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Newsletter | 01

Arjen Boekhold becomes the new chair of the DISCO Steering Committee

The DISCO Steering Committee has found in the person of Arjen Boekhold a new chair who started in his new role last month. Arjen will in his role be responsible for convening and chairing the Steering Committee meetings, and representing the Steering Committee to the secretariat, DISCO partners and other stakeholders in the national and international cocoa sector.

Arjen has over 17 years' experience in developing sustainability strategies with supply chain partners and game changing transformations in (tropical) supply chains, especially within the cocoa sector. Arjen works as an independent consultant under the name Game Changer Unltd. (www.gamechanger.eu) where he inspires and assists parties in creating solutions for social, ethical and environmental issues.



Introducing words from Arjen to the Partnership

"After working with, or within, each of the subsectors in the cocoa and chocolate-industry, it feels like a great opportunity to cooperate now with the collective Dutch sector to translate a shared vision for change into concrete action for impact."

As time is ticking to reach the common goals of DISCO successfully, no-one should wait for others to take the first next step. And, as Robert Kennedy once said wisely: "...if our times are difficult and perplexing, so are they challenging and filled with opportunity."

I'm looking forward to grab these opportunities together with you in the coming period!"

The role of chair was vacant since Martine Olijslager left Nestlé and therefore also her role as a chair in the Steering Committee. Arjen joins the Steering Committee as an external chair since he is not working for one of the signatories within DISCO. In June, Arjen will start contacting all signatories for a further (re-)introduction.

DISCO welcomes three new signatories to the partnership

Since the launch of DISCO in September 2020, some new potential partners have indicated their interest to join the DISCO partnership. The Steering Committee discussed during their last meeting on 22 April the application of potential partners to the partnership and agreed to welcome Agriterra, Fairfood and Olam Cocoa as new DISCO signatories.

Agriterra is a Dutch agri-agency with the objective to strengthen agricultural cooperatives in developing countries as the engine of rural economic growth. **Fairfood** is a Dutch foundation specialized in digital solutions (e.g. Trace, ALIGN) to enable businesses to improve their responsible business practices towards a sustainable food system, focused around traceability and living income/wage. **Olam Cocoa** is an international cocoa trading and processing company based in The Netherlands which is among the world top 3 cocoa trading companies.

Potential new signatories that are interested to join the partnership can reach out to the secretariat (IDH) to indicate their interest. After an introduction to the secretariat, the Steering Committee will assess the application of new signatories on the following criteria:

1. The organization sees DISCO as an initiative that supports them in achieving sustainability goals;
2. The organization has direct participation in the Dutch cocoa sector and/or a market share in the Netherlands;
3. The organization is formally registered and has its own annual figures;
4. The organization is an added value to the partnership.

Roadmaps developed by Working Groups on DISCO ambitions

Over the past six months three working groups with representatives of different DISCO signatories have developed initial roadmaps on how to live up to the sustainability commitments in DISCO on living income, deforestation and forest degradation and child labour.

These roadmaps include a guidance on a recommended (range of) actions, how to implement these actions, a set of indicators for monitoring and reporting by all DISCO partners, and recommendations on the next level of details to be added to the roadmaps. The roadmaps are 'work in progress' and additional guidelines and specifications will be added in the future.

After the draft versions of the roadmaps were discussed by the Steering Committee in April, IDH organized feedback rounds with each subsector to discuss the summary and highlights from the roadmaps and identify how each subsector sees its role in implementing the roadmaps. The feedback gathered during these feedback rounds will be reported back to the Steering Committee who will then further discuss the next steps to take in DISCO, based on the roadmaps and feedback rounds.

Roadmap on living income

The roadmap developed by the Working Group on living income includes guidance on how to understand income gaps of farming households in the supply chain using basic calculations, while moving towards more precise understanding of income gaps, and scaling precise calculations systematically throughout the supply chain.

It also provides guidance to develop living income strategies by identifying how each income driver is being influenced and can be improved, while moving towards more "smart mix" of interventions, and scaling "smart mix" of interventions systematically throughout the supply chain.

Roadmap on child labour

The Working Group child labour developed a roadmap that provides guidance how to determine the current deployment level of child labour prevention, monitoring and remediation systems in the supply chains, linked with the defined minimum requirements of the systems based on a study conducted by the ICI.

It also provides a guidance how to develop and implement strategies to roll out child labour prevention, monitoring and remediation systems in the supply chains and how to link this with the OECD Due Diligence Guidance for Responsible Business.

Finally, it describes how DISCO signatories can engage with national and local governments and civil society in the sourcing/production countries on joint efforts to strengthen the institutional environment and empower local communities aimed at preventing and eradicating child labour.

Roadmap on deforestation and forest degradation

The Working Group on deforestation and forest degradation developed a roadmap that includes guidance on how companies can carry out due diligence assessments in line with the OECD Guidelines for Multinational Enterprises on the cocoa entering their supply chain.

It also explains how companies can underwrite, support and promote, national initiatives in cocoa producing countries aiming to end cocoa-related deforestation (e.g. Cocoa & Forests Initiative in Côte d'Ivoire and Ghana).

Next, it describes the commitment on increased traceability in direct and indirect supply chains and how additional recommendations will be developed through an ISCO Working Group.

Additionally, it describes the next steps to be taken to define collaborative responsibilities on implementation and financing mechanisms in protecting forests and restoring natural forests degraded by cocoa production.

At last, it describes the first steps how DISCO signatories can identify, map, monitor and protect remaining forest remnants and implement restoration plans, while promoting agroforestry, through a collaborative and participatory approach.

Latest developments in Europe: first outputs by ISCO Working Group on traceability and recap of EU Cocoa Talks

Over the past few years, national initiatives for sustainable cocoa (ISCO's) have taken shape in Belgium (Beyond Chocolate), the Netherlands (DISCO), Germany (GISCO) and Switzerland (SWISSCO). The four ISCO's aim to realize a more sustainable cocoa sector, especially on four common challenges:

- Contribute to a living income for cocoa farmers and their families
- Halt cocoa-related deforestation and promote sustainable reforestation and biodiversity
- End child labour and forced labour in the cocoa value chain
- Enhance the transparency in the cocoa value chain

Creating alignment across these initiatives is crucial and therefore the four ISCO's have signed a Memorandum of Understanding (MoU), reflecting their collaboration. One of the latest developments of their collaboration is explained below and more detailed and complete overview about the joint work of the ISCO's [can be found in this document](#).

Technical brief on traceability developed and learning event scheduled on 24 June

One of the joint initiatives between the ISCOs was the development of a joint Working Group on Traceability earlier this year. This Working Group is comprised of members and signatories of the four ISCO's. The aim of this working group is to support the signatories/members of the different ISCOs in reaching traceability and transparency of origin and sustainability characteristics for all cocoa sourced.

The group provided in the first working group meeting feedback on a draft technical brief developed by consultancy C-lever.org that was commissioned by GISCO, IDH and Partnership for Forests. This technical brief aims to clarify the definitions of traceability in the cocoa sector, provide an overview of, and insight into existing traceability systems, and provide recommendations on how to improve traceability and transparency in the cocoa sector. The traceability brief was published in April and [can be found online](#).

Additionally, the Working Group also provided input to an online learning event on traceability in the cocoa sector that will be held by the four national platforms for sustainable cocoa in Europe on Thursday, June 24th, 2021. This will take place from 2 pm to 4 pm. An official invitation with a program and a dial-in link will be shared on time before the event. Those that are interested to participate can already [register for this event](#).

EU Cocoa Talks

On the 22 September 2020, the European Commission launched with EU stakeholders an inclusive dialogue on sustainable cocoa production in Côte d'Ivoire and Ghana. The dialogue brings together key EU stakeholders, including representatives of Member States, the European Parliament, industry and civil society organizations. The Ambassadors of the Republic of Côte d'Ivoire and Ghana to the EU took part in the launch event with a supporting message from authorities of the respective countries.

Since the beginning of this year, various webinars were organized by the European commission as a multi-stakeholder dialogue aiming to foster progress in the elimination of child labor and child trafficking in cocoa supply chains, enhancing the protection and restorations of forests in cocoa-producing regions, and ensuring a living income for cocoa farmers. The webinars covered the following themes:

1. **Living Income Differential:** International/farm gate prices for cocoa and farmer's incomes;
2. **Standards:** The role of public/private standards and certifications;
3. **Regulations:** Due diligence, government regulations and other measures in governing cocoa supply chains;
4. **Traceability, Transparency and Accountability:** Implementation mechanisms to identify, prevent and mitigate negative human rights and environmental externalities along the cocoa supply chain;

5. **Sustainable Cocoa Production Systems:** Empowering farmers and private actors to produce sustainable cocoa through capacity-building, investment and an improved enabling environment; and
6. **Coordination of Technical Assistance and Development Finance:** Defining investment needs and coordinating delivery of technical assistance and development finance.

A next meeting is scheduled on Tuesday 29 June 2021 (10:00 – 13:30 CET) on whether consumers are willing to pay additional price for cocoa products which are sustainable and on what is the observed price elasticity of the dark and milk chocolate tablets in key European markets.

The summary reports and presentations of all webinars can be found on [the website of the European Commission](#).

Upcoming DISCO meetings and events

Until the end of the year, the following meetings and events within DISCO are scheduled. Additional meetings will be planned and therefore this overview will be updated within each newsletter.

17 June	Steering Committee meeting – Next steps forward in DISCO, based on outputs Working Groups and feedback rounds subsectors
August / September (TBD)	Steering Committee meeting – Agenda TBD
October (TBD)	Steering Committee meeting – Agenda TBD
November (TBD)	Annual General Meeting – Agenda TBD



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