nitidæ

filières & territoires

ANNUAL REPORT 2017

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foreword

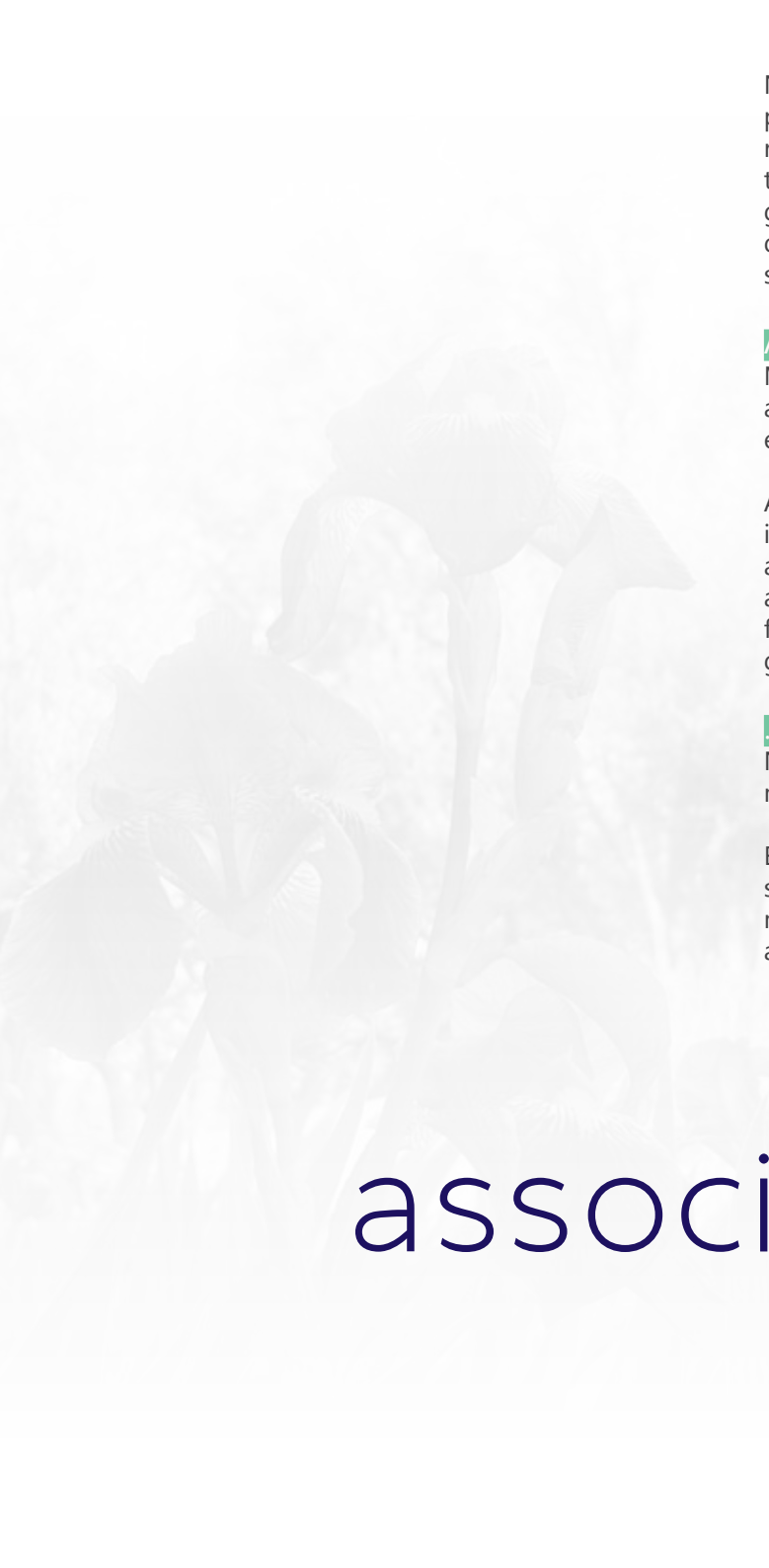
As announced last year, the merger between the two associations Etc Terra and RONGEAD was completed in 2017. This event represents a crucial step in the development of the association, renamed on that occasion: nitidæ. Not only does it enable the combination of sharp and complementary sectoral expertise (forest, climate, REDD+ and conservation on one hand; agriculture, markets and value chains on the other) but it also aims to create an interface of innovations to provide for integrated solutions to African rural areas.

In order to achieve the effective merger of the two entities in December 2016, a wide range of measures was carried out, with no major additional cost, alongside the development of our operations in our four main countries of intervention: Burkina Faso, Ivory Coast, Madagascar and Mozambique. In each of them, a set of projects and studies are implemented, which cover the areas of expertise mentioned above and ought to be complemented by more programmatic actions, such as the Nkalo, Agrovalor and Lab initiatives.

Regarding financial matter, our 2017 intervention budget reached 3 million Euros for a 177 727 Euros profit. This situation consolidates the association's capital, which will remain a priority objective for the years to come.

Nitidæ therefore starts on a very good foundation, not only with a new name and a new graphic identity but also with a new a website that we invite you to browse without restraint.

In the meantime,
we wish you an excellent reading!



the association

Nitidæ wishes (i) to offer efficient and sustainable responses to tackle development and well-being issues of rural populations in Southern countries; and (ii) demonstrate that it is possible and profitable to combine economic growth with the preservation of natural capital through the development of field projects, reproductible on a large-scale. Nitidæ's vision is characterized by:

A multi-sectorial way to act within the territory ...

Most of Nitidæ's projects cover a set of complementary activities within a given territory, from an administrative, economic and environmental perspective.

At all times, our actions are set up in all sectors that may impact the use of space, in order to maximize their impact: agriculture, obviously, to overcome limited "farm plots" actions; conservation and sustainable management of forests; energy (and bio energies, in particular); but also governance.

... And along the value chain

Nitidæ supports all actors along the value chain by maximizing synergies.

Enhancing local resources (cultural and natural) requires strong interactions between production, processing and marketing. By acting at the heart of value chains, Nitidæ is able to diagnose sustainable productive potentials related to the development opportunities on local and global markets. Our teams can consequently support the emergence of local productive systems able to answer to global food, cosmetic and energy demands.

A partnership approach and co-construction methods

Nitidæ always operates in partnership with Northern and Southern actors, private sector and public sector.

Nitidæ especially collaborates with the private, productive (agro-business) and financial sectors, who often have a strong impact on territories' dynamism and who must take an active part in the implementation of sustainable development solutions. Nitidæ is also investing in innovative sources of financing (Payments for Environmental Services and Impact Funds) in order to complete public development aid and private initiatives. Many innovative solutions developed by Nitidæ are the result of collaborative works with the research sector, private sector and direct users.

A priority given to measuring the impacts of our actions

Nitidæ believes that the accountability of its actions is a key element of its work.

The impacts of its actions must be measured and the results published in a fully transparent manner (qualitative and quantitative indicators), easily understood by all (video, reports) and for all (funders, populations, general public).

An action taking place in an innovative ecosystem

Nitidæ develops specific initiatives that support its projects: the Lab ', the Nkalo Service, the Agrovalor platform – see below.

the team

Board of Directors

BOARD

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The teams

In 2017, nitidæ's staff is composed of 69 French and international employees with various and complementary profiles: engineers, economists, researchers, technicians, etc. The teams are mainly located on field to ensure the implementation of our projects.

Ensure the preservation of forest ecosystems and sustainable management of forests

To ensure the preservation of forest ecosystems, nitidæ's actions notably take place within the REDD+ mechanism framework (Reducing Emissions from Deforestation and forest Degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks) and include complementary actions, described below:

- Supporting sustainable forestry practices that enable to combine timber exploitation with the conservation of forests and the quality of life of the people depending on forest products. This can be achieved through the creation of new protected areas and the development of efficient management plans, involving governments and local populations together.

- Assisting smallholders in adopting ecologically intensive and economically profitable production methods (including for the development of cash crops for export purposes).

- Promoting energy-wood plantations coupled with more efficient cooking technologies.

- Ideally, encouraging the implementation of land tenure policies in project areas.

The evaluation of the impacts (carbon, biodiversity, quality of life, etc.) of REDD+ projects implemented by nitidæ is ensured by the Lab' (see page "initiative: The Lab"). These evaluations are then approved by international standards (VCS, CCBA) enabling to monetize the results.

Beyond project scale, nitidæ is actively involved in the development of national REDD+ strategies in the countries where it operates, in close cooperation with national governments (Madagascar, Mozambique, Ivory Coast).

Key figures

- In 2017, **15.8** million hectares of tropical forest have disappeared, which is equal to the size of Bangladesh and the equivalent of 40 football fields being deforested every minute over a year (Global Forest Watch, 2017).

- The Forest / Agriculture sector is responsible for **25%** of greenhouse gases emissions worldwide (IPCC, 2014)

topic

Forest /REDD+

Reinforce the structuration of fair and sustainable agricultural value chains

In a globalized economy, pressure on natural resources is increasing and the room for manoeuvre in the sustainable management of family farms is decreasing. Nitidæ helps agro-food chains to respond to these growing and multidimensional challenges (food, economic, energy, environmental and social) by developing and implementing tools at different scales, from the plot to the territory:

- At family farm level, Nitidæ supports the adoption of sustainable farming practices. In collaboration with producers, technical support organizations or research institutes, we share agronomic innovations based on the principles of agroecology or agroforestry. These innovations are developed in partnership with the main beneficiaries, in order to respond effectively to their own technical and organizational constraints, while integrating technical or commercial opportunities available locally.

- At the level of producer organizations, Nitidæ facilitates access to local and international markets. We support certification processes (organic farming, fair trade, etc.), including innovative models such as Participative Guarantee systems, to improve the value of products. We are also working on the development of agro-food processing technologies based on renewable energies and waste recovery, in order to increase the added value of products - see the agrovalor initiative. – see Agrovalor initiative

- At territorial scale, Nitidæ forms alliances between private sector operators, producers and local authorities to ensure better (integrated) management of natural resources.

Key figures

A study published in Nature that analyzes 40 years of scientific literature comparing organic agriculture and conventional agriculture highlights the following key points: yields are between **8% and 25%** lower in organic production. The 8% are associated with organic polyculture systems with high rotations, and the yield difference can be lowered by using adapted seeds and improving the techniques. On the other hand, producers' incomes are higher: between **22% and 35%**. The organic production method is more resilient to climatic hazards, preserves the agronomic capacities of soils and ensures better management of water.

« Hundreds of scientific studies now show that organic farming should play a bigger role in feeding the planet. 30 years ago, there were barely a few studies comparing organic farming to conventional farming. Over the past 15 years, their numbers have exploded » (John Reganold & Jonathan Wachter, agronomists at Washington State University in Pullman)

topic

Agriculture

Improve rural population's access to clean and profitable energy on the long run

In many southern countries, the industry and population's energetic demand encounters high cost issues that may further deforestation. In order to meet both local needs and constraints, Nitidæ offers adapted energy production solutions that reduce pressure on wood resource and increase the added value related to the processing of raw products.

The energy / waste projects implemented by Nitidæ are reaching for sustainable local economic development while reducing deforestation in the meantime - partial or total substitution of wood-energy at domestic and industrial scales. The three priority sectors are:

- Waste-to-energy solutions, enabling the agroindustry (cashew nuts, shea butter, mango, cotton, etc.) and producer groups (attiéké, shea butter, etc.) to generate the energy they need for their processing activities by valorizing their waste. Nitidæ works with various individual producers and processors in West Africa (Mali, Ivory Coast, Benin, Burkina Faso) and launched, in December 2017, in Ivory Coast, a 3-years energy recovery from waste project in the cashew, cassava and shea butter sectors. Waste-to-energy solutions have become one of Nitidæ's top priorities for its energy department - see Agrovalor initiative

- Biogas, resulting from a methanation process easily implemented in rural and peri-urban areas (fermentation of organic matter: cow dung, agricultural waste, etc.). This multi-impact solution makes it possible to produce gas while: (i) improving working and hygienic conditions (reduction of fumes and wood collection); (ii) reducing energy costs (reduction of wood and / or gas purchase); and (iii) producing a residue (digestate) that can be used as a fertilizer. In addition to individual works in urban areas (slaughterhouses in Lomé), Nitidæ mainly implements domestic biogas projects in Mali, Ivory Coast and Madagascar (Biogaz Diana project: 120 biogas units to be implemented by May 2019).

- Improved carbonization, particularly via REDD+ projects, focusing on wood-energy utilization techniques. Nitidæ is working on the introduction of improved cookstoves in several countries and is assisting charcoal producers in Mozambique (Mozbio project), Ivory Coast (PRM project) and Madagascar (PHCF project) on increasing the yield of their production through simple techniques and without investment.

topic

Energy

Key figures

- In 2016, **1.1 billion** people still do not have access to electricity and **2.8 billion** people do not have access to clean cooking methods (IEA, 2017)

- Each year, Sub-Saharan African countries generate about **62 million** tons of waste (World Bank)

the lab

Monitoring, analysis and modeling of territorial dynamics to pilot projects and programs

Bringing together the technical and scientific expertise of Nitidae, the objectives of the Lab' are:

- To track the effectiveness of projects and programs in order to best support their implementation (monitoring and evaluation);
- To assess projects and programs' socio-environmental impacts in a quantitative, reliable, reproducible and transparent manner in order to improve land management (land use change scenarios, observatories);
- To strengthen Southern actors' capacities (institutions, NGOs, etc.), particularly with training sessions.

The Lab' is implementing a research program especially in Madagascar, Mozambique and Ivory Coast with three PhD thesis. The research activities of the Lab' are carried out in collaboration with international research institutes (ex.CIRAD, IRD, etc.) and in the countries of intervention (Universities). The research domains of the Lab' are divided as follows:

- Monitoring of human activities dynamics and the state of the environment from the acquisition and processing of satellite data;
- Quantification of natural resources and of the underlying socio-ecological factors of changes using field inventories and surveys;
- Projection of future land use change scenarii, combining the two previous activities and through spatial modelling.

The Lab' is relying on the latest innovations regarding data from Earth Observation (eg. new optical satellites, radar or lidar), methods (eg. spatial modeling) and tools (eg. field sensor, soil spectrometer, drone) in order to improve nitidæ's ability to characterize human activities and the environment while reducing costs. The reliability and transparency of the methodologies developed and the results obtained are ensured through international peer-review publication.

Recent findings demonstrated by the Lab:

- The analysis of land productivity trends using vegetation indices shows that 18% of the Mozambican territory suffered land degradation between 2001 and 2016. Conversely, 7% of the territory is showing an increase in plant productivity (LAUREL Project).
- Post-deforestation farming systems in north-eastern Madagascar were responsible for nutrient loss, decreased cation exchange capacity and increased bulk density, especially in short fallow (Rambotiana Nantenaina PhD, PHCF Project).
- Soil erosion measurements after one year of monitoring have shown that erosion in cultivated land is 12 times higher than in savannah and it is 6 times lower in savannah than in forested areas (46 g / yr). m^2 / year in wooded area). The runoff is about 2 times and 3 times higher in wooded area and savanna compared to the fields on slope (tanety - 11 L / m^2 / year) in Madagascar (Kolorano project).
- The evaluation of sixty years of deforestation trends in Madagascar, through the combination of all historical analyzes of deforestation, showed that Madagascar lost 44% of its forests between 1953 and 2014, reducing total forest area to 8.9 Mha in 2014 (Vieilledent et al, 2018 - BioSceneMada project).

n'kalô

A Nitidæ initiative to help farmers, traders and African processors to better sell their products

N'kalô is an economic information and counseling service designed by Nitidæ to help African agricultural stakeholders to better understand and follow the agricultural markets in which they are involved. Each week, n'kalô provides them with: (i) information on the market situation; (ii) current prices and expected price developments over the next few weeks and months; (iii) advice on the marketing strategies to be adopted for each actor.

This information is communicated to people who have subscribed to this service via weekly newsletters sent by email and radio messages during the campaign period and, above all, via SMS, reaching tens of thousands of poorer farmers.

Unique on the African continent, the service relies on a vast network of private actors and a team of market analysts disseminated across the 10 countries covered by the service and real experts in their sectors. In addition, the service works with and for agricultural organizations, so that they are able to implement it in certain countries or in certain sectors independently. These include the West African Grain Networks (WAGN), the Federation of Sesame Farmers of Senegal (FENPROSE), the National Federation of Cashew Producers of Benin (FENAPAB), the Umbrella Association of cashew, sesame and shea in Burkina Faso.

Initiated in 2010, thanks to development projects (funding from the European Union, the French Development Agency, and the Technical Center for Agriculture and rural cooperation (CTA)), the service is gradually moving towards complete financial autonomy thanks to subscriptions from users and more and more consulting contracts. By following and predicting the evolution of the markets week after week, the analysts have gained intimate experience of the functioning of the markets and a network of contacts particularly useful for the realization of market studies, the analysis of investment projects or further support for the design of private and public programs and projects within the monitored sectors.

Key figures

- **2.4** million SMS sent
- **70 000** producers directly informed on agricultural markets, weather, good practices and agricultural news
- **10** sectors (cashew nuts, sesame, shea, Arabic gum, rice, maize, millet, sorghum, cocoa, rubber) covered by the service
- **9** studies conducted for the private sector (Feasibility, Due Diligence, Business Plan, Market)

Agrovalor

Interesting facts in 2017

- Launching of a first operational pilot project for on-site electricity production and self-consumption with a cashew processing unit in Ivory Coast;
- Lauching of a project aiming to equip **8** agro-industrial with H2CP pyrolizers and to supply improved cookstoves and biogas units to **36** shea and cassava processing groups in Ivory Coast;
- Completion of several research and commercial services with industrials in Ivory Coast, Senegal, Madagascar and Benin.

The development of processing industries in southern countries can have serious consequences on their environment: the energy production required for the transformation process leads to an intensive consumption of wood, impacting forest cover, and the waste produced is usually released in the environment, polluting the soil and groundwaters. In order to address this situation, **Nitidæ created the Agrovalor platform, offering complete and tailor-made solutions to produce the energy needed by processing industries by reusing their waste.**

The High Calorific Cashew Pyrolizer (H2CP) technology was entirely designed by nitidæ with support from research partners (CEFREPAD, PROVADEMSE). It is based on the operation of a pyrolysis kiln: connected to the boiler of the processing units, the pyrolizer supplies the energy necessary for the production unit, while producing a biochar that can be used under the same conditions than charcoal.

Initially, the H2CP was developed to provide the thermal energy needed by cashew processors to reduce their own waste (cashew nut shells). Nevertheless, since its first application with the Cajouvalor Project (2011), the H2CP technology has been replicated and improved many times in Burkina Faso, Mali, Benin and Ivory Coast. Today, it can be applied to all sectors with energy needs (shea butter, mango, ginger, oil mills, non-food industries, etc.) and can be based on various propellants (cashew nut shells, shea dusty waste, cocoa pod, rice balls, etc.). It can easily be adapted to serve many processes (pyrolysis, carbonization, coal briquettes, etc.), the main idea being always the same: using industrial waste to supply clean energy to the processing process.

Nitidæ continues to mobilize R&D resources to constantly meet the requirements of its partners in a highly evolving and competitive environment. Thanks to its successful results so far, Nitidæ has notably launched a pilot project for the production of electricity from a high-capacity cashew processing unit (on-site electricity generation and self-consumption) in Ivory Coast.

The H2CP technology is at the heart of Nitidæ's Agrovalor platform, but the platform also encompasses additional solutions: installation of adapted boilers and equipment requiring heat (autoclaves, dryers, etc.), structuring of improved clarification catchpits and drying areas (shea sector), design of briquetting presses, etc. The objective of the Agrovalor platform is therefore to be able to constantly meet specific needs, formulated to our teams, by proposing adapted solutions after a complete diagnosis of the production process. This offer can range from simple diagnosis to the design and implementation of solutions: (i) analysis of needs; (ii) design and conception of adapted equipment; (iii) on-site installation; and (iv) training of staff for the use and maintenance of equipment, etc. These activities can be implemented in the context of subsidized projects or individual services.

A Nitidæ initiative to accelerate the energy recovery of waste from agricultural processing

Key figures & highlights

- **52** local communities (COBA) supported and strengthened (**21** in Beampingaratsy and **32** in COMATSA), especially in the implementation of the Development and Management Plans (PAGS);
- **205 ha** of reforestation during the three reforestation campaigns in Beampingaratsy, including 27 Ha of community reforestation and 178 Ha of family reforestation.
- **1 591** producers currently trained and monitored for the implementation of new sustainable farming techniques.

In 2017, the Agrisud association (nitidæ's partner) intensified the agricultural development component of the project. Trainings and individualized support activities for producers were conducted in the two project areas. The quantitative objectives of the project are almost achieved.

Regarding the «conservation» component, a wide range of actions were undertaken to strengthen the associations in charge of the management of forest soils (COBA). The main challenge remains the effective identification of the schemes that can sustain these COBAs in the long term.

In the Beampingaratsy site (Anosy region), the creation of a New Protected Area is being formalized and should lead to the completion in 2018 of a temporary protection status. In addition, the project document (PD) opening the door to the issuing of carbon credits has been submitted for validation to VCS (Verified Carbon Standard) and CCBA (Climate, Community and Biodiversity Alliance) standards. Final validation is expected in the 1st quarter of 2018.

In the COMATSA site (Sava region), the price of vanilla, which is still rising sharply this year, completely diverts the producers supported by the project from the production techniques and other facilities proposed by the Agrisud teams.

The contours of a third phase of the project are gradually emerging. This third phase, which will probably be approved in 2018, would focus on the entire Beampingaratsy massif, including a northern extension to achieve the «corridor» effect between the two national parks of Andoahela and Midongy.

focus project

PHCF

MADAGASCAR

DESCRIPTION

REDD+ Project: Reducing Emissions from Deforestation and Degradation (REDD), and enhancement of forest carbon stocks (+).

BUDGET

4.5 M€ between 2013 and 2018 (Phase

FUNDING

Air France / AFD (French Developn Agency) / FFEM (French Global Envir ment Facility)

PROJECT MANAGER

Nitidæ, Agrisud

focus project

MOZBIO

MOZAMBIQUE

DESCRIPTION
Support to communities around the Gilé National Reserve to fight against deforestation and reduce poverty

BUDGET
1,5 M US$

FUNDING
World Bank through the National Agency for Protected Areas Banque (ANAC)

MAÎTRE D'ŒUVRE
Nitidæ and the IGF Foundation

Map © FreeVectorMaps.com

The Mozbio project supports the sustainable economic development of communities around the Gilé National Reserve while addressing the main drivers of deforestation. It is managed by Nitidæ and the IGF Foundation.

The year 2017 has been very intense. The field team (18 people), in close contact with the Reserve and the local authorities, was able, among other things, to operationalize the N'kalô market information service in Gilé for cashew, sesame and pigeon pea chains (broadcast via bulletin, text and radio messages), support nearly 1 200 households in agroecology, distribute more than 20 000 cashew seedlings, 10 000 pineapple plants, 500 fruit trees, set up 11 nurseries, raise awareness about the preservation of the forest more than 350 pupils in 12 primary schools ...

The improved production of coal has also been a success. The techniques taught have allowed, without investment, to increase by more than 30% the efficiency of the production and are now adopted spontaneously by the charcoal producers in the area.

The year 2017 has also enabled a follow-up to the Mozbio project with the AFD-funded ACAMOZ project, which will begin in 2018 and will continue to support the Reserve's local populations specifically on no-deforestation cashew production and its marketing. It will also extend the N'kalô service to all of northern Mozambique.

Key figures & highlights

- **1 200** households supported in agroecology around the Reserve
- More than **20 000** cashew seedlings distributed and planted
- Coal kiln efficiency increased by **31%**
- Weekly distribution of information on the cashew and pigeon pea market by text messages and local radio

The project is based on the promotion of agroecology, the strengthening of value chains (in particular cashew), the improvement of the efficiency of charcoal production and the management of non-timber forest products.

Key figures & highlights

- **6** Shea butter producer organizations are partner and represent around 15 000 women members getting incomes from shea. One project and contract have been designed for each of those organizations as part of the RESIST project.
- **33** shea trees parklands are targeted to be created in order to implement innovating and sustainable resource management methods and organic farming valorization of shea product.
- The consumption of firewood from the Nununa shea butter processing unit is reduced to zero thanks to the energy valorization of waste.

focus project

RESIST

BURKINA FASO

The RESIST project, launched in October 2017, is the continuation of a partnership initiated with L'occitane en Provence since 2013 to increase the sustainability of the shea sector in Burkina Faso. The two phases preceding the RESIST project focused on the development of green shea butter production techniques to reduce the environmental impact of the activity. The RESIST program has a much broader scope; it includes:

- The protection of the shea resource and associated forest areas: 33 shea forested parks managed in a sustainable way and 100% organic production.
- The responsible production of shea butter, based on mechanization in order to reduce the arduousness of work, and based on a fair measure of the environmental impact of the production to improve the quality of the supply.
- The improvement of the added value and resilience of partner organizations: management, traceability, marketing, diversification of strong cooperatives that can cope with market risks.

The year 2017 was characterized by the creation of multipartite agreements, the recruitment of the team and the consolidation of funding.

It should be noted that the project's pilot shea butter production center (the Nununa cooperative) hired a former nitidæ staff, Mathieu Hien, as the technical director of the unit. His skills enable him to continue to improve processes and respect production issues. In addition, the Nununa cooperative has identified and geo-referenced 6 shea parks in the forest zone and initiated the formalization of access rights and management measures for these natural areas.

DESCRIPTION
RESIST: Resilience, Ecology, Strengthening, Independence, Structuration, Training. Shea butter producer organizations ensure sustainable incomes for their member: professionalization, new market share, services to members.

BUDGET
1,4 M€ between 2017 and 2020 (without private partner matching fund)

FUNDING
Les Laboratoire M&L (L'occitane en Provence) / SEQUA / GSA (USAID fund)

PROJECT MANAGER Nitidæ with L'Occitane

focus project

PRM

IVORY COAST

DESCRIPTION
Reduction of Greenhouse Emissions from Deforestation and Forest Degradation (REDD +) Project

BUDGET
2,5 M€

FUNDING
the Republic of Ivory Coast and the French Republic (within the framework of the Debt Reduction and Development Contracts (C2D)) and the Regional Council of the Mé

MAÎTRE D'ŒUVRE
Nitidæ

Implemented since the end of 2016 in close collaboration with the Permanent Executive REDD+ Secretariat (MINEDD) and in full coherence with the national REDD+ strategy, this project aims to reduce emissions from deforestation in the Region of la Mé (located 1 hour from road to the northeast of Abidjan). At the same time, it aims to improve the living conditions of the people living near the forests, and in particular the classified forests of Mabi-Yaya, around which most of the human and financial resources of the project are concentrated.

One year after its start, the PRM achieved in 2017 a level of achievement in line with the ambitious objectives drawn at the beginning of the project. In addition to the reforestation of 58 ha, several diagnoses were finalized - in-depth agrarian diagnosis (village by village), regional diagnosis of the bioenergy sector, participatory diagnoses prior to the development of local development plans in the 7 priority intervention villages, etc. - and lay the foundations for the development of the actual planning activities.

Beyond the dynamism of the project team recruited, it is worth highlighting the very good collaboration between i) the project team and the SEP-REDD + team and ii) between the PRM and the various project partners. These fruitful working relations with the Prefectural Corps, the various public and private organizations sitting on the Regional Steering Committee of the project but also the central administrations (eg. rural land management, Spatial Planning Department) are indeed key. Only a concerted mobilization of these various stakeholders will allow the effective and lasting reduction of deforestation in the region of la Mé.

Key figures & highlights

- **3 600** people sensitized, through 57 village meetings, to the opportunities offered by the new land and forest legislation
- **400** producers supported in the evolution of their farming practices with the establishment of a cooperative specifically dedicated to the production of organic cocoa
- **58 ha** reforested
- **1** mapping of land use and **1** level of forest reference emissions (NERF) carried out at the scale of the region of Mé

focus project

Label Bio du Faso

BURKINA FASO

DESCRIPTION
development of a participatory guarantee system for healthy food behaviors and resilient agriculture

BUDGET
0.15 M€ (2016 - 2018)

FUNDING
AFD via the ECOWAS ARAA within the framework of PASANAO (Support Program for Food Security and Nutrition in West Africa)

PROJECT MANAGER
Nitidæ

IMPLEMENTING PARTNERS
CNABIO, ARFA and BIOPROTECT

Map © FreeVectorMaps.com

Key figures & highlights

- The official recognition of the SPG Organic Label has been obtained and the Label Bio SPG mark has been registered with the OAPI (African Intellectual Property Organization), which gives it protection for a period of ten years;
- Training of **800** producers on the techniques and principles of agroecology and organic farming through an approach of field schools in the rainy season and dry season;
- SPG organic certification of **16** vegetable sites for **267** producers, and support in marketing, including for the development of short circuits in Ouagadougou.

The project "Label Bio du Faso" (Organic Certification of Faso) contributes to the evolution of national food security policies favorable to rural development, based on the valorization of local resources. Its goal is to support the birth of a Burkinabe organic farming certification based on a Participatory Guarantee System (SPG) (peer certification).

Initiated after the first experimental certification campaign, this project aims to operationalize the SPG's institutional mechanism and to propose ways of scaling up the SPG organic certification in Burkina Faso.

In particular, the project demonstrated: (i) the feasibility of an endogenous organic certification scheme that could be tested in other countries of the sub-region, leading to Community standards for organic certification throughout the region; and (ii) the importance of distributing organic baskets to consumers to promote the consumption of local agroecological products.

The project also led to two studies: (i) «organic SPC-certified products in Ouagadougou: what strategies can be pursued to perpetuate the certification system and build a sustainable organic market? »; and (ii) «analysis of agro-ecological practices of agricultural market integrating SPG certification - comparison with conventional agricultural markets».

research & studies

In 2017, Nitidæ conducted a series of studies and research-actions. We summarize here a focus on some of them, particularly striking.

Supporting the agricultural sector and structuring sustainable value chains

During support / advisory missions to public or private partners, Nitidæ's expertise is mobilized to better take into account the constraints and strategies of smallholders in development projects. Through specific studies, Nitidæ also promotes sustainable strategies for local agro-processing and the development of value chains without deforestation.

For example, in Madagascar, a study conducted in partnership with ImpactAgri, financed by the World Bank, included an in-depth review of potential investments in sectors compatible with Madagascar's REDD + strategy.

Nitidæ is also committed to the development of organic agriculture in Africa. An extensive study of the sector of organic amendments and biological inputs has been carried out in West African countries. This study increases the understanding of the needs of inputs that are adapted for this mode of production and of increased investments to answer the demand.

Focus on the Moroccan Iris

The natural environment in which the *iris germanica* grows is located in an intermediate zone between the high mountains of the Moroccan atlas (in particular the Toubkal, which culminates at 4167m) and the plain of Haouz, which surrounds Marrakech. Its cultivation has been carried out for centuries on tiny plots arranged on terraces on the hillsides and subject to a contrasting climate, hot in summer and harsh in winter. Sometimes associated with arboriculture, it gives shade to olive trees, walnut trees, apple trees ... It is the rhizome (root) that is harvested, peeled by the producers and then dried in the sun. The selling of the iris enables to supplement the incomes of hundreds of families at a strategic period (before the winter) allowing mountain dwellers to make important purchases during this period (cereals, oil, etc.). The iris is very resistant to climatic variations and ensures stable annual returns. After accompanying the implementation of social and environmental standards in this sector, we are now working with iris producers for income diversification. For that, an analysis of the production systems identifies new profitable agricultural activities.

In Sudan and Burkina Faso, non-timber forest products, such as honey, arabic gum or shea, are an integral part of local people's livelihoods. Supporting the sustainable exploitation of these products favors the creation of economic activities while preserving the environment. Nitidae and its local partners work with local producers and authorities as well as with international buyers to define conditions for the implementation of sustainable and equitable value chains according to the recommendations of the

Union for Ethical Biotrade and the Nagoya Protocol.

Nitidæ also supports the dissemination of commercially useful information for producers, facilitating economic decisions adapted to the needs.

Finally, as part of a feasibility study conducted in Togo, Nitidæ supported the investment of the Moringa Fund in an industrial project for the production of organic pineapple juice. The project relies on a Togolese company working with a supply network of small pineapple producers. The production is entirely certified Organic Agriculture and is based on innovative agricultural systems, including agroforestry. Nitidæ identified the project leader, made the connection and participated in the feasibility studies.

Meet the need for responsible sourcing in cosmetics

In 2017, several studies were carried out for cosmetic operators (L'Oréal, L'Occitane, Decléor) to identify the points of improvement for the sustainability of these companies' supplies. The aim is to strengthen population's income impacts, improve the management of natural resources in supplying areas and develop technologies adapted to local processing.

Supporting national REDD + strategies

Nitidæ supports some Southern governments in structuring, validating, developing and monitoring their national REDD+ strategy and associated pilot projects. In 2017, we worked with the governments of Ivory Coast, Madagascar and Mozambique.

Focus on the ERPD in Mozambique

Dedicated both to preserve its forest cover and to promote an integrated approach to rural development, the Government of Mozambique (GoM) has been involved in the Redd+ process for a few years now. Since 2015, Nitidæ has been supporting the GoM, in the definition of its first REDD+ jurisdictional Program, recently approved by the Forest Carbon Partnership Facility Carbon Fund (FCPF-CF): the Zambezia Integrated Landscape Management Program (ZIlMP).

Designed on a jurisdictional scale, the ZILMP covers 9 districts of Zambezia Province (Alto Mocué, Gilé, Gurué, Ilé, Maganja da Costa, Mocuba, Mocubela, Mulevala and Pebane). Its ambition is to reduce emissions from deforestation by 30% below the reference level over the first 2 years of the Program (2018-2019) and by 40% over the next 5 years (2020-2024), to reach a total of emission reductions of 10,680,932 tCO2eq by 2024.

In 2015-2016, Nitidæ had already carried out a first preparation study (ZILMP background study) which enabled to refine the content and ambitions of the ZILMP, after the approval of its first Emission Reduction Program Idea Note (ER-PIN) by the FCPF Carbon Fund (FCPF-CF). In 2016-2017, Nitidæ coordinated the design and drafting of the ZILMP Emission Reductions Program Document (ERPD), and of its Benefit Sharing Plan (BSP).

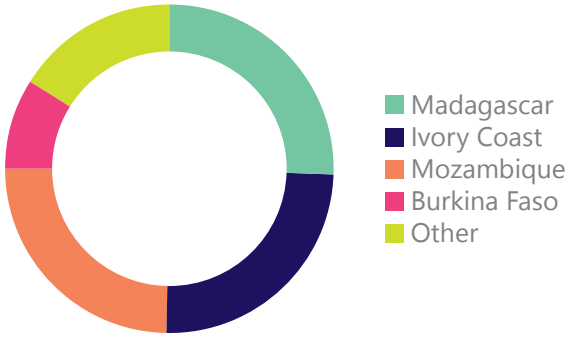
For two years, we have been assisting the Government in: analyzing the context of the program; defining its main activities, taking into account a complete study on the drivers of deforestation; calculating carbon stocks and emissions, and defining the reference level and emission reductions targets (taking into account the risks of «leakage» and reversal of emissions); structuring the parameters of the monitoring, reporting and verification (MRV) system; ensuring the adequacy of the program with land tenure in Mozambique; defining and implementing economic, social and environmental control and protection measures (safeguards) and designing the institutional and budgetary framework for the Program.

The ER-PD was definitely included in the FCPF's portfolio in June 2018, making it possible to start the negotiations for the Emission Reductions Payment Agreement (ERPA), which should be signed before the end of 2018

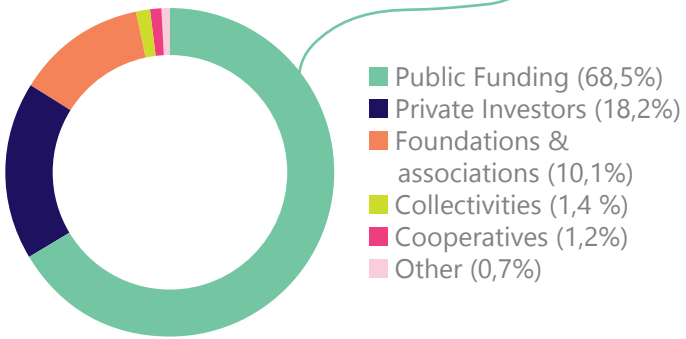
financial report

This financial report presents the situation of nitidæ on December 31st, 2017. In accordance with the legislation, the 2017 accounts of nitidæ have been audited and certified by an auditor.

The total budget of the association for the year 2017 is 3 282 822 euros. The year ended with a positive result of 177 727 euros (of which 106 799 euros were extraordinary profit). 90,3% of the expenses are devoted to the interventions of the association. Administrative and structural costs remain low, representing 9,7% of total expenses.



2017 shows a new distribution of territorial balances in terms of intervention budget. Madagascar, Mozambique and Ivory Coast are now almost equal, each representing about 1/4 of the intervention budgets. Burkina Faso represents a little less than 10% of the budget. The remaining volume is shared between the other countries of intervention (notably Mali, Chad, Senegal and Morocco) or for multi-country actions.



Despite the significant growth of our activity, the distribution of the origin of the funds remains roughly the same. Public donors represent 68,5% of resources (72,5% in 2016) and remain diversified. They are, for 77,8% of them, international (World Bank, European Union, ministries or foreign institutions) and for 22,2% of them, French (AFD, FFEM, CIRAD). Funding from foundations and associations fell slightly to 10,1% in 2017, against 13,7% in 2016, and they have been internationalized (35,8% of foreign funds). It is the share of private companies that has increased the most, representing 18,2% of our funds, against 10,1% in 2016. The share of local authorities, on the other hand, diminished. A new category of financial partners can be identified in 2017: cooperatives (and / or networks of agricultural producers), who represent 1,2% of Nitidæ resources. Although it is still limited, this progression shows the increasing bond between the association's actions and targeted populations.

balance sheet

ACTIVE BALANCE SHEET	Gross	Amortization & provisions	Net on 31/12/2017	Net on 31/12/2016
CAPITAL ASSETS	**206 208**	**76 124**	**130 084**	**74 707**
Intangible assets	308	308	0	0
Property, plant and equipment	193 172	75 815	117 357	67 850
Financial fixed assets	12 727	0	12 727	6 857
CIRCULATING ASSETS	**1 675 943**	**7 627**	**1 668 316**	**1 421 375**
Inventory and work in process inventory	1 717		1 717	419 586
Accounts receivable	968 925	7 627	961 298	419 586
Short-term investment	31 537		31 537	
Cash assets	672 926		672 926	997 998
Short-term prepayments	838		838	3 792
GRAND TOTAL	**1 882 151**	**83 750**	**1 798 401**	**1 496 082**

PASSIVE BALANCE SHEET				
ASSOCIATIVE FUNDS			**296 687**	**37 324**
Equity			118 959	35 117
Current year income			177 727	2 207
PROVISIONS AND DEDICATED FUNDS			**0**	**951 519**
LIABILITIES			**1 501 714**	**507 240**
With credit institutions			29 790	27 091
Various financial debts			600	600
Accounts payable			124 091	354 991
Social and tax debts			281 264	121 477
Other debts			6 275	2 981
Prepaid income			1 059 694	100
GRAND TOTAL			**1 798 401**	**1 496 082**

profit & loss statement

	on 31/12/2017	on 31/12/2016
OPERATING REVENUE	2 224 795	2 033 706
Sold production of Goods	8 796	
Sold production of Goods and Services	1 385 752	52 235
Operating subsidies	818 608	1 979 649
Reversals of depreciation and provisions, transfer of charges	531	0
Regularization product of the prior exercise	7 768	0
Membership fees	1 730	1 810
Other revenue	1 700	13
FINANCIAL REVENUE	645	17 706
EXTRAORDINARY REVENUE	106 799	
REPORTS OF UNUSED PRIOR YEARS REVENUE	950 582	229 519
TOTAL OF REVENUE	3 282 822	2 280 931
OPERATING EXPENSES	3 125 936	1 870 209
Change in merchandise stocks	4 381	364 640
Other purchases and external expenses	1 089 567	364 640
Taxes and similar payments	169 579	25 985
Salaries and wages	988 160	403 758
Fringe benefits	376 764	182 846
Depreciation and provisions expenses	37 291	13 569
Depreciation of current assets expenses	1 468	
Subsidies granted by the association and other expenses	458 725	879 412
FINANCIAL EXPENSES	25 059	1 927
EXTRAORDINARY CHARGES	2 214	516
INCOME TAXES	-48 114	
COMMITMENTS TO PERFORM ON RESOURCES ALLOCATED	0	406 071
TOTAL OF EXPENSES	3 105 095	2 278 724
SURPLUS	177 727	2 207

* In 2017, the accounting method of nitidae slightly changed. The share of resources that are not yet used by December 31 is now recognized as deferred revenue, while they were previously recorded as dedicated funds. The «dedicated funds» and «commitments to be carried out» lines will therefore eventually disappear.

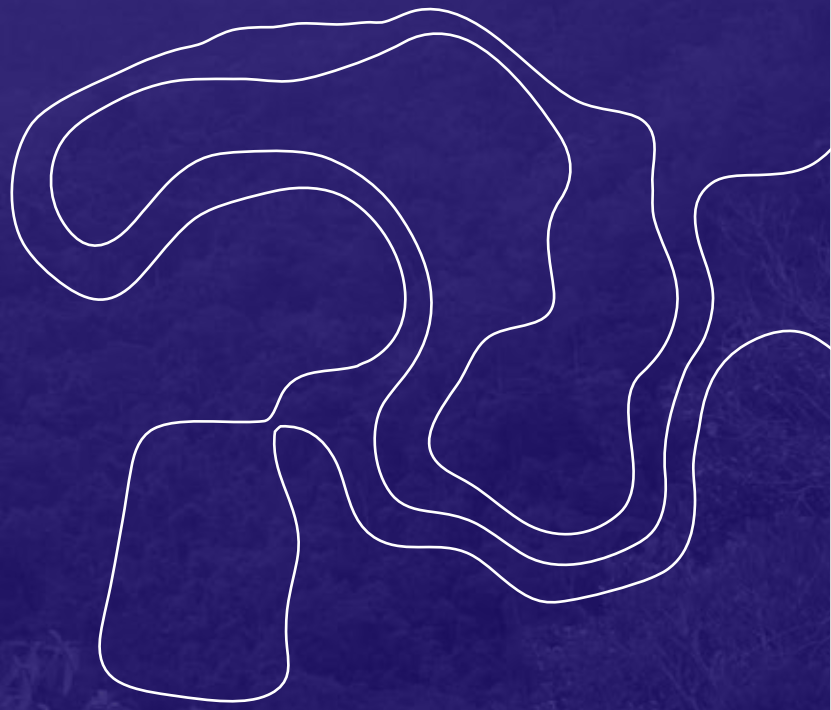
perspectives

To conclude this report, let us mention three major issues that will structure the development of the association.

From an internal point of view, at the end of this year that has already enabled a smooth administrative merger, it will be essential to continue the efforts of animation to favor the exchanges between teams, to stimulate cross-evaluations and strengthen the sense of belonging. Whether at the Board level or at the employee level, Nitidae team can already count on rich and constructive interactions, promising en effective new trajectory.

Linked to this, the second issue is more methodological. Conceptually, the association of the respective expertise of Etc Terra and Rongead makes sense. This evidence must now exist and work, effectively. In order to achieve this, a cross-capitalization effort will be needed to provide a basis on which to build a new programmatic offer. We have an ambitious objective, while taking into account the humility that reality imposes, to create this interface of innovation, which will enable us to provide for integrated solutions in the territories of intervention.

Finally, the association will have to consolidate the results obtained on field. The four countries of intervention are all pilot interventions, in which nitidæ implements four main approaches: the strengthening of territorial governance, the support to the agricultural and forest producers, the mobilization of market tools (agricultural value chains, climate finance, payments for environmental services) and conservation. In extremely diversified contexts, the mix of these tools and their local appropriation are key elements on which to capitalize and progress. In addition to these actions, composing the heart of the associative project, the development of our initiatives will continue to strengthen our position in a field of continuous innovation (N'kalo for market information and Agrovalor for energy access), supported by a scientific approach (the Lab ').



partners

Field partners

- Agrisud International (ASI)
- African Cashew Alliance
- Agronomes et Vétérinaires Sans Frontières (AVSF)
- Agence Nationale de la Salubrité Urbaine de Côte d'Ivoire (ANASUR)
- Association Malagasy pour le Développement Economique, Social et Environnemental (A.MA.D.E.S.E.) (Madagascar)
- Association pour la Recherche et Formation en Agroécologie Burkina (ARFA)
- Le BASIC
- BANANA Link
- CartONG
- Centre Francophone de Recherche Partenariale pour l'Assainissement, les Déchets et l'Environnement (CEFREPADE)
- Centre Technique de Coopération Agricole et rurale (CTA)
- CHIGATA
- Commerce Equitable France
- Commune de Dschang (Cameroun)
- Conseil Coton Anacarde de Côte d'Ivoire
- ENPRO (Togo)
- Environnement Recherche Action au Cameroun (ERA)
- Ethiquable
- FENPROSE
- Forest National Corp. Soudan
- Gevalor
- Groupe Energies Renouvelables, Environnement et Solidarités (GERES)
- Initiatives Conseil Développement (ICD)
- Madacompost (Madagascar)
- Madagascar National Parks (MNP) (Madagascar)
- Nebeday
- Office Nationale pour l'Environnement (ONE) (Madagascar)
- Offre & Demande Agricole
- OLAM
- Orange Mali & Côte d'Ivoire
- SEMMARIS (RUNGIS)
- Service Autonome de Maintenance de la Ville d'Antananarivo (SAMVA) (Madagascar)
- SKG Sangha (Inde)
- Wildlife Conservation Society (WCS)
- World Wide Fund (WWF)

Financial partners

- Administration Nationale des Aires de Conservation (ANAC) (Mozambique)
- Agence Française de Développement (AFD)
- Agence de l'Eau Rhône Méditerranée Corse (AERMC)
- Agence Nationale de la Recherche et de la Technologie (ANRT)
- Agronomes et Vétérinaires Sans Frontières (AVSF)
- Air France
- Ambassade de France à Madagascar
- Association Recherche Qualité Environnementale (RQE)
- Banque Mondiale / Forest Carbon Partnership Facility (FCPF Readiness Fund)
- Food and Agriculture Organization (FAO)
- Fond Français pour l'Environnement Mondial (FFEM)
- Fondation GoodPlanet
- Fondation pour le Progrès de l'Homme
- Fondation pour la Recherche sur la Biodiversité (FRB)
- Fondation Internationale pour la Gestion de la Faune (IGF)
- Gevalor
- Global Shea Alliance
- IFDC
- Lecofruit
- Métropole de Lyon
- Ministère de l'Environnement et du Développement Durable de Côte d'Ivoire (MINEDD)
- Pro Sain
- Recyclivre
- Région Auvergne Rhône Alpes
- Région Haute Matsiatra (Madagascar)
- Surveillance de l'Environnement Assistée par Satellite pour l'Océan Indien (SEAS-OI)
- Union Européenne (UE)
- USAID
- USDA

Scientific partners

- Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD)
- Faculté d'Agronomie et de Médecine Vétérinaire de l'Université d'Etat Haïtien
- Institut d'Agriculture Rhône Alpes (ISARA)
- Institut de Recherche pour le Développement (IRD)
- Université d'Haïti
- Université d'Antananarivo :- Institut et Observatoire de Géophysique d'Antananarivo - Laboratoire des Radioisotopes-
- Ecole Supérieure des Sciences Agronomiques

nitidæ

filières & territoires