



## Sucden's Progress on Implementing the Cocoa and Forests Initiative

### PRIVATE SECTOR PROGRESS REPORT

## I. Foreword by Richard Scobey of the World Cocoa Foundation

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



## II. The Context

### What is the Cocoa and 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' 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 timebound 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 Reducing Emissions from Deforestation and Forest Degradation (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, CFI companies released initial action plans for 2018-2022. These initial plans detail how the private sector will 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 Dutch Ministry of Foreign Affairs, the German Federal Ministry of Economic Cooperation and Development, the Global Environment Facility, the Green Commodities Program of the United Nations Development Program, the International Finance Corporation, the United Kingdom's Department for International Development, the

United States Agency for International Development, and the World Bank.

CFI is coordinated closely with a wide range of global and local environmental organizations and partnerships, including the Amsterdam Declaration Partnership, Climate Focus, the German Initiative on Sustainable Cocoa, Partnerships for Forests, Proforest, Rainforest Alliance, Tropical Forest Alliance, World Resources Institute, World Agroforestry (ICRAF), and the World Wildlife Fund.

The industry is committed to ending deforestation and forest degradation throughout the global supply chain. In 2018, we have expanded CFI from West Africa to Latin America, with the Cocoa, Forests & Peace Initiative in Colombia.



## 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, 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.

### III. Sucden’s Progress on Implementing the Cocoa and Forests Initiative

Sucden became an active member and signatory of the Cocoa & Forests Initiative (CFI) in mid-2019. Sucden shares the concerns over deforestation that CFI is meant to address, and our joining of the initiative is a further signal of our commitment to work, along with the other members of CFI, to eliminate deforestation within our direct supply chain. Since joining CFI, we have focused the majority of our efforts on better understanding the situation with respect to cocoa farming and forests in our direct supply chain – in line with the three pillars of CFI. As such, in 2019, Sucden accelerated its efforts to address deforestation in Côte d’Ivoire and Ghana.

While our efforts with farmers in our direct supply chain have always been undertaken in a responsible manner, the objectives of CFI within its three pillars have required changes in the actions that need to be supported within these farmer groups. Given that Sucden is a supplier to major chocolate manufacturers, our initial focus of activity has been to work with our clients to meet their needs by implementing programs in the supply chains that produce cocoa for their use in a manner that meets their and our CFI commitments.

It is noted that in terms of our CFI commitments, many of Sucden’s target areas are still described as “target to be finalized in 2020”. This is due to our continuing effort at understanding how best to address the challenges that exist with respect to deforestation in our supply chains in Côte d’Ivoire and Ghana. With this greater understanding we are confident that our future targets, focus areas, and activities related to CFI will be set during the coming year and will significantly add to the impact of CFI, overall.

## *Côte d'Ivoire*

With respect to CFI Pillar 1, actions for the protection and restoration of forests, Sucden undertook a significant effort and was able to complete the perimeter (polygon) mapping of 17,297 cocoa farms operating within our direct supply chain that we manage on behalf of clients in Cote d'Ivoire during 2019. Sucden also completed a deforestation risk assessment of its Cote d'Ivoire supply in July 2019. This risk assessment is further informing our activity plan as we set more specific and longer-term goals.

Our efforts in line with CFI Pillar 2, actions for sustainable production and producers' income sources, have concentrated on the delivery of shade and other economically valuable trees to farms by way of work with third parties having this specialized expertise. We have also focused on training farmers on good agricultural practices and crop diversification. Through these actions, we expect to see farmers diversify their income, produce more cocoa on less land, and rehabilitate their land through replanting of shade trees.

CFI Pillar 3 involves actions for community participation and social inclusion. While we are further evaluating our specific actions in this pillar, through our partners, we have supported gender programs. Specifically, we worked with an expert organization to train women from cocoa growing communities on agricultural intensification, financial management and nutrition.



## Ghana

With respect to CFI Pillar 1, actions for the protection and restoration of forests, Sucden undertook a significant effort and was able to complete the perimeter (polygon) mapping of 24,879 farms operating within our direct supply chain in Ghana in 2019. 1,929 of these farms were through Sucden's direct investment, while the remaining farms were mapped on behalf of clients either by our implementing partners themselves or by service providers with expertise in carrying out polygon mapping digitally. Sucden also completed a deforestation risk assessment of its Ghana supply in July 2019. This risk assessment is further informing our activity plan as we set more specific and longer-term goals.

Our efforts in line with CFI Pillar 2, actions for sustainable production and producers' income sources, have concentrated on training farmers on good agricultural practices, on adopting the Climate Smart Cocoa Standard, and on crop diversification. We have also focused efforts on helping farmers to procure improved cocoa seedlings. Through this work, we expect farmers to increase their productivity per hectare, improve the soil fertility and moisture on their farms, and diversify their incomes.

CFI Pillar 3 involves actions for community participation and social inclusion. While we are further evaluating our specific actions in this pillar, through an implementing partner, we have supported a gender program. This program aimed at ensuring women's active participation in cocoa farming and in the community by improving the participation of new women members, providing equitable access of extension services to these women, improving land tenure security of women, and enhancing women's leadership and decision-making power within the organization.



## IV. Annex 1- Progress Based on Frameworks for Action for Côte d'Ivoire

CFI Company Tracking Table for Côte d'Ivoire						
Commitment	Actions	Indicator	2022 Target	# through direct investment in 2018	# through direct investment in 2019	# on behalf of clients in 2019
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	# farms mapped	Target to be finalized in 2020			17 297
	1.2 Conduct deforestation risk assessments in all direct sourcing areas	# ha included in deforestation risk assessment	Target to be finalized in 2020		90 000	65 985
2. Elimination of cocoa production and sourcing in National Parks and Reserves in line with promulgation and enforcement of national forest policy and development of alternative livelihoods for affected farmers	2.1 Adopt and publish a system for excluding farmers in the direct supply chain with cocoa production in protected areas	Yes/No			Yes	Yes
3. No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs .	3.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas)	% of direct sourced cocoa is traceable to farm-level	100% of direct supply chain			100%
7. Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened	7.1 Promote and participate in awareness-raising campaigns to educate farmers on the new Forest Code	# farmers reached at awareness events	Target to be finalized in 2020			Forthcoming
	7.2 Update farmer engagement materials and training with the revised Forest Code	Yes/No	Target to be finalized in 2020			Forthcoming
9. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry	9.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting	Target to be finalized in 2020			Forthcoming
		# hectares cocoa agroforestry developed	Target to be finalized in 2020			Forthcoming
Sustainable Production and Farmers' Livelihoods						
11. Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land"	11.3 Train farmers in Good Agriculture Practices (GAPs)	# of farmers trained in GAPs	Target to be finalized in 2020			10662
12. Promote sustainable livelihoods and income diversification for cocoa farmers	12.1 Promote farm-level crop diversification	# farmers applying crop diversification	Target to be finalized in 2020			Forthcoming
	12.2 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multi-purpose trees distributed for on-farm planting	Already reported 9.1			
13. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	13.1 Promote expansion of farmer savings	# farmers participating in VSLA groups	Target to be finalized in 2020			Forthcoming
14. 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.	14.1 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	# farms mapped within direct supply chain	Already reported 1.1			
	14.2 Implement traceability system to farm level in direct supply chain	% of direct sourced cocoa traceable from individual farms to first purchase point	Already reported 3.1			
Social Inclusion and Community Engagement						
17. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive	17.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive	# cocoa communities with gender-focused programs	Target to be finalized in 2020			2

## V. Annex 2- Progress Based on Frameworks for Action for Ghana

CFI Company Tracking Table for Ghana						
Commitments	Actions	Indicator	2022 Target through direct investment	# through direct investment in 2018	# through direct investment in 2019	# on behalf of clients in 2019
<b>Forest Protection and Restoration</b>						
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	# farms mapped	Target to be finalized in 2020		1929	24879
	1.2 Conduct deforestation risk assessments in all sourcing areas.	# hectares included in risk assessment	Target to be finalized in 2020			29687
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status	2.2 Adopt and publish a system for excluding farmers in the supply chain with cocoa production in protected areas.	Yes/No				Yes, we have a standard operating procedure for this
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 End sourcing from all farms identified within Category 1 Forest Reserve areas by 31 December 2019.	Yes/No				Yes, we have a standard operating procedure for this
5. In all areas, a multi-stakeholder landscape approach will be followed, with an initial focus on the six Climate-Smart Cocoa Hotspot Intervention Areas as defined under GCFRP.	5.1 Join one/several HIA(s) in the cocoa-sourcing area	# HIA(s) joined in cocoa sourcing areas	1 HIA joined			N/A
	5.2 Implement GCFRP CSC Good-Practice Guidelines with farmers within the HIAs	# farmers within HIAs have adopted CSC best practices	Target to be finalized in 2020			N/A
7. 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.	7.1 Support farmers with tree registration	# trees registered	Target to be finalized in 2020			N/A
	7.2 Support cocoa farmers to acquire land (tenure) documentation	# farmers with secure land titles	Target to be finalized in 2020			N/A
8. Public sector forest law enforcement and governance will be strengthened	8.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	# farmers reached at awareness events	Target to be finalized in 2020			0
10. 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.	10.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multipurpose trees distributed for on-farm planting	Target to be finalized in 2020			10000
		# hectares of cocoa agroforestry	Target to be finalized in 2020			280 hectares
<b>Sustainable Production and Farmer Livelihoods</b>						
11. Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land."	11.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers	Target to be finalized in 2020			335125
	11.2 Establish and/or provide cocoa nurseries with improved cocoa planting material	# nurseries with improved cocoa seedlings	Target to be finalized in 2020			48
	11.3 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	# farmers trained in GAPs	Target to be finalized in 2020			11526
	11.4 Support cocoa farm rehabilitation	# of hectares of cocoa rehabilitated	Target to be finalized in 2020			90
13. Promote sustainable livelihoods and income diversification for cocoa farmers.	13.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multipurpose trees distributed for on-farm planting # hectares of cocoa agroforestry	Already reported 10.1			
	13.2 Promote farm-level crop diversification	# farmers applying crop diversification	Target to be finalized in 2020			745
15. 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.	15.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data	# farms mapped within direct supply chain	Already reported 1.1			
	15.2 Implement traceability system to farm level in 100% of supply chain by end-2019	% cocoa supply traceable from individual farms to first purchase point				100%
<b>Social Inclusion and Community Engagement</b>						
18. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	18.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive	# cocoa communities with gender-focused programs	Target to be finalized in 2020			N/A
		# cocoa communities with youth-focused programs	Target to be finalized in 2020			N/A