FERRERO 2024-25 COCOA & FORESTS INITIATIVE PROGRESS REPORT

Côte d'Ivoire and Ghana

FERRERO

Cocoa & Forests Initiative

Contents

Foreword 3

Key figures on Ferrero's CFI progress in 2022-2025 4

Ferrero's 2025 progress on CFI action plan 2022-2025 5

Forest Protection and Restoration 5

Sustainable Production and Farmers' Livelihoods 6

Social Inclusion and Community Engagement 7

Looking forward 8

What is the Cocoa & Forests Initiative? 9

What are the key commitments in the Cocoa & Forests Initiative? 10

Success stories 11

Wassa Amenfi Cocoa Landscape Initiative, Ghana 11
A multi-stakeholder approach to strengthen agroforestry, farmer incomes, and environmental stewardship through research-backed, tailored solutions for cocoa farmers and communities

PES Agroforestry pilots, Côte d'Ivoire 15
Partnering with public-private initiatives to measure and incentivize cocoa agroforestry through an innovative, farmer group centric approach

Detailed tracking table for Côte d'Ivoire 18

Detailed tracking table for Ghana 22

Foreword

Isabel Hochgesand
Chief Procurement & Hazelnut Company Officer at Ferrero

I am pleased to share Ferrero's Cocoa and Forests Initiative (CFI) report for 2024-25. This is the third and final report on the renewed CFI Action Plan that we launched for the period 2022-2025. Our results show that we achieved all our ambitious targets for our key priority areas and for some even went beyond: Traceability, Agroforestry, Village Savings and Loans Associations (VSLA) and Income Generating Activities (IGA). This clearly demonstrates our continuous strong commitment as a founding member of the CFI the objectives as outlined in the CFI Framework of Action signed by the governments of Côte d'Ivoire and Ghana and companies in 2017: to protect and restore the forests in these producing countries, promote the transition to more sustainable cocoa production and support farmers in diversifying their income.

We're particularly proud of our achievement on traceability of our sourced cocoa beans in Côte d'Ivoire and Ghana from farm to first-purchase point. For three straight years we achieved a traceability level well above our annual target of 90% - year 1 96%, year 2 98.6% and year 3 98.1%.

We strongly believe that we can only positively impact supply chains when we know where our ingredients come from, what we call Sacco Conosciuto ("know what's in the bag"). This philosophy sits at the heart of our Ferrero Farming Values framework and has guided our responsible sourcing approach for more than fifteen years. Through **Ferrero Farming Values**, traceability serves as a fundamental enabler of sustainability, helping us understand and address environmental and social risks across our supply chains. Not surprisingly, traceability is also a cornerstone of the European Deforestation Regulation (EUDR).

Our achievements on agroforestry, VSLA's and Income Generating Activities, backed by strong investments, demonstrate that our priority is not only by ensuring that the cocoa we source is deforestation free. Through a mix of robust interventions, and by working closely with our suppliers and strategic partners such as Save the Children, we're supporting farmers and their communities to increase their resilience to climate change and to improve their livelihoods. Our approach is farmer centric. Success is achieved through dialogue and by empowering them to take action themselves to drive positive change, not by imposing on farmers what they need to do. In this regard I invite you to read the interesting success story on the innovative PES Agroforestry pilots in Côte d'Ivoire that we're partnering with.

Despite all these inspiring achievements, I can't avoid to again raise our concerns about the structural issues we're seeing in Côte d'Ivoire and Ghana such as climate change, swollen shoot virus, ageing trees and illegal mining, that pose severe risks to the cocoa sector in these countries and to the farmers and communities that are dependent on it.

We strongly believe that CFI can continue to be a powerful platform where governments, companies, NGO's and other key stakeholders come together and align how collective, coordinated action needs to be organized, and define clear roles and responsibilities. The time is now to act, and to act decisively if we truly want to achieve collectively the CFI objectives. We're counting on the World Cocoa Foundation to develop in collaboration with the governments and its members a robust action plan for the coming years to ensure CFI maintains its purpose and meaning and to achieve real, lasting change for farmers and forests.

> **"OUR APPROACH IS FARMER CENTRIC. SUCCESS IS ACHIEVED THROUGH DIALOGUE AND BY EMPOWERING THEM TO TAKE ACTION THEMSELVES"**

KEY FIGURES ON FERRERO'S PROGRESS IN 2024-2025

PRIORITY AREA	TARGET 2022-2025	RESULTS 2024-2025	RESULTS TARGET 2025
TRACEABILITY	MINIMUM 90% annually of our sourced cocoa volume traceable from farm to first purchase point	98,1% traceable cocoa	ABOVE ANNUAL TARGET
AGROFORESTRY	200,000 hectares with agroforestry (from 35% to 50% of total hectares by 2025)	212,000	100% 48% OF TOTAL HECTARES IN FERRERO SUPPLY CHAIN
VILLAGE SAVINGS AND LOANS ASSOCIATIONS	2,000 VSLA (about +40% vs 21/22)	2,305 VSLA groups	100% +59% VS 21/22
INCOME GENERATING ACTIVITIES	50,000 people supported with establishing IGA (double vs 21/22)	60,000 people with IGA	100% +129% VS 21/22

FOREST PROTECTION AND RESTORATION

We are committed to playing our part in preserving the environment and ecosystems that nurture cocoa growth and the farmers that cultivate it. Our approach combines boots-on-the-ground support, facilitating tree planting and delivering agroforestry training, with investment in technology to assess deforestation risk and enable our farmers to improve their operations.

Results 2022-2025

447,000 hectares of land assessed for deforestation risk

4.1M non-cocoa trees distributed for on and off-farm planting

110,000 farmers applying agroforestry practices

13,000 farmers involved in Payment for Ecosystem Services (PES)

86,000 farmers trained in Climate Smart Cocoa practices

FERRERO'S RESULTS ON CFI ACTION PLAN 2022-2025

Nursery multi-purpose trees

Fundamental to driving positive change is the visibility and traceability of the supply chain, which we consider to be the cornerstone of our sustainability approach. In 2024-25 we continued to achieve a high level of traceability with 98.1% of our sourced cocoa beans in Côte d'Ivoire and Ghana traceable from farm to first-purchase point through our strong focus on sourcing from dedicated farmer groups, and via polygon mapping. This means, that for the third straight year we achieved above our annual target of 90%. In 2024-25, we had almost 245,000 plots polygon mapped and 447,000 hectares of land was assessed for deforestation risk.

We continue to have a steady increase of farmers adopting agroforestry[1] as a result of our support. By 2024-25, 110,000 farmers were applying agroforestry well above our 2025 target of 90,000. Agroforestry was applied across 212,000 hectares, well above our 2025 target of 200,000 hectares, and close to achieving our target of 50% of our total hectares in Côte d'Ivoire and Ghana by 2025. For farmers, the benefits can include their crops becoming more resilient to climate change, diversifying their income, and ultimately protecting the environment.

To achieve success in agroforestry, a combination of training, distribution of trees and access to finance is needed. In 2024-25, over 86,000 farmers were trained in Climate Smart Cocoa practices, beyond our annual target, and 65,000 farmers were trained on the forest code issued by the government.

We have continued our strong commitment to distribute non-cocoa trees in key regions, particularly for on-farm planting to support the conversion to agroforestry systems. In 2024-25 we distributed almost 1.3 million trees for on-farm planting, and for the period 2022-25 a total of 3.8 million trees, more than 800,000 trees above our 2025 target.

We have also distributed in the period 2022-25 over 255,000 non-cocoa trees for off-farm planting, to support the restoration of 303 hectares of forest, of which 298 hectares in Classified Forests such as Mount Kourabahi in Côte d'Ivoire.

Activities enabling farmers to implement sustainable farming practices also include the Payment for Ecosystem Services (PES). The PES initiative provides farmers with valuable resources and incentives such as financial payments, trainings, fertilizers and tools in return for their work. In 2024-25 almost 13,000 farmers were involved in PES.

> **GUIDED BY OUR FERRERO FARMING VALUES FRAMEWORK AND ROOTED IN OUR "SACCO CONOSCIUTO"[2] PHILOSOPHY OF KNOWING WHERE OUR INGREDIENTS COME FROM, WE EXCEEDED OUR ANNUAL TARGET FOR THE THIRD CONSECUTIVE YEAR, ACHIEVING OVER 90% TRACEABILITY FROM FARM TO FIRST-PURCHASE POINT FOR SOURCED COCOA BEANS IN CÔTE D'IVOIRE AND GHANA**

[1] "Cocoa agroforestry" describes production systems that incorporate and maintain non-cocoa tree species on the same plot as cocoa production. There is no single model for how cocoa agroforestry systems can be implemented or designed, and the diversity of options enhances the potential to achieve a number of benefits. The design of cocoa agroforestry systems should reflect the broader landscape and enabling environment as well as the farmer preferences and capacities. Depending on the design features of the system, cocoa agroforestry has the potential to deliver a range of benefits to the environment, climate, cocoa production, and socio-economic systems. In doing so, cocoa agroforestry systems may address deforestation, farmers' livelihoods, and forest restoration.

[2] At Ferrero, we live by the principle of 'Sacco Conosciuto' – 'knowing what's in the bag'. That means that we want to know where the ingredients we buy for our products originate from, and under which conditions they have been produced.

SUSTAINABLE PRODUCTION AND FARMERS' LIVELIHOODS

We support farmers to increase their profitability by encouraging the diversification of crops and supporting people to establish additional income sources to help maintain year-round profits and improve food security. Implementing self-sufficient finance services has been at the forefront of our grass-roots support for farmers and their families with a strong focus on women empowerment.

Results 2022-2025

66,000	farmers supported through Farm Development Plans
60,000	people participating in additional Income Generating Activities
2.45M	improved cocoa seedlings distributed
2,305	active Village Savings & Loan Associations groups
24,000	people enrolled in financial products and services

FERRERO'S RESULTS ON CFI ACTION PLAN 2022-2025

Income generating activity

Ferrero's sustainability programme aims to improve farmer livelihoods through a mix of proactive initiatives. A main area of focus is to help farmers improve their cocoa farming practices. Combined with diversifying crops and income sources, they can create year-round income and increase resilience.

Through Farmer Field Schools, in 2024-25 over 115,000 farmers participated in Good Agricultural Practices training, below our annual target as we have been shifting our approach and investments, providing more and more cocoa farmers with individual, targeted support. In 2024-25 almost 75,000 farmers received one-to-one coaching (+17% vs last year). And by 2024-25, 66,000 farmers have been supported with individual, multiple-year Farm Development Plans (FDPs)[3], an increase of 17% versus last year.

To help improve the rehabilitation and performance of cocoa farms, we also continued our distribution of cocoa seedlings to farmers in Ghana[4], supplying over 620,000 in 2024-25. For the period 2022-25 a total of 2.45 cocoa seedlings have been distributed, 20,000 above our 2025 target.

As cocoa doesn't provide farmers a year-round income and to increase resilience against climate change, we are actively supporting them to diversify their sources of income both on- and off-farm. By 2024-25 almost 60,000 people, 66% of them women, were participating in Income Generating Activities (IGA) on- and off-farm, including the production of vegetables and fruit, soap making, beekeeping and chicken farming. This marks another significant increase versus last year (+33%) and the result is well beyond our 2025 target of 50,000 people participating in IGA.

Important to note is that the majority of the IGAs have been established through the Village Savings & Loan Association (VSLA)[5], which have proved to be very effective platforms for IGAs and many other initiatives, mainly targeting women. In 2024-25 we had 2,305 active VSLAs made up of almost 64,000 members (74% women), that together had saved over 7 million euros in 2024-25, of which the members loaned 4.1 million euro for various purposes. We're very proud to have achieved well beyond our 2025 target of 2,000 VSLA groups.

Another important achievement was that over 24,000 people benefitted from financial products and services and 28% of the farmers (+3% vs last year) received their sustainability premium digitally (paid on top of the commercial price), meaning transparent and safer payments.

> **"AS COCOA DOESN'T PROVIDE FARMERS A YEAR-ROUND INCOME AND TO INCREASE RESILIENCE AGAINST CLIMATE CHANGE, WE ARE ACTIVELY SUPPORTING THEM TO DIVERSIFY THEIR SOURCES OF INCOME BOTH ON- AND OFF-FARM THROUGH VARIOUS INTERVENTIONS."**

[3] The FDP methodology aims to support farmers to develop long-term plans, between three to seven years, tailored specifically to their needs, and includes a focus on agroforestry, the adoption of sustainable practices and the roll out of cost-efficient infrastructure. Farmers' progress is then monitored, with ongoing one-to-one support provided where relevant.

[4] In Côte d'Ivoire it's not feasible to provide improved cocoa seedlings to farmers due to the ban imposed by the government a few years ago. In light of the current developments on cocoa availability, we hope the ban will be lifted soon so we can support Ivorian farmers to rehabilitate and rejuvenate their farms.

[5] VSLAs are community-based groups that provide members with vital micro-loans to invest in their farms or additional income-practices. Members, particularly women, often use these loans also to pay for school fees or other needs for their children.

COMMUNITY ENGAGEMENT AND SOCIAL INCLUSION

Involving farming communities in the protection and restoration of forests and empowering them to take action is fundamental to achieving our common objectives. We are also focused on delivering training and supporting development to promote female empowerment, and to mobilize and empower youth to provide farm services and enable them to earn an income.

Results 2023-2024

99	communities with active forest restoration and protection programmes
17,000	hectares under Community Based Natural Resource Management (CBNRM)
5,400	youths engaged through community service groups
4,800	'clean cookstoves' distributed to families across several communities

FERRERO'S PROGRESS ON CFI ACTION PLAN 2022-2025

Community service group receives training

To protect and restore forests, it's fundamental to involve all relevant stakeholders through collective action with the communities placed at the center driving the process. This approach is at the heart of the CREMA model which stands for Community Resource Management Areas. CREMAs have proven to be a very successful tool for natural resource management and planning that provides communities with resources for community initiatives and helps them protect forest and wildlife within the CREMA. One of the pioneers of this model has been the Ghanaian NGO Nature Conservation Research Centre (NCRC).

NCRC is coordinating the Kakum Landscape project in Ghana that we joined four years ago. This multi-stakeholder partnership involves communities around the national park, the Forestry Commission, Cocoa Board, and companies including Ferrero, Hershey, Lindt, ofi and Ecom. This partnership serves as a blueprint for other landscapes. More details about this project can be found in the **2022-23 CFI report.**

In total, we had 99 active communities in Côte d'Ivoire and Ghana in 2024-25 with forest restoration and protection programmes that together covered 17,000 hectares.

As part of our long-term goals, we're also focused on engaging with young people through community service groups or 'pruning groups'. These groups provide farming services to farmers like pruning. The scheme, which aims to provide employment to youth as well as showcase the benefits of farming as a career path, engaged with 5,400 youths throughout 2024-25.

To help mitigate deforestation and establish sustainable practices outside of cocoa farming, in 2024-25 Ferrero distributed 550 clean cookstoves, bringing the total over three years to 4,800. The stoves are designed to reduce wood consumption and create a cleaner form of daily cooking for households. Taking sustainability measures into the wider community has been crucial to driving change through practical support and education.

> "CREMAS HAVE PROVEN TO BE A POWERFUL TOOL FOR NATURAL RESOURCE MANAGEMENT, GENERATING RESOURCES THAT SUPPORT LOCAL DEVELOPMENT INITIATIVES WHILE FOSTERING THE CONSERVATION OF FORESTS, WILDLIFE, AND BIODIVERSITY"

LOOKING FORWARD

We have completed our second CFI Action Plan and are proud of our achievements in the past three years through the collaboration with our key partners. It demonstrates clearly our continuous commitment to the CFI Framework of Action launched in 2017. We strongly believe in the current CFI model as a blueprint for collective action with the producing countries and other companies, and to drive positive impact at scale for farmers, communities and forests.

The World Cocoa Foundation is currently conducting a review of the CFI model, and we need to await the outcome of this to understand the guidelines how CFI will be continued.

The past years have clearly shown the urgency to continue to take action collectively. Climate change, continuous expansion of Cocoa Swollen Shoot, illegal gold mining, and many other phenomena, are putting farmers and communities, as well as the whole cocoa sector, at extreme risk. Increasing resilience through strong and innovative actions is an absolute must.

WHAT IS THE COCOA & FORESTS INITIATIVE?

COLLECTIVE ACTION TO END COCOA-RELATED DEFORESTATION

The governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies, representing 85% of global cocoa usage, joined together in the **Cocoa & Forests Initiative** to help end deforestation and restore forest areas. Their combined actions play a crucial role in protecting and restoring biodiversity, sequestering carbon stocks in West African forests, and addressing climate change in line with the Paris Climate Agreement. The Cocoa & Forests Initiative delivers on Sustainable Development Goal 13 (Climate Action) and 15 (Life on Land).

The Cocoa & Forests Initiative is a public private partnership based on frameworks for action (**Côte d'Ivoire** and **Ghana**) and action plans for the private sector (**Côte d'Ivoire** and **Ghana**) and public sector (**Côte d'Ivoire** and **Ghana**) that spell out commitments to:

- protect and restore forests,
- promote sustainable cocoa production and farmers' livelihoods,
- engage communities and boost social inclusion.

To learn more, follow #CocoaAndForests on social media, or visit **Cocoa & Forests Initiative**.

The **World Cocoa Foundation** (WCF); **IDH, the Sustainable Trade Initiative**; and the Governments of Côte d'Ivoire and Ghana drive the Cocoa & Forests Initiative. King Charles III, then the Prince of Wales, launched the Initiative in March 2017.

Deforestation of tropical rainforests is a major issue in Côte d'Ivoire and Ghana, which together produce nearly two-thirds of the world's supply of cocoa, the main ingredient in chocolate. According to Global Forest Watch, between 2002 and 2023, Côte d'Ivoire lost 28% and Ghana 13% of their humid primary forest, with a large portion of this loss attributable to cocoa farming expansion.

A comprehensive analysis is required to determine the exact contribution of cocoa production to deforestation. WCF, CFI members, and partners are working together on science-based methods to determine the share of cocoa production to overall deforestation rates with a high level of accuracy in cocoa producing countries. Data reliability and a good knowledge of the cause and location of deforestation is essential to develop effective and adequate mitigation measures and ensure that WCF members and partners are compliant with regulations such as the EUDR.
Cocoa provides crucial income to communities in rural West Africa, but farmers are too often faced with poverty. Poverty is one of the causes of deforestation. Accelerating a transition to sustainable livelihoods is essential for farmers' economic security and a healthy planet.

Cocoa & Forests Initiative

World Cocoa Foundation

WHAT ARE THE KEY COMMITMENTS IN THE COCOA & FORESTS INITIATIVE?

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. In 2019, the government of Côte d'Ivoire adopted and published a new forest code which, among other things, put forth policies for the promotion of cocoa agroforestry to restore degraded land, improve forest cover, and promote sustainable livelihoods and agriculture in the classified forests and rural zones. Both governments have shared maps on forest cover and land-use, and continue to update the maps, including socio-economic data on cocoa farmers, to inform private sector investments. Companies have made significant investments in the promotion of cocoa agroforestry and the restoration of degraded forests.

To ensure effective implementation and monitoring of these commitments, companies have pledged to develop traceability from farm to the first purchase point for their own purchases of cocoa. They also work with governments to ensure an effective national framework for traceability encompassing all traders in the supply chain and to anticipate forthcoming due diligence legislation. The companies will similarly share information with the national satellite monitoring platforms to effectively monitor progress on CFI, as well as proactively address threats of new deforestation.

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 are accelerating investment in long-term productivity of cocoa in order to grow "more cocoa on less land." Key actions include provision of planting materials for the promotion of cocoa agroforestry, training in good agricultural practices, soil fertility, land tenure reform, and capacity building of farmers' organizations. Sustainable livelihoods and income diversification for cocoa farmers are being accelerated through food crop diversification, agricultural inter-cropping, and development of mixed agroforestry 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 have adopted social and environmental safeguards and are assessing and mitigating the social impacts and risks of any proposed land-use changes on affected communities.

Success stories

WASSA AMENFI COCOA LANDSCAPE INITIATIVE, GHANA

A MULTI-STAKEHOLDER APPROACH TO STRENGTHEN AGROFORESTRY, FARMER INCOMES, AND ENVIRONMENTAL STEWARDSHIP THROUGH RESEARCH-BACKED, TAILORED SOLUTIONS FOR COCOA FARMERS AND COMMUNITIES

We are a strong supporter of landscape approaches in which larger areas are targeted with a holistic, harmonized approach and involve all stakeholders that are operating in the cocoa supply chain in that area. A good example is our holistic community development project with Save the Children in Côte d'Ivoire to protect children's rights and strengthen the resilience of communities and households in our cocoa supply chain.

Building on these positive experiences, in 2023 we launched the Wassa Amenfi Cocoa Landscape Initiative (WACLI) in partnership with Preferred by Nature, Solidaridad, Rikolto and the International Institute of Tropical Agriculture (IITA), and co-funded by the Danish Ministry of Foreign Affairs through the DANIDA Green Business Partnerships program. This five-year project (2023-2027) aims to target 5,000 farmers in 50 communities in the Wassa Amenfi West Municipality in southwestern Ghana. This area is part of our cocoa supply chain since many years and has been selected because farmers and communities in this landscape face many challenges which has further worsened due to the surge in illegal mining activities called "galamsey" that is particularly affecting southwestern Ghana. Our suppliers Sucden and Touton that source cocoa beans for us in this area, are both actively involved in the landscape project and work closely with the implementing partners.

The objective of the WACLI project is to develop a model for income diversification, regenerative farming, and sustainable planning and compliance at landscape-level. By ensuring fully traceable and deforestation-free cocoa production, boosting cocoa productivity and other sources of income, and enhancing farm and climate resilience through conversion to cocoa agroforestry systems, the project aims to support cocoa farmers and their families in strengthening livelihoods and environmental protection. The model is compliant with the requirements of the European Union Deforestation Regulation (EUDR)[6] and could serve as blueprint for similar landscape approaches in other cocoa growing areas in West Africa.

Furthermore, the project's multi-stakeholder approach and collaboration with local and national stakeholders allow for landscape-level coordination and consensus-building around best production and responsible sourcing practices.

Fundamental to the project is the role of the IITA. Led by Dr. Richard Asare, the IITA has conducted a rigorous baseline survey to map the particular characteristics and needs of farmers and communities in the Wassa Amenfi landscape. They are also in charge of assessing the impact of the interventions implemented to determine if objectives have been achieved at the end of the project. IITA will research the effectiveness of various agroforestry systems and interventions to improve livelihoods in cocoa communities in general.

[6] Regulation (EU) 2023/1115 on deforestation-free products (EUDR)

THREE-PILLAR APPROACH

The project seeks to achieve three strategic outcomes:

OVERALL OBJECTIVE

Improve the livelihoods of 5,000 cocoa farmers and 3,000 community members in 50 villages in Wassa Amenfi West

OUTCOME 1

Cocoa farmers and communities enjoy improved livelihoods from resilient cocoa production and income diversification

- Support cocoa-agroforestry through farmer coaching, tree distribution, and financial incentives for farmers
- Establish Village Savings and Loans Associations (VSLAs) and support income generating activities, empowering women and youth

OUTCOME 2

Enabling environment for landscape conservation and improved cocoa farmer livelihoods has been created

- Establishment of a multi-stakeholder landscape initiative
- Research to understand risks, impacts, and opportunities at landscape, farm, and community level

OUTCOME 3

Ferrero's cocoa sourcing model is aligned with the EUDR regulation and creates positive change through long-term relationships

- Develop EUDR compliance protocol, and ensure traceability and no-deforestation through farm mapping and integration of farmers in supply chain

"THE WASSA AMENFI COCOA LANDSCAPE IS GOING THROUGH A DEVASTATING ERA, WITNESSING STRONG COMPETITION BETWEEN INSTANT INCOME FROM ENVIRONMENTALLY DEGRADING ILLEGAL SMALL-SCALE MINING AS AN ALTERNATIVE TO SUSTAINABLE COCOA PRODUCTION. TO DETERMINE THE RESILIENCE OF FARMERS TO THIS CONUNDRUM OUR STUDY SEEKS TO INVESTIGATE HOW THE SOCIO-ECOLOGICAL SYSTEM ATTRIBUTES SHAPE RESILIENCE IN CHANGING COCOA AGROFORESTRY COMMUNITIES, FOCUSING ON ADAPTIVE CAPACITIES, INSTITUTIONAL INFLUENCES, AND EMERGENT 'BASINS OF ATTRACTION'. IT IS ALSO LOOKING AT THE ROLE OF SOCIAL CAPITAL IN ADOPTION OF CLIMATE SMART COCOA TO HELP RESPOND TO FARMERS' RESILIENCE IN THE FACE OF CHANGING CLIMATE AND ENVIRONMENTAL DEGRADATION VIS-À-VIS COCOA PRODUCTION."

Dr Richard Asare, Cocoa Scientist and Coordinator of Cocoa Research for Development – International Institute of Tropical Agriculture.

SECOND YEAR RESULTS

In the second year of the project, significant progress has been made on the various objectives.
Some key highlights:

WACLI PROJECT INDICATORS	TARGET INDICATORS	2027 TARGET	CUMULATIVE YEAR 1-2	ACHIEVEMENT YEAR 2	ACHIEVEMENT YEAR 1
Outcome 1: Cocoa farmers will enjoy improved livelihoods from climate-smart cocoa agroforestry production and income diversification	# farmers receiving one-to-one coaching	5,000		450 (290 male; 160 female)	285 (162 male; 123 female)
	# pruning groups & members			3 groups; 17 active member	3 groups; 15 active members
	#farmers supported by pruning groups & hectares pruned			115 farmers; 230 hectares	56 farmers; 112 hectares
	# cocoa seedlings distributed		5,000	5,000	
	# multi-purpose trees seedlings distributed		115,200	108,000	7,200
	# farmers applying agroforestry	5,000	2,610 (1,194 male; 1,416 female)	1,025 (600 male; 425 female)	1,585 (594 male; 991 female)
	# ha with agroforestry	5,000	3,815	2,230	1,585
	# VSLA groups	50	48	22 new	26 new
	# people participating in VSLA		1,158 (492 male; 666 female)	513 (251 male; 262 female)	645 (253 male; 392 female)
	# people participating in Income Generating Activities		296 (103 male; 193 female)	171 (63 male; 100 female)	125 (40 male; 85 female)
Outcome 2: Enabling environment for landscape conservation and improved cocoa farmer livelihoods has been created	# multi-stakeholder meetings[7]		4	3	1
	# research theses		2	2	
	# landscape risk analysis and mapping		1	1	

Tree planting

[7] Representatives from the public and private sector, NGOs, CSOs, research institutions, communities and media

WHAT'S NEXT

In 2026, the programme will strengthen support for community-owned enterprises, engage over 2,500 more farmers in agroforestry, further scale up the distribution of cocoa seedlings and multi-purpose trees, and establish three additional demonstration farms to show how cocoa can provide a sustainable, profitable livelihood.

Another key goal is a multi-stakeholder platform in the Wassa Amenfi region, which in 2025 brought together local and national actors to discuss solutions to deforestation and EUDR compliance, illegal gold mining, cocoa diseases and poverty; in 2026, it will focus on district-level priorities and action plans. Monitoring and research will also be stepped up to assess mid-term progress and better understand impacts, challenges and solutions, especially around poverty and agroforestry.

Stakeholder meeting

Success stories

PES AGROFORESTRY PILOTS, CÔTE D'IVOIRE

PARTNERING WITH PUBLIC-PRIVATE INITIATIVES TO MEASURE AND INCENTIVIZE COCOA AGROFORESTRY THROUGH AN INNOVATIVE, FARMER GROUP CENTRIC APPROACH

Deforestation poses severe, irreversible risks to planet and people, driven primarily by agricultural expansion, logging, and infrastructure development. It accelerates climate change by releasing stored carbon, destroys vital habitats, and causes long-term soil degradation that increases flooding and drought risks, and reduces agricultural productivity.
In Côte d'Ivoire, the largest cocoa producer located in the tropical belt[8], 85 to 90% of forest cover has been lost since 1960. With only 3.4 million hectares of tropical forest left and an ongoing annual loss rate of around 200,000 hectares, urgent action is required to save the remaining forest and recover as much ground as possible. This is even more crucial as agricultural crops such as cocoa are heavily reliant on the weather-regulating externalities of forest coverage, as well as the more than 1 million cocoa farmers that the country is housing.

Ferrero is partnering with two innovative agroforestry pilots in the southwest and southeast of Côte d'Ivoire. They are supported by **Enabel**, the Belgian agency for international cooperation, and implemented by the NGO **Nitidae** in close collaboration with our suppliers Ecom and Edelsource and two farmer groups.
The aim of the pilots is to incentivize cocoa farmers to adopt agroforestry on their farm by enrolling them in a payment for environmental services (PES) scheme. This will contribute to increasing resilience to climate change, and improve the livelihoods of farmers.

PES itself is not something new. Several companies, including Ferrero, have already been implementing PES for some years as part of their CFI activities. What is innovative is that cocoa plots are assessed with SAF-ART[9], a robust, science-based methodology developed by Nitidae, on a range of objective indicators to define their agroforestry profile. By doing so an agroforestry baseline is established, and for each agroforestry profile a tailored approach is defined.

Moreover, the SAF-ART methodology is designed in a way that after training the farmer groups themselves can fully manage it without permanent external expertise needed. They collect the data by running the field protocol, they score the plots by evaluating the agroforestry level of each plot against the baseline and based on the outcomes they decide what the appropriate actions are. Dependency on external expertise is one of the main reasons that pilots often don't sustain, so empowering farmer groups to lead themselves is an important asset. And it helps to reduce operational costs.

Measuring Tree

[8] The tropical belt (or the tropics) is the region of the Earth situated roughly between the Tropic of Cancer (23.5° North latitude) and the Tropic of Capricorn (23.5° South latitude). Centered around the Equator, this zone experiences warm temperatures year-round and is known for its distinct wet and dry seasons.
[9] Système Agro-Forestier & Agriculture Régénérative de Transition

SAF-ART METHODOLOGY

The SAF-ART methodology is built on four parameters, each measurable directly in the field:

1. **Ground cover area** (m²/ha) - canopy cover
2. **Tree density** - number of shade trees per hectare
3. **Species richness** - number and diversity of species on the assessed area
4. **Canopy stratification** - vertical structure, trees' height

Through the SAFART methodology cocoa farms are clustered in three groups (agroforestry profile).

1. **Complex SAF:** farms having a complex Agroforestry System
2. **Transition SAF**: farms transitioning towards a complex Agroforestry System
3. **No agroforestry system:** farms not having sufficient elements to meet the SAF requirements (at this stage)

Complex Agroforestry System

TAILORED SUPPORT TO FARMERS BASED ON AGROFORESTRY PROFILE

In total 1345 farmers are participating in the pilots spread over the two participating farmer groups. Based on the agroforestry profiling 10% of the farmers have a Complex SAF, 27% a Transitioning SAF and 844 don't meet the criteria of an agroforestry system.

The PES reward scheme is divided over the three groups. The farmers classified with an agroforestry system will receive a cash premium, with Complex SAF being rewarded with a higher premium than Transitioning SAF. This way farmers in the second group are incentivized to take measures on their plot (increase tree density, species, etc.) to move to the highest level.

Farmers that don't have an agroforestry system will not receive a cash premium, but PES Kits made up of trees and labor tools to encourage them in having their farms transitioning towards an agroforestry system.

CATEGORY	# of farmers
Complex SAF	141 (10%)
Transitioning SAF	360 (27%)
No agroforestry system	844 (63%)

DIALOGUE WITH FARMERS IS KEY TO SUCCESS

In this pilot dialogue with the farmer is essential. A long-term development plan, particularly when changes in the way farming is required as is the case with adopting agroforestry, only succeeds when it bridges the farmer's priorities, such as income diversification, food security, preferred species, with the agronomic and environmental requirements of sustainable agriculture. Imposing a technical model without this dialogue risks low adoption and short-lived results; co-designing the plan with each farmer is what turns a diagnostic into lasting change.

Detailed tracking table for Côte d'Ivoire

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Forest Protection and Restoration							
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within 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 Forests.	# of farms mapped in direct supply chain: Total Active.	75.000 (annually)	75,000	127,005		
	1.2 Conduct deforestation risk assessments in all direct sourcing areas.	# of hectares in the direct supply chain with deforestation risk assessments completed.	225.000 (annually)	225,000	342,698		
2. No sourcing of cocoa from National Parks and Reserves through companies' traceable direct sourcing programs.	2.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks or Reserves (all forest areas).	% of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%).	>90% (annually)	>90%	99%		
3. A differentiated approach based on the level of degradation of forests for classified Forests will be developed and translated into a national forest restoration strategy.	3.1 Support the restoration of Classified Forests by working with cocoa farmers, the government and the forestry industry to implement contracts for mixed agroforestry as a restoration and livelihoods intervention.	# hectares restored in Forest Reserve / Forêts Classée.	No Target		0		759
4. Legal protection and management status for the remaining forests of Côte d'Ivoire in the Rural Domain.	4.1 Support farmers with tree registration.	# trees registered.	No Target		0		800
	4.2 Support cocoa farmers to acquire land (tenure) documentation.	# of farmers with land tenure agreements/documentation obtained via company support.	No Target		169		281
5. Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened.	5.1 Public enforcement of the new Forest Code and its subsequent guidelines, and public sector governance will be strengthened.	# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration.	No Target		43,777		

Detailed tracking table for Côte d'Ivoire

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Forest Protection and Restoration							
6. Public-private collaboration to mobilize resources for forest protection and restoration.	6.1 Mobilize finance for forest protection and restoration.	# Individuals receiving incentives to protect and restore forests and / or or adopt agroforestry (e.g., PES): Total Active.	No Target		5,692		
7. Public-private collaboration to identify good practices, technical guidance and incentive mechanisms for forest restoration and agro-forestry.	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry.	# farmers applying agroforestry: Total Active.	No Target		73,631		
		# farmers provided with technical assistance to adopt and expand agroforestry.	No Target		57,497		
		# multi-purpose trees distributed for on-farm planting.	2,225,000	750,000	806,350	2,495,544	5,603,092
		# hectares cocoa agroforestry: Total Active.	140,000		147,283		
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation).	# of trees distributed for off-farm planting.	No Target		51,276		996,769
		# hectares of forest area restored off-reserve / in rural zone.	No Target		3		3,007
	7.3 Train farmers in CSC production including cocoa agroforestry systems.	# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC).	45.000 (annually)	45,000	57,497		

Detailed tracking table for Côte d'Ivoire

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Sustainable Production and Farmers' livelihoods							
1. Promote investment in long-term productivity of cocoa in environmentally suitable areas in order to grow "more cocoa on less land".	1.1 Train farmers in Good Agricultural Practices (GAPs).	# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices.	75,000 (annually)	75,000	80,962		
2. Promote sustainable livelihoods and income diversification for cocoa farmers.	2.1 Promote farm-level crop diversification and off-farm income opportunities.	# individuals participating in additional Income Generating Activities (IGA's).	42,500		49,712		
		# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's.	No Target		34,443		
3. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment.	3.1 Offer financial products to farmers and promote farmer savings.	# Individuals provided with technical assistance to save money and access finance.	No Target		17,183		
		# of members of VSLA groups in the current year: Total Active.	32,500		45,149		
		# of VSLA groups in the current year: Total Active.	1,300		1,590		

Detailed tracking table for Côte d'Ivoire

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Community Engagement and Social Inclusion							
1. Promote community-based management models for forest protection and restoration.	1.1 Establish and/or support community-based natural resource management programs for forest restoration/protection.	# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active.	No Target		52		
		# hectares under CBNRM.	No Target		207		
2. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	2.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive.	# of individuals participating in youth focused projects and activities (15-35 years old).	No Target		4,610		

Detailed tracking table for Ghana

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Forest Protection and Restoration							
1. No further conversion of any forest land (as defined under national regulations, and using HCS and HCV methodologies) for cocoa production.	1.1 Conduct farm mapping within supply chain to ensure cocoa is not being sourced from forest land.	# of farms mapped in direct supply chain: Total Active.	55.000 (annually)	55,000	58,666		
	1.2 Conduct deforestation risk assessments in all direct sourcing areas.	# of hectares in the direct supply chain with deforestation risk assessments completed.	135.000 (annually)	135,000	104,491		
2. No production and sourcing of cocoa from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves, except from farms with existing legal status.	2.1 Implement traceability tools/technology to ensure no cocoa purchases originate from National Parks, Wildlife Sanctuaries, and Wildlife Resource Reserves (all forest areas).	% of directly sourced cocoa traceable from the farm to the first purchase point (target is 100%).	>90% (annually)	>90%	97%		
3. A differentiated approach for Forest Reserves will be adopted, based on level of degradation; with elimination of sourcing of cocoa in less degraded reserves (Cat.1) as of 31 December 2019; and production and sourcing for a period up to 25 years through MTS in more degraded reserves (Cat. 2).	3.1 Support farmers in Category 2 Forest Reserve areas in their restoration and reforestation programs.	# hectares restored in Forest Reserve.	No Target		0		68
4. Land and tree tenure reforms, and benefit sharing arrangement to incentivize land owners and users to retain naturally regenerated trees will be accelerated, including approval of CREMA mechanism.	4.1 Support farmers with tree registration.	# trees registered.	No Target		0		34,012
	4.2 Support cocoa farmers to acquire land (tenure) documentation.	# of farmers with land tenure agreements/documentation obtained via company support.	No Target		52		716

Detailed tracking table for Ghana

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Forest Protection and Restoration							
5. Public sector forest law enforcement and governance will be strengthened.	5.1 Promote awareness-raising campaigns to educate farmers on forest law enforcement and tree tenure provisions.	# farmers informed, trained, and / or consulted on the new Forest Code, forest policy, law enforcement, forest protection, and restoration.	No Target		21,429		
6. Public-private collaboration to mobilize new sources of funding for forest protection and restoration, and to incentivize farmers adoption of environmentally sustainable cocoa production will be developed.	6.1 Mobilize finance for forest protection and restoration.	# Individuals receiving incentives to protect and restore forests and / or adopt agroforestry (e.g., PES): Total Active.	No Target		7,304		
7 . Public-private collaboration will be enhanced to identify good practices and technical guidance for forest conservation and restoration, shade grown cocoa, and MTS in Forest Reserves.	7.1 Support distribution and planting of multi-purpose trees for on-farm restoration via agroforestry.	# farmers applying agroforestry: Total Active.	No Target		36,693		
		# farmers provided with technical assistance to adopt and expand agroforestry.	No Target		28,628		
		# multi-purpose trees distributed for on-farm planting.	750,000	250,000	476,642	1,317,835	2,895,403
		# hectares cocoa agroforestry: Total Active.	60,000		65107		
	7.2 Support distribution and planting of native trees for off-farm restoration (reforestation).	# of trees distributed for off-farm planting.	No Target		0		213, 862
		# hectares of forest area restored off-reserve / in rural zone.	No Target		0		1,577
	7.3 Train farmers in off-reserve forest lands in CSC production including cocoa agroforestry systems.	# farmers provided with technical assistance to be more resilient to climate change and reduce and remove carbon emissions on farm (e.g., CSC).	30,000 (annually)	30,000	28,628		

Detailed tracking table for Ghana

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Sustainable Production and Restoration							
1. Promote investment in long-term productivity of high quality cocoa in environmentally sustainable manner and grow "more cocoa on less land".	1.1 Distribute improved cocoa planting material.	# improved cocoa seedlings distributed to farmers.	2,225,000	750,000	589,518	2,415,968	7,792,070
	1.2 Train farmers and producer organizations in the latest Good Agricultural Practices (GAPs).	# farmers provided with technical assistance (based on plans) to professionalize & optimize cocoa farming practices.	50.000 (annually)	50,000	34,845		
2. Promote sustainable livelihoods and income diversification for cocoa farmers.	2.1 Promote farm-level crop diversification and off-farm income opportunities.	# individuals participating in additional Income Generating Activities (IGA's).	7,500		9,844		
		# individuals provided with technical assistance (based on plans) to increase income from non-cocoa sources / IGA's.	No Target		5,194		
3. Promote financial inclusion and innovation to deepen farmers' access to working capital and investment funds required for production and cocoa farm rehabilitation and renovation.	3.1 Promote expansion of farmer savings.	# individuals provided with technical assistance to save money and access finance.	No Target		6,962		
		# of members of VSLA groups in the current year: Total Active.	17,500		18,493		
		# of VSLA groups in the current year: Total Active.	700		715		

Detailed tracking table for Ghana

Commitment	Actions	Indicator	Target (2022-2025)	Target (2024-2025)	# Through direct investment (2024-2025)	# Through direct investment (Since 2022)	# Through direct investment (Since 2018)
Community Engagement and Social Inclusion							
1. Promote community-based management models for forest protection and restoration.	1.1 Establish and/or support community-based natural resource management (CBNRM) programs for forest restoration/protection.	# of cocoa communities with active forest restoration and protection program (CBNRM): Total Active.	No Target		47		
		# hectares under CBNRM.	No Target		16,843		
2. Development of action plans for forest protection and restoration, and sustainable agricultural intensification that are gender and youth sensitive.	2.1 Develop forest protection & restoration and agriculture intensification action plans that are gender and youth sensitive.	# of individuals participating in youth focused projects and activities (15-35 years old): Total Active.	No Target		761		

FERRERO

www.ferrero.com