

# Terms of Reference

Scoping the potential for a British Sustainable Cocoa Program and securing stakeholder engagement

## Introduction

The United Kingdom is among the largest chocolate consuming countries in Europe, with a per-capita consumption of 8.1 kilogrammes per year. Filled chocolate bars are most popular followed by regular chocolate bars. In 2020, the total turnover of companies producing chocolate and confectionary was approximately GBP 3.8 billion.

Responsible sourcing of cocoa products is still a challenge. The impact of public and private sustainability initiatives over the past few decades have not resulted in the required effect on social and economic development of smallholder livelihoods and a halt to deforestation and forest degeneration in the main cocoa production regions in West Africa. The supply chain disruptions as a result of COVID19 have aggravated the problems in driving sustainability in the cocoa supply chain and increasing the living income gap of cocoa farming households. Industry partners, civil society and governments of cocoa exporting and importing countries increasingly realise that collaboration is a precondition for addressing the underlying problems and achieving lasting solutions.

National platforms of public and private stakeholders in the cocoa sector have been formed in various European countries<sup>1</sup>. The purpose of these national sustainability platforms in the respective countries is to agree on joint sustainability standards and objectives and commit as partners to improve efforts that lead to a transition towards sustainable production and supply of cocoa beans.

Through this assignment IDH the Sustainable Trade Initiative wishes to find out whether there is sufficient interest among UK-based cocoa and chocolate industry players as well as civil society and government to establish a British Sustainable Cocoa Partnership.

## The assignment

During the first phase the views and opinions of the sector stakeholders will have to be mapped and the need and opportunities for an industry-wide sustainability partnership needs to be analysed. Based on this the implementation details of the program will be formulated and the organisational and financial preconditions for the overall program will be created.

At the end of the assignment there will be:

- (i) a joint statement on sustainability principles and targets for the British cocoa and chocolate sector;
- (ii) detailed outline of a British Cocoa Sustainability Partnership that will assist cocoa companies and other stakeholders in the sector to achieve the sustainable cocoa objectives; and

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<sup>1</sup> [Belgium](#), [Germany](#), [the Netherlands](#) and [Switzerland](#); a sustainable cocoa platform in France is under development

- (iii) confirmed commitment by a group of frontrunner companies, civil society organisations and the Government on how they will pursue the objectives as partners.

Below the main activities and timeline and cost estimate of the for the scoping / engagement phase are presented.

## Main activities

The main activities during will include the following:

- I. Identification and mobilisation of the main stakeholders in the UK cocoa sector:
  - a. Together with IDH and Fairtrade UK identifying major players in the sector from the private sector, civil society and public sector organisations in the British cocoa and chocolate sector;
  - b. Organise (in collaboration with IDH and Fairtrade UK) and chair an initial discussion session / roundtable for the main stakeholders to brainstorm on the scope of a possible British sustainable cocoa partnership;
  - c. In-depth consultations / interviews with key companies (retail, brands, processors) and civil society organisations to assess their ambitions towards sustainable cocoa sourcing, production and trade and scoping their possible engagement in a sustainable cocoa partnership.
- II. Outlining the British Cocoa Origins Partnership:
  - a. Analysing and preparation of a summary on the main findings and views of stakeholders on key sustainability challenges in cocoa value chains, their experiences with sustainability programs and ambitions for a British Sustainable Cocoa Partnership, avoiding duplication with existing initiatives;
  - b. Preparation of a draft outline of the national cocoa and chocolate sustainability strategy covering the two elements: (a) sector-wide sustainability principles and objectives and (b) scope of the combined commitments by potential partners. We anticipate this to include living incomes, deforestation and child labour;
  - c. Meeting with FCDO and/or DEFRA to discuss the sector findings and the core elements of the sustainability strategy for the British cocoa sector and the possible endorsement and support by the British Government;
  - d. Preparation of a draft outline and implementation plan for a multi-annual British Sustainable Cocoa Partnership (including a cost estimate and funding proposal).
- III. Launch of the program:
  - a. Final consultations with key stakeholders to discuss and improve the draft program outline and consolidate the commitment of a core group of stakeholders towards the objectives and co-funding arrangements;
  - b. Organisation and implementation of a cocoa sustainability workshop hosted by IDH for cocoa and chocolate sector representatives and media; during the workshop the partnership agreement will be signed by the committed partners.

## Timeframe

The implementation of the assignment will start in May 2022 and will be completed within six to eight months.

Upon completion of activities under I above the consultant will provide an interim report based on which the consultant and IDH will decide whether there will be sufficient scope and interest

for a British Sustainable Cocoa Partnership. In case of insufficient scope and interest this may lead to the cancellation of implementation of activities listed under II and III.

### Reporting and liaison

The consultant will be contracted by IDH and will report to the IDH Director Cocoa Markets. The consultant will also be expected to work closely with the IDH UK Country Director, ensuring aligned planning, and convening approaches.

Fairtrade UK and IDH will support the consultant with contacts and introductions with companies and other stakeholders within their respective networks.