



LINDT & SPRÜNGLI

# Lindt & Sprüngli feedback on the KIT impact evaluation of the Farming Program in Ghana

## Background

In 2008, Lindt & Sprüngli (L&S) launched in Ghana; its global largest origin for cocoa beans, the [►Lindt & Sprüngli Farming Program](#). Since then, the Program has been continuously further developed in content and scope, and now aims at creating decent and resilient livelihoods of today's and future cocoa farmers and their families, and a sustainable intensification of agriculture. After ten years of implementation, the company commissioned, in 2019, the KIT Royal Tropical Institute (KIT) to conduct an impact evaluation of the Lindt & Sprüngli Farming Program to measure the achievements made and figure the necessary improvements in order to accelerate reaching the desired impact for farmers, their families and the environment.

Based on quantitative and qualitative methods, the evaluation covered a variety of topics in line with the Program's [►Theory of Change \(established early 2018\)](#). To track change over time, KIT compared cocoa farming households from "old verified societies" that were covered by all four elements of the Lindt & Sprüngli Farming Program in season 2013/2014, with cocoa farming households from "new societies" that joined the Program in season 2017/2018.

The evaluation covered a total of 1,002 households in the Western and Western North Regions. Thirty-two focus group discussions with farmers and twenty-one key informant interviews complemented the data collection. The executive summary of the evaluation report is available [►here](#).

## Lindt & Sprüngli reflection on evaluation findings

At Lindt & Sprüngli, we are resolutely turned towards the search for sustainable solutions to offer decent and resilient livelihoods of today's and future cocoa farmers and their families, and ensure sustainable intensification of agriculture<sup>1</sup>. With regard to this vision, we are grateful for KIT's efforts and we thank them for the quality and professionalism of the work carried out in the framework of this impact evaluation. We fully endorse the findings and conclusions.

After ten years of having the Lindt & Sprüngli Farming Program in place in Ghana, it was good to see that it has a positive impact on the farmers, and that farmers are content to be part of the Program. We also note that topics and activities that are already part of the Program for many years were well taken up by the farmers. Further, farmers that have spent more time in the Program have seen a greater impact than those that recently joined.

Yet, we also learned where we still have more work to do, and where impact is lagging behind our vision. We realize that there is still a large gap towards a living income and therefore a need for serious reflection. In that light we appreciate the recommendations formulated by KIT. These recommendations are, in large part, in line with new activities that we recently included into the Program. KIT's suggestions therefore constitute a confirmation for us that we are working in the right direction and encourage us to scale these innovations. For those recommendations which are not yet taken into account in the framework of our current activities in Ghana, we will work with our implementing partner, to integrate them progressively into the Farming Program pillars ([►full list of Program elements here](#)).

Below is a summary of the action plan, which forms our response to the [►KIT impact evaluation](#).

<sup>1</sup> Use less land to produce more yields, while reducing chemical inputs use. Defined as a process or system to increase agricultural yields without adverse environmental impact and without the conversion of additional non-agricultural land.



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### Lindt & Sprüngli's actions to enrich the Farming Program based on the findings and recommendations of the KIT evaluation, structured along the four elements of the Farming Program.

#### Traceability and farmer organization:

- 1) We have introduced farmer segmentation in our Program in cocoa season 2019/2020 to encourage an inclusive and tailored approach and avoid a "one size fits all" approach. **Starting date: Cocoa season 2019/2020, ongoing; (Recommendations #9 & #10)**

#### Training and knowledge transfer:

- 2) We will design progressive training curricula for farmers in the Program, link the training attendance to the Program benefits such as in-kind premium and introduce ways to celebrate graduated<sup>2</sup> farmers in order to foster farmers' interest for training and increase participation in training sessions. **Starting date: 2021; (Beyond KIT Recommendations)**
- 3) We are implementing one to one coaching to tailor extension services for a subset of farmers in the Program. **Ongoing; (Recommendations #9 & #10)**
- 4) We have reinforced training content by introducing new topics, such as Climate Smart Cocoa. We will progressively scale these new training topics to all Program societies and farmers and will establish new model farms for piloting organic productivity to intensified training on GEP and climate smart practices. **Ongoing; (Recommendation #5)**
- 5) For the 2019/2020 season, we have added the financial literacy training to the Program. This will complement, going forward, the Farmers Business School that will be scaled up to all farmers who complete the Program's basic trainings to allow their financial literacy, record-keeping, financial planning and right investment choices. **Ongoing; (Recommendation #2)**
- 6) We will initiate, in addition to face to face training, new training delivery channels to complement the existing ones and integrate radios, video and messaging to ensure large diffusion of the knowledge and increase farmers' exposure to the information. **Starting date: 2021; (Recommendation #1)**

#### Farmers investment and community development:

- 7) The issue of road infrastructures is a critical issue in developing countries like Ghana. Given their remoteness, major cocoa communities are particularly affected by this issue. No company can, on its own, objectively claim to effectively resolve the issue, without collaboration with other stakeholders such as the government, as recognized by KIT. That said, after having given priority, since start of the Program, to infrastructure challenges like access to drinking water and school classrooms, we will take a closer look at the challenge of the road connectivity of communities and evaluate options to support communities. **Starting date: 2021; (Recommendation #1)**
- 8) We have cocoa seedling nurseries established near farmers' communities. Through these nurseries, we will continue the distribution of cocoa seedlings only for farmers who need to rehabilitate/renovate their farm. We will continue the monitoring to avoid that cocoa seedlings distributed to farmers serve for farm expansion into HCS/HCV. At the same time, we are increasing the free distribution of shade trees to the Program farmers to achieve the goal of distributing 2 million shade tree seedlings, as part of our Cocoa & Forests Initiative (CFI) Commitment. To this end, we are collaborating with specialized organizations to strengthen our Agroforestry approach. **Ongoing; (Recommendation #3)**
- 9) We are currently focusing on needs assessments and we will develop a Standard Operating Procedure (SOP) including objective and transparent criteria for any service to be provided, or input and equipment to be distributed to farmers. **Starting date: 2020; (Recommendations #3 & #4)**

<sup>2</sup> Graduation is related to the completion of all the curricula in all three training areas GAP, GEP, GSP.



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- 10) To support farmers' adoption of the Farmer Business School and foster their additional income generation activities contributing to closing the gap to a living income, we are piloting a revolving fund<sup>3</sup> initiative in some Program areas in this cocoa season 2019/2020. If the results are encouraging, then the initiative will be scaled up to more communities within the Program. Furthermore, as part of the nutrition pilot project, we succeeded in supporting farmers' access to food crop markets through network creation. We will make use of this experience by supporting farmers who are eligible to participate in the Business School and revolving fund to have access to markets. **Starting date: Cocoa season 2019/2020, ongoing; (Recommendations #3 & #6)**
- 11) We are scaling and accelerating the establishment of the Village Saving and Loans Associations (VSLA) in the Program communities, to facilitate savings and financial services for the Program farmers, in order to reduce the negative impact of current loan practices on farmers. For the 2019/2020 season, we plan to establish 90 new VSLA groups in new communities. **Ongoing; (Recommendations #3 & #7)**
- 12) Since this season 2019/2020, we have introduced gender mainstreaming in the Program training curricula that will serve for training of all the Program farmers. We will continue these efforts while opening the Program to other initiatives in this area, which could contribute to effective and self-sustainable household approaches. **Starting date: Cocoa season 2019/2020; (Recommendation #8)**
- 13) Beyond the KIT recommendations, we are continuing to strengthen our sustainable intensification approach and introduce innovative activities such as dynamic agroforestry, biochar or pruning services to Program farmers, to reduce their dependence on chemical inputs and build their resilience to face climate change impacts. In addition, we are also reinforcing our commitment towards No-Deforestation and Agroforestry. In this regard, we are conducting High Carbon Stock and High Carbon Value (HCS/HCV) assessments in selected Program regions and we will participate in landscape projects for protecting/restoring forests. **Ongoing; (Beyond KIT Recommendations)**

### Verification and continuous progress:

- 14) We are increasing our focus on the analysis of internal monitoring data analysis for continued Program improvement. **Ongoing; (Beyond KIT Recommendations)**

<sup>2</sup> Allocation of capital funds to smallholders farmers for setting up additional non-cocoa livelihoods activities.