



**Forum Nachhaltiger Kakao**  
German Initiative on Sustainable Cocoa

# 49<sup>th</sup> INTERNATIONAL TRADE FAIR FOR SWEETS AND SNACKS (ISM) 2019

Event of the German Initiative on  
Sustainable Cocoa (GISCO)  
and the  
Swiss Platform for Sustainable Cocoa

## DOCUMENTATION

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## Event of the German Initiative on Sustainable Cocoa and the Swiss Platform for Sustainable Cocoa at the International Sweets and Biscuits Fair (ISM) 2019

### **„Business as usual” or real changes for the cocoa sector? Was the outcome of the World Cocoa Conference 2018 a signal for a new beginning?**

“Business as usual is no longer an option” – according to the Berlin Declaration, the final declaration of the World Cocoa Conference in April 2018. Therefore, progress towards a sustainable cocoa sector must include the following: living income, protection against deforestation, overcoming abusive child labour. How far have we come? Has the World Cocoa Conference 2018 provided an impetus for change? At the invitation of the German Initiative on Sustainable Cocoa and the Swiss Platform for Sustainable Cocoa, three representatives of the confectionery industry and the retail grocery trade and the president of a cocoa cooperative from Côte d'Ivoire discussed this. About 100 participants attended the panel event at the International Sweets and Biscuits Fair (ISM) in Cologne on 27 January 2019.

Progress has been made, especially in terms of cooperation at international level and between the various actors from business, government and civil society, such as the Cocoa & Forests-Initiative (CFI) to end deforestation. Three cocoa-producing countries, Côte d'Ivoire, Ghana and Colombia, take part in the CFI, and ambitious national implementation plans have been developed. An international Living Income Task Force has also been set up with the involvement of the German Initiative on Sustainable Cocoa, the Swiss Platform for Sustainable Cocoa, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and other international actors. Together with other actors, it aims to develop solutions to close the income gap that exists between the current income of cocoa farmers and the calculated living income.

At the ISM (27 – 30 January 2019), the world's largest trade fair for sweets and snacks, the exhibition stand of the German Initiative on Sustainable Cocoa (Piazza, Hall 10/11) was the point of contact for the member companies represented at the trade fair and other interested parties once again this year. As part of the official opening tour on Sunday, 27 January 2019, Hans-Joachim Fuchtel, Parliamentary State Secretary of the Federal Ministry of Food and Agriculture (BMEL), and Henriette Reker, Mayor of Cologne, visited the GISCO's exhibition stand.

The fair attracted around 38,000 visitors from over 140 countries and 1,661 exhibitors from 76 countries.



## OPENING & WELCOME

**Hans-Joachim Fuchtel**, Parliamentary State Secretary of the Federal Ministry of Food and Agriculture (BMEL)



**Hans-Joachim Fuchtel**, Parliamentary State Secretary of the Federal Ministry of Food and Agriculture (BMEL), appreciated the cooperation between the German Initiative on Sustainable Cocoa and the Swiss Platform for Sustainable Cocoa. As he had already taken part in the World Cocoa Conference in April 2018, he was pleased to be able to participate in the continuation of the dialogue. There had been a long and intensive discussion prior to the Berlin Declaration. However, and this was the decisive point, all actors had expressed a clear commitment against abusive child labour, to environmental protection and to the fight against deforestation. Subsequently, the 10-point Action Plan for a sustainable cocoa sector of the Federal

Ministry of Food and Agriculture (BMEL) and the Federal Ministry for Economic Cooperation and Development (BMZ) was drawn up in Berlin. Fuchtel said that he hopes for further progress by means of the subsequent event.

Fuchtel said that sustainability is a major challenge for the industry. There has been progress in the process since a clear structure had been developed according to Fuchtel. This structure defines the supply chain; its individual links can be analysed and optimised which is the key to success.

Fuchtel said that Germany, as the second largest cocoa-processing country, has responsibility. The view must range from the plantation to the consumer, as the 10-point Action Plan shows. Furthermore, there is still a lot to be done, and verifiability and monitoring as well as the ability to take criticism are also important. Fuchtel stressed that the producing countries must be made responsible, for example by introducing a ban on child labour. According to Fuchtel it is important to communicate business management and marketing practices on site. An example is the project PRO-PLANTEURS in Côte d'Ivoire which also provides training in Good Agricultural Practice (GAP). It is a positive aspect of PRO-PLANTEURS that the Ivorian government is involved in the project.

The Parliamentary State Secretary concluded his speech with the desire to “continue to work constructively with the Swiss” – the platform and the government.

**Hans-Peter Willi**, Deputy Consul General of Switzerland in Frankfurt a. M.

**Hans-Peter Willi**, Deputy Consul General of Switzerland in Frankfurt am Main, said in his opening speech that Swiss chocolate enjoys an exceptional reputation worldwide. Therefore, Switzerland exports chocolate to almost every country. This is the result of high-quality standards and innovativeness. The ingredient cocoa bean is an important raw material for the Swiss economy. Hence, Switzerland, like Germany, signed the International Cocoa Agreement of the International Cocoa Organisation (ICCO). Due to the importance of cocoa for the Swiss chocolate industry, the Swiss Platform for Sustainable Cocoa was created in 2017.



Willi said that one must be clear: “The most important ingredient for our chocolate, the cocoa bean, has a bitter aftertaste”. The poverty of cocoa farmers continues to be an urgent problem, the income of cocoa farmers is usually below the poverty line. Ecological problems such as the loss of biodiversity and tropical forests are a major challenge, especially considering climate change. A common understanding among consumers, producers, suppliers, NGOs and government actors is important for success.

At the World Cocoa Conference, the Swiss Platform excelled as a diverse actor with the potential to discuss and solve problems with partners. The platform responded to the call for proposals of the Swiss State Secretariat for Economic Affairs (SECO) to submit innovative projects and handed in promising project ideas in the run-up to the World Cocoa Conference. This would underpin the innovative strength of the Swiss chocolate industry, the Deputy Consul General of Switzerland concluded.

### 1st Round Auditorium Survey

After the opening, two questions were posed to the audience, which could be answered directly online. The first question “Do you see any progress towards a sustainable cocoa sector since the World Cocoa Conference in Berlin in April 2018?” was answered by 61 participants. With 53 % the majority of the participants opted for “Partial”. 19 % answered “Yes”, 18 % voted for “No” and 10 % were undecided.

The second question was interested in the participants opinion regarding which problems need to be tackled most urgently in order to achieve a sustainable cocoa sector (multiple choice possible). Living income (42 %), deforestation (29 %) and child labour (29 %) were identified as the most urgent issues. The questions were asked again at the end of the event.



### Wolf Kropp-Büttner, Chairman of the German Initiative on Sustainable Cocoa



**Wolf Kropp-Büttner**, Chairman of the German Initiative on Sustainable Cocoa, welcomed the participants. He was particularly pleased that Alida N'Takpe-Coulibaly from the cooperative RASSO in Côte d'Ivoire was present. This cooperative was visited as part of the member trip of the German Initiative on Sustainable Cocoa last November. The results achieved by the members of the cooperative are very impressive according to Kropp-Büttner.

Kropp-Büttner said that an eventful year has come to an end in the quest for a sustainable cocoa sector. He said that the World Cocoa Conference in April with the concluding Berlin Declaration and the call of many of the conference speakers to make a serious contribution to change was one of the highlights. The appeal of the World Cocoa Conference did not get lost, but substantial progress has been made according to Kropp-Büttner. The 10-point Action Plan for a sustainable cocoa sector of the BMEL and BMZ is widely in line with GISCO's objectives and is a further sign of the German government's commitment to tackle the challenges in the cocoa sector sustainably and effectively together with GISCO. Kropp-Büttner also emphasised the Cocoa & Forests Initiative (CFI). Stopping deforestation is one of the major challenges. Therefore, he appealed to GISCO members – above all industry, trade and the Federal Government – to support the Cocoa & Forests Initiative more strongly and in close coordination with the other actors involved.

Kropp-Büttner emphasised that the Berlin Declaration points out that the cocoa sector will not be sustainable as long as the cocoa farmers can not earn a living income. By now, calculations have been made regarding a living income for the most important producing countries and the existing income gaps. Standard-setting organizations integrated the issue into their standards, and a global Living Income Task Force is being set up, supported by GISCO, the BMZ, the Swiss government, the World Cocoa Foundation and other stakeholders from the start. Abusive child labour is currently addressed by GISCO primarily via sustainability standards. These include a ban on abusive child labour. It is GISCO's aim to make continuous progress in this area.

There was also progress in international cooperation. The Memorandum of Understanding in 2018 and the joint event now are signs of good cooperation with the Swiss Platform for Sustainable Cocoa. GISCO is also already in exchange with the Belgian multi-stakeholder initiative, which was set up at the end of 2018. The discussion at ISM last year on what constitutes a sustainable sector beyond certification led to the creation of GISCO's working group on sustainability. The working group prepared an analysis of the causes of poverty and deforestation and developed solutions. The result will be a revised version of GISCO's objectives and its definition of sustainability. Both will be presented for discussion and decision at the forthcoming Annual General Meeting.

Wolf Kropp-Büttner concluded by saying that there are still major challenges but that one is well on the way. Mastering the challenges together with those responsible in the partner countries is an important prerequisite for the desired success.

## PANEL DISCUSSION

### INTRODUCTION & KEY NOTE

**Lucas Simons**, Founder of NewForesight Consultancy und SCOPEinsight, former Global Director of the standard organization UTZ and author of the book “Changing the Food Game“

Even before the World Cocoa Conference 2018, the Community of Practice Living Income had been established in June 2017 by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), among others. The latter deals with the definition of living income. There is the Cocoa & Forests Initiative (CFI), in which the World Cocoa Foundation (WCF), the Sustainable Trade Initiative (IDH), governments of the producing countries, companies and other stakeholders have reached an agreement against deforestation. In the Abidjan Declaration in April 2018, the two largest cocoa producing countries, Ghana and Côte d'Ivoire, agreed to work together. Unlike usual, the Berlin Declaration at the end of the World Cocoa Conference is not the product of a few selected people, but of the input collected from around 1,500 participants. Basic problems such as poverty and deforestation were incorporated in the Berlin Declaration.



A few weeks later, the Living Income Task Force was initiated with the participation of GIZ and the German Initiative on Sustainable Cocoa, with the aim of finding structural and political solutions to achieve a living income for cocoa farmers. Within a short time, the German, Swiss and Dutch governments were added and contact has been made with the Belgian government. The Task Force is supported by industry and civil society and is in dialogue with trade. In addition, the WCF is revising its strategy, and the Belgian sector has also joined forces in a multi-stakeholder initiative.

Simons stated that progress is going in the right direction, but that the problems have not yet been solved. For local farmers, the situation is just as serious as it was a year ago. The sector is entering a phase in which the various actors are coming together and discussing the causes according to Simons. “The dialogue is coming of age”, Simons said. The Community of Practice, the Task Force as well as the multi-stakeholder initiatives point this out. “We are on the way to institutionalising sustainability in the sector”, Simons concluded.



## PRESENTATIONS

**Petra Heid**, Head of Sustainability and Communication, Chocolats Halba



Forum Nachhaltiger Kakao  
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

**Petra Heid** used pictures to illustrate the situation of deforestation in the cocoa belt of West Africa. Between 1988 and 2011, 2.3 million hectares of forest in West Africa fell victim to cocoa and agriculture. Deforestation has increased again in recent years, often by cocoa farmers hoping to increase yields according to Heid. She also underlined the importance of the Cocoa & Forests initiative (CFI). It is also to be emphasized that government representatives from Côte d'Ivoire and Ghana are involved who have committed themselves to work out concrete measures to stop deforestation and protect the forests. On the other hand, 31 companies, representing 85 percent of the cocoa market, have committed themselves to developing action plans with predefined indicators. These will be published in the coming weeks.

Heid stated that Chocolats Halba has been offsetting the entire emissions of its value chain through measures in Honduras since 2011. Together with cocoa farmers, 350,000 trees have already been planted, mainly precious wood species. Additionally, there have been pilot projects with dynamic agroforestry systems since 2015 in which precious wood species are planted between the cocoa trees instead of on the edge of the plantations. In this way, a natural cocoa cultivation system is being developed in which cocoa contributes sustainably to income diversification, in addition to precious wood species and fruit trees. This multi-layered ecosystem also stores CO<sub>2</sub> and contributes to climate protection, improves soil fertility and water supply, and reduces pest infestation and diseases, Heid said. Heid concluded by pointing out that dynamic agroforestry systems are not the standard despite the many advantages: The system is costly; the seeds for the trees have to be procured; the organisation of plantations on the land is challenging; and farmers need continuous training at every stage of the system.

**Dr. Andres Tschannen**, Partnership Lead Child Labor, Carbon & Forest, and Agronomy, Barry Callebaut

**Dr. Andres Tschannen** referred to the progress made regarding the calculation of the living income concept. However, as with comparable concepts, such as the World Bank's poverty line, the goal of ending poverty in accord with the Sustainable Development Goal 1 should not be lost sight of. There is a broad agreement among the actors on the approaches to solving the problem according to Dr. Tschannen. These are professionalisation of cocoa farmers, for example with the help of farm development plans, income diversification and strengthening of community structures. Dr. Tschannen underlined that poverty is not only linked to the activities of farmers but that poverty must also be tackled at the macro level by means of improved infrastructure, land rights, agricultural policies and access to inputs.



Dr. Tschannen said that Barry Callebaut has committed itself to helping cocoa farmers out of poverty. Therefore, the question is how the living income concept could contribute to this. It is important that everyone pulls together, Dr. Tschannen stated. At this point, he called for a Framework for Action in which the responsible actors are called upon to implement the right measures together.

**Florian Schütze**, Head of Business Unit Society and Environment International, Lidl Stiftung



**Florian Schütze** explained that Lidl has already been using 100 percent certified cocoa in its own brands for three years and has been supporting the PROCACAO project in Côte d'Ivoire until the end of 2018, which, via the Gagnoa training centre, is involved in training farmers. According to Schütze, retailers have long taken responsibility for the raw materials and products they offer their customers. This has not only been achieved through the "Beyond Chocolate" initiative in Belgium. However, it would still be a long journey to reach the goal that had been set. At this year's International Green Week in Berlin, once again it became clear to him that trade must communicate the commitment it contributes to the supply chain even more to the consumer. The consumer can actively influence the supply chains and accordingly the situation in the countries of origin of the raw materials according to Schütze.

Schütze said that the World Cocoa Conference created a momentum: The issues of deforestation and living income have evolved. This has resulted in clarity and trade can play its part in finding solutions. Lidl has the "vision that in the end everyone would benefit from cocoa – from the origin to the consumer". Transparency, traceability and sustainability in the cocoa sector are prerequisites for this. Basically, a cocoa cultivation that is harmful to the environment has little future, as this has consequences for productivity, the quality of the cocoa beans and ultimately income. Through transparency and traceability, elements of the supply chain can be reviewed and, if necessary, readjusted. In addition, consistent standards are needed which can be checked for effects.

Schütze emphasized the importance of multi-actor initiatives in Germany, Switzerland and Belgium because more networking is needed. He called for even more coordination of the momentum that prevails in the EU and also in the countries of origin in order to find clarity where to start together in the form of round tables or commitments with all actors, and not to lose oneself in diversity. For the future, he sees increased competition in trade in terms of sustainability, not price. He cited cocoa, bananas and the animal welfare initiative as examples. This will give the whole thing even more momentum, Schütze said. However, he explicitly emphasised that this would also require regulatory representatives from the countries of origin.

**Alida, N'Takpe-Coulibaly**, President and Founder of the cooperative RASSO, Azaguié (Côte d'Ivoire)

**Alida N'Takpe-Coulibaly** said that the cooperative RASSO has made great progress in recent years but that there are still needs and concerns. Even though she did not attend the World Cocoa Conference 2018 herself, she is familiar with the Berlin Declaration. She is strongly aware of the topic of living income. It is a very important issue for farmers, as their living conditions are very bad at the moment according to N'Takpe-Coulibaly. The living income, estimated at 454 USD per month per family, is very good compared to the current average income. The challenge is to close the gap.

She appealed to all actors to work together on solutions. Her proposals are to reorganise the existing certification system, to revise the government's cocoa price fixing and to set up additional premiums. However, the cocoa price alone is not enough to solve the problem according to N'Takpe-Coulibaly. Farmers need to be made aware of income management, saving and investing and trained in these areas. Many farmers have problems with good income management because they lack understanding. Despite the high cocoa price in 2016, the farmers did not invest. Protected areas would also have to be monitored more to prevent deforestation. Thirdly, there must be a transparent and strict traceability process. N'Takpe-Coulibaly said that there must be concrete action to achieve more visible results. Ultimately, all actors have the same goal: to improve the living conditions of farmers.

Alida N'Takpe-Coulibaly also pointed out that producers should be more involved. There are many illiterates. Young people with better education are more interested in agriculture. They need to be more involved. She sees two advantages for herself: her studies in business administration and the fact that she works as a woman in a traditional profession. She could show both women and men that she could achieve something and thus convince men of the value of women's work. RASSO is a member of a large association of women in cocoa farming. It is essential to be actively involved in cocoa farming as a woman, N'Takpe-Coulibaly stated. A cooperative is also important, as everyone works together for a solution. With regard to the poverty problem, N'Takpe-Coulibaly said that this is not just a question of income. It also includes the question of infrastructure and prices for service providers and inputs, because the costs of transport put pressure on the farmers' margins.

About regulating the cocoa sector, N'Takpe-Coulibaly said that the government and the Conseil du Café-Cacao (CCC) were discussing these issues in the Côte d'Ivoire. The problems are fixed minimum prices and marketing. Côte d'Ivoire and Ghana have now joined forces to improve the situation. Currently, a price guarantee of 60% of the world market price is being given, but the level of taxes is not being considered. That is why the price must be raised further, N'Takpe-Coulibaly said.



## DISCUSSION



The contributions to the discussion and questions from the audience dealt with living income and the question of what concrete action could be taken to improve the living conditions of farmers and create supportive framework conditions. In addition, it was discussed which solutions could be in place in the foreseeable future. A further thematic focus was on how positive results can be achieved in projects; in detail, how these can be upscaled, and how programmes must be designed to strengthen cooperatives and make farmers entrepreneurs. Finally, it was asked what effective EU regulation could look like.

Once again, the responses highlighted the importance of examples of good practice and accompanying coaching, especially on business issues, and the role of local policy makers.

### 2nd Round Auditorium Survey

Following the discussion, the auditorium answered the two questions again which were posed at the beginning. Of the 45 participants, 17 % (previously 19 %) saw progress towards a sustainable cocoa sector after the World Cocoa Conference, 61 % (53 %) saw some progress, 20 % (18 %) saw no progress and only 2 % (10 %) were still undecided.

The picture on the second question was similar to the first round. Still, a living income with 39 % support (previously 42 %) was regarded as the most urgent challenge, deforestation as the second most important challenge with 30 % (29 %) and child labour as the third most important challenge to be mastered (18 %, previously 29 %).

## CLOSING WORDS

**Dr. Stefan Schmitz**, Head of Department Food, Agriculture, Rural Development at the German Federal Ministry for Economic Cooperation and Development (BMZ)



**Dr. Stefan Schmitz**, Federal Ministry for Economic Cooperation and Development (BMZ), described the cooperation between the German Initiative on Sustainable Cocoa and the Swiss Platform for Sustainable Cocoa as an important signal. Significantly more cooperation across borders is needed according to Dr. Schmitz. The contributions of the participants of the panel and the subsequent discussion showed that a change in awareness is taking place; “business as usual” is no longer possible.

Cocoa has changed from a niche theme to one of growing public and political attention. Schmitz called on everyone to continue along this path. Three approaches are needed for that: Firstly, a large number of good projects and initiatives; the commitment has to be continued here. This would demonstrate that things could be better. He cited the following examples: integrated cultivation methods, functioning agroforestry, cooperatives and front

runners in trade and industry. Also, such examples must receive greater public attention. The second approach is regulation: more rules, more standards and “level playing fields” at EU level are important, Dr. Schmitz said. The BMZ will work to achieve this, progress is needed here.

As a third approach, he pointed out the policies in the countries concerned. Based on the motto “demand and support” the countries must be made to take their share of responsibility. This cannot be done alone, but only together with other actors, such as the World Bank or the signatories of the Amsterdam Declaration. Dr. Schmitz emphasized the Cocoa & Forests Initiative (CFI) as pointing the way ahead. He spoke out in favour of supporting initiatives in which the producing countries also have a seat at the table. Dr. Schmitz concluded that these approaches must be pursued further in order to institutionalise a sustainable cocoa sector internationally.

**Urs Furrer**, Swiss Platform for Sustainable Cocoa, Board Member

**Urs Furrer**, Board Member of the Swiss Platform for Sustainable Cocoa, said that the event was an interesting review of the World Cocoa Conference. There, he missed something essential, namely the role of farmers. Furrer said that it was crucial to talk to farmers and that this should not be ignored. The Global Cocoa Agenda from 2012 contained the goal “Transform Cocoa Farming in Successful Business”.

Furrer underlined the importance of incorporating the entrepreneurial perspective. Another item on the Global Cocoa Agenda is the promotion of private public partnerships and multi-stakeholder initiatives. The Swiss Platform, the German Initiative on Sustainable Cocoa and the Belgian Platform are examples for the implementation of this agenda, the joint event is an expression of cooperation.

Furrer said that the involvement of the producing countries in the dialogue and the network is absolutely essential. The German Initiative on Sustainable Cocoa works with the Conseil du Café-Cacao in Côte d'Ivoire on the project PRO-PLANTEURS, the Swiss Platform is in exchange with COCOBOD in Ghana for a possible cooperation. He also sees the exchange of expertise and experience among farmers, also between different regions, as central.

During the event, the strong involvement of the governments of the producing countries was called for several times. Furrer said that he wishes to organise a next joint event together with a multi-stakeholder initiative or institution from a producing country. His proposed theme for a subsequent event would be to shed light on what did not work in the past and why it did not work. Furrer called for the trust that had grown between different stakeholders to be maintained. Trust is important; it can also be lost again through carelessness, Furrer warned.



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Visit the [website](#) of the German Initiative on Sustainable Cocoa  
for the photo documentation of the event (in German).  
See [here](#) for the press release.

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### German Initiative on Sustainable Cocoa (GISCO)

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