

Invitation to quote: analysis of cocoa and chocolate purchasing practices that could undermine living incomes for cocoa farmers (West-Africa – Belgium)

0. Introduction

Oxfam Wereldwinkels (hereafter OWW), a non-governmental organisation for humanitarian assistance and development aid, launches an Invitation to Quote (IQ) under Making Agricultural Trade Sustainable (MATS, INTCE 205) for a critical analysis of purchasing practices of cocoa and chocolate that could undermine living incomes for cocoa farmers.

The quote must arrive at latest on April 10th, midnight CET and stay valid until May 10th, midnight CET.

The Invitation to Quote (IQ) is structured as follows

1. Terms of reference
2. Submission procedure
3. Decision procedure

Your quote could form the basis for a contract between your company and OBE. However, this invitation to quote does not oblige OBE to proceed with the actual act of purchasing. No compensation can be claimed in case of non-acceptance of a quote or non-award of a contract. Oxfam General Purchase Conditions apply to all Oxfam purchases. If there is an inconsistency between any of the provisions of these Conditions and a particular provision in the IQ or a contract then the provision in the IQ or the contract will prevail.

1. Terms of reference

1.1 General information

General information	
Institution	Oxfam Wereldwinkels (OWW)
Tentative title	ANALYSIS OF COCOA AND CHOCOLATE PURCHASING PRACTICES THAT ARE UNDERMINING LIVING INCOMES FOR COCOA FARMERS
Budget	30.000 €
Period	April - September 2023

Oxfam Wereldwinkels (OWW), since 2020 an integral part of Oxfam België (OBE), has been advocating for a sustainable cocoa/chocolate sector for several decades. Since 2010 we are co-publishing the bi-annual Cocoa Barometer and we are one of the founding members of the VOICE-Network, the main CSO-advocacy network in the cocoa sector. The rights of farmers and small farmer organizations are central to our approach. Therefore we advocate for the human right of a living income to be protected and respected for all farming families.

In recent years there has been a lot of movement around the topic of living income, with statements from CSO's, governments, knowledge institutions as well as companies. Governments are looking for ways to legislate the protection of a living income while companies look at the concept mostly from a CSR perspective. This approach is mostly disconnected from their business model as a whole. Despite the fact that prices are an essential element of the living income equation, they are mostly overlooked as part of the living income strategies.

1.2 Objectives

With this study we would like to get a better understanding of the actions that companies (willingly and unwillingly) are doing that are keeping cocoa prices down and therefore potentially harming the right to a living income for cocoa farmers. This better understanding should help policymakers to create adequate rules that push companies to respect the right to a living income through their business models as a whole.

From these learnings, we would like to make recommendations to:

- Businesses: to shift to a business model that contributes to their living income commitments

- Legislators: to change the trade rules and to create a level playing field for living income conform pricing models
- Governments and cooperatives in exporting countries: How to increase their negotiating power and raise prices for farmers

1.3 Background

1.3.1 Downward tendency of cocoa prices

The downward tendency of real agricultural commodity prices has almost been a universal law during the past 70 years. This also applies to the cocoa sector. The drivers of this downward trend are varied. But some drivers may be linked with the increased power and concentration of agricultural traders and (in the case of cocoa/chocolate) of big confectionery brands.

There are many laws that prohibit and sanction market manipulation. But there may be other practices that companies or other actors (individually or collectively) apply, that have a significant impact on the cocoa price. This may drive the cocoa price structurally down and/or prevent authorities to implement policies that aim to raise or stabilize prices.

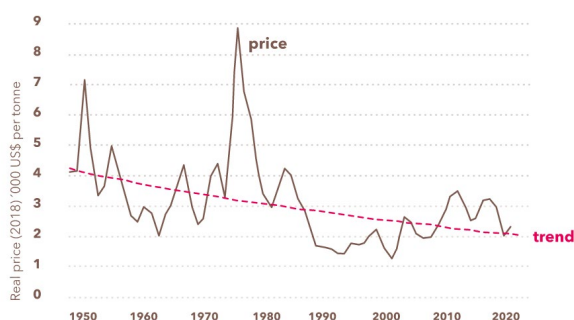


Figure 1 Cocoa Barometer 2020 - A. Foutain and F. Huetz-Adams

1.3.2 Corporate commitments for living income

Living income has increasingly become a central topic of conversation in the cocoa sector. In 2018, at the Fourth World Cocoa Conference, all participants affirmed that “the cocoa sector will not be sustainable if farmers are not able to earn a living income.”¹

From then onward, cocoa traders, chocolate brands and supermarkets have made commitments to enable cocoa farmers to earn a living income. The main platforms of these commitments are multi stakeholder initiatives (MSI's) such as Beyond Chocolate and DISCO (the Belgian and Dutch initiatives for sustainable chocolate) in which these targets were set for the chocolate sector in these countries:

- *By 2030 at the latest, cocoa growers will earn at least a living income. (BC)*²
- *Enable families which farm cocoa to earn a living income by 2030. (DISCO)*³

These commitments have led to pilot projects and increased attention to the kind of technical assistance farmers receive. The way cocoa is being traded however, has stayed largely untouched by the commitments. Most living income initiatives don't include a price component.

1.3.3 Living Income Differential initiative in Ghana and Côte d'Ivoire

In 2019 the talks about a “Living Income” floor price of 2.600\$/MT that the governments of Ghana and Côte d'Ivoire – representing 60% of global cocoa production - were trying to impose on cocoa buyers became public. After extensive negotiations with the biggest cocoa buyers, the initiative no longer required a floor price, but a “Living Income Differential” of 400\$/MT. The initiative was intended to raise the farm gate prices for cocoa in these countries considerably.

¹ Berlin Declaration at the WCC4 - <https://www.icco.org/berlin-declaration-of-the-fourth-world-cocoa-conference/>

² Beyond Chocolate - <https://www.idhsustainabletrade.com/initiative/beyondchocolate/>

³ DISCO - <https://www.idhsustainabletrade.com/uploaded/2021/09/DISCO-Roadmap-on-Living-Income-2.pdf>

However, the initiative immediately faced great challenges as demand for cocoa from these countries dropped in the first year of the introduction of the LID – purportedly caused by the covid-pandemic. Coincidentally, demand picked up when companies managed to bargain discounts on the “country differentials” for cocoa from these countries – even obtaining “negative country differentials”.⁴

The result is that even though the LID is still in force and companies are still publicly supporting it, its effect on farm gate prices was very short lived in Côte d’Ivoire: during mid-crop season the farmgate price went down from 1000FCFA/kg to 750FCFA/kg.⁵ In Ghana, the higher farmgate price was maintained and was financed by the Ghanaian public Cocoa Board, COCOBOD, which has led to increasing public debt.

1.3.4 HREDD-regulation underway

There is an increasing trend worldwide towards disclosure and transparency laws, and *mandatory* human rights (and environmental) due diligence. At national level, legislation has been adopted in France (2019), Germany (2021) and Norway (2021). In Belgium a [law proposal](#) 1903/001 (April 2021) and an important [amendement](#) 1903/003 (August 2022) have been tabled and at EU level the European Commission has made a [proposal for a Corporate Sustainable Due Diligence Directive](#) (February 2022).

In September 2022 some of the biggest chocolate companies in the world co-signed a position paper aimed at this legislative process, asking among other things that “purchasing and pricing practices” be integrated in the scope of the directive.

“We believe that references to purchasing and pricing strategies designed to help deliver the objectives of the Directive should be included throughout the due diligence process described in it. Since the precise circumstances vary between sectors, potential measures that companies could adopt, applying to both buyers and suppliers, could helpfully be set out in more detail in sector specific guidelines.”

This brings the immediate need to have a better understanding on how the purchasing practices work in these companies, how they influence the prices and also how EU-legislators can provide clear guidelines.

1.3.5 Cocoa trading as a black box

Conversations on living income are becoming increasingly transversal with a lot of emphasis on holistic interventions. However, the way cocoa is being traded remains largely untransparent and clouded with mystery.

- Which actors are using their market power to drive down country differentials?
- Was the drop of demand for cocoa in early 2021 really caused by the covid crisis or were there other reasons for the sudden drop in demand?
- Do companies use their cocoa stocks and market power to strategically weaken the producer’s countries efforts to raise the price? Do they change their recipes to lower price? Do they switch sourcing origins when prices in one country rise? Do they strategically time their purchases to force the producer’s arms?
- What role does the stock exchange and speculation play in the price determination? Which mechanisms in the stock market structurally favor financially strong actors?
- What incentives do companies towards their employees to keep purchasing prices low and to “beat the market”?
- How important are futures markets in limiting the negotiation power of cocoa producing nations?

It seems as though the big chocolate companies have strategic leverage that enables them to force the price for cocoa down even when producing countries impose extra premiums, but since the internal trade policies of companies are untransparent as well as the trading practices of the different

⁴ In a recent statement the authorities of Côte d’Ivoire and Ghana proposed “Measures to tackle country differential erosion”.

<https://cocobod.gh/news/ghana-c%C3%B4te-divoire-agree-on-measures-to-tackle-country-origin-differential-erosion>

⁵ <https://www.la-croix.com/Economie/Cacao-Cote-dIvoire-baisse-prix-paye-producteurs-2021-04-03-1201149210>

actors along the supply chain. This makes it difficult to point our finger to possibly unethical trading practices.

1.3.6 Increasing inequality

The low prices for cocoa, directly undermine the commitments towards living income for these companies. Combined with the rising costs of production, they have led to an acute rise of poverty. However, low prices also have led to increased profits for cocoa companies.

These profits could be reinvested in their supply chains. Yet instead they are channeled to a small group of owners (either shareholders or family owners). Nestle, Mondelez, Hershey and Lindt paid out between 77% and 134% of their profits (yes, some paid out more than they earned) to shareholders last year.

Privately owned companies (who don't have shareholders) have channeled their profits into family fortunes, which have been growing astronomically. The Mars family fortune has grown by 23 billion since 2018. The Ferrero family's fortune by \$14 billion. Quite the contrast to the experience of cocoa farmers over the last few years.

1.4 Research questions

Research questions 1-4 will require some prioritization. This prioritization is covered under research question 5. Issues with a higher priority, will require much more depth than the lower priority issues.

1. Unfavorable trading system for actors upstream the supply chain
 - To which extent does the trading system (including the stock market) lead to inequality by design?
 - Is there proof that companies (or other actors) use their influence to keep this "business as usual" trading system in place?
 - What are the barriers that upstream actors need to confront to challenge this system?
2. Which internal business practices of companies lead to a downward pressure of cocoa prices?
 - How important are bonuses for purchasing clerks who manage to "beat" the market?
 - What's the importance of cocoa stock management and reporting on grinding ratios.
 - Is there an impact of the recipes that companies use for their recipes (raising or lowering cocoa content) on cocoa prices?
 - To which extent do companies change cocoa sourcing to different areas when prices are raising in one origin. How does this company policy influence prices? To what extent has this happened in the context of the LID?
 - Are companies purposefully delaying their cocoa purchases in order to lower negotiation power of governments, cooperatives and farmers?
 - How can the identified unfair purchasing practices best be included in the revision of the Directive 2019/633 on Unfair Trading Practices? See also research question 6.
3. Who negotiates down the different (country) differentials?
 - How are the country differentials determined?
 - Do certain companies have excessive power on the height of the differentials?
 - How does the influence of different actors in the supply chain compare when it comes to the height of the differentials? What's the role of traders, confectionery brands and supermarkets?
4. How is financialization and speculation on commodity markets undermining the bargaining power of actors upstream in the supply chain (governments and cooperatives)?
 - Are traders (or other actors) using their privileged position and access to information to lower prices on the commodity markets?
 - Do traders (or other actors) use this position to increase volatility and thereby eliminating financially weaker actors on the market and consolidating their own position?
5. How do different strategies and actions compare in terms of influence on prices?
 - Make a ranking of strategies and actions from "low influence on prices" to "high influence on prices"
 - Are there other strategies and/or actions companies are using to undermine the negotiation power of upstream actors and lower cocoa prices?

6. To what extent are these strategies and actions in line with current and upcoming (inter)national legal frameworks (UTP, UNGP, Devoir de Vigilance, CSDD-Directive, etc...).
- Are these frameworks adequate to prevent companies from harming the right to a living income through their purchasing practices?
 - How could these frameworks be amended so they protect the rights of farmers and workers better through human rights sensitive purchasing practices?
 - How could Multi-Stakeholder-Initiatives help regulate these actions that undermine sustainability in the sector?

1.5 Methodologies

Since this is an investigation that aims at uncovering complex mechanisms, we are looking forward to receiving different and diversified research approaches that allow us to get maximal insights within the timeframe and budget constraints. This may include quantitative and qualitative research methods, using (live) data analysis and (confidential) interviews.

The study will include analyses with a range of relevant actors in West Africa and Europe to gain an in-depth understanding of causal links, differential impacts, as well as policy perspectives and relevant recommendations for consideration. To this end, it will identify key actors, their roles, interests and responsibilities, their involvement in policy and how to overcome potential conflicting interests or power imbalances between actors.

Involvement and/or collaboration with West-African researchers would be highly valued in the research approach.

1.6 Requested profile

The consultant(s) should have strong data analysis and research skills, excellent economic knowledge and experience in commodity markets. Strong background in EU frameworks.

- PhD or Masters degree in an area relevant to the assignment.
- Strong background in trade and policy analysis
- At least 3 years' experience in one of the following policy fields: Commodity trade, Cocoa trade, EU trade policy
- Demonstrated analysis, synthesis and writing capacity in English.
- Ability write for policy makers and the wider public.
- Professional knowledge of French is an asset

1.7 Deliverables

The study will be presented and discussed with members of civil society in producing countries (such as Plateforme Ivoirienne pour le Cacao Durable and Ghana Civil Society Platform – GCCP) as well as in consuming countries (such as VOICE-network).

The authors will participate in a meeting with the authors of the other MATS study mentioned above.

The study will produce a visualisation of the links and impact pathways to help clarify the interrelationships.

Deliverables will have to fit the requirements of MATS project (template under development), and OBE quality standards.

- A research/case study report of 30-50 pages, in line with OBE quality standards and where possible aligned with the requirements of MATS (template under development, preliminary section headings see annex 3).
- Visualization of key insights on how change is believed to happen in this coffee value chain (ToC).
- Access to any used data sets if these are freely accessible or otherwise produced under this agreement, with all steps of calculations shown.
- Data on the number of informants/interviewees involved, including dates of participation in the research, disaggregated at minimum by gender & age, and where possible without compromising anonymity in case this was requested: nationality, ethnicity, disability, legal status, etc. The consultant must provide Oxfam, upon request, access to the preparatory

materials for interviews and focus groups (questionnaires, topic lists) and, where possible without compromising requested anonymity, the recording of these events.

- Data collected on 15 SDG-related indicators, to be determined by the consultant and Oxfam.
- Timesheet for reporting requirements within MATS

1.8 Calendar

The research should be conducted between April 2023 and September 2023, taking into account the harvesting period in the selected location as the ideal timing for field research. The deadline for the draft report is August 20, 2023. The deadline for the final report is September 15, 2023.

1.9 Communication and monitoring between the consultant and OXFAM

The consultant will be under the supervision of Oxfam-Belgique's policy team.

The consultant will be accountable to a Steering Committee and will have to present periodic proof of progress for the research. A bi-weekly meeting between Oxfam-Belgique and the consulting team will also ensure a follow up of the project.

1.10 Responsibility, social security and medical coverage

In no instance can OWW be held liable for material or moral damage (including bodily) that can be caused by third parties to the service provider in the activities to be carried out by her and subject of the contract. Also, the service provider will sign up for all insurance policies necessary for the conduct of activities that can be undertaken by service providers as part of the execution of the contract.

OWW is released from any responsibility for social and medical insurance of service providers. Service providers will make it their responsibility to ensure all the steps necessary to guarantee their social security and medical coverage.

1.11 Security measures

OWW will send the security measures to the service provider, who undertakes to follow them at all times. Non-compliance removes any liability of OWW regarding the safety of the person or persons concerned and will immediately lead to the termination of the contract.

1.12 Confidentiality and use of information

The service provider undertakes to refuse any advertising, commercial or outside profits for their own account. He undertakes not to make any statement to the media in connection with the mission/support without the agreement of OWW, or use at any time the information, funds and equipment at their disposal of either OWW or of the partner or local institutions for purposes other than those outlined in the contract.

1.13 Ethical and professional conduct

Suppliers and their subcontractors cannot be in one of the following situations:

- be bankrupt or being wound up, be insolvent, having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, be the subject of proceedings concerning those matters, or be in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- have been convicted of an offence concerning their professional conduct by a judgment that has the force of res judicata;
- have been guilty of practices of collusion;
- have been the subject of a judgment that has the force of res judicata for fraud, corruption, involvement in a criminal organization or any other illegal activity.
- have been guilty, in the framework of another purchase process, of grave professional misconduct proven by any means that OWW can justify;
- have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or those of the country where the contract is to be executed;
- do not respect basic social rights and working conditions, and the labour legislation of the country in which they are established or in the country where the contract is to be performed;
- employ child labour;

- be subject to a conflict of interests;
- be guilty of misrepresentation in supplying the information required by OWW;
- make gifts to personnel of OWW and/or the partner organisation.
- make threats to the personnel of OWW and/or the partner organisation
- be involved in the production of tobacco
- be involved in the production and sale of arms
- be involved in acts of piracy or terrorism

The service provider

- will make every effort to protect the environment (nature) and work sustainably.
- will be sensitive and respectful of local customs and cultures
- contribute to a work environment characterized by mutual respect, integrity, dignity and non-discrimination.
- will not work under the influence of alcohol and will not use or be in possession of illegal substances in Oxfam's premises, vehicles or accommodation.
- will not engage in relationships or behaviors based on exploitation, abuse or corruption.
- respect the rights of others, including the rights of children, and will not engage in the abuse or sexual exploitation of children, or any other person of any age.
- never trade money, job offers, jobs, goods or services for sexual acts or any other humiliating, degrading or exploitative behavior.

The supplier will sign a statement accordingly. Oxfam has the right to investigate.

Non-respect of one or more ethical and professional clauses may result in

- Dissolving the contract
- Excluding the supplier from future IQ's from OWW

1.14 Sanctions

In case of non-respect of the calendar a penalty equivalent to 1 % of the contract value will be deduced from the invoice for every day of delay beyond the deadline for the final report. Beyond October 30th this will be considered as a unilateral termination of the contract by the service provider. These sanctions do not apply in case of force majeure.

1.15 Modification of contract

Any modification or termination requires the prior written agreement of both parties.

1.16 Cancellation of contract

The contract may be terminated by both parties in case of force majeure as defined in article 1.17. of the contract. Termination for force majeure must be announced by the party asserting it, in writing with a motivation and written proof provided by neutral instances. The other party shall notify its acceptance or refusal in writing, with a motivation.

In case of unilateral termination of the contract by the service provider without any motive able to be considered as one of force majeure, no incurred costs will be refunded and eventual advance payments will have to be refunded to OWW.

The contract may be terminated by OWW in case of non-compliance by the service provider with the ethical and professional criteria (1.13.) the clause on confidentiality and use of information (1.12.) and the security measures (1.11). The contract will be automatically terminated upon the sending by OBE of a registered letter, stating the termination as well as the causes thereof. No incurred costs fees will be paid and eventual advance payments will have to be refunded to OWW.

1.17 Force majeure

Force majeure means any situation or event which is unforeseeable and exceptional, independent of the will of the parties and not due to the fault or negligence of any of them (or any of its subcontractors, agents or employees) which prevents either party to perform any of its contractual obligations and which could not be overcome despite all due diligence (e.g. evacuation).

A case of force majeure must always be notified immediately when it occurs, in writing, providing motive and proof by neutral instances.

In case of force majeure resulting in a disruption in the field, the actual costs incurred and already spent by the service provider will be reimbursed on the basis of supporting documentation (transport, hotel). The fees will be paid in proportion to the number of days of actual execution of the contract. The eventual continuation of the mission will be the object of an addendum to the contract.

1.18 Legal disputes

The contract shall be governed by and in accordance with the laws of the federal state of Belgium and shall be subject to the exclusive jurisdiction of the Dutch Speaking Tribunal of Commerce of the Judiciary Arrondissement of Brussels.

1.19 Payment conditions

50% will be provided at signature of the contract, and 50% after validation of the agreed outputs.

OWW can only pay on an account number belonging to the legal entity (enterprise or moral person) with which the contract has been signed and only on an account number in the country where this entity is established.

2. Submission

Send all required documents before 10/04/2023, midnight CET to OBE.TENDER@oxfam.org, with bart.vanbesien@oww.be in copy, and with the title: Analysis of cocoa and chocolate purchasing practices that could undermine living incomes for cocoa farmers

2.1 Administrative details

- name of the enterprise and the responsible;
- address;
- telephone and e-mail
- legal status
- VAT-number and/or chamber of commerce reference.
- name and address of the bank, account number, IBAN and SWIFT code. OWW can only pay on an account number belonging to the legal entity (enterprise or moral person) with which the contract has been signed and only on an account number in the country where this entity is established.

Join a copy of your register of commerce.

2.2 Financial quote

- the research's consultancy fees
- operational costs: travel, accommodation, daily fee, software, etc.
- VAT: if not applicable, mention the legal provision

2.3 CV and experience

- curriculum vitae
- prior reports or publications which have been previously developed by the consultant in relation to the topic.

2.4 Methodology

A methodological proposal to conduct this study/research, including understanding of the study's issues and of the terms of reference; background of the study/research; presentation of the objectives (overall & specific); location; target countries; presentation of the methodological framework: study design, data collection, data processing, data analysis, ethical considerations.

2.5 Calendar

The research should be conducted between February 2023 and September 2023,

considering the harvesting period in the selected location as the ideal timing for field research. A first interim report is expected by the end of April 2023. The deadline for the draft report is August 20, 2023. The deadline for the final report is September 15, 2023.

2.6 Ethical and professional conduct

Suppliers have to sign a declaration on ethical and professional conduct.



Declaration on
ethical and professional

2.7 Clarifications and contact

You can contact OWW before the date for submission quotes to seek clarification. Any questions related to this IQ should be directed at OBE.TENDER@oxfam.org, with bart.vanbesien@oww.be in copy.

OWW can contact you

- to inform you of errors, lack of accuracy, omissions or other faults in the IQ.
- to ask you to complete your file.
- to negotiate the price.

All communication has to be in writing (e-mail, fax or letter)

3. Award

OWW will appoint a selection committee of at least three (3) persons, which will

- check whether the bidders meet the exclusion criteria
- assess each quote which has passed the exclusion stage

3.1 Exclusion

- Any quotes that arrive after the deadline date can be excluded;
- Any quote that exceeds the budget may be excluded
- Any quote without proof of legal existence will be excluded
- Any quote without signed declaration of compliance with the ethical and professional code of conduct will be excluded

3.2 Award

OWW awards the contract to the bidder offering the best value for money. The selection committee will evaluate the qualitative criteria of the quotations and award points for each criterion. The quote with the most points wins.

Criteria	Points
Expertise of the institution	10
Profile and experience of consultant(s)	10
Alignment with Oxfam	7
Understanding of assignment	10
Proposed methodology	15
Gender dimension	3
Quality of delivered outputs	5
Proposed calendar	5
Implication of West-African researcher(s)	5
Cost	10
General presentation	3
<i>Total</i>	83

OWW is not under any obligation to choose the quote with the lowest price.

3.3 No obligation to award

Please note that OWW is not bound to select any of the proposals submitted.

3.4 Communication of award and signing of contract

The unsuccessful bidder will receive a no award notification, which will contain the reasons for this non-selection. The successful bidder will receive a notification of award within 30 days of the deadline for submission. This notification shall be accompanied by the contract.

If the successful bidder makes changes to the contract without the prior consent of OWW, OWW will not sign and the contract may then be awarded to the candidate in second place or Oxfam can decide not to proceed to a purchase.

The contract will enter into force after signature by the supplier and OWW, copy received by e-mail being proof.

Annex 1: Key sources to be consulted

Key references to Living Income in the cocoa sector

- "Who to blame? The rough start for living income cocoa prices in Côte d'Ivoire and Ghana" By Felix Maile, Bernhard Tröster, Cornelia Staritz and Jan Grumiller, 27/06/2022, <http://www.developmentresearch.eu/?p=1252>
- "Price-Setting Power in Global Value Chains: The Cases of Price Stabilisation in the Cocoa Sectors in Côte d'Ivoire and Ghana" By Felix Maile, Bernhard Tröster, Cornelia Staritz and Jan Grumiller 23/06/2022 <https://link.springer.com/article/10.1057/s41287-022-00543-z>
- "Earn a living? What the Côte d'Ivoire–Ghana cocoa living income differential might deliver on its promise" By Ole Boysen, Emanuele Ferraria, Victor Nechifora and Pascal Tilliea, 01/2023 <https://www.sciencedirect.com/science/article/pii/S0306919222001580>
- "A Living Income for Small-Scale Farmers: Tackling unequal risks and market power" By Uwe Gneiting, Joanne Sonenshine, 15/11/2018, <https://policy-practice.oxfam.org/resources/a-living-income-for-small-scale-farmers-tackling-unequal-risks-and-market-power-620596/>
- "Cocoa Barometer 2022", by Antonie C. Fountain and Friedel Huetz-Adams, 12/2022, <https://cocoabarometer.org/wp-content/uploads/2022/12/Cocoa-Barometer-2022.pdf>
- "Cocoa Living Income Compendium, A Cocoa Barometer Consultation Paper" by Antonie C. Fountain and Friedel Huetz-Adams, 09/2022, <https://voicenetwork.cc/wp-content/uploads/2022/09/220920-Cocoa-Barometer-Living-Income-Compendium.pdf>
- "Civil society perspectives on the living income differential for cocoa producers", by Emma Blackmore and Thierry Berger, 23/08/2021, <https://www.iied.org/civil-society-perspectives-living-income-differential-for-cocoa-producers>
- "Impacts of the Cocoa Living Income Differential Policy in Ghana and Côte d'Ivoire" By Boysen, O., Ferrari, E., Nechifor, N., Tillie, P, 2021, <https://publications.jrc.ec.europa.eu/repository/handle/JRC125754>
- Who's going to pay for an ethical chocolate bar?, By Sussannah Savage <https://www.politico.eu/article/ghana-ivory-coast-cocoa-farmers-price-eu-supply-chain-cleanup-sustainability/>

References shaping our contribution to MATS and HuRiSM

Understanding the ongoing academic research in which this consultancy should be embedded, would require consulting the OBE colleagues coordinating this work, the HIVA-researchers involved in HuRiSM, and relevant HuRiSM and MATS documents, including MATS deliverable [D2.3 Sustainable Trade Toolbox \(update M36\)](#) and MATS deliverable [D3.1 Methodological guidelines and reporting template](#).

Annex 2: Guidelines for undertaking research with ethics

Any research must follow ethical principles and particular care must be taken when it involves people as participants or is likely to impact directly upon them. This section sets out *minimum* ethical standards required in *all* commissioned research. When context-specific and/or more detailed guidance is provided, researchers must adhere to the relevant protocols and demonstrate that they have done so.

1. The three principles of research ethics:

- Respect: The researcher must recognize the capacity and rights of all individuals to make their own choices and decisions, and their right to be treated with dignity;
- Beneficence: The researcher's primary goal must be to improve the lives of participants and protect their physical, mental and social well-being;
- Justice: The researcher must ensure that the benefits for participants are at least as great as the risks.

2. Putting the principles into practice

These principles need to be reflected in each stage of research including: designing research; selecting participants; gaining their consent; conducting the research; and using the research findings.

a. Designing research

- The research must be designed to reduce risks for participants and increase their possible benefits from its outcome.
- The research must be designed especially to protect vulnerable participants – for example, children or women workers in a garment factory.
- Questions for surveys and interviews should be respectful and phrased in culturally-appropriate language.

b. Selecting participants

- Participants should only be involved in research that has potentially some benefit for them. Possible outcomes, such as a safer society or better working conditions in the long-run, may be benefits if the individual participants consider them to be so. Some participants may feel a benefit simply from having the chance to tell their story. But it is up to them to decide whether or not this is so.
- No individual or group of participants should face more risks than benefits from participating. If the research has a higher risk than benefit for participants, then it should be redesigned to reduce those risks.

c. Gaining the consent of participants

- Researchers must gain informed and voluntary consent before conducting research with participants. This means that the participants must:
 - have the relevant information about what the research is;
 - understand it, including the possible risks and benefits to themselves;
 - be free to choose whether or not to participate, without inducement;
 - give their consent, either written or verbal;
 - have the right to withdraw from the research at any time.
- The depth of this consent-taking process will depend on the topic of research and the extent to which it could impact on the participants' lives.
- If research involves children (as defined by national law, or as those under 18) then their parents or guardians must also give consent. It is best to get their written consent, in (the rare) case of disputes later.
- Special care must be taken when seeking consent from vulnerable groups, for example prisoners.
- Researchers must ensure that no participants are forced to take part, for example by their employer, their parents, or by village elders.

d. Conducting the research

- Researchers should be qualified and/or trained for the task. They need to have good self-awareness and strong listening skills.
- Research should be conducted in places that are socially comfortable for the participant and where they are able to speak freely.

- If the participant has incurred direct financial costs for participating then they can be reimbursed, but they should not be paid to participate.
- The participants must be able to contact the researchers, either directly or through local partners.
- If a participant reports any serious adverse effects as a result of participating – such as losing their job, or being physically abused – then this must be reported to the project manager by the researcher.

e. Using the research findings

Participants in research should be told how the research findings are likely to be used (for example as part of a campaign). They must then be asked, and must be free to choose, whether or not:

- they can be quoted in materials;
- their real name can be used in materials;
- their photographic image and/or film of them (if taken) can be used in materials.

Their choices must be clearly recorded and always kept with their testimony and/or the relevant media.

If it is agreed that all or any part of a participant's testimony should be confidential then that commitment must be clearly recorded and respected. If the testimony is to be made anonymous, or used with a false name, make sure that any other identifying details are also changed.

3. Additional resources on research ethics

The standards in this guideline are based on the materials produced by FHI 360 (formerly Family Health International) for its Research Ethics Training Curriculum, which includes a free, online self-study course that takes 2-3 hours to complete. Although this focuses on health-related research, it is highly recommended for any social science researcher (see: <http://www.fhi360.org/en/RH/Training/trainmat/ethicscurr/index.htm>).

The Framework for Research Ethics (FRE), produced by the Economic and Social Research Council (ESRC), provides the basic standards for UK-funded social science research (for further information and a copy of the FRE see: <http://www.esrc.ac.uk/about-esrc/information/research-ethics.aspx>).

Annex 3: Proposed section headings in final MATS case study report

Executive summary outline

1. Introduction
2. Box: Basic data for the case study
 1. Objectives and approach: Brief description of specific objectives and methodology used for the case study, in particular data collection and analysis
 2. Key features of trade policy regime, investments in agro-food value chains, and sustainability standards
 3. Key impacts of agro-food trade on sustainable development and on human rights
 4. Linkages: From trade policy regime, investments and sustainability standards to impacts; description based on the common set of core indicators plus case-study specific indicators
 5. Impact pathways: Visualisation and identification of key leverage points in agro-food trade/impact system
 6. Actors and gender: Key actors with their roles, interests and responsibilities; Gender issues; How to address issues of power inequality, participation, and public interests
 7. The role of national and supranational legal and policy frameworks with particular attention paid to the EU and the WTO (information required for WP4) (facultative: to respond to 2.3.1 you could prepare a political economy mapping of the different protagonists, including WTO rules, FTA, national authorities, local actors, private sector, donors)
 8. Based on the evidence from the case study: Key determinants/topics for each case study shaping future developments and sustainability impacts; Ways forward; Recommendations on fostering the positive and reducing the negative impacts of agro-food trade (information required by WP5)