

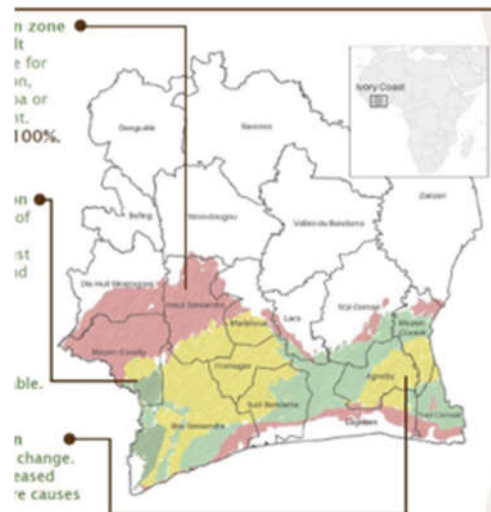
## Appendix 14: Executive Summary - Climate Change in the cocoa sector in Ivory Coast

Ivory Coast has one of the world's highest levels of climate change vulnerability, ranking 142<sup>nd</sup> out of 182 countries. The impacts of climate change in Ivory Coast are exacerbating pre-existing challenges in the cocoa sector. These challenges include ageing tree stock, decreased yields, inadequate water infrastructure and increases in pests and diseases. In addition, EUDR requirements are cited as a challenge at all levels of the cocoa supply chain. Supply issues are being reported now, February 2024, both by Shared Interest colleagues and more widely including in the international media, with the impact of dry weather from climate change being blamed.

The impacts of climate change are expected to alter the suitability of land for growing cocoa across the country, including in many areas Shared Interest currently has cocoa producer customers. Regions most at risk of cocoa crop losses if they take no adaptation action, as shown below, show strong correlation with regions where Shared Interest customers are located.



**Map 1:** Regions (outlined in black) where cocoa producers supplying Shared Interest customers are located.



**Map 2:** Showing severity of cocoa production losses across Ivory Coast if no climate adaptation activity is adopted. Red = high, green = low

As of February 2024 we have £9,808,000 lent to Ivorian cocoa customers, representing around 19% of share capital.

Currently, it appears that there are three focus activities being carried out by those hoping to build resilience to climate change in the cocoa sector, including at the producer level. These are, Climate Smart Agriculture (CSA), which is an integrated approach to managing landscapes that addresses the interlinked challenges of food security and climate change. Increasing cocoa farm climate resilience is a key pillar in the multi-country effort coordinated by the World Bank to develop a national climate-smart agriculture investment plan (CSAIP) for Ivory Coast. Agroforestry, the interaction of agriculture and trees, including the agricultural use of trees, will be a requirement of all cocoa farms in Ivory Coast following the introduction of the ARS1000 Standard in 2021, a standard which shows some alignment with EUDR. Thirdly, renovation and replantation, 'renovation' refers to practices that remove and replant cocoa trees and 'rehabilitation' to practices that focus on management of existing trees such as pruning, coppicing, and grafting. Common challenges reported across these techniques are lack of access to finance, access to technical assistance and misconceptions about the activity.

The climate resilience activities being carried out by Shared Interest customers in the region (as reported via the Customer Survey and Producer Committee) are reforestation, agroforestry, income diversification, irrigation and reducing chemical inputs.

Some customers have experience of accessing finance to support their resilience activity including from other social lenders and, in one case, a buyer organisation.

A survey being carried out among Shared Interest cocoa customers in Ivory Coast has, so far, shown the following responses to the question 'What climate adaptation/mitigation activity would your organization like to undertake but is currently unable to accomplish, and why?' Agroforestry, renewable energy, irrigation systems and sustainable soil management

The most frequently referred to barriers to adoption of these activities were lack of access to finance and lack of knowledge and engagement in activities by producers.

An ecosystem map has been produced to show some of the key organisations, potential partners, working in this sector who may have valuable experience, knowledge and capacity to support Shared Interest in our response to support our customers. These include Earthworm Foundation, an international NGO with agroforestry experience in Ivory Coast and a project partner of Fairtrade International. IDEF, Initiatives for Community Development and Forest Conservation an Ivorian NGO working across all areas of forestry and agriculture including agroforestry, reforestation, capacity building. IDH, (The Sustainable Trade Initiative) which hosts the Beyond Chocolate Partnership, plays a key role in the Cocoa and Forests Initiative and is involved in many cocoa related initiatives including a number with Shared Interest customer ECOOKIM. VOICE Network, a global network of NGOs and Trade Unions working on sustainability in cocoa, tackling issues such as poverty, deforestation and child labour.