



ISCO Response to the Final Declaration of the Cocoa Producers Summit-on-Living Income

19.12.2023

We greatly appreciate your call for action as phrased in the Declaration of the Cocoa Producers Summit on Living Income and share your commitment to advancing sustainable cocoa production. The five ISCOs (Initiatives for Sustainable Cocoa), namely Beyond Chocolate from Belgium, the Dutch Initiative on Sustainable Cocoa (DISCO), the French Initiative for Sustainable Cocoa (FRISCO), the German Initiative on Sustainable Cocoa (GISCO) and the Swiss Platform for Sustainable Cocoa (SWISSCO), recognize the importance of including the voices and concerns of cocoa producers in the dialogue and decision-making processes. We value your suggestions and are dedicated to enhancing our efforts to ensure that producer needs are well-reflected and addressed in our ongoing initiatives.

Strengthening dialogue and promoting the co-creation of projects

The ISCOs were established as market-based initiatives with the aim of aligning our national markets to joint sustainability goals, particularly the living income ambition. Our mission is to facilitate dialogue and ambitious collaboration among the national stakeholders from industry, trade, civil society, academia and the government. While not represented in our governance bodies due to our domestic nature, there is an explicit acknowledgement of the imperative to include stakeholders from origin countries - be they from civil society, producer organizations, public sectors, or private entities. This dialogue space is actively fostered through working groups, learning events, and co-financed projects. We highly welcome producing country representatives' participation in the ISCO Working Groups and Learning Events and an active participation in the design and implementation of project interventions supported by the ISCOs- participation requests and other questions can be proposed to the respective contact persons:

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Our primary focus is significantly enhancing farmer incomes, a pivotal component of sustainability. To achieve this, strategic choices must be made, considering the capacity of each secretariat. Our responsibility is to ensure that every investment and effort contributes effectively to this overarching goal. In essence, while there are numerous possibilities, prudent choices must be made to maximize impact. We thus empower our members and signatories to assist their local counterparts in advocating and representing the interests of producers and endorse initiatives like the Living Income Summit to encourage unified voices among local stakeholders. Furthermore, we are strengthening our collaboration with initiatives such as CFI and the local public sectors. This approach aligns with our commitment to fostering collaboration and ensuring a collective and impactful representation of stakeholders.

In the context of programmes and projects, we advocate for members and signatories to build on existing local structures and engage local partner organizations, particularly farmer cooperatives. Project evaluation criteria include the assessment of the governance diversity and alignment with



local governments, and sector initiatives. Members and signatories are explicitly encouraged to ensure producers' participation in the project design and implementation.

Responsible procurement practices and fair prices

Stimulating responsible procurement practices takes precedence for all ISCOs, leveraging amongst others DISCO's procurement paper (soon to be published). We recognise the vital role of increased farm gate prices in the transition to more sustainability in the cocoa sector. Interventions, whether premiums or otherwise, are deemed effective based on their impact on household income.

Acknowledging the necessity of higher prices to bridge living income gaps, we actively engage in annual monitoring, harmonizing core data points to track living income-related aspects. The forthcoming joint Monitoring Brief for 2022 reflects our commitment to strengthening reporting and efforts in addressing living income gaps within cocoa farming families. Despite recognizing the need for improvement in data quality, existing data underscores the imperative of intensifying efforts.

Simultaneously, a joint Cocoa Household Income Study through ALICO, led by WUR and KIT, aims to develop a harmonized methodology for the cocoa sector to assess farmer household incomes and address living income gaps. In alignment, SWISSCO conducts a Cocoa Household Income Study for Ghana in collaboration with COCOBOD, crucial for understanding income dynamics and the impact of sustainability projects on household living income. These initiatives collectively underscore our dedication to responsible procurement practices and higher prices to the benefit of cocoa farmers.

Grievance mechanisms

Understanding the vital importance of accessible grievance mechanisms, we recognize the ones already in place at the company/organization level. As ISCOs, we offer a platform for exchange and learning, urging our members and signatories to take responsibility. However, we must assess our role within the existing ecosystem to avoid duplicating efforts.

A feasibility study for a cross-company grievance mechanism in the cocoa sector in Côte d'Ivoire is underway, commissioned by GIZ on behalf of a Steering Committee of GISCO Members and co-funded by German Federal Ministry for Economic Cooperation and Development (BMZ) and industry partners, with active involvement from producer organizations. Results are expected in Q2/2024, and the mechanism's implementation in phase 2 depends on study outcomes and available funding.