



INDCRESA 2020 Annual CFI Progress Report

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FOREWORD

From Indcresa we are aware of the supply chain risks in the cocoa sector and especially the negative impact of deforestation on the environment and climate change. Our main role is to raise awareness among suppliers, customers, and industrial users by taking concrete actions to stimulate the demand for sustainable products and to contribute to the increasing collective commitment toward sustainability.

Indcresa has been manufacturing cocoa products for over 100 years, we believe that in order to achieve transformative change for sustainable cocoa sector, it is necessary companies' engagement from across the whole cocoa chain. As a small medium sized company, we can challenge our creativity to find ways to contribute to tackle deforestation in the cocoa sector in West Africa. We think commitment of governments is crucial. However, every single player in the supply chain must have an active role to reverse deforestation, from the farm to the final consumer.

In this context we decided to implement a specific action plan in Ghana to help protect and restore forests, to support sustainable production and farmer livelihoods, to promote social inclusion and cocoa community engagement. Although we do not have presence in origin, we have developed a project together with one of our suppliers to address mapping and traceability, conduct a risk assessment and promote agroforestry with farmers.

Our mission Indcresa is a family owned business specialized in cocoa powder that offers good quality products at competitive prices focussing on customer satisfaction and needs. Its purpose is always to achieve excellence and to establish synergies with customers and suppliers in a sustainable and environmentally friendly way.

WHAT IS 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' 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 signatory companies¹ 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

¹ Barry Callebaut, Blommer Chocolate Company (1), Cargill Cocoa and Chocolate, Cémoi (1), Chocolats Halba (2), Cocomact, Cococo Chocolatiers, ECOM Group (2), Fazer, Ferrero, GCB Cocoa (1), General Mills Inc., Godiva Chocolatier Inc., Guittard Chocolate Company, The Hershey Company, Indcresa (2), Kuapa Kokoo (2), Lindt & Sprüngli Group, Marks & Spencer Food, Mars Wrigley, Meiji Co. Ltd.(2), Mondelez, Nestlé, Olam Cocoa, PBC Limited(2), Sainsbury's, SIAT(1), Sucden, Tesco, Toms Group (2), Touton, Unilever (1), UPL (1), Valrhona, J.H. Whittaker & Sons(2) (1) Côte d'Ivoire only (2) Ghana only

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, 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.

Indcresa COCOA & FORESTS INITIATIVE RESULTS

Forest Protection and Restoration

Touton is supporting Indcresa CFI commitments goals by addressing mapping and traceability, conducting a risk assessment of the supply chain and promoting agroforestry with farmers.

Registration of farmers and mapping requirements

We are mapping and establishing a traceability system for all the farmers that are sourcing cocoa for us to ensure that they are not in protected areas. This is done using a GPS mapping program developed by Touton that uses mobile platforms to capture the profiles of farmers and their cocoa farms through a socioeconomic survey and exact mapping of the farm's location. The output polygons provide detailed information about farmers that our partner works with, including plot size, type and age of cocoa trees grown, the cultivation methods used, fertilizers usage, replanting activities, the use or not of shade trees.

Risk Assessment

To mitigate the risk of leakages, an assessment is conducted to produce a compliance map of the area of intervention. This will serve as a basis for discussion on actions that can be taken in terms of farm and community interventions needed to contribute to better traceability.

Promoting Agroforestry

An important component of agroforestry systems is the inclusion of shade trees in cocoa plots². This takes into consideration the integration of economic shade tree species that provide at least 20-30% shade.

However, surveys on the ground show that many farmers are still at a loss as to how to achieve this. Main reasons invoked by farmers include lack of financial means, lack of knowledge, time or space as well as difficult access to seedlings.

Hence one of the main actions for improving adoption is the continuous effort made in sensitizing cocoa farmers on the benefits of agroforestry and show casing success stories with farmers that are more willing to adopt and transition to agroforestry systems.

² We are provisionally using an average of 25 shade trees per hectare to build into our agroforestry indicator while we work with the sector on more robust agroforestry definitions for future reports.

In 2019 Touton launched a Partnership with Cirad to understand better the cocoa farmers practices in terms of agroforestry in order to propose systems that best fit their needs.

Base line data was collected, and a methodology developed to categorize farmers. The information includes agronomic and socio-economic data to help prioritize areas where the need is higher and where there is a bigger chance of adoption of agroforestry practices. A second more in depth survey was then developed and applied to identify the farmers that are the most interested by an agroforestry system and to give them the necessary technical support that fits best with their agronomic and socio-economic situation.

Based on the survey methodology in 2019 we identified a cohort of farmers who benefited from tree distribution i.e. approximately 15% of the farmers in the Sankore communities.

In 2019, a community shade tree nursery was set-up in the area of Sankore (see results story) that is supervised by qualified agronomists, and aims to distribute up to 2,500 shade trees to farmers per year.

Sustainable Production & Farmer Livelihoods

Farmers are encouraged to explore the benefits of producing additional crops. Training and marketing services are provided to support crop diversification for nutrition improvement, food security and additional income, that all ultimately contribute to increasing farmers resilience.

Community Engagement and Social Inclusion

Support for landscape governance facilitators (Manuals) as well as the development of communication material to sensitize communities on Climate Smart Cocoa production is a key element in fostering the support and understanding of the requirements and challenges by local communities.

Farmers will be receiving sensitization sessions on climate smart cocoa and the latest information on land and tree tenure.

Within the context of a sustainable agricultural intensification action plan, farmers' wives will be supported with capacity building on income generating activities and setting up VSLAs (Village Savings and Loan Associations). Training will be provided in different areas: sensitization on CSC and tree tenure, training on income generating activities in the context of sustainable agricultural intensification action plan for women, as well as training on setting up of VSLAs.

Indcresa TRACKING TABLE- GHANA

Commitments	Actions	Indicator	2022 Target	Achieved 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 supply chain to ensure cocoa is not being sourced from forest land	# farms mapped	1 600	1 178
	1.2 Conduct deforestation risk assessments in all sourcing areas.	# hectares included in risk assessment	3 700	1 898
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 All farms found in protected areas will be reported to the Government	Yes/No	Yes	TBD
	2.2 Adopt and publish a system for excluding farmers in the supply chain with cocoa production in protected areas.	Yes/No	Yes	Yes, system in place
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	TBD
	3.2 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs	# hectares of Category 2 Forest Reserve areas restored:	-	-
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 CSC production including cocoa agroforestry systems	# farmers trained in CSC best practices	1 000	946
	4.2 Train farmers in Modified Taungya System (MTS)	# farmers trained in MTS	-	-
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	-	-
	5.2 Implement GCFRP CSC Good-Practice Guidelines with farmers within the HIAs	# farmers within HIAs have adopted CSC best practices	-	-
6. Up-to-date maps on forest cover and land-use, socio-economic data on cocoa farmers, and detailed operational guidelines covering Category 1 and 2 reserves, will all be developed and publicly disclosed.	6.1 Share maps and data with appropriate government bodies	Yes/No	Yes	Yes
	6.2 Participate in the development of operational guidelines for Category 1 and 2 Forest Reserves	Yes/No	No	Yes

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	-	-
	7.2 Support cocoa farmers to acquire land (tenure) documentation	# farmers with secure land titles	-	-
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	1 000	-
9. 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.	9.1 Mobilize finance for forest protection and restoration	Amount of \$ mobilized towards forest protection and restoration:	-	-
		# hectares with forest protection & restoration financing	-	-
		# farmers participating in PES contracts	-	-
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	10 000	2 221
		# hectares of cocoa agroforestry	400 ³	89
	10.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# native trees planted off-farm	-	-
		# hectares of forest area restored	-	-
	10.3 Train farmers in Modified Taungya System (MTS)	# farmers trained in MTS	-	-
Sustainable Production and Farmer Livelihoods				
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	# million improved seedlings distributed to farmers	-	Not Distributed
	11.2 Establish and/or provide cocoa nurseries with improved cocoa planting material	# nurseries with improved cocoa seedlings	-	-
	11.3 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	# farmers trained in GAPs	1 000	946
	11.4 Support cocoa farm rehabilitation	# of hectares of cocoa rehabilitated	TBD	

³ This is calculated on the basis of 25 trees planted per Ha – calculation method for this indicator will be updated in future reports

12. Develop implementation plans, including mapping of exact areas to intensify establishment of shaded cocoa landscapes in line with GCFRP, with the promotion of Climate Smart Cocoa and the national Climate Smart Cocoa Standard.	12.1 Promote the Climate Smart Cocoa Standard	# of farmers adopting CS: TBD	500	-
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	10 000	
		# hectares of cocoa agroforestry	400	
	13.2 Promote farm-level crop diversification	# farmers applying crop diversification	-	-
14. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	14.1 Promote expansion of farmer savings	# farmers in supply chain with a savings account	-	-
		# farmers participating in VSLA groups	400	-
	14.2 Offer financial products to farmers	# farmers offered a financial product	-	-
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	1 600	1 178
		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%
Social Inclusion and Community Engagement				
16. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	16.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# communities with consultation sessions	-	-
17. Promote community-based management models for forest protection and restoration.	17.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/protection	# cocoa communities with active forest restoration and protection program	TBD	-
		# hectares under CBNRM	-	-
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	TBD	-
		# cocoa communities with youth-focused programs	TBD	-

TBD = To Be Determined, following additional inputs from Government

BRINGING SHADE TREES TO THE DOORSTEP OF COCOA FARMERS IN SANKORE



'Your help has really relieved me of a big headache. I know that I need to have some shade trees on my farm but my problem was where to get them, how to transport them to my farm and how to nurture them. Thanks to this intervention, it has helped me out of this problem'

Appiah Justice, a farmer in Adwumakase community

One of the major requirements of Ghana Cocoa Board (COCOBOD) for cocoa farmers in Ghana is the provision of shade trees for their cocoa plant at every stage of growth cycle of the plant. A shade tree is any crop plant or forest tree whose primary role is to provide shade in the surrounding environment of the cocoa plant due to its spreading canopy and crown, where it may give shelter from sunlight in the heat of the day. Young cocoa plants which are less than 2 years old require temporal, smaller stem and base roots shade trees such as cassava and plantain to provide the needed shade for the plant's growth. Permanent shade trees such as the forest trees species are required for matured and older cocoa trees.

The Ghanaian cocoa farmer is mostly confronted with the challenge of accessing shade trees especially permanent shade trees for their mature and older cocoa trees. They don't know where to get them and even when they get them, how to transport them to their farms without causing injuries to the young shade tree seedlings through shocks and external force.

To address this, Indcresa through Touton is setting up shade tree nursery sites in communities.

In 2019, Touton established a 2500 forest shade tree demonstration site at Sankore in the Ahafo region of Ghana on behalf of Indcresa.

Species cultivated were *Terminalia superba*, *Terminalia ivorensis*, *Khaya ivorensis* and *Mansonia altissima*. A total of 2221 shade trees which

represent 89% survival rate were distributed to 106 farmers in 6 communities to plant in their cocoa farms as permanent shade trees. Touton SA provided trucks to support the transportation of shade trees from nursery sites to farmers' farms. This was to reduce the shock that comes with transporting seedlings. In addition, all the 106 farmers received training on climate smart cocoa practices and how to mitigate against deforestation.



Farmers uprooting shade trees from nursery site



Loading shade trees into truck for distribution to farmers

Indcresa – 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.

In 2020 Indcresa will continue to roll out activities that contribute to the 3 key priorities under the CFI Framework.

Village Savings and Loans Associations (VSLAs) play an important role in bringing financial services to rural areas where formal services are very limited. With some basic financial training we can help women set up these VSLA to help them fund their own businesses. We will support the setup of VSLAs in 6 communities starting from 2020 and finishing in 2022.

We will pursue work with partners on tools and systems to improve Landscape governance, deforestation risk assessment and Forest Monitoring and Remediation capacity.