



2020 Progress Report

COCOA & FORESTS INITIATIVE



Cocoa &
Forests
Initiative



World Cocoa
Foundation

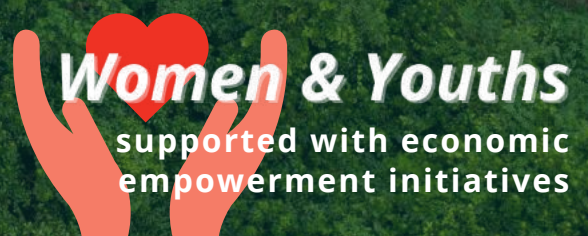
Foreword

GCB Cocoa's Good Cocoa & Beyond programme, launched in 2019, places sustainability at the core of the company's operations. With four guiding pillars, we strive to: Improve Farmer Incomes, Benefit Farmers and their Communities, Protect the Environment and Provide Responsible Cocoa. Deforestation continues to be a critical issue in the cocoa supply chain, and we are committed to achieving zero deforestation within our direct sourcing network by 2030. The Cocoa & Forests Initiative (CFI) is a key part of our sustainability strategy, and we are proud to contribute to collective efforts to end cocoa-related deforestation.

We joined CFI in early 2020 and soon after published an action plan to guide our efforts to address deforestation in our supply chain, in line with our "Protecting the Environment" pillar. With support from a customer and working closely with a local partner, we took our first steps towards ending deforestation and promoting forest protection and restoration. Our holistic approach, combining traceability efforts with knowledge and capacity-building, has improved our ability to monitor deforestation in our supply chain, minimise the risk of further forest degradation and enhance environmental stewardship.

We are excited to both deepen and scale up these efforts in 2021, as we continue to collaborate with our partners and also directly engage with our newly onboarded farmer network. Through ongoing training, we will support farmers to grow "more cocoa on less land" and apply agroforestry. What is more, we hope to map 100% of the farms in our direct network and deploy a digital traceability system, increasing supply chain transparency and accountability.

Initiatives like CFI have strengthened and leveraged industry and government efforts so that we can achieve our common goal of a thriving, sustainable supply chain. We look forward to continuing this journey together and amplifying our impact for the benefit of farmers, communities, and our planet.





INTRODUCTION

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, have joined together in the [Cocoa & Forests Initiative](#) to end deforestation and restore forest areas. Their combined actions play a crucial role in sequestering carbon stocks in West African forests and addressing climate change, in line with the Paris Climate Agreement. The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action ([Côte d'Ivoire](#) and [Ghana](#)) and action plans for the private sector ([Côte d'Ivoire](#) and [Ghana](#)) and public sector ([Côte d'Ivoire](#) and [Ghana](#)) that spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

The [World Cocoa Foundation](#) (WCF); [IDH](#), the [Sustainable Trade Initiative](#); and the Governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. The Prince of Wales launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. [Côte d'Ivoire](#) and [Ghana](#) respectively lost 25% and 8% of their humid primary forest between 2002-2019, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial employment and income to smallholders in West Africa. An accelerated transition to sustainable livelihoods is essential for ensuring their long-term economic security. Thanks to public and private sector actions, notably through the Cocoa & Forests Initiative, this transition is under way, with recent reports (from [Global Forest Watch](#) and the [United Nations](#)) showing that the rate of primary forest loss was halved in both Côte d'Ivoire and Ghana from 2018 to 2019.

To learn more, follow [#cocoaandforests](#) on social media, or visit [cocoaandforests.org](#) and [WorldCocoa.org](#).

1 THE FIRST PRIORITY IS THE PROTECTION AND RESTORATION OF FORESTS THAT HAVE BEEN DEGRADED.

To this end, the governments and companies have pledged no further conversion of forest land for cocoa production and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural zones. Both governments have shared maps on forest cover and land-use, and are currently updating the maps, including socio-economic data on cocoa farmers, which will further inform private sector investments.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases of cocoa, and to work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain. The companies will similarly share information with the national satellite monitoring platforms (in development) to effectively monitor progress on CFI, as well as proactively address threats of new deforestation.



2 THE NEXT CRITICAL PRIORITY IS SUSTAINABLE AGRICULTURAL PRODUCTION AND INCREASED FARMER INCOMES.

These are essential pre-requisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The governments and companies are accelerating investment in long-term productivity of cocoa in order to grow “more cocoa on less land.” Key actions include provision of improved planting materials, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers’ organizations. Sustainable livelihoods and income diversification for cocoa farmers are being accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agroforestry systems and shade-grown cocoa.

3 THE FINAL AREA OF FOCUS IS STRONG COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION, WITH A PARTICULAR FOCUS ON WOMEN AND YOUTH.

The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration. The governments have adopted social and environmental safeguards and are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities.



GCB's CFI Commitments

DIRECT INVESTMENT 2021/2022:

TARGETS AND ACTION PLAN



GCB joined the Cocoa & Forests Initiative (CFI) in early 2020, following the launch of a new corporate sustainability strategy, Good Cocoa & Beyond, which includes Protecting the Environment as a main pillar. The Cocoa & Forests Initiative is a key component of our strategy to achieve zero deforestation within our direct sourcing network by 2030, to contribute to ending cocoa-related deforestation, and to promote forest restoration. This will be operationalised through direct investment from mid-2021, with the launch of our direct sourcing programme in San-Pédro, Côte d'Ivoire, as outlined below. To guide implementation and activities, and maximise impact, we have established specific targets to achieve by September 2022 (Annex 1), which comprise our commitment to CFI.



FOREST PROTECTION AND RESTORATION

With regards to CFI's first priority area, GCB has been investing in improving the transparency of its supply chain.

BY 2025

we aim to source **100% traceable cocoa** in our direct supply chain, which will enable us to effectively address the challenge of deforestation, as well as other related challenges on the cocoa supply chain.

DIGITAL TRACEABILITY SYSTEM

In the second half of 2021, following final selection of our farmer groups, we will map our entire direct supply chain of at least 4,000 cocoa plots using GPS and polygon farm mapping, and deploy a digital traceability system, which can **track cocoa from farm to first purchase point**. With specific farmer and farm-level information and digital traceability solutions in place, we will be able to trace records of sales and purchases, ensuring that 100% of our directly sourced cocoa can be traced to farm-level, and **verify that none of the cocoa are from protected areas** (national parks, reserves, forest areas). Once farm mapping is completed, we will also conduct **deforestation risk assessments** throughout our direct sourcing network in order to mitigate this risk and prevent future deforestation. All information gathered will be shared with the national satellite monitoring platforms being developed, as well as other relevant platforms, to contribute to and strengthen multi-stakeholder efforts to address deforestation.

FOREST PROTECTION & RESTORATION

Complementary to this, we will train our entire farmer network in the **Forest Code, forest protection and forest restoration**. We will also support at least 320 farmers to **adopt agroforestry practices** and distribute 4,000 multi-purpose trees for on-farm planting. We also plan on supporting 2,000 farmers with registering trees.



SUSTAINABLE COCOA PRODUCTION AND FARMERS' LIVELIHOODS

GCB's Good Cocoa and Beyond strategy similarly prioritises sustainable agricultural production and increased farmer incomes. Under our Improving Farmer Incomes pillar, we aim to address the issues of low productivity and low incomes, as well as the issues with which these are associated, including deforestation.

GOOD AGRICULTURAL PRACTICES & FINANCIAL LITERACY TRAINING

Between 2021-2022, we will train all farmers in our direct sourcing network in Good Agricultural Practices. We will also support at least 320 farmers to apply agroforestry on their plantations and ***promote farm-level crop diversification*** through the distribution of 4,000 multi-purpose trees, increasing biodiversity, the health of farms and cocoa trees, and economic resilience of farmers. In addition, GCB will support the financial liquidity of farmers, ***offering financial literacy training and a life insurance scheme***. Thus, we envision that farms will be more productive and there will be less pressure on farmers to adopt negative coping strategies such as encroaching on forests.





COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION



To guarantee community engagement and social inclusion, GCB's Good Cocoa and Beyond strategy adopts a participatory approach. We firmly believe that our objectives can only be achieved and maintained when communities are engaged and empowered.

COMMUNITY CONSULTATIONS

Therefore, in 2021-2022, when we begin directly investing in our direct supply chain, we will organise community consultations to **identify the priority needs of each community**. We will also support the establishment of community associations and committees to roll out community-based management models and drive the development and implementation of initiatives to address identified needs. Regarding these community-based initiatives, early indications suggest these will be **focused on women's empowerment** and **capacity building for youth**. Target reach and investment will be determined following confirmation of the number of women and youth in our final farmer network.

PROGRESS, 2019/2020

IMPLEMENTATION ON BEHALF OF CLIENT



To date, progress towards CFI commitments has been made possible through investment of The Hershey Company's Cocoa For Good program, along with collaboration with implementing partner, FarmStrong Foundation. This partnership aims to promote prospering communities, preserve ecosystems, and foster community development, thus providing responsibly sourced cocoa from bean to product.

Activities were implemented with a farmer group, comprising 3,727 farmers and 15,789 hectares in the area surrounding Soubré in Côte d'Ivoire.



FOREST PROTECTION AND RESTORATION

Activities in this priority area initially focused on ***farm mapping*** and ***deforestation risk assessments***. Between October 2019 and September 2020, 2,036 farm plots were mapped, and deforestation risk assessments were completed for the 4,877 hectares captured by this mapping. As a result, 53.7% of farm plots (31% of total farm area) have been mapped and captured by deforestation risk assessments. Our aim is to complete mapping and deforestation risk assessments in all areas by September 2022. This way, we are making steady progress to ensure we uphold our CFI commitments that there is no sourcing in protected areas, nor further conversion of forest land.

867 farmers were also trained on the ***New Forest Code*** and enhanced environmental protection and stewardship, supporting them to better understand and comply with regulations, as well as adopt good practices with regards to forest protection and stop further forest degradation. This training reached fewer farmers than initially planned due to Covid-19 related sanitary measures. However, this will be compensated for in the current year, such that all 3,727 farmers benefit from this training.

**53.7% FARM PLOTS
MAPPED**

**4,877 HA CAPTURED
BY DEFORESTATION
RISK ASSESSMENTS**

**867 FARMERS
TRAINED IN FOREST
CODE AND
ENVIRONMENTAL
PROTECTION**





SUSTAINABLE COCOA PRODUCTION AND FARMERS' LIVELIHOODS

Activities in this priority area centered firstly on ***training in Good Agricultural Practices (GAPs)***. More specifically, 2,167 farmers were trained on topics including soil fertility management, integrated pest management and good environmental practices. As a result, they are now equipped with the knowledge and skills to grow “more cocoa on less land” and adapt to and mitigate the impact of climate change on production. This training will continue in the current and subsequent crop years so that all farmers in the farmer group benefit from this, as targeted.

To further improve productivity, 312 farmers were ***trained in agroforestry*** and have started to apply this technique to one hectare of their farms. In addition, 5,000 tropical forest tree seedlings were distributed, and support was provided for crop diversification, which more than 50% of the farmers are now practicing. These initiatives served the dual purpose of promoting farm restoration and offering additional opportunities for income-generation, thus strengthening farmer livelihoods.

What is more, 451 farmers in the group now have savings accounts and 42 women were members of a Village Savings and Loan Association.

With less pressure on productivity and incomes, farmers are more resilient and the risk of expanding their farms in unsuitable areas is reduced.

**2,167 FARMERS TRAINED ON GOOD
AGRICULTURAL PRACTICES**

**312 FARMERS TRAINED IN AND
APPLYING AGROFORESTRY**

**5,000 FOREST TREE SEEDLINGS
DISTRIBUTED**



COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION

Activities in this priority area emphasised supporting women and youth. 42 women were supported to engage in **income-generating activities** and also participated in awareness-raising on topics such as women's rights, child labour and nutrition. In addition, one **pruning group** of 10 youth was formed. These activities also reached fewer community members than planned due to Covid-19 related lockdown measures. However, efforts have since been redoubled to make up for this and ensure that targets are met by September 2022.

**AWARENESS TRAININGS
ON WOMEN'S RIGHTS,
CHILD LABOUR, AND
NUTRITION**

**YOUTH PRUNING GROUP
FORMED**

**VILLAGE SAVINGS AND
LOAN ASSOCIATION SET
UP**

Promoting holistic and participatory community development builds resilience, safeguards against maladapted practices and can prevent and mitigate such related challenges as deforestation and forest degradation, as well as promote restoration and allow for natural regeneration of forest land.



Impact Story, 2019/2020

AGROFORESTRY IN CÔTE D'IVOIRE

In the last decade, ecosystems in the cocoa-growing regions of Côte d'Ivoire have suffered increasing deterioration, with negative impacts on farmers, their communities, and the environment.

Working closely with local implementing partner, FarmStrong Foundation, the partnership has been addressing this key challenge through shade tree and agroforestry activities in the areas around Soubré, Abengourou and Agboville. Large-scale and community tropical forest trees nurseries have been established, and hundreds of thousands of seedlings have been distributed, planted and geolocalised, promoting more efficient farming practices, improving farmer family and community livelihoods and enhancing environmental stewardship.



Last year, these activities were scaled up and cooperation with the relevant regional and national authorities was formalised, including with the Ministry of Water and Forests (MinEF) in the Nawa Region and SODEFOR. A forest restoration program for a Forêt Classée du Mont Kourahabi (protected state-owned forest) was also launched. These initiatives included awareness-raising, training, and capacity-building on environmental protection and restoration, and agroforestry.

In July 2020, 562 farmers and community members in the village of Bakayo benefitted from such training on the New Forest Code and enhanced environmental protection and stewardship. Participants learned about the importance of trees both on- and off-farm, planting densities and distribution, as well as how to select the right trees and the possibility of including multi-purpose trees like fruit trees on their plantations.

Impact Story, 2019/2020

AGROFORESTRY IN CÔTE D'IVOIRE

Thanks to this training, producers have improved knowledge and technical capacity to apply agroforestry and maximise the positive impact of this practice. Indeed, 312 producers, including 35 women, have now begun to systematically introduce agroforestry on their plantations. Biodiversity on farms is in the process of restoration and will have a positive impact on the health and tolerance of their cocoa trees. Notably, in addition to these environmental benefits, net revenues will improve, as farmers have lower input costs and preharvest losses. Moreover, planting of multi-purpose fruit trees contributes to enhanced nutrition and increased savings.

With such comprehensive and demonstrable advantages, the community is confident that more producers will adopt agroforestry more broadly, contributing to an increased biomass, building a more sustainable, resilient, and versatile agricultural production system, and enhancing theirs and their families' futures.





ANNEX 1: PROGRESS TRACKING TABLE

Commitment	Actions	Indicator	2022 Target (direct investment)	# through direct investment (Oct 2019-Sept 2020)	# on behalf of clients (Oct 2019-Sept 2020)
Forest Protection and Restoration					
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# of cocoa plots mapped in direct supply chain	At least 4,000	Establishing a direct supplier network of at least 4,000 farms in 2021. We aim to map 100% of these, such that at least 4,000 farms and cocoa plots will be mapped by Sept 2022.	2036
		# and % of farms mapped in direct supply chain	4,000 100% of farms	As above	2,036 53.7% of farms
	1.2 Conduct deforestation risk assessments in all direct sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed	10,000	Deforestation risk assessments will be completed following supplier on-boarding and starting in the 21/22 crop year.	4877
2. No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs	2.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas)	% of directly sourced cocoa traceable from the farm to the first purchase point	100%	Unique profiles will be created for suppliers on a digital management and traceability system upon on-boarding.	54%
4. Legal protection and management status for the remaining forests of Côte d'Ivoire in the Rural Domain	4.1 Support farmers with tree registration	# trees registered	In the 21/22 crop year, we plan on registering 10 trees/ha with 2,000 farmers. Once we establish average farm size of our farmers, we will be able to confirm a target # of trees.	0	5,000
	4.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements/documentation etc. obtained via company support	400 10% of farmers	0	0
5. Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened	5.1 Promote and participate in awareness-raising campaigns to educate farmers on the new Forest Code	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	4,000	In 2021, following final supplier selection, all suppliers will be trained in forest codes and relevant protection and restoration measures/practices	867
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# farmers applying agroforestry	320	Beginning in October 2021, we will support at least 320 farmers to apply agroforestry through training and multi-purpose tree distribution.	312
		# multi-purpose trees distributed for on-farm planting	4,000	This activity will begin in October 2021, as above.	5,000
		# hectares cocoa agroforestry in development	10,000	This activity will begin in October 2021, as above.	312
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# of trees distributed for off-farm planting	Not applicable		
		# ha of forest area restored in rural zone	Not applicable		
	7.3 Train farmers in CSC production including cocoa agroforestry systems	# farmers trained in CSC best practices	320		
8. Government creation, in collaboration with all stakeholders, of a public-private fund to support financing of protection and restoration of HCV forest areas.	8.1 Support the creation of the public-private forest conservation and rehabilitation fund	\$ contributed to fund	TBD; upon creation of the public-private forest conservation and rehabilitation fund	TBD	0

ANNEX 1: PROGRESS TRACKING TABLE

Commitment	Actions	Indicator	2022 Target (direct investment)	# through direct investment (Oct 2019-Sept 2020)	# on behalf of clients (Oct 2019-Sept 2020)
Sustainable Production and Farmers' Livelihoods					
9. Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land"	9.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers	GCB will participate in this activity when/as permissible by local regulations.	TBD	-
	9.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	4,000	In 2021, following final supplier selection, all suppliers, of which there will be at least 4,000, will be trained in GAPs.	2,167
10. Promote sustainable livelihoods and income diversification for cocoa farmers	10.1 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's)	1,400	From 2021, through previously described agroforestry and crop-diversification, we aim to support at least 35% of our supplier network to participate in IGAs	1,863
	10.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting # hectares of cocoa agroforestry	Already reported 7.1		
11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds for production and farm renovation	11.1 Offer financial products to farmers and promote farmer savings	# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing)	2,800 70% of 4,000	Following supplier on-boarding, GCB aims to offer a life insurance scheme for farmers, in addition to supporting increased access to finance through the use of mobile money.	451
		# of members of VSLA groups in the current year	TBD, after suppliers confirmed	Following final supplier selection, VSLAs are likely to be set up in 2022, following community consultations and the establishment of community associations to drive such initiatives.	42
		# of VSLA groups in the current year	TBD, after suppliers confirmed	As above	1
12. Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed for traceability, which will be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019.	12.1 Conduct farm mapping within direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest lands, National Parks and Reserves, and Classified Forests	# of cocoa plots mapped in direct supply chain	Already reported 1.1		
	12.2 Implement traceability system to farm level in direct supply chain	% of direct sourced cocoa traceable from individual farms to first purchase point	Already reported 2.1		
Social Inclusion and Community Engagement					
13. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	Already reported 5.1		
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive	# of individuals participating in women's empowerment projects and activities	TBD, after suppliers confirmed	Activities will be developed following community consultations, which will take place in 2021. We aim to begin implementation of these in 2022.	42
		# of individuals participating in youth focused projects and activities (age 15-35)	TBD, after suppliers confirmed	See above	10

Thank You!

2020 PROGRESS REPORT

COCOA & FORESTS INITIATIVE

