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AFR100 PULSE

HARNESSING AFRICA'S FLR SPIRIT

RESTORATION AND THE DEVELOPMENT

OF DEFORESTATION-FREE AFR100 PRODUCTS VALUE CHAINS IN AFRICA

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1. INTRODUCTION

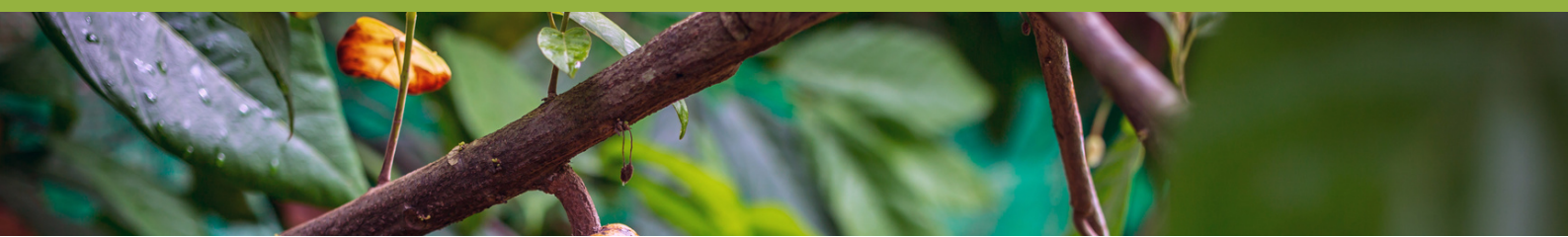
The value chains developed under the AFR100 initiative are deforestation free because forest landscape restoration (FLR) is carried out in degraded forests and lands pledged by the 33 African governments. The various products obtained from restoration (agricultural including vegetable products, agroforestry, forestry, livestock, and aquaculture products)[i] are called AFR100 products, that is, products obtained from the restoration of degraded forests and lands.
This information note focuses on few deforestation-free AFR100 products like cocoa, coffee, oil palm, cashew, rubber and shea butter, which are increasingly traded in regional and international markets.

2. CHARACTERISTICS OF DEFORESTATION FREE AFR100 PRODUCTS VALUE CHAINS

As stated above, under the AFR100 initiative, the value chains developed are deforestation free because they come from degraded forests and lands which are the attributes of the pledges to the AFR100 initiative. This means that under the AFR100 initiative existing forests and fertile lands are never converted to alternative uses. This is very important to note to avoid false statements of what is not AFR100.

The development of deforestation-free AFR100 products value chains contributes to the rural development of AFR100 member countries, through the increased number of stakeholders (especially women and youth) engaged in AFR100 implementation (temporary and permanent green jobs and business opportunities). The economic activities generated will create wealth which will increase the contribution of AFR100 products to the Gross Domestic Product (GDP) and to national economic growth. This information will enable policymakers to better understand the importance of AFR100 products in national economies and in the diversification of African economies. The growing recognition of the importance of AFR100 products will allow governments to allocate a larger share of national budgets to forest landscape restoration and AFR100 implementation.

Increasing the involvement of women, youth, disable people, indigenous people (pygmies) and displaced people through the development of deforestation-free AFR100 product value chains makes it possible to create direct and indirect green jobs in the different deforestation-free AFR100 products value chains. It is recognized that in Africa, women are more involved in the trade of agricultural and agroforestry products than men. This is why increasing their involvement in FLR activities will give them more autonomy and strengthen their decision-making power in the households. The problem of youth employment is a very important concern in Africa in general. The development of deforestation-free AFR100 products value chains will help curb rural exodus and illegal emigration to Europe, which continue to cause great harm to the African populations. This does not make it possible to capitalize on the demographic dividend that Africa abounds.



The incomes obtained by stakeholders through the development of deforestation-free AFR100 products value chains will enable them to meet their basic needs and gradually be lifted out of poverty. These revenues need to be compared with those obtained from other sectors. For example, the average incomes obtained by women and youth involved in FLR and in deforestation-free AFR100 products value chains need to be compared with the incomes obtained by those engaged in the public sector. All this information needs to be used to inform AFR100 governments and technical and financial partners of the AFR100 initiative.

The development of deforestation-free AFR100 products value chains improves the food security and nutrition of the rural and urban populations in Africa. For example, the chemical analysis of deforestation-free AFR100 products to determine their nutritional and medicinal values makes it possible to use this information in the packaging of these products (product labeling indicating the nutritional values and medicinal values of AFR100 products) to raise awareness and inform urban and rural consumers. Furthermore, detailed studies on the consumption of deforestation-free AFR100 products by urban and rural households, can help quantify the contribution of AFR100 products to food security and nutrition in Africa. This information is important at a time when undernourishment and food and nutrition insecurity continue to increase in Africa[ii]

Climate change being a major threat in Africa, the inclusion of participatory domestication (by involving vulnerable and most exposed people, in particular indigenous communities or pygmy minorities, and disabled people) and the development of tree nurseries value chains to encourage massive production of seedlings and their planting, will make it possible to accelerate the restoration of degraded forests and lands thereby creating multi-strata agroforestry systems in AFR100 countries.

3. VALUE CHAIN ACTORS AND MARKET VALUE OF SELECTED DEFORESTATION- FREE AFR100 PRODUCTS VALUE CHAINS

3.1. VALUE CHAIN ACTORS

In this information note, the main actors involved in the deforestation-free AFR100 products value chains considered (cocoa, coffee, oil palm, cashew, rubber, and shea butter) are the suppliers of planting materials, other input suppliers, smallholder farmers, transporters, handlers, processors, wholesalers, exporters, retailers, consumers.

It is important to note that the functions performed by these deforestation-free AFR100 products value chain actors can be **vertically integrated**. For example, smallholder farmers through cooperatives can produce planting materials, plant those planting materials in degraded forests and lands, sell the AFR100 products obtained as wholesalers or export them to neighboring countries or in the international markets as organic products. They can also process those products using small scale processing machines for sales in regional and international markets.

3.2. MARKET VALUE AND LEAD EXPORTERS OF SELECTED AFR100 PRODUCTS

3.2.1. CACAO

The **global market size of cocoa was valued at 12.8 billion USD in 2019 and it reached a value of 14.5 billion USD in 2022**[iii]. On average, cocoa farmers from African producing countries earn just 6 percent of the final value of a bar of chocolate. However, this is beginning to change as African producing countries are more and more involved in processing to add value to the products before exports.
In 2021, the leading cocoa bean exporters worldwide were Ecuador (819.46 million USD), Nigeria (560.1 million USD), the Netherlands (409.22 million USD) and Malaysia (279.22 million USD). **Côte d'Ivoire and Ghana** are by far the two largest producers of cocoa, accounting for over 60% of global cocoa production, followed by Ecuador with seven percent. Indonesia is the biggest cocoa producer in Asia. About **70 percent of the world's cocoa beans come from four West African countries** : Côte d'Ivoire, Ghana, Nigeria and Cameroon.

3.2.2. COFFEE

In 2020, **coffee** was the second largest traded commodity after oil, **worth 30.8 billion USD**. Trade of coffee represents 0.18% of total world trade. In January 2022, Brazil exported the highest volume of coffee world wide, followed by Vietnam. **Uganda and Ethiopia** are respectively the **8th** and **10th** world highest exporters of coffee[iv].

3.2.3. OIL PALM

The global oil palm market size reached **67.9 billion USD** in 2022[v]. Originally found in West Africa, the oil palm tree is now cultivated in Asia, Africa and Latin America. Indonesia and Malaysia are the largest oil palm producing nations. Together, they account for 85 percent of the total production of this vegetable oil.

3.2.4. CASHEW

In 2021, Tanzania was the lead exporter of in-shell cashews worldwide, with exports amounting to a value of **over 159.03 million USD**, followed by **Nigeria**, 138.8 million USD, **Burkina Faso**, 95.89 million USD, **Senegal**, 92.28 million USD, Indonesia, 70.72 million USD, **Benin**, 45.42 million USD, and India, 33.84 million USD[vi]. India is the world largest exporter of cashew nuts (kernels) with more than 15% of world's export share. During 2021-2022, the cashew nut export of India by value grew from 420 million USD in 2020-2021 to 452 million USD in 2021-2022.

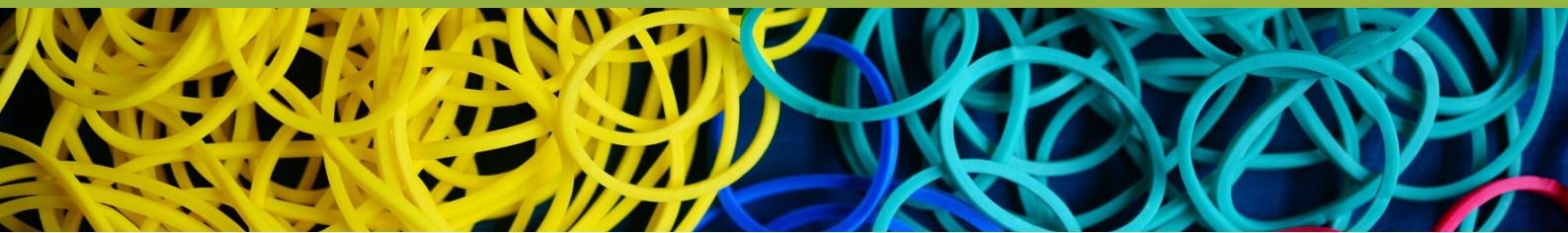
3.2.5. SHEA BUTTER

Ghana is the largest exporter of unrefined shea butter in the world. Shea butter is a vegetable fat extracted from the sun-dried kernels of the shea tree Vitellaria paradoxa. The shea tree grows in the so-called shea belt, which includes roughly **21 African countries** : Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Ethiopia, Eritrea, Ghana, Guinea-Bissau, Côte d'Ivoire, Mali, Niger, Nigeria, Senegal, Sierra Leone, South Sudan, Sudan, Togo, Uganda, the Democratic Republic of the Congo, Kenya and Guinea. The largest shea butter-producing countries are Ghana, Nigeria and Uganda (Northern part)[vii]. Vitellaria paradoxa grows mainly in Western Africa, while Vitellaria Nilotica (a sub-species of Vitellaria paradoxa) is native to East African countries such as Uganda, Kenya and Sudan. Both trees produce slightly different shea butter in terms of consistency, texture and nutrient content. The shea butter form Western Africa is denser, while the shea butter from East Africa (nilotica shea butter) is more liquid[viii].

The global shea butter market is estimated to reach **USD 2.9 billion by 2025**. Europe accounts for more than a quarter share of the global market.

3.2.6. RUBBER

The global natural rubber market demand reached a value of 30.61 billion USD in 2022[ix]. Thailand was the world lead rubber exporter based on 2021 value with 32.7%, followed by Indonesia, 23.8%, Côte d'Ivoire, 10.6% and Malaysia, 6.5%.



4. SUGGESTED STRATEGIES TO SCALE UP RESTORATION AND THE DEVELOPMENT OF DEFORESTATION FREE AFR100 PRODUCTS VALUE CHAINS IN AFRICA

Several strategies could be envisaged to scale up restoration and the development of deforestation free AFR100 products value chains. Few of the following strategies have already been used by the private sector involved in FLR in Africa.

A1. Nursery development and production of planting materials of products like cocoa, coffee, oil palm, cashew, shea butter and rubber to restore deforested and degraded forests and lands and help AFR100 member countries achieve their commitments to the AFR100 initiative.

A2. Integration of input and output markets: The private sector provided planting materials to local communities, train them and sign contracts with them to buy their AFR100 products with guaranteed prices.

A3. Integration of production and agro-industrial processing to add value. The private sector will increase investments to create a processing industry in situ, create more employment for women and youth thereby reducing rural to urban migration and illegal migration.

A4. Training of rural communities in nursery development and production of plant materials for planting and as an enterprise;

A5. Contribution to a FLR fund to encourage women and youth to accelerate FLR on the ground.

5. Convening and functioning of the AFR100 National Stakeholder Platforms for the Restoration of Deforested and Degraded forests and Lands in AFR100 member countries

The AFR100 national stakeholder platformsfor the Restoration of Deforested and Degraded Forests and Lands in AFR100 member countries meet at least twice a year under the chairmanship of the Ministry in charge of forests /environment or his/her Representative.

a) The AFR100 national stakeholder platforms could appoint a Vice President from other sectoral Ministries. In many AFR100 countries, it will be important to appoint the Ministry of Agriculture as Vice President of the AFR100 national stakeholder platform to show the importance of agroforestry in the restoration of degraded forests and lands, especially in the dryland areas of Africa; and the necessity to ensure a strong collaboration between the Ministry in charge of forests/Environment and the Ministry of Agriculture.

b) The technical coordinator and rapporteur of the AFR100 national stakeholder platforms is the AFR100 Focal Point of each country.

c) The other members of the AFR100 national stakeholder platforms are selected from section 4 above.

d) The funding for the AFR100 national stakeholder platforms come from government budgets and from contributions of development partners as well as international institutions.

e) In the fifth proposed business model, the private sector discusses with communities to get an agreement to use the area of degraded forests and lands allocated to them by the government as ''community forests''. In this business model, local communities will become shareholders. The private sector makes the investments and recruit women and youth from the communities in order to scale up forest landscape restoration by producing AFR100 ptoducts. Contracts will be signed between the private sector and local communities witnessed by local government authorities. This business model can also include the production and sale of carbon to improve the livelihood of communities and support governments through their Nationally Determined Contributions (NDC) as part of their commitment to the Paris Agreement on climate.

6. CONCLUSION

The areas pledged by the governments, members of the AFR100 initiative are degraded forests and lands which implies that the AFR100 products obtained after restoring these areas are deforestation-free value chains with several environmental, social and economic benefits. Therefore AFR100 countries, national, regional and international stakeholders need to be sensitized on the value of restoring degraded forests and lands to increase forest cover and carbon sequestration to combat climate change, to improve human well-being and increase prosperity in Africa.**Thus it is safe to say that under the AFR100 initiative both the environment (degraded forests and lands) and human well-being are restored.**

NOTES

[i] Examples of AFR100 products are cocoa, coffee, cashew, shea butter, oil palm, rubber, avocados, papaya, citrus, oranges, honey, bamboo, gum arabic (Acacia spp.), macademia, essential oils, moringa (Moringa oleifera), baobab (Adansonia digitata), neem (Azadirachta indica), bush mango (Irvingia gabonensis), Njansang (Ricinodendron heudelotii),Eru, Koko, Fumbwa (Gnetum spp.), Plum or Atanga (Dacryodes edulis), etc...

[ii] FAO, IFAD, UNICEF, WFP and WHO, 2022. The State of Food Security and Nutrition in the World 2022. Repurposing food and agricultural policies to make healthy diets.

[iii]https://www.google.com/search?q=cocoa+international+market&oq=cocoa+interntaional+&aqs=chrome.2.69i57j0i13i512l3j0i22i30l6.11619j0j7&sourceid=chrome&ie=UTF-8

[iv]https://www.statista.com/statistics/268135/ranking-of-coffee-exporting-countries/

[v]https://www.google.com/search?q=global+market+for+oil+palm&oq=INTERNATIONAL+MARKET+OF+OIL+PALM&aqs=chrome.2.69i57j0i22i30l2j0i390l3.17561j0j7&sourceid=chrome&ie=UTF-8

[vi]https://www.statista.com/statistics/967557/global-leading-exporters-of-cashew/#:~:text=In%202021%2C%20the%20United%20Republic,over%20159.03%20million%20U.S.%20dollars

[vii] Only Eritrea, Guinea Bissau, and South Sudan are not members of the AFR100 initiative.

[viii]https://www.cbi.eu/market-information/natural-ingredients-cosmetics/shea-butter/market-potential

[ix]https://www.google.com/search?q=global+market+for+natural+rubber&oq=global+market+for+rubber&aqs=chrome.3.69i57j0i22i30l2j0i15i22i30j0i22i30l2j0i390l4.19142j0j7&sourceid=chrome&ie=UTF-8