

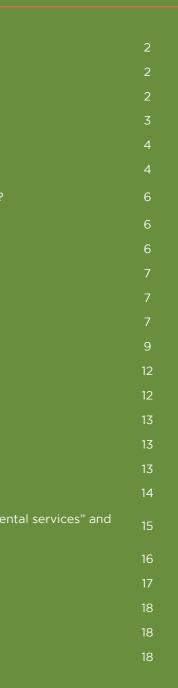
COCOA AND FORESTS INITIATIVE ANNUAL REPORT

CÔTE D'IVOIRE 2021



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MINISTRY OF WATER AND FORESTS



Laurent TCHAGBA

Minister of Water and Forests, Chair of the Cocoa and Forests Initiative Steering Committee

The second phase of the Cocoa and Forests Initiative, to take place in 2021-2025, was launched at the Steering Committee meeting of 25 February 2021. It aims to consolidate the achievements of the pilot phase and scale up actions for a sustainable, deforestation-free cocoa sector that improves the livelihoods of producers and helps restore the forest cover of Côte d'Ivoire.

I am heartened to note that despite the slowingdown of the activities of the Cocoa and Forests Initiative induced by the COVID-19 pandemic, important progress has been made to address deforestation, restore forests and establish the unified national cocoa traceability system in Côte d'Ivoire, among other actions.

The trend towards reduced deforestation observed across the country, which has been confirmed by data from the forest monitoring tool "IMAGES" is particularly noteworthy. This trend sends a positive signal that the government is committed to making every effort to slow down and fully reverse the deforestation trend in the next few years.

This decline of the rate of forest loss can be credited to the many ongoing actions, which include the Cocoa and Forests Initiative.

To maintain the momentum, and consolidate and sustain this decline, I encourage the signatories of the Joint Framework for Action and all actors and partners concerned by deforestation to jointly mobilise the financial resources required for successful large-scale action on the ground.

Besides the mobilisation of financial resources, another challenge is the implementation of the unified national cocoa traceability system and the national forest monitoring and deforestation alerts system. Given the requirements of the draft EU regulation on imported deforestation published in November 2021, this is an urgent task.

I therefore call on all the initiative partners to combine their technical and financial resources to take on these challenges in a spirit of strengthened trust and active cooperation.

WORLD COCOA FOUNDATION



Martin Short President of the World Cocoa Foundation

"He who planted a tree before he died did not live in vain [...]. I am convinced that the future of Côte d'Ivoire lies in what we are doing here," said Dosso Amara when asked about his work to protect the forests around Abengourou in eastern Côte d'Ivoire. Amara is one of thousands of people - cocoa producers, government officials, business leaders, consultants, experts and donors - who have been involved in the Cocoa and Forests Initiative since 2017.

We can be proud of this unprecedented collective endeavour and the results achieved. We especially welcome our partnership with the Government of Côte d'Ivoire under the leadership of the minister of Water and Forests, and are grateful to all stakeholders who are working every day to make deforestation-free cocoa a reality.

When I look back over the past year, I am inspired to see that several of the 35 companies in the Cocoa and Forests Initiative have increased their investments in forest protection. They support people like Amara, who are engaged in protecting the most biodiverse and valuable forests in Côte d'Ivoire. Others have focused on agroforestry, helping cocoa producers plant trees and thus contribute to global efforts to tackle climate change. Since 2018, the companies have distributed more than 11 million forest trees to producers.

We have also continued last year's work on traceability. The companies have mapped over 500,000 farms and achieved 72 percent traceability¹ in their direct supply chains in Côte d'Ivoire. But this is not enough. Let's set bolder, more ambitious targets that go beyond direct supply chains. What we need is full traceability from cocoa bean to chocolate bar.

The Conseil du Café-Cacao has therefore carried out an inventory of producers to support the development of the national traceability system. The satellite-based monitoring system IMAGES has been adopted by the Cocoa and Forests Initiative Steering Committee. It is operational and generates deforestation alerts.

We are now in a great position to understand how cocoa is grown, by whom and where, so that our chocolate is not linked to deforestation. As a sector, we must ensure that producers benefit financially from this improved traceability. We must also improve the integration of traceability tools and the sharing of data, and we must welcome the forthcoming legislation on due diligence in the EU and globally, as an opportunity.

As I write, I am working on extending our commitment to deforestation-free cocoa beyond 2022. We can do this by working together on strategic interventions that address systemic issues, putting producers first in the work we do, prioritising evidence-based action, involving new donors and, last but not least, by taking responsibility.

And we must never lose sight of the root causes of deforestation and child labour: producer poverty and low cocoa prices. Together we will need to find the right strategic approach to tackling these problems if we truly want to protect the environment and provide a living income to all cocoa communities.

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¹ Companies apply finer criteria for the traceability indicator based on cocoa volumes - instead of the number of producers - which meets the requirements for unique producer identification, polygon mapping and cocoa traceability.

IDH - THE SUSTAINABLE TRADE INITIATIVE



Daan Wensing Chief Executive Officer of IDH, The Sustainable Trade Initiative

Since 2015, as part of its cocoa programmes and its Initiative for Sustainable Landscapes (ISLA), IDH has initiated a dialogue on cocoa and forests, bringing together public and private partners at the regional, national and international level to discuss ending deforestation caused by cocoa production. The Cocoa and Forests Initiative is one of its key programmes. We are therefore delighted to announce that new funding is available for our work on sustainable cocoa in general, and the Cocoa and Forests Initiative in particular, for the coming years.

During phase 2 of the Cocoa and Forests Initiative, we will pursue our work with partners on strategies and priorities to deliver on the initiative's key commitments. Moreover, we intend to support its various stakeholders in their negotiations to leverage investments by industry, government and third parties to increase impact on the ground.

The cocoa sector currently faces multiple challenges in addressing climate change and promoting forest conservation. However, a strong partnership among the government, businesses and communities can bring about lasting change, with the support of civil society, experts and investors.

We therefore call upon the signatories of the Cocoa and Forests Initiative not to lower their ambitions: at IDH, we remain convinced that cocoa production can become forest positive, and we firmly believe that forest protection is both our duty and a necessity to serve the greater good and bring benefits for local communities, the national economy and global ecosystems.

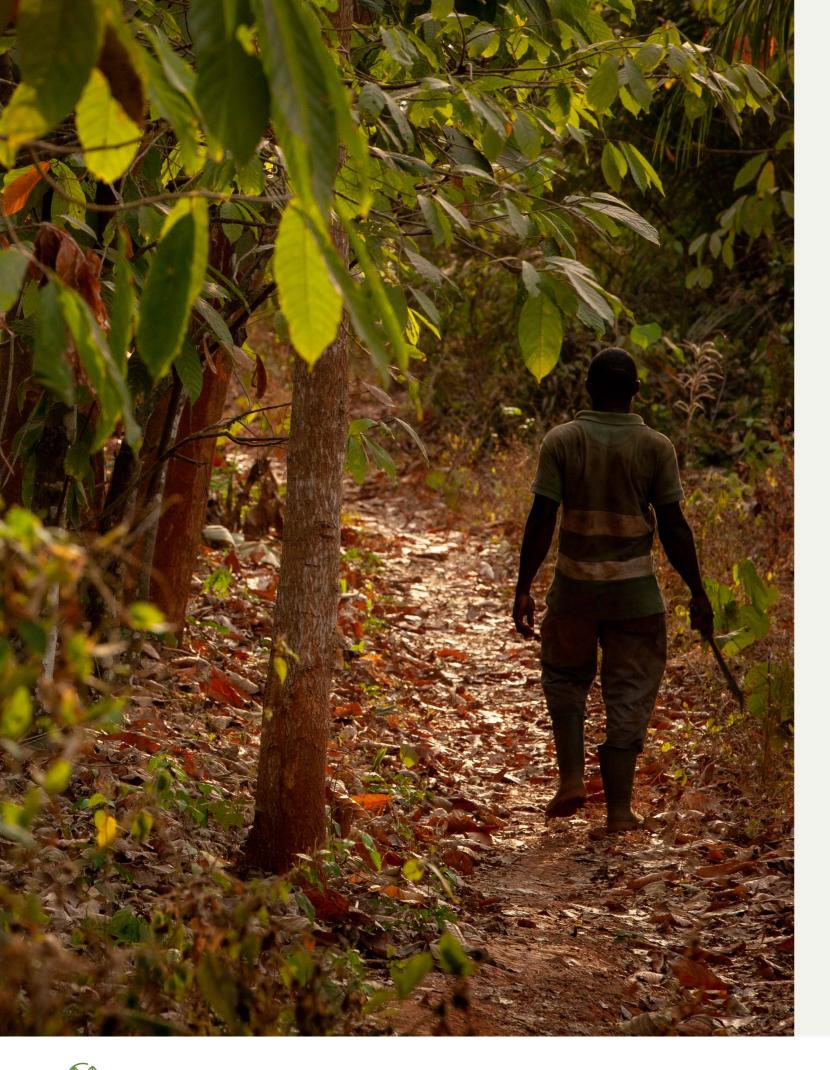
We look forward to the next stages of the initiative where we will focus on cocoa traceability, publicprivate investments in forest protection and the joint use of satellite-based forest monitoring, as this is where I believe we can make a real difference.

In Central and West Africa, where about 85 percent of the world's cocoa is produced (Côte d'Ivoire, Ghana, Cameroon and Nigeria), valuable opportunities for collaboration on forest conservation in the cocoa sector can emerge. Similarly, there would be tremendous value in convening exchanges with European stakeholders who have clear ambitions for deforestation-free cocoa through the National Initiatives on Sustainable Cocoa in Europe (ISCOs) - national platforms and initiatives for sustainable cocoa like DISCO in the Netherlands, SWISCO in Switzerland, GISCO in Germany and Beyond Chocolate in Belgium - the launch of the European initiative on sustainable cocoa and the draft European Union Regulation on deforestation-free commodities.

Allow me to conclude by commending the members of the Technical Secretariat of the Cocoa and Forests Initiative, namely the Ministry of Water and Forests, the Conseil du Café-Cacao, the World Cocoa Foundation and IDH, in their relentless efforts to engage with a wide range of partners and keep spurring us on. Keep up the good work!







LIST OF ACRONYMS AND ABBREVIATIONS

AFOR	Agence Foncière Rurale
AGR	Activités génératrices de revenus
AVEC	Associations Villageoises d'Épargne et de Crédits
BSSI	Brigade Spéciale de Surveillance et d'Intervention
BPA	Bonnes pratiques agricoles
CAC	Cadre d'Action Commune
CNS	Conseil National de Sécurité
CNRA	Centre National de Recherche Agronomique
COP	Conférence des Parties
DRD	Différentiel de Revenu Décent
FACI	Forces Armées de Côte d'Ivoire
FAO	Organisation des Nations Unies pour l'Alimentation
FLEGT	Forest Law Enforcement, Governance and Trade
GCF	Fonds Vert pour le Climat
GCRN	Mécanismes de gestion des ressources naturelles à
GEF	Fonds pour l'Environnement Mondial
GT	Groupe thématique
ha	Hectare
ICF	Initiative Cacao et Forêts
ICRAF	World Agroforestry Institute
IDH	The Sustainable Trade Initiative
IDEF	Initiatives pour le Développement Communautaire
MINADER	Ministère de l'Agriculture et du Développement Ru
MINEDD	Ministère de l'Environnement et du Développemen
MINEF	Ministère des Eaux et Forêts
MPD	Ministère du Plan et du Développement
ODD	Objectifs de Développement Durable
OIPR	Office Ivoirien des Parcs et Réserves
OI-REN	Observatoire Ivoirien pour la gestion durable des R
ONG	Organisation non gouvernementale
PARFACI	Projet d'Appui à la Relance des Filières Agricoles d
PDIC	Projet de Développement Intégré de la chaîne de v
PIF	Programme d'Investissement Forestier
PIF2	Programme d'Investissement Forestier Phase II
PRE	Programme de Réduction des Émissions
PSE	Paiements pour services environnementaux
PTF	Partenaires techniques et financiers
REDD+	Réduction des Émissions liées à la Déforestation et
RSE	Responsabilité Sociétale des Entreprises
SCOLUR-CI	Mise à l'échelle des systèmes alimentaires à base d transformatrices en matière d'utilisation et de resta d'Ivoire
SEP REDD+	Secrétariat Exécutif Permanent de la REDD+
SODEFOR	Société de Développement des Forêts
SPREF	Stratégie de Préservation, de Réhabilitation et d'Ex
WCF	World Cocoa Foundation/ Fondation Mondiale du
WRI	World Resources Institute

on et l'Agriculture

à base communautaire

e et la Conservation de la Forêt lural nt Durable

Ressources Naturelles

de Côte d'Ivoire valeur du Cacao

et à la Dégradation des Forêts

de cacao, des innovations tauration des terres en Côte

Extension des Forêts u Cacao



Executive summary

restoration

Objective: Contribute to increasing forest cover to 20 percent of the land area by 2030 (from 9.8 percent in 2021)

SECTOR PUBLIC



20.5 million trees planted during the "1 day, 50 million trees" event in 2021, that is, almost one tree per citizen, and more than **24.6 million trees planted** in 2019, 2020 and 2021 (including 3.5 million trees planted by the

Operationalisation of IMAGES, a **satellite-based forest**

monitoring tool launched by the Cocoa and Forests

Forest protection and

Conseil du Café-Cacao in 2021)

Grah, Cavally, Dassioko and Agbo 2)



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Month Internet	f

Initiative New public-private partnership agreement signed for the conservation and restoration of the Dassioko classified forest (12,540 ha), bringing the classified forest area under a partnership agreement with the Cocoa and Forests Initiative partner companies to

666,081 ha (Arrah, Haute-Dodo, Goin-Débé, Rapides-

Over **7,512,000 trees distributed** for agroforestry and reforestation, bringing the total to over 12,945,000 since 2018



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Over **22,000 ha** of forest restored in rural areas

Over **319,000 producers made aware** of the new Forest Code

6,229 producers received payments for environmental services in 2021, and over 12,700 producers since 2018



Sustainable production and producer sources of income



3.5 million forest tree plants established on cocoa farms in 2021 as part of a programme to plant 60 million trees by 2024



Traceability

Traceability study completed and disseminated

System architecture under development

Implementation of the pilot project initiated in April 2022



249,807 producers trained in climate-smart farming practices

193,395 ha of cocoa plantations converted to agroforestry

Over **114,200 producers** benefiting from financial products and services

Over 3,700 village savings and credit associations supported, with a total of 99,210 members



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Traceability

Over 465,400 farms mapped to improve traceability





Community engagement and social inclusion



74,605 people involved in projects and activities to empower women



In 2021, less forest area was lost than in 2020. The data shows that observed forest disturbances decreased by 47 percent.

This is an encouraging downward trend that needs to be analysed in greater detail to better understand forest loss caused by cocoa production.



Introduction: What is the Cocoa and **Forests Initiative?**

Context

Aware of the key role of forests in combating climate change and ensuring sustainable cocoa production, as well as the negative impacts of deforestation on the environment and the cocoa sector itself, cocoa and chocolate companies have initiated a process to implement a series of actions to minimise the effects of climate change, reduce their carbon footprint and end deforestation in the cocoa supply chain.

Since March 2016, the Governments of Côte d'Ivoire and Ghana, and 35 leading cocoa and chocolate companies accounting for 85 percent of the global cocoa trade have been working together under the umbrella of the Cocoa and Forests Initiative (CFI) to tackle deforestation in the cocoa sector. This initiative was launched by King Charles III, then Prince of Wales, and is facilitated by IDH, the Sustainable Trade Initiative and the World Cocoa Foundation (WCF).

Initial consultations with the governments and the companies in March 2017 resulted in the signing of CFI's Joint Framework for Action on 16 November 2017 in Bonn, Germany, alongside the twenty-third Conference of the Parties (COP23). This framework aims to end deforestation and promote the protection and restoration of forest areas within the cocoa value chain. It sets core commitments, key actions, verifiable metrics and timebound targets for implementation, for a deforestation-free supply chain that promotes forest protection.

CFI's work lies at the interface of cocoa farming and forestry development. It is a key component of the Forest Preservation, Rehabilitation and Extension Strategy (SPREF) adopted by Côte d'Ivoire in 2019 and led by the Ministry of Water and Forests (MINEF).

As a public-private partnership platform, CFI aims to build on synergies across the projects and programmes of the Joint Framework for Action signatories, and across ongoing and future projects and programmes with other entities such as the technical and financial partners and civil society organisations, as well as other platforms sharing similar objectives.

CFI's work is aligned with the Paris Agreement on climate change and contributes to Sustainable Development Goal (SDG) 13, "Climate Action", and SDG 15, "Life on Land", as well as the CO2 emissions reduction goal of Côte d'Ivoire.

Commitments

Le CAC de l'ICF en Côte d'Ivoire comporte huit engagements principaux, à savoir :

- 1. Prohibit and prevent any further conversion and degradation of national parks and reserves, classified forests and forests in the protected domain (rural domain) for cocoa production.
- 2. Respect the rights of cocoa producers, including by identifying and reducing social risks and gradually implementing steps to minimise potential negative impacts on social and economic aspects.
- 3. Promote effective restoration and long-term conservation of national parks and reserves, and classified forests.
- 4. Strengthen the mapping of the supply chain, the ultimate goal being to achieve full traceability to the plantation level.
- 5. Implement tangible actions and specific, timebound targets based on stakeholder consultations and a realistic timeframe.



- 6. Implement appropriate actions in the context of a wider country approach, by creating strong links with similar initiatives on other agricultural commodities and fully aligning with the national strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+) and other relevant national strategies and plans.
- 7. Work together to implement the Joint Framework for Action and mobilise the required financial resources and technical expertise. including through a continuous multistakeholder engagement process promoting dialogue on key issues, the development of an effective implementation plan, and joint learning and knowledge sharing to strengthen institutional capacity.
- 8. Effective monitoring and reporting on progress towards fulfilling the commitments and implementing the actions towards greater transparency and accountability.

Themes

The CFI's overall objective is to contribute to halting deforestation and forest degradation in the cocoa supply chain. Its action addresses three main priorities or themes:

- forest protection and restoration;
- sustainable production and producer sources of income; and
- community engagement and social inclusion.

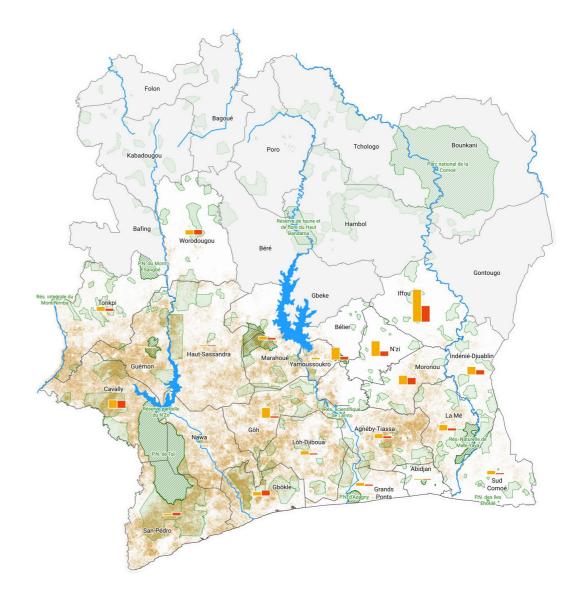
In this 2021 annual report, the CFI companies and the Government of Côte d'Ivoire wish to report on their progress and achievements towards implementing specific actions.

CFI is grateful for the support of the Partnership for Forests (P4F) and IDH, which received support from the Governments of the Netherlands (DDE), Denmark (DANIDA) and Switzerland (SECO) to finance the operation of its Technical Secretariat in 2021.





Indication of a slowing down of the annual rate of deforestation in cocoa belt areas



Total area of forest cover disturbed::

- shown in orange for 2020; and
- shown in red for 2021. ٠

The colour intensity represents the share of cocoa-growing land:

- Dark brown indicates a cocoa cover of • 100 percent.
- White indicates a cocoa cover of 0 • percent.

Decline in the rate of forest loss

The graph below shows the forest areas in the cocoa belt that were disturbed by cocoa production in 2020 and 2021, tool IMAGES. This tool has been collecting data on forest cover change since June 2019. The cocoa belt stretches at latitudes lower than 8 degrees.

The data shows that observed forest disturbances have decreased by 47 percent.

the government and its partners are making significant



This data layer displays the disturbances detected in primary forests, where primary forest is defined as land with more than 70 percent tree cover, consisting of trees of at least 15 m in height.

The clearing of forest land for agriculture as well as logging, forest fires, mining and storms are all factors that can lead to forest loss or degradation. However, fewer disturbances were observed between 2020 and 2021 in most regions for which data is available, suggesting a decline in deforestation rates and signalling the beginning of real change.



Forest management

In 2021, the work to protect and restore forests in Côte d'Ivoire focused on several classified forests and protected areas.

Activities concerning the classified forests of Côte d'Ivoire are guided by the Forest Preservation, Rehabilitation and Extension Strategy (SPREF) of MINEF, which classifies forests according to their extent of degradation, meaning that restoration work can be adjusted to the forest condition. To implement its strategy, MINEF sought to collaborate with private sector partners by signing agreements for Category III classified forests for crops, and cocoa production in particular, to be integrated in agroforestry systems, while earmarking land for restoration.

To date, five partnership agreements have been signed with cocoa and chocolate companies, and the first detailed studies have been finalised to update socioeconomic and biophysical data sets and develop sustainable management plans across classified forest landscapes.

For example, in 2021, a new partnership agreement was signed with the Nestlé Group for the conservation and restoration of the Cavally classified forest, which stretches over 67,593 ha. The aim of this project is to: (i) use satellite-based monitoring and alerts, and strengthen surveillance on the ground to reduce deforestation levels; (ii) restore 1,500 ha of degraded forest land; (iii) provide sustainable income alternatives to local communities to foster ownership in greater protection of forests; and (iv) identify innovation opportunities to be developed in and around the Cavally classified forest, and which could be replicated in other forests. The following results were achieved by the project: project launch and awareness raising among stakeholders, 90,291 multipurpose forest plants were produced, purchased and transported to the forest in collaboration with local communities: 366 ha were reforested; holistic assessments were carried out in 46 sites in the project area; and eight removal patrols were organised, covering 1,729 ha of cocoa plantations and resulting in the removal of 55 temporary shelters.

In recent years, Olam has been working closely with the government and other partners to finalise management plans for the restoration and protection of the Rapides Grah (263,900 ha) and the Haute Dodo (196 733 ha) classified forests. The SIAT Group has signed a partnership agreement with MINEF for the rehabilitation of the Goin Débé classified forest.

Under Phase I of the Forest Investment Programme funded by the World Bank (FIP-1), development of participatory management plans for the Goin-Débé, Rapides Grah and Haute-Dodo forests in the southwest was initiated in 2021 under the supervision of SODEFOR. To refine each of these plans in a participatory and inclusive manner, the support of a consortium of international and national companies was mobilised to carry out socioeconomic assessments of the forests in close collaboration with local communities. For Goin-Débé (133,170 ha), the FIP-1 only funded an assessment while MINEF developed its own forest management options to resolve a land-use conflict among forest-dependent communities dating back to 2018. Plans are currently being developed for Rapides Grah and Haute-Dodo and are expected to be completed by July 2022. PIF-2 will finance the implementation of participatory management plans through: (i) support for the results-based agroforestry contract system in collaboration with cocoa producers in classified forests; (ii) capacity building for SODEFOR in the sustainable management of classified forests; and (iii) support for livelihood restoration in management plans and income-generating activities for local communities living close to classified forests.

Côte d'Ivoire has signed a partnership agreement through MINEF with the chocolate company Barry-Callebaut and the timber company Inprobois for the conservation and restoration of the Arrah classified forest (13,713 ha). Under this agreement, the following activities were carried out: a landuse map of the classified forest was produced and a socioeconomic assessment of the forest was conducted. A forest management plan is currently being developed. In addition, MINEF has set aside 300 ha in the Agbo 2 classified forest, which Barry-Callebaut has been tasked to restore to forest land. In 2021, a total of 51,562 forest trees were planted over 53 ha. Besides these reforestation and conservation efforts, the project site is regularly monitored by the Barry Callebaut team and its technical partners.

In 2021, 20 regulations were adopted to implement the Forest Code.

List of Forest Code implementing regulations adopted in 2021

Decree No. 2021-27 of 20 January 2021 on the requirements for importing and introducing individuals pertaining to forest plant species in Côte d'Ivoire

Decree No. 2021-348 of 7 July 2021 establishing the procedure for developing the forest products nomenclature

Order No. 007/MINEF/CAB of 6 January 2021 establishing the requirements and procedure for forest registration

Order No. 008/MINEF/CAB of 6 January 2021 defining the procedure and frequency of national forest inventories

Draft Decree No. 2021-437 of 8 September 2021 establishing the general framework for the management of classified forests in the state's private forest domain that are eligible for the concession system

Draft decree No. 2021-438 of 8 September 2021 on the requirements for practising forestry and registering as a forestry professional

Draft decree No. 2021-439 of 8 September 2021 specifying the requirements for redrawing the boundaries of forests and agroforests in the private domain of the state and local and regional authorities

Draft decree No. 2021-440 of 8 September 2021 setting the requirements and procedures for the creation and management of community forests

Decree No. 2021-441 of 8 September 2021 on the arrangements for implementing independent observation

Decree No. 2021-442 of 8 September 2021 defining the means of protecting and restoring forest resources

Decree No. 2021-443 of 8 September 2021 defining the means of establishing, landscaping and managing botanical gardens

Decree establishing the composition, member appointment procedure, authority, organisation and operation of the Water and Forestry Commission's Disciplinary Board

Decree establishing the arrangements for the management and use of ecologically sensitive areas

Decree defining the settlement procedure and amounts in the case of forestry offences

Decree on the establishments, functions, structure and running of the École Nationale des Eaux et Forêts

Decree on the Order of Merit of the École Nationale des Eaux et Forêts

Decree defining the requirements and procedures for the processing and marketing of forest products

Decree defining the requirements and procedures for the export and import of forest products

Decree on the establishment, structure and operation of the National Forestry Fund

Decree establishing the requirements for informing, consulting and engaging with local communities on the management of forests in the private domain of the state and local and regional authorities





The following are directly relevant to CFI:

Order No. 007/MINEF/CAB of 6 January 2021 establishing the requirements and procedure for forest registration

This order provides for forests to be recognised by the relevant authorities. It sets out the procedure for the registration of forests at the request of the forest owner or manager, leading to the issuance of a forest plot certificate, which is registered in the local register, and then in the central register maintained by MINEF.

Draft Decree No. 2021-437 of 8 September 2021 establishing the general framework for the management of classified forests in the state's private forest domain that are eligible for the concession system

This draft decree establishes the concession system for the management of classified forests in the state's private forest domain that exhibit a level of degradation greater than 75 percent. This system will promote the rehabilitation of these degraded forests, including through agroforestry, with the participation of a wide range of stakeholders (private sector, agribusinesses, local and regional authorities, rural communities, civil society and individuals).

Draft decree No. 2021-439 of 8 September 2021 specifying the requirements for redrawing the boundaries of forests and agroforests in the private domain of the state and local and regional authorities

This draft decree clarifies the requirements for redrawing the boundaries of forests and agroforests in the private forest domain of the state and local and regional authorities. These were initially established using traditional methods and may lead to disputes with local communities when infrastructure or urban and rural settlements are developed. The updating of boundaries using modern technology, such as GPS devices and drones, will help make them permanent.

Draft decree No. 2021-440 of 8 September 2021 setting the requirements and procedures for the creation and management of community forests

The new Forest Code directs and guides the implementation of policies under the SPREF. It provides for multiple forest management systems and the involvement of multiple actors in forest management, particularly through the promotion of community forests. This draft decree sets out the requirements and procedures for the establishment of forests that are registered in the name of specific communities, which can contribute significantly to the expansion of forest areas and the improvement of community incomes and livelihoods.

Decree on the establishment, structure and operation of the National Forestry Fund

The National Forestry Fund provides longterm financing for programmes and projects on sustainable development of forest resources to enable Côte d'Ivoire to recover 20 percent national forest cover by 2030 and maintain the monitoring of this cover. The fund relies on a variety of resources, combining forest revenues, forest conservation and forestry development taxes, royalties from hunting and the management of botanical gardens and zoos, contributions from production entities, government loans and contributions from CFI partners.

Decree establishing the requirements for informing, consulting and engaging with local communities on the management of forests in the private domain of the state and local and regional authorities

This decree specifies the procedures for informing, consulting and engaging with local communities throughout the implementation of forest management and use projects, and forest product processing and marketing projects. Forest managers are responsible for sharing information and holding consultations with the communities concerned, and this can be done through the local media, via the posting of notices at chiefdom venues and prefectures and sub-prefectures, and by organising consultation sessions. The participation of local communities in the management of forestry projects is ensured through formal participatory management committees at the local level.

In the case of parks and reserves, the Ministry of the Environment and Sustainable Development (MINEDD) has focused on the organisation of monitoring, protection and restoration activities in national parks. Its main achievement has been the

regeneration of degraded areas in collaboration with the protected area management authority, OIPR. For example, the total area under natural regeneration in Mount Péko National Park has increased to 2,074 ha between 2016 and the end of 2021. Relations with local communities remain the focus of attention, and 466 awareness-raising activities were organised, reaching 36,756 people living close to protected areas under the authority of the OIPR.

Restoring forest cover

Restoring forest cover is a key issue in light of the government's efforts to achieve at least 20 percent forest cover by 2030. On 29 October 2021, the national tree planting one-day event "1 day, 50 million trees" took place. A total of 28.5 million trees were planted across the country, equivalent to more than 140,000 ha.

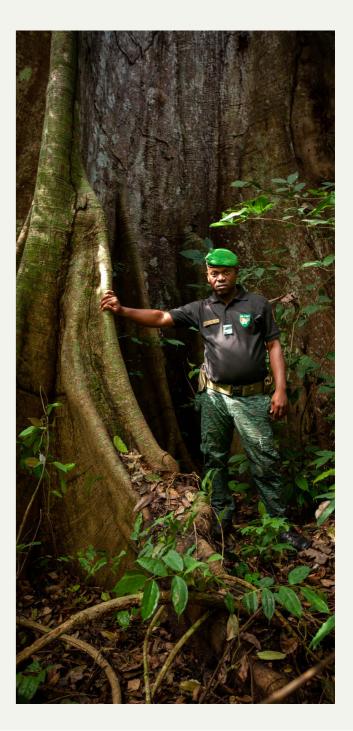
However, plant availability issues pose an ongoing challenge for reforestation activities. Collaboration among MINEF, SODEFOR, the Conseil du Café-Cacao (CCC) and the private sector needs to be strengthened even more to address plant quantity and guality issues and iron out logistics problems in distribution.

Landscape approaches

Jurisdictional approaches are based on the recognition of multiple land uses in a given area acting as a functional ecosystem, and allow for the development of holistic management frameworks to achieve sustainability objectives. Many entities are spearheading such approaches and helping communities to take ownership of the management of their land through partnerships with traditional chiefs, community leaders, regional officials, nongovernmental organisations and other stakeholders. For example, pilot initiatives in southwest Côte d'Ivoire have provided training and helped establish land management councils. These initiatives have been successful and are being scaled up. Other innovative initiatives being developed in Lôh-Djiboua, San-Pédro and Nawa are improving land governance by helping producers secure land titles and strengthening intercommunity relations.



A jurisdictional approach has also been adopted in the Cavally region, which has developed a green growth plan around three dimensions - protection, production and inclusion. The regional council brings together public and private sector partners from the cocoa sector, but also coffee, timber and rubber companies active in the region, which engage with local communities to set goals and mobilise and channel investments for the conservation of the Cavally forests.









Testimonial

Dosso Amara, Director of the Abengourou Management Centre, Sodefor

"He who planted a tree before he died did not live in vain"

Amara looks after the forests of the Indénié-Djuablin region in Côte d'Ivoire, and he is proud of his work: "He who planted a tree before he died did not live in vain [...]. I am certain that the future of Côte d'Ivoire lies in what we are doing here."

Indénié-Djuablin was historically a forested region, but, "today the forest has practically disappeared." Fortunately, protected areas such as Beki or Bossematié still include relatively large tracts of forest. But they are also under threat. Amara believes that everyone should get involved in protecting these forests: "Today, the situation is so bad that their key role is obvious," he says, "we no longer control the season, so we can no longer plan properly for the crop. We can't manage this kind of rain any more. So it's obvious. We need to protect the forests for conservation to restore the balance in the face of climate change."

To reconcile cocoa farming and forests, Amara has a strategy: "The first thing is to show growers that the issue is not to get more land, but better yields. You can produce a lot on a small area. Second, we must explain to growers that agroforestry holds the key, that cocoa can be grown under forest trees."

The SODEFOR employee is not sure about the future and identifies other threats to the forests of Côte d'Ivoire: "Unfortunately, the problem of migration is extremely serious, and it needs to be addressed because the new people arriving are not aware. And even if they are made aware of the problems, they don't care. They think that since others already have farming plots, [they should have them too]."

"Those who are already in the forest now generally agree that they should practise agroforestry and not clear any more land. If everyone follows this principle, there's reason to be optimistic," says Amara.







Sustainable production, agroforestry and traceability

Agroforestry

As a forest understory tree, the cocoa tree needs the agricultural, soil and ecological conditions provided by the forest to develop properly. For this reason, one of CFI's major objectives is to reconcile cocoa farming and forestry by promoting agroforestry systems among cocoa producers to ensure that cocoa production is both environmentally and economically sustainable for them. The signatory members are thus committed to investing in longterm cocoa productivity by introducing shade trees in cocoa plantations. Integrating agrofrestry in cocoa plantations in this way can provide many benefits for agriculture and the environment.

The CCC has implemented a large-scale reforestation programme involving the introduction of forest tree species in cocoa plantations and the restoration of forest areas. In 2021, 3.5 million forest tree plants were thus distributed as part of a pilot project to promote agroforestry. The CCC's goal is to distribute 60 million forest tree plants over four years (2021-2024) throughout the cocoa growing area. More than 60,500 producer beneficiaries also received technical support for planting and caring for the plants.

The companies continue to support growers in adopting climate-smart cocoa (CSC) practices, which helps them strengthen their resilience to climate variability. These are improved agricultural practices, but they also include actions to help address deforestation and forest degradation.

The companies are working with technical experts to support the distribution and planting of multipurpose trees, including native species, to help producers establish cocoa-based agroforestry systems. Some of them are going beyond agroforestry and are trialling agrifood systems based on regenerative agriculture, which focus on enhancing ecosystem functions, maintaining biodiversity and improving soil quality. In addition, companies are adopting innovative community-based agroforestry approaches, which allow communities to manage their own resources. For example, they are supporting the establishment of community-led natural resource governance boards, such as land management councils, and the implementation of capacitybuilding programmes, with training in CSC practices. Some agroforestry systems are being developed in collaboration with producers and encourage livelihood alternatives and income diversification as part of new programmes that engage with producers living close to national parks.

In 2021, the companies trained 249,807 producers in CSC practices and distributed 6,182,406 multipurpose trees in 193,395 ha of agroforestry cocoa farms. Since 2018, 11,417,898 multipurpose trees have been distributed and 169,438 producers have been supported in managing their cocoa plantations as agroforestry systems.

The companies and their partners are also carrying out research, including to analyse producers' income sources and better understand their motivation in switching to agroforestry systems, as well as the potential of these systems for improving the incomes of households in farming communities.





Traceability

Identifying the exact location where cocoa is sourced and how it is grown is essential for taking measures to prevent deforestation, better target interventions with producers and fulfil regulatory requirements in producer and consumer countries. The production of legal, sustainable and deforestation-free cocoa is a difficult, but crucial task for accessing markets and safeguarding the sector's future.

A key step has been to pursue the development of the unified traceability system. In 2021, the CCC completed a full inventory of cocoa producers and farms, which covered almost 1 million producers owning 3.2 million ha of cocoa plantations, 15 percent of which are located in classified forests. This inventory serves as the basis for implementing the traceability system, which will rely on the introduction of producer identification numbers for every cocoa producer in Côte d'Ivoire.

The feasibility study for the unified national traceability system, together with the results of the cocoa producer and farm inventory, were published in July 2021 during the dialogue on sustainable cocoa that took place between the Government of Côte d'Ivoire and the European Union. A pilot of the unified system is being developed, and implementation is planned for April 2022. The next steps will be to:

- begin the financial process with VISA and the BCEAO to obtain the necessary authorisations in January 2022;
- design the architecture of the system for recording and monitoring commercial transactions in January 2022;
- continue the development of the operating modules for completion by 31 March 2022;
- initiate production and distribution of multipurpose VISA cards to producers in May 2022;
- launch the introduction of the traceability system in April 2022; and
- begin the trial phase of the system from May 2022.



In 2021, the CFI signatory companies continued to make progress with the implementation of their deforestation-free sourcing policies.

The companies made substantial efforts to trace their cocoa bean supplies back to the source so that they can exclude from their supplies the beans from plantations connected with forest conversion or located in or adjacent to protected forest areas, national parks, wildlife sanctuaries and natural resource reserves. Their goal is to achieve 100 percent traceability in their direct cocoa supply chains, from farm to first point of purchase.

Mapping efforts to locate cocoa areas are an integral part of this approach. The companies have thus mapped a total of 465,414 farms in their direct supply chains using polygons. They are also using innovative tools to trace their cocoa supplies and digitise the traceability system. These tools increase transparency in the supply chain by making tracing accessible to a wide range of stakeholders. In 2021, the companies achieved 72 percent traceability in their direct supply chains in Côte d'Ivoire, from farm to first point of purchase. .

Supporting producers: "payments for environmental services" and "income-generating activities"

Payments for environmental services (PES) schemes help producers plant trees outside plantations or during the first years of implementation of agroforestry cocoa systems, by compensating them in equipment or cash for activities that help restore or maintain ecosystems. Pilot PES projects in the Nawa region and the Gabiadji Department will be scaled up to the whole of the San Pédro region, around the Tai National Park, in 2022. In 2021, the companies supported a total of 9,439 people through PES, bringing the total number of producers who have benefited from the scheme to 15,249 since CFI was founded. Moreover, even more innovative approaches have been implemented by some companies, which have encouraged producers to set up services to promote youth empowerment and gender equality. In such cases, producers are not only providing environmental services, but also services to society as a whole.

Income-generating activities (IGAs) play an important role in improving producer livelihoods and successfully curbing deforestation. IGAs are activities undertaken by cocoa producers to generate additional income for their households. This may include the production and sale of agricultural products other than cocoa, livestock farming or non-agricultural activities. The companies are providing training in these IGAs to enhance producers' skills and help them diversify their businesses and income, which is key for increasing their financial resilience. In 2021, the companies supported 61,340 beneficiaries to engage in IGAs.







Testimonial

Arsène Kouakou, Cocoa producer, Zouhounou, Indénié-Djuablin region, Côte d'Ivoire Boa Ehouman, Cocoa producer, Amangouakro, Indénié-Djuablin region, Côte d'Ivoire

"I make more money compared to with a field without diversification."

Arsène Kouakou is proud of his shaded cocoa plantation in Zouhounou in eastern Côte d'Ivoire: "I work as a grower," he says, "I was born in cocoa, my parents were already in this business. Since our school days, my brothers and me, we've all been working in it. So this is important for us. With cocoa, I make money, and I'm happy with that. If I can produce half a tonne, it's going to be OK for my little ones [...]. By selling cocoa, I can send my two children to school, and I keep what's left over in case we get sick and so that we can eat. Even if cocoa is good for me, I have a lot of expenses, and that's difficult for me at the moment."

The Indénié-Djuablin region, where Kouakou lives, and the whole of Côte d'Ivoire have lost large areas of forest to deforestation. A key strategy of CFI to address this serious issue is to promote agroforestry, since cocoa - a tree native to the Amazon rainforest - thrives in the shade of tall trees.

Kouakou's family plantation has evolved since it was established: "Before, my grandmother cleared this field. To do that, they cut down all the trees, and when you went to work in the field, because of the sun, the field produced nothing. Cocoa and cocoa trees die, and so as a grower, I noticed that trees could sustain

the cocoa to live longer, and that's why I did this. The trees stop the cocoa dying too soon, and help it produce more, so we can earn more money. That way, I'm making progress, and I'm providing for my needs and those of my family at home. It's important to me."

In the same region, Boa Ehouman has also experimented with agroforestry on his plantation in Amangouakro: "Several types of trees have been established: forest trees to protect against the wind and the sun, to protect the cocoa plants, and also fruit trees to earn a living and sell produce at the market. So I make more money compared to with a field without diversification," says Ehouman, "and it also allows me to sell produce at different times: when the yam season arrives, I sell yams, when the banana season arrives, I sell bananas, and the same goes for my avocados, my oranges and of course my cocoa. This way I have better yields and more money."

"The trees I've planted are useful. If I'm asked to cut down some trees, I won't do it, because if I do, I'll lose my cocoa field because there will be too much sun, and the cocoa will die. In the coming years, I will keep the trees, and I will plant some more as well," says Kouakou.









The CFI signatory companies are committed to promoting the empowerment of rural youth and women to help build the capacity of cocoa producing communities and improve their resilience. Some companies are implementing innovative approaches to supporting young people and women by conducting programmes to establish community nurseries and youth pruning groups and provide training to village savings and credit associations, for example.

With the help of a gender action learning system, these associations have been able to promote women's empowerment by training women and men on putting together development plans for groups of households, addressing gender inequalities and sharing decision-making. The companies are also identifying innovative ways of helping women reach their full potential by working with cooperatives on several projects, such as the creation of womenowned cocoa businesses. In 2021, 74,597 people participated in women's empowerment projects and activities, and 8,534 people took part in youthoriented projects and activities in Côte d'Ivoire.

In February, March and April 2021, with the support of the association "Initiatives pour le développement communautaire et le développement des forêts" (IDEF), the Technical Secretariat of CFI hosted four awareness-raising workshops for local and regional authorities in Cavally, Guémon, San-Pédro and Nawa, considered priority regions, to introduce CFI, clarify how the authorities could support the initiative and identify which areas should be targeted for further awareness-raising activities among communities, and decide together on the next steps.



These workshops achieved the following results:

- 24 villages and sub-prefectures in • the four priority regions (six sites per region) made aware of CFI's work;
- 9 theatre performances given;
- 4 social and cultural one-day events organised;
- 70 focus groups held; •
- 200 booklets, 200 posters, 500 • leaflets, 200 brochures, 1,500 picture boxes, 1,100 tee-shirts, 120 polo shirts, etc. distributed; and
- 1,548,096 persons reached, including 5,218 people who took part directly in the various activities, and 1,542,878 people reached through local radio stations.







CFI GOVERNANCE IN 2021

The Steering Committee met once at the beginning of the year. Its main decisions included the adoption of the IMAGES tool to monitor forest cover under the initiative and to strengthen support for the unified national cocoa traceability system under development.

In 2021, a new group focusing on national parks met several times to consider the development of a project for the Mount Péko National Park and Mabi Yaya Reserve. A project concept note for the protection and restoration of the park developed by IDH and OIPR was thus presented to the private sector with a view to establishing a public-private partnership to implement the project. Besides this new work group, a proposal was made to adapt the structure of the other groups to give their work a renewed focus and new impetus.

Identifying synergies with similar projects and programmes

In 2021, CFI continued and strengthened its collaboration with similar projects and programmes with shared objectives, including tackling deforestation, contributing to forest-positive cocoa production and improving producer incomes. These include, but are not limited to:

- Phase II (PIF-2) of the Forest Investment Programme, whose development objective is to maintain and increase forest stocks, and improve access by several communities in the same target areas as CFI to sources of income from sustainable forest management;
- the Cocoa Integrated Value Chain Development Project, whose objective is to improve the economic, social and environmental sustainability of cocoa production systems and increase the value added generated along the cocoa value chain in Côte d'Ivoire; and

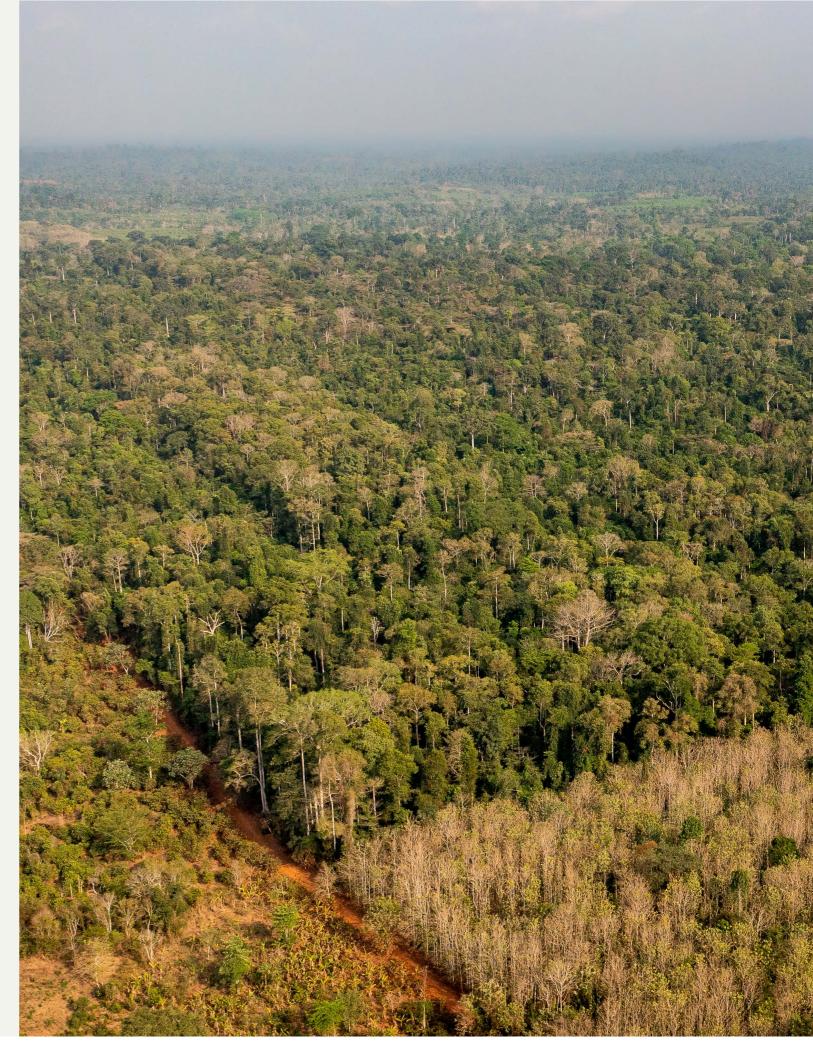
• the national strategy for sustainable cocoa production developed as part of the dialogue between the government and the European Union.

Because these programmes and projects all aim to promote sustainable cocoa production in Côte d'Ivoire, an approach to capitalise on lessons learned by CFI and strengthen the synergies between CFI and these efforts seems both sensible and necessary to use the available resources efficiently and enhance engagement.

Monitoring and evaluation

The forest monitoring tool IMAGES adopted by CFI at the Steering Committee meeting on 25 February 2021 enables users to visualise satellitebased images and observe forest-cover changes caused by cocoa production. Consultations between the CFI secretariat, the Ministry of Planning and Development and Vivid Economics were held to better understand the needs of the CFI signatories in terms of deforestation monitoring and adapt the tool to their needs so that they could use it themselves.

While the tool provides a general analysis like the one presented here, additional features would be necessary to investigate the causes of observed forest disturbances in greater detail and enable all signatories to access the tool. The next steps in 2022 will be to develop a protocol on responding to deforestation alerts and using alert systems in connection with ground signals.





CFI PRIORITIES IN 2022

Building on CFI's achievements and progress to date, the signatories are committed to supporting efforts on the forest protection and restoration, sustainable production and social inclusion themes. In 2022, greater attention will be given to three key issues where joint engagement of the public and private sector is key.

First, operationalisation of the unified national traceability system will continue with the implementation and evaluation of the pilot project.

Second, the satellite-based monitoring tool IMAGES which will be made accessible to all signatories. The data will be used to guide CFI activities, and partners will agree on how to respond to deforestation alerts and act on the forest cover losses detected.

Third, public-private partnership projects will be established for forests where protection and restoration need to be accelerated. Cocoa industry partners indicated that opportunities for investment beyond the cocoa value chain could be seized to ensure that the initiative takes consistent, coordinated and efficient action.

To achieve impact at scale in line with the signatories' ambition, the companies and government have stressed the importance of mobilising financing. Particular attention will be paid to this point in 2022. Interested partners are encouraged to advise where they see opportunities to join forces to achieve the goal of ending deforestation in the cocoa value chain.









