

## Terms of Reference

### 1. Background

The Latin American & Caribbean (LAC) region is increasingly becoming an important source for cocoa in the world, rising from 12% of global cocoa production in the 2007/2008 season to 17% in the 2014/2015 season. During this period, cocoa production increased on average by 4.7% per year in the LAC region, while progressing by only 1.3% in Africa and contracting by 4.8% in Asia.

In 2014, the EU Commission introduced Regulation No. 488/2014, which sets maximum residue levels (MRLs) of cadmium (Cd) in a range of foodstuffs, including a level ranging from 0.1 to 0.8 µg/kg in cocoa and chocolate products. Following the five-year moratorium period, this regulation will come into force in January 2019. This new Regulation, if not adhered to, may have a significant impact on access of several cocoa producing countries to the European market.

At present, Africa is the main source of cocoa beans for the EU market, representing 89% of their imports. Although LAC represents a relatively small percentage of the total cocoa bean imports into the EU, LAC represents the main source of fine and flavour cocoa, as well as organic and Fairtrade cocoa. Cd contamination in cocoa beans appears to be an issue affecting mainly producing countries in LAC, and to a lesser extent in Asia.

In view of the potential negative impacts of non-compliance with this new EU Regulation on cocoa trade and the livelihood of cocoa farmers, several cocoa producing countries in LAC are implementing research studies to assess the level of Cd contamination in cocoa-producing areas and develop practices to limit Cd contamination in cocoa beans. Despite these efforts, at present there is no coordination or information-exchange among research institutes and food-safety authorities in the countries affected to share results obtained, develop joint strategies and mitigation/remediation practices for the benefit of all cocoa producing countries in this region.

This PPG aims to respond to the challenge of Cd contamination in cocoa beans in LAC in the context of the new EU Regulation. It combines two applications:

(i) the initial regional PPG application (Appendix 1) approved by the STDF Working Group at its meeting of 20-21 October 2016, which was requested by the International Cocoa Organization (ICCO) on behalf of Ecuador, Peru and Trinidad & Tobago, through their respective institutions listed below:

- Coffee-Cocoa Programme, Ministry of Agriculture and Livestock of Ecuador (MAGAP);
- Cocoa Department, Ministry of Agriculture and Irrigation of Peru (MINAGRI); and
- Cocoa Research Unit – University of the West Indies (UWI), Trinidad and Tobago.

(ii) a PPG application submitted in November 2016 by the Ministry of Commerce, Industry and Tourism (MCIT) of Colombia to the STDF Secretariat (Appendix 2), that includes a request for support to address the cadmium contamination issue in cocoa beans.

When informed about the ICCO-led PPG, the MCIT requested to join this initiative. In consultation with the ICCO, the STDF Secretariat approved Colombia's request to join this PPG and an updated budget was estimated accordingly (Appendix 3). This decision was made for cost-efficiency purposes as well as for the opportunity to enhance the relevance of

the regional mitigation strategy (that will result from this PPG) and to promote its adoption across LAC.

## **2. Objectives and expected results**

This PPG aims to develop a regional strategy and a regional project proposal to establish a set of mitigation and remediation measures for Cd contamination in cocoa beans in LAC. It will do so through:

- Carrying out a detailed assessment of research and scientific studies implemented in LAC, with the view to understand the level of knowledge and stage of development of practices to mitigate/remediate Cd contamination in cocoa beans;
- Proposing a framework (a regional strategy) containing outstanding gaps and recommendations based on consultation with stakeholders to serve as a basis for the formulation of the project proposal; and
- Organizing a regional technical meeting to discuss the findings of the assessment, consult stakeholders and agree on the project proposal.

## **3. Role and responsibility of the beneficiary countries**

The above-mentioned institutions in Colombia, Ecuador, Peru and Trinidad & Tobago, requesting this PPG, will act as the main national counterparts of ICCO for its implementation. They will ensure that other institutions with relevant mandate and work (food safety and Codex-related activities) will be fully associated with and involved in this initiative. In particular, they will:

- Designate National Focal Points for this PPG who will work in close collaboration with the ICCO to ensure that the necessary support is provided at the national level for the smooth implementation of the fieldwork and other related activities. This includes assisting the ICCO in the collection of detailed information about research and scientific studies implemented to understand the origins of cadmium contamination in cocoa beans and methods to address it in their respective countries.
- Identify, in consultation with ICCO, the key national stakeholders (government, private sector, academia, etc.) to be consulted during the implementation of the PPG. Particular attention should be paid to involving national stakeholders taking part in Codex-related work, mainly the work of the Codex Committee on Contaminants in Food (CCCF).
- Ensure that all the relevant national stakeholders are informed and involved, as appropriate in the relevant PPG activities
- Facilitate ICCO's communication with all stakeholders (such as in securing meetings or letters of support for the resulting project, scheduling the fieldwork and various consultation meetings, as applicable).
- Assist the ICCO in the preparation of necessary documentation for meeting(s), as appropriate and arrange for its timely circulation to participants.

#### 4. Role and responsibilities of the ICCO

The ICCO will be responsible for the overall implementation of the PPG. In particular, it will:

- Contact the applicants in each of the participating countries and request the designation of a National Focal Point for this PPG (see Section 3).
- Brief the National Focal Point (and other relevant stakeholders, as required) on the various steps of implementation, the timeline, the deliverables and any administrative arrangements required by ICCO.
- Lead the fieldwork, with support for international experts as appropriate, to achieve the above-mentioned PPG objectives including through the following tasks:
  - Design survey questionnaires to enable the national focal points to collect existing data and research results related to cadmium presence in cocoa beans.
  - Analyse the data collected and identify areas of outstanding research needs.
  - Lead various interviews with public and private sector stakeholders to identify the priority areas to be addressed within the resultant project. Collected information will be used for the subsequent preparation of the project proposal.
  - Identify areas of overlap or synergies with other initiatives taking place in the participating countries (as well as regional initiatives).
  - Organize and lead a technical workshop to agree on the priorities identified and validate the backbone of the resultant project. This includes: i) designing the agenda of the stakeholder workshop, ii) facilitating the workshop, iii) drafting a workshop summary; and iv) advising focal points on dissemination of information among relevant stakeholders.
- Identify key relevant national, regional and international public and private sector stakeholders and ensure their buy-in and full engagement in the implementation of this PPG and in the resultant project proposal. This includes:
  - Seeking feedback and technical advice from FAO (including the Codex Secretariat), the Inter-American Institute for Cooperation in Agriculture (IICA), CABI and any other relevant international and regional technical institution, on the validity of the proposed mitigation measures.
  - Ensuring that the fieldwork and the proposed strategy are informed by, and/or contribute to, the ongoing discussions in Codex regarding the cadmium issue.
  - Consulting with donors (and particularly those who have demonstrated possible interest in funding the implementation of the resulting regional strategy, as reported in the PPG application) during the implementation of the PPG and seek their views on possible funding for the resultant project proposal. Relevant development partners should be invited to participate in the project validation meeting and to other meetings and workshops, as appropriate.

- Securing letters of support from all the stakeholders for the resultant project proposal.
- Lead the development of a regional strategy to mitigate and remediate cadmium contamination in cocoa beans.
- Lead the elaboration of the resulting project proposal: This task will include preparing a draft version of the resulting project proposal based on the data collected during the fieldwork and consultation meetings; and incorporating comments from stakeholders. Options for implementation of the resulting project should be explored with potential international/regional implementing agencies, in consultation with the beneficiary countries.
- Act as budget holder for PPG expenditure, and ensure that the expenses of the fieldwork, the workshop(s) and other activities in the PPG are disbursed as appropriate.
- Update the STDF Secretariat regularly on progress made in the implementation of the PPG and report on any challenges met.
- Deliver the outputs described in Section 6 to the satisfaction of the STDF Secretariat

## **5. Time Frame and calendar**

Project preparation activities will take place over a period of 12 months. The planned starting date for the PPG is scheduled for 15 March 2017. The tentative completion date for the project is 15 March 2018.

## **6. Outputs and Reporting**

The PPG will lead to the following outputs:

### **1. A final PPG report containing:**

- A summary of the methodology adopted and activities conducted during the implementation of the PPG. Questionnaires and data collection sheets should be provided as an Annex.
- A brief summary of the workshop(s) as well as any other official consultations (if any) in an annex. The summary should highlight mainly any findings that affect the orientation of the resultant project and/or if these lead to a change in direction from that anticipated in the PPG application.
- Results of consultation with donors on funding the resultant project or other possible co-funding arrangements discussed.
- A financial statement detailing PPG expenses in an annex.
- A list of reference documents reviewed and a list of contacts consulted.

- All reference documents reviewed including past assessments as well as past or ongoing project documents should be attached to the PPG report for inclusion in the STDF Virtual Library, where appropriate. **Documents of confidential nature should be marked accordingly in order to be kept for STDF Secretariat consultation only.**

2. A regional strategy document to mitigate cadmium contamination in cocoa beans in LAC outlining

- A summary of the research collected during the fieldwork.
- Findings from stakeholder consultation meetings outlining the rationale for priority areas included in the regional strategy.
- The actions to be conducted, with a time-frame and estimate for necessary resources.
- Recommendations regarding implementation and funding arrangements for the strategy.

3. A project proposal to implement actions from the regional strategy that require technical assistance. The project document should be in the format required by the donor(s) identified as a potential source of funding.