



Forum Nachhaltiger Kakao
German Initiative on Sustainable Cocoa



MONITORING Report 2021



Foreword

This year, the German Initiative on Sustainable Cocoa (GISCO) is publishing its second monitoring report based on a comprehensive range of data collected from its members through the online monitoring tool. At our general meeting in May of this year, all members of GISCO committed to participate in the monitoring survey. I am very pleased to note that our members fulfilled this commitment diligently and we achieved almost 100% participation.

As a result, the Monitoring Report covers around 88% of the total volume of cocoa found in cocoa-containing end products sold on the German market. This significant increase compared to the approximately 35% covered by last year's report is an important step forward and contributes to greater transparency in the cocoa supply chain.

The fact that Beyond Chocolate, the Belgian platform for sustainable cocoa, and DISCO, the Dutch platform, participated in the joint survey shows that our monitoring is taking us in the right direction. For the coming year, we hope that other European Initiatives on Sustainable Cocoa (ISCOS) will join as well.

The results presented in the report, however, leave no doubt that we still have a long way to go to achieve our goals of living income for cocoa producers, a deforestation-free supply chain and the elimination of child labour. We also still need to further work on the monitoring process to improve the data and enable further analysis.

It is now up to us to utilise the results of the monitoring report to drive endeavours that will bring us closer to our goals. I would like to thank all our members not only for their contributions to greater transparency and accountability, but also for their continuous efforts towards establishing a sustainable cocoa supply chain.

Merit Buama

Chairwoman, German Initiative on Sustainable Cocoa





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I

INTRODUCTION AND SCOPE OF THE MONITORING REPORT



1. Context and ambitions of GISCO

The cocoa sector faces a number of critical challenges that need to be addressed on the journey towards sustainable cocoa.¹ Key challenges include

- (a) contributing to a living income for cocoa farmers,
- (b) the need to foster and ensure attainment of children's basic needs and rights as well as
- (c) forest preservation and restoration in cocoa producing areas.

As such, these challenges are the fundamental concerns² of the German Initiative on Sustainable Cocoa (GISCO) and its members, the German Federal Government (represented by Federal Ministry of Economic Cooperation and Development (BMZ), and Federal Ministry for Food and Agriculture (BMEL), German cocoa, chocolate and confectionery industry, German retail, and German civil society.

GISCO members are working towards a sustainable cocoa sector to:

- improve living conditions of cocoa farmers and their families and to contribute to a secure living;
- preserve and protect natural resources and biodiversity in cocoa producing countries; increase cultivation and commercialization of sustainably produced cocoa.

At GISCO's general meeting in Berlin on 8 May 2019, the members reaffirmed their commitment to a sustainable cocoa sector by agreeing on twelve concrete goals (see box below). These are flanked by a comprehensive definition of sustainable cocoa.

A transparent monitoring system plays a key role in the implementation of these twelve goals: it allows GISCO to monitor changes in the cocoa sector towards sustainability, while enabling its members to show their contribution to these changes. The system acts as a critical instrument to assess progress and identify the areas where further change is needed. A first pilot version of the common online tool was tested between mid-December 2020 and mid-February 2021. Subsequently, the tool was improved, based on members' feedback, before conducting the first joint monitoring round, for 2020 data collection from members of GISCO and Beyond Chocolate³, between April 2021 and mid-June 2021.

Two types of questionnaires were designed for the data-collection:

1. A member questionnaire to collect supply chain data and data related to member participation within GISCO in general. The member questionnaire was tailored for each member group.
2. A project/program⁴ questionnaire applicable for all member groups with sustainability projects or programs in cocoa growing countries. This questionnaire collects data on the implementation and outcomes of sustainability projects and programs that are implemented by GISCO members. Each member reporting on its sustainability efforts had the choice between either (a) submitting a single project questionnaire for its global program, or (b) submitting multiple project questionnaires, each specific to a country-level project or to other particular projects. However, for the 2022 reporting (2021) data, it was mandatory to report at country level for Côte d'Ivoire and Ghana.

¹ GISCO and its members [define sustainable cocoa](#) as follows: "cocoa that is produced in accordance with economic, ecological and social requirements, which means that its production is economical, environmentally friendly and socially responsible, without compromising the ability of future generations to satisfy their own needs."

² This includes ensuring that efforts to address these challenges do not cause displacement of child labour or deforestation from cocoa production to other activities in cocoa producing areas.

³ Beyond Chocolate is the initiative for sustainable cocoa (ISCO) in Belgium. Partners in the initiative are working to end deforestation, stimulate education for future generations and provide a living income for cocoa (<https://www.idhsustainabletrade.com/initiative/beyondchocolate/>).

⁴ A cocoa sustainability project is defined as a program, project or initiative targeting (aspects of) sustainability in cocoa production, processing and/or supply chains. Under the label "sustainability project", the reporting system allows a member to report on any sustainability "program, project or initiative". Members with larger sustainability programs can choose between: (a) reporting aggregated data on a large program, with several intervention areas; or (b) reporting separately for underlying (for example country-specific) projects.

For the project questionnaire, in case a project was implemented jointly by more than one member, the project was reported only once, by the lead partner of that project, also mentioning the other members that participate in the project. Furthermore, a joint member of GISCO and Beyond Chocolate will report only once on its (world-wide) cocoa sustainability projects. Similarly, the member questionnaire was constructed in such a way that joint data relevant for both GISCO and Beyond Chocolate, had to be reported only once. Alignment in reporting between the ISCOs contributes to consistency in data, while limiting the reporting burden of the members.

GISCO Goals⁵

- 01.** Improved farm-gate prices, minimum price and premium systems as well as other income-generating measures such as contributions to a living income of cocoa farming households;
- 02.** Improving the productivity of cocoa cultivation and the quality of cocoa;
- 03.** Supporting governments and other stakeholders in the development of holistic regional agricultural programs in order to create alternatives to cocoa cultivation and thus counteract overproduction;
- 04.** Promoting the development and use of sustainable and diversified production systems, in particular agroforestry systems, which conserve natural resources as well as ending the application of hazardous⁶ and/or unauthorized pesticides;
- 05.** Ending deforestation and contributing to conservation of forests and biodiversity, and to reforestation;
- 06.** The abolition of worst forms of child labour in cocoa production;
- 07.** The enhancement of gender equality and improvement of opportunities for women and young people in the cocoa sector;
- 08.** Enforcing compliance with human rights (implementation of the UN Guiding Principles on Business and Human Rights) and environmental aspects by all actors in the cocoa supply chain and contributing to the discussion on possible regulatory measures at EU level;
- 09.** The strengthening of governments, farmer organizations and civil society in the cocoa value chain in the producing countries;
- 10.** The entire cocoa in cocoa-containing end products sold in Germany to come from sustainable cultivation in the long term;
- 11.** A share of at least 85% of cocoa in cocoa-containing end products sold by the producing members in Germany to be certified by sustainability standards or to be equivalently independently verified by the year 2025;
- 12.** Promoting multi-stakeholder partnerships and collaboration for more sustainability, networking, sharing information and experience, learning from each other and reporting on progress in achieving objectives and applying best practices.

This 2021 report is the second monitoring report published by GISCO using the online monitoring tool. The members of the monitoring working group and the GISCO board contributed to the analysis and provided feedback to the draft report, prior to publication.

The first part of the report (I. Introduction) gives a brief overview of the GISCO monitoring system and its goals and discusses the data-collection process for the year 2021. This also includes a discussion of the rate of member participation and a reflection on the data quality. The second part (II. Performance Monitoring of the 12 GISCO Goals) provides an overview table of the indicators, how they relate to each of the 12 goals and – where data permitted and an analysis was informative – an assessment of what progress has been achieved, based on the 2021 data. Subsequently, part III (Analysis of monitoring data per key challenge and corresponding indicators) presents the detailed analysis from this year's monitoring process, including the performance against the target indicators, which were agreed by GISCO in 2020.

Additional details on the member and project questionnaire (Annexes 1 & 2) of the GISCO data collection for the year 2021 are available in the annex of this report.

⁵ <https://www.kakaoforum.de/en/about-us/our-goals/>

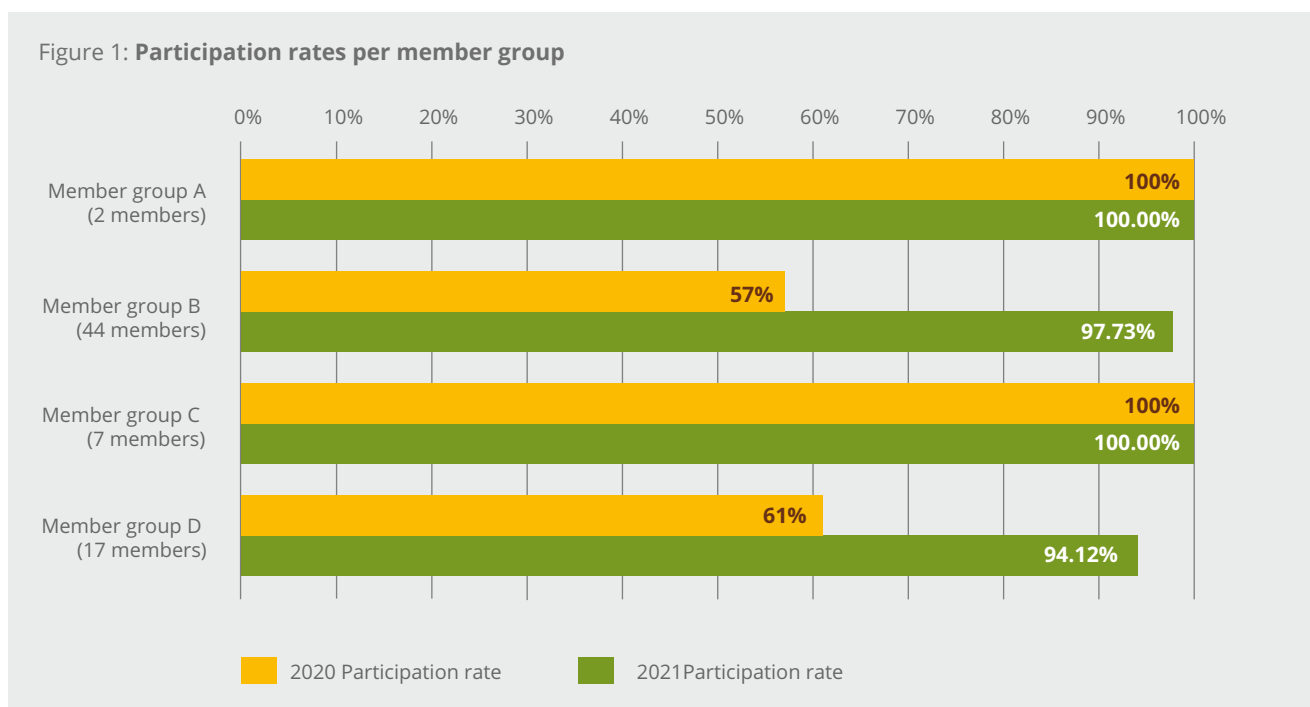
⁶ Hazardous pesticides include as minimum requirement all substances which are listed as persistent organic pollutants (POPs) in the Stockholm Convention within the Annex III of the Rotterdam Convention and/or the Montreal Protocol are classified by WHO as 1A or 1B, are listed in the Dirty Dozen of PAN, or are identified by UN-GHS as substances with chronic toxicity. In addition, specifically for cocoa cultivation, they include pesticides that are not permitted for use in goods for export to EU countries.

2. Member participation in the 2021 reporting

Contributing to GISCO's 2021 reporting, a total of 67 GISCO members submitted at least one completed questionnaire (members completing a member questionnaire and/or one or multiple project questionnaires). Differentiating between the different stakeholder groups, this corresponds to:

- 100% of members from the German public sector (member group A) (1/1),
- 97.73% of members from the cocoa, chocolate and confectionary industry (member group B) (43 out of 44),
- 100% of members from retail and grocery trade (member group C) (7 out of 7) and
- 94.12% of members from civil society including voluntary certification organisations (member group D) (16 out of 17).

Participation rates of both industry and civil society member group increased significantly compared to last year, as in 2022 participation in the monitoring was made mandatory for all GISCO members. The overall participation rate is 97%.



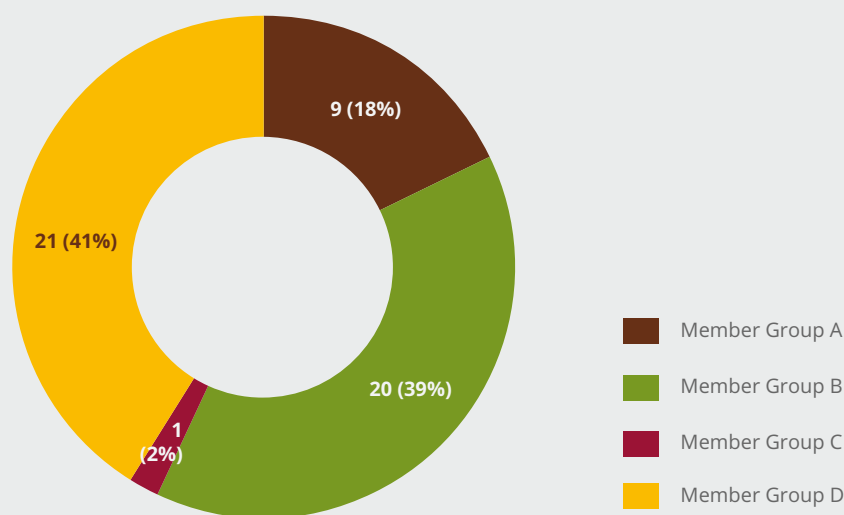
Of the members who participated in the monitoring process, 11 members (17%) only reported very limited data. Of these members, 7 members are part of member group B (Industry), 1 member is part of the retail member group and 3 members are part of member group D (Civil Society). It is important to explain which type of members are covered under this limited submission: Prior to the start of the data collection it was decided that selected members of member group B (Industry) that do not have a supply chain or that source only limited volumes did not have to complete the member questionnaire for industry members but received a reduced questionnaire. In fact, 5 out of 7 industry members with limited reporting were for these reasons asked to report on the reduced questionnaire. This means that 2 industry members who received the full industry member questionnaire did not fully participate in the monitoring process and reported insufficient data. Although there is not a clear threshold of what constitutes sufficient participation these members stood out with respect to the lack of data shared.

Regarding other reporting members, the extent to which the questionnaire has been completed varied. For some datapoints members did not share complete information in the questionnaire, i.e. on premium and/or price data. They indicated through the feedback mechanisms in the tool that they consider this information sensitive, do not have enough information on how the data will be used and for that reason cannot share the requested data. Others argued that they have not received the necessary information from their suppliers and hence cannot respond. Again others did not share their reasoning for not responding.

With respect to the number of project/program questionnaires, GISCO members submitted more than double the number of questionnaires in comparison to last year: In 2020, 20 questionnaires were submitted, while this year we received 51 questionnaires. However, it is worth noting that the increase in project reporting can be explained by the fact that members were asked to report separate project questionnaires for Côte d'Ivoire, Ghana and other countries for the first time this year.

Collaboration in project/program implementation among members from different member groups is common. In fact, half of the reported projects/programs are implemented by more than one member. Of the 51 reported projects/programs, 39% (20) were reported on (and thus coordinated) by industry members, 41% (21) projects/programs were reported on by members from the civil society, 18% (9) of the projects/programs were reported on by BMZ/BMEL, and 2% (1) of the projects/programs was reported on by a retailer. The representation of different member groups in the project/program reporting remains stable in comparison to last year. The low representation of retailers does not mean that retailers were not more involved in implementation of projects and programs. Projects and programs are often submitted by their supplier and standard setting organisations. In this case retailers are identified as implementing partners. 3 such projects/programs were retailers have been identified as implementing partners, have been submitted.

Figure 2: Submission of project questionnaires



It is important to note that it is unclear if the monitoring report covers all projects/programs that are implemented by GISCO members. There is some indication that members did not report on all projects/programs that they were involved in, i.e. because of a misunderstanding about the need to report annually on all projects/programs.

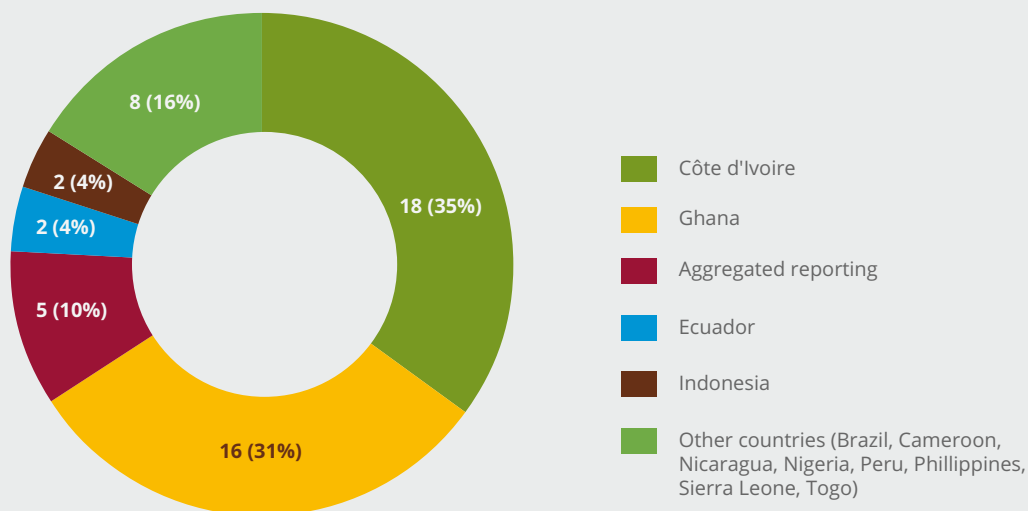
This year's monitoring round is also the first year where it is mandatory for members to report project/program data on Côte d'Ivoire and Ghana separately, while for other countries, members could choose between providing country-specific data or aggregated data for all other countries. The reported projects/programs were implemented in 12 different countries. Côte d'Ivoire and Ghana were the countries in which most projects/programs were realized:

- 35% (18) of the reported projects/programs were located in Côte d'Ivoire
- 31% (16 in Ghana)
- 2 projects/programs in Indonesia
- 2 projects/programs in Ecuador
- 1 project/program report each for Brazil, Cameroon, Nicaragua, Nigeria, Peru, Philippines, Sierra Leone and Togo
- for 5 projects/programs we received aggregated reporting on multiple countries.

In these aggregated reports, the countries included correspond with the main producing countries of the German Chocolate Industry, with an exception for Nigeria. Only 1 of the projects/programs was implemented in Nigeria, although Nigeria is the second largest cocoa producing country for the German Market.

It is important to note for the interpretation of the data that members reported on their total global sustainability efforts and that the projects/programs reporting is not linked to the amount of cocoa destined for the German market. As cocoa is an international business it is difficult to set the global sustainability efforts into relation to the German market.

Figure 3: Project/program reporting per country



In terms of volumes the increase in the number of members participating in the monitoring process is also reflected in the total volume of cocoa reported by members as brought to the German consumer market. The figure more than doubled (+161%) from 115,746 MT-BE⁷ (metric ton – bean equivalent) in 2020 to 302,541 MT-BE in 2021 (see indicator 1.1 for further details).

Overall, with an almost universal participation rate of 96%, the availability of more country specific data for Côte d'Ivoire and Ghana within project and program reporting and a substantive increase in the volume covered by the report, the monitoring process has made a big step forward. The increase in the volume covered by the monitoring report shows that the decision of GISCO members to make the monitoring mandatory was an important step forward to increase transparency.

While this has implications for the year-on-year comparability of data in comparison to the previous year 2020 when participation rate was much lower (see below), it seems important to maintain such a high participation rate while further improving the responses and response rate to individual questions, so that data quality can be further improved.

⁷ MT-BE stands for “metric tons bean equivalents” of a certain quantity of semi-finished cocoa products or cocoa-containing products. In other words, the MT-BE represents the corresponding volume of cocoa beans sourced, expressed in metric tons. Conversion to MT-BE, of cocoa sourced in different forms, is to be done using the ICCO conversion factors; being: 1,33 for cocoa butter (1804), 1,25 for cocoa paste/liquor (18031), and 1,18 for cocoa powder and cake (1805, 18032).

3. Data Limitations

There are some important factors that restrict the robustness of the data and in particular the ability to make comparisons between the results from 2020 and 2021. These factors are listed below and need to be taken into consideration when interpreting the results. However, although the reliability of the exact figures may be limited, the data should still allow for insights into some general developments. For instance, in some cases, members have used different methods when collecting data. While the lack of alignment is problematic to reference exact data, the data allows for statements on the overall magnitude of the remaining challenges. Further refinement of the monitoring methods should be considered for the upcoming monitoring processes.

In terms of the steps taken to improve the reliability of the data, the data was checked for alignment with agreed definitions and inconsistencies, prior to the data analysis. Where inconsistencies were observed, they were reported back to the members and corrected. Despite this data cleaning process, there are certain limitations remain:

Reliability of data:

- Despite efforts to provide definitions and tips for reporting, this does not constitute methodological standards and requirements for data collection, sampling, analysis etc. The calculation and assessment methods used by the members may hence differ, sometimes significantly, and may impact data comparability between members and projects/programs.
- In some instances, and despite the provided definitions and tips for reporting, some questions may have been difficult to understand or members misinterpreted questions. Data cleaning has identified some of these errors, but some errors may not have been detected and hence impact data reliability.
- The data cleaning process is still largely based on human detection of key inconsistencies in the data and hence more prone to errors. Improvements for further automated support of data validation and cleaning as well as for efficient and advanced analytics is envisaged for the next monitoring rounds.
- It is important to be aware that the monitoring system does not (yet) comprise any external data verification, nor a kind of “data trustworthiness” statement by the reporting member. Hence it is not possible to vouch for the accuracy of the data provided. Additional transparency on and assurance of the (level of) reliability of the reported data could be sought in the coming years.

Interpretation of data and comparison between 2020 and 2021 data

The report presents data for the reporting year 2021. Wherever feasible, comparison with 2020 data has been made. The interpretation of data and more specifically comparison with 2020 data is complicated by several factors:

- The significant increase in this year’s monitoring round of the number of additional members (in particular SME members) that joined the reporting exercise compared to the 2020 monitoring round and the increase in volume covered by the report (see above) are important factors to consider when interpreting data. In some instances this increase explains a decline in the aggregated average sustainability performance of GISCO members, as for several indicators, the additional volumes reported for 2021, have a lower performance compared to the average performance of the volumes already reported for 2020. This is a common phenomenon; in an initial stage those companies that were already advanced in fostering cocoa sustainability are more easily inclined to pilot the reporting. As additional members with a still lower sustainability performance join the reporting, the average performance may drop temporarily. However, this should be considered a positive sign, as the increased number of members and the higher volumes covered demonstrate a willingness to engage additional parts of the cocoa sector in a pathway toward sustainable cocoa. In addition, in some indicators, the stagnation or even regression is not reflecting a real decline in sustainability performance of the GISCO members but rather a broader coverage of the cocoa sector by the annual GISCO reporting.
- For sourcing data (indicators 1.2; 1.3; 1.4 with the 2021 monitoring round), members could choose to either report their global average performance instead of having to calculate a German consumer market specific performance. This means that monitoring data is based on different ways of calculating sourcing information, which may impact the robustness of the data overall.
- Finally, as the 2021 monitoring round comprised additional data collection on cocoa processed in Germany and on a few additional indicators, for this data we cannot assess progress against the previous year, of course.



PERFORMANCE MONITORING OF THE 12 GISCO GOALS

This section of the report provides an overview of the performance monitoring for each of the 12 specific GISCO goals. The assessment is based on 2021 data reported by the GISCO members. For each of the specific goals, progress towards achieving the specific goal is assessed with the corresponding target values, as defined by GISCO for selected key indicators. For each specific goal, the corresponding indicators are listed in the overview table (second column).⁸ The detailed analysis of the indicators is presented in the next section of the report, part III. By clicking on the indicator link, the reader is directed to the analysis of that indicator in part III.



SG1 Specific goal 1

The GISCO members are committed to improve 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.

Goal 1 is linked to a broad range of different indicators. This reflects the fundamental importance of this goal for a sustainable cocoa sector.

Only a selection of the relevant indicators are highlighted here.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 2.1. Premiums <ul style="list-style-type: none"> • Target indicator 1.1: (supply chain indicator): From 2020 onwards, GISCO members report on the average USD amount of sustainability premiums/ton paid by them to their suppliers and/or farmers for the cocoa purchased/processed. 2.2. Average total amount per ton of cocoa beans paid to the farmer 2.3. Strategies to reach a living income <ul style="list-style-type: none"> • Target indicator 1.2: (Project/program indicator): 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. 2.4. Total net household income (USD) (from cocoa) – average and in % of a living income <ul style="list-style-type: none"> • Target indicator 1.3: (Project/program indicator): By the end of 2023, GISCO members with relevant projects/programs will report on the development of net household income in relation to the living income benchmark. • Target indicator 1.4: (Project/Program indicator): By 2025, at least 80% of farmers reached through relevant GISCO member projects/programs will have increased their net household income by at least 35% (Baseline KIT, 2017⁹). 2.5. Average cocoa yield per hectare 2.6. Cost of production per MT cocoa beans 2.7. Improved access to finance 2.9. Volume of cocoa for which a living income reference price was paid 	<p>Based on the data collected in 2021 it is difficult to make a robust assessment on the developments vis-à-vis goal 1.</p> <p>For one, the goal is complex in itself with many indicators being linked to it. In addition, the data collected is sometimes weak as, for instance, the number of data points collected is low (i.e. 3 responses on the total amount paid to the farmer, 1 response on the disaggregation of the number of farming households in relation to the living income gap: 4 responses on volume of cocoa for which a reference price for a living income was paid). In other instances, there are concerns because of unexplained discrepancies in the data such as in the big difference between cost of production in Ghana and Cote d'Ivoire.</p> <p>Going forward, changes in how information on some of these indicators is collected may need to be considered in order to enable that conclusions can be drawn. Otherwise target indicators such as increasing reporting on the development of net household income in relation to the living income benchmark by 2023 will not be reached.</p> <p>A couple of interesting observations, however, should be made.</p> <ol style="list-style-type: none"> 1. Despite the weaknesses in the data, the figures collected indicate that farmers are still a long way from reaching a living income (i.e. significant gap between the LIRP and the amount paid for the farmer). 2. About one third of industry and retail members reported to have paid premiums to farmers and/or to cooperatives or other farmer organisations. In Côte d'Ivoire premiums were paid for 49% of the volume sourced by GISCO members, 56% in Ghana received premiums, and 33% in other countries. The results suggest that further investigation is needed to better understand the data as the percentage of cocoa for which premiums were paid falls significantly behind the results presented under SG11 certified and independently verified cocoa).

⁸ It should be noted here that a same performance indicator can be linked to several GISCO goals, reflecting the fact that some overlap exists between these goals.

⁹ Bymolt, R., Laven, A., Tyszler, M. (2018). Demystifying the cocoa sector in Ghana and Côte d'Ivoire. The Royal Tropical Institute (KIT).



Main related indicators	Summary assessment
	<p>3. With respect to projects and programs that seek to increase living income, strategies related to payment of minimum prices for cocoa and payment of a reference price for living income are the least prevalent in contrast to cocoa productivity and diversification strategies which were the most prevalent.</p>

SG2 Specific goal 2

GISCO members are committed to improve the productivity of cocoa farming and the quality of cocoa.

SG2 is about improving the productivity of cocoa cultivation and the quality of cocoa. Improving productivity is one of the leverages to increase cocoa-related income in cocoa growing households. As such the objective is closely aligned with SG1.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 2.1. Premium 2.2. Average total amount per ton of cocoa beans paid to the farmer 2.5. Average cocoa yield per hectare 2.6. Cost of production per MT cocoa beans 	<p>There remains a significant gap between the reported yield per hectare and what is estimated to be the possible yield per hectare. The reported average yield of 563 kg/ha in the countries covered by members is significantly lower than the potential yield estimated at 800 kg/ha in a reference study.¹⁰</p> <p>Not enough members responded to questions on the costs of production of cocoa and quality premiums paid, hence no assessments can be made.</p> <p>Going forward, it seems important to improve data collection on the indicators related to productivity and quality in cocoa farming.</p>



¹⁰ https://files.fairtrade.net/2019_RevisedExplanatoryNote_FairtradeLivingIncomeReferencePriceCocoa.pdf

SG3

Specific goal 3

GISCO members are committed to supporting governments and other stakeholders in the development of holistic regional agricultural programs in order to create alternatives to cocoa cultivation and thus counteract overproduction.

This specific goal is about the creation of opportunities for income diversification in order to reduce the pressure on cocoa cultivation as the main source of income and to reduce the risk of a decline of cocoa prices as a result of overproduction. In this way the goal is closely linked to i.e. the living income goal (SG1).

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 5.4. Development of holistic agricultural programs on a regional level 	<p>A total of 16 members (21% of total), representing all 4 member groups, reported to make contributions to holistic agricultural programs. On average, members seem to be involved in different strategies which points towards a holistic approach. The most common approaches include sensibilisation and awareness raising; support in the development of Community Action Plans; and the promotion of holistic landscape approaches.</p> <p>It is unclear how effective these strategies are to address overproduction and improve diversification.</p>

SG4

Specific objective 4

The GISCO members are committed to promote the development and use of sustainable and diversified production systems, in particular agroforestry systems, which conserve natural resources as well as ending the application of hazardous and/or unauthorized pesticides.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 4.1. Number of hectares of agroforestry systems newly established 4.2. Number of hectares of agroforestry systems maintained <ul style="list-style-type: none"> • Target indicator 4.2: (Project/program indicator): By the end of 2025, 30% of the total area under cocoa cultivation in GISCO member projects/programs will be managed as agroforestry systems. 4.3. Number of multi-purpose trees¹¹ distributed in the context of agroforestry promotion 4.7. Pest management <ul style="list-style-type: none"> • Target indicator 4.3: (Project/program indicator): By the end of 2025, all cocoa farmers reached by relevant GISCO member projects/programs will no longer apply hazardous pesticides. 4.8. Environmental friendly cocoa production <ul style="list-style-type: none"> • Target indicator 4.1: (Project/program indicator): By the end of 2022, relevant GISCO member projects/programs will have a strategy to promote diversified and sustainable farming systems 	<p>Progress towards reaching goal 4 is mixed or inconclusive.</p> <p>The data suggests a surprising decline with respect to the promotion and establishment of agroforestry systems. While in 2020 the number was estimated to be about 20%, in 2021, an estimated 10.5% of the total area under cocoa cultivation is managed as an agroforestry system.</p> <p>In contrast to that, a significant increase can be observed in the number of trees distributed. This figure increased from 4.5 million in 2020 to more than double in 2021.</p> <p>Further analysis is needed to understand these developments, but efforts need to be increased to reach the target that 30% of the total area under cocoa cultivation in GISCO member projects/programs will be managed as agroforestry systems.</p> <p>In contrast to this, 82% of relevant projects/programs have a strategy in place to promote diversified and sustainable farming systems as a contribution to environmental sustainability. This is a good position to be in to achieve the target of 100% by next year (reporting year 2022). However, it is striking that despite the large percentage of strategies to promote sustainable farming systems so far only a small number of households reached by the projects and programs state to not apply hazardous pesticides. This may suggest that implementation of the strategies needs to be the focus of attention now.</p>

¹¹ Tree species that are included on cocoa farms primarily to provide economical and/or ecological benefits to the farm. This may include tree crops such as fruit, oil palm, medicinal, fodder and/or timber/shade trees for later harvest.

SG5 **Specific goal 5**

GISCO members are committed to end deforestation and contribute to conservation of forests and biodiversity, and to reforestation.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 📍 1.1. Volumes of cocoa sourced covered by GISCO monitoring 📍 1.2. Share of direct supply 📍 1.3. Cocoa origin transparency level of cocoa sourced <ul style="list-style-type: none"> • Target indicator 5.1: (supply chain indicator): By the end of 2025, GISCO member companies will ensure 100% traceability to farm level in their direct supply chain including farm mapping systems. • Target indicator 5.2: (supply chain indicator): By the end of 2025, 85% of the cocoa purchased/processed by GISCO members in Germany is deforestation free (for CIV: is sourced from farms that are not located in protected areas nor protected forests) (traceability from farm to cooperatives provided by farm mapping systems) 📍 1.7. Number of cocoa farms mapped 📍 4.4. Number of hectares of off-farm forest restored 📍 4.5. Number of (native)trees planted off farm 📍 4.6. Number of hectares with forest protection 	<p>2021 data suggests that GISCO members are on the right track with respect to mapping farms and supporting the planting of trees as important activities on the way to tackle deforestation, but the target to be 85% deforestation free still requires more effort.</p> <p>Overall, the reported 2021 data shows an increase in the average cocoa origin transparency level: the % of cocoa with score 5 and more ('farm known with GPS coordinates') increased from ca. 39% in 2020 to 53% in 2021.</p> <p>Also other indicators related to farm mapping, and conservation and restoration of forests are improving compared to 2020 reporting.</p> <p>But in particular in light of expected changes in EU legislation, more progress is needed with respect to achieving the target of 85% of cocoa purchased/processed on the German market being deforestation free by 2025. Currently, less than 7% are reported to be deforestation free.</p>

SG6 **Specific goal 6**

GISCO members are committed to abolish worst forms of child labour in cocoa production

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 📍 3.1. Coverage by CLMRS <ul style="list-style-type: none"> • Target indicator 6.1: (Project/program indicator): By the end of 2025, 100% of reached households in GISCO member projects/programs are covered by a strategy or system for the prevention, control, monitoring and remediation of the worst forms of child labour. 📍 3.2. Percentage children identified as in child labour that received support 	<p>The data on the issue of child labour is difficult to interpret. About half of industry and retail members (53%) reported having a system or strategy regarding child protection (CLMRS or comparable).</p> <p>The total number of farming households being covered by CLMRS or a comparative system was 1,028,969. However, there is a likelihood of double-counting in the data. Furthermore, it is important to point out that the reported number of children that received support is higher than the number of children identified that year. This is a result of the fact that children are in support systems for longer than one year while cases of child labour are identified annually.</p>

SG7 **Specific goal 7**

GISCO members are committed to the enhancement of gender equality and improvement of opportunities for women and young people in the cocoa sector

The 7th GISCO specific objective is about the enhancement of gender equality and improvement of opportunities for women and young people in the cocoa sector. The existence of a separate GISCO specific objective related to gender equality confirms the importance of empowerment for women/young people in cocoa growing communities. It is a cross-cutting ambition, embedded in the implementation of most other specific objectives.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 📍 1.6. Number of farming households/cocoa growers reached 📍 2.7. Improved access to finance 	<p>Overall, there seems to be a lack of gender-disaggregated data being reported from projects and programs. Gender-sensitive data was only available for 35% of the projects and programs. Even if for some projects and programs disaggregating data may not seem immediately relevant, there seems to be an overall need among members to strengthen the collection of gender-sensitive data.</p> <p>Using the data available, the percentage of female cocoa growers reached through the projects/programs remains relatively low with only 18% of them being women. However, with respect to access to finance, the percentage is significantly higher with 71% of the cocoa growers that were reported to have improved access to finance through the project being women.</p> <p>This discrepancy may suggest that women are particularly taken into consideration for projects/programs on access to finance but not for other types of projects/programs.</p> <p>This is likely due to the specific focus of programs on providing access to finance for women in cocoa producing countries, mainly when supporting the proliferation of the Village Savings and Loan Association (VSLA) model.</p> <p>No information on young people is collected through the monitoring process.</p>

SG8 **Specific goal 8**

GISCO members are committed to enforcing compliance with human rights (implementation of the UN Guiding Principles on Business and Human Rights) and environmental aspects by all actors in the cocoa supply chain and contributing to the discussion on possible regulatory measures at EU level.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 📍 5.1 Human rights due diligence implementation and environmental risk management <ul style="list-style-type: none"> • Target indicator 8.1 (supply chain indicator): By the end of 2025 all GISCO members implement human rights and environmental 	<p>GISCO members are far away from proving their commitment to reaching goal 8.</p> <p>Members of GISCO with cocoa supply chains are at the early stages of applying Human Rights Due Diligence (HRDD) and Environmental Due Diligence (EDD). Furthermore, 22% of Industry and retail members did not report on the implementation of HRDD and EDD.</p> <p>It is still a long way to reach target indicator 8.1 that all GISCO members implement HRDD and EDD by 2025.</p>

SG9

Specific goal 9

GISCO members are committed to strengthen governments, farmer organizations and cooperatives and civil society in the cocoa value chain.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 1.2. Share of direct supply 1.4. Cocoa traceability category of cocoa sourced 2.8. Additional funding of cooperatives and cocoa sustainability projects/programs (per MT/BE) 5.3. Participation in multi-stakeholder and policy initiatives 5.5. Support the strengthening of governments, farmer organisations and/or civil society 	<p>While there are increases for some indicators related to goal 9, for other indicators it is less clear. Overall, it is challenging to draw a clear conclusion to the extent to which governments, farmer organizations, civil society and cooperatives are being strengthened.</p> <p>The share of direct sourcing has, for instance, increased significantly in comparison to the previous year (from 53% to 68%). There is a similar trend with respect to the increase in segregated cocoa sold on the German market (from 2.5% to 25%). However, with respect to additional funding paid for sustainability projects/programs, the amount of 177 USD/ton seems low.</p> <p>44% of members across the different member groups reported to have supported the strengthening of governments, farmer organisation and or civil society in producing countries. A majority of the support is directed towards farmer organisations. The data does not allow to assess the effectiveness of such strategies.</p>

SG10

Specific goal 10

GISCO members are committed to ensure that, in the long term, all cocoa-containing end products sold in Germany originate from sustainable cultivation.

The goal is linked to a broad number of different indicators, such as to living income, child labour, deforestation, human rights etc.

Traceability is a prerequisite to foster sustainability. We differentiate between the achievements with respect to traceability and assessing the wider relevant indicators for achieving SG10.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 1.1. Volumes of cocoa sourced covered by the ISCO monitoring 1.3. Cocoa origin transparency level of cocoa sourced 1.4. Cocoa traceability category of cocoa sourced 	<p>Assessing goal 10 on the basis of indicators measuring value chain transparency and traceability, there is a remarkable increase. This refers in particular to indicators on the increase in segregated cocoa and cocoa origin transparency as well as the number of GISCO members participating in the annual reporting and their share of the German cocoa sector. The estimated share of the German market that is covered by the member reporting increased considerably from an estimated 40% for 2020 to an estimated 69% for 2021.</p> <p>This is a positive step towards increased transparency and a positive indication that members are committed to support the sustainable cultivation of cocoa for the German market.</p> <p>However, when also taking into account the limited progress on most of the other related goals and indicators (see above), the 2021 data suggests still more headway is needed.</p>

SG11

Specific goal 11

GISCO members are committed that by the year 2025, a share of at least 85% of cocoa in cocoa-containing end products sold by the producing members in Germany is certified by sustainability standards or equivalently independently verified.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 1.1. Volumes of cocoa sourced covered by the ISCO monitoring 1.5 Certification standards or independently verified company schemes 	<p>Goal 11 has been reached, but no further progress was observed compared to 2020 data. While SG11 was already attained in 2020 (87% certified), progress is stagnant in 2021 with 89% cocoa being certified. However, this stagnation is in line with expectations as volumes reported on grew overall in 2021.</p> <p>The retailers who reported stated close to 100% of certification for their own brands, compared to 87% of cocoa in cocoa-containing end products sold by industry members.</p>

SG12

Specific goal 12

GISCO members are committed to promote multi-stakeholder partnerships and collaboration for more sustainability, networking, sharing information and experience, learning from each other and reporting on progress in achieving objectives and applying best practices.

Main related indicators	Summary assessment
<ul style="list-style-type: none"> 5.3. Participation in multi-stakeholder and policy initiatives 	<p>The available data indicates that the status quo is being maintained vis-à-vis goal 12.</p> <p>Progress with regard to this specific objective is stagnant. The 2021 data indicates that less than half of GISCO members are actively contributing to reach this goal. 38% of members reported about their participation in multi-stakeholder and policy initiatives compared to 43% in 2020.</p> <p>Current data collection methods do not allow to measure the extent to which these sustainability-related collaboration in multi-stakeholder and policy initiatives is effectively leading to added value for the value chain actors and to what extent this is improving the cost-effectiveness of their efforts of ensuring the sustainability of cocoa in end-products sold/consumed in Germany.</p>





ANALYSIS OF MONITORING
DATA PER KEY CHALLENGE AND
CORRESPONDING INDICATORS



1. Transparent supply chains

1.1 Volumes of cocoa sourced covered by the GISCO monitoring

This year is the first time that all GISCO members were obliged to participate in the monitoring process. The table below provides an overview of the volumes of cocoa sourced that is covered by the GISCO monitoring. The coverage of the volume of cocoa in cocoa containing end products supplied to the German market, as reported by GISCO members, is estimated at 88%, compared to overall market data (as obtained for 2019¹²). This reported volume of cocoa-containing consumer products supplied to the German market increased with 161% in comparison to 2020. This can be considered a significant achievement which points towards more transparency of the GISCO members, although this is not the case for all indicators, and

allows to present a more complete picture of the sustainability performance of GISCO members in the reporting year.

The coverage of the reported data may vary for specific indicators since calculations are based on the available data for each indicator. The market coverage for specific indicators has been included for all indicators for which this information is relevant.

For the first time, the 2021 monitoring round also included data collection on cocoa processed in Germany in contrast to the previous year when only data on end-products sold on the German market were collected. Members were asked to report on cocoa sourced for processing on a voluntary basis.



Table 1: Volumes of cocoa sourced covered by the GISCO monitoring

Indicators	Industry	Retail	Standard setting organisations	Total
Cocoa-containing consumer products supplied to the German market 2021	266,799 MT-BE	35,707 MT-BE	Not applicable	302,541 MT-BE
Cocoa-containing consumer products supplied to the German market 2020	-	-	-	115,746 MT-BE
Cocoa contained in the end consumer products certified for the German market 2021	Not applicable	Not applicable	81,157 MT-BE	81,157 MT-BE
Cocoa processed in Germany	399,792 MT-BE	Not applicable	Not applicable	399,792 MT-BE



¹² Source ICCO – SWISSCO <https://www.kakaoplattform.ch/about-cocoa/cocoa-facts-and-figures>. The reference figure used for the consumption of cocoa in Germany dates from 2019 (source ICCO). GISCO received a preliminary figure on cocoa consumption in Germany for the 2020-2021 cocoa year from the Bundesamt für Landwirtschaft und Ernährung (BLE). However, it was decided to not use this figure as a reference since (1) the figure is still preliminary, (2) the period covered does not correspond with the 2021 calendar year and (3) the volume reported by GISCO members for 2021 exceeds the preliminary figure provided by BLE. We will investigate this issue further and make necessary adaptations for the upcoming monitoring rounds.

1.2. Share of direct supply

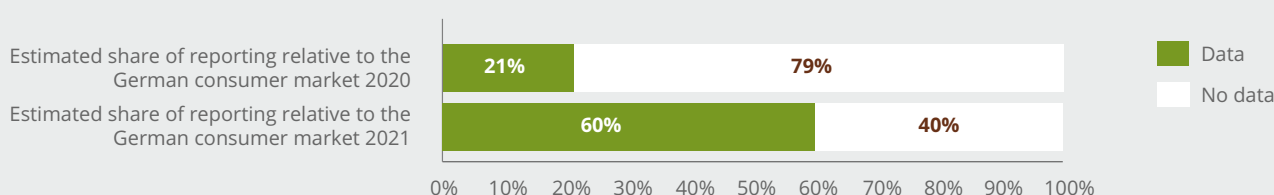
The share of direct sourcing¹³ for 2021 is estimated at 68% of total sourcing, compared to 53% in 2020. However, such data is only available for an estimated 60% cocoa containing consumer products supplied to the German market.



Table 2: Volumes of cocoa sourced covered by the GISCO monitoring

Indicators	Industry	Retail	Total
Share of direct supply 2021	68%	No data	68%
Share of direct supply 2020	-	-	53%

Figure 4: Estimated share of reporting relative to German Consumer Market

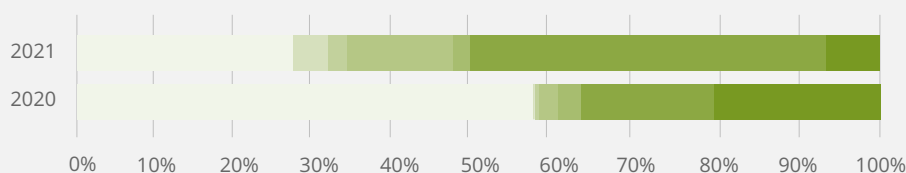


Comparability between the 2020 and 2021 figures is limited as participation and cocoa volume covered through the report increased significantly from one year to the next.

1.3 Cocoa origin transparency level of cocoa sourced

Figure 5 shows the cocoa origin transparency levels relative to the total volume reported by members of cocoa contained in the end consumer products supplied to the German market in 2020 and 2021. For 2021, Score 5+ accounted for the biggest share: (44.4%), followed by score 1 (26.8%) and score 4 (13.2%). Score 2 (4.4%), score 3 (2.3%), score 5 (2.1%) and score 6 (6.7%) accounted for a limited share relative to the total volume of cocoa contained in the end consumer products supplied to the German market. The share of the reported data compared to the overall volume of cocoa contained in the end consumer products supplied to the German market is estimated at 69%.

Figure 5: Cocoa origin transparency levels relative to the total volume of cocoa contained in the end consumer products supplied to the German market

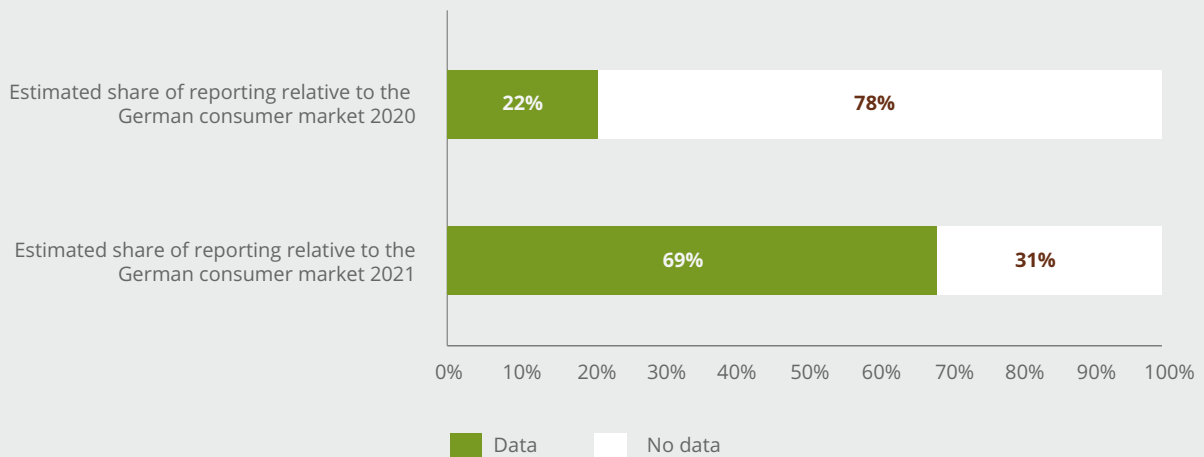


	2020	2021
Score 1	58.8%	26.8%
Score 2	0.1%	4.4%
Score 3	0.3%	2.3%
Score 4	2.2%	13.2%
Score 5	2.6%	2.1%
Score 5+	15.2%	44.4%
Score 6	20.8%	6.7%

Score 1 Origin unknown or only country of origin known, Score 2 Country and region of origin known, Score 3 Country, region and municipality/cooperative of origin known, Score 4 Farm known, in addition to the country, region and municipality/cooperative of origin, Score 5 Farm known and having point coordinates of the farm household (farm mapping), Score 5+ Farm known as well as the polygon boundaries of the farm, Score 6: Farm known, having polygon boundaries of the farm and farm plots verified as not in a protected forest and as not comprising land that has been deforested since 2018.

¹³ For cocoa to be categorized as “cocoa sourced through a direct supply chain”, there shall be a relatively stable partnership and collaboration, in which the individual cocoa farmers/farming families are known (registered). Such partnerships and collaborations may cover issues such as price, quality, good agricultural practices, social, human rights and environmental issues, certification requirements, etc. and might be realized through cooperatives, farmer organisations and/or other intermediaries embedded within the direct supply chain.

Figure 6: **Estimated share of reporting relative to German Consumer Market**

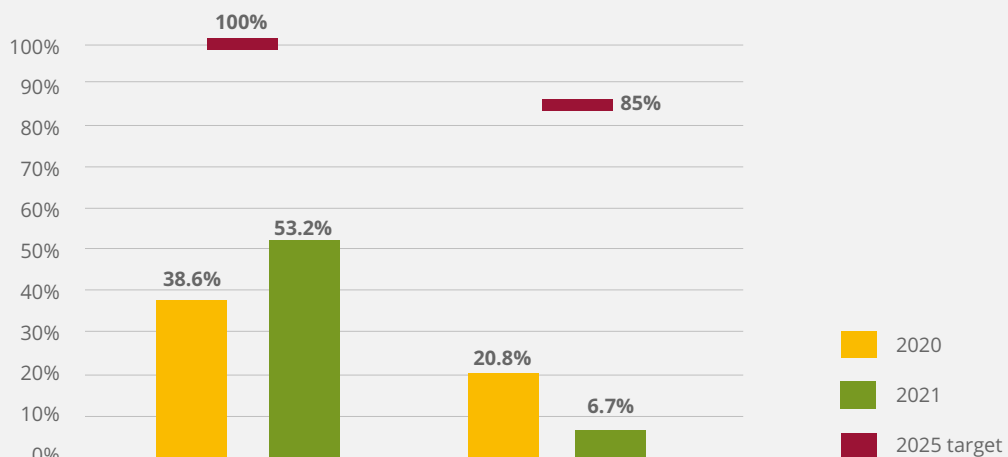


Comparability between the 2020 and 2021 figures is limited as participation and cocoa volume covered through the report increased significantly from one year to the next.

Overall, the reported 2021 data shows a significant improvement in the average cocoa origin transparency level: the % of cocoa with score 4 or above increased from 40.8% in 2020 to 66.4% in 2021.

Looking at the total volume (direct and indirect supply combined), we find that 53.2% of the total volume of cocoa contained in end consumer products supplied to the German market, shows a documentation and geo-localisation of farms from which cocoa is sourced (cocoa origin transparency levels 5, 5+ and 6) as compared to 38.6% in 2020 (target indicator 5.1). If we consider the total volume of cocoa contained in the end consumer products supplied to the German market, 6.7% has a supply origin transparency score of 6. In 2020, members reported 20.8% to be sourced from farms and farm plots verified as not being located in a protected forest and as not consisting of land that has been deforested since 2018 (target indicator 5.2). Compared to 2020, performance against target indicator 5.2 is declining. This could be partly explained by the fact that additional members have reported data in 2021. It should be noted that the total volume reported with score 6 (indicator 5.2) is almost equal for 2021 compared to 2020, but as the total reported volume more than doubled, the % of score 6 dropped from 21% to 6.7%.

Figure 7: **Evolution target indicators SG5**



Target indicator 5.1: By the end of 2025, GISCO member companies will ensure 100% traceability to farm level in their direct supply chain including farm mapping systems.

Target indicator 5.2: (supply chain indicator): By the end of 2025, 85% of the cocoa purchased/ processed by GISCO members in Germany is deforestation free

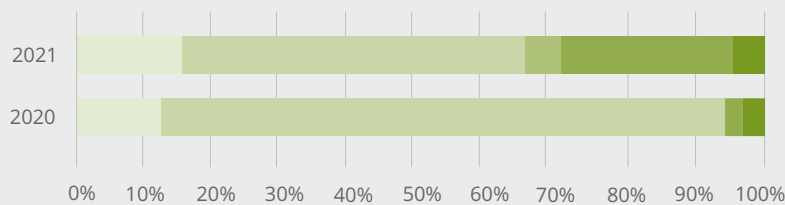
Comparability between the 2020 and 2021 figures is limited as participation and cocoa volume covered through the report increased significantly from one year to the next.

1.4 Cocoa traceability category of cocoa sourced

Figure 8 shows the traceability categories relative to the total volume of cocoa contained in the end consumer products supplied to the German market reported by the GISCO members for 2020 and 2021. Compared to 2020, the category mass balance with country of origin preserved was added. Mass balance accounts for the biggest share (63.6%), followed by conventional (19.5%), identity preserved (6%), mass balance with country of origin preserved (5.5%) and segregated (5.3%).

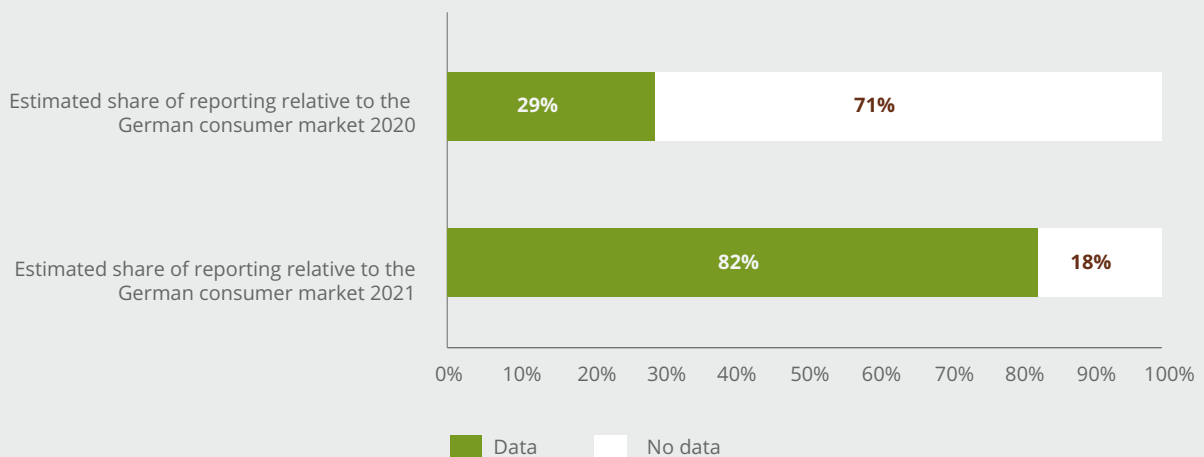
One can observe that the percentage of conventional cocoa increased from 12.2% to 19.5%, while the combined mass balance category reduced from 82.0% to 69.9%. However, this is probably not a reflection of an actual trend in the sector, as there is no indication that there is a significant shift towards more conventional¹⁴ cocoa. In fact, it should be noted that the total volume reported under the mass balance category increased for 2021, compared to 2020. However, as the total reported volume increased significantly, and because the additional volume reported comprised a much higher percentage of conventional cocoa, the overall average percentage of conventional cocoa increased in 2021 compared to 2020.

Figure 8: Traceability categories reported by GISCO members relative to the total volume of cocoa contained in the end consumer products supplied to the German Market



	2020	2021
Conventional sourcing	12.2%	15.3%
Mass balance	82.0%	49.8%
Mass balance with country of origin preserved	0.0%	5.2%
Segregated	2.5%	25.0%
Identity preserved	3.3%	4.7%

Figure 9: Estimated share of reporting relative to German Consumer Market



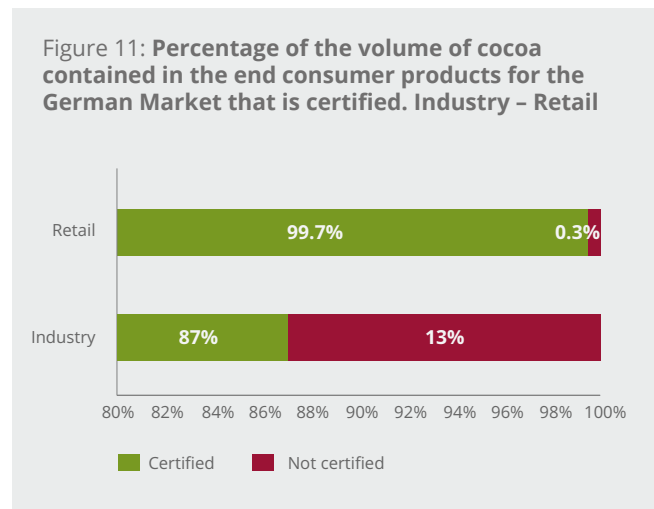
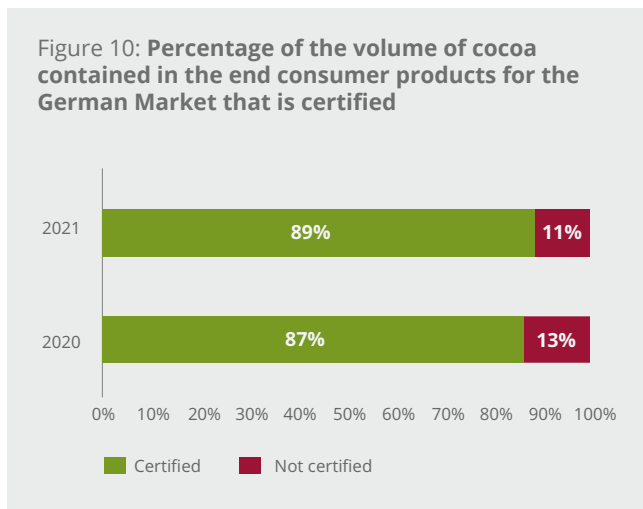
Comparability between the 2020 and 2021 figures is limited as participation and cocoa volume covered through the report increased significantly from one year to the next.

¹⁴ Conventional cocoa (traceability category 0) is cocoa sourced without conforming to the traceability requirements of ‘mass balance’, ‘mass balance with country of origin preserved’, ‘segregated’, or ‘identity preserved’

1.5 Certification standards or independently verified company schemes

Certified cocoa is defined as cocoa produced in compliance with the requirements of accepted certification standards or independently verified company schemes on sustainable cocoa. The list of accepted certification standards and independently verified company schemes currently comprises the following: UTZ/Rainforest Alliance, Fairtrade, Naturland Fair, other Organic and the independently verified company schemes.

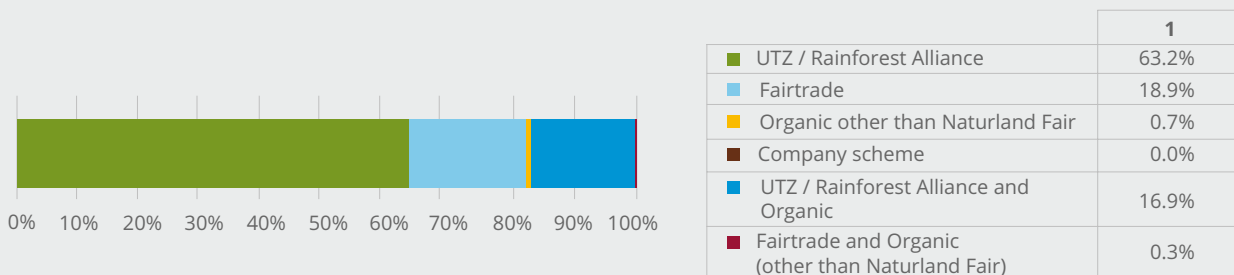
84% (32) of industry and retailer members provided data on the share of certified or independently verified cocoa for the volume of cocoa in cocoa-containing end products sold by them in Germany, compared to 29% in 2020. Consequently, the estimated share of the volume of cocoa contained in the consumer products sold on the German market that is covered by the member reporting increased considerably from an estimated 35% for 2020 to an estimated 78% for 2021. 89% of the combined total volume brought to the German consumer market by members was reported to be certified.¹⁵ Retailers report close to 100% of certification for their own brands, compared to 83% of cocoa in cocoa-containing end products sold reported by industry members.



¹⁵ This is in line with information from BDSI who have reported a figure of 84.3% certified for GISCO members and 79% for the whole German market.

A closer look at the share of certification standards reported reveals that more than half of the reported certified cocoa is certified by UTZ/rainforest alliance (63.2%) followed by Fairtrade certified cocoa (18.9%). Fairtrade reported to have certified 81,000 MT-BE of cocoa contained in end consumer products for the German market in 2021.

Figure 13: Share of certification standards reported by GISCO members¹⁶



1.6 Number of farming households reached

With regard to the number of farming households and the number of (male and female) cocoa growers reached through projects and programs, the table below shows a total of 1,294,885 cocoa farming households and 1,289,656 cocoa growers were reached in 2021; compared to an estimated 1,002,000 cocoa farming households and 956,461 cocoa growers reached in 2020.

This data requires caution since double counting of cocoa growers and cocoa farming households between projects and programs cannot be excluded and the information on both farming households and cocoa growers reached is not available for all projects and programs. While the data is not very reliable at this point, both datapoints provide an indication of the scale of the project reporting. Furthermore, it should be noted that the survey was designed to collect gender sensitive data for the number of cocoa growers reached.



Table 3: Cocoa farming households and cocoa growers reached

Indicators	Côte d'Ivoire	Ghana	Other countries	Total Σ
Cocoa farming households reached 2021	603,352	271,387	420,146	1,294,885
Cocoa growers reached 2021	662,685	294,678	332,293	1,289,656
Cocoa farming households reached 2020	-	-	-	1,002,000
Cocoa growers reached 2020	-	-	-	956,461
Gender distribution 2020	9% female	38% female	18% female	18% female
Gender distribution 2020	No country specific data	No country specific data	No country specific data	17% female

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

¹⁶ The share of Organic and Naturland Fair is presented in a combined category. The share of Naturland Fair reported by members for 2021 is negligible.





1.7 Number of cocoa farms mapped (GPS, polygon)

With regard to the number of cocoa farms mapped, the table below shows that at the end of 2021, a total of 722,331 farms are reported to have been mapped globally by GISCO members, of which 352,831 farms are from Côte d'Ivoire and 158,116 farms are from Ghana. The number of farms that are mapped using polygons is significantly higher (almost double) compared to

those that have been mapped using single point GPS. The use of GPS polygon mapping provides an additional layer of insight to identifying the origin of cocoa as it increases the ability to verify that the cocoa has been grown within the boundaries of a specific farm of origin, and not in forests or other natural ecosystems.



Table 4: Number of cocoa farms mapped

Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Farms mapped in 2021	Single GPS: 135,055 Polygons: 217,776 Total: 352,831	Single GPS: 52,919 Polygons: 105,197 Total: 158,116	Single GPS: 66,645 Polygons: 144,739 Total: 211,384	Single GPS: 254,619 Polygons: 467,712 Total: 722,331
Farms mapped before 2021	Single GPS: 115,421 Polygons: 277,994 Total: 393,415	Single GPS: 150,650 Polygons: 304,488 Total: 455,138	Single GPS: 34,323 Polygons: 210,125 Total: 244,448	Single GPS: 300,394 Polygons: 792,608 Total: 1,093,002
Total farms mapped end 2021	746,246	613,254	455,832	1,815,333
Total farms mapped 2020	No country specific data	No country specific data	No country specific data	887,849
Number of hectares mapped 2021 with polygon mapping	668,640 hectares	122,620 hectares	359,301 hectares	1,150,561 hectares

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.





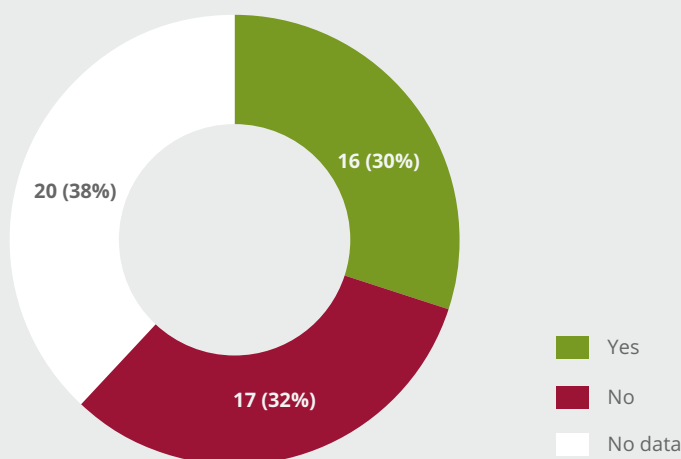
2. Living income for cocoa farming households

2.1 Premiums

About one third (36%) of industry (14 members reporting) and retail (4 members reporting) reported to have paid premiums¹⁷ to farmers and/or to cooperatives or other farmer organisations in 2021.

11 of these members reported data on the premiums paid. In 2020, a total of 12 industry members and 1 retailer reported on the premium/kg paid. Two main reasons can be identified why the number of members reporting on premiums is low. 1) To limit double counting, members were asked to only report on premiums paid on behalf of the company, if the supplier (who managed the premium payments), is not reporting such payments as part of the ISCO reporting. In other words, if a company is reporting on this question block, the client companies are not expected to report again on the already reported premium payments. 2) Some members have indicated they are not disclosing this information at this stage as per company's data protection policy.

Figure 14: Did your organisation's/company's cocoa sourcing involve paying premiums?



The average amount of premium paid per ton is 133 USD in Côte d'Ivoire, 183 USD in Ghana and on average, 176 USD in other countries. Looking at the percentage of the volume sourced by GISCO members that reported on premiums, data shows that in Côte d'Ivoire premiums were paid for 49% of the volume sourced, 56% in Ghana, and 33% in other countries.

Figure 15: Average amount of premium paid USD/ton

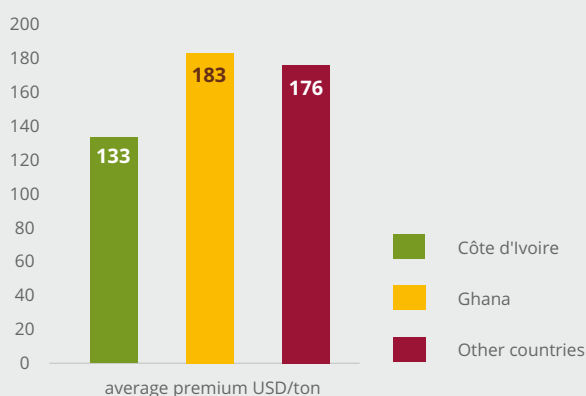
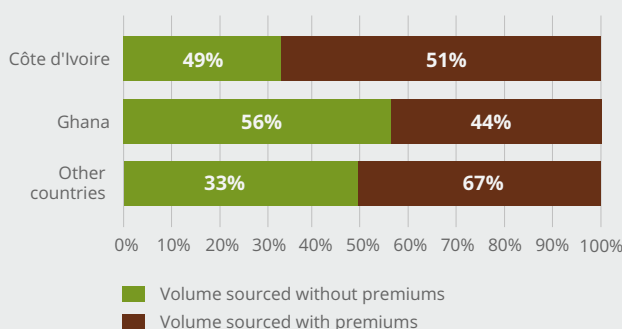


Figure 16: Percentage of the volume sourced by GISCO members for which premiums were paid



¹⁷ The following premium types are included in the reporting: Certification premium for UTZ/RA, Certification premium for Fairtrade, Certification premium for Organic other than Naturland Fair, Certification premium for Naturland, Premiums related to company schemes, Quality premium, Environmental services/performance related premium, Voluntary living income/fairness related premium, Other premiums.

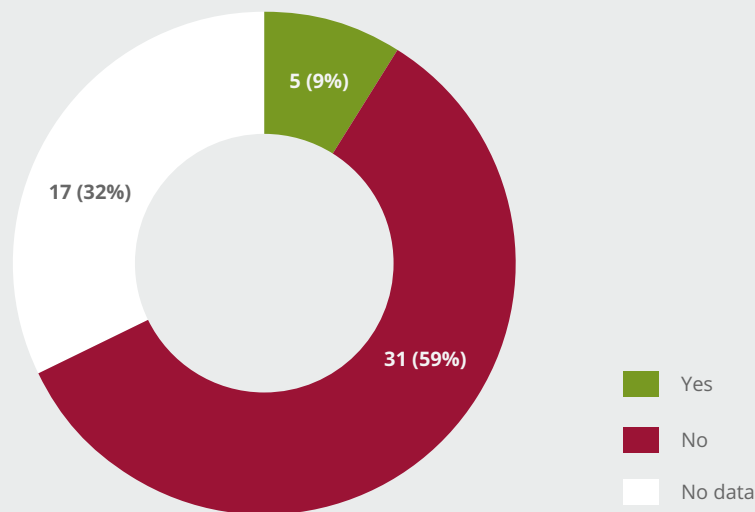
2.2 Average total amount per ton of cocoa beans paid to the farmer

This is a new indicator introduced in the 2021 monitoring round. 6 (9%) members reported having data on the average amount per ton of cocoa beans paid to the farmer (combining farm gate price and premiums). However, only 3 members actually provided such data. According to this limited data, the average total amount, per ton of cocoa beans, paid to the farmer would be 1,344 USD/ton.

As this is a new indicator, having 3 members report on it is a promising start. The amount indicated by the 3 members, is at about 62% of the Fairtrade living income reference price (LIRP) of 2,200 USD/ton for Côte d'Ivoire and 2,100 USD/ton for Ghana, suggesting that there might still be room for moving towards increased prices in the cocoa supply chain that enable farmers to earn a living income. However, it must be stressed that this value needs to be interpreted very cautiously and cannot be considered an average farm gate price.

It should however be noted that the mandatory LID (Living Income Differential), to be paid by sourcing companies in Côte d'Ivoire and Ghana is not counted in the calculation of this indicator.

Figure 17: Does your organisation/company have information available on the average amount per ton of cocoa beans paid to the farmer?



Average total amount per ton of cocoa beans paid to the farmer (3 datapoints)

1,344 USD/ton
739,386 MT-BE

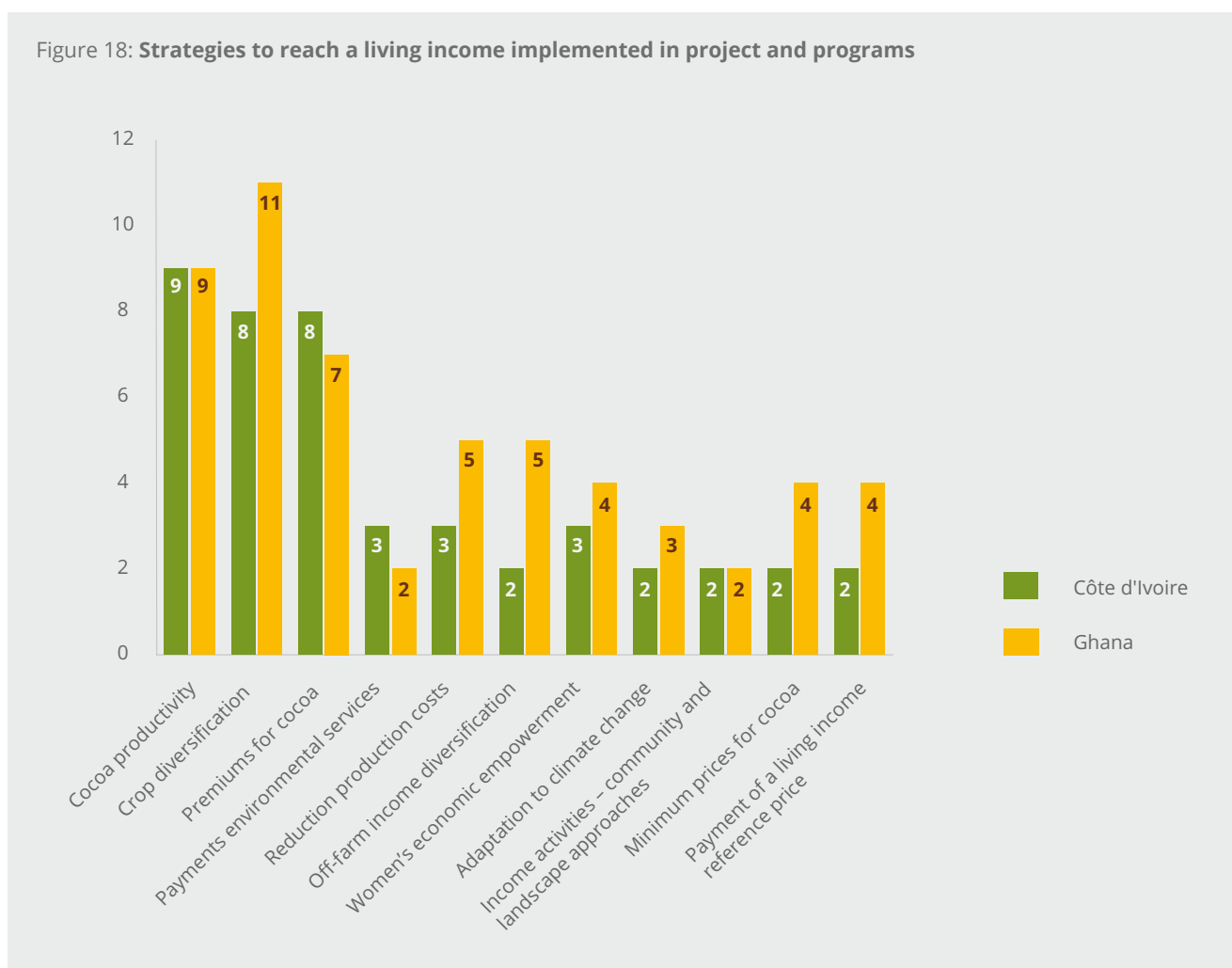
2.3 Strategies to reach a Living Income

76% of the reported projects and programs (39) are reported to be income related and 66% (26) of these projects/programs have living income related indicator(s).

The figure below gives an overview of the different strategies that are implemented by the projects/programs. The data shows that most approaches for working towards Living Incomes are broadly applied across projects/programs.

“Cocoa productivity”, “crop diversification” and “premiums for cocoa”, are the most prevalent strategies. These are followed by activities focusing on “payments for environmental services”, “reduction of production costs”, “off-farm income diversification”, “women’s economic empowerment”, “adaptation to climate change” and “income generating activities in the framework of community and landscape approaches”. “Minimum prices for cocoa” and “payment of a living income reference price” are the least prevalent strategies to improve the living income of cocoa farming households.

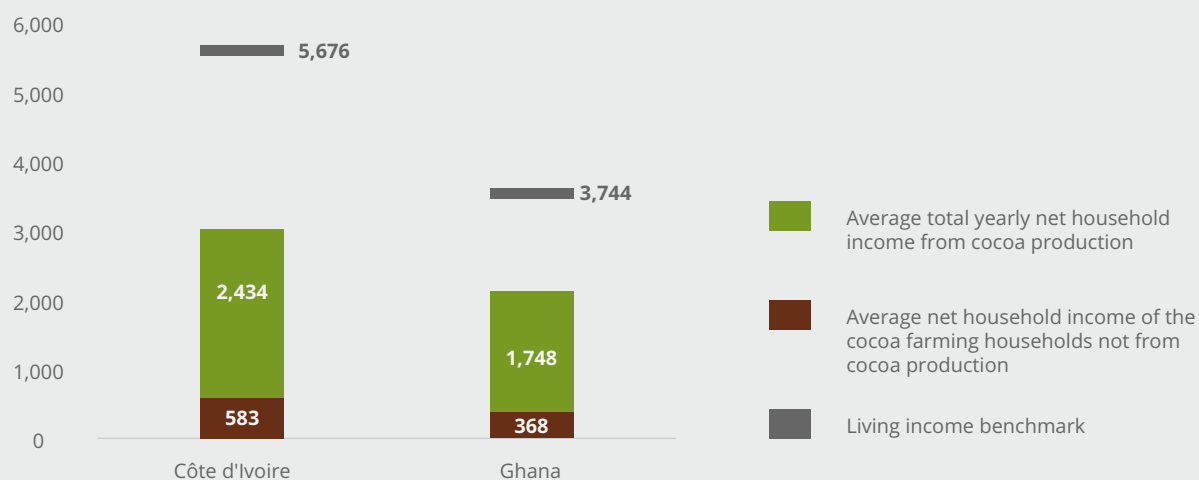
Note: Figure 18 does not provide information on resources for strategy implementation, nor on outcomes and impacts of each strategy.



2.4 Total net household income (USD) (from cocoa) – average and in % of a living income

More data is needed to be able to assess the evolution of this indicator in the following years. Currently only one member broke down the number of farming households per income category.

Figure 19: Net household income (USD) in relation to LI benchmark Côte d'Ivoire and Ghana (Data from project/program reporting by GISCO members)





2.5. Average cocoa yield per hectare

Improving productivity is one of the levers to increase cocoa-related income in cocoa growing households. When increased, cocoa productivity on the best suited plots is combined with reallocation of part of the agricultural land from cocoa to other crops, it can also increase the non-cocoa income of cocoa-growing households; while contributing to avoid that increased cocoa productivity leads to cocoa over production that can negatively impact prices.

Analysis was conducted on a dataset of 24 projects/programs (47% of the reported projects/programs) that reported on both “average size of the cocoa farming land per farming household under cocoa cultivation” and on the “average cocoa yield per hectare”. The table below presents the average cocoa yield kg/ha for Côte d'Ivoire, Ghana, other countries and aggregated over all projects and programs. The reported average yield is significantly lower than the potential yield estimated at 800 kg/ha in reference studies.¹⁸



Table 5: Average Cocoa Yield per hectare

Countries	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Average cocoa yield 2021	570 kg/ha	568 kg/ha	523 kg/ha	563 kg/ha

¹⁸ https://files.fairtrade.net/2019_RevisedExplanatoryNote_FairtradeLivingIncomeReferencePriceCocoa.pdf





2.6. Cost of production per MT cocoa beans

Data on the average cost of production per metric tons of cocoa beans within projects and programs is scarce. After data cleaning, analysis was conducted on a dataset of 10 projects/programs (20% of the reported projects/programs). The table below presents the average cost of production per Metric Ton of cocoa beans for Côte d'Ivoire, Ghana, other countries and aggregated over all projects and programs.

The significantly higher costs of production in Ghana in comparison to Côte d'Ivoire indicated in the data cannot be fully explained and may require further investigation and comparison with other data. It is not clear which parameters were included in the calculation of 'costs of production' and if i.e. family labour was considered.



Table 6: Average cost of production per MT cocoa beans

Countries	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Average cost of production per MT cocoa beans	216 USD/MT	483 USD/MT	692 USD/MT	287 USD/MT

2.7 Improved access to finance

A total of 23 (46%) projects/programs reported having enhanced access to finance for farmers. The reporting showed that 169,011 farmers in Ghana, 65,589 farmers in Côte d'Ivoire and 77,956 farmers in other countries benefitted from improved access to finance.

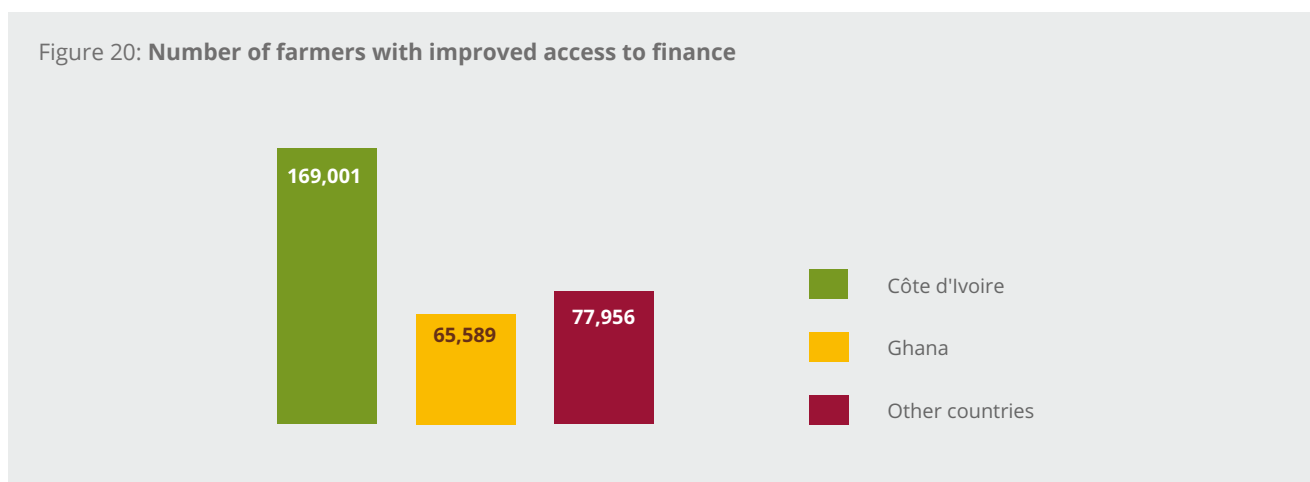
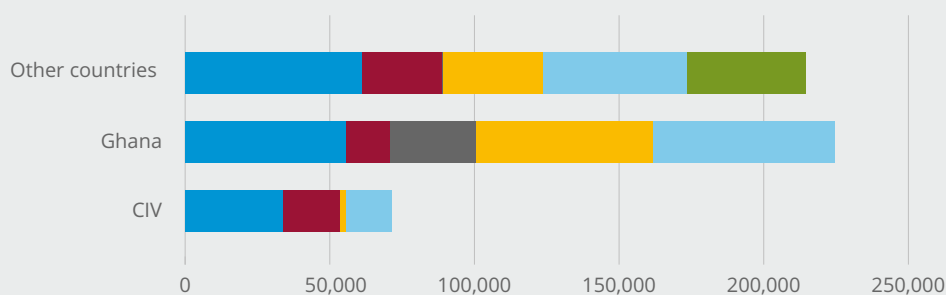


Figure 21: Modes of access to finance



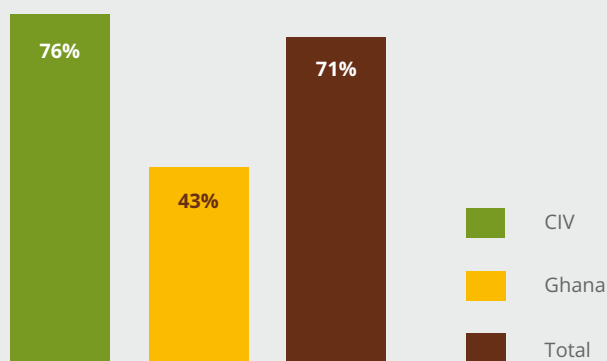
	CIV	Ghana	Other countries
Bank accounts	33,804	55,381	60,916
Formal loans	19,449	15,231	27,890
Pre-fundings by cocoa purchasers		30,000	4
Mobile banking	2,352	61,090	30,670
Village Savings and Loan Association (VSLA)	15,868	62,653	49,945
Other types of improved access to finance			43,915

Village Savings and Loan Associations were reported as the most favoured mode within projects/programs aimed to increase access to finance (especially in Ghana). This was followed by project activities that supported the opening of bank accounts. Mobile banking was also reported to be a common project element in Ghana and other countries, however, it was not a common component of projects in Côte d’Ivoire. Pre-funding by cocoa purchasers, as a mode for access to finance, was only incorporated in projects in Ghana.

Regarding increased access to finance through the projects/programs, it was reported that 76% of the persons in Côte d’Ivoire were women. In Ghana, the share of women beneficiaries with increased access to finance was 43%. Overall, in all countries, the share of women beneficiaries with increased access to finance as a result of the projects/programs was 71%. This could be due to the increased focus of programs on providing access to finance for women in cocoa producing countries.

The collected data does not allow for any conclusions on the impact on net income of these measures.

Figure 22: Percentage women with increased access to finance



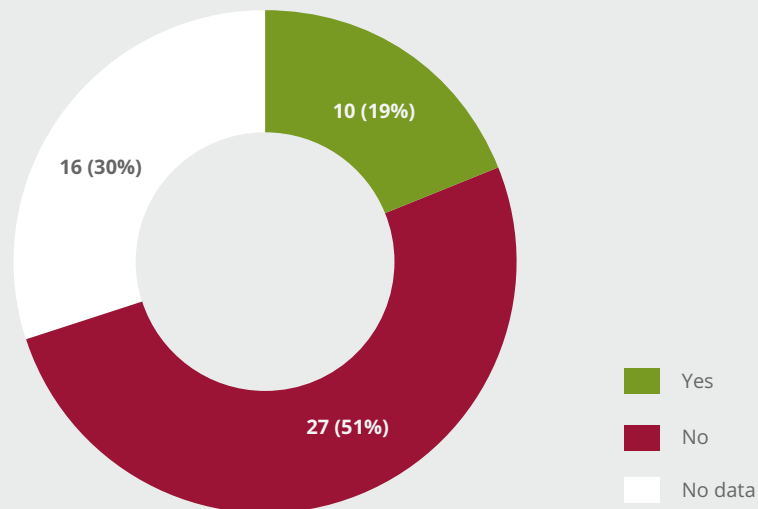
2.8 Additional funding of cooperatives and cocoa sustainability projects/programs

The “additional funding provided to cooperatives and/or for cocoa sustainability projects/programs”, expressed in average USD amount per ton of cocoa bean equivalents sourced, is a new indicator introduced in the 2021 monitoring round. This indicator complements the indicator “total amount paid to the farmer, per ton of cocoa beans”, presented above in §2.2.

Only 11 (19%) members reported to have information available on this indicator. Among them, 8 members actually provided data. This (still insufficient) data indicates that the average amount of additional funding to cooperatives and cocoa sustainability projects/programs is ca. 177 USD/ton of cocoa sourced.

Compared to the 1,344 USD/ton paid to the farmers, this corresponds to an additional amount of 13.17%. This amount of additional funding seems low. Combining both indicators would provide a total amount of (1,344 + 177 =) 1,521 USD/ton, still significantly below the reference price for a living income of 2,200 USD/ton and insufficient to generate significant progress towards sustainable cocoa. However, as there are still few members reporting on these indicators, we should remain very careful with interpreting the data and using them as a basis for conclusions. Even though it is necessary to increase the number of members reporting on these indicators, the 2021 reporting provides a first impression confirming that these new indicators are very relevant.

Figure 23: Does your organisation/company have information available on the average amount per ton of cocoa bean equivalents sourced of additional funding of cooperatives and cocoa sustainability projects/programs?



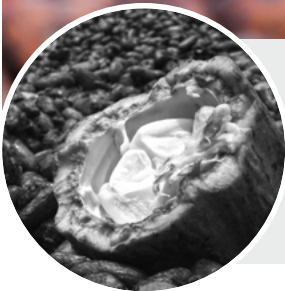
Additional funding of cooperatives and cocoa sustainability projects/programs (per MT/BE)
(7 datapoints, 452,356 tons)

177 USD/ton

2.9 Volume of cocoa for which a reference price for a living income was paid

This is also a new indicator introduced with the 2021 monitoring round. It should be noted that only industry members who process cocoa in Germany are required to report on this indicator. 4 members reported having information available on the volumes of cocoa processed in Germany, for which a reference price for a living income was paid to the farmer. However, only 3 out of these 4 members shared the actual volume for which a reference price for a living income was paid to the farmer.

These members stated to have paid a reference price for a living income for a total volume of 19,259 MT-BE.



Volume of cocoa for which a reference price for a living income was paid

19,259 MT-BE



3. End Child Labour in Cocoa Production

3.1 Coverage by CLMRS

Overall, 20 members (38%) reported having a system or strategy in place regarding child protection (CLMRS or comparable). In total, in terms of volume of cocoa contained in consumer end products, these members account for 30% of the German market.

Figure 24: Did your organisation/company have a strategy and or system regarding child protection?

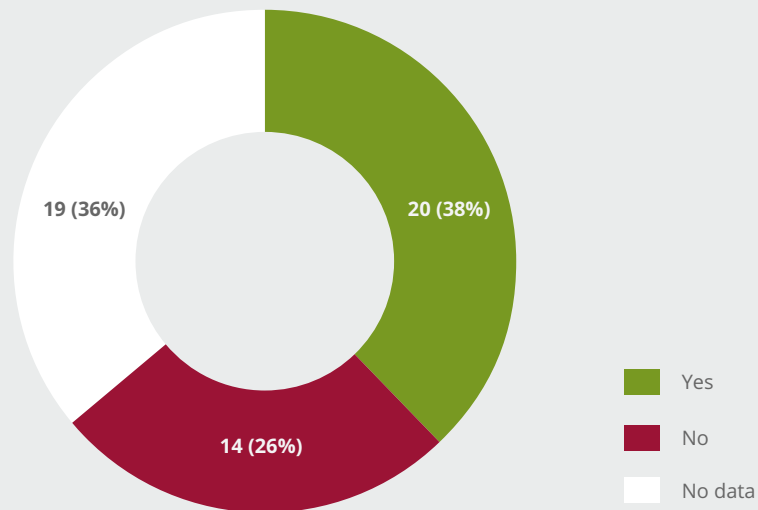
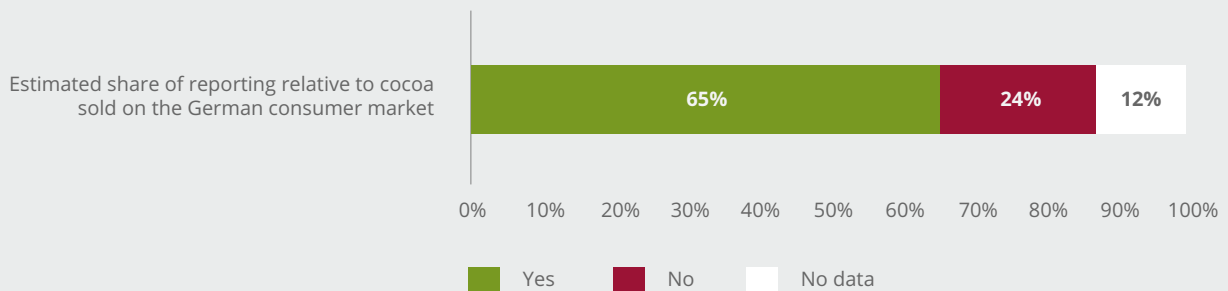


Figure 25: Response rate relative to the German Consumer Market



During this reporting period, industry and retail members reported 1,028,969 farming households in their company’s supply chains to be covered by child protection/HRDD systems.

A comparison with 2020 data requires some explanation:

- A. Child labour reporting was done both at project/program level and at the level of supply chains in 2020.
- B. The projects and programs reported on in 2020 reached 691,690 farming households. Among these, 485,943 households were reported to be covered by a strategy or system to prevent, control, monitor and remediate the worst forms of child labour.
- C. An additional 205,747 farmer households were reported to be covered by child labour protection schemes (CLMRS) in members’ supply chain and not already reported at project level.



Table 7: Indicator

Number of farming households in company's supply chains that were covered by child protection/HRDD systems that prevent and address child labour	1,028,969
--	-----------

Hence, compared to the 2020 total of 691,690 covered households, the 1,028,969 covered farming households reported for 2021 would correspond to an increase of +33.58%, but comparability of the data is limited due to the changes in data collection and to the significant increase in the number of reporting members and in the volume of cocoa covered by such reporting.

3.2. Percentage of children identified as in child labour that received support

The table below provides an overview of the indicators related to addressing child labour in the cocoa sector. 48,360 cases of child labour were identified in 2021 by GISCO members and 98.4% of these children (47,604) received support (remediation and prevention for the future) in 2021. In 2020, 40,810 cases of child labour were identified. The number of children, among these who received support was not included in the 2020 data collection round. Therefore, it is not possible to compare data between 2021 and 2020. Furthermore, no statement can be made about the impact that the support may have had.



Table 8: Indicators

Number of cases of child labour identified in 2021	48,360
Number of children, among those identified as being in child labour, who received support (remediation and prevention for the future) in 2021	47,725
Percentage of children identified as in child labour that received support ¹⁹	98.4%



¹⁹ One industry member has reported cumulative data on child labour, the numbers are not included in this finding

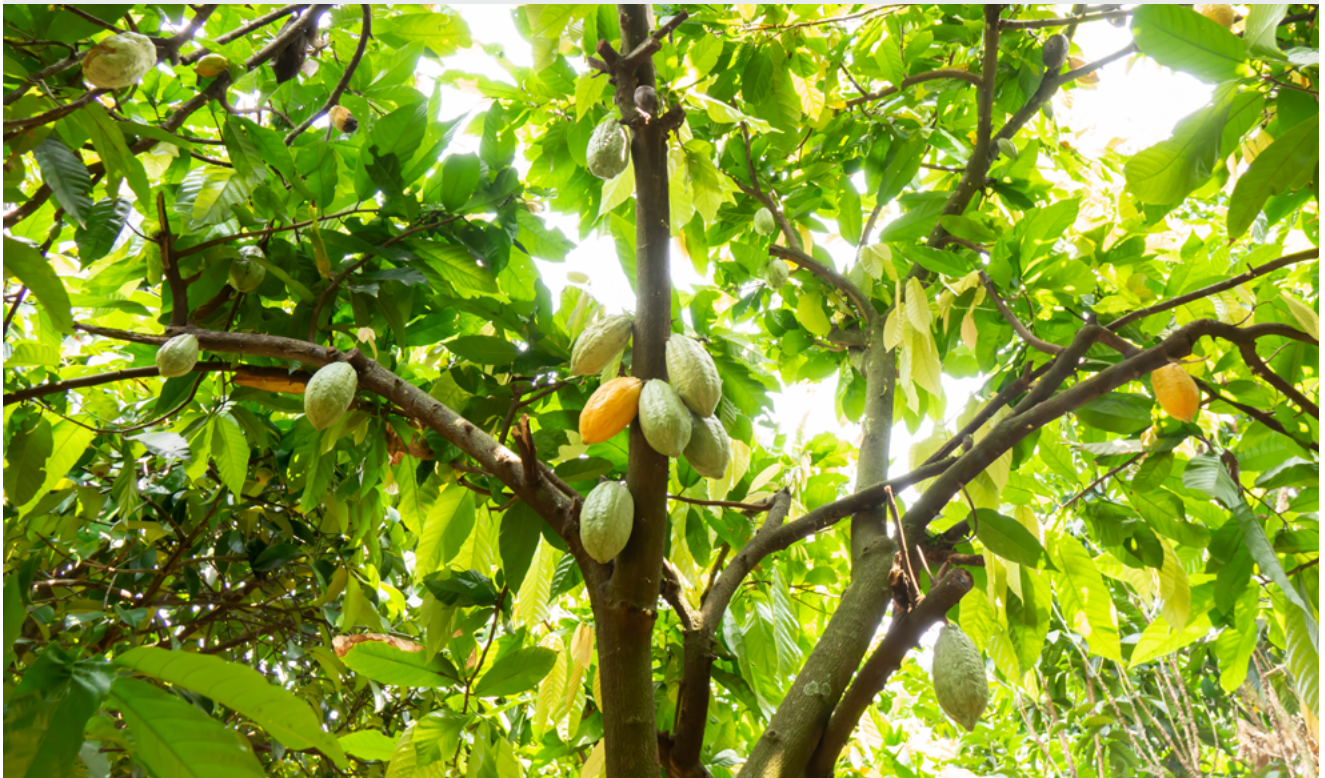
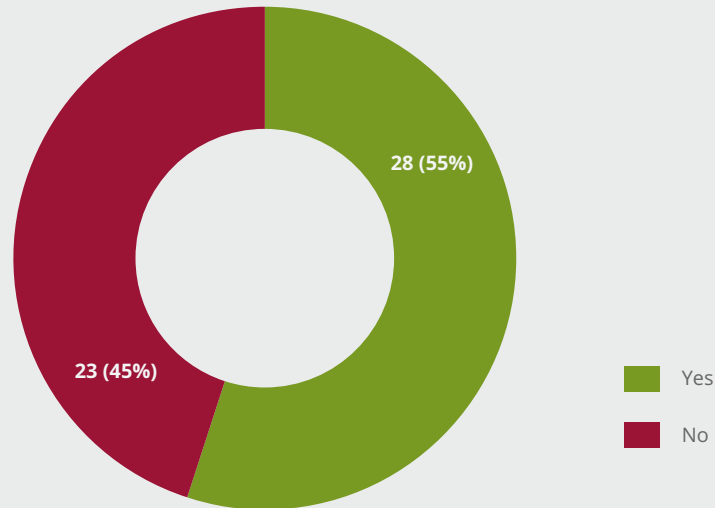


4. Deforestation and Agroforestry

4.1 Number of ha of cocoa agroforestry systems newly established in the reporting period

The 2021 reporting states that, among the farmers reached through projects/programs by GISCO members, 103,025 farmers in Côte d'Ivoire and 100,223 farmers in Ghana have adopted agroforestry systems in their agricultural practices.

Figure 26: Did the project/program contribute to establishing cocoa agroforestry systems in the reporting year?



54% of the reported projects/programs in 2021 contributed to the establishment of agroforestry systems in cocoa growing communities. This equals 205,835 hectares as newly established agroforestry systems in cocoa cultivation areas compared to 98,449 ha newly established agroforestry systems in 2020. The collected figures do not allow for conclusions about the effectiveness of these measures (e.g. in terms of biodiversity indicators, carbon stored, survival rate of seedlings...).



Table 9: Number of ha of cocoa agroforestry systems newly established in the reporting period

Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of farmers that applied agroforestry	103,025	100,223	65,029	268,277
% of farmers, reached by GISCO members, that applied agroforestry	16%	34%	20%	21%
Number of hectares of agroforestry systems newly established 2021	181,060 ha	22,436 ha	2,339 ha	205,835 ha
Number of hectares of agroforestry systems newly established 2020	-	-	-	98,449 ha
Entry Level for Agroforestry 2021	155,004 ha	20,219 ha	2,140 ha	177,363 ha
Basic Category for Agroforestry 2021	26,056 ha	2,217 ha	188 ha	28,461 ha
Advanced Category for Agroforestry 2021	0	0	10	10 ha
Dynamic Agroforestry System 2021	0	0	1 ha	1 ha
Number of hectares of agroforestry systems newly established 2020	-	-	-	98,449 ha





Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

4.2 Number of hectares of cocoa agroforestry systems maintained (> 3 years)

Members reported that a total of 35,600 hectares of agroforestry systems were established at least 3 years ago in cocoa cultivation areas. No data was reported for Côte d'Ivoire. The total area under cocoa cultivation, combining the newly established cocoa agroforestry systems in 2020 and the agroforestry areas accounted for in 2021 (areas established at least 3 years ago) is 339,884 hectares. If we look at the total area under cocoa cultivation managed as agroforestry systems for the members who reported on agroforestry systems, we estimate that 10.5% of the total area under cocoa cultivation is managed as an agroforestry system. This is still a long way to the 2025 target of 30% of the total area under cocoa cultivation in GISCO member projects/programs. In 2020 this number was still estimated at 20%. Such drop of almost 50% in reported data is probably not reflecting a real reduction. Careful interpretation of this data is required. Both the data related to agroforestry and the data about the total area under cocoa cultivation are unstable due to the limited availability of data.



Table 10: Number of ha of cocoa agroforestry systems maintained (> 3 years)

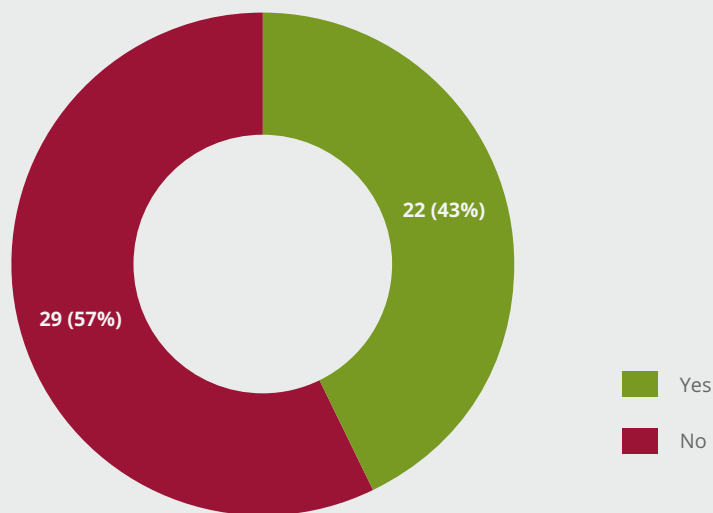
Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of hectares of agroforestry systems established at least 3 years ago (2021 data)	No data	33,200	2,400	35,600
Total number of hectares of agroforestry systems (4.1+4.2) (2021 data)	181,060	55,636	4,739	241,435
Total area under cocoa cultivation in GISCO member projects/programs managed as agroforestry systems – (2021 data) (Target Indicator 4.2)	8%	5%	0.1%	3%
Total area under cocoa cultivation in GISCO member projects reporting on agroforestry managed as agroforestry systems (2021 data)	10.4%	6%	0.8%	7.4%
Total number of hectares of agroforestry systems (4.1+4.2+2020 data)	No country specific data	No country specific data	No country specific data	339,884 ha
Total area under cocoa cultivation in GISCO member projects reporting on agroforestry managed as agroforestry systems 2020 data (Target Indicator 4.2)	No country specific data	No country specific data	No country specific data	20%
Total area under cocoa cultivation in GISCO member projects/programs managed as agroforestry systems 2021 data (Target Indicator 4.2)	No country specific data	No country specific data	No country specific data	10.5%

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

4.3 Number of multi-purpose trees distributed in the context of agroforestry promotion

43% of members reporting on agroforestry, stated that they have distributed multi-purpose trees to farmers for the promotion of agroforestry in 2021.

Figure 27: Were multi-purpose trees distributed to farmers for on-farm planting in the context of agroforestry promotion? (Unit is number of projects/programs)



Reported data shows that 5,349,354 multi-purpose trees were distributed in Côte d'Ivoire and 3,241,224 trees were distributed in Ghana (total 10.1 million). This suggests that more than double the total number of multi-purpose trees were given to farmers in 2021 in comparison to the previous year. Multi-purpose trees can yield wood for construction, firewood, food, and contribute to the reduction of soil erosion and sustenance of crop productivity.



Table 11: Number of multi-purpose trees in the context of agroforestry promotion

Indicators	Côte d'Ivoire	Ghana	Other countries	Total
Number of multi-purpose trees in the context of agroforestry promotion 2021	5.3 million	3.2 million	1.6 million	10.1 million
Number of multi-purpose trees in the context of agroforestry promotion 2020	No country specific data	No country specific data	No country specific data	4.6 million
Number of tree species that were distributed on average per farmer	No country specific data	No country specific data	No country specific data	6

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.





4.4 Number of hectares of off-farm forest restored

Despite the overall ambition to promote sustainable reforestation in cocoa producing areas, only 16% of reported programs/projects contributed to the restoration of off-farm forests in 2021. A reported 4,118 hectares of off-farm forests were restored in Côte d'Ivoire and 218 hectares in Ghana (total 4,336 ha). This is a significant increase from 2020 when only a total of 213 ha of off-farm forest restoration was reported by members.

There is no data available on the restoration of off-farm forests in other cocoa producing countries.



Table 12: Number of ha of cocoa agroforestry systems newly established in the reporting period

Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of hectares of off-farm forest restored 2021	4,118 ha	218 ha	No data	4,336 ha
Number of hectares of off-farm forest restored 2020	No country specific data	No country specific data	No country specific data	213 ha





Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

4.5 Number of (native) trees planted off-farm

Monitoring data indicated that while only 5,000 native trees were planted off-farm in Ghana, 593,281 trees were planted in Côte d'Ivoire and 572,370 trees were planted off-farm in other countries. This is an almost five time increase in comparison to the number of trees reported in the previous year. The planting of native trees can contribute to reforestation efforts and the numbers from Côte d'Ivoire point to a positive turn towards reforestation efforts.



Table 13: Number of (native) trees planted off farm

Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of trees planted off-farm 2021	593,281	5,000	572,370	1,170,651
Number of trees planted off-farm 2020	No country specific data	No country specific data	No country specific data	242,915

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

4.6 Number of hectares with forest protection²⁰

In the reporting year, only 18% of the programs/projects contributed to off-farm forest protection. This was equivalent to 668,308 hectares of forests benefitting from protection in Côte d'Ivoire and 294,000 hectares in Ghana. No data was available on forest protection for other countries.

Figure 28: Did the project/program contribute to off-farm forest protection?

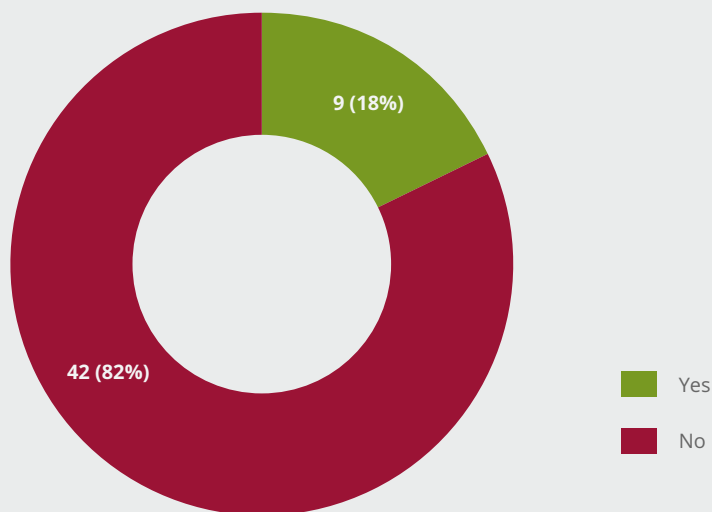






Table 14: Number of hectares with forest protection

Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of hectares of forest benefitted from forest protection 2021	668,308 ha	294,000 ha	No data	962,308 ha

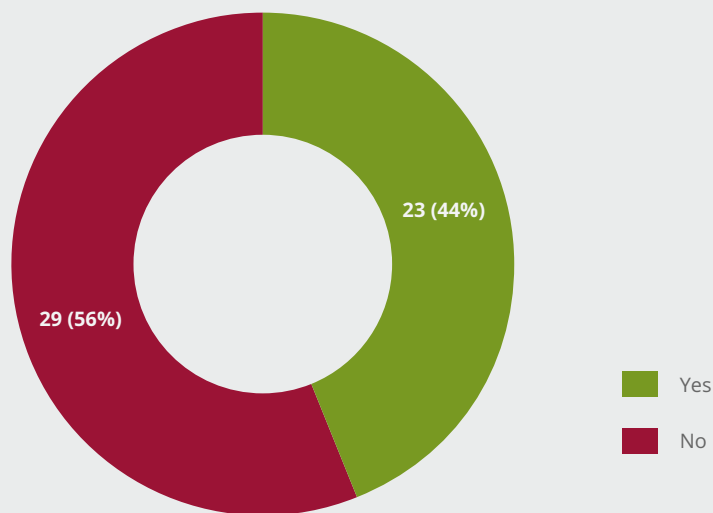


²⁰ We currently do not have a definition for forest protection

4.7 Pest management

Data indicated that 44% of programs/projects contributed to integrated pest management²¹ application in 2021. In total, 449,103 farming households are claimed to apply integrated pest management, which equals 35% of all households reached through the projects and programs. 102,649 farming households were reached in Côte d'Ivoire, 139,664 households in Ghana and 206,790 in other countries. This is a slight decrease compared to 2020 when members reported that 473,946 farming households applied integrated pest management.





Figure 29: Did the project/program contribute to integrated pest management application by cocoa farming households?



Since integrated pest management systems is assumed to require lower intervention costs, might benefit rather than harm the local environment and might minimise the residue hazards of pesticides, the wide-spread adoption of this system is assumed to contribute to a more sustainable farm management plan.



Table 15: Number of multi-purpose trees in the context of agroforestry promotion

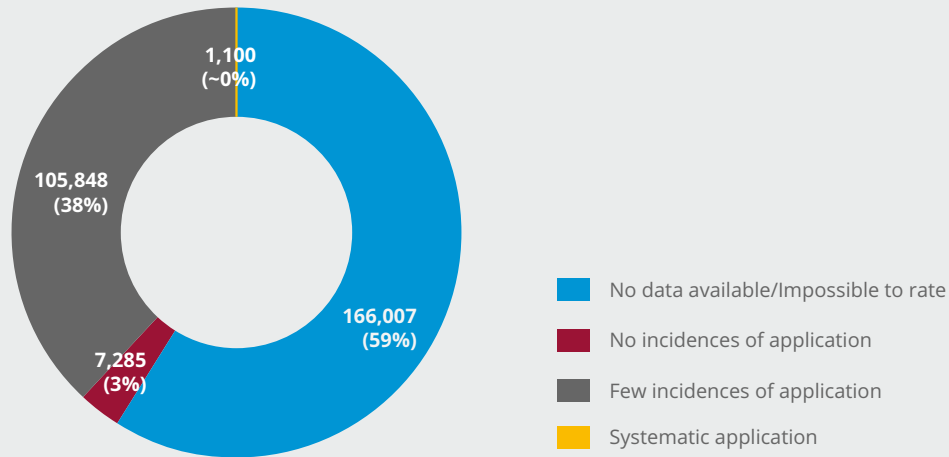
Indicators	Côte d'Ivoire 	Ghana 	Other countries 	Total 
Number of farming households that applied integrated pest management 2021	102,649	139,664	206,790	449,103
Number of farming households that applied integrated pest management 2020	-	-	-	473,946
% of households that applied integrated pest management 2021	17%	51%	49%	35%

Country specific data was only requested in 2021 hence there is no country specific comparability possible between 2020 and 2021.

²¹ Integrated Pest Management (IPM) means the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations and keep pesticides and other interventions to levels that are economically justified and reduce or minimize risks to human health and the environment. IPM emphasizes the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms. FAO: <http://www.fao.org/agriculture/crops/thematic-sitemap/theme/pests/ipm/en/>

Regarding the application of hazardous pesticides used by cocoa farming households, we don't have data or only un-usable data for 59% of the households reached by the projects/programs. Only 3% of the cocoa farming households reached are reported as having 'no incidence of hazardous pesticide application', while 38% are reported as having a few incidences of application. Efforts to record data on hazardous pesticide application in cocoa farming households must be enhanced to obtain more clarity on this indicator.

Figure 30: Application of hazardous pesticides among the cocoa farming households reached

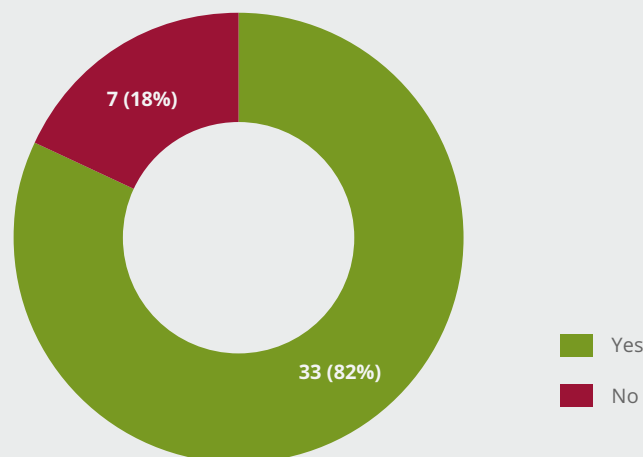


4.8 Environmental-friendly cocoa production

Having a “strategy to promote diversified and sustainable farming systems, as a contribution to environmental sustainability”, implies that cocoa sustainability projects and programs aim for changes in farming practices used by cocoa farming households. These programs may aim at reducing the adverse environmental effects of existing farming practices or aim at adopting other farming systems that have positive effects for the environment. This could include the usage of natural resources, improvement of soil quality, reduction of pesticide use, increase of biodiversity, climate resilience, forest coverage, etc.

For 2021, 82% of the relevant reported projects and programs have a strategy to promote diversified and sustainable farming systems as a contribution to environmental sustainability.

Figure 31: Did the project/program have a strategy to promote diversified and sustainable farming systems as a contribution to environmental sustainability?





5. Cross cutting challenges

Given their foundational nature, the indicators captured under “cross cutting challenges” are deliberately not linked to any of the thematic areas (transparent supply chain, living income, child labour, deforestation). They can be associated with more than one particular theme and are hence captured in a separate sub-chapter.

5.1 Human rights due diligence implementation and environmental risk management

Human rights and environmental due diligence dimensions are asked about separately in the survey. We first discuss the implementation human rights due diligence (HRDD) approaches, before discussing environmental risk management.

Human rights due diligence implementation

Only industry (member group B) and retail (member group C) are required to report on human rights due diligence implementation in their supply chains. Members were asked to self-assess at which level they considered their implementation of the HRDD to be (not started yet, initial stages, intermediate, advanced etc.).

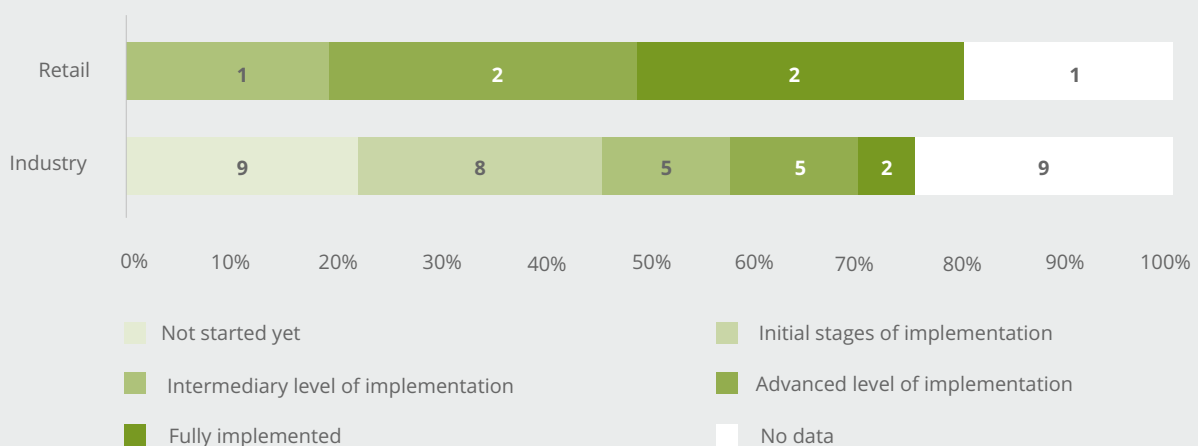
Retail:

- 2 (29%) of the retailers reported an intermediary level of implementation of HRDD in their supply chains;
- 2 (29%) retailers reported an advanced level of HRDD implementation;
- 2 (29%) retailers reported HRDD processes to be fully implemented in their supply chains;
- 1 (14%) retailers did not report any data on HRDD implementation.

Industry:

- 9 (24%) industry members reported not yet having started with HRDD implementation in their supply chain;
- 8 (21%) members reported HRDD implementation to be in the initial stages;
- another 5 (13%) members reported an intermediary level of implementation;
- subsequently 5 (13%) members reported an advanced level of HRDD implementation in their supply chains;
- 2 (5%) members reported to have fully implemented HRDD in their supply chains;
- another 19 (24%) members did not report data on HRDD implementation.

Figure 32: Human Rights Due Diligence Implementation



The data reported by GISCO members corresponds to 58% of the cocoa contained in products brought to the German consumption market and to 72% of cocoa processed by the German (cocoa processing) industry.

Members were also asked to provide more in-depth information about the implementation of HRDD in their supply chains, distinguishing between the 6 core elements of a HRDD process:

- **Element 1:** Human rights policy statement that aims at embedding respect for human rights in the own organisation's/company's cocoa supply chain management;

- **Element 2:** Risk assessment (identifying and assessing human rights impacts of the cocoa supply chain);

- **Element 3:** Measures – identifying and implementing measures to prevent or mitigate adverse human rights impacts;

- **Element 4:** Tracking implementation and human rights results;

- **Element 5:** Reporting (communicating on how human rights impacts are addressed);

- **Element 6:** Human rights grievance mechanisms.

Figure 33: Human rights due diligence implementation – details Retail

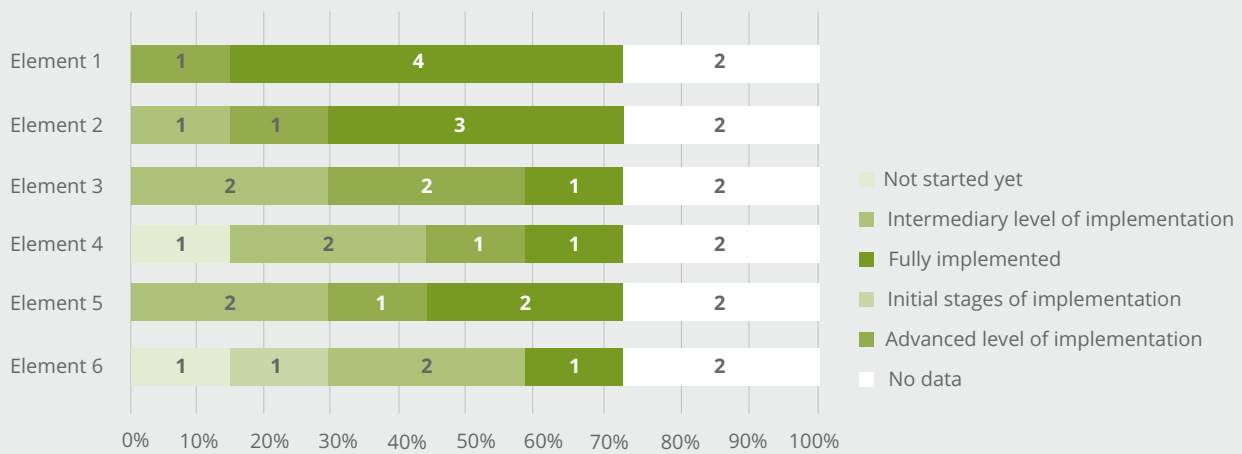
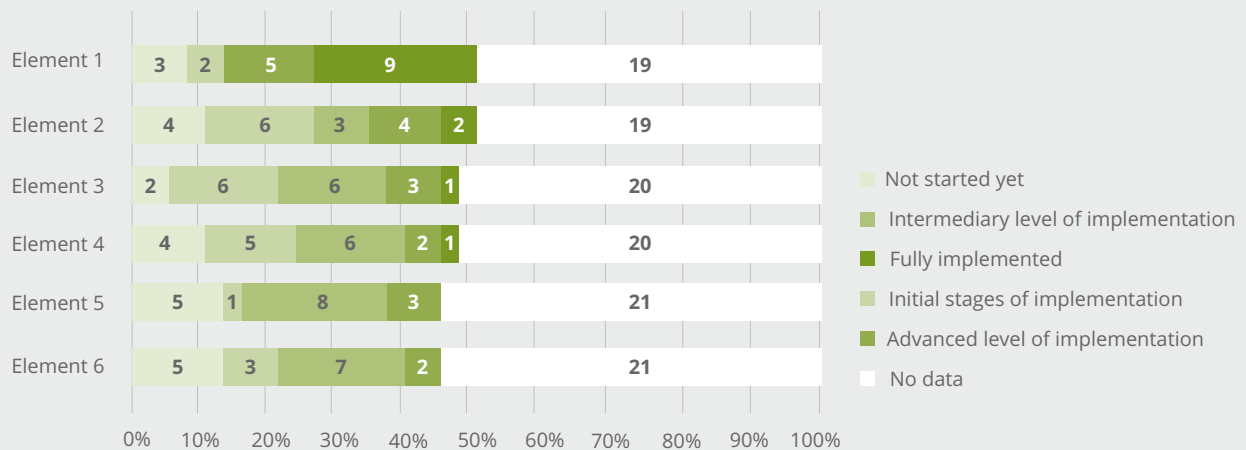


Figure 34: Human rights due diligence implementation – details Industry



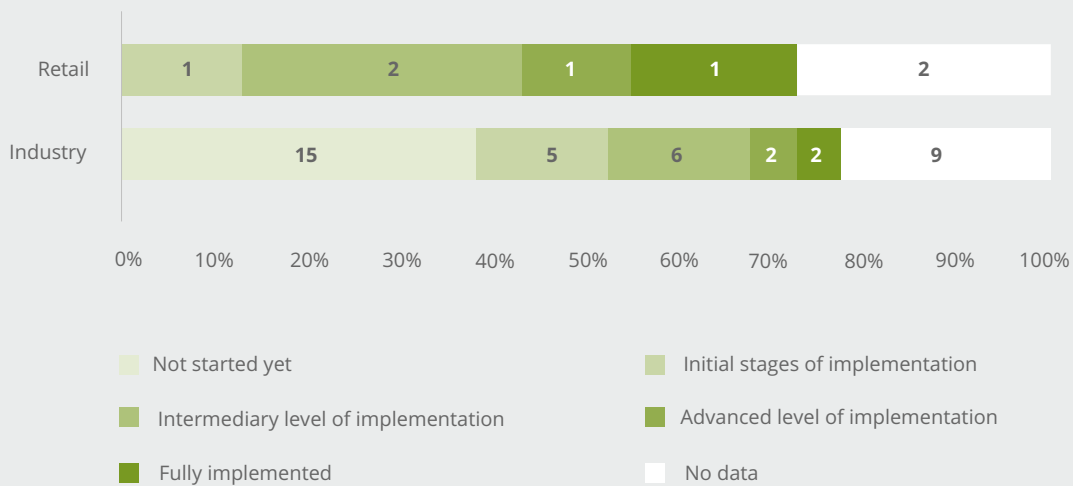
While policy statements (element 1) have been realized by a larger number of members, the progress with respect to the other elements of a HRDD process are much more mixed. It is however interesting to observe that there is a significant number of members not yet reporting on this indicator. Some members commented that it was challenging to report on this indicator, among others because the definition of the stages of implementation are not clearly defined and as it has not been a main topic of interaction within GISCO.

Environmental risk management and due diligence

Only industry (member group B) and retail (member group C) were required to report on environmental risk management and due diligence in their supply chains. 1 retailer reported environmental risk management to be in the initial stages of implementation, 2 retailers reported an intermediary level of implementation, and 1 retailer reported an advanced level of implementation. Finally, 1 retailer reported that environmental risk management is fully implemented in their supply chain. 2 retailers did not report any data on environmental due diligence and risk management.



Figure 35: Environmental risk management implementation



Subsequently members were asked to provide more in-depth information about the implementation of environmental risk management and due diligence in their supply chains. In general, and similar to implementation of HRDD in supply chains, the level of implementation of specific elements decreases, as the element of HRDD implementation is more advanced (from element 1 to element 6).

- **Element 1:** Governance of environmental risks and responsibilities – policy statement that aims at embedding environmental management in the own organisation’s/company’s cocoa supply chain management;

- **Element 2:** Risk assessment (identifying and assessing environmental risks of the supply chain);
- **Element 3:** Measures – identifying and implementing measures to prevent or mitigate adverse environmental effects or to generate positive environmental impact,
- **Element 4:** Tracking implementation and environmental results;
- **Element 5:** Reporting (communicating on how environmental impacts are addressed);
- **Element 6:** Grievance mechanisms.

Figure 36: Environmental risk management – details Retail

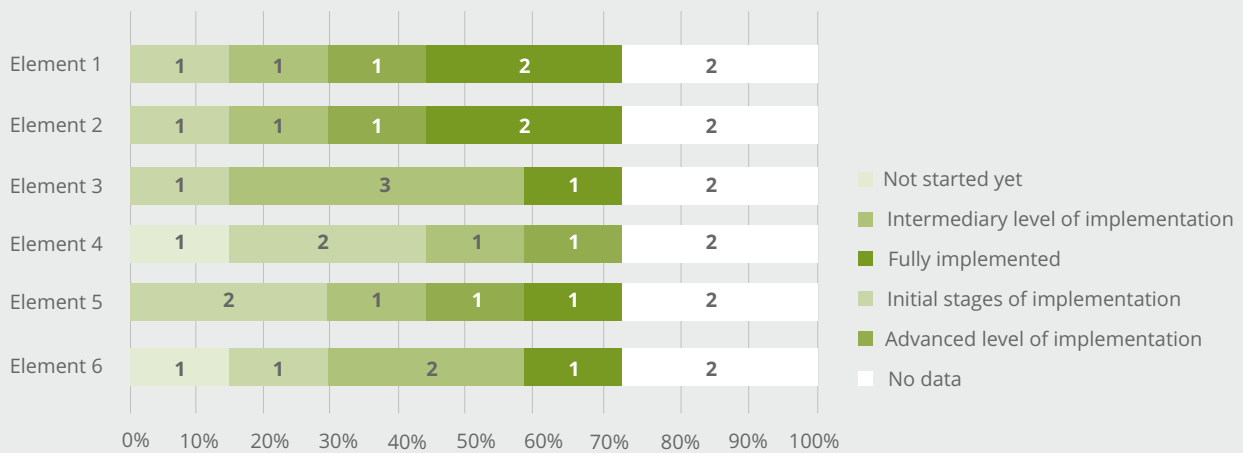
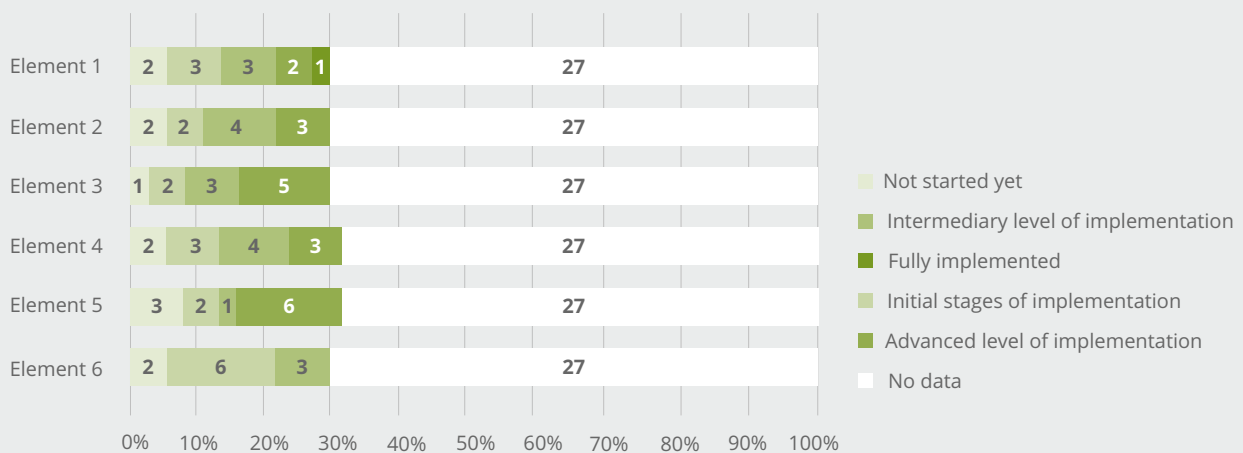


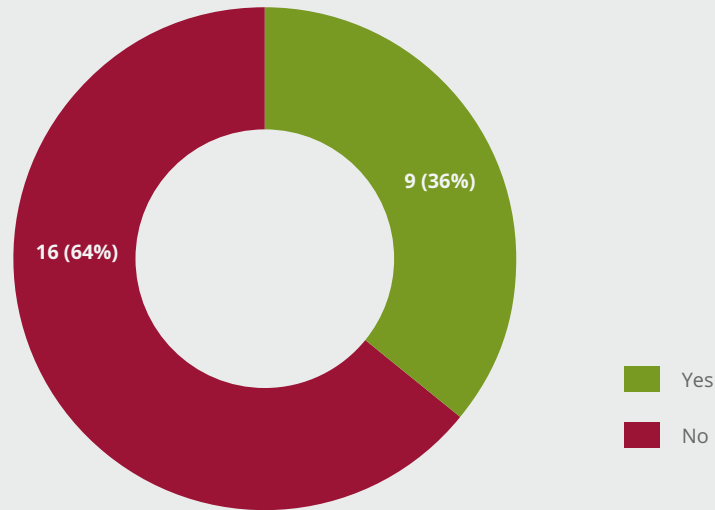
Figure 37: Environmental risk management – details Industry



5.2 Member commitment

Reporting on additional member commitments, was limited to members from the Ministries (member group A) and from civil society (member group D). 9 members reported to have additional commitments.

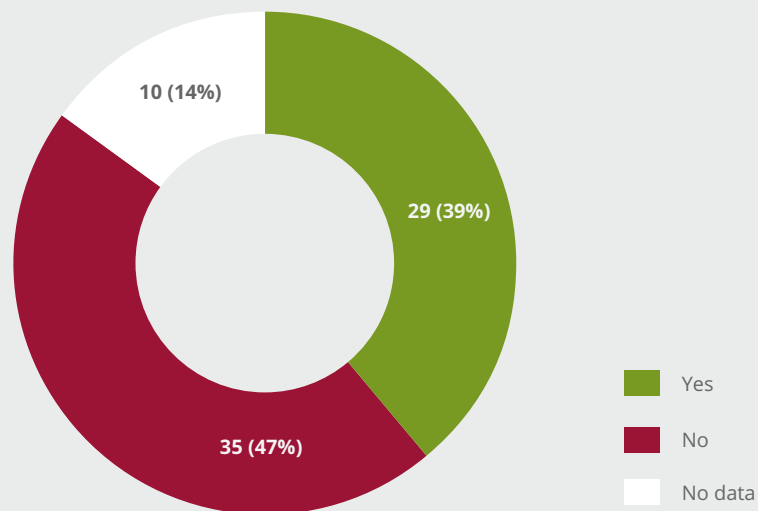
Figure 38: Did your organisation/company conduct any other commitment or initiative in the reporting year?



5.3 Participation in multi-stakeholder and policy initiatives

39% of GISCO members reported to have contributed to at least one multi-stakeholder or policy initiative in 2021 (including the other ISCOs), compared to 43% in 2020. In total, members reported participating in 20 different multi-stakeholder and policy initiatives.

Figure 39: Did your organisation/company actively contribute to any multi-stakeholder and or policy dialogue initiatives?

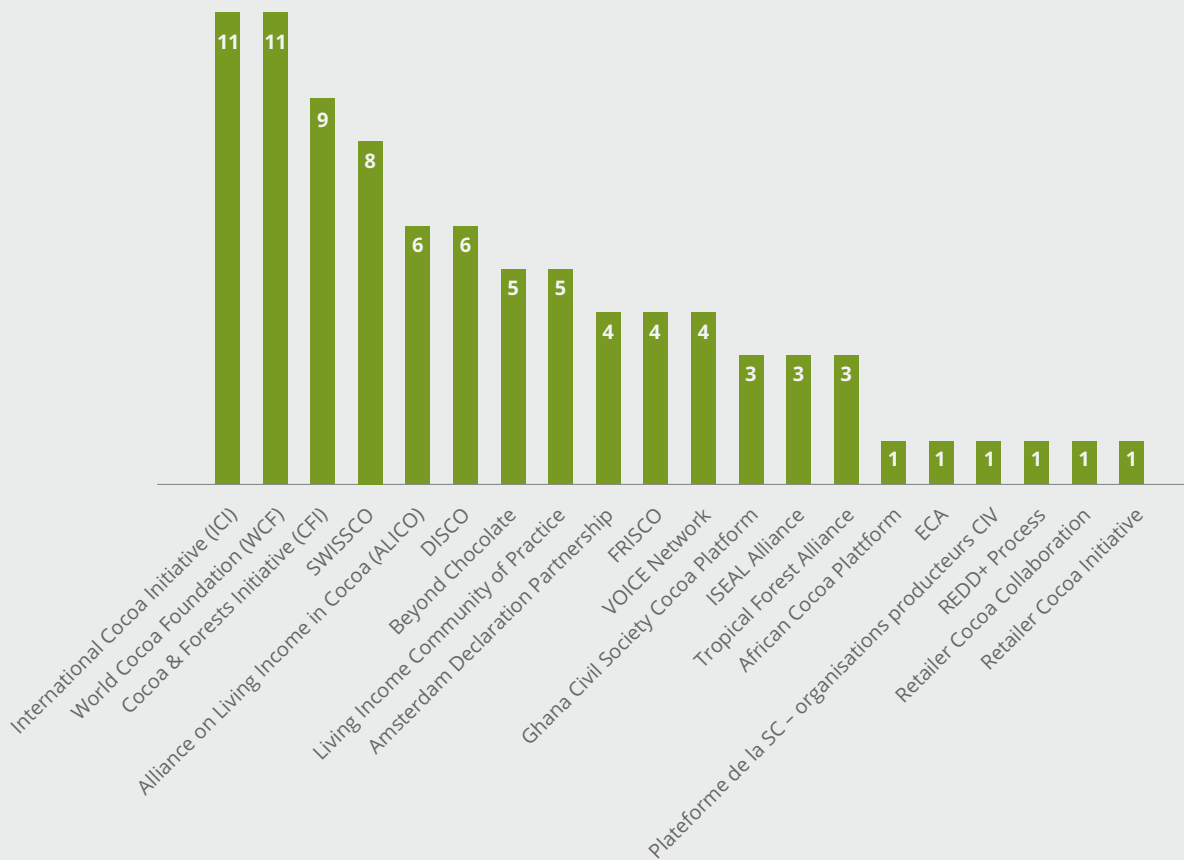


A closer look at multi-stakeholder initiatives reveals that, similar to 2020, participation was focused on other national platforms for sustainable cocoa in Europe (23), the World Cocoa Foundation (11), the International Cocoa Initiative (11) and the Cocoa & Forests Initiative (9). Compared to 2020, participation in the living income community of practice decreased from 12 to 5.

Regarding civil society initiatives, 4 members reported to have contributed to the Voice network, 3 members contributed to the Ghana Civil Society Cocoa Platform and 1 civil society member contributed to the “Plateforme De La Société Civile et de Organisation de Producteurs en Cacao in Côte d’Ivoire”. 4 members contributed to a policy initiative: Amsterdam Declaration (4) and REDD+ process (1).



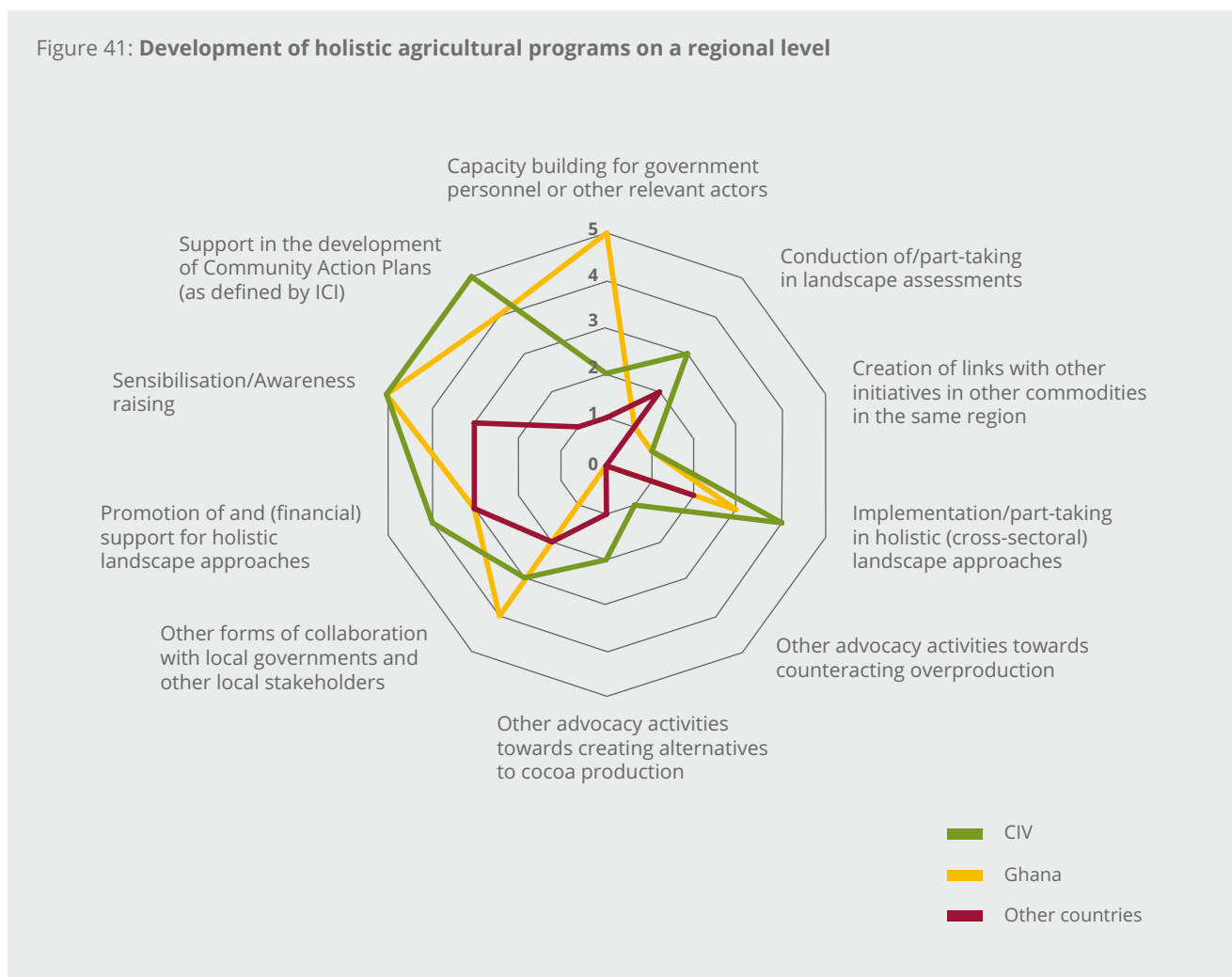
Figure 40: Participation in multi-stakeholder and policy initiatives



5.4 Development of holistic agricultural programs on a regional level

On average, members seem to be involved in 4 different strategies which points towards a holistic approach. In total, 9 members across all four member groups reported on the development of holistic agricultural programs in Côte d'Ivoire. It should be noted that one member can contribute to multiple approaches.

Figure 41: Development of holistic agricultural programs on a regional level



Regarding the development of holistic agricultural programs on a regional level in Ghana, 8 members reported their contributions as depicted in the figure above.

4 members reported on the development of holistic agricultural programs on a regional level in other countries. They reported their contributions as follows:

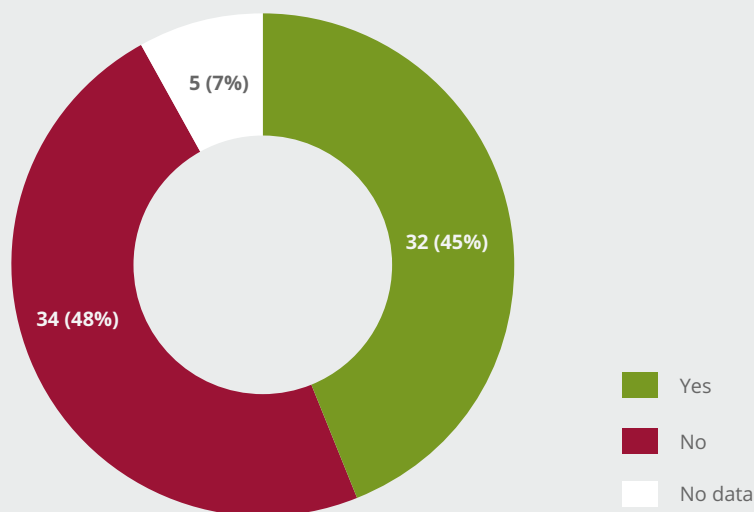
- Sensibilisation/Awareness raising (3)
- Promotion of and (financial) support for holistic landscape approaches (3)
- Implementation/part-taking in holistic (cross-sectoral) landscape approaches (2)
- Conduction of/part-taking in landscape assessments (2)
- 1 member reported to have conducted or partaken in capacity building for government personnel or other relevant actors
- Other advocacy activities are geared towards creating alternatives for cocoa production and/or support to the development of Community Action Plans (as defined by ICI).

The presented data provides some information on the efforts related to SG3. Yet, the available information is not sufficient to make statements about the effectiveness of such efforts.

5.5 Support the strengthening of governments, farmer organisations and/or civil society

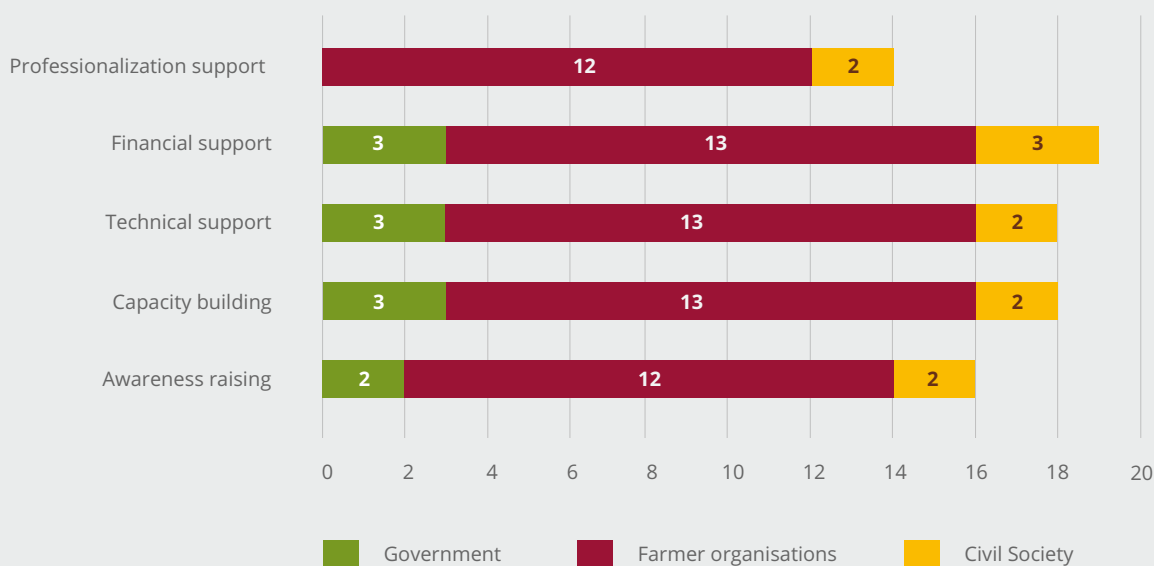
32 members (45%) reported having supported the strengthening of governments, farmer organisations and or civil society in producing countries in 2021. On average members implement 6 type of activities (capacity building, technical support, financial support, etc) to support the strengthening of governments, farmer organisations and or civil society in producing countries. However, the data does not allow for an assessment of the effectiveness of these efforts.

Figure 42: Did your organisation/company support the strengthening of governments, farmer organisations and/or civil society in producing countries?

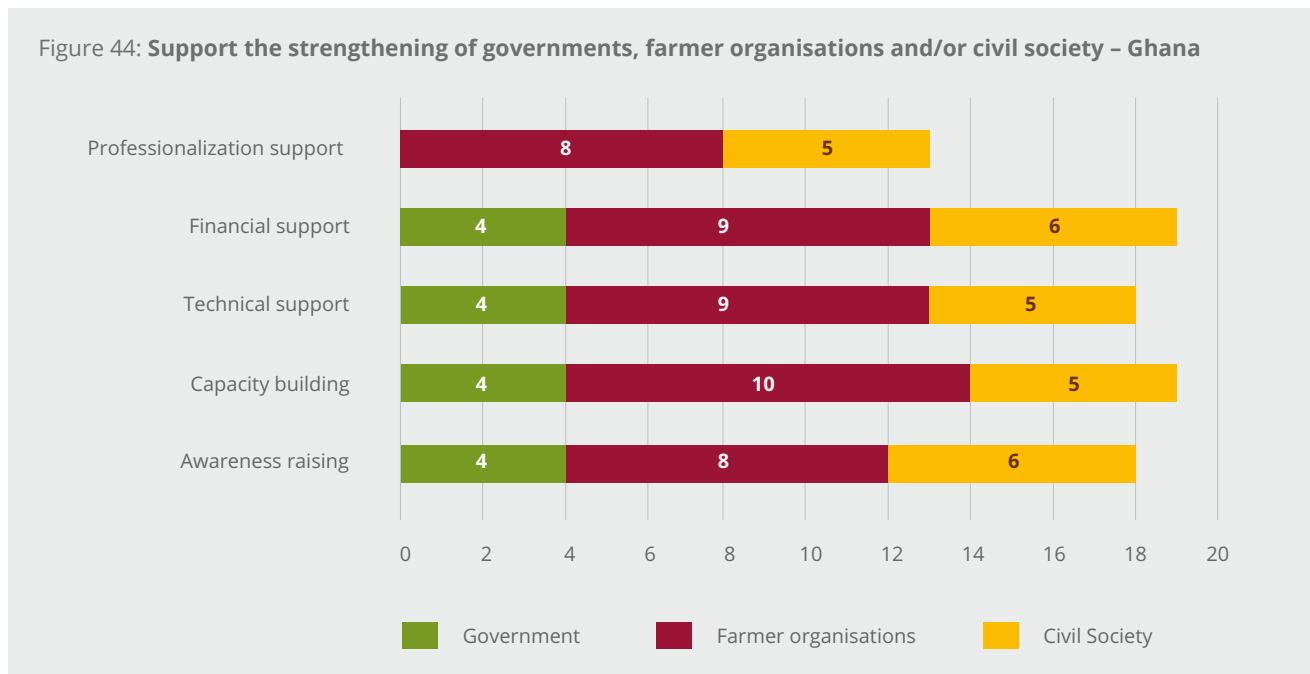


For Côte d'Ivoire, 19 members in total supported government, civil society and/or farmer organisations in 2021. Most activities are targeted toward support of farmer organisations (74%) followed by civil society (13%) and government (13%). The type of support provided to local institutions range from financial support (22%), technical support (21%), capacity building (21%), awareness raising (19%) and professionalisation support (16%). Several members reported having supported multiple institutions through multiple approaches.

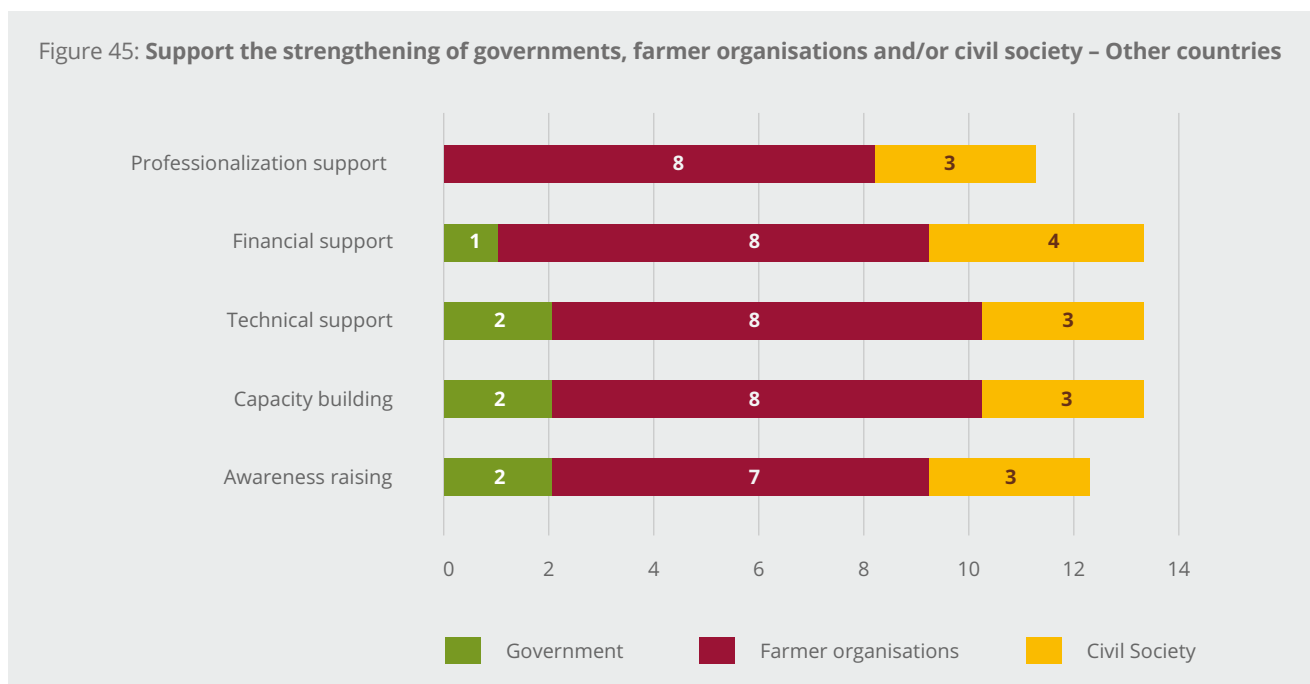
Figure 43: Support the strengthening of governments, farmer organisations and/or civil society – Côte d'Ivoire



For Ghana, 13 members in total reported as having supported government, civil society and or farmer organisations. Most activities are targeted towards support of farmer organisations (51%) followed by civil society (31%) and government (18%). The type of support received by local institutions ranges from financial support (22%), capacity building (22%), technical support (21%), awareness raising (21%) and professionalisation support (15%). Several members reported having supported multiple institutions through multiple approaches.



A similar pattern can be seen in the reporting for other countries. 12 members in total reported as having supported government, civil society and or farmer organisations during this reporting period. Most activities are targeted toward support of farmer organisations (63%) followed by civil society (26%) and government (11%). The type of support received by local institutions ranges from financial support (21%), capacity building (21%), technical support (21%), awareness raising (19%) and professionalisation support (18%). Again, several members reported having supported multiple institutions through multiple approaches.





ANNEX

Annex

[CLICK HERE TO GO TO THE ANNEX.](#)

**ANNEX 1:
MEMBER QUESTIONNAIRES 2021**

[Industry](#)

[Civil Society](#)

**ANNEX 2:
[PROJECT QUESTIONNAIRE 2021](#)**

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Impress



Published by:

Forum Nachhaltiger Kakao e.V.
(German Initiative on Sustainable Cocoa)

Seat of the association is Berlin
c/o Representative Office of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Reichpietschufer 20
10785 Berlin | Germany

Office Eschborn

c/o Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn | Germany

T +49 (0) 6196 - 79 1462
E info@kakaoforum.de
I www.kakaoforum.de

Authors:

Merit Buama, Ulrike Joras, Beate Weiskopf

In collaboration with C-Lever.org
Brussels | Belgium
44, Paleizenstraat, 1030 Schaarbeek

Layout:

Umbruch Werbeagentur GmbH, Darmstadt

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Forum Nachhaltiger Kakao
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(German Initiative on Sustainable Cocoa)

Seat of the association is Berlin
c/o Representative Office of Deutsche Gesellschaft
für Internationale Zusammenarbeit (GIZ) GmbH
Reichpietschufer 20
10785 Berlin | Germany

T +49 (0) 6196 - 79 1462
E info@kakaoforum.de
I www.kakaoforum.de