



2022 Partnership Meeting Summary

Partnerships for Impact

Brussels, Belgium · October 26 - 27



World Cocoa
Foundation



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INTRODUCTION

We are pleased to present the 2022 Partnership Meeting summary, that looks back on our latest conference which took place in Brussels, Belgium, on October 26-27, 2022.

The 2022 Partnership Meeting gathered 398 private sector sustainability leaders, farmers, government officials, civil society representatives, and researchers from 31 countries to explore this year's theme: Partnerships for Impact. We were pleased that so many participants attended the event to engage in discussions seeking solutions and to learn from our fantastic program of 72 presenters. These numbers once again demonstrate that the Partnership Meeting remains the leading global conference dedicated to cocoa sustainability.

Despite the uncertain geopolitical and economic environment, progress has been made in two major areas of cocoa sustainability. Firstly, speakers from the European Parliament and European Commission shared at the Partnership Meeting how the legislative agenda on deforestation and human rights is progressing. Secondly, 16 companies, the Côte d'Ivoire Ghana Cocoa Initiative, and the governments of Côte d'Ivoire and Ghana, signed in July a statement of intent toward an economic pact for sustainable cocoa. All parties agreeing to work together to develop solutions to consolidate the Living Income Differential and to achieve the transition to sustainable cocoa.

At WCF, we seek to launch additional collaborative programs, such as the Cocoa & Forests Initiative, addressing other critical areas of cocoa sustainability. We will increase focus on our role as convener to enhance collaboration and partnership between WCF members to maximize our collective impact. As mandated traceability becomes a reality and countries roll out their national traceability systems, we will seek to partner with governments to support that implementation by leveraging the data, systems, and protocols that companies have already developed. We are hopeful that traceability allied to regulation will not only drive compliance with deforestation, child labor and living income requirements but most importantly allow the farmer to reap the rewards of that compliance.

We look forward to continuing our work together and invite you to join us for the next Partnership Meeting taking place in 2024.



WOMEN IN COCOA & CHOCOLATE - TRANSFORMATIVE CHANGE - WHAT ACTIONS ARE NEEDED?

MODERATOR

Caroline Lubbers
Equipoise

SPEAKERS

Mariam Dao Gabala
Chairperson of the
International Supervisory
Board of Solidaridad, an
Ivorian economist and
development banker
and member of the
Côte d'Ivoire Senate

Inge Jacobs
Global Senior Manager,
Human Rights and Income,
Mars Wrigley Confectionery

Beatrice Moulianitaki
Chief Commerical Officer,
Meridia

Caroline Lubbers welcomed all to the Women In Cocoa & Chocolate network - 'WINCC'. She continued by saying that a large part of the cocoa farming future will be determined by youth and women; however, in cocoa and chocolate many female talents are not used to their full potential. WINCC network wants to contribute to transformative change in which women can reach their full potential and is researching the best manner to do so.

Feedback given this year has shown that primary needs are empowerment through education, sharing experiences, and networking. WINCC will offer a stronger focus on mentorship and education while setting up the network as an independent organization. Events will continue to be organized; advocacy will be supported as well as active lobbying for women speakers. To be able to set up the network independently, WINCC is looking for partnerships and sponsorships. This will enable all to grow and access talent, support women in leadership roles, get more women in the mix, increasing collaboration, innovation, and ethical decision making.

Inge Jacobs said that without (extra) interventions it will take an estimated 136 years to achieve overall gender parity. If the cocoa sector wants to show it is serious about pursuing gender equality, it should focus on a number of key building blocks that go beyond the traditional women's empowerment interventions (such as setting up income generating activities for women). Transformative change occurs through the redistribution of resources towards women and girls and through shifting the institutional structures that shape women and girls' choices and voice, and ultimately their lives and futures.

Beatrice Moulianitaki explained why the cocoa sector cannot afford to work with inaccurate farm(er) data anymore. The upcoming EU deforestation regulations, Swiss ESG requirements and the US Tariff and trade act are leading to risks such as supply chain disruption, reputational harm and non-compliance fines. 75 percent of commodities such as cocoa are expected to be insufficiently traceable and sourcing data would fail due diligence verification. Poor mapping quality leads to inefficiency, higher costs, slow impact and non-compliance to future regulation.

Moulianitaki stressed that opportunity was now for all players to invest in high quality mapping data, land documents and verification of data quality. Farmer organizations and companies should capacitate farmer organizations on data quality management and improve data mapping quality. Government and companies should do a stress-test traceability and field data to meet EU DD regulatory requirements, verify their data quality and invest in landscape-based mapping and land documents and tree registration.

Miriam Dao Gabala closed the event by saying, "The world is led by economic Power at macro, meso, and micro levels. So, if we want to accelerate women empowerment let us think about changing our methodologies of gender equality." She went on to express that the difficulties around landownership of women remained a big hurdle. Regarding the accurate data, she raised the question of who was going to pay for the data and that it cannot be the farmers. We finished by saying that the cultural influence remained a hurdle to achieve women empowerment and that men needed to be involved so they are more inclined to be open to the actions needed.



DAY 1: PLENARY SESSIONS

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKER

Chris Vincent
President, World Cocoa
Foundation

PARTNERSHIP FOR IMPACT



Chris Vincent formally opened the 2022 Partnership Meeting and expressed regret that officials from Côte d'Ivoire and Ghana, the world's biggest cocoa producers, had decided not to attend the Brussels meeting. (The decision was prompted by a dispute over cocoa pricing). Vincent hoped the meeting, which was a sell-out with almost 400 participants, would still provide a platform for stakeholders to air their differences and build a dialogue that would have a real impact on strengthening sustainability in the cocoa industry.

He said major changes were affecting the cocoa sector globally and, specifically, the WCF. During COVID-19, the world had focused largely on the impact of the pandemic on consumer demand, but a main concern now was the devastating impact on farmers from rising input and energy costs.

Vincent said progress had been made in two major areas for advancing toward cocoa sustainability. First, the EU legislation agenda on deforestation and human rights continued to make progress. "We are looking forward to a final version of the deforestation legislation in the very near future," he said. And secondly, in July major international companies, the Côte d'Ivoire and Ghana Cocoa Initiative, and the governments of the two countries signed a statement of intent toward an economic pact for sustainable cocoa. Vincent noted that all parties had agreed to work together to develop solutions to consolidate the Living Income Differential (LID), a premium the two major producing countries impose on their beans aimed at tackling farmer poverty. "Clearly, recent events have shown that we have work to do to rebuild this partnership, but our members look forward to engaging in the working groups envisaged in this agreement," he said.

Vincent also said the Cocoa & Forests Initiative (CFI) was playing a major role in restoring forests. "The conversation and the focus are moving increasingly away from deforestation and toward protection and restoration," he said.

He said the WCF had had a "strategy refresh" and had renewed its vision as a catalyst for a thriving and healthy cocoa sector where farmer income is improved, child labor is significantly reduced, and deforestation is reversed. Whether this can be realized depends on the ability to create partnerships, strategic relationships, and collaborative programs. The WCF would try to launch additional programs like the CFI to cover other sustainability areas, build its role as a "convener" to enhance collaboration among its members to maximize collective impact, and partner with governments in producer countries to support the implementation of mandated cocoa traceability measures.

"We are hopeful that traceability, allied to regulation will not only drive compliance with deforestation, child labor, and living wage requirements but most importantly allow the farmer to reap the rewards of that compliance," he said.

The goal was to build a thriving and sustainable cocoa sector, where farmers prosper, communities are empowered, and the planet is healthy. He said the WCF looked forward to making a strategic impact and helping align its vision with countries' long-term plans.



PLATINUM SPONSOR ADDRESS

Gerry Manley, CEO of OFI's cocoa business, told the session that the cocoa industry faced two major challenges: addressing climate change and creating a living income for farmers. He said it was necessary to establish an environment in which cocoa farmers could earn a living income and to keep alive a pathway to limiting the global temperature increase to 1.5 degrees Celsius above the pre-industrial level. He said it was essential to invest in measures to limit climate change and conceded that the cocoa industry's agricultural and manufacturing emissions were a part of the problem that had to be addressed. He said that last year OFI, with its partners, distributed over 1.7 million trees for agroforestry and income diversification.

He lauded the impact of the CFI, citing the U.N. Convention of Biological Diversity as finding that the rate of forest loss in Côte d'Ivoire and Ghana had halved from 2018 to 2019. He said companies were working with farmers to ensure that they could take advantage of the latest scientific developments. He referred to an OFI trial that found that composting can bring a 40-50 percent reduction in pest disease when linked to the pruning of trees, meaning a reduction in pesticide use and growth in productivity, which he said was an example of "a very simple change that can have a big impact." He added: "An increase in yield can double the income of a farmer—a quicker recipe for success than any change in price, and more long-lasting."

Manley ended on an optimistic note about growing demand for cocoa products in the next few years. "Our own forecast suggests that another 100 million ton of cocoa is required in the next decade as we remain consistent with GDP growth worldwide. This means we need a greater supply of good quality cocoa and there are few countries in the world that can provide this." He said there was a substantial supply deficit in the last season and likely a deficit this year. "Potentially we will enter a period of structural deficit. We therefore will need more supply—from no more land." He concluded: "Together we have a huge opportunity to channel this demand for cocoa, wonderful chocolate, and cocoa products into tackling climate change and securing a greener future for generations to come. We hope to provide a living income for all."



SPEAKER

Gerry Manley
Managing Director
& CEO, Cocoa, Ofi,
WCF Board Member

DAY 1: PLENARY SESSIONS

INTERVIEWER

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

INTERVIEWEE

Mariam Dao Gabala
Chairperson of the
International Supervisory
Board of Solidaridad, an
Ivorian economist and
development banker
and member of the
Côte d'Ivoire Senate

INTERVIEW WITH MARIAM DAO GABALA

Mariam Dao Gabala said she was “sounding the alarm” on a crisis for cocoa farmers, who faced the challenge of survival. She painted a dramatic image of cocoa-growing villages that 40 years ago were visibly better off than other villages, but which had now lost their advantage entirely. She said it was vital that cocoa farmers, who did not make as much money as other farmers, could earn a living income to enable them to succeed and shift toward entrepreneurial activity and escape from poverty. She said there needed to be investment in this “human resource,” that they must be given business opportunities, and that major transformations of the cocoa sector were needed to attract young people into farming as a business.

FIRESIDE CHAT

The three CEOs laid out their priorities and focus as they strive to create a sustainable cocoa industry, stressing the need for collaboration with all elements of the sector to build living incomes for farmers and restore the environment.

Van der Put discussed Mondelez’s Cocoa Life program that started in 2012 to foster sustainability. He said that given the size of the problem no one company could feasibly resolve it alone, that a sector-wide approach was needed, and that the process would take years.

Boone said forecasts indicated a growing demand for cocoa products in coming years and that “the question is how to get it.” He conceded that companies could sometimes be focused on their own outcomes and said systemic transformation depended on all participants adopting a shared vision. He stressed the enormity of the task, noting that 95 percent of cocoa farmers were earning below a living wage and that productivity was generally declining, with a vicious cycle meaning there was no scope for investment.

Van der Put said it was very difficult for a farmer to get a living income purely from cocoa, even with increasing yields and higher market prices. The farmer needed to become an entrepreneur, which meant having access to other crops and other businesses, that farmers’ wives needed to get into business and their children needed to get an education. He said dialogue with the producing countries was essential and regretted that Côte d'Ivoire and Ghana had not come to Brussels.

Schneider said the biggest problem was introducing initiatives at sufficient scale to make a difference. He said Nestlé had launched its “Income Accelerator” program earlier this year which did not just focus on



prices but on giving farmers cash rewards for specific behaviors, like pruning, keeping children in school or planting fruit trees as an alternate or additional crop, and giving an additional bonus when all the criteria were met. “Making that sort of program work at scale is a humongous task,” he said, and stressed that to effect transformative change it demanded widespread collaboration.

UNDERSTANDING HOW COCOA PRICES IMPACT LIVING INCOME

Michel Arrion introduced a detailed discussion on the contentious link between prices and living income.

Yuca Waarts said that with cocoa-producing householders generally earning half or less of the living income benchmark it would cost at least \$3,000 dollars a family a year, amounting to billions of dollars, to close the gap for all affected families. There was a similar trend in coffee and tea production. “This is not a sustainable system,” she said. Price increases had a role to play, but, especially for the poorest families, much more substantial change was needed. There had to be higher prices and more social protection measures.

Fountain questioned conventional thinking that bigger farms and higher yields led to the most successful outcomes, because this did not account for the extra labor costs which negated the income advantages. “Available labor is the key constraining factor,” he said. “If you don’t raise the farm gate prices, you’re not going to raise the income of farmers.” He said current approaches were completely insufficient against a background of declining prices in the last 70 years. The reality was that “we need to pay farmers more.” Over the last 20 years the focus had been on improving agricultural practices, but it was necessary also to consider good governance practices, good purchasing practices, and creating an enabling environment.

Antonie Fountain said every single proposed Cocoa company solution was based on “what the farmer needs to do to get himself out of poverty,” while there was no attention paid to changing the companies’ approach. “There is very little fundamental change in the core business of the companies because none of your core business is to run sustainability programs,” he told the assembled companies. “Your core business is to buy cocoa and sell chocolate . . . and that’s where you need to reform how you’re operating,” he said. It was important to discuss not just how much farmers were paid but how to relieve them of risk, for example by providing long-term or asymmetrical contracts to shift the responsibility from growers to the companies. “If you care about a living income for farmers, are you also willing to change your purchasing practices? That is what we need to talk about,” he said. There was “no magic bullet” to solve the pricing problem.

Pamela Thornton said she would like to inject some realism into the discussion. Cocoa, she said, was not (like, for example, oil) a transformative economic product for a country. She called for improvements in the fiscal and structural efficiency of the system in cocoa producing countries, which she called “the root of the problem.” She said after the massive expansion of land put to cocoa production in the 1980s and 1900s there was little room left for expansion in Ghana and Côte d'Ivoire – there were “not many forests left to take.” She said there were few economic options for the farmers in those areas—it was “low income or no income.”

She said it was wrong to just blame the market for the problems. “The market is there. We should be trying to use it for the benefit (of the farming communities) and not pretend that it doesn’t exist or is evil.”



MODERATOR

Michel Arrion
Executive Director,
International Cocoa
Organization (ICCO)

SPEAKERS

Christophe Alliot
Co-Founder, Bureau for
Appraisal of Socia Impacts
for Citizen Information
(BASIC)

Antonie Fountain
Managing Director,
VOICE Network

Pamela Thornton
Chairperson, Cocoa
Merchants’ Association of
America

Yuca Waarts
Senior Researcher,
Sustainable Value Chains,
Wageningen University



DAY 1: PLENARY SESSIONS

SPEAKERS

Peter Boone
Chief Executive Officer, Barry
Callebaut, WCF Chairman

She said in fact it had been a relatively stable market in recent years, with supply and demand more or less in balance, with a small surplus. She said Côte d'Ivoire had seen the biggest expansion despite the paucity of incomes. She said the Living Income Differential had been a good concept but did not take into account the reality of the market, in which there was a crop of five million tons but two million tons was being held in stocks. "LID has failed," she said. It had not taken into account that Ghana and Côte d'Ivoire did not have the means to support that price.

Thornton recommended modernizing marketing strategies designed to achieve higher pricing, maintaining a seasonal/monthly farmer's price, and creating a cost-of-production index maintained by an accredited third party to provide a "moral guide" to fair prices. She said producing countries should get involved in the market in a more commercial way, getting represented on company boards, asking questions.

Alliot, discussing research into cocoa value chains and societal costs, said there was very little price correlation along the chain, from the farm gate to the producer level to the sales end. He said there was buffering at the end of the chain compared with the volatility at the farm gate and export level. He said the cocoa/chocolate chain was "made to protect consumers and get the cheapest possible price for the best quality." Although he conceded the circumstances were different, he raised a model of pricing that has evolved in France for dairy products, which involves talks between farmers cooperatives, industry and retailers which allow all parties to make a living. He suggested it could inspire ideas for the cocoa world.

Arrion raised Nestlé's Income Accelerator program, which pays farmer's directly, not related to the price, which in principle is similar to the way the EU Common Agricultural Policy has evolved, paying farmers direct income support or for attaining environmental goals. Fountain praised the Income Accelerator program for looking at the concept of providing a living income in terms of how to improve household conditions rather than looking at it from the perspective of how many tons of cocoa are produced. But he said it was important also to look at purchasing practices.

INTRODUCING THE NEW WCF CHAIRMAN AND WCF STRATEGY

Peter Boone, CEO of Barry Callebaut and the new WCF Chairman, introduced himself to the meeting and encouraged participants, company members, and other stakeholders present to pursue the goal of sustainability in the cocoa industry, saying it was essential that the cocoa farmer and his family prosper.

CORPORATE SOCIAL RESPONSIBILITY LEGISLATION AT THE EU LEVEL

Heidi Hautala said achieving sustainability was an imperative "because global challenges are at a massive scale and the window of opportunity to deal with them, to find solutions, is closing, if it has not closed already."

She said that, partly at the prompting of chocolate manufacturers, the EU had taken the lead in enacting legislation meant to address problems in the cocoa industry. It was now preparing a "horizontal mandatory human rights and environmental due diligence" instrument, was close to completing an instrument on deforestation and was beginning work on a new instrument addressing forced labor in supply chains. She stressed the intention was not to have international companies cut out uncooperative cocoa suppliers but to work with them on a long-term basis to reduce the risks.

She said establishing a living income for farmers was key to solving the child labor issue. To this end the Cocoa Talks, which started in 2020, had agreed on a road map this summer and would have a further round in the spring. This was a decisive moment. "It is time to show whether the commitments made are in earnest," she said. Working groups on pricing and market mechanics were due to reach conclusions early in 2023 and she expected all action points to be delivered by next spring.

Addressing current pricing issues, she recalled that the LID was introduced in 2020 to ensure a sufficient price was paid to smallholders in Côte d'Ivoire and Ghana and pointed out that 90 percent of global cocoa production relied on 5-6 million smallholders. "What seems to have been happening since is that the industry has increasingly resorted to pushing down other elements of price to do away with the effects of the Living Income Differential, and yet we know that without a decent income the circle of poverty continues, and sustainability remains hopeful thinking," she told the meeting. "Under the circumstances that we have seen during the past week it is understandable that the producing governments are absent from these meetings," she said.

Hautala said the future EU legislation on sustainable business conduct would require that industries cooperate to respond to the issues in their value chain. She said, however, that "companies should not shy away from living up to their sustainability pledges already today."

She said high-level dialogue was necessary as a component of cooperation and added: "I do believe this would be an opportune moment to include a trade and sustainable development chapter in the West Africa-EU partnership agreement." That would provide a common framework on sustainability and "perhaps place the Cocoa Talks, and the outcome that we expect to have in a solid legal framework," Hautala said.

Hautala said the EU also needed to play an active role in putting in additional mechanisms to help ensure producer prices are maintained at a level that allows a living income. "Ghana and Côte d'Ivoire have called for an economic pact for sustainable cocoa, and I would urge the (EU) Commission to actively explore with partner countries what form this could take." She also said the Cocoa Talks could serve as a "pilot" for talks about building sustainability in other commodities.

Addressing child labor and deforestation, Didier Reynders noted that the EU over the past two years had been working to construct a political and legislative framework to address these and other issues. The EU was open to providing help for individual companies to fully implement the framework. Reynders discussed new legislation which for the first time would provide for an international human rights structure and systematically look at global value chain sustainability risk. He said the new rules should benefit companies by creating better risk management and resilience, better customer relations, and access to finance. A collaborative effort among all industry players, companies, and other stakeholders was essential to make progress. He stressed that the aim of new legislation on due diligence, going from a voluntary to mandatory basis, was not to have companies pull out of troubled producer areas but to have them remain in those areas and work to improve conditions, especially to create a living income for the farmer.

Jutta Urpilainen said the EU had been working hard to improve the sustainability of the cocoa sector through the Sustainable Cocoa Initiative. "Producing countries' recent call for such a pact is a strong message. It's been heard," she said. The Initiative was launched in 2020 in response to the LID agreement between Ghana and Côte d'Ivoire and the main industry partners. The Initiative seeks to ensure a decent living income for cocoa farmers and to tackle social and environmental challenges. Urpilainen said the EU was aware that current cocoa pricing arrangements did not ensure farmers a living income, which was an essential ingredient for sustainable cocoa production. She said responsible purchasing practices must be promoted as well as expanding traceability systems to track malpractices in the supply chain, which would help build consumer confidence and protect corporate reputations. It was important to establish "sector-wide, government-mandated" traceability systems.

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKERS

Heidi Hautala
Vice President of the
European Parliament

Didier Reynders
European Commissioner
for Justice

Jutta Urpilainen,
European Commissioner
for International
Partnerships

DAY 1: BREAKOUT SESSIONS

MODERATOR

Inge Jacobs
Global Senior Manager,
Human Rights and Income,
Mars Wrigley Confectionery

SPEAKERS

Anna Laven
Founder, Rokit Science

Pamela Schreier
Global Sustainability
Senior Manager, ECOM

Suzane Silué
Project Coordinator,
SOCODEVI

Matthew Spencer
Global Director,
Landscapes, The Sustainable
Trade Initiative (IDH)

EMPOWERING WOMEN TO FIGHT POVERTY

Introducing the panel on eliminating the gender gap, Jacobs said a sustainable cocoa supply chain could not be fully achieved while excluding half of the population. Investing in gender equality and in women could help address the root causes of socio-economic challenges faced by farming families and eventually break the cycle of poverty. Unless people became more gender-smart, the underlying causes of gender inequality and disempowerment would never be fully understood and could even be reinforced.

She said that if the sector was serious about pursuing gender equality at all levels (not just for farmers) it should focus on a few key building blocks that go beyond the traditional women's empowerment interventions (such as setting up income-generating activities for women). Transformative change would come through the redistribution of resources toward women and girls and by shifting the institutional structures that shape their choices and voice, and ultimately their lives and futures.

A video featuring Akissi Koffi of Ngouan-Amouinkro, Taabo, Cote d'Ivoire was shown at this point of the panel. Koffi shared her experience on how she raised her voice and influenced women's conditions in her community. She also presented the community decision making process through the Village Savings and Loan Associations and VSLA networks that were used.

Laven discussed lessons learned by the "Resilience Journey," a body of research carried out by Mars and KIT in Ghana, Côte d'Ivoire, and Indonesia. There was a need for gender transformative change that would address the root causes of inequalities, she said. It required developing critical consciousness in the organization as well as gender expertise, in both the HQs and in operations: in short, a change in cocoa sustainability strategy.

She called for transforming cocoa's "first mile" into an inclusive local institution, partly by engaging men and boys as change agents. It was vital to empower young women and nurture youth, recognizing the contribution of women in cocoa production, avoiding discrimination in the provision of services, and promoting their access to "non-traditional" jobs and leadership roles.

Laven said the study showed that although in many cases farmers' wives were indispensable for cocoa farming, they were not administered, valued, or registered as business partners and lacked access to the necessary resources, representation, and opportunities. Upstream value chain roles were filled by men, and job opportunities in service provision were oriented toward them. Often, requirements of a job, such as co-op membership or ability to drive a motorbike, were barriers to women accessing these opportunities. Community leaders were often male cocoa farmers too, reinforcing the perception that leadership positions "are not" for women. In addition, alternative income generating activities for women were seen as something "on the side", which they could combine with their household activities.

Schreier, addressing the issue of building internal capabilities and critical consciousness, said ECOM had decided to put gender equality on the company agenda and was taking the first steps by using the GEI (Gender Equity Index) tool. She said the tool had helped ensure that the organization's programs reached women to the same extent as men and gave them targeted recommendations to improve their efforts. An action plan to integrate gender equity into all projects and programs was designed based on the results of the diagnostic.

Spencer said it was essential to not just add women to the mix but to change the power dynamics between men and women. To make value chains sustainable, traditional norms, behaviors, and power dynamics needed to be challenged and transformed. Male engagement on gender issues would be an essential part of that work—gender was not just a women's thing—and this should start from childhood.

Silué discussed SOCODEVI's Women and Cocoa Communities Initiative (WCCI), funded by Global Affairs Canada and WCF's members, to improve living conditions in rural cocoa communities, especially for women and girls. Intermediary outcomes included: enhancing women and girls' access to, use of, and control of resources and their capacities to make decisions and act for their own economic advancement and further education; improving the income of farmers by strengthening several organizations' capacities (including FNFPC and cocoa cooperatives) to deliver adapted products and services to their members, particularly women; and increasing cocoa communities' resilience to climate change through technical assistance, the implementation of sustainable diversified production systems and the development of innovative agricultural risk management mechanisms.

Silué listed these relevant activities: creation and support of VSLAs, training programs in financial literacy, support for women and men in favor of women's rights in a "positive masculinity" approach, technical support in traditional and digital literacy and women's leadership programs.



HOW CAN PUBLIC POLICY HELP FIGHT CHILD LABOR THROUGH A SYSTEMS APPROACH?

Introducing the session, Tim McCoy asked how we get from where we are now to where we want to be in terms of public policy and a systems approach to fighting child labor. Progress in fighting child labor relied on an active public response supported by the private sector, communities, families, and the international community. This was a complex issue and there was a need to use public policy instruments to address it. Questions remained about the role and responsibilities of government and the private sector, the scaling of initiatives and how to ensure a more conducted, collaborative, and integrated framework to achieve progress.

Matthias Lange said that tackling child labor and forced labor was something that needed collaboration from all involved in the cocoa industry based on human rights, but he said governments had the primary responsibility. A successful strategy depended on scaling up human rights observance through due diligence systems linked to private companies while having the right public policies in place for producing and consuming countries in a more coordinated integrated system.

Selina Sumbung gave an account of the activities of Save the Children in Indonesia, where she said about 60 percent of the national budget is invested in social protection schemes, improving access to quality education and health care. Through a joint initiative between Mondelez and Save the Children, every year the government allocates \$10,000 from the national budget to every village and each the household determines how to use the money, she said.

Virginie Mahin related how Mondelez had been tackling child labor through its Cocoa Life program and said it had invested \$600 million in the project for the next eight years. Its three areas are: 1.) Prevention - Programs are implemented with suppliers and implementers in partnership with cocoa-growing communities to develop community action plans, improve family incomes, empower women, protect

MODERATOR

Tim McCoy
Director, Cocoa
Partnerships, Hershey
Trading GmbH

SPEAKERS

Matthias Lange
Executive Director,
International Cocoa
Initiative

Virginie Mahin
Global Head of Social
Sustainability & Stakeholder
Engagement, Mondelez
International

Louisa Truss
Partnerships &
Implementation,
Elucid GmbH

Selina Sumbung
Chief Executive Officer,
Save the Children Indonesia

DAY 1: BREAKOUT SESSIONS

MODERATOR

Michael Matarasso
Director of Monitoring
and Evaluation,
World Cocoa Foundation

SPEAKERS

James Smith
Senior Manager for
Scaling Positive
Agriculture, WBCSD

Alexi Ernstoff
Senior Sustainability
Consultant, Quantis

Tilman Silber
Global Lead Thriving
Nature, Barry Callebaut

Florent Dji
Senior Managing
Consultant, Agricultural
Value Chains Practice,
South Pole

Niels Wielaard
CEO & Founder,
Satelligence

children, and secure access to quality education. 2.) Monitoring and Evaluation - The goal is to have all Cocoa Life communities covered by Child Labour Monitoring and Remediation Systems (CLMRS) by 2025 in all communities in West Africa. By the end of last year 61 percent had been covered. 3.) Systemic Solutions - Support is given to government policies and systems. For example, the CLMRS being implemented in Ghana uses tools developed by the Ghanaian government. As much data as possible is shared with government to help inform public policy and get the government involved in the remediation piece of CLMRS. Similarly in Côte d'Ivoire, methodology developed jointly by the government and UNICEF is being used to build the capacity of local actors.

Mondelēz is also collaborating with a so-called jurisdictional approach, where all children within a particular jurisdiction are protected, not just those connected to a particular supply chain or in cocoa but cutting across all sectors.

Louisa Truss said Elucid was working to help people, especially in the informal sector, who fall through the gaps in Ghana's national insurance schemes, partnering with National Health systems and sharing data with them.

EMISSIONS, REDUCTIONS & RENEWALS

James Smith noted that available evidence suggested that greenhouse gases produced by food and agriculture systems had a significant effect on human wellbeing. The Boston Consulting Group had found that the food and beverage industry (including packaging) contributed up to 50 percent of the total pressure on biodiversity and that observed loss in global biodiversity was at 68 percent between 1970 and 2016. This trend had to be reversed.

He said companies with science-based targets were delivering CO2 emission reductions at scale, including reductions of 29 percent between 2015-2020, cutting 1.5 billion tonnes of annual emissions. To realize this achievement, a standard had been developed to provide companies with a clearly defined path to reductions in line with the Paris Agreement goals. This set science-based targets that included land-based emission reductions and removals. The initial standards had been worked out and published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI) as the GHG protocol. Corporate greenhouse gas accounting and target setting took a four-step approach, including measuring and accounting for emission levels using the Greenhouse Gas Protocol to set targets. Based on this a report was generated, emissions were reduced, and the process was updated annually. Smith listed various actions businesses could take to reduce emissions in their supply chains, saying the easiest option was land use change.

Alexi Ernstoff said while resources had become scarce, private sector companies were still looking for ways to minimize emissions through land use change, land management and removals. She listed land use change GHG accounting approaches as: statistical land use change at country level; statistical land use change at shed level; direct land use change at farm level. He cited four key carbon pools for removal: Above Ground Biomass (AGB); Dead Organic Matter (DOM); Soil Organic Carbon (SOC); and Below Ground Biomass (BGB). She said science dictated that we should focus on reductions and have a long-term removals strategy. There was therefore the need to reduce deforestation, GHG emissions, and long-term planning for removals. She warned against double counting and said there was a call for alignment of accounting methods across industry to drive sustainable business models. This should focus on deforestation in the short term and plan for removals in the long term.

Tilman Silber gave as an example the approach of his company Barry Callebaut, which has committed to becoming carbon and forest positive by 2025, reducing scope 1, scope 2 and scope 3 GHG emissions by 35 percent by 2025 from a 2018 baseline. For Barry Callebaut, the largest contributor to reducing the company's carbon footprint was from land use changes. It based its land use change approach on satellite information, cocoa farm data and collection of information on the ground, and it was aimed at generating carbon removals while increasing farmer livelihoods. This was done by supporting farmers' efforts to plant 70 trees a hectare and making direct payments to farmers through a Payments for Environmental Services (PES) scheme. Other benefits included improved farmer income, better cocoa productivity, and biodiversity conservation.

Carbon certification of agroforestry removals was done through the "Gold Standard". The program certified 'interventions' (such as agroforestry) which are undertaken within or around the value chain to remove carbon or reduce GHG emissions. Barry Callebaut is on a journey toward "net zero" with its customers.

Florent Dji said finance paid an important role in the journey toward emission removals. Climate or nature finance was a new source of innovative funding that contributed to 20-40 percent funding toward this goal. These new sources of funding were accessible through voluntary or compliance markets in the form of impact investment and blended finance. Unfortunately, most cocoa and chocolate companies were not accessing these funds, he said. Typically, carbon projects within the cocoa sector could be found within the supply chains of companies or outside the value chains. Within the value chain, investments included tree planting on farms and nutrient management. Outside value chain projects included reforestation, energy efficiency and community projects.



He also discussed ways to unlock climate finance at scale within the cocoa sector and enumerated the best ways to attract significant funding for carbon projects.

Niels Wielaard discussed satellite information and data currently available to help measure and monitor emissions in cocoa farms, using a combination of traceability data from farms, land use data, and carbon stock changes using Lidar data to measure tree height. He said satellite data enabled finer grain results in a more consistent time and space. Models using tree cover to measure deforestation were not accurate and should not be used to determine emissions.

TRACEABILITY FOR DEFORESTATION-FREE AND RESILIENT COCOA: CROSS-COMMODITY LESSONS LEARNED

Andrew Nobrega said the aim of the panel was to discuss cross-sector traceability lessons to reflect on how practices could be scaled and improved going forward to protect forests, promote resilience, and have a greater impact. With the new regulations taking effect in the EU and the United States in the next few years, it was anticipated there would eventually be 100 percent traceability requirements for cocoa and some other commodities, which would have to be designated deforestation-free and meet high standards on carbon emissions. "This is a watershed moment," he said.

The goal of traceability is to guarantee the pathway of cocoa from the bean to chocolate, and the control of the production chain from the planter to the consumer. Traceability supports the battle against deforestation through certification programs, counters the loss of biodiversity, and generally reduces carbon footprints. In implementing systems, it is important to respect local laws and practices and support producers in working toward reducing their carbon footprint. Panelists were asked to describe how they address the concept of traceability from a practical perspective.

Meike Engelhard stressed that effective traceability requires good data collection and a clear definition of rules and principles. She explained the tiered certification system developed by the Rainforest Alliance to support EU certification programs: Identity Preserved (IP), which recorded the identity of a product back to the farm or farm group; Segregated Supply Chain, in which the characteristic of the commodity is tracked, but not the specific producers associated with the volume; Mass Balance, in which it is known that a certain proportion of the volumes have the desired characteristic; and Credit Trading Model, in which a credit is bought for the characteristic separately from the commodity. She said the EU rules would require IP, while at present, the standard most commonly used in the cocoa sector was Mass Balance.

In terms of important challenges that need to be addressed, she said it was incredibly difficult for farmers to provide good geodata, which was needed for an effective traceability system. The Rainforest Alliance had

MODERATORS

Andrew Nobrega
Director, Global Programs,
PUR Project

SPEAKERS

Meike Engelhard
Senior Manager for
Certification Data and
Reporting, Rainforest
Alliance

Rui Fontoura
Fiber & Materials Strategy
Lead for Cotton and Crops,
Textile Exchange

Angela Tejada Chavez
Head of Sustainable
Sourcing, The Hershey
Company

Olivier Zwolsman,
Responsible Sourcing
Manager of Cocoa,
Ferrero Rocher

DAY 1: BREAKOUT SESSIONS

also found that in many places, in different commodities, high risk farmers were being excluded from the certified supply chain, but she argued this was the wrong approach and there was a need to get high risk farms to address the risks rather than just punish them.

Angela Tejada Chavez talked about how traceability is important for Hershey to ensure that their chocolate makes a positive impact for communities and the environment down to the farm level. She said that it is important to listen to the voices of the cocoa producers and devise traceability strategies that fit the reality of the farms, not just a logical theory developed by the commercial sector. During the question-and-answer session, Chavez cautioned that farmers could be reasonably upset by over-intrusive questioning of their lives and practices by those gathering data for traceability systems, and teams must be sensitive to this.

Olivier Zwolsman elaborated on traceability mechanisms Ferrero employed with palm oil, hazelnuts, and cocoa around the world, particularly based on GPS systems that allow polygon mapping of growth areas showing, for example, any evidence of deforestation. He said seeing the whole supply chain in one data management platform was possible, which was important for demonstrating compliance. This also helped with strategic decision-making and making investments. He said it was vital to have a long-term relationship with suppliers allowing extensive knowledge of every link in the supply chain.

Rui Fontoura explained how Textile Exchange supports the fashion and textile industry in taking positive climate actions to reduce GHG emissions. They support the certification of textile commodities, particularly cotton, by generating and improving access to reliable data and traceability in the supply chain. Fontoura elaborated on the role of different sustainability standards (material verification, transaction verification, site verification) in strengthening traceability and improving production and reducing carbon emissions to protect biodiversity. He explained how Textile Exchange's new traceability system, Digital Trackit, is helping map certified products.

FOREST-POSITIVE COCOA IN THE AMAZON

Wendy Arenas introduced a wide-ranging discussion about the growing prospects for cocoa production in Latin America, with 158,000 family producers in Ecuador, Peru, Brazil, and Colombia. She said the region was backing sustainable and deforestation-free cocoa. She noted that, unlike in West Africa, most cocoa products in Latin America are actually consumed in the growing countries. "In Colombia we drink more hot chocolate than coffee, believe it or not," she said. But there is a growing interest in exports.

She said most of the region's cocoa was grown as part of agroforestry, among fruit or timber trees, and said cocoa had not been a driver of deforestation as it had been in West Africa. It is used for landscape restoration in areas affected by mining or ranching and as an alternative to illegal crops including coca as they were eradicated.

Juan Fernando Valenzuela stressed the importance of a balanced agroforestry approach that allowed farmers to use the land not just for cocoa but also for livestock and other crops to feed themselves and to provide extra income sources. This also protected the region's extraordinary biodiversity. On the issue of farmers' income levels, he said that it is important to establish a link between income and productivity; the farmer must become an entrepreneur and the farm a viable business. This is the only way to keep younger people on the farm. Valenzuela also said it is vital that farmers be provided with high quality plants to ensure quality and flavor. The state governments and academic institutions had to engage in the sector to ensure good infrastructure, research, and agricultural practices. It would then be possible to "break the cycle of poverty because we are giving the farmers the elements they need to change."

Mariana Pereira described sustainable strategies being pursued in Brazil, which aimed to reforest 11 million hectares and restore 15 million hectares of pastureland. She too noted the advantages of mixed farming and said 70 percent of the country's cocoa producers were also cattle ranchers. "When we restore one hectare of degraded pasture with cocoa agroforestry systems we can reduce 21 tonnes of CO2 per hectare per year," she said. But Pereira noted that 75 percent of cocoa production in the Amazon had no traceability and said there was no price differentiation for sustainably grown cocoa, so it was hard to persuade farmers to make the changes needed.

She said there were many challenges to building an efficient and responsible system in the Amazon, citing the region's informality and lack of legal structures, difficulty of accessing fertilizers and seedlings and shortage of technical assistance. However, she said about 100 million people in Brazil suffered some level of food insecurity and that agroforestry, including cocoa-growing, was a good way to tackle that. And there was an opportunity to create a sustainable cocoa sourcing area in Amazonia now that could make the region—now a net importer—self-sustaining in cocoa in the next five to 10 years.

Carolina Sarria, a cocoa-grower and activist in a thickly forested area that was once fought over in Colombia's civil war, said growers she worked with were planting zero-deforestation crops. She said these crops and farming techniques offer an opportunity for progressing sustainable cocoa while also providing farming communities development opportunities. It is critical that the people of the Amazon region turn their back on illegal crops like coca. Throughout the world it was ultimately the farmers who took the lead role in conservation, that "they make the final decisions in the field," she said.

Katrien Delaet said the core question remained how to improve farmers' incomes without harming the

forest. She made clear solutions would be complex and long-term but small steps were being taken. She noted that in October Ecuador had launched a national certification system meant to ensure deforestation-free and sustainable cocoa, which was also applicable to beef, coffee, and palm oil. But she conceded that the reality about consumers was though many people want a sustainable product very few are prepared to pay extra for it. She cited studies indicating that 50 percent of people are not willing to pay a single cent extra for sustainable products, though the reality is it would be 10-50 percent more. "That is not enough to compensate farmers' efforts to sustain the forests," she said. "So, we have concluded we should make a package deal in which quality comes together with sustainability—it's not an option, they come together."



MODERATOR

Wendy Arenas
Executive Director,
Technical Secretariat,
Cocoa, Forest & Peace
Initiative in Colombia, Alisos

SPEAKERS

Katrien Delaet
Chief Cocoapreneur,
SILVA Cacao

Mariana Pereira
Program Manager,
Solidaridad

Carolina Sarria
Cordillera Cocoa Producer,
San Vicente del Caguan,
Caqueta, Colombia

Juan Fernando Valenzuela
Director of Purchases and
Agricultural Development
for Latin America,
Compañía Nacional de
Chocolates

José Yturrios Padilla
National Director,
Peru Cacao Alliance

DAY 1: BREAKOUT SESSIONS

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKERS

Nene Akwetey-Kodjoe,
Chief of Party, Traceability
and Resilience in Agriculture
and Cocoa Ecosystems
of Nigeria, USAID

Alina Gainusa-Bogdan
Lead Research Scientist,
Climate42

John Kehoe
Director of Sustainability,
Guittard

Worlali Senyo
Head of Corporate Services,
Farmerline Limited

Yuca Waarts
Senior Researcher,
Sustainable Value Chains,
Wageningen University

Wahyu Wibowo
Executive Director, Cocoa
Sustainability Partnership
(CSP), Indonesia

She added: “For European markets the best driver to pay extra is to have decent quality. If you buy the chocolates, the more you eat, the better for the planet!”

The initiative in Ecuador to establish sustainable cocoa was at a micro level and the challenge was how to scale it up, how to make sure industry embraced and adopted best practices, how to finance it further, whether this required government subsidies or tax changes. Could a model be established according to which the customer paid less rather than more for a product that complied with the international regulations? Arenas echoed this point, asking whether this approach could be incorporated in regulations coming from the EU on deforestation-free cocoa: “Could there be a positive incentive, not just a negative?” was a huge question that those in Latin America would like answered.

José Yturrios said that solving the technical issues of traceability, like surveillance and measuring, was less of a challenge than effecting the fundamental changes that farmers needed to make in their practices and outlook to farming, like fertilizing, pruning, and producing more from the same area of land. “We could produce three times more without cutting a single tree,” he said. But he said the Amazon countries could not do it alone. “The EU says it will impose a penalty—if you deforest, we will not buy your product. Fine. But what are the incentives for that change?” The big barrier has always been providing the resources. Addressing participants at the conference, he asked: how could the cocoa industry collaborate in this transition?

PRODUCTIVITY IN THE COCOA SECTOR

Joost Gorter briefly discussed the decline of productivity in the cocoa sector and introduced a discussion about its relevance and impact on the farmer.

Yuca Waarts said there were different perceptions about the levels of productivity and yields and that to understand what was happening on the ground it was necessary to understand the actual situation of households. She said yield improvements could only help close the living income gap for a small group of people (about 20 percent). For others there were too many limitations—including on their investing, hiring labor, and power to make decisions—and they needed a different approach. She said people with small farms (two-three hectares) were sometimes doing much better than those with larger farms (five or more hectares). Hence farm size was not necessarily relevant to productivity. The focus for poor households should be on stabilizing yields and on diversifying for food security. To achieve a living income, however, this poorer group also needed cash transfers, protection programs, higher prices, off-farm diversification, insurance etc.

Wahyu Wibowo said that in Indonesia farmers were given free cocoa seedlings every year. A cocoa-specific fertilizer had been developed for, and was subsidized by, the government and had helped increase productivity from 0.67kg/tree in 2019 to 0.87kg/tree in 2021. Farmers had access to special microcredits,



with the interest being paid by the government, which also provided farmers insurance in case of a specified level of floods or drought. This has caused a 20% increase in productivity in 3 years due to support from the government, specifically in terms of providing cocoa specific fertilizer, providing subsidy on interest rates so farmers have an opportunity to invest.



The session was shown a video from Nigeria in which government officials and farmers set out the country's plans for increasing cocoa productivity and its plans to join the Ghana-Côte d'Ivoire Cocoa Initiative.

John Kehoe highlighted the importance of flavor and quality as vital elements of productivity, creating the potential to increase the living income of small farms, and noted that country differentials were impacted by quality. He regretted that quality practices were

sometimes not being maintained in origin countries, especially in Côte d'Ivoire, because of poor training of farmers in practices such as fermentation and drying. He said in some cases adapting cocoa types for better productivity, creating higher yields, and drought and disease resistance, had degraded flavor. This had occurred in Côte d'Ivoire, and to a lesser extent Ghana. Efforts were under way to mitigate this. With USAID support to the African Cocoa initiative (Phase II), flavor quality labs had been established in Ghana, Côte d'Ivoire, Nigeria, and Cameroon. They were test-planting materials for flavor and training farmers and cooperatives.

Worali Senyo outlined the activities of FarmerLine, an agritech company seeking to improve income and productivity in Ghana's private sector, working on the ground in local languages to change behaviors and seeking to increase access to resources through partnerships. It offers financial services to farmers and cooperatives who don't have access to credit, inputs, and information.

Alina Gainusa-Bogdan discussed ways in which accurate scientific climatic data was being used to schedule farming operations and increase productivity. It provided an opportunity to address many issues, from deforestation to increasing livelihoods. She said the efficiency of many good agricultural practices (GAP) and productivity enhancement services (PES), such as grafting, manual pollination, fertilizer application, pest, and disease management, were directly impacted by climate. Correctly timing the spraying for black pod, for example, could sharply increase its efficiency and minimize quantities needed, cutting back on costs and labor resources and reducing the environmental of chemical applications. This approach could apply to all crops, not just cocoa.

She said the aim was to get West African farmers to use climate information in the same way as in Europe and the United States, where best practices are carried out with an awareness of how climate impacts each farming activity and each crop. This would require continuous communication between the farmers, extension agents, and climate specialists and the proper linking of site-specific information, provision of labor, and extension agents to ensure the application of the required information.

Kehoe stressed that it was important, whatever efficiencies and best practices were adopted, to realize the impact on flavor and quality.

DAY 2: PLENARY SESSIONS

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKERS

Tricia Brannigan
Chief Procurement Officer,
VP Global Procurement,
The Hershey Company,
WCF Treasurer

Musdhalifah Machmud
Deputy Minister of Food
and Agriculture, Ministry of
Economic Affairs,
Government of Indonesia

OPENING SESSION

Tricia Brannigan said the world was in a new era of sustainable cocoa and raised several questions: Who will benefit? Is traceability the answer? How do we all rise to the challenge of farmer poverty as the root cause of child labor and deforestation? The answers to these questions would fundamentally impact our ability to improve on farmer livelihood and ensure a sustainable supply chain. She emphasized that collaboration was needed by all stakeholders as well as “system thinking” to address the issues.

She said Hershey’s four 4 “C”s were Credibility, Competence, Commitment, and Collaboration. Credibility was built on Hershey’s “Shared Goodness,” performing partnerships that kept families and children nourished so they could grow, learn, and thrive.

Competence was built through core initiatives that helped Hershey to listen, learn, and develop a better understanding of the challenges. Hershey was among the founding WCF members and was proud of its contributions but acknowledged there was more to do to address farmer incomes, child labor, and deforestation.

Commitment – Hershey’s Cocoa For Good Strategy was focused on addressing systemic, social, and environmental challenges in cocoa communities, the cornerstone of a responsible approach to sourcing. It was committed to investing 500 million dollars in communities by 2030. It was committed to improving the well-being of children through quality education and nutrition and to transparency. For Côte D’Ivoire and Ghana, the company’s goals were: 100 percent visibility into farmer groups from which the company sourced its cocoa (68 percent at the end of 2021); 100 percent of farmers to be covered by CLMRS (62 percent in 2021); and 100 percent of farms to be polygon mapped (46 percent in 2021). Brannigan said the company had improved incomes for more than 90,000 farmers last year and was also supporting the creation of Farm Development Plans and Income Diversification.

Collaboration – Brannigan said industry alone did not have all the answers and the cocoa sector’s challenges could only be solved by collaboration and avoiding duplication. She emphasized scaling, particularly through the International Cocoa Initiative.

Musdhalifah Machmud said cocoa was one of Indonesia’s export-oriented commodities, providing employment opportunities in rural communities and encouraging regional economic growth. It made the third-largest foreign exchange contribution in the plantation subsector of \$1.24 billion. As a developing country, Indonesia had to recognize that in the long run countries with competitive products were more likely to prosper and eradicate poverty and create additional resources to protect its people, the environment, and economic interests.

Unfortunately, Machmud said, not many European countries were willing to pay extra for sustainability. Being sustainable required finance and this could not be borne by producers alone. Some European countries would not hesitate to promote a boycott on non-sustainable cocoa, and yet they were not willing to pay a premium for sustainable products. Machmud called on them to do so. She said Indonesia was fully committed to implementing agreements on sustainable development and sustainable forest management but it would be a long journey to cocoa sustainability. She said the EU due diligence requirements needed to be discussed further before being implemented. Being sustainable was not only the responsibility of producers, and the burden must be borne by all including consumers. Indonesia expected its partners to work together to not only push for sustainability practices but more importantly to help finance these practices by paying a premium for sustainable products.

THE COCOA & FORESTS INITIATIVE BEYOND 2022

Ethan Budiansky gave a brief review of the origins and progress of the CFI since it launched in 2017 as an

unprecedented collaboration between companies and countries to eliminate cocoa-driven deforestation and degraded forest. The focus of the session was to discuss new strategies and opportunities to grow and accelerate the impact of existing efforts and investments.

Daan Wensing said tackling the huge deforestation issue had required full across-the-board collaboration and the discussions had needed to engage the public and private sectors. The key had been to create a shared vision and language to move forward. That had been achieved with the CFI..

Chris Vincent said any such collaboration had to have the commitment of companies, countries, and external funders to deliver systemic change and wcf wanted to create similar collaborations as CFI in areas of child labor and farmers’ incomes. He said having got companies and countries committed to the same vision and language through the CFI, it was now time to work on creating a practical impact. That depended on attracting additional funding to deliver scale. The funders had to be convinced they would be contributing more than the “raw dollar check”, so there had to be “additionality.” Producing countries had often resisted change not because they did not want it but because they did not have the money, either for infrastructure or for policy implementation. “We need all three pieces together (companies, governments and international funding) and by that we get scale, we get systematic change, and we can deliver a much more meaningful impact,” Vincent said.

The work so far had created a platform for the next phase of CFI, which was precompetitive collective investment that would make it possible to deliver on a landscape approach. “We have received external funding, but it is specific, it’s small and it doesn’t deliver scale,” he said, although it had facilitated overcoming obstacles. “We need to get the financial sector to step up, to take it to the next level,” he said.

Andrew Brooks said implementing CFI was critical for the cocoa sector because deforestation was hugely disruptive for the farmers, who needed programs that made them more resilient. He mentioned major immigration into Côte d’Ivoire from Burkina Faso, which was adding further destabilization and deforestation. He said CFI was a blueprint for action on the ground.

Wendy Arenas said Colombia had embraced the commitment to ending deforestation and restoring degraded land when it began to expand its cocoa-growing in 2016, when it was looking for ways to ensure the peace after ending the guerrilla war and to protect the forests. It committed itself to a deforestation-free cocoa as a part of agroforestry, to “send a message that we are committed to the new tendency of sustainable cocoa.” Financial instruments were being developed to make the sector attractive in the long term to private sector investment. She said Colombia was cooperating not only with other South American producers Brazil, Peru, and Ecuador but also with West African producers to share experiences on best practices.

Wensing saw the landscape approach as central to the next phase of CFI, now that the enabling environment and the commitment of the different parties had been established. Brooks said moving forward on traceability was critical to the effort. It was essential to ensure that new traceability systems were compatible with existing systems and that they served both consumers and farmers.

Budiansky welcomed recent moves by cocoa and chocolate companies to share cocoa farm data with the Ivorian and Ghanaian authorities as a way to promote traceability. Brooks said sharing the data would have a big environmental and social impact and take partnerships to a new level. Vincent said it was also important for what it showed about the willingness of the companies to share data with each other as well as with the African governments.

In his closing remarks, Vincent reiterated that it was essential to concentrate on investment to build on the progress in the CFI. He welcomed indications that the fight in producer countries was shifting from stopping deforestation to promoting forest restoration but said: “The immediate focus for the next 12 months is funding. Let’s go out and get this material funding. We have a collaborative program with two legs of the stool, but we’re missing the third.”

MODERATOR

Ethan Budiansky
Senior Director,
Environment,
World Cocoa Foundation

SPEAKERS

Wendy Arenas
Executive Director,
Technical Secretariat,
Cocoa, Forest & Peace
Initiative in Colombia, Alisos

Andrew Brooks
Head of Cocoa
Sustainability, Ofi

Chris Vincent
President,
World Cocoa Foundation

Daan Wensing
Chief Executive Officer,
The Sustainable Trade
Initiative (IDH)

DAY 2: BREAKOUT SESSIONS

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKERS

Adriana Joven
Cocoa Producer, El Pital
(Huilla), Colombia

Youssef N'djoré
Côte d'Ivoire Country
Director, Director of Social
Development, World
Cocoa Foundation

Carolina Sarria
Cordillera Cocoa Producer,
San Vicente del Caguan,
Caqueta, Colombia

Selina Sumbung
Chief Executive Officer,
Save the Children
Indonesia

Mamadou Traoré
Value Chain and Private
Sector Program
Coordinator, CARE
International

COMMUNITY-DRIVEN DEVELOPMENT: SUSTAINING IMPACT

The session began with a video featuring Drissa Koné, a cocoa farmer from Molonou, Daloa, Cote d'Ivoire. Koné shared his actual experience of community needs assessment and community action planning. Panelists were then asked to share their experiences of success in the lives of cocoa farmers in images and words and to say what made this success possible.

Adriana Joven presented a photo of a group of farmers in a cooperative posing under a tree, which she said represented the values of producers who work together. In a project showing social cohesion, more than 1,000 hectares of cocoa had been made available by the cooperative's members. She explained that cocoa cultivation is a lifeline for the communities, that it aids cultural diversification as well as greater inclusion of women, and protection of the weakest members of the communities making societies stronger and more competent. Legislation could be expected in about a year and the enforcement date was probably about 24 months after.

Carolina Sarria, a cocoa producer in Colombia, presented a photo of a group of women which she said showed the integration of women in an economic activity and in important positions of responsibility. This community project had been realized thanks to associations of small villages. It gave each member of the team the chance to work together with the same objectives of stopping deforestation and promoting sustainability. She said in Colombia there were strong women who could take leadership posts in agriculture.

Mamadou Traoré presented and commented on a picture featuring himself among a group of people in front of a newly built health center and explained how it was the result of community mobilization and organization to gather funds that were complemented by a company (Mondelēz through its Cocoa Life Program.) The small community has since developed into a village which is now recognized by the government, creating a power structure that is difficult to break, he said.

Selina Sumbung said that in Indonesia, Save the Children had set up a child protection program, inspired by a government program, that enabled women and youth to identify cases of violence against children and create a reporting mechanism. She said that through this program women were seen as village leaders, ensuring that children were educated and could get medical care. Additionally, Save the Children used the existing community planning structure, annually funded by the government, to work to influence the planning towards the gendered fight against child labor.

CHILD LABOR, FORCED LABOR - DIFFERENT ISSUES & SOLUTIONS

Elizabeth Garland discussed some of the distinctions between child labor, whose conditions were clearly defined by the United Nations, and forced labor, which was much less prevalent. It was essential that all sides agreed on the definition of forced labor to have a shared understanding of how to address it.

Alice Faudot-Miguet said the International Cocoa Initiative had started a pilot project in Ghana that aimed at better managing the risks of forced labor. She said ICI's 2021-2026 strategy set out a vision of thriving cocoa-growing communities within a dignified, sustainable, and responsibly managed supply chain. To achieve this, it was necessary to scale up effective human rights due diligence systems, complemented by effective national policies, programs and systems, operating in a more coordinated and integrated way.

In recognition of these new strategic objectives, and the important role of ICI as a catalyst driving good practices throughout the cocoa sector, she said there had been in 2021 a strengthening of the organization's governance, with an updated Code of Conduct, Terms of Partnership, Members Compliance Procedure,

as well as newly introduced reporting responsibilities for members. Faudot-Miguet said they had not yet found all the solutions for managing the complicated issue of forced labor. The top priority was the development of written contracts and an administrative version of the contracts for farmers who were unable to read and write.

She said there was a deliberate effort to introduce community-based enforcement to engage community leaders, and a community task force. Farmers and workers who violated child labor laws were summoned before community leaders for sanctioning.

The aim was that by 2025 the whole of the cocoa supply chains in Côte d'Ivoire and Ghana would be covered by systems that effectively prevented and remediated child labor, and that systems that tackled forced labor would have been significantly scaled up. She said 25 percent of children interviewed were identified as being in child labor and the three most common hazardous tasks were carrying heavy loads, using sharp tools for weeding, or using sharp tools overhead to harvest cocoa pods. She said 75 percent of children in the system received support to try to prevent and address child labor, showing the importance of regular monitoring and awareness of the problem.

Kwame Osei said the Rainforest Alliance was working with Solidaridad and others to bring resilience to the cocoa growing sector and address child and forced labor. While banning child labor on farms was commonly seen as a silver bullet for solving the issue, it was simply not enough. It was essential to tackle its root causes, which could include lack of access to education, weak enforcement of labor laws, gender inequality, poverty, and insufficient social protection for the poor. Importantly, key stakeholders, including civil society, governments, and companies, were increasingly working together, and pooling their investments in joint programs to tackle the issue.

Lieke Guinée of Beyond Beans said a survey-based study on forced labor had been established in which workers could call a telephone number and anonymously answer a series of yes/no questions about their age, gender and status and working conditions. It allowed vulnerable workers to have their voice heard. Questions included whether the worker had a debt to an employer or agency or to other workers. The results indicated the conditions and issues in a particular community, including low or non-existent wages, harsh working conditions or long shifts, as well as common threats such as restrictions on freedom of movement or over-dependence on employers.

COLLABORATIVE LANDSCAPE APPROACHES TO SAFEGUARD FORESTS

Ruth Nussbaum introduced the panel by underscoring why collaboration in landscapes between all parties—governments, civil society, organizations, commercial interests, and communities—is essential in adopting a landscape approach to successfully safeguard forests. Importantly, working together creates a greater understanding, shared goals, processes to resolve issues, and a greater buy-in. She prompted the panelists discussion on what a successful landscape approach looks like by emphasizing essential components: learning from the successes and challenges of other sectors and drawing on the experiences of the private sector, government, and communities, and using data to support learning.

John Buchanan discussed examples of collaborative landscape approaches from the coffee and palm sectors, including the key components that made the work successful. Buchanan explained the role of Sustainable Business Targets in getting companies to make commitments and helping progress landscape models into more regions.

MODERATOR

Katie Bird
Communications
Director, International
Cocoa Initiative

SPEAKERS

Alice Faudot-Miguet
Senior Programme Officer,
International Cocoa
Initiative

Elizabeth Garland
Chief Program Officer,
Verité

Lieke Guinée
Program Manager
Community Development,
Beyond Beans

Kwame Osei
Country Director,
Rainforest Alliance

DAY 2: PLENARY AND CLOSING SESSIONS

MODERATOR

Ruth Nussbaum
Group Director,
Director Europe, Proforest

SPEAKERS

John T. Buchanan
Vice President,
Sustainable Production,
The Center for Sustainable
Lands and Waters,
Conservation International

Ryan McNeill
R&D Sustainability Lead
Nestlé

Caroline Winchester
Senior Manager
Supply Chains Strategy,
World Resources Institute

Doreen Asumang Yeboah
Director of Rights and
Advocacy Initiatives
Network, Ghana

Ryan McNeill talked about Nestlé's approach to countering deforestation in the Cavally region in Côte d'Ivoire. He said a Forest Positive approach there meant moving forward beyond just managing deforestation risks in the supply chain to targeting a positive impact on the broader sourcing landscape. To meet the goal of a deforestation-free supply chain by 2025 he said the focus would have to be on long term conservation and restoration, sustainable landscapes, forest protection and restoration, sustainable production, and farmers' livelihood. Work in Cavally was aimed at building thriving ecosystems and resilient communities. The goal was to protect and restore the forest through active collaboration, sustainably producing cocoa and respecting the rights of the people who live there.



Doreen Asumang Yeboah explained that her movement, Rights and Advocacy Initiative Network, was a rights-based not-for-profit organization in Ghana focused on community collaboration and awareness creation, Inclusive Forest governance, agribusiness, and forest-based livelihood and enterprise development. She said the communities who lived close to the forest played a vital role in any move to safeguard the forest and it was essential they were part of the conversation.

Those people possessed rich indigenous knowledge that could complement scientific forestry, they possessed rights over forest resources due to their ancestral ties to the land, and they provided a readily available human resource to support interventions. They must have access to the tangible economic benefits of the forest. Yeboah said the role of communities in safeguarding the forest was to provide human resources for nurseries for agroforestry; to plant trees to enhance carbon stock outside protected forest areas; to support the management of wildfires and arson; and to monitor for illegal activity.

Caroline Winchester, who works on sustainable supply chain solutions, discussed the critical need to establish reliable data on all the cocoa plots and supply chains throughout the cultivation region. Using an aligned deforestation risk assessment methodology, it was vital to identify places where deforestation was most likely to occur across West Africa, in conjunction with cocoa production. The aim was to tangibly identify where there were opportunities to address the damage and share that information among stakeholders with accessible online databases. "You can't manage what you can't measure," she said.

U.S. PERSPECTIVE ON FIGHTING HUMAN RIGHTS AND DEFORESTATION ABUSES IN COCOA

Jennifer McCadney was asked how she saw the issues of human rights and deforestation as applicable within the context of U.S. trade policy. She said that unlike in the EU, which had a broad, comprehensive due diligence strategy related to human rights and sustainability issues, in the United States these issues were dealt with in law. The US had proposed legislation in the form of the Forest Act, followed up by agency guidance as due diligence. McCadney cited as an example a law that prohibits the import of products made with forced labor, which is enforced by the U.S. Customs and Border Protection services. She said trade agreements were used to address labor and environmental issues affected by trade and that companies must be able, at a first case basis, to demonstrate that they have implemented due diligence.

Brian McKeon said the cocoa sector and other commodity industries were trying to introduce the concept of due diligence into the United States framework, but this was no easy task. The United States was trying to build on the progress being made in the EU and bring those concepts back to the United States. There was an opportunity to modernize and harmonize, particularly when dealing with the global supply.

Anne Zollner said the way that the United States approached trade was rather different than the way the EU does. Country compliance was what the United States looked at and also ensuring that workers in the supply chain of particular products were afforded full internationally recognized worker rights. She said the United States had an African Growth and Opportunity Act, which sat on top of the general system of preferences to encourage country compliance where there were concerns and where violations could be brought by third party stakeholders.

The U.S. Child Labor Office did a lot of research and surveys in West Africa, creating lists and ranking countries on their performance and providing recommendations. She said the United States had \$20 million in programs across five sectors in both Côte d'Ivoire and Ghana supporting initiatives such as the CLCCG (Child Labor Cocoa Coordinating Group).

Asked how best to approach modernizing U.S. trade policy and harmonizing it with the EU market, McKeon said hard decisions had to be made but there was momentum to do so. He said the U.S. Trade Representative had said the U.S. was "laser-focused" on a whole-of-government approach to addressing forced labor.

CLOSING SESSION

In a session summing up the conference, Dao Gabala said the private sector, civil society, and government each had a different logic in their approach to establishing a vibrant and fair cocoa supply chain. She said while many were focused on productivity, this did not directly affect farmers' income. She challenged companies to dare to change their marketing logic to create a more equitable arrangement for producers. "There is a crisis for the industry. New thinking is essential," she said.

Aldo Cristiano said it was important to recognize that there had been progress, for example in the Cocoa & Forests Initiative, and to fully understand the market mechanisms in order to create improved conditions.

Paul Davis said the EU approach and commitment to the environmental issue was strong and clear, that it was consumer-led and accepted by everybody. "There's no stopping that train," he said. The EU environmental legislation would probably come out in February or March and come into enforcement after two years. The cut-off date for deforestation-free imports was likely to be 2023. On due diligence, he said legislation could be expected in about a year and the enforcement date was probably about 24 months after.

Discussing the situation for Asia, Alvin Lee said it was the first time his Cocoa Association of Asia had been involved in a WCF partnership meeting. Although not a dominant growth area, Asia was responsible for more than one million tons of cocoa bean processing, more than 20 percent of global production, and the region was therefore an important player.

Chris Vincent said negotiation with governments was critical and collaboration was key to progress, including in the income/price issue. The Economic Pact discussions were front and center while the EU Cocoa Talks were largely on hold pending where the Economic Pact discussions go. After the WCF conference there would be a need to digest the situation and make contacts again and restart partnerships and conversations. The key thing was to broaden and deepen relationships with Côte d'Ivoire and Ghana. "We need to focus on that. It's absolutely critical," he said.

MODERATOR

Paul Macek
Associate Vice President,
Rural Economies and
Agricultural Livelihoods,
Corus International

SPEAKERS

Jennifer McCadney
Lawyer and Government
Relations and Policy
Strategist, Kelley Drye
& Warren LLP

Brian McKeon
Senior Vice President
of Public Policy, National
Confectioners Association

Anne Zollner
Chief, Office of Trade and
Labor Affairs, Bureau of
International Labor Affairs,
United States Department
of Labor

DAY 2: CLOSING SESSION

MODERATOR

Joost Gorter
Master of Ceremony
Global Director ESG, ACT

SPEAKERS

Aldo Cristiano
President, Caobisco

Paul Davis
President, European
Cocoa Association

Mariam Dao Gabala
Chairperson of the
International Supervisory
Board of Solidaridad, an
Ivorian economist and
development banker
and member of the
Côte d'Ivoire Senate

Alvin Lee
Chairman of the Cocoa
Association of Asia and
Commercial Director in
Asia Pacific

Brian McKeon
Senior Vice President of
Public Policy, National
Confectioners Association

Chris Vincent
President, World Cocoa
Foundation

Asked about how to improve relations with the governments, Davis said the relations were actually quite good but that this was “an extremely stressful time.” The essential issue was price, he said, and ensuring that the situation did not lead to consumers paying a super high price while farmers got “absolutely killed” because they could not conform to the regulations.

Brian McKeon saw a role for the United States. He noted there was an African leadership summit in Washington in December which he hoped could identify some solutions through diplomacy or funding, with the United States supporting some of the goals being discussed by the WCF in Brussels. He noted that there was a strong focus in the Biden administration on international security and development in West Africa.

Cristiano stressed the vital importance of establishing a serious traceability-to-the-farm system on the ground, which would eventually enable every program to have more impact. The issue was not just establishing a system to detect whether a certain bean came from a deforested area and should then be banned from the EU, but also for understanding the specific circumstances of the producing family, their social situation, how to make an impact for them. He also said those with a better traceability system would be best positioned to defend their product and raised the issue of companies sharing their traceability data with national traceability systems. Lee raised the different impact of the costs of a traceability system on different regions, noting that to add just a few cents to the price in a poor country where margins are tiny can stifle demand. “The last thing we want is to create a race to the bottom,” he said.

Paul Davis emphasized the need for efficiency in the market, both for consumers and farmers, and praised the action of many companies in the last 20 years, when market forces were driving the industrialization of chocolate and there had been a process of consolidation. Traceability may not be the solution for everything, and creating a fair, thriving market was a long-term project—to rebuild farmer incomes and protect consumer confidence, the environment, and human rights. “To get to Nirvana is not an overnight process,” he said.

Vincent said there would have to be varied funding sources to build a fair and thriving system, including commercial funding for the carbon stream and development funders backing the deforestation and living income projects. He said the cocoa market had a program with a track record for delivering support, with governments involved. “There are plenty of sources,” he said. He said after the WCF’s recent strategic refresh it was resolved to have a more global approach and said there needed to be both EU and U.S. streams of the legislative agenda.

THE LEADING GLOBAL EVENT ON COCOA SUSTAINABILITY



398
PARTICIPANTS



150
ENTITIES



72
SPEAKERS



31
COUNTRIES



19
SESSIONS

THE LEADING GLOBAL EVENT ON COCOA SUSTAINABILITY



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See you in 2024!
Join us for the 2024 Partnership Meeting
Location and date to be confirmed soon

Abidjan Office

Cocody 7e Tranche
Rue L 129
Lot 225, Ilot 2644
Abidjan, Côte d'Ivoire

T +225 22 50 17 41

Accra Office

East Legon Boundary
Road, Adjacent Sweet
Aroma
Accra, Ghana

T +233 302 542 187

Washington Office

1025 Connecticut Ave. NW,
Suite 1205
Washington, DC 20036
USA

T +1 202 737 7870