

# Cocoa and African Deforestation: Assessing the Cocoa and Forests Initiative in Ghana and Côte d'Ivoire

## Reviewing the CFI

Since November 2017, the chocolate industry has embraced the goal of ending deforestation in cocoa. Coordinated largely through the Cocoa and Forests Initiative (CFI), there has been an unmistakable trend towards ending deforestation, joint industry action, traceability, transparency, agroforestry, as well as other sustainable agricultural practices.

Unfortunately, despite these laudable efforts, deforestation linked to cocoa production in the top two cocoa producing nations of Ghana and Côte d'Ivoire has increased – not decreased – during this same two-year time period.

While supportive of the CFI, this briefing paper analyses its shortcomings and provides suggestions for improvement. Its goal is to focus the attention of the signatories of the Joint Framework for Action on the need for clear impact. It does not attempt to evaluate each part of the implementation of CFI.

## CFI commitments

In late 2017, the governments of [Ghana](#) and [Côte d'Ivoire](#) each signed a [Cocoa and Forest Initiative](#) “Joint Framework for Action.” The individual frameworks were tailored to each specific national situation, with the engagement of 34 of the world’s leading cocoa and chocolate companies.

The commitments in Table One form the core of the Frameworks. As no clear indicators were identified, measuring progress is difficult.

**Table One: Core CFI Joint Framework Commitments**

*commitments in italics are explicitly reflected upon in this article*

	Ghana	Côte d'Ivoire
1	Prohibit and prevent activities that cause or contribute to any further deforestation or forest degradation in the cocoa sector.	Prohibit and prevent activities in the cocoa sector that cause or contribute to any further deforestation or forest degradation in National Parks and Reserves, Classified Forests, and conserved forests in the rural domain, such as sacred forests.
2	Respect the rights of cocoa farmers, including identifying and mitigating social risks, and sequencing the implementation of actions to	Respect the rights of cocoa farmers, including identifying and mitigating social risks, and sequencing the implementation of actions to

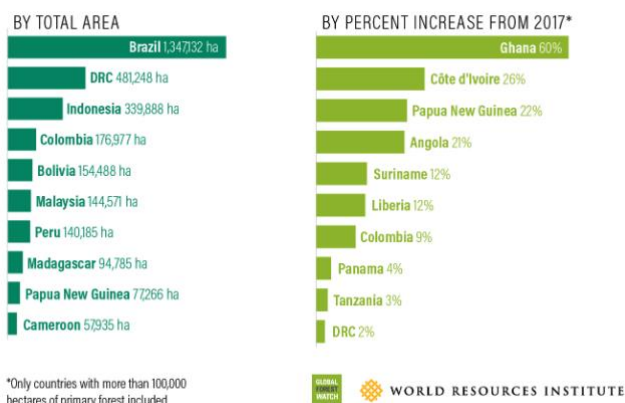
	minimize potential adverse social and economic impacts.	minimize potential adverse social and economic impacts.
3	Promote the effective restoration and long-term conservation of National Parks, Wildlife Sanctuaries, Wildlife Resource Reserves, Forest Reserves, and unprotected off-reserve forest lands.	Promote the effective restoration and long-term conservation of National Parks and Reserves, and Classified Forests.
4	Strengthen supply chain mapping, with the end goal of full traceability at the farm-level	Strengthen supply chain mapping, with the end goal of full traceability at the farm-level
5	Implement verifiable actions and timebound targets on the basis of sound data, robust and credible methodologies, stakeholder consultation, and realistic timeframes	Implement verifiable actions and timebound targets on the basis of sound data, robust and credible methodologies, stakeholder consultation, and realistic timeframes.
6	Implement agreed actions in the context of a broader landscape-level approach, with strong links with similar initiatives in other commodities, and full alignment with the national REDD+ strategy, new Ghana Cocoa Sector Development Strategy II, and other relevant national strategies and plans	Implement agreed actions in the context of a broader landscape-level approach, with strong links with similar initiatives in other commodities, and full alignment with the national REDD+ strategy and other relevant national strategies and plans
7	Embrace shared responsibility to implement the Framework actions, including continued engagement in a multi-stakeholder process for dialogue on key issues, development of effective implementation plans, and joint learning and knowledge sharing	Work together to implement the Framework actions, and mobilize the necessary financing, resources and technical support for implementation, including continued engagement in a multi-stakeholder process for dialogue on key issues, development of effective implementation plans, joint learning and knowledge sharing and enable institutional capacity
8	Provide effective monitoring and reporting on progress on commitments and actions to ensure transparency and accountability.	Provide effective monitoring and reporting on progress on commitments and actions to ensure transparency and accountability.

## Concern 1: Deforestation has increased

The primary concern addressed by this assessment is that in both Ghana and Côte d’Ivoire, deforestation linked to cocoa production, the core concern of the CFI, has increased — not decreased — since the launch of the Frameworks.

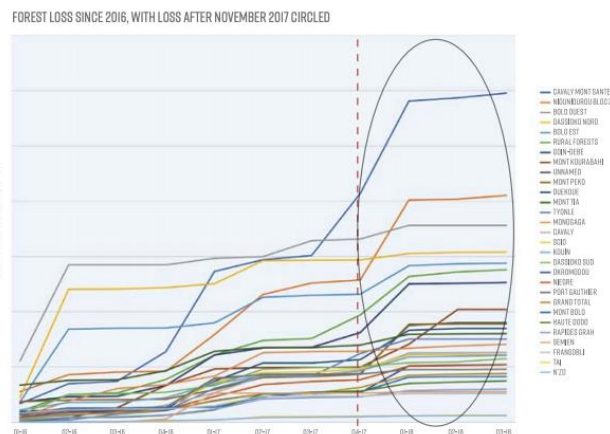
Global Forest Watch revealed that forest loss rates shot up dramatically in 2018, with increases of 60 percent in Ghana and 26 percent in Cote d’Ivoire compared to 2017. In 2018, Ghana had the highest rate of *increase* in deforestation in the world. Cote d’Ivoire was second.

### Top 10 Countries Losing the Most Tropical Primary Rainforest in 2018



## Ongoing deforestation in Côte d’Ivoire

Last year’s report [Behind the Wrapper by Mighty Earth](#) identified the Ivorian geographies and local authorities responsible for the ongoing deforestation, including the illegal clearing of Forest Reserves. In another [report](#), published in May 2019, Vivid Economics found that 35,000 hectares — 4 percent of Côte d’Ivoire’s primary forest — has been lost in the South West region since 2016. More than 70 percent of the recorded deforestation took place in rural areas, and more than a quarter took place in protected areas, with the greatest areas lost in the Cavally and Goin-Debé Protected Areas.



This image shows in graph form, park by park, how forest loss went up after November 2017, especially in 10 particularly poorly managed areas. The worst of all was Cavally Mont Sante. (different from Cavally)

## Ongoing deforestation in Ghana

A new [study](#) by Tropenbos International, focusing on three Ghanaian Forest Reserves (FRs), found that agricultural encroachment — largely driven by cocoa — has increased almost ten-fold since 2010, causing the degradation of 30 to 60 percent of the forests in those reserves.

Cocoa is clearly posing more of a risk than ever to the forests of Ghana and Côte Ivoire. To date, CFI has been unable to address this challenge. CFI signatories respond to alerts of continuing deforestation with little or no corrective action. Efforts to increase awareness amongst farmers is sadly lacking. Interviews of communities in Ghanaian forest reserves show a lack of awareness CFI zero-deforestation commitments taken by their government. CFI signatories have not resourced forest administrations to take corrective action. Fundamental problems in the cocoa sector driving deforestation persist, including poverty (largely caused by low pricing), failure of cocoa governance, lack of law enforcement, and inadequate coordination among state institutions tasked with solving the problem of deforestation.

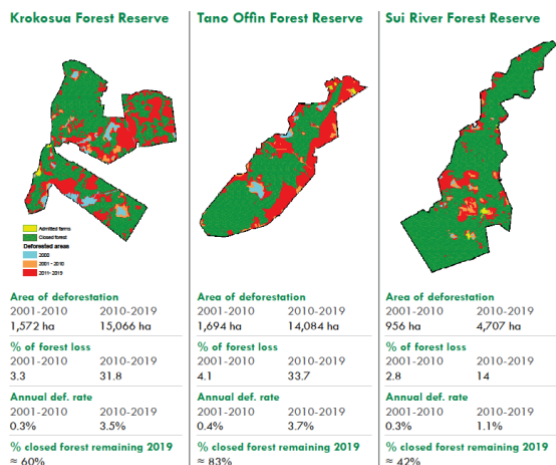


Figure 1: Detected deforestation in Krokosua Hills, Sui River and Tano Offin Forest Reserves for the periods 2000, 2010 and 2019 respectively. Source: Najoui et al. (2019)

Source: Tropenbos

If CFI is to have the impact we all hope for, it must better address the underlying causes of deforestation.

### Concern 2: Not all key actors are part of the process

For any process to be effective, all key stakeholders must play an active role. Currently, key stakeholders like the Conseil Café Cacao (CCC) in Côte d’Ivoire and COCOBOD in Ghana, which are the central bodies in the cocoa sector in both countries, are not signatories to the CFI. This must change. To ensure their full commitment to CFI objectives, the CCC and COCOBOD must play an active and leading role in the process.

Furthermore, although difficult to organize, it is critical that cocoa farmers and the organizations representing them play an active role in the initiative. Ignoring or marginalizing cocoa farmers is not a viable option.

Civil society organizations must also become full, voting members of the boards of CFI and have a real seat at the table. If properly integrated into the development and implementation of such initiatives, local civil society organizations bring credibility to the system through independent monitoring and constructive engagement. To be clear: consultation and participation mean different things to different groups. To be effective, any multi-stakeholder process must be deliberative. “CSO involvement” does not mean occasionally inviting a few hand-picked NGOs to

meetings. A deliberative process means a process in which the actors jointly design aims and objectives of the process and agree on the terms of reference of the consultation process itself, including ensuring proper representation.

One particularly striking example of ineffective deliberation were the CFI talks of a “Modified Taungya System” (MTS) to be used in Ghana to restore degraded forest reserves. The MTS has proven unimplementable.

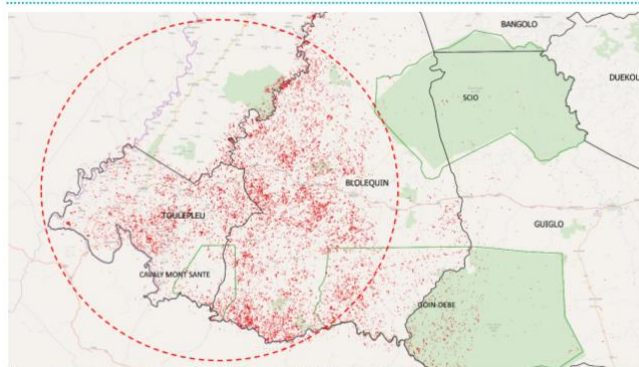
The CFI secretariat seems to lack resources or authority to invest into a truly deliberative multi-stakeholder process. This will have to change for CFI to shine and succeed.

Notwithstanding the above, it is important to note encouraging signs in Côte d’Ivoire, where all stakeholders were drawn effectively into the drafting of specific application texts to implement the recent Forest Code. The texts provide a promising environment for developing and building upon new opportunities. This is an example of what kind of consultation should be done across the board.

### Concern 3: The CFI ignores crucial drivers of forest loss

Many underlying problems in the cocoa sector are of a political, economic, or cultural nature, including corruption, low pricing of cocoa, and lack of clarity concerning land and tree tenure. Deforestation cannot be effectively tackled without addressing these core issues. There is a great need for courage, determination, and strong incentives for change. Without them, CFI will not succeed.

Figure 4. The far western area of Côte d’Ivoire accounted for more than half of the total deforestation of the region



Note: red points represent deforestation alerts triggered by IMAGES between 2016 and 2019.

Source: Vivid Economics

## Tree Tenure Reform

In order to invest in trees, ownership rights must be clear. In both countries this is problematic. In Côte d'Ivoire the new Forest Code states, "The ownership of a natural forest or a natural tree belongs to the owner of the land on which they are located." The text is encouraging, but there is a problematic lack of clarity about how to define land ownership. This would be simple to resolve, and the government must clarify the issue. In Ghana, on the other hand, farmers do not have clear ownership of trees on their land. Major legal change is urgently required. Tree tenure reform has been a critical focus of CFI facilitating partners IDH and WCF, but forestry administration bodies in both countries are still dragging their feet, especially in Ghana.

Moreover, the private sector has expressed little willingness to pay a substantial "environmental premium" to finance agroforestry and restoration of degraded forest lands, or other means of providing necessary incentives. CFI signatories must make the commitment to boldly move forward.

## Land Governance

There is acknowledgement in Ghana of some drivers of deforestation such as increasing population pressure in forest regions, and low productivity of cocoa. But other underlying drivers of deforestation are ignored such as the role of traditional chiefs in land decisions; insecure land tenure; non-enforcement of forest laws; and the influence of politicians and elites. Cocoa farmers have little security, and must pay high rental fees in to use land. In many cases, entering forest reserves has become their last resort. Sharecroppers face similar problems in Côte d'Ivoire. It is important to address these perverse incentives, but CFI is not yet empowered to do so.

Deforestation will not stop, and old cocoa farms will not be rehabilitated, if the vital underlying question of land tenure reforms is not addressed.

## Corruption

In Côte d'Ivoire, SODEFOR, the agency responsible for managing Protected Areas (*Forêts Classées*) has experienced high levels of corruption, and is part of the problem of the devastation of protected areas. Similar problems have plagued Côte d'Ivoire's office of Parks and Reserves (OIPR) in Marahoué and Mont Péko National Parks, though not in the

well-managed Park of Taï. The new Ivorian Forest Code and application texts clearly demonstrate a strong intention to delegate the management of forest reserves and the new model of "agro-forêt" (e.g. protected area designated for agroforestry). Private sector, local government, and rural communities may all submit requests to manage lands as "agro-forêts". This may lessen SODEFOR's sway over protected areas. The new process may also help ensure that better management prevails over agro-forêts. While these emerging measures indicate good intentions, we still do not see a determination for clear and transparent anti-corruption reforms of SODEFOR and OIPR.

COCOBOD and other Ghanaian authorities with jurisdiction over deforestation for cocoa have also experienced corruption. According to the World Bank, as [reported](#) by Reuters, "Corruption and regulatory mismanagement of Ghana's cocoa industry are denting production and harming farmers, underlining the need for reform." Former chief executive officer of COCOBOD Stephen Opuni, was fired along with Seidu Agongo in 2017 by President Nana Akufo-Addo. They faced 27 charges including corruption, and Ghana's Economic and Organised Crimes Office (EOCO) froze Dr. Opuni's assets. Crackdowns on corruption such as these indicate a willingness to tackle the problem, but may not be at the scale necessary to tackle the corruption which is reported in the cocoa sector.

## Concern 4: We need monitoring, traceability and transparency

The CFI lacks clear indicators for assessing progress. Monitoring deforestation is, however, easy to do. In Côte d'Ivoire the [IMAGES](#) project is being rolled out nationwide by Vivid Economics. In Ghana, there are a number of real-time monitoring systems under development by different groups, including Satelligence.

Moreover, a host of companies can trace their cocoa supply chain to the level of cooperative groups and, in Ghana, to Licensed Buying Companies (LBCs).

However, there is neither pooling of the key data, nor coordinated monitoring of progress, despite general agreement on the need for this alignment. Instead, there is wasteful duplication. During multiple civil society meetings, including a round-



table discussion organized by the Rainforest Alliance, IDH, and Tropenbos ([Deforestation and cocoa – filling the gaps](#)), concrete suggestions have been made for coordinated monitoring. These include the “neutralization” of sensitive data, ensuring a data-back-to-farmers loop, and potentially bringing in a third party who collects, analyzes, and publishes data from all stakeholders. Such efforts would need to build on institutional arrangements that enable mandated, third party, joint monitoring mechanisms to provide sector-wide real-time monitoring. Everyone must agree to share data to make the platform comprehensive.

Any cocoa monitoring mechanism must allow for the monitoring of human rights as well as environmental issues in order to avoid duplicative, rival monitoring systems.

Moreover, monitoring systems must function across the entire sector, incorporating indirect suppliers into monitoring systems. Without this, gains made by monitoring direct suppliers could be undermined by ‘laundering’ to indirect supply chains.

It takes courage to set up a transparent, authoritative, and effective monitoring system with the capacity to verify, inform, and report on what is really happening in the sector *and to sanction bad actors* as problems arise. The technology and tools are available. Now the key actors must step up to fund, develop, and empower CFI to implement the appropriate monitoring systems.

### Concern 5: Lack of Joint Action Between Producer and Consumer Countries

A recent [study](#) commissioned by Fern, Tropenbos International, and Fair Trade concluded that the EU has a critical role to play in addressing the problems of the cocoa sector. There is, however, no simple or single solution – action is required at many levels by many actors. A package of options to be implemented by the EU and its member states could have a great impact. Bilateral agreements like Voluntary Partnership Agreements (VPAs) could help trigger needed action by Ghana and Cote

d’Ivoire. An EU Due Diligence regulation would directly affect companies in the cocoa supply chain that operate in the EU, and could help to provide an incentive to producer-country governments to sign such an agreement. It would be important to see to what extent the CFI can contribute to, and synergize with, such EU action.

The **EU** is the world’s largest importer of raw cocoa, responsible for over

**60%**  
of global imports

#### TOP 4 GLOBAL IMPORTERS

1		Netherlands	25%
2		USA	13%
3		Germany	11%
4		Belgium	10%

### Overall Recommendations

It is our conviction that CFI has potential, but it can and must do better. As described above, there are a number of important flaws in the design and implementation of CFI, which must be addressed.

The key recommendations are repeated below. If these challenges are addressed, CFI may yet unlock a much-needed transformation of the cocoa industry.

## Specific Recommendations

	Key issues	Responsibility
1	Strengthen the governance structure by bringing in as signatories the missing stakeholders such as CCC/Cocobod/farmers/NGOs	First responsibility would be with the CFI Secretariats (MINEF/MLNR), but eventually a more comprehensive approach is needed, including a strong G2G dialogue between producer and consumer (EU) countries and which includes Due Diligence and trade incentives.
2	Address underlying political and societal challenges, including land governance	These are producer countries' own internal processes. It requires a willingness to create a deliberative process inclusive of all stakeholders (including lawmakers, governmental authorities, farmers, and civil society).
3	Urgently reform tree tenure	Governments; with strong incentive through expressed willingness of private sector to pay an "environmental premium" to finance agroforestry and restoration of degraded forest lands.
4	Address corruption	Government, private sector, and civil society need to admit to and tackle corruption. Only then can deliberation happen and solutions be found. Robust traceability and transparency in the sector must become the new normal.
5	Establish joint monitoring mechanisms as a matter of urgency	CFI secretariat (MINEF/MLNR), WCF, IDH, CCC and COCOBOD must be committed to creating a robust, transparent and real-time monitoring frameworks, with third party verification. The frameworks must be able to monitor traceability/governance improvements, human rights abuses, as well as deforestation.
6	Deadlines and clear consequences for non-implementation	CFI should have clear and measurable indicators and an expressed willingness to sanction.
7	Work with the EU and consumer country sustainable chocolate platforms	EU and Ghanaian CSO actors and Governments and private sector should encourage the creation of a multi-stakeholder deliberative process, which would include from the beginning private sector, government and CSO.

If these challenges are addressed, CFI may yet unlock the keys to the much-needed transformation of the cocoa industry.