# 1<sup>st</sup> General Assembly 4 September 2019





the sustainable trade initiative

## Agenda

09:30 – 09:50 Welcome by Beyond Chocolate's Steering Committee chair Patrick Hautphenne

#### 09:50 - 11.30 Plenary sessions

- Introduction on Living Income Kristin Komives (ISEAL)
- Living Wage and Living Income, Experiences and lessons learned across commodities Jordy van Honk (IDH)
- Youth and Decent Work, Introduction on aspects of child labour and forced labour Sylvie Bianchi (Samilia Foundation)
- Business and Human Rights, a Belgian governmental perspective Jochen Anthierens (Human Rights Unit Belgian Foreign Affairs Department)
- Cocoa and Forests Initiative in Côte d'Ivoire, Ghana and Colombia Violaine Berger (IDH)
- Zero deforestation chocolate Cedric van Cutsem (Mondelez)

#### 11:30 - 11:45 Coffee break

#### 11:45 – 13:00 Breakout sessions – first input meeting for the 3 working groups

- Living Income led by Norma Tregurtha (ISEAL)
- Deforestation led by Violaine Berger (IDH)
- Youth and Decent Work led by Sylvie Bianchi (Samilia Foundation)

#### 13.00 – Networking lunch



# Patrick Hautphenne Chair Steering Committee

Welcome and opening

# Kristin Komives Director, Impacts (ISEAL)

Introduction on Living Income

# The Concept of Living Income

Kristin Komives Director, Impacts ISEAL Alliance

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## The Living Income Concept

What is the concept of Living Income?

What does it mean to be able to afford a decent standard of living?

Living Income is about households having the ability to afford a decent standard of living.

The net annual income of a **household**, which comes from a **variety of sources**, is sufficient to cover the cost of a decent standard of living for a typical household in a particular place.

What does decency mean in this context?

Elements of a decent standard of living include access to food, water, housing, education, healthcare, transport, clothing, and other essential needs including provision for **unexpected** events.







Living Income Community of Practice www.living-income.com











 Living income is a household concept vs a concept that refers to an individual.



Slide 11	
AR5	This is the slide I'm really struggling to think about and whether we need to change it or not? Adam Romo, 08/03/2018
AR6	We could take it out so we are ambiguous about the term household to allow us fexibility? Adam Romo, 09/03/2018
AR7	Although the one point I think it's most important to make here is that it is a household (collective) concept, not an individual one. Adam Romo, 09/03/2018
MM2	Exactly, leave it as it is for now and next week we take a final decision o this.

Marta Maireles, 09/03/2018

# Living income and the income gap





# Farming as a business



Net farm business income composed of:

#### Revenues

• **Revenue from sale of produce** – crops and/or livestock

#### Costs

- Input Costs Planting and taking care of crops (e.g. seeds, tools, fertilizers and pesticides)
- Land costs rental/purchasing
- Labour costs paying wages of additional labour
- Unexpected costs e.g. to cover crop damage from drought or bad weather
- Other

\*All above costs could be accounted for through the *reinvestment of revenues* 



## Living income and other related concepts

Living Wage – the wage of one individual contributes to the household achieving a decent standard of living

Living income for the household Household assets and livelihood security– beyond income

# How are companies and other stakeholders using living income benchmarks?

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## **Applications**

Understanding the income gap for a household or groups of households





Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Gmbl

#### Living Income Report Rural Ghana

Cocoa growing areas of Ashanti, Central, Eastern, and Western Regions

By: Sally Smith, Research Consultant, with Daniel Sarpong, University of Ghana



scale alliance Sustainable giz bottom for the second

Series 1, Report 1, 21 September 2018 Prepared for: The Uving Income Community of Practice www.living-income.com



Rural Côte d'Ivoire Cocoa growing areas – Final Draft

By: Ivorian Center for Socio Economic Research (CIRES)





Living income benchmarks for Cote d'Ivoire and Ghana (2018) Global Living Wage Coalition living wage reports also include estimates of cost of decent standard of living for a household

#### www.globallivingwage.org



## **Applications**

Set targets for household income increases and modelling how to reduce the income gap at the household level







## **Applications**

Inform setting of **targets for farm and crop specific** indicators and analysing related indicators.

- Use it to help deciding a fair price for different commodities (e.g. Fairtrade Living Income Reference Price)
- Examine the return on farm labour

## **Living Income Community of Practice**

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Also available on mobile\*



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# Thank you!

Kristin Komives Director, Impacts ISEAL Alliance Kristin@isealalliance.or

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## Jordy van Honk Global Director Agri-commodities coffee, cocoa and tea (IDH)

Living Wage and Living Income, Experiences and lessons learned across commodities



## **EXPERIENCES FROM OTHER SECTORS**

#### IDH APPROACH TO FACILITATE CLOSING LIVING WAGE AND INCOME GAPS







### **IDH WORK ON LIVING WAGE**

- Malawi Tea 2020
- Dutch IMVO covenant banana sector
- Other sectors we work on living wage:
  - $\rightarrow$  East Africa flower industry
  - $\rightarrow$  Avocado's in Kenya
- Development tools:
  - $\rightarrow$  Salary Matrix
  - $\rightarrow$  Sustainable Procurement Model

## **MALAWI TEA 2020 PROGRAMME**

A partnership that brings together governments, certifiers, NGOs, trade unions, retailers, tea companies, tea producers:





## LIVING WAGES PROGRESS

- Tea wages increased with Malawi Tea 2020
  - MK560 approx. \$1.19 at the start of the programme, current cash wage MK1510 approx. \$2.13.
  - If in-kind contribution included: \$2.74 against living wage target as of Oct 2018 estimate of \$3.998.
- Delinked from government minimum wage
- 25% of gap between net living wage and net take home pay closed 16% of gross living wage gap closed
- But no further progress over inflation in past year
   → no backsliding either
- Difficult macro economic environment for workers and tea estates continue

 $\rightarrow$  High inflation & unchanged USD exchange rate



#### TAML BASIC WAGE HIGHER, UNLINKED TO MINIMUM WAGE - GAP INCREASES





### LIVING WAGE INCREASES WITH INFLATION





## **RISKS TO CONTINUING PROGRESS TOWARDS LIVING WAGE**

#### Difficult macro economic environment for workers and tea estates

- High inflation rate continues Again increasing in 2018 after falling a lot
  - Means the living wage increases every year
- Exchange rate continues to be "fixed" for now
  - Means tea revenues in Kwacha not increasing even though costs in Kwacha increasing because of high inflation
- Income tax. tea workers pay at 30% marginal rate
  - Big problem. Continues despite income tax threshold increase in 2018
- Tea prices determined in a good part by conditions in other countries current market dynamics negatively affecting Malawi prices





#### IMVO (INTERNATIONAL RESPONSIBLE BUSINESS CONDUCT) FOOD COVENANT RETAIL, LIVING WAGE, BANANAS

#### Action plan

 <u>Map gaps and set the ambition (Jan/October 2019)</u> Retailers ask suppliers to use the **Salary Matrix** to map the situation at their main farms Agreement on the **ambition level**

#### 2. <u>Design (Jun/Dec 2019)</u>

Selection of the focus countries & understanding the context (competitiveness of the sector, potential unintended consequences)
Identify interventions with key local and international partners

 Implement and report (Jan 2020/Dec 2024)
 Main interventions are running, signatories report on their progress towards common goal annually

#### SALARY MATRIX FOR CALCULATING WAGES GAPS

#### Context

Tool developed by IDH and RA as part of the SIFAV project

The tool: excel file + manual

Pilot farms calculated their own wage gaps

- Q Open and more transparent dialogue with buyers
- Raise awareness in the entire sector
- Q Unveil barriers to the payment of living wages
- Rirst step for developing plans to reduce gaps



Main banana producers have already LW benchmark studies completed or in progress by the GLWC (like Ecuador, Costa Rica, Colombia, Dominican Rep., Belize, etc.)

#### → But it is key for supply chains to understand the gaps <u>at farm level</u>



# Sylvie Bianchi Project Coordinator (Samilia Foundation)

Youth and Decent Work, Introduction on aspects of child labour and forced labour
CHILD LABOUR, FORCED LABOUR, HUMAN TRAFFICKING AND SLAVERY



- Various concepts and definitions of children in employment, child labour and hazardous work and other worst forms of child labour
- Distinctions between forced labour, slavery and human trafficking
- Prevalence of child labour and human trafficking in the world today
- Prevalence of child labour and forced labour in the cocoa industry in lvory Coast and Ghana
- Child labour: Root causes, field reality and steps forward
- Conclusion

# DEFINITIONS

- A child : a person below the age of 18 (unless the law indicates adulthood younger)
- Right of the child: includes all the fundamental rights established by the United Nations in the "Convention on the Rights of the Child" (CRC) and intended to protect children, such as access to education, sufficient nutrition or appropriate care for their condition.
- Children in employment are those engaged in any economic activity for at least one hour during the reference period.
- Child labour: includes all activities that deprive children of their childhood, potential and dignity, and undermine their schooling, health, or their physical and mental development
- Hazardous work by children is defined as any activity or occupation that, by its nature or type, has or leads to adverse effects on the child's safety, health and moral development.

# HAZARDOUS CHILD LABOUR

Work in dangerous and unhealthy conditions that could result in:

- Death of the child (22.000 children killed/year)
- Injuries
- Permanent disability
- III health
- Psychological damages

HTTPS://WWW.ILO.ORG/IPEC/FACTS/WORSTFORMSOFCHILDLABOUR/%20HAZARDOUSCHILDLABOUR/LANG--EN/INDEX.HTM

### CHILD TRAFFICKING

 According to article 3 of the Palermo Protocol, trafficking in children is "any act of recruitment, transportation, transfer, harbouring or receipt of a child within or outside a country for the purpose of exploitation, regardless of the means used".

# DEFINITION OF CHILDREN'S WORK IN IVORY COAST BY LAW

lvory Coast national legal definitions:

- Children's socialising work: considers as socialising work any unpaid work performed by a child between the ages of thirteen (13) and sixteen (16) years, under the supervision of the legal representative, for the purposes of education and social integration and which is not likely to prejudice: (a) the child's health or physical, mental, moral or social development;
   (b) school attendance or vocational training and weekly rest. Tasks that are limited to helping parents at home, in the family business under certain conditions.
- Children's light work: work done by children as part of their learning in homes, general education establishments, vocational or technical schools or any other institution of accredited professional training; work carried out by children in corporations, where the work is performed as part of an education, vocational training or orientation program to facilitate the choice of career or a form of vocational training.

# FORCED LABOUR, HUMAN TRAFFICKING AND SLAVERY

Most human trafficking is forced labour but not all forced labour is human trafficking (Act, movement, purpose)

- Different crimes and therefore different legal definitions
- Different punishable crimes and legal prosecutions

### FORCED LABOUR

"all work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily. » (ILO convention 1930, art 29) Can be imposed to adults and children:

- By State authorities
- By private enterprises
- By individuals

The forced labour definition encompasses:

"traditional practices of forced labour, such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking."<sup>1</sup> also called "modern-slavery" to shed light on working and living conditions contrary to human dignity.

### HUMAN TRAFFICKING TRAITE DES ÊTRES HUMAINS (≠ TRAFFIC) MENSENHANDEL

Human trafficking is when a person is "acquired", through force or manipulation, in order to exploit them. Human trafficking, as defined by the Palermo Protocol, has **3** key elements:

- Action : movement: recruitment, transportation, harbouring or receipt of a person
- Means : use of force, coercion, adduction, fraud, deception, abuse of power or vulnerability, or manipulation to achieve the consent of a person
- Purpose: exploitation

Movement does not have to mean across a national border.

# FORMS OF HUMAN TRAFFICKING AND PREVALENCE



### Various forms:

- SEX TRAFFICKING
- LABOUR TRAFFICKING
- ORGAN TRAFFICKING

**Prevalence**: Today: **40,3 million** people are victims of one or more forms of exploitation.

Profit: 150 Billion Dollars for traffickers

### SLAVERY

The 1926 Slavery Convention states that Slavery is the "status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised"

- A person can be in slave-like conditions but not considered a slave (because they are still legally a person) with individual rights
- A slave is not even a human any more because they are a piece of property

### **REMINDER: SDG 8**

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.7: Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms

# PREVALENCE OF CHILD LABOUR IN THE WORLD

- I68 million children aged 5 to 17 are engaged in child labour (11% of the global child population)
- 85 million children in hazardous work endangering their health
- Prevalence of child labour in Asia, Pacific region and Sub-Saharan Africa
- Higher in poorer countries
- Agriculture is the most predominant sector by far
- Child labour as a whole is decreasing but too slowly
- In Sub-Saharan Africa I in 5 children is in child labour (21%)

PREVALENCE OF CHILD LABOUR AND FORCED LABOUR IN THE COCOA SECTOR OF IVORY COAST AND GHANA

Published in September 2018

Period covered: 2013-2017 done by The Tulane University and the Walk Free Foundation

- Child labour in lvory Coast : 1.2 million
- Child labour in Ghana: 900.000
- More than 90% of working children are exposed to child labour
- More than 85% of working children are exposed to hazardous work
- Many children working in cocoa are underage and working excessive hours
- Trafficking of children from Burkina Faso and Mali

### Ghana:

Adults victims of forced labour: 3.700 Children victims of forced labour (10-17): 14.000

### Côte d'Ivoire:

Adults victims of forced labour: 9.600 Children victims of child labour: 2.000

HTTPS://COCOAINITIATIVE.ORG/KNOWLEDGE-CENTRE-POST/BITTER-SWEETS-THE-PREVALENCE-OF-FORCED-LABOUR-CHILD-LABOUR-IN-THE-COCOA-SECTORS-OF-COTE-DIVOIRE-GHANA/

# CHILD LABOUR ROOT CAUSES IN IVORY COAST

- I. POVERTY (46% of population) : +800.000 cocoa farmers and their families are living in extreme poverty
- II. LACK OF ACCESS TO QUATLITY EDUCATION (50% of children out of secondary school in rural areas)
- III. LACK OF LEGAL IDENTITY (up to 40-50% children without a birth certificate in several regions)
- IV. WEAK PROTECTION SYSTEMS (social workers have almost no budget to operate)
- V. Increased HOUSEHOLD VULNERABILITY due to HEALTH/WATER/NUTRITION issues
- VI. CASES OF CHILD TRAFFICKING and violence against children

# FAILURE OF THE HARKING-ENGEL PROTOCOL AND FOLLOW UP STEPS

HARKIN-ENGEL Protocol: Reducing the worst forms of child labour of 70% by 2020 (originally 2005)

- I. Fighting POVERTY and ensuring a decent life to planters and their families
- II. Prevention actions to address root causes of child labour: strengthening national provision of services
- III. Clear comprehension of the field needs and dynamics
- IV. Structural approach and sustainable financial means to implement it
- V. Transparency
- VI. Shared responsibility (Local Governments, the EU, the Industry)
- VII. Make sure we answer this question: Who is going to work in the fields when all children are in school?

UNITY VS INDIVIDUAL ACTIONS

BUSINESS SHOULD INVEST IN HUMAN RIGHTS BECAUSE: Consider children and human rights as a whole is fundamental to sustainable cocoa.

We can only make it by jointly uniting all stakeholders skills and forces.

### THANK YOU FOR YOUR ATTENTION SAMILIA.ORG

# Jochen Anthierens (Human Rights Department, Ministry of Foreign Affairs Belgium)

Business and Human Rights, a Belgian governmental perspective

# Violaine Berger Senior Program Manager, Cocoa & Forests Initiative and Cocoa Landscapes (IDH)

Cocoa and Forests Initiative in Côte d'Ivoire, Ghana and Colombia



# Cocoa & Forests Initiative

# The Cocoa & Forests initiative: progress achieved so far

Violaine Berger, Senior Program Manager, IDH berger@idhtrade.org

Sept 4th 2019











Man: WRI Global Forest Watch / Data sources: RFDD+ National Strategy in Cote d'Ivoire



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Cocoa & Forests Joint Statement of Intent. London, March 2017



"We, the undersigned companies, commit to working together, pre competitively, to end deforestation and forest degradation in the cocoa supply chain, with an initial focus on Ghana and Côte d'Ivoire."

# What is the Cocoa & Forests Initiative?

An active commitment of leading cocoa-producing governments and chocolate and cocoa companies to end deforestation and forest degradation in the cocoa supply chain.

- Initiated in 2017 in Côte d'Ivoire and Ghana, which jointly represent 60-70% of the world's annual supply of cocoa;
- Expanded to **Colombia** in 2018, where cocoa was identified as a priority for Colombian agricultural growth, both for domestic consumption and international export.
- Serves as the starting point for the Roadmap to Deforestation-Free Cocoa in **Cameroon**, a process launched in January 2019

# Key milestones



THE COCOA & FORESTS INITIATIVE

# **Company Action Plans**



# Cote d'Ivoire and Ghana: Governance

	CÔTE D'IVOIRE
Led by	Government: Ministry of Water and Forests
Facilitated by	<ul> <li>Public-Private-Civil Society facilitation: IDH</li> <li>Private sector convening: WCF</li> </ul>
Governance structures	<ul> <li>Steering Committee</li> <li>Technical Committee</li> <li>Thematic Groups (x6)</li> <li>Secretariat</li> </ul>

#### GHANA



Government: Ministry of Lands and Natural Resources

- Public-Private-Civil Society facilitation: IDH
- Private sector convening: WCF
  - Oversight Committee
  - Steering Committee
  - Technical Working Groups (x3) and Task Forces (x5)
  - Secretariat and Coordination Team

# What is the mandate of CFI?

Offer a platform for producing country government, private sector, civil society organizations and other stakeholders (e.g. research institutions) to collaborate on the development and implementation of action plans that can help reduce cocoa-related deforestation and forest degradation, and when needed, foster forest restoration.



- ✓ Hold signatories accountable for their commitments
- ✓ Inform the development of new policies/action plans
- Attract new sources of funding
- ✓ Track progress of companies & governments against their commitment (through REDD+)
- ✓ Lead the development of guidance, tools, methodologies
- ✓ Facilitate exchange of information between stakeholders
- ✓ Support creation of synergies between existing initiatives
- ✓ Communicate on progress



X Can't implement (this is the role of government institutions and companies)



- PROGRESS UPDATE, COTE THE COCOA & FORESTS INITIATIVE D'IVOIRE

Cocoa & Forests

Initiative

CFI: THE T	HEORY O	F	CHANGE		NOT STARTED		TO START IN THE	ON	GOING ACHIEVED
Categories of Actions	FRAMEWORK FOR ACTION 9 COMMITMENTS		ΑCTIVITI	S			ουτρυτ		ουτςομε
SUSTAINABLE PRODUCTION & PRODUCERS' SOURCES OF INCOME	Strengthen Supply chain mapping 100% of cocca sourcing traceable from farm to first purchase point	•	Traceability feasibility	v study:		Þ	Traceability system to support deforestation- free cocoa sourcing	•	100% cocoa traceability
1	Investment in long-term productivity of high-quality cocoa in environmentally sustainable manner and grow "more cocoa on less land"	•	Agroforestry & diversi	fication		Þ	Improved productivity	Þ	Improvement of income
FOREST PROTECTION & RESTORATION	Prohibit and prevent activities in the cocoa sector that cause or contribute to any further deforestation or forest degradation No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves		Mapping of direct supply chains by companies			Þ	Lindoto er development	•	No sourcing from national parks and forest reserves (at the exception of admitted farms)
		•	Develop complete land and tree tenure policies	data or their	Collect Socio-economic data on cocoa farmers and their forest-dependent communities		Update or development of land use and forest management plans	•	Detailed operational guidelines covering forest management in Category 1& 2 Forest Reserve
	Promote the effective restoration and long-term conservation of National Parks [] Forest Reserves	•	Updated forest cover and land use ma		Carry out awareness campaigns, training of forest			) )	Forest restoration Conservation and surveillance (all forests)
COMMUNITY PARTICIPATION & SOCIAL INCLUSION	Respect the rights of cocoa farmers Full and effective information sharing, consultation, and informed participation of cocoa farmers and their communities		Develop social safeguard guidelines		management institutions on the amended Forest Code		Mitigate social impact of land use and forest management plans	•	Improved community participation in forest management
	Embrace shared responsibility to implement the Framework actions	•	Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally sustainable cocoa production		▶	Funding roadmap	Þ	Finance available for forest preservation & rehabilitation	
FINANCING, GOVERNANCE & IMPLEMENTATION	Including continued engagement in a multi-stakeholder process for dialogue		Governance established				Regular meetings of the governance bodies		
	Implement agreed actions in the context of a broader landscape level approach Implement verifiable actions and timebound targets.		Inventory of existing initiatives in 6 hotspot intervention areas				Coordinated plans		Coordinated on-the-ground action
			Company action plans published			Þ			
MONITORING & EVALUATION	Effective monitoring and reporting on progress	•	Develop an M&E Framework and a n	neasuren	nent protocol	►	Measure, monitor and repor on progress	rt 🕨	Yearly CFI progress report

THE COCOA & FORESTS INITIATIVE





# Roadmap to Deforestation-Free Cocoa in Cameroon

Overview



# The rationale for the initiative

#### Cocoa in Cameroon

- 5<sup>th</sup> largest cocoa producing country worldwide (275,000 MT/year)
- US\$426 million annual income

#### **Forests in Cameroon**

- 46.3% of the national territory covered by rainforests
- 11% of the Congo Basin forests
- Deforestation rate: up to
   0.2%/year amongst the highest in the Congo Basin

Nation's ambition: 600,000 MT per year by 2020
Risk to forests: degradation and deforestation



Need for collaboration towards a development of the cocoa sector that is sustainable, i.e. that contributes to farmers' livelihoods and forest protection



together possible.

- The Roadmap to deforestation-free cocoa is based on a public-private-civil society partnership approach.
- The objective is to forge a multi-stakeholder partnership in Cameroon to agree on a common vision and a joint framework for action to address cocoa-related deforestation.
- The Framework focuses on :
  - The conservation of national parks and reserves, as well as the restoration of forests that have been degraded by human activities, in particular the encroachment of cocoa farms, among other factors;
  - Sustainable income through alternative sources and productivity increase to increase farmers' yields and livelihoods, grow "more cocoa on less land" and thus reduce pressure on the forest;
  - **Engagement and empowerment** of cocoa communities.





### **Designing the Framework for Action – A multi-stakeholder process**

### **Steering Committee**

*High level representatives of public, private and civil society organizations* 

### **Technical Task Force**

Chairs of advisory groups and representatives of public, private and civil society organizations

Advisory Group 1 Protection and restoration of forests

Experts in protection and restoration

Advisory Group 2 Sustainable production

Experts in the cocoa sector

Advisory Group 3 Community engagement & inclusion

Experts in social inclusion

# Consultations with stakeholders

All stakeholders working on topics that relate to the Roadmap

Consultations organized on Jan 31st, June 6th





Meetings organized on May 3rd, May 29th, June 24th

One-on-one consultations

of July and August

organized during the course

(incl interministerial meetings)

Meetings organized on April 2<sup>nd</sup>, April 9/10/11, May 23rd
## **Building a deforestation-free cocoa sector in Cameroon**

## AT NATIONAL LEVEL: ROADMAP TO DEFORESTATION-FREE COCOA

Joint Framework for Action to address cocoa-related deforestation (Sustainable Production, Forest Protection, Farmers/Communities Inclusion)

Conveners: Ministry of Commerce, Ministry of Forestry and Wildlife, Ministry of Agriculture, ONCC, IDH

#### AT LANDSCAPE LEVEL: GREEN COCOA LANDSCAPE PROGRAM

Pilot, at a landscape level, the innovative solutions designed at a national level through the Roadmap to DFC

Conveners: IDH, WWF







the sustainable trade initiative

together possible.





## THANK YOU!





World Cocoa Foundation









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## Appendices

Sept 4th 2019



Commitment	Actions	To be delivered by 2022
Forest Protection and Restoration		
	1.1 Conduct farm mapping w ithin direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from forest	
<ol> <li>No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.</li> <li>Elimination of cocoa production and sourcing in National Parks and Reserves in line w ith promulgation and enforcement of national forest policy and development of alternative livelihoods for affected farmers</li> </ol>	lands, National Parks and Reserves, and Classified Forests	569,400 farms mapped
	1.2 Conduct deforestation risk assessments in all direct sourcing areas	# ha included in deforestation risk assessment: TBD
	2.1 Adopt and publish a system for excluding farmers in the direct supply chain w ith cocoa production in protected areas	Yes
	2.2 All farms found in National Parks and Reserves reported to government	% farms in Natl Parks & Reserves reported to government: TBD
	2.3 Support cocoa farmers' transition to alternative livelihoods	<i># of total farmers in protected areas receiving assistance for alternative livelihoods TBD</i>
3. No sourcing of cocoa from National Parks and Reserves through	3.1 Implement traceability tools/technology to ensure no cocoa purchases	100% of direct sourced cocoa is traceable to farm-
companies' traceable direct sourcing programs .	originate from National Parks or Reserves (all forest areas)	level
4. A differentiated approach based on the level of degradation of forests for classified Forests w ill be developed and translated into a national forest restoration strategy	4.1 Support the restoration of Classified Forests by w orking w ith cocoa	# farmer 'agroforestry restoration' contracts signed: TBD
	farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods	# hectares restored in Classified Forests: TBD
5. Legal protection and management status for the remaining forests of Côte	5.1 Cooperate w ith the government on enforcement to prevent	# hectares of forest in rural domain protected:
d'Ivoire in the Rural Domain	deforestation in the legally protected forest estate (rural domain)	TBD
	6.1 Support the government's forthcoming adaptive management plans for	
6. Up-to-date maps on forest cover and land-use for the different forests, and	different forest areas to benefit the livelihoods of forest-dependent cocoa communities	Yes
socio-economic data on cocoa farmers developed and publicly disclosed, and	6.2 Participate in the development and operation of land-use and land-use	
detailed operational guidelines prepared	planning at national and regional levels by sharing existing land use maps w ith government	Yes

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Commitment	Actions	To be delivered by 2022
Forest Protection and Restoration		
7. Public enforcement of the new Forest Code and its subsequent guidelines,	7.1 Promote and participate in aw areness-raising campaigns to educate farmers on the new Forest Code	374,600 farmers reached at aw areness events
	7.2 Update farmer engagement materials and training with the revised Forest Code	Yes
8. Public-private collaboration to mobilize resources for forest protection and restoration		\$ mobilized towards forest protection and restoration: TBD
		# hectares with forest protection and restoration financing: TBD
	8.1 Mobilize finance for forest protection and restoration	215,900 farmers participating in PES contracts
9. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry		12,995,100 multi-purpose trees distributed for on-farm planting
	9.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry	244,400 hectares cocoa agroforestry developed
	9.2 Support distribution and planting of native trees for off-farm restoration (reforestation)	8,306,600 native trees planted off- farm # ha of forest area restored: TBD
10. Government creation, in collaboration w ith all stakeholders, of a public-		
inancing of protection and restoration of HCV forest	10.1 Support the creation of the public-private forest conservation and rehabilitation fund	\$ contributed to fund: TBD

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Commitment	Actions	To be delivered by 2022
Sustainable Production and Farmers' Livelihoods		
	11.1 Distribute improved cocoa planting material	# improved seedlings distributed to farmers: TBD
	11.2 Establish and/or provide cocoa nurseries w ith improved cocoa planting material	# of nurseries with improved cocoa seedlings: TBD
11. Promote investment in long-term productivity of cocoa in	11.3 Train farmers in Good Agriculture Practices (GAPs)	444,400 of farmers trained in GAPs
environmentally suitable areas in order to grow "more cocoa on less land"	11.4 Support cocoa farm rehabiliation	# of hectares of cocoa rehabilitated: TBD
	12.1 Promote farm-level crop diversification	230,600 farmers applying crop diversification
		12,995,100 multi-purpose trees distributed for on-
12. Promote sustainable livelihoods and income diversification for cocoa	12.2 Support distribution and planting of multi- purpose trees for on-	farm planting
farmers	farm restoration via agroforestry	244,400 hectares cocoa agroforestry developed
13. Promote financial inclusion and innovation to deepen farmers' access to w orking capital and investment funds for production and farm renovation		100,200 farmers in supply chain with a savings account
	13.1 Promote farmer savings	32,400 farmers participating in VSLA groups
	13.2 Offer financial products to farmers	113,500 farmers offered a financial product
14. Improve supply chain mapping, w ith the goal of 100% of cocoa sourcing traceable from farm to first purchase point. An action plan w ill be developed for traceability, w hich w ill be implemented step-by-step to achieve full traceability and verification, applicable to all by end-2019.	14.1 Conduct farm mapping w ithin direct supply chain to identify and collect cocoa farm boundaries to ensure cocoa is not being sourced from	
	forest lands. National Parks and Reserves, and Classified	569,400 farms mapped w ithin direct supply chain
		100% of direct sourced cocoa traceable from
	14.2 Implement traceability system to farm level in direct supply chain	individual farms to first purchase point
Social Inclusion and Community Engagement		
15. Full and effective information sharing, consultation, and informed		
participation of cocoa farmers and their communities w ho are affected by proposed land-use changes.	15.1 Organize cocoa community consultations on the implementation of	3,400 communities w ith consultation 🏼 🖤 😜
	the Framew orks for Action	sessions

Commitment	Actions	To be delivered by 2022
Social Inclusion and Community Engagement		
15. Full and effective information sharing, consultation, and informed		
participation of cocoa farmers and their communities w ho are affected by proposed land-use changes.	15.1 Organize cocoa community consultations on the implementation of	3,400 communities w ith consultation
	the Framew orks for Action	sessions
16. Promote community-based management models for forest protection	16.1 Establish and/or support community-based natural resource	# of cocoa communities with active forest restoration and protection program: TBD
and restoration	management programs for forest restoration/protection	# hectares under CBNRM: TBD
17. Development of action plans for forest protection and restoration, and	17.1 Develop forest protection & restoration and agriculture intensification	# cocoa communities with gender- focused programs: TBD
sustainable agricultural intensification that are gender and youth sensitive.	action plans that are gender and youth sensitive	# cocoa communities with youth- focused programs: TBD

THE COCOA & FORESTS INITIATIVE

## 2019 Priorities - Ghana

PRIORITY ACTIONS	DEADLINES
1. Conduct study of who is doing what in CFI priority areas.	June 2019
2. Develop content and identify channels for sensitization on CFI at the community level	May 2019
3. Availability and access to maps – National Secretariat to organize workshop on how to access maps around protected forest areas in the cocoa belt.	June 2019
4. Progress to be made on CFI related Deforestation Monitoring system	June 2019
5. Monitoring and Evaluation framework completed	June 2019
6. Finalize and publish guidelines to social and environmental safeguards	May 2019
7. National secretariat functional with staff	June 2019
8. Proposed National Event on 2nd Anniversary of Joint Framework of Actions	November 2019
9. Proposed local donor conference for fund raising	TBD

THE COCOA & FORESTS INITIATIVE

## 2019 Priorities – Cote d'Ivoire

PRIORITY ACTIONS	DEADLINES
1. Inventory study of programmes and partners in the regions of the pilot phase	May
2. Awareness raising among stakeholders on the Cocoa and Forests Initiative in priority regions (AFOR, OIREN, FOPCC, CCC, MINADER, MINEF, REDD+, OIPR, SODEFOR, FAO, FIRCA, WCF, IDH, GIZ)	October
3. Feasibility study on traceability	June (start)
4. Organisation of the TFP Round Table for the financing of CFI	September
5. Finalization of the categorization of classified forests	April
6.Identification of pilot projects with industry on agroforests and parks and reserves	May
7. Elaboration of a monitoring and evaluation manual	May
8. Organization of a meeting of stakeholders in the context of the establishment of a platform for the coordination of forest monitoring systems (including the establishment of an alert system)	May
9. Study on the analysis of the sensitivity of the Cocoa and Forests Initiative's action plan to the environmental and social safeguard standards adopted	June

# **Cedric van Cutsem** Associate Director Cocoa Life (Mondelēz)

Zero deforestation chocolate





## TOWARDS A ZERO DEFORESTATION CHOCOLATE

Cédric van Cutsem Associate Director, Cocoa Life

September 2019

## BEFORE WE START, COCOA LIFE IN A NUTSHELL...



Ambitious commitment to source 100% of our chocolate brands from Cocoa Life reaching

#### 43% at end of 2018

- > Working with over **140,000 cocoa farmers**
- In more than 1,400 communities
- All 6 Cocoa Life origins activated

#### • Encouraging impact @scale





#### Missior

Lead transformation of the cocoa sector by implementing our own holistic program in partnership with others, advocating best practice and policy change

#### Public Commitment All chocolate will be sourced from Cocoa Life by 2025

#### **Principles**

Increase transparency, connecting consumers to cocoa growers
 Promote "self-sustainability", building capacity at origin
 Make greater impact, creating transformative partnerships
 Respect Human Rights, focus on child rights and women's empowerment
 Increase business advantage

Cocoa Farming as a prosperous business Cocoa Communities are empowered and inclusive

Forests are conserved & restored

Learning from independent evaluation and verification



## TOWARDS A ZERO DEFORESTATION CHOCOLATE, WE NEED



#### TRACEABILITY AND TRANSPARENCY

Understanding where and under which conditions cocoa is produced is critical for behaviour change and assessing risk in our supply chain.







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**SNACKING MADE RIGHT** 



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## ECONOMIC RELEVANCE FOR FARMERS/COMMUNITIES

All interventions taken by the sector need to have a positive economical impact for cocoa farming communities





#### ECONOMIC RELEVANCE FOR FARMERS/COMMUNITIES

All interventions taken by the sector need to have a positive economical impact for cocoa farming communities

#### Introducing PES to support adoption of agroforesty (under Redd+)

- 1. HCSA: based on satellite images
- 2. Land use planning: collaboratively and endorsed by local autorithies
- **3. Inform:** Raising awareness and providing information to producers and local communities
- 4. Identification of candidates for the PES.
- 5. Entrepreneurship development: creation of three forest tree nurseries/VSLA's
- 6. Training of the candidates on PES methods and agroforestry
- 7. Signing of PES contracts with producers and community leaders

#### Main progress to date:

- > **1050 Farmers** under PSE (contracts signed)
- > 1669 Ha under PSE agroforestry (contracts signed)





#### ECONOMIC RELEVANCE FOR FARMERS/COMMUNITIES

All interventions taken by the sector need to have a positive economical impact for cocoa farming communities

#### **Main learnings**

- Knowledge gap on agroforestry practices to be recommended and their financial return to farmers
- Value of PES needs to be increased and extended in time. Who can fund?
- > We need a more targeted approach
- > We need ways to reward operators introducing such incentives
- We need to engage with all stakeholders (farmers, FO's, buyers, local gvmts)
- > We need to reduce monitoring transaction costs



## TOWARDS A ZERO DEFORESTATION CHOCOLATE, WE NEED

#### TRACEABILITY AND TRANSPARENCY

Understanding where and under which conditions cocoa is produced is critical for behaviour change and assessing risk in our supply chain.

#### ECONOMIC RELEVANCE FOR FARMERS/COMMUNITIES

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## ENSURING COLLECTIVE ACTIONS

Only a sector wide, long term strategy, with coordinated actions will allow us to end deforestation in cocoa supply chains





#### ENSURING COLLECTIVE ACTIONS

Only a sector wide, long term strategy, with coordinated actions will allow us to end deforestation in cocoa supply chains

- Cocoa and Forest Initiative
- > Transparency and accountability frameworks among stakeholders
- > Join forces in a landscape approach (incl other sectors)
- > Engage the entire community, not only cocoa farmers (CODEC)
- Build the knowledge, together
- Align approaches and definitions
- Unlock finance







## THANK YOU



# Chocolate break

## Break out sessions working groups

## Living Income

Norma Tregurtha

Director, Policy and Projects

ISEAL

## Deforestation

Violaine Berger

Senior Program Manager, Cocoa & Forests Initiative and Cocoa Landscapes

IDH

## Youth and Decent Work

Sylvie Bianchi

**Project Coordinator** 

Samilia Foundation





# **Contact Us**

Name:	Els Haelterman
Position:	Senior Program Manager
Email:	Haelterman@idhtrade.org
Website:	https://www.idhsustainabletrade.com/initiative/beyondchocolate/

