



# Impact Measurement Case Study

## NOHA NYAMEDJO



**Target Beneficiaries:**  
Cocoa farmers

**LOCATION:**  
Cameroon



**Sector:** Agricultural

**Business model:** Noha, a commodities trading company, is a leading exporter of cocoa from Cameroon. It purchases raw cocoa from farmer cooperatives or intermediary suppliers and sells it internationally. The company is building closer relationships with the cocoa farmers by helping them improve their cultivation practices; access financing; and plan for producing cocoa for the international market.

This publication is part of a series of case studies on BCtA Impact Measurement Services (BIMS), a Business Call to Action (BCtA) initiative that demonstrates how inclusive businesses can measure and apply social-impact data.

BIMS provides 21 participating BCtA member companies with technical expertise and technology to design and implement survey-based data collection for assessing their operational and social performance. BIMS is implemented by BCtA with support from implementing providers Arthify and Echo Mobile.

## THE OBJECTIVE

Noha is collecting social-impact data to understand farmers' financial situations, living standards, current farming practices and supply-chain issues. Using this data, Noha aims to: ensure a consistent supply of quality cocoa beans; better manage its supply chain; and report to the Government, donors and business partners on the long-term impacts and sustainability of cocoa production in Cameroon.

## HOW IT WORKS

### 1 ASSESSING READINESS



Noha is a mature-stage business with medium readiness for measuring impact. As its first foray into social-impact measurement, the company carried out a short farmers' survey to plan for a joint training programme for cocoa farmers and a cocoa processing factory in collaboration with other stakeholders.

Initial data indicated that:  
**71%** of farmers surveyed have incomes below USD 2.50 per day in terms of purchasing power parity;

**79%** own less than 2 hectares of land;

**85%** of farmers have never been certified for good farming practices; and

**83%** face issues related to humid weather, drying facilities or transportation.

For monitoring, Noha decided to survey farmers across **6** regions, with a sample size of approximately

**350** farmers per region. Noha also developed three operational surveys on logistics, commercial activities and the cocoa supply chain for later use.

### 2 PLANNING AND DESIGN



Key social-impact metrics covered in the farmers' survey included:

- farmers' incomes and asset ownership;
- cocoa farming knowledge and practice;
- issues and hurdles faced by farmers.

### 4 ANALYSING DATA AND REPORTING

### 3 MONITORING IMPACT

## RESULTS

Through BCtA's Impact Measurement Services (BIMS), Noha is using impact data for decision making related to: (i) strengthening farmers' cooperative networks to tackle supply-chain logistics; (ii) improving farmers' knowledge and practices; and (iii) the feasibility and scale of Noha's planned processing factory.

# About Noha

Cameroon-based Noha Nyamedjo was established in 1960 as a cocoa and coffee trading house. In 1995, Cameroon liberalized the cocoa sector, which led to unregulated traders exploiting farmers and an overall decrease in cocoa production quality. In 2005, the Government set up a national-level framework to guide and regulate the sector in order to commercialize and scale cocoa and coffee production and processing. In this evolving business environment, Noha began to focus on exports, becoming one of Cameroon's largest cocoa exporters. It purchases raw cocoa beans from farmers through cooperatives or 'bush markets' (open markets for selling cocoa), and directly exports them through partnerships with international buyers, making this an inclusive business.<sup>1</sup>

While Cameroon is one of the world's largest producers of Cocoa, only 15 percent of the raw cocoa is processed locally. Noha intends to address this issue by establishing a state-of-the-art cocoa processing facility. To be sustainable, the processing facility will require a stable supply of quality raw cocoa beans from farmers and cooperatives. Until recently, Noha did not directly interact with farmers and did not have much information on them. As a BCtA member, in 2015 Noha began considering social-impact measurement as a means to inform its plans to set up a processing plant and expand its business in a sustainable manner that would enhance cocoa farmers' productivity and livelihoods.

## Step 1: Assessing readiness

Effective impact measurement<sup>2</sup> begins with **determining the reason for measuring impact**. A wide variety of tools are available for businesses to measure, manage and report on their social impacts. Approaches range from those generating quick feedback to those requiring longer time-frames for showing systemic impact. It is important for companies to choose the right approach that meets their business needs given the available resources.

Assessing the company's readiness for impact measurement is a critical first step in determining what social impact data to collect, how to collect it and how to use it. In assessing a company's readiness to measure its impact, BCtA considers its maturity and capacity, which are determined based on the company's clarity of purpose, data-driven

culture and resources available for monitoring and data collection.

Noha has been working in the cocoa trading business for more than 20 years. Given its organizational history and strategy to expand the scope of its business to include cocoa processing, it can be considered a **mature and growing business**. Though the company had no prior experience with social-impact measurement, it has an established supplier-buyer network, an experienced field team and strong logistics channels to roll out the impact measurement activities. Hence, Noha has **medium readiness** for measuring impact. As Noha builds its social-impact measurement practice, it can eventually graduate up to the **advanced readiness** stage, to truly exemplify its social impact on the cocoa farmers it works with.

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1 Inclusive businesses are commercially viable business ventures that engage people living at the base of the economic pyramid – with less than USD 10 per capita per day in purchasing power parity (2015) – as consumers, producers, suppliers, distributors of goods and services, and employees.

2 In this case study, 'impact measurement' refers to the measurement of social, economic and environmental performance of inclusive businesses.



## Step 2: Planning and design

The planning step involves developing a Social Value Chain<sup>3</sup> that links business goals, strategies and operations to outcomes and impacts related to the Sustainable Development Goals (SDGs).<sup>4</sup> The Social Value Chain is the basis for developing social-impact metrics and indicators that address the needs identified in the previous step.

The Social Value Chain guides companies in determining what to measure and where to collect data by mapping business goals, strategies and operations against outcomes related to the SDGs. At the time of implementing this study, Noha's Social Value Chain was more prospective in nature – i.e. many socially relevant inputs and activities

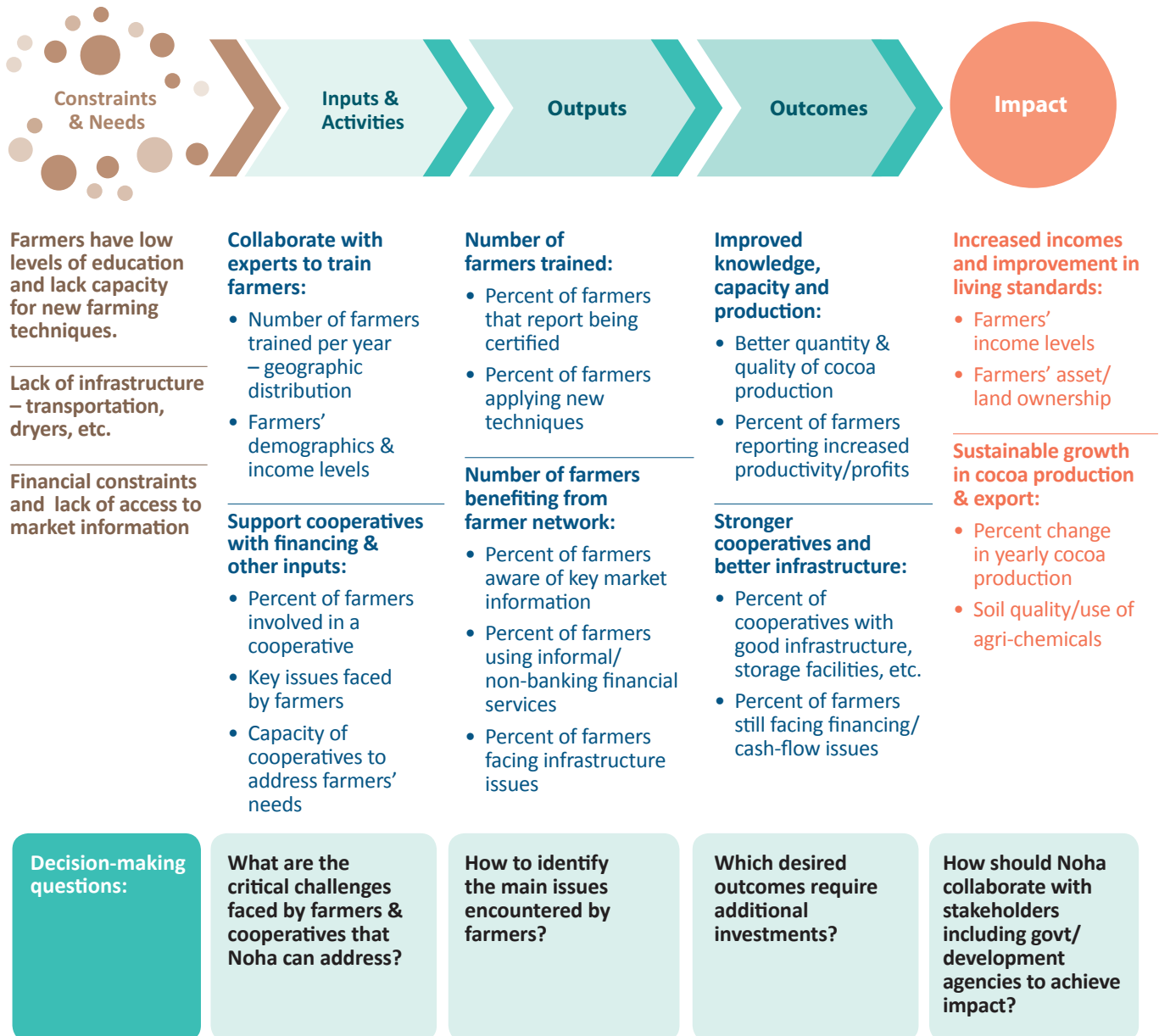
<sup>3</sup> The Social Value Chain integrates multiple approaches such as the Theory of Change, Results Chain, logframes and business value chains.  
<sup>4</sup> Adopted in September 2015 by all United Nations member states, the SDGs are a set of 17 global goals and 169 targets related to key development issues facing society today. Countries will aim to achieve them by 2030.

were still being planned and were yet to become operational. In developing the Social Value Chain, Mesack Noha, the company's founding CEO, was keen on assessing: the issues and hurdles limiting farmers from producing better-quality cocoa beans;

and the actual transfer of wealth through the supply chain into the hands of the farmers.

An abridged version of Noha's Social Value Chain, with a limited number of social impact metrics, is presented here:

## Noha's Social Value Chain





## Step 3: Monitoring impact

To monitor social impact, BIMS recommends that companies collect data on their operations and social performance on an ongoing basis. Businesses can assess data from primary and secondary sources such as invoices, inventory, customer registrations, market-research reports, social media, surveys and polls.

Identifying sources of data is critical for developing data-collection plans using the Social Value Chain. Many companies have already collected data that can be used for social impact measurement. BIMS suggests that companies first determine if they can analyse the data they already have. Only if this is not possible should they plan to collect new data.

### Survey implementation

A stratified sampling strategy, based on geographical distribution of Noha's supply chain, was implemented for the farmers' survey because of the variations in infrastructure, quality of cocoa production, and length of relationships with the suppliers across regions. Given the resources and initial capacity of the team, the decision was made to survey one region at a time, covering approximately 350 farmers in each region. At the time of this case study, 340 farmers had been surveyed in the Central region.

Noha's first foray into assessing social impact focused on collecting basic information regarding farmers' living standards and understanding their cocoa-production practices and needs. These data were collected to plan farmer training programmes and set up the cocoa processing factory.

Since Noha had never collected impact data in the past, this experience helped the company to identify social-impact parameters that are linked to continued growth and business success. It also gave Noha an opportunity to collect field-level data directly from farmers using a small field team. Over time, these data can be used to track Noha's social impact and develop better strategies to ensure a stable supply of raw cocoa for its new cocoa-processing plant.

Based on the Social Value Chain that was developed over a three-month period, Noha decided to create four different data-collection tools using the BIMS mobile platform: a village-level household survey to assess farmers' income levels, needs and practices; and three operational surveys to track the efficacy of Noha's logistics and operations. At the time of writing this case study, only the farmer's survey had been implemented. It was piloted in multiple regions to test its relevance and consistency before finalizing the survey. The other three data-collection tools will be deployed along with changes in Noha's operational procedures.



## Step 4: Analysing data and reporting

While the purpose and usability of social-impact data vary for each inclusive businesses, in general the outputs of social-impact measurement are used to answer one or more of the following questions:

1. Who is being impacted?
2. How are they being impacted?
3. What are the drivers contributing to or limiting this impact?
4. How can this impact be scaled up and linked to the SDGs?

### Who is being impacted?

A local export trader with limited financial capacity in hedging and futures' trading, Noha's business is completely driven by the global 'spot market' price for cocoa. In addition, Noha purchases raw cocoa from cooperatives or intermediaries, and has limited interactions with cocoa farmers. But given its plan to set up a cocoa-processing factory in Cameroon, it is critical for the company to secure a reliable supply of quality cocoa to run the factory at capacity. For this reason, Noha and its investor-stakeholders have put together training and capacity-building programmes for farmers to increase their cocoa production and incomes. Through the farmers' survey, income levels of farmers were measured using the Progress out of Poverty Index. Data from the Central region showed that 71 percent of farmers' incomes were below USD 2.5 per day. Over time, Noha can track the changes in these income levels to assess the social impact of its business activities more accurately.



### How are they being impacted?

Cocoa farmers are directly impacted by the prices they receive from the cooperatives and intermediary wholesalers, who then sell the raw cocoa beans to Noha. While the company pays a fair price to these intermediaries based on the global 'spot market' price for cocoa, there is the potential for profiteering within the supply chain, resulting in suppressed incomes for farmers.

Noha's farmer surveys are allowing it to understand: farmers' knowledge about assessing the quality and pricing of cocoa, and sustainable farming techniques; their cash flows and access to financing; the infrastructure hurdles they face; and changes in farmers' income levels over time. Data from the Central region showed that cocoa production had actually decreased for 53 percent of farmers, and one quarter of them were still not part of a cooperative; instead they sold cocoa to intermediary wholesalers. In addition, farmers who had the oldest cocoa trees – those older than 20 years – saw a larger decline in production than those with younger trees. Noha can positively impact these farmers by: providing training in better farming techniques; communicating the demand and pricing of cocoa more transparently across the supply chain; incentivizing cooperatives to provide better infrastructure for their farmer members; and assisting cooperatives and farmers in accessing formal credit facilities.

### What are the drivers contributing to or limiting this impact?

Initial data from the farmers' survey in the Central region show that close to 80 percent of farmers own less than 2 hectares of land; 85 percent of farmers have not received any formal training or certification in good farming practices; and farmers are facing critical issues with cocoa production including weather, a lack of drying facilities and poor transportation.

Noha anticipates that farmers' priorities and challenges will differ by region. Therefore region-specific intervention strategies will need to be formulated to ensure a reliable supply of quality cocoa for its new processing plant. The farmer's survey will soon be implemented across the remaining regions to provide more information on the company's potential impacts.

### How can this impact be scaled up and linked to the SDGs?

The main objective of BIMS is to support inclusive businesses in adopting impact-measurement practices that help them to plan, monitor and deliver on their intended social impacts – and contribute to achieving the SDGs.

Using the Social Value Chain, Noha identified the following SDGs that are in line with its intended impacts:



### **SDG 1 NO POVERTY**

### **SDG 2 ZERO HUNGER**

By helping farmers to improve the quality of their cocoa, and by facilitating improvements in the cocoa supply chain, Noha will positively impact their production yields and incomes.

### **SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION**

By training farmers on sustainable cocoa production with the help of expert partners, Noha can also contribute to a more environmentally friendly cocoa production ecosystem.

### **SDG 8 GOOD JOBS AND ECONOMIC GROWTH**

### **SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**

Cameroon is the world's fourth largest producer of Cocoa. However, only 15 percent of raw cocoa beans are processed within the country. By setting up a processing factory, Noha will add local jobs and capture additional value within the supply chain, thereby contributing to the growth of the entire cocoa sector in Cameroon.



# Lessons learned from Noha's impact measurement

## Social-impact measurement can be used for planning business expansion.

For Noha to successfully expand into cocoa processing, it is important for the company to establish a reliable supply of quality raw cocoa beans for its factory. This requires assessing its supply chain and taking a long-term perspective in terms of the sustainability and social impact of cocoa production on farmers. By collecting data on various socio-economic parameters of farmers' lives and their livelihoods, Noha can assess the investments required not only within its own business but across the supply chain to ensure a sustainable and reliable supply of raw cocoa beans for processing.

## Significant social-impact measurement can be accomplished with limited resources if planned in phases.

In Noha's case, the regional variations in cocoa production require data to be collected across geographies and at a sizable scale to ensure their relevance. As a lean organization with limited field

staff, Noha had to plan its surveys one region at a time. A phased approach, with the support of mobile-based survey tools and under the leadership of a dedicated project manager, played an essential role in the successful implementation of Noha's social-impact measurement activities.

## To measure social impact, it is best to collect data directly from the beneficiaries and key stakeholders.

Noha purchases raw cocoa beans from cooperatives and intermediaries, and has very limited interaction with farmer producers. While field testing the surveys in farming villages, the feedback received from cooperatives and the farmers varied, and Noha's staff found it insightful to interact directly with farmers in order to observe the conditions in which they work. This provided an experiential understanding of field-level issues faced by farmers and cooperatives. As these experiences showed, collecting data from multiple stakeholders can bring to light the differences between perceptions and reality.

*Business Call to Action (BCTA) aims to accelerate progress towards the Sustainable Development Goals (SDGs) by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid – people with less than US\$10 per day in purchasing power parity (2015) – as consumers, producers, suppliers, distributors of goods and services, and their employees.*

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