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## Cocoa & Forests Initiative Progress Report 2020

### 1. ABSTRACT

Cocoa farmers, their families, communities and trade representatives are aware cocoa production is in crisis. The companies who source cocoa from Ghana and Côte d'Ivoire know if the problems causing the cocoa crisis are ignored, then climate change, loss of biodiversity, food insecurity and water scarcity, to name only a few consequences, will continue to the detriment of everyone.

But unless a total paradigm shift is realized in the cocoa sector, there is little hope a happy future for cocoa stakeholders or our planet can be achieved. HALBA, Cocoa & Forest Initiative (CFI) and our Partners are convinced that the traditional ways to overcome the cocoa crisis will not deliver acceptable solutions.

Therefore, a revolutionary project, "Alliances for Sankofa," a combination of Dynamic Agroforestry (DAF) and Gold Standard Carbon Insetting, was launched by HALBA and Partners. One year later, the 2020 results documented in this report show our sustainability initiatives are having a quantifiable positive impact for cocoa farmers – while mitigating the most serious challenges of the cocoa crisis.

### 2. KEY FACTS & FIGURES

- Since 2011 HALBA has purchased more than 16'000 tons of Fairtrade/UTZ Ghanaian cocoa.
- In 2020, HALBA sourced 1'393 tons of Fairtrade/ UTZ cocoa from the Ghanaian cooperative, Kuapa Kokoo Farmer Union (KKFU).
- \$3.8 million in premiums was paid by HALBA to the KKFU over the past ten years.
- 100% of sourced cocoa is directly traceable from the farm to the first purchase point.
- 128'502 multipurpose trees were distributed for on-farm planting.
- 85'000+ timber trees were planted in the cocoa producing regions.
- 131 farmers were trained in DAF methods and converted 44.25 ha of non-productive cocoa farms into highly diversified cocoa and agroforestry farms.
- 1'016 farmers were trained in Climate Smart Cocoa (CSC) production.
- 36'816 high quality cocoa seedlings were distributed to farmers.
- 1'147 individuals participated in additional Income Generating Activities (IGA's).

### 3. SANKOFA PROJECT

Within the framework of the "Alliances for Sankofa" project, and HALBA's commitments going beyond it, the following measures were implemented in Ghana in 2020:

#### 1. Forest protection and restoration:

a) **Applying Dynamic Agroforestry (DAF)**, old unproductive cocoa monoculture parcels are revitalized into healthy, highly diversified, cocoa producing plots of land.

- Sankofa Project has transformed 44.25 unproductive hectares into 177 DAF plots of 0.25 hectares each.
- 128'502 multipurpose trees were distributed.
- On each 0.25 ha DAF plot, the following multipurpose trees were planted:
  - 208 cocoa trees (28%)
  - 52 timber trees (7%)
  - 208 Biomass trees (28%)
  - 208 Cashew trees (28%)
  - 32 Fruit trees: 8 each of Mango, Orange, Avocado, Lemon (5%)
  - 18 Oil palm/coconut trees (3%)
- 9'308 trees in total have been registered and planted in 2020.
- 131 local farmers were trained in DAF and within 6 months began harvesting table food from their plots.
- The Project supported KKFU to recruit and hire 15 full time, community-resident officers to support farmers, testifying to Sankofa's commitment for building project sustainability, scalability and local ownership.
- 300 man-days were invested training the local officers by technical agricultural experts in the principles and advanced practices of DAF and CSCS.

#### b) **Introduction of Climate Smart Cropping Systems**

The Climate Smart Cropping System (CSCS) requires small holder farmers to use seeds adapted to local climate and pests, diversify their crop plantings, apply soil and water conservation practices, improve water management and invest in agricultural knowledge transfer. But if farming is not profitable, then no benefit will come to fruition for farmer or planet.

Accordingly, the Project achieved the following milestones:

- 1,016 farmers, (50% women), planted 45 hectares of yam and associated crops following best CSCS agriculture practices.

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- CSCS practices included Climate Smart Cocoa, crop diversification and renunciation of slash-and-burn, synthetic fertilizers and pesticides.
- 19 KKFU Extension Officers and 80 Lead Farmers have been trained in CSCS to provide support in close proximity to farmers.

### 2. Sustainable production and livelihoods:

- 1'147 farmers (42% women) directly benefited from crop diversification and transacted more profitable business from the same land and timeframe.
- 36'816 improved cocoa seedlings were distributed to rehabilitate degraded cocoa plantations.
- 6'882 farmers' household members are indirectly benefitting from DAF and CSCS.

### 3. Community engagement and social inclusion:

- Ongoing consultations with local stakeholders for Gold Standard Certification ensuring agricultural knowledge transfer and engagement at all levels of the local communities.
- Development of a basis for action in cooperation with [Tropenbos Ghana](#) and KKFU.
- Establishment of Community Resource Management committees in the areas of six KKFU Societies from whom we purchase cocoa.

## 4. 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, have joined together in the [Cocoa & Forests Initiative](#) (CFI) to end deforestation and restore forest areas. Their combined actions are playing a crucial role in sequestering carbon stocks in West African forests and addressing climate change.

In line with the [Paris Climate Agreement](#), the CFI delivers on Sustainable Development Goal 13 (Climate Action) and Goal 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:

- protecting and restoring forests.
- promoting sustainable cocoa production and farmers' livelihoods.
- engaging communities and boosting social inclusion.

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The World Cocoa Foundation (WCF), the Sustainable Trade Initiative (IDH), and the governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. HRH 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.

But cocoa provides crucial employment and income to smallholders in West Africa. Therefore, 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.

### 5. 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.

**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 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.

- 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.

## 6. HALBA COCOA & FORESTS INITIATIVE RESULTS

Beginning in 2019, HALBA, with its Partners<sup>1</sup> launched the innovative project, "Alliances for Sankofa," a combination of Dynamic Agroforestry (DAF) and Gold Standard Carbon Insetting.

### **Sankofa Project Goals:**

- To improve livelihoods of cocoa farmers (17'400 community members) by supporting environmental, social and economic sustainability of cocoa production with carbon insetting, income diversification and good trade whilst providing consumers with an attractive product.

### **Sankofa Project Objectives:**

- 400 KKFU farmers directly benefitting from dynamic agroforestry (DAF) and income diversification activities.
- 2'500 KKFU farmers directly benefitting from Climate Smart Cropping Systems (CSCS) and income diversification activities.
- 17'400 community members indirectly benefitting from DAF, CSCS, improved nutrition and income diversification.
- 86'000 members of KKFU staff and agricultural extension officers' capacities strengthened.
- 8 support institutions strengthened.
- 75'000 tons of Carbon Insetting realized in Coop's own value chain.
- Combine Carbon Insetting with Dynamic Agroforestry (DAF).

### **Sankofa Project Contributions:**

Sankofa Project contributed to the Cocoa & Forests Initiative's 3 priority areas in 2020 as follows:

#### **1. Forest protection and restoration**

- 1'147 farmers have been trained in good agricultural practices including Climate Smart Cocoa, crop diversification and the renunciation of slash-and-burn. 131 farmers established 44.25 ha of dynamic agroforestry (DAF), integrating the production of cocoa, timber, biomass and fruit trees, yam and other associated crops

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<sup>1</sup> **The Project, "Alliances for Sankofa,"** is supported by the Coop Sustainability Fund and HALBA, the Swiss Platform for Sustainable Cocoa (SWISSCO), the State Secretariat for Economic Affairs (SECO), the Danish International Development Agency (DANIDA), the International Trade Centre (ITC) and Max Havelaar Foundation Switzerland. It is implemented by ITC together with the Kuapa Kokoo Cooperative Cocoa Farmers and Marketing Union Limited (KKFU) and partners including the Government of Ghana, Fairtrade Africa, WWF Switzerland and the Yam Development Council. Technical support to the project is provided by Ecotop Suisse GmbH, South Pole and the Nature and Development Foundation (NDF).

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for income, food security and nutrition. A further 1'016 plots were established on 45 hectares with yam and associated crops in Climate Smart Cropping Systems.

### a) **Transformation of old, unproductive cocoa monoculture lands** to Dynamic Agroforestry (DAF) plots.

- Building on the lessons and experiences of 2019, the DAF team aimed to sensitize at least 300 farmers with the goal of selecting 230 to certify in DAF.
- In the end, 367 farmers were selected through community awareness campaigns conducted for the project. Out of these, the farms of 288 farmers were mapped with 231 declared eligible for DAF plot establishment in 2020, and qualify for the Gold Standard to mobilize additional financing for forest protection and restoration through Carbon Insetting and Gold Standard certification.
- In the past year, 177 DAF plots of 0.25 hectares each involving 131 farmers were established, covering a total of 44.25 hectares with cocoa, timber, fruit and biomass trees, plus yams and associated food crops.
- In total 128'502 multipurpose trees were distributed.
- On each 0.25 hectare plot, the following trees are planted:
  - 208 Cocoa trees
  - 52 Timber trees
  - 208 Biomass trees
  - 208 Cashew trees
  - 32 Fruit trees (8 trees each of Mango, Orange, Avocado, Lemon)
  - 18 Oil palm/coconut trees
- In the framework of Dynamic Agroforestry (DAF) trainings:
  - 131 farmers were sensitized in avoiding forest encroachment and degradation from agriculture.
  - These farmers were also made aware of the importance of an intact forest ecosystem as a livelihood in practical intensive training courses.
  - To incentivize landowners and users to retain the planted trees, 9'308 trees were officially registered on the cocoa farms.
- Technical support continues to be provided by 15 KKFU field officers and 4 Fairtrade Africa (FTA) field officers.
- Remote support from DAF experts for field officers exceeded 300 man-days in 2020. In addition, the 20 Lead Farmers continue providing critical support to field officers and technical experts transferring DAF concepts and know-how to the “second ring” of farmers

### **b) Implementation of Climate Smart Cropping Systems (CSCS)**

- Our teams selected and prepared 1'025 plots of 0.25 hectare each for CSCS planting.
- Overall, the teams established 1'016 CSCS plots exceeding our 2020 target goal of 1'000 - despite obstacles posed by the covid-19 pandemic.
- This represented a total of 113 acres (45 ha) of land planted. The Project also trained 19 KKFU Extension Officers and 80 Lead Farmers to provide local capacity and support in close proximity to farmers.
- The following crops were planted on the 45 hectares of CSCS plots:
  - 34'450 yam seeds
  - 530 kg maize
  - 530 kg cowpea
  - 129'600 chilli pepper (Thailander and Safi)
  - 4'050 cucumber seeds
  - 263 kg of mucuna beans
  - 5'670 okra seeds
  - 129'600 tomato seeds
  - 129'600 eggplant seeds
  - 4'860 Neem tree seeds
  - 226'800 biomass tree species (Flamboyan, Black Wattle, Cassod)
  - 324 tamarind seeds

### **2. Sustainable production and livelihoods**

Our significant investments in long-term productivity of high-quality cocoa in an environmentally sustainable manner have achieved the following:

- 36'816 improved seedlings distributed to rehabilitate degraded cocoa plantations.
- 1'016 plots were established with yam and associated crops covering 45 ha.
- Over 300 technical expert days were invested in intensive farmers' training.
- The Project also trained 19 KKFU Extension Officers and 80 Lead farmers to provide local capacity and support in close proximity to farmers.
- Overall, 1'147 farmers have benefited from crop diversification promotion and diversified their farms, thereby transacting more profitable business.
- In addition, 6'882 household members are indirectly benefitting from DAF and CSCS.

At the time of reporting, the Project has supported farmers marketing the cash crops produced in their plots, generating more than CHF 146'760 (US\$ 165'000) worth of additional revenue from associated crops, thus strengthening productive and commercial alliances across both DAF and CSCS.

### 3. Community engagement and social inclusion

- 1'147 farmers (483 women) participated in capacity development for Climate Smart Agriculture.
- 50% gender equality among the 131 DAF farmers and the 20 DAF lead farmers has been achieved.
- Continuing local stakeholder consultations for Gold Standard Certification is being done to ensure involvement at all levels in all communities.
- A “basis for action” in cooperation with Tropenbos Ghana and KKFU has been expanded to set up Community Resource Management Committees in the Project’s focus area of the 6 KKFU Societies from which HALBA purchases cocoa.

## 7. LOOKING FORWARD IN 2021

Building on lessons learned, partnerships made and trust earned, the Sankofa project plans to up-scale implementation in 2021. With fewer obstacles to overcome due to the covid-19 pandemic, the slight shortfalls experienced in the past two years should prove inconsequential to our overarching goals and commitments in Ghana.

Here’s a sampling of up-scale actions planned in 2021:

- A target of 480 DAF plots of 0.25 hectares each, reaching 120 total DAF hectares with a minimum of 300 participating farmers.
- In the CSCS component, 1'650 additional farmers will establish a minimum of 0.5 hectares.
- A total of 2'666 farmers participating in DAF and SCSC components - representing more than 17'400 household members.
- Market linkages and product development using commercial alliances will continually be furthered with buyers and lead farmers for cocoa, yam and associated crops; contributing improved farmer livelihoods and better trade outcomes. In addition, we expect to see higher sales from the local traders to established exporters and supermarkets.

Beyond our involvement in the Sankofa Project, HALBA will finalize the mapping of plots from all 7'672 farmers who supply us with cocoa. This will be carried out using GPS polygons in collaboration with the Nature & Development Foundation and KKFU to ensure that their cocoa does not come from intact forests, protected areas or areas defined as High Carbon Stock (HCS) or equivalent.

Petra Heid, Head of Sustainability for HALBA adds:

*“Deforestation must be stopped. A paradigm shift in the cocoa sector must take place. For HALBA, Dynamic Agroforestry is the way forward. This holistic approach can bring a*

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*profound and long-term productivity improvement in cocoa plantations and thus an improvement in the living conditions of small holder farmers and in ecosystem services of the whole area.”*

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### ANNEX 1: TRACKING TABLE GHANA

Commitments	Actions	Indicator	2022 Target	# through direct investment (Oct 2019-Sept 2020)	# Total through direct investment (since 2018)
<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>	11'000	177	270
		<i># and % of cocoa farms mapped in direct supply chain</i>	7'672, 100%	131, 2 %	172
	1.2 Conduct deforestation risk assessments in all sourcing areas.	<i># of hectares in the direct supply chain with deforestation risk assessments completed</i>	approx. 23'016	44.25	67.5
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%	100%	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>	400	44.25	67.5
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>	Total 2'500	Total 1'016	Total 1'016
			M 1'500	M 579	M 579
			F 1000	F 437	F 437
	4.2 Train farmers in Modified Taungya System (MTS)	<i># farmers trained in MTS</i>	400	131	172
5. Land and tree tenure reforms, and benefit sharing arrangement to incentivize landowners 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>	83'200	9'308	13'520
	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>	400	131	172
6. Public sector forest law enforcement and governance will be strengthened	6.1 Promote awareness-raising campaigns to educate farmers on forest	<i># farmers informed, trained, and / or consulted on forest policy/law</i>	400	131	172

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	law enforcement and tree tenure provisions	<i>enforcement, forest protection, and restoration</i>			
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	<i># Individuals receiving PES: <u>New</u></i>		131	172
		<i># Individuals receiving PES: <u>Total Receiving</u></i>	400	131	
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 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	<i># farmers applying agroforestry</i>	400	131	172
		<i># multipurpose trees distributed for on-farm planting</i>	1'161'600	128'502	1'1706.75
		<i># hectares cocoa agroforestry in development</i>	400	44.25	67.5
		<i># hectares of forest area restored off-reserve</i>	400	44.25	67.5
	8.3 Train farmers in Modified Taungya System (MTS)	<i># farmers trained in MTS</i>	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	<i># improved cocoa seedlings distributed to farmers</i>	333'600	36'816	53'664
	9.2 Train farmers and producer organizations in the latest Good Agriculture Practices (GAPs)	<i># of farmers reached by GAP training programs</i>	Total 2'900	Total 1'147	Total 1'188
			M 1'740	M 664	M 677
			F 1'160	F 483	F 511
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	<i># multipurpose trees distributed for on-farm planting</i>	Already reported 8.1		
		<i># hectares cocoa agroforestry in development</i>			
	10.2 Promote farm-level crop diversification	<i># individuals participating in additional Income Generating Activities (IGA's)</i>	Total 2'900	Total 1'147	Total 1'188
			M 1'740	M 664	M 677
			F 1'160	F 483	F 511
12. Improve supply chain mapping, with 100% of cocoa sourcing traceable from farm to first purchase point. An action plan will be	12.1 Conduct mapping to identify and collect cocoa farm boundaries polygon data	<i># farms mapped within direct supply chain</i>	Already reported 1.1		

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developed that maps out key principles, steps, and milestones to achieve this step, encompassing all national and international traders.	12.2 Implement traceability system to farm level in 100% of supply chain by end-2019	<i>% cocoa supply traceable from individual farms to first purchase point</i>	<i>Already reported 2.1</i>
<b><i>Social Inclusion and Community Engagement</i></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	<i># farmers informed, trained, and / or consulted on forest policy/law enforcement, forest protection, and restoration</i>	<i>Already reported 6.1</i>