



GrowAsia

Case Study

**Sustainable Cocoa
Production Program (SCPP)**



PISA Agro



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Grow Asia

Grow Asia is a unique multi-stakeholder partnership platform that brings together farmers, governments, companies, NGOs and other stakeholders in Southeast Asia to develop inclusive and sustainable value chains. At Grow Asia's core are three goals - to increase the productivity, profitability and environmental sustainability of smallholder agriculture across the region by helping farmers and the organizations that work with them access knowledge, technology, finance and markets.

Grow Asia comprises the regional Grow Asia Secretariat in Singapore; Country Partnerships, each supported by an in-country Secretariat; and the Working Groups, which focus on specific issues or crop-based value chains.

Purpose of the Case Study

One promising way to reduce deforestation, improve food security and end poverty is to improve productivity on small family-run farms. A range of actors—donors, NGO, trading companies and consumer good companies – have delivered projects to lift smallholder farm yields. Achieving change is difficult, and what works, and what doesn't is the subject of significant debate. Price premiums, field schools, cooperative capacity development, and mobile phone applications have all been put forward as solutions to this complex challenge.

While Grow Asia is keen to encourage discussions on which approaches work well in the field, much of our work, including this study, focuses on a different question: how can actors from different sectors work together on the smallholder productivity challenge? How can governments, businesses and NGOs work together to achieve more than they can working alone? If our objectives are aligned, how should these partnerships be structured to coordinate our efforts?

PISAgro

The Partnership for Indonesia's Sustainable Agriculture (PISAgro) is a multi-stakeholder platform with a 20-20-20 vision - to improve smallholder farmers' yields, incomes and reduce greenhouse gas emissions by 20%. PISAgro facilitates collaboration among government, international and local companies, NGOs, farmer organizations and other stakeholders in developing inclusive and sustainable value chains. Its 13 Working Groups (WGs) co-design and co-implement these value chain projects, which are locally driven, often led by the private sector, and bring together stakeholders from different disciplines to leverage their expertise.

A range of different partnership models are used in the Grow Asia network, but the model used in this case study, the Sustainable Cocoa Production Program (SCPP), is particularly compelling. It presents a leading example of what can be achieved when different sectors work together. Whether you are working Africa or Asia, cocoa or rice, the SCPP model provides a useful framework, and some interesting insights into how to build a multi-stakeholder partnership. This study highlights seven key learnings from SCPP that Grow Asia believes are broadly applicable.

The SCPP model is a hub-and-spoke partnership, with Swisscontact at the hub of the partnership, driving the vision, pooling resources and collecting impact data. It is not the only model for an industry to work together on smallholder farmer productivity, but what SCPP has achieved indicates that it is model worth exploring. Of all the partnerships that make up the Grow Asia network, it stands out in its ability to teach us about effective partnership.

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Project Snapshot

In the 1980s and 1990s, Indonesia was the world's third-largest producer of cocoa as a result of the free dissemination of cocoa seedlings by the government. However, since 2000, the country's cocoa sector suffered greatly from deteriorating yields and falling profitability due to ageing trees and a lack of agronomic skills among smallholder cocoa farmers. Low market prices, the rising popularity of alternatives such as corn and palm oil, as well as a hike in subsidies for rice, led many farmers to abandon their cocoa crops.

However, between 2012 and 2018, against this challenging backdrop, SCPP achieved impressive results⁽¹⁾, most of which have been generated in the last few years of the project. They include:

- Training 153,406 farmers in Good Agricultural Practices (GAP), post-harvest handling, professional farm management, nursery management and certification.
- Since 2012, IDR13 billion (USD950,000) worth of premiums have been distributed to farmers, buying stations, and certification holders in Aceh and Sulawesi, generating additional profit for farmers.

- Farm productivity has increased from a baseline value of 513 kg/ha/year to a post-line value of 733 kg/ha/year (productivity increase of 43%) after farmers joined training activities and applied the knowledge to their farms.
- Increased production of cocoa by over 21,000 tonnes per annum, bringing in an additional US\$42 million per year into the rural economy.

SCPP achieved this through a multi-stakeholder partnership including 10 major off-takers, demonstrating that a coordinated sectoral approach can grow the output and the market to the benefit of all partners.

(1) For more information on the impact of the SCPP program, [click here](#)

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The Development of SCPP

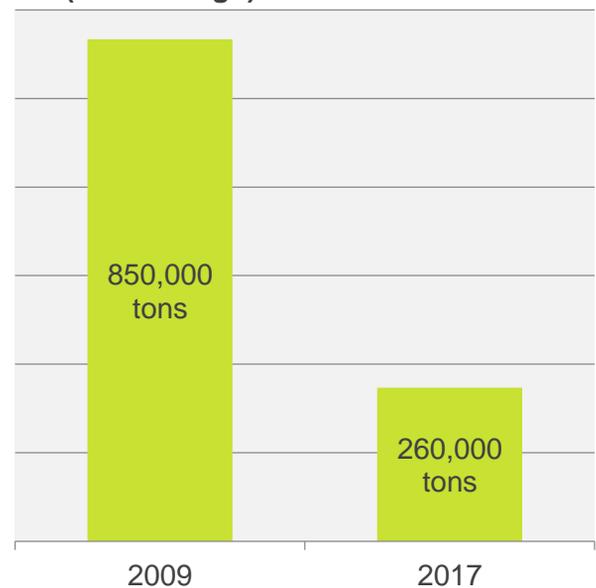
Apprehensive about the declining yields and potential disruption in the supply chain, companies in the cocoa sector saw a need to work with smallholder farmers to help them address the challenge of improving productivity. However, operating in a highly competitive environment, these companies found it hard to coordinate joint sectorial action. As a result, they turned to Swisscontact, a Swiss development foundation with experience in value chain development and regional expertise, to act as the facilitator in project implementation.

Similarly concerned about the falling yields and the long-term detrimental impact caused by pests was the World Cocoa Foundation (formerly the U.S. Chocolate Manufacturers Association). To investigate, the American Cocoa Research Institute dispatched entomologists and agronomists to the region to study both the reasons behind the productivity drop as well as possible cures. The specialists identified a set of low-tech and highly effective Good Agricultural Practices (GAPs). But as member companies of the World Cocoa Foundation did not have the resources to train the farmers themselves, they turned to the NGO and donor communities to find suitable partners with shared goals⁽²⁾.

It was against this backdrop that the public-private Sustainable Cocoa Production Program (SCPP) was eventually established and that Swisscontact emerged as the long-term implementer of the project.

Indonesia Cocoa Bean Production

(Record High)



(2) Mars Inc. played a pivotal role in this process by knocking on many donors' doors



The Development of SCPP



2000

2004

2012

2000

- ACIDI/VOCA, the World Cocoa Foundation and Mars Inc. teamed up to form the public-private Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS) Alliance. Funded by USAID, it piloted farmer training in Sulawesi based on recognized GAPs. Showing initial positive results, the SUCCESS Alliance was awarded another USAID grant that allowed it to train 30,000 smallholders in Sulawesi, West Papua, Bali, and North Sumatra until the end of 2005.

2004

- Following the tsunami that devastated Aceh, Swisscontact received US\$7 million in World Bank funding via a PEKA⁽³⁾ project to promote smallholder cocoa farmers' productivity in Aceh. A consortium of project partners including Mars Inc., Armajaro Trading Limited and The World Cocoa Foundation supported Swisscontact with expertise and resources. Successfully familiarizing farmers with the techniques that the SUCCESS Alliance had originally developed, Swisscontact managed to increase average farmer productivity and income by 100%.

2012

- PEKA's achievements fueled the donor and cocoa sectors' appetite to scale up Swisscontact's effective approach. PEKA thus evolved into the large public-private partnership known as the Sustainable Cocoa Production Program with the Swiss State Secretariat for Economic Affairs (SECO) as its main donor. Swisscontact went to great lengths to align the sector and orchestrate large-scale training of tens of thousands of cocoa farmers.
- Furthermore, the interest in sustainable cocoa production from private sector companies led to the inclusion of IDH as a second funding partner and brought in additional funds from within the industry. This also allowed the geographical reach of the program to expand considerably.

(3) PEKA was a US\$7 million sub-project of the Aceh Economic Development Financing Facility (EDFF) Project. To foster post-tsunami economic recovery, EDFF received US\$50 million from the Multi Donor Fund for Aceh and Nias, a partnership of the civil society, international community and the Indonesian Government



The Development of SCPP



2013

- Swisscontact joins the Partnership for Indonesia's Sustainable Agriculture (PISAgro), and began leading the cocoa Working Group. Under the partnership umbrella, SCPP was able to share its expertise in capacity building with other partners leading supply chains for other commodities, while PISAgro brought SCPP engagement opportunities with the Indonesian government as well as other private sector and civil society stakeholders.
- In addition, CocoaTrace™ was spun out to PT Koltiva, an Indonesian start-up software company, to develop a farm management and training program information system as software as a service.

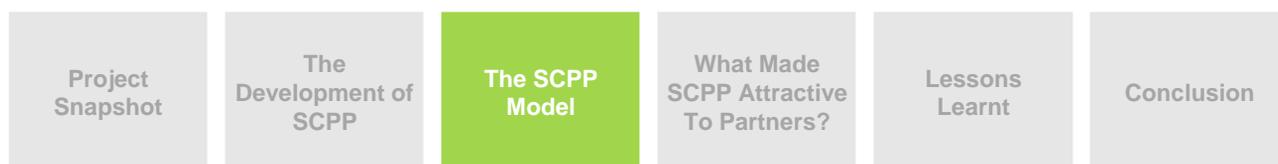
2015

- SCPP further scaled up its activities through a partnership with the U.S.-funded bilateral aid agency Millennium Challenge Account Indonesia. Named Green Prosperity – Sustainable Cocoa Production Program, the partnership brought another US\$23 million to the cocoa sector with approximately half of the sum coming from a private sector consortium⁽⁴⁾.
- The International Fund for Agricultural Development and Swisscontact agreed to collaborate on strengthening institutional capacity around cocoa farming in Central Sulawesi.

2016

- SECO agreed to SCPP's request for extension until 2020.

(4) The consortium includes among others Veco Indonesia, Bank Rakyat Indonesia, PT Bank Pembangunan Daerah NTT, Rabobank, World Cocoa Foundation (WCF) and the WCF members Barry Callebaut, BT Cocoa, Cargill, Guittard, Mars, Mondelez International and Nestlé



The SCPP Model

SCPP is a large-scale donor-led project that secured the buy-in of the private sector and government actors on the national, regional and district levels. The structure of SCPP is best described as a hub-and-spoke network with Swisscontact playing the central role as coordinator, moderator, and project implementer. Swisscontact consulted with a multitude of stakeholders ranging from government agencies at different administrative levels, research institutions, sectorial platforms, program donors, NGOs, input providers, cocoa traders, and banks to industry platforms and global chocolate manufacturers. By being able to credibly demonstrate the impact of SCPP's project activities, Swisscontact was consistently able to attract and retain donor and private sector interest in sustaining their commitment to SCPP's activities.

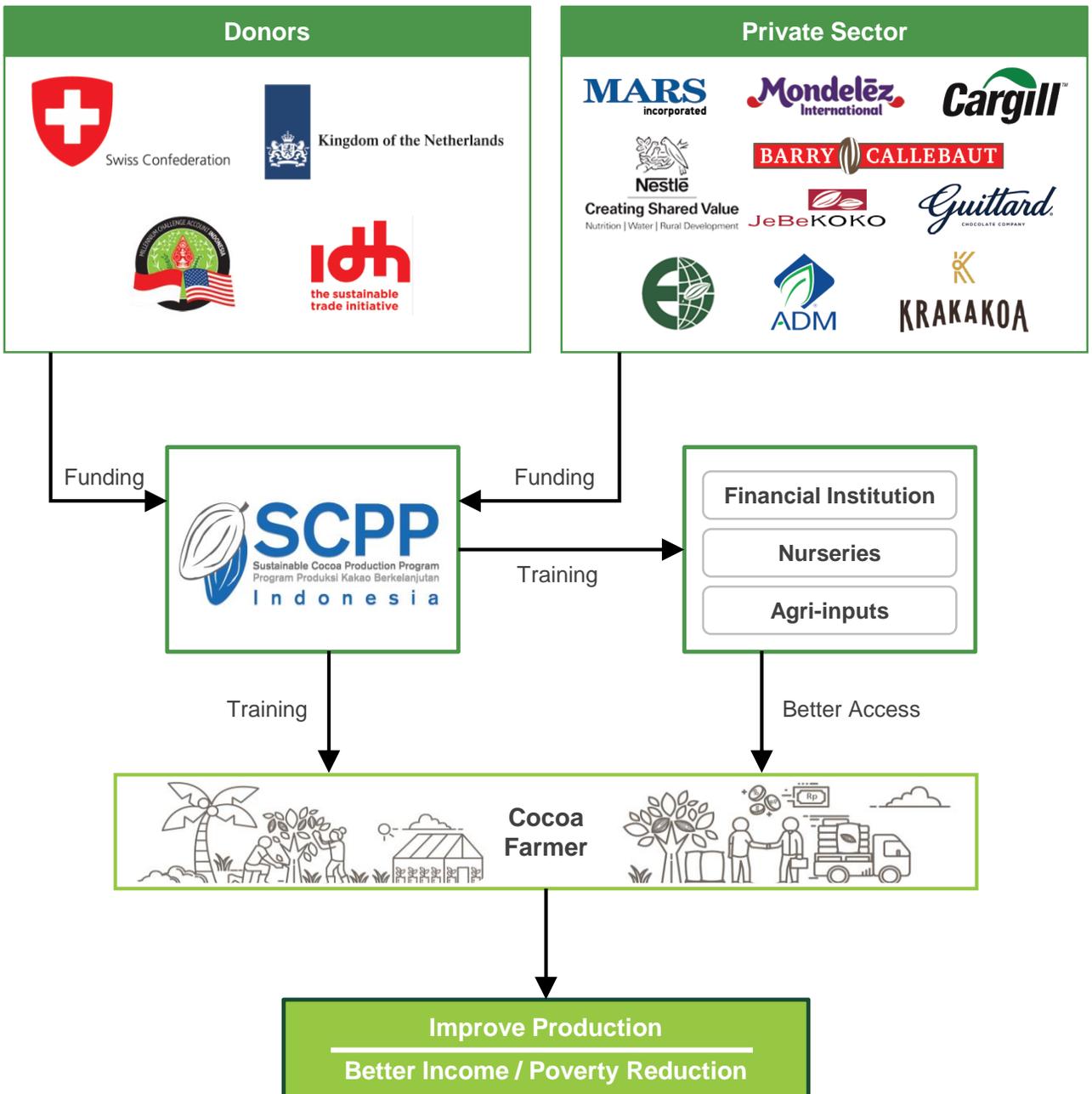
From the outset, SCPP was focused on business sustainability, which hinges on whether the project benefits stakeholders at all links in the value chain. By raising the productivity and skills of smallholder farmers, they can make a better, more dignified living. Meanwhile, companies benefit from a stable, high-quality supply of beans to satisfy market demands.

By the end of 2017, the cumulative SCPP funding totalled almost USD43 million with around USD11.9 million (27% of total funding) coming from the private sector

Project Snapshot	The Development of SCPP	The SCPP Model	What Made SCPP Attractive To Partners?	Lessons Learnt	Conclusion
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The SCPP Model

SCPP Public Private Partnership Model





What Made SCPP Attractive To Partners?

Any partnership must provide value to all partners to remain sustainable and reach a scale of impact. SCPP provided value in three significant ways:

1. A PROVEN APPROACH

Swisscontact developed an approach to farmer development on Sumatra that worked. This model was in place before the partnership was formed and was a key attraction for businesses.

Incorporating learnings from previous manuals, Swisscontact and its partners developed a comprehensive GAP training module that was used by trainers and agriculture extension workers. The module encouraged farmers to more frequently harvest, prune, and sanitize cocoa trees as well as to employ better organic and inorganic fertilizing practices. Training syllabi were further complemented by advice on nursery management, top grafting techniques, post-harvest processing, fermentation, and quality control.

Beyond the GAP module, other modules were added to the training materials, such as Good Environmental Practice (GEP), Good Financial Practice (GFP), Good Social Practice (GSP), and Good Business Practice (GBP). The comprehensive set of manuals developed with the technical support and advice from government institutions, research institutions, program donors, NGOs, and private sector partners have become a valued standard in the cocoa industry.

To help farmers access markets for certified produce, Swisscontact teamed up with the Cocoa Sustainability Partnership (CSP) to set up efficient certification programs. They tailored training manuals to standards required by the such certification bodies as UTZ and Rainforest Alliance.

To impart the above-mentioned skills and techniques, SCPP established the Farmer Field Schools (FFS) training system to pass on knowledge and skills to farmers at the village level. Originally developed under the PEKA project, the system was further modified and expanded to address constraints to adoption and additional requirements of sustainability certification. Identified constraints to adoption included household health and nutrition, household financial management, and undervaluing female participation. The new model added additional modules to be delivered subsequent to the FFS that is focused on agricultural practices, and SCPP emphasized a more gender balanced approach throughout. SCPP added additional materials on Good Environmental and Social Practices to address requirements of the emerging sustainable certification market.

Working on a tier system, Master Trainers (mainly SCPP field facilitators with some government and private sector staff) receive extensive training in all core aspects of the recommended practices in different areas. These Master Trainers then train Lead Farmers who are selected based on criteria agreed upon by both Swisscontact and its partners. Subsequently, the Lead Farmers transmit their newly acquired practical and theoretical knowhow to Village Farmers.



What Made SCPP Attractive To Partners?

FFS consist of technical training lessons and practical demonstrations conducted on demonstration plots and long-term rehabilitation/replanting demonstration plots. FFS training takes place once a week for a duration of about eight weeks and are attended by a group of 25 to 30 farmers. Lead Farmers motivate participants to apply the newly acquired techniques on their farms between the weekly meetings.

FFS staff also answer questions that arise from the farmers' first attempts to put the new techniques to practice.

FFS has been rolled out in five provinces in consultation with private partner stakeholders. Swisscontact moderated and coordinated a decision-making process that saw cocoa companies agreeing to respectively focus on different regions where they would primarily source their beans and get Swisscontact to train farmers. Having each buyer focus on a single region, while reducing price competition, incentivized the buyers to invest in yield and productivity improvements.

Private sector partners outsourced such practical training to Swisscontact as they did not have the staff and experience to deliver large-scale training efficiently. The fact that cocoa companies did not all cluster in one single area meant that FFS could be rolled out in more regions to reach more smallholders. For example, Barry Callebaut was predominantly active in West Sumatra whereas Mars and Cargill focused on South Sulawesi. While the general syllabi were agreed upon by all stakeholders, private sector partners, farmers, and Swisscontact decided to tailor the specific contents of the FFS training according to the respective region's needs.

Overall, the FFS approach was widely considered successful as it provided technology transfer to an unprecedented number of smallholder farmers in Indonesia cost-effectively. By working with a range of partners, Swisscontact was able to consolidate best practices around environmental stewardship, certification and GAP into a single effective program.

“Overall, the FFS approach was widely considered successful as it provided technology transfer to an unprecedented number of smallholder farmers in Indonesia cost-effectively”

2. EFFICIENCY THROUGH SCALE

For programs such as SCPP to achieve a lasting and positive impact beyond the project duration, solutions based on real market demand are important because they attract companies to contribute to the project and to take ownership of project outcomes. In order to verify whether there is an underlying business case for a project to begin with, it is worth taking a close look at the companies' activities. If there had been no SCPP, companies such as Mars or Nestlé would still have been actively trying to raise smallholders' yields, albeit at a much smaller scale. For example, Mars was already running a cocoa academy in Sulawesi doing research on cocoa varieties, while Nestlé was working on its own Sustainable Cocoa Plan. Under the umbrella of SCPP, these efforts were combined and rolled out on a larger scale.



What Made SCPP Attractive To Partners?

3. REAL TIME TRACKING

Swisscontact was able to provide partners with up-to-date and accurate data on project activities and impact.

In 2010, Swisscontact first developed a state-of-the-art management information system (MIS) to track progress and prototype interventions. In 2013, the MIS was rebranded CocoaTrace™ and outsourced to PT Koltiva, an Indonesian company that had spun off from SCPP to develop the cloud-based database platform to facilitate the evaluation of farm-level data for the project and increasingly for private sector partners.

In 2014, a CocoaTrace™ smartphone app was launched to allow field staff to collect geo-referenced data such as farm location and size, buying stations, number of cocoa trees on the farm, productivity, prevailing diseases and pests, and the application rate of recommended practices. The app's built-in functions can quickly analyze survey data to allow users to easily handle and interpret farmers' statistics.

As end-consumers became more willing to pay more for ethically and environmentally produced cocoa, farmers could earn a premium by producing certified and traceable cocoa. CocoaTrace responded by improving traceability and certification on both sides of the value chain. On the supply side, farmers can now present an ID card with a QR code when they sell certified/traceable beans. Buyers can then scan the card, verify the farmer's profile, save the transaction directly to CocoaTrace and print an invoice.

The same procedure can be applied for transactions between buying stations and certification holders, warehouses, cooperatives or exporters. Based on the volume of beans sold, a premium is calculated and paid out to the farmers.

By consolidating industry data into a single framework at scale, the data has become much more usable. Buyers can use CocoaTrace in their supply chain to track cocoa deliveries from SCPP farmers. Farmer organizations are able to use CocoaTrace to extract data on their members and to monitor members' production capacity as well as income gains from certification. Banks have also used data from CocoaTrace as the basis for extending loans for farmers. This level of data sharing would not be possible without an industry level collaboration.

CocoaTrace is arguably the biggest innovation that has come out of SCPP. It resonates far beyond SCPP itself by transforming the way private and public actors interact and engage with smallholder farmers. The technology has been spun off into private company called Koltiva, and has been used in the seaweed, palm oil and spice sectors.

“CocoaTrace™ is arguably the biggest innovation that has come out of SCPP. It resonates far beyond SCPP itself by transforming the way private and public actors interact and engage with smallholder farmers.”



Lessons Learnt

The hub-and-spoke model that Swisscontact applied in SCPP, where it played a central role as coordinator, moderator, and project implementer, has much to teach governments, NGOs and the private sector about working together on smallholder development. Seven key lessons are highlighted below:

1. IDENTIFY A BURNING PLATFORM

The seed of a sector's readiness and ability to collaborate sprouts from a shared understanding of the nature of the challenge at hand. If both the problem and its solution are specific and concrete, competing actors or actors with different values find it much easier to align their goals and agree on joint action. Goal alignment is vital in enabling long-term cooperation as it allows different stakeholders to keep coming together and compromise even if opinions may differ. This was exactly the case in Indonesia's cocoa sector — both the reasons behind the decline in cocoa productivity and the potential remedy were well understood by all actors. This shared understanding opened the door for Swisscontact to partner up with the most important players in the industry and allowed SCPP to gradually scale-up its efforts.

Furthermore, the specificity of the solutions also allowed SCPP to accommodate increasing complexity resulting from the addition of other training modules.

2. A SINGLE SHARED SERVICE PROVIDER CAN PLAY AN IMPORTANT ROLE

A shared understanding of a sector's problems and possible remedies, however, might not be enough to incentivize competitors to pool resources and operate on a large scale. A neutral convening and implementing organization can act as a catalyst to put industry resources to more effective use. In the case of the Indonesian cocoa sector, meaningful and long-term industry-wide coordination in the pre-competitive space would have been difficult to achieve without a strong moderator such as Swisscontact.

First, even if competitors agreed on the type of solution needed to improve cocoa productivity, they might still find it hard to agree to a harmonized approach to smallholder training. In the absence of a neutral implementing organization, private sector stakeholders may have used an ad hoc approach elaborating their own learning materials and extension service concepts. Such efforts would never have reached the scale of SCPP.

Second, most companies in the cocoa sector lacked both the expertise and the human resources required to provide effective training to a large number of farmers.



Lessons Learnt

Outsourcing the drafting of best-practice curriculums and farmer training to Swisscontact meant that more farmers could be trained in a more resource-efficient way. Constant mediating and facilitating on the part of Swisscontact ensured that learning materials and curriculums were agreed upon and applied in a coherent manner across all regions. An invaluable result of this harmonized approach was a comprehensive database with detailed information on farms, farmer's uptake of GAP, and yield changes. In a way, SCPP created a public good, which companies can now use to finetune their own coaching efforts.

Third, securing government support is crucial when implementing a large-scale project involving thousands of farmers as policies can shape outcomes on the ground. In the case of the cocoa sector in Indonesia, it was difficult for individual private companies to credibly engage government institutions without either violating compliance rules or raising suspicions of lobbying. Swisscontact, a non-commercial project implementer, was perceived as an impartial and neutral actor who could engage the government with less reputational risks and greater credibility. In general, no stone should be left unturned to maintain constructive government relations as effective intervention on the ground requires both explicit and implicit support of the local authorities. Swisscontact got involved in the policy dialogue by participating in regional forums and in the sectorial Cocoa Sustainability Platform, and by being part of PISAgro.

Pooling resources into a shared service provider gave the industry a critical mass to achieve impact at scale, and a means of collaborate pre-competitively.

3. MEASURE AND COMMUNICATE RESULTS

Swisscontact was consistently able to enter and prolong partnerships as well as to secure funding for SCPP because it was perceived as a credible and competent partner. This credibility stemmed from Swisscontact's innovative approach to monitoring and evaluation that appealed to donors, companies and the government alike.

For example, as opposed to relying on secondary data produced by program participants, Swisscontact did not shy away from gathering first-hand data using its own field staff. Producing early-stage quantitative evidence that testified to the effectiveness of SCPP made all the difference in attracting companies' interest and in sustaining donor appetite. It was arguably the data-backed evidence that got companies excited about joining SCPP. Being able to demonstrate strong results achieved during PEKA also made Swisscontact the ideal implementer of SCPP.



Lessons Learnt

Swisscontact's solid monitoring and evaluation system also allowed the project to respond and react organically to emergent needs and opportunities unforeseen at the project's initial design. For example, data from the first project phase (2012-2015) revealed that access to finance was a core issue hindering farmers from buying better fertilizer and new seedlings. Swisscontact thus managed to make the case for shifting the project focus to matters related to farmers' access to finance, particularly regarding loans and savings. Impressed by the first results, SECO agreed to extend and step up its funding until 2020.

4. MANAGE RELATIONSHIPS PROACTIVELY

If NGOs want to achieve lasting impact on the ground and engage the private sector in a meaningful way, acting as a service provider to companies can be a powerful model. A convener should think of the process as key account management. To keep companies on board and motivated, NGOs should go the extra mile in being responsive to companies' sensibilities and keeping channels of communication open at all times. For example, under the umbrella of SCPP, companies were able to continue to brand and market their own programs such as the Nestlé Cocoa Plan or Mars' Cocoa Academy. Swisscontact also bolstered participating companies' reputation by letting them take the credit for any successes.

When trying to reach sector-wide consensus, it is key to engage stakeholders on a one-to-one, bilateral basis. Simply bringing together stakeholders and discussing how to proceed is unlikely to yield tangible results.

Instead, it is important to get companies on one's side before actual sectorial meetings take place. Apart from weekly liaising, Swisscontact would schedule with each company monthly meetings that served as an individual consultation and allowed partners to comment, make suggestions, and discuss the latest developments.

In liaising with its SCPP partners, Swisscontact placed great emphasis on treating everyone equally. If stakeholders felt they were treated unequally, the convening organization's most precious asset — its credibility — might suffer irreparable harm. This, in turn, would erode stakeholders' willingness to collaborate and consequently lead to project failure.

As Swisscontact delivered what it promised, its services were highly appreciated and trusted by all SCPP partners. Similarly, Swisscontact was able to hold private sector partners accountable since it held the bargaining chip of withdrawing in case the latter were to act uncooperatively.

Another important aspect of organizing multi-stakeholder partnerships is ensuring a neutral playing field. Any mediator of multi-stakeholder action involving the private sector should not rely on in-kind contributions offered by specific companies since this might antagonize competitors and even lead to boycotts. For example, to facilitate cooperative behavior and to keep company rivalry in check, stakeholder meetings should be held at neutral venues.



Lessons Learnt

5. KEEP GOVERNMENT INFORMED AND INVOLVED

Across the region, governments are sensitive to the influences on poor and marginalized populations. Implementing a project of the scale of SCPP requires government endorsement at every stage. SCPP followed the government's framework for such collaboration by negotiating annual workplans (Rencana Kerja Tahunan) with each District Government. This lengthy process may take months of negotiations and document revisions, but it was necessary for SCPP to have a license to operate in each of the 54 districts where it worked at its peak.

So how are good government relations best maintained? All lessons mentioned in the above section apply with the sole difference being that one's bargaining power is reduced. Therefore, government institutions at all levels must be extensively consulted. Unless good relations with the authorities are maintained, it is likely that project efforts will be obstructed in a myriad of ways⁽⁵⁾. As the policy environment plays a decisive role in shaping project outcomes, timely government engagement should be the key priority. Strategically interacting with stakeholders means prioritizing activities according to their relevance. This may imply talking to bureaucrats instead of local NGOs at times.

To prevent misunderstanding and to give local governments a sense of ownership, authorities should be included as early as possible in the implementation of the program, especially at the district level. For example, inviting smallholders to trainings without notifying the local government should be avoided.

Nurturing good personal relationships between local officials and program managers are an effective means to align interests. For example, if a district governor proposes a meeting at short notice, even if it is a great inconvenience, not responding is not an option. One should be pragmatic and give the government credit during press events. One should also make sure that outreach and learning materials in local language include the government's crest regardless of the government's role in supporting the project's actual implementation.

As SCPP ends in 2020, the government remains one of the most important players to consolidate lessons from SCPP and continue to deliver services to farmers. Government's involvement across the project provides a significant pathway for long term impact.

(5) For example, authorities can withhold working visas, block necessary registrations



Lessons Learnt

6. SECURE SIGNIFICANT, LONG TERM FUNDING

The funding provided by the Swiss State Secretariat for Economic Affairs (SECO) was significant in scale and long-term. The long-term funding structure proved critical in supporting the funding model. NGOs which receive short term grants (for example, over three years) are incentivised to move quickly to delivery in the field and achieve results, at the expense of investing in partnership and alignment. SCPP is an example how a long funding window facilitated a more holistic and collaborative approach at scale. Longer time frames lift the focus from impact in a value chain to impact on a sector.

Secondly, available matching funds greatly increased the industry's willingness and motivation to train more smallholder farmers. The high level of gearing that companies achieved from co-investing with donors was a key draw for partners.

7. A SHARED PLATFORM CAN GENERATE INNOVATION

SCPP's biggest innovation with the most far-reaching consequences has been PT Koltiva and the CocoaTrace™ platform, which transformed the buyer-supplier relationship and created complete transparency for all actors within the CocoaTrace system. The approach to monitoring and evaluation that preceded CocoaTrace was not initiated by the private sector. It originated from a donor-led project. This demonstrates how a highly competitive sector such as the cocoa industry can still benefit from an outside catalyst to transform itself.

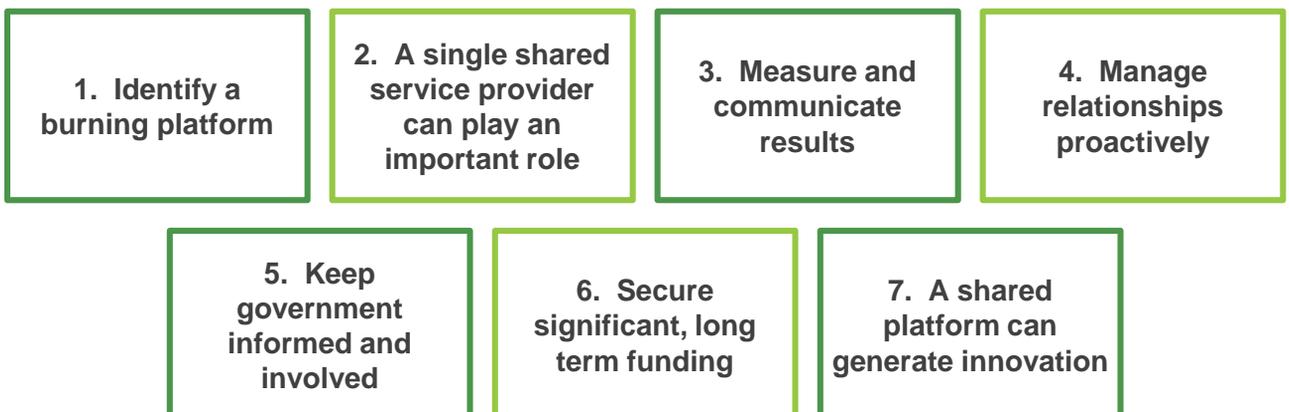
The fact that industry stakeholders now pay for the CocoaTrace monitoring services guarantees that some of the achievements by SCPP will remain even after the project is officially phased out in 2020.



Conclusion

Indonesians' appetite for cocoa will continue to grow with the market size for cocoa-based products projected to reach US\$1.4 billion in 2019. While a production boom in Côte d'Ivoire subdued cocoa prices and discouraged many cocoa farmers, chocolate processing companies don't want to rely solely on import. An overly import-dependent supply chain makes producers vulnerable to external shocks. Furthermore, in the medium-term, declining soil fertility and climate change will likely take its toll on African yields. Against this backdrop, end-buyers such as Mars, Nestlé, and Mondelez, as well as processors such as Barry Callebaut, Cargill, and JB Foods, take great interest in sustaining domestic cocoa production. To ensure a local supply of cocoa beans, companies have recognized that it is not enough to exclusively focus on the purchasing of raw beans without paying attention to the livelihoods and conditions of smallholder cocoa farmers who grow them.

As the SCPP funding window ends in 2020 the project has left the industry stronger, with greater trust between actors, a consolidated training program and a data sharing platform that banks, buyers and farmers can use to make better decisions. The project also provides seven key learning for other partnerships:



Progress and Achievements Since 2012

Farmer Capacity	Productivity	Profitability	Environmental Sustainability	Financial Inclusion
<ul style="list-style-type: none"> Trained 153,406 farmers on good agricultural practices Facilitated certification for 79,113 farmers⁽⁶⁾ Supported 5,964 cocoa producer groups Trained 3,665 master trainers from the private sector, SMEs and farmer organizations Trained 1,411 government extension officers 	<ul style="list-style-type: none"> 43% increase in productivity from 513kg/ha/year to 733kg/ha/year Incremental production of 21,160 tonnes of cocoa per annum 104,189m² of nurseries for seedlings to address aging cocoa farms 2.2 million seedlings produced 194 hectares of clonal and budwood gardens established 	<ul style="list-style-type: none"> At an estimated price of US\$2,200/ton, an additional US\$42 million per annum is being generated Net attributable income more doubling from US\$470 to US\$1,245 per annum per farmer IDR 13 billion in premium payments have been disbursed 	<ul style="list-style-type: none"> 110,282 farmers have been trained on good environmental practices 147,787 hectares of cocoa farmland maintained with better farm management practices 33% reduction in GHG emissions from 1.11 tCO₂e/MT to 0.74 tCO₂e/MT 	<ul style="list-style-type: none"> 69,936 households have been trained on financial literacy Cumulative women participation is 47% 

For more information:

Website: www.swisscontact.org/indonesia

Email: id.info@swisscontact.org

(6) Using certification as a proxy for the most adoptive farmers implies an adoption ratio of 50%. This is likely understated and SCPP intends to conduct a more integrated measure of adoption on GAP practices by the end of the project (end of 2020)