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Two-thirds of Global Cocoa Supply Agree on Actions to Eliminate Deforestation and Restore Forest Areas

BONN, Germany, November 16, 2017 -- At the UN Climate Change Conference (COP23), top cocoa-producing countries Côte d'Ivoire and Ghana have announced far-reaching Frameworks for Action with leading chocolate and cocoa companies* to end deforestation and restore forest areas. Central to the Frameworks is a commitment to no further conversion of any forest land for cocoa production. The companies and governments pledged to eliminate illegal cocoa production in national parks, in line with stronger enforcement of national forest policies and development of alternative livelihoods for affected farmers. The two countries produce nearly two-thirds of the world's annual supply of cocoa, the main ingredient in chocolate and a range of other consumer products.

The set of public-private actions announced today 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.

Both countries announced plans to introduce a differentiated approach for improved management of forest reserves, based on the level of degradation of the forests. Up-to-date maps on forest cover and land-use, as well as socioeconomic data on cocoa farmers and their communities will be developed and publicly shared by the governments. Chocolate and cocoa industry agree to put in place verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases of cocoa, and will work with the governments of Côte d'Ivoire and Ghana to ensure an effective national framework for traceability for all traders in the supply chain.

The two governments and companies agree through the Frameworks to accelerate investment in long-term sustainable production of cocoa, with an emphasis on "growing more cocoa on less land,". Key actions include provision of improved

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planting materials, training in good agricultural practices, and development and capacity-building of farmers' organizations. Sustainable livelihoods and income diversification for cocoa farmers will be accelerated through food crop diversification, agricultural inter-cropping, development of mixed agro-forestry systems, and other income generating activities designed to boost and diversify household income while protecting forests.

The governments and companies, which represent and estimated 80+ percent of global cocoa usage, commit to full and effective consultation and participation of cocoa farmers in the process, and promotion of community-based management models for forest protection and restoration. The governments will assess and mitigate the social impacts and risks of any proposed land-use changes on affected communities, and ensure provision of alternative livelihoods and restoration of standard of living of affected communities as needed.

The governments and companies have committed to a comprehensive monitoring process, including a satellite-based monitoring system to track progress on the overall deforestation target, and annual publicly disclosed reporting on progress and outcomes related to the specific actions in each Framework.

Speaking at the event, Côte d'Ivoire Minister of Water and Forests Alain Richard Donwahi said, "The forests of Côte d'Ivoire are an essential resource for the socio-economic development of our country. We support this Framework for Action and the vision it lays out for preserving and restoring our forests, including the national parks. We are pleased that the Framework is aligned with our National Policy of Preservation and Rehabilitation of Forests and the REDD+ strategy to secure our natural resources and help us to implement it."

"The Government of Ghana is committed to upholding the actions agreed in this framework and will do our part to ensure the Framework's success." said Ghana Minister of Lands and Natural Resources John Peter Amewu, "This includes enhancing environmental governance and supportive measures that enable cocoa farmers to adopt cocoa agroforestry practices that are climate-smart and well integrated with our REDD+ strategies."

World Cocoa Foundation Chairman Barry Parkin said, "These comprehensive Frameworks for Action are important landmarks as they spell out a series of steps by both governments and industry to stop deforestation in cocoa-growing areas. In making good on these commitments, the public and private sectors will be partnering on actions that result in cocoa becoming a serious agroforestry crop, where different trees and crops co-exist on the same land and previously deforested land is being rehabilitated. This approach could serve as a model for other commodities."

*Companies that have thus far committed to the Frameworks are Barry Callebaut; Blommer Chocolate Company; Cargill Cocoa and Chocolate; CEMOI; Cococo Chocolatiers; ECOM Group; Ferrero; General Mills, Inc.; Godiva Chocolatier, Inc.; Guittard Chocolate Company; The Hershey Company; Mars Wrigley Confectionary; Meiji Co., Ltd.; Mondelēz International; Nestlé; Olam Cocoa; Sainsbury's; Toms Group; Touton; Tree Global; and J.H. Whittaker & Sons Ltd. Additional companies are soon expected to announce their commitment to the Frameworks.

BACKGROUND

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly twothirds of the world's supply of cocoa, the main ingredient in chocolate and a range of other consumer products. Over a ten-year period, approximately 2.1 million hectares of forest area have been cleared in Côte d'Ivoire and 820,000 hectares in Ghana. One quarter of this deforestation has been attributed to cocoa production. Sustainable cocoa production provides crucial employment and income to local communities in both countries, underpinning national social and economic development. Accelerated transition to sustainable livelihoods is essential for ensuring the long term economic viability of over two million smallholder farmers who earn income from the crop's production.

The <u>Cocoa & Forests Initiative</u> was initiated by IDH – the Sustainable Trade Initiative, the Prince of Wales's International Sustainability Unit (ISU) and the World Cocoa Foundation (WCF), in partnership with the governments of Côte d'Ivoire and Ghana. The first step was the launch of an industry Statement of Intent to end deforestation and forest degradation

in the cocoa supply chain at a meeting hosted in London by HRH The Prince of Wales in March 2017. The Frameworks for Action, agreed today, result from a process that brought together more than 500 stakeholders, including chocolate and cocoa companies, high-level government officials, development partners, environmental and civil society organizations, and farmer associations. The Cocoa & Forests Initiative draws on lessons learned and good practices from global efforts to reduce tropical deforestation in other commodities and sectors and will continue operating to support the implementation of the action plans at the global and local level.

The Initiative is also coordinated closely with a wide range of global and local environmental organizations, including the Tropical Forest Alliance 2020 (TFA 2020), Rainforest Alliance, and World Resources Institute. The work to date has been supported by several development partners, including the United Kingdom government's Department for International Development, the Dutch Ministry of Foreign Affairs, the World Bank, the International Finance Corporation, and the Green Commodities Program of the United Nations Development Program.

Read more here - The Cocoa & Forests Initiative

RELATED QUOTES BY INDUSTRY EXECUTIVES AND DEVELOPMENT PARTNERS

INDUSTRY EXECUTIVES

"Eliminating deforestation from the cocoa supply chain requires a joint action of government, NGOs and industry to tackle its root causes, be it cocoa farmer poverty, climate change or pollution. These Frameworks for Action are a great step forward and give confidence that we will rapidly see measurable progress on the ground."

-- Antoine de Saint-Affrique, Chief Executive Officer, Barry Callebaut

"We recognize that the cultivation of agricultural commodities, including cocoa, has been a driver of accelerated deforestation and forest degradation over the past 50 years in Côte d'Ivoire and Ghana. Building on our industry's unprecedented commitment to cocoa sustainability, today's announcement acknowledges the shared responsibility and collective power of strong public-private partnerships to address today's global challenges. Our family business is proud to be a signatory of this watershed initiative." -- Peter Blommer, Chief Executive Officer, Blommer Chocolate Company

"This could be a turning point for deforestation in West Africa, as the agreements announced today set a new course of action for protecting forests in Ghana and Côte d'Ivoire. The journey will not be simple, but we will make progress more quickly by working together. Cargill is committed to driving sustainability in our supply chain while partnering with industry and government to find sector-wide solutions." -- *Harold Poelma, President, Cargill Cocoa & Chocolate*

"As the leading French chocolate manufacturer, our strong commitment to protect forests in cocoa-producing countries echoes President Emmanuel Macron's pledge on climate change, 'Make Our Planet Great Again'. Through our involvement in 'Cocoa Friends of the Forests' initiative as well as IDH's ISLA project, CEMOI has pioneered cocoa agroforestry in Côte d'Ivoire and has supported the preservation of the remaining primary forest that is found in the country's Taï National Park." -- **Patrick Poirrier, Chief Executive Officer, CEMOI**

"We are excited by the Frameworks for Action and eager to begin. What a privilege for us—as a comparatively small chocolate and confectionery company, operating far away from the source countries of Côte d'Ivoire and Ghana—to have this opportunity to commit alongside key stakeholders to our own meaningful and transparent action in support of forests, sustainable cocoa, and local community engagement. There is a role here for everybody who is willing to commit. The cocoa industry depends upon West Africa, and we—all of us—depend upon the same planet." -- Brian Beck, President, Cococo Chocolatiers Inc.

"The ECOM Group is working increasingly with partners, specialists and governments in countries where the Group sources agricultural commodities to seek to ensure the reduction and eventual elimination of deforestation that might result from the production of such commodities. In West Africa this involves working with, and supporting the

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livelihoods of, smallholder farmers while recognizing the importance of involving a broader set of industry and supply chain partners including the governments and policy makers to ensure the proper design and implementation of solutions to the issue of deforestation. The ECOM Group is committed to working to this end and is proud to be a participant in the Frameworks for Action for Côte d'Ivoire and Ghana." -- **ECOM**

"Endorsing the Frameworks for Action is a further significant step of our collective journey that started with the signing of the Statement of Intent. I truly welcome this concrete agreement aimed at ending deforestation and restoring forest areas. Ferrero is committed to working on the challenges to end deforestation in the cocoa sector, as well as implement key principles and strategies that underpin socially and environmentally sustainable cocoa production." -- Aldo Uva, Chief Operating Officer, Ferrero

"Deforestation is a significant challenge, but by aligning and working together, we can help put a stop to it and positively impact climate change by rehabilitating the land. We also recognize there are systemic labor issues in the cocoa supply chain, and we understand it will take industry-wide collaboration to make improvements. Having the national and local governments, who are key to addressing the issues, at the table from the beginning is key." -- John Church, Chief Supply Chain Officer, General Mills

"Guittard is pleased to join the Framework for Action of the <u>Cocoa & Forests Initiative</u> led by the World Cocoa Foundation (WCF), the Sustainable Trade Initiative (IDH) and the Prince of Wales's International Sustainability Unit (ISU), in partnership with the governments of Côte d'Ivoire and Ghana. By working together with local governments, industry members and environmental organizations, we are able to address important issues like deforestation, protecting remaining forest cover and national parks, while respecting farmer livelihoods. Through our <u>Cultivate Better</u> platform, Guittard is committed to quality, leadership and building the relationships that can bring about positive change." -- Gary Guittard, Chief Executive Officer, Guittard Chocolate Company

"Cocoa is critical to our business and we know how important cocoa farming is in creating jobs, reducing poverty and improving the livelihoods of local farming communities. At the same time, there is a critical need to balance positive social progress with protecting the world's tropical forests and promoting conservation and biodiversity. Hershey is committed to this new framework as it sets a clear path for all stakeholders, including non-governmental organizations (NGOs), companies in the cocoa supply chain and the governments, to work together to eliminate deforestation in the West African countries." -- *Michele Buck, President and CEO, The Hershey Company*

"Mars believes in a mutual relationship with the governments of Ghana and Côte d'Ivoire with whom we rely on for part of our cocoa supply. Together with industry partners and in line with our sustainability commitments, we work towards ensuring that the cocoa used in our chocolate products doesn't destroy forests and we are progressing with our ultimate goal of more cocoa from less land." -- John Ament, Global Vice President Cocoa, Mars Wrigley Confectionery

"Meiji agrees on the Frameworks to end deforestation and restore forest areas and that it is a vital role for the cocoa industry. The top priority of the Frameworks is the protection and restoration of forest, while seeking sustainable agricultural production and increased farmer income. It might not be easy to clear the hurdle, but we're a good and strong team that consists of companies and governments. We believe we can get a good result." -- Kazuo Kawamura, President and Representative Director, Meiji Co., Ltd.

"We call on all actors to implement the Cocoa & Forests Initiative with urgency. In particular, we must build a clear plan to source more cocoa from less land, while ensuring cocoa from deforested land does not reach our direct or indirect supply chains. This requires action by the private sector, as well as enforcement and social intervention by governments. We are determined to help make this initiative a success and to continue to engage our consumers in their love for chocolate made with sustainable and forest-friendly cocoa." -- *Hubert Weber, Executive Vice President and President, Mondelēz Europe* "Deforestation is a major issue in cocoa-producing countries that requires strong and collective action to address. We believe the Framework for Action proposed by the Initiative will play a significant role in delivering sector-wide change, benefiting communities and the natural environment. Nestlé is looking forward to playing an active role in making this happen." -- *Sandra Martinez, Global Head of Confectionery, Nestlé*

"The Cocoa & Forests Initiative is a valuable government and industry led partnership, driving positive change from the farmer to the consumer. In particular, the governments of Côte d'Ivoire and Ghana have shown true leadership - in recognizing the problem; creating the right environment for businesses like Olam to engage; and protecting the future of their country's forests, farmers and cocoa production." -- *Gerard Manley, Chief Executive Officer, Olam Cocoa*

"Cocoa production and sustainable forest management are closely linked, and strongly influence each other. The challenge is now to turn the vicious cycle of environmental degradation and low productivity into a virtuous one of sound environmental management and highly productive systems. The challenge is great, as is Touton's commitment to contribute to addressing it." -- **Patrick de Boussac, Chief Executive Officer, Touton**

"Whittaker's is proud to be a signatory to the Framework for Action to address deforestation because it is so comprehensive and sets out tangible steps for companies and governments to be measured against. We also welcome its focus on working with the predominantly small cocoa farmers to protect their livelihoods through better resource use, alongside specific forest protection and restoration activity, which best positions this initiative for lasting success. Our support builds on Whittaker's existing commitments to sustainable sourcing, and we welcome the accountability that the Framework for Action will demand of the whole industry." -- *Matt Whittaker, Chief Sales Officer, J.H. Whittaker & Sons Ltd.*

DEVELOPMENT PARTNERS

"The private sector can be a significant partner in finding solutions that help address issues of deforestation while supporting small-scale producers and smallholders that work in the cocoa sector. IFC is committed to working together with partners to supporting the goals of the frameworks announced today. The frameworks are in line with what IFC has been working on in the cocoa sector in West Africa, in particular improving smallholders' livelihoods, facilitating farmers' access to working capital and equipment needs, and investing in climate-smart agribusiness."

-- Nena Stoiljkovic, Vice President, Blended Finance and Partnerships, International Finance Corporation

"The governments of Ivory Coast and Ghana, together with industry leaders and NGOs, have come together to develop far reaching commitments and an action plan to address deforestation. Rainforest Alliance and our partners have been proud to assist in this process through the work of the Accountability Framework Initiative. We are ready to roll up our sleeves and with our team on the ground help with the challenging work ahead with communities, farmers and companies. Certification programs such as those run by Rainforest Alliance, Utz and Fairtrade, can also support verification of progress and give confidence to consumers that the cocoa they are buying is produced in a responsible manner respecting the environment and local people." -- *Nigel Sizer, President, Rainforest Alliance*

"It is very exciting to see the cocoa sector embracing public private collaboration to end deforestation. Sustainable intensification of smallholders' estate crops like cocoa is a huge opportunity for delivering sustainable development at the forest frontier, and collaboration between business, government, and civil society is critical for capturing it at scale. As the global umbrella platform for public private collaboration on deforestation free commodities, TFA 2020 stands ready to support this effort, and to ensure it benefits from the experience and momentum of the Africa Palm Oil Initiative" -- *Marco Albani, Director, Tropical Forest Alliance 2020, and Executive Committee Member, World Economic Forum*

"We congratulate the companies, governments and partners for taking this important step to make the cocoa supply chain forest- and climate-smart and to eliminate deforestation. We support this critical agenda through our collaboration with the World Cocoa Foundation and Governments of Ghana and Côte d'Ivoire's Cocoa & Forests Initiative and the development of large-scale emission reductions programs in these lead cocoa-producing nations that aim to create incentives for more sustainable landscapes." -- James Close, Director, Climate Change, World Bank "It is great to see the cocoa sector recognize that healthy forests and productive cocoa go hand in hand. The Joint Frameworks for Action lays out a convincing roadmap to guide this multibillion-dollar industry to the next sustainability frontier. A promising approach to address a difficult problem, the framework includes government and the private sector working together, while taking into account the needs of millions of cocoa farmers around the world. We stand by to help the sector monitor and report on progress towards meeting these commitments. If they succeed, cocoa lovers will be able to take heart that their chocolate is both delicious and sustainable." -- *Rod Taylor, Global Director, Forests Program, World Resources Institute*