

**FROM PAST TO FUTURE:  
HOW BUSINESS-AS-  
USUAL COCOA DRIVES  
FOREST LOSS AND  
WHAT WE CAN DO**

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# LOSING THE LUNGS: COCOA'S TOLL ON THE WORLD'S FORESTS

The record loss of 6.7 million hectares of tropical primary forest in 2024 signals that the world is far from reaching its 2030 goal of halting and reversing deforestation forest degradation, as outlined in the Glasgow Leaders' Declaration on Forests and Land Use.

When excluding fire-related loss, this forest loss was largely driven by agricultural expansion, rising 14% from 2023 levels. Indeed, from 2000 to 2024, clearing forests for permanent agriculture has been one of the leading causes of tropical forest degradation.<sup>1</sup> Such expansion has had profound consequences for forest ecosystems, contributing to habitat destruction, biodiversity loss, soil degradation, and heightened risks of fire expansion, alongside greenhouse gas emissions that undermine climate stability.

Among the agricultural commodities driving this deforestation trend, cocoa plays a significant role as a major contributor to forest loss in key producing countries such as Côte d'Ivoire and Ghana. **Since 2000, cocoa cultivation has accounted for over than 60% of agri-commodity-driven deforestation in major cocoa exporting countries: Côte d'Ivoire, Ghana and Cameroon.**<sup>2</sup> In Côte d'Ivoire alone, cocoa cultivation has been linked to over 37% of deforestation in protected areas, and more than 13% in Ghana.<sup>3</sup>

*Without effective interventions, cocoa expansion in biodiversity rich rainforests, such as those in the Congo Basin and the Upper Guinean Forest, will trigger a new wave of massive forest loss.*

This pattern of cocoa-driven forest loss has persisted for decades, forming a cycle. Despite various sustainability measures and initiatives set in place by companies and stakeholders, deforestation linked to cocoa remains a persistent issue, driven by intertwined social,

economic, and environmental factors. **As global demand for cocoa continues to grow and remaining forest areas become increasingly vulnerable, urgent action is needed to halt further degradation.** Attention is now turning to emerging cocoa frontiers in countries with fertile, forested land: regions at risk of becoming the next deforestation hotspots.

Without effective interventions, cocoa expansion in biodiversity rich rainforests, such as those in the Congo Basin and the Upper Guinean Forest, will trigger a new wave of massive forest loss.

This paper explores how cocoa cultivation inherently drives deforestation by highlighting the cyclical dynamics that sustain forest loss in producing regions, articulated by François Ruf in his concept of the well-known 'Boom-and-Bust cycle'. Its primary goal is to support the protection of forests by improving understanding of these complex dynamics leading to efficient private and public answers. The report is intended for stakeholders influencing cocoa supply chains—including businesses and policymakers—who are in a position to drive change.

# UNDERSTANDING THE CAUSES OF COCOA- DRIVEN DEFORESTATION

## WHY COCOA GROWS WHERE FORESTS FALL?

Cocoa cultivation depends on specific environmental and soil conditions. The cocoa tree thrives in a narrow belt around the Equator, between 10°N and 10°S, where temperature, rainfall, and humidity levels are optimal. Its natural habitat lies in the lower canopy of evergreen rainforests.<sup>4</sup>

For optimal growth, cocoa requires deep, well-drained soil rich in organic matter. Newly deforested areas from tropical forests provide many of these conditions naturally.

While global cocoa demand has risen steadily over time, projections indicate a sharper increase ahead—largely fueled by emerging consumer markets in Asia and continued demand for chocolate products in high-income countries.<sup>5</sup>

Yet supply has failed to keep pace. Around two million farmers in West Africa—who produce

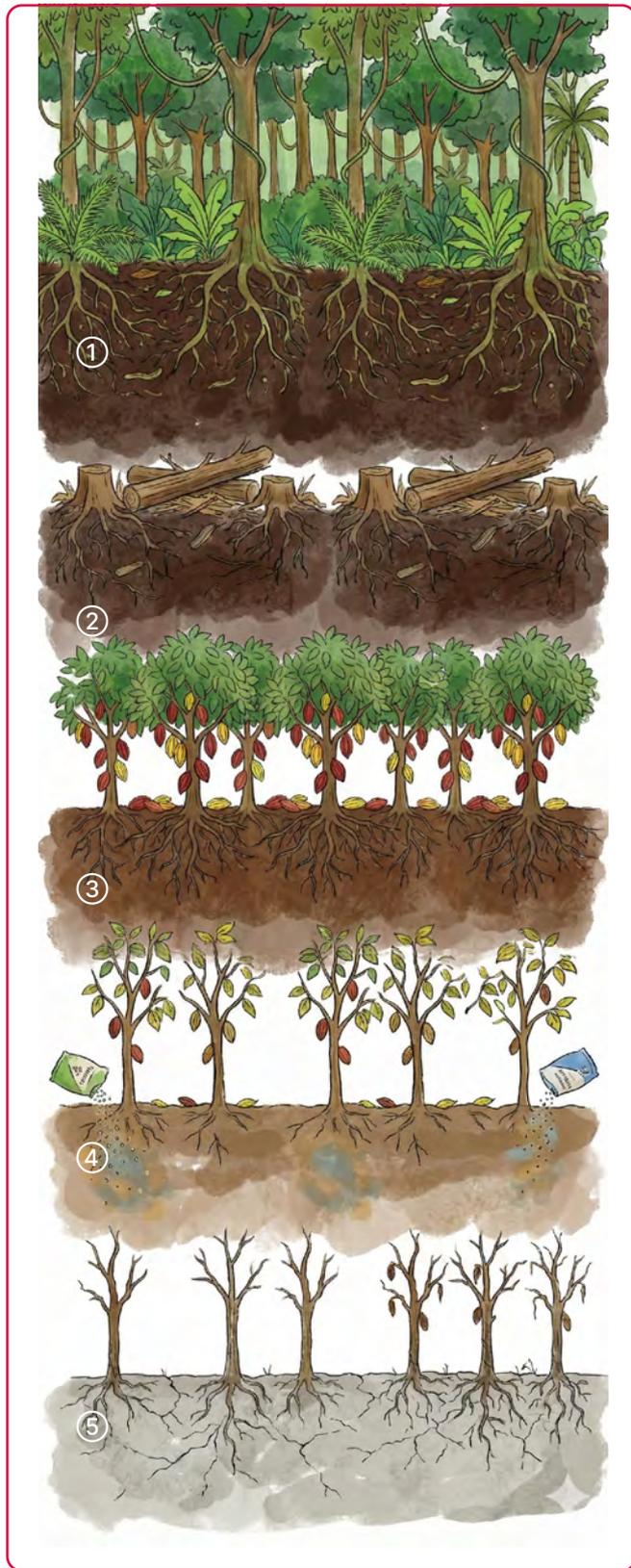
more than 60% of the world's cocoa<sup>6</sup>—operate small plots of 3–5 hectares and earn incomes below the poverty line. With average yields of just 600–800 kg per year, many cocoa producers witness worsening soil quality and lower crop yields over time, ultimately reducing the supply of cocoa, while being unable to invest in their land.<sup>7</sup>

In June 2024, cocoa futures in London averaged around US\$ 11,530 per ton—more than three times higher than the June 2023 average of US\$ 3,182 per ton—reflecting an unprecedented year-on-year increase driven by declining yields, climate shocks, and reduced investment in West African farms.<sup>8</sup>

**The interplay of changing yields, volatile prices, and growing demand pushes cocoa cultivation into remaining forested areas, perpetuating the boom-and-bust cycle.<sup>9</sup>**



## Forest rent



- ① Healthy rainforest – rich, living soil full of nutrients.
- ② After clearing, fertile forest soil allows easy cocoa establishment.
- ③ Fast growth, low mortality, early production – economic benefit from forest fertility
- ④ Over time, soil fertility declines – yields fall – higher inputs needed.
- ⑤ Once fertility is exhausted, productivity drops sharply.

## THE COCOA TRAP: A NEVER-ENDING BOOM-AND-BUST CYCLE

Since cocoa thrives best in newly cleared tropical rainforest areas, farmers take advantage of what François Ruf calls the “forest rent” – the economic benefit derived from recently cleared forests. Cocoa plantations can then be established easily and with relatively low initial investment cost. The security of the quick growth of the cocoa tree, low rate of mortality, and early production can be considered an investment multiplier. However, this forest rent decreases over time. The soil gradually loses its initial fertility and benefit, and the cocoa trees age, all of which require higher investment to maintain productivity.<sup>10</sup> Therefore yields decline.

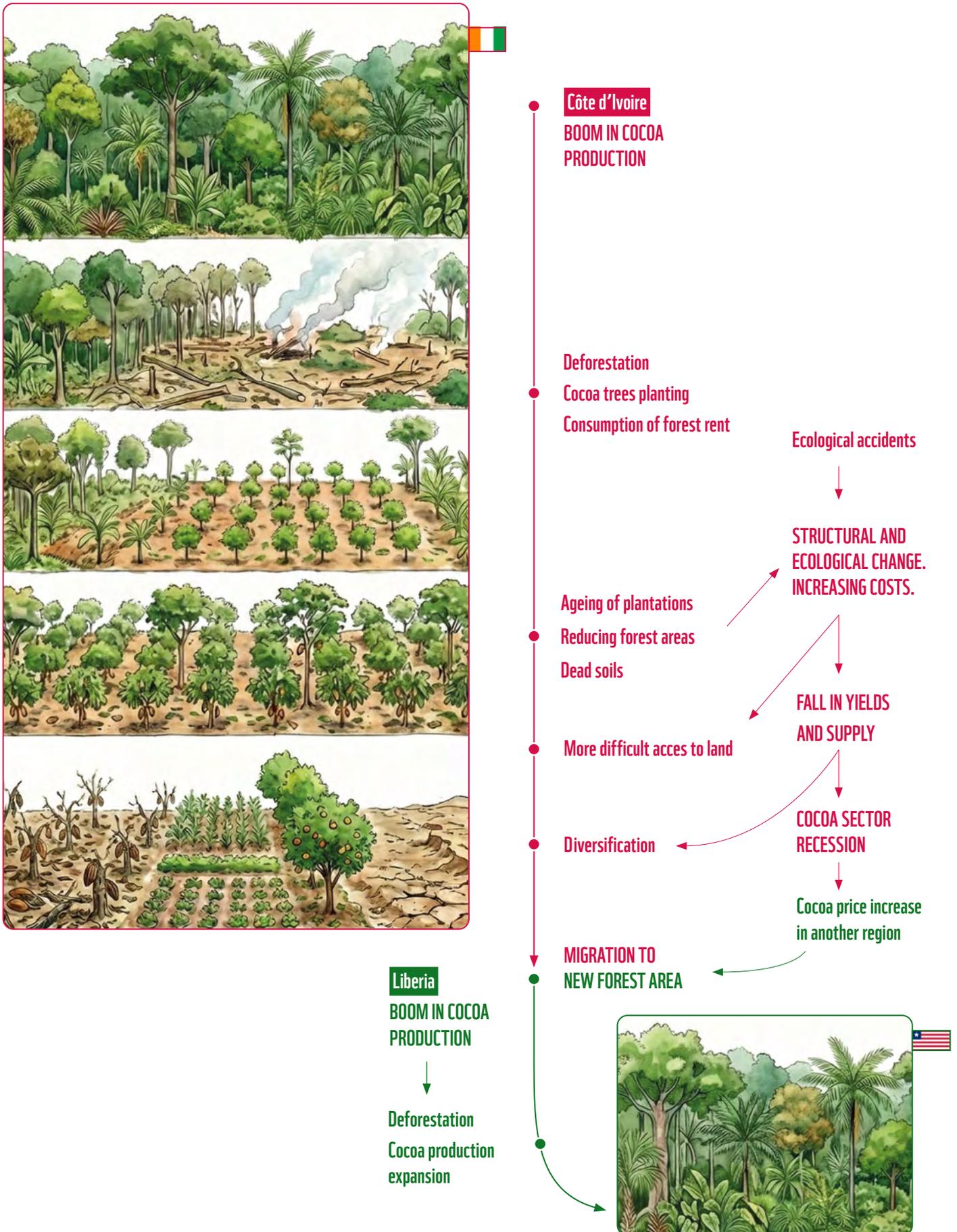
At a certain stage, once the forest rent has been consumed, replanting on depleted soil becomes too challenging and costly. Many farmers then migrate in search of new forest areas to exploit, perpetuating the cycle of forest clearing driven by the pursuit of forest rent.<sup>11</sup>

**Therefore, cocoa cultivation has historically been—and continues to be—grounded in deforestation under its business-as-usual model.** François Ruf has developed in 1983 an economic model named the Boom-and-Bust cycle that incorporates the pursuit of forest rent, highlighting that cocoa cultivation inevitably leads to the continual shifting of production zones at the expense of forests.<sup>12</sup> Consequently, **a country can only remain a major cocoa producer by constantly shifting its area of production, leading to more forests being cleared.**

*Farmers take advantage of what François Ruf calls the “forest rent”—the economic benefit derived from recently cleared forests. Cocoa plantations can then be established easily and with relatively low initial investment cost.*

# Understanding the Boom-and-Bust cycle

This diagram offers a simplified view of the Boom-and-Bust Cycle conceptualized by François Ruf<sup>13</sup> and adapted by WWF. It uses Côte d'Ivoire and Liberia as illustrative examples to explain the concept.



In conclusion, the Boom-and-Bust cycle highlights that fluctuations in cocoa prices, combined with business-as-usual cocoa production leading to soil exhaustion, will inevitably drive further deforestation. Consequently, isolated corporate measures aimed solely at increasing income or improving field productivity—while positive in themselves—cannot prevent forest encroachment.

As long as forests continue to provide an economic opportunity for local populations seeking livelihood, deforestation will persist.

**Only through substantial investment in forest-dependent communities, the effective enforcement of protective regulations such as the EU Deforestation Regulation, and the adoption of regenerative cocoa production practices can this dynamic be sustainably reversed.**

*The Boom-and-Bust cycle highlights that fluctuations in cocoa prices, combined with business-as-usual cocoa production leading to soil exhaustion, will inevitably drive further deforestation.*



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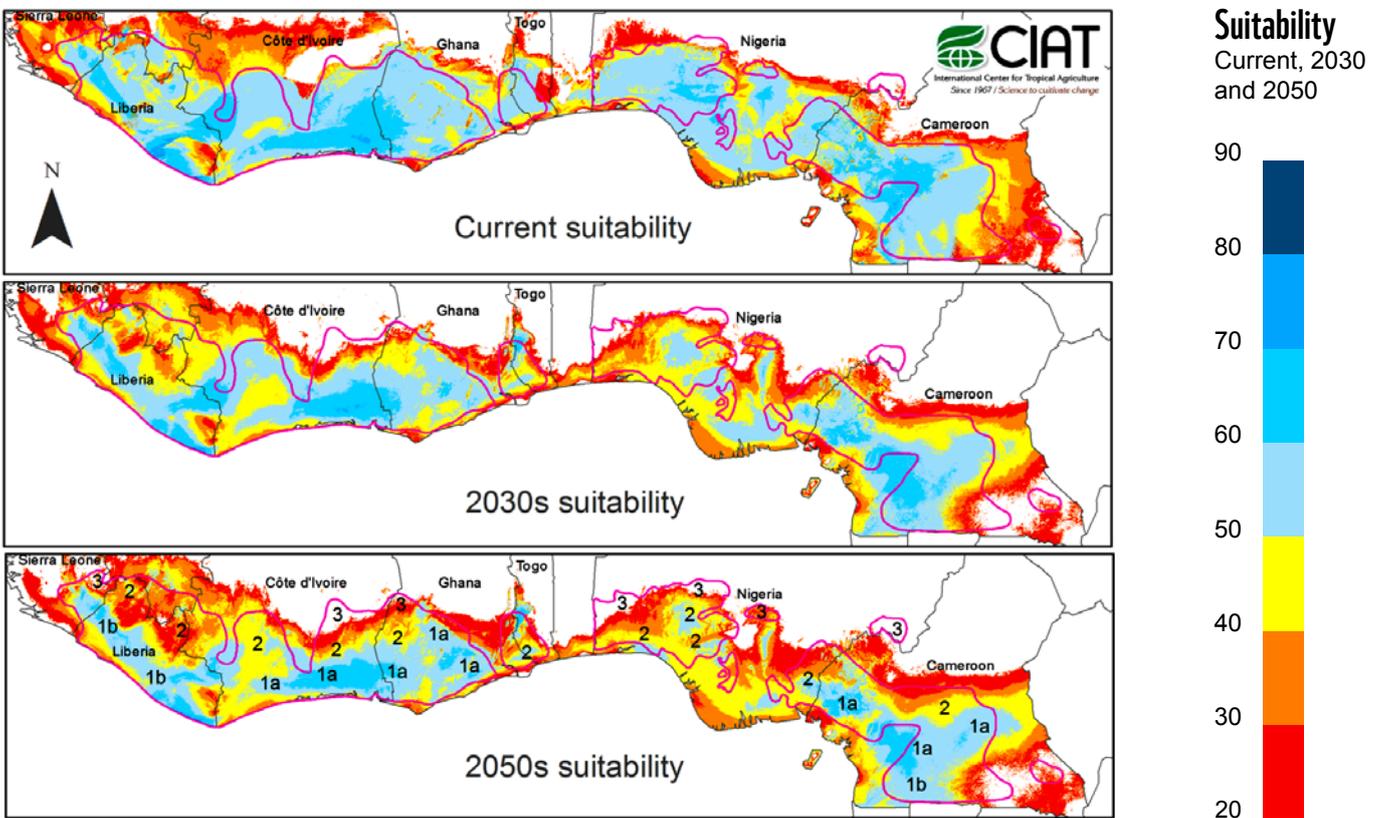
## CLIMATE: THE GREAT AMPLIFIER

Climate disruption is not only threatening cocoa yields—it is also intensifying deforestation pressure. Rising temperatures and shifting precipitation patterns are making traditional growing zones less viable. Over the next 25–30 years (figure below), the amount of land suitable for cocoa cultivation is expected to shrink significantly.<sup>14</sup> As suitable zones shift, pressure to convert forested areas into new cocoa farms is likely to intensify. This will reshape cocoa-growing zones in West Africa—posing risks not only to global cocoa supply and national

economies, but also to farmer livelihoods and remaining forest ecosystems.<sup>15</sup>

Worse still, this creates a vicious cycle: deforestation reduces the forest’s ability to store carbon and regulate local climates, which in turn accelerates climate change. In this snowball effect, climate change becomes both a driver and a consequence of forest loss, compounding the environmental and social challenges faced by cocoa-producing regions.

### Projected Impacts of Climate Change on Cocoa Growing Areas in West Africa<sup>16</sup>



## HISTORY REPEATS ITSELF: FIVE CENTURIES OF FOREST LOSS

Côte d'Ivoire offers a striking illustration of how Cocoa Boom-and-Bust cycles have played out globally over the past several centuries. Over the past six decades, this country has lost roughly 94% of their forests, respectively—37% of it linked to cocoa.<sup>17</sup>

Over the long term, major production booms like those of the 1980s and 1990s in Côte d'Ivoire contributed to global oversupply, which in turn depressed cocoa prices for nearly two decades.<sup>18</sup> As incomes declined and plantations aged, farmers sought higher yields by clearing new forest areas, deepening the deforestation trend.

A shorter-term example occurred during the 1983/84 season, when a severe drought and widespread plantation fires in Côte d'Ivoire triggered large-scale migration toward the forested southwest. In response, the country managed to raise cocoa producer prices, which fueled a new cocoa boom and ultimately accelerated the conversion of forested land.<sup>19</sup>

Today, this cycle is repeating itself. In the 2020s, land scarcity in Côte d'Ivoire has already pushed migrants across the Cavally River into Liberia. The surge in cocoa prices in 2024 has only intensified this shift, further threatening remaining forest frontiers.<sup>20</sup>

## WHICH FOREST COMES NEXT?

Deforestation has historically been inherent to cocoa production, embedded within a self-reinforcing cycle of forest exploitation, yield decline, and market volatility. From 16th-century Central America to present-day West Africa, Cocoa Boom-and-Bust cycles have repeatedly driven producers to expand into forest frontiers in search of forest rents. While deforestation as a public concern may seem relatively recent, the Boom-and-Bust phenomenon has been shaping landscapes since 1983. The cocoa Boom-and-Bust cycle,

This dynamic also unfolds at the regional level. In Côte d'Ivoire, cocoa production has moved progressively from Agnibilekrou to Oumé and Gagnoa, then to Soubré, San Pedro, Grand-Béréby, and most recently northward to Man and Danané.<sup>21</sup>

Ghana provides another striking example. After 25 years of recession, the cocoa sector hit its lowest point during the 1983 fires, which destroyed large areas of farms in the eastern and central regions. Following this, a global policy shift led to increased prices paid to producers, triggering a revival of the cocoa industry between 1985 and 1990. This resurgence was accompanied by a massive migration westward, which in turn caused massive deforestation.<sup>22</sup>

A similar scenario unfolded in Indonesia in the 1990s, where rising cocoa prices in local currency encouraged mass migration to the hills of Sulawesi, triggering rapid deforestation.<sup>23</sup>

**The pattern originated in Central America during the 16th century, with cocoa booms in Tabasco, Soconusco, Zapotitlán, and the provinces of Mexico, Guatemala, and Nicaragua.<sup>24</sup> Over the centuries, cocoa production successively migrated across continents—from Central to South America, to Africa and Asia—before returning again to West Africa and Latin America.<sup>25</sup>**

*New deforestation fronts are emerging now, and immediate, transformative action is required to safeguard the remaining forests.*

along with the many examples presented here, underscores a critical reality: new deforestation fronts are emerging now, and immediate, transformative action is required to safeguard the remaining forests.

# CURRENT REALITY AND HOW TO ACT

## THE FUTURE IS A LONG PAST: WHERE FORESTS WILL FALL NEXT

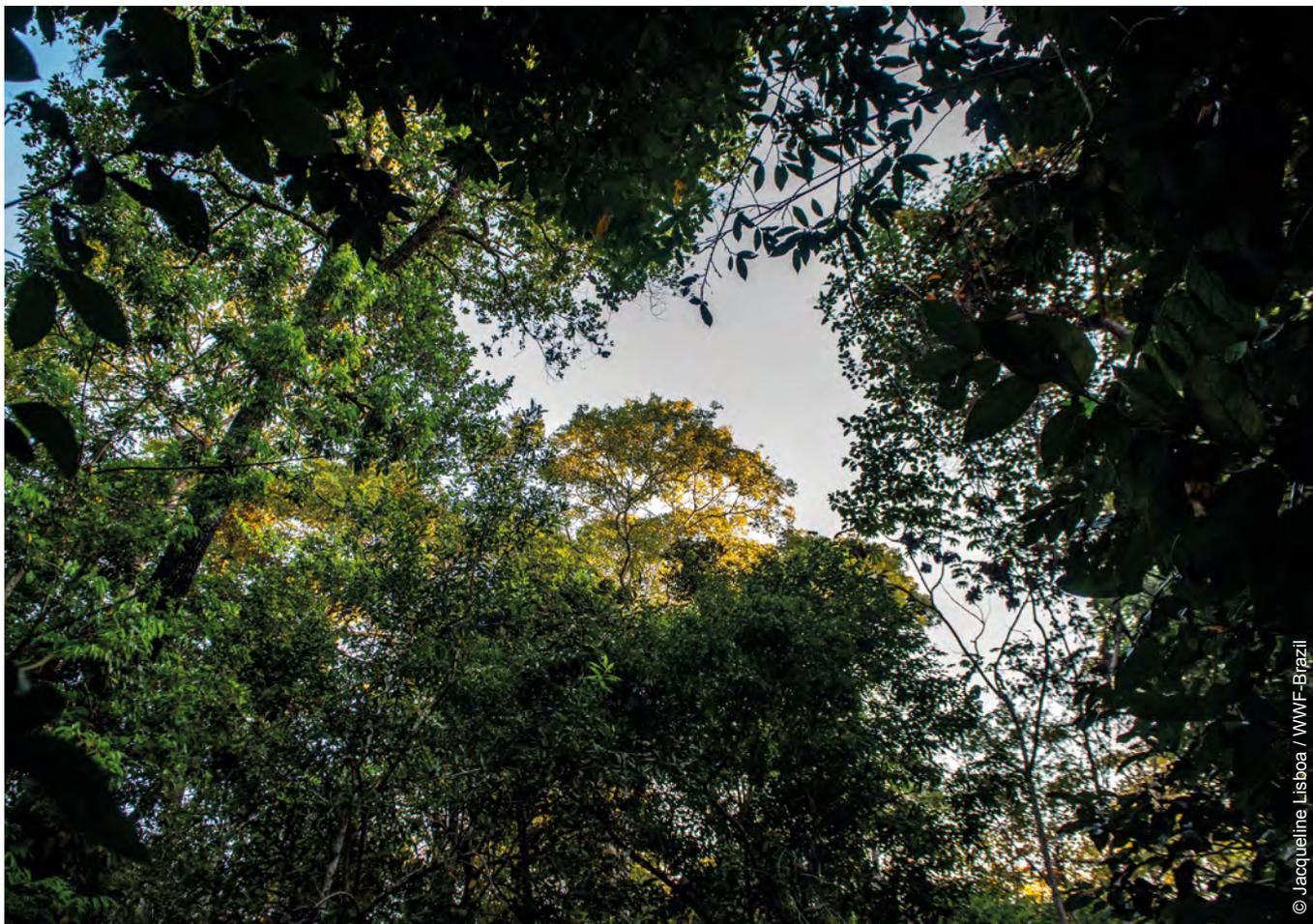
Yield dwindles, along with forest resources in Côte d'Ivoire and Ghana, and is coupled with an increased demand and higher prices.

These conditions create powerful incentives to convert forested areas into farmland rather than rehabilitate existing plots.

As a result, new cocoa-driven deforestation fronts are emerging across Latin America, Asia, and parts of Africa—including Liberia, Nigeria, and the Congo Basin—where forests remain relatively abundant and governance frameworks can be comparatively weaker.<sup>26</sup>

Without sustainable land-use planning, these emerging frontiers risk replicating the Boom-and-Bust cycles already witnessed in Côte d'Ivoire and Ghana and will become the next major deforestation hotspots.

Although the examples below focus on Africa, similar patterns are emerging in Asia and Latin America.



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## LIBERIA: THE HEART OF THE UPPER GUINEAN FOREST

The Upper Guinean Forest of West Africa is one of the world's most critical ecosystems. Identified over two decades ago as a 'global biodiversity hotspot', it is known for its exceptional levels of endemic species but, unfortunately, is also experiencing extensive habitat loss. This unique forest system stretches from southern Guinea through Sierra Leone, Liberia, Côte d'Ivoire, Ghana, and into southwestern Togo.<sup>27</sup>

Originally dense and deciduous, large portions of the Upper Guinean Forest have been degraded, fragmented, or lost over decades of human activity. These impacts are particularly visible in off-reserve areas across Liberia, Côte d'Ivoire, and Ghana. Yet Liberia stands out: it harbors approximately 50% of the remaining dense forest in the entire Upper Guinean

region. This makes Liberia not only ecologically significant but indispensable to any serious conservation or climate strategy for West Africa.<sup>28</sup>

Liberia's forests are exceptionally rich in biodiversity, providing habitat for several endangered species, including the pygmy hippopotamus, western chimpanzee, and red colobus monkey.<sup>29</sup> In addition to their ecological value, these forests act as a vital carbon sink, playing a crucial role in regional and global climate change mitigation.

Beyond their ecological importance, these forests are deeply interwoven into the lives of thousands of forest-dependent communities, providing food, traditional medicine, and economic opportunities.<sup>30</sup>



**According to Global Forest Watch, between 2021 and 2024, Liberia is estimated to have lost 2.52 million hectares of tree cover, representing 27% of its total forest cover in 2000.**

**Over the period 2001 to 2020, approximately 15% of the deforestation was directly linked to cocoa cultivation,** a trend closely associated with the arrival of cocoa farmers from other regions.<sup>31</sup> This movement of farmers and the establishment of initial cocoa plantations—hallmarks of classic cocoa booms—began in Liberia around 2016, with a sharp acceleration from 2019 onward. Cocoa plantations have often been established through direct forest clearing, drawing on the technical expertise of migrant workers with experience in cocoa production. These farmers typically gain access to land through a combination of informal sales and sharecropping arrangements, often outside the scope of formal land tenure systems.<sup>32 33</sup> Field surveys conducted in Côte d’Ivoire and Liberia confirm that this cross-border migration continues to intensify, driving the rapid and ongoing expansion of cocoa cultivation into Liberia’s remaining forested areas. This new expansion is rooted in large-scale migrations, particularly of Burkinabe communities settled in Ivory Coast, who now seek land and forests in Liberia.<sup>34</sup>

This pattern closely mirrors earlier cocoa booms across West Africa, particularly in Côte d’Ivoire during the 1980s, where rapid expansion led to widespread forest loss. However, Liberia’s cocoa boom carries distinct features, such as the early adoption of chemical inputs, yet follows well-established patterns from four centuries of cocoa history.<sup>35</sup>

Although Liberia’s cocoa sector is still relatively modest in scale, the combination of weak governance, rising global demand for cocoa, and large-scale migration presents a high risk for forest conversion and degradation.<sup>36</sup> As history shows, cocoa booms are notoriously difficult to contain. The repetition of yet another cycle of expansion in some of the region’s most biodiverse forests only highlights the urgent need for targeted conservation strategies and robust policy interventions to mitigate future forest loss.<sup>37</sup>

*Although Liberia’s cocoa sector is still relatively modest in scale, the combination of weak governance, rising global demand for cocoa, and large-scale migration presents a high risk for forest conversion and degradation.*



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# COCOA BOOM THREATENS CAMEROON'S FORESTS

Hosting the world's second-largest tropical forest after the Amazon, the Congo Basin—spanning Cameroon, Gabon, the Republic of Congo, the Democratic Republic of Congo, the Central African Republic, and Equatorial Guinea—covers 1.8 million hectares of primary forest.<sup>38</sup> It is home to one in five of Earth's living species, including at least 400 mammal species, 1,000 bird species, and 700 fish species. It also hosts 10,000 species of tropical plants, about 30% of which are found nowhere else on Earth. The Basin shelters many endangered animals, such as the critically endangered forest elephant and several species of great apes.<sup>39</sup> Beyond its ecological value, the Congo Basin is vital for local communities. More than 60 million people rely directly on it for food, medicine, materials, and shelter.<sup>40</sup>

Historically, deforestation rates in the Congo Basin have been relatively low. However, cocoa cultivation is now exerting growing pressure on forests, particularly in Cameroon. With favorable agroclimatic conditions and extensive remaining forest cover, the country is well positioned to attract cocoa investment. Already one of the major cocoa-producing countries, Cameroon has announced plans to triple its production by 2030.<sup>41</sup> Yet, in the absence of proportional gains in farm productivity, such a target can only be met through significant land conversion.

Since 2020, Cameroon has lost more than 781,000 hectares of forest—half of it in cocoa-growing regions.<sup>42</sup> In 2023 alone, 204,000 hectares were cleared, including 103,000 hectares of primary forest<sup>43</sup>—the highest annual loss ever recorded and a dramatic increase from just 9,970 hectares in 2003.<sup>44</sup>

The overlap between cocoa suitability and intact forest cover underscores the scale of the threat. As shown in the Figure 1, Cameroon's largest intact forest blocks are located in the South, Centre, and East regions — the same areas identified in Figure 2 as having the highest cocoa suitability. This spatial convergence confirms that cocoa-driven deforestation in Cameroon is occurring at the expense of some of the country's last remaining primary forests.

*With favorable agroclimatic conditions and extensive remaining forest cover, the country is well positioned to attract cocoa investment.*



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## Cocoa Suitability and Associated Forest Disturbance Risks in Cameroon

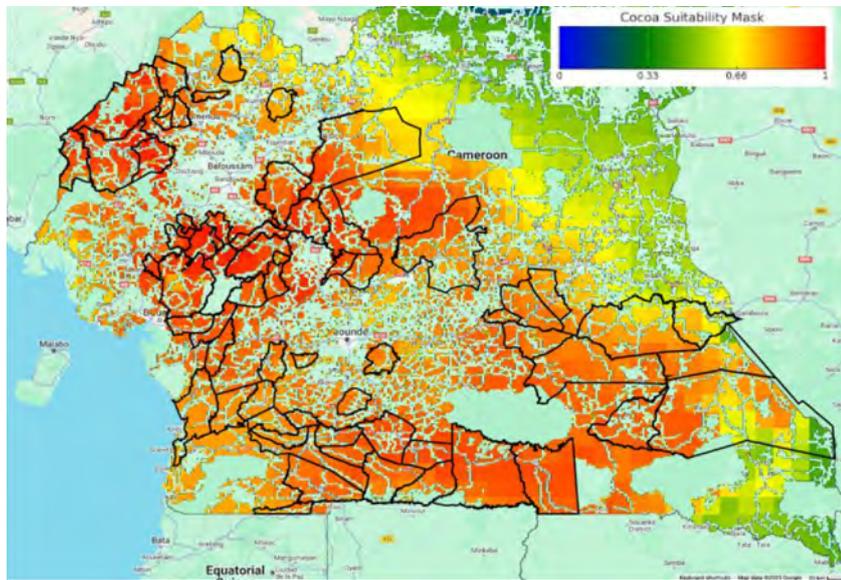


Figure 1: Cameroon districts with high cocoa suitability (score > 0.5)<sup>45</sup>

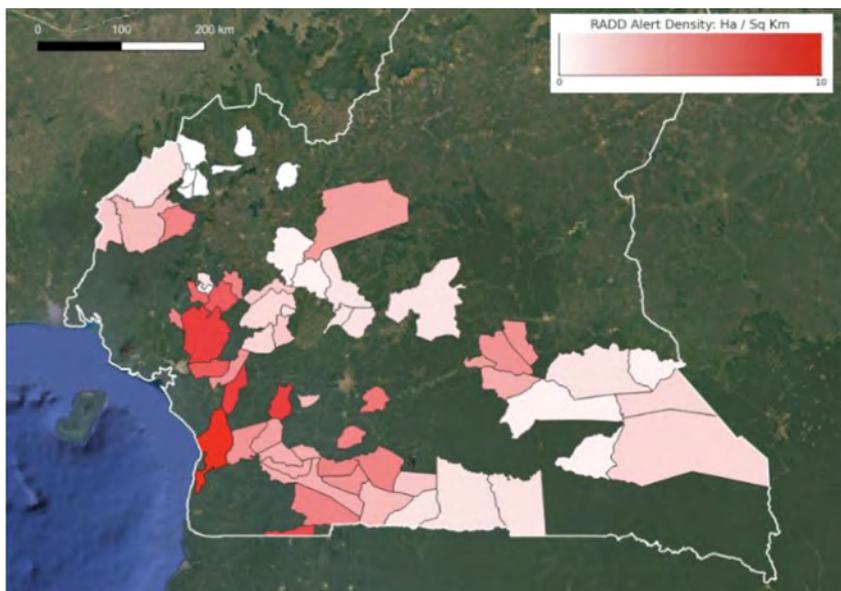


Figure 2: Deforestation Alerts in Cocoa-Suitable Areas of Cameroon<sup>46</sup>

**Liberia and the Congo Basin are now at the frontline of a familiar cocoa Boom and Bust cycles—rapid forest clearance, short-term gains, followed by decline and migration to new frontiers.**

**What happened in Côte d’Ivoire and Ghana is now repeating in one of the world’s most critical remaining tropical forest ecosystems.**

## FOREST-POSITIVE PRACTICES

In recent years, various initiatives have been launched to tackle deforestation within the cocoa sector. This section highlights punctual actions undertaken by different actors to strengthen forest protection.

### Deforestation-Free Cocoa Through Traceability and Farmer-Led Conservation

To ensure their cocoa is not linked to deforestation, the chocolate company Kaoka has established a stringent set of standards co-constructed with their producer organization partners. At the heart of this system is a robust traceability framework, fully compliant with the EU Deforestation Regulation (EUDR).

What sets Kaoka apart is the clear identification of all their producer partners and the collaborative development of strategies with these organizations, enabling precise monitoring across the entire supply chain. Kaoka also conducts thorough risk analyses tailored to each region's unique context and cocoa cultivation practices. Additionally, they work closely with agroecology research bodies to deepen their understanding and refine their approach.

A core element of Kaoka's strategy is mitigation, placing conservation directly in the hands of farmers. Kaoka's will is to raise awareness and provide training to willing growers, helping reduce deforestation risks and promote conservation-focused cocoa farming. Importantly, partner growers retain full ownership and management rights over their land, provided they comply with local regulations.

With the support of the CIAT/Bioversity Alliance, Kaoka and its partners have identified priority conservation areas and are formalizing protection through conservation agreements.

These agreements—effectively functioning as Payments for Ecosystem Services (PES)—are complemented by offset mechanisms. These management plans seek to protect and enhance local forests while limiting agricultural expansion.

Beyond this, Kaoka supports projects promoting agroforestry, soil fertility restoration, and rehabilitation of deforested areas.

Kaoka also invests in agroforestry, soil fertility restoration, and the rehabilitation of deforested land. These initiatives not only safeguard forests but also generate sustainable income opportunities. In this model, true conservation responsibility lies in a strategic farmer-led strategy, supported by Kaoka's framework of traceability, training, and payments for ecosystem services.<sup>47</sup>



## Private funds for the preservation of national parks and protected areas

Certain cocoa companies actively collaborate with national authorities by financing the preservation of national parks and protected areas. Public–private partnerships of this kind play a vital role in strengthening biodiversity conservation. These financial commitments not only support the restoration of ecosystems degraded by intensive cocoa farming but also aim to improve the living conditions of local communities, while ensuring that cocoa production remains sustainable and traceable.

In 2020, the Earthworm Foundation partnered with Nestlé, the Ivorian Ministry of Water and Forests (MINEF), and the forest development agency of Côte d'Ivoire (SODEFOR) to restore the Cavally Forest Reserve. Nestlé invested 2.5 million CHF to support the conservation and rehabilitation of the reserve. The initiatives are designed to go beyond simply protecting forests, actively involving local communities in restoration efforts and supporting their livelihoods. Phase 1 achieved the natural regeneration of 7,000 hectares and the reforestation of 1,500 hectares. Building on these results, Phase 2 was launched in 2023 with 4.5 million CHF in funding and additional partners, including Barry Callebaut. The partnership combines satellite-based deforestation monitoring with incentive-driven programs that actively engage local communities in both protecting and restoring the forest.<sup>48</sup>

According to the Earthworm Foundation, two milestones underline this progress: the upgrading of Cavally to Natural Reserve status in September 2023 and the significant increase in project funding. Satellite monitoring further confirms a steady decline in deforestation in the area.

Barry Callebaut and Nestlé showcase the actions that all companies are called to take: outside of their supply chains, conserving remaining forests and restoring areas that have already been degraded. By collaborating with producing-country governments and local communities, they set an example of

practices that should be embedded across entire supply chains. However, such efforts must be complemented by measures that prevent deforestation linked to the company supply chains, including robust traceability and monitoring systems and a transition from conventional cocoa farming—which drives deforestation—to regenerative, sustainable production models.

## Payment for Ecosystem Services, a game changer initiative for action at country level - the Costa Rica case

Private and public actors can play a pivotal role in enabling PES systems, identifying high-priority conservation areas and establish voluntary agreements with farmers. In return, farmers receive compensation—such as organic fertilizers, support for reforestation, or land rehabilitation programs—and commit to protecting and enhancing local forests.

Importantly, PES is not limited to private funding but also draws on public finance, as demonstrated by Costa Rica. By embedding the concept of ecosystem services into its Fourth Forestry Law (Law No. 7575, 1996), Costa Rica positioned itself as a global frontrunner in PES implementation (Rausch, 2022).<sup>49</sup>

In the 1940s, 75% of Costa Rica was covered in rainforests and but then experienced catastrophic deforestation to reach the bottom in 1987 with a forest cover of 21% in 1986.<sup>50-51</sup> This crisis—among the worst globally in the 1980s—was largely driven by government incentives for agricultural expansion, a growing population, and widespread forest conversion into, amongst others, cattle pasture fueled by international beef demand.

In response, the Costa Rican government reframed forests not merely as sources of timber but as providers of environmental services. It created a pioneering PES program that directly compensates landowners for the benefits their forests deliver, including carbon sequestration, biodiversity protection, watershed preservation, and scenic beauty for tourism.<sup>52</sup> Supported by a strong legal framework, this market-based



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approach has been crucial to Costa Rica’s forest recovery and has become a global reference for sustainable conservation finance.

Funding for the program comes from multiple sources: national fuel tax, water charges, Certificates of Conservation of Biodiversity, carbon credit schemes, and strategic alliances between the public and private sectors. Thanks to these efforts, Costa Rica has more than doubled its forest cover—from a historical low of 26% in 1983 to over half of its land in 2016.<sup>53</sup>

By directly linking conservation with income generation, PES offers a scalable model that both strengthens local economies and positions landowners and communities as central actors in forest protection. This initiative has already delivered remarkable results and should serve as a model for governments worldwide—whether addressing tropical rainforests or European woodlands—to reverse deforestation trends and promote resilient landscapes.

# PROTECTING ABROAD FORESTS – OUR NATURAL HERITAGE - THE TROPICAL FOREST FOREVER FACILITY (TFFF) INITIATIVE

Recognizing the interdependence of ecosystems and the urgent need to protect forests beyond national borders, both governments and private companies must commit to safeguarding forests abroad with the same determination as those at home. The Tropical Forest Forever Fund (TFFF) is a promising initiative that embodies this vision and deserves broad support.

As the largest-ever funding mechanism for forests, the TFFF aims to create a long-term financial lifeline for countries that keep their tropical forests standing. Led by the government of Brazil, it will be formally launched at the COP30 climate summit in Belém, Brazil, in November 2025.

The TFFF is structured as a blended finance mechanism designed to mobilize US\$125 billion from both public and private sources. These funds will be reinvested in a diverse portfolio to generate stable returns for investors, with the surplus directed to tropical forest countries maintaining forest cover. The facility is expected to distribute around US\$4 billion annually on a long-term basis.

Payments will be performance-based: countries will initially receive US\$4 per hectare of forest per year, with reductions if deforestation or degradation occurs. Countries with persistently high deforestation rates will not be eligible. At least 20% of the annual funding will go to Indigenous Peoples and local communities,

recognizing and remunerating them for their stewardship.

International support is already emerging. France, Norway, the United Kingdom, Germany, the UAE, and China have expressed interest, while tropical forest nations such as Colombia, Indonesia, Malaysia, and Ghana are working closely with Brazil on the facility's design.<sup>54</sup>

Still, significant challenges remain. **Heavy reliance on private finance risks exposing conservation funding to market fluctuations, potentially misaligning investor returns with ecological priorities.** Without robust human rights safeguards, social risks such as land conflicts or militarized conservation could arise. Furthermore, linking TFFF's voting power to financial contributions may give disproportionate influence on donor countries, creating imbalances that undermine equity for nations and communities with greater forest stewardship but fewer financial resources.

Despite these challenges, the TFFF represents a groundbreaking innovation in performance-based nature finance. It offers a scalable, long-term solution to shift incentives away from deforestation and toward conservation. If implemented responsibly, it has the potential to reshape global forest protection at an unprecedented scale.



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# TEN LEVERS TO SAVE COCOA & FORESTS

## Consumer countries Government

- **UPHOLD INTERNATIONAL COMMITMENTS:**  
Deliver on pledges such as the Glasgow Leaders' Declaration on Forests and Land Use, the UN CBD Global Biodiversity Framework, and the 2024 UN Forum on Forests Ministerial Declaration. Back these commitments with strong domestic measures, including robust enforcement of the EU Deforestation Regulation (EUDR) and consistent implementation across national contexts.
- **MOBILIZE LONG-TERM FUNDING:**  
Substantially increase and sustain financial resources for both EUDR implementation and forest conservation. This should include scaling up allocations within existing instruments as well as establishing new, dedicated budget lines to provide inclusive support for smallholders and vulnerable producers.
- **ADOPT A HOLISTIC APPROACH TO SUSTAINABILITY FINANCING:**  
Ensure that funding for sustainability projects integrates forest protection as a central priority. Investments should also address emerging deforestation frontiers, linking conservation with broader goals such as climate resilience, biodiversity protection, and rural development.

## Companies in the cocoa industry

- **BUILD ROBUST TRACEABILITY SYSTEMS:**  
Co-develop transparent and reliable traceability mechanisms with producer organizations, ensuring full compliance with the EUDR while capturing the specific realities of each production landscape.
- **STRENGTHEN FARMER-LED CONSERVATION AGREEMENTS:**  
Support and expand agreements with farmers to prevent any further encroachment into forests.
- **FINANCE COLLECTIVE CONSERVATION EFFORTS:**  
Provide financial support to external conservation programs and multi-stakeholder partnerships to reinforce collective action for forest protection, biodiversity, and climate resilience.
- **INVEST IN REGENERATIVE COCOA SYSTEMS:**  
Support the adoption of sustainable practices across plantations, rehabilitate aging farms to boost productivity, and convert fallow lands into nature-positive production systems that restore soil health, enhance biodiversity, and reduce pressure on forests.
- **ADOPT A HOLISTIC SUSTAINABILITY STRATEGY:**  
Address all major sustainability issues across the supply chain and apply a landscape-level approach to avoid displacing food crops into ecologically sensitive or protected areas.
- **SECURE LONG-TERM PARTNERSHIPS WITH PRODUCERS:**  
Establish stable contracts and provide sustained support to cocoa cooperatives that adopt and scale up sustainable and regenerative practices, ensuring resilient livelihoods for farmers while safeguarding forests.

## Producing Countries

- **INTEGRATE THE EUDR INTO NATIONAL STRATEGIES:**  
Embed EUDR requirements into national commodity strategies and rural development plans, ensuring alignment between forest protection, farmer support, and resilient rural livelihoods.
- **SCALE UP JURISDICTIONAL AND LANDSCAPE-LEVEL INITIATIVES:**  
Expand and institutionalize deforestation-free jurisdictional or landscape approaches within national sustainability frameworks, with targeted technical, legal, and financial support for smallholders.
- **STRENGTHEN AGRICULTURAL EXTENSION SERVICES:**  
Build the capacity of extension systems to train farmers in sustainable, deforestation-free production practices, adapted to local contexts.
- **RAISE AWARENESS AMONG SMALLHOLDERS:**  
Conduct broad and inclusive awareness campaigns to inform smallholders about EUDR requirements, sustainable practices, and available support mechanisms.
- **SECURE LAND TENURE RIGHTS:**  
Strengthen land tenure legislation and ensure effective implementation, clarifying and securing smallholders' rights to land and resources as a foundation for sustainable forest stewardship.

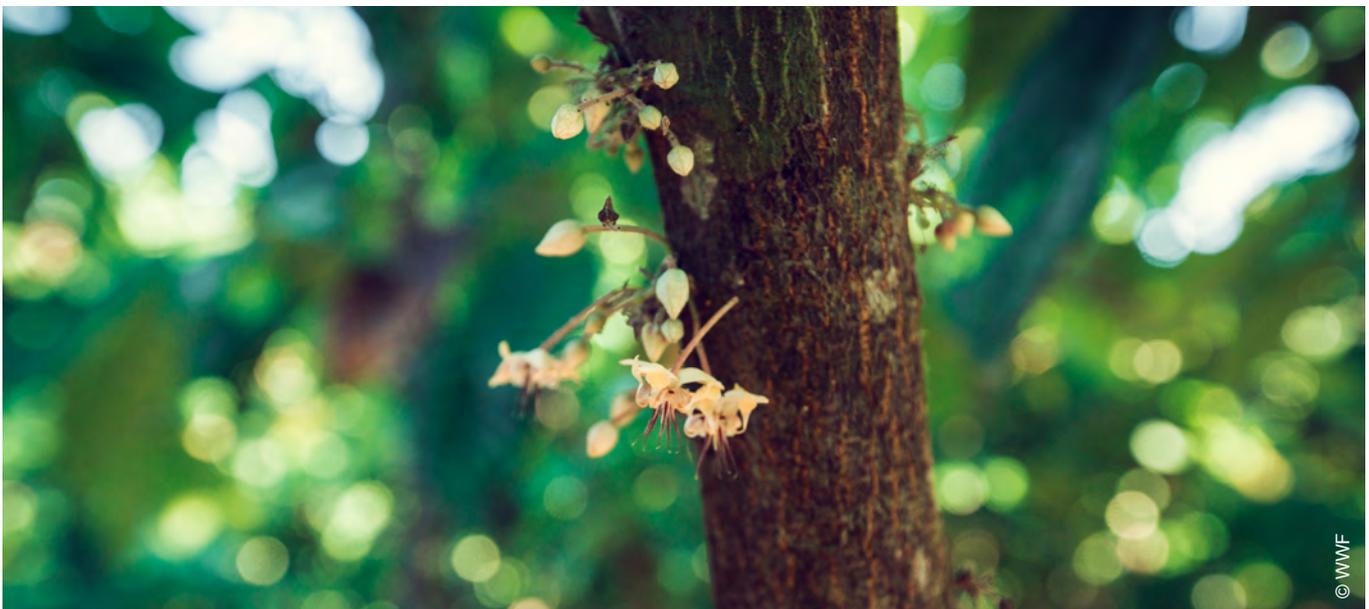
# THE TIME TO ACT: SAVING FORESTS, REDEFINING COCOA

As long as inequalities persist and social stability is not secured, the incentive to preserve forests with no direct economic value will never outweigh the incentive to cut them down. Without long-term economic support for forest conservation and restoration, forests will continue to disappear, as illustrated today by the emerging deforestation fronts in Liberia and Cameroon linked to cocoa production.

The cocoa sector must therefore reinvent itself to secure its short- and long-term future by actively contributing to forest protection and regeneration. This means creating strong economic incentives for those living at the forest frontier—local communities, smallholders, and indigenous peoples—to become guardians of the forests. Tools such as Payments for Ecosystem Services, major conservation finance initiatives, and regenerative cocoa farming can prevent forest encroachment, soil exhaustion and allow cocoa to be reborn on restored land.

Politics also has a decisive role to play. Strong and global legislation is needed to save forests, by protecting remaining forests and encouraging sustainable supply chains and fostering responsible, informed consumption. Efforts must focus on creating a virtuous cycle that links forest conservation, economic development, and social progress.

Global Forest Watch (2025) warns that to halt and reverse forest loss by 2030, annual forest loss must fall by 20% each year from 2025 levels. Reversing these trends will require action across many fronts. But ultimately, one truth remains: no matter how many strategies are designed, the only way to protect forests is to actively protect them. The time to act is now—every piece of forest that can be saved must be saved.



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