

REPORT

DISCO General Assembly, December 1st, 2022

Summary of decisions and action points

- ✓ The term of the current Steering Committee will be extended by 1 year, before replacing 50% of the Steering Committee members
- ✓ The Steering Committee, including its chair, and the Secretariat will further develop the annual plan for 2023 (with a focus on purchasing practices, international collaboration and accountability) based on the inputs from the General Assembly and share it with the broader partnership

Summary of the meeting

The 3rd DISCO General Assembly took place in the Passenger Terminal Amsterdam, hosted by the Port of Amsterdam. In the morning, half of the group also visited a newly built cocoa storage facility in the port of Amsterdam area. The visit was organized by the Port of Amsterdam.



Welcome and opening notes

Arjen Boekhold, the independent chair of the DISCO Steering Committee opened the meeting. He invited Mark Hoolwerf from the Port of Amsterdam for some welcoming words as the host of the meeting. Afterwards, Arjen briefly introduced the 'DISCO House' which describes the role of DISCO as a market-based initiative, and which forms the basis for the annual planning 2023.

Setting the scene

Different external guests were invited to the meeting to reflect on the role of the partnership based on their experience and expertise.

First, Herman Brouwer from Wageningen University reflected on the role and preconditions of multistakeholder initiatives. He shared that in his observations of multistakeholder initiatives over the years, he sees the risk of duplication of efforts and stagnation as the biggest challenge and therefore initiatives need to be complementary to existing initiatives. He shared three pre-conditions for success:

- Credibility: what is the vision, agenda and interventions? Is the partnership working on the core of the issue and going beyond business as usual?
- Legitimacy: does the partnership have the right composition and are members representing the sector?
- Trust: how is the partnership functioning internally? Are partners holding each other accountable and thus moving collectively?

Herman concluded by emphasizing that a weak spot of voluntary partnerships is the lack of enforcement mechanisms. Therefore, a strong accountability mechanism is needed.

Second, Bram Wits, Agricultural Counselor for West Africa (Nigeria, Ghana, Côte d'Ivoire), shared his experiences on cocoa-related initiatives and structures in the cocoa producing countries. He started sharing the context of extreme poverty in cocoa growing regions and the lack of capacities to properly invest in their farm businesses. He also shared the strong regulated sector in Côte d'Ivoire and Ghana by the cocoa authorities. Therefore, it is important to openly interact with the authorities in those



countries and work in broader coalitions when approaching them. Bram concluded that the role of the DISCO partnership is to define how to get services, knowledge and money to cocoa farmers.

Lastly, Cheryl Pinto (Ben & Jerry's) and John Kelly (Barry Callebaut) explained the implications of adopting sustainable sourcing models in their supply chain. Cheryl explained that 10 years ago, Ben & Jerry's started sourcing Fairtrade certified cocoa, and recently, that Ben & Jerry's moved with Barry Callebaut to go a step further to address poverty, this being the root of the different challenges in the

industry. Therefore, Ben & Jerry's chose to adopt the Open Chain model (developed by Tony's Chocolonely) as a way to divide risks among partners, innovate and address inefficiencies and segregation in the supply chain. On the topic of the DISCO partnership, they reflected that pre-competitive sharing of learnings is key to make a change. In this, giving exposure to innovative projects will help as they can be replicated by others.

Achievements and outlook 2023

Afterwards, Mark de Waard (IDH) from the DISCO Secretariat presented the developments and progress after 2 years of the DISCO and how this has translated into the annual plan for 2023. He explained that during the first six months of the DISCO partnership, foundations were created through the establishment of a governance structure and with the signature of a MOU with the other European initiatives. On these foundations, frameworks for implementation (through thematic roadmaps) and annual monitoring (through the monitoring framework) were developed, as well as individual action plans by signatories. This led the partnership into the implementation phase during which the first monitoring round was conducted, working groups for learning took place and strategies for specific subsectors were developed.

Mark continued by explaining that the DISCO operates in a wider context; whereas in the cocoa-producing-countries, discussions around price are taking place, in Europe, sustainable cocoa initiatives and regulations are being developed. This all is taking place during a global cost of living crisis which is heavily impacting the cocoa farming families' livelihoods.



Mark then shared the key findings and takeaways from the monitoring round on the 2020 baseline data as well as the 2021 progress data. The key takeaways are as follows:

- the DISCO scope shows that one third of the Dutch cocoa volumes is not covered by the current partnership composition; additionally, only a minor part of the traded cocoa volumes ends up reaching the Dutch consumer market.
- the sector is falling behind on measuring living income gaps and implementing living income strategies; significant progress needs to be monitored and enforced in the following years.
- the sector has advanced on environmental due diligence and the signing of national initiatives aiming to end cocoa-related deforestation. However, further steps could be undertaken.
- Significant progress has been made on direct vs. indirect sourcing, levels of traceability and the rollout for Child Labour Monitoring and Remediation Systems (CLMRS). Improvements in the monitoring framework will help to better measure impact and effectiveness.

Mark then turned to the annual plan 2023 which has based on the 'DISCO House', a simplified version of a Theory of Change for the partnership. This 'DISCO House' can be seen as a tool to define what

actions and activities need to be organized to come to the described output and outcome areas for 4 categories: market demand, transparent supply chains, partners' accountability, and strengthening local initiatives. The annual plan 2023 is also constructed around those 4 categories, complemented with the enabling activities for the partnership (internal organization and international collaboration).

Mark concluded by giving a brief overview of the financial implications for the partnership by presenting the balance of the multiyear budget.

Partnership reflection on strategic direction DISCO

After a small break, Steven Collet, DISCO Steering Committee member from the Dutch Ministry of Foreign Affairs, introduced the next agenda point by sharing the vision developed by the DISCO



Steering Committee on the strategic direction for DISCO. He explained that DISCO's added value is the very high ambition in combination with the large scope. This places DISCO in an international context where (1) producing countries are demanding fairer distribution of value and risks along the cocoa supply chain, the (2) European Commission is claiming a greater role in driving economic, social, and environmental sustainability in cocoa, (3) major chocolate brands are launching new sustainability initiatives and (4) retailers are seeking practical guidelines on sustainable sourcing practices. Therefore, DISCO should become more agile, build trust

and credibility by holding partners accountable on joint commitments, while being more present in the European context and define its role as market-based initiative.

This introduction by Steven formed the basis of the breakout groups in which the participants answered the following questions:

1. Regarding purchasing practices: DISCO is a "market-based initiative" of the Dutch cocoa and chocolate sector but has not yet developed many strategies in terms of "procurement practices". What possible initiatives do you think are important and can make an impact?
2. Concerning international collaboration: what are the main issues / challenges that DISCO needs to address internationally (within Europe with the EC and other national ISCOs as partners)? How and who within DISCO are we going to organize this?
3. With regard to the DISCO Roadmaps: on which points should they perhaps be adapted / sharpened? How can accountability on implementation (measuring progress and making progress) within the DISCO partnership be better organized?

Each breakout group was facilitated by 1 of the Steering Committee members and who gave a summary in plenary afterwards. The following elements were mentioned during the debrief:

- On purchasing practices:
 - There is a need to define, or get a common understanding of what is exactly meant by purchasing practices
 - A procurement strategy at a European level would be more effective to raise the bar
 - More knowledge and expertise on purchasing practices is required. Experts from the individual signatories could help with that.
- On international collaboration
 - There is a need for increased international collaboration by the ISCOs together with relevant organizations (e.g. CIGCI, ICCO, FCC) and ensure complementarity with them
 - The ISCOs should work together to improve the harmonization of the monitoring frameworks and make them simple and practical
 - As DISCO is an initiative with high ambitions, we can play a role in setting the standard within the Europe
- On the DISCO Roadmaps and accountability:

- A good accountability mechanism needs to be defined in which individual signatories and the collective partnership will be held accountable on progress towards the DISCO goals
- An independent organization such as IDH could play the role of 'referee' to hold partners accountable
- A good representation of farmers should be ensured
- Actors and peers should hold each other accountable and help each other to ensure they are making sufficient progress
- The upcoming European legislations should be included in the roll out of the DISCO Roadmaps
- The current level of energy through this General Assembly is positive and therefore more (physical) meetings should be held to facilitate a joint effort on facilitating progress
- Accountability shouldn't be about blaming each other, but also about praising each other and sharing successes.

Closure of the meeting

After Arjen summarized the results from the breakout groups and how this will feed in the annual plan for 2023, he explained that according to the DISCO governance structure, 50% of the Steering Committee members need to be replaced after 2 years. Although this term has been reached, the Steering Committee themselves felt that with the current composition, they are on track to steer the partnership forward. Therefore, Arjen asked the General Assembly if the current Steering Committee term could be extended for another year. The General Assembly approved this.

Arjen then concluded the meeting by asking the General Assembly to give the mandate to the Steering Committee, its chair, and the Secretariat to further work out the annual plan for 2023 and share that with the whole partnership afterwards. Within the annual plan, the partnership will work more around purchasing practices, international collaboration, and accountability. The General Assembly also approved this.

Arjen then closed the meeting by asking the partnership not to be satisfied with empty results, like those being reached during climate summits, but to ensure sufficient progress has been made around the next General Assembly and that meaningful results will be achieved.

Participants

1. Louis Cabouat	Agriterra
2. Marloes Bruin	Albert Heijn
3. Timo van der Kroon	Albert Heijn
4. Anke Massart	Barry Callebaut
5. Angelika Kessler	CARE Nederland
6. Richard Kooge	CARE Nederland
7. Marijn Moesbergen	Cargill Cocoa & Chocolate
8. Carolien Lubbers	Equipoise
9. Jack Steijn	Equipoise
10. Anouk Mulder	ETG / Beyond Beans
11. Vishwas Pai	ETG / Beyond Beans
12. Channa Brunt	Fairfood
13. Derek Hardwick	Fairfood
14. Susanne Boetekees	Fairtrade Netherlands
15. Arjen Boekhold	Game Changer Unltd
16. Frank Joosten	IDH
17. Jordy van Honk	IDH
18. Mark de Waard	IDH
19. Marlene Hoekstra	IDH

20. Maria Escobar Riomalo	IDH
21. Marloes Humbeeck	IDH
22. Tomy Sinaga	IDH
23. Sarah Dekkiche	International Cocoa Initiative
24. Daniek Ehrismann	Jumbo
25. Cedric Steijn	KIT, Royal Tropical Institute
26. Julius Seinen	Ministry of Agriculture, Nature and Food Quality
27. Ralf van de Beek	Ministry of Agriculture, Nature and Food Quality
28. Roel Govers	Mars Wrigley
29. Daan van der Meer	Ministry of Foreign Affairs
30. Mirte Ruesen	Ministry of Foreign Affairs
31. Steven Collet	Ministry of Foreign Affairs
32. Beatrice Moulianitaki	Meridia
33. Milan Slikker	Nestlé Netherlands
34. Bram Wits	Netherlands Embassy in Accra, Ghana
35. Eric Nederhand	Olam Food Ingredients
36. Jesse Arnon	Oxfam Novib
37. Jaïr de Paauw	Port of Amsterdam
38. Linda van Waveren	Port of Amsterdam
39. Mark Hoolwerf	Port of Amsterdam
40. Maurice van Dort	Rainforest Alliance
41. Boukje Theeuwes	Solidaridad
42. Maaïke Schoonejans	Solidaridad
43. Joke Aerts	Tony's Chocolonely
44. Paul Schoenmakers	Tony's Chocolonely
45. Pavithra Ram	Tony's Chocolonely
46. Maartje de Graaf	Tropenbos International
47. Pauline Neefjes	UNICEF Netherlands
48. Jeroen de Bruin	VBZ
49. Herman Brouwer	Wageningen University

Annual General Assembly 2022



DISCO
DUTCH INITIATIVE ON
SUSTAINABLE COCOA

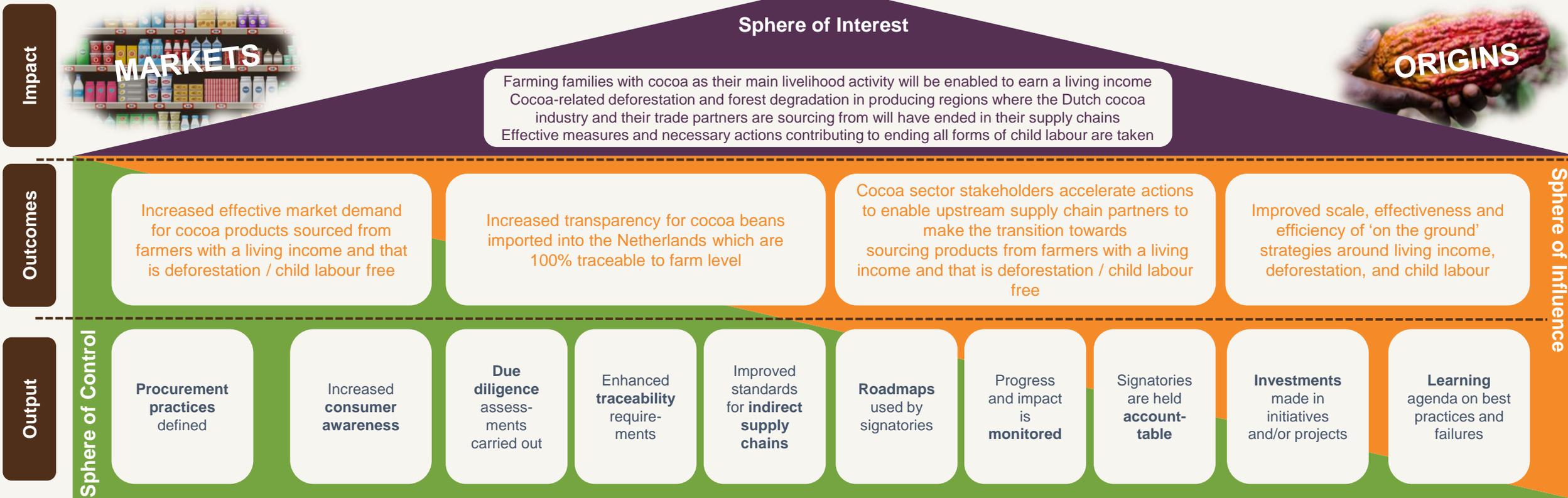


Welcoming words

Arjen Boekhold – Independent chair of the Steering Committee

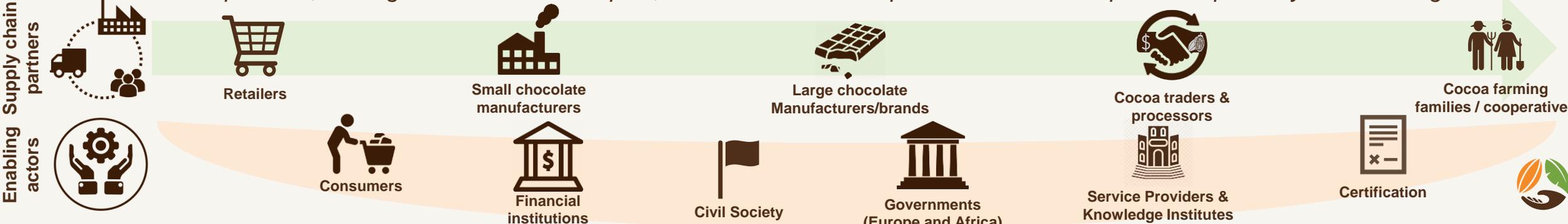
Mark Hoolwerf – Deputy Director at Port of Amsterdam

'DISCO House' as a basis for annual planning



Market demand **Transparent supply chains** **Partners' accountability** **Strengthening local initiatives**

Activities per area, leading to the described outputs, will be defined and implemented within the partnership and by individual signatories



Agenda

General Assembly DISCO

12.30 Welcome and opening notes

12.45 Setting the scene

13.45 Achievements and outlook 2023

14.05 Partnership reflection on strategic direction DISCO

16.00 Closure of the meeting

16.30 End of the meeting





DISCO
DUTCH INITIATIVE ON
SUSTAINABLE COCOA

Setting the scene

General Assembly 2021

Setting the scene: *Key external sector stakeholders sharing their experiences*

Herman Brouwer
Wageningen University

The role and preconditions of multistakeholder initiatives

Bram Wits
Agricultural Counselor for West Africa (Nigeria, Ghana, Côte d'Ivoire)

Complementarity of DISCO vis-à-vis producing country initiatives

Cheryl Pinto
Ben & Jerry's

Adopting sustainable sourcing models in cocoa supply chains

John Kelly
Barry Callebaut





Achievements and outlook 2023

Mark de Waard – Program Manager at IDH



DISCO
DUTCH INITIATIVE ON
SUSTAINABLE COCOA

Developments and progress after 2 years DISCO

General Assembly 2021

Progress so far

Steps taken by the Dutch Initiative on Sustainable Cocoa towards reaching our joint ambitions



2020-2021

LAYING THE PARTNERSHIP FOUNDATIONS

- DISCO **partnership** launched
- Establishment of **governance structure**
- A **MOU with the other ISCOs** is signed
- Thematic **Working Groups** kicked off



2021

DEVELOPING FRAMEWORKS AND PLANS

- Development of Roadmaps as **frameworks for implementation**
- **Individual action plans** developed by all signatories
- Development of **monitoring framework** for annual reporting



2022

IMPLEMENTATION AND MEASUREMENT

- **First monitoring round** in collaboration with ISCOs to measure baseline and year 1 progress
- European collaboration through **ISCO Working Groups** and **ISCO Conference**
- Start of developing **subsector specific and thematic strategies**



Other relevant influences

External developments relevant for DISCO

- Establishment of the **Côte d'Ivoire-Ghana Cocoa Initiative (CIGCI)**
- Increased international discussions on **price for cocoa farmers**
- Launch of the **Sustainable Cocoa Initiative** by the European Commission
- Upcoming **EU due diligence** regulations
- Global **cost of living crisis**
- Growth of the ISCO network when the French established **FRISCO**





Summary of main observations

Key takeaways from monitoring

- Significant gap between the reported volume (36%) of cocoa traded and consumed (28%) in the Netherlands compared to the actual volumes
- A minor part (4%) of all reported cocoa volumes is used for the Dutch consumer market
- 100% coverage of certified/independently verified cocoa products for retailers and smaller manufacturers
- Progress on measuring living income gaps and implementing living income strategies is very limited
- Sector advanced on environmental due diligence and signing national initiatives aiming to end cocoa-related deforestation
- Significant progress on direct vs. indirect sourcing and levels of traceability
- Significant progress on the rollout for Child Labour Monitoring and Remediation Systems (CLMRS).



Conclusion and next steps

Key takeaways from monitoring

- Improve data reliability on volumes traded and consumed.
Engage with key missing stakeholders to join partnership
- Define strategy for addressing non-Dutch consumer markets
- Further develop 'beyond certification' strategy
- Monitor significant progress on areas that stagnate or lagging behind, and ensure accountability
- Improve monitoring to better measure impact, effectiveness and increased harmonization





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Plans and activities for the partnership in 2023

General Assembly 2021

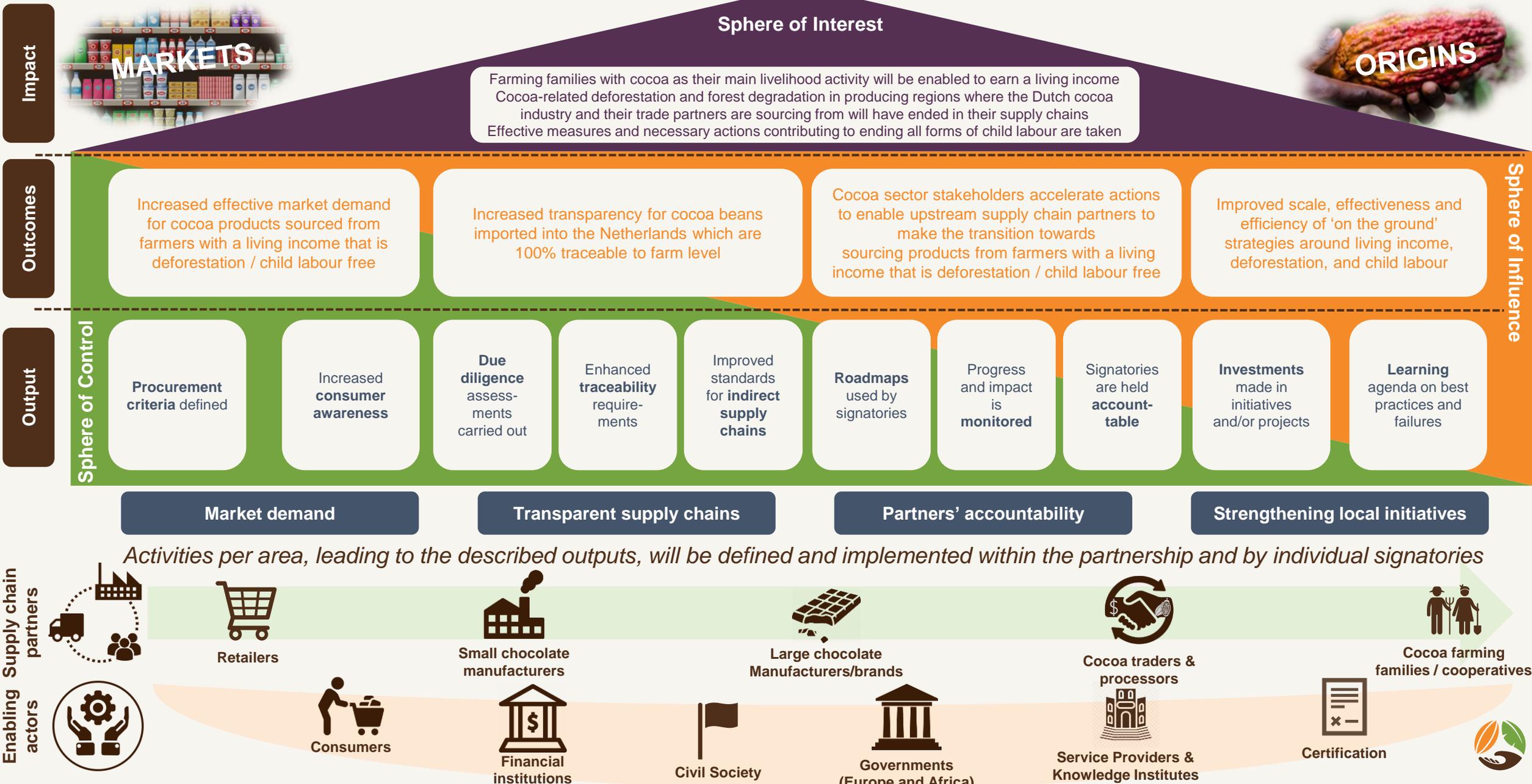
Key considerations in annual plan

DISCO 2023 activity plan

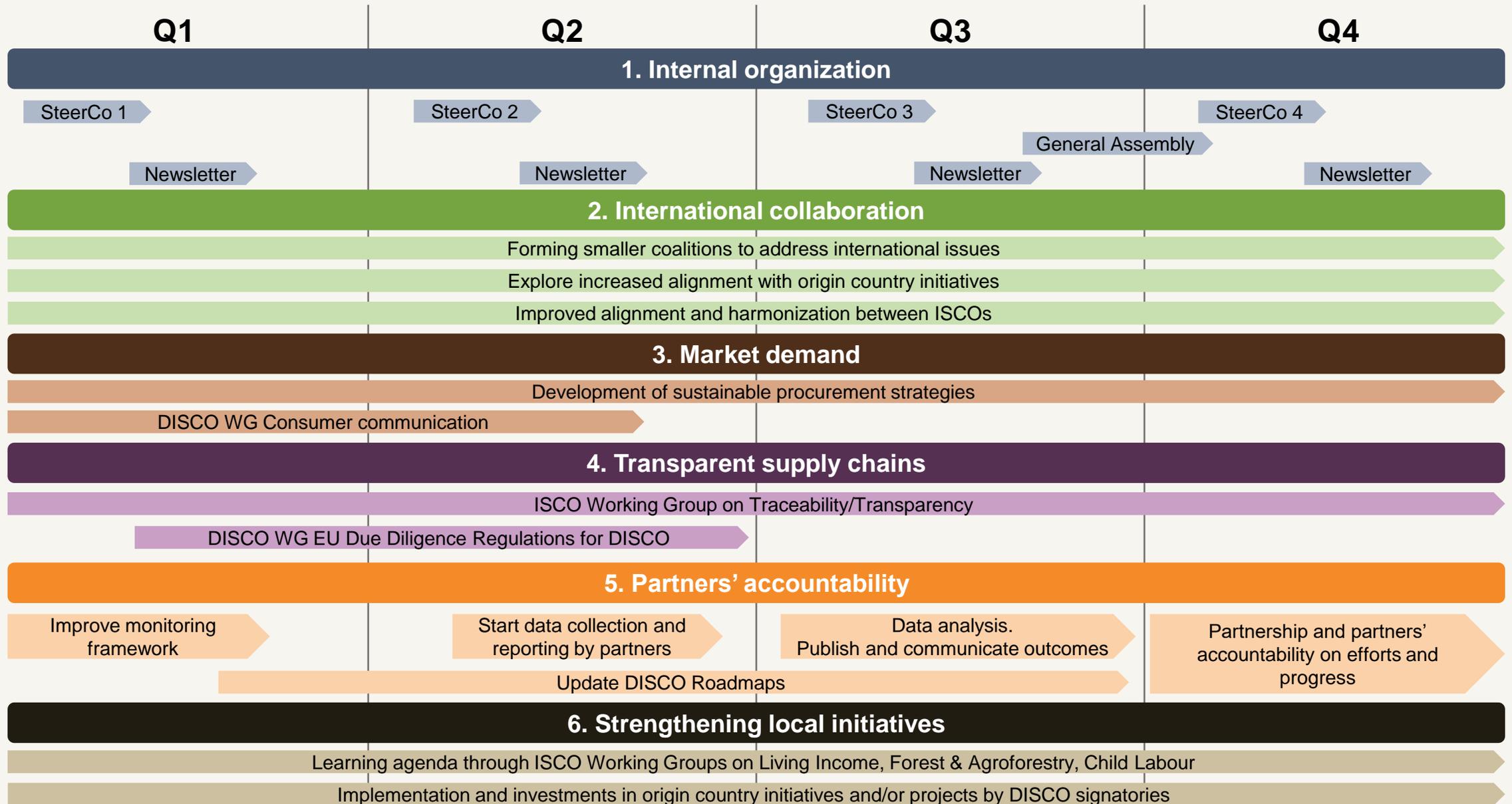
- This annual plan covers the activities that are facilitated by or through the partnership
- Individual actors are also responsible for facilitating and implementing activities
- The annual plan is built around 6 categories:
 - The first 2 describe the enabling activities for the partnership
 - The last 4 describe the activities based on the 'DISCO House'



'DISCO House' as a basis for annual planning



2023 activity calendar DISCO





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Operational implications

General Assembly 2021

DISCO budget and balance

		Expenses				Updated budget
		2021-2023	2021	2022	2023	2023
Budget Ref.#	Budget Item Description	Total Expenses EUR	01/01/2021 - 31/12/2021	01/01/2022 - 31/12/2022	01/01/2023 - 31/12/2023	01/01/2023 - 31/12/2023
1.0	MEETINGS & SPECIFIC EVENTS					
MEETINGS & EVENTS	1.1 Annual General Assembly	5,017	4,017	1,000		7,500
	1.2 Steering Committee meetings	1,570	764	806		750
	1.3 Working Group meetings	2,095		2,095		2,000
	SUB TOTAL	8,682	4,781	3,901	0	10,250
2.0	COMMUNICATION					
COMMUNICATION	2.1 Publication and development of reports and comms materials	5,091	669	4,422		5,000
	SUB TOTAL	5,091	669	4,422	0	5,000
3.0	MONITORING & EVALUATION					
MONITORING & EVALUATION	3.1 Start up reporting tool by AKVO	22,106		22,106		0
	3.2 Integrate M&E framework in tool by C-Lever.org	12,100	672	11,428		10,000
	3.3 Annual costs development reporting tool by AKVO	0				0
	3.4 Annual costs data analysis by C-Lever.org	12,160		12,160		12,500
	SUB TOTAL	46,366	672	45,694	0	22,500
4.0	HUMAN RESOURCES					
STAFF	4.1 Chair Steering Committee	47,263	11,253	36,010		25,000
	SUB TOTAL	47,263	11,253	36,010	0	25,000
5.0	STAFF TRAVEL					
STAFF TRAVEL	5.1 Travel & accommodation for chair	756	256	500		500
	SUB TOTAL	756	256	500	0	500
NET TOTALS EXPENSES		108,158	17,631	90,527	0	63,250
PARTNERSHIP CONTRIBUTIONS		187,000	56,500	65,250	65,250	
BALANCE BUDGET		78,842	38,869	-25,277	65,250	15,592

**Forecasted expenses in red. These are predictions and might vary slightly*

Conclusions on budget

Operational implications

- Less incoming funds from partnership contributions than expected
- Unforeseen and additional activities aren't covered by current budget. Constantly seek for funding opportunities
- Annual costs reporting tool not covered by DISCO in current multiyear budget, but will occur in next multiyear budget
- Budget is sufficient, but tight





Vision of the Steering Committee

Steven Collet – Director and Ambassador for Business & Development at the Dutch Ministry of Foreign Affairs

Composition of the DISCO Steering Committee



Arjen Boekhold
Independent chair



Eric Nederhand
Olam Food Ingredients
Subsector 'Traders and processors'



Susanne Boetekees
Fairtrade Nederland
Subsector 'Certification organizations'



Laura Jungmann
Albert Heijn
Subsector 'Retail'



Steven Collet
Dutch Ministry of Foreign Affairs
Subsector 'Government'



Roel Govers
Mars Nederland
Subsector 'Manufacturers and brands'



Boukje Theeuwes
Solidaridad
Subsector 'Civil society'





DISCO's added value:

Commitments:

- DISCO's shared commitment to sustainability on living income, deforestation, child labour is more ambitious than the commitment of individual signatories.
- Hence, we jointly have the responsibility to drive impact further than planned by the individual stakeholder.

Scope:

- We are a market-based initiative with representation of all major public and private stakeholders responsible for 20-25% of the global cocoa market.
- The DISCO partnership therefore has an opportunity and also a responsibility to drive sustainability beyond the Dutch consumer market itself



The DISCO partnership in context



Some of the current developments and issues:

- **Producing countries** are demanding fairer distribution of value and risks in the cocoa supply chain:
 - Introduction of the Living Income Differential
 - Côte d'Ivoire – Ghana Cocoa Initiative's working group on cocoa prices and markets
- The **European Commission** claims a greater role in driving economic, social and environmental sustainability in cocoa:
 - The EU Corporate Sustainability Due Diligence Directive & Deforestation Directive
 - EU Sustainable Cocoa Initiative (incl. EU Cocoa Talks)
- Several **main brands and manufacturers** (e.g. Nestlé, Mars, Mondelez) launch new cocoa sustainability initiatives. However, without making a link to DISCO or any of the other ISCO's.
- **Retailers** are asking for practical guidelines on how to source chocolate and other cocoa-based products that are compliant with the DISCO sustainability ambitions and we do not have an answer (yet).



Towards greater effectiveness

DISCO as a partnership needs to become more agile and responsive to major sustainability developments.

The Steering Committee could ensure a greater role for DISCO, but only with the guidance from the whole partnership:

- Use the DISCO commitment and scope as a mandate for its strategy
- Form alliances and ad hoc coalitions where functional and (potentially) impactful
- DISCO to become more present within the European / international context
- Understand its role as market-based initiative vis-à-vis origin country initiatives

For this we seek your suggestions.



The Steering Committee would like to receive suggestions from all partners on how DISCO can realise more of its added value using the main elements of its strategic framework – “the DISCO House” – with an emphasis on:

Purchasing practices

DISCO is a "market-based initiative" of the Dutch cocoa and chocolate sector, but has not yet developed many strategies in terms of "procurement practices".

What possible initiatives do you think are important and can make an impact?

International Collaboration

What are the main issues / challenges that DISCO needs to address internationally (within Europe with the EC and other national ISCOs as partners)?

How are we going to organize this within DISCO?

Who should take the lead / be involved?

DISCO Roadmaps

Which aspects of the Roadmaps should perhaps be adapted / sharpened?

How can accountability on implementation (measuring progress and making progress) within the DISCO partnership be further strengthened?





Strategic direction and subsequent activities in 2023

Breakout groups

Division of breakout groups

Partnership reflection on the strategic direction and subsequent activities in 2023

Susanne Boetekees <i>Ass.: Marlene Hoekstra</i>	Roel Govers <i>Ass.: Marloes Humbeeck</i>	Steven Collet <i>Ass.: Mark de Waard</i>
<ul style="list-style-type: none">• Bram Wits (Min. BuZa)• Milan Slikker (Nestlé)• Jack Steijn (Equipoise)• Jesse Arnon (Oxfam)• Anouk Mulder (ETG/BB)• Louis Cabouat (Agriterra)• Jeroen de Bruin (VBZ)• Jaïr de Paauw (PoA)	<ul style="list-style-type: none">• Pavithra Ram (Tony's)• Channa Brunt (Fairfood)• Mark Hoolwerf (PoA)• Pauline Neefjes (Unicef)• Marijn Moesbergen (Cargill)• Julius Seinen (Min. LNV)• Beatrice Moulianitaki (Meridia)	<ul style="list-style-type: none">• Dereck Hardwick (Fairfood)• Joke Aerts (Tony's)• Cedric Steijn (KIT)• Linda van Waveren (PoA)• Remi van Balen (ETG/BB)• Maaïke Schoonejans (Solidaridad)• Timo van der Kroon (Albert Heijn)

Eric Nederhand <i>Ass.: Maria Escobar Riomalo</i>	Boukje Theeuwes <i>Ass.: Tora Sinaga</i>
<ul style="list-style-type: none">• Daan van der Meer (Min. BuZa)• Frank Joosten (IDH)• Sarah Dekkiche (ICI)• Maurice van Dort (RA)• Marloes Bruin (Albert Heijn)• Paul Schoenmakers (Tony's)• Ralf van de Beek (Min. LNV)• Vishwas Pai (ETG/BB)	<ul style="list-style-type: none">• Marloes Philippo (RVO)• Angelika Kessler (Care)• Habiba Nyarko Agyemang (Agriterra)• Maartje de Graaf (Tropenbos)• Daniek Ehrismann (Jumbo)• Anke Massart (Barry Callebaut)• Mirte Ruesen (Min. BuZa)• Robert van der Veer (Friesland Campina)





***Plenary collection of input in
annual plan 2023***





Conclusions and agreement on steps forward

Arjen Boekhold – Independent chair of the Steering Committee



THANK YOU FOR YOUR PARTICIPATION



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