



2021- CFI Progress Report





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Foreword

We are fully committed to the Cocoa & Forest Initiative. With this initiative, we are bringing relevant, necessary, and sustainable changes into the cocoa sector.

As Indcresa, we are proud to contribute to this collective initiative that is in line with our values as a family company and to our sustainability commitment to preserve and create a better and healthier environment.

This year has been very active in the cocoa sector, with the Cocoa Talks discussions in Brussels, addressing the sector's most pressing challenges including deforestation and community resilience.

We are hopeful that this will lead to a positive and lasting change in the cocoa value chain.

Moving forward, Indcresa will continue to strengthen our cocoa sustainability strategy by working closely with our suppliers to address new challenges ahead.



Mario Crehuet & Carlos Crehuet

INDCRESA CEOs



What is the Cocoa & Forests Initiative?

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, 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.

To learn more, follow [#CocoaAndForests](#) on social media, or visit [CocoaAndForests.org](#) and [WorldCocoa.org](#)

What is the Cocoa & Forests Initiative?



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 26% and 9.3% of their humid primary forest between 2002 and 2020, with a significant portion of deforestation attributable to cocoa farming expansion.



Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.



What are the main CFI Commitments?

1 **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 continue to update the maps, including socio-economic data on cocoa farmers, to inform private sector investments.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for the irown purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence legislation. 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.

2 **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.

3 **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.



Indcresa CFI Results

1 Forest protection and restoration

Indcresa's CFI commitments are implemented on the ground by TOUTON, ensuring traceability with farmer mapping as a continuous effort in conducting compliance assessment of the supply chain, as well as promoting agroforestry with farmers.

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 polygon 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.

To mitigate the risk of leakages, an assessment is conducted to produce a compliance map of the area of intervention. This serves as 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 with coaching visits to ensure the management plan is implemented correctly. This takes into consideration the integration of shade tree species that provide economic, productivity and environmental benefits with a minimum of 3 species integrated on farm.

Continuous efforts are 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 to improve adoption. Indcresa continues promoting and supporting this activity by providing access to free shade trees to farmers every year.





2 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.

3 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 (CSC)** 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 continues to support the initial set up of these income generating activities as illustrated in the story of **Akua Dede**.

Success stories



Ms. Akua Dede from the central region of Ghana, is one of the 50 female members of the local VSLA whom took part into the “Black Soap Making” training program

Protecting forests in cocoa production areas also comes from improving and diversifying farmers’ income in a way that prevents the need to cut forests to plant more cocoa.

Indcresa, together with its implementing partner Touton, decided to combine the power of Villages & Loans Associations (VSLA) to boost economic empowerment in cocoa producing communities, especially those of women. The simple savings and loans facilities offered to the women groups, coupled with different skills trainings for alternative “Income Generating Activities” (IGA), led several of them to start their own business, including black soap production and sales.

“My name is Akua Dede. I am 40 years old, and the mother of 7 children. My main activity is to transform cocoa husks into a solid black base we call “Doore”, that is then used to make “Alata Samina”, the black soap.

When I first started, I quickly became discouraged with the low quality of my Doore and almost quit. But last year, I participated to a detailed training delivered by a black soap making expert as part of the VSLA/IGA program by Indcresa and Touton. This really revived my zeal to continue and scale up my Doore production.

Even though the process is tedious, it is a very rewarding activity since the market demand for Doore is high. Also, I leverage on the fact that the raw material (cocoa husk) is readily available. My husband is a cocoa farmer, so after they are broken, I usually collect the cocoa pods from his farm and buy extra pods from neighboring farms. I let them to dry for a week and then burn the cocoa husks and process the ashes to make the Doore and sell it.

On average, if I spend 1000 Ghana Cedis (approx. 122 Euros) on a day’s production, I can generate an income of 1600 Ghana Cedis (approx. 196 Euros)! I use the profit of 600 Ghana Cedis to buy nutritious food for the family, clothes for my children or to fulfil other personal needs”.



"This is also a family effort because both my children and husband help me in the process and learn the production techniques alongside. My husband appreciates the economic benefit and gives me a helping hand when he can.

However, we must remain mindful of the changing climate and weather patterns because during the rainy season, I must slow down, or even stop, the Doore production as it critically affects our ability to dry the husks.

I am appreciative of the push of confidence and courage not to quit that the training brought to me. I can also say that this extra income relieves some of our financial burden. I would gladly attend any future training to continue to develop my skills. "



Shade trees planting in the central region in Ghana

Protecting the existing forest is essential but planting new tree species on existing plots can take us a long way towards the production of climate and forest friendly cocoa. As part of the Cocoa and Forests Initiative program, Indcresa, and implementing partner Touton, are running projects to ensure that several cocoa growing communities in Ghana are provided with seedlings to plant a diversity of shade tree species on their land. They also benefit from training to learn how to care for those trees and make the most of their economic, medicinal, nutritional and environmental benefits.

Isaac Arhin and Kofi Ameyaw are two cocoa farmers from the Central region in Ghana who have benefitted from this program.

"I am a cocoa farmer and I also grow palm trees. The training program we received about the benefits of planting trees reminded us of when our fathers were in charge: the cocoa trees that were in the shade were doing better than the others.

We needed this sensitization training as a "wake-up call" to realize that we should plant shade trees again. Now that we have, we see that the cocoa protected from the sun gives higher yields and larger beans. I planted more seedlings around the whole farm to protect the palm trees too. To date, I only covered 5 out of my 10 acres farm with shade trees and I am looking forward to receiving more seedlings for the rest.

On top of the shade that protects the cocoa trees, there are other numerous medicinal benefits we get from these trees like the Mahogany, Ofram and Emire species", explains Isaac Arhin, 35 years old.





"I live with my wife and 8 children, and I mainly cultivate cocoa to earn my income. When we received the training about the benefits of planting shade trees, I accepted the message. I planted the shade tree seedlings provided by the program at vantage points on my farm so when the sun shines, shade keeps the soil moist. Aside cocoa, I cultivate tomatoes, garden eggs, and rice and planted pear, mango, and yam to feed my household and visitors.

Over the years, we have realized the various benefit of the shade trees. For instance, if a household member falls ill, I can peel off the bark of any tree and soak it in water for medicinal use. This has helped reduce our frequent visits to the hospital and reduced our expenditure."

When asked about the effects of climate change and the role of their children in keeping the forest alive, the two farmers responded that they were transmitting the knowledge to their family members to ensure the resilience of the trees.

Kofi added:

"I have taken it up to teach my children about the climate and the benefits of trees every time we go to the farm, so they appreciate their value for the future. I explain the need to fill the spots left by dead cocoa trees with new shade trees. I describe how to favor the shade trees which leaves won't fall during the harmattan/dry season, so they keep protecting the cocoa and other plantations from the scorching sun.

We are also trying to plant trees in the open areas, outside of the farms, to improve our environment.

In the past, the temperature was not as high as what we are experiencing today. If we don't protect the cocoa, the children who may have interest in farming when they grow older, will face difficulties. If we continuously teach them instead, they will grow up appreciating and caring for the environment."

Testimony of Kofi Ameyaw, 50 years old

Annex



Cross-Cutting KPI's

Cross-Cutting KPI's				
			Ghana	
Indicator I	Indicator	Unit	Value	Additional Data
CC-01	Company has established procurement policies that operationalize sustainable cocoa supply chain commitments, and adequately address social and environmental risks in the supply chain	yes/no	yes	
CC-02	Company assesses their coca supply for compliance or risk of non-compliance to sustainability commitments, applicable law, and internationally-recognized agreements	yes/no	yes	
CC-03	Cocoa Communities in the direct supply chain (use formal nationally recognized administrative units from guidance)	number(#)	41	
CC-04	Households in the direct supply chain (ICI related data point)	number(#)	1108	
CC-05	Farmer-based organizations in the direct supply chain	number(#)	1	
CC-06	Farmers in the full supply chain	number(#)	1108	750
			0	358
CC-07	Individuals benefitting from member sustainability programs	number(#)	1108	750
				358
CC-08	Volume of cocoa beans equivalent sourced from the <u>direct</u> supply chain	metric tonnes(mt)	0	
CC-09	Volume of cocoa beans equivalent sourced from the <u>indirect</u> supply chain	metric tonnes(mt)	0	
CC-10	Volume of cocoa beans equivalent sourced that is verified by 3rd party against a standard	metric tonnes(mt)	0	
CC-11	Total investment by company in sustainability programming	USD	\$20.961	\$3.252 Prosperous Farmers
				\$3.252 Empowered Communities
				\$9.457 Healthy Planet
				\$5.000 Sustainability Operational & Management



Prosperous Farmers

Industry KPI's				
			Ghana	
Indicator ID	Indicator	Unit	Value	Additional Data
PF-IND-01	Farmers reached by GAP training programs	number(#)	1000	700 300
PF-IND-02	Improved cocoa seedlings distributed in Ghana	number(#)	0	
PF-IND-03	Individuals participating in Income Generating Activities (IGAs)	number(#)	300	0 300

Member Sustainability Indicators				
			Ghana	
Indicator ID	Indicator	Unit	Value	Additional Data
PF-01	Individuals participating in training that promotes IGAs	number (#)	300	0 300
PF-02	Farmers with up-to-date/valid FDPs developed and agreed by farmers	number (#)	0	0 0
PF-03	Individuals in the current reporting year enrolled in formal financial products and services with support from company	number (#)	0	0 0
PF-04	Farmer-based organizations with a capacity assessment and business management plan completed	number (#)	1 1	
PF-05	Farmer-based organizations receiving capacity building support based on business management plan	number (#)	1 1	
PF-06	Farmers trained on harvest and post-harvest practices that impact flavor and quality	number (#)	1000	700 300
PF-07	Farmers with land tenure agreements/documentation obtained via company support	number (#)	0	0 0



Empowered Communities

Industry KPI's				
			Ghana	
Indicator ID	Indicator	Unit	Value	Additional Data
EC-IND-01	Households in the direct cocoa supply chain covered by effective & sustainable child protection/ HRDD systems that assess and address child labor	number(#)	0	
EC-IND-02	Women in cocoa-growing communities that are members of VSLA groups	number(#)	300	
EC-IND-03	Industry co-financing mobilized for education	USD	\$0,00	

Member Sustainability Indicators				
			Ghana	
Indicator ID	Indicator	Unit	Value	Additional Data
EC-01	Communities covered by CNA & CAP for community development activities	number (#)	0	
EC-02	Classrooms built/renovated through member sustainability programs	number (#)	0	
EC-03	School facilities built/renovated through member sustainability programs	number (#)	0	
EC-04	At-risk households covered by HRDD measures that prevent and address forced labor risks	number (#)	0	
		percentage (%)	0%	
EC-05	Members of VSLA groups in the current year	number (#)	300	0 300
EC-06	VSLA groups in the current year	number (#)	2	
EC-07	Individuals participating in youth focused projects and activities (15 - 35 years old)	number (#)	139	108
				31
EC-08	Individuals participating in women's empowerment projects and activities	number (#)	300	0
				300



Healthy Planet

Industry KPI's				
				Ghana
Indicator ID	Indicator	Unit	Value	Additional Data
HP-IND-01	Cocoa related deforestation in the direct supply chain	hectares(ha)	0	
HP-IND-02	Directly sourced cocoa traceable from the farm to first point of purchase	metric tonnes(mt)	0	
HP-IND-03	Farms mapped within direct supply chain	number(#)	1108	
HP-IND-04	Cocoa agroforestry in development	hectares(ha)	108	

Member Sustainability Indicators				
				Ghana
Indicator ID	Indicator	Unit	Value	Additional Data
HP-01	Cocoa plots mapped in the direct supply chain	number (#)	1422	
HP-02	Area within the direct supply chain with DRAs completed	hectares (ha)	1316	
HP-03	Cocoa communities with active forest restoration and protection programs (CBNRM)	number (#)	0	
HP-04	Area under CBNRM	hectares (ha)	0	
HP-05	Farmers receiving PES	number (#)	0	0
			0	0
			0	0
			0	0
HP-06	Farmers applying agroforestry	number (#)	108	
HP-07	Forest area restored	hectares (ha)	0	
			0	
HP-08	Farmers trained in CSC best practices	number (#)	1000	
HP-09	Trees distributed for off-farm planting	number (#)	0	
HP-10	Multi-purpose trees distributed for on-farm planting	number (#)	2500	
HP-11	Farmers informed, trained, and / or consulted on the new Forest Code, law enforcement, forest protection, and restoration (CDI)	number (#)	1000	
	or Farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration (GH)			





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