



**CAOBISCO STATEMENT
WORKING TOWARDS
A SUSTAINABLE COCOA ECONOMY
IN COCOA PRODUCING COUNTRIES**

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CAOBISCO is the Association of Chocolate, Biscuit and Confectionery Industries of the European Union, with 2 non - EU observer members (Switzerland, Norway). CAOBISCO represents over 2000 companies responsible for around 50% of the world consumption of cocoa beans.

CAOBISCO industries are involved at all levels and with many stakeholders in working towards sustainable cocoa economy. Our commitment covers the three pillars of sustainable development, economic, environmental and social.

CAOBISCO is a member of:

- World Cocoa Foundation (WCF), promoting sustainable cocoa economy through economic, social and environmental conservation;
- The Consultative Board of the World Cocoa Economy, advising the International Cocoa Organization (ICCO), a forum of 30 Governments from producing and consuming countries, aiming to enhance a sustainable cocoa economy and market transparency.
- International Confectionery Association (ICA), a co-ordinating body dealing with issues affecting the confectionery industry globally;

CAOBISCO also works in close collaboration with key supply chain representatives, such as International Federation of Cocoa Commerce¹ (FCC), European Cocoa Association² (ECA), and with International Cocoa Initiative³ (ICI).

The global cocoa/chocolate industries face a number of **challenges** in working towards sustainable cocoa. Cocoa is grown in more than 1,5 million small family run farms in West Africa and in other tropical regions, often typified by low GDP, poor infrastructure and communication. The large number of holdings, their small size, low average yield, the lack of farmer organisation and limited crop diversification make our mission particularly demanding.



¹ The International Federation of Cocoa Commerce represents predominantly the traders;

² The European Cocoa Association represents predominantly the processors;

³ See below paragraph on the social dimension;

Sustainable cocoa economy

The commitment of CAOBISCO industries to a sustainable cocoa economy covers both sustainable production and sustainable consumption.

Sustainable production is a key factor for improving productivity and ensuring an equitable return for the farmers. The industry works towards sustainable production by developing integrated crop management; supporting farmers' organisations; improving education on cocoa labour practices, carrying out research on cocoa pests and diseases; enhancing ecological and crop diversification. All these activities link together forming an integrated approach to sustainable cocoa growing. The results achieved with the help of our partners have effectively contributed to reduce crop losses, improve production and quality standards, adding market transparency, empowering farmers, thus improving producers' return.



Sustainable consumption forms an integral part of a sustainable cocoa economy. Our activities on sustainable consumption bring together an increase in demand for cocoa products, development of innovative products and markets while promoting a responsible attitude to health. These activities have been recognised as an important contribution to sustainable economy by the ICCO Market Committee⁴.

Sustainable cocoa and environment

Our industries are working towards **ecological sustainable cocoa production and bio-diversity** in the cocoa-farming ecosystem: minimizing environmental degradation and maximizing biological diversity. We believe that better organised, better-trained farmers, using approved agrochemicals safely and efficiently, will lead to a more sustainable crop and ensure the conservation of the tropical eco-system.



We are developing health and safety training packages for farmers as well as providing relevant information in order to enhance tree diversification strategies in cocoa cultivation. Moreover, we perform research on pest and pathogens with the aim of reducing production losses (which are estimated at around 30% annually) and actively involved in the re-introduction of native species of trees, a crucial factor in **decreasing deforestation**.

In the long-term we envisage a reduction in the amount of agrochemicals used, through the adoption of high resistant planting material, improved crop management practices, including soil fertilisation, and the development of bio-control agents.

⁴ ICCO Market Committee, "Statement on sustainable cocoa consumption" ref. MC/6/7, January 2006.

The social dimension

The global cocoa/chocolate industry has made a long-term commitment to a supply chain free of the worst forms of **child labour**, through its development of certification standards for cocoa, with the aim of dramatically reducing the instance of child labour in West Africa by 2008⁵.



Certification is a system of continuous monitoring, corrective action and regular reporting on labour practices, which is also importantly subject to independent verification. The certification approach is based on cooperation: we have developed a solid working relationship with governments of producing countries, NGOs and the ILO to tackle child labour, as it needs to be addressed by all parties involved.

The International Cocoa Initiative (ICI)- a foundation established in partnership with trade unions and NGOs⁶- has been established to support action programmes, to reduce the incidence of child labour and to provide social protection programmes in West Africa.

Considerable progress has been achieved, including heightened awareness in farming communities and governments of producing countries of such issues. This is clearly seen in them becoming more and more involved in the certification process.

Conclusions

CAOBISCO acknowledges the complexity of the problems addressed by the European Union and share the objective of enhancing economic growth, trade, social cohesion and decent work conditions in developing countries.

The global cocoa/chocolate industries have adopted a coordinated approach to the fundamental issues affecting cocoa communities. CAOBISCO wish to share its experience and broad network with the European Institutions in working together towards sustainable development. We strongly believe that business involvement is a key factor in providing lasting economic, social and environmental benefits.

CAOBISCO has a deep understanding of the problems addressed by the Action Plan on Agricultural Commodities, Dependence and Poverty and is willing to contribute to finding suitable solutions to raising the income of the commodity producers and reducing the vulnerability of the producer countries at a macro-economic level. We feel we have the necessary understanding to act as a solid partner in the implementation of the Action Plan and in obtaining its objectives.

We welcome the EU Strategy for Africa and the creation of a EU-Africa Business Forum, as we can actively contribute to the implementation of the objectives of the Strategy. In the framework of the negotiations for the next European Development Fund (EDF), we would especially like to share our expertise with the EU Institutions and support any effort for streamlining actions and facilitating the access to European funds.

⁵ By signing the Harkin Engel Protocol in 2001, the industry committed itself to develop standards of certification that “cocoa beans and their derivatives have been grown and processed without any of the worst forms of child labour” as defined by the ILO Convention n.182.

⁶ With the mission to oversee and sustain efforts to eliminate the worst forms of child labour and forced labour in the growing of cocoa beans and their derivate products.

ANNEX : SUSTAINABLE, RESPONSIBLE COCOA FARMING: PROGRESS REPORT

| PROGRAM, OVERVIEW | PARTNERS AND LOCATIONS | RESULTS |
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| <p>Farmer Field Schools Provide cocoa farmers with training on crop protection and improved crop yields, responsible labour practices, while promoting mixed farming with other tree crops</p> <ul style="list-style-type: none"> - West Africa: Sustainable Tree Crops Program (STCP) - Southeast Asia: SUCCESS Alliance - Latin America: ACCESO Program | <ul style="list-style-type: none"> - United States Agency for International Development (USAID) - All regions - United State Department of Agriculture (USDA) - All regions - World Cocoa Foundation - All regions - International Institute of Tropical Agriculture (IITA) – West Africa - Canadian Development Agency (CIDA) – West Africa - ACDI/VOCA - Asia - Inter-American Institute for Cooperation on Agriculture (IICA) – Latin America - Organization of American States (OAS) – Latin America | <p>170,000 farmers trained in West Africa, Southeast Asia and Latin America</p> <p>Income/ productivity gains of 20 to 55% for West African Farmers</p> <p>Significant reduction in exposure of children to hazardous tasks, for participating farmers.</p> <p>Launching schools in Latin America; schools for women cocoa farmers in West Africa funded by Chocolate Manufacturer’s Association</p> |
| <p>Improved Marketing Practices Organize farmers for “group selling” efforts</p> <p>Member companies forming direct buying arrangements with farmer groups</p> | <ul style="list-style-type: none"> - United States Agency for International Development (USAID) - All regions - International Institute of Tropical Agriculture (IITA) - World Cocoa Foundation – All regions - Company members –West Africa, Asia - SOCODEVI – West Africa | <p>Farmers increasing earnings between 5 and 15% through “group selling” program</p> <p>Direct purchase arrangements in Asia, resulting in \$15million premium paid to farmers for improved quality</p> |
| <p>Child Labour</p> <p>Formation of International Cocoa Initiative Joint foundation established between industry and civil society Ensure cocoa is grown responsibly, without the worst forms of child labour and forced labour</p> | <p><u>ICI Partners:</u></p> <ul style="list-style-type: none"> - The International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF) - The International Confederation of Free Trade Unions (ICFTU) - The National Consumers League - Free the Slaves - Global March - Chocolate industry <p><u>Areas of Focus:</u> Global; currently most active in Ghana, The Ivory Coast</p> | <p>Integrated approach combining development of community-led initiatives to address worst forms of child labour, with work to ensure government and local industry support for change</p> <p>Formed specific partnerships to provide social protection to children</p> <p>Program to expand in Ghana and the Ivory Coast in 2006</p> |

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| <p>Basic and Vocational Education/Training</p> <p>Teacher training, curriculum improvements for primary, secondary schools</p> <p>Winrock “CLASSE” Project</p> <p>CLASSE = Child Labour Alternatives through Sustainable Systems in Education Micro credit program supports local family businesses so families can afford to send kids to school</p> | <p><u>Partners:</u></p> <ul style="list-style-type: none"> - International Foundation for Education & Self-Help (IFESH) - USAID - The Two Brothers Fund <p><u>Partners:</u></p> <ul style="list-style-type: none"> - Norwegian Chocolate Producers - Winrock International - World Cocoa Foundation | <p>Train 2400 teachers and teacher-trainers per year in curriculum development and advanced teaching methods. Each year 40,000 students will benefit from program in Ghana and Ivory Coast.</p> <p>1,600+ 7th and 8th grade children participating in first phase of program in Ivory Coast</p> |
| <p>Forest Conservation Effort</p> <p>Encourage farmers to plant, harvest timber trees – to help improve soil conservation and protect tropical trees</p> | <p><u>Partners:</u></p> <ul style="list-style-type: none"> - Conservation International - Danish Centre for Forest and Landscaping - Sustainable Tree Crops Program - World Cocoa Foundation | <p>Developing and sharing best practices via Farmer Field Schools in West Africa (Ghana and Ivory Coast)</p> |

This statement has been produced by **CAOBISCO**, the Association of the Chocolate, Biscuits and Confectionery Industries of the EU. For further information, please contact:

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