CocoaAction Assessment

December 2020

Kpmg.nl
Preface

The World Cocoa Foundation (WCF) is a global nonprofit organization dedicated to cocoa sustainability and represents more than one hundred companies in the cocoa supply chain and 85% of the global cocoa market. In an attempt to transform the cocoa farming sector into a thriving and sustainable one, WCF launched CocoaAction in 2014 as a five year initiative. CocoaAction was a voluntary industry-wide strategy that aligned sustainability programs of the world’s largest cocoa and chocolate companies. WCF served as the secretariat for CocoaAction.

CocoaAction came to its natural end in 2020 and therefore WCF sought an independent expert to carry out an end-of-program assessment. While cocoa supply chains will continue to be characterized by significant systemic challenges, the end-of-program assessment for CocoaAction presents the opportunity to draw lessons for the sector that will be invaluable for future interventions.

As stated in the terms of reference, the objectives of the study were to:

- Identify and understand whether the delivery of CocoaAction was done in the most relevant, effective, efficient, and sustainable way
- Identify, summarize and learn from the relevant successes and failures that are associated with the delivery of CocoaAction and results from collective action strategies such as CocoaAction. The learning will be used to inform the design of future strategies and interventions and ongoing member delivery of cocoa sustainability programs

We designed an assessment framework to address WCF’s learning questions in a comprehensive way and applied a mixed methods approach to collect the data. The triangulation of information from stakeholder interviews, documents provided by WCF (strategy documents, meetings minutes, CocoaAction data, etc.), survey and staff round table discussions permits us to capture the successes and, equally important, key lessons to enhance future initiatives of WCF and the CocoaAction members.

The report was prepared by a team from KPMG, coordinated by Brigitte Campfens and under the overall guidance of Jerwin Tholen. The report was written by Brigitte Campfens and Bernard Gouw. We thank Pieter van Dijk, Andrea Bolhuis and Dylan Groenveld for their contributions and combined efforts in supporting this work. We are furthermore grateful to the interview participants for their openness, and to WCF staff and the Technical Working Committee (TWC) for their collaborative spirit.

KPMG Advisory N.V.

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Executive summary

In October 2012, leading companies of the World Cocoa Foundation (WCF) convened in Zurich to discuss ways to further support sustainable cocoa farming efforts. WCF was appointed as the facilitator of this process and in 2014 CocoaAction was officially launched. Nine companies (the CocoaAction members: Barry Callebaut, Blommer, Cargill, The Hershey Company, Ferrero, Mars, Mondelez, Nestlé and Olam) made the joint commitment of:
- 300,000 farmers adopting all components of the Productivity Package by 2020
- 1,200 communities reached with the Community Development Package

CocoaAction represents the cocoa industry’s first sustainability collaboration at scale. It was an ambitious and bold experiment that now offers the sector and sustainability professionals more broadly the opportunity to learn from what makes sector initiatives successful. To that effect, this end-of-program assessment serves not only as an internal tool for reflection, but as a source of information for future initiatives in the cocoa sector and beyond.

This view is widely held by those directly and indirectly involved in CocoaAction. Its primary achievement and resulting legacy is that it broke new ground in bringing together competitors to work towards a higher purpose. Nevertheless, CocoaAction faced several challenges and after five years did not fully reach its targets and realize its vision.

The CocoaAction Data Package shows that although 346,179 farmers were reached with the Productivity Package only 1,165 farmers adopted the full package in 2019. CocoaAction indicators are complex and prescriptive, and data collection methods between companies not fully aligned, despite significant efforts. In addition there was no baseline and no qualitative data were collected; this altogether decreased the likelihood of measuring results accurately and limited learning opportunities.

The target of 1,200 communities reached with the Community Development Package was surpassed, however this figure only relates to the execution of the needs assessment, and not to actual full implementation.

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

“CocoaAction was designed to convene the sector to build an economically viable and sustainable cocoa industry by:
- Aligning on priority issues
- Enabling scale through common interventions and an agreed upon framework for measuring results
- Employing a holistic focus on the farmer and his or her community
- Sharing best practices and failures through ongoing learnings
- Working closely with the governments of cocoa producing countries and other key stakeholders.”

Note: * 87 refers to the source. The full list can be found in appendix V.
In its lifespan, CocoaAction went through numerous reflection processes. Valuable lessons were well-documented throughout, demonstrating that there was self-awareness and a desire to understand how they could improve. For example, in WCF’s new strategy document Pathway to Sustainable Cocoa there are several important lessons documented, such as:

- Farmer adoption of new technologies is complex and requires new approaches
- Stronger focus on sustainable livelihoods is needed to raise farmers out of poverty
- Multi-stakeholder engagement is critical

These lessons re-emerge in this end-of-program assessment, alongside the question: if the challenges were known then why was there no course correction? To draw our lessons and recommendations, and to answer this question, we evaluated five areas:

- Strategy and design
- Stakeholder engagement
- Governance
- Monitoring and evaluation (M&E)
- Sustainability capabilities and influence

Below, we present the conclusion statements for each area.

**Strategy and design**
CocoaAction seized momentum but did not design for systemic change:

- The overall strategy and objectives of CocoaAction were designed with minimal input from external stakeholders
- The packages were not sufficiently designed using a holistic approach or coherent with origin country realities
- CocoaAction was designed as a strategy for impact alignment but given a numerical target
- CocoaAction built trust among the members, but there was insufficient individual accountability

CocoaAction succeeded as a platform for member company collaboration, but not as a platform for stakeholder engagement:

- CocoaAction served as a platform for pre-competitive company collaboration
- CocoaAction demonstrated to its members that holistic thinking was needed for systemic change
- The origin country governments were not sufficiently involved and therefore no local ownership was established

**Governance**
The governance structure was well defined but not geared towards delivering impact:

- CocoaAction’s governance was not set up for agility
- CocoaAction’s governance structure worked well initially, but did not facilitate long-term effective TWC-wcf Board of Directors working relations
- The strength of facilitation by WCF and level of company participation faded over time

**Monitoring and evaluation (M&E)**
The M&E system had good intentions, but lacked alignment on expectations, rendering it unfit for purpose:

- The M&E system was too complicated and too time-consuming to be successful
- Misaligned interpretations of the M&E Guide hampered reliable aggregated reporting and precise impact measurement
- Learning from M&E results was limited due to the lack of qualitative data and untimely reporting cycles

**Sustainability capabilities and influence**
CocoaAction boosted sector capacity on sustainability and allowed the companies to learn from their efforts:

- CocoaAction paved the way for subsequent initiatives by building trust and establishing connections
- CocoaAction was a catalyst in boosting company capacity on sustainability
- By not engaging with other commodity sectors CocoaAction missed the opportunity to broaden its influence beyond cocoa and learn from other sectors
Our **recommendation** for WCF and its members is to emphasize the following in future initiatives to keep the focus on sustainable market transformation and catalyze true joint stakeholder action:

1. **Embrace inclusivity as a mindset:** If WCF wants to offer an inclusive value proposition then they need to truly represent their members. This entails acknowledging different needs and voices.

2. **Get the governance right:** The more inclusive culture must then be reflected formally in a more inclusive governance structure. This means being inclusive internally (among the membership base) and externally (with origin country governments, farmers and farmer communities and NGOs).

3. **Ensure goals are grounded in reality:** There should be an acknowledgement that addressing the root causes of long-standing and deeply-rooted challenges will take time. It should be clear what the ambition is, unlike with CocoaAction, where some saw a strategy and others a program.
In October 2012, seven companies of the World Cocoa Foundation (WCF) convened in Zurich to discuss ways to further support sustainable cocoa efforts. This group, referred to as the Senior Leaders Council (SLC), outlined three focus areas:

— Establish a common understanding of priority issues affecting sustainability in the cocoa sector.

— Determine clear objectives for this group to support and promote sustainability. Set manageable activities and a realistic timeline to achieve objectives.

— Gain a better understanding of what is being done by each company in support of cocoa sustainability and an understanding of programs currently being implemented throughout the sector.

The SLC also laid out a vision and priority actions that should be carried out by the Technical Working Committee (TWC), composed of experts from each of their seven companies.

The companies would all commit at scale. WCF facilitated meetings of the SLC and the TWC in 2013 and 2014, and was asked to ‘house’ the initiative, later named CocoaAction.

CocoaAction in a nutshell
Launched in 2014, and coming to its natural end in 2020, CocoaAction’s vision is “a transformed cocoa sector that offers a profitable way of life for professionalized and economically empowered cocoa farmers and their families, while providing a significantly improved quality of life for cocoa growing communities.”

CocoaAction was designed to convene the sector to build an economically viable and sustainable cocoa industry by:

— Aligning on priority issues;

— Enabling scale through common interventions and an agreed upon framework for measuring results;

— Employing a holistic focus on the farmer and his or her community;

— Sharing best practices and failures through ongoing learnings; and

— Working closely with the governments of cocoa producing countries and other key stakeholders.”

To accomplish this ambitious goal, the strategy organizes activities, which companies implement through two packages: the Productivity Package and the Community Development Package. CocoaAction also established a common results measurement framework and key performance indicators (KPIs) to allow WCF to measure progress and support learning related to the CocoaAction strategy.

The world does not run out of chocolate
In 2012, a severe shortage of cocoa farmers (and thus cocoa) was considered a realistic scenario for the near future. The sector expected supply to decline as a result of aging farmers (who would pass away within 10 years, based on average life expectancy in West Africa) and
farmers leaving cocoa as they did not view it as a viable option for their children. At the same time, demand for cocoa was expected to rise by one million tons in the next decade - a quarter of the world production at that time. So the industry expected a supply gap but encountered farmers who had little incentive to increase productivity.

On the next page we present a timeline of CocoaAction’s major interventions and milestones. During this period, there have been several external changes which impacted the sector:

— The expected shortage of cocoa did not occur. Ninety to 95% of the global increase of the world production came from Côte d’Ivoire, most probably due to active planting, amid the internal conflicts, in 2002-2012.

— An oversupply led prices to fall to a four year low in February 2017.

— There were changes in policies and leadership at the Ivorian Conseil du Café-Cacao (CCC) and Ghana Cocoa Board (Cocobod)

— CCC suspended distribution of improved planting materials.

— As of 2020-2021, CCC and Cocobod introduced a living income differential (LID).

Report structure

In Chapter Two we present the research approach and methodology used for concluding CocoaAction’s key successes and lessons. In Chapters Three to Seven we present our findings, synthesized in five categories:

— Strategy and design

— CocoaAction as platform for learning, collaboration and stakeholder engagement

— Governance

— Monitoring and evaluation (M&E)

— Sustainability capabilities and influence

Chapter Eight captures the overall conclusions and recommendations on the way forward.
Timeline of developments, milestones and activities

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>2012</td>
<td>CocoaMAP research basis for CA’s KPIs and main agenda.</td>
</tr>
<tr>
<td>2013</td>
<td>June ’12: Senior leaders initiated formation of the Senior Leaders Council.</td>
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<tr>
<td>2014</td>
<td>Oct ’12: Sr management commitment to work side by side on sector challenges.</td>
</tr>
<tr>
<td>2015</td>
<td>Feb ’14: Name changed to CA; Sr executives of members became the BoD of WCF.</td>
</tr>
<tr>
<td>2016</td>
<td>Jan ’14: 5 other companies officially onboarded.</td>
</tr>
<tr>
<td>2017</td>
<td>May ’14: Cocoa officially launched and committed to CA. A yield increase to 700 kg/ha for 300,000 farmers by 2020 — 1,200 communities reached with Community Development Package.</td>
</tr>
<tr>
<td>2018</td>
<td>Oct ’12: WCF start facilitating SLC and TWC was initiated.</td>
</tr>
<tr>
<td>2019</td>
<td>Dec ’19: CocoaAction comes to an end. Over 1000 farmers adopted the full package (target: 300,000). Target of 1,200 communities reached with Community Development Package is surpassed.</td>
</tr>
</tbody>
</table>

Sources: Cocoa Prices: indexmundi.com Cocoa production volume: ICCO

Key: CocoaAction Milestones & Activities
- Developments in origin
- Economic developments
- Sustainability developments
- Industry developments

USD / KG
000's tones

1.00 1.486 1.449 1.746 1.796 1.581 2.020 1.964 2.154 2.130
1.50 1.493 1.797 1.840 1.623 2.020 1.964 2.154 2.130

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Methodology
We designed a stepwise approach (see figure below) to answer WCF’s research questions:

— Identify and understand whether the delivery of CocoaAction was done in the most relevant, effective, efficient, and sustainable way
— Identify, summarize, and learn from the relevant successes and failures that are associated with the delivery of CocoaAction

The CocoaAction members, together with other stakeholders, invested time and resources in this pre-competitive strategy over a significant period of time (2014-2020). The extent to which they perceive the initiative as successful and recognize the added value of a pre-competitive strategy such as CocoaAction, are at the core of this assessment, hence our approach and methodological framework (appendix I).

In the framework, we mapped the objectives and learning questions from the Request for Proposals (RfP) against the five core competencies * of CocoaAction’s strategy. This led to our list of evaluation elements. For each of the core competencies, we formulated research questions based on the following assessment criteria: relevance, effectiveness, efficiency and sustainability. These questions are listed in the framework (appendix I). Based on these questions we designed the survey (appendix II) and interviewed stakeholders. In line with the RfP, we focused our assessment on the way CocoaAction was implemented and delivered.

We discussed our draft framework in an inception meeting to come to a final version. The framework structured our assessment and prevented duplications during the research. It enabled us to align the results from the interviews and survey, and complement these with the results of our document review.

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Our approach in detail
First, we reconstructed CocoaAction’s timeline of interventions and milestones, which we displayed on page 9. Based on additional information from WCF we completed the methodological framework, designed the survey and drafted a list of potential interviewees.

During the inception meeting, WCF, together with representatives of the TWC, validated and approved the draft timeline, survey, methodological framework, and list of interviewees.

The survey ran in parallel with the interviews. Interviewees also received the request to fill in the survey to ensure we captured as much information as possible.

We reviewed an extensive but not exhaustive list of documents provided by WCF, as well as the CocoaAction results data set. We requested additional documentation to fact-check statements made by interviewees. We validated the assessment results in three ways:

— The findings of the interviews and survey results were cross-checked within our team to assess the similarities of and differences between stakeholders views. Where applicable, we checked additional documents.
— We validated our draft findings with WCF staff in a workshop. Consequently, our main findings were further substantiated and clarified.
— A second validation workshop with the TWC took place. The feedback of the TWC was discussed and implemented into the last version of the assessment results, which are presented in this document.

Multiple sources used for our analysis

Online survey to collect input across all stakeholders
— 262 people (WCF mailing list) were invited
— 55 filled out the survey
— This results in a response rate of 21%

The survey questions can be found in appendix II.

We were made aware that individuals within one company submitted one set of responses. We took this into account when analyzing the results. A summary of the results can be found in appendix III.

Deep dive through semi-structured interviews with selected stakeholders
— 35 interviews covering all stakeholder groups

Government counterparts were approached for stakeholders interviews but they did not respond to the requests. Their input through the survey was limited.

Appendix IV gives an overview of the number of stakeholders interviewed, organized by stakeholder group.

Desktop review to complete our data collection

Running in parallel to the survey, we reviewed several documents. The full list of reviewed documentation can be found in appendix V.

Appendix VI elaborates on our findings on the sub-research questions, related to the CocoaAction data set:
— What lessons could we draw from the available CocoaAction data sets and reports?
— Reflection on the robustness of the Results Framework, KPIs, CocoaAction’s data collection processes and methods
Limitations of the evidence and methodology

In this report, we present our assessment of the lessons from and success factors of CocoaAction. We have included an overview of the information available at the time of writing. The starting point of our assessment was the documentation provided by WCF. During our assessment, additional information was sent by WCF to complement the document review. We included external sources (online survey and stakeholder interviews) and validation by WCF and the TWC to challenge our findings and identify potential errors or omissions. Nevertheless, this was not a search for completeness of evidence and there is the risk of bias.

We had no insight into the financial data related to CocoaAction. Therefore, we are unable to make a statement regarding the extent to which CocoaAction functioned in a financially efficient and effective manner.

We had no full insight into the companies’ individual commitments other than what some company representatives shared in confidence during their interviews.

The results of the online survey were limited to the extent that a WCF mailing list was used, which might be biased and has led to an imperfect distribution of interviewees among the stakeholder groups.

The voice of origin country governments is likely to be underrepresented in our findings.
In 2012, the largest cocoa and chocolate companies realized that their individual initiatives were isolated and fragmented. They became aware that a supply chain focus and farm-level interventions were insufficient to work towards sustainability. They formulated a shared vision: “a transformed cocoa sector that offers a profitable way of life for professionalized and economically empowered cocoa farmers and their families, while providing a significantly improved quality of life for cocoa-growing communities.”

In 2014, the companies (Barry Callebaut, Blommer, Cargill, The Hershey Company, Ferrero, Mars, Mondelez, Nestlé and Olam) launched their initiative under the name CocoaAction. The CocoaAction Primer (2016) explains what CocoaAction aimed to do differently: they wanted to deploy a joint strategy with a focus on systemic topics and employ a holistic focus on the farmer and their community.

In May 2014, the governments of Ghana and Côte d’Ivoire endorsed CocoaAction as the chocolate and cocoa industry’s aligned effort to support their national cocoa sustainability goals and initiatives.72, 74

In early 2014, CocoaAction invited non-governmental organizations (NGO) to get their input on finalizing the Community Development Package.

In this chapter we assess to what extent the strategy CocoaAction designed was fit to convene the sector and to enable the building of an economically viable and sustainable cocoa sector.

Key insights

— The overall strategy and objectives of CocoaAction were designed with minimal input from external stakeholders.
— The packages were not fully designed using a holistic approach or coherent with origin country realities.
— CocoaAction was designed as a strategy for impact alignment but given a numerical target.
— CocoaAction built trust among the members, but there was insufficient individual accountability.

Lessons learned

— The design phase should include other stakeholder groups, including origin country governments to establish a public-private partnership, and ensure relevance for all beneficiaries.
— ‘Packages’ should be developed based on where one wants to go, not on where one has been. They should incorporate best practice and innovation from other stakeholders and sectors, and be designed using a holistic approach.
— Strategies and programs require different thinking and approaches.
— Building trust is crucial and requires ongoing investment to maintain.
— Companies need to be held accountable on an individual basis. This requires disaggregated impact measurement and alignment on what does and does not fall under the scope of an initiative.
The overall strategy and objectives of CocoaAction were designed with minimal input from external stakeholders

Stakeholder input
CocoaAction’s overall strategy and objectives were designed by a small group of companies. Outsiders viewed them as an exclusive club and some companies feel CocoaAction was designed ‘by big brands for big brands’. These companies felt marginalized and this decreased the value proposition of joining CocoaAction. In sum, the small initial group built trust among themselves, but not with others.

There is consensus that the Ivorian and Ghanaian governments were not sufficiently consulted or involved in the design phase. Where there was engagement it was minimal. There is also consensus that engaging with governments is challenging but crucial. NGOs were also not involved in the design phase. Unlike government engagement, CocoaAction members do not feel that further NGO involvement in the early design phase would have made CocoaAction more efficient or effective. Some feel that the companies were not ready for NGO involvement at that time.

In 2016, CocoaAction developed an expansion strategy. Despite the intention, it did not succeed in adding members. Companies that did not join cited the value proposition as the main reason. According to interviewees, the following factors influenced the value proposition:

— There were high membership fees (initially) and significant time demands for which not all companies could make the resources available.

— Some companies have direct relationships with farmers (through vertically integrated supply chains) and so implementing via CocoaAction would complicate their interventions without adding value.

— There was not a level playing field with respect to the return on the investment in CocoaAction. Some companies felt that the proposition for traders was to invest financially without a direct return whilst brands could claim their sustainability investments from their consumers.

In 2018, interviews by NewForesight revealed that broader stakeholder engagement was a condition for success. However, this did not lead to any change in establishing meaningful connections with external stakeholders.

WCF tried to introduce CocoaAction to other countries, and succeeded in Brazil, where the local governments were more involved.

CocoaAction did not succeed in engaging development agencies, such as the International Fund for Agriculture and World Bank, to mobilize resources, but leveraged resources from ongoing WCF programs funded by USAID and Gates Foundation.

Strategy and objectives
CocoaAction’s strategy reflects the knowledge, awareness and priorities of the initial group of companies. Whilst the lack of broader engagement (with the industry, other stakeholders and other commodity sectors) allowed them to move quickly, it resulted in a strategy that was not coherent with the ambitions to effect change on the ground.

At the time of CocoaAction’s design, the sector was facing a collective undersupply of cocoa. This risk and the assumption that increased productivity would lead to poverty alleviation shaped CocoaAction’s focus on the Productivity Package. The awareness of the looming undersupply is reflected in a CocoaAction progress report from April 2015: “to keep up with demand, it is estimated that 50 million new cocoa trees need to be planted in Côte d’Ivoire and 30 million in Ghana each and every year.”
The packages were not sufficiently designed using a holistic approach or coherent with origin country realities

Overall, the lack of inclusiveness prevented CocoaAction from designing and adopting a holistic approach. Involving smaller companies, that have alternative innovative approaches to working with farmers, could have increased understanding of origin country realities.

**Productivity Package**
The Productivity Package was designed in isolation and missed crucial topics, such as income diversification and deforestation. It adhered to the predominant industry assumption that productivity is the most effective means to poverty alleviation. Overall, it also omitted behavioral change approaches and failed to address the enabling environment, and from that perspective was not designed to effect systemic change. Some members feel that because this reflected the industry’s knowledge and awareness at the time it was designed as well as it could have been. On the other hand, meeting outcomes from a TWC-NewForesight presentation in 2013 show that CocoaAction started the design process with a holistic picture in mind. Nevertheless, the Productivity Package was centered around Good Agricultural Practices (GAP) training, fertilizer and planting material.

**Community Development Package**
Driven by a lack of trust among the CocoaAction members the initial focus was on standardized, prescriptive interventions. In addition, the content of the Community Development Package was primarily based on CocoaAction members’ existing interventions.

There were several failures in the design of the Community Development Package:

- Farmers were treated as a homogenous group in terms of business and development needs.
- Scalability was not sufficiently considered.
- It did not sufficiently incorporate behavioral change approaches (for example on how change happens at the farmer and community levels).

**No course correction**
What is considered best practice now was not considered best practice then. CocoaAction’s design was not sufficiently flexible and did not allow for evolution.

At an early stage, CocoaAction received feedback that the focus on productivity and ‘women and children’ would not sufficiently alleviate cocoa farmer poverty. In addition, the packages were only suitable for a subset of farmers. However, strategic course correction or revision of the theory of change did not happen.
CocoaAction was designed as a strategy for impact alignment but given a numerical target

Goals and targets
On productivity, the target was for 300,000 farmers to adopt all components of the Productivity Package by the end of 2020. This target was not met.

On community development, the original target was to provide the communities of the same 300,000 farmers with the full Community Development Package. Due to implementation challenges, however, the community target was reformulated to 1,200 communities.

The number of communities who received a needs assessment became the proxy for achievement of the Community Development Package target. This target (1,200 communities) was met. However, the level of implementation is not known.

The first round of M&E showed that members were far from reaching their collective targets. CocoaAction’s first progress report (March 2015) stated that members should be committed to the longer term and may need to forego quick results. In general, it was understood early on that the targets would not be met by 2020. In 2018, the TWC discussed possible re-design and decided to continue with the existing approach.

There are mixed views as to whether CocoaAction achieved its goals. Approximately half of those surveyed believe that CocoaAction achieved its goals to a great or moderate extent, while the other half believe it was only to some or a small extent (see graph 4 in appendix III).

Strategy versus program
CocoaAction was designed as an impact alignment initiative but given a concrete, numerical business target, making it resemble a program. Most found the targets ambitious and some felt they were set to reduce external pressure (temporarily). For others, the target of 300,000 was not ambitious at all considering there are approximately 4.7 million cocoa farmers worldwide and CocoaAction represented the world’s largest industry players.

Reaching the formulated goals also depended on other stakeholders, such as the origin country governments, and could not be achieved by the industry on its own.

There are different views as to whether the overall targets were aspirational or actually meant to be reached. The TWC viewed them as aspirational targets whereas the Board interpreted them as ‘business’ targets that they were committed to achieving. This caused misalignment in expectations.

Non-members feel to a lesser extent (than members) that CocoaAction was designed in a way that the target audience would benefit (see graph 1 in appendix III).
CocoaAction built trust among the members, but they were not sufficiently held accountable

**Trust**

There is consensus that CocoaAction was successful in convening member companies and building trust, which was unprecedented in the cocoa industry.

CocoaAction was seen by outsiders as an exclusive club, which created a barrier to attracting additional members and engaging with external stakeholders.

When designing the Cocoa Action Roadmap (published October 2016) trust between the company members had not reached fruition. As a result, CocoaAction was designed based on what members felt comfortable committing to rather than what was needed to achieve the targets. For example, the M&E system ended up being far too prescriptive and therefore not fully implementable.

Some members feel that still more trust was and is needed. For example, CocoaAction members never opened up about their individual targets and progress towards achieving them.

**Accountability**

Generally, it is difficult to differentiate between a ‘CocoaAction intervention’ and a company intervention that was guided by CocoaAction. In addition, by design, company targets, and their progress were monitored and reported on at an aggregate level only. As a result of these two points, causal impact relationships and accountability lines were significantly blurred throughout CocoaAction’s lifespan.

WCF as a facilitator might have been able to play a stronger role in holding CocoaAction members individually accountable. There is doubt about company performance due to the lack of transparency on their individual commitments and the lack of governance to monitor this.
CocoaAction members made individual commitments to WCF for the number of farmers that adopted interventions and the number of communities empowered. The strategy prescribes activities, which companies implement in alignment, through two packages: the Productivity Package and the Community Development Package.

These packages were collaboratively designed. Industry took the lead, but wanted to work closely with other stakeholders to design and implement complementary activities.

In 2013, the TWC identified six major work streams to drive the strategic vision and action plan for the various elements of CocoaAction. 

1. Planting material
2. Soil management (originally called Fertilizer)
3. Community development
4. Government and donor outreach
5. Innovation
6. KPIs

Work Stream 6 was split into 6a (Indicators and outcomes), 6b (Farmer economics) and 6c (Certification & standards). In September 2015, the TWC decided to deprioritize work streams 5 and 6b.

In this chapter we assess the extent to which CocoaAction was successful as a platform for engagement with government and key stakeholders, worked as a platform for industry collaboration and was a place to learn and share best practice from each other.

### Lessons learned

— The ability to adapt should be incorporated by design. It is better to start small and grow than to start big and reduce.

— Strategies and targets may be ambitious but should be grounded in reality. The focus should be on what is needed to solve the problem.

— Involving origin country governments in the design phase is a prerequisite for collaboration in the implementation phase.

### Key insights

— CocoaAction served as a platform for pre-competitive company collaboration.

— CocoaAction demonstrated to its members that holistic thinking was needed for systemic change.

— The origin country governments were not sufficiently involved and therefore no local ownership was established.
CocoaAction served as a platform for company collaboration

Collaboration outcomes
CocoaAction commissioned research to inform the design of the interventions within the Productivity and Community Development Packages. The TWC members took ownership of the work streams. There are several examples of their collaboration leading to concrete outcomes:

— early detection tool for cacao swollen shoot virus (CSSV) and trials of new propagation methods (Work Stream 1)

— harmonization of GAP approaches, where individual members brought their knowledge to the wider CocoaAction community

— investment in the Cocoa Fertilizer Initiative’s soil mapping study (Work Stream 2) led to the conclusion that a tailored approach per farmer was needed. The Farmer Development Plan (FDP) approach replaced the group trainings and is now widely adopted by the industry.

— standardized description of concepts, such as on village savings and loan association (VSLA) and child labor monitoring and remediation system (CLMRS) (Work Stream 3).

— International Cocoa Initiative (ICI) provided significant thought leadership and technical input in rolling out CLMRS. Many recognized their role in developing a stronger and aligned industry approach to addressing child labor. Some questioned their dominant role in the design of CLMRS.

— aligned suppliers and brands on interventions and definitions, which improved efficiency. Before CocoaAction, only bilateral relations existed, whereas now key interventions can be stress-tested with relevant stakeholders in an early stage.

Field-led learning
A ‘huddle’ structure (platforms for the exchange of information and identification of issues affecting the implementation of CocoaAction in Cote d’Ivoire and Ghana) was implemented (Work Stream 4). These ‘huddles’ still exist but manage a much broader agenda and have little connection remaining with CocoaAction. Feedback lines ran vertically within CocoaAction member companies (from staff in origin countries to headquarters) and then horizontally in the TWC. Despite the ‘huddle’ structure, interviewees feel there was little to no interaction among the company staff in the origin countries, which prevented them from sharing experiences and learning from one another. In turn, this reduced the amount of field-led learning and therefore also the effectiveness of the interventions.
CocoaAction demonstrated to its members that holistic thinking was needed for systemic change

**Focus on productivity**
Before CocoaAction, industry’s focus was mostly on farmer productivity. The inclusion of community development was an achievement in itself. At the start, suppliers did not have the capacity to implement the Community Development Package and field staff did not have the skills to engage with communities. Some outsourced this to NGOs, whilst others took on more in house. Full speed of implementation was not reached until 2017.

**Impact measurement**
Driven by a lack of trust among the members in the beginning of CocoaAction, the initial focus was on standardized, prescriptive interventions. Numerical targets were set at the beginning of CocoaAction. It is unknown what criteria dictated which farmers or communities became part of CocoaAction. In addition, there is no baseline data, so it is not possible to identify what proportion of farmers was already ‘reached’ before CocoaAction. There is consensus that this is a design flaw.

Data collection and reporting was not standardized, CocoaAction was the first attempt at this and brought some alignment. The focus on impact rather than outputs is seen as a major achievement. The focus on GAP adoption rather than the number of training sessions completed is considered a positive shift.

**Holistic thinking**
The design of the interventions did not sufficiently take scalability into account, which was necessary to effect systemic, sector-wide change.

Members learned several lessons from CocoaAction. Notably, they learned about the importance of holistic thinking on sustainability topics, which is now more common. The current, more holistic, partnerships (such as child labor partnership and Cocoa & Forests Initiative, CFI) benefit from a more inclusive approach.
The origin country governments were not sufficiently involved and therefore no local ownership was established

**Government engagement**

CocoaAction signed memoranda of understanding with Ghana and Côte d’Ivoire, which communicated their theory of change and vision. This enabled smooth initial implementation of the Productivity Package and collaboration with origin country governments. This is particularly true for the regeneration of ageing farms and distribution of seedlings.

Additional MoUs were signed to manage CSSV (2015). The MOU for the new CSSV lab to be constructed under CocoaAction in Côte d’Ivoire, is still under discussion.

Interviewees feel that the lack of origin country government engagement reflects their minimal involvement in the design phase and because of industry’s limited response to declining prices in 2017-18.

Côte d’Ivoire (in March 2018) suspended the distribution of improved planting material, which frustrated the implementation of the Productivity Package.

Regarding the Community Development Package, its design raised wrong expectations with the origin country governments. Interviewees agree that industry can help governments to solve problems but cannot be the sole drivers of the solution. The Community Development Package in particular would have benefitted from stronger engagement with origin country governments.
5. The governance structure was well defined but not geared towards delivering impact

The WCF Board of Directors (BoD, Board) is the decision-making and oversight authority for CocoaAction. It is made up of senior leaders from WCF members. It steers the overall strategy of WCF and CocoaAction, and approves and directs the resources provided to WCF for the strategy’s coordination and implementation. In 2014 the SLC, which initiated CocoaAction, became what is today’s WCF Board. Currently, the Board also has non-CocoaAction members. The strategy of WCF has a broader scope than CocoaAction.

The TWC is composed of technical experts from CocoaAction companies. Some of them were originally WCF Board members at the time CocoaAction was launched. The TWC is supported by WCF staff, consultants and other experts as needed. The TWC was initially formed to guide the technical design of CocoaAction and to provide recommendations on strategic directions for the platform and strategy.

CocoaAction is coordinated by WCF. As the backbone of CocoaAction, WCF’s CocoaAction Secretariat convenes the Work Streams and ensures compliance with antitrust laws. It provides the support infrastructure for CocoaAction by coordination and communicating internally and externally.

This chapter assesses the strengths and weaknesses of the governance structure over the lifespan of CocoaAction.

Key insights

— CocoaAction’s governance was not set up for agility.
— CocoaAction’s governance structure worked well initially, but did not facilitate long-term effective TWC-Board working relations.
— The strength of facilitation by WCF and level of company participation faded over time.

Lessons learned

— Agility has to be incorporated by design so that initiatives can learn and adapt, particularly for initiatives of three or more years.
— Include intended interim results in roadmaps and allow systematic reflection on what did and did not work.
— Ensure overlap between the supervisory board and working groups (for example a representative of the working group serves as the secretary to the board).
— Strong facilitation, with respect for both the process and relationships, is key for successful collaboration.
CocoaAction governance was not set up for agility

Changes over time
At the start, CocoaAction clearly documented what was expected of a TWC member and how decisions would be made. Also, targets were set for 2020, which members found ambitious. The Cocoa Action Roadmap, designed to deliver on this, was comprehensive but lacked intermediate result planning and sub-targets. Over time, CocoaAction matured and WCF developed as a membership organization with evolving roles and responsibilities. There are some long-serving people at some of the CocoaAction members, but within WCF there was a significant amount of turnover. In addition, in recent years, the TWC roles were transferred between individuals within member companies. This resulted in a loss of institutional knowledge.

No course correction
What worked well in the beginning needed a review. Initial descriptions of adjusted roles and responsibilities were captured in an internal memo, however not further executed. CocoaAction has shown to be aware of its shortcomings and the challenges it faced. However, CocoaAction has not been able to course-correct at a strategic level. For example, the 2016 ‘Roadmap Stakeholder Interviews’ identified improvement areas related to the scope of CocoaAction’s packages, however no interventions took place and the scope of the packages remained the same. CocoaAction did not find ways to respond to requests for change.
CocoaAction’s governance structure worked well initially, but did not facilitate long-term effective TWC-Board working relations

The TWC and Board
Interviewees describe the initial collaboration between the Board and TWC as positive. There were clear roles for each of them. The Board recognized the need for action and the TWC was given the mandate to provide the roadmap to achieve CocoaAction’s vision.

The SLC replaced the original WCF board. This resulted in significantly more involvement of senior leadership in sustainability. They now had regular meetings to follow up on their commitment to CocoaAction.

The current relationship between the Board and TWC is described as tense and misaligned. They fell short of their expectations of one another and neither felt able to adequately address this, even though it was clear on both sides that course correction was needed.

There is no overlap in membership between the Board and TWC. While a TWC representative always joined Board discussions related to CocoaAction, there was little structured engagement between them, and WCF was the de facto link between the two.

New strategy
The slow but laborious process of translating the lessons from the NewForesight interviews (2018) into a supported strategy (CocoaAction 2.0) demonstrates the lack of alignment. There were many iterative steps before coming to a final draft. However, for some interviewees the status was and is still not clear. This reduced the energy to drive the final years of CocoaAction at an operational level.

Some interviewees stressed the importance of linking the proposed governance structure for Pathway to Sustainable Cocoa to the lessons learned and good practices related to roles and responsibilities in CocoaAction.
The strength of facilitation by WCF and level of company participation faded over time

Initial strong facilitation
WCF’s role as the facilitator of CocoaAction was clear and successful in the early years. Establishing a ‘circle of trust’ between competing companies is a unique and unprecedented accomplishment. The clearly-documented role of a TWC member and accompanying decision protocol played their part in this. The “can I live with it?” principle worked very well in progressing discussions. Space and time was taken to work on trust, not only through the process of the joined decision making but also because members seized the opportunity to build personal relationships. Competitors became peers, and peers became friends.

Fading over time
Despite the ‘circle of trust’, individual company agendas remained important. In that sense, CocoaAction could have benefitted from stronger meeting management. WCF as a facilitator could have played a stronger role in holding individual CocoaAction members accountable.

Interviewees acknowledge that their level of participation decreased over the last couple of years, for which there were various explanations:
— The TWC and Board reacted differently to the initial impact results, causing tension between them.
— Board decisions were taken while there was a significant level of disagreement with the TWC.
— A perceived lack of endorsement of CocoaAction by the new WCF president with a new vision, followed by the laborious process of formulating a supported strategy (CocoaAction 2.0).
— Changes in WCF staff, especially the departure of Nira Johri, who was considered an effective facilitator to build trust.
— Lack of transparency on individual company progress towards commitments created tension.
CocoaAction aimed to create and adhere to benchmarks and measurable goals. A significant influence on CocoaAction’s KPIs was a WCF research and development initiative started in 2012 called Cocoa Measurement and Progress (CocoaMAP). Lessons from CocoaMAP were integrated into the CocoaAction KPIs. The six KPIs established for CocoaAction focused on two broad outcomes: helping farmers boost productivity and supporting cocoa-producing communities to improve livelihoods.

In October 2014, at WCF’s annual partnership meeting in Copenhagen, Denmark, members agreed on a common set of KPIs to underpin all CocoaAction activities in Côte d’Ivoire and Ghana. Data submitted by CocoaAction members was collected annually since 2016 and aggregated by WCF to enable CocoaAction members to better understand their impact, promote accountability, and inform areas for further research and learning.

In February 2017, WCF organized a ‘learning meeting’ in Ghana on data collection methods. In July 2018, another ‘learning meeting’ was organized in Côte d’Ivoire on challenges and best practices. The final ‘learning meeting’ (in 2019) focused on community development.

CocoaAction commissioned no baseline or midline assessment.

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**Key insights**

— The M&E system was too complicated and too time-consuming to be successful.
— Misaligned interpretations of the M&E Guide hampered reliable aggregated reporting and precise impact measurement.
— Learning from M&E results was limited due to the lack of qualitative data and untimely reporting cycles.

**Lessons learned**

— A successful M&E system requires critical and holistic reviewing.
— Where impact needs to be measured, align expectations of what needs to be measured and why.
— Where impact needs to be measured, always carry out a baseline assessment.
— Cross-company aggregated impact reporting requires a single interpretation of the M&E approach.
— Both quantitative and qualitative results should be used for impact reporting.
The M&E system was too complicated and too time-consuming to be successful

Targets
On productivity, the target was for 300,000 farmers to adopt all components of the Productivity Package by the end of 2020. This target was not met.

On community development, the original target was to provide the communities of the same 300,000 farmers with the full Community Development Package. Due to implementation challenges, however, the community target was reformulated to 1,200 communities.

The number of communities who received a needs assessment became the proxy for achievement of the Community Development Package target. However the level of implementation is not known.

M&E system
The initial aim of CocoaAction relied on members deciding how to achieve the 2020 targets. However, a detailed guide with highly-prescriptive key performance indicators (KPIs) was created, which was not compatible with the un-harmonized data collection processes.

The M&E system was made up of the individual inputs of CocoaAction members, based on their own existing approaches. This led to a huge and complicated framework that was not coherent and difficult to implement. There was no person or organization that could review the output critically and holistically.

No course correction
The 2020 productivity targets were unlikely going to be met. The indicators were set up in such a way that it was unlikely that a farmer would meet all criteria to adopt the full package. In this sense, the productivity targets were incoherent with the local realities. It was known that it would be challenging for all target farmers to adopt the full Productivity Package. No course correction took place as the packages and results framework had grown too big and cumbersome to adapt to incoming feedback and lessons.
Misaligned interpretations of the M&E Guide hampered reliable aggregated reporting and precise impact measurement

Misaligned approaches
There was insufficient guidance after the framework was launched, which led to varying interpretations of the M&E Guide among CocoaAction members. As a result, energy went into scrutinizing data, which was given a spotlight of its own.

Company data was aggregated, however the data collection and intervention approaches were not identical. This may have led to unclear year-on-year trends showing data outliers in several years for several indicators. In annual progress reporting, the data was treated as valid, which was not necessarily the case.

Impact measurement and reporting
The lack of a baseline assessment makes it impossible to report on impact. In addition, many CocoaAction members were already implementing sustainability programs, which were not synchronized. For that reason, a baseline was also not feasible.

In addition, there were data gaps that limited CocoaAction in comparing year-on-year results. For example, for GAP adoption the years 2016-2018 are used while for fertilizer use only 2017 and 2018 are used – due to lack of data. For the reader, it is not clear why there is a discrepancy in the years used.

According to the aggregated data set, little improvement in GAP adoption, yield, fertilizer use and rehabilitation seem to have occurred in the past four years. Regardless, there is a disconnect between these outcomes and the desired impact, which calls into question the validity of the theory of change. For example, it assumed that adopting certain GAP techniques would lead to CocoaAction’s impact targets.
Learning from M&E results was limited due to the lack of qualitative data and untimely reporting cycles

Impact measurement and reporting

Numerical targets were set at the beginning of CocoaAction. It is unknown what criteria dictated which farmers or communities became part of CocoaAction. In addition, there is no baseline data, so it is not possible to identify what proportion of farmers was already ‘reached’ before CocoaAction. Having baseline data would have increased the potential to learn.

The M&E design did not include qualitative data and this limited the analytical depth of reports. In general, although it was indicated in the data narratives that CocoaAction represents a learning process, the ‘why’ behind the data trends was usually underexplored due to a lack of qualitative data.

Recent sources reported progress with regard to yield increase for some CocoaAction farmers. By including triangulation of data in the M&E approach, CocoaAction could have made use of these sort of sources to better understand the results of interventions (subject to availability).

Learning from M&E

Business cycles were not aligned with reporting cycles. By the time data was collected, reviewed and lessons were drawn, it was too late to integrate those lessons into the interventions. There were learning sessions in which the CocoaAction members discussed their feedback on the M&E system. Despite the vote in 2018 to continue with ‘business as usual’, updates were made to the measurement of some GAPs to improve the validity of the data. Some redundant data points were removed.

Given the challenges around implementing the M&E system, CocoaAction members lost the incentive and willingness to accurately collect data for all indicators and they did not adhere to it sufficiently to become fully aligned with one another.
WCF represents more than one hundred companies in the cocoa supply chain and 85% of the global cocoa market. They recently launched their new strategy Pathway to Sustainable Cocoa. One of the ambitions expressed in the new strategy is to engage a wider group of members in their sustainability initiatives.

To draw lessons, WCF wants to understand how CocoaAction inspired its members, other companies and stakeholders (external partners, governments, consuming country initiatives) to increase and their sustainability efforts. WCF wants to understand if and how CocoaAction has influenced the sustainability work in other sectors.

### Key insights

- CocoaAction paved the way for subsequent initiatives by building trust and establishing connections.
- CocoaAction was a catalyst in boosting company capacity on sustainability.
- By not engaging with other commodity sectors CocoaAction missed the opportunity to broaden its influence beyond cocoa and learn from other sectors.

### Lessons learned

- Trust is a prerequisite for any industry or multi-stakeholder collaboration.
- Securing sufficient capacity and high-level commitment from company members is crucial. The opportunity to learn and develop is an important part of the value proposition for members.
- The cocoa sector can be too inward-looking and could benefit from engaging more with other commodity sectors.
CocoaAction paved the way for subsequent initiatives by building trust and establishing connections

Building on trust

There is consensus that CocoaAction was successful in convening companies and building trust, which was unprecedented in the cocoa industry.

There is consensus that a newer initiative, such as CFI would not have been feasible without CocoaAction. This is seen as a significant positive impact on the industry and some see it as CocoaAction’s primary legacy. Specifically, CocoaAction created formal and informal networks between people and companies through which the sector can now more easily discuss, share and collaborate. In addition, they are more aligned strategically and in their understanding of key areas, such as what a CLMRS should look like.

Learning from CocoaAction

Not engaging with origin country governments was identified as a mistake early on in CocoaAction’s lifespan but never adequately addressed. This has, however, become a formative lesson for other initiatives, which have been more successful at engaging with external stakeholders, including origin country governments. Nevertheless, several interviewees expressed concerns as to whether the other initiatives will succeed in collaborating with origin country governments and whether this can be translated into positive results. In this context, they remain skeptical about the extent to which the sector will be able to action the lessons from CocoaAction.

Within the sector there is a need for aligned M&E. However, the consumer country initiatives feel that the M&E system was too complex, so only partial alignment occurred. This is perceived as a missed opportunity.

In CFI, the M&E system is now improving over time to come to clear definitions, agreed upon by participating companies for better alignment. However, some interviewees expressed that the struggle on detailed alignment of definitions remains.
CocoaAction was a catalyst in boosting company capacity on sustainability

**Capacity on sustainability**

The industry was already building capacity in sustainability, however CocoaAction accelerated the trend. CocoaAction is seen as a catalyst for some companies in this respect. Specifically, interviewees stated that CocoaAction led to the following outcomes, which in turn enabled subsequent initiatives.

— The majority of respondents involved with CocoaAction indicate in the survey that CocoaAction influenced them to increase their capacity in staffing (graph 8 in appendix III)

— Compared to before CocoaAction, companies now have more in-house agronomic and M&E expertise, and better field presence and visibility in origin countries.

— Company thinking became more sophisticated.

— The senior leadership of CocoaAction member companies signed the commitment and were therefore engaged from the offset. This in turn led to increased awareness and understanding of the key issues.

**Varying benefits**

Companies with more experience in running sustainability programs benefitted less from CocoaAction. They felt that they contributed more than they received in return.

Companies with less experience in running sustainability programs benefitted significantly from CocoaAction. They highlight the Community Development Package (which includes VSLA, gender and CLMRS) and the M&E system as sources of learning.
By not engaging with other commodity sectors, CocoaAction missed the opportunity to broaden its influence beyond cocoa and learn from other sectors.

**Influence on other sectors**

Generally, there was little cross-learning between sectors, both into CocoaAction from other sectors and from CocoaAction to other sectors.

There are several valuable lessons from CocoaAction that are relevant for other sectors and could therefore benefit them. In this light, CocoaAction has missed an opportunity to positively influence those sectors in the same way it has influenced the cocoa sector.

When CocoaAction started, it drew attention from other commodity sectors, especially coffee and tea. With time however, it was considered as less innovative. In other sectors, initiatives (like the Global Coffee Platform) emerged that were more multi-stakeholder in their approach.

To the extent known by stakeholders, other commodity sectors did not view CocoaAction as best practice and no known lessons from CocoaAction influenced strategies or interventions in other commodity sectors.

Nevertheless, the cocoa sector is generally looked at for how companies cooperate well, and WCF and CocoaAction significantly contributed to that.
In conclusion, it is clear that CocoaAction’s primary achievement and resulting legacy is that it broke new ground in bringing together competitors to work towards a higher purpose. Nevertheless, CocoaAction faced several challenges and after five years failed to reach its targets and realize its vision. The 2019 CocoaAction Data Package shows that 1,165 farmers adopted the full Productivity Package. The target of 1,200 communities reached with the Community Development Package was surpassed, however this figure only relates to the execution of the needs assessment, and not to actual full implementation.

In its lifespan CocoaAction went through numerous reflection processes. Valuable lessons are well-documented throughout, demonstrating that there was self-awareness and a desire to understand how they could improve. For example, in WCF’s new strategy document Pathway to Sustainable Cocoa there are several important lessons documented, such as:

- Farmer adoption of new technologies is complex and requires new approaches
- Stronger focus on sustainable livelihoods is needed to raise farmers out of poverty
- Multi-stakeholder engagement is critical

These lessons re-emerged in this end-of-program assessment. The table on the next page summarizes our conclusions (key insights) and recommendations (lessons learned & success factors) previously presented in this report. Finally we present our suggested focus areas for WCF to make future initiatives successful.
# Summary of conclusions and recommendations

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<th>Recommendations</th>
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<td><strong>CocoaAction seized momentum but did not design for systemic change</strong></td>
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Suggested focus areas for WCF to make future initiatives successful

1. Embrace inclusivity as a mindset

Inclusivity is a mindset, not just an outcome. It has to become an active, living part of WCF’s culture. The membership base varies significantly and members will differ in what they need from WCF. If WCF wants to offer an inclusive value proposition then they need to truly represent their members. This entails acknowledging different needs and voices.

Early signs already show that companies are cherry-picking components of the new initiatives that work for them. This is not inherently bad, but it does point to a symptom of a less inclusive approach, namely that the initiatives that are being designed do not work for all member companies.

2. Get the governance right

The more inclusive culture must then be reflected formally in a more inclusive governance structure. This means being inclusive internally (among the membership base) and externally (with origin country governments, farmers and their communities and NGOs).

We noticed concerns about the foreseen transformation from the TWC to a Board liaison group. A link should remain with the sustainability leads. This can help mitigate a repeat of designing interventions (‘packages’) that are not coherent with origin country realities or M&E frameworks that are too complex to implement.

In addition, the Board should be more inclusive and allow for discussions with a wider group from time to time. This entails that a broader, more diverse set of companies and stakeholders can directly influence global WCF programs through interaction with the Board and WCF.

True inclusion requires constant efforts to realize and maintain. Several interviewees point out that whilst government engagement in the design of newer initiatives (CFI and child labor partnership) has been more successful, they remain skeptical about their continued engagement and the translation of this into positive results. This is reason enough for some to not join these new initiatives.

3. Ensure goals are grounded in reality

A ‘can do’ attitude is a double-edged sword. Several interviewees state that WCF’s ‘can do’ attitude was effective in rallying a handful of companies in 2014, but over time, the lack of results turned this into empty rhetoric. It was clear to most that five years was insufficient for CocoaAction to achieve its goals, yet the ‘can do’ attitude prevailed.

This eroded trust and leaves CocoaAction outsiders questioning WCF’s value proposition. Any new initiative or strategy must have realistic goals and timelines, be designed to effect systemic change and be coherent with origin country realities. Crucially, there should be an acknowledgement that addressing the root causes of long-standing and deeply-rooted challenges will take time. Finally, it should be clear what the ambition is, unlike with CocoaAction, where some saw a strategy and others a program.
I. Assessment framework
II. Survey questions
III. Summary of survey results
IV. Interviewees
V. References – documents consulted
VI. Deep dive M&E data set
VII. Limitations and disclaimer
### I. Assessment framework

<table>
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<tr>
<th>Subject of assessment</th>
<th>Evaluation elements</th>
<th>Key (interview/survey) questions</th>
<th>Stakeholders/ sources</th>
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| **CocoaAction Strategy design:** Align on priority issues, common approaches & best practices | — Design of the overall strategy and objectives  
— Decision making process and design of (the content of) the Productivity Package and the Community Development Package  
— Realization of the formulated goals  
— Long term impact of the strategy | — To what extent would stakeholders perceive CocoaAction program overall as successful and why (not)?  
— To what extent are the objectives of CocoaAction perceived as relevant and ultimately effective and why (not)?  
— To what extent is the decision-making process perceived as efficient and why (not)?  
— How sustainable do stakeholders find the CocoaAction strategy? | — WCF staff  
— WCF Board  
— TWC  
— Origin countries government  
— Desktop review CocoaAction data |
| **Stakeholder Engagement:** Work closely with the government of cocoa producing countries and other stakeholders | — Involvement of actors and stakeholders at key moments in time  
— Level of understanding of CocoaAction by stakeholders  
— Sense of ownership felt by stakeholders  
— Activities related to CocoaAction expansion | — To what extent would stakeholders perceive CocoaAction stakeholder engagement overall as successful and why (not)?  
— To what extent would stakeholders qualify the CocoaAction stakeholder process as effective and why (not)?  
— To what extent would stakeholders qualify the CocoaAction engagement activities relevant and why (not)? | — WCF staff  
— WCF Board  
— CocoaAction  
— TWC  
— Origin countries government  
— NGOs |
| **Monitoring & evaluation:** Enable scale and results through best practices and common interventions and agreed upon framework for measuring results (measuring results and achieving impact) | — Level of standardization and scalability of interventions  
— Strength of Monitoring, Evaluation & Learning processes and procedures  
— Key results form CocoaAction data and the strength of the data  
— Influence of M&E results and scientific learnings to the CocoaAction design | — To what extent has the CocoaAction program achieved, or is it expected to achieve, its results? (Effectiveness)  
— To what extent would this also have been achieved without CocoaAction?  
— What lessons could be learned from the available CocoaAction data? (Efficiency, relevance)  
— To what extent has the CocoaAction interventions been adjusted based on the M&E insights? (relevance, efficiency) | — WCF staff  
— TWC  
— Data collection partner  
— Desktop review CocoaAction data |
| **CocoaAction Strategy execution:** Employ a holistic focus on the farmer and his/her community | — Quality of the actual implementation of defined interventions  
— Level of understanding and sense of ownership felt by government of Ghana and Cote d’Ivoire  
— Involvement of companies in execution of the Productivity Package and the Community Development Package  
— Industry collaboration to address systemic issues | — To what extent were the resulting interventions perceived as relevant to different stakeholder needs (farmer, coops, government)?  
— What is the effectiveness of the implementation for each pillar of the strategy and the total package for the farmer and his/her community?  
— To what extent where key stakeholders aligned with the CocoaAction interventions? (Efficiency) | — WCF Staff  
— TWC  
— Origin countries government  
— In-country staff  
— Implementing partners  
— NGOs |
| **Sustainability Capacities & Influence:** Sharing best practices and failures through ongoing learnings | — Level of increase in companies capacity to implement sustainability programs and M&E  
— Level of increase in governmental support and capacity building towards cocoa farmers and communities  
— CocoaAction perceived as best practice outside the cocoa supply chain  
— CocoaAction enabled scaling of learnings between and beyond CocoaAction partners  
— Sharing best practices between companies | — Companies: To what extent are learnings as a result of CocoaAction integrated in daily operations? What other changes in companies sustainability program would be contributed to companies CocoaAction commitment? (Sustainability)  
— Governments/NGOs: To what extent have you felt inspired to increase capacity and support farmers/communities around sustainability issues? (Sustainability) | — WCF Staff  
— WCF Board  
— TWC  
— Origin countries government  
— Consuming Countries  
— In-country staff  
— NGOs |
II. Survey questions (1/3)

Introduction

Thank you for taking the time to participate in this short survey. KPMG is currently conducting the "CocoaAction End of Program Assessment", commissioned by the World Cocoa Foundation (WCF). The goal of this survey is to harness input from different stakeholders of CocoaAction to create a broad, balanced and well-informed view on the successes and relevant learnings of CocoaAction. Your input is highly appreciated, and will support us to conduct a thorough assessment that will help WCF and her stakeholders to further improve interventions and collaborations in the future.

This survey will take approximately 10 minutes of your time.

Privacy statement:
KPMG Advisory N.V. received your email address from WCF only for the specific purpose of the CocoaAction End of Program Assessment. We will use your email address only to ask for your participation in this survey, as part of the CocoaAction End of Program Assessment. Your email address will be deleted after we finalize the report in December 2020. For any questions on data privacy and your rights relating thereto please visit the KPMG website or WCF.

General questions

1. Please state the name of the organisation that you work for:
   [open question]

2. Please indicate to which sector your organization belongs:
   - Private sector
   - NGO/Civil society
   - Governmental Organization
   - Research/education/knowledge institution / consultant
   - Other, namely:

3. Were you directly and / or indirectly involved in the design and implementation of CocoaAction*?
   - Yes
   - No

* With CocoaAction we mean the strategy including all the activities and interventions performed by WCF and the CocoaAction member companies

A. Questions on the CocoaAction design

4. [only for respondents directly involved] To what extent have all relevant stakeholders been involved in the design of CocoaAction?

   Not at all: 1
   To a small extent: 2
   To some extent: 3
   To a moderate extent: 4
   To a great extent: 5

5. [only for respondents directly involved] Was CocoaAction designed using research to identify effective interventions?

   Not at all: 1
   To a small extent: 2
   To some extent: 3
   To a moderate extent: 4
   To a great extent: 5

6. Do you feel that CocoaAction was designed in a way that the target audience will benefit in the long term, also after CocoaAction ends?

   Not at all: 1
   To a small extent: 2
   To some extent: 3
   To a moderate extent: 4
   To a great extent: 5

7. [only for respondents directly involved] Please briefly state the key successes and improvement points of the CocoaAction strategy design:
   [open question]
II. Survey questions (2/3)

B Questions on stakeholder engagement

8. To what extent did CocoaAction engage well with stakeholders and build networks, share learnings, encourage collaboration, convene partners, create trust?

   Not at all  To a small extent  To some extent  To a moderate extent  To a great extent  Don’t know
   1           2                   3                    4                      5                         

9. [only for respondents directly involved] To what extent have you felt ownership over CocoaAction, both at the start and during execution?

   No ownership at all  Little ownership  Some ownership  Quite some ownership  Much ownership
   1                   2                        3                      4                          5                      

10. How well did you understand the vision, goals, implementation, and your role in CocoaAction?

    Very unsuccessful  Somewhat unsuccessful  Neutral  Somewhat successful  Very successful  Don’t know
    1                   2                        3                      4                          5                         

11. How responsive was CocoaAction to your feedback?

    Very unresponsive  Somewhat unresponsive  Neutral  Somewhat responsive  Very responsive  Don’t know
    1                   2                        3                      4                          5                         

12. Please briefly state the key successes and improvement points of the CocoaAction stakeholder engagement:

    [open question]

C Questions on monitoring and evaluation

13. [only for respondents directly involved] How did you perceive the efficiency of the data collection process?

    Very inefficient  Somewhat inefficient  Neutral  Somewhat efficient  Very efficient
    1                   2                        3                      4                          5                         

14. [only for respondents directly involved] How did you perceive the effectiveness of CocoaAction monitoring & evaluation (M&E)?

    Not effective  Somewhat ineffective  Neutral  Somewhat effective  Very effective
    1                   2                        3                      4                          5                         

15. [only for respondents directly involved] To what extent have the data / M&E results informed the CocoaAction strategy changes?

    Not at all  To a small extent  To some extent  To a moderate extent  To a great extent
    1                   2                        3                      4                          5                         

16. How effectively has CocoaAction informed you and other stakeholders on the results and lessons learned from CocoaAction?

    Not effective  Somewhat ineffective  Neutral  Somewhat effective  Very effective  Don’t know
    1                   2                        3                      4                          5                         

17. [only for respondents directly involved] Please briefly state the key successes and improvement points of the CocoaAction monitoring and evaluation:

    [open question]
II. Survey questions (3/3)

### D Questions on CocoaAction Strategy execution

18. How relevant do you find the interventions of CocoaAction for the targeted farmers and communities?

<table>
<thead>
<tr>
<th>Very Irrelevant</th>
<th>Somewhat Irrelevant</th>
<th>Neutral</th>
<th>Somewhat Relevant</th>
<th>Very Relevant</th>
<th>Don't Know</th>
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19. How effective do you find the activities that are executed as part of the productivity package of CocoaAction?

<table>
<thead>
<tr>
<th>Not effective</th>
<th>Somewhat ineffective</th>
<th>Neutral</th>
<th>Somewhat effective</th>
<th>Very effective</th>
<th>Don't know</th>
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</table>

20. How effective do you find the activities that are executed as part of the community development package of CocoaAction?

<table>
<thead>
<tr>
<th>Not effective</th>
<th>Somewhat ineffective</th>
<th>Neutral</th>
<th>Somewhat effective</th>
<th>Very effective</th>
<th>Don't know</th>
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</table>

21. [only for respondents directly involved] How efficient did you find the CocoaAction implementation overall (based on the time and financial inputs needed to reach the results)?

<table>
<thead>
<tr>
<th>Very inefficient</th>
<th>Somewhat inefficient</th>
<th>Neutral</th>
<th>Somewhat efficient</th>
<th>Very efficient</th>
<th>Don't know</th>
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</table>

22. [only for respondents directly involved] To what extent has the CocoaAction program achieved, or do you expect it to achieve, its goals?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>To a small extent</th>
<th>To some extent</th>
<th>To a moderate extent</th>
<th>To a great extent</th>
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23. [only for respondents directly involved] Do you think that these results would have been achieved if CocoaAction had not existed?

<table>
<thead>
<tr>
<th>Not at all</th>
<th>To a small extent</th>
<th>To some extent</th>
<th>To a moderate extent</th>
<th>To a great extent</th>
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24. Please briefly state the key successes and improvement points of the CocoaAction strategy execution: [open question]

### E Questions on Sustainability capacities and influence

25. To what extent are learnings as a result of CocoaAction integrated in your daily operations?

<table>
<thead>
<tr>
<th>Very un-integrated</th>
<th>Somewhat un-integrated</th>
<th>Neutral</th>
<th>Somewhat integrated</th>
<th>Very integrated</th>
<th>Don't know</th>
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26. To what extent have you / has your organization been influenced by CocoaAction to increase capacity and support farmers/communities around sustainability issues?

<table>
<thead>
<tr>
<th>Very un-inspired</th>
<th>Somewhat un-inspired</th>
<th>Neutral</th>
<th>Somewhat inspired</th>
<th>Very inspired</th>
<th>Don’t know</th>
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</table>

### F Final questions

27. [only for respondents directly involved] How successful would you consider CocoaAction overall?

<table>
<thead>
<tr>
<th>Very unsuccessful</th>
<th>Somewhat unsuccessful</th>
<th>Neutral</th>
<th>Somewhat successful</th>
<th>Very successful</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>3</td>
<td>4</td>
<td>5</td>
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</table>

28. Do you have any other comments related to your experience with CocoaAction that you would like to mention? [Open question]

### Closure

Thank you for your participation in this survey! Your input helps the World Cocoa Foundation to learn from its activities and be more successful in potential future interventions.

Should you have any inquiries about this survey or the CocoaAction End of Program Assessment, please reach out to sustainability@kpmg.nl
III. Summary survey results (1/2)

We sent out a survey to capture input from different CocoaAction stakeholders, both inside and outside WCF. This was set up to create a broad, balanced and well-informed view on the successes and lessons from CocoaAction. In total, 262 people (WCF mailing list) were invited, of which, 55 filled out the survey. This results in a response rate of 21%. Responses to the open questions are incorporated in our assessment.

Demographics

Most respondents were involved in designing and/or implementation of CocoaAction

Survey graph 1: Do you feel that CocoaAction was designed in a way that the target audience will benefit in the long term, also after CocoaAction ends?

Survey graph 2: How effective do you find the activities that are executed as part of the packages of CocoaAction? (excl. ‘don’t know’)

Survey graph 3: How efficient did you find the CocoaAction implementation overall (based on the time and financial inputs needed to reach the results)? (CocoaAction members only)
III. Summary survey results (2/2)

**Survey graph 4:** To what extent has the CocoaAction program achieved, or do you expect it to achieve, its goals?

- To a great extent: 14%
- To a moderate extent: 35%
- To some extent: 21%
- To a small extent: 30%
- Not at all: 0%

**Survey graph 5:** How effectively has CocoaAction informed you and other stakeholders on the results and lessons learned from CocoaAction?

- Very effective: 16%
- Somewhat effective: 31%
- Neutral: 24%
- Somewhat ineffective: 22%
- Not effective: 7%

**Survey graph 6:** How did you perceive the efficiency of the data collection process? (CocoaAction members only)

- Very efficient: 45%
- Somewhat efficient: 36%
- Neutral: 9%
- Somewhat inefficient: 9%
- Very inefficient: 0%

**Survey graph 7:** How did you perceive the effectiveness of CocoaAction monitoring & evaluation? (CocoaAction members only)

- Very effective: 27%
- Somewhat effective: 23%
- Neutral: 9%
- Somewhat ineffective: 27%
- Not effective: 9%

**Survey graph 8:** To what extent have you / has your organization been influenced by CocoaAction to increase capacity and support farmers/communities around sustainability issues?

- Very inspired: 38%
- Somewhat inspired: 46%
- Neutral: 16%
- Somewhat uninspired: 16%
- Very uninspired: 4%
- Don't know: 16%
## IV. Interviewees

<table>
<thead>
<tr>
<th>Stakeholder group</th>
<th># of interviews</th>
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<tbody>
<tr>
<td>WCF staff</td>
<td>4</td>
</tr>
<tr>
<td>WCF Board member (including non-CocoaAction members)</td>
<td>6</td>
</tr>
<tr>
<td>TWC member</td>
<td>9</td>
</tr>
<tr>
<td>In-country staff</td>
<td>3</td>
</tr>
<tr>
<td>Implementing partner</td>
<td>2</td>
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<tr>
<td>Data collection partner</td>
<td>2</td>
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<tr>
<td>NGO</td>
<td>2</td>
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<tr>
<td>WCF members (non-CocoaAction)</td>
<td>2</td>
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<tr>
<td>Consultant</td>
<td>2</td>
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<td>Origin country representative</td>
<td>1</td>
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<tr>
<td>Consuming country initiative</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>35</strong></td>
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</table>
V. References – documents consulted (1/3)

1. CocoaAction Evolution - Sept 2019
2. CocoaAction 2.0 Refresh Outline Jan 2019
3. CocoaAction Company Contribution to Sustainable Livelihoods Jan 2019
4. CocoaAction Company Statements on Livelihoods
5. CocoaAction 2.0 Refresh Process Proposal New Foresight Apr 2018
6. Building Sustainable Livelihoods - Recommendations for Learning & Action Jan 2018
8. CocoaAction Geographic Expansion May 2016
9. CocoaAction Member List Reach-Out Apr 2014
11. CocoaAction Brazil Plan Review Jan 2018
14. PPP Steering Committee Ghana
15. PPP Structure CDI Jun 2015
17. CocoaAction Monitoring and Evaluation Guide 2017 - Productivity Indicators
18. CocoaAction Monitoring and Evaluation Guide 2017 - Community Indicators
24. cocoaAction Monitoring and Evaluation Guide 2017 Data submission Templates
25. CocoaAction Internal Governance, Roles and Responsibilities May 2017
26. CocoaAction Organization Charts
27. WCF Expectations of a TWC Member
28. ToR Huddle platform Nov 2015
29. CocoaAction TWC Decision Protocol
30. CocoaAction BoD TWC Pre-read package Feb 2018
31. Community Development Insights Interviews Dec 2016
32. Roadmap Stakeholder Interviews Insights May 2016
33. Synthesis Landscape Assessment Community Development Aug 2015
34. M&E Community Outcome and Impact Study Recommendations May 2016
35. CocoaAction Certification Evaluation Aug 2017
36. Workstream One-pagers
37. Community Development Package Executive Summary Nov 2014
38. ToR Innovations and Visions WS 5
### V. References – documents consulted (2/3)

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<tr>
<th>Page</th>
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<td>CocoaAction Roadmap Oct 2016</td>
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<td>CocoaAction Livelihoods Program II Wave I Findings Nov 2017</td>
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<td>CocoaAction Primer May 2016</td>
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<td>Senior Leaders Council Notes Mar 2013</td>
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<td>TWC Update Meeting New Foresight Apr 2013</td>
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<td>WCF SLC Terms of Reference for Technical Support</td>
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<td>BoD Notes Feb 2018</td>
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<td>BoD TWC Interview Insights and Take-Outs Feb 2018 (summary and take-outs)</td>
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<td>CocoaAction Evaluation BoD Pre-Read Feb 2019</td>
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V. References – documents consulted (3/3)

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<td>WCF Pathway to Sustainable Cocoa 2020</td>
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<td>Cocoa Barometer Report 2012</td>
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<td>SLC presentation New Foresight March 2013</td>
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<td>The Guardian - “The cocoa crisis: why the world’s stash of chocolate is melting away”</td>
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<td>CNN - “From bean to bar: Why chocolate will never taste the same again”</td>
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<td>Confectionary News - “Hazardous cocoa child labor climbs 18% in West Africa: ‘Rallying call’ for chocolate industry to step up”</td>
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<td>Confectionary News - “State-owned plantations could rouse Vietnam’s cocoa industry”</td>
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<td>African Business Magazine - “Ghana: Big ambitions for cocoa industry”</td>
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<td>Reuters - “Cocoa industry pledges co-ordinated action on poverty, deforestation”</td>
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<td>ISO - “First international standards for sustainable and traceable cocoa just published”</td>
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<td>The Washington Post - “Cocoa’s child laborers”</td>
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<td>Reuters - “Ivory Coast tightens regulation of world’s leading cocoa sector”</td>
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<td>The Guardian - “Africa cocoa industry failing on deforestation pledge – campaigners”</td>
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<td>The World Bank - “Côte d’Ivoire Economic Outlook: Why the Time Has Come to Produce Cocoa in a Fully Inclusive and Responsible Manner”</td>
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<td>Reuters - “Ivory Coast rejects report showing rising child labour in cocoa sector”</td>
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<td>Confectionary News - “EU due diligence laws for cocoa sector could be in force by 2022”</td>
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<td>98</td>
<td>WCF Deepdive BoD Minutes</td>
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<td>WCF Technical Working Committee Minutes Telepresence Jan 2014</td>
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<tr>
<td>107</td>
<td>Workshop Community Development Report Jan 2014</td>
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<td>108</td>
<td>CocoaAction Data Packet 2019 (slides and narrative)</td>
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VI. Reflections on the CocoaAction Data set

Each year WCF issued a narrative and data pack through which they communicated to their stakeholders on the progress made within CocoaAction at aggregate level over the previous crop year. We reviewed the full data set with the following research questions in mind:

— Did WCF miss any insights when summarizing the results of CocoaAction in the respective reports and if so, which are these?
— Did WCF miss additional analyses which could have added value for CocoaAction members and other stakeholders?

WCF’s summary of CocoaAction results covers the relevant areas

In our review we identified the following points, which could have been included in the reporting to contextualize the findings in more detail:

1. Detail the adoption rate of GAPs over the past four years

The target of CocoaAction was to have farmers adopt four of five GAPs. The adoption rate has not improved in the past four years. This does not only relate to the group of farmers adopting four GAPs, amongst which pruning, but also to the groups that adopt at least one, at least two or at three GAPs. This could have been discussed to a greater extent.

2. Analyze the effect of individual interventions on average yield

WCF reports the average yield of the sampled farmers over the period 2016-2019 split by individual intervention.

The use of only organic fertilizer might be a differentiator or proxy for a relatively high yield. The group of (sampled) farmers using only organic fertilizer show an average yield of 701 kg/ha compared to 556 kg/ha on average for all farmers.

However, if the 2019 data are isolated, the use of only organic fertilizer shows on average the lowest yield (307 kg/ha) of all interventions. It is unclear what caused this difference and this brings into question the validity of the sample of farmers each year to represent the total farmer group.

No additional value in extra analyses

WCF’s narratives and data packs are extensive. We do not think that there are any useful additional analyses that could have been executed.

As discussed in Chapter Six, data was aggregated despite not being collected in a harmonized manner. A statistical deep dive to explore whether potential (causal and non-causal) statistically relationships between the monitored indicators can be found, is therefore not recommended. It is likely that these might have been influenced by:

— differences in interpretation of data collection methods
— changes in definitions of the indicators over time
— influenced by external events or sectoral/ regional developments not further contextualized in data collection process
VII. Limitations and disclaimer

This report is intended solely for the information and use of the World Cocoa Foundation (WCF) and is not intended to be used by anyone other than anyone other than this specified party. Any other party that obtains a copy and chooses to rely on it in any capacity does so at its own risk. It is not the responsibility of KPMG to provide information to any third party that has become known or available at any time after the date of this report. KPMG accepts no responsibility or liability for the use of this report other than the purpose for which it has been prepared and accept no responsibility or liability to parties other than WCF.

The terms and conditions of the agreement under which this report has been drawn are exclusively governed by Dutch law, and the court in the district within which the office is situated has exclusive jurisdiction with respect to any disputes arising under or in connection with that agreement.

Data presented and use of the report

The procedures that have been performed to establish this report did not constitute an audit or other assurance engagement. We often used data provided by WCF and other parties to come to conclusions (i.e. meeting notes and documents, strategy documents, annual reports). Consequently, our report does not express any assurance as to the reliability of such financial or other data, provided by WCF and other parties, in the report.
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