



USAID
FROM THE AMERICAN PEOPLE

LAC Environment Learning Brief
Private Sector Engagement



LEARNING BRIEF: Lessons Engaging the Private Sector in Sustainable Cattle Practices in Latin America

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Photo credit: Elizabeth Cushion for USAID

Background

In Colombia and Paraguay, three United States Agency for International Development (USAID) environment activities are overcoming barriers and engaging with the private sector to create sustainability throughout the cattle supply chain, from ranches and dairy farms to the tables of customers.

With its recently released [Private Sector Engagement \(PSE\) Policy](#) and [PSE Evidence and Learning Plan](#), USAID has identified as Agency priorities advancing learning and increasing the evidence base on effectively engaging the private sector for development and humanitarian outcomes.

USAID has a history of engaging the private sector and a strong foundation of PSE tools. While the environment sector contributes to this history with conservation enterprise work spanning decades, collecting and sharing the sector's lessons learned on PSE to build an evidence base is newer. To support this effort, USAID's Latin America and the Caribbean Bureau (LAC) created a LAC Environment Private Sector Engagement Learning Group and Learning Agenda to promote Cross-Mission learning and knowledge exchange on key questions affecting PSE for environment outcomes. Mission experiences with PSE in environment activities, like those in Colombia and Paraguay, are a key source of this learning.

Background

PSE in Action

Q1: What motivates the private sector?

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Q4: Who are the PSE actors in environment?

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Private Sector Engagement in Action

The lessons highlighted in this brief come from interviews with private sector actors, implementing partners, conservation organizations, and Mission staff involved in three USAID activities engaging the private sector for environment outcomes.

The Forest Conservation Agricultural Alliance (FCAA) activity seeks to avoid deforestation and reduce greenhouse gas emissions in Paraguay by incentivizing a shift from traditional agricultural expansion to sustainable agricultural and livestock production practices. In the Chaco, FCAA promotes sustainable cattle ranching and linkages along beef value chains. To do this, USAID and its implementing partners World Wildlife Fund (WWF) and the Wildlife Conservation Society work with local producers from the Agriculture and Livestock Association of Agua Dulce (*Asociación Agropecuaria de Agua Dulce*) and the Paraguayan Chapter of the Roundtable for Sustainable Beef (*Mesa Paraguaya de Carne Sostenible*). From the private sector, FCAA also partners with the Neuland Cooperative and, during phase one of the activity, Athena foods (previously Minerva Foods), the largest beef exporter in Paraguay. The International Finance Corporation (IFC) is also partnering with FCAA to develop and increase access to favorable financial products for producers who adopt more sustainable practices.

In the Amazon region of Colombia (*Caquetá*), the Conservation and Governance (C&G) activity supports best management and production practices (silvopastoral) within the dairy sector and links producers with restaurant chains and chefs in Bogotá selling butter and cheese. With Patrimonio Natural as the implementing partner, USAID supports the Caquetá Ranchers Committee to implement sustainable practices and local dairy processors to market cheese under the Cheese Route and its protected designated origin brand Queso Caquetá. Two innovative initiatives developed under the Cheese Route are the “anti-deforestation pizza” designed by Chef Mark Rausch, that appears as an environmentally-friendly menu option, and the “One delivery, one tree” strategy created by the Takami Group restaurants, which plants a tree for each home delivery made supporting silvopastoral systems in Caquetá.

The Natural Wealth (NW) project is also in Colombia and works in two regions to promote sustainable cattle ranching by integrating biodiversity conservation. In the Caribbean region, it collaborates with two private sector companies, Nestle and Colanta, to incentivize sustainable dairy farming to conserve tropical dry forest. In the Orinoquía region, it helps build linkages between sustainable beef producers and potential buyers and consumers, such as restaurants in Bogotá. In the department of Casanare, where the activity operates, NW is cooperating with the local chamber of commerce and the non-governmental organization, Cataruben, to develop the sustainable beef value chain at all stages. Together, these groups are working with the cattle ranchers committee to help ranchers adopt environmental practices. In 2020, this resulted in 112 cattle ranchers implementing improved agricultural and environmental conservation practices, impacting 230,000 hectares now under improved management and flooded savanna conservation.

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Answering the Important Questions

Question 1: What motivates the private sector to partner with USAID on sustainable practices?



“To be in a partnership with USAID would improve our reputation, and we could use this in strategic ways for marketing, investment, and as a demonstration of how Athena Foods is committed to leverage sustainability in the cattle sector chain.”

–Taciano Custodio, Athena Foods, Paraguay, partner with FCAA

USAID’s global experiences, extensive social network, and respected brand offer technical know-how, business connections, and reputation benefits to the private sector. Private sector actors across these three activities emphasized their alliance with USAID boosted their credibility internationally and expected this alliance to open access to new markets.

For some, such as the Agriculture and Livestock Association of Agua Dulce in Paraguay, the partnership was further incentivized by aligning interests. Association president Celso Muxfeld explained they joined the alliance because they wanted to show the world their good production practices. USAID offered the technical knowledge to scale up sustainable cattle practices and the reputation to bring in new partners along the value chain. In the post-conflict context of Colombia, USAID’s reputation as a trustworthy convening entity had the additional benefit of opening a safe forum to rebuild social cohesion.

While the private sector actors note the multiple benefits of partnering with USAID, they emphasize USAID’s role should be limited to convenor or catalyst of partnerships. As Hugo Sanchez, Manager of Mesa Paraguaya de Carne Sostenible, explained, “USAID should be a buffer, a promoter, an actor that boosts, but not a protagonist actor. The protagonists should be the primary actors in the chain.” Lorena Ramirez, Program Manager for IFC Paraguay, echoed the sentiment, “it was very important to have USAID as a sponsor, but it’s important to give the ownership to the local stakeholders.”

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A co-creation workshop held midway into the FCAA activity offers an example of a potential way to help build local ownership. Calling the co-creation process “fundamental,” Cristina Morales, program manager of WWF, explained that the workshop reaffirmed actors’ commitment to the alliance and enabled all alliance partners to collaborate on a document outlining what the meat sector needs to achieve sustainable production.

Lesson learned: USAID’s role is to act as a promoter or as a convenor, but not as a protagonist. The deliberate centering of local leadership helps sustain work after USAID leaves.

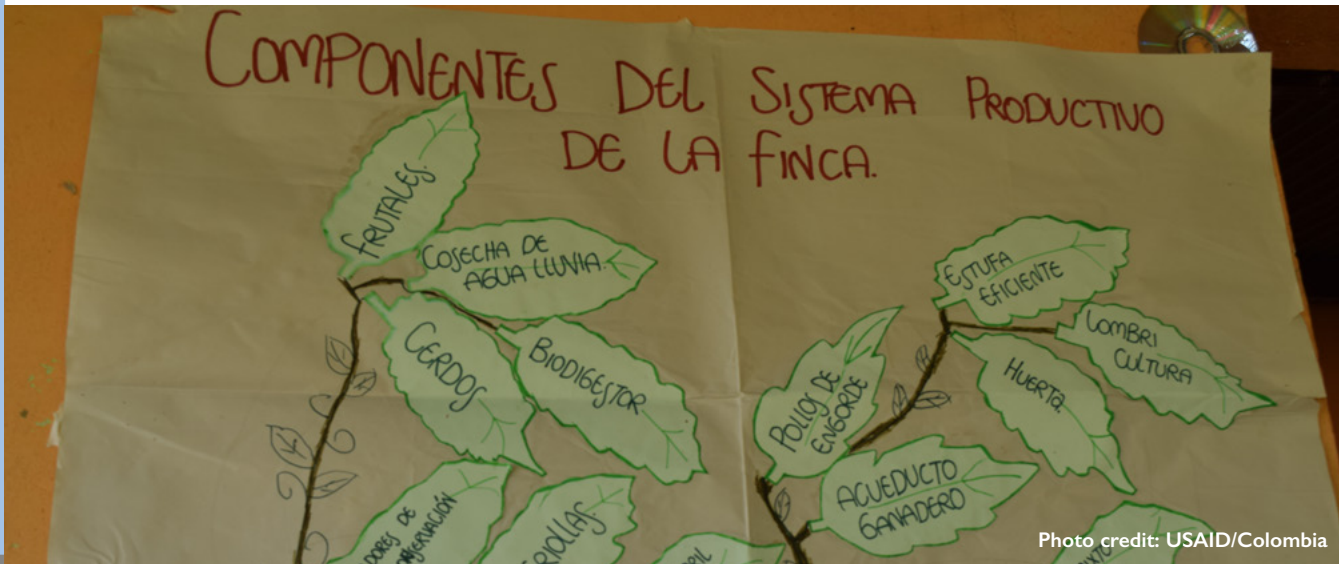


Photo credit: USAID/Colombia

Question 2: What practices build trust across different perspectives in PSE for sustainability goals?

“We all understood we had to leave behind the antagonisms, and we needed to sit at the same roundtable with people from different sectors that defended different interests, and once and for all elaborate a common and viable but, most of all, reasonable concept of sustainable development, from all points of view or criteria: environmental, social, productive and economical.”

–Heinz Bartel, President Neuland Cooperative, Paraguay, partner with FCAA

Lack of trust is a key challenge stymieing partnerships with the private sector for sustainability goals due to the assumed mismatch between economic and conservation interests. However, USAID has found trust is an essential factor for building a healthy relationship with the private sector, and a healthy relationship improves programming results.

The three LAC projects found overcoming initial distrust among diverse actors was a necessary first step that laid the foundation for the technical work of cultivating a sustainable value chain. The following practices helped build trust across diverse perspectives:

- Creating a forum enabling direct interaction between different actors.
- Addressing the perceived antagonism between economic development and conservation directly.
- Discussing language and coming to a shared understanding of terminology, such as sustainability.

USAID’s reputation as trustworthy motivates different actors to sit at the same table with people and organizations they may have considered adversaries. Having direct, transparent dialogue allows these actors to move beyond assumptions to a better understanding and identify where interests intersect.

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Multiple activity participants also reiterated the importance of being sensitive to language. Some words, such as deforestation, are very raw for certain actors, and their usage shuts down possibilities for an alliance. Cristina Morales of WWF Paraguay found directly addressing the misconception that conservation is antithetical to economic development enabled differently situated actors to participate in a more fruitful process to debate, and ultimately identify, their collective criteria for sustainability. The process of co-defining sustainability helped FCAA partners realize they could work together. Finally, periodic co-creation processes provide the opportunity for diverse actors to affirm their interest in the alliance and its shared language.

Lesson learned: Building and maintaining trust requires taking the time to agree upon shared language and circling back periodically to revisit the language, adjust as needed, and recommit.



Photo credit: USAID/Colombia

Question 3: How can experiences with PSE for sustainable practices gain scale?

“We started implementing pilot programs and model farms to show the cattle ranchers the way sustainable cattle practices should be done.”

–Rafael Torrijos, Comité Ganaderos Caquetá, Colombia, partner with C&G

Across the activities, expanding the initial pilot model of sustainable production to new producers required hands-on demonstration to other cattle ranchers that sustainable practices would not increase costs and could actually result in increased productivity. As Rafael Torrijos of the Caquetá Cattle Committee of C&G explained, “we realized this was the only way we could bring the cattle ranchers on board, by convincing them more through their pockets than through their heads.”

Harold Arango, who works to implement NW, described providing technical assistance to producers to demonstrate new techniques and overcome the belief that sustainable practices increase costs. To bring additional actors into partnerships for sustainable practices, both for financing and further along the value chain, similar methods of illustrating the possibilities of sustainable production were used. In El Chaco, Paraguay, a field trip to visit a ranch using sustainable cattle practices impressed a group of commercial executives, risks executives, environmental specialists, and WWF technicians, who immediately formed a roundtable on sustainable financing. Media and publicity around the field trip even convinced key actors who could not participate to join the alliance.

“The first challenge is to have products that have an impact, and the second challenge is to be able to communicate adequately.”

–Hugo Sanchez, Mesa Paraguaya de Carne Sostenible, Paraguay, partner with FCAA

Gaining scale also requires building linkages across the value chain to ultimately increase demand from the end consumer. Toward this end, Queso Caquetá used commercialization and marketing strategies like uniting and standardizing the products of nine dairy processing industries, registering Queso del Caquetá as a D.O.C. (the protected designation of origin cheese), and marketing their sustainable cheese to high-end Bogota restaurants. Inviting famous Bogota chef Mark Rausch to visit el Caquetá to observe its beauty, biodiversity, and sustainable production practices, convinced him to become the brand Ambassador for Queso del Caquetá, further securing the link between producers and end consumers.



Photo credit: USAID/Colombia

Hugo Sanchez, of Mesa Paraguaya de Carne Sostenible, FCAA, emphasizes alliances must go beyond connecting different points in the value chain to truly building healthy relationships across the chain, so the voices of the producers in the field inform the branding and marketing strategy. Finally, multiple actors highlighted the important role of rigorous monitoring and evaluation data to produce credible information about the economic, environmental, and social impacts of sustainable cattle to bring additional actors on board with this model.

Lessons learned: Gaining scale requires demonstrating the effectiveness of the model in multiple ways and using a deliberate communication strategy to reach multiple audiences.

Question 4: Who are key actors to involve in PSE for environmental goals?

“Undoubtedly, the work has to be done along the whole value chain. The messages have to get to the consumers, the industry, the brokers, the retailers... So it would be very good to work with the other actors in the value chain.”

—Hugo Sanchez, Mesa Paraguaya de Carne Sostenible, FCAA

The involvement of the whole value chain, from the producers to the end consumers, is essential to the success of PSE for sustainable cattle practices. As detailed above, pilot models and field trips can convince additional producers to adopt sustainable practices and bring banks on board to provide financing. Branding and marketing campaigns can help cultivate consumers who demand sustainable products, as can bringing in key influencers, like famous chefs.

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Multiple program participants highlighted the importance of strategic communications to keep the public informed about what sustainable practices are and what they can achieve to build broad support for sustainable practices and expand the pool of consumers.

Program participants also stressed the importance of involving public institutions in alliances for sustainability because the public sector has the power to enable or obstruct the policy environment. As the chief of party for C&G Adriana Maria Rodriguez explained, “even though we are talking about the private sector, the public sector and the local administrations have a series of policies in place that can influence our projects.” Tasciano Custodio, with Athena Foods, labeled the government’s role in leveraging market opportunities and improving sustainable outcomes through risk management structures and evaluations as “indispensable.”



Photo credit: USAID/Colombia

“The relationship between the different actors in the chain has changed, or actually a relationship has been established. And this has been thanks to the participation in the program of both public and private sectors.”

– Yuli Catalina Deputy Director, Patrimonio Natural, implementing partner for C&G, Colombia

Non-governmental organizations (NGOs), like WWF, are producing high- quality data, but it is easy for other actors to question the data’s validity because it does not come from an official source. Government partners can play a supportive role in private sector engagement by producing official, transparent data to build a trustworthy evidence base on the effects of sustainable practices.

While the key actors to involve in PSE for environmental goals will vary with the context, the partners in these three activities pointed broadly to the importance of including actors across the value chain and the enabling role the public sector can play.

Lessons learned: Building connections and a shared understanding of sustainable practices across the value chain is key, as ultimately, sustainable production practices depend upon reliable consumers. However, the public sector has a key role to play by creating an enabling policy environment and supporting data collection to build a credible evidence base.

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“The COVID–19 crisis has opened different unexpected opportunities. For example, the online commercialization of their [the Caquetá Cattle Ranchers Committee] products, which hadn’t been done before. Also, the Cattle Ranchers Committee has turned to online platforms to provide virtual technical assistance, which is great because they had to develop these new systems and new tools to provide assistance.”

–Yuli Catalina Zapata, Patrimonio Natural, Colombia, C&G



Photo credit: USAID/Colombia

Strengthening PSE alliances for sustainability goals and producing environmental outcomes takes time. Trust between actors needs to be nourished and renewed. An investment of time from the start to include all key actors, build trust, and find a common language pays dividends over time. This work provides a solid foundation an alliance can leverage for new opportunities. Pilot demonstrations of successful sustainable practices can initiate positive feedback loops, with both the private and public sectors motivated to engage.

The COVID-19 pandemic is certainly challenging these sustainable cattle models, but some solutions forced by this challenging circumstance—such as turning to online platforms—may ultimately help sustainable value chains reach far-off markets, whether across mountain ranges to Bogota or overseas.

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