



# Transparent and collective-voices in modelling a nation-wide cocoa traceability system for Cameroon, from farmgate to port of exit

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## Background

A traceability system is needed to deliver outcomes of the Roadmap to Deforestation-free Cocoa, where the Ministry of Trade committed to putting a national cocoa traceability system in place with 100% traceability of Cameroonian cocoa by 2025 from farmgate to port of exit. Such a system needs to take into account multiple demands and objectives: cocoa production and trade quality standards, superimposed with voluntary sustainability certification standards, corporate programs and practices, and proposed EU directives on human rights and environmental due diligence for EU-based companies and on minimizing risks of deforestation and forest degradation of commodities imported in the EU.



## Aims

- Providing ONCC with the basis for implementing a new traceability system for cocoa (farmgate - port of export)
- Sharing with the signatories of the Roadmap for Deforestation-free Cocoa in Cameroon via IDH as reference for the process of alignment and action for deployment

## Methods

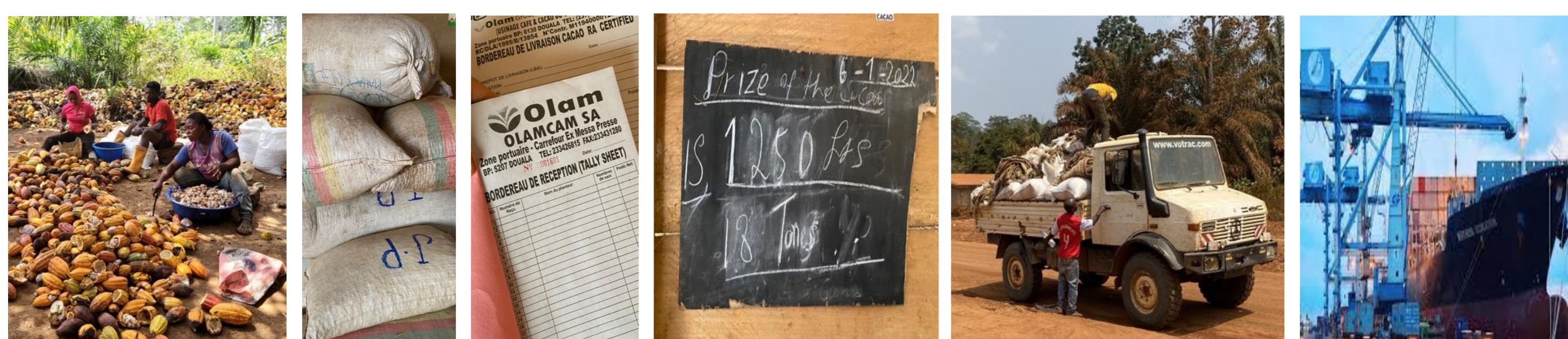
Learning from experiences in West Africa, a review of the current state of traceability systems in Cameroon based on secondary evidence and a participative approach with 2 focus group discussions; interviews with especially farmers, experts, traders, government, CSO and development actors and participation in 2 Cameroon-EU Cocoa Talks allowed transparent and collective voices to be heard on the definitions inherent, needs of, and approaches that can be used to elaborate a national cocoa traceability system.



Figure 1. Focus group discussions, Ntui, Cameroon

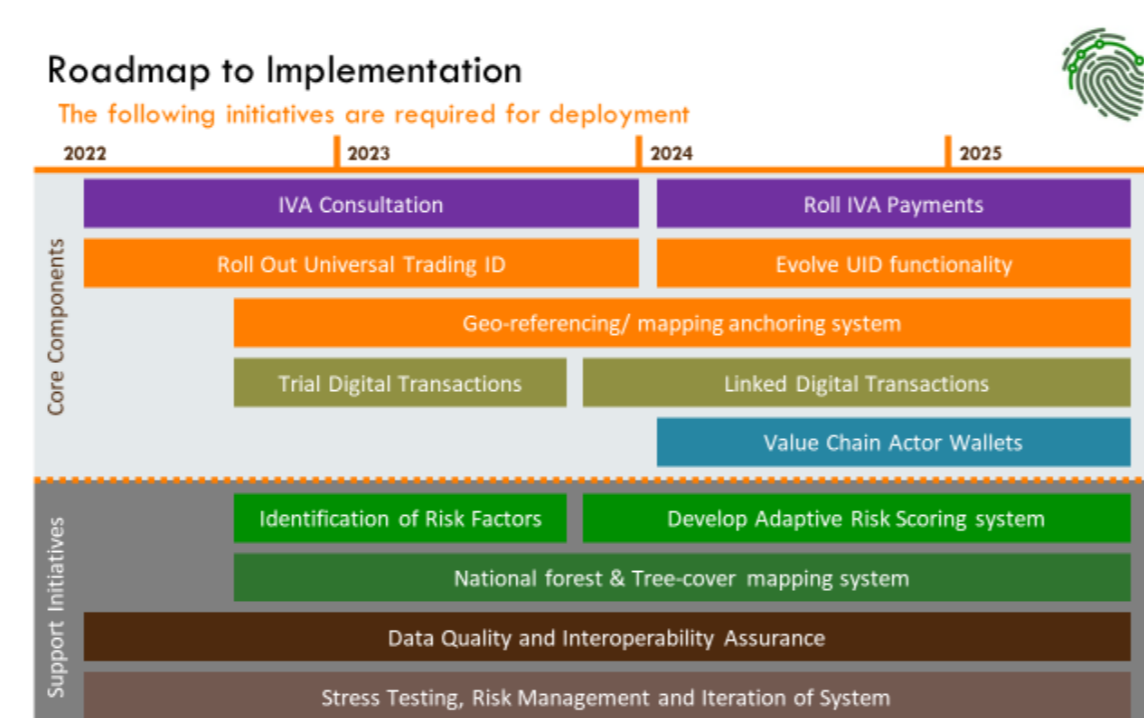


## Results



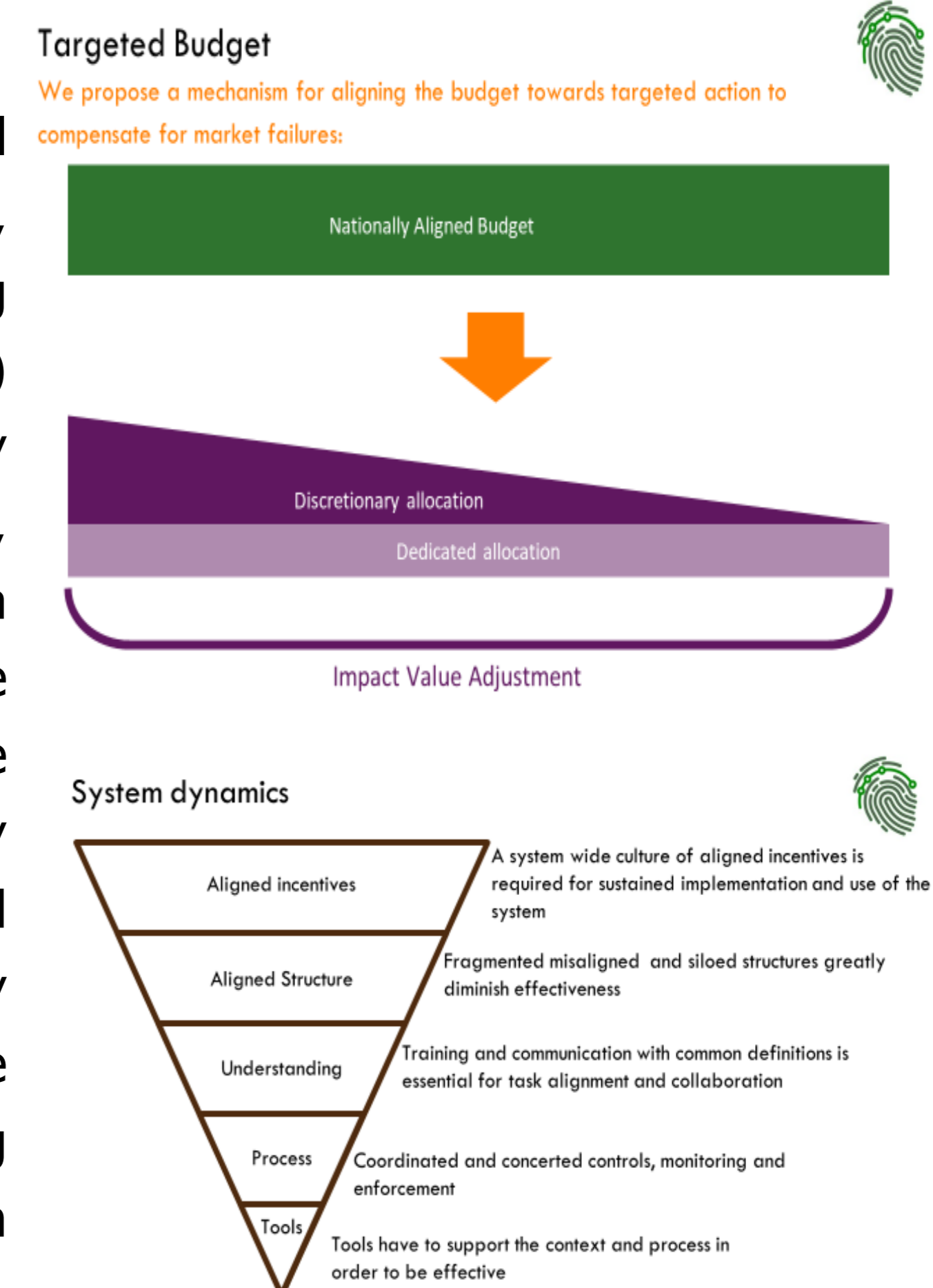
## Implications for cocoa farmer's incomes

- Traceability can enable equitable income and income distribution, but depends on chain and system governance
- Traceability systems have both positive and negative economic and social impacts



## Key propositions

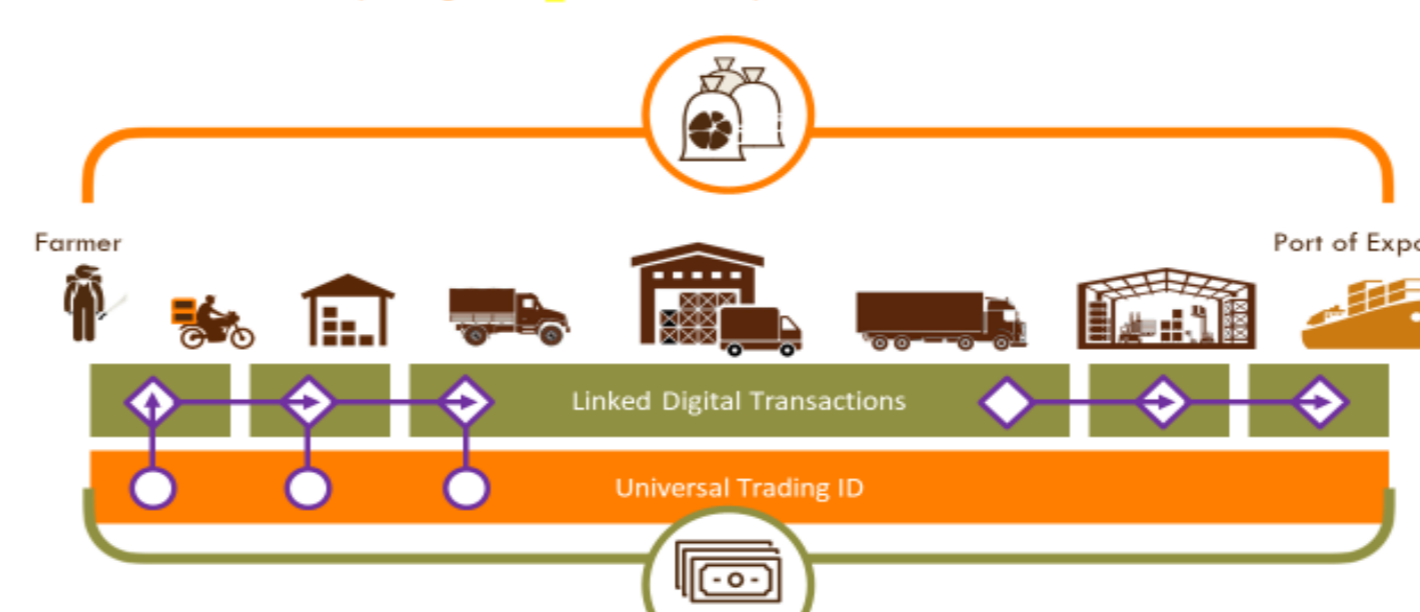
- **Impact Value Adjustment (IVA):** Innovative concept where financial traceability has aligned incentives, consolidating and incentivizing Environmental, Social and (good) Governance activities conducted by farmers captured for a transparent, traceable, equitable and sustainable cocoa value chain, and transmitted along the chain together with the cocoa, and where sustainability achievements are equitably rewarded. IVA is inverse of Value Added Tax systems: value accumulated by farmers is incentivized for positive environmental and social impacts farming practices deliver and information generated is not "data" but "intelligence."



- Clear **vision** for a traceability system taken hold with Cameroonian stakeholders: on traceability impact farmers, buyers, traders, exporters and processors at individual, regional and national levels have and how this fits in value chains.
- System includes detailed information on sustainability and cocoa characteristics at origin & along chain to create and **empower digitally-enabled agri-entrepreneurs**. Intelligence & transparency support & accelerate competitiveness, providing access to and benefits of better data and expose and leverage sustainable farming practices, rather than a punitive compliance barrier.
- **(Inter)operability critically assessed**, with existing individual trader and (Rainforest Alliance) certification and national systems detailed tools and technologies recommended and feasibility in national and international context, policies and practices regarding cocoa, trade and forests.
- **Governance model**, linked to a management system and addressing legality, pricing mechanisms and ensuring information about prices and IVA, with a proposal for a governance structure.
- **Alignment with multiple local and international requirements** for cocoa traceability and transparency clarified.
- **Costs for central government** (technologies, setting up, human resources equipment and maintenance (per year).

## Digitally Linked Transactions

Financial traceability is the key to understanding the chain of custody.  
> If the flow of money is digitalised we can clarify flows of cocoa



	Universal Trading ID	Geo-location/anchoring	Digitally Linked Transactions	IVA disbursements	Implementation, Coordination and Control
Low cost scenario	€800 k	1.5 Million	€2 Million	TBA	€1.8 Million
High cost scenario	€3.5 Million	€6 Million	€8 Million	TBA	€6 Million
Start-up costs range (4 years): €4.3 Million - €17.5 Million				Running costs range 4 years	
2022	€ 800k	€ 1 Million	€ 2 Million	€ 2.3 Million	€ 8.5 Million
2023	€ 2 Million	€ 5.5 Million	€ 7.5 Million	€ 2.3 Million	€ 8.5 Million
2024					
2025					

## Acknowledgements

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