



## ***INDCRESA CFI Progress Report 2020***

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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 a more sustainable cocoa sector, it is necessary companies' engagement from across the whole cocoa chain. As a small medium sized company, we have found ways to contribute to tackle deforestation in the cocoa sector in West Africa. We think commitment of governments is crucial and during last year private sectors and governments in Ghana and Côte d'Ivoire have taken important steps; however, every single actor in the supply chain must have an active role in reversing deforestation, from the farm to the end consumer.

For this reason, we decided to implement an action plan in Ghana to protect forests, support sustainable production and farmer livelihoods, and 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 focusing 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 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 ([Côte d'Ivoire](#) and [Ghana](#)) and action plans for the private sector ([Côte d'Ivoire](#) and [Ghana](#)) and public sector ([Côte d'Ivoire](#) and [Ghana](#)) that spell out commitments to:

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

The [World Cocoa Foundation](#) (WCF); [IDH, the Sustainable Trade Initiative](#); and the Governments of Côte d'Ivoire and Ghana **drive the** Cocoa & Forests Initiative. The Prince of Wales launched the Initiative in March 2017 and reviewed implementation progress in November 2018.

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. [Côte d'Ivoire](#) and [Ghana](#) respectively lost 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](#).



## What are the Key CFI Commitments?

**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 CFI RESULTS**

### **Forest Protection and Restoration**

Touton is supporting Indcresa's CFI commitments by ensuring traceability with farmer mapping as an initial step and conducting compliance assessment of the supply chain as well as promoting agroforestry with farmers.

### **Registration of farmers and mapping requirements**

We are mapping and maintaining a traceability system for all the farmers that are sourcing cocoa to ensure that they are not in protected areas. This is done using farm polygon mapping as well as farmer socio economic profiling. The output polygons and farm survey provide detailed information on the cocoa farm such as 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 plots. This takes into consideration the integration of economic shade tree species that provide at least 20-30% shade with a minimum of 3 species integrated on farm.

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 showcasing success stories with farmers that are more willing to adopt and transition to agroforestry systems.

In 2019 Touton launched a Partnership with Cirad, the French Agricultural Research Centre for International Development, 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 2020 we identified a cohort of farmers who benefited from tree distribution in the Sankore communities.

During the 2019.2020 Season, a community shade tree nursery was set-up in the area of Sankore that is supervised by qualified agronomists. Its aim is 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 support is 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 are key elements in fostering the support and understanding of the requirements and challenges by local communities.

Farmers have received 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 and farmers have been supported with capacity building on income generating activities and the setting up of VSLAs (Village Savings and Loan Associations). Training was provided on different topics: 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. The program also supported the initial set up of these income generating activities as illustrated in the story of Comfort Owusuaa and Isaac Boafo.

Looking forward towards 2021, we will update the mapping of our sourcing areas, and of our sourcing deforestation risk assessment, a key component of cocoa traceability. We will also be pursuing and scaling-up our support to farmers both in terms of understanding and benefits of agroforestry, as well as of Income Generating Activities (IGA).

## TRACKING TABLE- GHANA

Commitments	Actions	Indicator	2022 Target	# through direct investment Oct 19-Sept 20
<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	<i># of cocoa plots mapped in direct supply chain</i>	1 600	850
		<i># and % of cocoa farms mapped in direct supply chain</i>	1000	571, 51%
	1.2 Conduct deforestation risk assessments in all sourcing areas.	<i># of hectares in the direct supply chain with deforestation risk assessments completed</i>	3 700	824,37
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status.	2.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves (all forest areas)	<i>% of directly sourced cocoa traceable from the farm to the first purchase point</i>		100
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of cocoa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2).	3.1 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs	<i># hectares of Category 2 Forest Reserve areas restored:</i>	-	0
4. In highly degraded off reserve forest lands, cocoa production and sourcing will continue, supported by climate smart cocoa and MTS.	4.1 Train farmers in off-reserve forest lands in CSC production including cocoa agroforestry systems	<i># farmers trained in CSC best practices</i>	1 000	946
			M	710
		F	236	
	4.2 Train farmers in Modified Taungya System (MTS)	<i># farmers trained in MTS</i>	Total	-
		M		
		F		
5. Land and tree tenure reforms, and benefit sharing arrangement to incentivize land owners and users to retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism.	5.1 Support farmers with tree registration	<i># trees registered</i>	-	0
	5.2 Support cocoa farmers to acquire land (tenure) documentation	<i># and % of farmers with land tenure agreements/documentation etc. obtained via company support</i>	Total	0
			M	0
	F	0		
6. Public sector forest law enforcement and governance will be strengthened	6.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	<i># farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration</i>	1000	946
			M	710
			F	236

<b>Commitments</b>	<b>Actions</b>	<b>Indicator</b>	<b>2022 Target</b>	<b># through direct investment Oct 19-Sept 20</b>
7. Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally sustainable cocoa production will be developed.	7.1 Mobilize finance for forest protection and restoration	# Individuals receiving PES: New	-	0
				0
				0
		# Individuals receiving PES: Total Receiving	Total	0
			M	0
			F	0
8. Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves.	8.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions	# farmers applying agroforestry	1 000	112
			M	87
			F	25
		# multipurpose trees distributed for on-farm planting	10000	2500
		# hectares cocoa agroforestry in development	400	125,2
	8.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	# of trees distributed for off-farm planting		0
# hectares of forest area restored off-reserve			0	
8.3 Train farmers in Modified Taungya System (MTS)		# farmers trained in MTS	Already reported 4.2	
<b>Sustainable Production and Farmer Livelihoods</b>				
9. Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land."	9.1 Distribute improved cocoa planting material	# million improved seedlings distributed to farmers	TBD	Not Distributed
	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	# of farmers reached by GAP training programs	1000	946
			M	710
		F	236	
10. Promote sustainable livelihoods and income diversification for cocoa farmers.	10.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	# multipurpose trees distributed for on-farm planting	Already reported 8.1	
		# hectares cocoa agroforestry in development		
	10.2 Promote farm-level crop diversification	# individuals participating in additional Income Generating Activities (IGA's)	300	96
		M	38	
		F	58	



Commitments	Actions	Indicator	2022 Target	# through direct investment Oct 19-Sept 20
11. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	11.1 Promote expansion of farmer savings	# and % individuals in the current reporting year enrolled in a formal financial products and services (loans, insurance, digital payments, and savings [bank/mobile]) with support from companies (excluding cocoa bean pre-financing)	Total	0
			M	0
			F	0
		# of members of VSLA groups in the current year	Total	75
			M	
			F	75
		# of VSLA groups in the current year	5	3
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders.	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data	# farms mapped within direct supply chain	Already reported 1.1	
	12.2 Implement traceability system to farm level in 100% of supply chain by end-2019	% cocoa supply traceable from individual farms to first purchase point	Already reported 2.1	
<b>Social Inclusion and Community Engagement</b>				
13. Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities who are affected by proposed land-use changes.	13.1 Organize cocoa community consultations on the implementation of the Frameworks for Action	# farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration	Already reported 6.1	
14. Promote community-based management models for forest protection and restoration.	14.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/protection	# cocoa communities with active forest restoration and protection program		0
		# hectares under CBNRM		0
15. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	15.1 Develop forest protection & restoration and agriculture intensification action plans that are youth and gender sensitive	# of individuals participating in women's empowerment projects and activities	Total	0
			M	0
			F	0
		# of individuals participating in youth focused projects and activities (age 15-35)	Total	0
			M	0
			F	0

## INDCRESA CASE STUDY

**Different ways to protect the forest whilst improving cocoa farmers livelihoods.**

**By Comfort and Isaac from Assin Bereku, Ghana**

Comfort Owusuaa and Isaac Boafo are two cocoa farmers from Assin Bereku, in Central Ghana. In this region, where cocoa production is the major source of income, CFI partners are supporting farmers with varied initiatives to improve their livelihoods, whilst protecting their environment and local forests.

Comfort and Isaac benefitted from training by CFI partners' agronomists to cultivate vegetables with a double objective to improve nutrition in the community but also to generate extra income, especially during the light crop seasons:

**“My name is Comfort Owusuaa and I am 48 years old. My husband passed away, which means that I own and manage my own cocoa farm, to feed my 10 children. I was looking for new ways to provide for my family, when in December 2019, I decided to try the training program to grow vegetables, on top of cocoa.**

**The agronomists distributed vegetables seedlings to me and many other farmers in the community. I set up a 1-acre vegetable farm and applied the vegetable farming techniques that I learned. After only 4 months of cultivation, I was really happy when I sold my okro and tomatoes' harvest:**

**I made 2000 Ghana Cedis (approx. 290 euros)!”**





**“I am Isaac Boafo. I started cocoa farming in my own plantation 10 years ago, and I work also as a cocoa purchasing clerk. I like to diversify my possibilities to take good care of my wife and child. This is why I joined the vegetable farming program in 2019. Selling the tomatoes that I cultivated myself on 1 acre of land got me 5500 Ghana cedis this season (approx. 797 euros)! “**

A total of 96 farmers, including 58 women farmers, benefited from diversifying crop production. More revenues and nutritional benefits should come from the recent distribution of eggplant and pepper seedlings. New income generating opportunities are important as they mitigate the need for cocoa farmers in the region to encroach on forests for expanding cocoa plantations.

Another service provided by CFI partners to prevent deforestation, is to improve the yield of existing cocoa trees, teaching good agricultural and agroforestry practices, such as planting shade trees and nursing cocoa seedlings.



**Comfort explains: “The shade trees that I planted are helping my cocoa grow better and stop them from dying. I look forward to reviving my cocoa plantation with new trees that I will get from the nursery we set up. I wanted to join the shade tree and cocoa nursery groups because I know this is important and I hope other farmers in the community and my children will understand it too.”**

**Isaac adds: “Since I planted the shade trees, I can definitely see the positive impact on the environment and the yield of my cocoa plantation. I receive great support from CFI partner’s local sustainability staff who helps me with running the day-to-day activities. I advocate for planting shade trees and renewing cocoa trees by taking part into the cocoa nursery initiative. This is all positive and there is nothing that will make me quit these new ways of cultivating cocoa in a climate smart way.”**

