



**Beyond
Chocolate**



BEYOND CHOCOLATE

2023 Prospectus Call for Proposals



Belgium
partner in development

INTRODUCTION

Beyond Chocolate is the partnership for a sustainable Belgian chocolate industry. The key purpose of “Beyond Chocolate” is to make long-lasting improvements to the living conditions of cocoa farmers and their families in the cocoa-growing regions that are important for the Belgian chocolate sector.

The cocoa-processing industry, chocolatiers and companies that are active in the Belgian chocolate sector will substantially intensify their investments and business practices into the sustainable development of the cocoa sector in the coming years, retailers take a closer look at their house brands, civil society organizations are encouraged to share learnings and appeal to their networks, universities do research into good practices and make that information publicly available, standard setting organizations keep their standards up to date and follow-up on activities on-field, ... By increasing investments, adopting sustainable business models, testing sustainability approaches and sharing learnings and know-how, Beyond Chocolate will lead to lasting improvements in the living standards and incomes of smallholder cocoa farmers, as well as counter environmental degradation.

Concretely, Beyond Chocolate partners commit to the following targets:

A) by 2025 at the latest

1. All the chocolate produced and/or sold in Belgium shall comply with a relevant certification standard and/or shall be manufactured from cocoa-based products covered by a corporate sustainability scheme.
2. “Beyond Chocolate” partners shall comply with applicable agreements between governments and companies in the regions included in the Cocoa & Forests Initiative.

B) by 2030 at the latest

3. Cocoa growers will earn at least a living income.
4. Deforestation due to cocoa growing for the Belgian chocolate sector has ended.

The Belgian Ministry of Foreign Affairs, Directorate-General Development Cooperation and Humanitarian Aid has made grants available to co-finance projects proposed and implemented by Beyond Chocolate partners. IDH was appointed by the Belgian government to facilitate and manage the co-funding process.

During the first phase of Beyond Chocolate (2018-2022) a grant of 2 million euros was made available by Belgian government. This grant was used to co-finance 8 sustainability projects¹ in cocoa. Following a positive external evaluation of the partnership, another grant of 1.5M euros is now made available for the second phase of the Beyond Chocolate program (2022-2025), specifically for living income projects in cocoa.

¹ More information on the co-financed projects can be found on the [Beyond Chocolate website](#)



VISION & OBJECTIVE

The objective of this Call for Proposals is to work with coalitions of partners from the Beyond Chocolate partnership on sustainability projects that improve, innovate, scale and accelerate progress towards closing the living income gaps in supply chains linked to the Belgian chocolate sector, and therefore contribute to the achievement of both the general and respective individual ambitions in the Beyond Chocolate partnership. Beyond Chocolate shares learnings and best practices from these projects with the wider partnership in order to inspire and empower partners to adopt impactful sustainable practices.

This prospectus contains technical information about the process and criteria of the Call for Proposals and includes the Annexes 1-5 that form an integral part of this Call for Proposals. The Call for Proposals is addressed to all signatories of Beyond Chocolate and is intended to stimulate collaboration between supply chain partners, service providers and civil society actors. The projects should have a demonstrated link with the Belgian chocolate market.





PROCESS & GOVERNANCE

Governance: roles & responsibilities

Belgian Development Cooperation: Is the donor for the co-financing fund and the broader Beyond Chocolate program. IDH and the Belgian Development Cooperation have signed an agreement, specifying key activities and objectives of the Beyond Chocolate program. The Belgian government has final veto right when it comes to accepting or declining projects.

The Beyond Chocolate Steering Committee: Decides on the project criteria within the framework established between IDH and Belgian government. Since a conflict of interest might arise, the Steering Committee does not influence the selection process.

Project Review Committee: Committee consisting of representatives from IDH (as coordinating organization) and Belgian Government (as funding partner), and two independent experts. The PRC reviews project proposals and gives advice on which projects to select.

IDH, the sustainable trade initiative: Coordinator of the Beyond Chocolate partnership. IDH prepares and publishes the call for proposals, guides the selection process, connects project partners and works with them to make the proposals more impactful, contracts and follows up on the projects, and shares lessons and good practices.

Concept note phase

The first step is the submission of a Concept Note of the envisioned project by the project applicant. This serves to assess the eligibility of the project applicant(s) and the general quality and potential for impact of the project.

The project applicant should submit the concept note for the proposed project via the provided template (see Annex 1). The concept notes will be assessed and reviewed by the Project Review Committee (PRC) against the criteria as defined in section 4. IDH can reach out to the project applicants for further clarifications. The submitted concept note will either be rejected, or the applicant(s) will be invited to submit a full project proposal. Immediately after the

TIMELINE





decision IDH will contact the applicant(s) and share the specific feedback of the PRC. Successful applicants will be challenged to further improve the quality of the full project proposals.

Full proposal phase

The second step is the development of a full project proposal. The selected applicants are invited to submit a full project proposal based on the approved concept note. The proposals will be assessed against the selection criteria by the PRC. The PRC, in which the donor (Belgian DGD) has a seat, is giving the final decision. The DGD however has a veto right.

Contracting & financing phase

Once the project has been officially selected, contracting will be done by IDH using the IDH Funding Agreement (see Annex 4) and the IDH General Terms and Conditions for Funding Agreements (see Annex 5). Payments for the projects will be made after signing the contract with the project applicants. The exact amounts and conditions of payments vary per situation. The first payment will be made directly after signing the contract.

Legal aspects

By participating in this procedure, the project applicant declares to unconditionally agree to the contents of the following guidelines and its annexes. IDH is not obliged in this procedure to conclude a contract with a project applicant. IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the guidelines, the time schedule, or any other decision or procedure regarding the contract. Nothing in this Call for Proposals shall be construed as creating an



obligation for IDH to disburse any funds to an applicant. No claim for compensation can be made towards IDH, its employees or third parties acting on their behalf, including but not limited to in the following cases:

1. Not following up on a selection award decision;
2. Not concluding the contract;
3. Suspension and/or postponement and/or attachment of further conditions to the contract decision;
4. Or suspension and/or cancellation of the procedure..

Applicants commit to handling confidential information with the utmost care. In case confidential information must be shared, an NDA must be concluded between IDH and the applicant (and, if applicable, third parties) prior. IDH reserves the right to take (legal) action if confidential information is not handled properly by participants or third parties.



CRITERIA

The co-funded projects must all take measurable steps towards closing the gap between current income levels and living income (see Annex 1: Concept Note). Project proposals are assessed based on different criteria², which are outlined below.

Eligibility criteria

A. Budget

In principle, the proposed projects should have a minimum budget of EUR 750,000. The minimum amount of co-funding by IDH is EUR 250,000 and a maximum amount of co-funding by IDH is EUR 500,001, in accordance with the funding ratios described below. Projects outside of this range can submit proposals, but a strong argument is needed on why IDH and the Belgian DGD should deviate from this range. Scaling opportunities, collaboration between partners, joining forces in one larger project instead of submitting separate projects, and added value in relation to the ambitions of Beyond Chocolate can be valid arguments in that respect.

The maximum percentage of co-funding from IDH should be 33%; the remainder will have to be paid by the project applicant(s), with a minimum of 67% financing from private sector. Exceptionally, a co-funding percentage of 50% by IDH may be considered for the additional efforts, that contribute to upscaling and cost-effectiveness of ongoing sustainability projects in the cocoa sector.

B. Duration

The maximum duration of a project will be 2 years. This fund is designed to kick-start new supply chain initiatives. The expectation is that partners remain engaged after the duration of the project.

C. Predefined geography

Proposed projects that mainly focus on Ivory Coast and/or Ghana will be given preference. However, countries of origin that are important for the Belgian sector³ can be part of the scope of the proposed projects. The applicant(s) should describe clearly in the application how this project links to the Belgian market – in the sense that cocoa is bought and then processed

and/or sold in Belgium - and relates to the achievement of the Beyond Chocolate Partnership goals.

D. Compliance

Applicants must comply with all applicable laws and regulations. Applicants must actively anticipate the entry into force of more stringent (environmental and social) regulations where possible. More specifically, applicants are required to anticipate the entry into force of the European Union Deforestation-Free Products Regulation (EUDR) and the EU regulation on corporate due diligence.

E. Applicants

The main applicant for the co-funding of the proposed projects must be a signatory to the Beyond Chocolate Partnership at the time of application. Non-signatories can be part of the project team and indirectly benefit from the grantor subcontracted by the main applicant, but the project must be managed by a signatory partner.

There is no limit to the number of applicants per project. At least one of the applicants, not necessarily the main applicant, should be a private sector company active in the Belgian Chocolate sector. The main applicant will be responsible for signing the contract with IDH and is therefore responsible and liable for the delivery of project outputs and direct outcomes and for complying with project implementation requirements (including monitoring, reporting, evaluation and accountability).



² These criteria have been discussed and defined by the Beyond Chocolate Steering Committee within the framework between IDH and the Belgian government.

³ In 2017, the main supplying countries of cocoa beans to Belgium were Côte d'Ivoire (53%), Ghana (15%), Nigeria (9%), Cameroon (5%), Ecuador (3%), and Peru (3%) (Eurostat, 2018).



An applicant can be part of multiple projects. If multiple projects of one applicant are selected for co-funding after this call for proposals, the maximum amount of co-funding shall never exceed the maximum amount they are entitled to if the applicant would have submitted one project. In the case a project applicant has applied for a higher amount by submitting multiple projects, the PRC will review the most valuable projects for the program and might reach out to the project applicant to revise its project proposal.

The main applicant demonstrates the strength of the project team, proven track record of /project management and demonstrates the technical capacity of the implementing organization(s) in project management.

At least the main project applicant shall be a legal entity involved in the cocoa supply chain or represents a group of legal entities that are involved in the supply chain. Project applicants may be an individual legal entity or a group of legal entities (coalitions).

The project applicants need to demonstrate that they are directly or indirectly involved in a supply chain that serves the Belgian consumer market. However, the project applicant is not required to be based in Belgium.

Preference will be given to coalitions of partners that are representative of the Beyond Chocolate partnership - that is a mix of stakeholders from different stakeholder groups (traders-brands-retail-NGOs-universities-government).

The project applicant shall guarantee in writing the absence of unacceptable activities or behavior, in its activities, in the project and within its sphere of control, included but not restricted to:

- Slavery, forced labor
- Child labor
- Deforestation
- Exploitation, abuse, harassment, neglect and bullying in all forms
- Unlawful activities or behavior
- Bribery and corruption
- Fraud

Should any of the above appear or occur, or should there be any suspicions of the above before or during the implementation of the project, IDH shall be entitled to terminate the project agreement immediately without the risk of incurring liability for damages or compensation.



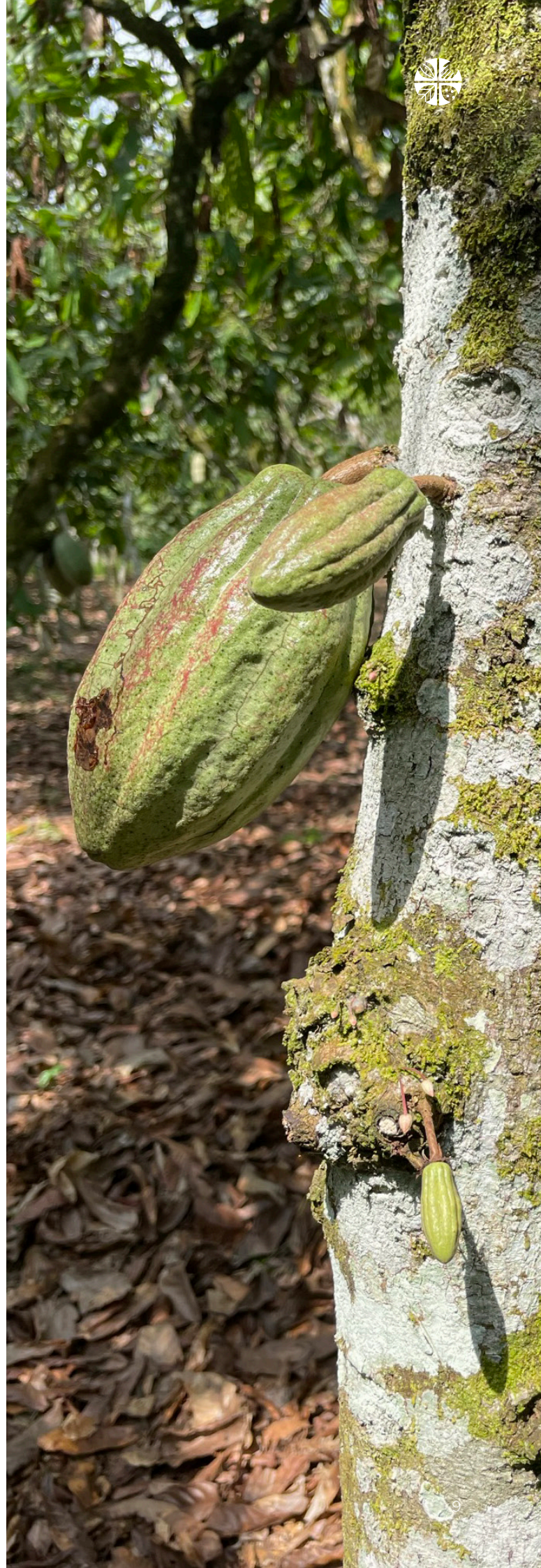


Grounds for Exclusion

Applicants shall be excluded from participation in the call for proposals if:

- They are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- They, or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
- They have been guilty of grave professional misconduct proven by any means which the IDH can justify;
- They have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of Belgium or those of the country where the contract is to be performed;
- They, or persons having powers of representation, decision making or control over them, have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the Belgian government's financial interests.
- Applicants shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Project applicants must confirm in writing that they are not in one of the situations listed above.





Selection criteria

Applicants are required to complete the information in the concept note on the applicant's current interventions and service delivery, the project's approach on closing income gaps and available farmer information.

A. Contribution to the Program's targets

The Beyond Chocolate fund was created to support partners to make sound contributions to the targets of the Partnership. To be considered for co-financing, projects need to:

- Take measurable steps towards closing the gap between current income levels and living income for cocoa farming families, in accordance with the concept note template (Annex 1). Projects must address all five income drivers defined in the [IDH roadmap on living incomes](#), including interventions on price. Interventions must be linked to a clear and demonstrated business case for farming households. The proposed project should demonstrate that it has been designed using relevant tools (including IDH tools – see resources from the Living Income Roadmap) to inform this business case development. Project activities on Program's goals related to HRDD in the applicants' supply chain can be included in the project application but are not eligible for co-funding through the Program.
- Be at least gender intentional, according to the definition in Annex 1b.

Preference is given to projects that:

- Work on halting deforestation as a result of cocoa cultivation, protecting biodiversity and/ or promoting sustainable reforestation. Projects will be prioritized if they work in priority regions of the Cocoa & Forests Initiative (CFI)⁴ or the Roadmap to Deforestation-free Cocoa in Cameroon.
- Make sustainable crop improvements in the face of environmental challenges such as climate change and biodiversity loss (also as integral part of or linked to the living income objective).

- Are gender transformative, according to the definition in Annex 1b.
- Work on strengthening farmer organisations; For example, by working with cooperatives that have been involved in the Enabel coaching program⁵ or will be as part of the project interventions.
- Provide farmers with access to financial services, such as digital payments, savings, and insurance.

Projects cannot happen in a protected or High Conservation Value High Carbon Stock Forest⁶ area or result in creating adverse social and environmental impacts such as cocoa related deforestation, forest degradation or biodiversity loss. The presence of child labour, modern slavery and human trafficking are to be eradicated in the co-financed projects. The projects should describe their approach around prevention at community level, proactive tracking and remedy of incidents.

B. Traceability at farm level

The proposed projects must clearly demonstrate alignment with the objective to strengthen supply chain traceability at farm level and create linkages from source to the Belgian cocoa market. The projects should align with the traceability systems at country level.

C. Scalability & exit strategy

The proposed projects should be scalable by design. The proposed field level activities should be financially sustainable in the long-term. This means that a clear strategy should be defined on the continuation of the proposed project when IDH co-funding has ended. The IDH co-funding may only be used for costs directly linked to the projects, including maximum 10% overhead costs and excluding fixed assets. The costs for an auditor are not considered as overhead costs.

4 Priority regions for CFI Côte d'Ivoire include (1) Forêt Classée Yapo-Abbé, (2) Forêt Classée Tamin, (3) Forêt Classée Cavally, (4) Park National Mont-Péko, (5) Réserve Naturel Mabi-Yaya, and (6) Réserve Naturel Bossématié. CFI priority regions for Ghana include (1) Ahafo-Ano South/ Atwima Mponua/Atwima Nwabiagya, (2) Ashanti Region Asunafo/Asutifi, Ahafo Region, (3) Atiwa/Denkyembour/ East Akim, Eastern Region (4) Bibiani/Anwiaso/Sefwi Wiawso, Western-North Region, (5) Juabeso Bia, Western-North Region (6) Kakum, Central Region. The priority region for the roadmap to deforestation-free cocoa in Cameroon is Grand Mbam. .

5 The Trade for Development Center (Enabel) has a coaching program that aims to strengthen the capacity of farmer cooperatives through financial and business management training. Find more information on the program and the supported cooperatives here: <https://www.tdc-enabel.be/en/tdcs-coaching-programme/>

6 Definition according to the EU Deforestation Regulation.



E. Coalitions of partners

The proposed projects must adopt a multi-stakeholder approach and be led by coalitions of partners across the cocoa supply chain. Preference will be given to coalitions of partners that are and representative of different actors in the supply chain demonstrating ownership and co-creation at supply side and potential for scale at demand side. Additionally, preference will be given to projects demonstrating pre-competitive collaboration between supply chain partners.

F. Additionality

The proposed projects must demonstrate obvious additionality when compared to ongoing or planned sustainability activities in the cocoa sector. With the project proposal, the applicant will explain and document that the proposed project is additional to its already ongoing or earlier planned sustainability projects. To assess the additionality of co-funding the proposed project, IDH uses the eight criteria as defined by The Donor Committee for Enterprise Development (DCED)⁷.

G. Auditability and monitoring, evaluating and learning

A clear Theory of Change should explain how the project will contribute to achieving the sustainability targets. IDH will therefore organize the monitoring and evaluation of the projects in close coordination with the project applicant(s) which requires auditable Key Performance Indicators (KPI's). The project applicant shall define the KPI's related to the proposal in co-creation with a third party responsible for the overall M&E framework of the Beyond Chocolate Call for Proposals.

The general ambitions that the projects will contribute to relate to 2 main impact indicators notably: (i) increased net incomes of farming households and (ii) increased volumes sourced from living income projects. More detailed information on required KPIs will be given in the full proposal phase.

The proposed projects should create the ability to learn from the projects to support or inform actions of other signatories and have a pre-competitive nature of the project. Therefore, project applicants should be willing to share the learning of the projects. Confidential information will of course be protected, anonymized where deemed necessary, and information sharing will in general be done in consultation with the project applicant.

⁷ https://www.enterprise-development.org/wp-content/uploads/DCED_Demonstrating-Additionality_final.pdf





SCORING & WEIGHING

Project proposals should meet all the criteria outlined in this Call for Proposals document. Project proposals can be excluded from the proposal review process for the following reasons:

- Project proposals do not fulfil the eligibility criteria;
- Absence of a confirmation in writing that project applicants are not in one of the situations listed under the grounds for exclusion;
- Project proposals are incomplete or miss documentation.



The below criteria and process for scoring and weighing will be used to assess the project proposals under the call for proposals:

#	Component	Criteria	Weighing
1	Contribution to the Living Income target	<ul style="list-style-type: none"> ○ Project proposal outlines measurable steps towards closing the gap between current income levels and living income. ○ Project proposal demonstrates that it will use available IDH tools or other tools / data to inform project design. 	40%
2	Contribution to other program targets	Projects contribute to ending deforestation, protecting biodiversity and/ or promoting sustainable reforestation, sustainable crop improvements, gender equality, access to finance and strengthening farmer cooperatives.	10%
3	Scalability	Project proposal has a substantiated potential for scalability, and partners have a strategy to scale up to the Belgian sector or even beyond.	15%
4	Coalitions of partners	The projects are led by coalitions of partners across the supply chain.	10%
5	Auditability & monitoring, learning and evaluation	<ul style="list-style-type: none"> ○ Project proposal contains a Theory of Change that explains how the project will contribute to achieving the targets of the Program. ○ Project proposal contains clear KPIs that link to achieving the overall targets of the Program (full proposal stage). ○ Project proposal should create the ability to learn from the projects to support or inform actions of other members of the Program (full proposal stage). 	15%
6	Finance and cost effectiveness	Project proposal clearly demonstrates the cost-efficiency and cost effectiveness of the proposed interventions and describe the Return on Investment in terms of numbers of results / outcomes.	5%
7	IDH co-funding exit strategy	Project proposal contains a clear strategy on the continuation of the proposed project when co-funding has ended.	5%
Total			100%



REPORTING

The projects will follow IDH's standard reporting cycle. If a project is selected that is proposed by a group of applicants, the lead applicant is responsible for the reporting requirements (Annex 2). Partners of the Program are required to submit bi-annual reports. These reports have two components: a narrative report and a (audited) financial report.

Financial report

The financial report is activity based and reports on actual expenditures against budgeted activities. Both budget and actuals are specified per project applicant. A standard financial planning and reporting format will be provided with the Full Proposal Package to applicants that have been selected on the basis of their concept note. The financial report could be subject to a financial audit, in accordance with the IDH guidelines for auditors (Annex 3).

Narrative report

The narrative report includes a quantitative KPI report and a qualitative narrative report against targets. For the KPI report a standard planning and reporting format will be provided in the Full Proposal Package. In the qualitative narrative report, partners will be asked to reflect on the general progress of the project, obstacles encountered and strategies to overcome these obstacles. The applicant(s) will also be asked to reflect on their key learnings.

Funding agreement and IDH general terms and conditions

By handing in a proposal, the project applicant accepts IDH's draft Funding Agreement (Annex 4 and 4b) and IDH General Terms and Conditions (Annex 5). IDH works in compliance with its safeguarding policy and all projects and partners are required to comply with it as well.

ANNEXES

Annex 1:

Concept note template

Annex 1a:

[IDH Roadmap on Living Incomes](#)

Annex 1b:

IDH Gender concepts and criteria

Annex 2:

IDH guidelines for planning and reporting for implementing partners

Annex 3:

IDH guidelines for auditors

Annex 4:

IDH Template funding agreement

Annex 4b:

List of costs not eligible for co-funding

Annex 5:

IDH general terms and conditions for funding agreements



CONTACT PERSONS

In case you have questions related to the call for proposals, please reach out to the Beyond Chocolate secretariat. Concept notes should also be sent to the secretariat with mailing topic *“Concept Note – (Name applicant) – Beyond Chocolate Call for Proposals”*.

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