



# Cocoa Origins

## Information meeting

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About the programme

22-02-2018

# Letter of Intent:

## Sustainable cocoa consumption and cocoa production

Background:

- Global cocoa production is approximately 3 million tons
- Of which 25% of all cocoa processing is executed in the Netherlands
- The Dutch cocoa industry has an annual turnover of Euro 2.5 billion and generates over 10,000 jobs. In the Netherlands alone:
- Level of consumption is approximately 37,000 tons of cocoa beans
- this is equal to nearly 5 kg of chocolate per person.



# Letter of Intent:

## Sustainable cocoa consumption and cocoa production

Commitment:

- Work together on international level to contribute to the revitalization of the cocoa sector within our own responsibilities and capabilities
- In close collaboration with the responsible authorities help improve the lives and incomes of millions of small farmers and to build an attractive cocoa sector for current and future generations.

This ambition can be translate into reality through

- Training/coaching of farmers in modern agricultural techniques to promote higher productivity and better quality cocoa
- Support the organization and strengthening of producer groups and improved working and living conditions.
- Promote the international public-private cooperation in the cocoa sector



# Letter of Intent:

## Sustainable cocoa consumption and cocoa production

### Milestones:

- 2012: all chocolate letters for the Dutch market are from 100% sustainable cocoa
- 2015: 50% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa
- 2020: 80% of all cocoa used in cocoa and chocolate products that are consumed in the Dutch market to be guaranteed sustainable cocoa
- 2025: 100% of guaranteed sustainable cocoa consumption



## Goal

Supporting smaller cocoa users to live up to the commitment and bring sustainable cocoa products to the Dutch market for consumption.

## Objectives

Increase sustainable cocoa production by encouraging the private sector to develop new cocoa supply chains or re-arrange / expand existing ones and to improve availability of sustainable cocoa products on the Dutch market.



# Strategy

- Support a variety of projects that will help the smaller chocolate users to actively support sustainability at the origin of the supply chain
- promote cooperation throughout the supply chain, contributing to closer and more stable, long-term trade relation
- limit the risks, by providing funding for initial investments in creating, re-arranging or expanding cocoa supply chains
- and/or for (accompanying) projects with impact on economic, social and environmental conditions for cocoa production



## Potential applicants

Project applicants that are directly involved in the supply chain, like:

traders, processors, B2B manufacturers of semi-finished products such as couverture and industrial chocolate, B2C manufacturers of cocoa products (chocolate, cosmetics, ice creams, confectionery), bean to bar chocolate makers, craft chocolatiers, retail and others

Project applicants that are indirectly involved in the supply chain, like:

Industry associations, banks, NGO's, risk investors

All applicants have to serve the Dutch market, at least partially. The program encourages coalitions of supply chain partners to apply as a group.



## Eligible types of projects

A Projects aiming for innovation in the supply chain (for example relocation of production, shortening the supply chain, new supply chain).

B Field level Projects (FLP) with activities in the cocoa origin, including:

- investment in productivity and quality of the cocoa (e.g. training, GAP, post-harvest services),
- Projects towards income diversification, gender equity, improved nutrition or other and other social factors
- projects mitigating environmental impact of cocoa production and other environmental factors



# Projects finances

Smaller projects:

Minimum of 50.000 EUR private sector investment

Larger projects:

From 100.000 EUR private investment. Maximum contribution from the Cocoa Origins Program is 300.000 EUR

All projects must be finalized by the end of 2021.



## Co-funding principles

- All proposals require a minimum level of private/public co-funding of 50%.
- All projects must meet the requirements of EU policies on competition and government procurement.
- Subsidies for field level projects is available for part of costs for the technical support projects with impact on social, environmental and or economic conditions for cocoa production and /or part of extra expenses that occur for project applicants because they participate in the project.
- Overhead costs (including all administrative personnel) of the project should not exceed 10% of the total project costs.



# Criteria for project selection

1. Sustainability
2. Traceability
3. Strength of linkages to the objectives of the Letter of Intent
4. Implementation in the selected regions
5. Level of impact on the Dutch market
6. Auditability



# 1. Core elements of sustainability

1. Transparency
2. Compliance with laws and regulations
3. Good price for cocoa quality, improved productivity and incomes for farmers
4. Access to credit and rural development services, and diversification
5. Market access and market information
6. Decent working conditions
7. Support for farmers and labour organizations
8. Unique land use planning and good infrastructure
9. Wise management of natural resources
10. Conservation and wise use of biodiversity



## 2. Traceability

1. Identity preserved
2. Full segregation
3. Administrative traceability (mass balance)



## 3. Linkages to the Letter of Intent

1. Improve the market share of sustainable cocoa
2. Improve the level of traceability of sustainable cocoa
3. Improve the impact of the sustainability of the cocoa
4. Improve the public awareness of sustainability



## 4. Implementation in the selected regions

Latin America:

Colombia, Ecuador, Peru

Africa:

Cameroon, Liberia, Sierra Leone



## 5. Impact on the Dutch Market

The higher the volume of cocoa from the project destined to the Dutch market, the better

## 6. Auditability

KPI proposed by the applicant, ease of audits in the region where the project is implemented etc



# Application process

2 steps:

1. Step: submission of Concept note (template available online) –deadline March
  - Feedback from Program Management team and if approved invited to development of a full proposal – mid April
2. Step: submission of Full proposal phase (template will be shared)

Deadline: 25 May 2018

- Evaluation by Project Review Committee 7 June 2018
- If approved the contracting



# Programme governance

- Program Advisor Committee (PAC)
- Program Management team
- Project Review Committee (PRC)
- Implementing Partner



**Thank you**

For your attention

