



Valrhona Annual Progress Report - Ghana

1. FOREWORD

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.

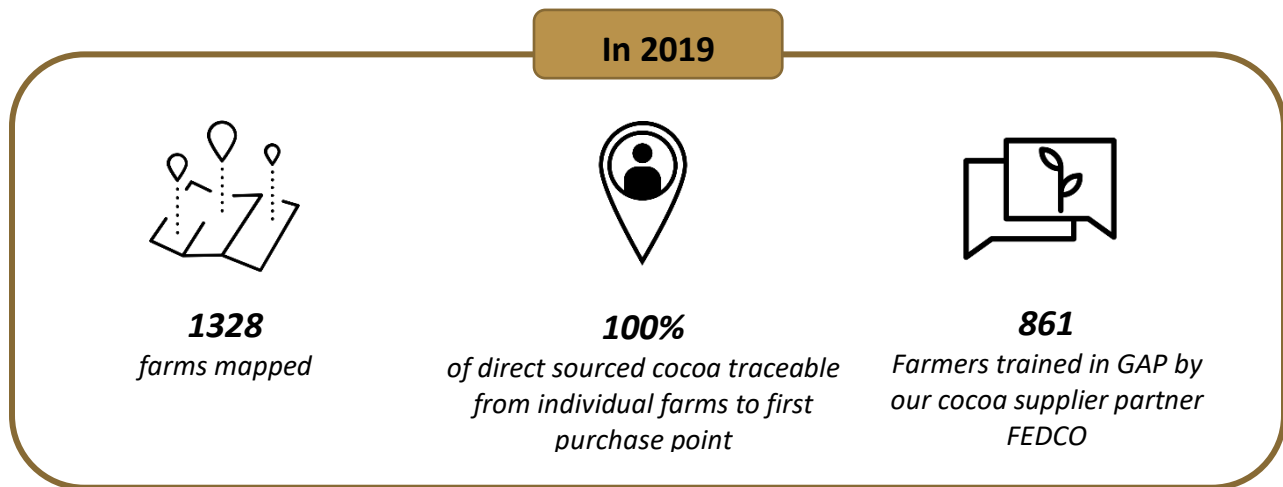
As we look at this first year of implementation, we are proud of the Cocoa & Forests Initiative's first steps and are determined to keep our eyes on the prize: end deforestation and restore forest areas. We are not there yet and need to intensify our efforts. In 2020, we will notably accelerate private 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

2. VALRHONA’S KEY FACTS & FIGURES



3. WHAT IS THE 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 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.

4. 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.

5. VALRHONA’S COCOA & FORESTS INITIATIVE RESULTS

Forest protection and restoration

In 2018, we financed the polygon mapping of 1328 farms belonging to 760 farmers in eight communities in Tarkwa, situated in the country’s Western Region. This level of traceability is vital in enabling us to eradicate deforestation from our supply chain and to take targeted action to preserve forests. At the time, a total of 818 producers were supplying us with cocoa in Ghana via our partner FEDCO. In 2019, however, our supplier base evolved somewhat: the number of producers providing us with cocoa expanded from 818 to 1408 and the total number of communities grew to 11. Three of the original eight communities were moreover replaced with new ones.

We are now working on updating our farm boundary mapping to include these new producers’ farms. We will finish this mapping by the end of 2020.

Today, 100% of our Ghanaian cocoa is traceable to from individual farms to first purchase point.

Sustainable production and farmer’s livelihoods

Over the past two years, our partner FEDCO has provided producers with training in order to boost sustainable production and improve farmers’ livelihoods.

The training program covers:

1. Good Agricultural Practices:
 - Establishing and maintaining a cocoa farm
 - Farm sanitation management
 - Pruning, weeding and removal of diseased cocoa pods and branches
 - Integrated pest management
2. Crop protection and storage of agro-chemicals
3. Child labor and working conditions
4. Harvest and post-harvest processes
5. Waste management and environmental protection, including protection of waterways and forest and shade tree management

In 2018, 663 out of 818 producers received training and in 2019, 861 out of 1001 producers were trained.

6. LOOKING FORWARD TO 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.

Over the coming years, Valrhona will work to achieve its mission to create a fair and sustainable cocoa sector. This means continuing to progress towards our goals to fight deforestation and promote sustainable cocoa cultivation, including our CFI aims around traceability, deforestation risk assessments, GAP training and cocoa farm rehabilitation (see tracking table below) as well as the commitments detailed in our [Forests and Agroforestry policy](#).

We will also work to improve cocoa communities' living and working conditions in Ghana and to uphold Human Rights. Working in hand in hand with our supplier partner FEDCO, we will continue our project to improve access to education in the 11 communities from which we source. Since its launch in 2017, the project has reached 1120 children. By 2022, we aim for this number to be 4882. We implemented a minimum price for our Ghanaian cocoa producers for the 2018/19 harvest and will continue to guarantee them a minimum farmgate price going forward. This action represents the first step towards achieving our ambition of ensuring that all of our producers earn a living income.

ANNEX 1: TRACKING TABLE / GHANA
Valrhona CFI 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
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	<i># farms mapped</i>	818 farms mapped by end of 2019, equaling 100% of the farms we source from.	0	Cumulative: 1328 farms, belonging to 760 producers The number of producers, and thus farms, supplying us has increased since we set our mapping target in 2018. This is why this figure is a 62% increase on our 2022 target.	
	1.2 Conduct deforestation risk assessments in all sourcing areas.	<i># hectares included in risk assessment</i>	# hectares included in risk assessment to be determined once we have completed polygon mapping of farms	TBC	TBC	
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	<i>Yes/No</i>				
	2.2 Adopt and publish a system for excluding farmers in the supply chain with cocoa production in protected areas.	<i>Yes/No</i>				
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.	<i>Yes/No</i>				
	3.2 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs	<i># hectares of Category 2 Forest Reserve areas restored:</i>				

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>				
	4.2 Train farmers in Modified Taungya System (MTS)	<i># farmers trained in MTS</i>				
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	<i># HIA(s) joined in cocoa sourcing areas</i>				
	5.2 Implement GCFRP CSC Good-Practice Guidelines with farmers within the HIAs	<i># farmers within HIAs have adopted CSC best practices</i>				
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	<i>Yes/No</i>				
	6.2 Participate in the development of operational guidelines for Category 1 and 2 Forest Reserves	<i>Yes/No</i>				
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	<i># trees registered</i>				
	7.2 Support cocoa farmers to acquire land (tenure) documentation	<i># farmers with secure land titles</i>				
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	<i># farmers reached at awareness events</i>				
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	<i>Amount of \$ mobilized towards forest protection and restoration:</i>				
		<i># hectares with forest protection & restoration financing</i>				
		<i># farmers participating in PES contracts</i>				
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	<i># multipurpose trees distributed for on-farm planting</i>				
		<i># hectares of cocoa agroforestry</i>				
	10.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	<i># native trees planted off-farm</i> <i># hectares of forest area restored</i>				
	10.3 Train farmers in Modified Taungya System (MTS)	<i># farmers trained in MTS</i>				
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				
	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	# 640 farmers in 8 communities trained in GAPs by 2022	FEDCO: 663 producers received training in GAPs	FEDCO: 861 producers received training in GAPs	
	11.4 Support cocoa farm rehabilitation	# of hectares of cocoa rehabilitated	# of hectares of cocoa rehabilitated: TBD	0	0	
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 CSC: TBD				
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				
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				
	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	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% by 2022	100%	100%	The number of producers supplying us has increased since we set our targets in 2018. 100% of our direct sourced cocoa was traceable to farm level in 2019.
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	<i># communities with consultation sessions</i>				
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	<i># cocoa communities with active forest restoration and protection program # hectares under CBNRM</i>				
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	<i># cocoa communities with gender-focused programs # cocoa communities with youth-focused programs</i>				