



2020 Partnership Meeting Summary

Scaling Impact in Disruptive Times
Online · November 18-19, 2020



World Cocoa
Foundation

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INTRODUCTION

Dear colleagues,

I am pleased to present the 2020 Partnership Meeting summary. It recalls the World Cocoa Foundation's first ever online conference that was made possible by our sponsors and the expertise of 112 speakers from around the globe. The meeting gathered 405 private sector sustainability leaders, farmers, government officials, civil society representatives, and researchers from 30 countries to explore this year's theme, "Scaling Impact in Disruptive Times".

The 2020 Partnership Meeting was the only global conference dedicated to cocoa sustainability in 2020. During the event, we explored four streams: enabling environment, prosperous farmers, empowered communities, and healthy planet. At WCF, we believe these streams advance our vision of a thriving and sustainable cocoa sector where farmers prosper, communities are empowered, and the planet is healthy.

We were fortunate to host outstanding experts in plenary and breakout sessions during our shift to an online platform. I am particularly grateful to our high-level speakers from across the globe. Through their presence and engagement, they demonstrated that we all are on a shared journey to enhance the sustainability of the cocoa sector, and improve the livelihoods of cocoa farmers and their communities.

We look forward to continuing our work together toward a sustainable cocoa sector and invite you to join us for the next Partnership Meeting on November 17-18, 2021.

Sincerely,

Richard Scobey
President



PREVIEW: KEY FINDINGS OF THE 2020 COCOA BAROMETER

MODERATOR

Buddy Buruku
Master of Ceremonies

SPEAKERS

Antonie Fountain
VOICE Network

Friedel Hütz-Adams
SÜDWIND Institute

As a prelude to the two-day online Partnership Meeting, Buruku hosted a session to introduce the [2020 Cocoa Barometer](#), a bi-annual study on cocoa sustainability. Fountain and Hütz-Adams elaborated on its key findings in four areas – Living Income, Human Rights, Environmental Protection and Enabling Environment.

Living Income

The speakers said the report showed a big step forward in developing a clearer definition of how to calculate living income and there was now a widely accepted methodology. There was a close connection between ensuring a living income and due diligence on human rights. However, the technical and political steps to achieve a living income were still unclear and this level was just the bare minimum for existence, so the aim would have to be higher.

Global cocoa production had nearly doubled in the last 40 years, but West Africa's share of the total production had grown from 50% to 70%. Farmers had no influence on price, which is determined by the world market, creating an unequal distribution of risk.

Many countries were still talking about increasing productivity, but it was unclear whether this was possible. There had been many pilots but there was still no sign of success at scale. If only 10% of farmers were to double productivity, prices would collapse so this alone was not the solution. If farmers pursued diversification, they ran into the same problems they face in the cocoa sector, so price was still crucial.

Only now that more data had emerged on the cost of production, household size, benchmarks on what living income should be and what households were earning was it becoming possible to calculate a Living Income Reference Price (LIRP). But key elements were still missing, including cost of production data. Farmers needed to get a living income first and then prove they could raise productivity.

The Living Income Differential (LID) would not close the living income gap because it was based on old prices before they collapsed, although cooperation between the major producers Côte d'Ivoire and Ghana to address the issue was welcomed. The farm gate price should be above \$3,000/ton, far above the current level \$1,600-\$1,700. It was important to pursue holistic policies and diversification and ensure fair prices.

Human Rights

Addressing the issues of human rights and child labor depended on alleviating poverty, although other interventions were also needed. Promises made over the past few decades had not been met and the report by NORC (National Opinion Research Center at the University of Chicago) was a "sobering wake up call."

There was a lack of consistency in the way companies were implementing the CLMRS (Child Labor Monitoring and Remediation System) and it was vital for countries, whose duties include ensuring access to education and the rule of law, to observe the UN Guiding Principles. It was the duty of states to protect, the duty of corporations to respect.

In the area of gender inequality, the speakers said that there was a "shocking gap" on interventions to engage women and that programs specifically aimed at increasing women's income levels had more of an effect than those targeted at men.



ENVIRONMENTAL PROTECTION

The environmental threat – including deforestation, the loss of biodiversity, damage to habitats, the loss of carbon storage, etc. – had increasingly become part of the discussion around cocoa production. On traceability, there was disappointment that national monitoring systems had still not been rolled out, although major steps had been taken at the individual company level. It was vital to address the fact that so much forest had been cut down, and to develop agroforestry systems. Protecting the environment could not come at the expense of human rights – there were regular reports of communities being evicted. It was not a good approach to replace formerly heavily forested areas with simple agroforestry, and simple agroforestry should never replace complex agroforestry systems.

Although research showed tailored fertilizing was necessary, improper use of fertilizer was widespread because of inadequate soil quality testing and training, and a one-size-fits-all approach. Organic fertilizers were an option. It was a huge problem that some had advised farmers not to invest in fertilizers during the price collapse.

In answer to questions, the presenters said the biggest cause of deforestation was poverty and it was essential to find holistic approaches, including supply management, protecting the environment and extra income for farmers. Options included payment for environmental services to pay farmers to leave existing trees in place, strengthening land and tree tenure security.

Enabling Environment

Most proposed solutions have focused on the farm level, but the problem is broader – the need to create an enabling environment. The last two years saw a major shift toward embracing mandatory measures on human rights and environmental protection. This needed to be done at an EU or global level, not national (although complementary steps at the national level helped) and be based on UN guiding principles. Companies that find a problem should not just try to solve it by sourcing elsewhere. They must solve it in a way that benefits the people whose rights have been violated and not just for the benefit of the supply chain. Holistic approaches were essential – you could protect forests only through a broad approach, not by looking at the interests of a single farmer.

On the other hand, the current top-down approach did not work, and solutions had to be developed at the local level with time-bound deliverables. They could be based on global minimum threshold criteria but needed to be translated to the local needs and context. That could only be done by bringing farmers and civil society into the discussions. Interventions must be tailored to promoting the role of women, farmer empowerment, and strong and functioning cooperatives.



DAY 1: PLENARY SESSIONS

SPEAKERS

Christine McGrath
Mondelēz International

Richard Scobey
World Cocoa Foundation

SCALING IMPACT IN DISRUPTIVE TIMES

McGrath stressed the need to maintain a collective focus on sustainability and said Mondelēz’s mission was to lead the future of snacking by offering the right snack for the right moment, made the right way – “We call this ‘snacking made right,’” she said. That meant managing the supply chain in ways that minimized the impact on the planet and respected the rights and wellbeing of all the people the business touches.



Mondelēz addressed the complex issues that cocoa farmers face – climate change, gender and equality, poverty, and child labor – through its Cocoa Life sustainability program, a \$400 million, 10-year commitment. By the end of 2019, 175,000 of the Mondelēz-associated farmers had been registered with Cocoa Life and the number was on track to reach 200,000, or 63%, by 2022. The goal was 100% by 2025, McGrath said.

Cooperation with WCF partners was vital to achieve this. The best way to make progress was to approach the range of challenges holistically and to understand that the most powerful means was to raise farmer incomes overall. She said Cocoa Life farmers earned 22% more than the national average and that to close the gap for all a growing and diversified rural economy was needed. “We are stronger together,” she said.

Scobey welcomed participants to the Partnership Meeting and said that while cocoa farmers faced unprecedented challenges from the coronavirus pandemic, everyone wanted to ensure a thriving, sustainable, and just cocoa system. He said the benefit of holding a virtual event was that it would reach a much broader audience – more than 400 participants had signed up from 30 countries on six continents and 40 member companies.

He flagged five developments of the past year:

1. Disruption created by the pandemic had caused a 15% decline in cocoa grinding and a fall in global cocoa purchases. The priority was to support farmers. Scobey noted the announcement in May by cocoa and chocolate companies of a donation of U.S. \$835,000 to support government emergency plans in West Africa, Asia, and Latin America.
2. There was a growing global focus on achieving a living income and making cocoa farming truly sustainable. This included progress on introducing the LID premium paid to farmers. “LID and company sustainable programs live together,” he said, adding these programs had helped 700,000 farmers and their families.
3. On climate change and deforestation, Scobey said U.N. reports indicated the rate of forests lost in 2018-2019 was half the previous rate and that “several policies and actions have contributed, including the Cocoa & Forests Initiative.”
4. He said there had been progress on fighting child labor in Côte d’Ivoire and Ghana, although the NORC report showed that too many children working on farms were still under-age or doing dangerous work. Government and company programs were making a difference, Scobey said and a more than 60% growth in total cocoa production had not brought a similar rise in child labor. He noted a one third reduction in child labor in places where chocolate companies were present.
5. There was a growing sense of corporate responsibility in the supply chain, Scobey said. WCF believed effective implementation of rights in the supply chain required three complementary actions – government regulation, strong public and private partnerships and increased aid and trade flows on a national scale.

ENDING POVERTY IN DISRUPTIVE TIMES

Offering a grim view of economic prospects in the wake of the pandemic, Ohnsorge said it was the deepest global recession since the Second World War and the recovery would be protracted and subdued. Risks included delays in introducing a vaccine, a more prolonged pandemic, a loss of investor confidence, a wave of corporate bankruptcies and debt distress. There was a high likelihood of lasting damage to investment, human capital accumulation, and productivity.

The pandemic touched 90% of countries and reversed a decade of global economic gain. Ohnsorge forecast a modest recovery in 2021. There was tremendous economic uncertainty and a rise in poverty, reversing several years of improvement.



Asked by Buruku whether one could be more optimistic with the promised arrival of vaccines, Ohnsorge said things would improve but this would not undo the damage of this year. She said it was possible that the pandemic would come under control faster, and this would trigger an improvement in confidence, but for now momentum was slowing because a second Covid-19 wave was underway.

Buruku said there was talk of restarting economies in a more sustainable way, and Ohnsorge said that “building back better” was critical. “Crises tend to bring home to people the importance of reforms – this particular crisis brings home to us the fragility of some of the education systems, some of the supply chains.” She said some companies would build more resilience into the system. Governments were restricted in what they could do but did have levers and could help by removing red tape.



She noted that compared with earlier recent crises for commodities (in 2011, 2014 and 2016, when all commodities were hit), in this pandemic year, although there had been a sharp oil price reduction, other commodities were not hit as much and now were back to pre-pandemic prices.

Ohnsorge said the saddest impact of the pandemic was that there would be a rise of 88 to 115 million people in poverty, particularly among groups that had just emerged from poverty. What could be done would depend on conditions in different countries. In some countries the support groups worked but in others many people were hard to reach. She said that governments in emerging economies had stepped up like they had never done before, and it was not just advanced economies that had made added stimulus funds available to support financial activity.

MODERATOR

Buddy Buruku
Master of Ceremonies

SPEAKER

Franziska Ohnsorge
World Bank Group

DAY 1: PLENARY SESSIONS

MODERATOR

Alexander Ferguson
World Cocoa Foundation

SPEAKERS

Zac Goldsmith
Government of the United Kingdom

NATURE-BASED SOLUTIONS FOR CLIMATE ACTION

Goldsmith issued an urgent call for change in the cocoa sector to work toward a more sustainable future, as the consumption of cocoa and the worth of the world market grows.

Deforestation and land use changes had become the second largest contributor to global climate change and about 80% of the destruction was attributed to agriculture. The deforestation rate in West Africa in the last two decades had been alarming. There was a price to pay for prosperity but the world's poorest were suffering the most.

Despite recent investments, the trajectory for the environment was in the wrong direction, Goldsmith said. There was no pathway to net zero emissions that could reverse the biodiversity loss or alleviate poverty that did not include large-scale restoration and protection of nature. "We need to help nature recover," and help communities better adapt to the effects of a changing climate, he said.

Nature-based solutions now attracted 3% of global climate finance. There was an urgent need to change the rules dramatically by doubling international climate finance with a significant amount going to investment in nature, he said. More money alone would not solve the issue and it was essential to address the core drivers of ecological degradation by changing the incentives that come with forest protection.

Goldsmith said the UK was trying to build an alliance of countries committed to cleaning up the global supply chains and had a new law that required companies to remove illegal deforestation from their supply chains. The initiative would take its cues from the Cocoa & Forests Initiative that WCF had helped establish and supported by the UK government through the Partnerships for Forests. Although there had been some good results of this initiative it may have to be scaled up, he said. Unless the markets, the single most powerful force, saw the value in nature and a cost to its destruction there could be an ecological, economic, and humanitarian disaster. Facing this challenge, which used to be a choice, was now a duty and cocoa had an important role to play, Goldsmith told the participants.



FIGHTING CHILD LABOR IN COCOA: BUILDING PARTNERSHIPS & SCALING UP ACTION

Weatherill noted that many children were in child labor in Côte d'Ivoire and Ghana, the vast majority on family farms. He said the latest research was encouraging: between 88-96% of child laborers were attending school and 94% were living with parents or relatives. The others were mostly children outside of their communities attending secondary schools or older children who had established a household of their own. The average work time per child laborer was just over eight hours per week, which was not incompatible with school attendance. These were hours that could be worked outside school and for most age groups were within permissible limits.

Weatherill said one issue was the prevalence of hazardous work. Looking at the next two years, and the need to meet the U.N.'s Sustainable Development Goals, it was important to focus on areas where it was possible to have an impact. Recent research showed that in communities with a mix of interventions – CLMRS, or preventive efforts through community development – and where such interventions had been in place for three years, there had been a 33% reduction in child labor. This was encouraging, but measures were not being implemented at sufficient scale. CLMRS systems that had a proven impact were now reaching 20% of farms.

He said ICI had a new strategy to analyze what was blocking scaling and what would drive it. The models that showed progress had cost a lot and were complicated, so it was necessary to innovate to make them more scalable. He said work was underway looking at risk-based monitoring to lighten the burden, strengthen alignment and share responsibility. He said: "We need greater motivation in the sector from compulsory regulations, particularly on human rights due diligence but also we need motivation for the positive, reputational dividend to be had from doing the right thing."

Greater accountability was needed, as well as benchmarks and standards to ensure that what was done had an impact. Greater transparency would bring a reputational dividend that could motivate the sector to do more and do better. Core commitments endorsed by the WCF board were now being integrated into company sustainability work on the ground. Key among them was to scale up CLMRS to 100% by 2025. Weatherill praised what he called a growing emphasis on tackling root causes, mentioning Côte d'Ivoire's support for the Jacobs Foundation-backed Child Learning and Education Facility for 5 million children. Similar commitment was needed from Ghana, especially in secondary education, he said. He hoped 2021 would bring new PPPs to accelerate progress on a multi-stakeholder basis, with a new framework of accountability built in.

D'Ovidio welcomed the industry's commitment to fight child labor, which was not just a child protection matter but primarily a labor matter. Coordination by all parties was essential and a parallel system to the government was needed to drive this forward.

Clancy welcomed signs of progress and said Cargill was looking at working with different actors in its supply chains. Equally important were CLMRS, promoting farmer coaches and women and raising awareness on how hazardous child labor is. She said Cargill worked with ICI to build knowledge in-house and integrate it in the supply chain.

Abou said it was important to look at the tasks that child laborers were doing and especially important to keep them from dangerous jobs. It was also critical to consider the role of women, who could heavily influence what happens to children.

MODERATOR

Nick Weatherill
International Cocoa Initiative

SPEAKERS

Camille Abou
Camaye Cooperative

Francesco d'Ovidio
International Labour Organization

Kate Clancy
Cargill

Jeff King
The Hershey Company

DAY 1: BREAKOUT SESSIONS

MODERATOR

Nira Johri
Rich Products Corporation

LOOKING BACK & LOOKING FORWARD: BUILDING ON COCOA ACTION LESSONS LEARNED

Johri provided an overview of the CocoaAction initiative and Tholen analyzed its implementation and impacts and drew lessons from its activities.

SPEAKERS

Nicko Debenham
Barry Callebaut

Tholen said CocoaAction had helped to bring the industry together and create a non-competitive workspace to discuss key issues, acted as a forum for sharing learning and promoted an understanding among companies of the need for monitoring and evaluation.

Carolin Fessenberg
Blommer

He acknowledged that CocoaAction's strategy had been designed with minimum input from external stakeholders, that it did not have a holistic approach and did not respond to some realities in cocoa-producing countries. But he said CocoaAction had paved the way for subsequent initiatives by building trust and establishing connections.

Kim Frankovich
Mars Wrigley

Rick Scobey
World Cocoa Foundation

SCALING LASTING IMPACT IN COMMUNITY-DRIVEN DEVELOPMENT

Taco Terheijden
Cargill

Agyarko-Kwarteng said the Hershey Company's cocoa sustainability strategy, Cocoa for Good, was built on four pillars addressing nutrition, youth development, poverty, and environment. She detailed the data-based process, starting with the cocoa farmer, used to assess the needs of the individual and the community and create action plans to address their priorities, often through Community Development Committees. Hershey worked closely with local and international NGOs, as well as traders and exporters within the supply chain, she said. The priorities addressed in the community action plans were wide and varied. It was essential to balance the needs with the reality of the resources available and with the priorities in the sustainability plans of companies working in communities.

Jerwin Tholen
KPMG

Cedric van Cutsem
Mondelēz International

Agyarko-Kwarteng said it was important to find ways to leverage existing business relations with farmers to sustain development engagement with communities. One approach could be through farmer cooperatives, another through leveraging partnerships, including with local government. Hershey had developed a number of innovative partnerships with schools, NGOs, PTAs and USAID as well as business groups.

Olivier Zwolsmen
Ferrero

MODERATOR

Youssef N'djoré
World Cocoa Foundation

Algamar detailed Save The Children's approach to community development called Integrated Community Centered Design, which held that solutions to the hardest issues, including child labor, came from the power of communities. It focused on organizations, relationships and creating shared value among community members.

SPEAKERS

Felix Addo-Yobo
Ghana National Development
Planning Commission

Dao Gabala looked at community driven development (CDD) from a producer's perspective. For Solidaridad, she said, CDD aimed for more community engagement in the work that they do for all stakeholders – the producer in his local community, the cocoa industry and the state. Community engagement was vital to ensure community ownership that facilitated change and a sustainable impact. Citizens accepted and owned the development interventions when they saw immediate benefits in their lives, she noted.

Tawiah Agyarko-Kwarteng
The Hershey Company

Rizal Algamar
Save the Children

Mariam Dao Gabala
Solidaridad

Taylor spoke of the SEED-SCALE approach from UNICEF, which depended on simplifying a complicated system. The idea was that every community had seeds, which were seeds of human energy. The challenge was to have those seeds grow in the local context using existing governance and business systems. Two things happened in scaling up; benefits reached more people and quality of life was improved. As the quality of life improved, more people were drawn into the process, Taylor said.

Daniel Taylor
Future Generations University

Asked to comment on the changes in the way companies measured community impact, Agyarko-Kwarteng said that initially companies had been more focused on the individual farmer and the impact on farmers' productivity. However, over the last few years companies had focused more on communities and community driven development and had looked more closely on the impact seen at the community level, particularly in terms of education, children's protection, and women's empowerment. How to measure this impact had led companies to think more deeply about impact measurement.

CHANGING BEHAVIOR FOR CLIMATE SMART COCOA?



Daniels introduced the session, asking speakers to discuss strategies, incentives, and practices being pursued to help cocoa farmers adapt to the challenges of climate change, including shifting rainfall, extreme weather events, and disease and pest outbreaks.

Asante said a lot of theoretical work had been done on the changes farmers needed to make to adapt, but few were put into practice because they were not accessible to farmers. In Ghana, he said there were still problems in establishing land ownership, inhibiting the implementation of new practices. He said Solidaridad had created a financial mechanism that farmers could tap into to help them adopt climate smart cocoa (CSC) practices.

Zilberman said climate change was a "dynamic phenomenon" that provided an opportunity for innovation, and it was important to understand the farming community better and how the sector may change in the next 15 years. It had to be seen in the context of other issues, including the need for companies to provide farmers with credit, the lack of collaboration in the supply chain between public and private organizations and the lack of cooperation between farmers.

Dwamena said it was important to take a "landscape" approach to the looming climate changes to research and categorize farmers, to establish who would be the most able and willing to adapt to the changes, and then find the best way to deliver the services they needed.

In a discussion, speakers made clear investors would have to be selective about who they backed as climate change brought new conditions to cocoa areas, and there would be a drive toward more diversification of crops. Dwamena said climate change was already causing some farmers to move to new regions to try to set up new farms. Touton had interventions in such areas to try to help those farmers who remain, introducing new techniques. Asante said Solidaridad had looked at regions that would soon be unable to grow cocoa, where farmers had begun transitioning to short cropping systems and cashew growing that better suited the new climate.

The speakers said there had been progress on transitioning starting 5-10 years ago, when the industry would not even discuss the idea. Touton had introduced vegetables in addition to cocoa in places in western Ghana and connected farmers to a new market. Migrant farmers saw this as a way to make money and became invested in diversification. Speakers said it was vital to go beyond the theoretical and focus on actual behavior, to understand the community and its issues before trying to implement change, and to create the capacity and framework to enable farmers to implement CSC practices.

MODERATOR

Stephanie Daniels
Sustainable Food Lab

SPEAKERS

Winston Asante
Solidaridad West Africa

Ernest Dwamena
Touton

Abi Monnet Innocent
Ecookim

David Zilberman
University of California,
Berkeley

DAY 1: BREAKOUT SESSIONS

MODERATOR

Ethan Budiansky
World Cocoa Foundation

SPEAKERS

Yohann Fare
Kinomé

Andreanne Grimard
Ecotierra

Johanna Jacobi
University of Bern

Wiebke Niether
University of Giessen

Valentina Robiglio
ICRAF

Sebastiaan van der Hoek
Cargill

PROSPEROUS FARMERS AND A HEALTHY PLANET THROUGH AGROFORESTRY

Budiansky discussed the activities of the Cocoa & Forests Initiative (CFI) since it was established in 2017 by Côte d'Ivoire and Ghana and leading cocoa and chocolate companies, who made commitments to restore and protect forests, improve farmers' lives, grow more cocoa on less land and ensure greater social inclusion. Since 2018 companies had distributed over 4 million multipurpose trees in the two countries to promote cocoa agroforestry. The session considered how agroforestry could deliver economic, agricultural, environmental, and climatic benefits.

Niether presented the results of a study which found that agroforestry systems have the potential to compete with and even outperform monocultures.

Jacobi said due to the wide variety of environmental, climatic and soil conditions there was no general definition of cocoa agroforestry beyond "inclusion of trees in cocoa plots." Different things would work better in different places. Even a simple agroforestry system could have a positive impact. Local knowledge must be combined with sophisticated scientific research to design a functioning dynamic agroforestry system with environmental and economic benefits to families.



Robiglio said what was key was the interplay between the farmers' objectives, capacities and skills and the social and ecological context in which they operated, such as the market, institutions, regulations, access to knowledge, technology, and biophysical factors. She showed the diversity of challenges with four case studies of farmers in different circumstances. There was no one-size-fits-all, especially when considering whether an approach could be scaled up.

Fare presented work developed by Kinomé with the World Bank and discussed factors that contributed to scaling up successful agroforestry systems and likely bottlenecks. He said that best practices could be learned from the ground level and scaling up must address the issue of living income.

Cargill's van der Hoek, while stressing that different approaches were necessary to cope with different conditions, said there was mounting evidence that agroforestry was a viable best practice that had the potential to secure the longevity of the cocoa sector. "The question is actually not if we need to invest in agroforestry but more how?" To do this it was essential to have reliable data, good mapping, and close cooperation with partners.

Grimard said Ecotierra had begun agroforestry projects 10 years ago and stressed the importance of long-term commitment in this field aimed at transforming degraded land into productive agroforestry. The goal was to establish a \$50 million fund by the end of 2020 (now \$38 million) for investment in 4-5 agroforestry projects in Latin America. To create a return on investment, she said, Ecotierra would package several activities and revenue streams within the fund. She explained how each of the components and activities would reinforce the others.



LANDSCAPE APPROACHES: FROM CONCEPT TO SCALE

Asare said it was not possible to tackle issues of deforestation, child labor, and livelihood creation without adopting a landscape approach and supply chain interventions were ineffective in dealing with most issues at the farmer level. It was necessary to establish community-based landscape governance where landowners, land users and natural resource users were at the center of driving change in how forest resources were used and how climate-smart cocoa agroforestry is scaled out and adopted.

There was a growing interest in landscape approaches, which focus on balancing competing land use demands to benefit both people and the environment. It meant creating solutions that consider food and livelihoods, finance, rights, agency partnerships, restoration and progress toward climate and development goals.

For this approach to succeed it was necessary for communities and government to work out cost-sharing and planning as well as an effective monitoring system. WCF established a Monitoring and Evaluation system to monitor cocoa landscapes from the perspective of sustainable cocoa production and maintaining the ecosystem.

Wiafe-Duah highlighted the core mandate of the UK government-funded Partnership for Forests (P4F) to support and scale pilots and create opportunities and investment for catalyzing investment for sustainable land use and forestry. She outlined the benefits of the landscapes approach and discussed the partnerships and pilot work P4F had been engaged in for the last three years.

Schreier told the meeting it was imperative to develop lengthy programs within a favorable political context so they could work as national initiatives, but it was also important for regional or local governments to prioritize landscape restoration because of their proximity and interest in local change. It was also vital for other bodies, including academic institutions, and end users to scale the landscape beyond the supply chain. These entities provided valuable expertise and financing and could help promote the concept of landscaping to a wider audience, including other industries.

Mensah said eight companies, including Mondelez, were working together in Ghana and said the regulator of the landscape management and investment scheme had been charged with developing a national framework for landscape management investments. One aspect of this was promoting the planting of 1.4 million shade trees.

Participants agreed there was a solid foundation for developing landscape governance mechanisms to champion sustainability. They agreed that it was vital to create effective monitoring systems. The meeting was told the government of Ghana was making a big effort to increase cocoa production by about four times its current level in the next four years and developing a framework for concurrent forest conservation.



MODERATOR

Frank Hicks
Consultant

SPEAKERS

Rebecca Asare
Nature Conservation
Research Centre

Jephthah Mensah
Mondelez International

Raul Ramírez Nelson
Mirova Natural Capital

Pamela Schreier
ECOM

Coen van Genderen
FMO

Victoria Wiafe-Duah
Partnerships for Forests

DAY 2: PLENARY SESSIONS

MODERATOR

Richard Scobey
World Cocoa Foundation

SPEAKERS

Carlos Manuel Rodriguez
Global Environment Facility

Sunny Verghese
Olam International

BUILDING BACK BETTER FOR SUSTAINABILITY

Verghese, CEO of Olam International, said the challenge was how to pivot and transform the cocoa value chain toward a sustainable future. He outlined the grave threat to the world created by the coronavirus pandemic, which he said had “unknown probabilities and unbounded outcomes.” He noted first the huge impact it had on the most vulnerable, the poorest people, saying all the gains made in the last five years to reduce poverty across the globe had been lost. Secondly, he said what had started as a health pandemic had become a hunger pandemic and noted the crucial role the World Food Program (WFP) had to play. Thirdly, he pointed to the disastrous effect on the economy generally, saying the IMF had forecast minus 5% growth this year and it would be end-2022 or 2023 before we would see pre-COVID growth levels. The three threats to global sustainability – the climate emergency, the collapse of nature and biodiversity and sharply rising social inequities – were interlinked and could not be addressed separately, he said.

Turning to the cocoa value chain, he said the three key challenges were establishing “granular” traceability in the very fragmented supply chain, countering deforestation and creating a living income for farmers, almost all of whom live below the poverty line. “We cannot enjoy the confectionery products that we all love if the farmers who are producing it get a raw deal and do not get a fair share of the value,” he said. Noting that 260 million children across the world work, he said it was vital to eliminate child labor in cocoa, where it was still a “serious issue.”

How would changes be made? “It is easy for us to come together and have bold goals ... but there is a massive action gap,” he said. “We are significantly behind the trajectories in achieving the 17 UN SDGs,” he said, adding: “196 countries came together and signed the Paris Accord but there is no chance in hell that we will achieve it.” To drive action, he listed six points:

1. We have to be the change we want to see in others.
2. All actors in the supply chain must have bold ambitions and be transparent.
3. Two or three actors alone will not make the difference, the whole sector must come together.
4. Research institutions need breakthroughs so that we can achieve more with less.
5. Civil society, NGOs and companies have to form “unusual and unnatural” collaborations for action.
6. Governments and policy makers have to engage. There must be public disclosure of national and social capital, a carbon tax and effective advocacy for sustainable change.

Rodriguez, a former Costa Rican environment minister, said it was vital to recognize that the world faced more than the threat of the pandemic but had also reached an environmental crisis that meant a dramatic turning point for humanity similar in impact to the industrial revolution. “We need to recognize that humans have a broken relationship with nature,” he said. This was “a direct product of an economic system that takes, makes and wastes, that aims at unlimited growth without recognizing planetary boundaries.” The pandemic, on top of other global problems, had shown “just how fragile we humans are.” There would be social unrest not just among the very poor but led by the middle class in countries like Singapore, Costa Rica, France, the United States and elsewhere “because the economic model has not provided them with a satisfactory quality of life.”

The biodiversity crisis, he said, would impact everyone: “The human footprint is affecting the life support system of the planet.” He said we had to prepare for a time when pandemics, huge forest fires and other catastrophes were normal. But was “very optimistic we can do the leap forward if we can understand the need to change.”

To address the environmental catastrophe, it was essential to realize there was a “failed institutional framework in the public sector.” Governments had to dismantle structures that had created competing administrative silos – like ministries of agriculture and of the environment – and create an integrated, cooperative approach. “We will never achieve any sustainability standard if we keep on thinking with the same institutional framework that has created the problems that today we want to solve,” Rodriguez said.

EUROPEAN UNION DIALOGUE ON SUSTAINABLE COCOA

Parkin opened the session on the importance of the partnership between cocoa producers and Europe by acknowledging that although cocoa was a wonderful crop and ingredient there were significant challenges that still must be solved, including poverty, child labor and deforestation. He said efforts by the producing country governments and industry were showing real measurable progress. The incidence rate of hazardous work was declining and CLMRS was having an impact. Deforestation was slowing as a result of governments and industry working together.

Voluntary interventions from industry could drive change, Parkin said. But all of the industry needed to work on this – only half was now doing so – and a partnership was needed between demand countries with supply countries to accelerate progress to drive change for the good of communities and farmers.

Urpilainen said there was a growing consensus that cocoa needed to be more sustainable and cited a new initiative from the European commission linking higher prices to sustainability and living income. In September, the EU launched a policy dialogue with Côte d’Ivoire and Ghana and the EU Commission’s work on human rights due diligence and the green deal was expanding. The pandemic had disrupted some of the work but “spurred us on to be more ambitious.”

Hautala said she was delighted to hear the commitment by Urpilainen to the EU green deal, that there was a sector-wide commitment to EU policy making and a systemic transition starting toward sustainability in the EU. The EU was in a leading position and could introduce global change if it worked hard with all partners. COVID-19 had reduced decades of development progress, creating more poverty and hunger in countries where this was in large part overcome.

There would be mandatory legislation on EU due diligence in 2021 and the European Parliament was preparing a proposal. The aim was to build on what already exists, to extend EU due diligence to supply chains, make the approach risk-based and flexible enough to be built in. It was not the task of the legislation to predefine where problems are, but rather to build a preventive mechanism by embedding due diligence processes into companies’ everyday processes, Hautala said.

She spelled out in detail her approach to such legislation. Proportionality was key – requirements need

to be proportional to the size of a company. Liability was needed – a law without teeth was not a useful law and a proper deterrent effect was needed to create a level playing field. Liability would likely apply to a narrow range of entities, she said. A company could not be expected to be a state, but it needed to do what was reasonably expected. If it could show it had taken due care, it should not be considered liable.



MODERATOR

Buddy Buruku
Master of Ceremonies

SPEAKERS

Justin Adams
Tropical Forest Alliance

Aldo Cristiano
CAOBISCO

Abou Dosso
Republic of Côte d’Ivoire

Heidi Hautala
European Parliament

Barry Parkin
World Cocoa Foundation

Harold Poelma
European Cocoa Association

Jutta Urpilainen
European Commission

DAY 2: PLENARY SESSIONS

MODERATOR

Buddy Buruku
Master of Ceremonies

SPEAKERS

Justin Adams
Tropical Forest Alliance

Aldo Cristiano
CAOBISCO

Abou Dosso
Republic of Côte d'Ivoire

Heidi Hautala
European Parliament

Barry Parkin
World Cocoa Foundation

Harold Poelma
European Cocoa Association

Jutta Urpilainen
European Commission

EUROPEAN UNION DIALOGUE ON SUSTAINABLE COCOA (CONT'D)

The victims' perspective must not be forgotten – there would be human rights harm and a remedy was needed. The range of practical and legal barriers was enormous, she said. She added that companies now had to deal with a patchwork of requirements and there should be a unified framework at the European level so that “we are not troubled by mushrooming initiatives” that aim at good but create confusion.

Ambassador Dosso said Côte d'Ivoire had no problem with due diligence legislation and said child labor and deforestation were national problems. His country wanted sustainable cocoa and was favorable to future legislation from the European Union. But due diligence was needed to show responsibility. “There are still plantations in classified forests and producers that use child labor,” he said. Ensuring due diligence in the short term would be difficult to manage. It needed to be a progressive process. It was necessary to establish time frames and financial and technological requirements. It was necessary to move people out of classified forests and rehabilitate them, help farmers grow more cocoa on less land, build schools, etc. These were difficult problems, and the solutions were essentially economic.

Poelma said the ECA, which groups Europe's major companies involved in the cocoa bean trade and processing, welcomed the opportunity to be a member of the dialogue. ECA's vision was for a thriving sustainable cocoa sector based on three components: decent work and no child labor, forest protection through properly enforced national legislation, and better productivity on less land with a living income. He said the EU had a role to play by establishing an efficient and effective regulatory framework and spelled out his views on what was needed to put changes into effect.

Cristiano of CAOBISCO, which represents the European confectionary industry, discussed the issue of applying due diligence. Once core risk factors had been identified and companies had implemented actions, he said the right incentives were needed to generate a systemic solution. Trade and development policies were the greatest opportunities for doing this. A due diligence system needed to be coupled with an EU strategy to create an enabling environment for sustainable farming in producing countries.

Adams applauded the leadership of Europe on these issues and described TFA's approach to countering deforestation and working with the cocoa industry. He called for a deeper recognition of the work of in-country partnerships, developing mechanisms around sustainability, international collaboration to create consistent regulations, integrating provisions on forest protection into financing arrangements and rigorous traceability and transparency.

Dosso said Côte d'Ivoire recognized the importance of political issues linked to sustainability but said there must be a single political framework. His country strongly backed establishing voluntary partnership agreements. Cristiano said cocoa companies had been able to take responsibility. This had started with the adoption of certain standards and certification but had grown into something wider and more far reaching and the WCF had been the home of many such initiatives such as CocoaAction, CFI, and work with ICI. But he agreed that more had to be done. He noted that Côte d'Ivoire and Ghana said company programs only reached 10% of farmers. Further measures would need a “smart mix of voluntary and regulatory measures.”

Poelma praised the EU support and convening power for dialogue among the stakeholders and said this needed to be coupled with EU financial support and technical capacity building in producing countries. He advocated progress on farm mapping and traceability and adapting existing national legislation on forest protection to international standards. He emphasized education as a key to escaping poverty. On Living Income, he said efforts to increase income must be coupled with a strong regulatory framework to avoid uncontrolled growth of cocoa farming.

WHAT'S NEXT FOR THE DIALOGUE ON LIVING INCOME?

Van Honk introduced the panel, saying that understanding of what constitutes a living income had come a long way in the last year and cited a number of studies. Pieters said Mondelez understood that it had a critical role to play in the cocoa value chain and noted several initiatives it was taking to ensure a living income in Ghana and Côte d'Ivoire. The company's [No Silver Bullets](#) study, she said, had found that the income gap is large and only a small number of households were able to close it. To achieve 75% having a living income would take US \$10 billion a year, she said.

Waarts, who has been researching cocoa for 10 years, said she was surprised by the size of the gap and saw three causes for it: small farm sizes, low yields which farming households do not have the money to improve and the lack of alternative income opportunities. There was a need to build on one another's strengths to drive collective action to improve living incomes, and it could not be done alone. Multi-stakeholder programs were needed, including creating an enabling environment, diversifying incomes, market linkages and greater productivity. Data must be shared.

From the point of view of the Ghanaian government, Ekow Amoah ran through the challenges for cocoa in his country, where inheritance issues had driven farm sizes smaller and smaller, migrant farmers and sharecroppers lacked land tenure and did not invest in their land, there was limited access to credit and limited data and farmers lacked business skills. He said Ghana was focused on improving productivity to 1,000 kgs/ha through hand pollination, irrigation, rehabilitation of diseased and moribund farms, mass spraying, and access to fertilizer. It was trying to teach farmers to see farming as a business, generate farm level data to facilitate access to credit and create a farmer pension plan. Ghana was encouraging a transition to coffee in areas where cocoa was not working, diversification in areas where cocoa can continue and the proliferation of shade trees.



Daniels said No Silver Bullets had helped bring more understanding of the nuanced strategies farming households needed to adopt to reach a living income and the scale of the challenge. Transparency and data sharing were key to learning about the effectiveness of programs. She noted that a similar problem of struggling to reach a living income faced small farmers with other crops, including coffee, tobacco and vanilla, and lessons could be learned there. She said the landscape approach needed good national level bodies to play a facilitating role.

Pieters said progress would only come through understanding what is happening on a country level. In national development plans stakeholders could collaborate to stimulate rural economies and build a strategy and secure commitments from all the actors. Waarts said: “We have so much knowledge out there, we have the tools to design the most cost-effective plan.” Daniels, asked whether there was enough information and understanding to take another step forward, said: “It's helpful to understand the challenge, but let's not let it paralyze us. No silver bullet, but we have a lot of ammunition.”

Summarizing, van Honk said: “To wrap up, there have never been more commitments on living income. There has never been more public funding available for living income.”

MODERATOR

Jordy van Honk
IDH, The Sustainable Trade Initiative

SPEAKERS
Michael Ekow Amoah
Ghana Cocoa Board

Stephanie Daniels
Sustainable Food Lab

Cathy Pieters
Mondelez International

Yuca Waarts
Wageningen University

DAY 2: LEADERSHIP VOICES

SPEAKERS

Joseph Boahen Aidoo
Ghana Cocoa Board

Xavier Lazo
Government of Ecuador

Musdhalifah Machmud
Republic of Indonesia

Sanda Ojiambo
United Nations Global Compact

ECUADOR



Lazo said that Ecuador grew the best cocoa in the world, not only because of its distinct taste but also because of its deforestation-free sustainable production. The role of women in the production was fully recognized and child labor had been eliminated from Ecuador's farms, he said.

In 2019, a Plan to Improve the Competitiveness of Cocoa and its by-products was issued as a presidential decree, guaranteeing the employment of more than 150,000 cocoa producers and the productive development of their land. The main objective was to double cocoa revenues from US \$700 million to US \$1.4 billion in 10 years. Ecuador was committed to growing and improving its cocoa based on quality, food safety, traceability "and above all by conveying the stories of our thousands of producers," Lazo said.

GHANA

In a message to the conference, Aidoo emphasized the critical importance of the smallholder farmers, calling them "the least advantaged and most vulnerable on the supply chain." He cited the US \$400 Living Income Differential (LID) Ghana and Côte d'Ivoire and cocoa companies for 2020/2021, noting that it was understood that child labor and deforestation, the targets of sustainable cocoa initiatives, were really symptoms of low remuneration for farmers. He said the LID had a universal impact while sustainability programs were selective in their impact, only 10% of the cocoa farming population.

Aidoo criticized some cocoa companies who he said had not "walked the talk." "Our intelligence indicates there is even a deliberate ploy and strategy by some brands to delay and collapse the LID," he said. He added that any brand that was seen not to be serious in accepting the LID by the middle of December 2020 "must consider all its cocoa beans from Ghana and Côte d'Ivoire being branded as "conventional". Aidoo added: "We are prepared to name and shame these brands to the consuming public."

Responding to moves by the EU and the United States aimed at combating child labor and deforestation linked to cocoa production, he listed a number of financial, technical, and educational policies and interventions by Ghana to address these issues. He said more dialogue was needed among all those involved in the cocoa supply chain.



INDONESIA



Machmud stressed that Indonesia's top priority in developing its cocoa industry was the prosperity of its small farmers, who own 97% of the 1.7 million hectares under cocoa cultivation. She said there was a drive to make cocoa farming as attractive as possible to build up the sector, and the national and local authorities strongly supported access to microfinance through no-collateral loans.

She said Indonesian smallholders enjoyed higher farm gate prices than in any other producing country. There was a strong emphasis on training and on empowering communities of producers and cooperatives, to put the farmers in a better bargaining position, and initiatives to encourage more participation by women.

UN GLOBAL COMPACT

Ojiambo explained the work of the UN Global Compact, which was founded 20 years ago to align business operations and strategies with universal principles in the areas of human rights, labor, environment, and anti-corruption and motivate companies to integrate the SDGs into their core business strategies and operations. More than 12,000 companies worldwide are participating. She noted that the COVID-19 pandemic had exposed the fragility of the world, pushing over 70 million people back into poverty. In response, she said, "business as usual is not an option – we need to place sustainability the core of business."

Ojiambo discussed some Global Compact initiatives to improve living wages and to rein in emissions to combat climate change. "We are working to set a new course toward a socially just, low carbon and resilient future. In short, we are uniting business for a better world," she told the participants.



DAY 2: BREAKOUT SESSIONS

MODERATORS

Betty Annan
World Cocoa Foundation

Buddy Buruku
Master of Ceremonies

SPEAKERS

Azeta Cungu
FAO

Oswell Kahonde
Better than Cash Alliance

Panos Loukos
GSMA

Atchori Gabriel N'dri
AMB Consulting

Anne van der Veen
Beyond Beans

FINANCIAL INCLUSION & LIVING INCOME

Loukos spoke about the AgriTech Programme through GSMA, which represents the interests of mobile network operators worldwide, promoting viable digital solutions for small farmers. He said partnerships that the program engages in broadened and supported farmers' pathway to financial inclusion.

Cungu discussed ways in which financial services benefit farmers, many of whom struggled to get finance and insurance. Without such access, she said, they were excluded from the opportunity to increase productivity, withstand shocks, and manage risk.

Kahonde cited a [study](#) by his organization, Better than Cash Alliance, which calculated that in Ghana's cocoa sector farmers lost 19 percent of their potential revenue if they used cash in their transactions. The study says that more than 90 percent of farmer transactions a year are conducted using cash.

The overall benefits of digital payments included improved efficiency, increased revenue, greater transparency and security, and stronger business relationships. Kahonde said the four building blocks for responsible and scalable digitization of payments were: know your smallholder farmers; build internal and external value propositions; enable farmers to spend funds and access services digitally; and make staff and farmers understand the value of digital payments.

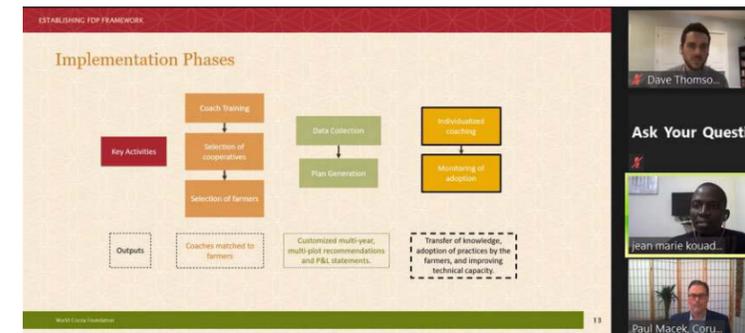
Van der Veen discussed the activities that Beyond Beans was doing at the cooperative, community and individual farmer levels to promote financial inclusion and credit and savings arrangements.



FARMER DEVELOPMENT PLANS: ADOPTION & LIVING INCOME

Thomson introduced the session by saying that good agricultural practices (GAP) for cocoa farmers were essentially a behavioral issue and required constant positive reinforcement, including through data-based Farmer Development Plans (FDP).

Macek detailed the procedure for establishing an FDP, which involved the selection of suitable farms, assembling data on them, creating a customized multi-year plan and training, coaching, and mentoring to ensure the full potential of the farm over 10-15 years.



He gave an in-depth account of the five-year MOCCA project that began in Peru, Columbia, Guatemala, El Salvador, Honduras, Nicaragua, and Ecuador in 2018. The building blocks of the program were strong cooperatives, a good agricultural and training curriculum, digital farm services including farm mapping, SMS communications and videos, financial management training and raising gender awareness.

Senathirajah said the objective of an FDP was to build awareness of the concept of a living income, provide clarity and guidance on measuring living income (which can become complex especially with the array of indicators) and to have a better understanding of the strategies to close the income gap.

Increasing productivity was a challenge. An alternative approach was needed to help farmers become empowered entrepreneurs who would manage professional and responsible farms generating a living income. Different types of support included direct intervention and creating an enabling environment.

Practically speaking, Senathirajah said it was essential to better understand the context by triggering more awareness and promoting informed debates; create a pre-competitive space for sharing, engagement and dissemination of knowledge, data, framework etc.; build relationships through shared responsibility, with long-term investments and commitments; and "speak the same language" – define and monitor indicators, employ responsible business practices and pursue common objectives.

The panelists discussed the relative cost of the FDP approach compared with the farmer school approach, the challenge of illiteracy in promoting FDPs, the hope that the fast spread of smart phones would help disseminate data and increase skills and that greater awareness of the science of farming would also be beneficial to the environment.

Macek said many companies were starting to experiment with FDPs and would roll them out. He added that it would be important to gather data on and create a framework for analyzing their impact and cost effectiveness.

MODERATOR

David Thomson
BEWorks

SPEAKERS

Paul Macek
Corus International

Jean Marie Kouadio
Agronova SARL

Sheila Senathirajah
ISEAL Alliance

DAY 2: BREAKOUT SESSIONS

MODERATOR

Fausto Rodriguez
Rikolto Latin America

SPEAKERS

Simon Bassanaga
Conseil Interprofessionnel
du Cacao et du Café du
Cameroun

Roberto Mollison
Barry Callebaut

Juan Fernando Valenzuela
Compañía Nacional de
Chocolates

LET'S TALK ABOUT FARM SIZES

Rodriguez framed the discussion in terms of a series of questions: Is there an optimal viable farm size a farmer must have to reach a living income? Is a viable farm size possible for all farmers? If not, how do you support farmers without sufficient land?

Valenzuela gave a detailed illustrated analysis of conditions in Côte d'Ivoire, Ghana and Peru, largely based on World Bank figures, where the average small farm size is 3.5 hectares, and the productivity is 430 tons per annum. The World Bank classifies extreme poverty as an income below \$1.90 per person per day and the average income for a small cocoa farmer is between \$1,400 - \$1,800 per annum, or \$0.71 per day. According to the International Labour Organization (ILO) economic benchmark methodology, the desired income for a family of four is \$7,300 per year/\$5 per day.

He said factors to be considered when analyzing the importance of benchmarking and economic sustainability in relation to small cocoa farmers included: different conditions in different countries, volatility of prices, cost of labor, available public and infrastructure services, educational circumstances, and quality of institutions.

Mollison's presentation focused on case studies related to farm sizes in Ecuador. He said generally the bigger the farm, the more technology it used. Small farms produced on average 0.25 tons per ha, medium farms 1 ton and large farms 2 tons and more. He provided a detailed breakdown of the circumstances, advantages, and disadvantages of different cocoa farm sizes. He showed that small farmers were only able to reach 70% of the real market price for their crop, while large farms, which produce about 5% of total production but were highly mechanized and had access to fertilizers and sophisticated management, were able to secure the full price.

Bassanaga discussed the experiences of the Cooperative Society of Entrepreneurs of Cocoa of Ntui, Cameroon (SOCOOPEC-N), created in 2015, which had 220 producer members. It covered an area of 1,389 ha, of which 973 was in production and 416 under rehabilitation. Its average yield was 900kg/ha and it had 10 permanent and 133 temporary staff. It worked on traceability, supported diversification of resources, helped eradicate deforestation, reduced child labor and encouraged payment through bank accounts.

Bassanaga said the cooperative insisted on green cocoa and on diversification, stipulating at least four non-cocoa trees per hectare. It had paid employees and did not engage in child labor. It was viable, producing cocoa with traceability that earned 1,200 FCFA/kg.

After a data-based discussion, it was agreed that the size of a farm was not necessarily the decisive issue, and success also depended on yield, technology, investment, market, and price. The government had a role in establishing the structural elements of the industry and creating a competitive value chain.



PROTECTING ALL CHILDREN AT RISK: HOW TO SCALE UP COVERAGE AND IMPACT?

Speakers discussed programs and interventions in the last decade to tackle child labor and improve children's wellbeing, and considered next steps to achieve a greater impact.

Sadhu and Kysia focused on the assessment of the community development package implemented by CocoaAction companies. The WCF-commissioned NORC sub-study had focused on different interventions funded by industry. They found that in communities where interventions had been implemented for more than three years or at least four types of intervention had been implemented, industry interventions had had a significant impact in reducing child labor and hazardous child labor. In Côte d'Ivoire, industry interventions had led to a 34% reduction in the rate of hazardous child labor in cocoa production while in Ghana a 28% reduction was recorded.

But they noted that the results applied only to a small portion of total cocoa producers. A U.S. Department of Labor study published in October found that the percentage of children working in cocoa and exposed to four or multiple hazards had gone up significantly from 7% in 2008/9 to 22% in 2018/19. More research was needed on the effectiveness of different types on intervention, they said. They said the main four dangers to which children were exposed were the use of sharp tools, exposure to agro-chemicals, carrying heavy loads and land clearing.

Konan and Nguettia said studies in Côte d'Ivoire indicated the most effective interventions were through education, training and employment of young people, community access to basic social services, improving income and living conditions of smallholder farmers, increasing the capacity of communities to build interventions, Community Action Plans and initiatives to improve women's income and access to loans.

They said there was a need for broader cross-sector child protection interventions, and said strategies already shown to reduce child labor should be scaled and involve partners beyond stakeholders in the cocoa sector.

High discussed Nestlé's implementation of CLMRS as part of due diligence in the company's supply chain. He said Nestlé worked with 87 cooperatives in Côte d'Ivoire covering over 73,000 farmers with about 1,600 Community Liaison People in the system. The system began with Community Liaison Officers responsible for raising community awareness on child labor and monitoring the activities of children in their communities with household and farm visits. Data from the monitoring was recorded into a database linked through a smartphone. When children were identified as doing hazardous tasks this was discussed with actors in Nestlé's supply chain including cooperatives, ICI (their NGO partner) and suppliers. A decision was then made on what action to take.

High listed some of the help Nestlé gave to parents and to improve access to education. He said more than 78,000 children were being monitored and over 18,000 had been identified as child laborers and about half had been withdrawn from child labor. He said the systems needed to be expanded to all parts of the country, there needed to be more exchange of information and national systems should do more to help with remediation in cases that Nestlé finds.

MODERATOR

Matthias Lange
International Cocoa
Initiative

SPEAKERS

Darrell High
Nestlé

Irina Hotz
Jacobs Foundation

Kareem Kysia
NORC at the University of
Chicago

Amany Konan
Comité National de
Surveillance Côte d'Ivoire

Martin Nguettia
Ministry of Employment,
Côte d'Ivoire

Santadarshan Sadhu
NORC at the University of
Chicago

DAY 2: BREAKOUT SESSIONS

MODERATOR

Matthias Lange
International Cocoa Initiative

SPEAKERS

Darrell High
Nestlé

Irina Hotz
Jacobs Foundation

Amany Konan
Comité National de Surveillance Côte d'Ivoire

Martin Nguettia
Ministry of Employment, Côte d'Ivoire

Santadarshan Sadhu
NORC at the University of Chicago

PROTECTING ALL CHILDREN AT RISK: HOW TO SCALE UP COVERAGE & IMPACT? (CONT'D)

Hotz of the Jacobs Foundation addressed the implementation of TRECC (Transforming Education in Cocoa Communities) in Côte d'Ivoire and how it could be expanded. She noted that when the program started four years ago industry actors were mostly focused on productivity, women empowerment and on child labor, and not specifically on encouraging quality education.

Now a new mind-set was needed. Simply building schools and providing educational materials had been shown not to be enough and there was a correlation between quality education, school attendance and lower child labor risks. Hotz said that for scaling it was necessary to simplify the approach, to select out aspects of programs that were the most successful and join forces more with others. This included working more through existing national education systems and taking a broader landscape approach.

This had led to two new initiatives with a total capitalization of US\$150 million aimed at scaling access to quality education and early childhood development services across the cocoa-growing areas through government systems. The initiatives had been endorsed by the Côte d'Ivoire council of ministers, 14 cocoa and chocolate companies, and three philanthropic foundations.

Nguettia pointed to the Côte d'Ivoire government's early warning system designed so that all partners were part of the coordinating committees. It was at this level that all policies and actions should be planned. Not all the partners were supplying information to the system as agreed, he said.

PAYMENT FOR ENVIRONMENTAL SERVICES: HOW CAN IT WORK IN COCOA?

Opening the session, Nobrega stressed the importance of aligning economic and environmental interests and said the benefits included land restoration, conservation and process change as well as mitigating risk and creating value.

Fosuah Adjei outlined forestry programs in Ghana and two large landscape projects in ecologically important zones, one of them the high forest area where cocoa is grown. She said the authorities were getting to grips with quantifying the various ecosystem services and said the big issues were compensation and valuation.

Arancibia spoke of creating an enabling environment to support Payment for Environmental Services (PES), saying this was a good opportunity to help secure rights, especially for those who lived close to cocoa areas. PES schemes had to take note of the reality of the situation and ensure the fair sharing of benefits. He said PES was a concept that brought together public and private partnerships to support groups and secure some of the funding they needed to pursue sustainable practices.

Daubrey said that PES was considered something new in the cocoa value chain, although it had been implemented in other areas and sectors. He said it was not just a technical approach, but also a landscape transformation approach. Farmers were getting committed to PES because it was valuable to them, and he said people were looking at how to scale it up.

MODERATOR

Marc Daubrey
Impactum

SPEAKERS

Daniel Arancibia
Proforest

Roselyn Fosuah Adjei
Forestry Commission of Ghana

Andrew Nobrega
Pur Projet

TRACEABILITY: FRAGMENTED APPROACHES, NATIONAL SYSTEMS, & TECHNOLOGY

Opoku said Ghana was committed to full transparency on the sourcing of cocoa beans and that the only gap left in tracing was from the farmer to the initial storage. It had plans in the works to use technology to close that gap through the Cocoa Management System, as part of its efforts to enforce sustainability in the supply chain. He elaborated on steps Ghana had taken to improve conditions throughout the cocoa production cycle.

Gadnis, whose company BanQu uses blockchain technology to create transparency and traceability in transactions at all levels of the value chain, expanded on the inequities that follow from an incomplete system of transparency, including how it can impact child labor issues in cocoa production.

Debenham related the lack of tracing to the issue of poverty among farmers and discussed some ways to improve tracking systems through data collection and mapping. He discussed upcoming regulation intended to address the issue in consumer countries and the EU, as well as in producing countries. He noted that chocolate to be sold in Belgium, Germany, the Netherlands, and Switzerland must all or mostly be from sustainable cocoa by 2025.

Tejada Chavez gave an account of Mars' plans for protecting children, preserving forests, and improving farmer income to reach its sustainability goals by 2025 and actions taken to support farmers during the pandemic. She also related activities to promote transparency and tracing in Indonesia with digital tools.

Discussing the future of traceability, Bergsma described the Rainforest Alliance Standard (2021), which addressed geolocation, first mile traceability, digitalization of data, transparency and data footprints and origin matching mass balance. He advised choosing an appropriate traceability level, saying full end-to-end traceability was not always necessary to achieve established goals.

In answer to a question from the audience, Debenham said a hindrance for traceability was lack of access to government-owned data and the need to deal with several different data bases. Tejada Chavez praised Ghana for "taking the lead in a comprehensive transparency system that will include all farmers on the ground." One company alone could not do this, she said.



MODERATOR

David McLaughlin
Conservation International

SPEAKERS

Ruben Bergsma
Rainforest Alliance

Nicko Debenham
Barry Callebaut

Ashish Gadnis
BanQu

Emmanuel Adem Opoku
Ghana Cocoa Board

Angela Tejada Chavez
Mars Wrigley

DAY 2: BREAKOUT SESSIONS

MODERATOR
Youssef N'djoré
World Cocoa Foundation

SPEAKERS
Edgar Aguilar
International Labour Organization

Lise Birikundavyi
TRECC

Patrick Elmer
iGravity

Rachel Mlinarchik
CARE

SCALING IMPACT INVESTMENT TO EMPOWER COMMUNITIES

N'djoré described the Community Driven Development funding landscape, in which he said the entire cocoa value chain was involved, alongside governments, public and private donors, and the communities themselves, working together through commercial support models, action plans, or connecting SDGs to fund projects. He said they must explore new ideas, engage new stakeholders and increase funding to meet the needs of scaled impact.



Elmer said investors must close the gap in investments for social development by branching out with other participants, so there was a combination of financial and impact investors on a spectrum. It was necessary to employ different mechanisms to drive financing – including various financial products, risk mitigation mechanisms, results-based financing, technology-enabled solutions, private sector contributions, and data management. He gave concrete examples of imaginative community financing schemes.

Aguilar described the approach of the ILO to social financing, aimed at enabling the financial sector to contribute to supporting human rights and work. He discussed ACCEL, a project to accelerate the elimination of child labor in the African cocoa supply chains, and Impact Bonds, through which private investors support projects to address social and environmental issues, using a “funder” to pay investors back if the objective is met. He said the ILO provided expertise in child labor and financial system development, ensured its initiatives were aligned with National Action Plans and also attracted additional funding.

Mlinarchik considered the objectives of individual donors, who she said contributed because they wanted to positively impact cocoa communities and farmers and perhaps to help with education, income and savings creation, health, and food. She outlined various approaches taken by CARE, including CARE journeys, a donor travel program that has generated \$5.2 million in investments.

Birikundavyi described the work of TRECC (Transforming Education in Cocoa Communities) in Côte d'Ivoire funded by the Jacobs Foundation, aimed at making the country a hub for affordable market-based education solutions.

In a discussion, speakers considered the role of impact investment, which is a way to channel funding to established local initiatives. Investors may be looking for different financial returns and ways to shore up the stability of the community they are investing in. Speakers discussed ways to identify individuals who were likely to invest and then create the best climate for them to become involved.

PROTECTING THE AMAZON WITH COCOA

Zerbini introduced the session by talking about the importance of the Latin America region and potential for greater collaboration between Colombia, Peru, Brazil, Ecuador, and Bolivia and its impact on cocoa production.

Arenas presented a detailed paper on how to attain sustainable cocoa in the Amazon region. The paper, accompanied by maps and charts, presented information on the location of current crops, protected areas, and deforestation. It addressed socioeconomic issues including productivity, production practices and systems, producer dynamics and government and international cooperation programs. The paper also considered market demand at the national, sub-regional and international levels as well as pricing. Finally, it made recommendations for creating an Amazon origin cocoa.

Analyzing the situation in the biggest regional cocoa producers, Peru, Brazil and Colombia, the paper said productivity was low in all three and needed to be improved without further deforestation. Benefits from expanding cocoa production included the opportunity to create a high diversity of plants, to build connectivity between patches of forest to improve the ecosystem's health and recover endangered forest species.

Expanding cocoa farming could reduce the pressure on the forests as a source of timber and provide a way to diversify farmers' incomes. Initiatives were hindered by a lack of data on existing production and commitment from industry and governments.

Yturrios said that in Peru cocoa was seen as a crop that would help restore areas that had been devastated by coca, cassava, and cattle production. But there would have to be technical improvements and better production models leading to higher quality cocoa that would have strong market appeal.

These points were elaborated and put in a national and local context by other speakers on the panel. Bescond, a climate change specialist, noted there was increased world demand for Latin American cocoa and discussed initiatives that would help the sharing of knowledge between the two big cocoa producing regions, West Africa and Latin America. He talked about agroforestry models that had been developed in Brazil, Peru, Ecuador and the Dominican Republic and regional cooperation bodies aimed at combating deforestation.

Alvarez discussed ways in which cocoa, as a native species, when grown in a sustainable way, can help ecological conservation, providing a good environment for birds and insects, although she warned that it could become a driver for deforestation unless tracing and transparency were implemented.



MODERATOR
Fabiola Zerbini
Tropical Forest Alliance

SPEAKERS
Wendy Arenas
Alisos

Silvia Alvarez
Wildlife Conservation Society - Colombia

Jean-Dominique Bescond
World Bank

Rodrigo Mauro Freire
The Nature Conservancy - Brazil

Miguel Reátegui
Peru Cacao Alliance

Manuel Vicente Tejada
Chuculat

José Yturrios
Peru Cacao Alliance

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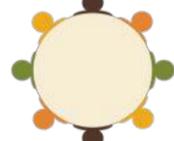
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ENTITIES



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SPEAKERS



30

COUNTRIES



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SESSIONS



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See you next year!
Join us for the 2021 Partnership Meeting
on November 17-18.

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