



**Cocoa
Origins**

Information meeting

Example of a cocoa producer support program

22-02-2018

Letter of Intent:

Sustainable cocoa consumption and cocoa production

Background:

- Global cocoa production is approximately 3 million tonnes
- 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 tonnes 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 we will 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 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.
- And by 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

Note: A combination of both categories is also possible.



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.



Selected regions

With the intention to reaching out a wide group of potential project applicants, the Cocoa Origin Program, is open for the following regions:

- In Latin America: Northwest regions, with focus on Colombia. Peru and Ecuador will also be considered.
- In Africa: The Western region with focus on Sierra Leone, Liberia and Cameroon.



Call for proposals

- The first round for proposals took place in February 2018. Full proposals are currently being assessed.
- There will be a second round at the end of the year. In the program [prospectus](#) all the criteria can be found to fill out the [concept note form](#) for a proposal.
- To access the documents and further details, please visit:
<https://www.idhsustainabletrade.com/initiative/cocoa-origins/>



Framing the Colombia Partnership Cocoa Program

Proposal for discussion

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Scoping Insights

- **Policy and national framework:**
 - On policy level not apparent consensus on the best international segment to be targeted.
- **Competitiveness:**
 - The dominant (>90% of production) traditional domestic cocoa market is not likely to contribute to further sustainable development.
 - The international “fine flavor” cocoa market segment requires better conditions for the producers



Framing the Colombia Partnership Cocoa Program

Proposal for discussion

Scoping Insights

- **Multistakeholder commitments**
- **Significant opportunities for focused technical assistance for producers on fine flavor cocoa quality requirements.**



Proposal (first outline)

The scoping insights lead to two parallel clusters of activities:

- Select, improve and scale the most promising technical assistance projects with focus on fine flavor cocoa.
- Organize the dialogue for a cocoa sector vision for Colombia



Thank you

