

Terms of Reference – ISCO Living Income Working Group

Background

In their Memorandum of Understanding, the National Initiatives for Sustainable Cocoa in Europe (ISCOs) have agreed to bundle efforts for a sustainable cocoa value chain through collaborative action specifically in the following key areas of action which are the sector's main challenges:

- To enhance the transparency in the cocoa value chain and promote the production and consumption of sustainable cocoa;
- To contribute to a living income for cocoa farmers and their families;
- To halt cocoa-related deforestation and promote sustainable reforestation and biodiversity in cocoa producing countries; and
- To end the worst forms of child labor and forced labor in the cocoa value chain.

The creation of joint Working Groups addressing these main challenges is considered one effective measure to bundle and coordinate efforts. The ISCOs thus agreed to foster peer learning and the exchange of knowledge through the creation of joint Working Groups of experts in different workstreams linked to the main challenges. At the same time, Joint Learning Events will be organized to allow for joint learning at a broader scale.

Below is a summary of European goals that relate to living income.

Platform	Main goal	Sub-goals
Beyond Chocolate	By 2030 at the latest, cocoa growers will earn at least a living income.	
DISCO	Enable families which farm cocoa to earn a living income by 2030.	<ul style="list-style-type: none"> • Living income gap determined and living income strategy (including incremental steps towards closing the living income gap) developed for 75% of the Dutch cocoa sources before mid-2021 and for 100% of the Dutch cocoa sources by the end of the year 2021; • Cocoa farming families in important sources are enabled to earn a living income for the volume of cocoa beans required to meet the Dutch consumption of chocolate and other products with >5% cocoa content by 2025; • Step-wise increases in the percentages of cocoa farming families that are enabled to earn a living income for the volume of cocoa beans and cocoa products exported to markets outside the Netherlands.
GISCO	improved farm-gate prices, minimum price and premium systems as well as other income-generating measures as contributions to a living income of cocoa farming households.	<ul style="list-style-type: none"> • From 2020 onwards, GISCO members report on the price sustainability premiums*/ton paid by them to their suppliers and/or farmers for the cocoa purchased/processed • Percentage of cocoa processed by members of the GISCO in Germany or

		<p>used in end consumer products for the German market for which a living income reference price was paid to cocoa producers.</p> <ul style="list-style-type: none"> • By the end of 2022 GISCO members with income relevant projects/programs will include living income related indicator(s) and report transparently on the measures implemented. • By the end of 2023, GISCO members with relevant projects/programs report on the development of net household income in relation to the Living Income benchmark. • By 2025, at least 80 % of reached farmers in relevant GISCO member projects/programs have increased their net household income by at least 35 % (Baseline KIT, 2017)
SWISSCO	Contribute to a living income for cocoa farmers and their families	<ul style="list-style-type: none"> • All members are active in at least two areas critical to achieve a living income (reporting 2022, 2025, 2030) • All supply chain partners contribute jointly to a living income by rewarding farmers and their families for their performance in terms of sustainability and quality (reporting 2022, 2025, 2030) • SWISSCO conducts impact assessment to measure household income involving at least 5 (2025)/10 (2030) members.

Aim and goals

Note: these objectives will be discussed within the ISCO's existing Working Groups, as well as during the first meeting of the WG, to ensure they reflect WG Members' needs and expectations.

The working group's overall aim is to:

Guide members and signatories to move from commitment to action by fostering a common understanding of effective solutions towards living income through peer learning around a common learning agenda and harmonized impact measurement and monitoring

In order to contribute to this aim, the working group objectives are to:

- **Foster collective learning** for a common understanding of effective solutions towards living income
 1. Develop a common living income learning agenda around effective and efficient methodologies and tools for income measurements to understand income gaps and implementing 'smart mix' of interventions
 2. Support specific learning on effective strategies towards living income linked to co-financed pilot projects initiated by members of individual platforms and implementation routes for the industry aiming to better align strategies while building on each other's successes

3. Align learning agenda with producing country priorities and platforms as well as other relevant actors and initiatives (LICOP, ALICO, EU)
 - **Improve and harmonize Monitoring tools** to allow for a consistent and effective measurement of progress towards living income
 1. Strengthen collaboration across ISCOs around monitoring and evaluation tools and systems including joint studies
 2. Strengthen collective ownership of monitoring results by involving experts and practitioners from producing country governments, civil society, or academia as well in the design and implementation of monitoring tools and studies

Organization and activities

- The working group shall consist of a representative group of members from all four ISCOs, with a balanced representation of all sectors (private sector, public sector, research, NGOs), with an indicative number of experts per platform.
- Experts from producing countries are invited to actively participate in contributing with input and shaping the outcomes.
- The participation in the WG requires a certain level of expertise on the topic of living income.
- The WG is co-lead by two experts with acknowledged expertise, representing different stakeholder perspectives.
- One secretariat of a national platform (in this case the Secretariat of DISCO, facilitated by IDH) will be serving as the secretariat of the WG and ensures a proper coordination with the other national platforms.
- The WG will also work closely with the other ISCO relevant WGs (e.g. Monitoring), as well as with thematic mirror groups on national level to ensure synergies and complementarity of efforts. Some recommendations coming out of the discussions may have to be reviewed and approved by the Steering Committee / Board of the national platforms.
- Estimated time to be invested for participation in this working group is for minimum three meetings per year (estimated 3 hours each) plus consultation of tools and documents.
- Task forces may be set up on specific topics, to ensure that the work progresses swiftly.
- In addition regular learning events and workshops (at least two ISCO events across all areas per year) will be open to all interested members of all four platforms to foster peer learning and the exchange of knowledge. Non-experts are invited to attend these learning events.

Next steps

Date	Event/activity
January – February 2022	Consolidation of ToR among the ISCOs
February – March 2022	Selection of Co-Leads and WG members
March 2022	Define scope and agenda for the first WG meeting
19 April 2022	1 st WG Living Income meeting
5 July 2022	2 nd WG Living Income meeting
10 November 2022	3 rd WG Living Income meeting

Member organizations of the Working Group

- Alfred Ritter

- ALICO
- ALISOS
- Association des PCA des coopératives de café cacao
- Baronie / Chocolat Alprose
- Barry Callebaut
- BDSI
- Bern University of Applied Sciences
- BMEL
- CARE Nederland
- Cargill
- Centre for Development and Environment (CDE), University of Bern, Switzerland
- Choba Choba
- Cocosource
- Colcocoa
- Commerce Equitable France
- Cooko GmbH
- CSO Platform for ISCOs
- Dr. Bronner
- Envirium Life Sciences
- ETG/Beyond Beans
- Fairfood International
- Fairtrade Africa
- Fairtrade Belgium
- Fairtrade Max Havelaar Switzerland
- farmerconnect
- Farmstrong Foundation
- Ferrero
- FiBL (Research institute for organic agriculture)
- GIZ
- Halba
- ICI
- Inades Formation Côte d'Ivoire
- INKOTA Netzwerk
- JS Cocoa
- KOA
- KULeuven
- Lindt
- Mars
- Meridia
- Mondelez
- Natra
- Nexus Management
- Oxfam Wereldwinkels Fair Trade
- Pro-Planteurs / GISCO
- Rainforest Alliance
- Réseau Ivoirien du Commerce Equitable



- SECO
- SEND-Ghana
- Solidaridad Network
- Starbucks
- Sustainable Food Lab
- Swiss Contact