



Swiss Platform for
Sustainable Cocoa

SWISSCO ROADMAP 2025 MIDLINE REPORT

JANUARY 2025

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List of Abbreviations

CFI	Cocoa and Forest Initiative
ILO	International Labour Organization
ISCOS	European Initiatives for Sustainable Cocoa
MoU	Memorandum of Understanding
NGO	Non-governmental organizations
SBTi	Science-based Target Initiative
SECO	Swiss State Secretariat for Economic Affairs
SME	Small- to medium-size enterprises
SWISSCO	Swiss Platform for Sustainable Cocoa

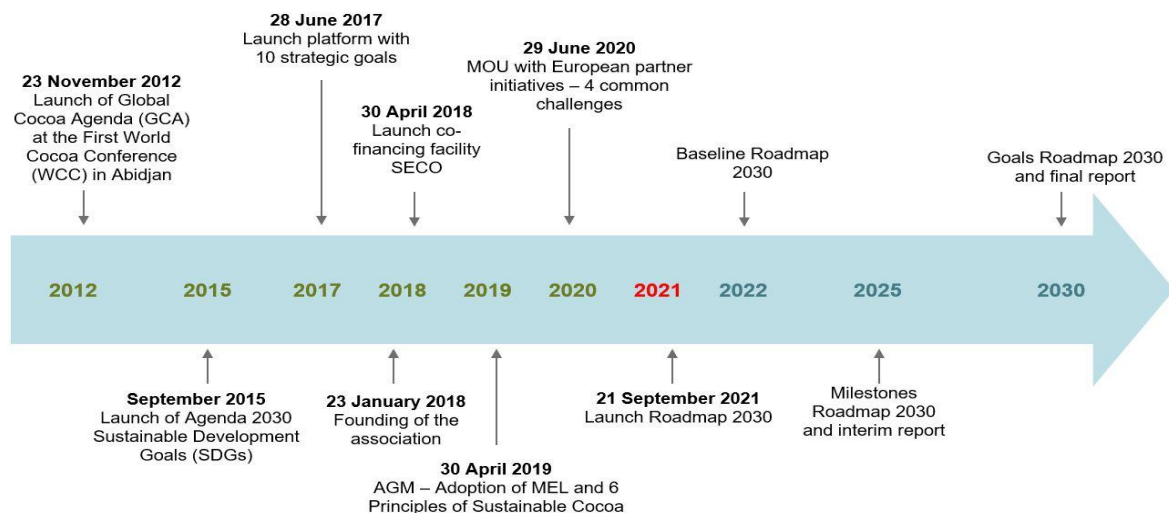
1. Background and introduction to the Midline Report

This Midline Report serves as a basis for assessing the progress that has been made since the adoption of the SWISSCO Roadmap in 2021. Most of the data is from 2023 and therefore somewhat early for the originally planned Midline Report for 2025. Nevertheless, the data provides a good indication of where we stand and where there is a need to adjust the Roadmap, particularly in view of the changing contexts.

The SWISSCO Roadmap is the platform's strategic guidance document until 2030. Following a participatory process, the SWISSCO Roadmap was approved at the 3rd General Assembly Meeting in September 2021. Thus, the Roadmap was adopted four years after the platform launch in June 2017 and can be seen as a further development of the initial Declaration of Intent with 10 Goals, out of which the most specific goal was related to the sourcing target aimed at 80% sustainable imports by 2025.

The Roadmap allowed members to agree on a shared vision with a set of common goals for all SWISSCO members. Building on the previously defined (6) principles of sustainable cocoa and Monitoring and the Evaluation and Learning (MEL) framework, which were approved at the first ordinary AGM in 2019. Moreover, the Roadmap represents an operational guidance to enable a measurable contribution to the UN 2030 Sustainable Development Goals (SDGs) adopted in 2015. The figure below places the SWISSCO Roadmap 2030 in its broader historical context.

Figure 1: SWISSCO Roadmap 2030 Timeline



Responding to the most pressing challenges along the cocoa value chain, the SWISSCO Roadmap 2030 revolves around four key target areas that have been jointly prioritised by the national Initiatives for Sustainable Cocoa (ISCs).

KEY TARGET AREAS



Towards a living income for cocoa farmers and their families

In order to ensure a living income for cocoa farmers and their families, we pursue a holistic approach that considers all determining factors such as crop price, diversification of income, and improvement of framework conditions and local governance.



Deforestation-free and climate-friendly cocoa supply chain

With the goal of a deforestation-free and climate-friendly cocoa supply chain, we engage in international efforts to halt deforestation and forest degradation, and promote the adoption of climate-smart agriculture and agroforestry practices.



Tackling child labour and improving perspectives of youth

We implement innovative approaches at different scales to tackle the complex issue of child labour in cocoa-growing communities and to improve the perspectives of young people.



Enhancing transparency and traceability within the cocoa supply chain

We promote and gradually enhance the traceability of cocoa beans all the way back to the farmer to facilitate development opportunities for cocoa farmers and to increase the level of transparency for consumers.

Besides these four target areas, the SWISSCO Roadmap has defined two transversal themes:

Gender aims to empower women by promoting their access to better training, jobs, land, markets, education, and financial services.

Innovation aims to increase value creation in producer countries by innovative approaches both in the production and processing of cocoa and in the greater diversification of the production steps as well as of the product range.

2. Progress made in SWISSCO's four Target Areas

Contrary to initial considerations when adopting the Roadmap, this Midline Report is not based on a comprehensive member survey, in which each member is asked about the progress made towards the specific objectives set out in the Roadmap. Moreover, this interim evaluation has been carried out relatively early and is based on data collected from 2021 to 2023.

This “change of plans” is mostly due the following:

- **ISCO Monitoring was introduced in 2022:** In 2022, SWISSCO joined the ISCO Monitoring Process and most SWISSCO members started to report annually. Thus, the decision not to

carry out a comprehensive member survey is linked to the wish not to overburden our members with reporting requirements.

- **Strategic need to revise the SWISSCO Roadmap:** Since the adoption of the Roadmap, the economic as well as policy context has changed noticeably in recent years, involving new or forthcoming regulations at EU and Swiss level, high cocoa prices and the developments in the other ISCO initiatives. In fact, the initial Roadmap document highlights that the Midline Report foreseen in 2025 shall be used to potentially review the targets in view of emerging needs and opportunities and changing contexts in an increasingly complex system. Moreover, we have gained practical experience in the implementation of the Roadmap and are now able to further consolidate and sharpen individual targets so as make them more SMART (*Specific, Measurable, Achievable, Relevant, and Time-Bound*).

We were able to draw on a wide range of sources when developing this Midline Report. The most important were:

- SWISSCO Sourcing Statistics from 2021 - 2023
- ISCO monitoring data including Synthesis Reports 2022 and 2023
- SECO project monitoring carried out in 2022 and 2023, including SWISSCO Learning Report covering the period from 2018 - 2022
- Roadmap Baseline Report¹
- Additional information from external sources, notably CFI and SBTi
- Other data available at office level (e.g. from exchanges with members).

¹ All SWISSCO members were invited to report on their contribution to the Roadmap. In total, 54 members responded to the Baseline Survey, which corresponded to 85% of the whole membership as of February 2022 (see [Baseline_Report_2022.pdf](#))

Progress observed in Target Area 1

Towards a living income for cocoa farmers and their families

Targets for living income	Progress	Need for revision
1a) All members are active in at least two areas critical to achieve a living income: (1) price, (2) yield increase, (3) reduction of production costs, (4) income diversification and (5) improvement of enabling conditions and governance.		High
1b) Supply chain partners contribute jointly to a living income by rewarding sustainability and quality aspects		Moderate could be merged with 1a
1c) SWISSCO, members and partners conduct global impact assessment to measure household income		Moderate

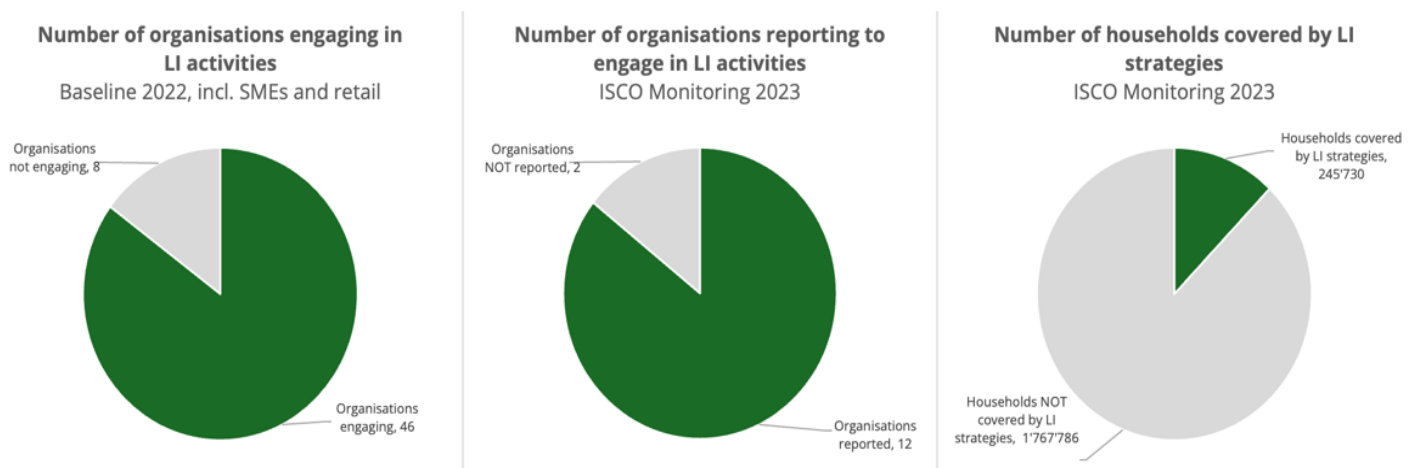


Target 1 a) All members are active in at least two areas critical to achieve a living income

The Baseline Report showed that already in 2022, **virtually all SWISSCO members were active in two or more areas critical to achieve a living income**, with 46 out of 54 members having reported on Target 1a. A clear commitment of SWISSCO members to contribute towards a living income is also reflected by the latest number of members (n=46) participating in different SECO co-financed projects aimed at improving cocoa household income.

In the context of the Joint ISCO Monitoring, data about the number of households for which a Living Income strategy² is being implemented in the company's supply chain has been collected from large company members of the sector A (without the SMEs). 12 out of 14 members reported positively on the question, showing that almost all members are working actively in various areas critical to achieve a living income. In total, a Living Income strategy is implemented for 245'730 households mainly across West Africa. However, the total number of households in the direct supply chain amounts to 2'013'516 households, meaning that **only for 12.2% of the households identified in the direct supply chain of reporting companies a strategy to achieve Living Income is implemented**. This number indicates that, while most members intend to improve living conditions of farmers, there is still significant room to scale up efforts.

Figure 2: Living Income activities and strategies, 2022-2023



² A living income strategy is a strategy with the explicit goal to enable cocoa farming households to earn a living income. A living income strategy includes a monitoring and learning component. A living income strategy uses a combination, or “smart-mix” of strategies that target multiple income drivers. Multiple income drivers* are being assessed strategically for the purpose of closing the living income gap**. The interventions for each driver depend on the current situation of those drivers and to what extent addressing these drivers can help close the living income gap among different segments and profiles of farmers. Strategies that can improve income drivers go beyond addressing changes in the farm system and household behaviour. These strategies include improved procurement practices. They range from service delivery for improved production and processing, to brand and consumer engagement, and to improving the enabling environment. A living income strategy goes beyond income generating activities (IGAs) that do not have the explicit aim of closing living income gaps.

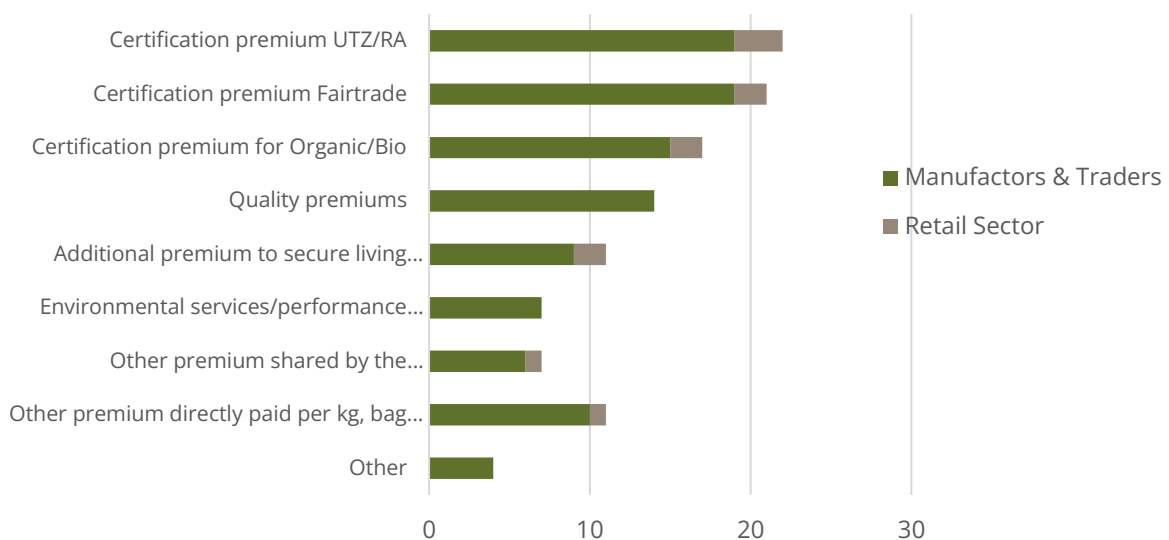
*land size, yield, price, cost of production, diversified incomes

**the difference between the actual household income and the existing living income benchmark (see ISCO)

Target 1 b) Supply chain partners contribute jointly to a living income by rewarding farmers and their families for their performance in terms of sustainability and quality

The Baseline report already established that **most member companies reward cocoa farmers and their families for their performance in terms of sustainability and quality in one way or another**. The figure (number) taken out of the Baseline report clearly shows the broad range of rewarding schemes used, from certification premiums, the most frequent, followed by others that focus on quality, additional premium to secure living income, or payments linked to environmental services, so-called PES.

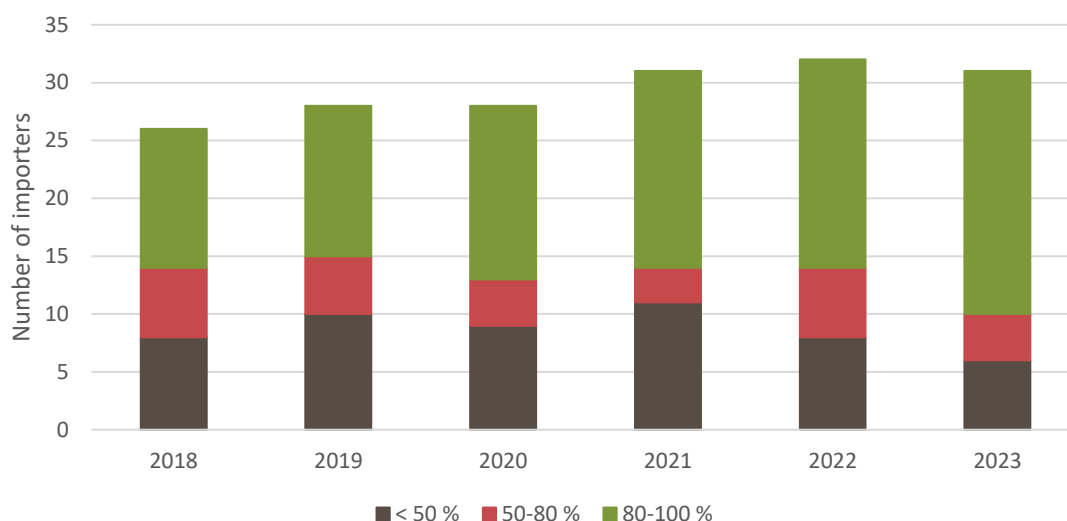
Figure 3: Type of reward granted to farmers within SWISSCO members' sustainability programmes in 2021 (N=33)



Source: SWISSCO Baseline Report 2022

This finding is largely confirmed by the data from SWISSCO's Sourcing Statistics. A large majority (82%) of all cocoa products imported into Switzerland in 2023 were covered by either a certification or company scheme, which include the payment of some type of premium. In 2023, 31 members reported on their imported cocoa, 68% of which have imported 80–100% certified or verified cocoa bean equivalents, while 19% of companies import less than 50% sustainable cocoa products.

Figure 4: Share of sustainably sourced cocoa bean equivalents of the 31 importing member companies that reported on sourcing data.



These figures show that virtually all members fulfil their commitment to Target 1b of rewarding farmers for their performance in terms of performance and sustainability.

These figures do not, however, provide any information on the effects of this commitment. Only a few reward systems aim to ensure that a living income is achieved. This observation is corroborated by the latest ISCO monitoring report, in which members were asked to report on their payment of a Living Income Reference Price (LIRP). Only three out of the 12 sector A members provided data for this indicator, reporting that a total of 920 metric tons of cocoa for which a LIRP has been paid in 2023, was imported into Switzerland, representing less than 1% of all cocoa imports.

Even though paying a LIRP is not the only way to achieve a living income, it is the most explicit measure to achieve the target of reaching a living income. Other ways are also conceivable, but they require good monitoring of their effectiveness.

Target 1 c) SWISSCO conducts impact assessment to measure household income

Target 1C aims directly at the measurement of different measures' impact on cocoa farming income. **A milestone was reached in 2024 with the Cocoa Household Income Study (CHIS) that has been completed for Ghana.** Not only were a good number of SWISSCO members (4 companies, 2 universities, 1 NGO) directly involved, but through the collaboration with the most important national counterpart (COCOBOD), the study was based on a true north-south partnership. With a sample of 600 households, results in Ghana show that only 9% have incomes that reach the Living Income Benchmark.

A similar study is currently being undertaken in Ivory Coast in collaboration with GIZ and WCF and will be published in the first quarter of 2025.

Collaborative, efficient and creative ways are needed to more systematically assess the impact of sustainability measures (premiums, projects, etc.) on cocoa farming income. Looking at the ISCO Monitoring data linked to living income activities, it was difficult to collect substantial information on household incomes. For approximately 19'500 households (from 2 out of 12 reporting members) we have been able to collect household income data. This represents less than 1% of the total number of households in the SWISSCO members' supply chain (2'013'516 in 2023).

There are manifold reasons why companies do not systematically assess the impact of their sustainability efforts on the income of farmers. In some selected cases companies would have more data to share but are unwilling to share the data due to perceived legal risks. However, in most cases the main reasons relate to the high cost and complexity of carrying out robust research to assess impacts on income. Considering the complexity of measuring impacts on household incomes, 39 out of 54 of the reporting SWISSCO members voiced an interest in joining efforts to measure the impact of their work on the income of cocoa farmers.

In line with this, together with the Alliance for Living Income in Cocoa (ALICO)³, SWISSCO is engaged in developing an open-source methodology for income surveys to analyse the impact of different private/public-private interventions and investments of the European Initiatives on Sustainable Cocoa (ISCOS) and their members, with the purpose to increase farmer incomes.

³ ALICO is an alliance of stakeholders, including the European Initiatives for Sustainable Cocoa (ISCOS), the Voice Network and the Sustainable Food Lab committed to join forces and reach a systemic change to ensure that farmers earn a living income. Leveraging and strengthening existing structures, the alliance promotes policy dialogue, creates efficiency by facilitating and aligning existing efforts, provides expertise and leads content-related discussions.

Progress observed in Target Area 2

Deforestation-free and climate-friendly cocoa supply chain

Targets for forests and climate friendly cocoa	Progress	Need for revision
2a) SWISSCO members actively engage directly or through supply chain partners in international efforts to halt deforestation, forest degradation caused by cocoa production area expansion (e.g. CFI in Ghana and Côte d'Ivoire) and logging inside cocoa plantations.		We propose to delete this target due to EUDR
2b) SWISSCO engages in at least 5 cocoa sourcing landscapes aimed at forest protection and restoration		Moderate more precision needed
2c) SWISSCO members enable farmers to adopt effective climate smart agriculture or agroforestry practices		Moderate more precision needed
2d) Swiss cocoa supply chain partners are on the pathway towards net zero emissions focusing on reductions in the supply chain		Moderate more precision needed

Target 2 a) SWISSCO members actively engage, directly or through supply chain partners, in international efforts to halt deforestation, forest degradation caused by cocoa production area expansion and logging inside cocoa plantations.

When Target 2a was developed in 2021, the EU Regulation on Deforestation-free Products (EUDR) was still in the distant future for SWISSCO members. This has changed in the meantime as the **fulfilment of this target has become a necessity for virtually all members**. Although it is still unclear how Switzerland will incorporate the EUDR into its national regulation, SWISSCO members will be directly affected by the EUDR as around half of the imported cocoa beans or cocoa by-products are re-exported mainly to the EU.

Thus, when reporting on the progress we may complementarily look at the key initiatives undertaken that tackle deforestation linked to cocoa. We had a particular look at the **Cocoa and Forests Initiative (CFI) that has been implemented primarily in Ghana and Ivory Coast**. Coordinated by the World Cocoa Foundation and IDH, the CFI has been successful in embarking on a joint work agenda with harmonised monitoring in cooperation with the Governments of Ghana and the Ivory Coast as well as leading chocolate brands and cocoa trading and processing companies.

In fact, almost all large companies that are members of SWISSCO are meanwhile committed reporting members to the CFI. In total, SWISSCO counts 13 CFI members:

- Barry Callebaut
- Cocosource
- Halba
- ECOM Group
- ETG
- JB Foods
- Lindt & Sprüngli Group
- Mars Wrigley
- Mondelēz
- Nestlé
- Olam Cocoa
- Puratos
- Starbucks

Another key international initiative aimed at protecting tropical forests is the Tropical Forest Alliance⁴, a multistakeholder platform with 170+ partners, among them 11 SWISSCO members, i.e. Clarmonidal, Earthworm, IDH, Mars, Mondelez, Nestlé, Olam, Solidaridad, Southpole, WCF, and WWF⁵.

However, small and medium-sized companies associated to SWISSCO are not included in such initiatives. In the coming years, SMEs will be particularly concerned with meeting legal requirements of the EUDR.

⁴ [Tropical Forest Alliance](#)

⁵ [OUR PARTNERS Tropical Forest Alliance](#)

At the **company level**, the efforts of SWISSCO members to halt deforestation are also represented by the ISCO indicator “share of the companies supply chain that can be claimed as deforestation-free”. 31 SWISSCO members were asked to report on the share of their supply chain which can be claimed as deforestation-free. 18 members were able to provide data, of which 50% of their supply chain could be claimed as deforestation-free.⁶ It should be noted that these numbers do not automatically indicate that the remaining cocoa stems from deforested areas, but that members have not had access to relevant data or have not been willing to report on their progress towards deforestation-free supply chain yet.

Target 2 b) SWISSCO engagement in cocoa sourcing landscapes, involving at least 3 member companies and active facilitation by SWISSCO office.

Since the launch of the so-called Landscape Call in summer 2022, SWISSCO's efforts to increase member collaboration at the origin country level were stepped up significantly. The funding call was met with great interest and several project proposals have been submitted in both Africa and Latin America.

Six landscape projects are currently being implemented in Ghana (2), Ivory Coast, Madagascar, Peru and Colombia, five of which can be directly linked to Target 2b. While the Cavally Landscape coordinated by Earthworm is relatively advanced (as it has been implemented since 2020), the other area-based initiatives are still at a rather embryonic stage. The Sankofa 2.0 project in Ghana can be considered a hybrid between a Landscape and Innovation project as it focuses strongly on the innovative DAF approach followed by HALBA/COOP. The further consolidation of the landscape approach is essential in view of SWISSCO's Roadmap aimed at strengthening member collaboration at the origin.

The five Landscape projects currently involve 25 different SWISSCO members, incl. 15 manufacturers, traders and processors, 2 retailers, SECO, 5 NGOs and 2 universities.

Table 1: Overview of on-going Landscape projects implemented by SWISSCO members.

Project	Country	Partners
Cavally Landscape, a preserved ecosystem with resilient communities	Ivory Coast	Earthworm Foundation; Nestlé; Barry Callebaut, Cocosource; Touton* IDH and OLAM ⁷
Sankofa 2.0	Ghana	Halba; COOP; Fairtrade Max Havelaar-Stiftung; International Trade Centre
Paisajes + Sostenibles Antioquia	Colombia	Swisscontact; Colcocoa; Pakka; Chocolate Colombia*; Solidaridad; FIBL

⁶ The share of the supply chain which is deforestation-free for the two micro enterprises is 100%. Not taking these two members into account, the share of deforestation-free cocoa decreases to 43%.

⁷ [Cavally Region - Sustainable Supply Chain Management](#)

Climate Resilient Cocoa Landscapes in Madagascar	Madagascar	Helvetas, Lindt & Sprüngli; Villars Maître Chocolatier; Pronatec; Migros; Walter Matter SA; Max Felchlin; Halba (new), Touton SA*; CDE
Sustainable Cocoa Sourcing Landscapes in Peru	Peru	Helvetas, Lindt & Sprüngli; Stella Bernrain; Pronatec; MINKA; ECOM; HALBA; Southpole; Clarmondial; Choba Choba, Earthworm Foundation

* Non-SWISSCO Member

Furthermore, it should be noted that SWISSCO members are also active in other projects targeting deforestation at a landscape level. In priority country Ghana, the Ghana Cocoa Forest REDD+ Program (GCFRP)⁸ supports the production of sustainable, climate-smart cocoa beans while reducing emissions from deforestation and forest degradation and boosting livelihoods of local communities in so-called Hotspot Intervention Areas (HIA)⁹. Hotspot Intervention Areas in which SWISSCO members are active include:

- **Asunafo-Asutifi HIA:** Part of the project is the SWISSCO-Mondelez insurance program with farmers from the Mondelez-UNDP Cocoa life program as well as WCF and its members. SWISSCO is in ongoing discussions with WCF for a partnership focussing on carbon and climate resilience.
- **Kakum HIA¹⁰:** WCF, Ecom, Lindt Cocoa Foundation, Olam and Barry Callebaut
- **Sefwi Wiawso-Bibiani HIA:** WCF, Olam and Rainforest Alliance
- **Ahafo Ano HIA:** WCF, Solidaridad, Mondelez and Olam.
- **Atiwa-East Akim HIA:** WCF and members

The multitude of existing landscape initiatives should not, however, obscure the fact that this area-based approach still has a long way to go. In fact, landscape approaches are still in their infancy. Thus far, companies are not used to working together in the key sourcing region. Particularly among traders, the reality is marked by harsh competition among traders and lacking will to collaborate or share information. Besides, local partner organisations are often still weak and lack the capacity to ensure ownership for steering and monitoring Landscape initiatives. Only by building the capacity locally, a long-term oriented steering and credible monitoring of progress is feasible, however.

Target 2 c) SWISSCO members enable farmers to adopt effective climate smart agriculture (CSA) or agroforestry practices (AF).

Already in the **Baseline Report 2022**, SWISSCO members reported that 540'402 farmers were supported with CSA promoting activities and 459'872 with agroforestry related activities. At the

⁸ www.forestcarbonpartnership.org

⁹ [Ghana Reddis-Project Overview](#)

¹⁰ [Ghana Reddis-HIA Kakum](#)

first glance, these numbers appear to indicate that the target set for 2030 (enabling 150'000 farmers) has already been exceeded in 2021.

Similarly, the latest CFI reports indicate high numbers of farming households practicing agroforestry in Ghana and Ivory Coast. According to the 2023 Annual Report of **CFI for Ivory Coast**¹¹, 65'604 producers applying agroforestry benefitted from technical assistance to adopt and develop agroforestry and 610'931 producers received technical assistance to professionalise and optimise cocoa growing practices. In 2023 in **Ghana**, 695'003 farmers were trained in Good Agriculture Practices (GAPs), 145'376 farmers were trained in Climate Smart Cocoa practices, and 25'920 farmers were trained in the Modified Taungyan System (this involves inter-planting trees with agricultural crops, particularly the local population's staple foods¹²)¹³.

The data provided in the SWISSCO baseline and CFI reports are based on self-reported outputs and are therefore reliable only to a limited extent in view of the effective adoption of CSA and AF practices. A study conducted by Wilma Blaser-Hart¹⁴ gives a first insight into the adoption of agroforestry in Ghana and Ivory Coast. The authors analysed the shade-tree cover across cocoa-growing areas in Ivory Coast and Ghana for the year 2022 and concluded that more than 80% of cocoa production is implemented on farms with less than 20% shade, and only 5.6% (396,422 ha) of cocoa is grown under shade levels at or above 30% cover. Cacao trees can tolerate up to 40% of shading, meaning that the potential for agroforestry is not yet realised despite national and international pledges for the implementation of agroforestry systems. Investing in measurements at the outcome and impact level is therefore important towards verifying if promoted practices are effectively adopted or not.

More qualitative insights can be gained from assessing the SECO co-financed projects. Most of the projects for the new project cycle started in 2023 and early 2024, which is why not all log frames have been handed in yet. **Where data has already been provided, SWISSCO members have enabled 9'405 farmers (72% males, 28% females) to adopt effective climate smart agriculture or agroforestry practices.** Numbers are increasing with projects gaining more momentum and with new projects being proposed and implemented.

Target 2 d) Swiss cocoa supply chain partners are on the pathway towards net zero emissions with focus on the supply chain in line with the Paris Agreement by adhering to initiatives such as Science-Based Target Initiative (SBTi) or by undertaking equivalent efforts.

As of December 2024, 17 out of 56 SWISSCO members who could potentially adhere to SBTi have committed to the SBTi near-term targets, and 13 further members have committed to the Net Zero Targets¹⁵. Compared to the Baseline Study, no significant advancement towards

¹¹ 2023 CFI Annual Report Côte d'Ivoire

¹² Modified taungya system in Ghana

¹³ 2023 CFI Annual Report Ghana

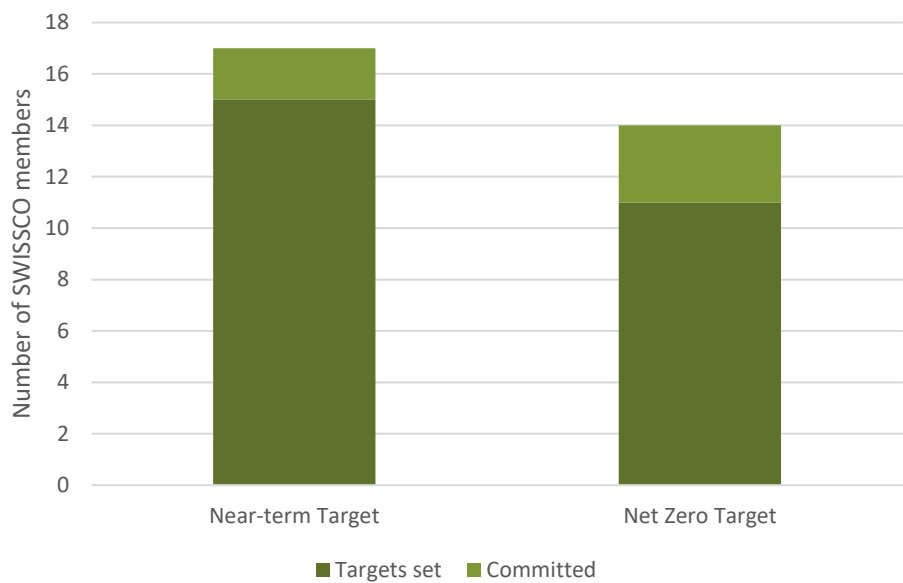
¹⁴ The unrealized potential of agroforestry for an emission-intensive agricultural commodity

¹⁵ Target dashboard - Science Based Targets Initiative

achieving net zero emissions can be observed. In 2021, a total of 22 members adhered to the SBTi or had similar strategies in place to contribute to net zero emissions.

When companies are approached directly, the topic of net zero seems to be prominently discussed in Board rooms, including in small and medium sized companies. The complexity of the matter in combination with the high cocoa prices explains why in some cases final decisions on respective strategies have not been taken yet. In any case, it is promising to see that SMEs such as Maestrani Schweizer Schokoladen AG have taken the bold discussion to embark on the journey of net zero.



Figure 5: SBTi Commitments by SWISSCO members.





Target Area 3

Tackling child labour and improving perspectives of the youth

Targets for child labour	Progress	Need for Revision
 3a) All members active in producer countries with incidence of child labour in cocoa production are contributing to eliminate the root causes of child labour and therefore child labour and to improve the perspective of youth		High target replaced by DD regulations
3b)  SWISSCO engages in sustainable cocoa sourcing landscape involving efforts to tackle child labour effectively		Moderate core precision needed
3c) SWISSCO signs and operationalizes MoU with local authorities aimed at child labour prevention		Moderate could be deleted as part of ongoing MoU with Ghana

3 a) All members active in producer countries with incidence of child labour in cocoa production are contributing to eliminate the root causes of child labour and therefore child labour and to improve the perspective of youth.

As part of the ISCO Monitoring round 2023, 25 members of SWISSCO were asked to report on their efforts to tackle the issue of child labour in their supply chain, of which 16 submitted data. This is partly due to the fact that ISCO members who are affiliated with the International Cocoa Initiative (ICI) can benefit from automatic data transfers, requiring them to report only once on a set of indicators that are fully aligned with ICI members' reporting protocol.

Across the supply chains of the 16 reporting members, 996'238 children were covered by a CLMRS, an effective and widespread approach developed by the ILO to identify children in child labour and provide remedial support. In 2023, 151'478 cases of child labour were identified, which amounts to a detection rate of 15.5%. This rate is, however, considerably lower than the generally observed prevalence rate of child labour in Western Africa countries¹⁶. This suggests that many cases are still being missed and increased efforts are required to improve the efficacy of the measures put in place.

Table 2: ISCO Monitoring Child Labour Indicators 2023, SWISSCO Members only

Indicator	2023	
	Result	No. of members reporting
Number of farming households in company's supply chains that were covered by child protection/Human Rights Due Diligence (HRDD) systems that prevent and address child labour	787'167	16
Number of children covered by a CLMRS	966'238	13
Number of cases of child labour identified	151'478	12
Share of child labour cases identified out of the total share of children covered by CLMRS	15.5%	11
Number of children among those identified as being in child labour that received support	134'294	13
Share of children among those identified as being in child labour that received support.	88.1%	12
Number of children identified as being in child labour who received at least two follow-up visits	44'302	11
Number of children among those identified as being in child labour who stopped working	18'013	10
Share of children among those identified as being in child labour that stopped working.	12.1%	10

¹⁶ <https://www.cocoainitiative.org/knowledge-hub/resources/ici-technical-summary-norc-report-assessing-progress-reducing-child-labour>

Indicator	2023	
	Result	No. of members reporting
Number of households covered by another type of Child Labour Due Diligence system	4'916	10

The 2023 ISCO Monitoring round has also shown that there has been a significant increase in children covered by a CLMRS or another child protection system compared to 2022, which has likely been motivated by upcoming Human Rights Due Diligence (HRDD) regulation at the European level, such as EU CSDDD and EU CSRD. While this trend cannot be confirmed with ISCO Monitoring data for SWISSCO members (SWISSCO fully participated in the monitoring round for the first time in 2023 fully), it is highly likely that this trend holds true for Swiss companies as well and will continue in the near future.

3 b) SWISSCO engages in sustainable cocoa sourcing landscapes involving efforts to tackle child labour effectively

Target 3b underpins the importance of SWISSCO members tackling challenges such as child labour, which was a key determinant in the original target design in 2021.

In early 2024, UNICEF and ICI have started the implementation of their joint Landscape project “Tackling Child Labour and Enhancing Youth Opportunities in Ghana”, and first data on the project’s impact on child labour and youth development will be available in 2025. In addition to this Landscape project dedicated to the issue of child labour, 2 further Landscape projects currently implemented by SWISSCO members (Cavally and Sankofa 2.0) have reported on child labour and youth outcomes.

Moreover, 3 additional Peer Learning and Collaboration (PLC) projects focusing on different aspects of child labour have begun implementation in 2024: In Ghana, ICI in collaboration with Nestlé tests the effectiveness of strengthening adults’ protective and nurturing skills to protect children from child labour and improve child development outcomes in its “Allies for Change in Ghana” project. In Ivory Coast, Save the Children Switzerland in collaboration with Barry Callebaut has launched a project testing a new community approach on preventing child labour through the establishment of social contracts, and ICI implements a landscape approach pilot in the Haut Sassandra region with a series of local and international partners to improve the effectiveness of local referral systems.

Overall, there are currently **10 SWISSCO members engaged in a SECO-funded project addressing the issue of child labour**.¹⁷ Given the availability of additional funds still available for the 2023-2026 SECO funding window, there is a possibility that the financial contributions to existing landscape projects will be increased to, among others, increase collaborative efforts.

¹⁷ Earthworm Foundation, Barry Callebaut, Cocoasource, Nestlé, Halba, Fairtrade Max Havelaar, ITC, ICI, Unicef and Save the Children.

3 c) SWISSCO signs and operationalizes cooperation agreements aimed at child labour prevention with local authorities and, where appropriate, with multilateral organizations such as ILO, UNICEF, and development banks.

In early 2023, a Memorandum of Understanding was signed between the governments of the Swiss Confederation and the Republic of Ghana on Sustainable Cocoa Production, with the purpose to establish a continuous and dynamic dialogue and collaboration. One of the major forms of collaboration that have been established are the regular joint Steering Committee Meetings, that have been held in the spring of 2023 and 2024.

In both meetings, the issue of child labour in Ghana's cocoa farming was addressed explicitly. SWISSCO used the occasion of the meetings also to actively position the work of UNICEF and ICI done in the context of their landscape project, which seeks to foster public-private collaboration in four cocoa-growing districts, building on enhanced integration of social services from child protection, education, health and youth development. It was acknowledged that Ghana COCOBOD attended the project launch, a joint event together with the ILO, JICA and the World Bank.



Target Area 4

Transparency and traceability within the cocoa supply chain

Targets for transparency and traceability

Progress

Need for Revision

4a) The entire physical flow of products containing cocoa into Switzerland should be traceably based on sustainable agricultural production.

4b) Enhanced traceability along the supply chain, involving first-mile traceability and, where efficient and practical, segregation of physical flows.

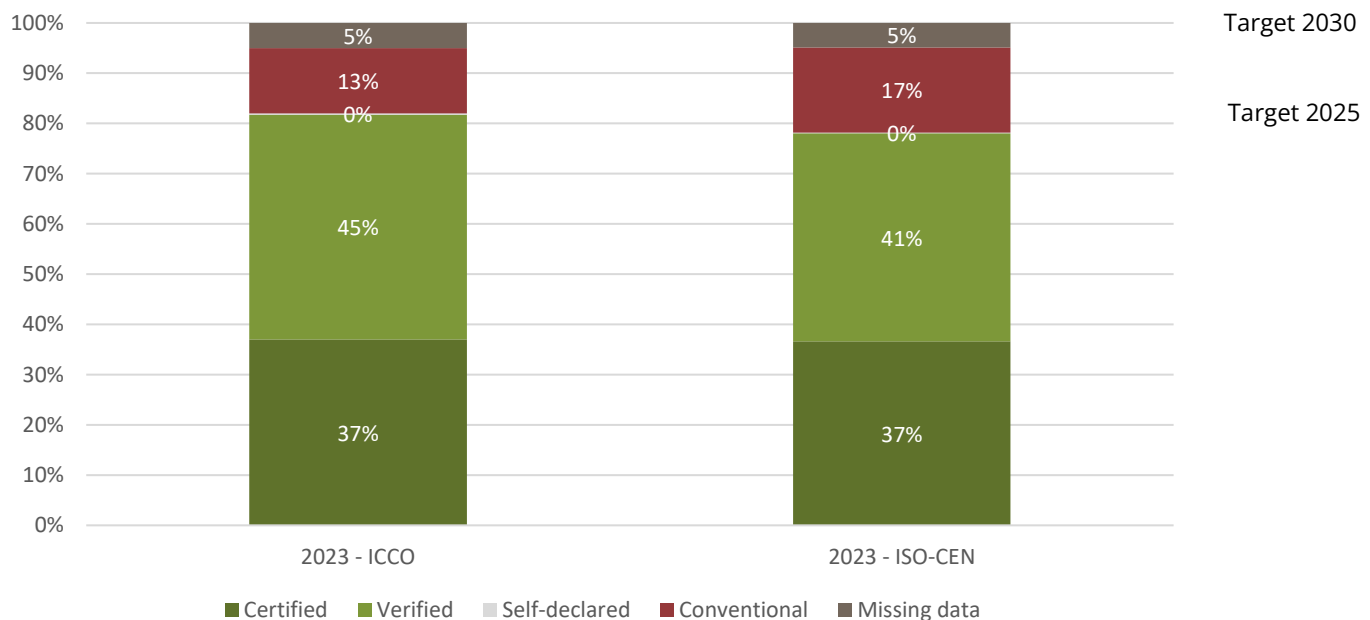
Moderate

Could be deleted due to EUDR

4 a) The entire physical flow of products containing cocoa into Switzerland (beans, butter, mass, finished products, etc.) should be traceably based on sustainable agricultural production.

The analysis of progress in the area of transparency and traceability focuses primarily **on the sourcing statistics that are collected annually among members**. These statistics provide fairly accurate information about how much cocoa is imported into the Swiss market and whether and which sustainability instruments (standards or independently certified company programmes) were used. Looking at the latest numbers from 2023 linked to target 4a, **it stands out that the 2025 Target of importing 80% of sustainably produced cocoa into Switzerland has already been reached with 82% using the ICCO Conversion Factors**. If alternative ISO-CEN Conversion Factors are applied, 4% are missing to reach the 2025 target.¹⁸

Figure 6: Share of certified, verified, self-declared (not verified by a third-party) and conventional cocoa bean equivalents on total imports.



¹⁸ Conversion Factors used are:

HS-CODE	Cocoa-short	CF (ICCO)	CF (ISO-CEN)
1801	Cocoa beans	1	
1803.1	Cocoa paste	1.25	1.22
1804	Cocoa butter	1.33	2.44
1805	Cocoa powder	1.18	2.44
1806.1	Cocoa powder, sweetened	0.3	
1806.2	Chocolate, blocks	0.4	
1806.31	Chocolate, filled	0.2	
1806.32	Chocolate, not filled	0.4	
1806.9	Other	0.2	
1704.901	White chocolate	0.2	

A glance at the figures also shows that **just over half of them come from corporate programmes** such as Mondelez's Cocoa Life, Lindt's Farming Programme and Barry Callebaut's Cocoa Horizon programme. To date, there is no publicly available information that compares the programmes with each other and with well-known standards such as Rainforest Alliance or Fairtrade.

4 b) Enhanced traceability along the supply chain, involving first mile traceability and - where efficient and practical - segregation of physical flows

In relation to objective 4b, in connection with the degree of traceability, we are able to also rely on the SWISSCO sourcing statistic. **Data from the sourcing statistics 2023 show that 41% of the amount of imported cocoa and cocoa products can be traced back to its origin (i.e. first point of purchase).** This is especially true for cocoa beans, where 70% is either segregated or identity preserved. However, the level of traceability is much lower for cocoa butter, paste and powder, showing the difficulties in traceability once the cocoa bean is being processed. The EUDR with its requirements for traceability to plot level will improve access to origin information in the future and ensures that all imports are segregated or identity preserved.

Figure 7: Traceability levels of cocoa imports

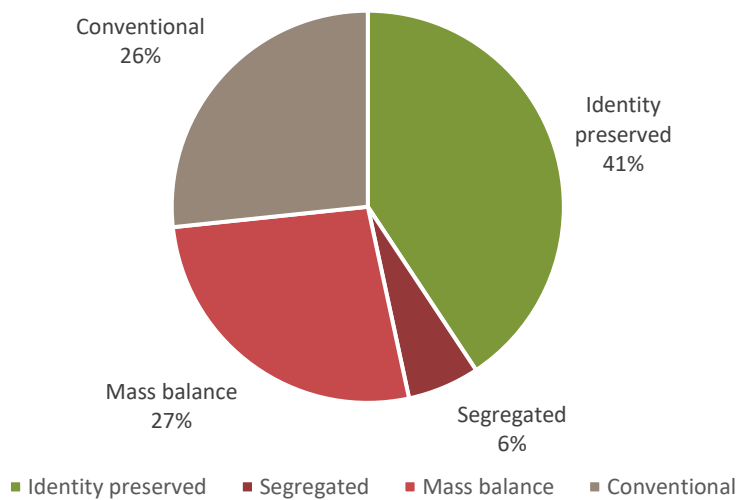
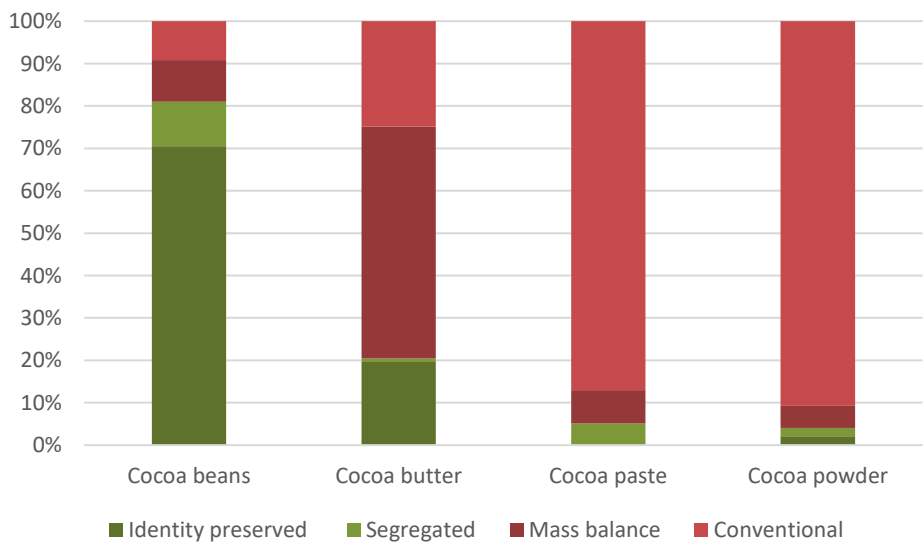


Figure 8: Traceability levels for different cocoa products



Conclusions & Outlook

This Midline Report is an important milestone for the SWISSCO Roadmap 2030. At a rather early stage, the report shows the progress that has been made since the adoption of the Roadmap in 2021. On the basis of a wide range of data sources, the following highlights can be stated:

- **Broad engagement:** Virtually all members are engaged in one way or another to address the key challenges of (low) farmers' income, child labour and deforestation.
- **Collaborative CHIS approach:** Using a collaborative approach with producer country partners, SWISSCO has carried out a comprehensive Cocoa Household Income Study in Ghana and (soon) in the Ivory Coast. CHIS provides the foundation for joint learning and dialogue between all stakeholders from producer and consumer countries.
- **Piloting Landscape initiatives:** With the support from SECO, SWISSCO has initiated or deepened 6 Landscape projects in both Africa (Madagascar, Ghana, Ivory Coast) and Latin America (Peru and Columbia), involving approx. one third of members (close to 30).
- **Agroforestry:** The promotion of agroforestry practices has gained momentum and started to be systematically integrated in the assistance and service delivery to farmers. From SECO projects only, around 10'000 farmers currently receive agroforestry-related technical support. Further adding CFI engagements in Ghana and Ivory Coast as well as other support provided by members, the intermediate target of 70'000 farmers seems to be reached, even if no credible statement can be made in view of the effective adoption of practices.
- **Child Labour:** First timid experiences are gathered to implement collaborative territorial approaches to tackle the issue of child labour and to address its root causes, thus going beyond supply chain focused monitoring and remediation practices only.
- **Sustainable sourcing:** The level of sustainable sourcing has increased steadily. With 82% in 2023, the initial interim target of 80% was reached two years ahead of time.
- **Gender equality** has been treated as key award criteria in SECO co-financed projects and has led to a range of projects that are sensitive to this dimension hence.
- **Innovation** has been a key driving force for the start of around a dozen projects co-financed by SECO and marked the way in which collaboration and peer learning processes have been enabled and promoted inside SWISSCO.

Despite the notable progress, **the interim report also reveals a lack of progress** in some areas along the various impact areas and transversal themes.

- **Living Income** is still not clearly defined and pursued enough as a strategic goal by most supply chain actors.
- Only a minority of companies have already committed to **SBTI targets**. This target continues to be a complex undertaking, especially for SMEs.
- **Landscape approaches are still in their infancy**. Companies are not used to working together in their key sourcing regions. Harsh competition among traders is the reality.

Besides, local partners are often still weak and lack the capacity to ensure ownership for steering and monitoring Landscape initiatives.

- In the specific case of **child labour**, companies are primarily concerned with the challenges in their own supply chains. The compliance pressure on the work of the sustainability teams is significant, leaving limited space and resources for collaborative approaches.

Changing contexts – high prices and regulatory pressures

Over the past three years, the changing context has heavily influenced both the results and the perspective of our Roadmap targets. Particularly, the historically high cocoa prices reached in 2024 as well as the broad regulatory pressures on a range of social and environmental topics present both opportunities and risks not only for our Roadmap targets but for the sustainability of the sector in general.

In a medium to long-term perspective, both high cocoa prices and sustainability regulations offer opportunities mostly. High cocoa prices allow farmers to cover production costs to enable entrepreneurial growth and to generate the necessary income for a decent living of their families. Conversely, regulations, if smartly defined, allow for a level playing field for all value chain actors and make sustainable practices the norm, or at least allow avoiding worst practices.

In a short-term perspective, high cocoa prices and widespread regulatory pressure come also with challenges, however.

Very **high cocoa prices** tend to undermine sustainability and quality-oriented programmes and certification in light of the severe supply shortage in the market. Besides, the need for high cash availability and early and rapid payment put producer organisations as well as smaller and local traders in an unfavorable competitive situation due to comparatively limited access to finance. Furthermore, the high prices also provide an incentive to push high yields in the short run, building on unsustainable practices such as the uncontrolled use of pesticides, land expansion or child labour. Our recently updated SWISSCO Issue Brief on Price has shed light on this complex topic of price from different perspectives.

In view of **new or forthcoming regulations**, sustainability has become a key topic for all boardrooms in the meantime. While per se a promising development, the high regulatory pressure implies certain downsides, at least from a short-term perspective. In many companies, sustainability has become primarily an issue of compliance only. Thus, the compliance pressure on the work of the sustainability team is heavy and puts the focus of their work on their own supply chain risks only. This strong focus also reinforces the trend to favor well-organised suppliers and less risky regions and countries, potentially marginalizing poor and vulnerable farming households. Besides, there is also a perceived fear of lawsuits which hinders the transparent sharing of information. In this context, collaborative approaches that are instrumental for a sustainable development path have a difficult time.

Proposed way forward – main premises

Based on the findings of this midline assessment and views and perspectives from member sectors and other ISCOs, the SWISSCO Office has developed several avenues of how to strengthen the current Roadmap addressing the progress being made as well as current contexts linked to the cocoa market and regulatory developments. Overall, the following three premises have guided the definition of the way forward:

From outputs to outcomes & impacts: So far, most targets rely on the collection of outputs in asking members what they have been doing to tackle the diverse challenges. While these targets (e.g. on living income) have been useful to initially engage with members, we may progress further in defining more strategic targets at outcome or even impact level.

Increasing focus: A high number of targets undermines not only the internal and external communication on targets but also particularly challenges the proper measurement of progress. Thus, we propose to limit the number of targets to a maximum of 10 or possibly less. In fact, some targets have become obsolete due to new regulations or could be potentially merged. Overall, thanks to the practical experience gained in implementing the Roadmap, we are now able to further consolidate and sharpen individual targets so as make them more SMART (i.e. Specific, Measurable, Achievable, Relevant, and Time-Bound).

Tackling challenges together: Although the signs are not always pointing to collaborative approaches at the moment, our guiding principle of 'Tackling Challenges Together' should be further strengthened. The *raison d'être* of SWISSCO is to meet challenges with collaborative approaches, projects and initiatives, to openly share experiences and learn from each other. The SWISSCO Board has therefore deliberately decided not to pursue individual Roadmaps, but to focus on a common Roadmap with shared goals. Such a collaborative approach also requires, however, that each member makes a measurable contribution. Free riding should be avoided.

Proposed way forward – main thematic proposals

Following the key premises developed above, we endeavoured to develop these guidelines into specific topic-related proposals for the different areas of impact. The four areas themselves, which we coordinated with the ISCO, have basically lost none of their relevance. However, we do see room for adjustments and further developments in the individual targets, as can be seen in each of the four target areas presented below.

Tackling the living income challenge (Economic Dimension)

Following the premises stated above, we propose to focus on two targets that allow us to systematically measure the progress towards a living income. One target aims to strive for **data comparability on cocoa households' incomes** involving a growing number of members and cocoa-producing countries. The strengthening of a collaborative approach to CHIS allows for aligned strategies for improving living incomes.

Building on target one, a second target would define **the percentage of cocoa households in selected focus countries that reduce the living income gaps and achieve or exceed a living income** due to SWISSCO members' measurable contributions. This target seeks to adapt living

income targets to the different contexts and works with different assumptions in terms of price, yield increases and income diversification.

Towards regenerative cocoa production (Environmental Dimension)

In this area, our proposal aims to **reduce the number of targets to three (instead of four) and to strengthen and sharpen the Landscape, agroforestry and climate strategy related targets**. These three targets should also help reduce the pressure on deforestation and strengthen existing ecosystems.

In the case of the **Landscape Target**, core criteria for mature Landscape initiatives in terms of scale, local ownership and measurement should be defined as key reference. In addition, the participation of SWISSCO members should increase significantly. Concerning **agroforestry practices**, both scaling and better external verification should strengthen impacts and credibility of member actions. Finally, **SBTI or equivalent measures** should remain the reference for corporate climate strategies. However, the participation of SMEs should be supported more actively.

Social wellbeing of farming families (Social Dimension)

Of the current three targets related to child labour, we propose to maintain and build only on one of the existing targets, namely Target 3b focusing on a Landscape approach to the issue of child labour. Landscapes are a promising path to promote the collaboration of the public and private sectors, ensuring a holistic approach to not only monitor but also remediate cases of child labour at a national level. Target 3a has become mostly obsolete due to new Human Rights Due Diligence Regulation at the EU level and the objective of output-oriented Target 3c has become replaced by the operationalisation of the MoU signed with the government

We suggest the addition of **a new, comprehensive outcome-oriented target that focuses on the multiple dimensions of the well-being of children and youth**. The absence of child labour alone is not sufficient to ensure the health and prosperity of children but also requires the existence of a social support network, access to health services and education, as well as water, sanitation and hygiene (WASH) services. Such an overarching target is particularly relevant in achieving a holistic approach that is relevant at the global level, shifting its focus away from solely those countries with a high incidence of child labour.

Making standards and companies programs fit for purpose (transparency and traceability)

The area of transparency and traceability should **focus on the existing sourcing target**. The target is well established and is based on a credible, well-functioning monitoring mechanism. However, the transparency dimension should be strengthened. In particular, in the case of externally verified programmes, the content of the codes and how they are verified should be defined more clearly and transparently. Guided by the ISEAL Good Practice Good and building on GISCO work in its Sustainability Commission, we propose 4-5 criteria including governance,

independent verification, transparency and monitoring & evaluation (but excluding claims as this will be covered by the upcoming regulations).

Finally, the transversal themes of gender and innovation still need to be further operationalised. For gender, an Issue Brief to be released in 2025 shall guide members on how gender aspects are comprehensively considered when programmes and projects are planned, implemented and monitored. Special attention will be given to social norms, legal requirements and gender specific opportunities and risks. Specifically, SWISSCO seeks to promote women's access to better training, jobs, land markets, education, and financial services.

For innovation, much shall be developed and learned with the SWISSCO innovation Call initiated in 2023 aimed at fostering innovative approaches within our membership. A systematization of experiences and the development of guidelines and best practices should be developed and discussed within the platform by 2027 at the latest.