

APRIL 2023

Newsletter | 08

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 Boukje Theeuwes from Solidaridad Network. The representative of the sub sector 'Civil Society' and 'service providers & knowledge institutes':



"If you want something different, you are going to have to do something different." – Jack Canfield

The 2022 Cocoa Barometer issued in December last year concludes that endemic sustainability issues within global cocoa supply chains, including child labour and deforestation, will continue unless efforts are coupled with the payment of a higher farmgate price for cocoa. Without a significant increase in earnings, cocoa farmers will continue to be burdened with the responsibility for addressing a range of sustainability issues without the means or incentives to do so. In addition to low incomes, the current cost-of-living crisis is putting further pressure on farmers, their families and communities in West Africa. It is my strong belief that without addressing purchasing and pricing practices, environmental and social harms will continue in the world's major cocoa producing countries Ghana and Côte d'Ivoire.

The DISCO partnership is very well positioned to work on exactly this challenge. Among all sector-wide commitments across Europe, the DISCO partnership stands out due to its clear recognition of the role of farmgate pricing in a wider mix of living income interventions. DISCO's specific commitment on living income is clear and direct. We state the ambition that: Farming families with cocoa as their main livelihood activity will be enabled to earn a living income by 2030. What is less clear is how this will be achieved. The first-ever DISCO Annual Report concluded that, in the first two years of the partnership (2020 - 2021), some progress was made on the three main objectives around living income, child labor and deforestation, but the measurable impact attributed to the added value of DISCO must still be shown in the coming years.

I was excited to see that during the annual members meeting we jointly decided on three key priorities for 2023: purchasing practices, international collaboration, and accountability. With DISCO being a market-based mechanism for the Dutch cocoa and chocolate sector, it is a logical step to start looking at changes that are in the sphere of control of DISCO members. The implementation of responsible purchasing practices - including decent prices, payment terms and long-term supplier relationships - is a concrete and necessary step to deliver on DISCO's living income commitment. I look forward to continuing this journey and achieving meaningful results together."

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

- Arjen Boekhold – Independent chair
- Vacant (representative 'traders/processors')
- Roel Govers – Mars (representative 'manufacturers/brands')
- Laura Jungmann – Albert Heijn (representative 'retailers')
- Steven Collet – 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.*

General Strategic Meeting (May 23rd) & Annual General Assembly (November 9th)

We are thrilled to invite you to the Dutch Initiative on Sustainable Cocoa (DISCO)'s General Strategic Meeting taking place on **May 23rd, 2023**, and the annual General Assembly on **November 9th, 2023**.

During the DISCO General Assembly in December 2022, it was agreed upon that in 2023, the partnership would focus on three pillars: **accountability, international collaboration, and procurement practices** to drive action towards the DISCO goals. During both events these pillars will be central to our discussions.

In the General Strategic Meeting on **May 23rd**, we would welcome your active participation and to further shape the frameworks for implementation around the procurement practices pillar. The discussions during this event will be centered around the necessary supply chain arrangements and procurement practices needed to transition cocoa farming households to profitable and sustainable cocoa farming, but also on the different roles and responsibilities of different actors. The event will aim to make this as concrete and practical as possible. More details on the agenda can be found in the invitation attached.

Please already make sure you **register** for the General Strategic Meeting on May 23rd, using the following [link](#). The event is open to all DISCO signatories, with a maximum of 2 people per organization. In case more people from your organization want to attend, please reach out to Marlene Hoekstra, hoekstra@idhtrade.org.

In the annual General Assembly on **November 9th**, we will build on the gathered insights on the progress towards reaching the DISCO goals and define how to further accelerate towards reaching the DISCO goals. Please make sure to mark this date in your agenda.

DISCO Chair Arjen Boekhold

During the Steering Committee Kick-off meeting on January 30th, the current DISCO Chair, Arjen Boekhold announced that he reflected on the (future) role as chair of the Steering Committee. He concluded that, as a necessary part of the next phase, more should be done by the partnership itself, both in pushing the partnership forward and to get into practical action. Arjen also shared that in his opinion the role of chair should be rotating occasionally in order to avoid making partnerships too dependent on the functioning of individuals. He therefore announced that he will be ending his term as Chair of DISCO Steering Committee by the end of the year. This, despite the fact that he really appreciates the cooperation with the individual partners and the DISCO partnership. Until the end of his term, Arjen will be focusing on his core tasks as a chair of the Steering Committee and general meetings.

In the upcoming months, the Steering Committee will be discussing a replacement for Arjen, but should you know individuals who would be interested in this position, please feel free to reach out to Arjen, and/or the DISCO Secretariat.

DISCO informative session on EU Deforestation Directive

On **Tuesday 18th of April, 10:00 – 11:30**, Dutch Ministry of Agriculture, Nature and Food Quality will be holding an information session on the EU Deforestation Directive (EUDR) dedicated to the Dutch cocoa and chocolate sector within the DISCO partnership. During this session, you will be informed about the directive and its workings, the expected time path to implementation and discuss challenges in meeting the requirements of the regulation.

The session will be held virtually (online), and is foreseen to last 90 min. To receive a link, please register for the event using this [link](#). Attendance is free of charge. The event will be held in English.

ISCO 2023 Monitoring

Start of monitoring round on 2022 data

On the 3rd of April 2023, the online launch event of the 2023 ISCO monitoring round took place, marking the first day of the reporting month. Your (mandatory) reporting is essential to help us, the ISCOs, track the progress of the partnerships and define action points for the future. Should you have missed the launch event, you can rewatch the [webinar](#) for more information on the tool and required data points.

You are now able to report in the same user-friendly online monitoring tool for all ISCOs. To access the tool, please use the following [link](#). In case you have used the tool before, you can simply log in using your previously chosen password. Should this be the first time you are using the tool, you will need to register. After approval from the secretariat, you will be able to start your reporting.

All information on how to use this tool can be found in this [guidance document](#). An overview of all data points can also be found in the following [document](#).

Should you have any questions, or require support, feel free to reach out to Marlene Hoekstra (Hoekstra@idhtrade.org) or Mark De Waard (deWaard@idhtrade.org). If you are reporting for several ISCOs, you can also book a private session with all ISCO secretariats on April 17th via this [link](#).

Please make sure to finalize your reporting by April 30th, 2023, COB.

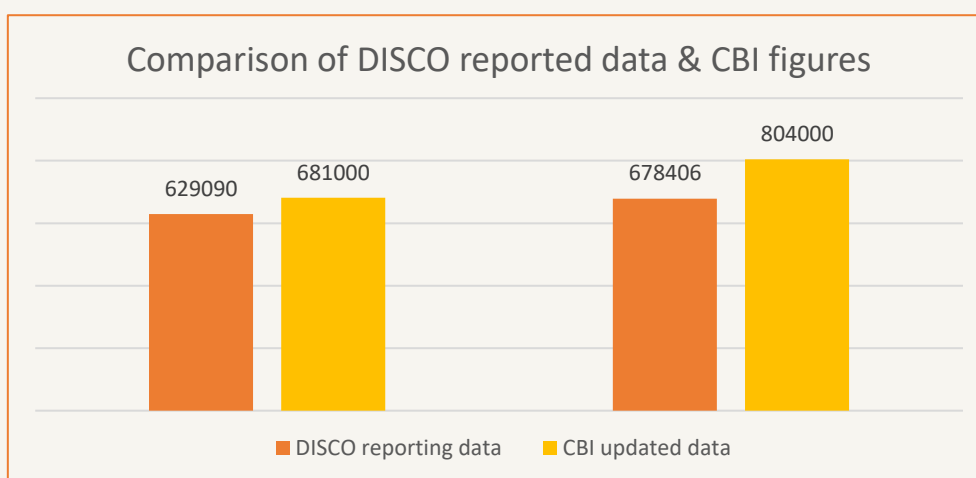
Revised CBI data

Correction of import data

In the [DISCO 2020 & 2021 Annual report](#), the monitoring data (imported and processed volumes in the Netherlands) from the DISCO partners was compared to external data to estimate the percentage of cocoa covered by the DISCO partnership. Recently, CBI has published updated figures on both 2020 and 2021, which impact the conclusions in the report.

Previously, Eurostat and ITC (2021) reported that the total estimated volume of cocoa imported and processed in 2020 in the Netherlands was 977,000 metric tons¹. The more recent figures that could be found in the [CBI](#) study show that in 2020, the Netherlands imported 681,000 metric tons, compared to 804,000 metric tons in 2021. This means that DISCO partnership, in terms of imported and processed cocoa covers about 92% of all Dutch cocoa imported and processed cocoa for 2020, and about 84% in 2021. The previously shared 36% gap linked to other non-DISCO traders is therefore much smaller: 8% in 2020 and about 16% in 2021.

Please find below a comparison of the different figures for 2020 and 2021:



¹ No data was available for 2021.

Latest developments in Europe: updates from other ISCOs

Update on Beyond Chocolate

On January 23rd, the Beyond Chocolate Steering Committee had its first meeting of the year. The meeting marked the first-time participation of the two new SteerCo members Ricardo Romero from Mars representing large manufacturers and Anne Widart from Barry Callebaut representing traders. During the meeting, the Beyond Chocolate 2023 annual plan was validated, including deliverables, priority action points and timeline for 2023. Furthermore, a reviewed Steering Committee mandate was validated. You can find the Beyond Chocolate 2023 annual plan [here](#) and an overview of the Beyond Chocolate Steering Committee and its mandate [here](#).

One of the workstreams defined in the annual plan is the review of the Beyond Chocolate theory of change (TOC). In March-April, Beyond Chocolate is convening a task force to develop a proposal for such a TOC, specifying spheres of control, influence and concern as well as individual and joint roles and responsibilities. The proposal will be validated by the Steering Committee and, after a process of wider stakeholder consultation, presented during the Beyond Chocolate General Assembly of October.

Update on the German Initiative on Sustainable Cocoa (GISCO)

GISCO's board has decided on this year's annual theme: In 2023, GISCO will focus on climate change in connection with deforestation/renaturation. This will be linked to (organic) cultivation and production. Events dedicated to deforestation and climate change are our General Meeting on May 3rd and GISCO's event at the ANUGA in October.

GISCO's General Meeting will take place in Bonn on 2 and 3 May. This year the General Meeting will be in person, and we look forward to meeting our members and guests personally again.

From 23 to 25 April, GISCO will be present at the ISM to inform visitors about the initiative's work and the cocoa sector.

Update on the Swiss Platform for Sustainable Cocoa (SWISSCO)

In mid-March, the SWISSCO Board travelled to Ghana to deepen the relationships with local government partners and SWISSCO member counterparts. The mission allowed the delegation to better grasp the realities on the ground during field visits and discussions on, amongst others, traceability, governance and agronomic issues. Further, the SWISSCO delegation had a fruitful first joint committee meeting under the new MoU between Ghana and Switzerland aimed at fostering a sustainable cocoa production. Future areas of collaboration and resulting joint activities were defined, e.g. in combating endemic cocoa diseases, strengthening traceability and transparency in the value chain, piloting locally adapted dynamic agroforestry practices, tackling the root causes of child labour and jointly analysing household income.

Furthermore, the SWISSCO Office is continuously receiving expressions of interest from its members for landscape projects, innovative value chain projects and collaborations under the call aimed at fostering peer learning. While only SWISSCO members can apply for the funding, cross-sectoral partnerships as well as cooperation with local organisations and international partners are explicitly encouraged.

Update on the French Platform for Sustainable Cocoa (FRISCO)

On Thursday, March 16, AFD (Agence Française de Développement) and FFEM (French Facility for Global Environment), both members of FRISCO's State Group, organized a presentation of their operations and the field projects they have financed in producing countries. The objective is to open discussions on the first FRISCO field project to be built.

The FRISCO steering committee met on Friday March 24 (1st meeting in 2023) to discuss the 2023 timeline and the indicators of the European common framework to be followed for the first reporting year (pilot year) of FRISCO.

Finally, the first general meeting will be held on April 17.

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 18th	<u>DISCO Information session EU Deforestation Directive</u>
May 23rd	<u>General Strategic Meeting</u>
June 20th	Steering Committee #2
September 19th	Steering Committee #3
November 9th	DISCO General Assembly
Date to be confirmed	Steering Committee #4

An overview of ISCO Working Group meetings and learning events can be found in the [overview of 2023 ISCO activities](#).



DISCO

DUTCH INITIATIVE ON
SUSTAINABLE COCOA