



**Alliance for Sustainable Cocoa:
for the economic, social and environmental sustainability of cocoa
production and trade**

EU Sustainable Cocoa Initiative

28 June 2022

Considering the importance of enhancing sustainable practices in the cocoa sector, and with a view to taking concrete action to improve the incomes of cocoa farmers and close the living income gap, to protect the environment and forests, and eliminate child labour in the cocoa sector, the participants of the EU's multi-stakeholder Cocoa Talks note the following:

- On 22 September 2020 at a high-level event, the European Commission, under the leadership of DG TRADE and DG INTPA, launched a Sustainable Cocoa Initiative to improve the sustainability of cocoa value chains in West Africa, particularly in Ghana and Côte d'Ivoire. Cameroon also joined the process as an observer. This initiative responds to growing consumer expectations and a strong political ambition of the EU to make supply chains more sustainable. It builds on the Commission's European Green Deal and President von der Leyen's "zero-tolerance approach to child labour".*
- The EU is the world's largest importer of cocoa, accounting for 60% of world imports. Côte d'Ivoire, Ghana and Cameroon are the major suppliers of cocoa into the EU market worth EUR 4.6 billion (2021). Cocoa beans and products of primary processing (such as cocoa butter or paste) account for 71% of Côte d'Ivoire's, 58% of Ghana's and 29% of Cameroon's total exports to the EU. These products are entering the EU market tariff- and quota-free in the framework of the Economic Partnership Agreements (EPAs).*
- Since the agreement on the Living Income Differential (LID) in July 2019 between Côte d'Ivoire, Ghana and the main industry partners, there is a greater acknowledgement among stakeholders that cocoa prices are one of the key determinant of farmers' incomes and that living income for cocoa farmers is a necessary precondition for more sustainable cocoa production. A new organization, the Côte d'Ivoire-Ghana Cocoa Initiative (CIGCI) was established by the two main producing countries, to develop closer ties, to jointly promote cocoa internationally and to strengthen their overall market position.*
- Over the past decade, EU Member States have also established multi-stakeholder public-private partnerships - GISCO (2012), SWISSCO (2018), Beyond Chocolate (2018), DISCO*

(2020), and FRISCO (2021)¹ - with ambitions to enable a living income, reach zero deforestation and end child labour. These platforms have formalized their collaboration through a Memorandum of Understanding signed in August 2020.

- Under the Sustainable Cocoa Initiative, the European Commission organised eight thematic roundtables of the multi-stakeholder Cocoa Talks on various aspects of the sustainability of the cocoa value chain, including living income for farmers, standards, traceability with respect to child labour and deforestation, regulation with a focus on due diligence duties, sustainable production of cocoa, development cooperation and finance, and the role of EU consumers.
- The Cocoa Talks have allowed for detailed exchanges between stakeholders – representatives of industry, traders, farmers, NGOs, Member States, and partner countries. Continuous attendance of more than 200 participants in each Cocoa Talks session has shown strong commitment as well as trust in the Commission-led process. Both National Cocoa Boards as well as representatives of the governments and civil society of Ghana and Côte d'Ivoire have constructively engaged in the discussions.
- To finalise a year of EU Cocoa Talks, a technical wrap-up webinar took place on the 13th December 2021 during which concrete follow up actions were discussed.
- In parallel to the Brussels-led Cocoa Talks, a series of similar national dialogues have been organised by the EU Delegations in Ghana and Côte d'Ivoire and were launched in Cameroon.
- The Sustainable Cocoa Initiative supplements EU legislation on corporate sustainability due diligence and on tackling global deforestation associated with the EU's consumption footprint. On 17 November 2021, the Commission adopted a proposal for a Regulation on deforestation and forest degradation and, on the 23rd of February 2022, a proposal for a Directive on corporate sustainability due diligence. Both legislative proposals were presented during ad-hoc Cocoa Talks information sessions.
- The Sustainable Cocoa Initiative is supported by a far-reaching EUR 25 million programme "EU support to sustainable cocoa" that started in 2022 in Côte d'Ivoire, Ghana and Cameroon. The programme enhances the structural reform of the sector in line with the discussions and results of the multi-stakeholder dialogue. The programme will be complemented by further actions and projects under 2021-2027 EU programming at national and regional levels under Team Europe Initiatives (TEIs). In Côte d'Ivoire, an ambitious TEI on Sustainable Cocoa has been developed and launched, addressing the three

¹ The national European Initiatives on sustainable cocoa (-ISCOs) are multi-stakeholder initiatives promoting sustainable cocoa production and consumption to improve the livelihood of cocoa farmers and their families. To achieve this objective, the -ISCOs closely liaise with the governments of cocoa producing countries. -ISCOs are in place in Germany (GISCO), Belgium (Beyond Chocolate), the Netherlands (DISCO) and France (FRISCO). Switzerland also has its own platform (SWISSCO).

dimensions of the sustainability of cocoa production². In Ghana, the “Smart, green and digital recovery” TEI will include the cocoa value chain within the “Climate smart agriculture, agribusiness and natural resources management” component.

Against this background, stakeholders participating in the Cocoa Talks endorse the following roadmap with action points, which set out the strategic work areas, indicators of achievement, leading partners, and timeline. It foresees in particular:

1) Focus on action related to price and market mechanism, standards and traceability

Two focus groups on (i) Prices and Markets and (ii) Standards and Traceability will be launched and serve for technical discussions. They will gather a limited number of experts and representatives of the different stakeholders groups. They will be organised as soon as possible in 2022 and run for 6 months initially. Stakeholders also remain open to establish further roundtables or focus groups over the short or the medium-term, as needed, such as on sustainable agricultural production. The Cocoa Talks will continue to partner with and complement the work of EU Member States’ platforms.

2) Creation, implementation and strengthening of National Strategies/Action Plans, and continuation of national dialogues

Cocoa producing countries will lead the implementation of the National Strategies / Action Plans related to sustainable cocoa production objectives, involving all relevant stakeholders, including civil society. The National Strategies / Action Plans should be updated as necessary, in consultation with local stakeholders. They should also remain the reference documents for the national-level dialogues. National dialogues are linked to ongoing national cocoa sector reforms. They serve as an inclusive forum to discuss key areas for domestic actions and reforms and will establish the modalities for their implementation.

3) Bilateral policy dialogue on sustainability issues in the EPA Committees and the bilateral policy dialogue on development cooperation.

The dialogue on sustainability issues at the government-to-government level will take place as part of the EU-producing countries dialogue on development cooperation and in the framework of the Committees established under the Economic Partnership Agreements between the EU and Ghana, Côte d’Ivoire and Cameroon.

4) Support through EU development cooperation and finance

EU development cooperation and finance – including the EUR 25 million programme on Sustainable Cocoa Production (SCP) launched earlier this year – will support the efforts of this Initiative through technical assistance and budget support (where relevant). Assistance

² Together, the EU and Member States have an estimated contribution to the TEI on sustainable cocoa of several hundred million euros, in the form of ongoing and future projects. In 2021, EUR 18 million was committed by the European Commission and further financing is already foreseen in 2022 and 2023.

will target both the public and private sectors to: establish or strengthen and operate inclusive multi-stakeholder dialogue platforms; provide technical support to producing countries for the reform of institutional, legal and regulatory frameworks to support the transition to sustainable cocoa value chains; facilitate farmer and civil society participation in multi-stakeholder dialogue and on the development of frameworks for sustainable cocoa production; and empower farmers and farmers' cooperatives to comply with and benefit from emerging frameworks for sustainable cocoa production, by improving agricultural practices and attracting investments.

5) Governance

*All stakeholders commit to the **transparency** of actions that will take place in the context of this roadmap/action points and on their activities seeking to improve the three pillars of sustainability of the cocoa production and cocoa supply chain.*

*Additionally, the progress of the initiative will be regularly **monitored**. The **high-level conference on the Sustainable Cocoa Initiative** will be organised in April 2023 and will take stock of the progress achieved through the attached roadmap. The World Cocoa Conference in April 2024 can provide for another important milestone in the process. **Progress report** on implementation of the action points will supplement the discussions.*

Action points

Based on the conclusions from the Cocoa Talks Roundtables 1-8, the following action points have been agreed among the stakeholders.

Thematic area	Action point	Indicator of achievement	Leading partner	Time frame
1. Prices and markets	1.1. Maintain and deepen the reflection on cocoa markets and prices to ensure transparency on markets and to deliver decent living incomes to farmers	<p>a. A joint technical focus group has been created, under Chatham House rules, to work on the enabling environment and tools to achieve decent farmers' incomes through sustainable cocoa, under the leadership of producing countries. The joint technical focus group has organized technical meetings.</p> <p>b. A webinar has been held on the functioning of international markets, to improve the transparency and understanding of the functioning of world cocoa markets including prices for all stakeholders</p> <p>c. Producing countries have carried out studies (e.g. feasibility study) on possible complementary price disclosure systems</p> <p>d. The joint technical focus group has made recommendations on market mechanisms and government policies to help increase farmer incomes, to be presented and debated in the framework of the broader Cocoa Talks forum.</p>	<p>Secretariat of the Côte d'Ivoire-Ghana Cocoa Initiative</p> <p>b. CAOBISCO³, with ISCOs⁴</p> <p>c. Ghana Cocoa Board, Conseil Café-Cacao de Côte d'Ivoire, Secretariat of the Côte d'Ivoire-Ghana Cocoa Initiative</p>	June-December 2022
	1.2. Put in place or design adequate supply management systems/strategies, and contribute to increase primary	<p>a. Producing countries have investigated (e.g., through a feasibility study) possible supply management systems/strategies for the sector, taking into account the impacts on local</p>	Producing countries, with partners especially the ICCO ⁵ and its working group	June 2022 – April 2023

³ CAOBISCO – Association of Chocolate, Biscuit and Confectionery Industries of Europe

⁴ ISCOs – Initiatives on Sustainable Cocoa

⁵ ICCO – International Cocoa Organization

	transformation capacity as needed	processing. b. The feasibility study has been debated within the framework of national stakeholder platforms.	on supply management	
2. Standards	2.1. Strengthen the relevant standards on sustainable cocoa, including the African Regional Standard on Sustainable Cocoa (ARS 1000), and their implementation to facilitate trade with the EU	a. Producing countries have continued the development of the ARS through the ARSO ⁶ , and presented their need for support, recognizing upcoming EU legislation and its market-access requirements in terms of traceability, transparency and accountability. b. European stakeholders have issued a detailed recommendation on how to best support the ARS 1000 and made their recommendations around economic, social and environmental sustainability.	a. Producing countries through the ARSO b. European ISCOs	January-December 2022
3A. Traceability, transparency and accountability – child labour	3A.1. Create national, government-mandated, sector-wide cocoa traceability systems	a. National cocoa traceability systems have improved in coverage, accuracy, reliability, and transparency with EU support. All cocoa can be traced from the plot level and traceability data is publicly available to all concerned stakeholders b. National cocoa traceability systems have a clearly defined role for farmers' organizations c. In addition to the physical traceability of cocoa, national traceability systems also incorporate sustainability data derived from national private or community child labour monitoring systems and other national and international child protection organizations. Such data is available to all stakeholders,	Producing countries (with support from EU development partners including EU Member states and the EU SCP ⁷ programme), with relevant stakeholders especially the private sector and civil society Links with ISCOs Working Groups on Traceability and Child	2022-2026

⁶ ARSO – African Organization for Standardisation

⁷ SCP – Sustainable Cocoa Production programme

		allowing them to connect incidents of child labour to individual cocoa consignments and plots.	Labour	
	3A.2. Establish/reinforce/expand National Child Labour Monitoring Systems (CLMS)	National child labour monitoring systems cover 100% of cocoa-producing areas and provide accurate, reliable and transparent data on the incidence of child labour in the cocoa sector.	Producing countries (with support from development partners including EU Member States and the EU SCP programme), with relevant stakeholders especially the private sector and civil society	2022-2026
	3A.3. Explore how private and community-based CLMRS ⁸ can contribute to national CLMS and linked into the sector-wide cocoa traceability systems	Following open and transparent consultations with all stakeholders, producing countries have issued guidance on how private and community-based child labour monitoring and remediation systems can contribute with data to the national, government-mandated, sector-wide traceability system.	Producing countries (with support from development partners including EU Member States and the EU SCP programme)	2022-2023
3B. Traceability, transparency and accountability – deforestation	3B.1. Create a national, government-mandated, sector-wide cocoa traceability system	<ul style="list-style-type: none"> a. National cocoa traceability systems have improved in terms of coverage, accuracy, reliability, and transparency as a result of EU support (the EUR 25 million programme). b. All cocoa can be traced from the plot boundaries and this data is publicly available to all concerned stakeholders. c. In addition to the physical traceability of cocoa, national traceability systems also incorporate sustainability data derived from-national deforestation monitoring systems. 	Producing countries (with support from development partners including EU Member States and the EU SCP programme), with relevant stakeholders especially the private sector and civil society	2022-2026

⁸ CLMRS - Child Labour Monitoring and Remediation Systems

		d. Sustainability data is available to all stakeholders, allowing them to connect incidents of deforestation to individual cocoa consignments and plots.	Links with ISCOs Working Groups on Traceability and Forestry	
	3B.2. Establish base-line forest and land use maps	Baseline forest and land-use maps have been produced for Côte d'Ivoire, Ghana and Cameroon and validated by all stakeholders within the framework of the national dialogue platforms.	Producing countries (with support from development partners including EU Member States and the EU SCP programme)	2022-2023
	3B.3. Establish/reinforce and expand the coverage of deforestation monitoring systems and 'early warning' systems (including both satellite- and community-based systems)	<p>a. Deforestation monitoring/'early warning' systems, integrating both satellite-based and community-based systems, are in place in the producing countries (Côte d'Ivoire, Ghana and Cameroon).</p> <p>b. These systems cover all cocoa-producing areas and produce accurate, reliable and transparent data on deforestation and forest degradation.</p> <p>c. In the spirit of transparency, this data is made publicly available to all concerned stakeholders.</p>	Producing countries (with support from development partners including EU Member States and the EU SCP programme)	2022-2026
	3B.4. Explore how data from deforestation monitoring systems can be fed into the national sector-wide cocoa traceability system.	Following open and transparent consultations with all stakeholders, producing countries have issued guidance on how data from the national deforestation monitoring system shall be connected to the national, government-mandated, sector-wide cocoa traceability system.	Producing countries (with support from development partners including EU Member States and the EU SCP programme)	2022-2023
4. Regulations and due diligence	4.1. Work in an inclusive manner to develop best practices on traceability for the cocoa sector and support the build-up of national traceability systems	See above (traceability, transparency and accountability with regards to child labour and deforestation)		

	<p>4.2. Develop recommendations for sectoral guidelines on due diligence for the cocoa sector, taking into account the forthcoming EU rules on deforestation and corporate sustainability due diligence.</p>	<p>a. Following multi-stakeholder discussions, recommendations have been issued on deforestation and human rights (including child and labour rights) and environmental due diligence (HREDD) in the cocoa sector.</p> <p>b. These recommendations have been drafted and presented at a Cocoa Talks virtual roundtable session.</p>	<p>a. EU stakeholders</p> <p>b. European Commission</p>	<p>2022-2026</p>
	<p>4.3. Support efforts to facilitate the adaptation of smallholders and farmers' cooperatives to the requirements set out in the new EU due diligence rules, including e.g., capacity building, technical assistance and mapping of cocoa farms via geolocation coordinates.</p>	<p>Number of farmers, especially the most vulnerable, farmers' organizations, cocoa and chocolate companies in Côte d'Ivoire, Ghana and Cameroon reporting that they are "ready to comply with EU due diligence regulations" has increased, following interventions under SCP project.</p>	<p>Development partners members of the SCP programme (FAO⁹, GIZ¹⁰ in particular), notably via local NGOs and farmers platforms.</p>	<p>2022-2026</p>
	<p>4.4 Conduct survey of legal framework in Côte d'Ivoire, Ghana and Cameroon in order to identify what is the "relevant legislation in the country of production"</p>	<p>There is a written document with an overview of the "relevant legislation in the country of production" in Côte d'Ivoire, Ghana and Cameroon, which can facilitate the work of operators with regards to the implementation of the EU deforestation-free products regulation.</p> <p>As part of this survey of the legal framework, gaps and inconsistencies in the legal framework have been identified and any necessary legal review or reform has been done to correct these. Gaps in implementation have also been identified and any necessary work has been done to address these.</p>	<p>Producing countries with support of development partners</p>	<p>2022-2023</p>

⁹ FAO – Food and Agriculture Organization of the United Nations

¹⁰ GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)

5. Sustainable cocoa production	5.1. Scale-up agro-ecological solutions on already-used agricultural or barren land (notably agro-forestry) that combine local know-how with scientific research	Number of farmers and farmers' organizations that have introduced agro-ecological solutions on their plantations has increased, following interventions under the €25 million project as well as under private sector sustainability programmes.	Development partners members of the SCP programme (FAO, GIZ in particular) & EU stakeholders through their programmes	2022-2026
	5.2. Identify incentives that encourage the transition towards more sustainable production practices (e.g., payment for ecosystems services).	<ul style="list-style-type: none"> a. A study has been conducted to identify incentive systems that could be introduced to encourage the transition towards more sustainable production practices. b. The study has been validated by stakeholders within the framework of the national dialogue platform and/or a Cocoa Talks virtual roundtable session. c. Pilot projects have been launched to test the incentive systems that have been identified and validated by stakeholders. 	Development partners members of the SCP programme (FAO in particular) and others including NGOs	2022-2026
	5.3. Support farmer entrepreneurship through farmer aggregation and capacity-building for farmers' organizations as well as to crop diversification and the promotion of additional income-generating activities.	<p>Number of farmers' organizations that demonstrate improved practices in key areas (governance, financial management, branding and marketing, transport and storage, agricultural extension services for members, other advisory services, advocacy, etc.)</p> <p><i>[Figure to be determined through surveys before and after project interventions]</i></p>	Development partners members of the SCP programme (FAO, GIZ in particular) & EU stakeholders through their programmes, notably via locally run farmers' and civil society platforms.	2022-2026
6. Development cooperation and finance	Identify development partners and sources of funding to implement the 'action points' that have been identified as a result of	<ul style="list-style-type: none"> a. EU donors coordinate their efforts regularly on sustainable cocoa. b. As needed, coordination platforms have been set up in each of the producing countries (similar to 	<ul style="list-style-type: none"> a. Government-to-government informal group (EU Member 	2022-2024

	the Cocoa Talks. Set up a simple monitoring system.	the Ghana Cocoa Monitor proposed by the Ghana Cocoa Board ¹¹).	States) + EU Commission b. Producing countries (with EU support)	
7. Consumers	7.1. Conduct further research on consumer willingness to pay higher prices, on the price elasticity of chocolate products, and on the differences in behaviour between consumers in different EU countries., taking into account competition rules	Further research has been conducted on consumer willingness to pay higher price, on the price elasticity of chocolate products, and on consumer behaviour, including the differences in different EU countries. The research serves to shed light on the extent to which EU consumers are able and willing to absorb increases in the price of chocolate and other cocoa-based products.	European Commission EU NGOs	2022
	7.2. Reinforce coordination with retailers across Europe	Major retailers from the EU are actively engaged in the Cocoa Talks and the EU Sustainable Cocoa Initiative.	European Commission	2022

¹¹ COCOBOD – Ghana Cocoa Board, the state-owned company solely responsible for Ghana’s cocoa industry, controlling the purchase, marketing and exports of all cocoa beans produced in the country.

Process

The work, over the next six months and beyond, towards reaching the objectives of the Sustainable Cocoa Initiative, will be guided by the following processes constituting an integral part of the roadmap.

Work area	Process	Description
EU LEVEL		
Dialogue and coordination	<ul style="list-style-type: none"> Continuation of Cocoa Talks roundtables Preparation of a high-level conference in 2023 	<ul style="list-style-type: none"> The Cocoa Talks will be organized on a needs' basis, primarily to report on the work of the focus groups, or as information sessions on other specific issues 2023 Conference will be organized to renew commitments to the EU sustainable Cocoa Initiative and to take stock collectively on progress on overall roadmap
PRODUCING COUNTRIES LEVEL - Cameroon (CAM), Côte d'Ivoire (CIV), and Ghana (GH)		
Dialogue and coordination	<ul style="list-style-type: none"> Continuation of national dialogues Preparation/upgrading National Action Plans on sustainable cocoa production 	<ul style="list-style-type: none"> The national policy dialogues will be organized regularly on a needs basis. The National Action Plans should be created or used (where they already exist) as reference documents and take into account the results of the national-level dialogues.
Focus group on prices and markets	<ul style="list-style-type: none"> Establishment of a (joint) technical focus group 	<ul style="list-style-type: none"> Focus group will consist of limited number of experts from EU stakeholders and producing countries to hold technical discussions under Chatham House rule
EU and PRODUCING COUNTRIES TOGETHER		
Dialogue and coordination	<ul style="list-style-type: none"> Bilateral engagement at governmental level on sustainability issues 	The Parties will continue inter-governmental dialogue on trade and sustainable development in the framework of the regular Economic Partnership Agreements Committees and as part of the EU-producing countries development cooperation dialogues
Focus group on standards and traceability	<ul style="list-style-type: none"> Establishment of a technical focus group 	Focus group will consist of limited number of experts from EU stakeholders and producing countries to hold technical discussions under Chatham House rule
Additional focus groups (optional) e.g., on sustainable agricultural production	<ul style="list-style-type: none"> Establishment of a technical focus group 	Focus group will consist of limited number of experts from EU stakeholders and producing countries to hold technical discussions under Chatham House rules