

COCOA LIFE: EMPOWERING COCOA FARMERS AND COMMUNITIES

2015 PROGRESS REPORT





WE BELIEVE

Integrity and transparency are as important as sun and water. A sustainable cocoa supply begins with thriving farmers. Partnership is the key to lasting change. Efficient farming practices lead to financial security. The work of children is education and play. Gender equality benefits everyone. Conserving the land is a promise to future generations.

Together, we are growing: Cocoa Life







BUILDING LASTING CONNECTIONS TO SUPPORT OUR COCOA ORIGINS AND BRANDS

Cocoa Life is a long-term \$400-million commitment to sustainability that strengthens our chocolate business and deepens our connection with our cocoa origins. As president of Global Chocolate for Mondelēz International, I am proud of the progress we are making on the Cocoa Life program. Today, Cocoa Life supplies 21 percent of the cocoa Mondelēz buys for our brands and some of our brands such as Côte d'Or and Marabou are now proudly displaying the Cocoa Life logo. I'm pleased by the transformational impact the program is having on local communities and the demonstrated success of this innovative, holistic approach to sustainability.

As our chocolate business grows, we need to ensure the farmers can supply the cocoa we need. Based on that central premise, Cocoa Life provides fuel to help support our growth. However, our commitment goes beyond generating a sustainable cocoa supply for years to come. It's deeply rooted in a desire to help cocoa farmers and their communities thrive. We are providing communities the tools they need to create inspiring places to live and work. Cocoa Life's groundbreaking approach links cocoa farming with community development. The program includes a wide array of initiatives to support farmers in local communities, helping them cultivate stronger, more resilient crops and create more empowered cocoa communities. These programs range from detailed farming-technique training to education and literacy programs to business management and financial literacy. There is a deliberate emphasis to make sure women also benefit from these initiatives.

In addition, deforestation and the related issue of global warming impacts farming communities around the world and is a key challenge we are addressing through the Cocoa Life program. This is so important because cocoa grows in a narrow tropical zone and is quite vulnerable to climate change. Cocoa farming needs the protection of the forest to help moderate temperature and conserve water. We empower farmers to take simple actions to lessen the impact of climate change and reduce our carbon footprint by tackling deforestation. I was born in the Dominican Republic, a beautiful place with a rich culture and a varied terrain of rainforest, savannah and highlands. It's perfectly suited for cocoa cultivation and is, in fact, one of the leading exporters of organic cocoa. I'm pleased the Dominican Republic is one of the origins where Cocoa Life is operating. As you'll see in the many stories from our partners in this report, the holistic approach to Cocoa Life is truly innovative and we believe it will have a lasting, transformational impact.

- César Melo, President, Global Chocolate at Mondelēz International









GROWING TOGETHER: TRANSFORMING THE LIVES OF COCOA FARMERS AND COMMUNITIES

Without cocoa, there is no chocolate. Without the next cocoa farming generation, there is no cocoa. It's that simple. Yet, it's more than a guiding philosophy. It's at the heart of why Mondelēz International – the world's largest chocolate company – created the Cocoa Life program in 2012. We know a vibrant, strong cocoa supply chain is critical for the future of chocolate. The Cocoa Life program is working in our six cocoa-growing origin countries to empower cocoa farmers in thriving communities as the foundation for a long-term supply of sustainable, high-quality cocoa. As the Director of the Cocoa Life program since 2012, I've seen firsthand the positive impact the program is having on cocoa farmers and their families, and it's the most satisfying aspect of my work.

We followed a robust development process based on a long-term roadmap. Starting with our commitment in 2012, we built and validated our Key Performance Indicators (KPIs) during 2013, focusing on the key impacts we want to achieve. Then, in 2014, we brought theory into practice by implementing Cocoa Life in new origins and by finalizing our verification plan. From 2015 onwards, it has been all about impact: scaling up our program, tracking progress, and bringing Cocoa Life to our brands.

It all starts with the cocoa farmers – working with them to transform production on the ground level. Our investment

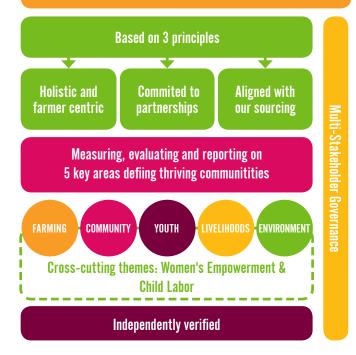
goes directly into programs to benefit farmers and their communities because this is where Cocoa Life must make a measureable impact. First and foremost, farmers must begin to make a better living from cocoa by increasing their productivity. Farmers have the potential to double crop yields through adopting good agricultural practices which will, in turn, increase incomes and ensure they can better provide for themselves and their families.

We are working to increase the resilience of these farming communities by improving their access to finance, secondary livelihoods and other business skills. This includes a special focus on women as they are change agents who quickly adopt new agricultural practices and start new businesses. Research shows that increasing women's income has great benefits for families and their education. Altogether, this creates a sustainable approach: when cocoa farms are thriving, communities are strong, women are empowered, and children are educated, the next generation is inspired to stay in cocoa farming.

The challenges in the cocoa supply chain are significant and Mondelēz won't solve them alone. I'm most proud that partnership is a cornerstone on which Cocoa Life is built. Cocoa Life integrates the work of many stakeholders to achieve common goals in ways that are relevant and



COCOA LIFE VISION: Empowered, thriving cocoa communities as the Essential foundation for sustainable cocoa



tailored to the needs of the diverse Cocoa Life farming communities across the world. The communities define their challenges and coordinate with local and international nongovernmental organizations (NGOs) to build relevant solutions.

Governments and national cocoa authorities ensure alignment with broader cocoa strategies and promote more sustainable practices across the cocoa sector. Mondelez's business leaders and our suppliers ensure training and resources reach farmers and co-ops and are embedded at the core of our cocoa supply chain. External advisors share their expertise on overall program development and approaches to address child labor, women's and youth empowerment, sustainable cocoa farming, and environmental protection. Our origin teams on the ground in each country are experts in the cocoa development field and lead our Cocoa Life strategy and operations, coordinating the

implementation of activities with our partners. They also work to ensure that all actionable learnings are applied to the program across the various origins.

This report brings together the voices of farmers, community members and partners from the six origins where Cocoa Life is operating. My hope is that the first hand stories in this report will give you a deeper understanding of the overall program and its wide-ranging impact.

Cocoa Life is on a long-term journey to create a vibrant, strong cocoa supply chain while transforming the lives and livelihoods of cocoa farmers and their communities. We are determined to learn from our successes and our challenges. We will continue to evolve the program because it's the way we will drive real impact at scale.

- Cathy Pieters, Director of the Cocoa Life Program

COCOA LIFE ORIGIN COUNTRY LEADS



The cocoa tree (*Theobroma cacao L.*) originates from the Amazon basin and grows under the natural canopy of the rainforest. Around two years after planting, the cocoa tree begins to produce fruit that ripens to golden yellows, reds and browns. Cocoa pods are produced directly on the trunk and main branches of the tree, reaching a maximum production after eight years and, with good agricultural practices, can continue to produce good economic yields for a further 15 to 20 years. Each pod takes around six months to grow from a flower to a ripe pod. Following harvest, the pods are opened and the cocoa beans are fermented and dried before they are made into chocolate.

A NARROW BAND

Cocoa trees are sensitive to the local climate and can only thrive in a slender belt of countries between 20 degrees north and south of the equator. Cocoa grows well under the shade of other rainforest trees and requires high rainfall and temperatures. They require plenty of light but shade is required to protect the farm from too much light, damage caused by wind, and to conserve water. Given that these conditions only exist in a few origins, cocoa trees need protection to flourish, making the expansion in other areas difficult.



THE CHALLENGE OF COCOA AND COCOA FARMING

The challenge of cocoa starts with providing the best environment for the cocoa tree to thrive. Inability to maintain this best farm environment has limited cocoa productivity for many years and continues to pose challenges to creating a vibrant cocoa supply chain.

These agricultural and environmental challenges are compounded by socioeconomic obstacles. The majority of the world's cocoa beans are harvested on small, family-run farms. Cocoa is no longer a prosperous business for many of these farmers. The farmers lack access to agricultural inputs and also the ability to invest in the improvement of the farm, such as new planting material. Additionally, the next generation of potential cocoa farmers is pursuing other careers, migrating to cities to seek a better way of life. Many cocoa farmers have limited knowledge of good agricultural practices and lack access to resources needed to apply this knowledge to improve their business. Cocoa yields per hectare have not increased in line with other crops, yet demand for chocolate continues to grow, especially in emerging markets. Productivity is further held back by low farmer incomes and limited development, which means many cocoa communities are not attractive places to live, thus creating a cycle – a cycle that needs to be broken. Without improved productivity and incomes, thriving communities and inspiring models for the next cocoa farming generation, cocoa production will not meet global demand, leading to destructive and unsustainable cycles of boom and bust.



A GLOBAL PASSION FOR COCOA

When the Spanish first learned of the *chocolatl* beverage produced by the Mayans of South America, they kept it a secret for nearly a century. Eventually, word spread. By the 18th century, chocolate was available in much of the new and old world, sparking an expanding global passion. Today, more than four million metric tons of cocoa beans are processed annually to satisfy the world's appetite for chocolate.

The demand for chocolate continues to grow, and with it, the need for cocoa. As the world's largest chocolate company, Mondelēz International is determined to create chocolate for many more generations. Transforming the cocoa farming sector in the face of complex challenges requires a coordinated effort from governments, industry, cocoa suppliers and other organizations. That's why Mondelēz International came together with its partners to create Cocoa Life. The Cocoa Life team understands the importance of investing to empower cocoa farmers on a large scale, training farmers to adopt better practices, and building thriving communities to inspire the next generation.

Diverse stakeholders in the cocoa sector must work together to ensure a long-term supply of sustainable, high-quality cocoa to meet future demand. Mondelēz International engages a range of stakeholders, such as the International Cocoa Organization (ICCO), which brings together governments of cocoa-producing and cocoa-consuming countries and the private sector. In addition, the team works with non-governmental organizations (NGOs), such as <u>CARE International, Save the Children,</u> <u>Solidaridad, Voluntary Services Overseas (VSO)</u> and <u>World Vision</u>, which have a lot of experience working with cocoa communities.



Mondelēz International is also committed to the <u>World Cocoa Foundation's</u> (WCF) CocoaAction, a strategy which unites cocoa and chocolate companies to work together to sustain the cocoa industry and improve the livelihoods of cocoa farmers in Côte d'Ivoire and Ghana. In West Africa, Mondelēz International helped establish an independent foundation, the International Cocoa Initiative (ICI), which oversees efforts to eliminate child labor and forced labor on cocoa farms in hundreds of cocoa-growing communities. As leaders in the cocoa sector, Mondelēz International shares best practices and learnings from Cocoa Life and is part of the global conversation on cocoa sustainability that ranges from insights on agricultural practices and community development to recommendations on issues of gender and child labor. Cocoa Life is a holistic, verified program designed to create an essential foundation for sustainable cocoa while transforming the lives and livelihoods of cocoa farmers and their communities.

Simply put, Cocoa Life is Mondelēz International's program to create empowered cocoa farmers in thriving communities to develop and maintain a sustainable cocoa supply. It is the company's ultimate goal to source all of its cocoa sustainably, mainly through Cocoa Life.



WHY COCOA LIFE?

Launched in 2012, Cocoa Life will invest \$400 million USD by 2022 to empower at least 200,000 cocoa farmers and reach one million community members in six key cocoagrowing origins: Côte d'Ivoire, Ghana, Indonesia, India, the Dominican Republic and Brazil. This effort builds on the Cadbury Cocoa Partnership, which was founded in Ghana in 2008.

"COCOA LIFE HELPS TO TRANSFORM THE GLOBAL COCOA SUPPLY CHAIN BY WORKING WITH FARMERS, COMMUNITIES, AND OTHER KEY PEOPLE ALONG THE SUPPLY CHAIN TO HAVE A POSITIVE IMPACT ON LIVELIHOODS, COMMUNITIES, AND THE ENVIRONMENT. THIS EFFORT IS COMPLETELY ALIGNED WITH THE WORLD WILDLIFE FUND'S MARKET TRANSFORMATIONS MISSION AND OFFERS AN OPPORTUNITY TO WORK TOGETHER AND INNOVATE TO CREATE A MUCH MORE SUSTAINABLE COCOA SUPPLY CHAIN."

David W. McLaughlin, Cocoa Life Advisor and Managing Director and Vice President of Agriculture, <u>World Wildlife Fund</u>

PRINCIPLES & APPROACH

Cocoa Life is based on three non-negotiable principles:

HOLISTIC AND Farmer centric

By listening to cocoa farmers, their families and their communities, Cocoa Life designs interventions that empower their own development, improve their incomes and help their communities to thrive.

COMMITTED TO Partnerships

Partnership is the key to lasting change. By creating partnerships with governments, nongovernment organizations, supply chain partners and communities, the program can support Cocoa Life communities in finding real solutions that lead to measurable transformations. This can't be done alone.

ALIGNED WITH OUR SOURCING

Cocoa Life strives to ensure that all partners along the cocoa supply chain support the approach. By sourcing Cocoa Life beans from the farmer organizations, Cocoa Life farmers become active members of the supply chain.

"WORKING WITH NGO PARTNERS IN COCOA LIFE FARMING COMMUNITIES, WE CAN HOLISTICALLY REACH EVEN MORE FARMERS ON THE GROUND AND SEEK TO IMPROVE THE ENTIRE SOCIOECONOMIC ECOSYSTEM. ECOM AGROINDUSTRIAL CORP. LTD'S (ECOM) ROLE IN PROVIDING ACCESS TO FARMING MATERIALS AND TECHNICAL AND FINANCIAL MANAGEMENT TRAINING TOGETHER WITH THE LOCAL DEVELOPMENT EFFORTS OF OTHER PARTNERS BRINGS COCOA LIFE'S INTEGRATED APPROACH TO LIFE."

COCOA LIFE DRIVES CHANGE IN FIVE FOCUS AREAS



FARMING

Help farmers improve yields and earn higher incomes via the application of good agricultural practices. These should be combined with better access to demonstration parcels and the distribution of improved planting material.



COMMUNITY

Enable men and women to work together to transform their communities by developing action plans to improve infrastructure, gender equality and education; build a sense of opportunity and ownership within communities.



LIVELIHOODS

Improve business skills and provide access to microcredit so that farmers can develop additional sources of income and reinvest in their businesses.



YOUTH

Make cocoa farming a more attractive profession for young people after they finish school by creating jobs at the village level and developing training for these positions.



ENVIRONMENT

Protect the land and forests in which cocoa is grown to maintain ecosystems and provide viable environments and farming land for future generations.



In addition, Cocoa Life has embedded **women's empowerment** and elimination of **child labor** as cross-cutting themes to support each of these five areas.

TAILORING THE APPROACH TO THE NEEDS OF THE COMMUNITY

When entering into new communities, Cocoa Life conducts a thorough participatory needs assessment that allows the team to identify priorities in the region and map the various communities. As part of the needs assessment process, the team visits some 25 percent of all registered farmers in the community. This process is the starting point for communities to take ownership of their development and helps introduce the goals of the Cocoa Life program. It also helps manage expectations, build trust with the new cocoa communities and allow the community to be full partners in the program. The needs assessment covers all focus areas and informs the program design with partners.

As a next step, community members develop a Community Action Plan (CAP), facilitated by the Cocoa Life partners, which provides a detailed roadmap for community activation. The CAP is entirely generated and owned by the community.



COMMITMENT TO THIRD-PARTY VERIFICATION

Cocoa Life tracks and reports impact against **10 global key performance indicators (KPIs)** that correspond to the program's five key areas.



"THE COCOA LIFE PROGRAM IS DESIGNED TO EMPOWER COMMUNITY MEMBERS, BOTH MEN AND WOMEN, WITH THE TOOLS THEY NEED TO CREATE POSITIVE Change. Further, the program emphasizes increasing the agency of women who are typically underrepresented. This is absolutely essential to ensure cocoa farming communities flourish today and tomorrow." Cocoa Life aims for a scalable transformation at farm level. As part of its long-term Cocoa Life roadmap, in 2014, Mondelēz International released its Measurement, Evaluation, Verification and Learning plan. This committed that Cocoa Life would be externally verified.

Cocoa Life began engaging an independent research team to provide third-party verification of the program and measurement of its impact on the ground. Cocoa Life uses these results to learn about how the program is delivering on its goals and make the adjustments necessary to meet its objectives. The verification consists of:

- Annual outcome assessment against the 10 Global KPIs
- Impact evaluation, every three years, comparing participating communities with control communities

Additionally, it is very important to have transparency in the supply chain to help empower farmers. Supply chain verification is, therefore, a critical element of Cocoa Life so it is known that participating farmers are part of a healthy supply chain and that their terms of trade are clear and respected. Cocoa Life has engaged FLOCERT, a leading global certification body, to trace both the flow of Cocoa Life cocoa from Cocoa Life farms and the premium that is then paid to benefit the farmers. FLOCERT provides verification services for social, trade and environmental standards and private codes of conduct. In 2015, these verification efforts focused first in Côte d'Ivoire, where the team began to track supply chain volumes between farmer organizations and first buyer.

FLOCERT's FLOTIS tracking system is now operational for all the volume that is recognized as Cocoa Life. The system tracks volumes sold by Cocoa Life farmers to suppliers and matches with the volumes bought by Mondelēz International from the same suppliers. It also tracks payment from Mondelēz International to the suppliers and, in turn, to the Cocoa Life communities, and verifies that premiums have been paid to the Cocoa Life farmer groups.

Throughout this process, Cocoa Life is guided by a group of advisors and strategic partners from outside the business. They helped develop the program's approach and provided oversight for the implementation of Cocoa Life.

"TRANSPARENCY IN TODAY'S VALUE CHAINS IS A CRITICAL PART OF SUSTAINABLE BUSINESS; IT PROMOTES EFFICIENCY IN OPERATIONS AND ALLOWS Companies to better understand overall impact. We are pleased to provide verification services tailored specifically to the cocoa Life program and look forward to being part of its future development."

IMPACT OF AGRICULTURAL RESEARCH AND DEVELOPMENT ON FARM PRODUCTIVITY

To help address challenges faced by cocoa farmers, the Cocoa Life Research and Development (R&D) team is leading projects to improve farm productivity in the six cocoa supply origins. This global team consists of plant science experts and local technical representatives who work closely with the Cocoa Life origin teams to implement research projects on the ground and introduce new technologies to Cocoa Life farms. All research projects are carried out in partnership with the national cocoa research institutes¹, universities and/or other government and industry partners. Engaging with local research institutes is critical to ensuring the adoption of new technologies on the ground and to build and sustain local technical capacity.

The Cocoa Life R&D team is committed to improving cocoa productivity by:

- Breeding higher yielding, more disease-resistant varieties. Together with other industry partners, the Dutch Government and Cocoa Research Institute of Ghana (CRIG), Cocoa Life supports the Mebang Megakarya Selection Program (MMSP) – a breeding program in Ghana developing cocoa varieties that are capable of producing higher yields and are more resistant to black pod, which is one of the most destructive cocoa diseases in West Africa.
- Providing Cocoa Life farmers with new cocoa plants to help rejuvenate farms and improve cocoa yield. In Ghana, Cocoa Life has teamed up with Tree Global, a professional tree nursery company, to establish a state of the art cocoa seedling nursery which will deliver 500,000 seedlings to

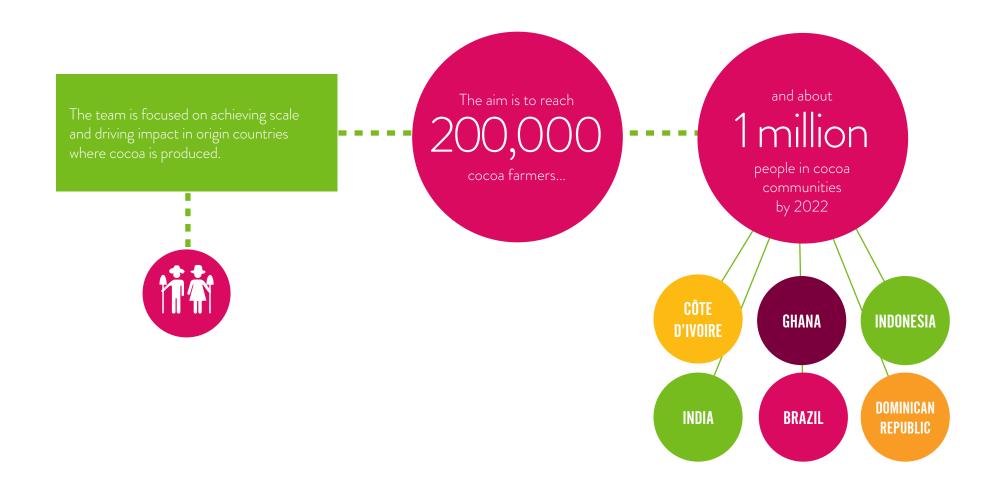
Cocoa Life farmers in 2016. The R&D team is working with Cocoa Life's partners to establish plant production nurseries in the other origins. At least 200,000 seedlings will be distributed to Côte d'Ivoire in 2016.

 Ensuring farmers follow and apply the best agricultural practices for maximizing cocoa yields to increase farm productivity and income.
For each of the key origins, the Cocoa Life R&D team has developed a productivity package which includes a good agricultural practice (GAP) curriculum, demonstration plot best practices, and guidelines for establishing a professional, community-based cocoa nursery. The GAP curriculum is tailored to each origin and details 12 activities to help increase yields from the baseline average, including prevention and control of cocoa diseases, shade management, pruning and soil health.

The Cocoa Life R&D team will be using data from the Mapping Cocoa Productivity project to generate farm-specific recommendations, which will improve the efficacy and cost-effectiveness of interventions. Mapping Cocoa Productivity is a three-year study of about 300 farms across West Africa and Indonesia, running in collaboration with the University of Reading, UK. The project measures cocoa yield with the agricultural inputs and GAP applied on the farms to demonstrate the impact of individual farming practices and environmental factors such as weather and soil composition. Other R&D projects include assessment of farm rejuvenation techniques in Brazil, best fermentation practices in Indonesia and optimum planting density in India.

¹ Cocoa Research Institute of Ghana (CRIG); Centre Nacional de Recherche Agronomique (CRNA), Côte d'Ivoire; Indonesian Coffee & Cocoa Research Institute (ICCRI); Tamil Nadu Agricultural University (TNAU), India; Kerala Agricultural University (KAU), India.

OUR COCOA LIFE ROADMAP







MAKING PROGRESS IN GHANA, YET MORE TO DO

Initial results from Ghana show that Cocoa Life farmers' incomes in the first 100 communities to join the program increased from around 1,000 Ghanaian Cedi (GHS) to nearly 3,000 GHS between 2009 and 2014. This increase was 49 percent more than experienced by farmers in control communities that were not part of the program.

The research found that nearly three-quarters of this increase was driven by greater volume of cocoa sold and did not link this increase in incomes to cocoa prices, training received, memberships of farmer organizations, farm size or self-reported knowledge of being part of certification. Likewise, yield per hectare increased by 37 percent more than control communities, but the survey identified no clear driver for this increase.

These results are based on data taken by a research team from Harvard University. The team was brought in during 2014 to measure and verify the impact of Cocoa Life in Ghana across a range of factors — including farm incomes, benefits for women and youth, and environmental impact — and compare those results with baseline data collected in 2009 for the same communities. It

was a big task, and the results of the first impact study indicate that Cocoa Life has made a positive difference.

Introducing a new verification program is an ambitious and challenging undertaking. A critical component to this is the understanding of whether the efforts being taken are having the impact expected to support real change on the ground.

While these findings suggest a strong positive contribution to Cocoa Life's key performance indicators (KPIs) on net income from cocoa



and cocoa productivity, the results were not yet differentiated by men and women. In addition, there is a need to understand better what is driving these increases to ensure improvements are sustained and can be repeated elsewhere. Further, the study did not show clear results on other Cocoa Life KPIs. However, as the KPIs were established in 2013, well after the original 2009 baseline data collection, it may not be possible to fully assess progress on these KPIs against the control communities.

As part of its long-term Cocoa Life roadmap, Mondelēz International released its Measurement, Evaluation, Verification and Learning plan in 2014. This committed that Cocoa Life would be externally verified with an annual third-party outcome assessment against the 10 KPIs and and an impact evaluation, every three years, in addition to supply chain verification by FLOCERT. This initial impact evaluation from Ghana is a first step towards that commitment, and provides opportunities to improve the timeliness of results, alignment with Cocoa Life's KPIs and the level of gender disaggregation. These improvements are necessary to help to improve Cocoa Life on the ground and will be achieved by implementing annual outcome assessments completed by an independent third-party for our top three origins, Ghana, Cote d'Ivoire and Indonesia.

COCOA LIFE VS. CONTROL COMMUNITIES



About the study: Data reported are from the first 100 communities to join the Cadbury Cocoa Partnership (CCP) in 2009. The results are from a survey during 2014 that compared these Cocoa Life communities in Ghana with control communities that were not part of the program. The 2014 survey followed a complete cycle of the CCP program and compared progress against 2009 baseline data. As part of our long-term Cocoa Life roadmap, KPIs were validated and published in 2013. Baseline measurements have been retrospectively aligned where possible; however, the overall level of gender disaggregation in the results is much lower than expected in the future.

A STORY ON WOMEN'S EMPOWERMENT



WOMEN EMPOWERING WOMEN FOR A Sustainable future in cocoa farming

Women cocoa farmers face many challenges – they earn less than their male counterparts and struggle with lower farm productivity, smaller farms and less access to financing and farm inputs. This is why **JANET OPARE-ADDO**, a Cocoa Life Women's Extension Volunteer in Ghana, finds enormous fulfillment in her role helping empower the women in her community to be strong, accomplished cocoa farmers. Supporting gender equality and women's empowerment not only helps women to better support their families and contribute to the development of their communities, but ultimately secures the future supply of cocoa by improving its productivity and quality.

A mother of six, Janet leads community mobilization for many Cocoa Life activities, including the development of Community Action Plans (CAPs). She serves as a liaison and support for women who take part in training programs to ensure that correct methods are applied on farms. Janet supports 570 men and women in community development projects across Asukyerema and five satellite communities. This includes leading two Village Savings and Loans Associations (VSLA). Here, Janet shares details about her work.



CONCENTRATED TRAINING HELPS WOMEN SUCCEED AS COCOA FARMERS

When I visit the cocoa farms in my region each day, I see a wonderful thing. I see many successful and capable women from my community working as independent farmers to cultivate their cocoa fields. This is a beautiful sight, because I have devoted myself over the last three years to ensuring the women of my community have support and training to be successful cocoa farmers who can care for their families.

The Cocoa Life training program focuses on several areas of significant need in Ghana. For example, we conduct education on cocoa farm maintenance and discuss important issues related to the prevention of child labor. We also spend a large amount of time in training sessions about nursing and planting of cocoa seedlings. The programs are structured as group educational discussions. Some training sessions also include hands-on demonstrations on a farm, like the lessons related to pruning techniques. Other trainings teach how to control and prevent cocoa farm diseases.

More than 100 women from our community have participated in the Cocoa Life training program.

WOMEN COCOA FARMERS FACE MANY CHALLENGES

The biggest challenge women face is the ability to acquire land for farming. Most women do not have access to land. As a result, some depend on their husbands for property. Even when land is available, most women do not have money to buy it.

Women have traditionally been excluded from some farming techniques, such as felling trees, cropspraying or pruning. The enhanced skills we gain through the trainings help address these challenges. 66

THE COCOA LIFE PROGRAM AND ABANTU SHARE A COMMON GOAL OF ACHIEVING GENDER EQUALITY WITHIN THE COCOA INDUSTRY AND AT THE COMMUNITY LEVEL. THAT'S WHY WE OFFER GENDER MAINSTREAMING TRAINING FOR KEY STAKEHOLDERS, WHICH INCLUDES CREATING ACTION PLANS FOR INCORPORATING GENDER PERSPECTIVES IN THEIR WORK GOING FORWARD.

> -Rose Mensah-Kutin, PhD, Director, West Africa Regional Office, <u>ABANTU for Development</u>

Some women have learned ways to acquire or access land from their husband or family members to start their own farms. And we are helping women access their own cocoa farms through either shared cropping or buying land for cultivation. Women are now active members of the Cocoa Life societies at the community level. Because of this, women in the group usually support the other women during harvesting and pruning.

The most rewarding part of my work is when I see my other sisters apply new skills on their farms. I'm proud of them and all the women in our community. They are great role models for the next generation and I hope to inspire my sons and daughters to grow up to be cocoa farmers too.

EMPOWERING WOMEN IMPROVES LOCAL COCOA FARMING COMMUNITIES

The impact of Cocoa Life is far-reaching and goes beyond the women we train. Because of this program, many aspects of cocoa farming in my community also have improved – from planting through to lining and pegging, regular farm maintenance and increased crop yield. Those who participate in the programs have realized significant increases in their crop yields.

And, because of the training, more women feel empowered with the knowledge and skills to manage their cocoa farms. Now, they know how to access loans, which helps them pay for labor. We've learned firsthand that cocoa farming is a business and that what men can do women can do too.

The Cocoa Life program is helping us earn more money, and loans enable investment and cocoa farm maintenance, resulting in trees giving more fruits. We can then not only support our families, but also give back to our community. It helps women build confidence in their abilities to be cocoa farmers, and through this program, communities are encouraged to lead their own development. These are amazing accomplishments. THROUGH TRAININGS FROM COCOA LIFE AND VSO'S WOMEN EXTENSION VOLUNTEERS ON TECHNICAL, BUSINESS MANAGEMENT AND LEADERSHIP SKILLS, WOMEN FARMERS COME TO VIEW THEMSELVES AS BUSINESSWOMEN. GENDER TRAINING FOR A RANGE OF STAKEHOLDERS HELPS ENSURE WOMEN OF COCOA FARMING COMMUNITIES ACTIVELY PARTICIPATE IN DECISION-MAKING PROCESSES THAT HAVE A DIRECT IMPACT ON THEIR LIVES.

> –Fidelis Yapel, Cocoa Life Program Manager, <u>VSO</u>, Ghana

COCOA LIFE PRIORITIZES WOMEN'S EMPOWERMENT

Stephanie Barrientos, Professor at the <u>University of Manchester's Global Development Institute</u>, visited Cocoa Life communities in Ghana and offers insights on how Cocoa Life is addressing women's empowerment and gender equality, which are key components of the program.

Gender inequality and a traditional viewpoint that women's roles are subordinate in farming are deep-rooted in cocoa communities. At the same time, there are increasing concerns about future productivity and quality of cocoa. Research has found women are engaged in activities that enhance cocoa yields and quality, including early plant care and post-harvest fermentation and drying. However, they face specific challenges and their role in family farm labor is unrecognized. Promoting a cultural shift to ensure gender equality in the cocoachocolate value chain is central to guaranteeing future resilience of supply and ensuring future generations find the occupation attractive. Cocoa Life is promoting gender equality by recognizing women as producers and providing better access to credit, training and extension. Women's empowerment is also a cornerstone of the design and implementation of the Community Action Plans (CAPs). CAPs are an excellent platform for women to have a voice in shaping their communities' future success. However, there is still much work to be done to overcome challenges of embedded gender bias. The work at the community level must be reinforced at regional and national levels to ensure gender equality efforts are consistent and become the norm. This is critically important because there is evidence women are more likely than men to spend income on children's education and health. Women often have greater concern for the social viability of cocoa communities. To secure the future supply of cocoa and vibrant cocoa communities, Cocoa Life must continue to support and build efforts promoting gender equality and women's empowerment.



A STORY ON LIVELIHOODS



ENSURING THRIVING LIVELIHOODS AND Empowered communities through access to finance

Financial security is an aspiration often out of reach for many cocoa farmers, whose varying seasonal earnings and low incomes can be unattractive to banking institutions. To provide an additional financial resource for these farmers, Cocoa Life joined forces with CARE International and other NGOs to introduce Village Savings and Loan Associations (VSLA) in cocoa farming communities. **THEOPHILUS NKANSAH of <u>CARE International</u>** provides insights on the program.



Photo courtesy of CARE International

IMPROVING SOCIOECONOMIC ECOSYSTEM FOR COCOA FARMERS AND THEIR COMMUNITIES

The Asunafo North and Amansie West Districts in Ghana are home to more than 6,000 registered cocoa farmers in cooperative societies. These cocoa farmers face complex challenges that affect their productivity and livelihoods. Shocks to the community, such as bushfires, and poor yield are common to cocoa farmers. Their vulnerability is worsened by financial insecurity due to unstable farm-related incomes and lack of access to banking services.

Also, a lack of financial literacy means there is not a culture of saving in the cocoa communities. Banking institutions and microfinance companies are reluctant to extend loans to rural groups because these groups do not have the collateral required. Moreover, the financial institutions can also find it expensive to deal with rural communities because they have small amounts of money to save. Under the leadership of CARE International in Ghana, Cocoa Life and other NGOs came together to form Village Savings and Loans Associations (VSLA) in cocoa farming communities. Members of a VSLA make small, regular monetary contributions to a shared pool, from which they may each take out lowinterest loans – up to three times the amount of their contribution – after three months of contributions.

At the end of a one-year cycle, the sum of the pool is shared out among members based on contributions made and a new contribution cycle begins. Members also establish a dedicated insurance fund meant to help with emergencies, such as illness and accidents.

The pioneering VSLA program began as a pilot in 2012. As of August 2015, we have implemented 217 VSLAs across 60 communities in Ghana and 132 VSLAs across 11 communities in Côte d'Ivoire – involving more than 7,600 members. Other partners are also implementing VSLA programs and similar savings programs in Cocoa Life communities in Ghana and across other origin countries.



ACCESS TO FINANCE IS KEY TO ENSURING THRIVING LIVELIHOODS AND EMPOWERED **COCOA FARMING COMMUNITIES. THE COCOA LIFE PROGRAM HAS NOT ONLY** SEEN CARE'S VILLAGE SAVINGS AND LOAN ASSOCIATION (VSLA) MODEL SUCCESSFULLY BRING COMMUNITIES **TOGETHER, BUT ALSO ENABLE THE DEVELOPMENT OF A SAVINGS CULTURE, INCREASED LITERACY LEVELS AND IMPROVED MANAGEMENT SKILLS. MOST IMPORTANTLY, THE PROGRAM IS A KEY DRIVER TO EMPOWERING WOMEN ECONOMICALLY. ULTIMATELY, IT LEADS TO A BETTER QUALITY OF LIFE FOR THESE FAMILIES**

> - Christine Svarer, Head, Private Sector Engagement, <u>CARE International UK</u>

ABOUT 70 PERCENT OF PARTICIPANTS IN VSLAS ARE WOMEN

Members of VSLAs use the funds for a broad range of investments including: purchase of fertilizers allowing them to increase their yield, start-up capital for new businesses, expansion of existing businesses, starting new cocoa farms, rehabilitating old cocoa farms and hiring laborers. The social fund helps with emergencies such as illness, hospitalizations or a death in the family.

The success story of Cecilia Manu, a mother of four, who lives in the Bonsaso community, is an excellent example of how the VSLA program changes lives of families in these communities. Cecilia has worked in cocoa farming for decades. Because of financial challenges and inconsistent incomes common to most cocoa farmers, Cecilia and her husband had been struggling to buy books and pay school fees for their children's education. Their plight became even more disheartening in the lean season when the family struggled to obtain three meals a day.

Since Cecilia became a member of "Onuado Kuo," a VSLA group, the tides have turned, and her face now beams with joy. Cecilia contributes every week to her group fund with the small savings she gets from farm proceeds. As a result, she received funds as part of a 'share out' benefit from her contributions plus group-accumulated interest over the period.

Women like Cecilia comprise about 70 percent of participants in these VSLAs. One woman participant used microloans from her VSLA to open a shop that helped her family during a time when their cocoa farm was underperforming. Others like Mary Adjei, whose family lived hand-to-mouth until participation in a VSLA in Otwebediadua, have been afforded opportunities to properly maintain their farm, pay for laborers and send their children and grandchildren to school. THE VSLA GROUP CHANGED MY LIFE. EVEN WHEN I JOINED, I NEVER DREAMED OF SUCH EARNINGS AT THE END OF 'SHARE OUT.' NOW I CAN BORROW MONEY FROM OUR GROUP FUND TO SUPPORT MY HUSBAND AND PAY FOR OUR CHILDREN'S SCHOOL FEES. I HAVE ALSO BEEN ABLE TO ESTABLISH MY OWN CHOP BAR, HIRE LABOR AND BUY AGROCHEMICALS FOR MY FARM. MY FARM HAS BECOME MORE BEAUTIFUL. THE VSLA IS A BLESSING.

– Cecilia Manu, Onuado Kuo, Bonsaso



A STORY ON ENVIRONMENT





IMPROVING ENVIRONMENTAL SUSTAINABILITY OF FARM LAND FOR FUTURE GENERATIONS IN GHANA

Ghana supplies about 20 percent of global cocoa. However, excessive reliance on plant monocultures, failure to plant trees for shade and other poor agricultural practices have left this country's crop vulnerable to deforestation and resource depletion, impacting its future sustainability. To reverse this trend and ensure a sustainable future for the region's cocoa production, the Cocoa Life program is working with the <u>United Nations Development</u> <u>Programme's (UNDP)</u> Environmental Sustainability and Policy for Cocoa Production in Ghana (ESP) project, the <u>Ghana Cocoa Board (COCOBOD)</u> and cocoa traders. **ATSU TITIATI, Project Coordinator for ESP**, shares insights regarding these efforts.



ENCOURAGING FARMERS TO ADOPT SUSTAINABLE ENVIRONMENTAL PRACTICES

Ghana's cocoa landscape has changed dramatically in recent decades. Some off-reserve or protected areas within the cocoa belt in Ghana, which were once occupied with high-moisture forest, have beer grossly deforested, resulting in the gradual intrusion of grassland and changing micro-climatic conditions that are not capable of supporting profitable cocoa production. Current production practices are generally unsustainable and continue to worsen the cycle of environmental degradation, which potentially poses significant threats to farmers' livelihoods. These unsustainable practices include continued crop expansion into forested areas and using unapproved chemical pesticides. These challenges are a potential roadblock to the longterm development of cocoa farming in Ghana. At ESP, we are working to address environmental sustainability issues in hundreds of Ghana's cocoagrowing communities through implementation of the principles central to the environmental key area of the Cocoa Life initiative. Our efforts center on conserving the natural ecosystems within the cocoa landscapes to maintain and provide viable environments and farmland for future generations. These efforts enable and encourage cocoa farmers to move toward more sustainable "green production" principles.

ENCOURAGING BIODIVERSITY CONSERVATION AT THE REGIONAL LEVEL

The UNDP believes in incorporating communitybased approaches to natural resources management in order to address problems at the broader landscape level. To that end, we are piloting Community Resource Management Areas (CREMA) in 36 communities within the Asunafo North cocoa landscape.



TO ENSURE YOUTH INTEREST IN THE COCOA SUPPLY CHAIN, PROVIDE ACCESS TO PLANTING MATERIALS AND CREATE JOBS, COCOA LIFE CREATED THIRTEEN YOUTH GROUPS IN THE WASSA EAST DISTRICT IN GHANA'S WESTERN REGION. THE YOUTH GROUPS DEVELOP COCOA NURSERIES IN THEIR COMMUNITIES AND SOME MEMBERS GO ON TO JOIN COCOA FARMING SOCIETIES. AFTER SUCCESSFULLY NURTURING 600 SEEDLINGS, 25-YEAR-OLD JANET OTABIL ESTABLISHED HER OWN COCOA; SHE NOW IS THE PROUD OWNER OF A ONE-AND-A-HALF ACRE COCOA FARM.

– Emmanuel Aboagye, Development Facilitator, <u>World Vision Ghana (WVG)</u> CREMAs serve as natural resource management and planning tools that are the basis for community initiatives. CREMAs provide communities, landowners and land users important resources to help them protect forest and wildlife resources within the boundaries of the CREMA.

As a result of ESP's efforts, cocoa farmers in the Cocoa Life operational areas are gradually moving away from their "old farming methods" that placed no value on environmental sustainability and embracing green production practices. They are reintroducing native shade trees to cocoa farms as part of efforts to conserve biodiversity and enhance biophysical conditions on cocoa fields.

TRAINING FARMERS TO BE SUSTAINABILITY STEWARDS

Simultaneously, we're hosting farmer training workshops through the Cocoa Life program and in coordination with training programs developed by the COCOBOD. Community Extension Agents from COCOBOD and more than 1,400 cocoa farmers including chiefs, assemblymen and women from the seven local districts have been trained on more sustainable farming practices.

Partnerships across the cocoa production industry are crucial to the success of our long-term efforts. Therefore, we work directly with government agencies, including the Forestry and Lands Commissions, the Land Administration Project (LAP), the Environmental Protection Agency (EPA), COCOBOD, Ghana Cocoa Platform (GCP) and other actors.

Together, we implement national strategies for sustainable environmental management, including the UN programme to Reduce Emissions from Deforestation and Forest Degradation (REDD+), ensuring that field-level realities feed into national dialogues and policies.



COCOA LIFE IS A GLOBALLY IMPORTANT AND INNOVATIVE PROGRAM TO PROMOTE AND SCALE UP SUSTAINABLE COCOA BY **PROVIDING TECHNICAL SUPPORT AND BEST** PRACTICES VIA MONDELEZ INTERNATIONAL'S SUPPLY CHAINS AND PARTNERS. THE **PROGRAM PROMOTES ENVIRONMENTAL** SUSTAINABILITY AT THE FARMER. **COMMUNITY AND NATIONAL LEVELS,** FOCUSING ON REDUCING DEFORESTATION AND PROMOTING THE USE OF SHADE TREES **ON COCOA FARMS. COCOA LIFE IS ADVANCING STRATEGIES TO INCREASE SCALE. THIS** SHOULD RESULT IN A MAJOR CONTRIBUTION TO CARBON EMISSION REDUCTION AND MAKE **COCOA FARMS MORE SUSTAINABLE AND RESILIENT TO CLIMATE CHANGE.**

 Andrew Bovarnick, Cocoa Life Advisor and Lead Natural Resource Economist and Global Head, <u>United Nations</u> <u>Development Programme's Green</u> <u>Commodities Programme</u>



PLANTING SHADE TREES ACHIEVES FARM DIVERSIFICATION AND SUSTAINABILITY

As part of the ESP activities, farmers receive support from the UNDP to help them plant and conserve economic trees – those planted for purposes other than producing cocoa – which diversify the farms, provide alternate revenue streams, and also make the forests more resilient to the risk of pests and disease. UNDP has launched a campaign to encourage farmers to either replant destroyed trees or undertake new plantings on farms. Farmers who have planted economic shade trees on their farms receive help registering them with the Forestry Commission in order to guarantee their ownership of the trees.

Since 2014, the project has distributed more than 787,000 economic tree seedlings to more than 9,600 cocoa farmers. It is gratifying to report that seedling planting and survival rates are about 90 percent and 95 percent, respectively.



PARTNERING WITH COCOBOD IN GHANA

Dr. Francis Baah, Executive Director of the Ghana Cocoa Board (COCOBOD), explains how Mondelez International and COCOBOD launched a public-private partnership to enhance farmers' access to cocoa production technologies and empower farming communities. This was an important effort in Ghana, where cocoa is a pivotal crop for farmers and the national economy.

There are more than 800,000 rural families in Ghana that depend on cocoa for their livelihoods. Our Cocoa Extension and Advisory Services program, which counts Mondelēz International and Cocoa Life as partners, is working to reduce poverty for these farmers and enhance export earnings for Ghana. We started with 17 Community Extension Agents (CEAs) working in 110 communities to train farmers on agricultural practices and provide access to quality seedlings, fertilizers and pesticides. Since the partnership with Cocoa Life, this has risen to 39 CEAs working in 330 communities. This has led to significant adoption of good agricultural practices and farm business skills. Farmers in the program harvest 700 kg/ha, well above the national average of 450 kg/ha.²

The Cocoa Life program has also brought together a range of other partners, including Department of Co-operatives, <u>Abantu</u> for Development, World Vision, CARE International, and <u>Non-Formal Education</u> <u>Division</u>, to ensure holistic development for farm families and empowerment of farming communities. This work has changed and will continue to change the cocoa landscape for betterment of Ghana's farmers.

²A 2014 survey of Cocoa Life communities in Ghana found that nearly three-quarters of the increase in Cocoa Life farmers' incomes was driven by greater weight of cocoa sold (see page 21).





Cocoa Life active in country since 2013 communities*

Cocoa Life

5 Cocoa Life origin team members

CÔTE D'IVOIRE

COCOA LIFE HAS A STRONG PRESENCE IN CÔTE D'IVOIRE, THE WORLD'S LEADING COCOA PRODUCING COUNTRY. HERE IS A LOOK AT HOW EFFORTS TO ADDRESS CHILD LABOR ARE DRAWN FROM ON-THE-GROUND FAMILY AND FARMING EXPERIENCES AND HOW ONE FARMER IS TRANSLATING COCOA LIFE TRAINING INTO HIGHER YIELDS, BENEFITING BOTH HIS FAMILY AND COMMUNITY.

CONSEIL DU CAFÉ-CACAO Cocoa Life's overnment partner





INCREASING COCOA YIELD AND Building Strong Farming Communities in côte d'ivoire

AMADOU OUATTARA, a 52-year-old farmer and father of 11 children ages 3 to 22, is a lead farmer and member of ECAM, a large cooperative of more than 900 farmers participating in the Cocoa Life program in Côte d'Ivoire. ECAM is led by Madame Fanny Assata Doumbia in the village of Meagui

Amadou provides his insights on being a farmer in Côte d'Ivoire and the impact of the program on his village and his family.



MASTERING ADVANCED FARMING TECHNIQUES TO INCREASE PRODUCTIVITY

I belong to a family of several generations of cocoa farmers. Both my father and grandfather cultivated cocoa, and I have been doing so since I was 17 years old. I enjoy working the land and farming supports me well. My farm is among the biggest in the community. Unlike many farmers in my community who rent the land they cultivate, I own my land.

My daily work starts at 8 a.m. and continues until midday when I take a break at home, especially during a hot day. I resume in the afternoon at 3 p.m. and work until 6 p.m. The daily tasks I accomplish consist mainly of harvesting pods, breaking them to extract the cocoa beans, pruning my trees, maintaining the soil and improving the fertility of the land. The harvesting season lasts three months from early October until January; it is the busiest time of the year. Cocoa farmers in Côte d'Ivoire face a variety of problems, including soil degradation and plant diseases. The cocoa trees are old and the soil fertility depletes as we grow the same crop on it over 40 years. Productivity falls, and we do not have enough access to compost and fertilizer. We also lack access to planting materials (seeds and seedlings).

Through Cocoa Life, we are able to expand our knowledge about new farming techniques and learn to master good agricultural practices. Through trainings, we learn pruning techniques that have raised the quantity and quality of the cocoa harvested. Prior to the Cocoa Life trainings, there were cocoa tree diseases that I didn't know how to treat. Now, I know methods to protect my trees from the diseases and that has increased my harvest.

Before joining the Cocoa Life program, I was producing 350 kilos of cocoa per hectare. Today, after two and a half years in the program, my yield has almost doubled – to 600 kilograms per hectare.

WE CREATE PROGRAMS AS PART **OF COCOA LIFE TO HELP COCOA** FARMERS IN CÔTE D'IVOIRE INVEST IN THEIR FARMS AND GROW THEIR **SMALL BUSINESSES. THE PROGRAM STARTS WITH INSPIRING YOUNG** ADULTS TO PURSUE COCOA FARMING IN THEIR OWN COMMUNITIES AS AN **ALTERNATIVE TO MOVING TO BIG CITIES TO LOOK FOR EMPLOYMENT.** WE ALSO INCREASE ACCESS FOR YOUTH TO LEARN LIFE SKILLS, SUCH **AS LEADERSHIP DEVELOPMENT,** FINANCIAL LITERACY AND BUSINESS **PRINCIPLES, EMPOWERING THEM TO BUILD SUSTAINABLE FARMING** COMMUNITIES.

> – Ahmadou Cis, <u>Solidaridad</u> Country Representative, Côte d'Ivoire



HOLISTIC APPROACH WITH FARMERS AT THE CENTER OF THE COMMUNITY

Cocoa Life actively encourages community development. Close to 100 producers in and around my village work together to choose activities that benefit our social well-being. Farmers meet and initiate programs, and women are actively involved in the decision-making.

One challenge in our region is related to the management of income. The farmers struggle to manage money after large harvests and, as a result, they face difficulties in meeting their families' needs during the lean season. I believe community support for financial management and social development should be one of the priorities of the program.

For years, many cocoa farmers in Côte d'Ivoire were selling their produce to individual buyers at prices unfavorable to farmers. Due to Cocoa Life and CARE International, more farmers joined the partner farmer organization and sell cocoa under better terms of trade, with premiums and volumes agreed upon upfront.

THE NEXT GENERATION AS HOPE FOR THE FUTURE

All of my children, eight boys and three girls, are in school. I would like for my children to follow in my footsteps and become cocoa farmers.

My immediate hope for the future is simply to have a larger harvest, a good crop. I would hope to have a bigger crop this year and improve the farm's productivity using new techniques. Before, I didn't know all of these techniques and did not have support. With help from the Cocoa Life program, we have increased yields and are working together to build a thriving and prospering community.



HOW THE NEEDS ASSESSMENT DRIVES A TAILORED APPROACH FOR COCOA LIFE

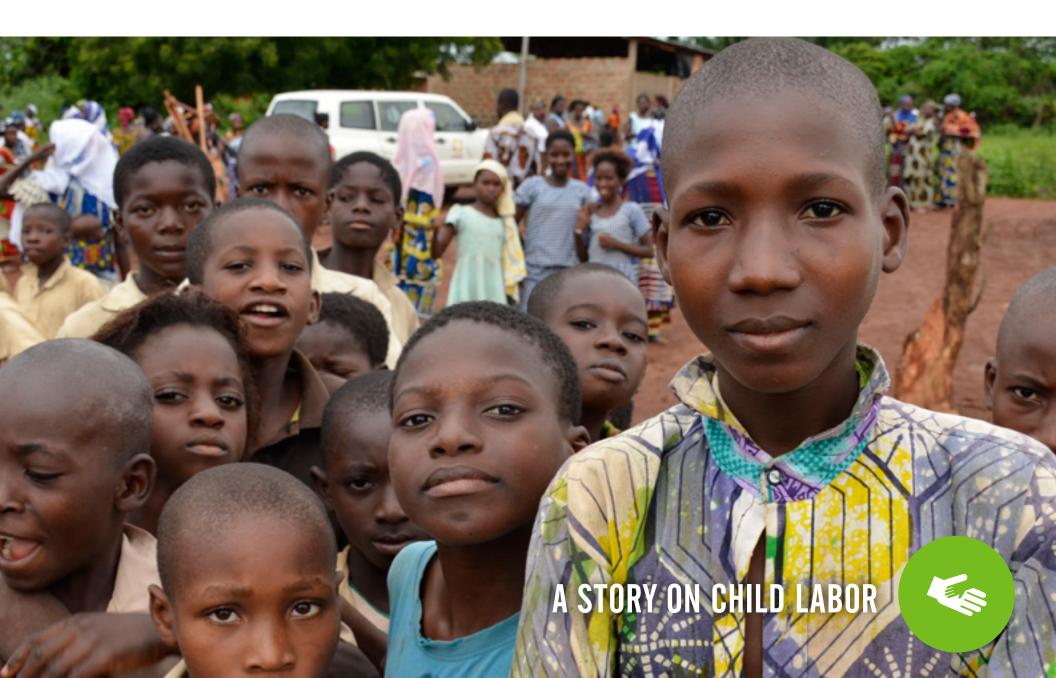
In May 2014, Cocoa Life worked with CARE International, cocoa suppliers and independent university experts to conduct a needs assessment in the five major regions of Côte d'Ivoire where the program is in place.

Needs assessments are conducted when the program is starting in selected regions and aim to build participation and engage farmers

and their communities in the Cocoa Life program. To gather this information, one-onone interviews and focus groups are conducted with farmers, community leaders, women's groups, youth associations, government, nongovernmental organizations (NGOs) and private partners in Côte d'Ivoire and the other origins. The information is then analyzed to better understand the challenges farmers and their communities face. It is also used to identify ways Cocoa Life can support farmers in furthering their own development and transforming the communities into thriving places to live.

Here are some key findings from this needs assessment and how the areas of the Cocoa Life program in Côte d'Ivoire will be developed to address them.

NEEDS ASSESSMENT FINDINGS		IMPLICATIONS FOR COCOA LIFE KEY AREAS	
More than 83% of surveyed farmers use local non-certified seeds for replanting	Only 10% use certified seeds from the National Center for Agronomic Research (CNRA)		FARMING efforts include training and access to certified seeds and seedlings
Most cocoa farmers (61%) have not been to school	Of 39% who went to school, 24% only attended primary school		FARMING and COMMUNITY efforts include access to knowledge/literacy and production knowledge and tools
97% of farmer members earn most income from cocoa	Nearly 70% think they do not earn enough for basic family and farming needs	S	LIVELIHOODS efforts focus on increasing income from sources other than cocoa, mainly through the empowerment of women farmers
Majority of cocoa farmers (88%) own their farms, which they inherited from parents; there is a limited opportunity for young farmers to own land and invest in cocoa farming		ŶŧŸ	YOUTH efforts include training and support for the provision of services to farmers; these consist of support services such as the production of certified planting material, pruning, plant protection and extension services to farm owners
While most villages are clean, several communities lack local waste management services and have poor sanitation; in addition, deforestation is a threat to sustainable management of local resources			ENVIRONMENT efforts address sanitation and hygiene issues via community development plans; partnerships will be developed with key stakeholders engaged in controlling deforestation due to cocoa growing



CHILD LABOR

EMPOWERING COCOA-GROWING Communities to help eradicate child labor in west Africa

Child labor, in its different forms, is prevalent in cocoa-growing regions of Côte d'Ivoire and Ghana.³ Many factors, from the relative poverty of farmers to the lack of national infrastructure, schools and healthcare, make children vulnerable to risks and contribute to the problem.

Over the years, we have worked to help eliminate child labor in cocoa-growing communities. Cocoa Life addresses child labor directly as well as its root causes. Our NGO partners, like CARE International and Solidaridad, raise awareness of child labor in Cocoa Life communities with training for both children and parents. And importantly, Cocoa Life helps to address the root causes of child labor with actions to improve the livelihoods of farmers, empower women, and promote education.

As part of this commitment, Cocoa Life has partnered with Embode, an independent human rights consultancy, to analyze the environment and national child protection infrastructure in Côte d'Ivoire, Ghana and Indonesia. **AARTI KAPOOR**, **managing director of <u>Embode</u>**, has spent considerable time looking at the issues in the region, and provides her insights.

CHILDREN AT THE HEART OF COCOA COMMUNITIES

Cocoa farmers and their families care deeply about their children and the future they promise. They have an inherent desire to invest in the education of their children, not only formally through schools, but also informally in cocoa and other agricultural cultivation.

Children's work can be seen as a broad range of activities. Acceptable children's work is at one end of the spectrum, including light work and chores that are age-appropriate, safe, and don't interfere with schooling and well-being; acceptable work can even support aspects of the child's informal education. However, when children's work moves beyond ageappropriate light work and chores, the situation can become exploitative, and this is the child labor that we strive to eliminate. As a minimum standard, the term "child labor" covers any type of children's work that has a negative impact on the child, either physical or mental. Child labor also refers to work by an individual under the minimum legal age of employment. In some cases, individuals exploit vulnerable children from within or around the community, or who have migrated from other parts of the country or across the border. The most egregious end of the child labor spectrum includes child slavery and trafficking.

Despite our best intentions, we cannot tackle this important issue by focusing on child labor alone. I have visited numerous cocoa growing communities in Côte d'Ivoire and Ghana and spent time talking with families and children. I have also had the opportunity to discuss the issues with key government, corporate and NGO stakeholders in both countries. This has led me to the conviction that a child-centered approach focused on the holistic well-being of children is the only sustainable way to address child labor.



THE ONLY WAY TO EFFECTIVELY TACKLE CHILD LABOR IS TO ADDRESS ITS MULTIPLE ROOT CAUSES, WHICH REQUIRES GATHERING MANY SKILL SETS. THAT'S WHY THE COCOA LIFE COMMITMENT TO PARTNERSHIPS IS PARTICULARLY IMPORTANT. AS THE PROGRAM SCALES UP, COCOA LIFE WILL HAVE A TRANSFORMATIVE EFFECT ON THE COMMUNITIES WHERE IT'S IMPLEMENTED AND WILL HAVE AN IMPORTANT IMPACT ON A LOT OF THE CHILD LABOR RISK.

> - Nick Weatherill, Executive Director, International Cocoa Initiative

ADDRESSING THE BROADER ISSUES

Responding to child labor in Côte d'Ivoire and Ghana must be about more than raising awareness of communities and taking a compliance-driven approach. It's crucial to also address the broader, endemic problem and work to enable every child to grow up in an environment safe from all forms of harm, and with access to education, healthcare, clean water and sanitation.

This is why Cocoa Life's innovative framework of taking shared accountability in developing communities brings much needed hope, attention and resources to the issue. Cocoa Life tackles the problems in partnership with organizations such as CARE International, World Vision (Ghana), Voluntary Service Overseas International (VSO) and Solidaridad. Together, we implement broad-ranging community development programs, recognizing that every child needs a safe and conducive environment to grow and thrive.

Take, for example, the structural obstacles to accessing education in Côte d'Ivoire. One of the contributing factors is a lack of birth certificates, which inhibits access to education as unregistered children can be turned down upon enrollment or prevented from registering for school exams. Without a birth certificate, children can face ongoing challenges in also acquiring other services and benefits for registered citizens, rendering them more vulnerable to child labor. It can be a long and arduous administrative process to acquire such certificates involving legal services and local government. As part of Cocoa Life in Côte d'Ivoire, CARE International supports local, school-age children through the process by helping to promote and ensure school attendance. As a result of this pilot project, 275 children received birth certificates. Just this one formal document can make such a big impact on each and every child.

It is clear that child labor does not exist in a vacuum. It occurs through the interaction of complex conditions and factors over time. It has been socialized in the culture of cocoa-growing communities for many generations. This is why a community development response, with child well-being at its heart, is the sustainable way forward. This approach targets the root causes of child labor, such as poverty and child vulnerability. It also helps to build on and strengthen existing support systems and infrastructure, such as social protection, health and education, so that communities are capable and empowered to adequate! care for their children.



COCOA LIFE'S HOLISTIC APPROACH TAKES INTO ACCOUNT THE IMPORTANCE OF ENSURING ITS EFFORTS HAVE CREDIBILITY AND INTEGRITY. OTHERS SEEKING TO ADDRESS CHILD LABOR AND SLAVERY HAVE MUCH TO LEARN FROM THE COCOA LIFE CHILD LABOR GUIDANCE DOCUMENT, WHICH WE WORKED TOGETHER TO DEVELOP AND PUBLISH.

> – Aidan McQuade, Cocoa Life Advisor and Director, <u>Anti-Slavery International</u>

EXPANDING REACH WITH BARRY CALLEBAUT IN CÔTE D'IVOIRE

Nicko Debenham, VP Global Cocoa Sustainability and MD Biolands Group at <u>Barry Callebaut</u>, explains how the company is expanding their work with Cocoa Life. Barry Callebaut, a global cocoa company and major supplier to Mondelēz International, has focused on sustainable agriculture and farm productivity in West Africa for many years now.

Barry Callebaut is partnering with Solidaridad, the international development NGO, to build the reach of Cocoa Life in Côte d'Ivoire. Both of our organizations have worked in the same communities and regions in the country. Together, we are working towards Mondelēz's goal of having Cocoa Life in Côte d'Ivoire reach 26,000 cocoa farmers by 2016. In the partnership, Barry Callebaut is responsible for farm productivity, which means we will implement the productivity package of services that we provide to farmers. This includes training, access to fertilizer, pest and disease management, and planting materials. Our partner, Solidaridad, will work in communities to design tailored action plans, and implement actions to strengthen livelihoods, empower women and promote women's rights. This unique partnership will allow us to combine commercial and social responses to the needs of farmers and their communities in a comprehensive way.



PARTNERING WITH CONSEIL DU CAFÉ-CACAO IN CÔTE D'IVOIRE

Mrs. Toure-Litse, General Director of the <u>Conseil du Café-Cacao</u>, describes the partnership with Cocoa Life. The Conseil du Café-Cacao is Cocoa Life's leading government partner in Côte d'Ivoire. In 2013, Mondelēz International and the Conseil du Café-Cacao signed a Memorandum of Understanding (MOU) to help farmers increase sustainable cocoa production and create thriving communities through Cocoa Life. The MOU signifies the formalization of Cocoa Life's engagement in Côte d'Ivoire and represents the foundation of the partnership.

The agreement set forth a plan for Cocoa Life to work more closely with the central government, local authorities, NGOs and suppliers. Cocoa Life has been able to establish a clear channel of communication with local communities, officials, and other stakeholders in the supply chain, allowing the program to better assess and address the needs of farming communities. The partnership has also helped to support the implementation of Cocoa Life's community development interventions. The Conseil du Café-Cacao's contributions are critical to this work as we lead the Cocoa Life national steering committee, which facilitates partnership with research and extension institutions, and provides improved certified planting material for Cocoa Life farmers. Cocoa Life has been embedded in line with our national strategy; Madame Rosemarie Tanoe, who is a member of the Conseil du Café-Cacao, chairs quarterly reviews.





INDONESIA

COCOA LIFE FOSTERS STRONGER Communities via action plans that ENGAGE and Empower community Members to find solutions for Socio-Economic Challenges. Here Is a look at how the program Achieves results.

INDONESIAN COFFEE & COCOA RESEARCH INSTITUTE (ICCRI) Cocoa Life's research

partner

Cocoa Life regions
*End of 2015

A STORY ON COMMUNITY





EMPOWERING COCOA FARMERS AND THEIR FAMILIES IN INDONESIA

In Indonesia, Cocoa Life farming families on the islands of Sulawesi and Sumatra are creating community action plans to chart their own course for community success. The action plans are developed by all members of the community – women, men and children – to identify collective needs and propose efforts to address them. The plans address diverse challenges, from healthcare access to vocational skills, and are implemented with the support of the Cocoa Life program and its partners. The overall program design was based on a needs assessment carried out by CARE International.

The development and enactment of these community action plans are guided by Save the Children, which is an international NGO. In 2015, Save the Children and Mondelēz International expanded their partnership to include a three-year Cocoa Life program in Indonesia, where Save the Children is working in Sulawesi alongside <u>Swisscontact</u>. **ADUMA SITUMORANG, Senior Program Manager of Cocoa Life Program, <u>Save the</u> <u>Children Indonesia</u>, shares her perspective on the partnership.**



FOR COMMUNITIES, BY COMMUNITIES: ACTION PLANS FOR IMPROVEMENT

Together, we're working to ensure sustainable income for cocoa farmers, increase community-based development and positively impact the children in these communities. One way we can work toward this is to engage and empower the whole community through the creation of community action plans.

These plans not only aim to improve the community overall, but also to foster important life, vocational and farming skills for the very individuals who create them. Young people begin to groom the analytical skills needed to define problems and create tangible solutions. Women, who may not be involved in other decision-making, are empowered to become active in village society, contribute to village development and support cocoa farming. Throughout the process, we see the pride men and women, young and old, feel from using their voices to effect change in their community. That same community pride is at the foundation of every plan, which is tailored for each group and community. Some plans focus on improving health or increasing nutrition education while others center on vocational skills to make cocoa farming a viable livelihood.

In addition to the community action plans, Save the Children and Cocoa Life are working together to promote gender equality through leadership and business training for women and to provide agriculture education for youth. And, we are already seeing success in promoting sustainable cocoa farming and improving the well-being of farmers and their families. Two years ago, a number of Indonesian farmers faced declining cocoa crop yields. Existing cocoa trees were aging and there wasn't sufficient infrastructure to support replanting. The program's training, supplies and nursery resources helped farmers significantly boost crop yields.



IN PARTNERSHIP WITH COCOA LIFE, WE ARE CONDUCTING A TRAINING, REPLANTATION, AND **YIELD IMPROVEMENT PROGRAM IN INDONESIA WITH FIELD IMPLEMENTATION SUPPORT FROM** THE INTERNATIONAL DEVELOPMENT AGENCY SWISSCONTACT, BY **TRAINING FARMERS TO ADOPT** SUSTAINABLE PRACTICES, WE ARE **IMPROVING THEIR YIELDS AND INCOMES, ENHANCING THE LIVING STANDARDS OF LOCAL FARMING COMMUNITIES AND ENSURING A** LONG-TERM FUTURE FOR COCOA **PRODUCTION.**"

– Camille Paran, Sustainability Program Manager, <u>Cargill</u> I think the greatest benefit of the program is the opportunity to educate and change the mindset of youth and women who were initially hesitant to participate. Having seen the program's value, they are now willing to be actively involved. Youth engaged in this project have told us that it makes them proud to become cocoa farmers. They can see more tangible opportunities for growth and realize they can positively impact the economic sustainable development of their communities. In addition, they now have open access to take part in the cocoa community decision-making. Empowered, thriving cocoa communities are essential, and parents in these communities must have a sustainable income so they can provide for their children and give them the opportunity to reach their full potential. All of us at Save the Children are committed to giving children a healthy start, the opportunity to learn and protection from harm. Working with Cocoa Life, we are achieving this in Indonesia communities.



AS THE COCOA LIFE PROGRAM GROWS AND EXPANDS TO NEW COMMUNITIES, BASELINE STUDIES PROVIDE IMPORTANT INFORMATION TO MONITOR AND EVALUATE THE PROGRAM'S EFFECTIVENESS. ONE AREA WE ARE FOCUSED ON IN INDONESIA IS IMPROVING AGRICULTURAL PRACTICES. OUR EFFORTS IN THE REGION HAVE LED TO HEALTHIER CROPS AND INCREASED INCOMES."

> – Nikhil Chandan, Associate General Manager, <u>Olam</u> International Limited



BASELINE ASSESSMENT

When a new region or group of communities is adopted within the Cocoa Life program, a baseline study is conducted to determine the current status of the population. This step is an important part of the Cocoa Life



protection of the Cocoa Life measurement and evaluation process as it provides a base for which the program's effectiveness can be monitored against the program's ten key performance indicators. Every year, an independent third-party group will carry out an outcome assessment, evaluating progress made in the Cocoa Life communities.

In 2015, an initial baseline survey was conducted prior to the start of the program in the districts of Lampung and Soppeng in Sulawesi, Indonesia. It surveyed 781 farmers from 50 communities and found some noteworthy statistics:

Average annual income earned by the farmers through the sale of cocoa was \$313

(USD), with \$346 average for males and \$282 average for females

- Average annual cocoa yield per farmer was 685 kg per hectare (after allowing for disease), with 708 kg/Ha for males and 415 kg/Ha for females
- Fifty-eight percent of farmers attended minimum number of training sessions in improved agronomic and farm management practices on cocoa

COCOA SUSTAINABILITY PARTNERSHIP

Mondelēz International is a Supervisory Board Member of the Cocoa Sustainability Partnership (CSP). This involves governance of CSP, providing strategic support to the CSP executive office and helping to make strategic decisions related to the program.

Mondelēz International is also actively involved and working together with other CSP members on a task force to facilitate access to agro-inputs, such as fertilizer, establishing key performance indicators and engaging the government to support the cocoa sustainability program strategy in Indonesia. "AS PART OF COCOA LIFE'S TEN-YEAR PARTNERSHIP WITH THE INDONESIAN COFFEE AND COCOA RESEARCH INSTITUTE (ICCRI), A PLAN TO MAP AND INCREASE PRODUCTIVITY FOR COCOA FARMERS HAS BEEN DEVELOPED. PLANS INCLUDE FARMER TRAINING IN BETTER AGRICULTURAL PRACTICES, BETTER ACCESS TO COCOA PLANTING MATERIALS AND ORGANIZING COMMUNITY MEETINGS WHERE FARMING FAMILIES CAN DISCUSS THEIR NEEDS."

- Ir. Misnawi, PhD, Director, ICCRI

Cocoa Life also has a presence in the **DOMINICAN REPUBLIC, INDIA** and **BRAZIL**. Here is a look at how the program is working in each country to promote farming training, increase women's participation in cocoa farming and build the next generation of cocoa farmers.

CHOOSE FROM THE ABOVE

CULTIVATING ENHANCED COCOA MANAGEMENT PRACTICES TO IMPROVE INCOMES IN THE DOMINICAN REPUBLIC

In the Dominican Republic, a leading producer and exporter of organic cocoa, the Cocoa Life teams strive to elevate cocoa growing skills and demonstrate that cocoa farming can be a profitable business for the next generation of cocoa farmers. Fundación REDDOM is one of the implementing partners for the sustainable cocoa in the Dominican Republic Program. **PILAR RAMIREZ of <u>Fundación REDDOM</u>** comments:

While the Dominican Republic's climate can be a challenge for cocoa farmers to navigate, our training efforts are tailored to address this need. By implementing climateresponsive farm management techniques and pre-harvest husbandry practices, we can help to increase the yield of cocoa farms in these communities. More than 105 cocoa farmers (31 women and 74 men) have participated in training on farm productivity and maintenance practices, as well as climate-resilient crops protection. Women and young adults receive instruction in business management and marketing and other incomegenerating activities in the communities, like nurseries and small animal husbandry. Together, they will continue to train farmers on climate-smart agriculture, including specific risk reduction measures to be applied in their cocoa farms. All these efforts combined are working toward the goal of providing a sustainable legacy for future cocoa-growing communities.





STEADY INCOME FROM COCOA INDUSTRY EMPLOYMENT SPARKS HOPE FOR THE FUTURE IN INDIA

The Cocoa Life program in India supplies seedlings to farmers and provides technical guidance, encouraging economic development, which in turn builds prosperity in this region. The program not only benefits the farm owners, but also the farm workers. The Cocoa Life program in India worked with 23,000 cocoa farmers in 2015 and adds 5,000 new cocoa farmers every year through an exclusive cocoa extension program with a specialized cocoa technical team on the ground. Cocoa Life also supports research at two Indian agriculture universities towards improving planting materials, good agriculture practices and environmental impact assessment of cocoa.

Cocoa Life in India focuses on the development of the community in which it operates. The program works to strengthen school infrastructure and engages the farm workers' children in Sports for Development activities, motivating them to pursue studies. Cocoa Life also provides livelihood support to marginalized tribal communities by introducing cocoa cultivation and regularly offering training programs for women farmers and farm workers.





M. KUMARI, cocoa worker in the West Godavari district of Andhra Pradesh, provides her thoughts:

I have been working for many years on the cocoa crop, particularly in the nursery. Before I started working in the cocoa nursery, I was unable to get regular employment. Life used to be very difficult. But today, the cocoa nursery provides me with continuous employment.

I am very proud to be a part of the seedlings production program. I feel a sense of achievement whenever I think about how the plants we raise have been planted across many farms in the state. This program has also created excellent employment opportunities for other women workers. In fact, I like to consider this a "woman-friendly crop," as most cocoa farming operations can be performed by women.

As cocoa provides regular employment in the nurseries and farms for women workers, this crop has ensured a steady flow of income, which has benefitted our families immensely. I have high hopes and dreams for my children's futures because of this crop and the support of Cocoa Life.





INCREASING KNOWLEDGE OF FARMING BEST PRACTICES IN EASTERN BRAZIL

In the lush Bahia region of north-eastern Brazil, where farmers face a myriad of challenges related to crop management, Cocoa Life is providing guidance regarding the latest techniques to improve yields and quality of the cocoa produced. **ANA PAULA SOUZA**, **head of the** <u>Gandu Cooperative</u>, describes efforts to assist farmers and strengthen the supply chain in Brazil.

One of the key challenges facing cocoa farmers in the Gandu region of Bahia in eastern Brazil is not being aware of the latest farming best practices.

We work with the Cocoa Life program in this lush, tropical region to help train farmers in management practices to optimize shade and soil fertilization. We also facilitate best practices discussions among 75 cocoa producers assisted by the program and many others in our area. This has included providing solar driers to improve bean quality. The driers eliminate the traditional system of using firewood to dry cocoa, thereby preserving the forest and eliminating the smoke flavor in the beans. Many other farmers are implementing the solar driers, and Cocoa Life technicians are helping them make the best use of the equipment.

Most of all, Cocoa Life unites cocoa farmers and workers to motivate, inspire and support each other firsthand.



Since it was launched in November 2012, Cocoa Life has moved from theory into practice. The program has expanded into new cocoa-producing origin countries in Côte d'Ivoire and Indonesia and aligned to the Cocoa Life strategy in the existing origins of Ghana, the Dominican Republic, India and Brazil. This expansion enables Cocoa Life to adapt its approach based on on-the-ground learnings and conditions from different communities.



MEASURING PROGRESS AND ADAPTING TO ACHIEVE THE GREATEST IMPACT

As outlined in the Why Cocoa Life section, third-party verification of program impact against the 10 Global KPIs and of the Cocoa Life supply chain is fundamental to the program. As the Cocoa Life team receives verification findings, they are reviewed with the program's external advisors. This review of the Ghana impact evaluation confirmed the advisors' view that Cocoa Life focuses on the right principles and KPIs for verifying impact.

The advisors also invited the Cocoa Life team to continually gain deeper insight into how the program works on the ground. In addition to measuring impact against the KPIs, it is important to assess whether interventions are leading to the right outcomes. For example, does the Community Action Plan process enable all sections of the community to participate in its development, and will CAPs be implemented by communities and supported by district authorities once completed? Likewise, will farmer training be effective and focus on the right practices to sustain improved productivity in the long term? To answer these questions fully, the Cocoa Life team will build a qualitative assessment of the program alongside the quantitative KPIs.

ENHANCED ENVIRONMENTAL STRATEGY TO ADDRESS DEFORESTATION

Cocoa Life is strengthening its environment strategy and taking tangible actions to make a real difference. Mondelēz International estimates that deforestation in the supply chain represents the largest part of its carbon footprint and that some of the biggest opportunities to address it are in cocoa.

At the COP21 climate summit in Paris, in December 2015, Mondelēz International announced its commitment to lead private sector action in Côte d'Ivoire's national United Nations-sponsored <u>REDD+ program</u> by integrating action to combat deforestation into Cocoa Life. Focusing on two initial areas in eastern and central Côte d'Ivoire, Cocoa Life will support forest mapping and monitoring, as well as train farmers to adopt new practices to increase their productivity and incomes without expanding into the forest. In addition, Cocoa Life is supporting national forest programs in Ghana, where its environmental strategy is implemented with UNDP. The team is also working with UNDP in Indonesia to develop new approaches to help reduce deforestation related to cocoa production.

These actions build on Cocoa Life's work to help farmers become more resilient to the impact of climate change as well as contribute towards Mondelēz International's sustainability goals for 2020. The goals include an ambitious end-to-end approach to reduce the carbon footprint through actions to reduce deforestation in the agricultural supply chain, as well as to cut carbon dioxide emissions from manufacturing by an absolute 15 percent, in line with sciencebased targets.



LOOKING TO THE FUTURE

Cocoa Life represents a strong commitment to sourcing cocoa in a way that can potentially have a greater impact on farming communities. This program is unique because Cocoa Life is investing directly in its own supply chain, giving clear visibility into the outcomes and impact. Mondelēz International aims to ultimately source all of its cocoa supply sustainably, mainly via Cocoa Life.





