

CocoaAction

Frequently Asked Questions



World Cocoa
Foundation

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IN BRIEF

The World Cocoa Foundation's CocoaAction strategy **brings the world's leading cocoa and chocolate companies together** to accelerate sustainability and improve the livelihoods of cocoa farmers. CocoaAction will develop meaningful **partnerships between governments, cocoa farmers, and the cocoa industry** to **boost productivity and strengthen community development** in Côte d'Ivoire and Ghana – the largest cocoa producing countries in the world. CocoaAction intends **to train and deliver improved planting material and fertilizer to 300,000 cocoa farmers** and empower communities through **primary education, child labor monitoring, and women's empowerment**. CocoaAction will be measured through adherence to six key performance indicators, and **progress will be publically reported** on a regular basis.

CocoaAction means:

- 1) A commitment of participating chocolate and cocoa companies and producing country governments to voluntarily align sustainability strategies and programs so that they more effectively reach cocoa farmers and cocoa farming communities.
- 2) A commitment of participating chocolate and cocoa companies and producing country governments to work toward delivering, in an integrated manner, productivity improvements for cocoa farmers and community development initiatives.
- 3) A commitment to improvements in the way that programs of participating chocolate and cocoa companies and producing country governments are measured. This is to be achieved through a shared system of metrics that provide for credible verification and transparency regarding the impact of individual and collective activities, and will lead to continuous learning and improvement.
- 4) A commitment of participating chocolate and cocoa companies and producing country governments to fully engage each other in order to align and maximize public and industry efforts.

FREQUENTLY ASKED QUESTIONS

1. What is CocoaAction and who is involved in it?

CocoaAction is a voluntary strategy of the WCF launched in 2014. Its purpose is to coordinate and align the cocoa sustainability efforts of the world's leading cocoa and chocolate companies and increase their impact toward reviving and building an economically viable cocoa sector.

CocoaAction's vision is a transformed cocoa sector that offers a profitable way of life for professionalized and economically empowered cocoa farmers and their families, while providing a significantly improved quality of life for cocoa-growing communities. The initial strategy will focus on Côte d'Ivoire and Ghana, which together produce nearly 60 percent of the world's current cocoa supply. The 2020 priority is that in Côte d'Ivoire and Ghana, 300,000 farmers adopt CocoaAction productivity practices and 1,200 communities are empowered through community development.

The companies that have committed to CocoaAction are: **Barry Callebaut; Blommer; Cargill; Ferrero; The Hershey Company; Mars, Incorporated; Mondelēz International; Nestlé;** and **Olam**. The WCF acts as the convener and strategy holder for CocoaAction, facilitating the implementation of this voluntary industry-wide strategy, driving alignment and generating new insights to amplify its impact. In May 2014, the governments of Côte d'Ivoire and Ghana endorsed CocoaAction as the chocolate and cocoa industry's aligned effort to support their national cocoa sustainability plans.

2. Why is the CocoaAction strategy necessary?

Despite significant investments in cocoa sustainability initiatives by the public, private and nonprofit sectors in recent years, cocoa farming continues to face major challenges. Even though the sector set up initiatives to tackle these challenges, cocoa remains a challenging livelihood for many farmers. As a result, cocoa farming is losing its appeal as a viable livelihood among younger generations.

In West Africa, these challenges are due to:

- Unproductive farms with vulnerable trees; lack of access to improved planting material and fertilizer; declining soil fertility
- Lack of knowledge about Good Agricultural Practices (GAP);
- Limited attractiveness of cocoa production as a livelihood for young farmers
- Reported child labor in cocoa-growing communities
- Communities entrenched in poverty, with limited access to basic education and lack of empowerment of women
- Increased competition from other cash crops

These challenges have imposed significant stress on the cocoa supply chain in West Africa. Today, too many farmers are trapped in a cycle of economic and social decline. While the world's demand for chocolate is forecast to continue increasing over the next ten years, the supply of cocoa is forecast to plateau – or possibly even decline.

Recognizing that these challenges require swift action, industry leaders have launched CocoaAction, a strategy dedicated to dramatically improve cocoa sustainability. CocoaAction represents an industry effort to coordinate all stakeholders – farmers, suppliers, manufacturers, governments, and others – in cocoa sustainability in origin countries.

3. Why the focus on these countries of origin? What about other origins?

With Côte d'Ivoire and Ghana currently accounting for close to 60 percent of the world's cocoa supply, this relatively small, geographically compact region is the logical starting point for CocoaAction and an efficient use of resources. Based on what we learn from CocoaAction in these countries, we will consider expanding the strategy to other cocoa producing countries in the future.

4. What is different or new about CocoaAction?

With CocoaAction, industry leaders have embarked on an unprecedented effort to achieve scale and impact in cocoa sustainability efforts on a non-competitive basis. CocoaAction represents a new level of coordination to advance effective interventions and provide a platform for high-level industry/government collaboration and dialogue to promote cocoa sustainability.

CocoaAction companies recognize that the sustainability challenges of the cocoa sector require swift action and a radically different approach. Current initiatives have lacked desired impact because:

- Individual initiatives are isolated and fragmented;
- Lack of scale benefits;
- Supply-chain focus and farm-level interventions are insufficient to tackle root causes of unsustainability;
- No means for comparing data on effectiveness, and a limited ability to learn and share best practices;
- Lack of coordination between sector stakeholders – leading to overlaps and gaps in interventions.

What CocoaAction will do differently?

- **Align the sector on regional priority issues:** identify systemic and pre-competitive topics; jointly design solutions to tackle them;
- **Enable scale through common interventions and results framework:** increase impact and efficiency;
- **Employ a holistic focus** on the farmer and his/her community: prioritize interconnectedness, look at sector as a whole;
- **Share best practices and failures through a collective learning culture:** act upon results and instill continuous improvement;
- **Work closely with Governments and key stakeholders:** develop and implement complementary activities, with industry in the lead.

4. What are the goals of CocoaAction?

CocoaAction’s vision is a transformed cocoa sector that offers a profitable way of life for professionalized and economically empowered cocoa farmers and their families, while providing a significantly improved quality of life for cocoa-growing communities.

CocoaAction aims to improve livelihoods and economic opportunities in cocoa communities committed to increasing productivity and advancing community development.

CocoaAction’s first focus area in West Africa will enable no fewer than 300,000 farmers in Côte d’Ivoire and Ghana (200,000 in Côte d’Ivoire and 100,000 in Ghana) to:

- Apply good agricultural practices
 - Adopt recommended planting material
 - Adopt recommended soil fertility practices
- } Productivity Package

These farmers will live in communities where:

- Children are protected and child labor is significantly decreased
 - The number of effectively functioning primary schools is increased
 - Women have increased opportunities and capabilities to generate increased income and influence decisions
- } Community Package

5. How will CocoaAction be implemented?

The WCF is the convener of CocoaAction and facilitates the implementation of the strategy, driving alignment and generating new insights that will amplify CocoaAction's impact. In West Africa, companies make individual commitments to WCF for the number of farmers that adopt interventions and communities empowered, implemented through their supply chain. Brands and value chain players coordinate on delivering these commitments together.

Companies and their implementing partners align existing programs to include at a minimum the interventions from the CocoaAction Productivity and Community Development Packages. Interventions are in six priority areas, and companies report against a shared set of Key Performance Indicators (KPIs) through the CocoaAction Results Framework.

The Five CocoaAction Work Streams

CocoaAction in West Africa is organized around five work streams, or thematic areas, that focus on the greatest needs of the cocoa sector in Côte d'Ivoire and Ghana. The six priority areas of intervention fall inside of these work streams. Besides the interventions, the work streams also encompass work to align with governments and stakeholders, and to measure progress and impacts.

These work streams are led by CocoaAction companies, self-elected based on their respective expertise, and carried out in partnership with governments of the two countries.

1. Planting Material

- CocoaAction will help to scale up effective supply and delivery models of improved planting material to farmers to rehabilitate farms and increase productivity. This includes setting up clonal gardens, nurseries and budwood gardens, and improving distribution and services such as a grafting, in partnership with national science and extension agencies.

2. Fertilizer and Soil Fertility

- CocoaAction will help farmers learn how to use fertilizer correctly and employ other soil fertility practices. CocoaAction will also support governments in the delivery of quality fertilizer to cocoa farmers at affordable prices and look to increase access to financing.

3. Community Development

- CocoaAction will focus on three areas: enhance child protection through support to child labor monitoring and remediation, Child Protection Committees (CPC), and awareness raising; enhance women's empowerment by increasing women's capabilities and opportunities for influence through awareness raising and income generating activities; and enhancing primary education through increasing the number of effectively functioning primary schools education by meeting education needs and strengthening School Management Committees (SMC). The Community Development package will be implemented by working closely with communities, governments, and donors; providing technical expertise and training; and sharing resources and learnings for the greatest impact.

4. Government and Donor Alignment

- CocoaAction will collaborate with governments and donors to pool expertise and resources and develop and scale interventions that will have greatest impact.

5. Indicators and Outcomes (Measurement & Evaluation)

- CocoaAction and producing countries are developing a shared measurement system for sustainability program performance that provides for credible verification of sustainability claims; assesses the influence of industry sustainability programs on cocoa households and communities; and provides continuous learning opportunities for sustainability actors. The workstream will support members during the data collection of the indicators and will share lessons learned to continuously improve both the M&E processes and the insights into sustainability performance by analyzing measurement results.
- CocoaAction is committed to understand farmer economics as the basis of cocoa sustainability—the partnership developed the interactive farmer economic model to understand the needs and decisions of cocoa farmers when investing into cocoa. This model will be continuously updated with data from the CocoaAction M&E and benchmarked, following the international discourse around small-holder farmer economics.
- CocoaAction will engage with standards and certification initiatives to promote alignment with CocoaAction KPIs where relevant and to seek opportunities for more synergies to increase impact of the sector.

6. What is the governance structure of CocoaAction and what is the role of WCF?

The [WCF Board of Directors](#) is the decision-making and oversight authority for CocoaAction. It is made up of senior leaders from WCF member companies. In line with WCF bylaws and governance structure, the WCF Board of Directors decides on the vision and common objectives of CocoaAction. It steers the overall direction of the strategy, and approves and directs the resources provided to the WCF for the strategy's coordination and implementation.

The WCF Board of Directors works closely with the WCF [Technical Working Committee \(TWC\)](#) that is charged with planning and driving the implementation to reach CocoaAction's goals through company programs. The TWC is composed of senior sustainability individuals from CocoaAction companies and is supported by WCF staff, consultants and other experts. The TWC is supported by technical experts at their companies and facilitates the knowledge sharing and collaboration among the partners within and across the five work streams, including with the national partners in the focus countries.

As the backbone of CocoaAction, WCF's secretariat convenes these groups and ensures strict compliance with antitrust laws. It provides the support infrastructure for CocoaAction and ensures effective coordination and communication internally and externally. Its core functions include the following:

- a) Guide CocoaAction's vision and strategy
- b) Support planning and implementation of activities through company programs
- c) Convene members and facilitate internal communication
- d) Develop and operate a shared measurement system and act as a learning center
- e) Coordinate outreach to governments and strategic partners, create alignment with other collaboration platforms, and onboard new members
- f) Support external communication and mobilize funding

7. How does this strategy relate to other cocoa sustainability programs?

CocoaAction is a voluntary, industry-led strategy that aligns and enhances member companies' existing cocoa sustainability programs.

CocoaAction works in close partnership with the national agencies in charge of cocoa sustainability – Le Conseil du Café-Cacao in Côte d’Ivoire and the Ghana Cocoa Board (COCOBOD) in Ghana – in order to ensure alignment with the countries’ sustainability and national agricultural and rural development policies and to share knowledge and reinforce each other’s efforts. It will also collaborate with other cocoa sustainability programs where relevant and through mutual agreement with the entities implementing the other programs.

The CocoaAction strategy is informed by and builds on the results and insights from the multiple approaches developed by industry, governments, donors and NGOs in the past decade, as well as the leadership of national agencies.

8. What are the next steps to ensure we meet our goals?

2016 marks the beginning of on-the-ground alignment to CocoaAction activities and reporting back to the shared data system. Year-on-year, CocoaAction companies will convene through a number of different learning events to evaluate progress and to continuously improve their shared work. This includes identifying any gaps in activities, funding and knowledge to inform CocoaAction’s learning agenda and to encourage involvement by other sector actors.

CocoaAction companies will begin implementation of the strategy in West Africa and will start to measure progress in 2016. CocoaAction is meant to be an inclusive, replicable model across geographies. Following a successful start in West Africa, CocoaAction will look to expand and build upon the strategy in new geographies and focus areas.

9. How can my company join and qualify for CocoaAction?

To join CocoaAction, companies in the chocolate and cocoa value chain are asked to contact WCF after having reviewed the following four guidelines:

1. WCF Membership: Companies must first be a member of WCF.
2. Statement of Intent: CocoaAction contributing companies are requested to submit a signed “Statement of Intent” to WCF and legal counsel that includes the following pledges:
 - a) Support combined productivity and community development interventions each year, reach numbers of farmers proportionate to their size/tonnage in Côte d’Ivoire or Ghana, and recognize that interventions will be tailored to the needs or conditions of cocoa communities.
 - b) Support efforts by WCF to measure the effectiveness of these interventions over time, based on objective and quantitative indicators, including supply to WCF reporting of activities and impacts to an individual farmer level in a standardized format on at least a yearly basis.
 - c) Work with host governments and other stakeholders in pursuit of the collective CocoaAction goal.
 - d) Contribute to CocoaAction partners performing implementation the requisite funds needed to conduct the activities approved by the WCF Board of Directors as appropriate to develop and implement CocoaAction.
3. Participation in Technical Working Committee (TWC) or Workstreams: CocoaAction company contributors have formed a Technical Working Committee, which helps develop the strategy and coordinate industry and company level activities. CocoaAction contributors are invited to assign a company staff member to participate in Technical Working Committee meetings and calls based on their technical interest and expertise.

In-person meetings typically take place four times a year in Europe or North America with technical work stream calls on a monthly or bi-monthly basis.

4. **Financial Contributions:** CocoaAction contributors are requested to contribute financially at two levels:
 - a) **Development/Ongoing Operational Costs:** To support the further development of the CocoaAction strategy, outreach to African governments and donors, legal expenses, meetings and meeting facilitation, monitoring/evaluation, and any industry-level studies related to CocoaAction, CocoaAction contributing companies are required to cover related operational costs. These costs are divided among participating companies at a ratio of 2:1 (branded to value chain companies). For the second half of **2014, branded companies are contributing \$100,000 per quarter, while value chain partners are contributing approximately \$50,000 per quarter.** Funding that is not spent in the current year will be rolled into the next year. Contributions will be recalculated each year, based on the budgetary needs and the number of participating companies.
 - b) **Supply Chain Implementation Costs:** The majority of the costs to implement CocoaAction will be carried out and reported back through individual company programs. CocoaAction company contributors will determine how the costs of providing the productivity and community development packages will be distributed between them and their value chain partners.

10. How else can I get involved with CocoaAction?

CocoaAction invites other actors involved in cocoa sustainability to share ideas and suggestions of ways to collaborate based on this strategy. CocoaAction will also reach out to selected strategic partners to solicit contribution of specific expertise and/or funding to fill identified gaps. These could include mutually beneficially partnerships or investments in the enabling environment to build the elements necessary for cocoa communities to thrive. If you would like to get involved, please contact the CocoaAction Deputy Director, Nira Desai, at nira.desai@worldcocoa.org.

11. Is there a cost involved?

To date, the costs of CocoaAction strategy development have been covered by the members of CocoaAction. We envision that other companies wanting to join the strategy will also contribute financially. As the strategy expands further to include other key partners, their contributions will be welcomed to achieve CocoaAction's ambitious goal to make cocoa farming sustainable and turn it into an attractive and long-term business and development opportunity for rural communities.

Additional questions about CocoaAction may be directed to WCF's Communications and Outreach Team at Jackie.Marks@worldcocoa.org.