BEYOND CHOCOLATE

Overview co-financed projects



9 PROJECTS

1. Beyond Trees, Towards a Better Income for Cocoa Farmers (Cargill)
2. Cocoa Household Income Diversification Project (Barry Callebaut)
3. Changing the norm in the cocoa sector (Tony's Chocolonely)
4. Sustainable organic and high-quality cocoa production for the cooperative Yeyasso in Ivory Coast (Galler)
5. Landscape for Cocoa Livelihoods (Mondelez-CIAT)
6. A Living Income for cocoa farmers in Côte d'Ivoire: a chainwide collaboration to move from concept to reality (Colruyt Group)
7. A living income for sustainable organic farmers (Puratos)
8. Direct market access for Ituri smallholder farmers producing deforestation-free premium cocoa
9. To be confirmed

CONTEXT

Under the Beyond Chocolate Program, a fund of 2 Million euros is made available by Belgian Development Cooperation for the co-financing of pilot sustainability projects. IDH The Sustainable Trade Initiative is managing the fund.

In the course of 2020, several Beyond Chocolate partners have handed in project proposals, which were then carefully reviewed by a Project Review Committee, consisting of the beyond chocolate management, a representative of Belgian government, a representative of IDH and two external experts. In total, 9 projects were approved for co-financing.

These projects all aim to improve, innovate, scale or accelerate the effectiveness and efficiency of sustainability initiatives in the Belgian chocolate sector, and therefore contribute to the achievement of both the general and respective individual ambitions in the Beyond Chocolate partnership. Learnings and best practices from these projects will be regularly shared with the partnership.

In this document you can find a brief overview of the projects that are being implemented under Beyond Chocolate

Belgium
partner in development

Beyond Chocolate



BEYOND TREES, TOWARDS BETTER INCOMES FOR COCOA FARMERS

Cargill, PUR Projet & Empow'Her

This project will promote the adoption of cocoa-agroforestry and off-farm reforestation following a community-based approach as a major strategy for enhancing conservation outcomes while also seeking to improve rural livelihoods of cocoa farmers and their families. Moreover, the project aims to enhance Women Empowerment through the development of microenterprises managed by women. The long-term impact objective of this project is to simultaneously improve the income and living standards of cocoa farmers and their communities and to end further deforestation for production of cocoa.

Country:
Côte d'Ivoire

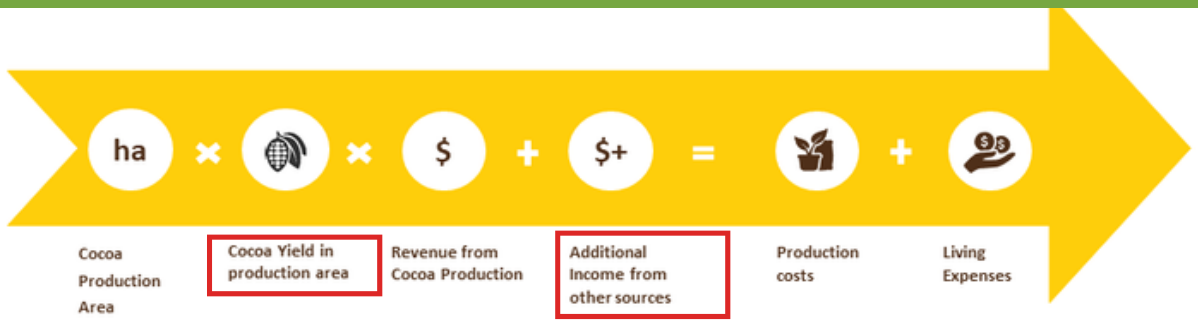
Region:
San-Pédro, Bas Sassandra district

Scope:
1000-1200 farmers

project duration:
Q3 2020-2023

Project budget:
EUR 748.670

LIVING INCOME DRIVERS



The project will focus on productivity increase and diversifying activities to close the living income gap.

The project will promote agroforestry models which will deliver a mix a various ecosystem services, including soil fertility, watershed health, biodiversity and pollination, and climate change adaptation with subsequent long-term positive and stabilizing impact on cocoa farm yields and productivity. Through continuous technical assistance, farmer training on Good Agricultural Practices and Agroforestry, as well as one-to-one farmer coaching the project aims to ensure that cocoa farmers have the right information to implement efficient inputs and labor use to secure cocoa farm productivity and optimize return on investment of agroforestry.

The project will identify market opportunities for the creation of additional and new income streams. As such, the project will coordinate efforts with a new or existing (timber) companies as a key activity to install long-term agreements on the commercialization of agroforestry products.

Impact KPI

% Income increase towards closing Living Income gap

Outcome KPI's

% increase in yield compared to baseline

DEFORESTATION

Deforestation is a huge challenge in the West Sassandra region. Due to the socio-political crises between 1999 and 2011, and the consequent displacement of populations and decline in land productivity in the Centre, the forest of the South-West is under high pressure. While the South West forest still covered 37% of the national territory in 1960, it decreased to less than 14% in 2010. The highly degraded Classified Forests of Rapides Grah & Haute Dodo are also located in this region, as well as the Taï National Park (4.63 M ha), which has been identified as a high conservation value area, with biodiversity hotspots and endemic species.

The project provides access to agroforestry inputs for distributing, planting, growing and monitoring 100.000-120.000 trees. Trees on farms restore ecosystems as they generate favorable ecosystem services, such as water conservation, soil enrichment, wind breaks and shade. This also helps farmers adapting to climate change and extreme weather events. When cocoa production is complemented diversifying activities, farmers and their communities can then better respond to fluctuations in cocoa profitability without imminent trigger to expand farming to new forested areas.

Impact KPI

% in Tree Cover Loss on Primary Forest compared to previous year

Outcome KPI's

Hectares of cocoa agroforestry developed



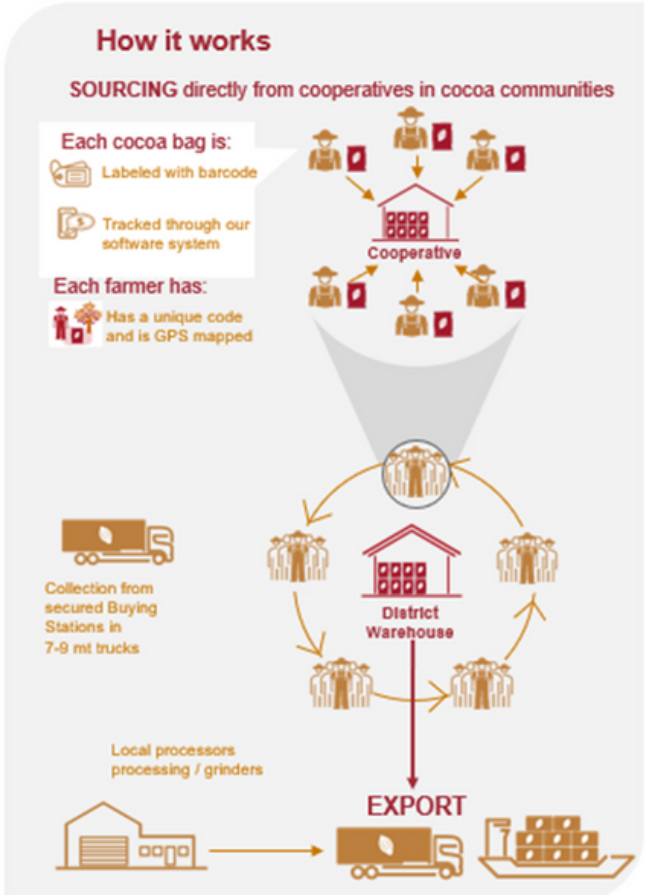
WOMEN EMPOWERMENT

The project recognizes female and male farmers experience different opportunities and hurdles to access climate services and information in agricultural decision-making and that if gender dynamics are not addressed, this may lead to unintended consequences. Therefore, the project partners will focus on the relation between women and men in value chain interventions and include gender considerations in training curricula and direct farmer engagement strategies.

The project is working with Empow'her to engage 50-70 women that are part of community associations and women's groups in an ideation phase that inspires them on initiating innovative and inclusive approaches applicable to agroforestry-related activities. This is expected to lead to the incubation of 12 micro-enterprises that complement community-agroforestry and reforestation, stimulate environmental awareness and enable the creation of local economies around the production and marketing of agroforestry inputs and products.

TRACEABILITY & TRANSPARENCY

The project will build on and strengthen Cargill's first-mile traceability approach that uses GPS farm mapping in combination the Cooperative Management System (CMS) technology to trace cocoa from the farm level to the first purchase points (Cooperative). This CMS system generates transparency towards consumers about where cocoa comes from, and also facilitates digital premium payments transaction to farmers as a way to increase two-way transparency.



Cargill

Belgium
partner in development

idh the sustainable trade initiative



COCOA HOUSEHOLD INCOME DIVERSIFICATION PROJECT

Barry Callebaut, ALDI SOUTH Group, Boris B Farms Limited, Envirofit West-Africa limited, Koudijs Ghana Limited, Meridia, Solidaridad West-Africa

This farmer income diversification project is aimed to improve the living income of cocoa farmers linked to Callebaut, a premium Belgian brand, and the Aldi South Group through the Cocoa Horizons program implemented in Ghana. The project will support farmers in developing farm business plans, and bring Farm Services support and financial inclusion activities. These elements will support farmers to increase their farm incomes.

Country:
Ghana

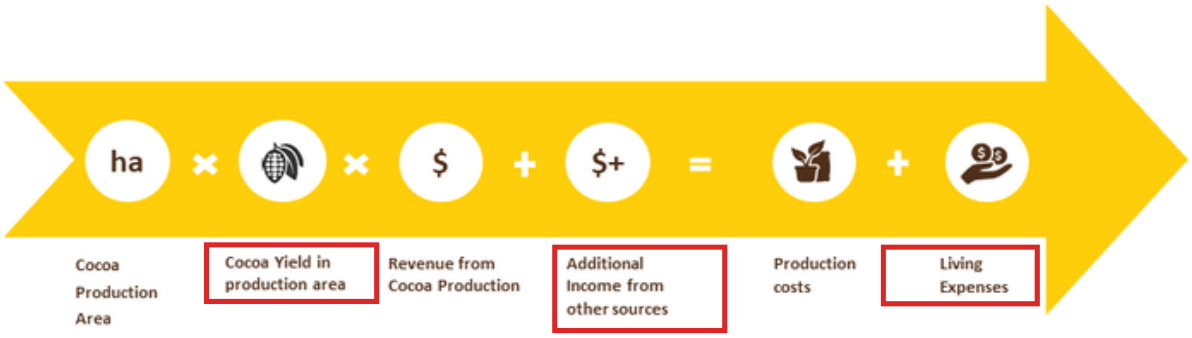
Region:
Western North Region , Ashanti Region & Central Region

Scope:
1500 farmers

project duration:
2020-2022

Project budget:
EUR 948.054

LIVING INCOME DRIVERS



The project aims to achieve a living income through productivity increase, diversification and financial empowerment.

The project will encourage farmers and communities to underplant 40ha of old and under productive cocoa farms. This will increase the yield of cocoa in the existing farms from less than 100kgs/Ha to about 800Kgs/Ha over 5 years. Rejuvenation will also help cocoa farmers not to discard the existing farms, but to prune the farms massively and get the new seedlings along with the alternate crops like plantain and banana to be planted in the farms. The new system will also promote planting of native timber species as shade in the farm.

The project will help to further diversify household incomes by setting up 77 VSLA's, of which 40 with a poultry meat production system. For this, Barry Callebaut will work with Boris B Farms, Ghana's leading poultry input service provider.

Lastly, the project will help farmers lower their living expenses by providing 500 energy efficient cooking stoves which reduce costs for cooking fuel.

Impact KPI

% Income increase towards closing Living Income gap

Outcome KPI's

# of VSLAs created and made bankable

% of VSLA members with a successful poultry business

% of cocoa farms rejuvenated

DEFORESTATION & BIODIVERISTY

The project will provide land titles to about 1000 smallholder cocoa farms. This land certificate creation will enable more transparency on the existence of farms near the protected forest and enclaves and hence gives a validation of the legality of such farms.

Furthermore, the abovementioned energy efficient cook stoves that the project will provide help halt deforestation through the reduction of consumption of wood by 50%. These wood based (not charcoal based) cook stoves will also reduce air pollution and reduction in wood consumption through efficient burning.

Lastly, farmers and communities are incentivized to rejuvenate the old cocoa farms rather than discarding the same or going into protected forests to plant new cocoa farms.

Outcome KPI's

% of cocoa farms rejuvenated

legal land titles

households having cookstoves used at home

ACCESS TO FINANCE AND BANKABILITY

The project will provide working capital support to community groups mainly consisting of women via Village Savings and Loan Associations (VSLA's) that will stimulate savings, community empowerment and entrepreneurship. The target of the project is to build 77 VSLAs across 8 districts in 2.5 years. The VSLAs will be trained and equipped to start activities such as community nurseries and poultry farming.

Barry Callebaut, with support of the project partners, will try to empower the VSLAs to get financially included through association with Micro-finance Institutions. Barry Callebaut will work with their longstanding partner Advans to support with credit and digitalize VSLAs where possible.

Whether the VSLAs are successful or not will be measured via an established methodology of CARE International and through VSLA documentation and sample-based audits on the ground using the VSLA Group Health, Routine and Maturity assessment. Furthermore, VSLA bank statements, farmer perception and satisfaction is assessed on a sample basis in the field by Barry Callebaut or the implementing partner.

Furthermore, the abovementioned provision of land titles will give cocoa farmers a boost to legalize their ownership and gain more bankability for their assets. The land titles will enable them to invest in the farms for long term. Land title offering will be integrated as a default offering of each VSLA. The main goal is to encourage farmers' entrepreneurial behavior and willingness to invest in their farm development by:

- fulfilling compliance with loan requirements of financial institutions and thus increasing farmers' likelihood to participate in financial products (eg. bank loans).
- Mitigating risk that land will be claimed by others after investing in higher productivity.





CHANGING THE NORM IN THE COCOA SECTOR

Tony's Chocolonely, ECAM Cooperative, SOCOOPACDI Cooperative, Ecojad Cooperative, Kapatchiva Cooperative, Ahold DELHAIZE

The objective of this project is to support four Open Chain cooperatives in Côte d'Ivoire to be able to deliver according to the 5 Sourcing Principles. The five sourcing principles are focussed on traceable beans, a higher price, strong farmers, long term relationships, and productivity and quality.This on the ground support and growth will make joining the Open Chain more attractive for mission allies (chocolate brands), ensuring the long-term support and sustainability of the cooperatives in Côte d'Ivoire.

Country:
Côte d'Ivoire

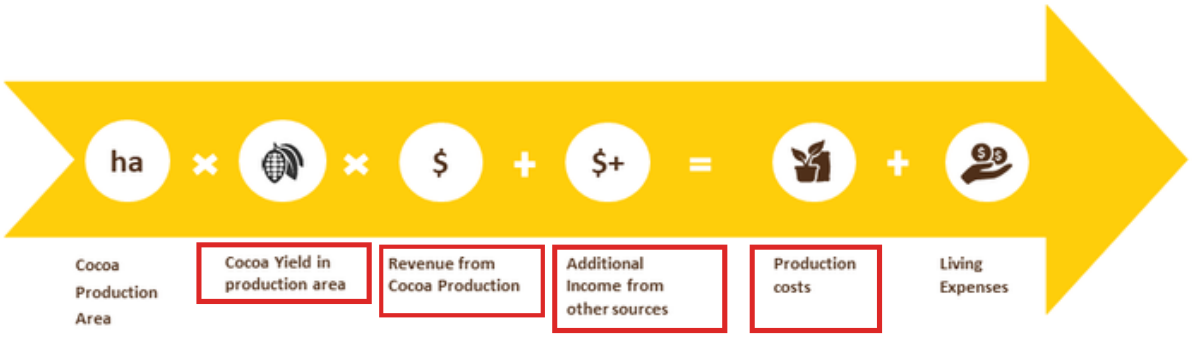
Region:
Divo, Meagui, Bonon & Daloa

Scope:
6.564 farmers

project duration:
Q3 2020-2023

Project budget:
EUR 768.300

LIVING INCOME DRIVERS



The purpose of the project is to demonstrate that an integrated approach that combines higher prices (a living income reference price) as well as improved productivity (including better agricultural practices, inputs, diversification) is needed to improve cocoa farmers' household incomes.

Mission allies in the Open Chain pay a Living Income Reference Price for cocoa beans. That means Tony's pays an additional $ 825 per MT, which is 63% above the market price (based on the 19/20 cocoa season). Simply paying this higher price does not result in a living income for farmers however; it needs to happen in tandem with other activities.

As such, the project will work on increasing productivity and diversification through the implementation of Individual Farmer Development Plans (IFDP) and coaching. Digitization of these plans at the coops will allow them to service their farmers better and gain efficiencies of scale in their procurement. The project will show that the total investments in the IFDP methodology are earned back through an increased productivity in cocoa and higher yields from diversification.

Lastly, the project will help create labor gangs equipped with technical expertise and dedicated machinery. Farmers have the option of reinvesting the premium they receive in technical assistance of such a gang.

Impact KPI

% farmers earning a living income

% farmers out of (multidimensional) poverty

Outcome KPI's

% farmers paid LIRP for the cocoa sold via Tony's Open Chain

% farmers with other income sources

% productivity increase

HALTING DEFORESTATION

The project will roll-out an agro-forestry program and will develop shade tree nursery capacity for 20+ species in the community. The project will track how many farmers are actively planting shade trees and encourage this activity. Additionally, through GPS mapping of all farms, the project will identify farmers that are located in protected areas. Remediation of the situation these farmers find themselves in will be implemented through diversification of livelihood .

Impact KPI

% in Tree Cover Loss on Primary Forest compared to previous year

Outcome KPI's

% of farmers reaching 18 shade trees/ha or higher



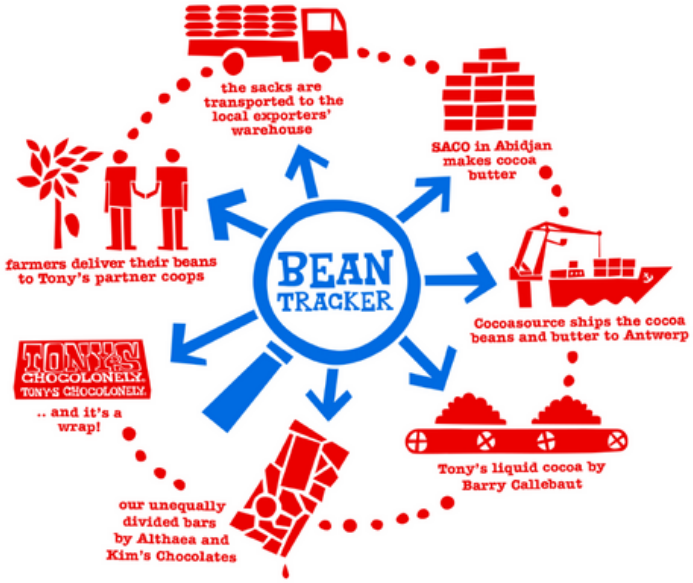
CHILD LABOR & WORKING CONDITIONS

Research shows that more than 1.3 million children work on farms in Côte d'Ivoire under illegal circumstances. The project wants to counter this trend by ensuring all farmers in the cooperative are part of Child Labor Monitoring and Remediation Services (CLMRS). This allows Tony's Chocolonely to monitor the risk of child labor more closely at the partner cooperatives and intervene more effectively. The system is based on the presence of community facilitators from within cocoa-growing communities, and raises awareness on the issue of child labor, as well as supporting the cooperatives the project works with to identify instances of illegal child labor, to find solutions, and to prevent the (re)occurrence of illegal child labor. Through CLMRS, child labor cases are identified and remediated.

Secondly, by focusing on professionalizing existing labor gangs, the project will improve the working conditions of day-laborers and decrease the risk of child labor.

TRACEABILITY & TRANSPARENCY

Tony's Chocolonely works with a ChainPoint technology software system, called BeanTracker. Individual farmer deliveries per lot are collected and entered in the Beantracker. The software also includes a monitoring tool for all actors in the supply chain to see where the beans are at any particular moment in time. On this shared value chain platform all supply chain actors are connected and enter data about 'incoming bean volumes', 'bean volumes on stock' and 'bean volumes going out'.





SUSTAINABLE ORGANIC AND HIGH-QUALITY COCOA PRODUCTION FOR THE COOPERATIVE YEYASSO IN IVORY COAST

La Chocolaterie Galler, ENABEL - TDC, YEYASSO, Ghent University & ZOTO

The project aims to close the gap to a living income for the farmers of the cooperative of Yeyasso in Côte d'Ivoire by contributing to a sustainable cocoa production, diversifying activities and professionalizing the farmer organization. Through this pilot project, producers and cooperative staff will learn how to upgrade their techniques for a most viable and sustainable cocoa and will be inclined towards replicating the model on a bigger scale.

Country:
Côte d'Ivoire

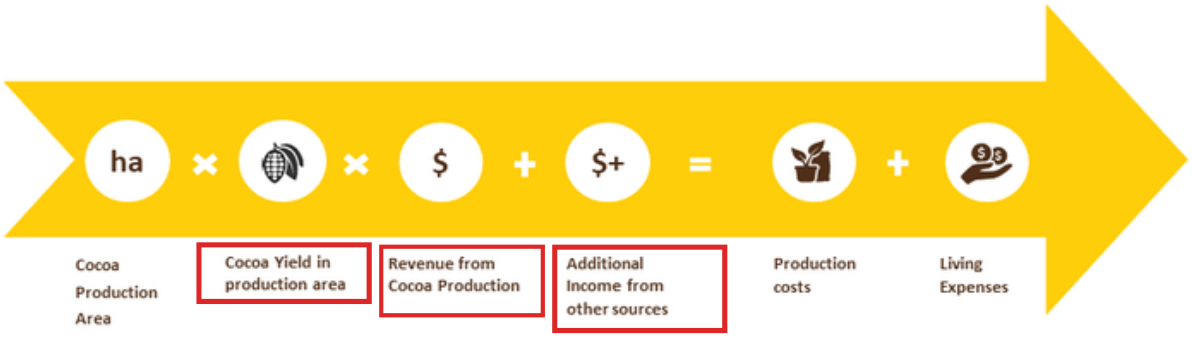
Region:
Tonkpi, near the city of Man

Scope:
Start with 150 farmers

project duration:
Q4 2020-2025

Project budget:
EUR 350.000

LIVING INCOME DRIVERS



The project works on productivity, diversification and quality improvement with a small pilot group of farmers.

The project will convert part of the cocoa production to organic production. The conversion of organic will be paired with intensive training on good agricultural practices (pruning, organic composting, etc.) to compensate for reduced production in the first years of the transition by using no chemical fertilizers. The use of compost, leguminous trees, cattle & poultry manure will improve soil condition and fertility. The project also aims to increase the quality of the farmers' cocoa beans by improving fermentation processes. These activities combined will lead to a quality and organic premium, considerably increasing the farmers' income.

Furthermore, The project will encourage the diversification of activities in order to increase incomes: this will happen through the construction of sustainable small-scale poultry farms for the production of food and organic fertilizers. The project will also promote crop diversification and cultivation by women.

To provide the organizations with the required knowledge and all tools for better access to the markets, the project will coach farmers in financial and business management . The coaching will happen via the customized participatory coaching itinerary developed by Enabel. The project will increase access to finance for farmers by installing loans from banks that are independent from exporters and by installing mobile payment systems.

Impact KPI

% Income increase towards closing Living Income gap

Outcome KPI's

Price paid to producers for their cocoa

# of cocoa farming families with diversified income sources

# of farmers receiving an organic premium

# of farmers receiving a quality premium

DEFORESTATION AND BIODIVERSITY

The project follows the reasoning the problematic of deforestation is strongly linked with the poverty problematic. Therefore, the revenue increase, the better agricultural practices, and the agroforestry and the organic switch will lead to reducing deforestation. The conversion of the area into organic production will also contribute to biodiversity, create a microclimate and restore specific fauna that provides ecosystem services in cocoa cultivation.



WOMEN & YOUTH EMPOWERMENT

The project aims to empower women by including them in innovative activities of diversification such as poultry farming. In addition, several women within the project will be included in the Women School of Leadership, an innovative project by Fairtrade International that brings women cocoa farmers together for a year of training and mentorship on topics of human rights and gender equality, as well as financial management, negotiation, and income diversification project development.

Youth in this project will be empowered through the "Young farmers" program that was initiated by Yeyasso. The objective of the program is to give a local job to the youth living in the villages. The producers can call the young farmers when they have work to do. It is a development incentive and a way to tackle rural exodus. Through this Young farmers program Youngsters in the project are also included in organic cocoa cultivation.

TRACEABILITY & TRANSPARENCY

Traceability is currently guaranteed from the field to the main storage of Yeyasso. The project will strengthen the traceability process in the following two ways:

- Through conversion to organic production. The conditions of the label oblige to ensure traceability from the producer to the Belgian chocolate maker.
- The increase of beans quality will give them specific distinction which will make traceability economically attractive.





LANDSCAPE FOR COCOA LIVELIHOODS

Mondelez, CIAT, Olam, Sustainable Food Lab

Landscapes for Cocoa Livelihoods will develop and validate a framework for managing landscapes that differentiates livelihood strategies for cocoa farmers. The approach recognizes that certain farmers will be better placed to achieve living income through sustainable intensification, while others who generate more ecosystem services through forest conservation will benefit from a stronger livelihood component of payments for ecosystem services. Both groups will be able to benefit from income diversification through promotion of agroforestry.

Country:
Ghana

Region:
Landscape around Tano Offin reserve at Atwima Mponua district

Scope:
650 cocoa growing households

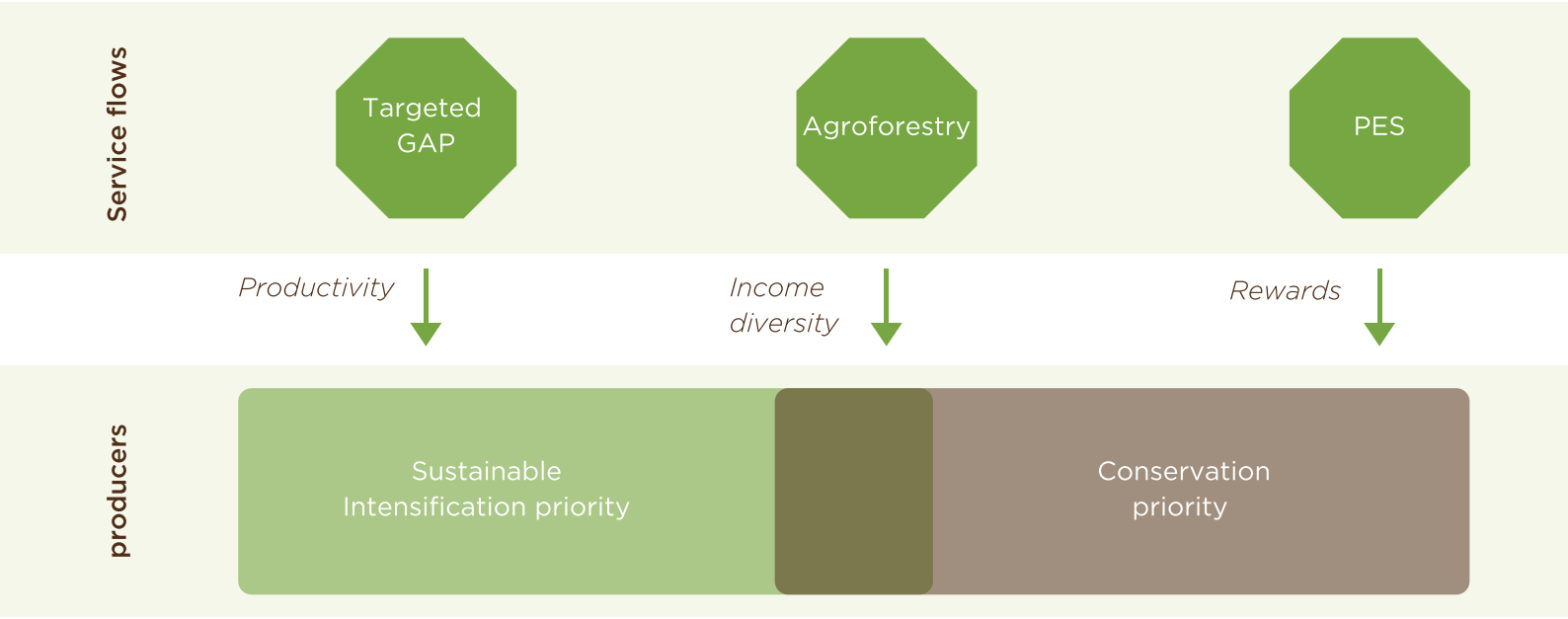
project duration:
2020-2024

Project budget:
EUR 1.141.000

A SEGMENTATION APPROACH TO ADDRESING LIVING INCOME & DEFORESTATION

The Landscape for Cocoa Livelihoods project hypothesizes that two significant barriers to households' ability to achieve a living income from cocoa in Ghana are caused by (1) low yields and (2) lack of a market for positive environmental externalities for shade grown and deforestation-free cocoa.

The project proposes to develop and test a mechanism for managing landscapes that provides living income opportunities for cocoa farmers by addressing these two barriers. Specifically, certain farmers will be better placed to achieve living income through intensification, while for others, payments for their positive externalities will be a more suitable strategy. By segmenting the landscape into priority intensification and conservation zones based on ecosystem services, strategies to achieve living incomes can be better aligned to restoration of environmental functioning and are therefore more sustainable in the long run. Good agricultural practices will be promoted for both systems, including climate smart practices and optimal shading levels.



Based on initial simulations, an estimated 3,000 farmers will eventually be able to close the annual living income gap of 1,500 eur per household through doubling of cocoa yields, while a smaller number of an estimated 500-1000 conservation-priority farmers near environmentally significant zones will eventually be able to close the annual living income gap through a more diversified livelihood approach including shrinking the yield gap, income from shade and timber trees, and payments for maintaining ecosystem services.

Mondelēz International
CIAT Centro Internacional de Agricultura Tropical
Belgium partner in development
idh the sustainable trade initiative

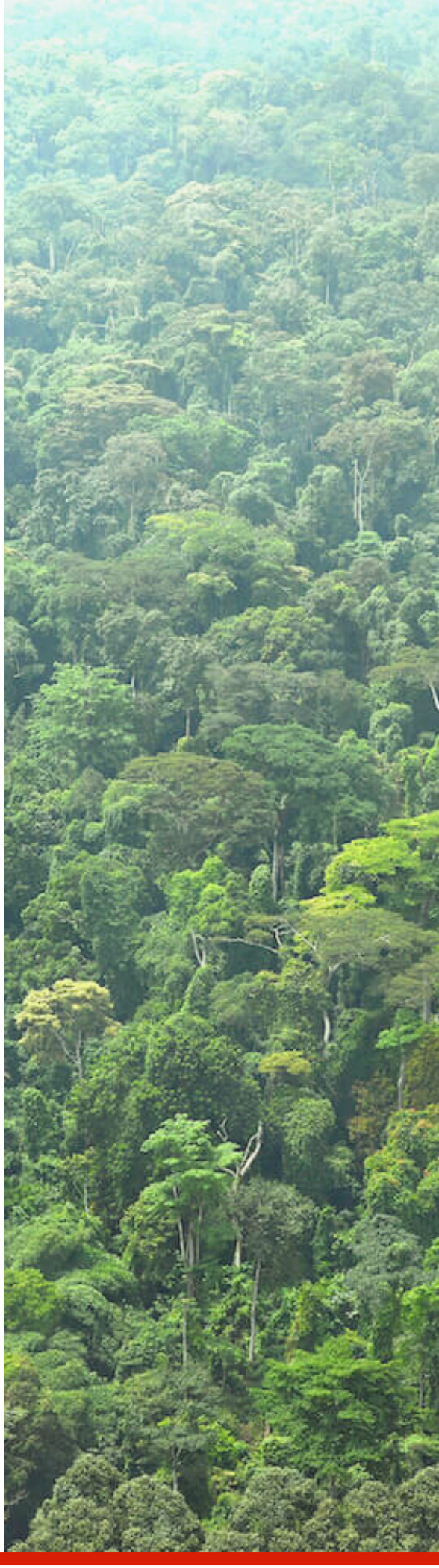
In sustainable intensification zones, the project will deploy Targeted GAP together with demonstration of benefits of diversification through agroforestry. Targeted GAP is a mechanism Cocoa Life has started to pilot in Ghana which provides interest-free production loans for purchase of fertilizers, fungicides and hired labour to a carefully selected number of cocoa farmers. The annual loan (~$800) ensures required resources are available at the right time in order to achieve significant productivity improvement (pilot results indicate double yields are possible). Careful selection of borrowers increases chance of success and reduces repayment risk as they are farmers with a strong, though informal, credit history with the trading company, mature and healthy trees and high willingness to invest in cocoa and adopt new practices such as agroforestry.

In conservation zones, in addition to Targeted GAP for cocao agroforestry management, additional standards related to management of adjacent community forests will also apply. Initial simulations suggest that at scale, an annual payment of about 350 euro per household per year may be feasible to simultaneously achieve living income and avoid deforestation and forest degradation.

Reforestation will be explored as part of the Cocoa and Forests Initiative work planned for the region in order to mobilize resources for reforestation activities. The Landscape for Cocoa Livelihoods project will distribute seedlings to promote tangible tree ownership and appreciation of biodiversity conservation as well as providing the incentives and monitoring mechanism to increase impact and sustainability of reforestation initiatives.

TRACEABILITY & TRANSPARENCY

Concrete measurement and monitoring of the living income levels will be achieved through integration of the remote sensing monitoring system and Olam's traceability system for recording transactions. The system records the volumes and payments at point of purchase, enabling spatial triangulation of volume and payment increases with observed land use change monitoring for determining where intensification and conservation strategies are achieving their intended effects.





A LIVING INCOME FOR COCOA FARMERS IN CÔTE D'IVOIRE

Colruyt Group, Puratos, Rikolto International, Fairtrade International, Ghent University, Agro-Insight, Access Agriculture, Entreprise Coopérative de St. Paul (ECSP)

In this chainwide collaboration, partners work together to bring a living income for cocoa growers in Côte d'Ivoire from concept to reality, contributing to securing long-lasting improvements to the living conditions and environment of 102 cocoa growing households in Daregba and Colonel communities, San Pedro, Côte d'Ivoire.

Country:
Côte d'Ivoire

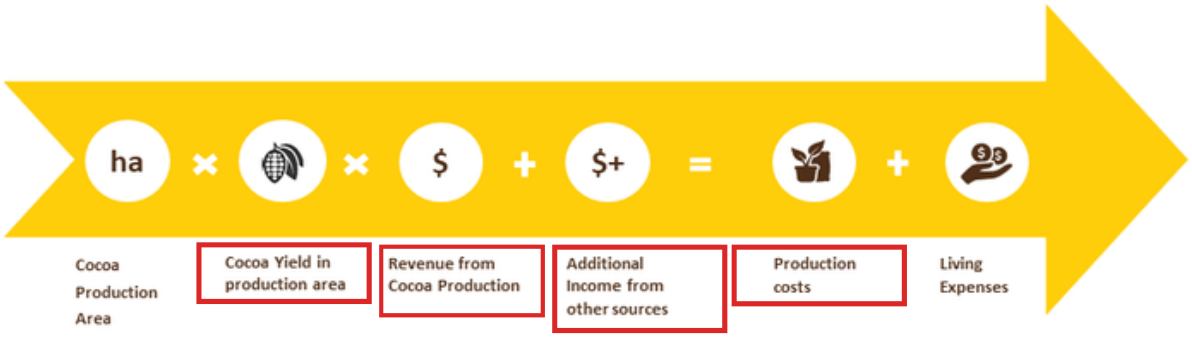
Region:
San Pedro, Daregba & Colonel communities

Scope:
Start with 102 cocoa growing households

project duration:
Q3 2020-2023

Project budget:
EUR 529.000

LIVING INCOME DRIVERS



The project adopts an integrated approach to securing a living income and invests in enabling and stimulating cocoa growers to become entrepreneurs. The project considers six different aspects within this integrated approach to achieve a living income:

Productivity: the project will provide training to 102 farmers on Good Agricultural Practices, pruning, efficient fertilizer use and agroforestry, thus increasing the productivity of their farms.

Quality: The project will train the farmers on post-harvest handling of cocoa beans and will set up two drying and fermentation centers. As such, the project will improve the quality of cocoa up to Gold Standard, so that farmers can receive the Cacao Trace premium.

Income Diversification: The project will explore intercropping cocoa with cassava & cowpea, providing live training and training video's to farmers with a special focus on female entrepreneurship. The project will train cocoa growers on how to produce quality compost to reduce fertiliser use on their farms, hence reducing production costs

Access to Finance: The project will set up four Four Village Savings and Loans Associations (VSLAs) and will train households on accessing finance for their cocoa and non-cocoa business needs. All farmers of the VSLA's will have bank accounts with financial institutions and the project aims to build capacities on the use of mobile payment systems for farmers.

Agroforestry & Reforestation: the project will, in partnership with state institutions, ensure that 80,000 trees will be planted on 1000 ha belonging to ECSP Cocoa Trace communities. The project will support women in establishing nurseries that will produce seedlings of trees (e.g. timber trees, forest trees), part of which will be distributed to communities to establish community forests in degraded areas. Parts of the seedlings from the nurseries will also be available for interested community members to purchase to enhance the canopy cover on their farms.

Price: The farmers within the project will be paid the living income reference price, they will receive a living income premium on top of the farm-gate price, Fairtrade premium and cacao trace premium.

Impact KPI

# of households reaching a living income

Average gap between actual household income and living income (in USD)

Outcome KPI's

% of household income from cocoa

Price paid to farmer in comparison with prevailing market price and living income reference price

Total cocoa output Kg/ha

Production cost/kg for cocoa

% of household income generated through alternative income generating activities in frame of project (businesses, cassava, cowpea, ...)

HALTING DEFORESTATION

To halt deforestation, the project will promote sustainable intensification and diversification of income in order to increase farmers' yields and livelihood, to grow "more cocoa on less land" and thereby reduce pressure on forests. To protect biodiversity and promote sustainable reforestation in Daregba and Colonel, as well as Cacao Trace communities of ECSP, the project will plant 80,000 shade trees on 1,000 ha, converting cocoa-growing areas from monoculture into biodiverse agroforestry systems. This will be done by facilitating access to seedlings of forest trees and providing trainings to farmers on the importance of agroforestry systems and shade trees for climate change mitigation. The project seeks complementarity and coherence with existing initiatives in the region, such as the Cocoa & Forest Initiative and Cocoa Soils. Project results will be communicated to CFI partners through participation in multi-stakeholder platforms.

Impact KPI

% in Tree Cover Loss on Primary Forest compared to previous year

Outcome KPI's

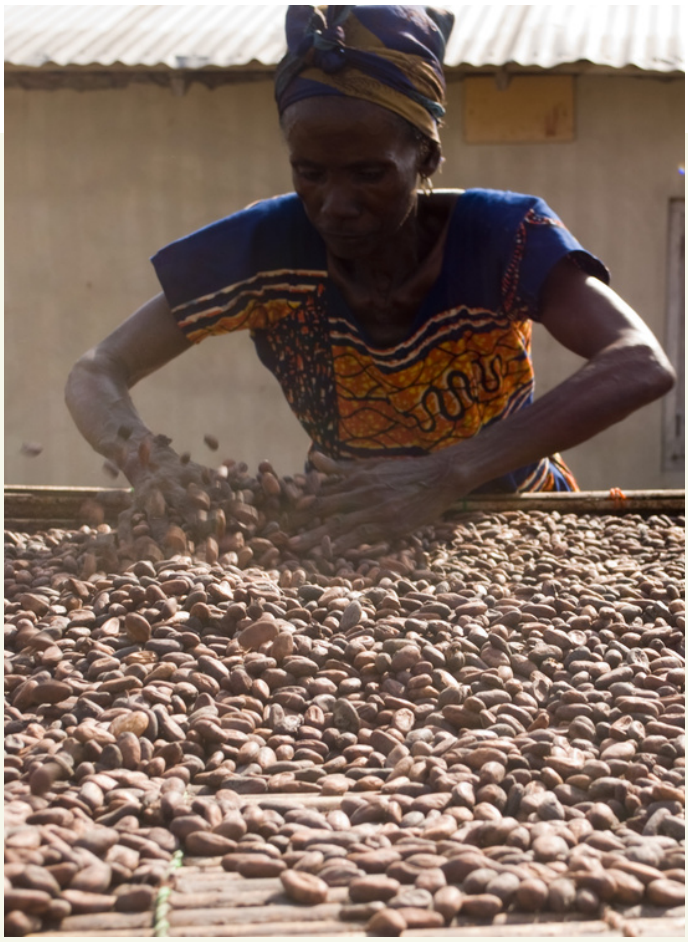
Hectares of cocoa agroforestry developed

Tons of net CO2-equivalents sequestered

Forest preservation and restoration score (0 = community not engaged in forest preservation; 1 = engaged; 2 = significantly engaged and contributing to forest restoration; 3 = strongly engaged)

WOMEN EMPOWERMENT

The project supports women in Daregba and Colonel to establish businesses around seedlings and operations of fermentation and drying centers to provide an additional income source. The women will also be trained on leadership and entrepreneurship skills to effectively manage their businesses and take up leadership roles within the cooperative to transfer gender dynamics. Women of both Colonel and Daregba will also be encouraged to apply to the Women School of Leadership, for training in skills such as finance, negotiation, group decision-making, as well as awareness on gender equality.





FARMER – CHOCOLATIERS SUSTAINABLE PARTNERSHIP

Puratos, Fairtrade Belgium, Belvas

The project aims to secure a living income for 1000 Cacao-Trace and Fairtrade farmers by engaging in an innovative qualitative conversion and long term commercial partnership. The project partners will ensure that the farmers participating in the project will be paid the Living Income Reference Price and that route to market will be ensured for them through long term contracts. Moreover, the project will ensure the set-up of an agroforestry program, which will lead to higher incomes and climate change resilience. Lastly, the Fairtrade Women School of Leadership Project will be an integral part of the project, enhancing women's empowerment and independence.

Country:
Côte d'Ivoire

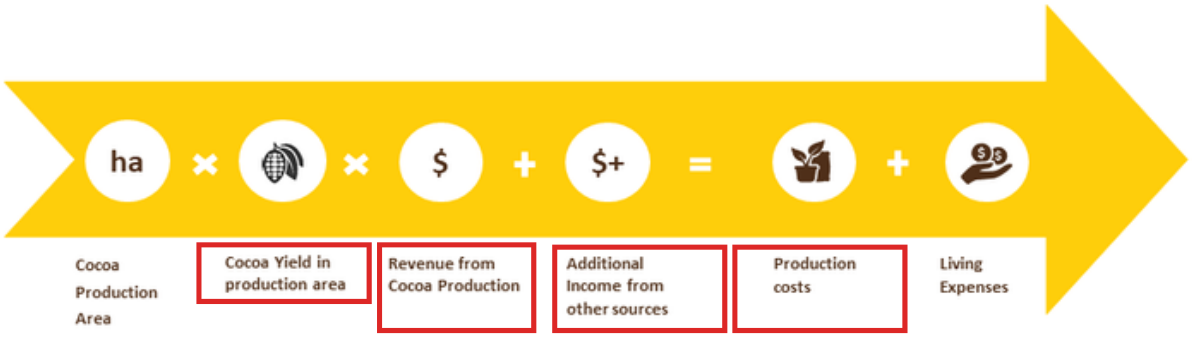
Region:
San Pedro area

Scope:
1000 farmers

project duration:
2021-2023

Project budget:
EUR 300.000

LIVING INCOME DRIVERS



The project will compile two certifications, Cacao Trace and Fairtrade, to ensure to cocoa grower the Living income reference Price of 2200usd/Kg. The Fairtrade component will guarantee a floor price (2400 FOB) and an extra premium of 240 USD/MT for the cooperative. The premium use will be democratically agreed by the cooperative.

Furthermore, the project will mutualize post-harvest steps (fermentation and drying) at village level which will ensure superior quality of beans and chocolates and thus help increase farmer incomes. Moreover, it will free up farmers' time for other income generating activities and allow for a direct link between dedicated communities and selected customers. The point is not that Puratos takes on the long run the full responsibility of the post-harvest process, but that the management of the center should be gradually transferred to the communities.

Puratos will also ensure route to market for the project and encourage its customers to engage individually and for long term toward dedicated farming communities. Through Puratos' Belgian Foundation "The next generation cocoa foundation", partner chocolatiers engaging in the project will have an easy & transparent vehicle to contribute further and on free will basis to farmer income and bridge the gap toward LIRP.

Lastly, project partners will deploy agroforestry within the program and will extend it to surrounding communities. This Agroforestry component will be organized through a Carbon in setting program by Pur Projet (on the behalf of Puratos). Seedlings and requested training will be distributed in the communities. The objective is to bring additional income through increased cocoa yield and diversified sources of income.

Impact KPI

# of farmers reaching a living income

Outcome KPI's

Number of Farmers gradually closing the gap to LIRP

# of partner chocolatiers engaged in the project

Volume of chocolate sales

% of cooperative certified Cacao-Trace + Fairtrade

Volume of dry cocoa beans reaching quality post harvest standard

Average yield per hectare

HALTING DEFORESTATION

Fighting deforestation in Ivory Coast is a challenge since there are many cocoa farms in illegal areas. Strict community selection and strict flow management need to be put in place to offer solutions to this issue. Therefore, the project will include farm mapping and traceability systems that prevent any sourcing from protected areas.

Puratos Reliable partners in innovation

CACAO-TRACE

Belgium partner in development

idh the sustainable trade initiative



WOMEN EMPOWERMENT

Women empowerment is one of the project pilars. As such, the Project aims to give a prominent role to women in the management of the community fermentation centers. Women's task in these centers will include handling the pre-financing aspect together with the coops, organizing the post-harvest operation, and stock and logistic management.

On top of that, the cooperatives will take part in the Women School of Leadership trainings from Fairtrade Africa. These trainings will enhance the self-confidence and self-esteem of individual women, empowering them to understand their rights, build their financial and farming skills, and support other women farmers.

CHILD LABOR

Under the Cacao Trace Program, the participating farming households will be covered by Child Labor Remediation and monitoring Systems (CLRMS). Digital systems will allow to monitor the children in the farmers' households and their access to education through local community leaders and annual surveys.

By purchasing cocoa under Fairtrade conditions, the cooperative will also need to be compliant with the Fairtrade standards including the respect of ILO conventions where child labour is forbidden. Fairtrade also working on a preventive way on the ground in order open dialogue with the cooperative, the farmers and the children and give them the tools and knowledge to monitor and remediate when necessary

To complete the systemic approach of child labor, the Cacao-trace Chocolate Bonus is invested partially in education though financing of school infrastructure, education materials and schools fees.





DIRECT MARKET ACCESS FOR ITURI SMALLHOLDER FARMERS PRODUCING DEFORESTATION-FREE PREMIUM COCOA

ZOTO, Silva Cacao, Rikolto, UPCCO, Cacao Okapi

The project will help 1,500 cocoa producers of the Ituri district in DRC reduce the living income gap through long term direct access to the remunerative Belgian market with specialty and premium bulk cocoa. Through the project, the quality of Ituri cocoa will be improved considerably and it will obtain better prices. Moreover, the project will reduce pressure on the okapi wildlife reserve.

Country:
Democratic Replublic of Congo

Region:
Ituri province, Mambasa and Irumu territories

Scope:
1500 farmers

project duration:
March 2021- March 2024

Project budget:
EUR 422.655

TOWARDS A LIVING INCOME THROUGH A DIRECT TRADE MODEL



Cocoa growers in Ituri are facing a market situation dominated by a few big buyers paying low prices and not rewarding quality: at any given point in time, the price is the same and the only recognized category is volume cocoa, with a negative price differential compared to the New York reference price. Intermediaries lower the farmgate price even further for those living at longer distances from the main road.

The theory of change for this project is to create direct commercial relationships, which allow farmers to recover a larger share of the price paid for the product, together with an improvement in quality, which will be further enhanced by a quality premium.

The consortium of partners intends to develop two new value chains with increased potential to raise the living income of smallholder cocoa farmers substantially, while reducing the ongoing pressure on natural resources in the area. UPCCO will be supported to put in place a strategy to produce farm-fermented premium certified bulk cocoa, while CCO will develop the specialty cocoa market. Cocoa farmers will gain new competences as they will be trained for better post-harvest processing at the farm site, while others will entrust their produce.

The project will also ensure two-sided transparency. For the first time in Eastern DRC cocoa history, cocoa growers will be openly informed about the export contracts for their cocoa, how big is their share in the benefit, how much the benefit will be for the exporter and how this benefit will be used to strengthen their value chain and generate further returns for their communities.

Impact KPI

Number of suppliers for specialty cocoa and premium bulk cocoa value chains

Average increase in income through project activities

Outcome KPI's

Number and volume of direct sales contracts

Quality score

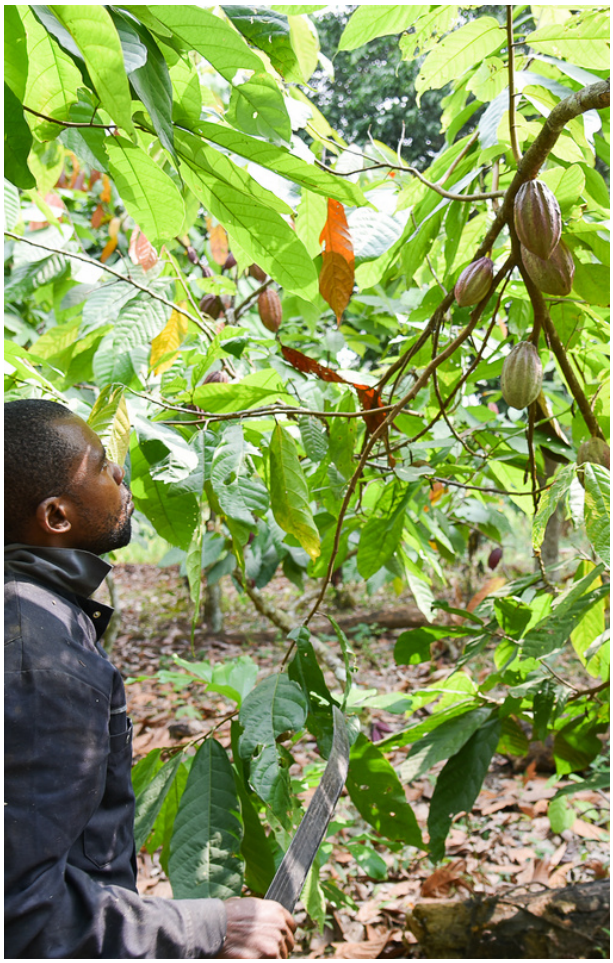
Price paid to farmer

Price paid to exporter

ZOCO

Belgium
partner in development

idh the sustainable trade initiative



HALTING DEFORESTATION

The Kivu region in Congo is highly subject to deforestation. With a market environment valorizing quantity instead of quality, there is a high risk of losing the natural resources of the Congo Rainforest basin.

Thanks to the close collaboration with Wildlife Conservation Society (WCS) there will be a direct link of forest conservation within a REDD+ project and qualitative cocoa production. Together with the Okapi Wildlife Reserve managers, the WCS, an appropriate agroecological strategy will be developed to protect the reserve's biodiversity and manage the agroforestry cocoa plantations as a protective belt. This will set the scène for a different model where deforestation- free and qualitative cacao is commercialized, and where ecology and economy go hand in hand with an inclusive family farming model.

DIGITALIZATION AND BANKABILITY

The project will connect the two cocoa producing companies with financial institutions willing to finance the production of small producers, such as Alterfin, SIDI, Root Capital, AgriEst and recently, Equity Bank, and implement appropriate banking mechanisms allowing digitalisation As such, Equity Bank, is committing to install a digitalised payment system via mobile phones, linked to credit management, that will also allow to monitor living income progress. In the process, farmers will benefit from financial education and get used to saving in a bank, while reducing theft risk considerably for both the cooperative and themselves.



IMPLEMENTATION AND REPORTING



Six of the co-financed Beyond Chocolate projects have started implementation in the second semester of 2020. The other three are starting in March 2021. The projects will be implemented and managed by the consortia of project partners. The partners will receive support from the Beyond Chocolate program management and the wider IDH cocoa team where needed. The Beyond Chocolate Program Management will regularly communicate on the progress of the projects, amongst others in learning events, publications, LinkedIn and the Beyond Chocolate Annual Report.

The projects will report to IDH the Sustainable Trade Initiative who manages the Beyond Chocolate co-financing fund. This reporting will take place twice a year, in March and in September. IDH requires both a narrative progress report on the KPI's set by the project partners and a financial report on expenditures. The projects will also be audited by an independent auditor. A first reporting will be done in March 2021 and shared in the Annual Report on September 2021. IDH will in its turn report annually to its funding partner, the Belgian Directorate-General of Development Cooperation.

FURTHER INFORMATION

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