

# THE INCOME ACCELERATOR PROGRAM



A new plan to build on Nestlé's longstanding efforts to tackle child labor risks in cocoa production.

CHF 6 365 per year<sup>1</sup>

is the estimated average living income for a cocoa-farming family<sup>2</sup> in Côte d'Ivoire. A living income is the net annual income required for a household in a particular place to afford a decent standard of living for all members of that household.

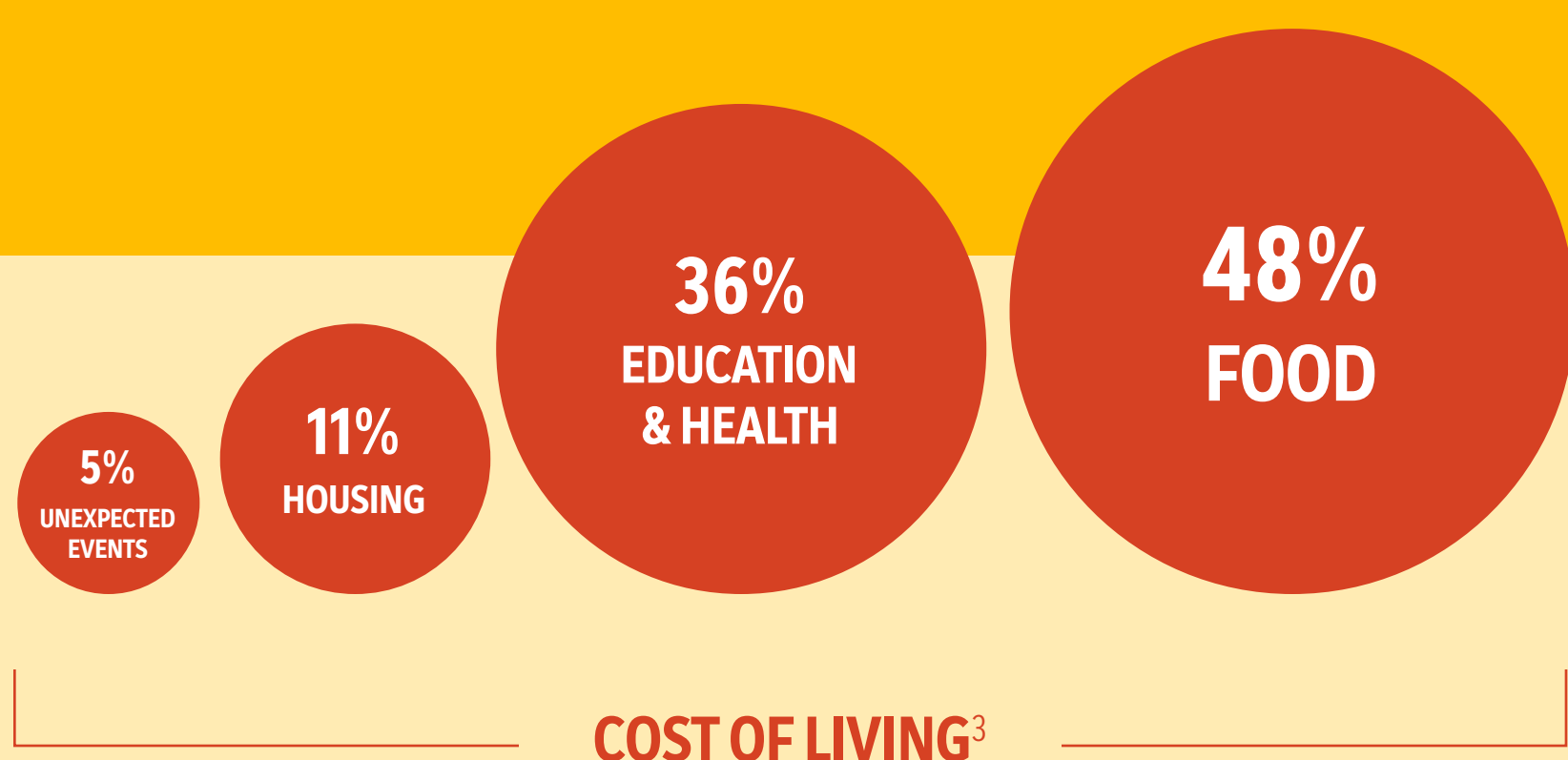
149 443 children

have been assisted through remediation activities to protect them against the risk of child labor since 2012.

TACKLING THE ROOT CAUSES OF CHILD LABOR

Insufficient income is a leading factor in the prevalence of child labor risks.

SCHOOL



ENABLING AND INCENTIVIZING SUSTAINABLE NET INCOME GROWTH

The program aims to help close the living income gap by embedding sustainable practices across four key areas. Additional cash incentives reward families not only for the quantity and quality of cocoa beans they produce but also for the benefits they provide to the environment, the local communities and their children.

AIMING TO MAKE A LIVING INCOME

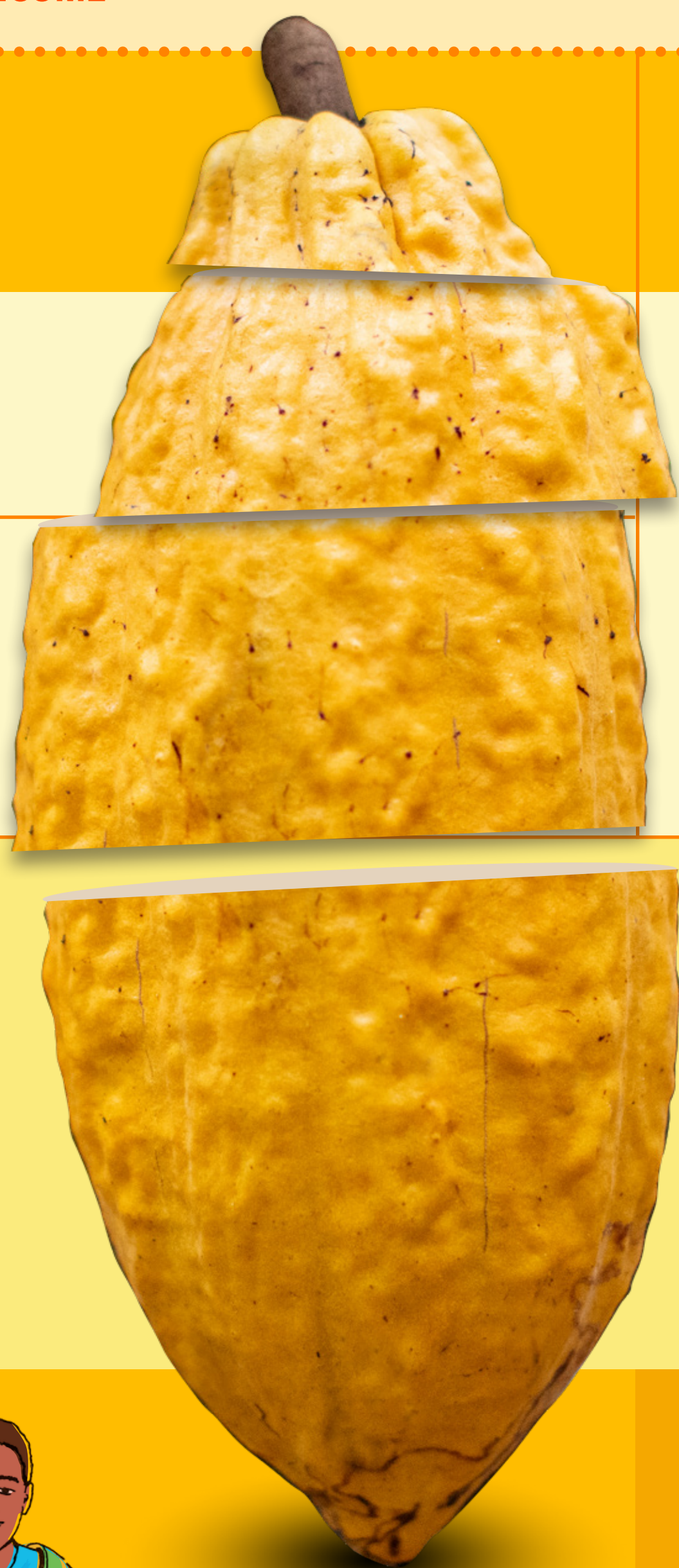
Earning incentives

Generating diversified incomes

Increasing cocoa production

Baseline annual net income<sup>4</sup>

Visualization not to scale, for illustrative purposes only



CHF 100\*

CHF 100\*

CHF 100\*

CHF 100\*

CHF 100\*

**SCHOOL ENROLLMENT**

Reducing child labor risks by assisting school attendance and monitoring



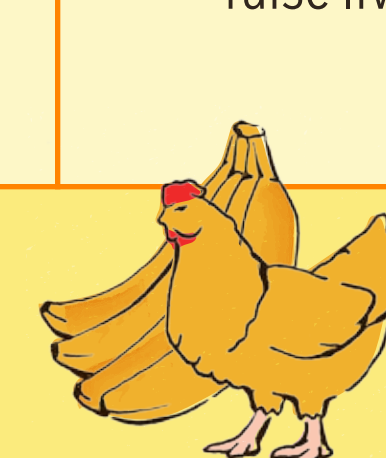
**GOOD AGRICULTURAL PRACTICES**

Helping farmers improve cocoa production by training and subsidizing pruning groups



**AGROFORESTRY ACTIVITIES**

Improving farm resilience by providing forest and fruit trees



**DIVERSIFIED INCOMES**

Becoming less dependent on cocoa by supporting families to grow other crops or raise livestock



CHF 100 for each target-based practice and a CHF 100 bonus for engaging in all four

Incentivizing families to engage in these practices, to earn up to CHF 500 annually for the first two years\* and CHF 250 per year thereafter

**DIRECT CASH TRANSFERS**

Incentives paid directly to the cocoa-farming family via mobile, improving traceability.



**EMPOWERING WOMEN**

Payments are divided evenly between the male and female heads of household. Set up of Village Savings and Loans Associations further empower women to save, invest and share financial responsibilities.

## OUR PARTNERS

The rollout of the program would not be possible without the assistance and collaboration of our partners: KIT Royal Tropical Institute, International Cocoa Initiative, IDH, The Sustainable Trade Initiative, Rainforest Alliance, local cooperatives and cocoa farmers, including the Governments of Côte d'Ivoire and Ghana.



## HOW DO WE PLAN TO EXPAND?

We will constantly test, learn and adjust to ensure we deliver the most effective interventions and support at farm, household and community level. We will also transform the sourcing of cocoa to achieve full traceability and segregation of our cocoa products from origin to factory.

2020	2022	2024	2030
1 000 families	10 000 families		160 000 families*
Côte d'Ivoire > Pilot	> Test at scale	> Scale up	
		Ghana > Extension	
		Global > Rollout	

\* Estimation



Learn more at [www.nestle.com/living-income-cocoa](http://www.nestle.com/living-income-cocoa)

<sup>1</sup>Cost of living & living income benchmark: Ivorian Center for Socio Economic Research (CIRES) (2018). The Living Income Report, Rural Côte d'Ivoire. Cocoa growing areas, adjusted for household size based on Bymolt, R., Laven, A., & Tyszler, M. (2018). Demystifying the Cocoa Sector in Ghana and Côte d'Ivoire. The Royal Tropical Institute (KIT) updated for inflation in August 2020 and exchange rate on 3rd January 2022.

<sup>2</sup>Average family size: 3.82 adults and 2.96 children\*\*

<sup>3</sup>Average farm size: 3.5 hectares\*\*

<sup>4</sup>Sourced from: Bymolt, R., Laven, A., & Tyszler, M. (2018). Demystifying the Cocoa Sector in Ghana and Côte d'Ivoire. The Royal Tropical Institute (KIT). Available at: <https://www.kit.nl/wp-content/uploads/2020/05/Demystifying-complete-file.pdf>

<sup>5</sup>Living income estimate: Ivorian Center for Socio Economic Research (CIRES) (2018). The Living Income Report, Rural Côte d'Ivoire. [https://www.living-income.com/files/ugd/0c5ab3\\_a437a776dc7742c2999a3b0c60a46a97.pdf](https://www.living-income.com/files/ugd/0c5ab3_a437a776dc7742c2999a3b0c60a46a97.pdf)

<sup>6</sup>Based on average income measured from a random sample of 1 269 farmers from 34 coops, sourced from Nestlé Cocoa Plan M&E Survey & Analysis of productivity indicators 2020 Results. The Rainforest Alliance (February 2021)