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IDEF, *au service des communautés et de la Forêt*

Côte d'Ivoire: Risk of illegal cocoa supply in the Guémon region

Independent Observation Report

November 2022

TABLE OF CONTENTS

1.	Introduction	5
2.	Methodological approach	6
3.	Results	7
1)	Deforestation in the PNMP	7
2)	Global Forest Watch data reliability problem	9
3)	Field observations	11
	Comment 1: Disagreement on the park boundaries (1968 boundary and 1974 boundary)	12
	Observation 2: existence of cocoa plantations within the PNMP	13
	Observation 3: Existence of suspected ransomware	14
4)	Marketing cocoa from Mount Péko National Park	16
	The PNMP cocoa marketing circuit	16
	Case study of Cargill supply in the Duékoué area	17
4.	Recommendations	20
5.	Conclusion	21
6.	Annexes	22

Abbreviations and acronyms

VPA: Voluntary Partnership Agreement

FLEGT: Regulation on Illegal Logging and Related Trade

GFW: Global Forest Watch

IDEF: Initiatives for Community Development and Forest Conservation

IDH: The Sustainable Trade Initiative

ICF: Cocoa Forest Initiative

IO: Independent Observation

OIC : Independent Cocoa Observation

OIE : External Independent Observation

OIM : Mandated Independent Observation

OIPR : Office Ivoirien des Parcs et Réserves

PNMP : Parc National du Mont Péko

RA: Rainforest Alliance

REDD+: Reducing Greenhouse Gas Emissions from Deforestation and Forest Degradation

REM: Resource Extraction Monitoring

Executive summary

Cocoa has played a strategic and leading role in the economic and social development of Côte d'Ivoire since its independence. In 2020, more than two million tonnes were produced, i.e. about 45% of world production. The sector represents about 14% of the Gross Domestic Product (GDP) and nearly 6 million people derive their income from cocoa farming. It accounts for a large proportion of export earnings (40%). The European Union remains Côte d'Ivoire's main customer, accounting for 67% of Ivorian cocoa exports.

This report aims to provide all stakeholders in the cocoa and forestry sector with concrete elements reflecting the field. It also provides a basis for reflection on the traceability system and the means of control to be put in place in view of the implementation of the future European regulation on products linked to deforestation. It also provides some explicit elements for understanding the acceleration of deforestation from January 2020.

This mission was organised in the Guémon region (Duékoué) in order, on the one hand, to collect data on the existence or otherwise of cocoa plantations in the Mont Péko National Park (PNMP) and, on the other hand, to monitor the cocoa sales circuit from these plantations by identifying cooperatives in localities close to the park that are likely to buy this "illegal cocoa". Above all, it was a question of determining how this cocoa enters the legal marketing circuit in order to propose or reflect on solutions to curb this phenomenon. The main objective of this work is to combat deforestation linked to cocoa production in Côte d'Ivoire.

This report is addressed to all actors in the cocoa supply chain. It is aimed in particular at the Ivorian government, which wants to reclaim its forest cover without losing cocoa production, and at the certification standards, whose credibility is being questioned despite the efforts made to reduce risks, the multinationals in the sector, which have made major commitments, particularly within the framework of the Cocoa and Forests Initiative (CFI), and the European Union, which should invest more in setting up independent monitoring mechanisms or a duty of vigilance to ensure that the European market is supplied with legal cocoa that respects environmental and social requirements

Thus, in the light of the observations made in this report, IDEF, as an Independent Monitor, makes the following recommendations to all stakeholders:

To the Ivorian government :

- Promoting transparency and effective access to information in the cocoa sector¹
- Strengthen the means of the OIPR services for the control and surveillance of the park
- Conduct an investigation into the existence of an "alleged ransomware scheme" documented in this Independent Monitoring report
- Destroy all illegal plantations in the park in accordance with Law No. 2002-102 of 11 February 2002 on the creation, management and financing of national parks and nature reserves, Article 11 of which, quoted in 5.1 of this report, "strictly prohibits all forms of exploitation (...) forestry, agriculture, mining (...)".
- Accelerate the implementation of the single producer coding system and the deployment of a national traceability system
- Develop a national end-to-end traceability system that tracks cocoa from the plantation;

¹ Letters sent to the administration have never been answered. This willingness, or lack of willingness, to be transparent is very detrimental to the proper functioning of the cocoa sector

- Register and license all cocoa producers in the direct and indirect supply chain
- Adopt a transparent and accessible satellite monitoring system²
- Provide updated maps and boundaries of forests and national parks to companies and others³

To Cargill:

- Strengthen its traceability system, in particular field control, by relying on an external actor for field control and monitoring in order to reduce the risk of fraud
- Conduct a full audit of partner cooperatives in the area to ensure the legality of cocoa in the supply chain
- Do not buy from suppliers who make certified and ordinary products at the same time. This increases the risk of mixing and therefore of fraud

To certification standards, including Rainforest Alliance:

- Review and strengthen the field monitoring system by including monitoring by independent external actors
- Conduct a mission and produce a specific analysis of the risks of fraud on the entry of illegal cocoa from Mount Péko into the supply circuits of the cooperatives around the National Park

To the European Union, in the context of its new regulation on zero deforestation products:

- Ensure that there is adequate support, either by companies or by European cooperation, to enable smallholder products to comply with the requirements set out in the new EU regulation to produce sustainably and without deforestation. This will start with an identification of the concrete needs of smallholders to comply with the new regulation
- Establish a system for the verification of satellite data by a physical person in the Forest Observatory planned by the European Commission
- Take into account the data of the Independent Cocoa Monitor (ICM) in the country assessment process mentioned in Article 27 of the Regulation
- To ensure that ICO reports are considered a reliable source for the work of the competent authorities

² Including a deforestation alert, which will be made public to all stakeholders to measure and monitor progress towards the global goal of reducing deforestation

³ In order for them to better take into account the risks related to some of their suppliers

1. Introduction

Since 2012, Côte d'Ivoire has been committed to a global approach to the sustainable management of its forest resources⁴ notably through the Voluntary Partnership Agreement for the Strengthening of Regulation, the Fight against Illegal Exploitation of Timber and Associated Trade (VPA FLEGT), and is pursuing its logic of reclaiming forest cover with the fight against deforestation linked to cocoa production. Cocoa farming in particular is responsible for 62% of deforestation and forest degradation according to the [study⁵ on the drivers of deforestation in Côte d'Ivoire in \(2016\)](#). The country opened a policy dialogue on sustainable cocoa with the European Union in January 2021 with the objective of strengthening the governance of the cocoa sector for sustainable cocoa production.

However, this deforestation and forest degradation does not spare classified forests and protected areas (nature reserves and national parks). In recent years, reports and press publications have demonstrated the existence of cocoa plantations in these protected areas, even though the law prohibits any agricultural production, including cocoa. However, there is still insufficient data on the production and marketing of these agricultural products, in this case illegally produced cocoa. Like the forestry and timber sector, the Independent Cocoa Monitor (ICM) intends to contribute to the goal of a zero deforestation supply chain and legal cocoa production through the collection and publication of credible, reliable and verifiable data. Thus, the ICO conducted observation missions on the reasons for the accelerated deforestation of the Mount Péko National Park (PNMP) as of January 2020, and on the existence or otherwise of cocoa plantations within the park and on the marketing circuit for this cocoa. In addition, the ICO tried to understand the monitoring and surveillance mechanism of the Mount Péko National Park carried out by the Office Ivoirien des Parcs et Réserves (OIPR) in charge of managing the Park.

In this report, evidence on the management of the park's surveillance by the Office Ivoirien des Parcs et Réserves (OIPR) is highlighted. In particular, testimonies are given describing situations of ransom of people whose plantations are inside the park. In addition, there are specific elements on the fact that at least one company, namely the Cargill group, supplies cocoa to cooperatives in these peripheral areas. This is despite the fact that there is a great risk due to the proximity of their suppliers, whose traceability does not allow them to rule out the risk of buying cocoa from the park.

These observations were made possible by a field survey conducted in April and October 2022 by IDEF as an independent observer in the framework of its ICO programme in the Guémon region (Duékoué), in order to obtain reliable information on the route taken by this illegal cocoa to enter the formal circuit. This work is part of the fight against cocoa production in areas where production is prohibited by law and also in accordance with the commitments of cocoa exporting companies, particularly in the framework of the Cocoa and Forest Initiative (CFI).

On the basis of data collected from cocoa producers in localities on the periphery of Mount Peko National Park, on the one hand, and on the other hand, from exchanges with managers of three cocoa buying cooperatives and observations made by the Independent Monitor during the observation mission, this report highlights in particular

1. The existence of cocoa within Mount Péko National Park

⁴The overall approach to sustainable management of the forestry sector here is in the context of the FLEGT and REDD+ VPA processes in particular.

⁵ Factors of deforestation/degradation in Côte d'Ivoire - A qualitative analysis in the framework of the UN-REDD programme

2. **Need to analyse satellite data, especially from Global Forest Watch (GFW), which could lead to confusion**
3. **Alleged "ransom" payment system set up by the OIPR**
4. **The limits of the sourcing system put in place by the Cargill group**

2. Methodological approach

The independent observation work was conducted in three stages over the period March and October 2022.

A first step consisting of research and documentary analysis started with the observation of deforestation in Mount Péko National Park and the analysis of Global Forest Watch (GFW) data from January 2020. This situation led to a field mission to observe the situation inside the national park in order to compare the GFW data with the observed reality.

A second stage consisted of following, from direct observations, exchanges with cocoa producers and cooperative managers, the route of cocoa produced and marketed from the deforestation of the park. The field phase took place in April 2022 in the Guémon region in western Côte d'Ivoire, where the Mont Péko National Park is located in the heart of the region, as shown on Map 1 below.

Following the collection of data, a third step consisted of an in-depth analysis of the drastic loss of forest observed from January 2020, the justification for the presence of plantations in production and the marketing of these products from these PMP plantations, based on a concrete case. And this, based on testimonies, evidence to support the testimonies, despite the absence of writing and the tacit arrangements (unwritten/unformal) common between the actors that strongly characterise the cocoa sector.

After the research and literature review, the following methodology was applied to :

- **Knowledge of the park boundaries:** In order to mark the park boundaries to facilitate the field mission, the team of observers used a mobile application called "input⁶ " which was used to delimit the park on the basis of satellite data. The team then tracked the boundaries via this application and collected GPS coordinates to mark the boundaries on the ground. The maps below show the satellite boundaries in the input application and the boundaries according to the GPS points collected by the team during the field observation mission.
- **Exchanges with cooperatives located in localities close to the park:** meetings and interviews with the cooperatives aimed to understand their sources of supply, their traceability system and possibly the companies they supply.
- **Collecting information on park management from local services of the Office Ivoirien des Parcs et Réserves (OIPR) or from local actors involved in forest management and communities living near the park:** prior to the field observation mission, the ICO sent a letter to the General Management of OIPR to inform its decentralised services of the holding of

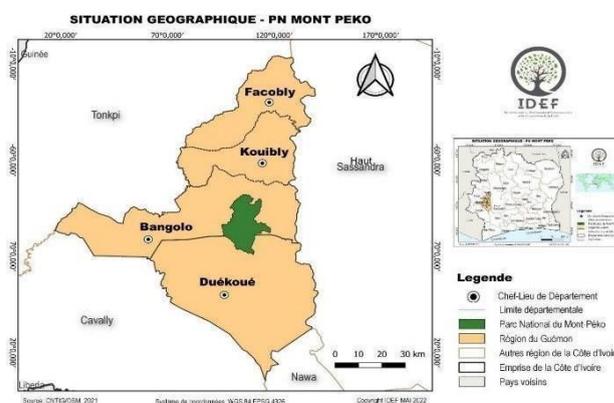
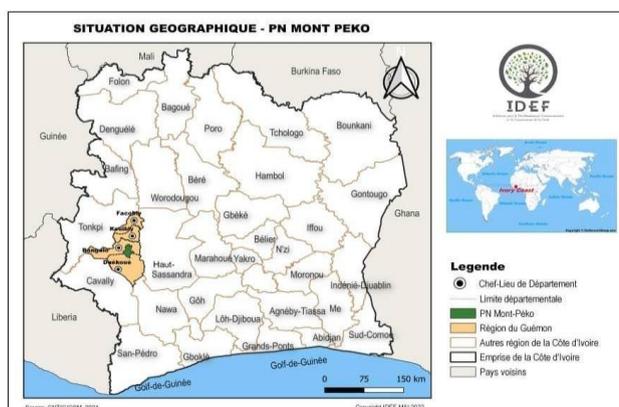
⁶ Input is a free and open source application based on [QGIS](#) and available on Android and iOS. It is used for field data collection and natural resource monitoring. The app contains an integrated synchronisation tool called Mergin Service that allows users to collaborate on the same project and edit data. The core of the project is accessible in QGIS via an extension for data synchronisation in the computer. <https://merginmaps.com/>

this mission. Unfortunately, the team of independent observers was unable to interact with the local services of the OIPR due to a lack of communication and information from the hierarchy.

- **Process of publication of this report:** In accordance with the methodology of Independent Monitoring, this report was transmitted to all the actors of the sector directly or indirectly involved in this report, namely the Coffee and Cocoa Council, the Ivorian Office of Parks and Reserves (OIPR), the World Cocoa Foundation (WCF), the Cargill company, Rainforest Alliance and IDH. During the collection of observations from the actors involved, the cooperation of the OIPR was very useful in improving the quality of the report. Finally, the quality analysis was carried out by experts from outside IDEF.

Area of intervention

Map 1: Geographical location of the Guémon region with the Mont Péko National Park



1) Map 2: Geographical location of the National Park Mount Péko

Source: IDEF, 2022

3. Results

The report was sent to stakeholders and received specific comments and explanations. These have been incorporated into the report. These include the OIPR, the Cargill company (read [here](#)), and the Rainforest Alliance (read [here](#)). At the time of publication of this report, the Independent Monitor had not received a response from certain actors, namely the Cocoa Council and the World Cocoa Foundation (WCF).

1) Deforestation in the PNMP

The Mont Péko National Park (PNMP) is located in the western part of Côte d'Ivoire, more precisely in the Guémon region between the prefectures of Bangolo and Duékoué (Map 1). It covers an area of 34,000 hectares. This massif was set up as a national park by decree 68-69 of 09/02/68, with a view to protecting the peaks of Mount Kahoué (967 m) and Mount Péko (1,002 m) and preserving the fauna and flora of this region, in

scientific and educational purposes. However, it has been severely degraded due to infiltration by farmers for agricultural purposes. Contrary to what one may read and as demonstrated in the following section, the park was not destroyed due to the armed conflict between 2002 and 2010 in Côte d'Ivoire. Geo-referenced photos and GPS points show that there is cocoa within the Mont Péko National Park (PNMP). However, is this drastic deforestation observed specifically due to the establishment of new plantations? Are there any plantations in production within the park or not? Where do the forest products from the park, especially cocoa, go?

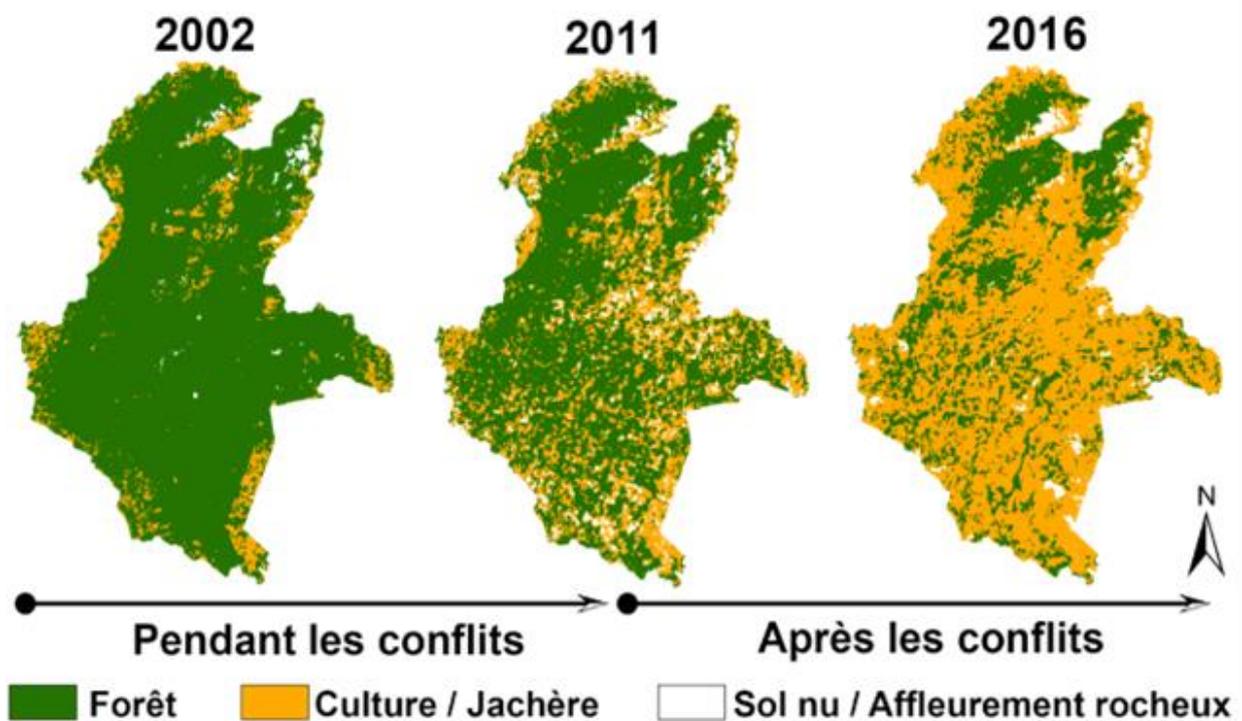
- **Situational approach of Mount Péko National Park between 2002 and 2016**

A priori two main elements are highlighted in the understanding of the reasons for the degradation of Mount Péko National Park, they are

1. the lack of monitoring due to the armed conflict in the country between 2002 and 2011 and
2. peasant infiltration made possible by the lack of surveillance due to the conflict situation in the period 2002-2011.

In the light of the data and testimonies, although the infiltration of farmers did start in 2002, it was less rapid in the period 2002-2011 compared to the period 2011-2016. Indeed, the greatest degradation of the stock occurred between 2011 and 2016, as can be seen on Map 3 below.

Map 3: Evolution of forest cover in Côte d'Ivoire between 2002 and 2016



Source: IDH, [Press Release](#) - 16 December 2020

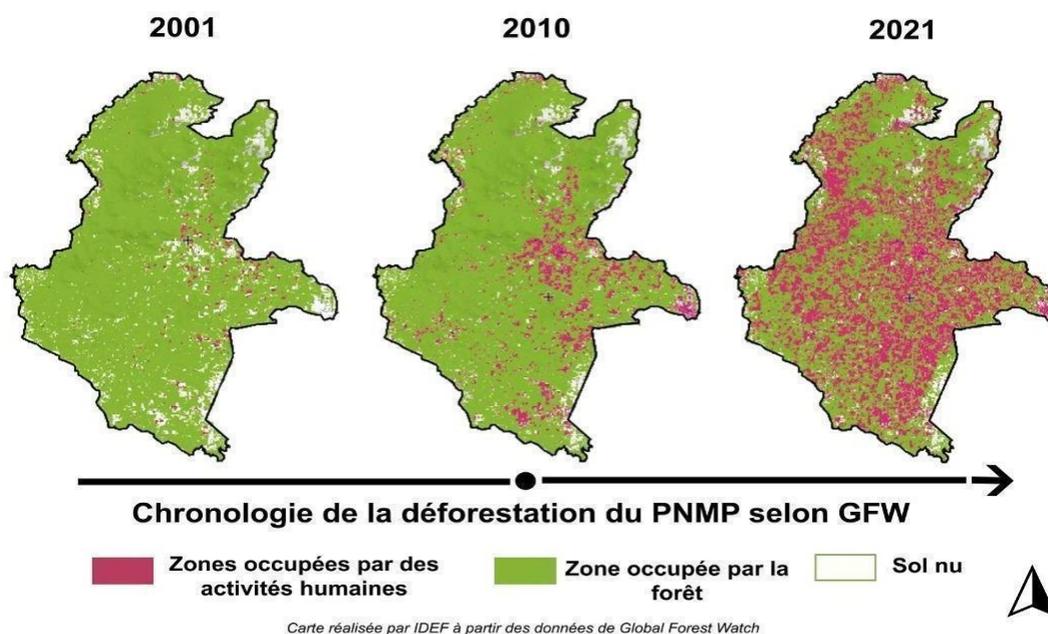
[This article published on the IDH website](#) where the above map can be found states that "Mont Péko National Park lost 70% of its forest cover between 2002 and 2016 due to the increase in agricultural activity in the Guémon region. **This data may seem erroneous because the drastic evolution of the loss of forest cover in the PNMP from 2011 to 2016 is partly due to the destruction of cocoa orchards undertaken by the Ivorian Office of Parks and Reserves.** In addition to these massive destruction activities, which give the impression of deforestation for agricultural purposes, some new plantations have been established.

Despite a relocation plan launched in 2012, encroachment on the park continues and tensions remain between park managers and the local population due to previous confrontations. According to discussions during the fact-finding mission, the tensions are partly due to the disputed boundary issue.

2) Need for interpretation of satellite data

Consultation of Global Forest Watch (GFW) data shows that as of January 2020 Mount Péko National Park has been rapidly degrading in terms of forest cover. However, discussions with local communities and field observations show that cocoa plantations have existed for longer. The [testimonies](#) collected indicate that the infiltration started around 2000 and that most of the deforestation of the park took place between 2002 and 2016.

Indeed, it was in May 2013 that the activities of the militia that was displacing farmers in the park were stopped. After 2013 and despite this arrest, there was no reversal of the deforestation trend. Deforestation continued until 2016 as shown in the map above presenting the situation of the park in 3 key dates (map 4).



Map 4 - Source: Map produced by IDEF from Global Forest Watch (GFW) data, 2022.

However, the management body explains in the [report Current situation of Mount Péko, July 2022](#)⁷, that this strong degradation is partly due to the massive destruction of cocoa plantations in the park during this period.

This explanation by the management body is an important element in particular if we put it in perspective with the current orientations of the assessment system foreseen in the framework of the future European regulation on products linked to deforestation. Indeed, in this regulation, the European Union foresees a deforestation assessment system based solely on the analysis of satellite data.

What this report reveals is that satellite data is not sufficient on its own without field verification to establish whether it corresponds to deforestation or change in forest cover due to some other, possibly legitimate, reason.

In this sense, the analysis of Global Forest Watch data, which is satellite data, shows that there has been a downward change in forest cover despite the return of state services in 2011 and the cessation of population settlements since the arrest of Amadé Ouérmi in 2013. Explanations from OIPR, the park manager, corroborated by an Independent Monitor mission, show that there has been no new forest clearing since 2011.



Figure 1: Destruction of cocoa plantations in the PNMP during cocoa tree felling operations - Source OIPR_2018

The only explanation for this apparent contradiction is that satellites do not distinguish between a tree and a cocoa tree. Thus, satellite images alone could lead to an interpretation of deforestation when it is rather a matter of OIPR agents felling cocoa trees during the plantation destruction operations initiated regularly since 2018.

As can be seen in the photo below, the felled trees are cocoa trees. It is therefore an action to reclaim the park by destroying cocoa plantations in the interior. It is therefore essential, to avoid

⁷ Report on the current situation of Mount Péko_July_2022 (the report gives an account of the activities of the Park's management body, we have a summary of the cuttings carried out from 2016 to 2020. 2,102.03 Ha in total have been managed following the destruction of more than 2,102 ha of cocoa plantations within the Park

In order to avoid confusion between trees constituting a forest and trees constituting a cocoa plantation, the use of satellite images should be systematically coupled with field surveys.

In the perspective of the implementation of the evaluation system in the framework of the European regulation on products linked to deforestation, it would be desirable either to have satellites that are capable of making this distinction; or to add to the data analysis, verifications by physical persons on the ground in order to achieve a reliable evaluation.



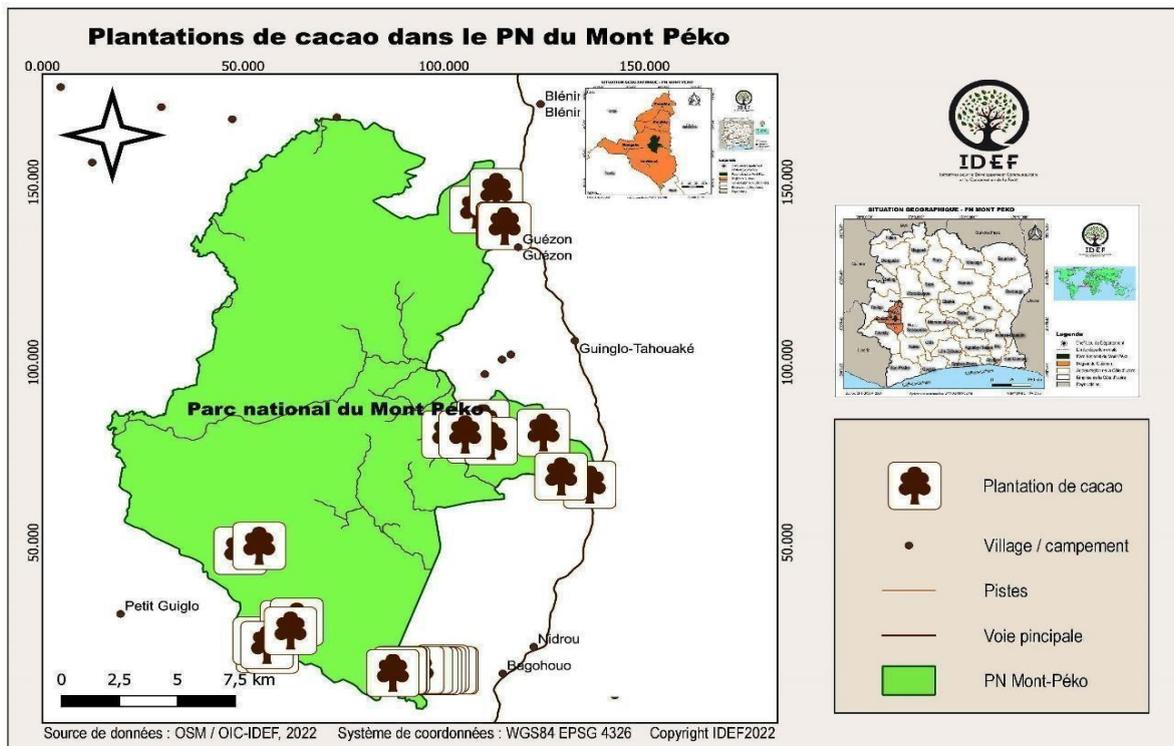
Figure 2: Image showing cocoa regrowth in a plantation destroyed by OIPR in 2020

3) Observations from field

But beyond the situation linked to satellite data and the regrowth of felled cocoa trees, the Independent Monitor observed the existence of cocoa plantations inside the park. The park manager does not deny

This is not the case. He indicated that the reclamation work is continuing and that operations to destroy cocoa plantations within the park will continue.

Map 5 : Data showing cocoa plantations in the PNMP (data collected by IDEF, April 2022)



Comment 1: Disagreement on the park boundaries (1968 boundary and 1974 boundary)

The Independent Monitoring Mission met with the youth president in Bagohouo, five farmers, and three leaders of cocoa buying cooperatives in three localities within five kilometres of the park.

According to [testimonies](#) collected by the field mission, there is a dispute over the park boundary. A farmer in the sub-prefecture of Bagohouo explains his case. *"Before, my plantation was there. And there was a boundary with the park. Everyone knew this boundary and no one went there. But in 2016, the OIPR agents arrived and they said that my field is located in the park and that I should not go there again. But as I did not agree, I went to Duékoué to complain to the station with the papers I had when I bought the land to make my field. It was there that I was told that the park was first demarcated in 1968. But then it was re-demarcated a second time in 1974 to complete the area. And it is this second delimitation made in 1974 that is the correct delimitation. So all those who planted their trees according to the 1968 delimitation are in the park."*

Nature of the observation: fact constituting a legal vacuum

Analysis of the observation: Based on the testimonies, documentary analysis and observations, there are plantations in production in the park if we refer to the last delimitation date, i.e. this year.

1974. These plantations in the park are illegal but taking into account the 1968 boundary as it is the case for the communities, these plantations would be outside the park and therefore legal.

Observation 2: existence of cocoa plantations within PNMP

In addition to the plantations near the boundary, which are the subject of much discussion, particularly among the communities, the field mission was able to observe cocoa plantations far inside the park. As shown on the map above, produced from the field data and photos below, the forest in this part of the park has been replaced mainly by cocoa.

- **Nature of observation:** fact constituting an offence
- **Legal reference:** Art. 11 of Law 2002-102 of 11 February 2002 on the management and financing of national parks and nature reserves
- **Analysis of the observation :** According to article 11 of law n° 2002-102 of 11 February 2002 relating to the creation, management and financing of national parks and nature reserves "Throughout the national park, any form of hunting, fishing and felling, any form of forestry, agricultural or mining exploitation, any grazing, any excavation or prospecting, any sounding, earthwork or construction, any work tending to modify the aspect of the land or vegetation, any act likely to harm or disturb the fauna or flora, any introduction of zoological or botanical species, either indigenous or imported, wild or domesticated, are strictly forbidden. " But as the pictures below show, the ICO has found cocoa plantations inside Mount Péko National Park. It is therefore illegal cocoa.



- **Implication of the observation:** The existence of agricultural plantations within the park is not a new observation. This fact has been widely documented by various actors in public reports. The novelty here lies in the fact that in 2022 there are not only plantations in production within the park, but also plantations that are being renewed or created. The existence of these cocoa plantations in the park means that there is a permanent human presence in the park. This presence encourages further deforestation and destroys the habitat of wild animals, including the forest elephants present in the park.

OIPR commentary

*Figure SEQ Figure * ARABIC 2. Extrait 2 : de réactions de l'OIPR, août 2022*

Commentaire 4

Nous savons tous que malgré les efforts de l'OIPR, il existe toujours une volonté de recolonisation du parc par certains ex-infiltrés. Il n'est donc pas étonnant de voir quelquefois des parcelles de cacao entretenues dans le parc. Cependant présenter une ou deux photos comme preuve que toute la forêt du parc a été remplacée par de la cacaoculture est une erreur d'appréciation. En outre, comme le montre la carte de la page 12 du rapport, les points d'observation de IDEF se limite à la partie Sud et Est du parc et dans des zones proches de la périphérie.

La réalité de terrain est que plus de 1 200 Ha ont été détruite de 2016 à 2020, les feux de brousse ont également détruit une bonne partie des plantations de cacao située dans les zones Nord et Ouest du parc. Avec les patrouilles régulières qui sont effectuées, malgré l'insuffisance des moyens, les principales pistes sont fermées, la faune sauvage recolonise le parc et on constate un développement des jachères, malgré l'existence de quelques parcelles de cacao entretenues.

Observation 3: Existence of a suspected 'ransom' payment system

According to the [various testimonies](#) collected from the local communities, the existence of certain plantations in the park is also, in a way, profitable to OIPR agents. There is said to be an 'alleged ransom system' for farmers whose plantations are inside the park, which consists of making a farmer arrested inside the park pay the sum of 150,000 or 300,000 FCFA, depending on the case.

A farmer explains that farmers whose plantations are considered to be in the park are no longer allowed to go there. However, since the plantations have not been destroyed, their owners go there discreetly. When these people are arrested by OIPR officers, they have the choice of paying the sum of 150,000 CFA francs on the spot and without a receipt of payment or being transferred to the station in Duékoué where they will have to pay twice as much to be released (see evidence 1).

Evidence 1: receipt of payment of fine (front and back)



REPUBLIQUE DE CÔTE D'IVOIRE
Union – Discipline – Travail

Ministère de l'Environnement et du Développement Durable

Office Ivoirien des Parcs et Réserves

Direction de Zone Ouest

Secteur Mont Péko

Fait en 02 copies les jour, mois et an ci-dessus et avons signé avec le représentant du prévenu

Le représentant du prévenu






 /MINEDD/OIPR/DZO/SMP Duékoué, le 07 Décembre 2021

PROCES-VERBAL DE TRANSACTION

L'an deux mil vingt et un, le sept du mois de décembre, entre le Ministère de l'Environnement, et du Développement Durable représenté par le Directeur Général de l'Office ivoirien des Parcs et Réserves demeurant à Abidjan, exerçant d'une part le pouvoir de contrôle et de police dans les Parc Nationaux et Réserves et d'autres part chargé de la constatation et de la répression des infractions, conformément aux articles 39 et 40 de la loi 2002- 102 du 11 février 2002 relative à la création, à la gestion et au financement des Parcs Nationaux et Réserves naturelles.

Et d'autre part le Sieur:



Au préjudice duquel, il a été relevé le 07 décembre 2021 par procès-verbal N° 11/MINEDD/OIPR/DZO/SMP, dressé par le Cdt YAO Kouassi Albert Ingénieur des Techniques des Eaux et Forêts de classe principale 2^{ème} échelon, matricule 291 821 M, Officier de Police Judiciaire, assermenté, près le tribunal de première instance de Toumodi et de Bouaflé, Chef Secteur en service au Secteur Mont Péko ;

Une infraction à l'article, 11 de la loi 2002- 102 du 11 février 2002 relative à la création, à la gestion et au financement des Parc Nationaux et Réserves Naturelles.

Le Sieur sus- cité reconnaît la contravention, il a été convenu, conformément à l'article 108 de la loi N°96- 766 du 03 octobre 1996 portant code de l'environnement, que toutes poursuites relatives à cette affaire seraient arrêtées et confiscation des produits saisis serait faite moyennant le paiement d'une amende forfaitaire de trois cent trente mille francs CFA (330 000F CFA).

Source: IDEF, 2022

This payment receipt indicates that the sum of 300,000 CFA francs was paid for the release of a farmer arrested inside the park. According to [testimonies 2 and 3](#), if he had been able to collect 150,000 FCFA at the time of his arrest, he would have been released immediately without any receipt of payment.

A farmer we met at his plantation inside the park, when asked if he was not afraid of being arrested by the surveillance officers, explained: "Yes, I am afraid of being arrested. I do everything I can not to let it happen. But if it does happen, I will go into debt to pay 150,000 FCFA to make a deal. If I cut my cocoa here, I will repay the debt.

This farmer indicates that this is the general mood of farmers whose plantations are inside the park. This is also evidenced by the pictures of cocoa plantations being renewed inside the park (Evidence 2). These photos were taken by the field mission and show young cocoa plants being planted to replace aging coffee or cocoa plants.



Co *Preuve 3 : Plantation de cacao à l'intérieur du PNMP, IDEF, avril 2022* the

Commentaire 7

Nous nous inscrivons en faux contre ces accusations graves qui n'ont pour objectif que de jeter le discrédit sur les Agents de Direction de zone Ouest. Nous affirmons avec fermeté que de telles pratiques ne sont pas du ressort des Agents de la Direction de Zone Ouest.

Extract from OIPR feedback, August 2022

4) The marketing of cocoa from the Mount Péko National Park

Like all other cocoa produced in Côte d'Ivoire, cocoa produced through the deforestation of Mount Péko National Park is also traded. Moreover, in light of the data collected by the ICO, there are risks that this cocoa is marketed in the certified cocoa circuit.

The PNMP cocoa marketing circuit

Most of the cocoa produced within the Mount Péko National Park is transited through a handful of cooperatives with relay shops in the localities near the park. The ICO mission was able to talk to the managers of 3 cooperatives in 3 different localities. The practice is the same with 2 marketing methods:

1. producer channels engaged in a "certified cocoa project"; and
2. other circuits known as ordinary cocoa

Cooperatives with shops in the vicinity of the park buy cocoa regardless of origin. The distinction is made after the purchase. Depending on whether the cocoa comes from a plantation involved in a certification project, the cocoa is stored in the certified cocoa side and when it comes from a

plantation not involved in the project (certification), the cocoa is stored in the ordinary cocoa section. The three cooperatives identified during this observation mission are all Rainforest Alliance certified and affiliated to Cargill, whose supplier they are. In fact, this is the difficulty of the traceability system set up by Cargill, the case study of which is analysed below.

Case study of Cargill supply in the Duékoué area

To ensure that the cocoa supplied to it by its partner cooperatives does not come from areas prohibited to cocoa production such as parks and reserves and classified forests, Cargill has put in place an internal traceability system allowing it to do "direct sourcing"⁸.

- **How the label works**

A label (see evidence 4) with a serial number and barcode is provided to the cooperatives by Cargill. It is used to seal a bag of cocoa according to its origin. In this way, Cargill hopes to ensure that the cocoa supplied to it actually comes from plantations that have previously been geo-referenced. In concrete terms, according to exchanges with three managers from three different cooperatives, several batches of this label are given to each of Cargill's partner cooperatives. When the cocoa is bagged, the label is put on the closure to seal the bag. Once the label is put on the bag, it cannot be opened.

Cargill's comments on the operation of its label sealing system

Producers enrolled in sustainability projects have a unique identifier to track the producer's training and marketing activities. Plantations are geo-located to ensure that they are located in areas authorised for cocoa farming or to identify risks related to deforestation. Bags of cocoa are individually bar-coded and physically tracked through our system to individual farms. Each cooperative receives a batch of seals (barcode label). The number of seals made available to the cooperative is determined by the estimated volume of certified cocoa to be delivered to Cargill over a given period.

Evidence 4: Bag seal label with serial number and barcode, IDEF, April 2022



⁸ Direct sourcing is cocoa that comes from cooperatives that are directly attached to Cargill. The company believes that this is 100% traceable cocoa.

- **Limitations of the tool**

The problem with this tool is control. Cargill's supplier co-operatives buy certified cocoa and regular cocoa, so they buy cocoa from any source. When it comes to ordinary cocoa, they do not care about the area of origin. Then the cocoa is stored by the cooperative with little or no external control. This gives the cooperative the opportunity to either mix certified cocoa with regular cocoa, intentionally or even by mistake. This is a major risk in the scheme.

Comment from Cargill

This comment seems TOO general as the risk of mixing due to non-compliance with storage procedures or attempted fraud as described is present in all cooperatives and exporters. To limit this risk, we have seals that visually identify the bags stored in the section shop and the central shop and during batch transfers. In addition, the information collected during the purchase of cocoa and the affixing of seals is available in the flow management system. The co-operative cannot sell more cocoa under the certified label than it estimates its production.

Cargill's explanation of the tracking process system in its traceability system

Indeed, several factors outside the cooperative influence the volume of certified cocoa marketed. Following the control visits and certification audits, a potential certified volume is allocated to the producers and the cooperative. The volume purchased in regular form is the balance available after subtracting the volume purchased in certified form from the allocated potential volume. The cooperative stores the cocoa flows in accordance with the procedures established and implemented in the certification process. These procedures are monitored during certification audits and as part of the cooperatives' internal control activities.

- **Fraud risks**

-Risk of buying cocoa from the park

According to the manager of one of the three cooperatives, "there are still cocoa plantations inside the park" and he cannot say that he is sure that some of the farmers whose cocoa he buys are not exploiting their cocoa plantations that remained inside the park after the "eviction operations"⁹ by the OIPR. The risk of buying cocoa from the park is therefore very real according to this cooperative manager.

Comment from Cargill:

Plantations geo-located within the framework of certification projects are subject to a yield estimate. This estimate is re-evaluated once a year during plantation inspections to take into account factors that have an impact on production (health status, reduction or increase in area, use of fertilisers or crop protection products). The control and monitoring of yields and deliveries greatly reduces the risk that some producers will market cocoa from the park under the certified label or as ordinary cocoa.

-Risk that cocoa from the park is stored in certified

⁹ In an effort to restore the integrity of the park, the government ordered that the peasants inside the park be removed. The OIPR services carried out actions to destroy shelters after the arrest of the "warlord" Amado Ouérémi who ruled the park.

<https://news.abidjan.net/articles/504885/le-deguerpissement-du-mont-peko-effectif-avant-janvier-2015-officiel>

Regarding the risk that cocoa from the park will be stored in a certified warehouse, another official explains: "Normally you can't go wrong. But if you want to do volume in certified, it's easy to store ordinary cocoa as certified cocoa. We fill the bags and seal them with the serial number. Regarding the type of cocoa that the cooperatives supply to Cargill, the manager of one of the three cooperatives says: "We deliver certified cocoa to Cargill. The ordinary cocoa that we buy, we buy most often on order from certain trackers who work with the Lebanese¹⁰ whose shops are in Duékoué. So in principle, the ordinary cocoa stored in our shops does not go to Cargill but to the trackers. But it happens that some trackers are not able to buy all the stock of regular cocoa that we have. In this case, we may mix in the remaining stock of regular cocoa into the certified cocoa stock before we bag it.

Comment from Cargill

The facts thus described demonstrate a clear intention to defraud or circumvent the system. The system has the merit to exist and to strongly reduce the risks of fraud. The system can be improved by being integrated into a national traceability system using a unified codification for farmers and sharing data on yield estimates and production conditions. Geo-located plantations in certification projects are subject to a yield estimate. This estimate is re-evaluated once a year as part of the plantation inspections to take into account factors affecting production (health status, reduction or increase in area, use of fertilisers or plant protection products). The control and monitoring of yield and delivery considerably reduces the risk that some producers market the park's cocoa under the certified or regular label.

In its latest [report on sustainable cocoa, Cargill](#) writes in the **Consumer Confidence** section "With 100% of the cocoa in our direct supply chain traceable to the first point of purchase, we continue to develop our digital first-mile traceability system to cover half of our current programme. Meanwhile, 49% of all our cocoa volumes this year were third-party certified sustainable, referring to certification standards such as Rainforest Alliance and FairTrade. There is no nuance in this statement and no room for any risk. However, as has just been demonstrated, there is a risk, if not a risk, that cocoa supplied to Cargill may come from illegal sources such as a park; in this case Mount Péko.

Comment from Cargill

Cargill - as part of the Cocoa and Forests Initiative - is committed to "the elimination of all cocoa production and supply from national parks and reserves in line with the promulgation and implementation of the national forest policy and the development of alternative livelihoods for affected farmers". Producer-members of cooperatives located in the peripheral areas of the park participate in the activities of the CCP. As such, they participate in projects aimed at improving their income and benefit from community support activities. The traceability and control systems deployed make it possible to identify the flows and greatly reduce the risks of cocoa intrusion from the park.

¹⁰ The Lebanese are known to be great cocoa traders. They buy cocoa from the trackers, directly from the producers and some cooperatives that have no customers at the port collect the cocoa from their producers and sell it to the Lebanese.

4. Recommendations

This Independent Monitoring report highlights a certain number of situations or facts that challenge all stakeholders involved in the fight against deforestation and the promotion of deforestation-free cocoa production. It is for this reason that the Independent Monitor makes the following recommendations to all stakeholders:

To the Ivorian government :

- Promoting transparency and effective access to information in the cocoa sector¹¹
- Strengthen the means of the OIPR services for the control and surveillance of the park
- Conduct an investigation into the existence of an "alleged ransomware scheme" documented in this Independent Monitoring report
- Destroy all illegal plantations in the park in accordance with Law No. 2002-102 of 11 February 2002 on the creation, management and financing of national parks and nature reserves, Article 11 of which, quoted in 5.1 of this report, "strictly prohibits all forms of exploitation (...) forestry, agriculture, mining (...)".
- Accelerate the implementation of the single producer coding system and the deployment of a national traceability system
- Develop a national end-to-end traceability system that tracks cocoa from the plantation;
- Register and license all cocoa producers in the direct and indirect supply chain
- Adopt a transparent and accessible satellite monitoring system¹²
- Provide updated maps and boundaries of forests and national parks to companies and others¹³

To Cargill:

- Strengthen its traceability system, in particular field control, by relying on an external actor for field control and monitoring in order to reduce the risk of fraud
- Conduct a full audit of partner cooperatives in the area to ensure the legality of cocoa in the supply chain
- Do not buy from suppliers who make certified and ordinary products at the same time. This increases the risk of mixing and therefore of fraud

To certification standards, including Rainforest Alliance:

- Review and strengthen the field monitoring system by including monitoring by independent external actors
- Conduct a mission and produce a specific analysis of the risks of fraud in the entry of illegal cocoa from Mount Péko into the supply chains of the cooperatives around the National Park

To the European Union, in the context of its new regulation on zero deforestation products:

- Ensure that there is adequate support, either by companies or by European cooperation, to enable smallholder products to comply with the requirements set out in the new EU regulation to produce sustainably and without deforestation. This

¹¹ Letters sent to the administration have never been answered. This willingness, or lack of willingness, to be transparent is very detrimental to the proper functioning of the cocoa sector

¹² Including a deforestation alert, which will be made public to all stakeholders to measure and monitor progress towards the global goal of reducing deforestation

¹³ In order for them to better take into account the risks related to some of their suppliers

start with an identification of the concrete needs of smallholders to comply with the new regulation

- Establish a system of verification of satellite data by a physical person in the Forest Observatory planned by the European Commission
- Take into account the data of the Independent Cocoa Monitor (ICM) in the country assessment process mentioned in Article 27 of the Regulation
- To ensure that ICO reports are considered a reliable source for the work of the competent authorities

5. Conclusion

The Independent Observation Mission, whose objective was to follow the marketing circuit of cocoa produced in the Mount Péko National Park, has brought to light some precise facts. It provides proof of the existence of cocoa plantations within the park. It also demonstrates, through individual interviews with local actors¹⁴, that infiltration into the park by cocoa producers is sanctioned by official and unofficial payments. The report also reveals that the Mount Péko National Park has been in a state of serious degradation since 2010, i.e. after the political crisis of 2002 to 2010.

In this report, there is evidence on how OIPR is managing the monitoring of the park. There is also evidence that at least one major company, Cargill, a signatory to the Cocoa and Forests Initiative (CFI) Joint Action Framework, is sourcing cocoa from cooperatives even though there is a high risk due to the proximity of the park and traceability does not eliminate the risk of purchasing cocoa from the park. Finally, this report provides some explanations for the acceleration of deforestation from January 2020.

This report is an aid to decision-making by providing decision-makers with reliable and verifiable information. At a time when the European Union is in the process of adopting a regulation on deforestation-related products and in the context of high-level discussions on a sustainable and deforestation-free cocoa sector, it is necessary that stakeholders are aware of the facts mentioned in this report. In this way, more concrete actions could be taken to better combat deforestation.

¹⁴ Cooperative leaders and cocoa farmers

6. Annexes

About the Independent Cocoa Monitor (ICM)

IDEF carries out its Independent Monitoring (IM) mission in accordance with law n°2019-675 of 23 July 2019 on the Forest Code and decree n°2021-441 of 08 September 2021 on the modalities of Independent Monitoring.

Article 1 of the Forest Code defines REM as "**the non-regal mission of observing forest and agroforestry activities carried out by a civil society organisation with a view to collecting and sharing credible and verifiable information on forest management for the improvement of forest governance.**

Article 15 specifies that "The management of the national forest estate is subject to independent observation in accordance with the regulations in force. The modalities for the implementation of this article are specified by regulation. And, in accordance with this article, the practice of IM is carried out according to the modalities defined by decree n°2021-441 of 08 September 2021 on the modalities for the exercise of Independent Monitoring.

Article 4 of this decree distinguishes between two types of IO: **mandated or external Independent Monitoring.**

Concerning mandated Independent Monitoring, article 1 indicates that it "is done **with the prior establishment of an agreement** between the forest owner or manager and the Independent Monitor, which specifies the Independent Monitor's field of action and the modalities guaranteeing its autonomy vis-à-vis the forest administration". As for the External Independent Monitor, it is designated as "Independent Monitoring which is carried out **without the prior establishment of an agreement** between the owner or the forest administration and the Independent Monitor.

According to Article 6 of this decree, "**any Independent Monitor shall have access to the entire national forest estate**, sites related to forestry activities and agro-forests, as well as to documents and information necessary to the accomplishment of its mission according to the regulations in force. The response to any request for access to sites or documents belonging to the administration or to private individuals must not exceed 30 days from receipt of the request.

IDEF has been carrying out External Independent Monitoring since 2017 with the technical support of the British NGO Resource Extraction Monitoring (REM). All the reports mentioned here are available on the [REM](#) website and on the www.ongidef.org website in the "*our publications*" section.

[List of certified cooperatives around the PNMP](#) ¹⁵

¹⁵ Source www.rainforest-alliance.org