



ECOM Progress Report 2018-2019

1. FOREWORD

Dear Cocoa & Forests Initiative friends,

Yao Ahou, a cocoa farmer in Ndenou, Lagunes district, Côte d'Ivoire, told us in no uncertain terms: "There is less rain because we cut down all the big trees. We took down all the big trees that could get the steam up in the air to attract the rain. Really, if we could have more of these big trees there, they can cover the cocoa trees, protect them at least against the sun." Yao has put her convictions into practice, and has planted forest trees on her cocoa farm, including a beautiful acacia, which provides shade, a barrier against some insects, fodder for farm animals, soil restoration, and other benefits.

Yao is one among over a million people who are actively involved in the Cocoa & Forests Initiative: from cocoa farmers, to the governments of Côte d'Ivoire and Ghana, and private sector companies. This collective effort today passes a milestone: we are reporting on our first two years of implementation for Cocoa & Forests Initiative interventions.

What have we achieved since announcing the Cocoa & Forests Initiative Frameworks for Action in November 2017 and the initial company action plans in March 2019?

First, and most importantly, companies have begun fulfilling their Cocoa & Forests Initiative commitments, with a particular focus on increasing traceability in their direct supply chains, putting in place systems to eliminate deforestation from their cocoa sourcing, rehabilitating and reforesting degraded lands, increasing canopy cover and sustainable production with the promotion of cocoa agroforestry, and community engagement.

Second, we have grown the partnership to 35 companies (from 12 originally) who are signatories of the Cocoa & Forests Initiative.

Third, we have strengthened our partnership with the governments of Côte d'Ivoire and Ghana and other key stakeholders. In the past year, governments have delivered on significant commitments in order to catalyze further private sector investment, particularly promulgating new legislation, sharing critical baseline data and maps, adopting social and environmental safeguards, and embracing new forest policies to promote cocoa agroforestry.

As we look at this first year of implementation, we are proud of the Cocoa & Forests Initiative's first steps and are determined to keep our eyes on the prize: end deforestation and restore forest

areas. We are not there yet and need to intensify our efforts. In 2020, we will notably accelerate private sector collaboration across cocoa landscapes and, in partnership with governments, put in place effective tools to monitor and eliminate any new deforestation.

For Yao, her children, and her children's children.

Richard Scobey

President, World Cocoa Foundation

2. KEY FACTS & FIGURES

In 2019, ECOM committed to focusing on the **Forest Protection and Restoration** pillar of the CFI Action plan. Within our conventional supply chain, we mapped 4,692 high-risk areas and purchase points. We conducted a proximity risk analysis in these areas using farm polygons and the official maps of protected areas provided by the Government of Ghana.

3. WHAT IS THE COCOA & FORESTS INITIATIVE?

The Governments of Côte d'Ivoire and Ghana and the world's leading cocoa and chocolate companies [signed landmark agreements](#) in November 2017 to end deforestation and promote forest restoration and protection in the cocoa supply chain.

This public-private partnership – called the [Cocoa & Forests Initiative \(CFI\)](#) – has been organized by the World Cocoa Foundation (WCF), IDH - the Sustainable Trade Initiative, and The Prince of Wales's International Sustainability Unit (ISU), in partnership with the Governments of Côte d'Ivoire and Ghana. The Prince of Wales [launched CFI](#) in March 2017 and reviewed implementation progress in November 2018.

The Frameworks for Action for [Côte d'Ivoire](#) and [Ghana](#) define core commitments, verifiable actions, and time bound targets required for a deforestation-free and forest-positive supply chain.

The Governments of Côte d'Ivoire and Ghana establish national strategies, policy environments, and governance structures for CFI implementation. They ensure that CFI is linked to similar initiatives with other commodities, and fully aligned with the national REDD+ strategies and other relevant national strategies and plans. They provide key operational guidance, and baseline economic, environmental, and social data, to help companies identify and plan the most effective and efficient private investment activities for CFI.

The Governments have prepared comprehensive National Implementation Plans ([Côte d'Ivoire](#), [Ghana](#)) that outline public sector priorities, actions and timelines. Since 2017, both governments have fulfilled commitments on the key building blocks for successful CFI implementation, including important revisions to the legal framework for sustainable forest management, adoption of World Bank environmental and social safeguard standards, and preparation and sharing of up-to-date boundary maps of protected areas.

In March 2019, 34 CFI signatory companies¹, accounting for about 85% of global cocoa usage, released initial action plans for 2018-2022. These initial plans detail how the private sector will

¹ Arysta Callivoire, Barry Callebaut, Blommer Chocolate Company, Cargill Cocoa and Chocolate, Cémoi, Chocolats Halba, Cocoonect, Cococo Chocolatiers, ECOM Group, Fazer, Ferrero, General Mills Inc., Godiva Chocolatier Inc., Guittard Chocolate Company, The Hershey Company, Indcresa, Kuapa Kokoo Lindt & Sprüngli Group, Marks & Spencer Food, Mars Wrigley Confectionery, Meiji Co. Ltd., Mondelez

deliver the commitments spelled out in the Frameworks for Action. Each company explained how they will support the Framework objectives, based on their role in the supply chain, their strategic priorities, and their cocoa sustainability goals. WCF published a summary of the initial action plans for the cocoa and chocolate industry ([Côte d'Ivoire](#), [Ghana](#)).

On the heels of the 2020 International Day of Forests, CFI companies and the governments of Côte d'Ivoire and Ghana [reported on the first two years of implementation](#). Companies are publishing individual reports on progress and outcomes related to the implementation of their specific actions. The following is the aggregate report of company actions.

CFI has been supported by several global development partners, including the United Kingdom's Department for International Development, the Dutch Ministry of Foreign Affairs, the German Federal Ministry of Economic Cooperation and Development, the World Bank, the International Finance Corporation, the Global Environment Facility, and the Green Commodities Program of the United Nations Development Program.

CFI is coordinated closely with a wide range of global and local environmental organizations and partnerships, including the Tropical Forest Alliance, Amsterdam Declaration Partnership, Partnerships for Forests, the Rainforest Alliance, and World Resources Institute.

The industry is committed to ending deforestation and forest degradation throughout the global supply chain. Already in 2018, we have expanded CFI from West Africa to Latin America, with the signing of a new Framework of Action in Colombia in July 2018.

4. WHAT ARE THE KEY COMMITMENTS IN THE COCOA & FORESTS INITIATIVE?

Cocoa & Forests Initiative activities proceed from three priorities: (1) forest protection and restoration, (2) sustainable production and farmers' livelihoods, and (3) community engagement and social inclusion.

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. The Ivorian government is currently finalizing the operational decrees that provide further guidance on the new forest policies. 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.

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 are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities.

The set of public-private actions represent unprecedented commitments on forest protection and restoration, and sustainable cocoa production and farmer livelihoods. These combined actions, which are aligned with the Paris Climate Agreement, will play a crucial role in sequestering carbon stocks and thereby addressing global and local climate change.

5. ECOM’S COCOA & FORESTS INITIATIVE RESULTS

Forest Protection and Restoration

As stated in our published action plan, we focused our 2019 activities on conducting GPS mapping of high-risk areas in our conventional supply chain. We mapped 4,692 purchase points during the year and conducted a proximity risk analysis based on the official maps of protected areas provided by the Government of Ghana.

Based on the results of our proximity risk analysis, we will propose activities under **Sustainable Production and Livelihoods** and **Social Inclusion and Community Engagement**. These activities relate to providing access to quality inputs (cocoa seedlings, shade trees), financial services and intensive extension services based on farmer’s demand and ability to pay for products and services.

6. LOOKING FORWARD TO 2020 AND BEYOND

Since 2018, signatory companies have been working to fulfill their commitments to end deforestation and restore degraded forests in the cocoa sector. In 2019, the governments of Côte d’Ivoire and Ghana delivered on numerous commitments which have informed company planning. Companies will now be able to further develop their activities, moving from planning to implementation. As the governments continue to provide critical information (e.g. socio-economic assessments, updated land-use maps, operational decrees for implementation of the new forest code), companies will continue to ramp up their delivery of CFI activities in alignment

with government priorities. This will include identifying opportunities for landscape level collective action, as well as building partnerships with global development partners to drive forest positive impact on the ground,

ECOM will validate the results of the proximity risk analysis in quarter 1 of 2020. Based on this, we will develop product and services aligned with farmers' willingness and capacity to pay. These products and services may include access to high quality cocoa seedlings and shade trees, access to credit for fertilizers, agro chemicals, and access to more intensive extension services.

ANNEX 1: TRACKING TABLE / GHANA
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