Connecting the dots:
Progress measurement in the cocoa sector.

Presentation at the 4th World Cocoa Conference in Berlin, 25 April 2018

By William Saab, NewForesight Consultancy
Lots of interesting topics in the past few days

- Living income
- Diversification
- Prices
- Child labor
- Productivity
- Deforestation
- Climate change
- Policy and coordination
Does this sound familiar?

“The central aim ... is to ensure that smallholder farmers earn a living income” – Bavaro Declaration 2016
Does this sound familiar?

“Encourage diversification into alternative sources of income” - Accra Agenda 2007
“...strive towards obtaining fair prices leading to equitable economic returns to both producers and consumers”
- International Cocoa Agreement 2010
Does this sound familiar?

- **2001**: Harkin Engel Protocol
- **2007**: RSCE I Accra Agenda
- **2009**: Trinidad and Tobago Declaration
- **2010**: International Cocoa Agreement
- **2012**: WCC I Abidjan Declaration
- **2012**: Global Cocoa Agenda
- **2014**: WCC II Amsterdam Declaration
- **2016**: WCC III Bavaro Declaration
- **2018**: WCC III Berlin Declaration

- **Living income**
- **Diversification**
- **Prices**
- **Child labor**
- **Climate change**
Does this sound familiar?
<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Living Income</strong></td>
<td><strong>Diversification</strong></td>
<td><strong>Productivity decline</strong></td>
<td><strong>Aging trees</strong></td>
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<tr>
<td><strong>Prices</strong></td>
<td><strong>Child labor</strong></td>
<td><strong>Deforestation</strong></td>
<td><strong>Climate change</strong></td>
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<td><strong>Gender equality</strong></td>
<td><strong>Monitoring</strong></td>
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<td><strong>Farm finance</strong></td>
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<td><strong>Livelihoods</strong></td>
<td><strong>Traceability</strong></td>
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Systemic solutions for systemic challenges

1. What are we trying to achieve?
2. What is hindering the path to success?
3. How will we achieve this vision?
4. What are we going to do? And who will do what?
5. How will we measure progress?
6. How can we improve?
The good news: we are already halfway there

1. **What are we trying to achieve?**
2. **What is hindering the path to success?**
3. **How will we achieve this vision?**
4. **What are we going to do? And who will do what?**

### Sustainable World Cocoa Economy

**Sustainable Production**
- Improve productivity and quality of cocoa, sustainable farmer livelihoods
- Support organization of farmers
- Improve in productivity/quality
- Promote quality compliance with international standards

**Sustainable Industry Chain**
- An efficient industry chain to link farmers to the market
- Promote supply chain efficiency and value-addition at origin
- Enable traceability
- Improve access to market

**Sustainable Consumption**
- Ensure continuous demand for (sustainable) cocoa and cocoa-based products
- Enable sustainable consumption strategies to meet consumer concerns and expectations
- Promote cocoa consumption in origin countries and emergent markets

**Sustainable Management**
- Strategically manage resources available
- Support Cocoa Development Plans and initiatives/platform for sustainable cocoa
- Participate in dialogues/processes towards a sustainable cocoa sector

**Civil Society and NGOs**
- Cocoa Producing Countries
- Cocoa Importing Countries
- Private Sector
What are we trying to achieve?

What is hindering the path to success?

How will we achieve this vision?

What are we going to do? And who will do what?

5 How can we assess progress?

6 How can we improve?

Sustainable World Cocoa Economy

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What are the main questions we want to answer

1. What is the state of the cocoa sector?

2. What are we doing? And is it working?

Impact indicators

Action and commitment indicators
So what have we done?

### Design Principles
- Credible
- Relevant
- Feasible

### Structuring the GCA

#### Define indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1.1.1 Average productivity of cocoa farms*</td>
<td>See Table 1.1.1 for detailed description</td>
</tr>
</tbody>
</table>

- Reference: Data collected from various sources on productivity of cocoa farms.
- Notes: This indicator is crucial for assessing the efficiency of cocoa farming practices and can be used to drive targeted interventions to improve productivity.

#### Design Principles

- Credible
- Relevant
- Feasible

#### Process

1. Data collection
2. Data verification
3. Data analysis
4. Reporting

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<tr>
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Global Cocoa Agenda Monitoring Framework

### Summary list of indicators

<table>
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<th>Indicator</th>
<th>Unit of measure</th>
<th>Source</th>
<th>Note</th>
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<tr>
<td>1.1.1</td>
<td>Total Cocoa Production*</td>
<td>MT</td>
<td></td>
</tr>
<tr>
<td>1.1.2</td>
<td>Sustainable Cocoa Production**</td>
<td>MT</td>
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</table>

* Measures the total volume of cocoa beans produced, disaggregated by country, in MT for any given cocoa year (1 October to 30 September).

** Measures total volume of sustainable cocoa beans produced globally in MT for any given cocoa year (1 October to 30 September). Within this indicator, 3 sub-indicators are measured:

1.1.2.1 Global Third party Industry Sustainability Standards (VSS) compliant production volumes in MT by the major voluntary sustainability standards (VSS) in cocoa – Fairtrade, Organic, Rainforest Alliance, and UTZ.

1.1.2.2 Volume of cocoa in MT produced by industry signatories to GCA and certified under their in-house custom sustainability programs.

1.1.2.3 Volume of cocoa produced in line with GCA’s sustainability guidelines.

Relevance and additional information:

- Voluntary Sustainability Standards (VSS) are standards specifying sustainability requirements for farmers to meet. VSSs can be developed by individual businesses, public or government, or through multi-stakeholder initiatives such as Cacao Associates. In recent years, several industry players have, either individually or as part of industry initiatives such as Cacao Associates, established in-house sustainability programs to verify compliance with sustainability criteria. By monitoring the volumes of cocoa within these three schemes, the GCA Monitoring...
## GCA Impact Indicators

### Vision

**Sustainable Cocoa Economy**

### Challenges

- **Sustainable Production**
- **Sustainable Industry Chain**
- **Sustainable Consumption**
- **Sustainable Management**

### Long-term Objectives

1. **Improve productivity and quality of cocoa, sustainable farmer livelihoods**
2. **An efficient industry chain to link farmers to the market**
3. **Ensure continuous demand for (sustainable) cocoa and cocoa-based products**
4. **Strategically manage resources available**

### 1. Impact indicators

| 1.1.1 Average productivity of cocoa farms * |
| 1.1.2 Total cocoa production * |
| 1.1.3 Sustainable cocoa production** |
| 1.1.4 Contribution of cocoa sector to deforestation |
| 1.1.5 Child Labor Incidence in Cocoa Growing Communities |
| 1.2.1 Poverty at Farm Level compared to World Bank poverty line* |
| 1.2.2 Volume of cocoa beans grinded at origin* |
| 1.2.3 Farm Gate price as a percentage of the FOB price* |
| 1.3.1 Total Cocoa Consumption* |
| 1.3.2 Global Production to Consumption Ratio |
| 1.4.1 Percentage of GCA country signatories with National Cocoa Development Plan (NCDP) in place* |
## GCA Action and commitment indicators

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<td>Challenges</td>
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### 2a. Civil Society

- **2a.1.1 Number of farmers reached through all initiatives/programs during the last year***
  - **2a.1.1.1 Number of farmers reached with training in all initiatives/programs during the last year***
  - **2a.1.1.2 Number of farmers reached with agricultural input provisions in all initiatives/programs during the last year***

- **2a.2.1 Activities and advocacy efforts to improve sustainability of the cocoa sector**

- **2a.4.1 Participation in PPPs and platforms in the cocoa sector**
## GCA Action and commitment indicators

### Vision

**Sustainable Cocoa Economy**

### Challenges

**Sustainable Production**

**Sustainable Industry Chain**

**Sustainable Consumption**

**Sustainable Management**

### Long-term Objectives

**Improve productivity and quality of cocoa, sustainable farmer livelihoods**

**An efficient industry chain to link farmers to the market**

**Ensure continuous demand for (sustainable) cocoa and cocoa-based products**

**Strategically manage resources available**

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<th>2b. Cocoa Producing Countries</th>
<th>2b.1.1 Percentage of government budget allocated to agriculture (and cocoa sector)</th>
<th>2b.2.1 Volume collected by producer organizations</th>
<th>2b.3.1 Origin country cocoa consumption</th>
<th>2b.4.1 Formulation of National Cocoa Development Plan (NCDP)</th>
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<td>2b.1.2.1 Percentage of cocoa farms in the country using inputs according to recommended national standards</td>
<td>2b.2.2 Producers who are part of producer organizations</td>
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<td>2b.4.2 National Cocoa Development Plan progress</td>
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<td>2b.1.2.2 Number of hectares provided with improved planting material ...</td>
<td>2b.2.3 Farm gate price as proportion of FOB price</td>
<td>2b.2.4 Cocoa processed at origin</td>
<td>2b.4.3 Participation in National Cocoa Development Plan</td>
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<td></td>
<td>2b.2.5 Cocoa processing capacity at origin ...</td>
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**Long-term Objectives**

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**2c. Cocoa Importing Countries**

- 2c.3.1 Consuming country cocoa consumption
- 2c.4.1 Formulation of National Cocoa Development Plan (NCDP)
- 2c.4.2 National Cocoa Development Plan progress
- 2c.4.3 Participation in National Cocoa Development Plan
# GCA Action and commitment indicators

## Vision

**Sustainable Cocoa Economy**

## Challenges

**Sustainable Production**
- Improve productivity and quality of cocoa, sustainable farmer livelihoods

**Sustainable Industry Chain**
- An efficient industry chain to link farmers to the market

**Sustainable Consumption**
- Ensure continuous demand for (sustainable) cocoa and cocoa-based products

**Sustainable Management**
- Strategically manage resources available

## Long-term Objectives

**2d. Private Sector**

| 2d.1.1 Number of farmers reached through all initiatives/programs during the last year* |
| 2d.1.1.1 Number of farmers reached with training in all initiatives/programs during the last year* |
| 2d.1.1.2 Number of farmers reached with agricultural input provisions in all initiatives/programs during the last year* |

| 2d.2.1 Other Key Performance Indicators that are used in the M&E framework |

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What is next?

Ownership

Buy-in

Credible implementation
An article is available explaining the main talking points of this presentation

https://www.linkedin.com/pulse/connecting-dots-progress-measurement-cocoa-sector-william-saab/
Thank you!