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CONSULTATIVE BOARD ON THE WORLD COCOA ECONOMY
Twenty-Eighth meeting
Radisson Blu Hotel, Zurich, Switzerland, Monday, 10 March 2014

**REPORT OF THE CONSULTATIVE BOARD ON THE WORLD COCOA ECONOMY
AT ITS TWENTY-EIGHTH MEETING**
(10 MARCH 2014)

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OPENING OF THE MEETING

1. The twenty-eighth meeting of the Consultative Board on the World Cocoa Economy was opened by its Chairman, Dr. Martin Gilmour (Mars).

ADOPTION OF AGENDA

2. The Board adopted the draft agenda as contained in document CB/28/1/Rev.2.

WORK PROGRAMME OF THE BOARD

3. The Board reviewed its draft work programme of proposed activities for the coming years, with reference to document CB/27/3/Rev.1. The Board noted that the revised document had undergone several rounds of review. A number of actions were proposed to be prioritized for action. These included Actions 4: Develop general guidelines on the formulation and implementation of national cocoa development plans and national Public-Private Partnership (PPP) platforms; 5: Develop an inventory of cocoa resources; 6: Prepare options to ensure the long-term funding of initiatives of strategic importance for the sustainability of the cocoa sector; 7: Optimizing cocoa productivity and quality through a set of integrated systems; 8: Diversification on cocoa farms and environmentally-sound cocoa farming systems; 9: Strengthening and developing farmers' organizations; and 10: Attracting a new generation of young cocoa farmers and entrepreneurs.

4. The Secretariat will review the priorities for the work programme, for consideration at the next meeting of the Board in September 2014.

SPS ISSUES: JUTE BAGS, CADMIUM AND OTHER CONTAMINANTS

5. The ICCO Secretariat and CAOBISCO updated the Board on SPS issues related to cadmium, mineral oils and jute bags.

6. It was noted that the process of inviting comments and consultations on the new European Commission Regulation amending Regulation (EC) No 1881/2006 which set maximum levels for certain contaminants in foodstuffs, as related to cadmium in cocoa products and chocolate, had ended. The EU Commission had sent the proposed regulation to the Committee on Sanitary and Phytosanitary Measures of the World Trade Organization (WTO) for notification, setting a deadline for submission of comments by WTO Members to the WTO Committee for 12 November 2013. The Directorate-General for Health and Consumer Protection (DG-SANCO) had advised that no comments had been received and that the regulation was currently under review by the European Council and the Parliament prior to being tabled for official adoption by the College of Commissioners and subsequent publication, scheduled in early May 2014. It was recalled that the regulation would come into force on 1 January 2019, thereby allowing a transitional period of almost five years.

7. Dr. Torben Erbrath (BDSI) referred to the issue of possible contamination arising from the presence of mineral oils, not only in cocoa, but in food in general, and noted that research was underway in Germany to identify analytical methods to establish the levels of these oils, which would pave the way for

eventual regulation. The BDSI will update the Board on the results of the research. It was also noted that the European Food Safety Authority (EFSA) had published a Scientific Opinion on Mineral Oil Hydrocarbons in Food at the end of August 2013. This opinion did not seem to show that chocolate products made a relevant contribution to the total exposure of consumers to mineral oil.

8. The Secretariat also provided background information and updated the Board on the use of food grade jute bags in cocoa. It recalled the adoption in 1998 by the International Cocoa Council of the “*Resolution on International Standard Specification for Jute bags used in the Export of Cocoa Beans*” and the monitoring that had been undertaken by the ICCO *Ad hoc* Working Group on Jute bags from 2000 and 2005 in this respect.

9. The Board took note of these updates.

PREPARATIONS FOR THE SECOND WORLD COCOA CONFERENCE (WCC2)

10. The Executive Director reported with reference to document ED(MEM) 961/Rev.1 on the status of preparations that were underway for the Second World Cocoa Conference (WCC2), to be held at The RAI Convention Centre in Amsterdam, from 9 to 13 June 2014, at the kind invitation of the Government of The Netherlands. Good progress had been made by the Secretariat in co-operation with the host country in regard to the logistics for the Conference. In terms of the substantive aspects, it was reported that the WCC2 Technical Committee was due to meet the next day, on 11 March 2014 in Zurich to discuss in detail the preparations for the Conference, including the draft programme and monitoring of the work undertaken by the four Working Groups already established to identify the proposed indicators and timelines in the implementation of the *Global Cocoa Agenda*.

11. Ms. Anna Laven from the Royal Tropical Institute (KIT), a partner to the ICCO for the WCC2, reported on the involvement of Cocoa CONNECT and on the interactive sessions that were planned to take place at the Conference. Cocoa CONNECT supports the event through online content, discussions and social media. Dedicated webpages were being built, with six topics to be discussed through blogs, thereby allowing input from a wider audience on issues to be debated at the WCC2. The topics were to be chosen by the WCC2 Technical Committee at its meeting on 11 March 2014. In addition, under the auspices of the WCC2, Ms Laven reported that a number of interactive sessions/workshops were to be held on Monday 9 June 2014, as well as during lunch breaks on the following days. It was noted that the topics were currently under discussion between the ICCO and the various stakeholders.

REVIEW OF THE GLOBAL COCOA AGENDA

12. Representatives from Brazil, Cameroon, Indonesia, and Switzerland reported on the progress achieved in the development and implementation of the cocoa development plans and public-private partnership platforms in their countries following the recommendations of the *Global Cocoa Agenda*.

13. For the first time, an interactive session called “cocoa forum” in which participants were divided into eight groups, was introduced to enable focused discussions on two specific questions designed to stimulate new ideas to address issues of implementation related to the national plans and public-private partnerships. The sessions generated interesting ideas going forward and some of these were highlighted by the moderator to the Board. Among the recommendations were suggestions to increase the leverage of national platforms and to take ownership in particular by governments and by other stakeholders, including donor governments, with clearly defined roles and responsibilities to collaborate in these

actions. It was noted that a detailed report taking into consideration the work performed by the eight discussion groups would be circulated in due course.

INTERNATIONAL WORKSHOP ON COCOA CERTIFICATION: DIRECT DIALOGUE BETWEEN THE INDUSTRY AND PRODUCING COUNTRIES

14. The Executive Director reported on the outcome of the Second International Cocoa Certification Workshop which had taken place on 6-7 March 2014 in Zurich, Switzerland. The main objective of the workshop was to assist existing and emerging national and international sustainability-related standards to develop a common framework, using a set of commonly agreed pre-competitive, minimum requirements, up to a threshold level. Beyond that threshold, individual standards were free to compete with one another, based on their unique specific requirements, and taking into account the demands of individual consumer market segments.

15. The workshop brought together over 70 participants from Europe, the United States, Africa, Latin America and South-East Asia, representing cocoa producers, governments from cocoa exporting and importing countries, the cocoa and chocolate industry, certification bodies, civil society and international agencies.

16. The Workshop was conducted in an interactive manner, involving a combination of presentations, interviews and panel discussions. For the first time, a cocoa forum-type session was introduced whereby the participants were invited to participate in five groups, comprising twelve members each. Each group was represented by a cross section of stakeholders, moderated by a chairman and assisted by a rapporteur. There was tremendous energy generated by this forum with very positive participation and results.

17. Ms. Aimee Russillo, a consultant commissioned by the ICCO, presented a working document, providing the broad outline upon which the key cocoa stakeholders along the cocoa value chain agreed to begin the process of creating a reference framework of commonalities for sustainable cocoa.

18. The participants agreed that there were benefits for all stakeholders along the cocoa value chain to begin the process to achieve the common framework for cocoa sustainability. It was agreed that sustainability was a shared responsibility between all stakeholders, and that certification was one tool within a toolbox of interventions that supports sustainable development in the sector. Other instruments, such as adequate investments in farmers in order to address the production and supply side for sustainable production, were also necessary. This had to be complemented by investments in sustainable trade and in non-monetized, public goods infrastructure. Stakeholder co-operation in the framework of national platforms for public-private partnerships (PPPs) was a critical success factor. PPPs with governments as lead actors, including all stakeholders in an inclusive, transparent and participatory approach, were seen as the best vehicle to deliver sustainability, and it was agreed that existing standard systems should aim to operate within the PPPs. A continuous improvement process, with key impact indicators to monitor and evaluate actions was seen as necessary for the common framework to make step-wise progress. The need for information transparency and for data to be made available and shared at all levels was also seen as key to the success.

19. The ICCO and UNFSS agreed to continue to support and facilitate the development of a common framework as a guide for cocoa sustainability. They will particularly focus on the gaps identified by the participants related to the economic pillar of sustainability, under which producers should be adequately rewarded.

20. The Board took note of the outcome from the workshop.

INCREASING COCOA PRODUCTIVITY THROUGH THE USE OF HIGH-YIELDING PLANTING MATERIAL

21. Mr. Darrell High (Nestlé) introduced on behalf of the World Cocoa Foundation Board of Directors (BD) a WCF West Africa strategy called the *Cocoa Action Plan*, which focused on producing and disseminating improved cocoa planting material to cocoa farmers. The WCF Board of Directors comprised representatives from 14 major cocoa and chocolate companies. The objective of the WCF Cocoa Action Plan was to rejuvenate the cocoa sector at the farm and community level through closer voluntary industry and public-private collaboration, seeking to align sustainability efforts. Companies with plant expertise were reported to be willing to work together, and were also looking to collaborate with the governments of cocoa producing countries. Expertise already existing within the companies would be harnessed towards this end. The BD had identified two areas of focus in which the industry could add value, namely in Cocoa Swollen Shoot Virus (CSSV) where more attention and focus was required, e.g. on detection and breeding new tolerant/resistant varieties; and in propagation capacity in origin countries to produce good quality trees. The activities were currently focussed on Côte d'Ivoire and Ghana in particular and would be extended to other cocoa producing countries going forward.

22. The Board took note of the presentation.

OTHER BUSINESS

23. There were no items of other business.

DATE AND PLACE OF NEXT MEETING

24. The next meeting of the Board will be held at the Holiday Inn Hotel in Wembley, London on Monday, 15 September 2014.

LIST OF PARTICIPANTS**MEMBERS**

- Mr. Michiel Hendriksz, Director of Sustainability, ADM International Sàrl, Switzerland
- Dr. Raymond Boumbouya, Manager - Research, Planning and International Cooperation, African Export-Import Bank, Egypt
- Mr. Aldo Cristiano, Deputy Director, Associazione Industrie Dolciarie, Italy
- Mr. Daudi Lelijveld, VP Sustainability & MD Biolands, Barry Callebaut AG, Switzerland
- Dr. Torben Erbrath, Managing Director, Association of the German Confectionery Industry, Germany
- Mrs. Sabine Nafziger, Secretary General, CAOBISCO, Belgium
- Mr. Franz Urs Schmid, Director, Chocosuisse, Switzerland
- Mr. Philippe Bastide, Cocoa Chain Manager, CIRAD, France
- Mr. Gabriel Roig Alfaro, Member, Comisión Nacional del Cacao, Dominican Republic
- Mr. Nanga Coulibaly, Secretary General, Cocoa Producers' Alliance (COPAL), Nigeria
- Ms. Catherine Entzminger, EU Affairs Manager, European Cocoa Association, Belgium
- Mr. Jack Steijn, Secretary General, European Warehouse Keepers' Federation, The Netherlands
- Dr. Victor Iyama, National President, Federation of Agricultural Commodities Association of Nigeria (FACAN), Nigeria
- Mr. Philip Sigley, Chief Executive, Federation of Cocoa Commerce Ltd, United Kingdom
- Mr. Ebenezer Tei-Quartey, Director, Research, Monitoring and Evaluation, Ghana Cocoa Board, Ghana
- Mr. Edmond Konan, Director General, Global Business Consulting Company, Côte d'Ivoire
- Mr. Andy McCormick, Vice President, Hershey, USA
- Mr. Lukas Jasman, Chief Operating Officer, BT Cocoa, Indonesian Cocoa Industry Association, Indonesia
- Dr. Lee Choon Hui, Director General, Malaysian Cocoa Board, Malaysia
- Dr. Martin Gilmour, Global Affairs Manager, Mars, United Kingdom
- Ms. Cathy Pieters, Cocoa Life Program Director, Mondelēz International, United Kingdom
- Mr. Darrell High, Cocoa Manager, Nestlé, Switzerland
- Mr. Graham Laird, Vice-Chairman, Noble Resources S.A., Switzerland
- Mr. Alain Fredericq, Head of Industrial Cocoa and Chocolate Ingredients, Olam Europe Ltd, United Kingdom
- Mr. Jérôme Mvondo, Director General, SODECAO, Cameroon
- Ms. Beatrice Moulitanitaki, Programme Manager : Cocoa, SOLIDARIDAD, The Netherlands
- Mr. Manfred Borer, Programme Director, Swiss Foundation for Technical Cooperation (Swiss Contact) , Switzerland
- Ms. Margriet Glazenborg, Head of Product Management, UTZ Certified, The Netherlands
- Mr. Antonie Fountain, Interim Co-ordinator, VOICE, The Netherlands
- Mr. Bill Guyton, President, World Cocoa Foundation, USA
- Mr. Aly Touré, Représentant Permanent de la Côte d'Ivoire auprès des Organisations Internationales de Produits de Base, Côte d'Ivoire

ALTERNATES

- Ms. Marina Morari, Manager: Corporate Social Responsibility, Barry Callebaut AG, Switzerland
- Dr. Alexander Oppong Dwapanyin, Head of Scientific Research Department, Cocoa Producers' Alliance (COPAL), Nigeria
- Ms. Gabriella Crescini, Head: Client & Partner Relationships, Swiss Foundation for Technical Cooperation (Swiss Contact), Switzerland
- Mr. Tim McCoy, Senior Advisor, World Cocoa Foundation, USA
- Ms. Ni Putu Erny Yosefina, Cocoa Trader, BTCOCOA, Indonesia

OBSERVERS

- Ms Anna Laven, KIT Development Policy & Practice, Royal Tropical Institute, The Netherlands
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- Mr. Augusto Montinho, Counsellor, Embassy of Angola to Switzerland, Angola
- Mr. Joaquim Pedro Penna, Counsellor, Permanent Representation of Brazil to International Organizations, Brazil
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- Mr. Sylvestre Essono Messanga, Sous Directeur des Echanges Commerciaux, Ministère du Commerce, Cameroon
- Mr. Omer Gatien Maledy, Executive Secretary, Cocoa and Coffee Interprofessional Council, Cameroon
- Mr. Michael Ndoping, Directeur Général, ONCC, Cameroon
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- H.E Mr. Juan Falconi Puig, Ambassador, Embassy of Ecuador to the United Kingdom Ecuador
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- Mr. Jean Jacques Engo, Directeur Général, Adjoint en Charge du Café/Cacao, Caisses de Stabilisation, Gabon
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- Mr. John Clotey Sefa, Director (Legal Services), Ghana Cocoa Board, Ghana
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