

## Cocoa & Forests Initiative: Olam Cocoa's Initial Action Plan

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### I. **BOLD PUBLIC-PRIVATE ACTION: COCOA & FORESTS INITIATIVE**

The governments of Côte d'Ivoire and Ghana and the world's leading cocoa and chocolate companies [signed landmark agreements](#) in November 2017 to end deforestation and promote forest restoration and protection in the cocoa supply chain.

This new public-private partnership – called the [Cocoa & Forests Initiative](#) (CFI) – has been organised by the World Cocoa Foundation (WCF), IDH - the Sustainable Trade Initiative, and The Prince of Wales's International Sustainability Unit (ISU). The Prince of Wales [launched CFI](#) in March 2017 in London.

The Frameworks for Action for [Côte d'Ivoire](#) and [Ghana](#) define core commitments, verifiable actions, and time bound targets required for a deforestation-free and forest-positive supply chain.

The Governments of Côte d'Ivoire and Ghana play a critical leadership role in establishing the national strategy, enabling policy environment, and governance structure for CFI implementation. They ensure that CFI is linked to similar initiatives with other commodities, and fully aligned with the national REDD+ Strategy and other relevant national strategies and plans. They provide key operational guidance, and baseline economic, environmental, and social data, to help companies identify and plan the most effective and efficient private investment activities for CFI.

The Governments have prepared comprehensive national implementation plans ([Côte d'Ivoire](#), [Ghana](#)) that outline key public sector priorities, actions and timelines, following extensive consultation with all stakeholders. During the first year of CFI, the Governments have launched work on the key building blocks for successful CFI implementation, including important revisions to the legal framework for sustainable forest management, preparation of up-to-date boundary maps of protected areas, and collection of socio-economic and land use data for the priority investment areas.

Thirty-three companies<sup>1</sup>, accounting for about 85% of global cocoa usage, have now joined CFI. Each company has agreed to prepare a detailed individual action plan that spells out the specific actions it will take in 2018-2022 to deliver the commitments set out in the Framework. Each company will decide for itself how to best support the achievement of the Framework objectives, based on their role in the supply chain, their corporate strategic priorities, and their cocoa sustainability goals.

Almost all companies have now completed initial action plans. These initial plans will be updated and finalised in 2019 after the governments have completed the ongoing legal and operational policy changes, the mapping of protected areas, baseline data collection, and other building blocks needed for full investment programming.<sup>2</sup>

CFI has been supported by several global development partners, including the United Kingdom's Department for International Development, the Dutch Ministry of Foreign Affairs, the German Federal

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<sup>1</sup> Arysta Callivoire, Barry Callebaut, Blommer Chocolate Company, Cargill Cocoa and Chocolate, Cémoi, Chocolats Halba, Cocoonect, Cococo Chocolatiers, ECOM Group, Fazer, Ferrero, General Mills Inc., Godiva Chocolatier Inc., Guittard Chocolate Company, The Hershey Company, Indcresa, Lindt & Sprüngli Group, Marks & Spencer Food, Mars Wrigley Confectionery, Meiji Co. Ltd., Mondelēz International, Nestlé, Olam Cocoa, PBC Limited, Sainsbury's, SIAT, Tesco, Toms Group, Touton, Tree Global, Unilever, Valrhona, and J.H. Whittaker & Sons

<sup>2</sup> The actions pending further information are marked "to be determined" in the initial company action plans

Ministry of Economic Cooperation and Development, the World Bank, the International Finance Corporation, the Global Environment Facility, and the Green Commodities Program of the United Nations Development Program.

CFI is coordinated closely with a wide range of global and local environmental organisations and partnerships, including the Tropical Forest Alliance 2020, Amsterdam Declaration Partnership, Partnerships for Forests, the Rainforest Alliance, and World Resources Institute.

## **II. THE KEY COMMITMENTS IN CFI**

The Frameworks are structured around three critical themes of (1) forest protection and restoration, (2) sustainable production and farmers' livelihoods, and (3) community engagement and social inclusion.

**The first priority is the protection and restoration of forests that have been degraded.** To this end, the governments and companies have pledged no further conversion of forest land for cocoa production, and have committed to the phased elimination of illegal cocoa production and sourcing in protected areas.

Both countries are introducing a differentiated approach for improved management of forest reserves, based on the level of degradation of forests. Up-to-date maps on forest cover and land-use, socio-economic data on cocoa farmers, and detailed operational guidelines covering forest management and land-use are being developed and will be publicly disclosed.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop verifiable monitoring systems for traceability from farm to the first purchase point for their own purchases of cocoa, and to work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain.

**The next critical priority is sustainable agricultural production and increased farmer incomes.**

These are essential pre-requisites for reducing pressure for agricultural encroachment into forests and strengthening the resilience of cocoa farmers to climate change.

The governments and companies have agreed to accelerate investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include: provision of improved planting materials, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organisations. Sustainable livelihoods and income diversification for cocoa farmers will be accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agro-forestry systems and shade-grown cocoa.

**The final area of focus is strong community engagement and social inclusion, with a particular focus on women and youth.**

The governments and companies have committed to full and effective consultation and participation of cocoa farmers in the design and implementation of key actions, and promotion of community-based management models for forest protection and restoration. The governments will assess and mitigate the social impacts and risks of any proposed land-use changes on affected communities.

The set of public-private actions represent unprecedented commitments on forest protection and restoration, and sustainable cocoa production and farmer livelihoods. These combined actions, which are aligned with the Paris Climate Agreement, will play a crucial role in sequestering carbon stocks and thereby addressing global and local climate change.

### III. OLAM COCOA'S OVERALL VISION FOR CFI AND WIDER DEFORESTATION INITIATIVES

As a signatory to the Cocoa & Forests Initiative (CFI) Olam Cocoa is implementing an action plan to eliminate deforestation, protect and restore forests and work with farming communities that depend on cocoa for their livelihoods, both in Ghana, Côte d'Ivoire and across our global cocoa supply chain.

The action plans form part of Olam's cross-commodity [Living Landscapes Policy](#) (LLP) which goes beyond forest policies by seeking to re-imagine the future of global agriculture where prosperous farmers, thriving rural communities, and healthy ecosystems can coexist. We are focusing on three key areas:

#### **Forest protection and restoration**

Olam Cocoa, in partnership with the Ivorian Ministry of Forests and Water and alongside national government institutions, has committed to protect and support restoration of the two forêts classées of Rapides Grah and Haute Dodo. These are located on the southern border of one of the last intact National Parks in the country, the Taï National Park. As the first cocoa company to sign a Letter of Intent (LOI) with the Ivorian Ministry of Forests and Water in 2018, followed by a Memorandum of Understanding (MOU), it will support the preservation and rehabilitation of 460,000 hectares.

By focusing on areas most at risk of deforestation, the MOU will initially take the form of an in-depth mapping exercise to understand the exact environmental, social and economic situation within these forêts classées and proceed towards developing a long-term action plan. The new Ivorian Forestry Code is expected to be submitted to the Ivorian parliament for approval by April 2019 and Olam Cocoa is looking forward to its validation in order to take our activities further.

Commenting on the MOU, the Côte d'Ivoire Minister of Water and Forests, Alain-Richard Donwahi, said: *"Olam Cocoa is taking a leading position within the cocoa industry by engaging in a collaborative approach to forest restoration in the supply chain in Côte d'Ivoire. The company brings a high level of technical knowledge and an extensive on the ground understanding that is critical for balancing the protection of this sensitive area around the Taï National Park with the livelihoods of smallholder cocoa farmers. We look forward to developing the joint plan of action to accelerate our progress towards solving these complex issues."*

In the South West of Côte d'Ivoire, we are also implementing two programmes that encourage agroforestry and biodiversity. In partnership with Rainforest Alliance, the Local Authorities and 6 communities, we are implementing a Landscape Management Programme which promotes Climate Smart Agriculture and biodiversity. Along with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and 19 cocoa farming cooperatives, we have implemented a zero deforestation programme which has proactively resulted in the planting of over 60,000 forest and shade trees in these communities.

#### **Sustainable production and farmer livelihoods**

Olam Cocoa is committed to achieving 100% traceable cocoa volumes from our global, direct origination supply chain by 2020. Technology is integral to achieving this goal and we continue to scale up our range of digital tools. At the farmer level, the Olam and Farmers Information Systems (OFIS) record sustainability data such as bag-level traceability, training activities, labour and agricultural practises on farms, as well as GPS mapped data like farm size and distance to infrastructure. OFIS is also enabled to make mobile money payments to farmers, providing access to financial services. Digital tailored Farm Development Plans (FDPs) deliver personalised advice to each farmer based on data about their farm. To date 143,000 farms and 180,000 hectares of cocoa farmland have been mapped and 57,396 cocoa farmers have been issued with FDPs.

To tackle unacceptable land use practices, Olam is developing a methodology to map the risk of forest loss and to identify suppliers in areas perceived to have the highest forest risk. To date, Olam Cocoa has GPS mapped 100% of its supplier network in Ghana and expects to have completed mapping in Côte d'Ivoire and other countries by the end of 2019.

### **Social inclusion and community engagement**

In Ghana, Olam Cocoa has partnered with Rainforest Alliance to implement a Partnership for Livelihoods and Forest Landscape Management programme which is conserving forest reserves around the Sui River, the Suhuman, Tano Ehuru and Tano Suhien forest reserves. Its focus is on protecting the habitats of native species while sustaining agricultural livelihoods of 10,000 cocoa farmers and their local communities.

## **IV. OVERVIEW OF OLAM COCOA ACTION PLAN**

These action plans present our key activities and investments over the current year, where we have clear line of sight, to fulfil CFI commitments to end deforestation and forest degradation in the cocoa sectors beginning in Côte d'Ivoire and Ghana. They have been shared with the governments for feedback prior to being finalised and published in order to ensure overall alignment.

Priorities outlined in the action plans align with the priorities developed in the CFI national implementation plans for Côte d'Ivoire and Ghana. It is important to highlight that these are initial action plans since the government has not yet provided essential information required by CFI member companies to finalise our individual action plans, such as boundary maps for protected forests, and updated operational guidance about land-use in degraded forest areas.

Therefore, a number of activities in these initial action plans will mention "to be determined" for those actions where government input is pending. The initial action plans are scheduled to be finalised in mid-2019 once the governments have provided the necessary data. Similarly, we are also waiting to finalise the action plans before determining the level of financial investment we will be making over the next five years.

Since the conception of the CFI governance structure, Olam Cocoa has been an active participant at all levels. We have been involved with in-country working groups, formed part of Technical Working Committees and Steering Committees, both nationally and internationally.

As the leading originator of sustainably sourced cocoa beans, we implement sustainability programmes in Ghana and Côte d'Ivoire in partnership with our international chocolate and confectionery customers. As part of our commitment to transparency, these programmes are all independently verified by third-party auditors such as Intertek and the Fair Labor Association. To avoid double counting, the CFI data on our joint customer programmes will be reported in their action plans. We have included the total numbers of all of the programmes we are implementing in order to provide a comprehensive picture of our action plan activities.

### **Key actions being implemented by Olam Cocoa in Côte d'Ivoire in 2019:**

#### **Forest protection and restoration**

- We are GPS mapping our entire direct supply chain of **117,070** farms across **187** co-operatives (of which 21,104 farms are being mapped from 37 cooperatives, delivered under Olam Cocoa, and 95,900 farms being mapped from 150 cooperatives in partnership with branded customers) to ensure cocoa is not being sourced from forest lands, National Parks and Forest Reserves.
- **100%** of our cocoa supply is traceable from individual farms to first purchase point.

- Any farmers who are found to be farming cocoa in protected areas are excluded from our direct supplier network.

### Sustainable production and farmer livelihoods

- We are distributing over **921,000** multi-purpose shade trees for on-farm planting (of which 180,000 shade trees are being distributed under Olam Cocoa and 741,000 shade trees are being distributed in partnership with branded customers), developing over **30,000** hectares of cocoa agroforestry (of which 5,900 hectares are under Olam Cocoa and 24,300 hectares in partnership with branded customers), to support farm restoration as well as promoting diversification and supporting improved farmer livelihoods.
- We are training over **70,000** farmers in Good Agricultural Practices (GAP) including the promotion of agroforestry and biodiversity (of which 12,660 farmers are being trained under Olam Cocoa and 57,500 in partnership with branded customers).
- Over **35,000 (30%)** farmers in our cooperative network are applying crop diversification (of which 6,330 farmers are under Olam Cocoa and 28,700 are in partnership with branded customers).
- We are promoting the expansion of farmer savings and offering financial products to farmers. **58,500 (50%)** of farmers in our direct supply chain have a savings account (of which 10,550 are under Olam Cocoa and 48,000 in partnership with branded customers), **1,100 (1%)** farmers are participating in Village Savings and Loan groups (of which 200 are under Olam Cocoa and 900 in partnership with branded customers) **117,070 (100%)** of farmers are being offered a financial product (of which 21,100 farmers are under Olam Cocoa and 95,900 in partnership with branded customers).

### Key actions being implemented by Olam Cocoa in Ghana in 2019

#### Forest protection and restoration

- **30,200 (100%)** farms (of which 20,000 farms are under Olam Cocoa and 10,200 are in partnership with branded customers) are being GPS mapped within the supply chain to ensure cocoa is not being sourced from forest land.
- **100%** of the cocoa supply is traceable from individual farms to the first purchase point.
- Any farmers who are found to be farming cocoa in protected areas are systematically excluded from our direct supplier network.

#### Sustainable production and farmer livelihoods

- We are distributing over **203,000** multi-purpose shade trees for on-farm planting and developing over **8,100** hectares of cocoa agroforestry (of which 60,500 multi-purpose trees and 1600 hectares are under Olam Cocoa, and 142,550 shade trees and 6,500 hectares are in partnership with branded customers).
- We are distributing over **1,950,000** improved cocoa seedlings to farmers (of which 100,000 seedlings are under Olam Cocoa, and 1,850,000 are in partnership with branded customers) We have established over **60** nurseries with improved cocoa seedlings (of which 5 are under Olam Cocoa and 56 are in partnership with branded customers) which will rehabilitate **316** hectares of cocoa farmland (of which 129 are under Olam Cocoa and 187 hectares in partnership with branded customers). We have also trained approximately **34,000** cocoa farmers in GAP (of which

11,670 farmers are under Olam Cocoa and 22,330 farmers are in partnership with branded customers).

- Over **24,000 (80%)** of cocoa farmers are applying crop diversification (of which 5,370 farmers are under Olam Cocoa and 18,750 farmers are in partnership with branded customers) and **14,800 (almost 50%)**, have a savings account (of which 9,800 are under Olam Cocoa and 5,000 in partnership with branded customers). Over **2,100 (7%)** of cocoa farmers are participating in Village Savings & Loan groups (of which 1,400 farmers are under Olam Cocoa and 700 farmers in partnership with branded customers) and **11,400 (38%)** have been offered a financial product (of which 7,600 are under Olam Cocoa and 3,800 are in partnership with branded customers).

### Social inclusion and community engagement

- Since **2011**, we have pioneered Climate Smart Cocoa, in partnership with Rainforest Alliance, around the Juaboso-Bia Forest in the Western Region of Ghana. Presently, we are implementing a Partnership for Livelihoods and Forest Landscape Management programme in 5 districts around the Sui River in partnership with the local authorities, the Ghana Cocoa Board and Partnerships for Forests and our branded customers. Over **5,000** farmers have been trained on Climate Smart Cocoa.
- Over **6,000** cocoa farmers have been supported to acquire land tenure documentation and **16,000** farmers have participated in awareness-raising campaigns on forest law enforcement and tree tenure provisions in partnership with branded customers.
- Over **2,000** cocoa farmers in **156** cocoa communities have participated in consultations on the implementation of the Framework for Action in partnership with branded customers.
- As part of our landscape management programme, in partnership with branded customers, we have developed **3** forest protection and restoration and agriculture intensification action plans that are gender and youth sensitive.

### Key actions Olam Cocoa will be implementing in Côte d'Ivoire and Ghana between 2019-2022:

#### Forest protection and restoration

- As a restoration and livelihoods intervention, we have signed an agreement with the Ivorian Ministry of Forest and Water to protect and support the restoration of Classified Forests. We will work with the Government, cocoa farmers, and the forestry industry to implement contracts for mixed agroforestry. Our actions are contingent on the Government developing a differentiated approach via a national forest restoration strategy that assigns responsibilities and parameters to the private sector.
- In line with our current programmes, we plan to extend training in Climate Smart Cocoa production to farmers in off-reserve forest lands in Ghana. This includes elements such as cocoa agroforestry systems and the Modified Taungya System. Our actions are subject to the finalisation of the Ghana Climate Smart Cocoa Standard and to the Forestry Commission administering the legally binding arrangements whereby the benefits are shared between the Forestry Commission, the farmers, the traditional landowners, and the forest-adjacent community.

#### Sustainable production and farmer livelihoods

- In line with our Living Landscapes Policy and current landscape management programme, we are keen to further establish and/or support Community-Based Natural Resource Management (CBNRM) programmes for forest restoration and protection in cocoa communities. Our actions

are partly subject to the Government approval of the Community Resource Management Area mechanism.

- Subject to current restrictions in Cote d'Ivoire on the distribution of planting material being lifted, we will again support the distribution of improved cocoa planting material, establish and/or provide cocoa nurseries with improved cocoa planting material and support cocoa farm rehabilitation.

### **Social inclusion and community engagement**

- In line with all of our cocoa sustainability programmes, we are focused on developing forest protection and restoration and agriculture intensification action plans that are youth and gender sensitive. Our action is subject to publication of New Forest Code & Government Action Plans.
- We have been actively supporting the development of operational guidelines on resettlement and restoring living standards. Our action is subject to publication of New Forest Code & Government Action Plans.