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Côte d'Ivoire cocoa reform insufficient as exporters sidestep transparency

The Ivorian government's plan to create a temporary single entity to administer its cocoa sector will not ensure transparency as long as cocoa exporters fail to publish what they pay the government and its institutions, Global Witness said today.

Today, the Ivorian government announced that it would scrap all four institutions administering the country's cocoa sector and replace them with a single entity until wider reforms are complete.

Côte d'Ivoire is the world's biggest producer of cocoa for the global chocolate industry. Global Witness has documented how revenues from cocoa have played a key role in fuelling the country's conflict since 2002.

"Côte d'Ivoire's cocoa sector has suffered from a lack of transparency and accountability for decades. Changing the number of institutions managing the sector will not solve the problem alone," said Patrick Alley, director at Global Witness. "Cocoa companies also need to do their part by publishing what they pay the Ivorian government and the institutions."

In 2007, Global Witness released a report, *Hot Chocolate: how cocoa fuelled the conflict in Côte d'Ivoire*, which showed how more than US\$118 million from the cocoa trade had funded both sides of the recent armed conflict in the country. *Hot Chocolate* also documented patterns of mismanagement of revenues, opacity of accounts, corruption and political favoritism in the cocoa sector in Côte d'Ivoire.

In June 2008, the Attorney General of Côte d'Ivoire announced that 23 employees of national cocoa institutions, some of them top officials, were being charged with fraud and embezzlement following an investigation into alleged misappropriation of funds. Most of them were arrested and remain in jail to this day.

For the past year, Global Witness has called for increasing transparency and accountability by the government and cocoa institutions, as well as by the chocolate industry.

In a welcome move in June 2008, the Ivorian government took a first step towards addressing the problem by publishing figures on the revenues generated by levies on the cocoa sector and what these revenues were spent on.

However, companies buying cocoa in Côte d'Ivoire have failed to act on calls to publish what they pay to the cocoa institutions and the government. Until industry starts making such disclosures, Ivorian citizens have no way of checking whether official figures on income from the cocoa sector are correct and no means of holding the authorities to account for their management of these revenues.

“The Ivorian government cannot do this alone. Cocoa companies have a responsibility to ensure that their own practices are transparent and that these reforms succeed,” said Alley.

The full report, *Hot Chocolate: how cocoa fuelled the conflict in Côte d’Ivoire*, is available at www.globalwitness.org

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Note to editors

Global Witness is an independent non-governmental organisation which investigates and campaigns on the links between natural resource exploitation, conflict and corruption.

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