CocoaAction Progress Report: Collaboration

This is the second in a series of updates documenting the progress of CocoaAction, a comprehensive strategy to accelerate sustainability and improve the livelihoods of cocoa farmers. This report conveys progress toward collaboration – among industry, government, nonprofits, and other stakeholders – over the first 18 months of CocoaAction’s existence. All CocoaAction companies are members of the World Cocoa Foundation (WCF).

The ambition of CocoaAction to bring together the world’s leading chocolate and cocoa companies represents a new level of collaboration and coordination in an agricultural commodity to advance interventions on a non-competitive, voluntary basis and seeks out best practices in promoting sustainability.

Future reports will document the progress of productivity and community development efforts. For additional information about CocoaAction, visit www.worldcocoafoundation.org/cocoaaction.
CocoaAction: An Unprecedented Effort

In 2014, the world’s leading cocoa and chocolate companies voluntarily came together to launch CocoaAction, a new strategy to boost farmer productivity and strengthen community development in Côte d’Ivoire and Ghana – the largest cocoa producing countries in the world. WCF is the convener of CocoaAction, providing technical expertise and facilitating knowledge sharing and collaboration. CocoaAction works in close partnership with the national agencies in charge of cocoa – the Ghana Cocoa Board (COCOBOD) in Ghana and Le Conseil du Café-Cacao in Côte d’Ivoire – 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.

Sustainability has become a commonplace term with broad meaning. In the context of the cocoa industry, it means assuring that the farmers who grow the crop, the communities that rely on it, and the countries that export it can sustain the crop and benefit from it for future generations. Sustainability therefore means survival, as cocoa supports the livelihoods for everyone involved in the supply chain.

CocoaAction develops partnerships between governments, cocoa farmers, and the cocoa industry and intends to train and deliver improved planting material and fertilizer to 300,000 cocoa farmers and strengthen communities through primary education, eradicating child labor, and empowering women. The strategy will be measured against adherence to performance indicators, mutually agreed upon by the companies and producing country governments, with aggregate progress publically reported on a regular basis. CocoaAction is organized around six work streams, or thematic areas, that focus on the greatest needs of the sector. In addition to CocoaAction companies, others actively participate in the technical work streams.

With CocoaAction, industry leaders have embarked on an unprecedented effort to achieve scale and impact in cocoa sustainability efforts on a non-competitive basis. Extensive learning is underway as companies, partners, NGOs, academia, governments, and others bring ideas, approaches, and possibilities to the table for consideration. Companies recognize they don’t have all the answers and need to turn to partners and experts outside of the industry for guidance. CocoaAction is an ongoing, ever-growing strategic platform founded in trial and continuous refinement. It represents a new level of coordination to advance effective interventions and provide a platform for high-level public-private collaboration and dialogue to achieve cocoa sustainability.

While 10 companies have provided the financial and technical support in the development of CocoaAction and are committed to its implementation, others across the sector are welcome and encouraged to align their efforts and activities with the industry-wide strategy.

“Has sustainability program collaboration taken longer than I thought? Yes. Did we have some stumbling blocks? Yes. But I am encouraged by the engagement and determination of CocoaAction participants to work together until we get this right to make a difference in the lives of farmers and their families.”

MARINA MORARI, GENERAL MANAGER COMMUNITY DEVELOPMENT, BARRY CALLEBAUT
Non-Competitive Collaboration

Anti-trust laws, also referred to as competition laws, are statutes enacted by governments to regulate business, promoting fair competition and protecting consumers from anti-competitive practices. Aggressive competition among sellers in an open marketplace gives consumers the benefit of lower prices, availability of higher quality products and services, more choices, and greater innovation.

For decades, cocoa and chocolate companies have been fiercely competing for market share among consumers and competition will continue to characterize the cocoa market. But World Cocoa Foundation Chairman Barry Parkin reminds us that sustainability should be tackled in a non-competitive space, where companies can share best practices and insights for greater impact, especially as it relates to farmer productivity and community development. And that’s precisely the model CocoaAction follows. During CocoaAction meetings, anti-trust laws are strictly respected at all times and conversations do not include sensitive competitive topics such as prices, new product development, operations, marketing practices, or sales forecasts.

“When we compete on sustainability, we all lose, but when we collaborate on sustainability, we all win – from farmers to communities to companies to consumers. I’m delighted by the level of alignment, collaboration, and commitment we’ve seen thus far from the cocoa industry, governments, and all the critical stakeholders.”

BARRY PARKIN, WORLD COCOA FOUNDATION CHAIRMAN AND CHIEF SUSTAINABILITY AND HEALTH & WELLBEING OFFICER, MARS, INCORPORATED
CocoaAction observers note the spirit of collaboration. Stephanie Daniels is Senior Program Director for Agriculture and Development at Sustainable Food Lab, a consortium of organizations working together to create a sustainable food system. She explains: “When competing trade companies need to collaborate it’s often very hard and conflicting with the business interests of the companies. But, CocoaAction, by far, is one of the most advanced and transparent efforts to break down those barriers and collaborate in the interest of sustainability.”

She continues, “CocoaAction provides a framework for all companies so they can understand the complexity of an issue. For example, increasing women’s empowerment is clearly stated as a CocoaAction goal, but is an area that some companies have never focused on. I think that the likelihood of impact is much higher now thanks to CocoaAction.”

CocoaAction has already made progress in a number of areas related to farmer productivity, including the launch of farm trials to evaluate the best propagation methods, increasing access to improved planting materials, combating disease, innovating distribution models, and more.

Collaborating in a non-competitive space also enables CocoaAction companies to develop partnerships with stakeholders including governments, nonprofit organizations, NGOs, civil society, and more. Instead of being evaluated as a company initiative or program, CocoaAction is viewed and accepted by the governments of both Côte d’Ivoire and Ghana as the industry’s unified approach and commitment to cocoa sustainability.

“The reality of CocoaAction is complex because you’re asking companies to look beyond the normal, introspective mode of their business, their strategy, and their ability to market what they do as companies in a way that distinguishes themselves from their competitors. This goes against many of their natural instincts. While preserving this competition, companies are asked to focus on how they can help farmers.”

NICK WEATHERILL, EXECUTIVE DIRECTOR, INTERNATIONAL COCOA INITIATIVE
Putting Farmers at CocoaAction’s Center

From its inception, the goals of CocoaAction have focused on research, reviewing, and sharing best practices and programs across the cocoa industry to help develop the most impactful farmer productivity and community development solutions for farmers and their families. Companies are now sharing strategic insights, drawn from years of working collaboratively with cocoa farmers, highlighting approaches that work – and ones that don’t – to develop industry-wide best practices and approaches to achieve scalable sustainability.

But ensuring more productive yields is not the sole objective of this effort. CocoaAction also focuses on collaboration to boost community development, a truly novel approach for companies, which have committed to achieving better outcomes through increased access to education, child labor eradication, and empowering women. From a long-term sustainability perspective, there’s a business case for community development to be pursued alongside farmer productivity improvements. The community should not be separated from the farm because a symbiotic relationship exists. A farmer, who drives outcomes on the farm, is also a community contributor. The success of one is interconnected to the other.

CocoaAction drives greater connectivity to and deeper relationships with farmers in Côte d’Ivoire and Ghana, and the cornerstone of its approach is to be collaborative, not prescriptive. One example is the recent hiring of a Cocoa Swollen Shoot Virus (CSSV) expert, based in Côte d’Ivoire. Le Conseil du Café-Cacao, the national agency focused on cocoa and a key CocoaAction partner, expressed concerns about the spread of CSSV among trees. As a result, a CocoaAction-funded CSSV expert now works from WCF’s Abidjan office, collaborating with local research institutions and farmers to protect trees and planting materials from the disease. In addition, farmers will soon benefit from a recent soil mapping activity, conducted by CocoaAction partner IDH, the Sustainable Trade Initiative based in the Netherlands, to assist in the development of new fertilizer formulas.

By deliberate design, CocoaAction doesn’t seek to instantly affect every farmer and every community involved in the production of cocoa around the world. It is a concentrated effort to provide multi-faceted support to farmers to improve productivity as well as improve their communities to encourage future generations to view cocoa production as a desirable career option. Through focused and repeated contact with farmers – in trainings and learnings about soil fertility practices and planting materials, to community needs starting with education – CocoaAction is establishing incubators of success that will serve as examples for others to follow. None of these efforts will thrive on their own, but they will flourish with the intense, coordinated approach that CocoaAction provides.
“While many stakeholders can benefit from the successes of CocoaAction, cocoa farmers and their families are at the heart of this work. When farmers can feel more supported and can see tangible results from our efforts, we know we are doing the right thing. We have a real opportunity to transform this industry to the good of millions of farmers and their families.”

BILL GUYTON, FOUNDING PRESIDENT, WORLD COCOA FOUNDATION
Uniform Measures and Reporting on Progress

CocoaAction allows for and encourages the unique collaboration of its companies in developing a consistent set of measures of progress toward farmer productivity and community development. Uniform and consistent measurement provides the conditions by which true, collaborative, and collective learning happens.

Marc Pfitzer serves as managing director of FSG, a mission-driven firm focused on creating large-scale, lasting social change. In emphasizing the value of such collaboration, Pfitzer notes: “With agreement and common indicators for data collection, industry will be able to learn what’s working and what’s not. Common measurement ensures continuous improvement.”

Before CocoaAction companies begin to collect data, they need to align on how they will collect it. And even before alignment could begin, companies had to develop a common language specific to CocoaAction. Agreeing on methodologies and criteria to ensure what is collected by one can be added to the results of another is essential to produce aggregated CocoaAction results.

To that end, WCF has led measurement and evaluation workshops and conversations with industry representatives, producing and consuming country governments, implementers, certifiers, academia, international subject matter experts in education, child welfare, and gender empowerment, and additional key partners to build a reporting framework inclusive of verification activities. Companies have worked together in offices and on cocoa farms to discuss, debate, test, and refine indicators and approaches to measurement. While testing out measurement tools on a farm in Côte d’Ivoire, one company noted, “It’s powerful to be in the field with companies – typically our competitors – for the good of farmers. CocoaAction helps unify us.” Landing on this final set of indicators – ten for farmer productivity and upward of 20 for community development – has been a very intensive and collaborative process, and agreement and adoption of final CocoaAction indicators is expected by the end of the year.

“One of the most exciting elements of CocoaAction is the ability to amplify data tenfold. CocoaAction will focus on shared learnings, both quantitative and qualitative. Being able to understand what works and what doesn’t and, in turn, bring to scale what is successful faster and with more confidence is a win-win for all involved parties,” said Nira Desai, CocoaAction’s deputy director.
Zurich-based Jacobs Foundation recently made a significant investment in education with a particular focus on cocoa communities. In partnership with CocoaAction, it launched TRECC, Transforming Education in Cocoa Communities, a seven-year, $52 million commitment to increase educational outcomes in Côte d’Ivoire.

“Our experience has taught us that education for a country’s poorest can only be successful if the necessary conditions are in place within the family, at work, and in society. It is also important to note that sustainable development cannot be achieved without education. We have therefore decided to take our activities in Africa to the next level with the TRECC program, in an effort to promote sustainable social and economic change in the region,” said Lavinia Jacobs, chair of the Jacobs Foundation.

TRECC aims to transform education particularly in cocoa communities in Côte d’Ivoire through efforts focused on six interlinked action areas, including research, capacity building, matching grants with companies, impact investing, engagement with other donors, and policy strengthening. “Our collective impact can and will be far greater, and having Jacobs Foundation as our partner to address education issues in Côte d’Ivoire is critical,” said World Cocoa Foundation Founding President Bill Guyton.

Since the partnership announcement in May, TRECC has engaged with CocoaAction companies by co-financing innovative community development projects that go beyond the existing CocoaAction commitments. TRECC’s matching grants are based on an innovative payment-by-results mechanism geared to serve 160,000 children and youth in cocoa communities. This matching mechanism is aimed at building the ecosystem for CocoaAction by testing solutions at scale and enhancing evidence-based programs. It is also designed to leverage TRECC funding and increase CocoaAction’s commitments to community development in Côte d’Ivoire.

Leveraging additional investments and developing new partnerships with other donors, government agencies, and multilateral organizations around CocoaAction is being enhanced through TRECC. Through TRECC, a resource mobilization specialist based in Europe has been hired by WCF to leverage financial, intellectual, and social capital to increase and improve interventions offered by CocoaAction.

“\nThe Jacobs Foundation commitment creates an opportunity for others to see the benefits of how an industry-aligned effort can be leveraged for greater and longer lasting impact.\n
KIP WALK, CORPORATE DIRECTOR FOR COCOA AND SUSTAINABILITY, BLOMMER CHOCOLATE COMPANY

President Clinton joins Jacobs Foundation and WCF to announce TRECC.
Conclusion

Consensus exists regarding CocoaAction’s progress to date among key observers, stakeholders, and industry representatives. Collaboration during planning sessions and workshops, on cocoa farms, and with the governments of both Côte d’Ivoire and Ghana suggests that 2016 will be a strong year for implementation and on-the-ground results. Contributing to CocoaAction’s current position of strength has been the collaboration to establish common principles, approaches, and measures for success, with a recognition that the long-term viability of the strategy is contingent on that. With a solid foundation now in place CocoaAction’s potential grows.

To learn more and to get involved with CocoaAction, please contact the World Cocoa Foundation by phone at +1 (202) 737-7870 or email wcf@worldcocoa.org.
CocoaAction’s community development pillar strengthens communities through access to education, affording children of cocoa farmers a brighter future.