





Sucden 2019-2020 Cocoa and Forests Initiative
Progress Report



# The Cocoa & Forests Initiative: Collective Action to End Cocoa-Related Deforestation

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 (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and action plans for the private sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) and public sector (<u>Côte d'Ivoire</u> and <u>Ghana</u>) that spell out commitments to:

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

The <u>World Cocoa Foundation</u> (WCF); <u>IDH, the Sustainable Trade Initiative</u>; 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 cocoandforests.org and WorldCocoa.org.



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.

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.



# **Sucden and the Cocoa and Forests Initiative**

During the 2019/2020 season, Sucden scaled the implementation of activities under the Cocoa and Forests Initiative. On behalf of many clients, Sucden, through its field teams and sourcing partners:

- focused on accelerating farm mapping and updating its deforestation risk assessment,
- promoted both high-density and low-density agroforestry systems,
- trained and coached farmers individually on good agricultural practices
- engaged with women on empowerment activities.

Sucden also forged strategic partnerships to fulfill its own commitments to the Cocoa and Forests initiative, prioritizing the development of a medium-density agroforestry model and activities targeted toward increasing women's empowerment.

Finally, Sucden collaborated with cocoa suppliers in the indirect supply chain in Côte d'Ivoire to raise awareness about deforestation and introduced measures that can be taken to prevent further encroachment of cocoa farms into protected areas.





#### **Forest Protection and Restoration**

# Côte d'Ivoire

#### Mapping and Risk Assessment – On Behalf of Clients

During the 19/20 season, Sucden continued to map farmers and their plots in the direct supply chain. During the 2019/20 season, Sucden renewed its partnership with Proforest not only to determine the compliance of these farms with established forest boundaries and protected areas, **but also** to understand the potential encroachment of farms into primary forests and High Carbon Stock (HCS) and High Conservation Value (HCV) areas. Proforest will complete this next phase of their original deforestation risk assessment by the end of the second quarter of 2021.

### Agroforestry – On Behalf of Clients



Throughout the 2019/2020 season, Sucden continued its engagement with PUR Projet within its client programs. PUR Projet assisted 652 farmers from 3 cooperatives (in the regions of Bouaflé, Koupela, Koffi-Diekro, Léléblé, N'Denou, Gbalagoua, Gonaté, Guipri, and Zobea) obtain 59,212 shade tree seedlings for on-farm planting.

In addition, to scale agroforestry further in our programs, we have collaborated with La Société Foncier-Foresterie-Agriculture (FOA) to supply **129,001 seedlings to 6,808 farmers from 24 cooperatives.** 





#### **Our Collaboration with PUR Projet**

"I talk about agroforestry to my children; I tell them it is a good thing. I tell them they must replant the trees that have been unrooted to restore the ecosystem that cocoa trees need to thrive".

Angelique Sanouidi leads her cocoa farm and her family as she participates in a three-year long agroforestry program, led and implemented by PUR Projet, a project operator that implements agroforestry and regenerative practices at landscape level as well as empowers local communities through trainings and capacity building.

PUR Projet supports farmers to introduce complex multi-specie, high-density agroforestry models in Ivory Coast

At 57 years-old, Angelique Sanouidi was ready to change her life-long cocoa farming practices to pass down a healthier farm to her five children. "I felt we were doing a good thing, working hard today for a better tomorrow. I was happy."

The program's mission is threefold: restoring the ecosystem through high-density agroforestry (~100 trees/ ha), improving local livelihoods by increasing and diversifying revenue, and raising environmental awareness in cocoa-growing communities. The latter by engaging in a three-year agroforestry program to plant 180,000 shade and multipurpose trees with 1,800 farmers by 2022.

#### "Since I was trained in agroforestry, the way I farm has changed a lot."

Fostering local agroforestry expertise is essential and dedicated technicians, hired by the cooperatives, are trained by PUR Projet on agroforestry principles and benefits, tree planting, maintenance and monitoring. The Sanouidi farm, located in the village Koupella, received tailored attention from the coop's technician who supported Angelique in selecting the optimal parcels for the incorporation of shade trees and choosing diversified and compatible tree species that would not compete with the farm's current root systems. Angelique Sanouidi learned to plant seven different tree species. She also implemented procedures to monitor the trees she had planted for survival verification. The benefits of installing a tree-monitoring routine extend beyond the training's scope, facilitating proper pest and disease management and the implementation of other good farming practices that improve farm productivity in the long term.

#### "What I planted yesterday will return to me in the future, I have already observed an increase in my revenues."

The Sandouiti household's revenues are expected to increase as their shade and multi-purpose trees grow and shield cocoa trees from harmful, constant sun-exposure, as well as improve the farm's soil quality. Furthermore, the program also incorporates tree survival-rate based financial incentives for more immediate financial rewards. Introducing this incentive crucially propels consistent plant monitoring for each tree's first two years (their most fragile stage) and provides support to farming families, as they shift their farming practices.

Angelique Sanouidi emphasizes that "this project brought (her) closer to her community" as the project's structure creates an integrated community approach to agroforestry. Two local community nurseries, managed by women's associations, were built to produce tree seedlings, local logistics and distribution teams involved more community members who were trained to run optimized distribution lists to reduce tree seedling mortality rates...

While Angelique Sanouidi extends her "thanks to all who helped train (her)" and other farmers to plant 59,212 seedlings from 10 different species by September, Angelique Sanouidi claims "this is not enough."

"My farm makes up only three hectares. I implore you to keep spreading this knowledge so we can all contribute to true and sustained improvements to the environment".

### Agroforestry – Sucden's Commitment

In 2019/20, Sucden initiated another partnership with FOA to co-develop a medium-density agroforestry model (25-50 shade trees/ha), as an optimal alternative to the lower density agroforestry systems (10 - 15 shade trees per ha). This agroforestry project also includes the distribution of Payment for Environmental Services to farmers involved to maximize tree survival in the early years when trees are most sensitive, as well as the delivery of land certificates to secure land and tree tenure, and the monitoring and maintenance of planted area over three years to ensure the project's long-term success. The implementation of activities within the scope of this project will begin in 2021. Funding for this project has come in part from develoPPP.de, which is co-financed by the DEG from public funds of the German Federal Ministry for Economic Cooperation and Development.



Sucden is also participating in the West Africa Cocoa Farm Dataset and deforestation risk assessment. 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.

The risk assessment will 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 Production and Farmer' Livelihoods

#### Farmer's Coaching - On Behalf of Clients



During the 2019/2020 season, as part of its programs, Sucden developed a **farmer coaching module** to enable farmers to produce more on less land. Through its partnership with Solidaridad West Africa, farmers are taught how to apply fertilizers in an optimal manner, thereby promoting rational use amongst farmers.

Moreover, coaches guide farmers on good agricultural practices, which have a track record of improving yields, such as the correct spacing between trees and efficient canopy design for proper aeration. Farmers are coached both in groups of 20 to 30 people and individually, so that they receive personalized advice, tailored to their farms. As part of this program, Sucden co-developed a Sustainable Agricultural Practices (SAP) assessment tool, based on 14 field observations, that evaluates whether farmers are adopting good agricultural practices. Based on the findings of the tool, farm improvement recommendations can be specifically designed for each participating farmer.

In total, 12,469 farmers were trained on sustainable agricultural practices, and Sucden initiated its coaching program with 6,297 farmers in 2020.



# **Community Engagement**

#### Women's Empowerment and Income Generating Activities – On Behalf of Clients



Sucden sees that women's empowerment and supporting women to develop income generating activities can contribute to preventing deforestation, as this work can improve household and farm-level income. As such, these activities can directly tackle a potential driver of deforestation—poverty. Sucden has partnered with Solidaridad West Africa to support 165 women with training on income diversification, financial literacy, business plans, and good nutritional practices.

In addition, Sucden provided direct support to women in 2 communities to implement collective income generating activities. Women received cassava chippers to produce and sell attieke or placali as another way to increasing family income. Furthermore, Sucden supported them to store these goods in warehouses. A next step of this project will be to link participating women to Village Savings and Loans Associations, so that they can further invest in their new businesses.





#### **Our Collaboration with Solidaridad**

"If you had known me before, and came to see me today, you would undoubtedly have noticed a change."

Ardjouma Biago is 52 years-old and her family owns and resides on one hectare of cocoa farmland located in the Koupella village of Ivory Coast and supplying the cooperative SOCOOFEM based in Bouaflé. Ardjouma Biago noticed she "did not have the money to eat" or properly feed her family of seven, without borrowing consistently. To contribute to her family with sounder financial and nutritional decisions, Ardjouma Biago joined 164 other women in their efforts to achieve financial literacy, diversify their families' incomes, fight food insecurity, and prevent child malnutrition. The program, provided by Solidaridad West Africa, an NGO dedicated to sustainable supply chains, is composed of three courses: Financial Education, Income Generating Activity and Nutrition.

The program's syllabus empowers women to participate in their families' income generation by teaching them how to develop Income Generating Activities (IGAs). Ardjourna Biago learned to calculate profit margins, evaluate market potential and compute cashflow analyses. Following this process, Ardjourna Biago decided to jump into the livestock breeding business, and looks forward to securing "a three-month loan from a Village Savings and Loans Association" (VSLA) built by Solidaridad as part of the Cocoa Rehabilitation and Intensification Program (CORIP II), funded by the Netherlands' embassy in Ghana. Follow-up meetings were set with coop agents serving as coaches to guide these women through their new entrepreneurial ventures.

"Since I started budgeting for my family's needs and for our savings, I have noticed I have more money left over, as well as peace of mind."

The training's financial education modules helps the participating women to improve their position in the household and determine their families' financial goals. Ardjourna Biago was taught to create time-adjusted budgets, and short to long term savings goals based on annual income. Ardjourna Biago describes that crop diversification, which she learned to implement during her training, was crucial to meeting her daily savings objectives. Ardjourna Biago describes that she has since given "some of (her) savings to (her) son so that he could start a small farm".

A 20-30% stunted growth prevalence exists among cocoa communities that suffer from relatively unpredictable cashflows. As a mother of five, Ardjouma Biago particularly resonated with the Nutrition training for its emphasis on children. Participants were taught to identify and remediate malnutrition in children; age and gender specific nutritional requirements were emphasized. Ardjouma Biago was sensitized towards selecting certain types of perishables and non-perishables in coordination with her household's revenue flow to optimize her meals and nutritional content throughout the year. Her family enjoys recipes she learned to prepare during the training which utilize ingredients that now grow on her plantation such as bananas, peanuts and nutritious non-perishables like corn and rice.

Ardjourna Biago's life has changed, and she has become an uplifting vector for sensitizing her community.

"I try to tell the women in my community that budgeting, and crop diversification is life-changing. I also tell them to make sure that their children are hydrated!"



#### Women's Empowerment and Income Generating Activities – Sucden's Commitment



Through its membership of the Cocoa and Forests Initiative, Sucden has intensified its interest in the potential of agroforestry and women's empowerment to prevent deforestation.

We assist farmers with improving their incomes.

Through 2021, Sucden will continue to co-develop its medium density agroforestry model.

We are looking to scale the model this across our supply chains in Côte d'Ivoire.

Our objective is to accelerate women's empowerment by:

- Promoting Village Savings and Loans Associations, with support from the Sucden Foundation and
- Income Generating Activities and
- Embedding a gender lens into its work



# **CFI Company Progress Report Tracking Table for Côte d'Ivoire**

Commitment	Actions	Indicator	2022 Target	# through direct investment (Oct 2019- Sept 2020)	# on behalf of clients (Oct 2019- Sept 2020)	# Total through direct investment (since 2018)	# total on behalf of clients (since 2018)
Forest Protection and Restoration							
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	15000	0		0	
	4.2 Support cocoa farmers to acquire land (tenure) documentation	# and % of farmers with land tenure	600 (3%)	0		0	
		agreements/documentation etc. obtained via	570	0		0	
		company support	30	0		0	
6. Public-private collaboration to mobilize resources for forest protection and restoration	6.1 Mobilize finance for forest protection and restoration			0	652		652
		# Individuals receiving PES: New		0	619		619
				0	33		33
			400	0			
		# Individuals receiving PES: Total Active	380	0			
			20	0			
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	# farmana analisina anafarantan	1 160	0	5 153		7 460
		# farmers applying agroforestry	1 102 58	0	4 895 258		7 087 373
		# multi-purpose trees distributed for on-farm planting		0	178643		178643
		# hectares cocoa agroforestry in development	1160	0	22915		22915
Sustainable Production and Farmers' Livelihoods							
11. Promote financial inclusion and innovation to deepen	11. Offer financial products to famres and promote		240	0			
farmers' access to working capital and investment funds for	ers' access to working capital and investment funds for farmer savings		24	0			
production and farm renovation.			216	0			
		d Community Engagement	Т		T		XIIIIIIIIIIIII
15. Development of action plans for forest protection and	5.1 Develop forest protection & restoration and	# of individuals participating in women's	240	165			
storation, and sustainable agricultural intensification that are gender		empowerment projects and activities	24	0			
are gender and youth sensitive.	and youth sensitive	, ,,	216	165			
# Far	rmers in direct supply/ member sustainability programs				1160		



# Ghana

### **Forest Protection and Restoration**

#### Mapping and Risk Assessment – On Behalf of Clients



In Ghana, through its client programs, Sucden partners with two farmer organizations, Cocoa Abrabopa Association (CAA) and Kuapa Kokoo Farmers' Union (KKFU). In 2020, Sucden continued to polygon map farmers and their plots in the direct supply chain.

In addition, Sucden partnered again with Proforest to update its deforestation risk assessment to include protected areas, as well as primary forests and **High Carbon Stock** (HCS) and **High Conservation Value** (HCV) areas. Proforest will complete this updated risk assessment by the end of the second quarter of 2021.



# Agroforestry – On Behalf of Clients

On an annual basis, CAA carries out a shade tree needs assessment to understand farmers' needs in terms of shade trees. During the 2019/2020 season, Cocoa Abrabopa Association supported its members by distributing **2,158 shade tree seedlings to 120 farmers**.



**Kuapa Kokoo Farmers' Union** also supported its members by distributing **10,000** shade tree seedlings (such as *Emire, Ofram, Odum* and *Manzonia*) to **729 farmers.** 



### Sustainable Cocoa Production and Farmers' Livelihoods

# **Training on Good Agricultural Practices – On Behalf of Clients**

Our partner, Cocoa Abrabopa Association, trained **7,568 farmers on Good Agricultural Practices**, during the 2019/2020 season. To deliver this training, CAA has put in place the following structure: an operations officer who oversees **4 regional managers and 34 technical coordinators**. The technical coordinators deliver the training in the field.

Training focuses on the following topics: pruning, weeding, soil fertility management, appropriate application of plant protection chemicals and appropriate application of fertilizers.

#### Cocoa Seedling Distribution - On Behalf of Clients



Kuapa Kokoo Farmers' Union enabled its members to access over **300,000 improved cocoa seedlings**, assisting **745 farmers to produce more on less land**. These seedlings were distributed from 48 cocoa nursery sites that are established in **48 communities**, across **5 cocoa districts**.

Kwaku Nsiah is a cocoa farmer in Apresuiagya in the Akontombra district with 20-years' cocoa farming experience. **He has a household size of 9, and 5 cocoa farms that total 30 acres**. He has received **1,900 cocoa seedlings** to renovate his farm.



# **Community Engagement and Social Inclusion**

#### Village Savings and Loans Associations – On Behalf of Clients

During the 2019/2020 season, we initiated a partnership with Solidaridad West Africa to support the establishment of Village Savings and Loans Associations. During the 2020/2021 season, Sucden, through the Sucden Foundation and its client, will set up **10 VLSAs with 125 members**.

#### Women's Empowerment - On Behalf of Clients



Participants engaging in bread-making.



During the 2019/2020, Kuapa Kokoo Farmers' Union completed a training and set up **209 women in off-farm livelihood** options to empower women in the program areas.

Toward this goal, a baseline study and needs assessment were conducted to identify the existing condition of farmers and their communities and to understand their preferences for income generating activities. **28 communities** with organized women's groups were selected for this activity. The women in **25 communities** opted for soap making (tablet and liquid), whereas the remaining **3 communities** opted for breadmaking business.

Eight women from each community were selected and trained on livelihoods, business and financial management. The project supplied the communities with items and ingredients needed to set up and start business. In total, **209 women** were trained to serve as **trainers and mentors** for the remaining women in the various communities.

Cocoa Abrabopa association empowered women by offering women a **50% discount on their subscription to the farmer association**. The objective of this discount was to increase the membership of women within the Association. Women also received a **50% discount on all requests for land tenure documents**. They were also encouraged to take up leadership roles within the association and their communities.

# Women's Empowerment – *Sucden's Commitment*

Sucden believes that empowering women and the young are key drivers to prevent deforestation and child labour.

Tackling deforestation and environmental degradation will lead to improved productivity of cocoa and can potentially increase cocoa household incomes.

Sucden has set as an objective to intensify and support the distribution of multi-purpose trees for on-farm planting and restoration through our agroforestry program.





Sucden is continually deepening its engagement in all these types of activities.

# **CFI Company Progress Report Tracking Table for Ghana**

Commitments	Actions	Indicator	2022 Target	# through direct investment (Oct 2019-Sept 2020)	# on behalf of clients (Oct 2019-Sept 2020)	# Total through direct investment (since 2018)	# total on behalf of clients (since 2018)					
Forest Protection and Restoration												
Social Inclusion and Community Engagement												
protection and restoration, and sustainable	15.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive	# of individuals participating in women's	TBD TBD	0 0	o o							
			TBD	o	o							
		# individuals participating in youth	TBD	0	o							
			TBD	0	0							
			TBD	0	0							
# Farmers in direct supply/member sustainability programs		1000										

