

A woman with dark curly hair, wearing a green patterned top, is shown in profile, sorting through a large quantity of reddish-brown cocoa beans spread out on a wooden tray. The tray is part of a solar drying structure with a translucent roof. The background shows the wooden frame of the structure.

# Creating Shared Value

Phyllus, cocoa farmer and participant of the Makira project. Photo: World Vision Solomon Islands

## Case study: Driving inclusion in the supply chain for organic cocoa farmers

### Makira, Solomon Islands

Most of the world's extreme poor live in farming households that are highly vulnerable to economic and climate shocks. In the Solomon Islands, where the majority of rural households depend on subsistence agriculture for their livelihood, the case is no different. With little access to training, finance and market linkages, farmers struggle to provide for their families.

Cocoa in the Pacific was once a thriving industry and a significant source of income for thousands of families. In an effort to increase cocoa farmers' incomes and ensure sustainable social impact, World Vision partnered with Kokonut Pacific Solomon Islands (KPSI) and the Australian Department of Foreign Affairs and Trade (DFAT) through the Business Partnerships Platform (BPP) in 2019.

This partnership aims to diversify KPSI's product offering to include cocoa, leveraging existing processes and infrastructure for coconut oil and other coconut-based products. It also aims to support cocoa farmers with solar drying, training and organic certification to boost their income.





Cocoa harvesting, Solomon Islands. Photo: Mike Puia/World Vision

## The model: a win-win for communities and business

**World Vision, KPSI and DFAT are co-investing in the partnership to unlock opportunities for economic growth in some of the most remote, hard-to-reach areas of the Solomon Islands.**

Many cocoa farmers in the Solomon Islands sell their beans at a low price because they lack the farming knowledge, processing equipment and market access required to supply higher-end customers.

This initiative focuses on strengthening smallholder farmer access to buyers and export markets across 10 communities in Makira Province, while enhancing the processing, quality and quantity of the organic solar-dried cocoa they are producing. Together, these components will help sustain farmers' market access beyond the life of the project, increasing their earning potential and empowering individual farmers and families to take charge of

their community's economic growth in the long term.

KPSI, a social enterprise working in the Solomon Islands since 2004, will diversify its core business and start a boutique organic cocoa division with opportunity to scale to other areas. KPSI will integrate cocoa and small business training, processing, logistics and purchasing into its operating model, extending the social benefit it provides to coconut farmers to cocoa farmers.



**10 remote Solomon Islands communities benefit through the partnership**

**“Kokonut Pacific’s motto is ‘improving village livelihoods’ and we are excited at the prospect of channelling this passion in new ways through the cocoa project, especially with such strong and committed partners as World Vision and DFAT.”**

– Bob Pollard, KPSI Managing Director

## The partnership

### This initiative would not be possible without each partner's contribution.

The partnership builds on World Vision's inclusive Market Systems Development (iMSD) work, which focuses on facilitating sustained market system changes that benefit people living in poverty. As well as working with KPSI, the partnership will support communities to strengthen their collective bargaining power, increase their business and agricultural skills, and improve their access to markets and finance.

It also leverages World Vision's gender lens approach to programming, capacity to support logistics in difficult geographies, and deep existing relationship with KPSI and the local community. Through collaboration with World Vision staff, KPSI will acquire the skills necessary to take over the cocoa technical training and quality control work and incorporate these components into its business model.

It is also part of the Business Partnerships Platform (BPP), DFAT's flagship private sector engagement program which matches funding from businesses that deliver shared value<sup>1</sup>, creating social impact alongside commercial returns. DFAT has provided essential capital to de-risk the venture and will support the business to access international export markets and unblock barriers that limit its success.



Country  
**Solomon Islands**

Region  
**The Pacific**

**Total  
funding  
\$961,250**



DFAT  
contribution  
**\$397,833**

Partner  
contribution  
**\$563,417**

**Beneficiaries**



300 people (70% women)

**Sector**



Agriculture

**Shared value proposition**



Reconceiving products and markets

**“Cocoa farmers in Makira will benefit from the project partnership as they will now have better access to a cocoa buyer willing to offer competitive prices, which recognises their high quality and marketability with international buyers.”**

– Osbert Lalahu, Livelihood Sector Portfolio Manager, World Vision Solomon Islands

1. Shared value is a business strategy designed to solve social issues profitably. (Source: <https://sharedvalue.org.au/about/shared-value/>)



# Impact Investing

**Innovative tri-sector partnerships between not-for-profits, government and the private sector can unlock new opportunities to support vulnerable communities across the world.**

Through this initiative World Vision will not only act as a co-implementer, typical of many of our partnerships, but

also as an investor sharing in the risk, efficiency, gains and social outcomes of the venture. As an investor, we have an even greater stake in the success of the project since any financial gains will enable us to further invest in other development projects.

This work is part of a larger impact investing strategy, through which we

are developing a pipeline of investible partnerships that can engage Australians as potential investors and leverage the technical and investment expertise of our global partnership.



Harvesting cocoa pods in the Solomon Islands. Photo: World Vision Solomon Islands

**SHARED  
VALUE  
PROJECT**



Australian Government  
Department of Foreign Affairs and Trade



BUSINESS  
PARTNERSHIPS  
PLATFORM  
Better • Together



kokonut pacific  
SOLOMON ISLANDS

**World Vision**

To find out more, please visit [worldvision.com.au](http://worldvision.com.au) or  
<http://thebpp.com.au/partnership/organic-cocoa-production-in-solomon-islands/>

For specific questions on partnering with World Vision Australia to create shared value, please contact:

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