through legal changes
Scaling effects	• Limited (islands of success)	• Limited (islands of success)	• Medium (early majority)	• Large (all businesses)
Scope of R&S Impact	• High local impact	• High local impact	• Impact limited in R&S scope	• Impact limited in R&S scope
System changes	• By scaling if more widespread	• By scaling if wide-spread replication / adoption	• By adaptation and mainstreaming by other companies	• By enforcing more sector-wide scaling
Limitations by enabling conditions	• Limited, related to sector, context and R&S scope	• Moderate, related to sector, context and R&S scope	• Important, as conditions often differ by company	• Important, public awareness is critical
IRS adoption in relation to sector transformation	• Early stages of sector transformation - inception	• Early stages of sector transformation - inception	• Advanced stages of sector transformation – first movers – critical mass	• Advanced stages of sector transformation - institutionalization, may also be at the onset
Role of Oxfam	• Capacity building, funding, sharing best practices, and creating an enabling environment for IRS / IRSBM adoption	• Capacity building, funding, sharing best practices, and creating an enabling environment for IRS / IRSBM adoption	• Create evidence base on IRSBMs, identify barriers, campaigning, communication & promotion, support companies willing to change	• Create evidence base on IRSBMs, identify barriers, campaigning, communication & promotion, support sector wide platforms and dialogues, policy influencing

Introduction

The Power of Voices FAIR for ALL program (1 Jan 2021 – 31 December 2025) is a joint initiative led by Oxfam Novib, SOMO (Centre for Research on Multinationals), Third World Network-Africa (TWN), and Huairou Commission, funded by the Dutch Ministry of Foreign Affairs. The programme operates within agricultural and extractives value chains at the regional and global levels and in 14 countries across Africa, Asia, Latin America, and Europe. FAIR for ALL aims to leverage the power of civil society to shape new ways of doing business in the global food system that work in favour of people and the planet. The program has determined that to work on this goal a process of systemic change is required. One lever for systemic change that FAIR for ALL focuses upon is the promotion of alternative business practices that are inclusive and empowering. These were initially called Just and Sustainable Business Models (JSBM), but have been renamed Inclusive, Responsible and Sustainable Business Models (IRSBMs), for reasons explained in below chapter 1. The aim is that at the end of this program, civil society together with partners from the private sector will have identified and enabled the co-creation, implementation and scaling of IRSBMs in value chains.

Oxfam has asked AidEnvironment to capture insights from available literature and case studies which can help the FAIR for ALL program to develop more effective strategies in support of its aim to contribute to both systemic change and scaling of effective business models. This report presents these insights and provides some recommendations. These are based on the following two sources of information that were used in this study:

1. Literature that was consulted, originating from AidEnvironment's own experiences as well as suggested by Oxfam and organisations or companies that were interviewed. A full list of general references can be found in Annex 1.
2. Case studies that were carried out. Together with Oxfam we selected a number of businesses and initiatives to analyse in order to better understand how they deal with principles of being inclusive, responsible and sustainable, their experiences with scaling and relation with system change. Case studies were both selected from within Oxfam and outside Oxfam, in order to make optimal use of available experiences. Two Oxfam case studies emerged from the collaboration between the Impact SME development Programme and the Fair for all program, and we also made use of the results of the JSBM event organized in Bangkok. For reasons of confidentiality the case studies have not been included or were anonymised.

The literature and case studies formed the basis for coming to a typology of Inclusive, Responsible and Sustainable Business Model (IRSBMs) archetypes, which is presented in chapter 1. Chapter 2 then describes how IRSBMs can contribute to systems change. In Chapter 3 we present a classification of mechanisms to scale IRSBMs in support of systems change. In Chapter 4 we look at the context factors that play a role in the potential for successful scaling and system change. In chapter 5 we look at the roles that Oxfam could play in developing and scaling IRSBMs. Chapter 6 provides guidance on how to identify which scaling mechanism has best potential in a given context.

We have two remarks to be made with respect to the overall scope of this report:

- The FAIR for ALL program operates within agricultural and extractives value chains. In this report most insights are relevant for agricultural value as experiences in extractive value chains are limited.
- The principles of inclusive, responsible and sustainable ('IRS principles') are further worked out in the next chapter. We positioned these principles in the global context of a neo-liberal economy that is dominated by a corporate regime that puts shareholder interests first – instead of stakeholder values – and thus leading to global inequalities. Within this dominant paradigm, the orientation of the concept of IRSBMs is primarily that of 'doing less harm'. For the future, Oxfam aspires that business models will be built around 'doing more good' principles, possibly in a

post-neo-liberal era. We believe that while this report does not focus at revolutionary new ‘do more good’ business models, it can generate insights which are relevant for, and may contribute to, the shift towards the needed paradigm shift and large-scale systems change of a post-neo-liberal economy.

1. Inclusive, Responsible, Sustainable Business Models

Kuijpers et al (2021)[1] identified a list of high level categories, or typologies, of IRSBMs based on previous Oxfam work. These typologies refer to concepts such as collective action, value at origin, women economic empowerment, IT innovations, social enterprises, and integrated value chains. Several references were used to support defining what an IRSBM is or what it is not. An interesting example comes from the G20 IB framework[2], which refers to inclusive businesses as businesses that provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the bottom of the economic pyramid (BoP), making them part of the value chain of companies' core business as suppliers, distributors, retailers, or customers. This definition contains relevant elements for Oxfam to describe the concept of IRSBM, as follows.

- **Inclusive.** This is about the beneficiaries of the business model, as employees, suppliers, distributors, retailers, or customers. The above definition refers to giving a voice and benefiting those at the bottom of value chains. Being inclusive includes the employees within the business itself (in terms of wages, decent work, gender equity). Being inclusive also includes the value chain actors with whom the business interacts, in terms of a social and gender lens to avoid or correct exclusion and enhance economic equity, including them in decision making processes and focusing on their wellbeing. Oxfam puts special attention to specific groups such as women, youth, workers, smallholders, indigenous and local communities.
- **R&S Impact.** This refers to social **Responsibility** and environmental **Sustainability** as the nature and degree of impact for the final beneficiaries. Social Responsibility impact includes respect of human (and labour) rights, fair distribution of benefits in the value chain, empowerment, living incomes and living wages, as well as other issues related to workers, such as labour rights, health and safety issues, right to form unions. Environmental Sustainability impact includes mitigating natural resource depletion, climate change adaptation, ecosystem restoration, circular economy, waste management and pollution, sustainable energy. In terms of R&S impact, it includes both 'doing less harm' and 'doing more good' impact.
- **Viability**: This is not necessarily an aim in itself of IRSBMs, but ultimately it is a condition for the businesses to survive over time, grow and potentially be replicated by others. Being financially viable is not a condition that should be met from the onset, but rather may be gradually achieved if conditions to do so become more enabling. Also, viability is not the same as financial self-sustainability, because some IRSBMs may rely on a mix of external financial resources.[3]

We look at businesses that apply one or more IRS principles, and businesses that have mainstreamed IRS principles in their business as a whole, thus becoming IRSBMs. There is a gradual overlap between these two extremes. In order to allow for some classification, we introduce three generic archetypes of value chain related IRSBMs.

A. Producer-owned businesses.

These are businesses or collective action models which empower and benefit farmers/miners and increase their value capture. The Inclusive, Responsible and Sustainable (IRS) principles should be mainstream and intrinsic to the business, and rooted in local society and the local resource-base. Internal power is improved through their collectivization and the value capture can be supported with forward integration (e.g. in aggregation, processing and marketing). Typical examples are farmer cooperatives, women-led groups, or producer -owned companies. Collective action models can be

[1] https://kit2018.wpenginepowered.com/wp-content/uploads/2021/02/Working_Paper_Value_Chain.pdf

[2] Source: ASEAN (2020), Guidelines for the Promotion of Inclusive Business in ASEAN

[3] G20 Inclusive business framework: http://g20.org.tr/wp-content/uploads/2015/11/G20-Inclusive-Business-Framework.pdf

initiated from the bottom up—by the farmers themselves — or externally by NGOs, government or private actors. Becoming commercially viable may be a challenge.

B. Businesses with IRS purpose.
These are value chain businesses with an explicit IRS purpose and mission of creating a positive R&S impact at producer level by sharing value and risks with their suppliers. These companies can be upstream (e.g. aggregators and exporters) or downstream (importers, manufacturers, retailers). Through integrated supply chains and fair contract farming models they establish direct, stable and transparent relationships with producers with whom they are willing to share value and risks. In addition to market access, many social enterprises offer a range of capacity building and financing services as well as co-investments in social projects (e.g. offering basic services, gender and labour rights). While these businesses aim to be commercially viable, a distinct feature of businesses with an IRS purpose is that they are not structured to maximize their profits for redistribution. Generally, most profits are reinvested back into the business in order to fulfil and strengthen its social mission.

While the above two archetypes generally have multiple IRS principles mainstreamed within their business as a whole, the following archetype is different, because it may have adopted just one or a few IRS principles, and these may be applied in just part of the business.

C. Companies with IRS policies.
These are large value chain businesses (companies) with policies on inclusive, responsible and / or sustainable sourcing and service delivery. Compared to archetype B, companies of this archetype give more weight to profit generation, but they do have IRS principles as explicit policy objectives, or these form part of their business strategy. They invest in developing more stable and transparent relationships with producers (e.g. through repetitive and long-term sourcing contracts or contract farming). These relationships can have elements of risk sharing (through contract farming) and co-investment (e.g. farmer support). A characteristic is also that IRS policies do not apply to the whole company (unlike archetype B). An example of this can be found at a large coffee company, who has strong IRS policies for one brand (e.g. long-term buying relationships with coffee farmers and payment of premiums), while these principles do not apply to other brands. Examples of this archetype from the case studies are tea businesses that have adopted living wages policies.

The case studies generated the following insights on the nature of IRSBMs.

Businesses are continuously evolving in terms of the level of inclusiveness, R&S impact and viability.
Many of the businesses in the case studies have evolved over time; they are now different businesses than what they were at the onset. This can be due to the fact that the number of IRS principles being adopted grows over time ('scope') or because the IRS principles being adopted are further intensified and mainstreamed within the business ('depth'). For example, one company started as a tea grower and processor for export, but has diversified itself to value addition activities for local markets as well as into other services that are relevant to their members, e.g. insurance, credit and energy. For a local rice company it took years of developing their inclusive business model, starting out with the inclusiveness of smallholders, but gradually adopting other R&S related issues. A cocoa company started with specific goals around child labour, but over time they added goals around living income and no-deforestation. For all three examples, the scope of adoption and depth of impact has increased over time. We often see that the entry point for starting a IRSBM has a limited scope, i.e adoption of just one IRS principle, Such narrow scope can be driven by market demand (e.g. inclusiveness related to creating employment by smallholders and serving market demand), commercial benefits (e.g. introducing energy technologies that can reduce cost), or due to government support. Once the business has successfully adopted one principle, it may then gradually integrate new, often more complex and sensitive issues (e.g. gender considerations,

human rights, fair trade, local ownership). The economic viability will also change over time, and may take long to be fully developed (if ever).

This dynamic character makes it difficult to set a fixed definition for IRSBMs. It is also less relevant to judge them against a performance benchmark as most IRSBMs will fall short on specific IRS issues and related impact. However, this does not mean that this cannot change and be addressed over time. Therefore, assessing IRSBMs should be more about looking at their vision, mission and mindset, and whether there is evidence of learning and a consistent path of continuous improvement, in terms of increasing scope and depth of adoption, towards a concrete goal or vision.

The cases also show that support may be required over a longer period, before an IRSBM is commercially viable and can invest in achieving greater impact. This support may not always need to be very intensive and resource-intensive, but could remain hands-on in order to support IRSBMs to move up ambitions, if opportunities arise. See for more details on the role of Oxfam in section 5.

Table 2: Characteristics of three archetypes of IRSBMs

	IRSBM archetypes		
Criteria	A. Producer owned businesses	B. Business with IRS purpose	C. Companies with IRS policies
Scope	The business has adopted and mainstreamed several IRS principles	The business has adopted and mainstreamed several IRS principles	The business has adopted one or few IRS principles, and often partly
Decision-making	Bottom-up	Partnership	Top-down
Ownership	Producers	Private, possibly shared with producers	Private or public shareholders
Commercial purpose	Profit for members	Profit balanced with impact	Impact in support of profit
Size	Often small, location bound	Often medium-scale, one or few countries and commodities	Often large-scale, multiple countries and commodities
Drivers for IRS practices	Shared interest	Mission driven and market opportunity	Reputational gains, comply with company policy, long-term supply security
Adoption of IRS practices	Organization-wide	Organization-wide	Often fragmented (e.g. specific brand, geography, market segment)
Dominant sourcing model	Contract farming	Contract farming, integrated supply chains	Contract farming, annual contracts
Value capture mechanisms	Forward integration (e.g. processing and marketing)	Value adding, fair trading practices and co-investment in producers	Fair trading practices and co-investment in producers
Market orientation (1)	Local, national, export	National, more often international	National, international
Market orientation (2)	Both high-value and mainstream	Often high-value and niche	Both mainstream and high-value

2. How can IRSBMs contribute to systems change?

The FAIR for ALL program also has the ambition to contribute to sector transformation and system changes. We see important complementarity and synergy between scaling IRSBMs and systems change.

IRSBMs offer solutions to persistent problems related to production and trade. Most (agricultural and extractive) commodity sectors are still struggling with persistent problems such as poverty, large inequalities, pollution, climate change, deforestation and violations of labor and human rights. Some of the root causes for this can be found in the lack of organization of producers, unequal power relations and the lack of transparency and trust between value chain actors and short-term profit maximalization mindsets by business managers and their shareholders. IRSBMs offer alternative production and value chain business models with explicit goals to tackle these root causes. Some of the new models being developed may be disruptive in nature and introduce a paradigm shift. For example, one company introduced in the 1990s a completely new type of sourcing model in the cocoa sector. It was co-owned by cocoa farmers from whom they directly sourced on Fairtrade conditions. In addition they re-invested 2% of their turn-over in capacity building of farmers, their cooperatives and other social activities. This is a fundamentally different model than the conventional cocoa sourcing model of anonymous trade through opaque middlemen, traders and commodity markets in which all value added is captured by downstream businesses. All IRSBM cases show examples of such fundamental different ways of doing business for better impact. IRSBMs offer solutions for selected root causes which keep the current system in place and which may lead to undesirable impact. The root causes may be visible (e.g. practices, policies, resource flows), or less visible (e.g. power relations and relations of trust) (see Figure 2). In practice, most IRSBMs aim to correct or offer alternatives for system failures that are engrained in the dominant economic model.

Some IRSBMs or specific IRS principles show wider uptake (scaling) and this may contribute to systems change. There are numerous examples of inclusive, responsible and sustainable principles being developed and applied and integrated in new business models. Once fully developed, these may be replicated (scaling), either of IRS principles of the IRSBM as a whole (business model).[4] The scaling of IRS principles or IRSBMs as a whole could have as spinoff that the system is also changing, as new models or principles gradually replace or influence conventional models and accordingly mindsets and business relations change as well. However, in most cases, the positive examples of IRS principles or IRSBMs tend to remain 'islands of success' and scaling remains limited or does not sustain in time. It is becoming increasingly clear that, as long as the root causes of structural weaknesses (the systemic issues) in the broader sector context will remain unchanged, sectors as a whole will not become more inclusive and achieve positive R&S impact.

A more deliberate focus to address structural weaknesses and their root causes in the broader system (i.e. enabling environment) is needed to achieve impact at scale and sustained over time. A deliberate systems-oriented approach is needed to achieve large-scale and long-term impact. Systems change is about changing the different components (or sub-systems) of a sector and their interrelations in an integrated way (Molenaar and Kessler, 2021). System components are typically the production system, the service delivery system, the market and supply chain, the governance context, the resource base or landscape (Figure 3). These system components may show structural weaknesses, which are potentially relevant to consider when pursuing the scaling of IRSBMs in agro-commodity contexts. As with the business models, changing the system components will require to

[4] See for example: Farmer Income Lab (2019) and Farmer Income Lab (2022)

address the visible and non-visible root causes of structural weaknesses. Non-visible root causes include relationships (e.g. power relations and relations of trust) and mindsets (e.g. socio-cultural norms and values), which are often responsible for keeping a current system in place. This means that in addition to introducing IRSBMs for production and value chains, changes are needed in root causes related to selected system components. IRSBMs can also uncover the additional required changes in root causes, as barriers for scaling become more clear. In other words, systems change is a holistic approach in which disruptive innovations, such as IRSBMs, are complemented with strategies to address root causes of structural weaknesses, which thus creates a more enabling context for the uptake of such models by others (thus, for scaling). This will be further explained the following sections.

Figure 2: The three levels of root causes of underperformance in production and value chain models

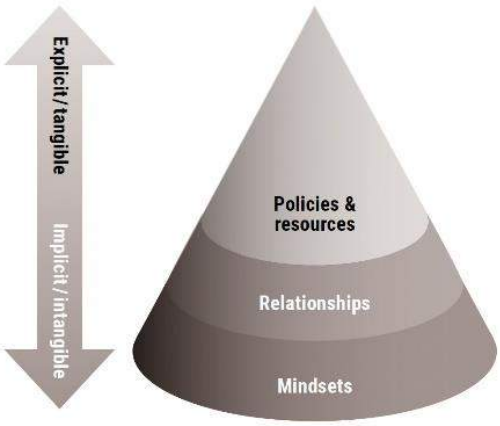
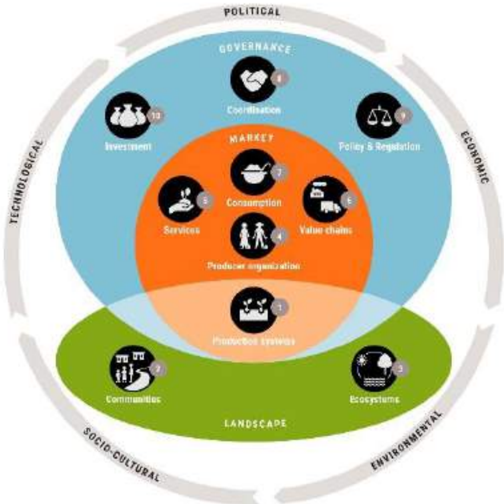


Figure 3: The ten system components of a sector and the five broader context factors



Source: Molenaar and Kessler (2021) alternative models include the Market System model by The Springfield Centre (2015) (see link)*, the Food System model by Van Berkum et al. (2019)* (see link) or the *Six Conditions for Systems Change by FSG* (see link).

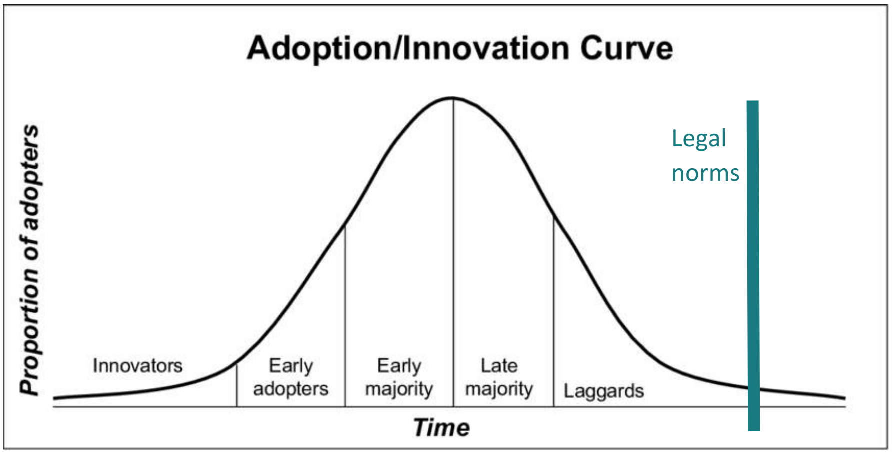
3. Scaling of IRSBMs

As explained in the previous section, there is a close relation between scaling of IRSBMs and system change. This section will present four mechanisms on how scaling can take place:

1. Scaling through expansion or growth of IRSBMs
2. Scaling through replication by like-minded businesses
3. Scaling through adaptation of other businesses
4. Scaling through influencing legal norms

Before providing details on these scaling mechanisms we introduce the innovation adoption curve. It introduces a classification of actors, in this report referred to as businesses, related to the sequence of adoption of innovations (Rogers, 1962). We found this classification useful to better understand the different stages of scaling. It will be used throughout this chapter. We have added to this figure the blue line, which represents the legal minimum norm. Changing the legal norm to support adopting / scaling IRS principles or the IRSBM as a whole would mean shifting the blue line to the left, thus making it a legal requirements for more laggards to change. Note that this curve can be applied to specific IRS principles and practices or IRSBMs as a whole.

Figure 4: The adoption/innovation curve of an IRS principle or an IRSBM as a whole



3.1 Scaling mechanism 1: Expansion or growth of IRSBMs

This mechanism implies that IRS principles are scaled through expansion within the same business, or the IRSBM as a whole is applied to new markets or geographies. We are dealing with businesses that have the IRSBM as the dominant mission-driven strategy for their business as a whole. In the above figure we consider these businesses innovators or early adopters. Expansion within the same business could imply expansion to other markets / sectors, to other geographies, or to new products.

All case studies that were explored show examples of this mechanism. Many businesses show a steady growth in turnover, which allows them to create more R&S impact for producers in the first place. One company expanded its organic rice business allowing more women farmers to benefit and also diversified into other products like cassava and cashew. Another company was able to sell their products to a growing number of supermarkets, but also created a market for serving school menus. Other companies expand to other consumer countries. In India, farmer producer organizations exist nowadays of which some have grown to multi-thousand membership companies with millions of dollar turn-over in processing and branding.

Capacity building and access to finance are key success factors for the growth of IRSBMs. Particularly producer-owned organizations need substantive capacity building and financing support in the initial phases of their existence, and possibly for a longer period. Typical capabilities that need to be developed are leadership and governance, farmer/member engagement, management, value proposition and business plan development and brokering market linkages. In many cases the capacity building, but also certain investments such as processing equipment and inputs, need to be met or subsidized. In India, the government provides extensive capacity building, subsidies and credit facilities for farmer producer organizations. However, this may not be sufficient, and more specialized support is needed to support growth. The level of support needed often reduces over time as the business becomes more mature, is able to invest in its own capacities and is better connected to commercial service providers.

Businesses with IRS purpose (archetype B) tend to be less dependent on external support than many of the producer-owned businesses, though initial knowledge input and subsidies may be critical in the start-up phase or for activities with a less direct commercial benefit (e.g. background research on the root causes of a sustainability issue). The iSME fund is particularly aimed to support the startup of new businesses with an IRS mission until it is viable. From the onset, it was clear the financial support was just for the start-up phase.

Access to finance is a key condition for growth of any type of IRSBM. As noted above, the business case for some IRS issues is stronger than for other issues. For example, improving energy efficiency may save costs and reduce pollution. Also, there can be a strong business case for inclusion of smallholders to meet market demand. However, for many human rights related issues the business case is less strong. Therefore commercial (semi-) financiers are more reluctant to provide finance. Here, other funding sources such as donors become more important.

3.2 Scaling mechanism 2: Replication by like-minded businesses

This mechanism implies that IRSBMs are scaled through replication (adoption) by like-minded businesses. Replication or adoption implies that the IRSBM model as a whole is copied by other businesses. The case studies show multiple examples of this mechanism, though less than for scaling mechanism 1. For example, incentivized by supportive government policies and inspired by examples of farmer producer organisations, thousands of new farmer organizations are being formed in India. The business model of supporting small tanneries with improved technologies to reduce water pollution is being replicated in other countries. Kenya has seen a strong growth in the number of women-led SMEs and several of these are adopting IRSBMs.

Businesses that replicate IRSBMs may require similar levels of support as the original IRSBMs. Innovators and early adopters often receive much support (e.g. technical, financial) to develop, test and adopt IRSBMs. The assumption exists that once the viability of the business case has been demonstrated, others can copy on the basis of this proof of concept. This assumption in most cases does not hold. There are several underlying reasons. First, the conditions under which the innovation has demonstrated to work, may be quite specific. Second, second-mover businesses may require at least as much support to replicate the models, as they often have lower capacity or higher risk perceptions than first movers (Adam Smith International, 2016). There are many examples where second movers required the same or higher levels of support than first movers. This logic can be seen in India where farmer producer organisations require similar levels of support. It also applies to the companies that develop inclusive sourcing models with farmer producer companies. While there is increasing interest from other companies to replicate or adapt the successful pilots, these companies in most cases require similar capacity building and financial support as the first piloting innovator had received.

A barrier to replication may be the innovator or front-runner's reluctance to share their business models with other companies. In the farmer producer organization case in India, a few successful experiences of inclusive sourcing models by processors, raised interest by other companies to develop a similar model. However, there may also be reluctance by the innovators to share information with other companies as they operate in a competitive environment in which access to quality produce can provide a competitive advantage. In the case of the Malawi 2020 program on living wages, businesses willing to pay living wages are competitors, and were reluctant to share information on this issue, but also had shared interests to work together.

3.3 Scaling mechanism 3: Adaptation by other companies

While there are exceptions, most commonly a specific innovation that works for one business (e.g. an early adopter) will not work for another type of business (e.g. early or late majority). This is especially the case for IRS practices which tend to work well for businesses with specific business models, and for specific (niche) market segments. An example of this can be seen in the coffee sector, where certain fair-trade solutions can work for companies operating in the specialty market but would undermine current business models in the conventional market. Nonetheless, businesses adopting IRS principles and developing IRSBMs can inspire 'conventional' businesses to adopt IRS principles and practices. In most cases this does not entail a full replication of the IRSBM, nor the adoption of the IRSBM for the business as a whole. In this case we rather expect adaptation to take place, meaning that companies are inspired and adapt the IRS principle to their own context and business environment. This means companies will improve social and sustainability performance of part of their business. Adaptation may gradually lead to wider uptake and potentially mainstreaming of IRS principles in the business as a whole, while others follow this example.

Some IRSBMs have embedded in their mission the objective to influence other businesses. The case studies show examples of relatively small-scale IRSBMs which have influenced larger conventional businesses. The companies doing so have an explicit mission to influence the whole sector. They also have a strategy (including KPIs) in support of this and have dedicated resources to implement and monitor the effectiveness of this strategy. Their strategy is built around:[5]

- Creating awareness: by publishing research, provocative marketing and campaigns
- Leading by example: by demonstrating that IRSBMs are possible and be transparent about it
- Inspiring others to act: by inviting others to join their way of working

For example, in the case of one cocoa company this led directly to six other companies joining their sourcing model which sources cocoa according to 5 responsible principles. These include both like-minded companies as retailers which apply these principles to specific product lines. Indirectly they may have influenced other companies to adopt no child labour and living income strategies. IRSBMs can also less intentionally influence other businesses. As a result of strong promotion, other companies may adopt improved technologies. Another organisation introduced a new business model (i.e. leading by example). They were a small company and all energy was needed to run their business. However, through multiple invitations in industry associations, committees, events and media it was possible to create more awareness.

[5] Social Enterprise (2020) presents more examples of this scaling mechanism. They refer to Raising the possible (=leading by example), Raising the desirable (=creating awareness and alternatives to join) and well as Raising the acceptable (= norms as in scaling mechanism 4)

3.4 Scaling mechanism 4: Influencing legal norms

While scaling mechanisms 1 until 3 rely on voluntary action, there often remains a large group of businesses which are not open to any change towards R&S impact. These businesses link up to the late majority or laggards, who may only start to move if this is required by law. The fourth scaling mechanism is about businesses that have adopted IRS principles (and others, or in collaboration with others) trying to influence legal norms to create a new minimum norm and thus move the whole sector, including the worst performers, into the direction of creating sector-wide R&S impact. This is generally about changing the norm towards stricter levels of 'do less harm'. As with scaling mechanism 3, companies working in this mechanism have an explicit strategy to influence legal norms. One example has been to lobby for stronger EU regulation on circular economy (e.g. modular design and longer-lasting software). Another has been to lobby at the Dutch and European government around child labour and human rights due diligence and zero-deforestation, to create a level playing field on these issues.

Note that there is an important but sometimes not so clear distinction between working on enabling conditions for (direct) scaling IRS principles, or working on legal norms for the sector as a whole, as illustrated in below overview.

Table 3: the difference between changing enabling conditions in support of voluntary scaling and changing legal norms

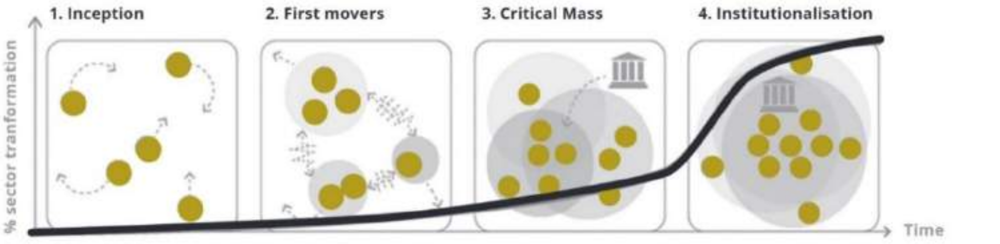
	Improve enabling conditions / part of scaling mechanisms 1, 2 and 3	Change the legal norm = scaling mechanism 4
Rationale	Enable uptake of an IRSBM / R&S principle by 'the willing'	Force all players in the sector to move to another level of R&S compliance
Scope	Not mandatory	Mandatory
RS Impact	Specific adopters	Sector wide
Examples from case studies	• Creating conditions for accessible finance for women-led SMEs • Adjusting the environmental standard to use certain technologies • Organise workers and support social dialogue on living wages	• Stronger EU regulation on circular economy • Child labour and human rights due diligence • Producer ownership of SMEs

Working in coalitions is effective to promote replication and adaptation, and is critical to do in order to lobby for a change of legal norms. Companies lobbying for change in norms actively participate in multiple coalitions and multi-stakeholder initiatives to influence other companies or legal norms. Industry associations or multi-stakeholder initiatives can be places where businesses share their experiences, co-invest in research and try to convince others to follow them. Companies need to make available resources for creating and partnering in agreements on the global industry level. They choose their partnerships carefully. They participate only in platforms focused on the themes where they are already thought leaders and where they can add more value than other parties. Collective action is also important in changing legal or industry norms. The case study on Malawi 2020 shows how a coalition of companies and NGOs successfully influenced tax thresholds and Collective Bargaining Agreements in support of closing the living wage gap of tea workers. The collective weight behind such coalitions can be much stronger than individual action. The risk of working in coalitions is that advocacy targets are less ambitious than the IRSBM would desire. This tension can be managed by publicly saying that the coalition in which they participated was advocating what they considered to be the minimum while in parallel they campaign for more ambitious standards.

3.5 Is there a logical sequence in scaling mechanisms?

One could assume a sequence of scaling mechanisms over time. Figure 3 assumes a sequencing of the adoption of an IRS principle or an IRSBM as a whole. The cumulative adoption could be pictured in an S-curve as in the below figure 5. NewForesight has divided this process into four phases, each with their own drivers, change agents and instruments for change. Following this logic, one could argue that the successful development and scaling of an IRS principle (or an IRSBM as a whole) in a given sector (at a defined scale e.g. sub-national, national or international scale) typically takes place by innovators in the inception phase. Once the IRS principle starts to show positive outcomes (i.e. R&S impact and viability), the next phase would be to stimulate replication by other front-runner companies. This corresponds to the first movers phase. As awareness further increases, the next phase would be the early majority adapting bits and pieces of the IRS principle (or IRSBM) in their own business (phase of critical mass, scaling mechanism 3). Finally, the collective recognition that a level playing field is needed to get the late majority and laggards moving, leads to the need for mechanism 4 by lobbying for more strict legal norms. This would be the institutionalization phase.

Figure 5: Four phases of the development and scaling of an IRS principle or IRSBM as a whole within a sector (adapted from Simons, 2017).

Phase				
Awareness	Denying the IRS issue	The IRS solution as an option	The IRS solution is important	The IRS solution is the norm
Drivers	A crisis, public pressure	Continued NGO pressure, the IRS solution as competitive advantage	Collaboration to influence businesses and key stakeholders	Collaboration to create a level playing field with the IRS solution as license to operate
Main change agents	Civil society, media, innovators	Donors, standard organizations, first mover companies, CSOs	Multi-stakeholder platforms, industry groups, donors	Governments, industry lobbies, multi-stakeholder platforms, CSOs
Priority scaling mechanism	*Piloting IRS principles or IRSBMs by innovators*	*1. Expansion by innovators and 2. Replication by frontrunners*	*3. Adaptation by late majority*	*4. Changing legal norms to get the later majority and laggards moving*

However, scaling often happens in a much less predictable and less linear way. Scaling does not always follow the sequence of early adapters, early majority, etc. or the four above phases of transformation. It is possible that scaling is from the onset enforced by regulations or subsidies at national or sector level. While these policies may not have set the highest standards in terms of R&S impact, they did create the conditions for introducing more impactful practices over time. Some IRS practices or IRSBMs may only be viable in small segments of the market (e.g. niche markets). Hence it is unlikely that they enter in the critical mass phase, unless there is a severe watering down of their R&S impact (or fundamental shift in the market or legal context). It is also true that the S-curve needs to be retravelled multiple times for specific IRS principles and practices within the same sector. An example can be found in the palm oil sector, where most companies apply rigorous practices to avoid deforestation, but hardly any practices to improve worker conditions.

Also, as highlighted in chapter 1, we often see that the entry point for starting an IRSBM is a relatively ‘easy’ principle, meaning a principle of which the introduction is generally accepted. This could be due to being aligned with government policies and/or receiving government support (e.g. government policies stimulating smallholder involvement for creating employment), or meeting market demand (e.g. response to consumer demand for organic products), or due to commercial benefits (e.g. introducing energy technologies that can reduce cost). Once the business has started up, more complex and sensitive issues (e.g. gender considerations, human rights, fair trade, local ownership) may be incorporated, but as stated above, may require to follow the innovation cycle once again.

The relevance of the scaling mechanisms in any point of time will also depend on the enabling context. This is the subject of the next chapter.

4. Enabling conditions for scaling IRSBMs

Whether scaling takes place, very much depends on the enabling conditions. Why do some IRSBMs scale and others not? This will depend upon three factors:

- The success of the IRSBM in terms of inclusiveness, R&S impact and viability.
- The internal capabilities (e.g. mindsets, capabilities, resources) of the businesses to develop, expand, replicate or adapt IRSBMs
- The influence of enabling conditions to the above two variables.

As mentioned in previous chapters, the likelihood that an IRSBM (or IRS principles within a business) are being scaled will partly depend on their success. If they perform poorly on inclusiveness, R&S impact or viability, they either cannot be defined as IRSBM, or will unlikely inspire others to follow their example. Section 3.1 also highlighted that the adoption and expansion of a IRSBMs within a business is very much dependent on internal capabilities. The literature as well as the case studies show that the degree of success of an IRSBM and capabilities to develop, expand, replicate or adapt IRSBMs is strongly dependent on the context in which the businesses operate. The previous chapter already included multiple references to such external conditions, which may be enabling or disabling.

In this chapter we will explore the significance of enabling conditions for the scaling of an IRSBM.[6] Most of the below four sets of conditions are relevant to all four scaling mechanisms. Note that this is relevant for the adoption of IRS principles or an IRSBM as a whole (but in the following we will simply refer to IRSBMs).

1. The producer context: it sets the conditions of how effective IRSBMs can be introduced. Producer conditions that can be enabling or disabling for scaling are:

- **The level of organization of producers or workers**: this will facilitate their inclusion in value chains, their empowerment and the linkages to services and markets.
- **The ecosystem services and human resources base**: the availability (and costs) of natural resources (e.g. state of degradation of a watershed, climate risks or price of water) and of skilled labour will influence whether IRS practices are feasible.
- **The local norms and values**: these can have a strong influence on whether new practices will be easily accepted or not. Norms are often culturally-based such as around women's status and empowerment, child labour. Others may be related to lack of experience in entrepreneurship, such as on risk-taking, or related to a situation of a wealth of resources, such as environmental stewardship.

2. The services context: it determines to a large extent whether businesses have the capabilities to develop and run IRSBMs. Service conditions that can be enabling or disabling for scaling are:

- **Access to knowledge and technology**: Capacity building services are another key input for the scaling of IRSBMs. Similarly the access to tailored technology can be a condition for small and medium-sized companies to meet legal norms, add value and enable them to compete with larger businesses. As explained in the previous chapter, knowledge and technology are often provided in subsidized form, particularly for producer-owned businesses. This is however not always needed. In India, the scaling of more mature farmer producer organizations created a market for knowledge and technology service providers which increasingly service these organizations.
- **Access to financial services**: The previous chapter already highlighted the importance of access to financial services (e.g. grants, subsidies, soft loans, guarantee mechanisms, insurance). The massive subsidies and financial arrangements in India for farmer producer organizations definitely contribute to their scaling. In Tanzania, a result-based financing mechanism was a key driver for companies to invest in the distribution of solar products to poorer consumer segments. Banks and MFIs tend to be risk adverse to financing agri-business and entrepreneurs, and lack know-how to serve these segments, especially female

[6] These enabling conditions are drawn from the case studies as well as an AidEnvironment report written for ISEAL which was based upon an extensive literature review (ISEAL Alliance and AidEnvironment (2020)

segments. The lack of access to financial services forms a constraint for businesses to grow or remain financially viable.

3. The market context: it largely determines whether businesses can create the value which is needed to invest in the development of IRSBMs. Market conditions that can be enabling or disabling for scaling are:

- **Opportunities for value creation**: many of the case studies are supplying higher value markets. This is not by coincidence. The ability to capture more value is often a condition for investments into more R&S impact. Value addition can happen in different ways, including focusing on food safety, product quality, sustainability (e.g. certification), out-of-home markets and higher end consumers. In some case studies these markets may remain niche, but in others they are in mainstream markets or serve growing market demands (e.g. healthy food in India).
- **Degree of competition**: fierce competition generally has a negative impact on margins and hence the ability to invest. Competition may be influenced by the overall balance of supply and demand. For example in the Malawi 2020 case, the commitment to closing of the living wage gap was problematic in the context of growing oversupply and downward price pressure, since some buyers were not willing to maintain their commitment to sourcing tea from Malawi when they could buy better quality tea at lower prices from neighbouring countries.
- **Value chain structure and transparency**: shorter and transparent value chains reduce transaction costs, facilitate trust-building and the transfer of incentives. Big differences in market concentration between value chain actors could undermine balanced power relations.
- **Market stability**: strong movements in market prices (i.e. price volatility) can undermine investments in IRSBMs as they put pressure on the stability of value chain relationships and can reduce the economic viability of investments.

4. The public sector governance context. It potentially influences all internal and external conditions that determine the scaling of IRSBMs, including the ones above. Public sector governance conditions that can be enabling or disabling for scaling are:

- **Policies and regulations**: these can influence the potential for scaling in a direct or indirect way. Directly, it can influence businesses in adopting IRS principles or IRSBMs, e.g. regarding issues of licensing, subsidies, capacity building, social and environmental regulations. Indirectly, it can influence conditions for adopting IRSBMs, for instance by sector or national policies and regulations on the position of producer organizations in labour negotiations, market management, service delivery models, taxes and loan conditions for financial institutions. Obviously, the extent and quality of implementation of these policies and regulations determines the severity of these conditions. A good example is the analysis of the existing SME legal framework, laws and policies in Kenya, assess to what extent there are gender inequalities, and propose corrective measures.

Note that the above enabling conditions do not stand alone, but interact and influence each other. For example, the organization of producers (e.g. in cooperatives) will depend on the services context (access to finance), which may depend on the regulatory context (cooperative funding laws).

The conditions in the above overview may be influenced by factors in the broader context, including:

- Political: rule of law, politics, public sector budgets
- Economic: global supply–demand balance, presence of substitutes, interest rates, exchange rates
- Environmental: agro-ecological context, weather events, climate change

- Sociocultural: demographics (including gender, age etc.), religion, cultural norms, conflicts, security issues
- Technological: transport, energy, communication, information technology
- Civic space: Whether stakeholders, including civil society, are allowed to organize, participate and communicate with each other freely and without hindrance. In doing so, they can influence the political, social structures and businesses around them.

The distinction between enabling conditions and the above context factors may not always be straightforward. One way of making this distinction is to refer to the sphere of influence: enabling conditions can be influenced by CSOs and/or IRSBMs, albeit often with joint and excessive efforts, while external context factors are defined as being beyond the sphere of influence of CSOs or businesses / IRSBMs.

5. Potential roles for Oxfam and FAIR for ALL programme in scaling IRSBMs

Potential roles for Oxfam and the FAIR for ALL or any other civil society organization (CSO) in scaling can be identified along the scaling mechanisms.

Scaling mechanisms 1 & 2

To support scaling of IRSBMs through expansion and replication, CSOs like Oxfam could strengthen capacities of the businesses that adopt IRS principles and share best practices with other businesses. Capacity building is particularly important in the early stages of adopting IRS principles or an IRSBM as a whole. This is particularly valid for producer-owned businesses as producers need to adopt a new mindset and acquire skills for running a business. Typical capabilities that need to be developed are leadership and governance, farmer/member engagement, management, value proposition and business plan development and brokering market linkages. In addition, there are needs for capacity building on specific IRS practices, such as: fair contract farming arrangements, gender responsive policies, practices and training, supporting the governance of workers organisations, organic/climate smart/regenerative agricultural practices.

Providing financial support is equally important in the start-up phase. Grants may be needed as long as the business is not yet viable and soft loans may be an integral part of the long-term business model. Oxfam could facilitate access to grants and other tailored financial services.

In addition Oxfam can also support businesses by offering a market outlet through their Oxfam shops. This can be important in getting foothold in certain markets and convince retailers to sell their products. Note that the businesses' need for CSO support may diminish over time, but that each new business may require similar levels of support as the previous one.

To actively promote the replication of the IRSBMs, CSOs could create an evidence base on the proof of concept of the IRS principles or IRSBM as a whole (on inclusiveness, R&S impact and viability) and share best practices through external communication, multi-stakeholder platforms and in engagement with other businesses. To be credible to private sector and government actors, this evidence base should also include quantitative data. Note that the dominance of competition may hamper the innovators or front-runners to share the details of their successful model. This could be may be overcome by signing anti-trust agreements.

In addition, CSOs like Oxfam could work on promoting the enabling conditions for adoption of IRS practices. To avoid that the IRSBMs remain islands of success, CSOs could adopt and pursue a more holistic approach to improve enabling conditions, for example on public policy and service delivery. Together with the businesses adopting IRS principles they can advocate for better policies (e.g. licensing, subsidies, quality management, pricing policies). For example, an adaptation of the legal norms on technology for tanneries was needed to allow small-scale tanneries to operate in the formal market. CSOs could support IRSBMs in the identification of barriers to scaling, and assist in trajectories to address these barriers. CSOs could also advocate for more tailored service delivery to the businesses with IRSBMs by for example technology providers and market intelligence services. CSOs could also work with financial institutions to offer gender responsive financial services that meet the needs of, for example, women-led SMEs.

Scaling mechanisms 3 & 4

To support wider uptake of IRS principles by conventional businesses and the change in legal norms, CSOs like Oxfam can promote their uptake through research, campaigns, communication, multi-stakeholder dialogue and policy influencing. CSOs can validate the credibility of existing IRSBMs, put pressure on other companies and show them IRSBM alternatives. An instrument which is highly valued are rankings or scorecards of businesses. Conducting research on poor practices and sharing best practices in public campaigns or multi-stakeholder platforms is another role CSOs can play. Oxfam's role in co-creating research was for example important in the Malawi 2020 Initiative. Another role is to engage with voluntary certification standards to more fully incorporate 'social justice' principles and criteria in their standards. Similarly it is most effective to work in coalitions with other CSOs and businesses, to influence public policies. An example is the collaboration of CSOs in the VOICE network and their lobby with the cocoa industry for more stringent EU regulation on human rights due diligence.

Table 4: A classification of roles that Oxfam can play in relation to each IRSBM scaling mechanism.

Mechanism 1&2: Expansion & replication by like-minded companies	**Mechanism 3&4: Adaptation among conventional businesses and change of legal norms**
• Create an evidence base on the proof of concept of the IRSBMs including financial viability and other business benefits, social and environmental benefits, including a set of KPIs • Develop public awareness campaigns on specific IRS principles and IRSBM alternatives	
• Build capacities and provide funding to create / develop IRSBMs and support those who want to replicate • Actively share successful IRSBMs with other companies to promote replication • Create more enabling conditions for the scaling of IRSBMs: public policy, services, market and producer context.	• Identify structural barriers to scaling and help develop lobby trajectories to address these • Support businesses willing to adapt IRSBMs but do not know how or did not see the potential until now • Use / promote IRSBM examples in multi-stakeholder platforms and dialogues within sectors, in dialogue with certification standards and in public policy influencing

Whether CSOs like Oxfam can play specific roles in relation to the different mechanisms depends on various factors. The cases identified the following organizational success factors for effective contributions to the scaling mechanisms:

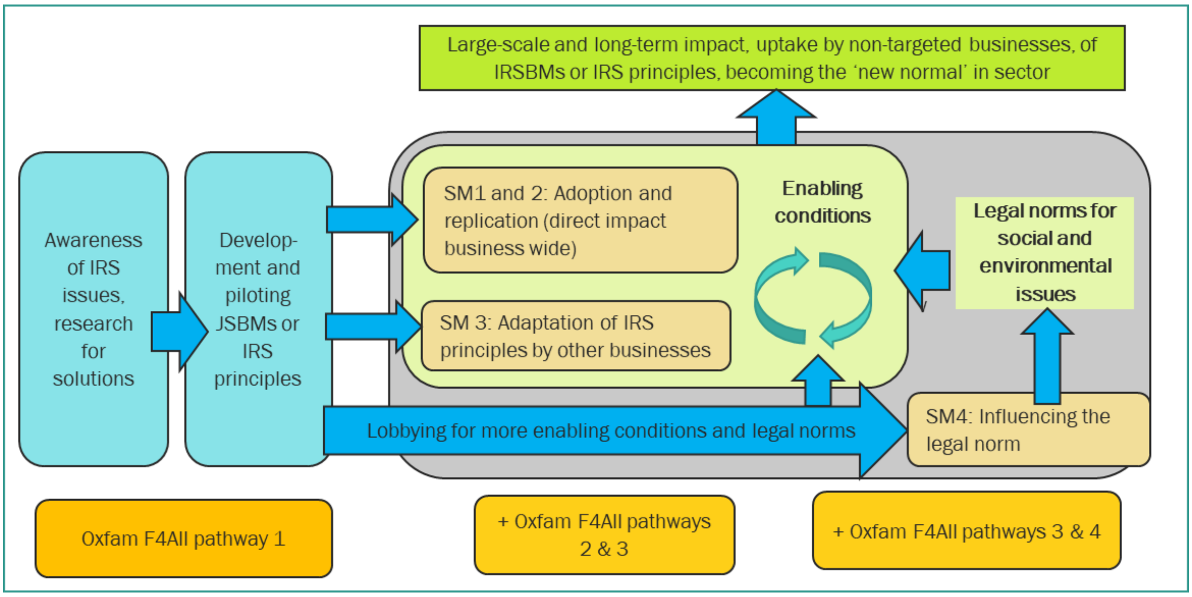
- **Internal alignment** on whether to support/endorse specific IRSBMs. CSOs can provide credibility to IRSBMs, but may be hesitant to endorse them publicly. There is a risk of the 'perfect is the enemy of the good syndrome', with as consequence that CSOs spend much energy in discussing the limitations of front-runner models, instead of criticizing the rest. Keeping in mind that IRSBMs are constantly evolving, CSOs could endorse them as good examples of 'working towards'.
- **Transparency** in terms of documenting R&S benefits and impact, and sharing the information in an accessible way. In doing so it is useful to start out from the mindset of laggards, meaning that the benefits of IRSBMs should be demonstrated in a convincing way. In many case studies, it was mentioned that policy makers and companies want to see credible evidence, including numbers.
- **Reputation** towards businesses may influence the opportunities to directly engage with businesses. This is particularly at stake with CSOs playing both the 'insider' (working collaboratively with private sector) and 'outsider' role (naming and shaming). In case such potential tensions exist, having a broker to build relations of trust or having partners for direct engagement could be instrumental to avoid this controversy.

- **Expertise** on various topics is key in both direct capacity building, improving the enabling conditions for IRSBM adoption and policy influencing. Where such expertise is not available, it makes sense to work in coalitions and partnerships.

Implications for FAIR for ALL

To promote the scaling of IRS principles and IRSBMs and hence contribute to systems change, irrespective of the scaling mechanism, it is important there is a systems change mindset and focus on synergy between the 4 pathways of the FAIR for ALL program. Apart from specific topics, it is important that throughout the organization there is a systems change mindset which includes a holistic system perspective and a long-term horizon. A holistic approach implies synergy between the 4 pathways which can be illustrated in the below scheme. This implies the need to have a consortium-wide understanding of how each pathway contributes to the overall goal as well as the complementarity between the pathways (i.e. one being a condition for the other). This emphasizes the importance of coordination and exchange between 'owners' of each of the pathways within the consortium. Apart from the Fair for ALL program, there is potential for (improved) collaboration with other units within Oxfam, for instance the iSME programme and their initiatives aimed at replication between SMEs and influencing for a more enabling policy context. The below scheme might be seen as a generic theory of change showing how different initiatives and roles within Oxfam can strengthen each other and create synergy.

Figure 6: Synergy between F4All pathways for scaling of IRSBMs and systems change, according to four scaling mechanisms (SM). See for a more concise version Figure 1.



6. A decision-making framework on scaling mechanisms

Is there a structured way of how Oxfam can identify the most effective scaling mechanism in different situations? It may be clear from our findings that the potential for scaling varies strongly depending upon the type of IRSBM and the enabling conditions. If Oxfam has the ambition to enhance scaling of IRSBMs, it would be useful if one can take well informed decisions which scaling mechanisms to pursue and support in a proactive way, based on the potential to be successful. The following set of questions can provide some guidance for 'scoping' what scaling mechanisms might have good potential under different conditions.

A. Developing relevant and effective IRSBMs.
The following questions are relevant, they are not sequential but at the same level of importance.

1. Do the IRS principles being adopted and the impact expected to be achieved by effectively implementing these principles fit into the overall vision of Oxfam, or of the Oxfam programme? Are the IRS principles being adopted critical for Oxfam to contribute to transformational change?

2. Do the IRS principles being adopted, and the way these are being implemented address the root causes ('systemic issues') of the social and environmental problems currently at stake and of interest for Oxfam to be addressed? In other words, do they have potential to solve the social and/or environmental problems at stake in a structural way? An underlying question may be whether the root causes of social and environmental problems have been identified (root causes including fundamental aspects such as policies & resources, mindsets, and relations between key stakeholders). Note that 'adopted IRS principles' also include the sector/s in which they are being implemented, and the level (local, national, regional, international) at which these are being implemented.

3. Are there root causes ('systemic issues') of the social and environmental problems currently at stake that are not yet being adopted in any initiative / not yet covered by an IRSBM? If yes, why not? Should expertise or initiatives on these root causes not yet being addressed be developed within Oxfam and partners?

4. Do the businesses adopting and implementing the IRS principles have the expertise to do so? Do Oxfam and its partners have the expertise to support businesses to develop and improve this expertise? Does Oxfam and its partners, by focusing on the selected IRS principles, have an added value with respect to what others are already doing?

B. Identifying the 'best' scaling mechanism.

5. Does the IRSBM or business adopting IRS principles make clear how wider adoption would contribute to the overall vision of Oxfam, and or the Oxfam programme? Is this made clear through a theory of change, pathways of change and/or result framework? Are the assumptions or enabling conditions part of this framework?

6. Is the IRS principle or IRSBM ready for scaling?

6a. Is there evidence that the IRS principle or IRSBM is improving inclusiveness and/or having positive R&S impact? Is there evidence that related systemic issues are being addressed?

- If no on both questions, there is need to further develop the IRSBM before considering scaling.
- If yes, go to next question.

6b. Is the company adopting IRS principles or the IRSBM financially viable?

- If no, consider providing support in terms of financial mechanisms and /or contextual conditions that can support the viability of the business case, before considering scaling
- If yes, go to next question.

7. In what phase of adoption / scaling (see Figure 4) would you position the introduction of the IRS principle or principles being supported, within the sector you target (at the scale relevant for the initiative)? How does this affect the potential for a scaling mechanism?
    - Early stages of adoption / scaling, IRS principle being applied still rather unique or among the first movers, consider adopting scaling mechanism 1 or 2
    - Advanced stages of adoption / scaling, IRS principle not unique, critical mass has been reached, coalitions between similar initiatives exist, consider adopting scaling mechanism 3 or 4

8. How would you characterise the conditions directly influencing inclusion, R&S impact and viability of the IRSBM? How does this affect the potential for a scaling mechanism?
    8a: Enabling conditions other than legal norms:
    - Sufficiently enabling from the onset
    - Sufficiently enabling following activities to improve these conditions
    - Insufficiently enabling, but possible to influence by NGOs
    - Insufficiently enabling, and not possible to influence by NGOs

    8b: Legal norms:
    - Supportive to the IRS issues that you want to promote
    - Not supportive to the IRS issues that you want to promote

The last 2 questions / criteria could be summarized in the below scheme (Table 5), which could then be used for selecting a certain scaling mechanism (SM).

Table 5: A decision making scheme for selecting scaling mechanisms based on enabling conditions and stage of adoption

	Early stages of adoption / scaling	Advanced stages of adoption / scaling
Conditions directly influencing inclusion and R&S impact and viability of the IRSBM, and legal norms		
• Sufficiently enabling from the onset, or enabling following activities to improve these o supportive legal norms	SM 1 and 2	SM 3
• Sufficiently enabling from the onset, or enabling following activities to improve these o legal norms not supportive	SM 1 and 2	SM 3, with lobby efforts on SM 4
• Insufficiently enabling conditions, but possible to influence by NGOs, irrespective of legal norms	SM 1 and 2, with lobby efforts to support scaling	Not likely to occur
• Insufficiently enabling, and not possible to influence by NGOs due to context, irrespective of legal norms	Start best practice pilots and raise awareness on IRS issues.	Not likely to occur

A complementary approach would take as its basis the different types of enabling conditions being or not being in place. The 4 sets of enabling conditions identified in section 4 were reduced to 3 sets: producer and services, market, and governance. An assessment of these enabling conditions being in place or constituting barriers, will help define what strategies Oxfam could implement to improve the enabling conditions, or to select scaling strategies, see table 6 below.

Table 6: A decision-making scheme for selecting appropriate strategies for Oxfam to improve the enabling conditions, and linkages to scaling mechanisms

Producer & services context	Market context	Public sector governance context	Strategic considerations and applicability to archetypes	Scaling mechanism (SM) if relevant
+	+	+	Good context to **promote scaling of any type of IRSBM**. If sustainability challenges and investment require pre-competitive action, then focus on collaborative approaches (e.g. between NGOs, government and value chain actors).	All SMs
+	+	-	**Applicable to all archetypes.** Strong undermining dynamics in the public sector governance context may need to be addressed through for example **lobby & advocacy and multi-stakeholder dialogue**, possibly addressing legal norms.	Particularly SM4
-	+	+	**Strengthen IRSBMs (archetype 1 & 2) and/or their service providers** to capture market opportunities. The public sector can play a role in capacity building, financing and setting IRS targets/standards. This context may favor targeting archetype 3 businesses to adopt IRS principles towards producers (& workers) where they have reach/ leverage over them.	SMs 1 and 2
-	+	-	Role of public sector in supporting businesses will be limited, making the **role of value chain actors (archetypes 2 & 3) more important**. Collaborative strategies may support a level playing field and co-investment and risk-sharing towards small-scale producers and /or workers.	
+	-	+	**Support producer-owned businesses (archetype 1) in collaboration with public sector** (e.g. capacity building, finance, market promotion).	SM 1
+	-	-	**Engage with and support financially front-runner value chain actors (archetype 2)** to build proof of concepts which may inspire other businesses (archetype 3), create market demand and the public sector to act.	SM 1
-	-	+	**Influence public sector to strengthen enabling conditions for IRSBMs**, and feed this with proof of concepts from producer-owned businesses (archetype 1) and value chain best practice projects (archetype 2 and 3).	
-	-	-	**Lower ambitions to reach scale** and start best practice pilots with **producers and value chain actors** and **raise awareness** on sustainability issues.	

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