Linking Standard Implementation to Sustainable Development Goals

ICCO Certification Workshop Cameroon

Manfred Borer, Program Director

Sustainable Cocoa Production Program

Douala, June 27th, 2013
Presentation Content

• Swisscontact Guiding Principles
• Sector Collaboration
• Program Facts & Figures
• Program Implementation
• Program Achievements
• Certification Approach and Cost
• Link to Development Goals
Swisscontact
Guiding Principles
and Projects
Swisscontact was established in 1959 as an independent foundation made up of notable figures from the worlds of commerce and science in Switzerland.

The basic principles of Swisscontact's work are respect for people, culture and the environment, as well as the conviction that people have the innate ability to be innovative and, using their personal initiative and creative powers, can lift themselves out of poverty.
Head Office in Switzerland / 27 Project Countries
Donor and Cocoa Sector Collaboration
Public and Private Sector Coordination as Key to Success
Public Funding Partners

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO

the sustainable trade initiative

Kingdom of the Netherlands
Indonesian Government Partners
Private Sector Funding Partners
Non-Funding Implementation Partners
Program Facts & Figures
How Many, Where, When and Who with Whom
Program Regions Sumatra and Sulawesi
6 Provinces, 17 Districts, 118 Sub-Districts, 849 Villages (as per end of May 2013)
Cocoa Value Chain and SCPP Beneficiaries and Partners
Program Implementation

The development of integrated economic systems
Program Components

1 - Farming Good Practice and Technology Transfer Systems

2 - Nutrition and Gender Sensitivity Integration

3 - Farmer Organization, Market Access, and Certification

4 - Integrated Agri-Business Financing Facility

5 - Stakeholder Management and Networking Platforms

Management, Administration, Finance and Accounting, Public Relation, and M&E
Program Cost based on 60,000 Cocoa Farming Households

- 17 CHF/Farmer
- 49 CHF/Farmer
- 57 CHF/Farmer
- 84 CHF/Farmer

- Tangible improvements in the ecology and the socio-economic conditions of production
- Tangible improvements in sustainable markets
- Effective collaboration and institutionalization at sector level
- Knowledge on sustainability, efficient and effective supply chain approaches developed and shared
Best Practices Training Manuals developed with and shared with all Stakeholders
Governance, Staffing, and Integrated Management Information System
Implementation Structure (staffing as per end of 2012)

- 3 Public Partner
- 5 Private Partner
- 8 Project Teams
- **312 Full Time Staff**
  - 82 Swisscontact
    - 28 Mgmt/Admin
    - 54 Field Staff
  - 46 Private Sector
    - 16 Mgmt/Admin
    - 30 Field Staff
  - 184 Government Extension Staff

SCPP Advisory Board

Public Sector
- Seico Switzerland
- Ministry of Foreign Affairs Netherlands
- Ministry of Home Affairs Indonesia

Swisscontact
- ROSEA
- SCPP

Private Sector
- ADM Cocoa
- Armajaro
- Cargill
- Mars
- Nestle

Program Implementation Steering Board

Program Implementation Team
- Regional Planning Boards
  - Agriculture Extension Officers
- Regional Management
  - Program Officers
  - Field Staff
- Regional Management
  - Project Manager
  - Field Staff
SCPP MIS for Traceability and Reporting
Program Achievements

Main target of increasing yields to 1,000 kg/ha/year for 60,000 cocoa farmers
Showing Vision and initiate Change of Behavior

300 Kg of Cocoa per Hectare per Year

3,000 Kg of Cocoa per Hectare per Year
Impact on Farm Productivity
Aceh in 2 years: from 350 to 753 kg/ha/year → 124% improvement
SCPP Approach in Certification
Trainings, ICS, and implementation of Code of Conducts and its cost
The Program only facilitates Cocoa farmers to achieve certification with international labels if:

a) Farmer Organizations are strong enough to manage own ICS and Certification;

b) Farmers voluntarily want to join the Certification and sign agreement with the Farmer Organization;

c) Interested Farmers pass the Farmer Organizations internal audits; and

d) if there is a committed buyer providing sustainable market access for the certified cocoa with a fair price
Certification Program Steps

1. Training of Program Staff
2. Establishment of Internal Control System (ICS) in District Cocoa Clinic (DCC)
3. Training of ICS staff on DCC and Cocoa Producer Group (CPG) Level
4. Technical Assistance and Internal ICS and Certification Audits
5. External ICS and Certification Audits for UTZ, Rainforest Alliance, or Fair Trade Labels
Cocoa Farm Certification – 1/3 of all Farmers in SCPP

- Program Officers Master Trainers trained by Certification Labels
- Certification and ICS Training for Program Field Staff

- Establishment of Internal Control System (ICS) in District Cocoa Clinic
- Certification and ICS Training for ICS Manager & DCC Board Member

- Certification and ICS Training for ICS Inspector in Smallholder Cocoa Enterprises

- Certification Training for Cocoa Production Group Representatives

- Code of Conduct Certification Training for Cocoa Farmers

- Program Implementation Partners
- 1st Buyer of Certified Cocoa

- Certificate Holder
- ICS Manager

- ICS Inspector

- CPG Representative

- Cocoa Farming Households
## Direct Certification Cost

<table>
<thead>
<tr>
<th></th>
<th>IDR</th>
<th>USD</th>
<th>2,483 Farmers</th>
<th>2,243 Ha</th>
<th>1,770 MT</th>
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<tbody>
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<td>Traceability, Segregation</td>
<td>150,000,000</td>
<td>15,152</td>
<td>6</td>
<td>7</td>
<td>9</td>
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<tr>
<td>and Internal Management System</td>
<td></td>
<td></td>
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<td>Equipment and Tools</td>
<td>100,000,000</td>
<td>10,101</td>
<td>4</td>
<td>5</td>
<td>6</td>
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<tr>
<td>Certification and ICS</td>
<td>200,000,000</td>
<td>20,202</td>
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<td>9</td>
<td>11</td>
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<td>Administration Training</td>
<td></td>
<td></td>
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<td>Technical assistance in Code</td>
<td>250,000,000</td>
<td>25,253</td>
<td>10</td>
<td>11</td>
<td>14</td>
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<tr>
<td>of Conduct and Internal Audits</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>External Audit by</td>
<td>170,000,000</td>
<td>17,172</td>
<td>7</td>
<td>8</td>
<td>10</td>
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<tr>
<td>Certification Body</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Certification and ICS</strong></td>
<td>620,000,000</td>
<td>62,626</td>
<td>35</td>
<td>39</td>
<td>50</td>
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</table>

- 2,483 Farmers → 35 USD/Farmer
- 0.90 Ha/Farmer → 39 USD/Hectare
- 0.79 MT/ Ha → 50 USD/Ton
Tender for CB
### How Much does it Cost in Total

<table>
<thead>
<tr>
<th>Level/Inputs</th>
<th>USD/Ton of Certified Cocoa</th>
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<tbody>
<tr>
<td>Manufacturer/Confectionnery</td>
<td>10</td>
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<tr>
<td>1st Buyer/Exporter/Processing Industry</td>
<td>70</td>
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<td>Cooperative/Association Certificate Holder</td>
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<tr>
<td>Farmer Group</td>
<td>20</td>
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<tr>
<td>Cocoa Farmers Premium</td>
<td>100</td>
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<tr>
<td>GAP/GBP Trainings</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>230</td>
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<tr>
<td></td>
<td>300</td>
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</table>
Achieving Development Goals with Certifications
Millennium Development Goals
Thank you

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