

# Deforestation free

Palm Oil – Soy – Cocoa – Tea - Beef

Natural resources are key to our economy, society and planet. Forests cover 31% of the land on our planet. They provide jobs for 50 M people. Agriculture is driving deforestation, water stress, soil erosion and loss of biodiversity. Emissions from agriculture and land-use changes account for approximately 25% of all human-caused emissions. We can cost-effectively *reduce* emissions by avoiding deforestation and degradation. And reforestation can help sequester more carbon. Sustainable management of tropical forests, mangroves, and peatlands are the most cost-effective way of mitigating climate change, which is needed to limit global warming to 1.5°C by 2030.



150,000 ha

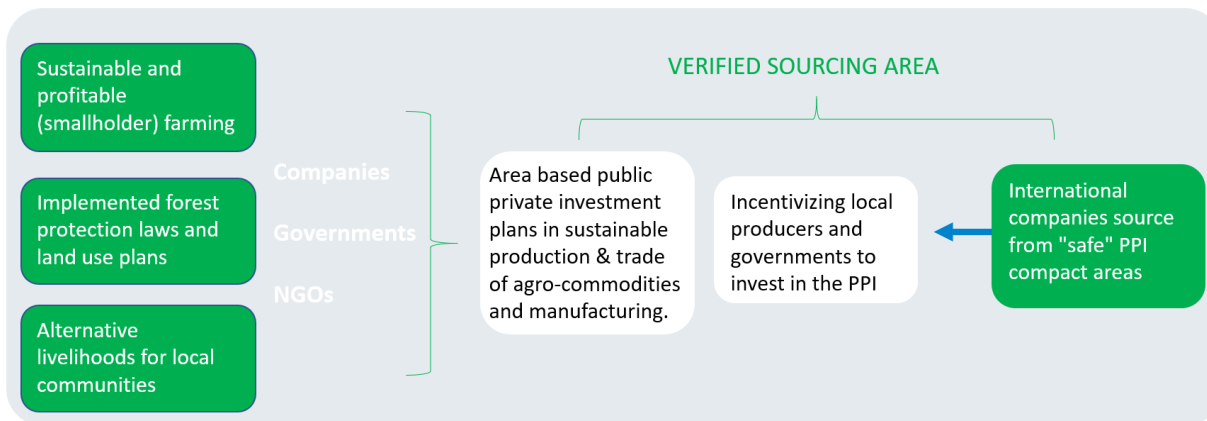
Number of hectares where interventions are implemented that support protection, restoration and sustainable rehabilitation. (cumulative 2016-2018: 440,000 hectares)

**IDH aims to reduce deforestation through leveraging business interest in deforestation-free agricultural commodities such as soy, tea, palm oil, cocoa and beef. We believe there must be economic incentives to save forest. So we prototype forest friendly agriculture with local producers. This goes hand in hand with alternative livelihoods for forest dependent communities (that would otherwise encroach or degrade forests). And the implementation of forest protection laws. For this we bring together local governments, companies and CSOs. With them we formulate investment and sustainable land management plans that are co-financed by companies and local governments. Ultimately this results in areas where all production is sustainable. International companies can buy from these verified sourcing areas. This beyond certification approach, mitigates water, forest and poverty issues in one region holistically.**

## Village Forests in Indonesia

In West Kalimantan IDH co-invests with palm oil and timber companies in prototyping new business models for sustainable production, mangrove reforestation, protection of peatland, and alternative livelihoods for local communities (coconut charcoal, crab and honey). First IDH and the Provincial government signed an overarching agreement. This was translated into local regulations that help save essential eco-systems in Indonesia. IDH chairs the public-private Essential Ecosystem Area (KEE) platform that provides a legal framework to protect 500,000 ha of essential nature. Then we organized and contracted with companies and local CSOs a plan for sustainable production of palm oil, timber and food crops, animal husbandry and fishing to protect over 130,000 ha of mangrove and (peat) forest, and develops business models for sustainable peatland management on acacia plantations. This “village forest business model” that was co-developed by IDH received a soft loan of €6 million from the Indonesian government.

Companies want to commit to their no deforestation and sustainable production commitments



### Coffee production in Vietnam

IDH supported the Vietnam government in formulating a water pricing policy to reduce water use for agriculture. In support of this IDH prototyped with international coffee companies and the Vietnamese government new irrigation systems that bring not only water but also fertilizer and pesticide to coffee plants in the right quantities at the right time. This reduces water use significantly. Farmers are also trained on agroforestry to protect natural forests in coffee-production areas in Vietnam. The roll out of the water, pesticide and fertilizer distribution systems with companies in now scaled with investments from the World Bank. By 2025, deforestation related to coffee will have stopped, water use will be reduced by 25%, and coffee farmers' incomes will have increased by 30%.

### Verified Sourcing Area pilot in Brazil

IDH brought in 2 regions in the Mato Grosso, soy and beef farmers, the government, processors and traders, and community representatives together to turn the state led Produce, Conserve, Include (PCI) strategy into an action plan. IDH organized a PPI Compact (an investment contract signed by the government, local and international companies and local communities) to restore 180,000 ha of degraded pastureland for sustainable production. This will be achieved by intensifying cattle farming (from 1 cow per ha to 2 cows) which will free up millions of ha of arable land for agricultural production and preserve 970,000 ha of the Amazon Rainforest. French retailer Carrefour will invest €1.9 M to source sustainable beef from the region, intensify cattle ranching and restore degraded pastureland. Next to that IDH provides technical assistance and access to credit to farmers to intensify production (more on the same land) and help farmers to comply with the Brazilian Forest Code. With forest protection laws in place, sustainable production of key commodities happening and sourcing commitments from Carrefour (beef) and the European Feed Industry (soy) the region acts as a Verified Sourcing Area (VSA) pilot to test out a new model of regional verification.

### South West Mau Forest, Kenya

In the South West Mau Forest landscape program in Kenya, IDH combine the interests of tea companies in protecting the forest for its micro-climate services (rainfall) with investing in forest conservation by local governments, and creating alternative livelihoods for surrounding communities, to stop forest degradation by cattle grazing in the forest. The SW Mau Forest covers an area of over 400,000 ha and is ecologically and economically critical for Kenya and parts of East Africa. More than 10 million people depend on its rivers. We started amongst others a two-year livestock intensification program co-financed by tea companies to stop cattle grazing in the forest. These are off-plantation investments by tea companies. We consolidated the cooperation of tea companies, local NGOs and local Kenia government in a separate foundation to institutionalize the program. We aim to restore 60.000 ha of forests by 2030.

### Cocoa & Forests Initiative

The Cocoa & Forests Initiative (CFI) is a unique coalition of the major cocoa companies (32 companies covering 85% of global cocoa trade) and the major producing countries of cocoa to halt deforestation. IDH convened all parties in a Frameworks of Action (signed in November 2017 by companies and governments at COP 22 in Bonn) that contains concrete plans for cocoa traceability, agroforestry, forest protection and rehabilitation, and social inclusion by local communities. These plans were approved by the Côte d'Ivoire and Ghana governments and action is happening on the ground to implement the plans as of 2018. There is a public budget for 2019-2021: €193 million in Côte d'Ivoire and €87 million in Ghana. Companies have started publishing their individual company plans addressing (e.g.) traceability, restoration and alternative livelihoods that fit into the country strategies. Meanwhile the CFI expanded to Colombia, and similar public-private initiatives started in Cameroon under the IDH umbrella to stop deforestation related to cocoa production.