

Summary of the Cocoa Fertilizer Initiative Evaluation Report

2012 - 2017

Cocoa
Fertilizer
Initiative

Background

The Cocoa Fertilizer Initiative was established in 2012 with the goal of returning soil fertility to key cocoa growing regions in Côte d'Ivoire. Increased soil fertility translates into greater cocoa yields for farmers, thus enabling them to improve their livelihoods. By turning cocoa farming into a sustainable business, the Initiative supported Côte d'Ivoire's local economy and sought to limit farm expansion and deforestation. The Initiative was funded by the World Cocoa Foundation (WCF), Le Conseil du Café-Cacao, and fertilizer suppliers, and was implemented in partnership with IDH, the Sustainable Trade Initiative (IDH). The Initiative, launched in Abidjan on November 21, 2012, worked as a mainstream, public-private consortium of the cocoa industry, fertilizer industry, civil society organizations, and government. It collaborated closely with CocoaAction, a strategy set out by WCF to coordinate and align the cocoa sustainability efforts of the world's largest cocoa and chocolate companies. CocoaAction aims to build a rejuvenated and economically viable cocoa sector

that can compete with alternative crops and provide opportunities for no fewer than 200,000 cocoa farmers in Côte d'Ivoire by 2020. In the same way, the Initiative is an integral part of Côte d'Ivoire's cocoa sector development plan, "Quantité, Qualité, Croissance (2QC)."

From 2014–2016, the Initiative placed emphasis on strengthening its partners' experience and expertise to allow them to define a long-term strategy for farmers to address soil fertility issues, and to begin using fertilizer on their cocoa tree farms. When the pilot phase of the Initiative came to an end, the strategic consultancy Global Challenge Corporation conducted an evaluation of the outcomes and impact of the Initiative's activities, both at the farmer level and at the level of all the value chain partners involved. This publication draws heavily on the full evaluation report, and summarizes the key findings and recommendations.

Methodology

The evaluation focused on the following four key areas, and highlighted the Initiative's effectiveness, efficiency, and impact:

- The evolution of the Company Action Plans and the partners' distribution models
- The farmers' and cooperatives' views on the Company Action Plans.
- The link between the Initiative's joint activities—projects funded with a common budget supported by all partners— and the Company Action Plans.
- The Initiative's intervention logic and operational functioning.

To address the evaluation questions, Global Challenge Corporation collected and analyzed both qualitative and quantitative data. The consultancy gathered information through documentary review, interviews with key stakeholders, surveys of cooperatives and producers as well as visits to cocoa farms.

Number of interviewees covered by the "Cooperative Survey" and the "Producer Survey"

33

Beneficiary Coop

316

Beneficiary Producer

46

Non-Beneficiary Coop
(control group)

471

Non-Beneficiary
Producer (control group)

EVALUATION REPORT

Findings on:

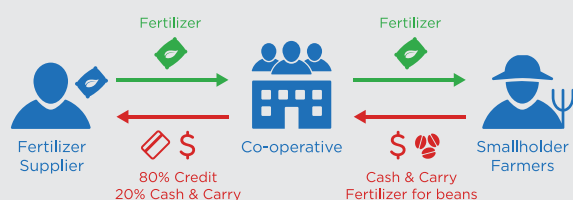
- **The evolution of the Company Action Plans and the partners' distribution models**
- **The farmers' and cooperatives' views on the Company Action Plans**

In 2014, the participating cocoa and fertilizer industry partners committed to piloting different fertilizer distribution and payment models. The three models of fertilizer-for-beans, cash-and-carry, and credit were tested to understand how to further improve these models.

Over the period of the Initiative's pilot phase, an important evolution was the increasing importance of savings as a precondition for fertilizer purchase. All value chain partners, many in close collaboration with the microfinance institution Advans, now promote the system where farmers save at least 20–30% of the fertilizer purchase price before putting the order through to the fertilizer supplier.

In parallel to testing different distribution models, a handful of companies also decided to pilot a coaching approach for a more intensive knowledge transfer. The coaching process would further assist and motivate the farmer in the correct implementation of GAP by guiding the farmer to use a farm development plan—this strategy was one among others introduced through coaching.

More detailed information is available for 2015. In that year, the industry partners facilitated the distribution of approximately 7,000 MT of fertilizer to 10,000 farmers, accounting for approximately 10% of the Ivorian cocoa fertilizer market. Moreover, in the purchases made by cooperatives from fertilizer suppliers, about 80% of the fertilizer distribution was done through credit schemes, while the cash-and-carry model accounted for 20%.



For the Initiative's evaluation, cooperatives and farmers were surveyed to better understand their views on the activities implemented by the industry members. The two surveyed groups of beneficiaries and non-beneficiaries are similar in characteristics, and more than half of both beneficiary farmers and non-beneficiary farmers reported using fertilizer. Almost all farmers from both groups have expressed their interest in applying fertilizer during the upcoming three years.



Beneficiary and non-beneficiary coops both sold fertilizer, but among the beneficiary coops, 60% said they were very satisfied by the fertilizer use, versus 33% among the non-beneficiary coops. At the same time, the study showed that most beneficiary coops were not satisfied with the fertilizer accessibility, while non-beneficiary coops were satisfied. This did not correlate with the population of farmers. Around 10% of farmers expressed dissatisfaction with the accessibility, purchasing, and payment mode and more than 40% of the beneficiary farmers reported they were very satisfied, versus 20% of the non-beneficiary farmers.

Half of the beneficiary coops—versus 1 out of 5 of the non-beneficiary coops—reported purchasing a bag of 50 kg 0-23-19 below the price of CFA 15,000. A similar trend was seen in purchases of Nitrobor. All beneficiary coops could purchase Nitrobor for less than CFA 15,000 per bag, while all non-beneficiaries paid a higher price. In general, fertilizer is still regarded as too expensive by all cooperatives surveyed, and this is especially the case amongst non-beneficiary coops. Lack of financial resources is a reason that 71% of the non-beneficiary farmers chose not to use fertilizer. Only 26% of the beneficiary farmers cited this as a reason for not using fertilizer. The quality of the fertilizer purchased is positively appreciated by the large majority of cooperatives and farmers, especially amongst beneficiary groups.

Findings on:

- **The link between the joint activities and the Company Action Plans**
- **The Initiative's intervention logic and operational functioning**

During its pilot phase, the Cocoa Fertilizer Initiative worked to address a number of key questions that were organized under three main pillars of activities.

These activities, financed from the Initiative's common budget, were to provide support to the on-the-ground activities implemented by the industry partners through their Company Action Plans.

The evaluation of the Initiative shows that there is a strong interaction between the Initiative's joint activities and the priorities of the cocoa sector stakeholders. While there was no defined intervention logic at the start of the program, nor a comprehensive M&E system to monitor the progress, the Initiative has successfully convened all relevant actors in a permanent platform for an action-oriented and constructive dialogue. The value chain approach brought together a diverse group of (inter)national stakeholders, and this facilitated the transfer of knowledge as well as the strengthening of the capacities in the Ivorian cocoa sector. To name a few examples: Thanks to the harmonized manual—which integrated the various training materials into one system—there is a common understanding of the required content for training on GAP. And the AFAP risk-sharing mechanisms have deepened the industry members' understanding of the risks and risk-mitigation strategies related to fertilizer distribution.

If the chronology of the various interventions had been better coordinated, the overall program would have produced stronger outcomes. Also, one of the stumbling blocks has been the failure to establish consensus on the recommendations on fertilizer formulas. Partners agreed that at this current state, the main achievement on this point is that there now is a better knowledge of the agro-climatic conditions in the Ivorian cocoa belt. For instance, there is greater clarity on the levels of soil acidity and on the pronounced regional need for nitrogen.

Recommendations from the Evaluation

Several key lessons can be learned from the implementation of the Cocoa Fertilizer Initiative:

- The establishment of an inclusive, dynamic, and flexible governance system ensures, at all times, the adaptation to new problems and the mobilization of the stakeholders.
- Capacity building (training, coaching) of cooperatives and producers greatly contributes to improving the responsible adoption of fertilizer.
- The introduction of a financing system adapted to the economic and cultural situation of farmers increases the acquisition of fertilizer.
- The establishment and operation of a comprehensive system of routine monitoring and evaluation is useful to ensure the availability of information on performance indicators and to convey the effectiveness of the Initiative.

The evaluation concludes that, overall, the pilot phase of the Initiative has been satisfactory, considering the enthusiasm for fertilizers among all actors in the cocoa value chain. When the sector will move forward with this agenda, the following recommendations should be considered:

- Take into account issues related to plant nutrition when designing and implementing strategies on soil fertility.
- Capitalize on the research work done by CNRA on the soil mapping and on CIRAD's work with 140 farmers on fertilizer monitoring and testing. Collaboration on methodology, composition of research teams, and sharing of results and conclusions can ultimately promote consensus on the recommendations for farmers.
- Define and implement a formal monitoring and evaluation system that also targets communication with and to the producers, the final beneficiaries of the numerous investments.
- Finalize and disseminate the accessible training tools ("Image Boxes") for farmers.
- Promote coaching mechanism at the cooperative level and develop a procedure for this purpose (technical services, human and financial resources).
- Continue cooperatives' capacity building; for example, by promoting acquisition of equipment for cooperatives in order to optimize the supply of fertilizer. Do this by strengthening the cooperatives' relationship with banks and microfinance institutions. At the same time, promote competition in the agricultural credit market.
- Train cooperatives on the manufacture and use of organic fertilizer.
- Use AFAP's experience and recommendations in identification, installation, training, and monitoring of independent agrodealers.

EVALUATION REPORT

| JOINT ACTIVITIES | |
|---|--|
| Shipment of 10,000 MT of Teractiv to Abidjan | Mar-13 |
| CIRAD contracted | Sep-13 |
| AFAP contracted | Mar-14 |
| CNRA contracted | Jun-14 |
| Coaching prototype projects start | Jan-15 |
| Draft soil mapping report published | Sep-15 |
| Fertilizer Quick Scan published | Oct-15 |
| Final soil mapping report published | Jun-16 |
| Final CIRAD report published | Dec-16 |
| GOVERNANCE | |
| Signature of Letter of Intent | Nov-12 |
| Supervisory Committee meeting | May-14, Nov-14, Jun-15, Dec-15, Jun-16, Oct-16 |
| Scientific Committee meeting (in-person) | Aug-14, Apr-15, Oct-15, Jun-16 |
| Country Committee meeting | Nov-14, Feb-15, Nov-15, Jan-16, Jun-16, Oct-16, Nov-16, Jan-16 |
| Scientific Committee visit to Côte d'Ivoire | Apr-15 |
| Progress field trip by IDH and Conseil | May-16 |
| COMMUNICATIONS | |
| Fertilizer forum organized in Amsterdam | Jun-13 |
| Fertilizer forum organized in Copenhagen | Sep-14 |
| Fertilizer Bulletin published | Jan-15 |
| Fertilizer Knowledge Forum organized in Abidjan | Apr-15 |
| Fertilizer Bulletin published | Jun-15 |
| 2015 annual report published | May-16 |

| Key Question | Joint Activities | Achievements | |
|---|--|--|---|
| Enabling Environment: | | | |
| How can the investment risks be reduced? | Risk-sharing facility (AFAP) | Risk-sharing tested w Cargill-LDC and BC-Yara | |
| | Agrodealer professionalization (AFAP) | 20 coops / agrodealers trained and coached on responsible fertilizer commercialization | |
| | Fertilizer Market Quick Scan | Fertilizer Market Quick Scan published end 2015 (IFDC) | |
| Knowledge Agenda: | | | |
| What fertilizer should be promoted? | Soil mapping (CNRA) | Soil mapping available | Industry has aligned on support for the implementation of a fundamental research agenda |
| Which farmers are ready / willing to adopt fertilizer? | Fertilizer Monitoring & Tests (CIRAD) | | |
| What is the business case for farmers, cooperatives, and companies to invest? | | | |
| Training & Dissemination: | | | |
| How can the knowledge transfer take place effectively and efficiently? | Harmonization of training manuals & development of accessible training tools | Harmonized GAP curriculum developed | |
| | Pilots on coaching approach | Four partners have prototyped coaching and are confident to further scale | |