



Press release

on the 2nd General Assembly 2020 of the Swiss Platform for Sustainable Cocoa

October 23, 2020

Filippo Veglio elected as new President of the Swiss Platform for Sustainable Cocoa

Filippo Veglio was elected yesterday as the new President of the Swiss Platform for Sustainable Cocoa. At the Platform's second General Assembly, members said the Platform had shown good results so far: its goal of having sustainable cocoa make up 80% of total imports into Switzerland by 2025 appears to be achievable, thanks to the commitment of members. This year's General Assembly focused on the urgency of a living income for cocoa farmers.

Bern, October 23, 2020. Founding President Ernst A. Brugger has stepped down following the Cocoa Platform's successful initial two-year phase. The members of the Platform said at the second General Assembly they were pleased at the positive results achieved over the first two years. The General Assembly, held virtually this year because of COVID restrictions, elected Filippo Veglio as Brugger's successor in a written procedure. With many years of experience, particularly in his current role as Managing Director of the World Business Council for Sustainable Development, Veglio has gained valuable experience in multi-stakeholder processes, which he will now bring into managing and further developing the Platform.

Efforts need to be doubled

"I look forward to working with all Platform stakeholders. We need to strengthen our efforts in order to achieve the Cocoa Platform's long-term goal: ensuring that all cocoa imported into Switzerland is sourced from sustainable production. To that end, we will continue to concentrate on the four most urgent challenges: Working to achieve a living income for cocoa farmers and their families, avoidance of the worst forms of child labour, the preservation of existing forests and protected areas, and transparency and traceability in the value chain." Veglio and the members of the Board expressed their thanks to Brugger for his outstanding work in establishing the Platform and the results he achieved.

To strengthen European collaboration, the Cocoa Platform signed a memorandum of understanding in June 2020 with two partner initiatives in Germany and Belgium. Veglio said: "We will try to expand these activities over the next few years and work with our European partners to increase our leverage in the global value chain." The three countries in the European partnership account for about 19% of cocoa imports worldwide.

Holistic approach to fight poverty among small farmers

The issue of how cocoa farmers can earn a living income is currently a major concern for the entire cocoa and chocolate industry. The second General Assembly of the Swiss Platform for Sustainable Cocoa therefore devoted the thematic section of its discussions to the issue of a living income for cocoa farmers.

Cocoa accounts for the livelihood of more than 40 million farmers worldwide. More than 80% of them are small farmers, who for the most part still live below the poverty line, especially in West Africa (Ghana and the Ivory Coast), the source of roughly two-thirds of global cocoa production. Despite considerable efforts, the living conditions of cocoa farmers and their families remain difficult. It is also estimated that 2.1 million children worldwide still work on cocoa plantations. The COVID-19 pandemic has aggravated the problem further. "This deep-rooted and structural poverty requires a holistic approach," said outgoing President Brugger. "In addition to fair prices, we need to see increased productivity, product diversification and significantly better framework conditions, including clear ownership rights, access to microcredits, improved education and health care, and the promotion of women." This also requires intensified collaboration with partner initiatives and producer countries.

Innovative projects point to promising solution approaches.

In the second part of the General Assembly, two introductory presentations on the holistic concept of a living income were followed by a discussion on the experiences gained to date from the Platform's innovative projects. In a dialogue with project leaders and experts, Cocoa Platform members exchanged ideas on concrete solution approaches for raising farmers' incomes. The discussion was further enriched by a presentation of the preliminary results of the Platform's projects co-financed by the Swiss State Secretariat for Economic Affairs (SECO). These projects implement innovative approaches to promote cross-sector partnerships in source countries which, if successful, can also be scaled up. "We're convinced that these kinds of public-private partnerships are exactly the right tool for responding to the various challenges in the cocoa sector," said Monica Rubiolo, Head of Trade and Promotion, Economic Cooperation and Development Division at SECO. The Cocoa Platform has so far implemented fourteen innovative projects reaching nearly 100,000 cocoa farmers.

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About the Swiss Platform for Sustainable Cocoa

The Swiss Platform for Sustainable Cocoa is a multi-stakeholder initiative bringing together the Swiss-based organizations that contribute to the cocoa value chain, including chocolate manufacturers, cocoa traders and importers, food retailers, the public sector, non-governmental organizations, and research institutes.

Members are pooling their knowledge and efforts to work for more sustainability in the value chain and they are committed to improve the living conditions of cocoa farmers and their families, protect the natural resources, and create a viable and resilient cocoa value chain for present and future generations.

Goal and commitments

The long-term goal of the Cocoa Platform is to source all cocoa and cocoa products imported into Switzerland from sustainable production.

Six principles for Sustainable Cocoa:

The Platform is committed to the six Principles for Sustainable Cocoa production:

Social sustainability:

1. Promotion of decent living conditions and the contribution to a living income for cocoa farmers and their families;
2. Prevention of the worst forms of child labor;

Environmental sustainability:

3. Prevention of deforestation and sourcing from protected areas and promotion of forest restoration;
4. Promotion of climate-smart agriculture and on-farm biodiversity;

Economic sustainability:

5. Increased farm productivity and profitability; and
6. Promotion of participation, partnership and transparency along the cocoa value chain.

A modular measurement framework based on the results chain

Clear and transparent measurement criteria are critical to build confidence in the efforts of the Platform and its members. Members have therefore agreed a Monitoring, Evaluation and Learning (MEL) Framework. The MEL is systematically guided by the six Principles for Sustainable Cocoa and is built upon the results chain, with interventions leading to behavioral change and finally resulting in systemic change. Each Principle includes a set of common indicators to monitor progress, evaluate the outcomes and long-term impacts of projects, programs, and initiatives.

Pilot Projects – further details and benefits

Members of the Cocoa Platform pilot innovative approaches, via cross-sectoral partnerships, to promote the sustainability along the cocoa value chain. These innovative projects are co-financed by the Swiss State Secretariat for Economic Affairs (SECO) to foster public-private partnerships.

The Platform launched seven value chain projects in producer countries in 2019 with the overarching objective of improving the living conditions of cocoa farmers by applying a variety of innovative approaches. These are:

Income diversification

The promotion of revenues from other crops (including vegetable farming, agroforestry) or off-farm income activities is aimed at increasing and diversifying farmers' incomes. Income diversification can reduce the vulnerability to price volatility and environmental shocks, while increasing the profitability of cocoa farms and improving the nutrition of the farmers' families

Targeted income support

Cost-efficient, risk-based and targeted income support to vulnerable households can reduce the prevalence of child labor. By identifying the households most in need based on farmers' data, remediation funds are channeled to increase farmers' income to meet the basic needs.

Agroforestry

The promotion of agroforestry increases on-farm biodiversity, promotes carbon sequestration, prevents pest and diseases, and can help farmers adapt to climate change through the regulation of temperature extremes. The systematic insertion of shade trees in cocoa farms also provides alternative products such as timber and fruit.

Access to markets

Access to markets are developed at the local, national and international scale to ensure the effective sale of crops produced by income diversification activities such as vegetable gardens and agroforestry systems.

Increase of farm productivity

Need-based and tailored capacity development of farmers in good agricultural practices and financial skills can help farmers increase productivity and run a successful business. Many trainings are supported by demonstration plots and the provisioning of improved planting materials for the underplanting and replanting of old cocoa trees.

Financial inclusion

Financial inclusion of cocoa farmers can lead to better access to financial services such as savings accounts, micro-credits and insurances, including cash-free payment systems. It can help to increase farm productivity and create additional economic opportunities for farm re-investments.

Results of the first year of monitoring using the MEL Framework

In the first year of implementation (2019), the seven innovative Value Chain Projects reached a total number of **70,320 farmers**, of which **30% were female farmers**. The results of the monitoring show that there is no "typical farmer". The average farm size varies considerably from 1.4 to 6.4 hectares.

Cocoa-related data 2018

The data on the import of sustainably produced cocoa bean equivalents are collected by means of a member survey and compared with the Swiss import statistics. In order to compare different cocoa products, such as chocolate or cocoa butter, data are converted into cocoa bean equivalents.

- According to the latest member survey, in 2018, 58 percent of all cocoa bean equivalents imported into Switzerland were from sourced sustainable production, an increase in eight percentage points on the previous year (2017)
- 95 percent of the cocoa beans were imported from sustainable production (+ 18 percentage points compared to last year)
- 29 percent of cocoa bean equivalents from cocoa butter were sourced from sustainable production (3 percentage points less compared to last year)
- The traceability of cocoa butter and the availability of sustainably produced cocoa butter remains the biggest hurdle on the way to achieve the milestone of 80 percent sustainably sourced cocoa by 2025
- 93 percent of all cocoa bean equivalents were imported into Switzerland by members of the Cocoa Platform.

Swiss Foreign Trade Statistics on cocoa and cocoa products

Based on the Swiss Foreign Trade Statistics for 2018, the imports of cocoa and cocoa products into Switzerland account for 125'276 tons, which corresponds to 110'726 tons of cocoa bean equivalents. The imports of cocoa bean equivalents increased by three percent compared to last year. The highest shares have cocoa beans (41%) and cocoa butter (35%), followed by cocoa paste (12%) and cocoa powder (5%).

Switzerland exported 148'687 tons of cocoa and cocoa products, which corresponds to 62'389 tons of cocoa bean equivalents. The discrepancy between the two figures results from the fact that Switzerland exports a lot of chocolate and other chocolate products, which contain additional ingredients such as sugar and milk powder. This means that in Switzerland, more than half (56%) of all imported cocoa bean equivalents are re-exported again, contributing positively to the country's balance of trade.