

Collaborative Action in Achieving Resilience of Farmers



**CSP Annual Report 2022:
Collaborative Action in Achieving Resilience of Farmers**

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CSP—Cocoa Sustainability Partnership—is aimed to establish the resilience of farmers toward two hundred million trees with two kilograms dry bean production per tree.

CSP is a forum for public-private collaboration and actively for the betterment of cocoa development in Indonesia.

We support Indonesian cocoa sector in international market. CSP exists to increase communication, coordination, and collaboration between public and private stakeholders engaged in cocoa sustainability activities in Indonesia for the mutual benefit of all cocoa sector players.



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How CSP Working Groups Provide Support to Farmers

The definition of collaborate or cooperate, according to the Merriam-Webster thesaurus, is “to participate or assist in a joint effort to accomplish an end.” Teams can maximize the individual skill sets of their members through collaboration. If the members actively cooperate, they can contribute to the organization or purpose more effectively. Collaboration is the term used to describe when two or more individuals work together to complete a task or realize a goal. Working with parties outside of an organization, such as other firms or institutions, is another possibility for collaboration. However, the aim in each case continues to be exchanging experiences and expertise to resolve problems and achieve goals.

In a partnership, collaboration encourages interaction between entity from various divisions, bringing the individuals closer together. People’s own work frequently gets better when they become more aware of one another’s duties. They are better able to explain how their contributions affect the business as a whole or the job that their coworkers do.

In setting the goal, Cocoa Sustainability Partnership has put the target in achieving resilience of farmers toward 200 million trees with 2 kilograms dry bean production per tree. The target has been formulated with the contribution, collaboration, communication, and partnership of its members and strategic partners. Therefore, CSP had established several working groups as sharing and discussion space among members to shape the path to achieve the goal. Each member representative is deployed to one, or two, specific working group based on their knowledge and experience.

01: Cocoa Planting Materials Working Group

The CSP Working Group for Cocoa Planting Materials focused in designing and carrying out the compatibility tests for five cocoa clones as rootstock, reviewing the existing research in the field, and providing academic paper to be proposed to the General Directorate of State Crops, the Ministry of Agriculture.

The compatibility test was performed by the Indonesian Industrial and Beverage Crops Research Institute, Plantation Research and Development Center, Agriculture Research and Development Institute of the Ministry of Agriculture with coordination with CSP and its member representatives. The results of this activity were the report of compatibility test of five cocoa clones as rootstock and academic paper to be submitted to the government. Both of the documents had been delivered and reviewed by the Ministry of Agriculture.

02: Cocoa-Specific Fertilizer Working Group

The CSP Working Group for Cocoa-Specific Fertilizer will focus in issues on subsidized and non-subsidized cocoa fertilizer. Given we have the formulation ready and it is about quality management and roll-out in cocoa clusters, the objectives are:

1. Cocoa-specific fertilizer can increase smallholder farmer productivity.
2. The smallholder farmers have decent access to cocoa-specific fertilizer.
3. Both subsidized and non-subsidized cocoa-specific fertilizer can be widely distributed to other areas in Indonesia.
4. Coordination with CSP Access to Finance Working Group to ensure that relevant farmers are able to purchase non-subsidized cocoa-specific fertilizer.

03: Access to Finance Working Group

The CSP Working Group for Access to Finance will focus in issues on financial supports for smallholder cocoa farmers, especially micro-finance for plantation sector (KUR Khusus Kakao). It will also cover the learnings from the application of similar schemes in other commodities and countries. Furthermore, the members of group will be actively engaged into series of meetings and discussions regarding the applicable scheme and system of micro-finance programs which are recommended by the government and private sectors with these following objectives:

1. The smallholder cocoa farmers can access the micro-credits and other financial supports from banking institution.
2. The smallholder cocoa farmers can access KUR Khusus Kakao program from appointed national bank.
3. The smallholder cocoa farmers can utilize the micro-credits and other financial supports in purchasing agriculture inputs, such as non-subsidized cocoa-specific fertilizers, planting materials, and other inputs in cocoa farming.

04: European Union Policy Working Group

The CSP Working Group for European Union Policy for will focus on understanding and complying with new EU forest-related policy. Primary objectives are as follows:

1. Anticipate the impact of EU regulations in the cocoa sector.
2. Share knowledge and updates regarding compliance.
3. Coordinate with the EU Policy working group from the Ministry of Foreign Affairs and other national platforms regarding EU forest-related policy.

05: Landscape Approach Working Group

The CSP Working Group for Landscape Approach will focus on identifying successes, challenges, and opportunities related to multi-sector, multi-stakeholder, public-private collaborations in any given shared geographical area in regard to sustainable land use initiatives. Primary objectives are as follows:

1. Help stimulate the formation of cross-commodity collaborations toward locality-based sustainable land use.
2. Provide framework and resources toward regional government engagement regarding landscape initiatives.



APKASI
ASOSIASI PEMERINTAH KABUPATEN
SELURUH INDONESIA



LTKL LINGKAR TEMU
KABUPATEN
LESTARI



RAPAT UMUM ANGGOTA

LINGKAR TEMU KABUPATEN LESTARI





Milestone



Cocoa Lunch: Public-Private Coordination for the Subsidized Cocoa-Specific Fertilizer Uptake in 2023

In 2023 fiscal year, the national government had allocated 211.002 tons for Specific Formula NPK Fertilizer for cocoa plantation in all over Indonesia. The Ministry of Agriculture also had issued its decree regarding the details of allocation of this subsidized fertilizer for the upcoming year.

Specific Formula NPK Fertilizer was introduced by CSP to the government and specifically formulated for cocoa plantation in Indonesia. The initiative was introduced in 2020 and only cover two provinces in Indonesia. And after approximately 3 years application, the fertilizer has improved the cocoa productivity nationally. Based on CSP Data Dashboard, the cocoa productivity is increased from 0,77 to 0,82 kilograms of dry bean per tree in 2021. The data was collected by CSP members and its strategic partners annually in each location.

The Minister Deputy for Food and Agribusiness Coordination of the Coordinating Ministry for Economic Affairs, Musdhalifah Machmud, mentioned that Pupuk Indonesia Holding Company must committed to increase its production capacity to fulfill this fertilizer allocation. And Wahyu Wibowo, the Executive Director of CSP showed that the center of this fertilizer allocation for cocoa plantation should be in Sulawesi cocoa belt. Considering that more than 58% of the total allocation in 2023 would be distributed in these areas.

During the meeting, the participants who were the representatives of CSP members and its strategic partners, also discussed the availability and accessibility of qualified cocoa planting materials for the smallholder farmers. CSP will encourage its members and partners to advocate the amendment of national regulation on cocoa rootstock to be able to accommodate some local and half-sib clones as certified rootstock.



Subsidiary Allocation for Cocoa-Specific Fertilizer in 2023 Fiscal Year

After series of meetings, the Ministry of Agriculture approved and mandated the state-owned fertilizer companies to produce cocoa special fertilizer according to the CSP recommended formula. The Coordinating Ministry for Economic Affairs then extended the achievement by expressing their commitment to allocate state budget for fertilizer distribution subsidies. This achievement was the fruit of the dedication and hard work of CSP and its members. The PT. Pupuk Kalimantan Timur, member of PT. Pupuk Indonesia Holding Company, then produced the cocoa special fertilizer and the central government will allocate a budget for the subsidy scheme!

Resources provided by CSP members were used to assist and support several districts that have been designated as target areas. In South Sulawesi Province, there were four districts, i.e. Luwu, East Luwu, North Luwu, and Pinrang. In Central Sulawesi Province, the pilot districts for subsidized cocoa fertilizer were Poso and Parigi Moutong. During the implementation period, the total area of the community's cocoa farmers reached were approximately 30,000 hectares with the amount of fertilizer distributed around 17,000 metric tons and more than Rp. 84.66 billion of the government budgets allocated as a subsidy in the 2020 fiscal year.

In addition to full support and coordination with the relevant ministries, CSP advocates and is actively involved with the government in budgeting for the allocation of cocoa special fertilizer subsidies. And until 2022 fiscal year, the government still support the allocation of subsidized cocoa-specific fertilizer.

Fiscal Year	Area of Distribution	Amount of Allocation	Fertilizer Uptake	%
2020	South Sulawesi, Central Sulawesi	17.000	8.512	50,07%
2021	South Sulawesi, Central Sulawesi, West Sulawesi, Southeast Sulawesi	17.000	12.907	75,92%
2022	South Sulawesi, Central Sulawesi, West Sulawesi, Southeast Sulawesi	12.002	9.648	80,39%



From Half-sib Clones Research Results for Rootstock to Government Seed Regulation

As one of CSP Working Groups, the Planting Material Working Group is aimed to discuss and create solutions in related to cocoa planting materials issues. From August 2020 to the end of February 2021, researchers studied the compatibility of the rootstock progeny half-sib of cocoa superior clones with scions of 5 superior cocoa clones at the Pakuwon Agricultural Technology Assessment and Development Installation (Instalasi Pengkajian dan Pengembangan Teknologi Pertanian/IP2TP), the Indonesian Research Institute for Industrial and Freshener Crops (Balai Penelitian Tanaman Industri dan Penyegar/BALITTRI), Sukabumi, West Java. The research is conducted at an altitude of 450 meter above sea level, with Latosol soil (Schmidt & Ferguson). The tested half-sib clones are BL 50, MCC 01, MCC 02, ICCRI 08H, Sulawesi 1, Sulawesi 2, and ICCRI 06H.

The details of the research are as described in these following tables:

Average Seed Growing for Rootstock

Half-sib Progeny Clones	Average Amount of Seed	Average Amount of Growing Seed	Average Seed Growing (%)
BL 50	130	130	100,00
MCC 01	140	138	98,87
MCC 02	130	128	98,46
ICCRI 08H	150	148	98,67
Sulawesi 1	80	79	98,75
Sulawesi 2	95	94	98,95
ICCRI 06H	135	134	99,26

According to these observations, all progeny half-sib cocoa clones have a good growing rate ranging from 98,46% to 100%.

Performance of Half-Sib Progeny Rootstock Seeds 4 Months Old Cocoa Superior Clones

Half-sib Progeny Clones	Height (cm)	Number of Leaves	Length of Leaves (cm)	Width of Leaves (cm)	Diameter of Stem (cm)
BL-50	25,90 + 0,51	7,63 + 0,31	16,13 + 0,90	6,82 + 0,45	0,39 + 0,01
MCC 1	25,57 + 1,15	7,57 + 0,40	15,32 + 0,98	6,41 + 0,30	0,42 + 0,03
MCC 2	25,50 + 0,75	9,80 + 0,52	16,56 + 0,82	7,02 + 0,26	0,42 + 0,02
ICCRI 08H	27,72 + 0,88	9,57 + 0,76	15,69 + 0,25	6,61 + 0,26	0,41 + 0,01
Sulawesi 1	25,77 + 0,45	8,63 + 0,74	16,03 + 0,32	6,20 + 0,20	0,42 + 0,05
Sulawesi 2	27,38 + 0,83	9,20 + 0,35	15,31 + 0,57	6,93 + 0,42	0,44 + 0,05
ICCRI 06H	25,30 + 0,95	8,80 + 0,61	16,53 + 0,61	6,75 + 0,15	0,42 + 0,02

The observation results of 4 months old seeds on its growth and performance of the seeds to be used as rootstock show that none of the parameters observed, namely average plant height, number of leaves, leaf length, leaf width, and stem diameter, showed a real difference. The average plant height was 25.30 - 27.77 cm, the number of leaves was 7.57 - 9.80 cm, the leaf length was 15.31 - 16.56 cm, the leaf width was 6.20 - 7.02 cm, and the stem diameter was 0.39 - 0.44 cm.

Average Percentage of Success of Rootstock Grafting of 7 Progeny Half-Sib with Cocoa Superior Clones

Half-sib Progeny Rootstock	Success of Clone Grafting (%)					
	MCC 01	MCC 02	Sulawesi 1	Sulawesi 2	BL 50	Average
BL 50	95,00	81,67	73,33	76,67	80,00	81,33
MCC 01	90,00	85,00	81,67	80,00	61,67	79,67
MCC 02	85,00	80,00	81,67	78,33	78,33	80,67
ICCRI 08H	93,33	80,00	73,33	60,00	63,33	74,00
Sulawesi 1	73,33	75,00	81,67	80,00	86,67	79,33
Sulawesi 2	83,33	80,00	76,67	78,33	80,00	79,67
ICCRI 06H	98,33	81,67	65,00	76,67	70,00	78,33
Average	88,33	80,48	76,19	75,71	74,29	

Grafting success rates of 5 half-sib progeny of cocoa superior clones were not significantly different from those of the two ICCRI 06H and 08H hybrid types. The average success rate was successive: 81.33% for BL 50 progeny, 80.67% for MCC 2, 79.67% for MCC 1, 79.67% for Sul 2, and 79.33% for Sul 1. While the two hybrids that became the control had ICCRI 06 H of 78.33% and ICCRI 08 H of 74.00%, respectively.

CSP has produced two documents as result of this research as the Result of Rootstock Compatibility Study for Cocoa Seed Top Grafting, and the Academic Paper of Cocoa Clone for Rootstock. The documents as well have been reported to the Ministry of Agriculture to be further analyzed in accommodating the adjustment in the Decree of Minister of Agriculture No. 50/Permentan/KB.020/9/2015 of 2015 on the Production, Certification, Distribution, and Supervision of Plantation Seeds. The documents can be accessed through <https://csp.or.id/en/pages/knowledge-center>.



Initiate the Access to Finance for Smallholder Cocoa Farmers to Support Fertilizer Distribution

Access to Finance Working Group has initiated some discussion activities on the possibility to provide decent access for farmers to the micro-credit programs, both of government and private. The working group also has invited some private financing institutions to present their micro-credit programs to be analyzed further by CSP.

One of the private financing schemes is CROWDE, an Indonesian based P2P lending platform, who disburse financial supports to the farmers. In distributing the support, the company will assist and facilitate farmers in ensuring that the farmers apply the fertilizer and other agricultural inputs in their plantation. The financial support is in the form of non-cash scheme such as agricultural inputs.

CSP and CROWDE are looking the possibility to apply the financial support for farmers in Central Sulawesi, Indonesia, while still providing space for other financing schemes to be coordinated further.



Living Income Visibility and Equality for Cocoa Smallholder Farmers in Central Sulawesi

In order to strengthen the foundation for more effective interventions related to farmer livelihood, CSP had initiated a Living Income Visibility and Equality Study in partnership with Swisscontact, Rikolto Indonesia, GIZ Indonesia, PISAgro, Social Accountability International (SAI), and the Anker Research Institute (ARI).

The scoping activity to populate the samples in certain areas of Central Sulawesi Province. The selected areas were the large concentrations of cocoa production and smallholders are located. The activity also studied the roles of household members, such as wife or husband and children, in some cocoa on and off-farms activities, including the financial management, decision-making, and task sharing.

And in distributing the results and recommendations of the series of activities, CSP with the supports of GIZ Indonesia, Swisscontact, and Rikolto Indonesia, initiates the workshop of Living Income Visibility and Equality for Cocoa Smallholder Farmers in Central Sulawesi in April 05, 2023.

The EU Policy and Landscape Working Group also works together with the Indonesian Ministry of Foreign Affairs in ensuring that cocoa plantation is grown outside the protected areas to tackle the EU Due Diligence.

In implementing the initiatives, CSP is piloting the landscape approach in certain areas with common understanding (similar methodology and approach) of CSP members. Increasing the number of trial locations and the implementation of SALT and other land conservation methods require comprehensive and coordinated effort since the application will be somewhat expensive. CSP is also strengthening the role of local government to establish an enabling environment and new practices for land conservation.



Discussion on Cocoa Pod Borer in Indonesia

The cocoa farmers are still facing the cocoa pod borer problem. It is a common and main problem in most of the cocoa production areas. But, the research and integrated pest management activities in tackling this issue are limited yet, particularly for the approved pesticides from sustainability standard recommendation.

Therefore, the Integrated Pest Management Working Group is finding alternate solutions to be tried in the field, such as crop enhancement and other pesticides and attractants. Similarly, CSP also has initiated some studies and field visits in several areas to collect lesson learned and best practices in handling the cocoa pod borer and other pest issues in cocoa plantation.



Remarks from the Executive Director of Cocoa Sustainability Partnership

Cocoa, the key ingredient in one of the world's most beloved treats, chocolate, holds immense significance for millions of people around the globe. It is also a vital source of income for millions of farmers in developing countries, particularly in Indonesia. However, the sustainability of cocoa production is under threat, and it is through partnerships that we can preserve this precious commodity for future generations.

The cocoa smallholder farmers face numerous challenges that threaten the long-term viability of cocoa cultivation. Deforestation, climate change, poverty, child labor, and low productivity are just a few of the pressing issues that need urgent attention.

Therefore, in Cocoa Sustainability Partnership, the partnership in establishing the cocoa sustainability development brings together governments, private industries, civil society organizations, and cocoa farmers to address these challenges holistically. It is through this collaborative effort that we can foster sustainable practices, promote social and economic development, and ensure the long-term viability of cocoa production.

The partnership for cocoa sustainability is essential for securing the future of this beloved commodity. By uniting governments, private industries, civil society organizations, and farmers, we can address the challenges of deforestation, climate change, poverty, child labor, and low productivity. Through collective action and shared responsibility, we can create an Indonesian cocoa sector that is environmentally sound, socially inclusive, and economically viable.

Let us embrace this partnership, commit to sustainable practices, and ensure that future generations can continue to savor the joy and delight that chocolate brings, knowing that it was produced in a manner that respects our planet, supports cocoa farmers, and preserves this precious resource for years to come.

Thank you,

Wahyu Wibowo



CSP Data Dashboard and KPIs

The roadmap is an ambitious answer to a difficult context of declining national production, with many (of the more talented) farmers leaving the sector for other crops. CSP members recognize that the Indonesian cocoa sector can regain its vitality only by building a strong business case for the farmer. Otherwise, farmers will continue to switch to other crops. That business case is to be built on productivity foremost.

CSP members will work toward a thriving, sustainable Indonesian cocoa sector, to enable cocoa farmers with professional farmer package and enabling environment. It is also expected to continue increasing productivity and business profitability in cocoa sector beyond 2020.

Based on the Supervisory Board Meeting conducted on July 25th, 2018, at Aryaduta Hotel Jakarta, Supervisory Board Members decided that the agreed measurement of cocoa productivity is to use tree units, not per land area. Given that the tree populations per unit area are different. For example, in one hectare there could be less than 1,000 trees; or based on SCPP Dashboard average population is 579 trees per hectare; or vice versa as found in West Sumatra (for example) with a population of 1,400 plants within an area of one hectare. The CSP intervention target includes 200 million cocoa trees with a production of 2 kg of dried cocoa beans per tree by 2030. These consensuses also approved by General Assembly Members during the GA meeting conducted on August 8th, 2018 at Directorate General of Estate Crops meeting room, Ministry of Agriculture.

The 2020 Roadmap is focusing on two tracks, which consists of "Professional Farmer Package" and "Enabling Environment". Furthermore, the two tracks are defined by cross cutting building blocks: Agro-inputs, Planting Material, Knowledge Management, Access to Finance, Service Delivery, as well as Government Support and Member Outreach.

The activities of the 2020 Roadmap are translated into Key Performance Indicators (KPI) with the "Outcomes" are as follows:

- 20 million trees use appropriate fertilizer and minimum additional of 20 million trees year on year.
- 15 million clonal seedlings used by farmers per year.
- Increased productivity to 2 kg per tree.
- 20,000 farmers adopting Professional GAP and minimum additional of 20,000 farmers year on year.
- 10% of farmers fit with eligibility criteria to get loans and increase 10% year on year.
- 10% of the cocoa business loan (in total) is distributed for youth.
- Farm outlook for diversification covering 20% of cocoa farmer in 2019 and minimum additional of 20% year on year.
- All cocoa farms are defined by polygon and not located in the protected forest and conservation area (Deforestation-Free).

CSP baseline data will be established and monitored by adoption measurement and maintains database as an aggregated result.

CSP DATA DASHBOARD

and KPIs



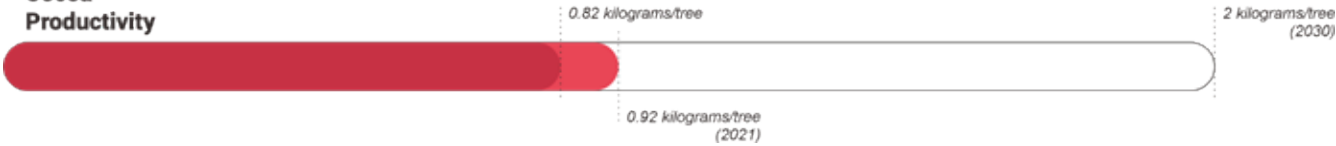
Appropriate Fertilizer Application



Clonal Seeding



Cocoa Productivity



Trained Farmer





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Financial

CSP is running the initiatives with the supports of its members and strategic partners, and as public-private partnership, or legal organization, CSP is audited by Indonesian-top 5 auditor company. The registered public accountants audited the accompanying financial statements of CSP of financial position as of December 31, 2022. The auditor also audited the related statements of activities and cash flows for the year then ended, and a summary of significant accountant policies.

The audit is conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. The responsibilities under those standards are further described in the Author's Responsibilities for the Audit of the Financial Statements paragraph of the report.

The RSM, as auditor, is independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and RSM has fulfilled the other ethical responsibilities in accordance with these requirements.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

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Registered Public Accountants

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Laporan Auditor Independen/ Independent Auditor's Report

Donor Cocoa Sustainability Partnership/ The Donor of Cocoa Sustainability Partnership

Opini

Kami telah mengaudit laporan keuangan Cocoa Sustainability Partnership ("Organisasi") terlampir, yang terdiri dari laporan posisi keuangan pada tanggal 31 Desember 2022, serta laporan aktivitas dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan.

Menurut opini kami, laporan keuangan Cocoa Sustainability Partnership terlampir tanggal 31 Desember 2022 dan untuk tahun yang berakhir pada tanggal tersebut, disajikan secara wajar, dalam semua hal yang material, sesuai dengan dasar akuntansi berbasis kas yang dimodifikasi yang dijelaskan dalam catatan terlampir.

Basis Opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami. Kami independen terhadap Organisasi berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opinion

We have audited the accompanying financial statements of Cocoa Sustainability Partnership, ("Organization") which comprise the statement of financial position as of December 31, 2022 and the related statements of activities and cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Cocoa Sustainability Partnership as of December 31, 2022 and for the year then ended, present fairly, in all material respects, in accordance with the basis of accounting described in the accompanying notes.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

Tanggung Jawab Manajemen dan Pihak yang Bertanggung Jawab atas Tata Kelola terhadap Laporan Keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan basis akuntansi berbasis kas yang dimodifikasi seperti yang dijelaskan dalam catatan terlampir, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Organisasi.

Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.
- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal Organisasi.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in accompanying notes, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.
- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Organisasi untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai, harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan tidak dapat mempertahankan kelangsungan usaha.
- Mengevaluasi penyajian, struktur, dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.
- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- *Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Maxson Hakim Wijaya

Nomor Izin Akuntan Publik: AP.1680/
Public Accountant License Number: AP.1680

Jakarta, 10 Mei 2023/May 10, 2023







Partnership

We want to acknowledge each and every member and strategic partner of Cocoa Sustainability Partnership who had worked together, hand-in-hand, to establish thriving sustainable cocoa sector in Indonesia. We believe that the coordination and communication with the stakeholders, through our collective actions and initiatives, we can lift the livelihood of smallholder cocoa farmers.

Advisory Board



Supervisory Board



General Assembly



Strategic Partner and Donor



Acknowledgment

The Coordinating Ministry for Economic Affairs
The Ministry of National Development Planning/National Development Planning Agency
The Ministry of Agriculture
The Ministry for Foreign Affairs
The Ministry of Environment and Forestry
The Ministry of Women Empowerment and Children Protection
The Ministry of Industry
The Ministry of Village, Development of Disadvantaged Regions, and Transmigration
The State Secretariat for Economic Affairs

The Government of Aceh Province
The Government of Bali Province
The Government of Central Java Province
The Government of Central Sulawesi Province
The Government of East Java Province
The Government of East Kalimantan Province
The Government of East Nusa Tenggara Province
The Government of Lampung Province
The Government of North Kalimantan Province
The Government of North Sumatera Province
The Government of South Sulawesi Province
The Government of Southeast Sulawesi Province
The Government of West Kalimantan Province
The Government of Papua Province
The Government of West Papua Province
The Government of West Sulawesi Province
The Government of West Sumatera Province
The Government of Yogyakarta Province

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Pusat Penelitian Kopi dan Kakao Indonesia

Cocoa Association of Asia
European Cocoa Association
Indonesian Cocoa Association
Indonesian Cocoa Board

Himpunan Bank Negara (HIMBARA)
Bank Rakyat Indonesia
Bank Negara Indonesia
Bank Mandiri
Bank BPD Sulselbar
Bank Sinar Mas
CROWDE

Barry Callebaut
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JB Cocoa
Mars Incorporated
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Pupuk Indonesia Holding Company
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Forum Kakao Kolaka
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World Cocoa Foundation
Yayasan Inisiatif Dagang Hijau
Yayasan Kalimajari





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