



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 their Business Partnership 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 will focus 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 is 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 value¹, 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

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

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|-----------------------------------|---|---------------------------------------|--|
| 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

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're 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 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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