

# An overview of 2021 External verification

Farming Program



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## Abbreviations

CALLI Ghana	An agrochemical distribution company
CETICO	Center of Integral Transformation of Cocoa
CFI	Cocoa Forest Initiative
COCOBOD	Ghana Cocoa Board
COVID-19	Corona Virus Disease 2019
CPB	Cocoa Pod Borer
DAF	Dynamic Agroforestry
ECA	Escuela de Campo de Agricultores
Earthworm	Earthworm Foundation
EO	Extension Officer
FH	Franchise Holder
FOFIFA	Centre National de la Recherche Appliquée au Développement Rural
FPIC	Free Prior and Informed Consent
FO	Field officers
FT	Field Trainers
GAP	Good Agricultural Practices
GBP	Good Business Practice
GEP	Good Environmental Practices
GFW	Global Forest Watch
GPS	Global Positioning System
GSP	Good Social Practices
HCS	High Carbon Stock
HCV	High Conservation Value
HCSA	High Carbon Stock Approach
HIA	Hotspot Intervention Area



HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IITA	International Institute of Tropical Agriculture
IMS	Internal Management Systems
INIAP	National Institute of Agricultural Research
ISFM	integrated soil fertility management
KPIs	Key Performance Indicators
LBC	Licensed Buying Company
LF	Lead Farmer
L&S	Lindt & Sprüngli
M&E	Monitoring and Evaluation
MNP	Madagascar National Parks
NAQUIA	National Agriculture Quarantine Inspection Agency in Papua New Guinea
NCRC	Nature Conservation Research Centre
ND&A AP	No Deforestation and Agroforestry Action Plan
NGO	No Governmental Organisation
OHS	Occupational Health & Safety
PC	Purchasing Clerk
PGK	PNG currency - Kina. 1 USD = 3.5 PGK (Feb 2022)
PNG	Papua New Guinea
PO	Program Officers
PPE	Personal Protective Equipment
R&R	Roles and Responsibilities
SAF	Agroforestry System
SAQF	Service Approvisionnement Qualité et Formation
SOP	Standard Operating Procedure
SoW	Scope of Work
VSLA	Village Savings and Loans Associations
ZUD	Zone d'Utilisation Durable



## Background

The **Lindt & Sprüngli Farming Program**'s goals are decent and resilient livelihoods for current and future cocoa farmers and their families, as well as a sustainable intensification of agriculture. This shall be achieved through:

- Higher productivity of farms
- Diversified incomes and increased resilience of farmers
- Conservation of biodiversity and natural ecosystems
- Reduction of the risk of child labour
- Improved community infrastructure

Initiated in 2008, the Program forms the cornerstone of L&S's sustainable sourcing strategy in the cocoa supply chain, and is in place in Ghana, Ecuador, Madagascar, Papua New Guinea and Dominican Republic for the 2021/22 cocoa season.

The Farming Program comprises 4 key components:

1.	Traceability & Farmer Organisation	Farmers are organised in structures that suit the local characteristics. Traceability is built up to community level, and where feasible, up to farm level. This step also includes the gathering of baseline data, on which the improvement activities are based on.	TRACEABILITY
2.	Training & Capacity Building	Farmers are – if necessary – trained in good agricultural, environmental, social and business practices. Other people involved in the Programs also receive the required capacity creation and training.	IMPROVEMENT ACTIVITIES
3.	Farmer Investments & Community Development	Farmer and community development is – if necessary – supported with investments in farm extension services (e.g. plant protection products, personal protective equipment, nurseries & new plants) and community development activities (e.g. boreholes, school refurbishments).	
4.	Verification and Continuous Progress	<u>Internal Monitoring &amp; Performance Management:</u> Internal monitoring and performance management systems verify if farmers follow the trained "good farming practices (agricultural, environmental, social and business), evaluate improvements and define corrective actions. <u>External Assessments:</u> The Programs, including the functioning of the internal monitoring & performance management system is externally assessed, and corrective actions defined.	VERIFICATION



The L&S [Verification Guidance Document](#) is the mechanism for defining principles and minimum requirements, setting goals and prioritising voluntary requirements to drive innovation and improve practices in the field. The goal of verification is to assure the effectiveness of its progress.

Earthworm's role is to independently evaluate how supply chain partners create, manage, and adapt systems for traceability, farmer training, farmer investments & community development, and internal monitoring and performance management in response to changing local conditions.

This summary of verification activities points out the most important findings (challenges and strengths) and recommendations following the 4 components of the Farming Program.

The [Lindt & Sprüngli No Deforestation and Agroforestry Action Plan](#) spells out the actions which L&S suppliers put in place to reach the target of a deforestation free cocoa supply chain by 2025. Implementation of this Action Plan was assessed during the visit conducted by Earthworm teams. As this Action Plan is also structured under the 4 pillars of the Farming Program, the findings and recommendations related to this Action Plan are included within this annual report.

The L&S **Supplier Code of Conduct** sets out the requirements expected of L&S suppliers (including their employees, agents, subcontractors, and suppliers) regarding compliance with laws and regulations, corruption and bribery, social and working conditions, child labour, and the outside environment. These are the third set of requirements whose implementation is assessed by Earthworm teams.

## Methodology

The verification assessment process is carried out in four main phases: 1/planning, 2/preparation, 3/field visit, and 4/analysis and reporting.

These phases are described in detail below:



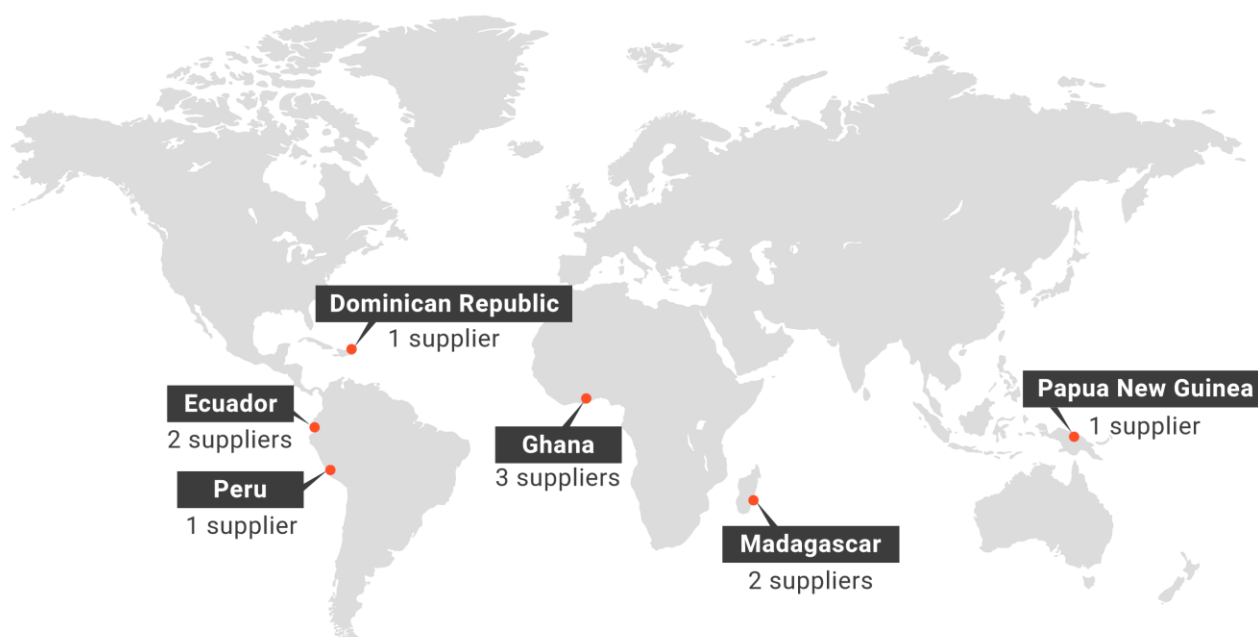
The outcome of the assessment is a summary of the supplier's implementation status or progress, and contains a set of recommendations aimed at improving their performance. By following a continuous improvement approach, we look to enable mutual learning and co-create locally embedded solutions. As such, no pass or fail certification is handed out, as the assessment is not intended to serve the purpose of an audit.

For more details about the methodology, please click [HERE](#).

## 2021 overview

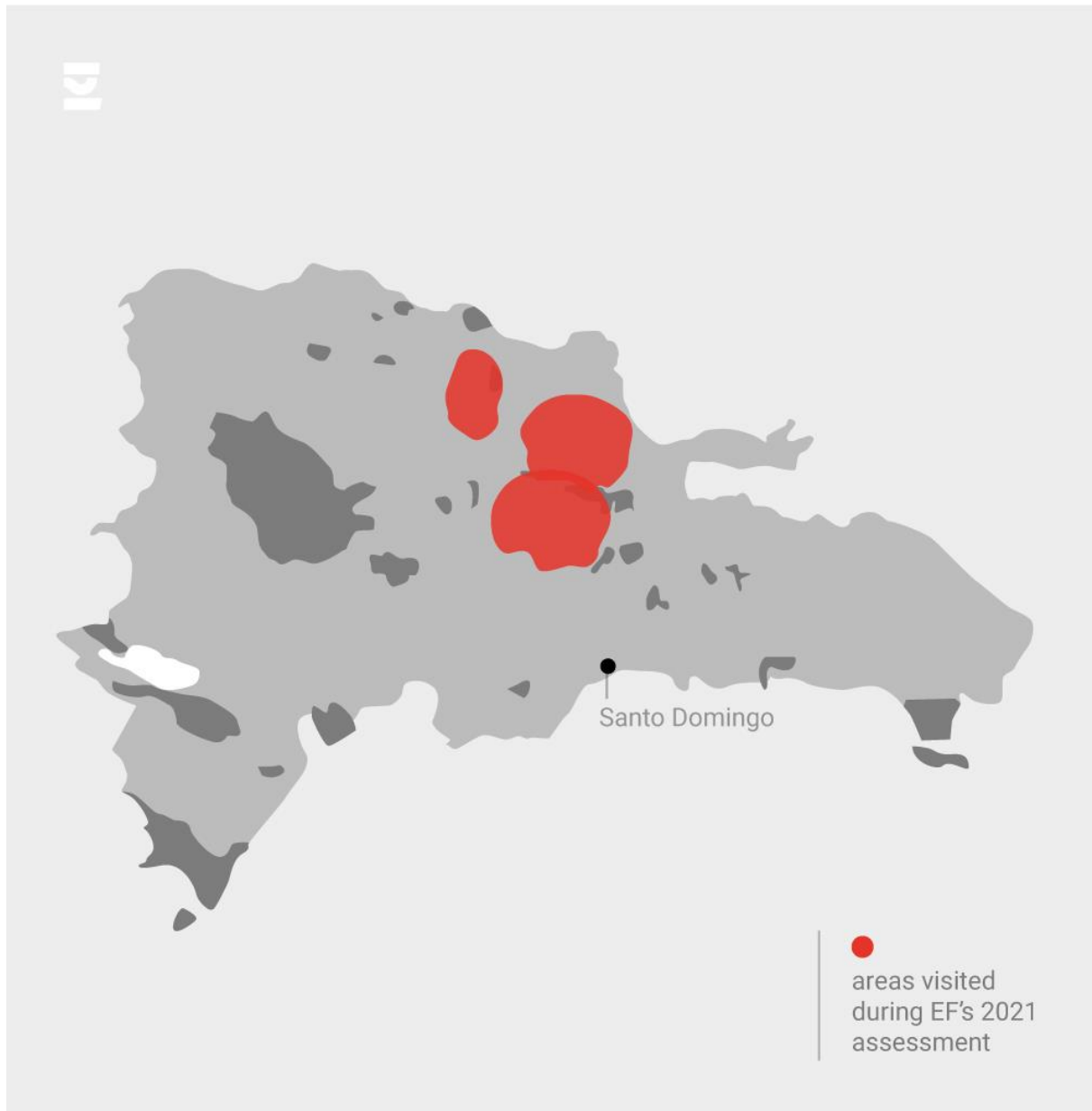
Earthworm assessed **10 Farming Programs** in **6 different countries** in 2021, each one of them being in a different stage of implementation. The numbers mentioned in this report reflect the numbers at the moment of the assessment (and not per end of season).

- In Ghana, the L&S Farming Program is implemented by 3 suppliers and includes over **69,101 farmers**.
- In Ecuador, the Program now works with 2 suppliers and over **8,473 farmers**.
- In Papua New Guinea, country of origin in scope since 2017, the Program works with 1 supplier and **4,301 farmers**.
- In Madagascar, the Program now works with 2 suppliers and **2,388 farmers**.
- In Peru, country of origin in scope since 2020, the Program now works with 1 supplier and over **850 farmers**.
- In the Dominican Republic, country of origin in scope since 2018, the Program works with 1 supplier and **844 farmers**.



This report provides a summary of the Assessment Findings for the 10 suppliers assessed in 2021. Origin countries are listed in alphabetical order.

## Dominican Republic



*Map: areas visited during Earthworm's 2021 assessments*

Farming Program initiated in	April 2018	Earthworm visit timeframe	11 – 19 <sup>th</sup> October, 2021	4 <sup>th</sup> visit
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## General description

The visited company in Dominican Republic is a supplier of cocoa to L&S and started implementing the L&S Farming Program in 2018. Today, the company's Farming Program involves 844 farmers distributed across 5 provinces.

The visit covered the provinces of Sanchez Ramirez, Duarte, Hermanas Mirabal and consisted of interviews and visits with the following groups:

- Meetings and interviews with the company and independent foundation (that implement L&S Farming Program) technical, administrative and management staff, 20 people.
- Visit and tour of the company drying and processing plant.
- Visits to 12 farms and interviews with 16 farmers enrolled in the Farming Program.
- Visit to 3 cocoa plant nurseries, interview with their owners and workers.
- Interview with a representative of external NGO
- Visit one collection centre, interview with 2 people.
- Observation and accompaniment to one farmer group training, with participation of 21 farmers.
- Observation and accompaniment to one internal monitoring visit.
- Visit to 3 communities in El Rucio, Atabalero and Demajagua Abajo. Interview with community representatives, 8 people.

Additionally, Earthworm provided training on Holistic Farm Plans and HCV/HCS methodology, linked to the No Deforestation and Agroforestry action plan.

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- 118 new farmers have been admitted to the Farming Program for the period 2020-2021; they will partly replace others who exit the Program.
- The company has continued to update the GPS points of all farmers. 607 farmers of the Program have a validated georeferencing point.
- The downstream and upstream traceability test, carried out during the visit, was successful.

## RECOMMENDATIONS

- Georeferencing (GPS points) of the main plot of farmers is missing for those who have recently joined the Program. It is recommended to complement the missing information, considering that farmers could have different plots of cocoa not necessarily as part of the same polygon.
- The collection centers and some farmers use different units of measurement to record the weight of cocoa. We recommend strengthening the work with collection centers to carry out exact weight control, and provide evidence as per the collector protocol. Additionally, it is recommended that all cocoa purchased by collection centers for L&S is confirmed with the purchase receipt issued by the supplier company, showing the stamp of the L&S Farming Program.
- The processing plant and collection centers have a list of program farmers, that is not updated on a regular manner. It is recommended to provide the updated lists to the intermediaries in a timely manner, with complete set of information on the farmers.

# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- Farmers continue to value the training programs and the opportunity to improve their knowledge about cocoa cultivation.
- Individual coaching visits were made to farmers as a response measure in the context of the COVID pandemic, which is highly valued by farmers.

- It was observed that farmers begin to record their information in the income and expenses template that was designed for farmers. Better management of the sales receipts by farmers has also been observed.

## RECOMMENDATIONS

- A local credit and saving cooperative is a key partner of the Program, especially in terms of generating a culture of savings and improving farmers' financial education. For this reason, it is recommended that the program ensures the involvement of the savings cooperative in the on-going training.
- Farmers participate actively in the training programs, but more involvement of family members is needed. It is recommended to strengthen the training team's capacities in analysing and integrating social aspects into the training and change from a cocoa plot centered approach to a more holistic smallholder farm approach.

# FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

## PROGRESS SINCE THE PREVIOUS VISIT

- Relationships with nurseries have been strengthened and distribution of plants reinforced for the renewal of cocoa and the planting of shade trees.
- Part of the farmer premiums have been used toward an increased investment into community improvement projects, such as a community water tank, renovation of a community center, a church and other infrastructure in the producing villages.
- As a support measure to achieve the program's objectives in terms of renovation and rehabilitation of the cacao plantations, work brigades were formed to assist the farmers.

## RECOMMENDATIONS

- There are currently 9 community diagnostics that have been conducted, but these are not complete to fully identify problems and solutions for community development, investment and micro-enterprises. With limited diagnostics, it is recommended to evaluate if community premiums could be used for group ventures to maximise impact.
- Microenterprises get technical support for the development of products. However, there is a lack of medium and long-term plan to sustain the investment. Therefore, we recommend stronger support in the establishment of business plans including capacity building in business management to farmer groups.



- The farmers are aware of the benefits they receive from the program, but they know less about the benefits of the cash premium deposited in their account at the Savings and Credit Cooperative. For this reason, it is necessary to reinforce training on the bonus scheme, especially regarding the deposit at the Cooperative.

## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- Digitalisation of the initial diagnosis was completed, and digitalisation of the farm monitoring system is at 50% completion. Follow-up diagnostic and monitoring data is collected manually and backed up digitally.
- A regular monitoring is carried out each year and, in addition, a control monitoring is carried out on a sample of farmers. For this year, the sample doubled compared to 2020.

### RECOMMENDATIONS

- There are existing protocols for conducting the initial diagnostics and monitoring visits; however, the methodology should require a greater holistic analysis of all the components of a farm. Earthworm recommends that the holistic farm approach that is applied during the initial diagnosis is also applied for monitoring visits.
- During the monitoring visits, responses from the farmers are recorded. However, observations for the purpose of verification are weak, especially in terms of HCV. It is recommended to reinforce and integrate the identification of HCVs in the internal training processes of the technicians in charge of monitoring.
- The farmers do not have to attend the monitoring visits, as someone else, for example a worker who represents the farmer, can attend on their behalf. These persons may lack decision-making power. It is recommended to ensure that those who sign commitments and who are present during the monitoring visits are people with decision-making power.

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- Part of the risk maps have been designed, and divided by areas. This task is expected to be completed in 2022.
- COVID-19 protection and contagion measures are maintained, including the promotion of staff vaccination.

## RECOMMENDATIONS

- The main concerns identified are missing or poorly placed fire extinguishers, absence of first aid kits, floors not suitable for loading and unloading cocoa and weak waste management in nurseries and at the collection centers, which was also observed in the past year. It is recommended to strengthen OSH training and make explicit the responsibilities related to OSH and working conditions to third parties contracted.
- The aforementioned findings in the installations of collection centers and nurseries have also been fully identified by the internal monitoring system. Earthworm recommends reinforcing monitoring in collection centers for compliance with Occupational Safety and Health standards.
- Risk maps in processing plant have not yet been completed. For this reason, we recommend completing the risk map for missing areas.

# FARMING PROGRAM VERIFICATION GUIDANCE - MINIMUM REQUIREMENTS

## PROGRESS SINCE THE PREVIOUS VISIT

- Farmers show progress in the adoption of good agricultural and environmental practices. Although progress is shown, it must be considered that generating cultural changes requires medium and long-term processes.

## RECOMMENDATIONS

- Waste management on farms remains a challenge. It is therefore recommended to strengthen the capacities of farmers on waste management.
- There are still challenges regarding the management of slopes and riparian areas on the farm. It is recommended to continue with the identification and characterisation of farms by type of HCV.

# NO DEFORESTATION & AGROFORESTRY ACTION PLAN

## PROGRESS SINCE THE PREVIOUS VISIT

- The foundation started activities to generate a cocoa farming model that contributes to the conservation and connectivity of protected areas, and to work closely with the entities that manage them.
- The foundation has established a 4-hectare reforestation agreement to facilitate connectivity between two protected areas.

## RECOMMENDATIONS

- There is a plan to map polygons of protected areas and analyse the presence of farms close to these areas. However, in order to clarify the real connection or closeness of farms to protected areas, polygons of farms or plots will also be needed. It is recommended to establish polygons of farms (parcels) closest to protected areas to fine-tune information about the areas of interest.
- Estimations on farm productivity can be adjusted with geospatial information from the farms. There are today 607 farmers with validated georeferencing points, but this does not yet cover all supplying farmers. It is recommended to complement the missing information – GPS points – of all farmers and all their cocoa plots from which cocoa is sold for L&S supply.
- Incorporating the HCV/HCS methodology into the current approach and training farmers requires a medium-term learning process from the foundations' staff. It is recommended to continue with the internal capacity building processes.

# CONCLUSIONS AND OUTLOOK FOR SUPPLY CHAIN TRANSFORMATION

The company and its associated independent foundation are in their fourth year of implementation of the L&S Farming Program, showing strong commitment to achieve all the Program's objectives through a process of continuous learning and improvement. The close relationship between the staff of the independent foundation and the farmers has facilitated the rehabilitation process of farmers' cocoa plantations. In the same way, farmers value highly the training activities provided by the foundation and it is visible that taught approaches are being put into practice by farmers.

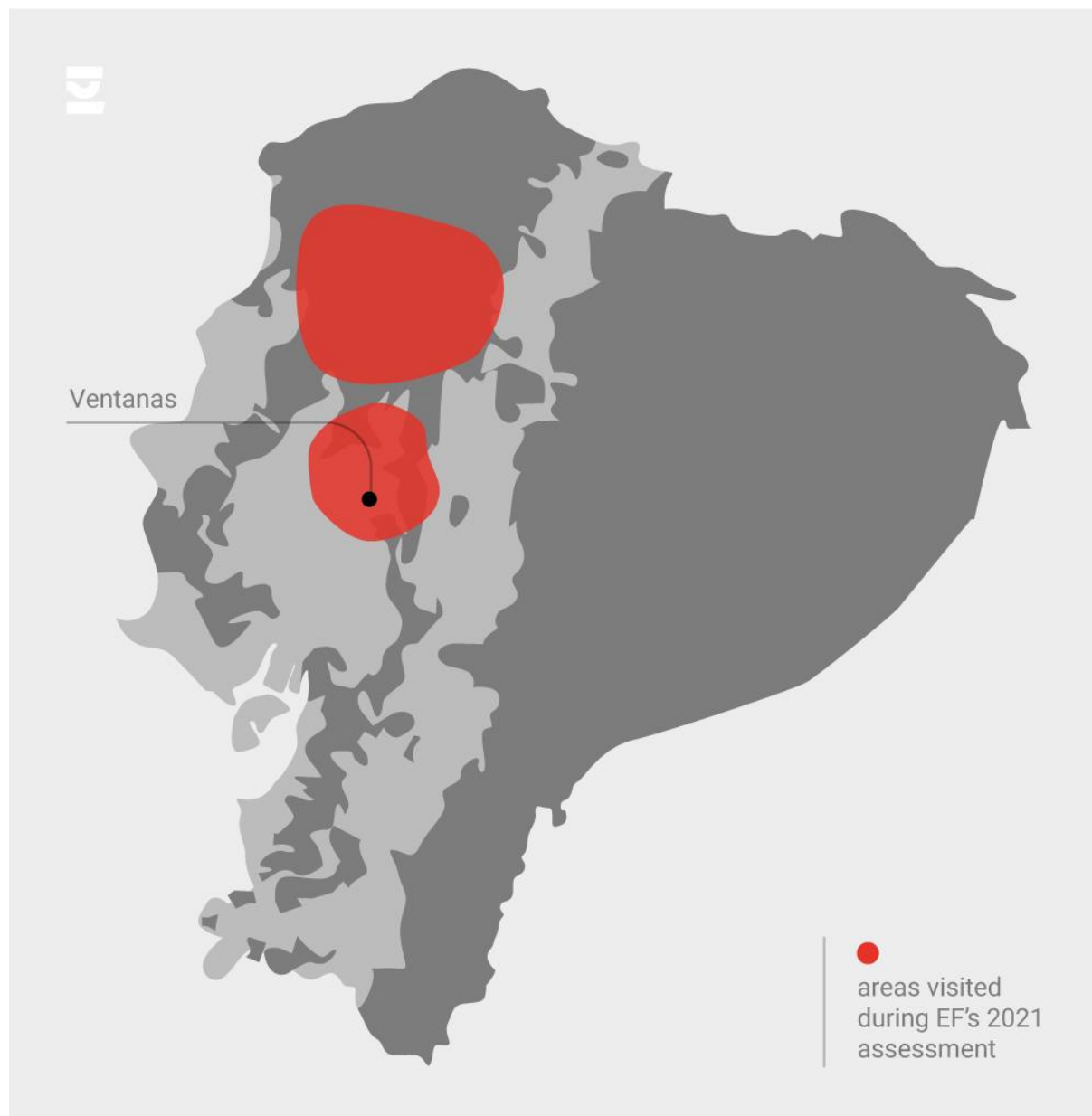


Other relevant achievements to mention are the traceability system to farm level, despite some missing GPS points that will be still completed, and the thorough revision of farms and their crop capacity by monitors and technicians before the inclusion into the Program. The foundation plans to further increase the number of participating farmers in the Program in 2022.

The main challenge observed, related to the implementation of the No-deforestation and Agroforestry Action Plan, is the georeferencing of farms. Some farmers have several plots, often spread over a wider area. This makes the collection of georeferenced data more complex. The main points for improvement result from this observation. It is important for the foundation to correct and complete all GPS data of farmers that participate in the Farming Program, not only for traceability but also to evaluate the impact at the landscape level and ensure that protected areas are respected.

In this regard, the collaboration with collection centres and intermediaries also needs to be strengthened to ensure all purchase of cocoa is well documented and verifiable through a receipt that carries the stamp of the Program. We also recommend to further reinforce the training and monitoring of HCV/HCS areas with farmers and technicians. Finally, with regard to the Foundations' technical support to farmers we recommend to apply a more holistic farm approach, away from a focus on only selected cocoa plots. This would also provide opportunity for a stronger participation of various farmer family members i.e. women and young people.

## Ecuador



*Map areas visited during Earthworm's 2021 assessments in Ecuador*

## Project Overview – Ecuador Supplier 1

Farming Program initiated in	2014	Earthworm visit timeframe	25 <sup>th</sup> – 30 <sup>th</sup> October 2021	7 <sup>th</sup> Visit
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### General description

The visited company in Ecuador is a supplier of cocoa to L&S that started implementing the L&S Farming Program in 2014. Today, the company's Farming Program involves 6,473 farmers distributed across the coastal region of Ecuador and small areas of the Ecuadorian highlands.

The visit covered the provinces of Santo Domingo de los Tsachilas, Manabí, and Los Ríos and consisted of interviews and visits with the following groups:

- The company's management and staff (15 people)
- 18 farmers met individually
- 20 farmers met in groups
- The company's commercial collection centres
- 11 farms
- 3 supplier collection centres; interview with 6 people
- Reforestation site within an HCV area in a farm
- Representatives of an organic fertilizer distribution company (4 people), one (1) model farm prospect as well as diversification and renovation projects
- Visit to one (1) bio fertiliser factory
- Visit to one (1) community garden
- Visit to one (1) model farm
- Visit to one (1) dynamic agroforestry demonstrative plot
- Visit to one (1) agroforestry demonstrative plot

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- A lab process that minimises bias linked to farmers allows for identification of cocoa quality and transparency.
- The supplier company has made substantial improvements in terms of methods and tools based on geospatial information. This allows the company to improve its traceability analysis and farmer profiling.
- A traceability test was successfully carried out.

## RECOMMENDATIONS

- The supplier is in process of collecting information about location of the farms with respect to the protected areas. However, in order to do it properly, it is important to have accurate GPS points. This will then allow the visualisation of farmers who are overlapping or in proximity to collective lands and protected areas.
- For farmers that grow CCN51 and national cocoa on their farms, the areas between the different varieties are not always well defined, or the plants are mixed. Therefore, it is necessary to identify farmers that have CCN51 and national cocoa on their farms and strengthen cocoa separation capacities.

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# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- Farmers highlight the importance of having restarted group trainings – as a result of the improving context related to the COVID–19 pandemic.
- Pilots for the generation of new capacities/new incomes in services associated with agricultural production have started. This will allow a greater impact of the program's actions as well as serve to diversify sources of income for participating farmers.

## RECOMMENDATIONS

- After the delivery of tools or equipment such as post-harvest units, it is important that farmers have the capacity to assess the impacts related to the use of these tools/equipment. Related to this, it is recommended to strengthen postharvest training, especially as relates to cocoa bean quality assessment.
- Farmers do not have all the elements (ingredients) to reproduce the organic farm inputs. Understanding the conceptual basis behind the product will allow them to produce organic farm



inputs, even if an ingredient is missing, or to innovate to adjust the formula. In this sense, it is necessary to ensure that during the trainings, farmers are trained on the conceptual bases of the formulation of organic farm inputs (i.e. going beyond just the simple product formula).

- The rural elderly population has limited reading ability. As such, the shared materials must prioritize images over written text. Even more importantly, a friendly and simple language must be used with technical assistance staff that communicates with the farmers in order to ensure the understanding of the content by the farmers.

## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- The supplier company has delivered premiums from 2019-2020 that were delayed because of COVID-19. Most of the 2020-2021 premiums have already been distributed.
- The delivery of premiums has allowed to recover a good level of trust between farmers and the supplier.
- The implementation of model farms has a more holistic approach to the various agricultural systems present on the farms.

### RECOMMENDATIONS

- A low level of good agriculture practices (such a weed control and pruning) has been observed on plots that have received cocoa plantlets from the company. To counter this challenge, technical assistance related to good agricultural practices for farms that received cocoa plantlets should be prioritised.
- Farmers have an incomplete understanding of the cost/value of the investments made on their farms. As such, it is recommended to provide a copy of the certificate of receipt for supplies, tools, etc., - this for purposes of registration and accounting by the farmer. The monetary value of what is delivered should be included in this receipt.
- Infrastructure for the production of organic farm inputs has been delivered. However, there is a risk of misuse of materials if there is no adequate technical support, monitoring, and a production plan in place. As such, it is recommended that an organic farm input production plan be created for the beneficiary farmers.

# VERIFICATION & CONTINUOUS PROGRESS

## PROGRESS SINCE THE PREVIOUS VISIT

- The internal monitoring systems have been strengthened at the supplier company level. An example of this is the internal evaluation that has been carried out by the international team of the company.
- During the farm monitoring visits conducted by the company staff, improvements in the method for interviewing farmers were observed.

## RECOMMENDATIONS

- Although the internal monitoring collects information on the presence or not of shade trees (including wood and fruit trees), information related to the development of these shade trees (as well as of cocoa) would also be beneficial. For this reason, it is necessary to ensure that during farm visits - be it internal monitoring or supervision of field work - the monitoring and evaluation as relates to the state of the plants, wood trees, fruit trees, and cocoa planting is improved.
- The Farming Program has grown in recent years, both with regard to the number of farmers and to the scope of activities. This requires an adaptation of the monitoring topics. To achieve this, it is recommended to start with the training of the internal monitoring and purchasing team on the criteria of the Farming Program, especially those related to the Action Plan for No Deforestation and Agroforestry. Resulting from this, the monitoring tools and documents should be adapted accordingly.

# SUPPLIER CODE OF CONDUCT

## PROGRESS SINCE THE PREVIOUS VISIT

- There is evidence of greater availability and use of PPE.
- During peak harvesting season, the number of shifts has increased to cover the demand for plant personnel.
- The support provided by the company to identify risks and signage in the supplier facilities has been observed.

## RECOMMENDATIONS

- Despite the improvements, the lack of use of PPE or its inappropriate use persists. This is a reality at both the company and at supplier's facilities. It is recommended to continue insisting on and reinforcing training on the proper use of PPE.
- The company has a supplier audit report in which a large set of risks are presented. However, it is important to strengthen observation of the facilities for the identification of such risks. This should be done in order to ultimately strengthen monitoring at supplier facilities for compliance with OHS standards.
- Some intermediaries have unsafe conditions in their facilities, as relates to electrical installations, conditions of floors, placement of fire extinguishers, etc. It is thus necessary to promote the mitigation of risks in the sites of intermediary warehouses. Action plans with identification of urgent measures should be established (i.e. going beyond signage).

# FARMING PROGRAM VERIFICATION GUIDANCE - MINIMUM REQUIREMENTS

## PROGRESS SINCE THE PREVIOUS VISIT

- The company has launched wastewater reduction and water management initiatives. These have been well appreciated by farmers.
- The company shares information on the damage caused by burning on the ecosystems.

## RECOMMENDATIONS

- There are still challenges regarding the management of slopes and riparian areas on the farms. It is recommended to prioritise intervention areas on the farms based on HCV criteria.
- The restricted use of agrochemicals for children under 18 years of age and pregnant women is not found in the training material on the management of agro-inputs. This information should be incorporated in the training material on agro-inputs used by the company.

# NO DEFORESTATION & AGROFORESTRY ACTION PLAN

## RECOMMENDATIONS

- It is required to complete the correction of the GPS database of farmers.

- Farms in which renovation demonstration plots (SAF, DAF) are implemented also have HCV areas such as high slopes or water sources. Given this, it is recommended to analyse the possibility of SAF/DAF plots being implemented in HCV areas of the farms.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

The different restrictions caused by the COVID-19 pandemic have impacted engagement with the farmers both individually and at the group level. This is a major challenge as the company covers an extensive area for the collection of cocoa. For the 2020-2021 period, the company has had to extend efforts in order to attain the 2019-2020 goals that were delayed due to the global pandemic.

In the midst of this context, the company has implemented new spatial analysis tools for its supply chain. With these improvements, the company will improve its physical traceability and its ability to identify farms that are in or near protected areas. Beside some technical issues, the overall structure of the company's traceability system is strong.

With the lightening of movement restrictions linked to the pandemic, farmers are content to return to collective spaces for trainings. The company has a young and dynamic team in place. At the same time, efforts must still be made to improve the language used both in training materials and tools. When it comes to verbal communication, the particularities of farmers' age, education, and reading skills should be considered.

The company has managed to cover the delivery of in-kind premiums and is very close to the full delivery of plantlets for the 2020-2021 season. This has allowed the company to regain proximity and trust with farmers and strengthen relationships with the suppliers. The greatest challenges in this sense are found in the implementation of good agricultural practices for cocoa production. This has been evidenced observing farms with overgrown grass and without pruning activities, which are vital to meet the goals of increased productivity of the Farming Program. Overcoming this situation will require greater emphasis on physical presence and technical support, especially for beneficiary farms that have received cocoa plantlets in previous years in order to ensure correct development.

The company has made enhancements to its internal processes to improve the internal verification of the Farming Program. However, the observation and detection of risks at the intermediary's facilities remains a key challenge to be improved. Related to its suppliers (sub-suppliers of Lindt & Sprüngli), the company trains these partners, who have demonstrated improvements when it comes to the provision of PPE. However, improvements are still needed with regard to the proper use of said PPE.

At the farm level, initiatives towards the management of residual waters have been well received by farmers. The continued identification and adequate management of HCV areas remains a key task within the farming base.

## Project Overview – Ecuador Supplier 2

Farming Program initiated in	2015	Earthworm visit timeframe	27th September-1st October, 2021	7th Earthworm assessment
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### General description

The visited company in Ecuador is a supplier of cocoa beans to L&S and started implementing the L&S Farming Program in 2015. Today, the company's Farming Program involves more than 2,000 farmers distributed across the Los Ríos and Bolívar provinces.

The visit covered the provinces/regions of Los Ríos and Bolívar and consisted of interviews and visits with the following groups:

- The company's management and staff (20 people)
- 22 farmers met individually through on-farm interviews
- 245 farmers met in groups during training sessions
- 3 demonstrative DAF plots
- 1 nursery site
- 2 farmers associations
- 2 cocoa collection centres in Potosí and Ventanas
- 2 dryers for farmer groups

## TRACEABILITY & FARMER ORGANISATION

### PROGRESS SINCE THE PREVIOUS VISIT

- The technical team has received additional training on the No Deforestation commitments.
- A goal of 85 polygons mapped per year has been set for farms within Abras de Mantequilla.
- A preliminary database has been developed that includes the different components of the Farming Program, its baseline and monitoring information.

## RECOMMENDATIONS

- As cocoa farm areas (polygons) were recently collected, it should now be compared with the information of quotas granted to farmers for delivery of cocoa. It is recommended to cross-check information on rejuvenated/renovated farms with respect to the delivery quotas per farmer.
- Rejuvenated or renovated farms lead to changes in productivity which is important to measure and monitor, both for traceability purposes and for the evaluation of the activity. It is recommended to conduct a thorough and frequent monitoring of cocoa delivery from L&S farmers, as well as to systematise the annual information to review and generate efficiency indicators.
- The delivery of premium vouchers for each cocoa sack transmits a 'check saving' feeling, which can be enhanced to encourage the implementation of quality improvements for farmers. It is recommended to reinforce message to farmers to use premium mechanism as a savings system.

# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- Face-to-face trainings have been gradually resumed in open places and with protocols to prevent COVID-19 infections.
- Practical and theoretical training for farmers regarding income diversification has been conducted.

## RECOMMENDATIONS

- No-Deforestation & Agroforestry Action Plan: farmers should better implement indications about buffer areas of water bodies and cleaning of riparian areas.
- Strengthen recommendations for PPE usage, especially during training sessions where mechanical tools are used.
- Strengthen message about market demand for quality, especially in training sessions about quality and post-harvest.
- Reinforce the presence of L&S, as a company that produces chocolates under high quality standards, as one of the motivators of the Farming Program.

# FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

## PROGRESS SINCE THE PREVIOUS VISIT

- Farmers recognise economic and productive benefits of having diversified farms with agroforestry systems; DAF plots help promote in an easy way the benefits of diversification.
- There have been renovations and rehabilitations of plots with varieties 800 and 801.

## RECOMMENDATIONS

- It is necessary to promote conservation of possible HCV areas. It is recommended to apply the conceptual bases of Holistic Farm Planning for implementation of productive projects, model farms, and for monitoring purpose.
- During the first years of implementation of DAF plots, bananas, cassava, and others are produced as cash crops and for family consumption. It is recommended to ensure measurement of benefits coming from the Farming Program.
- Farmers who have benefited from crop renewal and rehabilitation can already see the results of these practices. It would be important to review the goals and establish impact metrics for the 10% of farmers undergoing crop renewal / rehabilitation for 4 years.

# VERIFICATION & CONTINUOUS PROGRESS

## PROGRESS SINCE THE PREVIOUS VISIT

- A statistician has been updating the database for monitoring activities.
- Progress is being made in the collection of digital information for monitoring, even if it is still at an initial stage.

## RECOMMENDATIONS

- During the farm visits, farmers receive technical information to help them make progress over farm production. It is recommended to outline a set of KPIs that allows an assessment of the progress made, and provide recommendations to farmers according to the gap areas.
- Technical staff have farmer information files for each year of monitoring visits. However, there is not historical data systematised to facilitate the visits. It is recommended to link the monitoring data to the database in order to improve the monitoring process.

- The georeferencing process is a useful tool that allows spatial analysis of the actions undertaken and to improve strategies for program implementation. It is recommended to provide spatial information of investments to monitor, particularly the plants for riverbank protection.

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- In the context of the pandemic, workers have the necessary hygiene and protection equipment.
- No forced labour, child labour or any kind of harassment has been identified.

### RECOMMENDATIONS

- Deliver basic information material on the Farming Program and the main elements of the Lindt & Sprüngli Code of Conduct to farmers, especially those related to permitted agrochemicals and security measures for handling agrochemicals.
- A commercial relationship will be established with the associations and farmer groups in the coming years, for which it will be necessary to establish some protocols, which should include the Code of conduct.

## FARMING PROGRAM VERIFICATION GUIDANCE - MINIMUM REQUIREMENTS

### PROGRESS SINCE THE PREVIOUS VISIT

- Farmers received recommendations on wastewater management.
- The technical team provides information in the field to prevent soil erosion through the use of vegetation cover and other activities.

### RECOMMENDATIONS

- No burns of land for new cocoa plantations were observed. However, burns are observed as a usual practice for short-cycle crops. It is therefore recommended to maintain a holistic farm approach to farm management and avoid the impact of bad practices of other crops on cocoa.
- On some visited farms, there were issues observed with regard to the use of permitted agrochemicals, the use of PPE and wildlife conservation. It is recommended to continue with the delivery of basic information material on the Farming Program and the main elements of

the L&S code of conduct to farmers, with strengthened focus on the use of agrochemicals and wildlife conservation.

## NO DEFORESTATION & AGROFORESTRY ACTION PLAN

### PROGRESS SINCE THE PREVIOUS VISIT

- GPS points database has been corrected.
- A goal for mapping polygons of farms located in Abras de Mantequilla has been established, targeting 85 per year, equivalent to 25% of total farms.
- The company maintains an annual farm monitoring system that allows to be aware of the changes and progress in the farms.

### RECOMMENDATIONS

- The company has several farms as part of a Ramsar site called Abras de Mantequilla; agriculture production is allowed on this area by national law. It is recommended to continue the Holistic Farm Planning process in that area.
- Reinforce training on the non-deforestation action plan with the technicians that are new to the program.
- Analyse the possibility of establishing group incentives for the conservation of forest areas and other HCV areas.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

The company has made strong and steady progress in adopting measures to increase the productivity of farmers through its cocoa rehabilitation and renewal strategies. This will surely force farmers to fine-tune the delivery of cocoa beans according to the activities carried out on their farms.

Despite the pandemic, the company has managed to implement a great convening power for group activities, always maintaining outdoor activities with appropriate security measures. This year, the incorporation of groups of young people to the trainings is undoubtedly one of the factors that could have a long-term positive impact on the program.

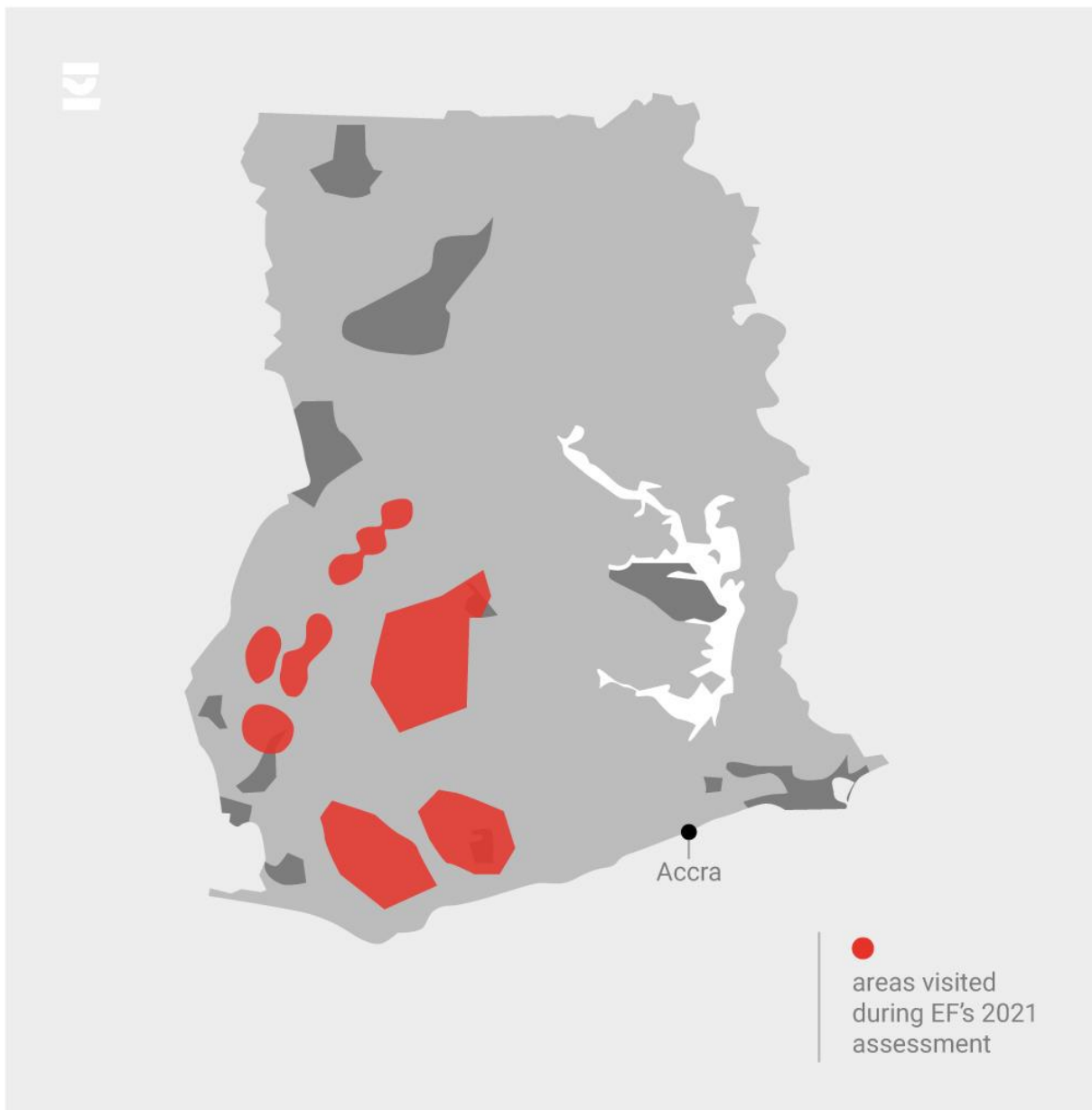
Both the diversification activities and the cacao renovation and rehabilitation actions have generated positive impacts on the beneficiary farmers, especially those who today already see improved harvests and yields. This needs to be measured and framed under precise impact indicators.

In terms of internal monitoring, adopting new technological tools for the digitization of the information is a great improvement but might take some time to be fully functional and reliable, especially with regard to the monitoring of new elements such as those described in the No Deforestation Action Plan, on which it is still necessary to strengthen knowledge in the technical team.

Regarding the Code of Conduct, the company still faces the challenges of a long-term process to influence customs and cultural change for the adoption of good practices. For this reason and despite observing important improvements, the use of agrochemicals and wastes on the farms are still present.

To address the challenges of the Non-deforestation Action Plan, the company has started a project under the Comprehensive Planning of Farms methodology (developed by Earthworm), which allows, among other objectives, to identify the number of farms immersed in protected areas, map their polygons and determine the actions to be taken to maintain the best environmental, social and agricultural practices for responsible production - considering that Ecuadorian legislation allows agriculture in protected areas, under established guidelines.

## Ghana



*Map: areas visited during Earthworm's 2021 assessments*

## Project Overview – Ghana Supplier 1

Farming Program initiated in	October 2016	Earthworm visit timeframe	17 <sup>th</sup> -27 <sup>th</sup> October 2021	3 <sup>rd</sup> Earthworm assessment
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### General description

The visited company in Ghana is a supplier to L&S and started implementing the L&S Farming Program in October 2016. Today (7 years on), the company's Farming Program involves 53,577 farmers spread across 48 districts across 9 regions.

The 2020/21 visit covered 10 districts in the Ashanti and Western regions and consisted of interviews with the following groups:

- The company's management and staff (Cocoa Sustainability Manager, Supply chain Manager, Head of Operations, Deputy Managing Director, Monitoring and Evaluation Manager and the L&S program Coordinator) in 2 separate discussions (specifically in opening and closing meetings).
- 275 farmers (met in groups)
- 13 management staff met in meetings and in the field
- 20 Purchasing Clerks (PCs)
- Leaders of the 20 societies visited and field visits to:
  - 1 demonstration farm at Enchi
  - 20 societies
  - 3 schools
  - 10 depots

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- There is one strong traceability procedure with documentation system in place (receipt/passbook, PC log book, primary evacuation, master stock ledger, secondary evacuation form) from farmer level through to the PC and the depot level.
- Cocoa supply for the season exceeded the target by 1000MT. 31,000MT of beans were supplied through the program above the target of 30,000MT.
- Following from previous recommendation, all societies visited had farmer registers which aligned with the data found in the PC procurement data.

## RECOMMENDATIONS

- For the 20/21 season, 34,838 of 53,577 farmers supplied 31,000MT of beans through the program. However, interactions with farmers revealed higher volumes produced than those reported. This was evidenced in the incidence of side selling of beans to PCs of other LBCs during the season (due to challenges from Cocobod), and the lack of records for subsequent volumes after the achieved 31,000MT. It is recommended that the supplier should track all volumes of beans from program farmers for the peak entire season and communicate excess volumes (if any) to L&S.
- Some inaccuracies were observed with data on farm polygons and shape files. Data on farm polygons did not cover all the farmers under the program and some of the polygons had duplicates. Out of the 53,577 farmers in the program for the season under review, 49,490 farm polygons were available for 49,381 farmers and out of this figure, a total of 109 farmers had duplicate polygons. The supplier should take steps to align the farm polygons with the farmer database to ensure traceability to the farmer level.
- 1,755 farm polygons were found in eight (8) forest reserves across four (4) regions from the analysis of the data submitted. The forest reserves include Mpemeso (Bono), Amama shelter belt (Bono), Bosumkese (Ahafo), Bokoni (Ahafo), Desiri (Ahafo), Bia North, Krokosua, Sui River, Tano Anwia (all Western North). The supplier reported they joined the program before the publication of the No-Deforestation action plan and are considering steps to transition them out of the protected areas. But based on the program requirements, it is recommended that all the 1,755 (2.69%) farmers are taken out of the program.
- Farm polygons had farm IDs which did not correspond with the farmer IDs provided in the farmer database, which makes traceability to the farm level difficult in terms of linking farmer polygons to the farmer list in the database. It is recommended to use the same farmer register for all components of the program and ensure that it tallies with data on farm polygons, agroforestry, internal monitoring, etc.

## TRAINING & CAPACITY BUILDING

### PROGRESS SINCE THE PREVIOUS VISIT

- During the period the supplier established one (1) organic/agroforestry demo farm at Enchi.

### RECOMMENDATIONS

- Field team described the demo farm as an organic/agroforestry farm yet the contract with the farmer only indicated it as an agroforestry farm. The supplier should revise the contract with the farmer to clearly reflect all intentions for the farm.
- Some challenges with the farmer's waste management were observed during the visits. Farmers in most of the societies visited explained either openly burning the plastic waste, burying them or cut them into pieces and dispose them at public refuse dump or dispose the cut containers into a dedicated collection point. The supplier should reinforce the training on waste management and identify appropriate waste disposal methods that is environmentally friendly through collaborations with waste disposal agencies.

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## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- The supplier provided solar lamps and branded t-shirts to over 30,000 verified farmers during the season.
- 17 schools were completed and handed over to the local authorities in various societies during the season.
- The supplier piloted digital premium payments for some 1,562 farmers during the season.

### RECOMMENDATIONS

- The supplier did not carry out the necessary stakeholder consultations and feasibility studies to understand the preconditions necessary for rolling out digital payments under the program. The digital system adopted was found to be complex, expensive, time consuming and generally new as such farmers found it to be a huge inconvenience. The supplier should take steps to deal with the farmer's challenges and concerns and conduct consultations before rolling out



future digital payments program. It would also be necessary to support this process with intense financial and digital literacy sensitization and training sessions.

- To date several schools, boreholes, toilets etc. have been constructed but such facilities are not properly branded or identified as L&S supported facilities. This reduces the visibility and contribution of the program to national development. The supplier should properly brand all L&S supported facilities. For instance, all schools provided by the program should have the logo of L&S visibly inscribed/painted on the outer walls and on the base of the borehole.



## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- The analysis of the Internal Monitoring (IM) raw data by Earthworm showed positive adoption of training on aspects such as pruning, weeds control etc.

### RECOMMENDATIONS

- Data from IM is not analysed and made usable to the field team. Internally monitored data is not analysed down to society level, identifying the specific society issues. Data from Internal Monitoring should be analysed down to the society level and made available to the FTs and FOs of the various societies.



## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- Most depots visited have started documenting work attendance for the staff, including the time of start of work and the time closed. This was observed at five depots.
- Based on previous recommendations, contracts of depot staff have been enhanced to reflect improved conditions. A key element of the improved conditions is the addition of medical leave in all staff contracts.

### RECOMMENDATIONS

- There was no safety sign available at any of the depots visited to indicate the location of hazards and emergency supplies such as first aid box and fire extinguisher. At one depot, the fire extinguishers had been used with no documentation on the usage and the refilling date. It is recommended that the supplier should:



- a) Provide safety signs at the depot indicating the hazards and preventive mechanisms in place,
  - b) document incidence of usage of fire extinguisher at the depots, and
  - c) immediately have used extinguishers refilled.
- Most depots had no washroom facility available at the time of the assessment and in worse cases, workers were left at the mercy of private residence for use of their place of convenience. In one case, the lavatory was full and couldn't be used by staff while at one depot, the place of convenience was not well kept. It is essential to provide decent place of convenience at the depot.

## FARMING PROGRAM MINIMUM REQUIREMENTS

### PROGRESS SINCE THE PREVIOUS VISIT

- Most farmers in the societies had their households profiled under the child labour profiling.
- All PCs visited had first aid box while a few had fire extinguishers.

### RECOMMENDATIONS

- Most PCs and Depots had a lot of empty cases of medicines that were used and not been replaced. The supplier should work with PCs to ensure that used drugs are replaced on time.

## NO DEFORESTATION & AGROFORESTRY ACTION PLAN

### PROGRESS SINCE THE PREVIOUS VISIT

- From the document review, shade tree distribution has increased from 297,000 during the 2019/20 season to 550,000 for the season under review.
- Partnership between L&S and NCRC through the institution of the governance bodies (CREMA societies) for two Sub-HIAs (Hotspot Intervention Areas) has resulted in the deployment of pragmatic actions for the protection of the Bia game reserve.

### RECOMMENDATIONS

- Even though farmers have been establishing new cocoa farms, they did not inform FTs of their intention and this has caused most of the new farms not to be mapped. For instance, farmers in three districts indicated that they were not aware of the requirement to inform FTs about new



farm expansion. The supplier should sensitize farmers to inform FTs of farm expansions and supplier should ensure that all new farms are mapped in order to ensure that new farms are not established in protected areas or in dense forest.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

During the season, the supplier continued to make progress regarding traceability and the training components of the program. All traceability documents from PC to the depot were found to be consistent. It is recommended that the supplier completes the mapping of farmers and endeavour to make the results from the internal monitoring usable to the field teams, especially the FTs and FOs.



## Project Overview – Ghana Supplier 2

Farming Program initiated in	October 2016	Earthworm visit timeframe	20 <sup>th</sup> – 24 <sup>th</sup> September 2021	5 <sup>th</sup> Earthworm assessment
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### General description

The company visited in Ghana is a supplier of cocoa butter to L&S and started implementing the L&S Farming Program in 2016. Today, the company's Farming Program involves 5,943 farmers distributed across one district of the Central Region of Ghana.

The visit covered 10 of the 82 farming communities in the one district and consisted of interviews and field interactions and observations with the following groups and areas:

- The company's management and staff (14 people)
- 40 farmers met individually
- 238 farmers met in groups
- 10 Purchasing Clerks (PCs)
- 9 lead farmers
- 2 demonstration plots
- 21 individual farm visits
- 1 cocoa storage facility
- 10 PC sheds

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- All procurement documentation is consistent with the traceability requirements. Daily sales record at the Purchasing Clerk (PC) level are consistent with records in the ledger book at the depot and with other traceability documents (waybill, warehouse receipt and PC daily sales record).

## RECOMMENDATIONS

- The supplier's traceability software comes in both offline and online formats so that procurement data is recorded offline whilst sinking is done online. Unfortunately, both formats were not active at the time of the visit and all PCs visited could not demonstrate usage of any of the formats. It is recommended that the supplier ensures that the software is active and useable both off and online.

# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- As opposed to the previous year where no training was held, the season under review witnessed 3 separate refresher trainings organised for Program staff. Staff participated in a two-week training on cocoa agronomy and extension in August, at Bunso cocoa college. Staff also participated in the manager's conference on sustainability and procurement which is organised annually for staff.
- 14 new demo farms have been established to serve as training centres for farmers. 5 of these 14 demo farms are being supported by International Institute of Tropical Agriculture (IITA) and CALLI Ghana.
- The supplier reintroduced the concept of the lead farmer system to enhance field officer numbers and improve the farm visits and coaching.

## RECOMMENDATIONS

- Program farmers expressed great benefit from the Program training but visits to the individual farms revealed the incidence of poor adoption of Good Agricultural Practices (GAPs). In 4 of the 10 societies visited, the team observed that some farms were not pruned (particularly women owned/managed farms), littering of chemical waste on some farms, and use of unapproved chemicals. Reasons for this include: i) the use of group trainings and group coaching as opposed to individual coaching and farm visits and ii) lack of on-farm labour availability, which is particularly relevant for women owned/managed farms. It is therefore recommended that in areas/farms where the adoption of GAPs is challenging (e.g. women



managed/owned farms), the supplier should take steps to understand the underlying causes and institute appropriate corrective measures to enhance their performance.

- Though the lead farmer system has been reintroduced, the current arrangement with the lead farmers is still based on oral agreements with no formalised contract that stipulates the terms of agreements and responsibilities of the lead farmers. This current arrangement leaves a lot of room to interpretation and makes it difficult to hold parties accountable. It is recommended that the supplier signs formal contracts with all lead farmers under the Program. The contract should clearly indicate the parties in the agreement, duration, the responsibilities of both parties, accountability procedures and the remuneration for lead farmers.

## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- A SOP to guide the payment of the cash premium has been developed.
- Two community action plans have been developed.

### RECOMMENDATIONS

- This is one of the pillars where the least progress was observed during the visit. None of the targets set for the season were fully achieved, though some progress was made in some of the components. It was particularly the case regarding the provision of community infrastructure, which is a key component of pillar 3. In explaining the reason for the delay, the supplier mentioned delays for the materials to arrive at the beneficiary societies. It is recommended that the supplier applies more diligence to ensure that the targets are achieved, or communicate to L&S the challenges or issues faced in a timely manner.

## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- The supplier piloted a digital recording system with some of the PCs to capture procurement data /sales record of beans of farmers. This helps the supplier to track produce/supplies of farmers per season.
- Field officers have developed a simple excel sheet for recording and tracking progress on individual and group trainings.

## RECOMMENDATIONS

- There are shortcomings in the implementation of the internal monitoring program, such as:
  - a) Not all farmers under the Program were covered under Internal Monitoring during the season,
  - b) The internal monitoring questionnaire does not cover all aspects of the program,
  - c) There is no action plan developed from the analysis of the Internal Monitoring data.

It is therefore recommended that the supplier ensure that all farmers are internally monitored every season, and that the collected data are properly stored, analysed and used to develop the targeted action plans.

- Despite the fact that field officers have developed simple excel recording sheets for reporting on training and coaching activities, the format is not uniform among the different officers. It is recommended that the supplier design a uniform sheet for documenting monitoring and training activities, which should be adopted by all field officers.

# SUPPLIER CODE OF CONDUCT

## PROGRESS SINCE THE PREVIOUS VISIT

- The supplier recruited 2 women out of 4 recruited field officers to the Program for the 20/21 season.
- Cocobod, with the support of the supplier, is replacing all existing scales with solar-powered digital scales having other specialised features to minimise the incidence of scale manipulation which can negatively impact the price paid to farmers.

## RECOMMENDATIONS

- Role assignment to some of the supplier's staff was observed to be unbalanced with some people performing several roles in addition to their basic role. For example, one officer was observed to be leading several aspects of the program; the setting up of VSLAs, child labour monitoring and remediation system and developing community action plans in addition to the core duties as a field officer. It is therefore recommended that the supplier:
  - a) Evenly distribute the additional tasks among all the staff to avoid the situation of a single staff leading several aspects of the program,
  - b) Train all field staff to perform the entire portfolio of tasks that field officers are responsible for.

# FARMING PROGRAM MINIMUM REQUIREMENTS

## PROGRESS SINCE THE PREVIOUS VISIT

- No encroachment was recorded from the monitoring of the 27 farms which were previously identified to be located close to the Kakum National Park.
- From the discussions conducted at the society level, farmers declared that all new expansions were done on fallow lands.

## RECOMMENDATIONS

- Not all the minimum requirements were satisfied during the visit to the societies and the farms. For instance, some of the farms were disease infested and some farmers reported to apply chemicals by themselves without the necessary PPEs. Some farmers did not know the names of the chemicals used and some farms were littered with chemical waste. It is recommended that the supplier segregate farmers into different categories, separating those who have met the minimum requirements from those that have not, and intensify trainings to those who have not yet met the requirements.
- In all the societies visited, it was observed that women and people with disabilities suffer the most in terms of low productivity due to poor farm management and poor support from other members in the society. Many are aged and hiring labour force is expensive. It is recommended that the supplier takes steps to understand the underlying reasons and institute appropriate corrective measures to enhance their performance of this special category of farmers.

# NO DEFORESTATION & AGROFORESTRY ACTION PLAN

## PROGRESS SINCE THE PREVIOUS VISIT

- The supplier and Kakum Landscape management have set up a joint task force that is monitoring 27 farms located close to protected areas.
- The Program continues to distribute shade trees to the farmers to enhance the forest cover of cocoa farms. A total of 24,000 shade tree seedlings were distributed to farmers in 20/21 season bringing the cumulative figure of 69,000 tree seedlings distributed since the inception of the program.

## RECOMMENDATIONS

- Earthworm verification of farm polygons overlaid with maps of protected areas identified 106 farmers being in close proximity of 6 protected areas in the districts, including Kakum National Park. The supplier indicated that 7 of the 106 polygons submitted to Earthworm were part of the 27 farms earlier monitored by the joint task force. It is recommended that the supplier:
  - a) Cross-checks the two deforestation risk analysis and create one list of farmers with farms located close to protected areas, and
  - b) Continuously monitors the land use change on all farms which are identified as being in close proximity to protected areas.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

From the interactions, document review and observations in the field, visible progress was observed in some pillars of the Program, while it was less compelling with some others. Overall, the pillars related to Traceability & Farmer Organisation and Training & Capacity Building presented the most progress. The supplier exceeded the target tonnage of beans for the period whilst displaying consistency in traceability documentation from PC level to the depot. In addition, the supplier exceeded the target for the season related to the number of trainings by 23% and coaching by 7%. One key factor that helped in this success was the reintroduction of the lead farmer system which sought to augment the support of the field officers in providing coaching to farmers.

However, the pillars related to Farmer Investment & Community Development and Verification & Continuous Progress with particular reference to the supplier's internal monitoring program presented the least progress. None of the targets set under the Farmer Investment & Community Development pillar were achieved though some progress was made in some of the components.

A number of demo farms and VSLAs were established during the season, but they were found to be at early stages and experiencing the typical challenges that come at the early stage of establishment. For instance, a visit to some of the demo farms showed some were infested with pests. Likewise, only one of the societies visited with VSLAs presented profit records from the additional livelihood projects embarked upon. There is still a lot of attention and effort required to bring all the demo farms and VSLAs to full functionality. No progress was observed in the area of providing infrastructure to the communities and more effort is needed to ensure the agreed targets are achieved.

Finally, the supplier's internal monitoring program needs further enhancement and a stricter implementation in order to meet the specifications outlined in the Program guidance document. All farmers should be internally monitored, with collected data analysed and used to develop targeted action plans to meet all Program requirements.

## Project Overview – Ghana Supplier 3

Farming Program initiated in	October 2020	Earthworm visit timeframe	17 <sup>th</sup> – 22 <sup>nd</sup> November 2021	1 <sup>st</sup> Earthworm assessment
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### General description

The visited company in Ghana is a supplier to L&S who started implementing the L&S Farming Program in October 2020. Today (year 1 of implementation), the company has 9,581 farmers distributed across 242 societies from 4 districts across the Ashanti and Eastern regions of Ghana.

The assessment visit covered the 2 districts in the Ashanti and Western regions and consisted of interviews and visits with the following groups:

- The company's management and staff (Cocoa Sustainability Manager, Supply chain Manager, Head of Operations, Deputy Managing Director, Monitoring and Evaluation Manager and the L&S program Coordinator)
- 103 farmers met in groups
- 15 individual farm visits
- 3 demo plots
- 7 societies
- 3 schools being considered for support under the community infrastructure program
- 2 depots with 4 depot staff
- 7 PC sheds
- 2 IMS offices
- 9 field staff

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

## RECOMMENDATIONS

- The sustainability program is well structured in terms of how it is organised between the commercial and sustainability teams. However, in practice, there is some disconnect observed between the sustainability and the commercial teams. Both teams do not share experiences and observations, especially at the field level, to enhance their knowledge of each other's operations. It is therefore recommended that the commercial team gets more involved in the sustainability activities in relation to the implementation of the Farming Program. More specifically, as a starting point:
  - a) The commercial team should be represented at the opening and closing meetings during the annual assessments;
  - b) Both entities should involve each other in trainings and other field activities, where necessary.
- Entry requirements for new farmers are not always strictly followed. For example, 4 farmers at one society expressed that not all their farm were mapped yet while their products were sold to the supplier. Also, the 7 PCs visited had no copies of their farmer list and the group leaders had no list of their members. There were discrepancies with the number of farmers between the PCs, group leaders and IMS offices. It is recommended that the supplier continues to sensitise the groups on the program entry requirements and ensure that they comply with them. It should also provide to each PC and farmer society the approved list of farmers being in the Farming Program.
- Not all farms under the program have been mapped. About 5.5% of the farmers still have to be mapped, especially farm expansions and farms located in the hinterlands. The supplier should take steps to complete the mapping of all outstanding program farms and ensure that legality check is duly conducted for such farmers.
- Most farmers have not yet received the polygons from the farm mapping, which prevents them to know important information (e.g. exact farm size) for the good management of their farms that is essential to the program. It is therefore recommended that the supplier prints, laminates and distributes farm maps to all farmers under the program.
- Record keeping forms used by the PCs for cocoa procurement are not uniform but vary from one society to another. Most PCs did not have copies of the cash and in-kind premium payment vouchers with them. It is therefore recommended that the supplier encourages the PCs to adopt a uniformed record keeping template and ensure that PCs and farmer societies have duplicate copies of the cash and in-kind premium payment vouchers.

## TRAINING & CAPACITY BUILDING

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- About 10% of the farmers interviewed who are concerned and had been trained on buffer zones protection could not explain nor demonstrate how they established the distances used for the buffer zones. It is therefore recommended to continue sensitising farmers on how to set up buffer zones emphasising the key principles on respecting the required distances, and respecting rules for workers when conducting activities in riparian areas to avoid contamination.
- The assessment team did not observe any training schedules in place to guide the conduct of field activities, even though management reported the existence of such training schedules. It is recommended that all training materials and tools are made available and be detailed enough to track progress. For instance, the training schedule needs to have information on training topics, the societies to be trained and the date/period where the trainings will be conducted.
- The program has established 71 demo farms across several societies to serve as practical training grounds to farmers. However, there is no formal agreement between the farm owners and the supplier, describing the responsibilities of both parties regarding management of the demo farm. There is a need to have a contract between the supplier and the owner of the demo plot clarifying the R&R of each entity and clarifying the objectives of a demo plot.

## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- 100,000 cocoa seedlings and 42,200 shade trees were distributed to 770 farmers during the season. However, many more farmers expressed interest in accessing seedlings for planting



but could not access the seedlings and shade trees because of the distance and cost involved in transporting them from the available nurseries. About 50% of the farmers met at the society meetings indicated they could not access the shade trees and cocoa seedlings due to many factors including the lack of sensitisation on the distribution time and the high cost associated with accessing the seedlings. It is therefore recommended that the supplier should:

- a) Facilitate access of all farmers to the cocoa seedlings by transporting seedlings to the societies;
- b) ensure that farmers within the buffers have access to shade trees.

## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- Some M&E documents submitted to the assessment team were not specific to the L&S program, hence it was difficult to assess the L&S specific progress during the period. For instance, the organigram was not L&S specific, number of staff trainings exceeded the number of staffs on the program, etc. It is recommended that the supplier takes steps to work out L&S program specific details so that progress can easily be tracked.

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- Allowances of some Field Agents (FA) do not come on time, which affects their motivation and ability to provide support to the farmers. It is recommended that the supplier puts measures in place to ensure timely and regular payment of allowances to the FAs.
- Similarly, the transportation allowance compared to the spatial distribution of the societies and the number of societies assigned to each FA was considered insufficient according to the FAs. It is recommended to compare the transportation expenses made by the FAs with the



allowance provided by the company to see if there is a need to adapt it. It is also recommended to provide FAs with motor bikes.

- The contracts for field staff do not include the specific scope of work duties for their respective roles, such as agronomist, community development officer and sustainability officer, but just describe the generic scope of work. Though Earthworm team was later supplied the specific terms of reference for each officer, it is recommended that all contracts under the program should include both the generic and specific statement of work, with copies filed at the field offices for reference.

## FARMING PROGRAM MINIMUM REQUIREMENTS

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- Complaint forms are available, but the farmers in the program were not sensitised on how to make use of the forms. Some PCs had no copies of the complaint form at the time of the assessment. The supplier should include this topic in the sensitization done to farmers and ensure PCs have copies of the forms with them at the society level.
- The team observed a poor adoption of good practices around disposal and handling of chemical waste. About 15% of the visited farmers continue to burn, bury and dispose of plastic containers on their farms while others have no proper storage structures in place for keeping chemicals and plastic containers. It is recommended that the supplier sensitises farmers on how they can store chemicals and dispose of plastic containers safely and if possible, collaborate with waste management companies to handle plastic waste.

## NO DEFORESTATION & AGROFORESTRY ACTION PLAN

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

## RECOMMENDATIONS

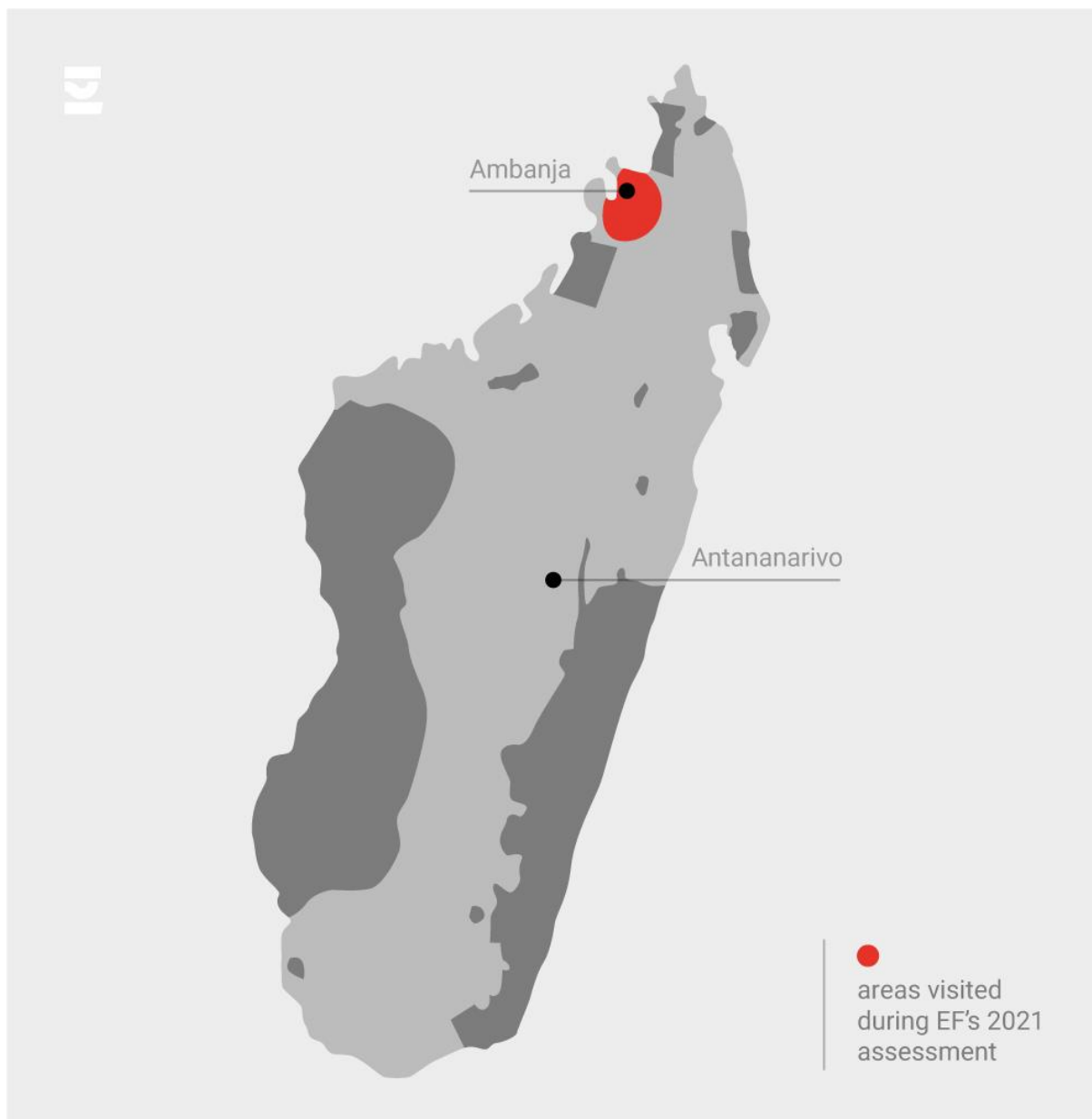
- Earthworm analysis of the supplier farm polygons - overlaid on the CFI forest map - found that none of the Program farms are located in protected areas. However, over 80% of them are located within the buffer zones, 2 km from the protected area. It is therefore recommended that the supplier monitors them closely and prioritise them for the agroforestry activities.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

Despite the fact that the supplier is in its first year of implementing the L&S Farming Program, some fundamentals are already in place to ensure a good implementation of the program. There is a clear team structure to deliver the various aspects of the Program. The supplier drew on experiences from other programs to drive the implementation of the Farming Program by having solid SOPs in place. Farmers have been trained on all aspects of the Program and they all received their premium. Community needs and areas of intervention have been identified. None of the farms mapped are inside protected areas.

There are also some key aspects that the supplier needs to consider to reinforce its initial good performance, such as: a) the sustainability and the commercial teams should be more connected, b) reinforce coaching of the farmers and improve the management of the demo plots, and c) workers' concerns must be addressed through a functioning complaint mechanism.

## Madagascar



*Map: areas visited during Earthworm's 2021 assessment*

## Project Overview – Madagascar Supplier 1

Farming Program initiated in	October 2017	Earthworm visit timeframe	11 <sup>th</sup> - 15 <sup>th</sup> October 2021	4 <sup>th</sup> Earthworm assessment
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### General description

The visited company in Madagascar is a supplier of cacao to L&S that started implementing the L&S Farming Program in 2017. Today, the company's Farming Program involves 933 farmers distributed across 1 region, 1 district, 3 municipalities and 13 villages.

The visit covered the region of DIANA (Ambanja district, Sambirano basin, 4 villages) and consisted of interviews and visits with the following groups:

- The company's management and staff (11 people)
- 6 farmers met individually
- 41 farmers met in groups
- 3 demonstrative plots
- The implementing partner's coordination staff (Helvetas)
- The director and nursery site (FOFIFA)
- The protected areas manager's director

## TRACEABILITY & FARMER ORGANISATION

### PROGRESS SINCE THE PREVIOUS VISIT

- Balances have been certified in 2021 by the legal metrology department and the internal verification process is established; quality control (hygrometry) of incoming batches is performed regularly.



- The staff responsible for traceability at the sub-collector/collector level is trained and a monthly assessment of traceability has been ensured by the training agents since 2021.
- A reminder letter was sent to all sub-collectors and collectors in 2021 pointing on the binding measures in case of non-compliance of traceability documents.

## RECOMMENDATIONS

- Registration of basic information (code, identity, plots, GPS) of some farmers is not yet completed; thus, purchases of cocoa from certain farmers are not tracked under the Program. It is recommended to update the list of farmers ensuring that each farmer has a unique code and all identification data are completed; at the same time, remind farmers of the traceability requirements of the Program.
- Irregularities are found in the filling of traceability documents at various levels of the supply chain; thus, the exact composition of some batches is difficult to check. It is recommended to strengthen regular control operations at all levels - from farmers to export - by the traceability assistant, field teams and/or the trader (traceability certificates). Additionally, as it is planned by the company, deploy a pilot for the digitization of traceability information at the collector level.
- Parcel geolocation is not checked, and the information of each parcel (age, area, cocoa number) is still insufficient to properly assess the potential production per parcel and/or farmer. It is recommended to produce an accurate map of all parcels and assess the reliability of information in terms of GPS mapping, cocoa plants count and age of plots. When possible, inform farmers of the requirements of the Program before performing GPS mapping of parcels.

# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- The training modules 4 to 10 have been updated by Helvetas and FOFIFA, adding comics strip in modules 4 to 10, and 2 didactic videos in module 4.
- A re-training of the field team was carried out by Helvetas and FOFIFA for the updated modules 4 to 9.
- Weekly work is carried out in the 3 demo-plots according to the promoted agricultural protocols.

## RECOMMENDATIONS

- Farmer participation to training/retraining according to attendance records is low or not consistent with internal monitoring visits database. It is recommended to develop a KOB-



collect form to ensure the recording (farmers list, photos) of training activities, attendance and requests and the follow-up of coaching and visits of demo-plots.

- The didactic video and the comics strip show some contradiction in key messages (e.g. the recommended spacing between cocoa trees or organic fertilizers addition) that can generate confusion for farmers. It is recommended to check the content coherence and harmonize the key messages amongst the different training materials.
- Vanilla cultivation that is promoted in some agroforestry demo-subplots show low recovery rates and early vines senescence, probably due to insufficient mulching, excessive shading, or inadequate looping. It is recommended to strengthen the monitoring of agroforestry demo-subplots and promote technical and sustainable agricultural itineraries (agroforestry good practices) for the promoted options (vanilla, ginger...).

## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- 3,514 cocoa seedlings were distributed to farmers.
- A cash premium system for farmers (replacing the previous in-kind premium system) is planned for the next 2021/22 campaign.
- The company is developing a new approach to support a small group of farmers in the improvement of cocoa plantations and the diversification of incomes through agroforestry system.

### RECOMMENDATIONS

- The list of cocoa and shade trees seedlings requests from farmers was not completed at the time of the visit. It is recommended to develop a KOBO-collect form to ensure the recording of farmers' requests for cocoa and shade tree seedlings in order to ensure seedlings availability before the rainy season.
- Farmers are used to find usual shade tree seedlings on their parcel; however, they begin to show interest in other species that are difficult to find on site. It is recommended to establish a list of potential multi-benefit shade trees species to be disseminated and identify the needed itineraries for their multiplication and distribution.
- Implementation of the cash premium system for farmers will require the transportation of important amount of money, which may add a supplementary risk to field staff. It is recommended to identify and implement a clear and secure mechanism for the distribution of

cash premiums to farmers by anticipating safety risks and potential inconsistencies between deliveries recorded in the farmer logbooks.

## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- 6 tablets equipped with the KOBO-collect application are operational for recording the monitoring visit surveys. The internal monitoring visit questionnaires were revised in line with the 2020 recommendations. i.e. some questions have been removed and those relating to the No-deforestation & Agroforestry Action Plan have been added.
- The results of the analysis of the 2019/20 internal monitoring visit are available by villages in the form of graphs. The monitoring visit data collection was carried out for the 2020/21 campaign and data analysis is ongoing.
- 2 coaching sessions were organised during Earthworm's mission in October 2021 on the following topics: Management of requests and grievances and No-deforestation & agroforestry Action Plan.

### RECOMMENDATIONS

- Analysis of the internal monitoring results is not documented in a report. Additionally, the identified needs/concerns of farmers are not listed with the required actions and implementation timelines. It is recommended to produce an annual monitoring visit report that presents the results of the KPI analyses, identifies the key problems and proposes improvement actions classified according to their urgency (immediate, medium-term, long-term) and used to develop a time-bound action plan.
- Few requests are recorded in the monitoring system of farmer's complaints and grievances. It is recommended to develop a KOBO-collect form to ensure the recording of farmer's concerns and grievances expressed on the pre-printed sheets (that available on site) and those formulated during any intervention of the field staff (internal monitoring visit, training, coaching).

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT



- Improvements with the working conditions of daily workers have been observed; overtime for daily workers is now remunerated and one warehouse worker has been moved to a fixed-term contract.
- A human resources & management firm was contracted in August 2021 to identify legal and practical solutions for staff management to fully comply with the code of conduct. The first recommendations are currently being examined by the company's manager.

## RECOMMENDATIONS

- Some previous recommendations are still pending implementation. A human resources & management firm was contracted in 2021 to identify legal and practical solutions to fully comply with the Code of conduct. It is recommended that the company establish an implementation plan with clear deadlines based on the findings and recommendations of the human resources & management firm to address and resolve all previous recommendations related to workers' rights.
- Few requests are recorded in the management system of staff's complaints and grievances. It is recommended to update and operationalize the complaints & grievances management system by specifying steps and responsibilities according to the information flow model provided.

# FARMING PROGRAM VERIFICATION GUIDANCE – MINIMUM REQUIREMENTS

## PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable

## RECOMMENDATIONS

- Only protected areas are identified; HCS sites and other HCV are not available for the area. It is recommended that L&S finalize HCS/HCV studies for the area.
- Farmers are only partly aware of the protected species (e.g. lemurs). There is a risk that farmers can hunt endangered species. It is recommended to identify wildlife species that are hunted by farmers, especially in villages near protected areas and to strengthen training/awareness on endangered species and hunting.
- Cleaning burns are still practiced by farmers. Fallows are located on the periphery or within protected areas. It is recommended to strengthen the training/awareness of farmers on the negative agro-ecological impacts of cleaning slash-and-burn, as well as on regulations and associated penalties.

# NON-DEFORESTATION & AGROFORESTRY ACTION PLAN

## PROGRESS SINCE THE PREVIOUS VISIT

- Revision of the training modules related to the No-deforestation & agroforestry Action Plan has been conducted by Helvetas, i.e. Good Agricultural Practices (Module 4) and Environmental Practices (Module 5), Nurseries (Module 9) and Agroforestry (Module 10).
- Coaching on the No-deforestation & agroforestry Action Plan was conducted by Earthworm in October 2021.

## RECOMMENDATIONS

- GPS mapping of parcels is not verified. There is no cross-checking of the list of farmers with the Manongarivo special reserve manager. It is recommended to contact the Director of Manongarivo special reserve to cross-check the list of farmers with the list of illegal occupants/users of the hard core (ND) and tolerated users of the sustainable use zone (ZUD) of Manongarivo protected area. The company will also have to produce evidence of cross-checking and the list of farmers subject to further verification.
- There is no partnership initiatives with local communities for forest protection/restoration at the company level. It is recommended to identify how to implement partnerships with local communities for forest protection, to strengthen the reforestation of the slopes/foothills of the Sambirano watershed and to specify the expected roles of the program's company, the supporting organisation and the farmers.

# CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

The visit allowed to observe a good level of implementation of the previous recommendations.

However, some issues were observed with regard to the coordination and documentation of activities, in particular in terms of traceability, which structures the entire project and on which the success of the Program is based.

A few aspects deserve attention to further improve performance, such as: i) finalize the GPS mapping of all the parcels of the network's farmers; ii) the project team must be more attentive to the implementation of the No-deforestation & agroforestry Action plan, especially the monitoring of shade tree cutting linked with the establishment of vanilla in the parcels.

Improvements in the working conditions of daily workers are under way, and more will come based on the expected findings & recommendations of the human resources & management firm.

## Project Overview – Madagascar Supplier 2

Farming Program initiated in	November 2015	Earthworm visit timeframe	18 <sup>th</sup> - 25 <sup>th</sup> October, 2021	7 <sup>th</sup> Earthworm assessment
<h3>General description</h3> <p>The visited company in Madagascar is a supplier of cacao to L&amp;S that started implementing the L&amp;S Farming Program in 2015. Today, the company's Farming Program involves 1,455 farmers distributed across 1 region, 1 district, 9 municipalities and 31 villages.</p> <p>The visit covered the region of DIANA (Ambanja district, Sambirano basin, 6 villages) and consisted of interviews and visits with the following groups:</p> <ul style="list-style-type: none"> <li>▪ The company's management and staff (12 people)</li> <li>▪ 9 farmers met individually</li> <li>▪ 76 farmers met in groups</li> <li>▪ 1 demonstrative plot</li> <li>▪ 3 nursery sites</li> </ul>				

## TRACEABILITY & FARMER ORGANISATION

### PROGRESS SINCE THE PREVIOUS VISIT

- The list of farmers is displayed in the collectors' collection books.



- A comparison of the estimated production and the weight delivered by the farmers is being made.
- The project team was able to identify, in collaboration with Madagascar National Parks (MNP), the parcels of 24 farmers in the Manongarivo Reserve.

## RECOMMENDATIONS

- The project team geolocated only one plot per farmer during the 2020 – 2021 campaign. However, 1 farmer has an average of 3 plots. It is therefore recommended to optimize the geolocation of all the parcels per farmer, considering the geolocations carried out since 2018.
- Irregularities are noted in the filling of farmers books with regard to date, amount of sales, cumulation. It is recommended to develop a system of "reward / recognition" (e.g. certificate, medals, extra premium, etc.) for rewarding the collectors and farmers that follow the traceability documents and aligned with the delivery of cocoa (weight and quality).

# TRAINING & CAPACITY BUILDING

## PROGRESS SINCE THE PREVIOUS VISIT

- The training modules 4 to 10 have been updated by Helvetas and FOFIFA, with new comics strip in modules 4 to 10 and 2 didactic videos in module 4.
- A retraining of the SAQF and some farmers was carried out by Helvetas and FOFIFA for the updated modules 4 to 9.
- An evaluation of the implementation of training knowledge was conducted on a sample of 166 farmers, as well as a survey on the implementation of agroforestry practices. The processing and analysis of the results is ongoing.

## RECOMMENDATIONS

- The didactic video and the comics strip show some contradicting messages that can generate confusion for farmers regarding the spacing promoted between cocoa trees (e.g. video: 2 m, and comics strip 2019: 4 m; fertilizer planting: video: 1 m, and comics strip 2021: 1.5m. 21.11). It is recommended to harmonize the information in the training materials and develop a practical evaluation system of farmers' impressions and understanding of the new training materials at each training session and/or individual coaching session with a view to continuously improving the materials.
- The field team has been trained on module 10, which is the 2020 agroforestry module. It is recommended to ensure recycling of the field team on module 10 based on the results of the analysis of the surveys carried out among farmers concerning the implementation of agroforestry and considering the requirements of the No-Deforestation & Agroforestry Action Plan.



- The results of the technical itineraries promoted in the demonstration plots are not yet collected, analysed and valued. There is a difference in production and quality between the T0, T1 and T2 sub-plots. However, an increase in the number of demonstration plots is noted: at the end of 2020, 5 demonstration plots were set up, 4 new ones created in 2021 with a goal of reaching 11 plots. No model plantations are in place. It is recommended to focus efforts on the operationalization of the 9 existing plots by checking, analysing and valuing the results of the application of technical route.



## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- 8 nurseries are functional in the villages of Upper Sambirano, with independent nurserymen trained by Helvetas/FOFIFA.
- 20,626 cocoa seedlings were distributed in 13 localities, and 1,429 shade trees in 5 localities.
- 3 drying areas were made for the benefit of farmers, 4 wells for drinking water supply are being built and 8 hives have been distributed in Bemangôko as part of the diversification of farmers' incomes.

### RECOMMENDATIONS

- The modalities of management and maintenance of the wells are not yet established. It is recommended to discuss with the fokontany and/or municipalities concerned by the installation of the wells so that they can ensure the organisation of management and maintenance.
- According to the interviews, the farmers have no difficulty finding shade plants for natural regrowth on their parcels. However, they are interested in other species that they do not find on the spot. It is recommended to identify and establish the list of multi-benefit shade trees (agro-ecological, biodiversity) to be conserved and/or promoted.
- The partnership with MNP for reforestation is not formalised. It is recommended to formalise this partnership for the organisation, planting, monitoring and maintenance of the reforestation plots that will be set up.
- Vanilla is being promoted in the zone and among the farmers with the support of Helvetas. The team observed that shade trees are often cut to the detriment of cocoa trees in the plots where vanilla has been installed. It is recommended to document the risk of excessive cutting of shade trees in plots where vanilla has been installed, if necessary with the support of Helvetas.



## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- The results of the 2019–2020 internal monitoring visits were valued in the planning of the corrective actions during the 2020-2021 campaign.
- The internal monitoring visit questionnaires were revised in line with the 2020 recommendations; the number of questions were reduced from 96 to 84, some questions have been removed and those relating to the No-deforestation & Agroforestry Action Plan have been added. The monitoring visit data collection is carried out for the 2020–2021 campaign from July to September 2021; processing and analysis are ongoing.
- 2 coaching sessions were organised during Earthworm's external evaluation mission in October 2021 on the following topics: management of requests and grievances, and No-deforestation & Agroforestry Action Plan.

### RECOMMENDATIONS

- The internal monitoring results are not available at the beginning of the campaign. It is recommended to speed up the processing and analysis of the internal monitoring results in order to improve the planning of corrective actions for the 2021–2022 campaign.
- Recurring and superfluous questions are still present in the internal monitoring questionnaire, making it time-consuming for SAQFs and farmers. It is recommended to continue targeting the relevant questions in order to further reduce the questionnaire and collection time.

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## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- The procedures for monitoring compliance with the code of conduct are established.
- The contracts of all personnel involved in the project are being verified for compliance at the level of the Labour Inspectorate in Antsiranana.

### RECOMMENDATIONS

- No new observations for 2021

# FARMING PROGRAM VERIFICATION GUIDANCE

## – MINIMUM REQUIREMENTS

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable

### RECOMMENDATIONS

- Only protected areas are identified; HCS sites and other HCV are not available for the area. It is recommended that L&S finalizes HCS/HCV studies for the area.
- Farmers are partly aware of the protected species (e.g. lemurs). There is a risk that farmers can hunt endangered species. It is recommended to identify wildlife species that are hunted by farmers, especially in villages near protected areas (Migioko, Ambohimarina, Antanambao Ambahatra) and to strengthen training/awareness on endangered species and hunting.
- Cleaning burns are still practiced by farmers. Fallow land is located on the periphery or within protected areas. It is recommended to enforce the training/awareness of farmers on the negative agro-ecological impacts of cleaning slash-and-burn, as well as on the regulations and associated penalties.

## NON-DEFORESTATION & AGROFORESTRY ACTION PLAN

### PROGRESS SINCE THE PREVIOUS VISIT

- SAQF are notified by farmers in case they are planning to do any extensions.

### RECOMMENDATIONS

- Plantation rates for agroforestry have not yet been established. On the basis of the polygons, it is recommended to value the results of the surveys on the implementation of agroforestry among farmers and to establish the history of the parcels in order to prioritize the parcels/farmers for agroforestry.
- A training course was organised by Helvetas in January 2020, and coaching on the action plan was carried out during the external assessment in October 2021. It is recommended that a focal point be established within the team for communication, monitoring and reporting on the action plan implementation.



- Farmers are trained in BPA, GEP, agroforestry and farm renovation. It is recommended that an intensive recycling/farmer awareness campaign be implemented on the No-Deforestation & Agroforestry Action Plan.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

The visit allowed to observe a high level of implementation of the previous recommendations. Partnership development with other entities, outside the project, is well underway.

However, a few aspects deserve attention to further improve performance, such as: i) finalize the geolocation of all the plots and progressively include in the traceability documents the plots that are the object of collection of products delivered to the supplier; ii) the project team must be more attentive to the implementation of the No-Deforestation & Agroforestry Action Plan, the monitoring of shade tree felling and the establishment of vanilla trees in the plots.

## Papua New Guinea



*Map: areas visited during Earthworm's 2021 assessment*

Farming Program initiated in	October 2018	Earthworm visit timeframe	21 <sup>st</sup> – 30 <sup>th</sup> November 2021	4 <sup>th</sup> Earthworm assessment
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## General description

The company visited in Papua New Guinea is a supplier of cocoa beans to L&S that started implementing the L&S Farming Program in 2018. Today, the company's Farming Program involves 4,301 farmers distributed across two provinces.

The visit consisted of interviews and visits with the following groups:

- The company's management and staff - 20 people
- 43 individual interviews - 28 farmers and 15 fermentary owners
- 10 group interviews with approximately 250 farmers
- 5 demonstration plots
- Nursery site, reforestation site

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- Farmer Guide Books have been distributed to 100% of the farmers under the Farming Program, and has greatly improved traceability and record keeping from the fermentary to farmer level.
- The number of farmers under the Farming Program has increased by 163 farmers in 2021 despite the Covid-19 pandemic regional travel restrictions and other constraints.
- 11 new fermentaries have been registered and 2 new nurseries have also been established to support farmers in the Lae project area.

## RECOMMENDATIONS

- The roll-out of the Farmer Guide Book and receipt books has improved record keeping from fermentary to farmer level in comparison to when the program started in 2018 where there was



no record keeping at all. However, there are about 20% of farmers that still need guidance to fully utilize their Farmer Guide Book and receipt books, which should be an area where coaching should focus on during 2022.

- Capacity building for EOs continues to be a key priority for the development of the Farming Program. The EOs have received training by the Lead Extension Officer and selected NGOs according to the 'train the trainer' concept. Recently, FORCERT PNG provided skills & knowledge training for EOs to enable them to train and support farming communities under the Farming Program. The course promoted sustainable forest management at the community/village level and emphasised better land-use planning to mitigate deforestation activities at community/village level. Going forward, it should be assessed whether access to a geographical information system (GIS) and remote sensing tools for EOs would better enable them to undertake HCV/HCS assessments, accurately measure deforestation and farmer level land-use planning. Currently, mapping the rate of deforestation at farming communities is being measured on the supplier's App using data from Global Forest Watch (GFW). Conducting an analysis of what information is not available on the supplier's App but could be of value to the program could enhance the evaluations going forward.

## TRAINING & CAPACITY BUILDING

### PROGRESS SINCE THE PREVIOUS VISIT

- The Supplier's safety response to the Covid-19 pandemic is still being maintained in all the farming communities as observed in the last assessment. Measures undertaken by the Supplier to the farming communities still includes distribution of awareness posters and free hand sanitizers/soaps to all farmers. Continuous emphasis was put on information sharing on the appropriate precautionary measures to be undertaken - especially wearing masks in public places and buying points, and practising social distancing.
- Farmers continue to receive theoretical and practical (in demonstration plots) training on good agricultural, social, environmental and business practices following a curriculum of 6 training modules with several sessions each. A total of 1,715 new farmers (registered in 2020/21) received and completed basic training (Module 1-6) and 2,067 farmers (80% of farmers who are in their 3rd year under the farming program) received additional training under Module 7 – which is a shorter version of GAP, GEP, Agroforestry and No-Deforestation Action Plan.
- Farmer coaching sessions have been conducted for more than 20% of farmers (517) who were in their 3rd/4th year (registered in 2018/19) of the farming program. The coaching sessions have also assisted with the model farm concept which is to ensure that farmers receive a practical demonstration of the course content of all the training they received and conduct training in 'farmer field schools' and selected model farms (55 model farms).

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## RECOMMENDATIONS

- The supplier should continue to encourage and engage key stakeholders/potential experienced partners to collaborate on training/facilitation on specific topics (e.g. financial management, literacy and environment and social problems) which EO's may not be able to deliver on their own.
- Training of Trainers for EO's should be done through appropriate agencies and by qualified experienced practitioners (i.e. research institutes, agronomists) to ensure training for farmers is delivered by well-trained EO's. This would also ensure training materials are standardised. The supplier has started engaging partners on topics where they do not have internal capacity to conduct the trainings and we recommend that they continue to do so with third party actors.

# FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

## PROGRESS SINCE THE PREVIOUS VISIT

- Seedling nurseries and seedling distribution to farms continue to be maintained with the production of improved clonal seedlings that are higher yielding and disease resistant varieties. Nursery upkeep, inspections and maintenance are verified by the supplier through Monthly Inspection Reports. The report also verifies the 2021/22 annual targets for tubing of 200,000 poly bags and sowing of 200,000 cocoa seeds. Distribution of cocoa clone seedlings (40 seedlings per farmer) and agro-forestry saplings (used for shade) are monitored via delivery docket slips and record keeping by Nursery Care Taker/Lead Extension Officer.
- The distribution for permanent shade trees (Galip Nut and Kwila Tree) which accompanies measures under the agro-forestry section are distributed to farmers based on their requirements in order to achieve the targets of the No-Deforestation and Agro-forestry Action Plan by 2025.
- The program has supported farmers to have a financial partnership with local financial institutions such as the Bank South Pacific (BSP) and the MiBank. These partnerships have enabled the farmers to open new bank accounts and encourage better financial management. A total of 454 farmers have received financial literacy training with the banks and have been certified. A survey was also carried out in Q2 2021 to analyse how many farmers are interested in diversifying their income through alternative farm activities e.g. backyard gardening/farming, poultry, piggery, agroforestry, etc. Some farmers have already explored alternative income activities that support their cocoa farms/fermentaries and meet other household needs.
- Cash and in-kind farmer incentives including tool distribution continue to be maintained. Farmers receive in-kind incentives and fermentary owners receive cash incentive based on the volumes sold, which is verified by the Distribution Records Report. 100% of fermentaries



registered under the Farming Program have received tool-sets depending on their number of wet-bean suppliers registered under their fermentary. This was observed during fermentary inspection and document review.

- The program continues to support investments into water supplies, plus the construction and rehabilitation of school infrastructure. The program currently supports 8 projects.

## RECOMMENDATIONS

- Record keeping for clone seedlings and agro-forestry saplings need to be documented clearly at farmer-level with the aid of farmer guide books and captured on the supplier's App. Some farmers still do not keep records of this and are uncertain about the numbers of agro-forestry saplings that they have on their farms.
- 10% of program farmers have received financial literacy training. Although this met the annual target, more farmers need to undergo this training as it adds value to their financial management skills and encourages better financial planning, saving and budgeting.
- Cash and in-kind farmer incentives should be explored to also include farmer progress (based on training), record keeping, quality and quantity of wet-bean supply as expressed by some farmers.

# VERIFICATION & CONTINUOUS PROGRESS

## PROGRESS SINCE THE PREVIOUS VISIT

- The supplier continues to use their in-house App system to manage farm level data and training attendance. Based on the internal monitoring results, the supplier will be able to implement farm management plans with farmers. The annual targets for 2021/22 include the creation and distribution of farm development plans for 100% of the registered farmers.
- Annual internal performance monitoring is being implemented per farm by EOs. The target achieved in Q4 2021 was 4,301 farms, which represents 100%.
- The supplier has implemented corrective actions identified during the previous external verification assessment.

## RECOMMENDATIONS

- The supplier's App data can be developed for report generation and to better understand the impact of the farming communities. However, some bugs in the platform/system being developed need to be fixed.
- The training plan should be revised annually based on representable farmer's feedback from coaching and record-keeping on farmer guide books, so that it aligns with the program targets

and provides direction on associated outcomes which are tangible and meaningful to the farmers.

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- The majority of the workers interviewed expressed that their working conditions were satisfactory. All 10 regular EOs earn PGK 7,644 per annum, equivalent to PGK 3.50 per hour, the minimum wage in Papua New Guinea. They are paid overtime at 1.5 times their rate. During public holidays they are paid double the rate as per PNG labour laws. The suppliers' employees, except EOs, receive superannuation entitlements.
- EO's have a 12-month probation period under the terms and conditions of their employment. They are required to have a performance review after their probation period and have the status of their employment decided upon and confirmed as per their performance.
- There is no discrimination of workers observed. All the staff (male and female) have acknowledged a good working relationship with their management and with each other. Priority is given to national staff for the majority of job opportunities including management role positions. Two women from PNG are managers under the Farming Program; others work in the administration section.
- The suggestion/grievance box has been put up in all supplier offices/warehouses visited.

### RECOMMENDATIONS

- Further training for EOs and a household survey should be conducted under Fair Labour and Child Labour in-order to better understand the situation around child labour in the farming communities and PNG.
- Staff performance needs to be better managed as per their KPI's and to make sure that they are compensated accordingly. Seasonal/casual workers do not have this entitlement.

## FARMING PROGRAM VERIFICATION GUIDANCE – MINIMUM REQUIREMENTS

### PROGRESS SINCE THE PREVIOUS VISIT

- Working conditions continue to be strengthened: more workers have been seen wearing PPEs, proper toilet facilities and drinking water are available for workers and suppliers/farmers, basic internal safety training has also been provided to warehouse staff and program farmers.
- The program has hired 2 female program managers who head a province each in their respective roles.

### RECOMMENDATIONS

- Review staff payments and working hours periodically to ensure legal requirements are met - including superannuation contribution for EOs, casual staff minimum wage and overtime.
- Train all staff, EOs and 3<sup>rd</sup> party suppliers on Code of Conduct and all associated laws in PNG.
- Conduct due diligence on sub-contractors, 3<sup>rd</sup> party suppliers, and sub-suppliers in order to verify compliance and potential breaches with the L&S Code of Conduct. The documentation of the due diligence process should be maintained.

## NON-DEFORESTATION & AGROFORESTRY ACTION PLAN

### PROGRESS SINCE THE PREVIOUS VISIT

- EO's and field staff have undertaken in-house training on the No-Deforestation and Agro-forestry Action Plan.
- Deforestation continues to be monitored through the supplier's App, and there is more emphasis put on this during practical training/coaching on individual farms.
- Shade tree distribution continues to be maintained which goes hand in hand with agro-forestry measures being implemented at farmer-level.

### RECOMMENDATIONS

- Further capacity building for EOs/field staff should be prioritised and training conducted where feasible.
- Engage relevant stakeholders to work with the field team and to meet farmer requirements under the No-Deforestation and Agro-forestry Action Plan.
- Continue to encourage farmers on inter-cropping and shade tree planting in their respective farms. Encourage them to practice sustainable forest management at community/farmer level.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

The Supplier's response to Covid-19 pandemic is still maintained in all the farming communities as observed in the last assessment and during the 2021 inspection. Despite the Covid-19 pandemic with associated regional travel restrictions and other constraints, the Farming Program registered 163 new farmers in 2021, bringing the number of registered farmers to 4,301. In addition, 11 new fermentaries and 2 nurseries have also been registered in one province.

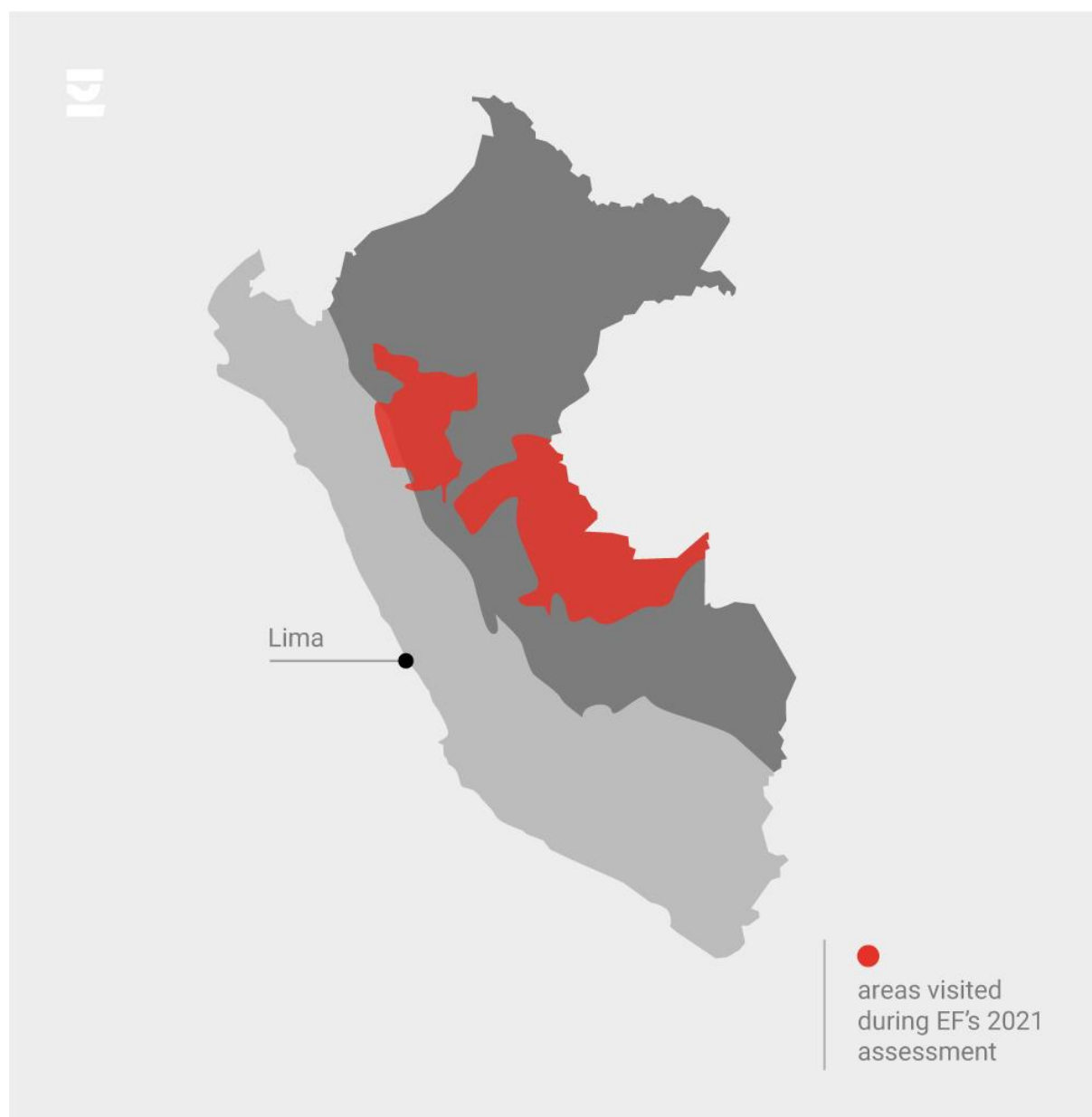
The program has hired two (2) female program managers who head program field staff in one province each. The manager in one province oversees two (2) lead extension officers and ten (10) extension officers and also manages other sustainable programs under the supplier. In the other province, the manager oversees 2 (two) extension officers (one is a female).

The roll-out of Farmer Guide Books and receipt books which have been distributed to 100% of registered farmers in the supply chain has improved traceability and strengthened record keeping. However, it was observed during the 2021 assessment that about 20% of farmers still need coaching by EO's to maintain record keeping in their Farmer Guide Book.

In 2021, EO's focused more on one-on-one training (coaching) for farmers in their farming communities. Capacity building for EO's continues to be a key priority area for the development of the farming program. The EO's have received training by Lead Extension Officer and selected NGOs according to the 'train the trainer' concept. Farmer coaching sessions have been conducted for more than 20% of farmers (517) who were registered under their 3rd/4th year (2018/19) under the farming program despite Covid-19 restrictions. The coaching sessions have also assisted with the model farm concept which is to ensure that farmers receive a practical demonstration of the course content of all the training they received and conduct training in 'farmer field schools' and selected model farms (55 model farms).

Farmer investment and community development initiatives continue to be maintained. The distribution for permanent shade trees (Galip Nut and Kwila Tree) is helping meet the 2025 No-Deforestation and Agro-forestry Action Plan targets. The program has continued to support farmers to have a financial partnership with local financial institutions. This partnership has enabled program farmers to open new bank accounts and encourage better financial planning and management of their income. In addition, in-kind incentives, tools distribution and community investments for water supplies, and school rehabilitation infrastructure are priority areas which that program continues to support.

## Peru



*Map: areas visited during Earthworm's 2021 assessment*

Farming Program initiated in	April 2020	Earthworm visit timeframe	23 <sup>rd</sup> - 28 <sup>th</sup> August 2021	1 <sup>st</sup> Earthworm assessment
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## General description

The company visited in Peru is a supplier of cocoa beans for L&S that began implementing the L&S Agriculture Program in April 2020. Currently, the company's agricultural program involves 850 farmers distributed in three regions of Peru.

The visit covered the regions of San Martín and Ucayali and consisted of interviews and visits to the following groups:

- 19 supplier staff from the management and technical teams
- 20 farmers interviewed individually
- 70 farmers met in groups
- 3 farmer workers
- 2 NGOs working in the area
- Visit to 13 farms
- Participation in 4 practical training courses
- Visit to 6 intermediary collection centers and 4 collection centers of the company

# TRACEABILITY & FARMER ORGANISATION

## PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

## RECOMMENDATIONS

- The company collected geographical coordinates of its supplying farms. However, they do not use standardized units and format, which makes it difficult to analyse the data. It is recommended to standardize the units and format for storing geospatial data. Once standardised, it is recommended to conduct a risk analysis in order to identify which

farmers are priority or of greater risk according to their locations, and to elaborate specific strategies by groups (linked to the No-Deforestation & Agroforestry Action Plan).

- Even though the company's traceability system is robust and the traceability verification test conducted by Earthworm was successful, some minor gaps were observed in the company's traceability protocol. It is for example recommended to incorporate the process of cross-analysis between the productive capacity of farmers and the volumes delivered to the company.
- The company implements an internal evaluation and monitoring system with farmers. It is recommended to extend this system to the collection centers and intermediaries.

## TRAINING & CAPACITY BUILDING

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- Staff in the company's technical team has different competences, strengths and weaknesses. It is recommended to take advantage of this technical diversity, strengthening and levelling capacities to have a more standardized technical assistance.
- In the farmers' plans, some environmentally relevant gaps were observed, for example, the non-registration of water sources. It is recommended to strengthen the capacities of the technical team regarding environmental issues and to make periodic updates of farmers' plans.
- Farmers have different levels of education and knowledge. It is recommended to use baseline information to categorize farmers into different groups, and implement appropriate training modules according to the category they are in.

## FARMER INVESTMENTS & COMMUNITY DEVELOPMENT

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- The process of prioritizing farmers and delivering premiums is normally known to the company's technical team and the farmers. However, Earthworm team observed that some



farmers are not clear and even confused about it. It is recommended to develop a formal written procedure and disseminate it to farmers from the first day of entry into the Program.

- Premiums are awarded to farmers participating in the Program. However, they are not linked to the level of participation in the activities of the Program or to the application of good practices communicated by the company. It is recommended to link them in a way that strengthens the motivation of farmers for the application of what they have learned through the Program.

## VERIFICATION & CONTINUOUS PROGRESS

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- The company has developed several planning and monitoring tools that are used for the Program. Some of them are new and some are old. In order to ensure consistency and efficiency in their application, it is recommended to conduct an analysis of the use of these tools, the potential gaps or areas of duplication. Based on this analysis, adjust the tools to have a more streamlined process.

## SUPPLIER CODE OF CONDUCT

### PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

### RECOMMENDATIONS

- The workers and the company confirmed that overtime is compensated. However, there is no record for overtime or compensation. It is therefore recommended to record, document and archive this process.
- Some workers have successive short-term contracts, i.e. every 3 months their contract is renewed. Even though it is a legal practice in Peru, it is not considered a best practice in managing workers. It is therefore recommended to make long-term contracts for personnel who have more than one-year seniority in the company. This should be specified in the contracting policy in order to formalise the practice.
- It was observed that the intermediaries have different levels of application of the Program requirements. The company conducts trainings and monitoring visits, but intermediaries are not formally part of the Program. It is recommended to formalise a program of support and monitoring to intermediaries and external service providers.

# FARMING PROGRAM VERIFICATION GUIDANCE— MINIMUM REQUIREMENTS

## PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

## RECOMMENDATIONS

- It was observed that some farmers still have challenges about the proper use of personal protective equipment, in the storage of chemicals and the proper management of waste. In this regard, it is recommended to strengthen training and monitoring on these issues.

## PROGRESS SINCE THE PREVIOUS VISIT

- Not applicable, since it was the first visit

## RECOMMENDATIONS

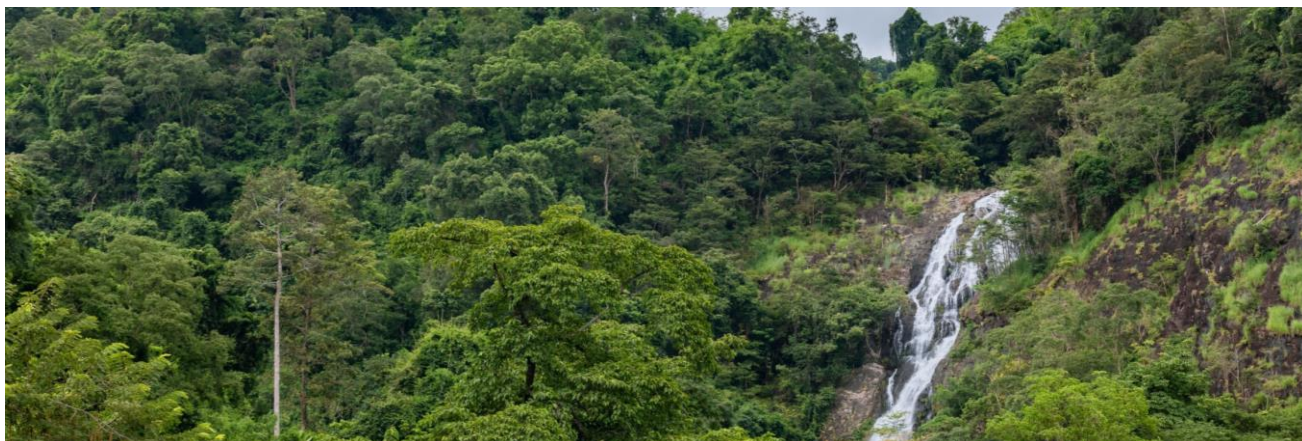
At the time of the assessment, the supplier's team did not yet have in-depth knowledge about the L&S No-Deforestation & Agroforestry Action Plan and, had not started implementing any activity related to it. This is why only general recommendations were provided to start implementing some actions:

- As a first step, train the upper and middle management of the company on the requirements and implications of the L&S No-Deforestation & Agroforestry Action Plan.
- Organize specific technical trainings on the No-Deforestation & Agroforestry Action Plan for the technical team/field officers.
- Based on the No-Deforestation & Agroforestry Action Plan, develop a more detailed operational plan with clear goals and responsibilities.
- Establish a partnership with a specialized institution having successful experience in the design and management of Agroforestry Systems with CCN 51 cocoa in the area.

## CONCLUSIONS AND OUTLOOK FOR THE SUPPLY CHAIN TRANSFORMATION

Despite the fact that the company is only in the first year of implementation of the L&S Farming Program, a good level of implementation was observed during the assessment. It is also good to note that the company is committed to continuous improvement at all different levels.

There are also some key aspects that the company has to consider to reinforce its initial good performance, such as: i) strengthen and level the capacities of the technical team, especially on environmental issues; ii) start with the implementation of the No-Deforestation & Agroforestry Action Plan; iii) replicate the structured process that the company applies with farmers - i.e. planning, design of technical tools, implementation, monitoring and feedback/ continuous improvement - to intermediaries, own operations and service providers. In this way, there will be a comprehensive approach to a sustainable and responsible supply chain.



## Conclusion

Earthworm 2021 field assessment of the ten (10) Lindt & Sprüngli (L&S) suppliers of cocoa beans have shown great progress and uptake of the L&S Farming Program, even if there are still different maturity levels in the program implementation. The two suppliers in Ghana and Peru that were in the first year of the program implementation showed a good level of internal managements systems in place and were able to meet some of the initial targets set by the program.

At a general level, we continue to observe strong farm-level traceability systems, a good relationship between the farmers and suppliers, and solid internal monitoring systems. The set up and use of demonstrative plots combined with individual farmer coaching are expected to be an efficient way to build trust and improve practices at the farm level. There was no major issue identified in the implementation of the L&S Code of Conduct at the supplier level.

There are also continued areas of improvement, such as a better integration of the No-Deforestation and Agroforestry Action Plan into the suppliers' programs and more integrated farm management, especially for farms that are in or near protected areas. In that regard, improved mapping and identification of forest areas and then practical coaching to establish and implement farm development plans (FDP) could help ensure protection of legally protected areas and other important conservation sites (HCS and HCVs). In general, suppliers should also continue refine the internal monitoring tools and better utilise the collected data to improve interventions of the Program (such as more customised trainings and community investments) and to ultimately connect farmers to additional value-add services (farm service providers, input suppliers, trade finance, etc.). In some instances, community development projects were much delayed and there is a need to ensure that all aspects of the program are implemented with the same rigor.

Overall, the L&S Farming Program has had visible positive impact on the cocoa producing communities and we strongly encourage L&S to continue working in close collaboration with the suppliers and other local stakeholders to continue the efforts toward a more sustainable cocoa supply chain.



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