**Berlin Declaration**

**Fourth World Cocoa Conference**

We, the delegates of the fourth World Cocoa Conference, held in Berlin in April of 2018, constituting almost 1,500 participants, from more than 65 countries, representing members of all relevant stakeholder groups, including producing governments, consuming governments, farmers, traders, grinders, processors, manufacturers, research institutions, civil society organisations, trade unions, consumer organisations, and many others.

1. Since the first World Cocoa Conference and the drafting of the Global Cocoa Agenda in November 2012, sector-wide efforts have proliferated to improve the lives of farmers, communities and the environment. However, these have not been enough to achieve significant impact at scale.

2. Too many cocoa farmers are still living in poverty. Deforestation, child labour, gender inequality, human rights violations and many other challenges are a daily reality in many cocoa regions.

3. We affirm that the cocoa sector will not be sustainable if farmers are not able to earn a living income.

4. A sustainable cocoa sector is a collective responsibility of all stakeholders, and we should work together to achieve this ambitious goal. Areas should be identified for increased non-competitive collaboration, at local, national and global level, avoiding a proliferation of efforts that lack coordination.

5. We recognise the urgency and scale of the challenges facing all of us. Our solutions will need to be equal to the size of the problem.

6. While acknowledging the commitments of the cocoa sector to achieve sustainability, it is time to review the means by which these have been measured and enforced, recognising that voluntary compliance has not led to sufficient impact.

7. Many of our challenges are not specifically cocoa-based, but are part of broader issues affecting rural communities. As such, holistic approaches, including effective governance, must be envisaged and implemented, where cocoa can operate as a driver for rural development.

8. Global price volatility and low farm gate prices have had a strong negative impact on the sector.

9. Without farmers, there is no cocoa. All actors should work together to create an enabling environment to professionalise cocoa farming.

10. Recognising cocoa farming as a business sector, farmer organization(s) should be stronger, and farmers should be encouraged to self-organise. This should include appropriate policies at national level.

11. Acknowledging the role of agricultural commodity development, including the cocoa sector, logging and bush fires, as drivers of deforestation and forest degradation, and recognising the strong contribution the cocoa sector can make in the restoration of forests and resilient landscapes, we commit to work together as a whole cocoa supply chain – in collaboration with the international community – to end deforestation and promote forest protection and restoration. We should improve yields on less land.

12. A new vision is needed in order to achieve true sector-wide sustainability.

**Recommendations**

**Sustainable Production**

1. All stakeholders should develop and implement policies that enable cocoa farmers to make a living income.
2. All stakeholders should foster policies and activities to strengthen the position and the rights of women.
3. Relevant stakeholders should contribute to creating an enabling environment that improves access to savings, credit, finance, and insurance, also for small-scale farmers.
4. Producing governments and sector-wide initiatives should implement and enforce policies and practices that ensure environmental protection, including anti-deforestation and reforestation measures, soil protection, and agroforestry systems.
5. Governments should give due consideration to the needs of farmers in international trade, including options for robust international competition laws that promote fair trade for both farmers and consumers.
6. Child labour does not have a place in a sustainable cocoa value chain. All sectors should increase efforts, efficiency and cooperation to eradicate child labour and its root causes.

**Sustainable Industry**

7. Supply chain traceability should be recognised as a necessity for a sustainable value chain. A sector wide consensus on traceability should be developed. Efforts must be undertaken to ensure that this does not lead to additional costs and other burdens being transferred to the farmers without sufficient remuneration.
8. Sector sustainability efforts should be transparent and publicly accountable in both efforts and impacts, including through appropriate monitoring and evaluation frameworks.

**Sustainable Consumption**

9. Engage the sector in dynamic activities to stimulate processing in origin countries and healthy cocoa consumption in origin countries and emerging cocoa markets.
10. Complying with SPS requirements is in the interest of consumers and producers alike. It is essential to ensure that the necessary assistance (technical, financial, or otherwise) is provided to enable producers to comply with these requirements.

**Sustainable Management**

11. Producing country governments to coordinate national and regional cocoa policies, specifically being mindful of the impact this can have on cocoa prices.
12. Producing country governments should strengthen National Cocoa Development Plans (NCDPs); including a strengthening of infrastructure, extension services, farm diversification, tenure security, etc, making efforts to ensure a transparent, inclusive and participatory approach in the development and implementation of the NCDPs.
13. Producing country governments are called upon to carry out a reliable inventory of cocoa tree stocks.
14. All stakeholders are called upon to strengthen human rights due diligence across the supply chain, including through potential regulatory measures by governments.
15. Public and private sector are encouraged to stimulate scientific research & development into sustainable production, consumption and innovative processing.
16. Governments of producing and consuming nations are called upon to re-evaluate the effectiveness and transparency of their investments in the cocoa sector.
17. The entire cocoa sector, including industry, governments of consuming nations, producing nations, international donors, cocoa farmers, and other relevant institutions, are called upon urgently to increase their investments in the improvement of the cocoa sector.
18. The time to act is now.
Annexes

Summaries of the results of discussions on the four major tracks of the Conference:

Track 1 Sustainable Production (moderator Simran Sethi)
How can we move to a sustainable business case and a living income for farmers?
MAIN BARRIERS
- Lack of information of:
- producers concerning the price and the market
- consumers concerning the value distribution along the value chain
- governments concerning the cocoa producers’ network
- Lack of education and business skill of the farmers
- Lack of organisation of the cocoa producers
- Low access to finance and land for farmers
- Poor integration of the farmers to the value chain

RELATIONSHIP WITH THE OTHER TRACKS
All the topics are interrelated and need to be maintained to ensure sustainable chain
Track 1 is related to:
- Mechanization of agriculture and local processing + commitment of industry to pay
  fixed incomes to farmers
- Local consumption through the increasing awareness of the value chain for local
  consumption and sustainable global consumption
- Management through the redefinition of the relationship with commodity markets

MAIN NEXT STEPS
- To pay higher farm gate prices
- To organize and strengthen farmer advocacy groups and restructure cooperatives
- To secure land tenure and improve the access to credit
- To promote local consumption / create local markets for cocoa and develop value-added products
- To support and develop the local processing (government and industry)

INNOVATIVE IDEAS
- To set up a national / global trust fund for farmers
- To improve cooperation across other industries (coffee, rubber, palm oil)
- To shorten supply chains in order to develop direct-to-consumer / direct-to-small
  makers
- To develop specific culturally-appropriate solutions (to pricing, gender disparity and
  child labour)
- To set up a trust fund for the preservation of diverse genetic material (cocoa research
  centre / CATIE)

Cocoa Track Key Question: How can we move to a sustainable business case and a living
income for farmers?
- By giving the farmers the place they deserve – as core part of the value chain, not simply as
  most assistance needed player but as decision-makers, as integral and important as the rest
- By ensuring a living income for farmers
Track 2 Sustainable Industry (moderator Daniele Giovannucci)
How can we create an efficient industry chain that more effectively links farmers to markets and ensures profitability for everyone in the market chain?
Main messages:

1. Better risk management
   a. Farmers have little understanding of financial or price risk management, there is a need for more financial literacy and active participation via organizations.
   b. Access to risk tools, especially financial ones, must come at the adequate scale for farmers and cooperatives.
   c. Diversification is vital for small farmers and sustainability programmes should include farm diversification packages to ensure continuity and well-being of farm communities.

2. Professional organizations - cooperatives can act not only as farmers’ representatives but also as functional social enterprises with a transparent organizational structure to manage sufficient and useful data. This will require dedicated programs to strengthen and build capacity.

3. Diminishing key barriers for processing in producing countries can stimulate value and cocoa consumption as well as become a precursor to value-added export opportunities. The innovative investment that this requires is limited by policy that creates barriers for entrepreneurs to do business.

4. Good information is key for the sector to learn faster, to scale up viable approaches, and to operate efficiently.
   a. To be viable, for traceability and decision-making, data has to share a “common language “and indicators and that can help to reduce the challenge that information is asymmetrically distributed and keeps farmer in a weak position.
   b. Farm data has value and farmers should have value back either as revenue or as distilled knowledge.

5. Any ethical trade approach is incomplete if it is not led by origin and integrates participatory approaches.

Track 3 Sustainable consumption (moderator Torben Erbrath)
What is stopping us from continuous and growing demand for sustainably produced cocoa and cocoa-based products?
- Confusion about meaning and liability of levels of certification in consumer countries
- lack of promotion in origin and a focus on exports of cocoa/chocolate
- farmers often do not know what happens to cocoa when it leaves the farm
- consumers do not know what happens to cocoa and how it is produced
- often no price increase related to the introduction of 100% sustainable cocoa in final products, putting pressure on producers
- a lot of standards and norms are consumer-driven, putting pressure on farmers
- costs of production of sustainable cocoa (certification must be affordable)
- threat of cadmium legislation in the EU
- market access
- price level and volatility
- imbalance of added value towards consuming countries

What is the relationship with other tracks?
- everything is related
What are possible next steps
• development of micro-chocolate factories in origin countries
• improve partnerships, especially in research
• more uniformity in certification schemes and systems required
• branding strategy for producing countries (telling the story)
• pricing strategy among large producing countries
• better labels
• new marketing strategies
• building awareness of about proposed EU legislation (on cadmium)
• add a “rainforest premium” to support deforestation prevention
• create funds to protect farmers from price fluctuations

Track 4 Sustainable Management (moderator Lucas Simons)

How do we create the right enabling environment to make the whole sector more sustainable?

Challenges/root problems
• Lack of information
• Price instability
• Weak producers’ organizations
• Lack of access to finance
• Poverty
• Lack of transparency/ policies

Relationship to other tracks
• All other tracks, in particular track 1.

Next steps
• All local platforms mesh - with farmers as equal partners, also in ICCO
• To have longer and consistent policies. Aligned between countries. Reviewed periodically, work from National Cocoa Plan
• Make access to finance, and resilient farmers (as business) part of the National Cocoa Plans
• Capacity building as part of NC Plan.
• Human productivity: health, education, infrastructure, part of national cocoa plan.
• Geo-date map all farmers/farms to enable: pensions, supply and demand, access to finance, better support

Innovative ideas
• 'Cocoa OPEC'
• Pension scheme Ghana for all farmers (cocoa)
• Non-partisan approach – policies and benefits for all
• Geo date / map every farmer as enabler for many challenges to solve
• National policies to balance/ coordinate supply / demand

Cocoa Track Key Question: How do we create the right enabling environment to make the whole sector more sustainable?
• Implement the GCA framework
• Not casual
• Accountability / transparency
• Resources to do it
• Report and Measure
• Action plan / Stop talking.