Nestlé Cocoa Plan

TOWARDS FOREST POSITIVE COCOA

Annual Progress Report 2022

READ >

Cocoa & Forests Initiative

Photography captured on location by Darrell High
Cover photo: cocoa growing in a forest in Côte d'Ivoire

Pruning training (SOCAYEMA pilot cooperative)

INTRODUCTION

In June 2021, Nestlé launched its Forest Positive strategy. Forest Positive means moving beyond just managing deforestation risks in our supply chain to target a positive impact on our broader sourcing landscapes.

Addressing deforestation risks in cocoa supply chains is complex and requires a concerted approach. That's why we joined the Cocoa & Forests Initiative (CFI) when it launched in 2017. CFI brings together all the relevant stakeholders – the cocoa and chocolate industry, governments of producing countries, cooperatives, farmers and rural communities – to address the challenges we collectively face.

It is in this larger context that we present the Towards Forest Positive Cocoa Report 2022. This report is the third to track our progress since publishing our action plan in 2019 (please see our Tackling Deforestation Progress Reports for 2020 and 2021 for previous disclosures). In addition to transparently providing relevant data, it offers detailed case studies of the projects we have initiated with our partners.

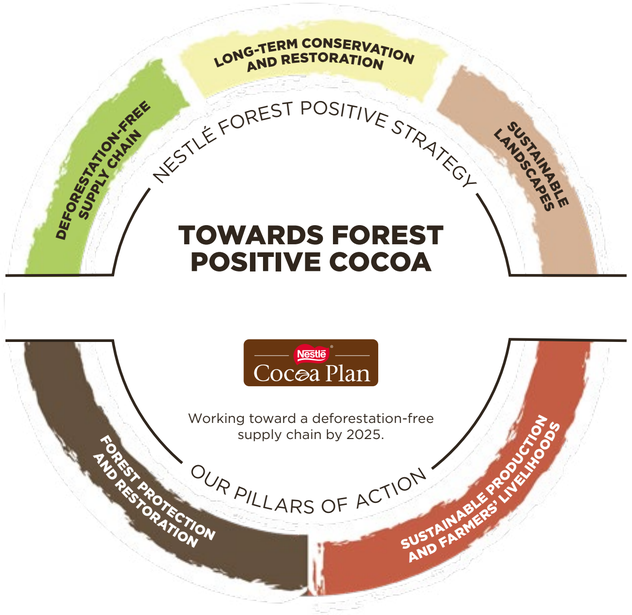
We made steady progress in 2021, mapping over 125 000 farms in Côte d'Ivoire and Ghana, well in excess of the original 2022 target. In Côte d'Ivoire and Ghana, this year, we distributed over one million forest and fruit trees to farmers, bringing the total distributed to more than 2.2 million. We have also now cumulatively trained more than 90 000 farmers in good agricultural practices.

The progress we have made would not have been possible without the help of our partners: notably the Ministry of Water and Forests (MINEF) and the Société de Développement des Forêts (SODEFOR) – the forest development society – in Côte d'Ivoire. We are also profoundly grateful for the ongoing support of the World Cocoa Foundation, Earthworm Foundation, the Rainforest Alliance and PUR Projet amongst others.

Our activities fall within Nestlé's Forest Positive strategy (see illustration below). This aims to help conserve and restore forests and natural ecosystems while promoting sustainable livelihoods and respecting human rights, including empowering indigenous peoples and local communities to be stewards of critical natural ecosystems.

In cocoa specifically, our Forest Positive journey starts by working toward a deforestation-free cocoa supply chain by 2025. In addition, we will focus on two main pillars. The first is protecting forests from further degradation and restoring degraded areas through tree planting; the second is engaging with cocoa-farming communities to help improve incomes which can reduce pressure on forests.

A significant step was taken toward improving farmers' incomes with the announcement in January 2022 of our innovative income accelerator program. This rewards cocoa-farming families not just for the quantity and quality of their cocoa beans, but also for practices that benefit the environment and local community.



Therese (in purple, cocoa farmer) with Luc and Barbara (Nestlé Cocoa Plan team members) at her farm in Côte d'Ivoire

SUMMARY OF TARGETS AND ACHIEVEMENTS

CÔTE D'IVOIRE

	INDICATOR	2022 TARGET	2021 PERFORMANCE	CUMULATIVE DATA (SINCE 2018)	COMPLETION STATUS
PILLAR 1 FOREST PROTECTION AND RESTORATION	1.1 Cocoa plots mapped in direct supply chain	70 000	95 846		100%
	7.1 Multi-purpose trees distributed for on-farm planting	2 600 000	928 743	1 943 245	75%
PILLAR 2 SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS	9.3 Farmers reached by Good Agricultural Practices (GAP) training programs	58 000	73 402		100%

GHANA

INDICATOR	2022 TARGET	2021 PERFORMANCE	CUMULATIVE DATA (SINCE 2018)	COMPLETION STATUS
1.1 Cocoa plots mapped in direct supply chain	18 137	29 191		100%
8.1 Multipurpose trees distributed for on-farm planting	260 000	71 443	309 451	100%
9.2 Farmers reached by Good Agricultural Practices (GAP) training programs	18 137	18 258		100%

See p. 14-15 for our full KPI list.

Achieved On track

PILLAR 1:

FOREST PROTECTION AND RESTORATION

One of 11 nurseries opened by the Nestlé Cocoa Plan in Côte d'Ivoire

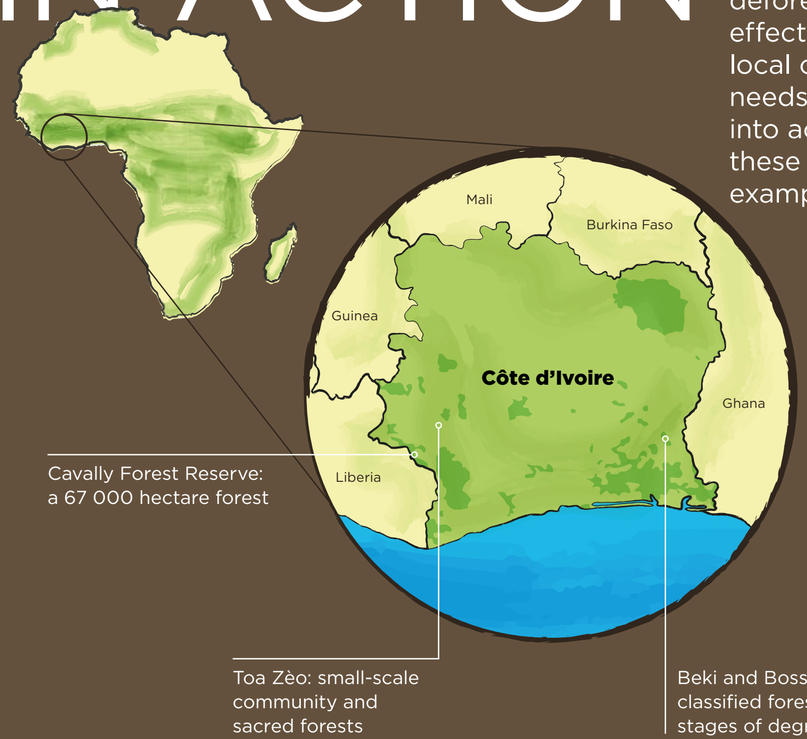
We are working to protect existing forestland from deforestation and further degradation. We also seek to restore degraded forests by replanting from our nurseries.

As outlined in this chapter, in Côte d'Ivoire, we have begun three reforestation projects with partners and local communities.

In both Côte d'Ivoire and Ghana, we are strongly encouraging the use of agroforestry techniques and in Latin America, we have conducted a comprehensive deforestation risk assessment.

FOREST PROTECTION IN ACTION

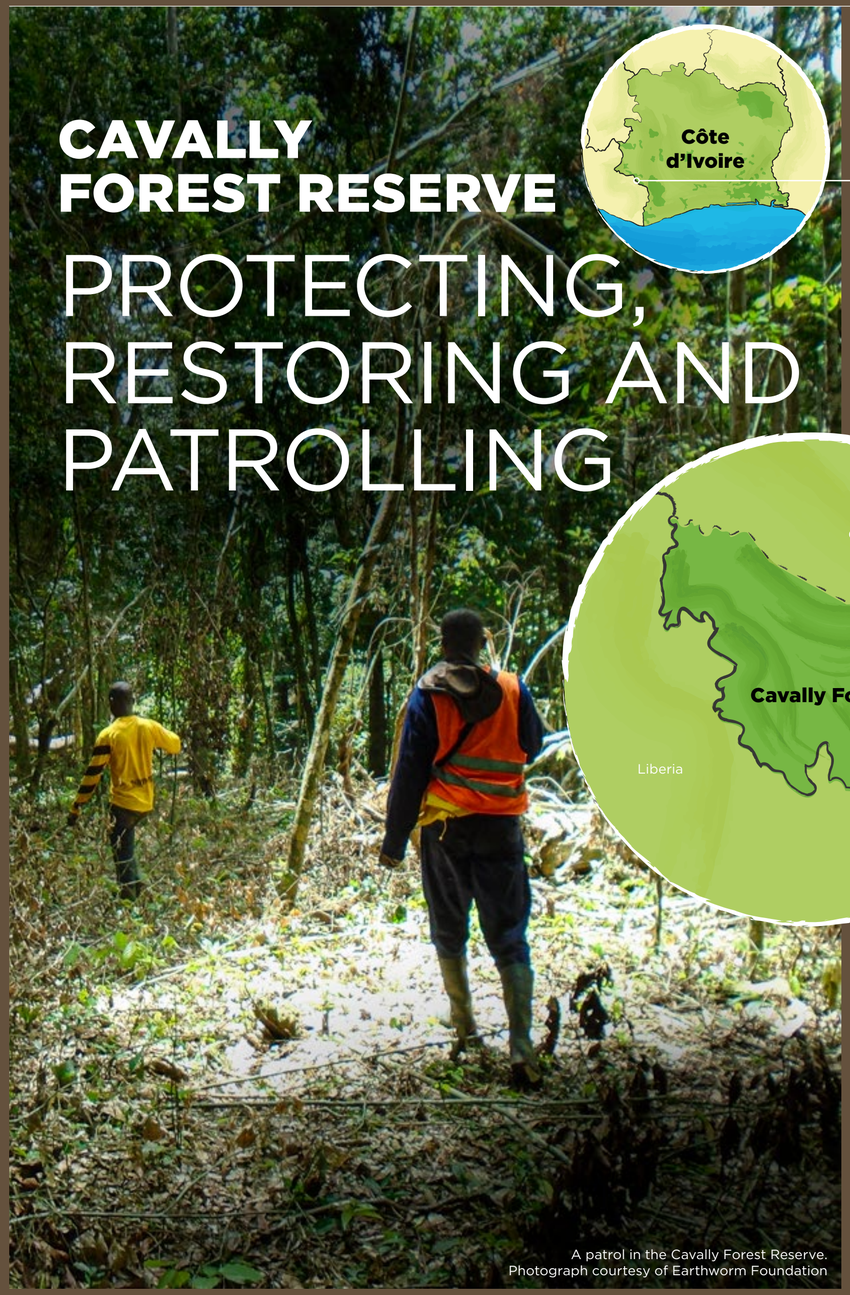
No two forests are the same. To tackle deforestation effectively, the local context needs to be taken into account as these three Ivorian examples show.



Following years of deforestation it is critical to protect the remaining forestland in Côte d'Ivoire and Ghana

CAVALLY FOREST RESERVE

PROTECTING, RESTORING AND PATROLLING



A patrol in the Cavally Forest Reserve.
Photograph courtesy of Earthworm Foundation

In the depths of the Cavally Forest Reserve, a small group of community members and NGO agents make their way through the dense landscape on patrol. At night, they set up camp in the wilderness and by day, they survey the forest. They are looking for signs of illegal deforestation and encroachment by farmers, chopping down any cocoa trees that have been planted there. The work is physically taxing but critical to preserving the last of this ancient primal forest.

The Cavally Forest Reserve is one of the largest of 234 classified forests in Côte d'Ivoire, covering an area of 67 593 hectares. It is part of a larger natural corridor leading into Liberia and is home to many endangered wildlife species, such as chimpanzees, forest elephants and pygmy hippos. As with much of the country, the reserve has suffered rapid deforestation in the last 50 years, with only 54%[1] of the forest remaining intact.

In 2020 we began work in collaboration with the Côte d'Ivoire Ministry of Water and Forests (MINEF) and Earthworm Foundation to help protect and restore the Cavally Forest Reserve. It was important to us as we source cocoa from areas adjacent to the reserve.

To begin with, the teams conducted interviews in 46 villages with 755 community members to gain local insights into the causes of deforestation in the reserve and to understand the communities' thoughts on it. 90% of interviewees confirmed that there was no agricultural land available, so the only alternative was within the reserve. We believe that improving productivity through better agricultural practices can lead to improved farmer incomes and put less pressure on forestland. We have begun helping farmers to achieve this (see following chapter).

This is where the patrol groups come in. The 10- or 15-day patrols into the forest are led by young people from surrounding communities, together with SODEFOR and NGOs including the Wild Chimpanzee Foundation.

The teams move through the forest to recently degraded areas identified by Starling – a technology that uses high-resolution satellite and radar images to monitor changes in forest cover. Starling has helped these patrols to be highly effective in reducing deforestation in the reserve and in increasing natural regeneration.

That is not the only approach we are taking however. Over the course of 2021, agreements were signed with 200 people from two local groups for replanting and maintenance. 366 hectares were replanted with almost 76 000 indigenous tree seedlings. We have also bolstered our replanting program's capacity by opening new nurseries.

Our nurseries begin growing the native trees as seedlings, which can be sown in the cleared forest areas when they are four to five months old. This small size means the trees' roots do not need to be heavily clipped for transport – maximizing their chances of healthy, long-term growth and natural root network development.

Many women take up the incentivized nursery work. It is less physically demanding work than patrolling or planting the seedlings and offers a way to financially empower the communities' women.

After the seedlings are grown and prepared, they are transported into the forest. Two rounds of maintenance take place in the months following the replanting to ensure that seedlings are growing successfully.

Word spreads fast around the Cavally region, so much so that after hearing about the nursery and planting work several communities approached the organizers asking to be involved. The result was that the number of local groups participating rose from two in 2021 to nine so far in 2022 – a win for the initiative and for the forest.

366 hectares

Replanted in 2021

200

Community members engaged for replanting and maintenance

CHF 2.5 million

Nestlé's Investment in protecting and restoring Cavally Forest Reserve

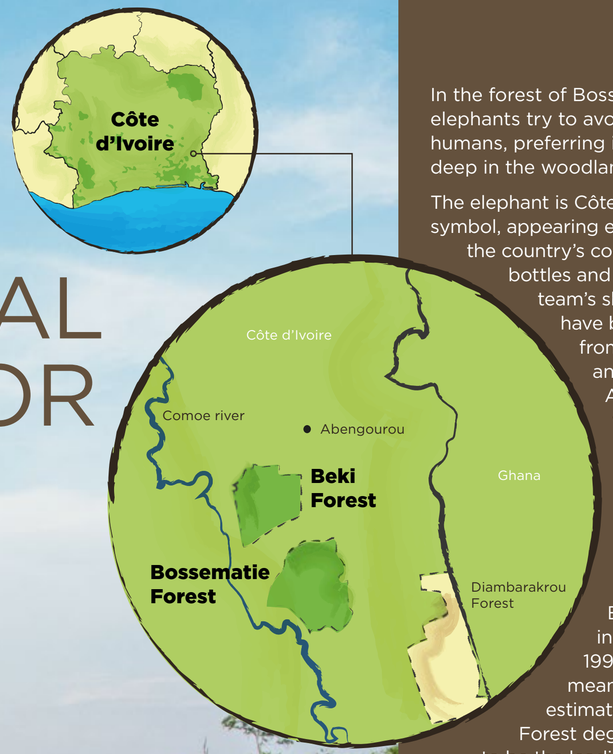
> "We, along with the Côte d'Ivoire government, see this work towards forest protection and regeneration in Cavally Forest as emblematic for Côte d'Ivoire and the cocoa industry. We want to share our experiences to inspire others to act similarly.

Mathilde Xicola
Cavally Landscape Project Manager,
Earthworm Foundation

1. www.starling-verification.com

BEKI AND BOSSEMATIE FORESTS

A CRUCIAL CORRIDOR



All partners, including MINEF, SODEFOR, Rainforest Alliance and Nestlé reviewing progress on a reforested plot

In the forest of Bossematie, the elephants try to avoid contact with humans, preferring instead to stay deep in the woodland.

The elephant is Côte d'Ivoire's national symbol, appearing everywhere from the country's coat of arms to beer bottles and the national football team's shirt. But elephants have been disappearing from Côte d'Ivoire at an alarming rate.

A century ago, there were between 3 000 and 5 000 of them in the wild, enough for people to remember why the country was originally named the 'Ivory Coast'.

But a rapid reduction in elephants since 1994 (around 86%) means that only 225 are estimated to remain today.

Forest degradation is believed to be the leading cause of their tragic disappearance.

The decline in elephant populations is yet another indicator that urgent action is needed to tackle deforestation.

In the protected forests of Beki and Bossematie in the east of the country however, elephants still roam the woodland, just a few dozen kilometers from the border with Ghana. It is believed the two forests, together with their smaller northern neighbor, the Arrah Forest, serve as a pivotal habitat for the elephants – forming part of a critical, though highly fragmented corridor to the Bia Game Reserve, which sits just on the other side of the Ghanaian border.

An alliance for the forests

In part due to this biological importance, and partly because many producers around the forests are members of cooperatives in the Nestlé Cocoa Plan, we have begun work to protect these forests with several partners. These include local cooperatives, SODEFOR, the Ministry of Water and Forests and the Rainforest Alliance amongst others.

Bossematie Forest is the larger of the two. It covers an area of approximately 21 500 hectares and is relatively well preserved. It stands in stark contrast to the forest of nearby Diambarakrou, which should provide something of a bridge for the Bossematie elephants to the Ghanaian border. Diambarakrou has suffered at least 90% degradation – its outline no longer visible on a satellite image.

Beki Forest, which is named after the river that flows through it, covers around 16 000 hectares and has a mixture of intact forest and degraded areas. It is in urgent need of protection to avoid seeing similar deforestation levels to Diambarakrou in the future. Therefore the bulk of our work so far has taken place in and around Beki.

In December 2021 comprehensive management plans were agreed with the cooperatives to support communities living close to the forests. In combination with the work of the Nestlé Cocoa Plan in the area, the plans should reduce pressure on the forests and encourage communities to respect and protect them.

We have helped to:

- Restore degraded forestland in Beki Forest with saplings across two parcels of land
- Create management plans for a buffer zone up to 5km around the forests
- Raise awareness among community members within these buffer zones on the importance of forest protection

43 hectares

Reforested in Beki Forest in 2021

5 000

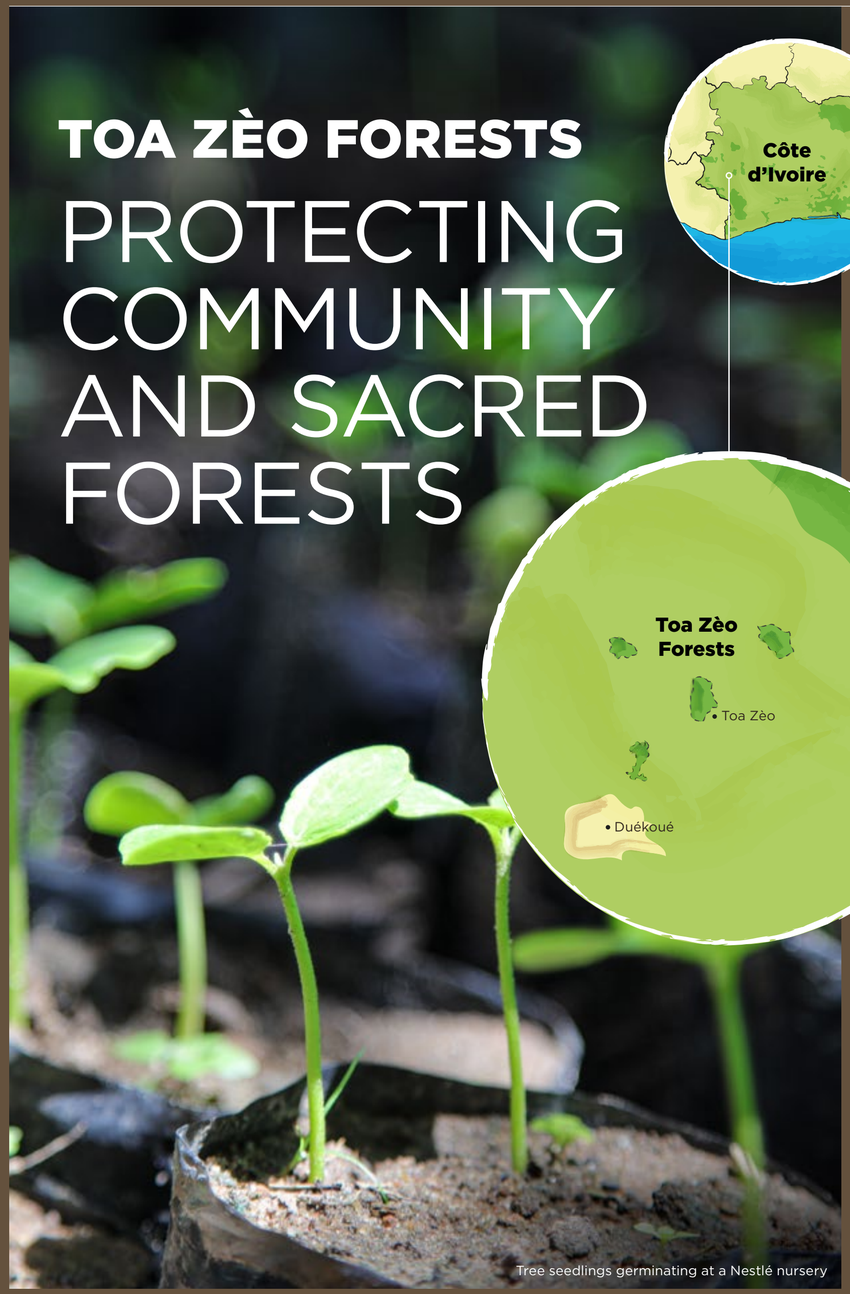
Farmers and their families reached through community awareness-raising sessions in 2021

> "I congratulate and encourage organizations like Nestlé that implement these kinds of initiatives that have a positive impact on the Beki-Bossematie landscape. It is a great satisfaction to have been able to involve all stakeholders in this project.

Gnago Charbel
Regional Director, Ministry of Water and Forests (MINEF)

TOA ZÈO FORESTS

PROTECTING COMMUNITY AND SACRED FORESTS



Tree seedlings germinating at a Nestlé nursery

All over Côte d'Ivoire small pockets of intact forest remain dotted around local communities. Sometimes just a few hectares in size, this woodland is important, being used by local people to find ingredients for traditional medicine and nutrition, as well as for cultural and religious purposes. But the forests are under threat from the same pressures that are affecting larger areas.

In the west of the country, a little over 100km from the border with Liberia, is the small community of Toa Zèo. Several patches of forest surround the community – collectively amounting to perhaps 30 hectares. The largest area, known as Lebôssahan, accounts for more than half the total area – around 16 hectares. It is a sacred forest.

Outsiders are not permitted to enter Lebôssahan, where the community gathers to observe traditional religious practices and to worship their ancestors. Nonetheless, driven by poverty, people have been coming and felling trees. Around 10% of the forest has been degraded. The same story is playing out in many of the other pockets of community forest that remain.

It was the Toa Zèo community itself that reached out to Nestlé and the Ministry of Water and Forests for help to protect their forests. Many of the community's cocoa farmers supply the Nestlé Cocoa Plan and our Child Labor Monitoring and Remediation System is already active there. Nestlé has also built classrooms for the community's children, meaning that our relationship with the community was already well established and a good level of trust had been built up.

We held a workshop with the community to find out how we could help them. Men and women, young and old were present. They were clear about what they wanted to do about the problem, they just lacked the resources to implement their ideas.

The first thing they wanted to do was to plant trees to create a clear and natural border around the forests. The trees came from 11 Nestlé nurseries and the species (such as frake, bété and tiama) were selected by the community, typically for their practical or medicinal uses. They also requested that signage be put up to inform people that the areas were important sacred or community forests – offering a basic level of protection for them.

To date, four sacred forests have been protected and restored around the community, with 8 600 forest trees and 37 000 teak trees planted on the village land border with the neighboring Bahoubli community. The Toa Zèo community selected ten individuals to carry out reforestation efforts in their sacred forests and these young people sit on a new monitoring and follow-up committee. An action plan is also in place to guide Nestlé's next steps.

4

Sacred forests protected and restored around Toa Zèo to date

25 hectares

Sacred forest protected to date

8 600

Forest trees planted

37 000

Teak trees planted on community borders

"The important thing about this project is that it is replicable. We believe the approach can be adapted to help protect hundreds of small community forests across the country.

Diomandé Amara
Forest and Environment Specialist,
Nestlé Central & West Africa Region

Cocoa thrives in forest conditions

ASSESSING OUR DEFORESTATION RISK IN LATIN AMERICA

As part of our work towards no deforestation in Latin America, we commissioned a detailed risk assessment from Global Risk Assessment Services (GRAS) across four countries (Brazil, Ecuador, Mexico and Venezuela).

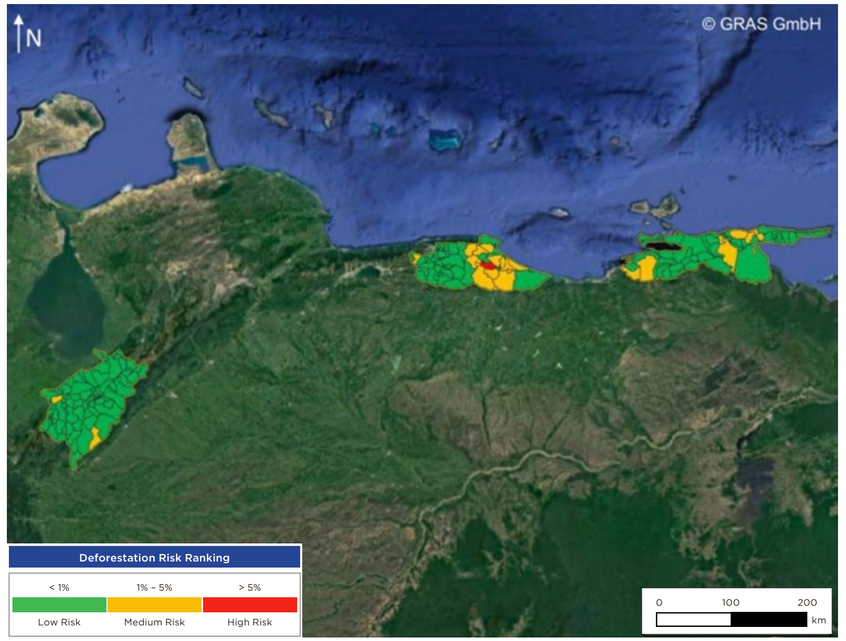
The assessment used satellite data from 2015-2020 and covered 2 787 653km^2. The data was compared with known protected and at-risk areas, as well as, high carbon stock areas.

GRAS used remote sensing data and geo-spatial datasets to investigate the total potential risk of deforestation (i.e. including deforestation risk of mining operations or urbanization). They then determined the agriculture-specific and cocoa-specific risks of deforestation.

The results show that the risk of cocoa-related deforestation is mainly low and concentrated in specific areas.

Detailed mapping was provided to enable Nestlé to avoid sourcing from high-risk areas and to minimize our risk of sourcing cocoa from deforested areas.

COUNTRY	TOTAL SOURCING AREA (KM^2)	POTENTIAL COCOA DEFORESTATION (KM^2)	NUMBER OF MUNICIPALITIES	HIGH RISK MUNICIPALITIES
Brazil	**2 342 690**	**12 328** | 0.5%	**1 329**	**4** | 0.3%
Ecuador	**245 645**	**1 082** | 0.4%	**950**	**7** | 0.7%
Mexico	**167 478**	**444** | 0.3%	**347**	**0** | 0.0%
Venezuela	**31 840**	**187** | 0.6%	**195**	**1** | 0.5%



Mapping deforestation risk in Venezuela

Forest trees in a cocoa plantation: an example of agroforestry

AGROFORESTRY: A MULTITUDE OF BENEFITS

In addition to helping protect and restore forests, we are encouraging the use of agroforestry in cocoa production by distributing forest and fruit trees.

Forest and fruit trees provide shade for cocoa trees, helping them survive longer dry seasons that are likely to be associated with climate change. Additional benefits to the soil are expected like adding organic matter and nutrients, and reducing the risk of crop diseases developing.

Since forest and fruit trees can provide fruit and timber sales, this helps with income diversification for farming households, which in turn can indirectly reduce pressure on intact forestland.

Agroforestry is a key part of Nestlé's regenerative agriculture initiative, which seeks to restore soil health and fertility, boost yields and draw down and capture increased levels of carbon dioxide in soils and plant biomass.

In Côte d'Ivoire, our 11 forest and fruit tree nurseries provide employment to around 50 local people, with nine of the nurseries run by women.

2.2m+

Multi-purpose trees distributed for agroforestry planting in Côte d'Ivoire and Ghana between 2018-2021)

PILLAR 2:

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

Beekeeping: an excellent source of additional income for cocoa-farming families

Understanding the drivers of deforestation is as important as the physical replanting and patrolling of forestland.

There is a link between poverty and deforestion. Working to improve farmers' incomes, therefore, has the potential to help reduce pressure on forests.

Greater efficiency and productivity can make existing agricultural land much more profitable. At the same time, diversifying income reduces farmers' exposure to fluctuations in market prices and can provide cash flow in between harvests.

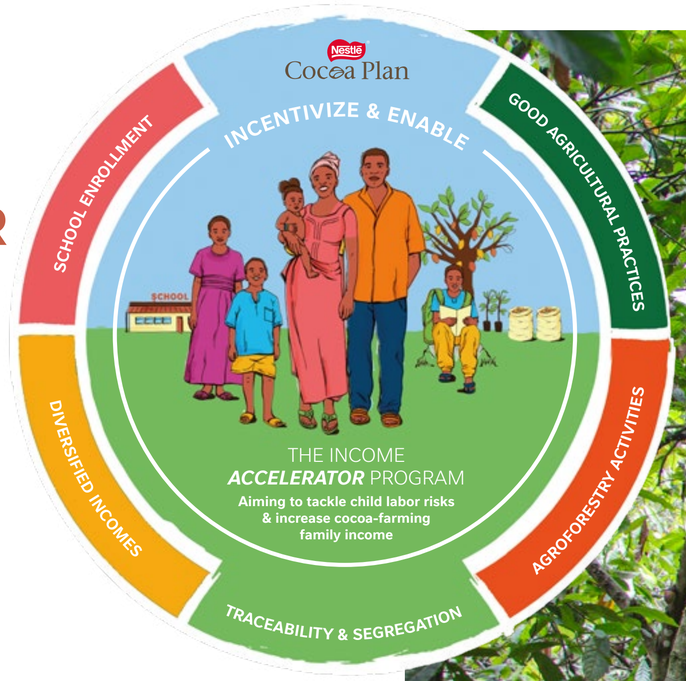
In addition, bespoke activities such as the provision of 3 174 improved cookstoves are helping to reduce pressure on forests and to improve women's health by reducing the amount of wood needed for fuel and air pollution.

INCOME ACCELERATOR PROGRAM

Building on a decade of learning through the Nestlé Cocoa Plan and a 2020 pilot, in January 2022, we launched an innovative income accelerator program that aims to increase cocoa farmers' incomes by incentivizing sustainable practices.

For their first two years in the program, cocoa-farming families can earn up to CHF 500 for following four sustainable practices: enrolling their children in school, applying good agricultural practices, introducing or maintaining agroforestry on their land and diversifying their incomes. We provide direct support to farmers for each sustainable practice.

There is a link between poverty and deforestation. By improving the incomes of cocoa-farming families, we believe our program will also help to reduce further deforestation.



Income accelerator timeline

2020	2022	2024	2030
1 000 families	**10 000** families		**160 000** families*
Côte d'Ivoire > Pilot	> Test at scale	> Scale up	
		Ghana > Extension	
		Global > Rollout	

* Estimation

Pruning: a simple but highly effective way to increase a cocoa tree's yield

REPORTING OUR PROGRESS

CÔTE D'IVOIRE

FOREST PROTECTION AND RESTORATION

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET (THROUGH DIRECT INVESTMENT)	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
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	**70 000**	**95 846**	
		# and % of farms mapped in direct supply chain	**70 000**	**85 892**	
	1.2 Conduct deforestation risk assessments in all direct sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed	**0**	**273 063**	**520 926**
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%**	**87%**	
3. A differentiated approach based on the level of degradation of forests for classified Forests will be developed and translated into a national forest restoration strategy	3.1 Support the restoration of Classified Forests by working with cocoa farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods intervention	# hectares restored in Classified Forests	**0**	**409**	**409**
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			**528**
	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	# farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration	**25 000**	**32 392**	
6. Public-private collaboration to mobilize resources for forest protection and restoration	6.1 Mobilize finance for forest protection and restoration	# Individuals receiving Payment for Ecosystem Services (PES): New	**0**	**899**	**1 107**
		# Individuals receiving Payment for Ecosystem Services (PES): Total Active		**899**	
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		**15 742**	**31 797**
		# multi-purpose trees distributed for on-farm planting	**2 600 000**	**928 743**	**1 943 245**
		# hectares cocoa agroforestry in development	**0**	**22 604**	**50 016**
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# of trees distributed for off-farm planting	**0**	**132 838**	**155 891**
		# ha of forest area restored in rural zone	**0**	**12**	**14**
	7.3 Train farmers in Climate Smart Cocoa (CSC) production including cocoa agroforestry systems	# farmers trained in CSC best practices		**55 522**	
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			

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET (THROUGH DIRECT INVESTMENT)	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
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 cocoa seedlings distributed to farmers			
	9.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	**58 000**	**73 402**	
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)		**3 789**	
	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			
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)	**7 000**	**11 823**	
		# of members of Village Savings & Loan Association (VSLA) groups in the current year	**7 000**	**4 417**	
		# of Village Savings & Loan Association (VSLA) groups in the current year	**0**	**140**	**232**
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				

SOCIAL INCLUSION AND COMMUNITY

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET (THROUGH DIRECT INVESTMENT)	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
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			
14. Promote community-based management models for forest protection and restoration	14.1 Establish and/or support community-based natural resource management programs for forest restoration/protection	# of cocoa communities with active forest restoration and protection program	**0**	**11**	**12**
		# hectares under CBNRM	**0**	**35**	**75**
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		**5 439**	
		# of individuals participating in youth focused projects and activities (age 15-35)		**2 620**	

REPORTING OUR PROGRESS

GHANA

FOREST PROTECTION AND RESTORATION

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
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 supply chain to ensure cocoa is not being sourced from forest land	# of cocoa plots mapped in direct supply chain	**18 137**	**29 191**	
		# and % of cocoa farms mapped in direct supply chain	**18 137**	**18 162**	
	1.2 Conduct deforestation risk assessments in all sourcing areas	# of hectares in the direct supply chain with deforestation risk assessments completed	**0**	**36 251**	**62 884**
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status	2.1 Implement traceability tools/ technology to ensure no cocoa purchases originate from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves (all forest areas)	% of directly sourced cocoa traceable from the farm to the first purchase point	**100%**	**100%**	
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of cocoa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2)	3.1 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs	# hectares of Category 2 Forest Reserve areas restored	**0**	**0**	**0**
4. In highly degraded off reserve forest lands, cocoa production and sourcing will continue, supported by climate smart cocoa and MTS	4.1 Train farmers in off-reserve forest lands in Climate Smart Cocoa (CSC) production including cocoa agroforestry systems	# farmers trained in CSC best practices	**13 000**	**15 985**	
	4.2 Train farmers in Modified Taungya System (MTS)	# farmers trained in MTS			
5. Land and tree tenure reforms, and benefit sharing arrangement to incentivize land owners and users to retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism	5.1 Support farmers with tree registration	# trees registered			
	5.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure agreements/documentation etc. obtained via company support		**0**	**0**
6. Public sector forest law enforcement and governance will be strengthened	6.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	**13 000**	**681**	
7. Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally sustainable cocoa production will be developed	7.1 Mobilize finance for forest protection and restoration	# Individuals receiving Payment for Ecosystem Services (PES): New	**0**	**0**	**0**
		# Individuals receiving Payment for Ecosystem Services (PES): Total Receiving		**0**	
8. Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves	8.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# farmers applying agroforestry		**0**	**400**
		# multipurpose trees distributed for on-farm planting	**260 000**	**71 443**	**309 451**
		# hectares cocoa agroforestry in development	**0**	**1 250**	**1 650**
	8.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# of trees distributed for off-farm planting		**1 000**	**1 000**
		# hectares of forest area restored off-reserve	**0**	**0**	**0**
	8.3 Train farmers in Modified Taungya System (MTS)	# farmers trained in MTS			

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
9. Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land"	9.1 Distribute improved cocoa planting material	# improved cocoa seedlings distributed to farmers	**2 600 000**	**297 313**	**2 329 544**
	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	**18 137**	**18 258**	
10. Promote sustainable livelihoods and income diversification for cocoa farmers	10.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multipurpose trees distributed for on-farm planting			
		# hectares cocoa agroforestry in development			
	10.2 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's)		**1 399**	
11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation	11.1 Promote expansion of 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)	**500**	**150**	
		# of members of VSLA groups in the current year	**1 500**	**2 644**	
		# of VSLA groups in the current year	**0**	**45**	**115**
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data				

SOCIAL INCLUSION AND COMMUNITY

COMMITMENT	ACTIONS	INDICATOR	2022 TARGET	# THROUGH DIRECT INVESTMENT (OCT 2020-SEPT 2021)	# TOTAL THROUGH DIRECT INVESTMENT (SINCE 2018)
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 forest policy/law enforcement, forest protection, and restoration			
14. Promote community-based management models for forest protection and restoration	14.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/protection	# of cocoa communities with active forest restoration and protection program	**0**	**0**	**0**
		# hectares under CBNRM	**0**	**0**	**0**
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 youth and gender sensitive	# of individuals participating in women's empowerment projects and activities	**1 500**	**2 933**	
		# of individuals participating in youth focused projects and activities (age 15-35)		**0**	

THE COCOA & FORESTS INITIATIVE:

COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION[1]

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.

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.

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.

World Cocoa Foundation

Cocoa & Forests Initiative

1. The content of this article has been supplied by our partners at the Cocoa & Forests Initiative.

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