

## National Confectioners Association Principles on Forest Conservation and Cocoa Supply Chain Due Diligence

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March 31, 2022

The National Confectioners Association (NCA), the World Cocoa Foundation (WCF), and our member companies are committed to addressing the risk of deforestation in the cocoa supply chain, and to supporting efforts to restore and conserve forests. As a result of integrated efforts between governments, farmers, NGOs, and the private sector, great strides are being made to restore forests in regions of the world where cocoa is a major agricultural commodity, and to implement systems to prevent future deforestation and forest degradation, while helping to alleviate poverty in origin countries, a key driver of deforestation.

NCA supports mandatory supply chain “due diligence” efforts to allow robust action to end deforestation in the supply chains used in confectionery production, and believes that proposals to accompany ongoing, successful efforts to mitigate risks of deforestation should:

1. Align with existing international agreements <sup>1</sup> and proposed mandatory due diligence regimes in the European Union and elsewhere and be developed in collaboration with cocoa-producing countries.
2. Leverage existing voluntary supply chain due diligence frameworks, other economic sectors engaged in ending deforestation, and successful public-private partnerships, building on regional, multi-lateral agreements that are working to prevent deforestation.
3. Include commitments from cocoa-consuming governments, including the United States, to invest in solutions that support success within origin countries. Enforcement alone in consuming countries is insufficient to create an environment that protects forests and ecosystems and fosters lasting solutions in origin countries.
4. Include resources and incentives that support efforts in origin countries to conserve forests; improve farm-level traceability, satellite monitoring, and other forms of remote sensing; and create opportunities for sustained economic development. Proposals should also include funding to improve government enforcement capacity and remediation efforts in origin countries, support farmer livelihoods, and develop environmental markets geared toward agroforestry, while supporting technical solutions to deforestation.
5. Ensure industry-wide accountability that applies to all participants in the supply chain irrespective of size and is accompanied by consistent, coordinated definitions and independently verifiable criteria. Regulations should apply both to companies registered in the United States and to those placing cocoa, cocoa products, and chocolate (among other commodities) on the American market.

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<sup>1</sup> See [United Nations Sustainability Goal 15](#) and the [OECD “Reducing Emissions from Deforestation and Forest Degradation” Guidelines](#)

6. Recognize the role of third-party verification systems and provide clear guidance and concise communication channels to industry on how to demonstrate that mitigation efforts are successfully preventing impacts to forests.
7. Respect the laws of cocoa-producing countries and the rights of farmers, and support opportunities for individual farmers to make sound, informed, and incentivized decisions on land stewardship initiatives.
8. Require alignment with existing “cut-off dates” for any new cocoa-related deforestation in Côte d’Ivoire and Ghana.

## **Public-Private Initiatives Led by Confectionery Companies and NGOs**

The cocoa and chocolate industry are leading a variety of initiatives throughout the world - in close partnership with origin governments - to end deforestation, restore forest areas, and promote stronger enforcement of national forest policies. Included below are highlights of this work in major cocoa-producing areas.

### **Cocoa & Forests Initiative, West Africa**

The West African nations of Côte d’Ivoire and Ghana together produce nearly two-thirds of the world’s supply of cocoa. Côte d’Ivoire and Ghana respectively lost 25 percent and 8 percent of their primary forest between 2002 and 2019, with a portion of this loss a result of cocoa production. To work toward the elimination of deforestation and to restore deforested land and conserve existing forest areas, the governments of Côte d’Ivoire and Ghana and 35 leading cocoa and chocolate companies joined together in 2017 to create the [Cocoa & Forests Initiative](#) (CFI).<sup>2</sup>

The CFI is taking quantifiable steps to achieve these goals, and among other successful endeavors:

- The government of Côte d’Ivoire has adopted new forest policies and guidance focused on forest protection, restoration, and promotion of cocoa agroforests.
- Companies have distributed more than 10 million forest trees since 2018 for planting forest trees on cocoa farms (or agroforestry) and reforestation efforts.
- The governments of Côte d’Ivoire and Ghana are making progress to improve national traceability systems to achieve traceability to the farm level. Companies are achieving 82 percent traceability in Ghana, and 74 percent traceability in Côte d’Ivoire in their direct cocoa supply chain.
- Companies have trained 620,000 cocoa farmers in how to adopt agricultural practices that allow for greater production using less land and improved livelihoods.
- The government of Côte d’Ivoire has adopted a national satellite system to monitor progress and proactively address new deforestation.
- The government of Ghana is facilitating public-private collaboration in priority cocoa landscapes.

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<sup>2</sup> According to the World Resources Institute (WRI), CFI is one of the primary forces halting the speed of deforestation in the Ivory Coast and Ghana. INSERT hyperlink to CFI 2020 Annual Report.

## Other Reforestation and Sustainable Production Efforts

The cocoa plant, native to the Amazon, is also grown in Latin America, and this region of the world represents 20 percent of the world's supply of cocoa. The governments of Brazil, Colombia and Peru are preparing a development plan for sustainable cocoa production in the Amazon, working toward a consensus framework that helps to prevent future deforestation.

- In Colombia, the cocoa sector convenes under the [Cocoa, Forests & Peace Initiative](#), a public-private initiative involving the government that promotes deforestation-free cocoa production, protects, and restores forests in the cocoa supply chain, and improves livelihoods for producers in furtherance of the U.S.-supported peace process.
- In Brazil, through the [CocoaActionBrazil](#) program, cocoa is being used with great success as a reforestation crop, with agroforestry plots established on land previously degraded by unrelated livestock and agricultural production.