



## Press Release

### Annual Report 2019 of the Swiss Platform for Sustainable Cocoa

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#### **The Swiss Platform for Sustainable Cocoa reports progress in the promotion of sustainability in the Swiss cocoa value chain, and reaffirms its commitment to tackle major challenges**

- **Imports of sustainable cocoa into Switzerland rose by 8 percentage points to 58%, an important step to reach the intermediary goal of 80% by 2025, while the share for cocoa beans reached 95% (increase by 18 percentage points), cocoa butter imports continue to present a challenge and demand new solutions**
- **More than 70,000 cocoa farmers – 30% of them women - reached in seven innovative projects in producer countries aimed at improving the living conditions of cocoa farmers**
- **Challenges continue on combatting cocoa farmers' poverty, child labor and deforestation and require joint efforts between actors in consumer and producer countries, which is why the Platform increases the collaboration with partner initiatives in Europe**

Berne, June 24, 2020. The Swiss Platform for Sustainable Cocoa, an association of more than 60 Swiss-based member companies and organizations active in the cocoa value chain, has reported a net increase of eight percent in the proportion of sustainable cocoa bean equivalents imported into the country from 2017 to 2018, according to the Platform's annual report released today. Today, more than 58% of these imports are now sustainably sourced, either by a certified sustainability standard or by an independently verified company sustainability program. The Cocoa Platform aims to increase this rate to 80% by 2025. While the imports of sustainably sourced cocoa beans reached 95%, cocoa butter remains at 29% only.

The Platform was formed in 2018 to improve the living conditions of cocoa farmers and their families, protect natural resources, and create a viable and sustainable cocoa value chain. It brings together the main actors of the cocoa value chain in Switzerland: Chocolate manufacturers, cocoa traders and importers, food retailers, the public sector, non-governmental organizations, and research institutes.

The Platform is addressing critical topics in the sector, including living income for cocoa farmers, efforts to eradicate child labor and concrete measures to increase biodiversity and halt deforestation. One of the key aims is to act as a focal point for efforts to ensure that all cocoa bean equivalents imported into Switzerland come from sustainable sources.

"The Platform had a strong year in 2019 and we made progress in several areas. Despite being a relatively new organization in the cocoa sector, we have a strong and committed membership in Switzerland and together, we are strengthening sustainability, especially focusing on innovative approaches to improve the living conditions of cocoa farmers and their families, and the protection of biodiversity," said Ernst A. Brugger, President the Swiss Sustainable Cocoa Platform.

"However, we fully recognize that complex challenges remain that demand innovative solutions and collaborative action in order for them to make a sustainable difference to people's lives and the environment," he said. "The platform and our members are committed to seeking innovative and effective solutions to these challenges. For example, on the issue of sustainable cocoa butter imports, one of our working groups has already made concrete proposals to improve the situation."

However, Ernst A. Brugger also expressed concern: "We are watching with concern the impact of the COVID-19 pandemic on cocoa producers in various countries and are aware that some progress made in recent years may be cancelled out by the crisis."

Among the activities in 2019, detailed in the annual report, the Cocoa Platform:

- Launched seven innovative value chain projects, co-financed by the Swiss State Secretariat for Economic Affairs (SECO) and Platform members, to test a variety of approaches to improve the living conditions of cocoa farmers in producing countries and to pilot the common monitoring framework. More than 70,000 farmers (30% of them women) were reached in the projects
- Set up five member-led working groups to develop solutions to challenges such as living income and child labor, climate resilience and biodiversity, access to finance, traceable and segregated cocoa butter, and the reduction of cadmium residues and access to markets
- Increased collaboration with international cocoa organizations, including two European partner initiatives in Belgium and Germany. At the end of this month, the collaboration will be confirmed in a memorandum of understanding.

Another area of progress in the reporting year was the development of an impact-oriented Monitoring, Evaluation and Learning Framework with relevant indicators for measuring progress on sustainability in the cocoa value chain. Unanimously adopted at the General Assembly in 2019, this monitoring framework provides transparency and serves as benchmark compass for a continuous learning process for the Platform.

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### **Media inquiries and for further comment or information on specific topics**

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## **EDITOR'S NOTE**

### **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 behavioural 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.