



2021 PROGRESS REPORT

COCOA & FORESTS INITIATIVE

Collective Action to end Cocoa-related Deforestation





INTRODUCTION

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, 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

To learn more, follow #CocoaAndForests on social media, or visit CocoaAndForests.org and WorldCocoa.org.

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 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.

Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.

3 KEY COMMITMENTS OF CFI

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 continue to update the maps, including socio-economic data on cocoa farmers, to inform private sector investments.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for their own purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence legislation. 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.



3 KEY COMMITMENTS OF CFI

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.

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 2023–2025 Targets & Implementation Plans

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 and Forests Initiative is a key component of our strategy to achieve no cocoa-driven deforestation, nor conversion of other natural ecosystems in our direct supply chains by 2030, to contribute to ending cocoa-related deforestation, and to promote forest restoration.

To date, this has been operationalised through collaborations with other CFI signatories. However, from 2023, we are excited to deepen our engagement in this area by directly investing in CFI-related activities with our direct sourcing network in and around San-Pédro, Côte d'Ivoire. Our plans are summarised below, and we are developing a comprehensive action plan with specific targets to guide implementation and activities and maximise impact.



FOREST PROTECTION & RESTORATION

“By 2025, we aim to source 100% traceable cocoa in our direct sourcing network.”

With regards to CFI's first priority area, GCB has been investing in improving the transparency of its supply chain. This will enable us to effectively address the challenge of deforestation, as well as other related challenges on the cocoa supply chain.

This will be facilitated by polygon mapping of all farms in the network as well as the deployment of a digital management and traceability system, which will contain a complete database of farmer and farm-level information, and also offer **digital traceability solutions**.



Through this system, 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 no cocoa is coming from protected areas (national parks, reserves, forest areas)**.

Once farm mapping is completed, we will also conduct **deforestation risk assessments** throughout the 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 farmers to adopt agroforestry practices and we will distribute multi-purpose trees for on-farm planting.** ”

These activities will feed into and are connected to **WCF's West Africa Cocoa Farm Dataset and Deforestation Risk Assessment project**. To help realize effective landscape partnerships, and contribute to deforestation monitoring, the World Cocoa Foundation and Climate Focus in partnership with the World Resources Institute are working with companies to develop a comprehensive dataset of cocoa plot locations in the direct supply chain and an aligned method for assessing deforestation risk.

An aggregate view of cocoa plot locations across West Africa will provide a basis for identifying opportunities for pre-competitive collaboration. Paired with the outputs of the risk assessment, collaboration can proceed in the areas that matter most for addressing deforestation. Creation of the comprehensive dataset is underway, and a beta version of the risk assessment has been developed.

The final risk assessment will go through a peer review process and be made available as a freely accessible public good through WRI's Global Forest Watch platforms to help drive aligned deforestation risk management across the cocoa sector for impact at scale.



SUSTAINABLE COCOA PRODUCTION & FARMERS' LIVELIHOOD



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 yields and low incomes, as well as the issues with which these are associated, including deforestation.

We aim to train all farmers in our network in Good Agricultural Practices. **Farm Development Plans (FDPs)** will also be elaborated for each farmer and individualised coaching support offered. In parallel, **agroforestry** and the distribution of multi-purpose trees will contribute to improving the health of farms and cocoa trees, and to increasing economic resilience of farmers

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 & SOCIAL INCLUSION



GCB recognises that our objectives can only be achieved by adopting a holistic, participatory approach, which engages and empowers cocoa-growing communities to address the fundamental challenges they face.

“Therefore, our direct investment programming will focus on community assessments and consultations, along with the establishment of community-based management systems to drive social action.”

Such community development initiatives are likely to include women’s empowerment activities, such as Village Savings and Loan Associations (VSLAs), and capacity-building for youth, including the creation of youth service groups.



ACTIVITIES & ACHIEVEMENTS

October 2020 to September 2021 Implementation on behalf of our client



In the last year, further progress towards CFI commitments has been made possible through the continued investment of The Hershey Company's Cocoa For Good strategy, 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 to our customers.

In the second year of the partnership, activities continued with a farmer group comprising 3,542 farmers and 15,420 hectares in the area surrounding Soubré in Côte d'Ivoire.



FOREST PROTECTION & RESTORATION

Activities in this priority area focused on **farm mapping and deforestation risk assessments**, building on last year's achievements. In 20/21, mapping of all 3,635 farm plots was completed and 12,747 hectares (83% of total farm area) have undergone deforestation risk assessments

Our aim is to complete deforestation risk assessments in all areas by September 2022 and polygons will be revised every three years, as needed and based on findings from internal inspections. This will allow us to uphold our CFI commitments and ensure that there is no sourcing in protected areas, nor further conversion of forest land.

In collaboration with the Ministry of Water and Forests, a further 867 farmers were also trained on the New Forest Code and enhanced environmental protection and stewardship. This helps them to better understand and comply with regulations, as well as adopt good practices with regards to forest protection and stop further forest degradation. In 21/22, this training will continue with the remaining 10 communities where this has yet to take place, such that all communities will have been reached by September 2022.

100%

FARM PLOTS MAPPED IN
2020/21

12,747

HECTARES UNDERGONE
DEFORESTATION
RISK ASSESSMENT

867

FARMERS TRAINED IN FOREST
CODE & ENVIRONMENTAL
PROTECTION



SUSTAINABLE COCOA PRODUCTION & FARMERS' LIVELIHOOD

“In 2021/22, all farmers will continue to participate in training on GAPs, which will build on learnings from previous years and be tailored to the group's needs.”

3,396

FARMERS TRAINED IN GAPs

55%

YEAR-ON-YEAR INCREASE
IN FARMERS TRAINED IN
GAPs

250

FARMERS TRAINED IN
AGROFORESTRY

Activities in this priority area centred firstly on training in **Good Agricultural Practices (GAPs)**. More specifically, 3,396 farmers were trained on topics including pruning, organic fertiliser, harvest and post-harvest practices, pest management and climate change.

This represents a 55% year-on-year increase in farmers reached by GAP training, with 96% of farmers now being reached. 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. There will also be an added focus on the elaboration of Farm Development Plans and tailored coaching, so farmers will benefit from bespoke support.



SUSTAINABLE COCOA PRODUCTION & FARMERS' LIVELIHOOD



Also in this area, an additional 5,000 tropical forest tree seedlings were distributed to 250 more farmers who were trained in agroforestry. Throughout the year, they have applied this technique to at least 1 hectare of their farms, such that they may benefit from the key ecosystem services agroforestry offers, including farm restoration and improved cocoa production. In the current crop year, 5,000 more trees will be distributed to another 250 farmers to expand the area of cocoa production under agroforestry systems.

Finally, since 19/20, 2,067 farmers and community members are participating in income-generating activities (IGAs) and 1,368 individuals have benefitted from further training in these. These activities include crop-diversification, particularly food crops, as well as a community vegetable garden.

This suite of initiatives both fosters sustainable cocoa production and strengthens farmer livelihoods. With less pressure on productivity and incomes, farmers are more resilient and the risk of expanding their farms in unsuitable areas is reduced.



COMMUNITY ENGAGEMENT & SOCIAL INCLUSION

Activities in this priority area prioritised supporting women and youth. 200 women participated in **women's empowerment projects**, including training on nutrition, healthy and literacy, as well as the establishment of a community greenhouse. In addition, this year, 7 more Village Savings and Loan Associations (VSLAs) were set up in the farmer group's communities. This made for a total of 8 active VSLAs with 240 members, 180 of whom were women.

“**Notably, this marks an almost five-fold increase in participation year-on-year. This expansion is planned to continue in the current year with 4 more VSLAs being established.**”

With regards to youth, 37 youth were engaged in Financial & Life Skills Training, as well as Technical & Vocational Education & Training. This means that there are now 5 **Youth Pruning Groups** active within the communities. These groups offer critical services to farmers to support sustainable production, and they also offer opportunities for young community members. The project will continue to support these groups to independently manage their activities and finances, so that they can effectively provide services to farmers and advance sustainable practices throughout the group.

Promoting holistic and participatory community development in this way builds resilience at all levels; it safeguards against maladapted practices and can prevent and mitigate such related challenges as deforestation and forest degradation.



IMPACT STORY



In recent years in Côte d'Ivoire, there have been notable changes to weather patterns, particularly rainfall. Koffi Hippolyte Kouassi, a farmer aged 45, from Touih, in the region of Bas-Sassandra, explains the circumstances which he has been facing: “the rains are more intense over a shorter period and we observe a long dry season that reduced the yield of our farms”. Kouassi Koffi, aged 73 and from the same village, reiterated this concern, stating that the rain “is not enough to nourish us”.

“The rains are more intense over a shorter period and we observed a long dry season that reduced the yield of our farms.”

Koffi and Kouassi have both been participating in activities organised by FarmStrong Foundation, in partnership with GCB Cocoa and The Hershey Company. Within the framework of its commitment to CFI, the partnership has been supporting farmers to mitigate the impact of climate change and increase their resilience through the application of cocoa agroforestry.

On the one hand, farmers have benefitted from training on environmental protection, climate change and agroforestry. 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, along with the possibility of including on their farms multi-purpose trees such as fruit trees. As Kouassi explained, “now we realise that big trees protect cocoa trees and protect us from drought”. Having experienced the effects of climate change first-hand, farmers are increasingly committed to forest protection and restoration. In fact, one community is now in consultation with the village chief to create one hectare of community forest to contribute to reforestation efforts.

IMPACT STORY

These awareness-raising and capacity-building efforts have been complemented by the distribution of trees from FarmStrong's nursery, along with technical support to farmers to apply agroforestry on their farms. For instance, Koffi received both avocado and akpi trees, which offered a myriad of benefits.

“**The fruit trees provided shade for his cocoa trees and promoted farm restoration, and their fruits could be eaten or sold on the local market.**”

Thus, the health of his cocoa trees has improved, and he has been able to respond to climate-related challenges and build a resilient livelihood. He now encourages everyone around him to plant trees on their farms.

With such comprehensive and demonstrable advantages, the community is confident that more producers will adopt agroforestry. The partnership will continue to facilitate this, contributing to an increased biomass, nurturing a more sustainable and versatile agricultural production system, and enhancing farmers' and their families' futures.



ANNEX 1: PROGRESS TRACKING TABLE

Commitment	Actions	Indicator	# on behalf of client Oct 2019 - Sep 2020	# on behalf of client Oct 2020 - Sep 2021	
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	2,036	3,635
			# and % of farms mapped in direct supply chain	2,036 53.7% of farms	3,542 100% of farms
		1.2 Conduct deforestation risk assessments in all direct sourcing network	# of hectares in the direct supply chain with deforestation risk assessments completed	4,877	12,747
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	0%	0%
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	5,000	111
		4.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements / documentation etc obtained via company support	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	# of farmers informed, trained, and/or consulted on the new Forest Code, law enforcement, forest protection, and restoration	867	867

ANNEX 1: PROGRESS TRACKING TABLE

Commitment	Actions	Indicator	# on behalf of client Oct 2019 - Sep 2020	# on behalf of client Oct 2020 - Sep 2021	
Forest Protection and Restoration					
7.	Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agroforestry	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# of farmers applying agroforestry	312	250
			# of multi-purpose trees distributed for on-farm planting	5,000	5,000
			# of hectares of cocoa agroforestry in development	312	250
		7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	#of trees distributed for off-farm planting	0	0
			# of hectares of forest area restored in rural zone	0	0
		7.3 Train farmers in CSC production including agroforestry systems	# of farmers trained in CSC best practices	0	0
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' upon creation of the public-private forest conservation and rehabilitation fund
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	# of improved seedlings distributed to farmers	N/A	N/A
		9.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAPs training programs	2,167	3,396

ANNEX 1: PROGRESS TRACKING TABLE

Commitment		Actions	Indicator	# on behalf of client Oct 2019 - Sep 2020	# on behalf of client Oct 2020 - Sep 2021
Sustainable Production and Farmers' Livelihoods					
10.	Promote sustainable livelihoods and income diversification for cocoa farmers	10.1 Promote farm-level crop diversification	# of multi-purpose trees distributed for on-farm planting	N/A	N/A
		10.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# of hectares of cocoa agroforestry	Already reported in 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 % of individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [banks/mobile]) with support from companies (excluding cocoa bean pre-financing)	451	0
			# of members of VSLA groups in the current year	42	240 (180 F)
			# of VSLA groups in the current year	1	8
12.	Improve supply chain mapping, with the goal of 100% of cocoa sourcing traceable from farm to first purchase points. 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 forests lands, National Parks and Reserves, and Classified Forests	# of cocoa plots mapped in direct supply chain	Already reported in 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 in 2.1	

ANNEX 1: PROGRESS TRACKING TABLE

Commitment		Actions	Indicator	# on behalf of client Oct 2019 - Sep 2020	# on behalf of client Oct 2020 - Sep 2021
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 Organise cocoa community consultations on the implementation of the Frameworks for Action	# of farmers informed, trained, and/or consulted on the new Forest Code, law enforcement, forest protection and restoration	Already reported in 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 and restoration and agriculture intensification action plans that are gender and youth sensitive	# of individuals participating in women's empowerment projects and activities	42	530
			# of individuals participating in youth focused projects (age 15-35)	10	47



Thank you!

GCB'S 2021 PROGRESS REPORT

Cocoa & Forests Initiative