Beyond business as usual: joint forces to achieve real impact in education and community development

What happens when the world’s four largest cocoa and chocolate companies and an international foundation active in the field of child and youth development join forces? Nothing less than achieving measurable impact through community development and education in Côte d’Ivoire with an innovative partnership of pioneering character for the entire industry and beyond.

Under the roof of the Jacobs Foundation’s TRECC program, the four companies Mars, Mondelēz International, Nestlé and Barry Callebaut will reach at least 16,000 children and youth and 72,000 adults over the next three years to improve the livelihoods of the individual households by providing quality education, empowering women and assuring child labour remediation. The four industry partners jointly invest CHF 5 million on top of their broader commitments under CocoaAction, which the Jacobs Foundation will match with CHF 3.78 million if the companies achieve their project goals.

Impact to be achieved

- Increased women’s empowerment and leadership
- Increased income of youth
- Increased literacy and numeracy rates for adults and out-of-school children
- Reduction of children out of school/child labour

Beneficiaries per thematic area*

- Child Protection: 15%
- Education: 21%
- Women’s Empowerment: 64%

* Only directly TRECC co-founded activities without other amplifiers and contribution

8.78 MIO. CHF FUNDS
(5 MIO. INDUSTRY, 3.78 MIO. JF)

134 COMMUNITIES

16,000 CHILDREN
72,000 ADULTS
The payment-by-results mechanism used by TRECC is a cutting-edge financial instrument in the field of social transformation with little precedence in terms of vehicle, theme, scope and size. Inspired by Social Impact Bonds and Development Impact Bonds, which were first emitted in 2010 (UK) and 2014 (India), but without any financial yield or gain for the involved parties, the chosen payment mechanism positions of TRECC’s projects as leading social finance innovation. Payment-by-result is a funding mechanism where the implementing or service delivery organisation will receive all or part of their payment upon the achievement of pre-defined results — which can be in the form of inputs, outputs or outcomes. This differs from traditional grants, where payments are made upfront.

PBR PUT INTO ACTION WITHIN TRECC

Initiated in 2015, the Jacobs Foundation started the PBR process within the CocoaAction framework and has successfully closed four PBR agreements with industry partners starting activities in 2016.

The parties have committed to agreed-upon results, through which successful achievement of goals will trigger the disbursement of funds by the Jacobs Foundation.

Call for proposals
The Jacobs Foundation launched a call for proposal among all CocoaAction members

Proposal selection
Based on criteria of relevance to the TRECC objectives of improving rural livelihoods in Côte d’Ivoire, proposals were selected

Agreement on KPIs
Key performance indicators were selected to determine payment by Jacobs Foundation

Implementation
The companies prefinance activities and implement projects directly or via third party such as NGOs

Independent Evaluation
Payment based on results

Payment levels and type of Jacobs Foundation’s funding

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PBR FOSTERS INNOVATION AND TRANSPARENCY THROUGH COMMITMENT TO RESULTS

The mutual definition of objectives and target levels increases alignment and set expectations.

The PBR approach requires rigorous follow-up and measurement of activity and results, which will increase learning and the sharing of best practices.