



# Summary of action plans developed by DISCO signatories



**DISCO**  
DUTCH INITIATIVE ON  
SUSTAINABLE COCOA





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# Introduction

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Overview of action plans



# Background

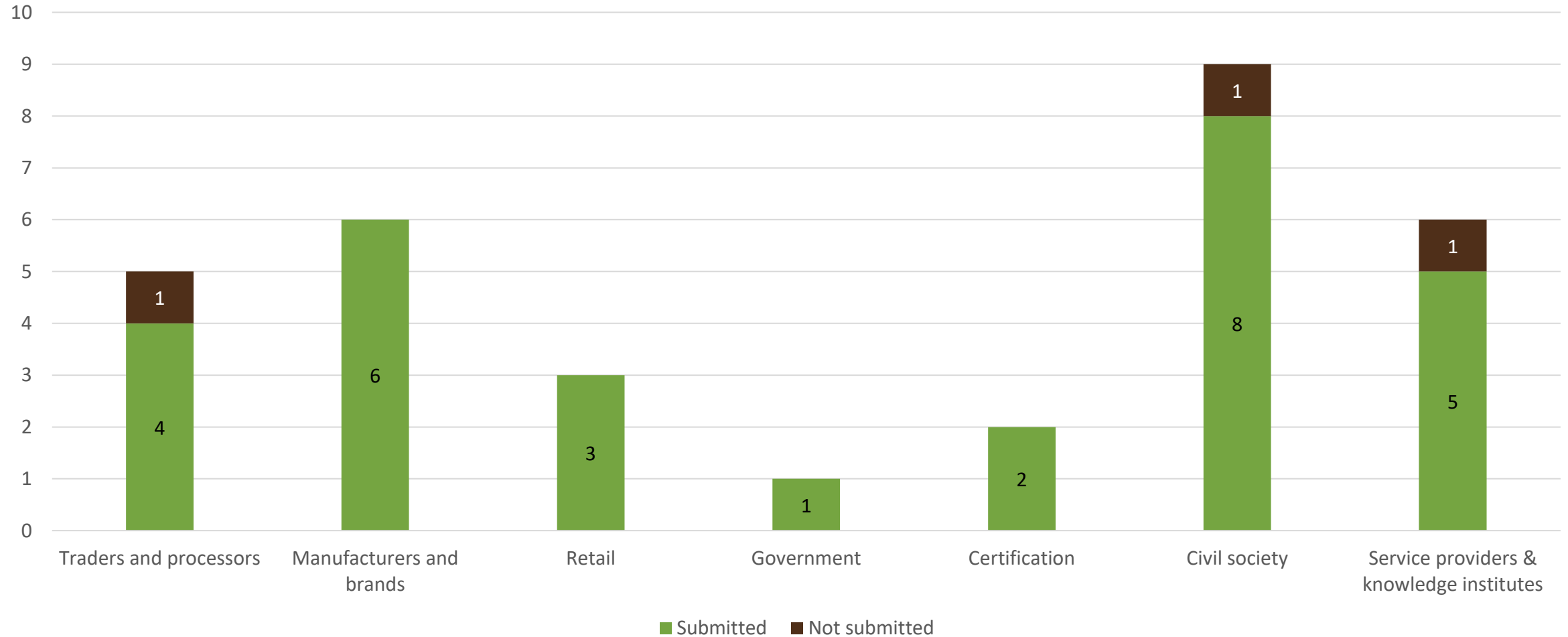
## Individual action plans

- All DISCO signatories were asked to fill a template and submit this to the Secretariat in Q4 2021. The action plans should include:
  - their **plans** in relation to the DISCO commitments and Roadmaps
  - what **challenges** are foreseen and what they **need** to overcome these challenges
  - the (quantitative) **contributions** in relation to the 3 main key performance indicators as part of the action plans relevant for the subsector
- The underlying objective of this exercise is to **gather more insights** in what signatories in the partnership are aiming to do and to identify what **challenges and needs should be addressed by the partnership** as a precondition to reach the DISCO ambitions.



# Number of received action plans

Majority of signatories have submitted individual action plans







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# Conclusion by the Secretariat

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Overview of action plans

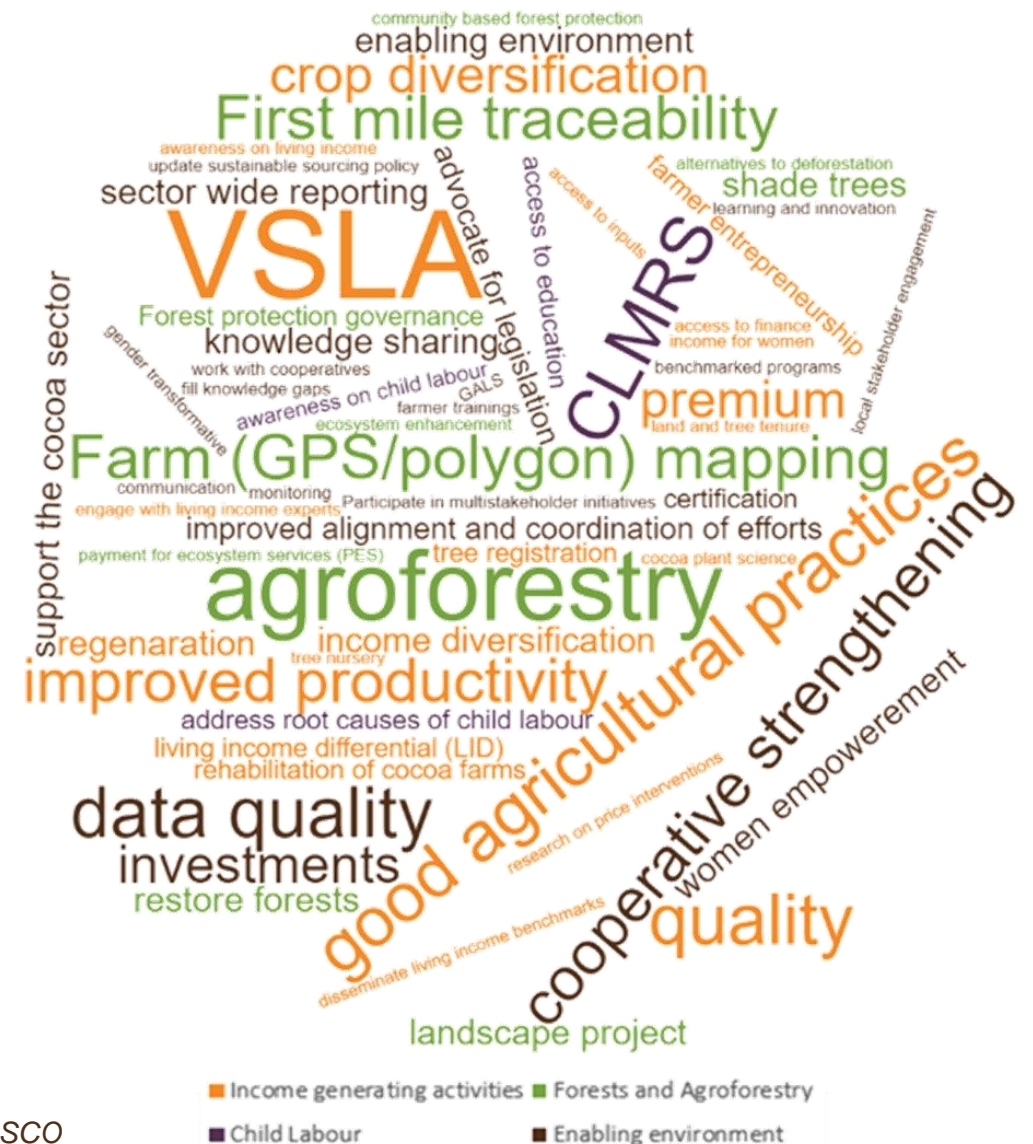


# Observations by the Secretariat

## Consolidation received action plans

- **Almost all DISCO signatories submitted their action plans** and showed how they are contributing or will contribute to the DISCO ambitions.
- Almost all action plans describe a **contribution to the DISCO ambitions through existing programs and projects** and limited to no additional actions and activities will be implemented specifically due to or for DISCO.
- There is a **lack of quantitative data on KPIs** and therefore no quantitative conclusions can be drawn on the gap between the current plans and the DISCO ambitions. To be able to draw this conclusion, **more insights in quantitative contributions is necessary**. Annual data collection through the yearly reporting round will help to gather more insights on this.
- The action plans provide **insights in seven key challenges around necessary preconditions, knowledge on specific issues and collaborations with others as key success factors** for reaching the DISCO ambitions (see next slides).

*\*It is worth noting that multiple signatories from different subsectors have indicated that the DISCO partnership (including its ambitions) and the subsequent Roadmaps and action plans have increased their feeling of urgency to work on the 3 main ambitions as defined in the DISCO declaration.*





# Key challenges and needs (1)

## General overview

### 1. Monitoring and data collection

- a) Incentives for public reporting
- b) Quality of data

### 2. Engagement with cocoa producing countries

- a) Collaboration for actions outside individual (supply chain) interventions

### 3. European alignment

- a) Collectively influencing EU policies for a level playing field
- b) Consistency between regulatory requirements
- c) Streamline activities as part of various ISCOs

### 4. Strategies for specific subsectors

- a) Development of effective approaches towards DISCO ambitions for subsectors far away from implementing activities (e.g. retail, smaller manufacturers, non-supply chain)





# Key challenges and needs (2)

## General overview

### 5. Project and field level support

- a) Co-finance pilot projects and fundraising for scaling efforts or addressing enabling environment
- b) Support on implementation (implementing partners or proper project M&E)
- c) Long pathways to impact (e.g. scaling time, sphere of influence)

### 6. Consumer demand

- a) Inform consumers on challenges around sustainable cocoa
- b) Increase demand for Human Rights & Environmental Due Diligence cocoa

### 7. Indirect supply chains

- a) Lack of information and data on farmers in indirect supply
- b) Challenges in contributing to reaching impact for unknown farmers







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# Summary per subsector

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Overview of action plans



# Summary per subsector

## Action plans sub sector 'traders and processors'



### **Living income – *Elaborate efforts on income measurements, limited use of 'smart-mix' of interventions to close income gaps***

Three traders/processors are taking steps to start measuring income gaps in supply chains through various data sources (e.g. Agri-Logic/FFB, KIT, Grameen), mostly by samples. They aim for further scaling the income measurement in their supply chains (mostly direct). One trader/processor is also establishing living income benchmarks for all 9 cocoa sourcing countries by the development of a data collection model.

The living income strategies, mostly based on the measurement of the gaps, are structured across a wide set of interventions, including increasing cocoa yields, payment of cash premiums, boost additional income through Payment for Ecosystem Services (PES), VSLAs, and diversify incomes. One trader/processor is testing new innovative approaches that could lead to income generations. Four also see strengthening of the cooperatives as an important step.

### **Deforestation & forest degradation – *Contributions mainly through farmer engagement and restoration, little said about traceability and monitoring***

Farmers and their communities are being supported to reduce the need for deforestation, for example by increasing yields, improve food security, incentives through carbon finance and establish agroforestry systems. Traders/processors also support existing partnerships and aim to establish community-based partnerships to address deforestation. Most traders/processors contribute to reforestation activities and distribute trees. One traders/processor is monitoring the entire direct supply chain on forest loss, others aim to use more centralized approaches (e.g. through landscape initiatives).

### **Child labour – *Identify child labour in supply chains (e.g. through CLMRS) becomes the norm, many efforts on addressing the root causes***

All traders/processors take efforts to identify child labour in their supply chains through CLMRS or risk based due diligence systems. One wants to start rolling it out to other countries where CLMRS isn't established yet. Besides monitoring, the root causes and institutional environment are being addressed by interventions such as access to (quality) education, awareness raising, income generation, VSLAs and participating in local multistakeholder initiatives

### **Other**

One trader/processor also mentions they offer solutions on the sustainability issues for their clients further down the supply chain.





# Summary per subsector



## Challenges and needs sub sector 'traders and processors'

### Policy influencing

The traders/processors operating in multiple European countries expressed a need to use DISCO as a way to influence policies and debates on a global and European level. Amongst others, this should also lead to more consistency of regulatory requirements including its implementation and reporting for ISCOs, but also the creation of a level playing field.

### Sphere of influence

Challenges expressed were issues outside the sphere of influence such as approaches in the indirect supply chain, leverage on income drivers like world cocoa prices and farm size or triggering funds for addressing systemic challenges in child labour.

### Collaborative efforts

On some issues there is a need to go beyond individual actions and address these issues in collaboration or more centrally. For example, building an effective and efficient child labour due diligence system, a method for collecting farmer incomes at scale, and a deforestation monitoring system. Also, informing Dutch consumers and creating a demand for HREDD cocoa could be done in collaboration.

### Program/project level support

Specific support for the implementation of programs and projects is needed, like finding implementation partners beyond traditional cocoa activities, find M&E partners to study the impact of the interventions and a need for co-financing.





# Summary per subsector



## Action plans sub sector 'manufacturers and brands'

### **Living income – *Wide variety of income generating interventions, but limited measurement of income gaps won't lead to insights in closing the gaps***

One manufacturer/brand is active in measuring incomes (through Multidimensional Poverty Index), but identifies new ways to measure living income gaps. To close the income gaps, a variety of interventions is described around diversification, productivity, farm business services, premium payments, trainings, and farm development plans. One manufacturer/brand pays a Living Income Reference Price and searches additional offtakers to decrease dependency of cooperatives on one offtaker. Another manufacturer/brand uses a conditional cash transfer system towards farming households on 4 areas.

### **Deforestation & forest degradation – *Widely adopted ways to address deforestation used, limited efforts done on reforestation***

Most (3) manufacturers/brands are mapping their farms, have strategies to increase traceability and work with farmers to prevent deforestation (through PES, trainings, technology) or increased biodiversity (through agroforestry). Some (3) manufacturers/brands also work in collaborative approaches like CFI and landscape approaches to jointly address deforestation.

### **Child labour – *Rolling out CLMRS as the key intervention, complemented with interventions to address root causes***

All manufacturers/brands are taking efforts to roll out CLMRS in their supply chains. One is also testing to roll it out in Indonesia. Most (3) manufacturers/brands are also taking efforts to contribute to addressing the root causes by improving access to education, strengthening local institutions, and infrastructure.

### **Other**

One manufacturer/brand didn't provide a concrete plan, but a more high-level vision. However, it emphasizes its efforts on driving innovation and investing in large-scale modern sustainable cocoa farming, both through research.

The sector organization VBZ wants to contribute to DISCO by coordination, communication, inspiration and engage with other members that are not yet a signatory to DISCO.



# Summary per subsector



## Challenges and needs sub sector 'manufacturers and brands'

### Contributing to DISCO

Some global manufacturers/brands expressed that their global programs are leading and won't be adapted based on national initiatives. Also, there is a need for more trust in DISCO to be able to increasingly collaborate pre-competitively. At last, the need for a better definition of enabling cocoa farming families to earn a living income is needed, to understand when someone is really enabled (e.g. through developing a formula).

### Collaborative efforts

Collaboration and centralization could be done on addressing the systemic root causes that prevents the sector from advancing in sustainability. Also, there is a need for neutral coordination bodies. At last, increased alignment between ISCOs is necessary, while incentivizing public reporting by setting realistic goals.

### Challenges on implementation

A wide variety of challenges to implement and create impact are described. Investing in interventions that provide impact on a long-term can lead to temporary shortfalls of incomes or a delay in being able to measure impact, while unintended negative consequences can occur from scaling interventions (e.g. improved productivity & price). Also, a need is expressed to be able to better address income drivers on productivity and additional incomes, to de-risk capital intense investments and strengthen the learning agenda (e.g. on linkages between mutually reinforcing interventions, effect of women's empowerment).





# Summary per subsector



## Action plans sub sector 'retailers'\*

### **Procurement practices – *Engaged to contribute through purchasing from 'acceptable' standards and programs***

Retailers highlighted that they will contribute to the goals of DISCO by updating their sourcing policies based on a list of acceptable standards of programme's that are in line with, or working towards compliance with DISCO commitments. Retailers will use this list to make purchasing decisions and thereby increase the volumes of cocoa being produced under circumstances that contribute towards compliance with DISCO commitments – thereby bringing DISCO compliant cocoa to the Dutch market. Retailers commit to reporting the volumes of cocoa sourced per acceptable programme. To achieve this, retailers will engage with their suppliers based on their updated sourcing policies.

*\*The 'retailers' subsector have submitted one joint action plan*



# Summary per subsector

## Challenges and needs sub sector 'retailers'\*



### Definition of DISCO cocoa

Retailers need to have a clear definition of what DISCO (compliant or on the way to) cocoa is, in order to accept it as such (DISCO approved programme list).

*\*The 'retailers' subsector have submitted one joint action plan*





# Summary per subsector

## Action plans sub sector 'government'



### **Strategic and operational contribution**

The Dutch government aims to contribute on 2 levels. On a strategic level that is overarching to the 3 main DISCO ambitions and on an operational level that is structured around the 3 main DISCO ambitions.

### **Knowledge sharing and providing expertise – *Leveraging subsidies and share best practices***

The Dutch government will support other DISCO signatories by guiding them to available subsidies. Additionally, the government will share best practices and lessons learned from existing projects through thematic webinars.

### **Diplomacy and lobby in producing countries – *Promoting DISCO and engagement through embassies***

The Dutch government will engage with local stakeholders and promote DISCO in cocoa producing countries (e.g. through organizing launch events). Through the embassies, the Dutch government will engage with local stakeholders in producing countries for the enhancement of an enabling environment for supply chain interventions that allow living income generation.

### **Harmonization of DISCO objectives with other consuming country partnerships and the EU – *Organizing conference in Brussels***

The Dutch government engages with the European Commission and organizes a conference on 'Responsible Business Conduct in the Cocoa Sector: Due diligence and Development pathways to address child labour, a living income and deforestation' in Brussels



# Summary per subsector

## Challenges and needs sub sector 'government'



### **Collective policy influencing towards European Commission**

The Dutch government needs further alignment with the EU consumption countries that have their own cocoa partnerships and political priorities and with the European Commission on its cocoa plan and due diligence regulation.

### **Capacity in Embassies**

The Dutch government has limited capacity at the Dutch missions in Côte d'Ivoire and Ghana and therefore try to take collective action of DISCO signatories in producing countries to engage with local stakeholders for the creation of an enabling environment through a one team approach.

### **Relevance for government**

A relevance for the Dutch government (e.g. with the arrival of a new government) to keep being involved needs to remain and addressed by gathering results that demonstrate the achievements of DISCO.





# Summary per subsector



## Action plans sub sector 'civil society' and 'service providers & knowledge institutes'\*

### **Living income – Primary focus on advocacy for legislation, complemented with field level implementation and knowledge sharing**

Most organizations take an advocacy role to promote cocoa policies and legislation (e.g. for smallholder inclusive policies and seeing living income as a Human Right) and create awareness and engagement on the topic. At the field level, they implement activities such as GAP training, crop diversification, rehabilitation, and shade tree establishment for income generating activities. Women and gender transformative approaches are included, while farmers are being professionalized and gain access to finance. Some also provide data on living income (e.g. benchmarks, poverty lines) and support companies in implementing strategies, including monitoring and create transparency). Another organization focuses on increasing quality and establish market access for the quality market. At last, knowledge sharing on strategies, human rights impact assessments and gender inclusion is shared and complement with research and data improvement.

### **Deforestation & forest degradation – Efforts on agroforestry, collaborative approaches and advocacy for legislation**

Some civil society organizations support the establishment of partnerships in collaborative approaches to address deforestation and work on strengthening forest governance. At the field level, they provide alternatives to deforestation (e.g. poverty reduction, renewable energy) and promote agroforestry practices to farmers. Most organizations also advocate for due diligence policies in Europe and enabling policies (e.g. land/tree tenure) policies in producing countries.

### **Child labour – Advocacy for legislation, while supporting the private sector and strengthening multistakeholder partnerships**

Most civil society organization advocate in various platforms for better legislation and contribute to a due diligence framework. Additionally, they take efforts in sensitization and awareness raising around child labour. Support to the private sector to implement child labour projects, including rollout of CLMRS and VSLAs, is provided and complemented with sharing expertise and knowledge (e.g. on the root causes of child labour). They also contribute to the alignment and coordination of efforts between CSOs, industry and governments and organize working sessions with them to initiate an open discussion to strengthen national systems.

### **Other**

The Port of Amsterdam described a very different role compared to the other organizations, based on the nature of their organization. They mainly aim to leverage the DISCO ambitions by addressing them in discussions with their clients and mapping out the cocoa shipped through the port. Additionally, they aim to establish partnerships with other ports in Europe and cocoa producing countries around sustainable supply chains.

\*The subsectors 'Civil society' and 'Service Providers & Knowledge institutes subsectors' are combined in this summary as there is a strong overlap between most of these individual action plans



# Summary per subsector



## Action plans sub sectors 'certification organizations'

### **Living income – Focus on income generation through increased price or premium**

The certification organizations aim to support the cocoa sector towards a living income by ensuring the integration of a minimum price or a cash premium under the standard. Additionally, one organization provides the possibility to test and improve the model by supporting companies in developing projects and the other provides the possibility to calculate income gaps and pay for the closure of this gap. One standard also provides support to producers to adopt GAP that contributes to yield, quality and resilience.

### **Deforestation & forest degradation – Traceability used as core element to address deforestation, complemented with regenerative practices**

The certification organizations build on GPS / polygon mapping in their standards to ensure traceability and carrying out risk assessments towards deforestation. Also, the standards are leveraged for trainings and programmatic agroforestry support or include requirements from certificate holders to regenerate their land. One certification organization also advocates for a strong EU deforestation law and implements a landscape project in Ghana that conserves and restores forests.

### **Child labour – Inclusion of a CLRMS and addressing root causes of child labour**

The certification organizations include a child labour monitoring and remediation system in their standards and require an assessment and mitigation of risks to child labour. Additionally, awareness raising is done to address the root causes of child labour. One certification organization also advocates for a strong EU HREDD law.

### **Cross cutting**

The certification organizations leverage their standards to strengthen and professionalize farmer cooperatives. They also take an advocacy role, including on driving awareness and for smallholder inclusive policies. One certification organization is also reviewing its standard to be compliant with new legislations and supports partners to report in a bottom-up approach.





# Summary per subsector



Challenges and needs sub sector 'civil society', 'certification organizations' and 'service providers & knowledge institutes'\*

## For the DISCO partnership

The subsectors need increased collaboration to raise the bar together, including an engagement with cocoa producing countries and alignment in European developments and countries. They also advocate for an increased understanding on farmer's perspective, the additionality of DISCO partnership, and interconnectedness between impact themes in DISCO. At last, they see a challenge on how to deal with the tensions between principles of open data, data privacy and data ownership.

## For the Civil society, Certification organizations and Service Providers & Knowledge institutes subsectors

The subsectors need a clarification of costs of interventions throughout the supply chain and want to shape their role in the partnership by providing of a variety of tools towards the industry to make cocoa sustainable.

## For the industry

The subsectors need a more pro-active role by the industry in DISCO activities and a commitment to share information, lessons learnt and best practices, while being more open to dialogue and cocreation.

## For the Dutch government

The subsectors need from the government to play an active role in the European debate, in the producing countries, provide financing to DISCO, and more active role for the ministry of LNV.

*\*The subsectors 'Civil society', 'Certification organizations' and 'Service Providers & Knowledge institutes subsectors' submitted a joint overview of their challenges and needs. Some have added additional individual challenges and needs that can be found in the individual action plans.*

