

MARCH 2022

Newsletter | 04

A Word from the DISCO Steering Committee

In each DISCO newsletter, a Steering Committee member will share some words with the partnership. In this newsletter, the word is given to Wieneke Vullings from the Dutch Ministry of Foreign Affairs. The representative of the sub sector government:

“Never a dull moment in the cocoa sector! It amazes me how fast the developments are following each other, but with ambitions it is important to keep up, even though this is challenging.

Since I started as the head of the sustainable production and trade unit at the Ministry of Foreign Affairs, I have the honor to be working with the cocoa sector. As the world’s biggest importer of cocoa beans, the Netherlands can and should play a leading role in transforming the cocoa sector towards sustainable production and trade. And there has been strong political support for this. The government’s goal is to contribute to sustainable cocoa production and trade worldwide. This means good working conditions and production practices that prevent damage to the environment. The focus is on living income for farmers and other actors in the cocoa chain, on eradicating child labour, and on combating deforestation. It is an opportunity to use the strong Dutch position in the cocoa value chain as leverage. That’s why we as a government applaud that the sector took the initiative to set up DISCO, and we are glad to be signatory to the ambitious DISCO goals.



In the meantime, our government has changed. However, our ambitions considering the cocoa sector have not changed, perhaps have become even more ambitious. With the current developments within the EU, moving towards general corporate sustainability due diligence legislation and a deforestation directive, we see momentum. Also in production countries in West-Africa we see momentum. However, with only legislation we will not reach our goals. We need accompanying support to make sure all actors in the value chain will be included in a more sustainable system. And therefore we need to work collectively, with all stakeholder on board. In order to make most use of the current momentum, it has become time to translate our roadmaps into action.

From the government perspective we are working hard to make sure this collective action is in line with the other European consumption countries and their platforms, with the European Commission and its legislative as well as accompanying plans, and most important, with the local authorities and stakeholders in West-Africa. DISCO is not broadly known yet in the production countries, we need to work on this, because without the collaboration of local stakeholders, our goals will not be achieved.

We are more than happy to coordinate; the Dutch Diamond approach is in our DNA. However, we are not the sole party in this partnership. All parties have agreed on the objectives, so the discussion is not about the ‘what’ or ‘why’, but more about the ‘how’ and ‘who’. From all sides I see tremendous commitment and hard work, it is not a matter of lacking ambition, it is a matter of trust and alignment. I am therefore looking forward to work on strengthening the strategic relationship with, and between all DISCO members, so that all actors can be on top of the current developments and help transform the sector for the good.”

As a reminder, the Steering Committee is comprised of the following members:

- Arjen Boekhold – Independent chair
- Eric Nederhand – Olam Food Ingredients (representative ‘traders/processors’)
- Roel Govers – Mars (representative ‘manufacturers/brands’)
- Laura Jungmann – Albert Heijn (representative ‘retailers’)
- Wieneke Vullings – Dutch Ministry of Foreign Affairs (representative ‘government’)
- Susanne Boetekees – Fairtrade Nederland (representative ‘certification organizations’)
- Boukje Theeuwes – Solidaridad (representative ‘civil society’)

The subsector ‘service providers & knowledge institutes’ is represented by Susanne Boetekees and Boukje Theeuwes.

Finalization of DISCO Monitoring Framework

Following the development of the Roadmaps on living income, deforestation and forest degradation, and child labour, the [DISCO Monitoring Framework](#) is finalized after being validated in the latest Steering Committee meeting. The DISCO Monitoring Framework forms the basis of the annual monitoring round. It will provide the DISCO partnership with an overview on progress towards interim check points and end targets as agreed in the DISCO declaration on the main impact areas. Gaps that should be addressed in the upcoming short- and long-term period can also be identified through the Monitoring Framework.

All DISCO signatories are expected to report in May 2022 on a set of indicators that is defined in the DISCO Monitoring Framework. As the DISCO baseline reporting was postponed, signatories will report in this monitoring round on both 2020 and 2021 data. This reporting round will be done in collaboration with other National Initiatives on Sustainable Cocoa in Europe (ISCOs) Beyond Chocolate and the German Initiative on Sustainable Cocoa (GISCO) by using the same reporting tool at the same time with a strong harmonization of indicators and questionnaires.

On 28 April 13.00 – 17.00, a launch event will be organized by the three initiatives to give demos on the use of the reporting tool per subsector and clarify possible questions on indicators and definitions. Furthermore, in the month of May, each secretariat will organize individual coaching sessions to help you with specific questions or issues. You will receive a link registering for these coaching sessions on 28 April.

Summary of action plans developed by DISCO signatories

At the end of last year, all DISCO signatories were requested to submit their individual action plans in which they indicate how they are going to contribute to the DISCO ambitions. During the General Assembly and in the last newsletter, a high-level overview of the action plans was shared. To be able to gather more insights in these action plans, a more detailed summary report is attached to this newsletter. This summary report provides an observation by the Secretariat, an overview of the key challenges and needs that are identified across all action plans, a summary per subsector and the individual action plans attached from the signatories that approved publication of their individual action plan.

Call for candidates Working Groups

ISCO Working Group Living Income

Following the earlier established [joint ISCO Working Groups](#) on Traceability/Transparency, Forests & Agroforestry, Child Labour, and Monitoring & Evaluation, a Working Group on Living Income in collaboration with the other ISCOs will start in April 2022. This Working Group aims to guide members and signatories to move from commitment to action by fostering a common understanding of effective solutions towards living income through peer learning around a common learning agenda and harmonized impact measurement and monitoring. A more detailed Terms of Reference can be found [here](#).

In case you're interested, you can [register here](#) until 31 March 2022 to participate in the Working Group. The first Working Group meeting will be held on Tuesday 19 April 13.00 – 14.30.

DISCO Working Group ICE Futures Market

A Working Group on ICE Futures market will start in Q2 2022. The aim of this Working Group is to identify what support can be offered to DISCO signatories in reaching the ambitions of DISCO on the cocoa that is sourced through the ICE Futures Market. A more detailed Terms of Reference can be found as an attachment to this newsletter.

To indicate your interest to participate in the Working Groups, you can reach out to the DISCO Secretariat (Mark de Waard, dewaard@idhtrade.org) before 31 March 2022. In case you're interested

to take the role of 'quartermaster' and thereby supporting the Secretariat in preparing the meetings, please let us know as well.

DISCO welcomes new signatories and says goodbye to some others

New signatories

We are welcoming **Envirium Life Sciences (ELS)** to the partnership that is committed to contribute to the DISCO ambitions and we are therefore welcoming ELS to strengthen our joint efforts in reaching these ambitions.

Envirium Life Sciences (ELS) is a Belgian green industrial company and operates through its subsidiary COPAK (Compagnie Des Produits Agricoles Du Kivu) in the Virunga region in the Democratic Republic of Congo. They are working with 10,000 smallholder farmers and exporting 3,500 MT globally, including to the Netherlands to Dutch companies. They work through their programs on key area's as defined in DISCO (income generation, traceability/transparency, conservation of biodiversity) and want to contribute by offering their perspective as a company from an origin level.



Leaving signatories

De Euforij has indicated that they don't have the internal capacity and resources to contribute to DISCO anymore and will therefore leave the partnership.

2 funds open for sustainable production!

Do you work for a company, NGO or knowledge institution and are you involved in making production chains more sustainable? Then you can submit your project proposals now for 2 funds!

RVO runs two programmes based on an integrated approach to corporate social responsibility and making global production chains more sustainable.

- The [Fund against Child Labour \(FBK\)](#) offers the possibility to research and take measures against child labour in the production chain. This year is the last year to apply for FBK-subsidies. The fund is open from 1 February - 7 April (15.00 hrs) and again in June
- The [Fund for Responsible Business \(FVO\)](#) offers financial support for screening the production chain and implementing improvements with regard to social risks. The fund is open from 4 February - 30 September (15.00 hrs)

Latest developments in Europe: updates from other ISCOs

Update on Beyond Chocolate

3 years after the start of the program, Beyond Chocolate is looking back: What did we do well? What are points for improvement? And what priorities should we set for the next years? To answer these questions Belgian Development Cooperation has contracted external evaluator KIT (the Royal Tropical Institute). KIT will evaluate to what extent the Beyond Chocolate partnership enables signatories to meet the joint objectives and will identify recommendations and areas for improvements. The evaluation report will be shared publicly in March 2022.

Update on the German Initiative on Sustainable Cocoa (GISCO)

GISCO is currently working on some interesting studies: For example, GISCO is conducting a comprehensive analysis of the African Regional Standard 1000 for sustainable cocoa in cooperation with Duncan Brack. The objective of the analysis is to gain insights into the coverage of the main challenges in the cocoa sector by the ARS, the differences between the ARS and other sustainability standards in the cocoa sector, its flexibility to adapt to EU regulation changes as well as its future implementation. In addition, a study on the distribution of value added along the cocoa supply chain,

commissioned by the German Federal Ministry for Economic Cooperation and Development and conducted by Le BASIC in coordination with GISCO, has been under implementation since 2021. Le BASIC's long-term goal is to derive an overarching European model based on the studies for the French and German markets. In addition, the implementation of the study on use of pesticides in the cocoa sector in Ghana and Côte d'Ivoire implemented by CABI has begun and is expected to be implemented by the end of June 2022.

On 2 March the fourth meeting of the ISCO WG Traceability took place with a total of 50 participants, including representatives from the Ivorian government, civil society and farmer organisations. The lively discussions during the meeting showed the high interest in the topic, as well as the fact that many questions are yet to be solved. The ISCO traceability roadmap (in development) will contribute to important clarifications for the sector.

Update on the Swiss Platform for Sustainable Cocoa (SWISSCO)

SWISSCO is currently focusing on the operationalization of its Roadmap 2030, gathering data points and laying out activities that serve to measure and accelerate action. In mid-February, the SWISSCO team will be reaching out to its members with a survey that, along with a questionnaire on sourcing data, will serve as baseline report, assessing the current status, latest achievements and challenges with regard to the platform's commitment to achieve the 12 targets in the four key areas identified in the SWISSCO Roadmap 2030. These are aligned with the four key challenges of the cocoa sector identified and highlighted in the joint ISCO MoU: (1) Transparent supply chains, (2) Living Income for Cocoa Farming Households, (3) End Child Labour in Cocoa Production and (4) Halt Cocoa Related Deforestation. Furthermore, the member survey attempts to identify potential areas for collaboration between members, in order to find new approaches to unite efforts and strengths of SWISSCO's members to jointly tackle the sustainability challenges in the cocoa value chain.

DISCO timeline

For the upcoming period, the following meetings, events and milestones within DISCO are scheduled. Additional meetings will be planned and therefore this overview will be updated within each newsletter.

April/May 2022	Steering Committee meeting – Agenda TBD
28 April 2022	Online launch event for monitoring round
May 2022	Data collection by <u>all DISCO signatories</u> for baseline reporting on 2020 data and annual progress reporting on 2021 data
1 September	ISCO Conference (details and location TBD)

An overview of ISCO Working Group meetings can be found in the [overview of 2022 ISCO activities](#).



DISCO

DUTCH INITIATIVE ON
SUSTAINABLE COCOA