

To: European Commission President Ursula von der Leyen

European Commission,
Rue de la Loi 200,
1000 Brussels

CC: Executive Vice-President Valdis Dombrovskis, Commissioner Thierry Breton, Commissioner Didier Reynders, Commissioner Virginijus Sinkevičius, and Commissioner Jutta Urpilainen

Brussels, 26 October 2021

Dear President von der Leyen,

The conclusion of the EU multi-stakeholder dialogue for sustainable cocoa is fast approaching. The Cocoa Talks were an important initiative that brought together many key stakeholders in the cocoa and chocolate sectors. On behalf of the members of CAOBISCO - the European Chocolate, Biscuits and Confectionery Industry Association - and the European Cocoa Association, we are writing to you as we believe that the outcome of this process should meet the needs and expectations of all actors in our sectors.

We are grateful that the European Commission initiated this significant exercise last year and we would like to continue our common engagement in order to contribute to a truly sustainable cocoa supply chain. Therefore, we would like to take this opportunity to outline two concrete proposals that we believe should be part of the outcome and next steps of the Cocoa Talks.

1. A concrete and focused Action Plan for the cocoa sector

In September 2020, in advance of the start of the thematic roundtables, the cocoa and chocolate industry, together with a collective of NGOs, emphasised what our expectations from this process and its outcome were in a letter. Namely, a concrete and focused Action Plan for both the EU and origin countries, which would target the identified gaps for public intervention needed to create a sustainable cocoa production chain.

We believe that this Action Plan should be time-bound and implementable, with clear and achievable objectives. Each objective should detail the activities to be carried out by each actor within a well-defined timeframe specifying whether other parties should be involved, in order to carry out a particular activity, thereby highlighting interdependencies. A monitoring and reporting mechanism should be considered in order to measure the results achieved and to verify the proper implementation of the Action Plan.

This Plan should also cover the provision of technical and capacity-building assistance from the European Union in executing concrete actions to create a positive impact.

We fundamentally believe that a meaningful and lasting change in cocoa supply chains and origin countries can only be achieved if an enabling environment for sustainable cocoa production is stimulated.

In order to achieve this, the Action Plan should include the following ambitions:

- Achieve a government-mandated sector-wide traceability, notably in the indirect/conventional supply chain, and enhanced transparency, through an effective farmer registration system. Such system should

match polygon mapping and, progressively, land titles and be linked to the verification of minimal standards that uphold environmental sustainability, particularly forest protection. To this end, the strengthening of sustainable environmental practices in cocoa farming, compliant with national forest and rural development policies, is of great importance.

- Implement strong agricultural policies to encompass better coordination between national production targets and global demand for cocoa, as well as a clear roadmap on ensuring alternative livelihoods for farmers not meeting the requirements to achieve a living income in cocoa farming or farming in protected areas.
- Support farmer entrepreneurship through farmer aggregation and capacity building for cooperatives (access to training and loans). Further support should be given to crop diversification, farm measurement and the promotion of additional income generating activities.
- Support the enforcement of appropriate national laws and policies addressing environmental and human rights protection. There should be a particular focus on developing a robust farming-free policy regarding protected forests/national parks, with all legal exemptions registered with the appropriate government authorities, as well as a mitigation plan of its adverse social impact.
- Ensure that the implementation of the African Regional Standard aligns with the EU regulatory framework.

To deliver successful outcomes, the Action Plan needs to include incentives and support for the origin countries, including funding, to ensure that the EU and partner countries work together to achieve a fully sustainable cocoa supply chain. The establishment of monitoring systems will be important in order to assess the impacts of the policy changes and measures and ensure that any unintended negative consequences for people or the environment are avoided.

2. Continued multi-stakeholder engagement

We, the cocoa and chocolate industry, are convinced that in order to be successful, the EU multistakeholder dialogue on sustainable cocoa should mark the beginning of a successful journey towards a sustainable supply chain, rather than a one-off exercise.

In order to continue the fruitful discussions that have taken place during the Cocoa Talks roundtables, we envision continued multi-stakeholder engagement. We would like to propose the creation of an ad-hoc multi-stakeholder working group in which all relevant actors are represented and where they can openly discuss experiences, exchange best practices and have a forum to discuss challenges in compliance from a cocoa sector perspective with the requirements to be set in future EU legislation and other EU policy developments.

This aligns with the proposal that Hon. Joseph Boahen Aidoo, Chief Executive of the Ghana Cocoa Board (COCOBOD) put forward during the Ghana Cocoa Dialogue High-level event on 10th June, to establish a cocoa-specific stakeholder body.

This body would involve all relevant actors and should map various stakeholder initiatives including the Team Europe Initiative and link the agreed milestones with adequate funding to ensure a coordinated strategy. This body could contribute to the smooth implementation of the upcoming EU legislation on “Sustainable Corporate Governance” and on “Combating deforestation and forest degradation” from the producer country perspective. It could work in synergy with an EU based ad-hoc multi-stakeholder working group.

At the launch of the multi-stakeholder dialogue for sustainable cocoa, the European Commission stated that this exercise would feed into the upcoming legislative proposals on Sustainable Corporate Governance and Deforestation. One example of how this could be achieved is by creating sector-specific guidelines for the cocoa sector for the implementation of these policies at EU level. A newly established multi-stakeholder working group could work to contribute to the development of these guidelines.

The learnings from this cocoa and chocolate working group could eventually be shared with other sectors.

The Cocoa Talks have proven to be an outstanding example of a multi-stakeholder dialogue. The creation of an ad-hoc multi-stakeholder working group would allow for the continuation of those efforts to work towards sustainable cocoa supply chains.

We thank you in advance for your consideration.

Yours sincerely,

(e-signed)
Catherine Entzminger
Director General
European Cocoa Association

(e-signed)
Muriel Korter
Director General
CAOBISCO