



**Beyond
Chocolate**



Beyond Chocolate

Partnership for sustainable
Belgian Chocolate



Belgium
partner in development



BEYOND CHOCOLATE

Partnership for a more sustainable Belgian chocolate industry

BACKGROUND

The excellent reputation enjoyed by Belgian chocolate inside and outside our borders is well established. The quality of Belgian chocolate bars, assorted filled chocolates (known as pralines in Belgium), and other chocolate products is down to the selection of ingredients, the chocolate manufacturing process and the chocolatiers' recipes. The Belgian chocolate industry is one of the world's largest importers of cocoa beans. The main regions for sourcing cocoa beans for Belgian chocolate are Africa, Latin America and Asia. The Belgian chocolate industry relies on approximately 275,000 smallholder cocoa growers for its annual chocolate production.¹

The "Beyond Chocolate" partnership is the first key outcome of the Belgian SDG Charter for International Development², which has been signed by more than 100 companies, civil society organisations and public sector representatives. The Charter signatories have expressed a commitment to integrate the Sustainable Development Goals in full in their main business activity and participate actively in multi-stakeholder partnerships.

In the spirit of the SDG Charter, companies in the Belgian chocolate and retail sectors intend to collaborate with civil society organisations and the authorities to take joint action. In this context, Belgium's development policy supports cooperation with companies in these sectors through financial and other measures to further improve the sustainability of the cocoa industry. Belgian universities and other Belgian knowledge institutions, as well as governmental and nongovernmental development organisations, and trade unions are supporting this ambitious goal and are encouraged to contribute according to their respective mandates and fields of action.

Collaborative action and the sharing of responsibility across the public and private sectors will improve the impact and monitoring of the partnership's joint effort, fostering synergies that go beyond the sum of individual contributions.

1. 500,000 metric tonnes of Belgian products made from couverture chocolate (including white chocolate) were produced in 2017. 0.83 kg beans are required to produce 1 kg of chocolate. In West Africa - the main cocoa sourcing region where a cocoa farmer produces on average 1.5 MT of cocoa beans per year - approximately 275,000 farming households are involved in the Belgian industry's annual production of chocolate. The scope of the "Beyond Chocolate" partnership goes beyond the "Belgian chocolate" name as used in individual pledges, as its impacts may extend to a larger group of producers.

2. The SDGs are the United Nations Sustainable Development Goals.

VISION

Despite the action of national and international organisations, NGOs, trade unions, knowledge centres, governments and companies in cocoa-growing regions, major challenges remain to be addressed to improve sustainability.

In accordance with Sustainable Development Goals (SDGs) and the United Nations' guiding principles on human rights for businesses, greater attention and commitment are necessary in the production and sale of cocoa beans in Africa, Latin America and some parts of Asia to:

- improve income and working conditions for cocoa farmers (women and men), with a particular emphasis on gender issues;
- extend schooling and eliminate child labour;
- make lasting crop improvements in the face of climate change;
- maintain biodiversity, halt deforestation and promote reforestation wherever possible.

In accordance with the final declaration of the 2018 World Cocoa Conference in Berlin, the partnership signatories acknowledge that the cocoa industry cannot be sustainable if each entity in the value chain cannot earn at least a living income. The need to reduce greenhouse gas emissions and to adapt to the current and future impacts of climate change should also be factored in. With the collaboration of all value chain stakeholders, governments and other organisations in the countries concerned, the right conditions can be created to fulfil the sector's social and economic potential in ways that are inclusive and environmentally friendly.

PURPOSE AND GEOGRAPHICAL SCOPE

The key purpose of “Beyond Chocolate” is to make long-lasting improvements to the living conditions of cocoa farmers and their families in the cocoa-growing regions that are important for the Belgian industry. The partnership intends to support men and women cocoa growers to support themselves, help their children to go to school, and promote the sustainable use of natural resources.

The partnership undertakes to contribute substantially to the achievement of the UN Sustainable Development Goals, in particular:³



The involvement of Belgian companies, the public sector and civil society organisations will focus on several significant cocoa growing areas,⁴ where cocoa producers and their families need to have better access to knowledge and training, resources for growing more intensive yet sustainable crops, ICT services and the credit required to improve the net incomes of their farming businesses.

COMMITMENTS

The cocoa-processing industry, chocolatiers, retailers and other companies active in the Belgian chocolate sector will substantially intensify their investments in the coming years, which is expected to lead to lasting improvements in the living standards and incomes of smallholder cocoa farmers and their families. The sustainable processing of cocoa beans needs to revert to being an attractive business to be in for cocoa growers, and one which does not destroy tropical forests or other natural resources. Ensuring the meaningful participation of local communities in this process is key to its success.

Belgian chocolate consumers in Belgium and abroad need to be certain that, just like other quality criteria, the sustainability of Belgian chocolate is guaranteed as much as possible.

The “Beyond Chocolate” partnership’s commitments are as follows.

- a) By 2025 at the latest, 1) all the chocolate produced and/or sold in Belgium shall comply with a relevant certification standard⁵ and/or shall be manufactured from cocoa-based products covered by a corporate sustainability scheme⁶ and 2) “Beyond Chocolate” partners shall comply with applicable agreements between governments and companies in the regions included in the Cocoa & Forests Initiative;⁷
- b) The partners jointly undertake to ensure that by 2030 at the latest, 1) cocoa growers will earn at least a living income, and 2) deforestation due to cocoa growing for the Belgian chocolate sector has ended. By 5 December 2019, the partners shall have agreed on measurable indicators for achieving their shared purpose to provide a decent income⁸ and end deforestation, and on criteria for selecting geographical areas.

The partnership forms the basis of a sustainability programme that maximises synergies and complementarity with ongoing stakeholder initiatives in cocoa-growing areas, thanks to its long-term vision and purpose.

3. Practical SDG objectives will be determined during the partnership development phase.

4. The geographical concentration of Belgian investments will be based, during the programme’s inception phase in 2019 on several criteria including (a) the importance of source areas for Belgian chocolate; (b) the partnership between the governments of Belgium and the countries concerned with a focus on opportunities for future diversification; (c) the potential added value that may be achieved through the involvement of Belgian partners alongside ongoing sustainability initiatives.

5. Current certification standards are Fairtrade, Rainforest Alliance/Utz and/or Organic/EKO certification.

6. Namely, Cocoa Horizons for Barry Callebaut, Cacao-Trace for Puratos Belcolade, Cocoa Promise for Cargill and Cocoa Life for Mondelez. The partnership may also assess and include other corporate sustainability initiatives such as the Cocoa for Schools programme for example.

7. For more information, see <https://www.idhsustainabletrade.com/initiative/cocoa-and-forests/>.

8. A living income is an income enabling a medium-sized family in a given economy to cover their basic needs, according to the International Labour Organisation definition.

PRACTICAL IMPLEMENTATION

The partners in the private and public sectors will contribute according to their responsibility levels and capabilities. A reliable, independent organisation will be appointed to coordinate investments, independently monitor progress, measure traceable impacts and communicate transparently on the partners' mobilisation and results. A report will be submitted to the steering committee, which will be composed of representatives from the public and private sectors and civil society organisations. Progress reports will be published as agreed with the partners. Multi-stakeholder consultations on implementation issues and challenges will continue up until 2030.

With regard to implementing partnership activities, the main points are as follows:

- > **Work with what exists already:** work should be based on ongoing sustainability initiatives and programmes, including sustainability standards (Fairtrade, Utz / Rainforest Alliance, to be supplemented if necessary with EKO certification) and corporate sustainability programmes and their measuring tools;
- > **Supplement the work being done:** such initiatives and programmes will be strengthened, improved and/or supplemented wherever necessary to help achieve the partnership objectives and foster open communication;
- > **Identification:** the intention is not to create new sustainability seals or logos. Sustainability is embedded in the concept of Belgian chocolate;
- > **Belgian:** all companies using the "Belgian chocolate" mark contribute to increasing sales of sustainable cocoa and chocolate;
- > **Transparency:** impacts in terms of sustainability will be measured by an independent third party at a reasonable cost and will be communicated openly, especially with regard to consequences for cocoa growers and their families. Raising awareness about sustainability and the improvements implemented in the cocoa value chain are an integral part of the partnership's communication strategy;
- > **Progress:** the signatories undertake to make notable progress each year through innovation in order to achieve their goals.

INDEPENDENT MONITORING

A transparent report on actions will be prepared and impacts will be measured cost-effectively using 2019 as a baseline. Indicators will measure, as a minimum, the partnership outcomes in terms of net farmer income increases, reduced forest encroachment in cocoa-growing areas, and more children and young people attending school. The data used for the indicators will be either derived from the measuring systems of ongoing initiatives or obtained from additional sources.

The “Beyond Chocolate” initiative is also open to new partners who wish to join and contribute in a meaningful way. The following partners have made a number of individual commitments, as shown below:

> **Choprabisco** agrees that by the end of 2025, all of Belgian chocolate⁹ will comply with a relevant certification standard and/or will be manufactured from cocoa products included in a corporate sustainability programme. At industry level, sustainable sourcing by companies is expected to increase substantially between 2019 and 2025 at the latest, to approximately 35 million euros if all cocoa-based raw materials are sustainable. Choprabisco recognises that several companies within their networks and beyond have implemented sustainability initiatives and encourages their efforts.

> The signatory **supermarket chains** undertake to ensure that by 2020, all their own-brand chocolate-based products are made from certified chocolate. Colruyt Group, Delhaize and Aldi have expressed the wish that by 2030, all farmers selling cocoa beans intended for the production of their own-brand chocolate products make a living income. Carrefour Belgium and Lidl Belgium have expressed the wish that, by 2030, farmers selling cocoa beans intended for their own-brand chocolate products produced and sold in Belgium make a living income.

> **The Minister for Cooperation, Development, the Digital Agenda, Telecommunications and Postal Services, Alexander De Croo, the Minister for Foreign and European Affairs, Didier Reynders and the Minister for Energy, the Environment and Sustainable Development, Marie-Christine Marghem** encourage the European Commission to create a “level playing field” by means of an ambitious European action plan for a sustainable cocoa industry, which protects human rights and tackles deforestation and forest degradation. The three ministers have expressed the wish for a European action plan to be implemented under the mandate of the current President of the European Commission. The action plan should include “due diligence” procedures for the cocoa sector, which seek to identify and reduce the risk of deforestation and human rights violations throughout the value chain, as well as strategic options such as legislative

proposals. The time has come to adopt legislation, particularly in the cocoa sector, which addresses the causes of human rights violations, deforestation and any links between the two. Close, regular consultation is essential in this context. As part of the SDG Charter, the signatory ministers will launch a study on the impacts of agricultural commodity production and consumption on global deforestation.

Beyond policy intentions, the Belgian government will contribute to the partnership in the following ways:

> As part of the **Belgian development policy**, one million euros is expected to be disbursed each year for five consecutive years (2019-2023) as a maximum co-financing amount to provide funding for innovative projects that add value and/or reinforce existing sustainability initiatives;

> **BIO Invest NV**, the Belgian government’s investment company supporting a strong private sector in emerging and developing countries, plans to develop its investments in the cocoa sector by supporting companies who wish to comply with at least one relevant certification standard and ensure that cocoa farmers earn a living income;

> **Enabel** has made a commitment through the Trade for Development Centre (TDC) to support between 10 and 15 micro, small and medium businesses and cocoa farmer organisations in Côte d’Ivoire and Ghana, by providing marketing assistance and business management coaching, with a focus on fair and/or sustainable trade. The TDC will report to the wider public on the “Beyond Chocolate” partnership’s progress and the results of its own efforts to support cocoa farmer organisations.

⁹ “Belgian chocolate” is chocolate processed entirely in Belgium from cocoa beans or from cocoa paste, cocoa butter and cocoa powder (including mixing, refining and conching). It is then sold and/or used as Belgian couverture chocolate to produce chocolate bars, assorted filled chocolates (pralines) or other finished products.

> **Rainforest Alliance / UTZ** intends to keep up its work on certification in accordance with sustainability standards in the cocoa sector and will continue to promote a sustainable cocoa sector. It intends to bring further innovations to its current schemes and standards, especially with regard to the requirements for a living income and will report on their effectiveness. Rainforest Alliance / UTZ plans to develop and publish standardised benchmarks for a living income in several cocoa-growing areas. Rainforest Alliance / UTZ also intends to support data collection and/or verification to ensure that annually monitored progress of commitments is being communicated to signatories and the general public.

> **Fairtrade Belgium**, as part of the “Beyond Chocolate” programme intends to (a) keep improving its standards so that Belgian stakeholders who choose certification with the Fairtrade scheme as a component of their commitment have an increasing impact on farmer incomes and increasingly bridge the gap between actual incomes and a living income; (b) openly and proactively share its expertise and measurements for sustainable cocoa to ensure that the part of the commitment which concerns farmer incomes can be successfully achieved; (c) take an active part in partnerships to ensure that the ambition of a decent living for cocoa producers can be achieved sooner.

> **BioForum Vlaanderen** has undertaken to support companies who wish to become members of an organic seal programme and to disseminate organic specifications widely. It plans to inform certified organic companies about equitable sourcing requirements and intends to encourage them to implement them. Fairness is one of the principles of organic production, but it has not been included in European organic standards. In collaboration with several Walloon organisations, BioForum has developed private specifications which require cocoa supplies to be compliant with additional specifications such as those developed by Fairtrade, UTZ, or organic or Fairtrade initiatives in other countries.

> **ISEAL** intends to support the “Beyond Chocolate” partnership as an organisation for all credible sustainability standards promoting the effective uptake, application and monitoring of social and environmental sustainability standards and the development of a standard on a living income, reducing deforestation and human rights protection, through studies, capacity development, learning and innovation.

> The signatory **Belgian universities** plan to support, as part of the “Beyond Chocolate” partnership, wider dissemination throughout the cocoa sector of the useful results of their government-funded research in cocoa-growing areas, in compliance with legislation on intellectual property. They are also establishing partnerships with Belgian stakeholders in the cocoa sector to initiate research projects on innovation and the validation and impacts of actions to ensure that cocoa supply chains are sustainable.

> **Trias** has made a commitment to improve the quality of cocoa grown or processed in several cocoa cooperatives as part of a partnership with private companies, knowledge institutions and certification bodies in concerned countries. Trias will strive to increase the performance and professionalism of such bodies, by paying particular attention to gender equality, young people and the environment.

> **Oxfam-Magasins du monde Belgium** intends to contribute in a spirit of constructive criticism to the dialogue instigated by the partnership and to develop practical criteria and indicators. Oxfam-Magasins du Monde Belgium is sharing its own experiences and expertise, earned through its pilot projects on a living income and on deforestation in particular, and plans to grant access to its knowledge and experience for the benefit of the global network of organisations to which it belongs.

> **Rikolto** fosters a more sustainable and resilient cocoa sector by empowering young men and women farmers, strengthening agricultural organisations, working on a living income for growers and promoting sustainable farming practices. Rikolto will leverage its knowledge, networks and experience to develop and implement pilot projects in the cocoa sector in collaboration with partners in the value chain.

> **WWF-Belgium** plans to advise the partnership on producing cocoa sustainably in a way that conserves forests and protects human rights. WWF Belgium will seek, as part of the partnership, to cooperate with governments and industry leaders to achieve objectives with regard to reducing forest loss.

> **ACV Voeding en Diensten, ABVV Horval and ACLVB** will help implement and monitor the partnership's actions by taking an active part in partnership meetings. They plan to train and educate their representatives in chocolate companies on these issues and the partnership. Their members will be encouraged to bring up sustainability commitments during workplace consultations on a local, national, European and international level, namely through the "human resource due diligence" approach. This is expected to enable their representatives to participate in implementing and monitoring partnership actions. ACV Voeding en Diensten, ABVV Horval and ACLVB plan to raise awareness of the partnership as a best practice example within the European and global organisations to which they belong and thus make other national organisations aware of its existence, which is expected to foster engagement with the partnership.

> **Mars Belgium** supports the partnership and participates in the achievement of its objectives by collaborating with partners and value chains in pre-competitive areas. On a practical level, Mars plans to contribute by focusing on two aspects: (a) sourcing cocoa that is 100% sustainable and traceable by 2025; and (b) significantly increasing the income and living standards of an initial group of 75,000 cocoa farmers by sustainably improving the yields, income and resilience of cocoa farming systems.

> **Mondelez Belgium** supports the partnership through its sustainable cocoa-sourcing programme Cocoa Life, which focuses on delivering positive lasting change for cocoa-growing communities in six countries. By collaborating with cocoa farmers, the partners and governments, Mondelez is contributing to a better future for cocoa by promoting sustainable farming practices to grow crop yields and incomes, eliminate child labour, empower women and develop work opportunities for future generations in the cocoa industry.

> **Tony's Chocolonely** is sharing its living income model so that everybody can use and improve it. Since 2013, Tony's Chocolonely has been buying its cocoa at a higher price to enable cocoa farmers to make a living income. Based on the five cooperation principles of its open platform, Tony's Chocolonely intends to accelerate, with other signatories, the establishment of a living income for cocoa farmers.

> **Zoto** as a chocolate "bean-to-bar" producer intends to pursue its commitment to protect special local cocoa varieties. Zoto pays a premium to the producers of these cocoa varieties and offers them long-term prospects as special cocoa bean suppliers. By training and supporting them to improve bean growing, fermentation and drying, the quality and value of their produce are expected to increase.

> **Alterfin** is a social impact investor, and as such, is committed to delivering a living income and better living standards for smallholder cocoa farmers. Alterfin intends to allocate five million euros each year in credit for cocoa growers and their organisations to be used as working capital and/or capital investment. To increase the impacts of such loans, Alterfin cooperates with donors and partners in the value chain to build the capacity of smallholder cocoa farmers and their organisations.

> **Incofin Investment Management** is investing three million dollars in total through the "Fairtrade Access Fund" in several Fairtrade-certified cocoa farmer organisations. Incofin plans to maintain and if possible, increase its investment relationships with farmer organisations.

> **Kampani** provides social investment capital that is expected to directly contribute to making cocoa production more sustainable, by emphasising the vertical integration of a producer-oriented value chain. In so doing, Kampani plans to focus on cooperation with cosignatories.

> **Oikocredit Belgium** has been providing finance for many years to several certified sustainable cocoa farmers in Africa and South America and intends to expand its activities in this area. Moreover, in 2019, Oikocredit plans to organise an international conference in Belgium on the issues facing certified sustainable cocoa in collaboration with several industry stakeholders. Oikocredit thus intends to provide additional support to the "Beyond Chocolate" initiative.