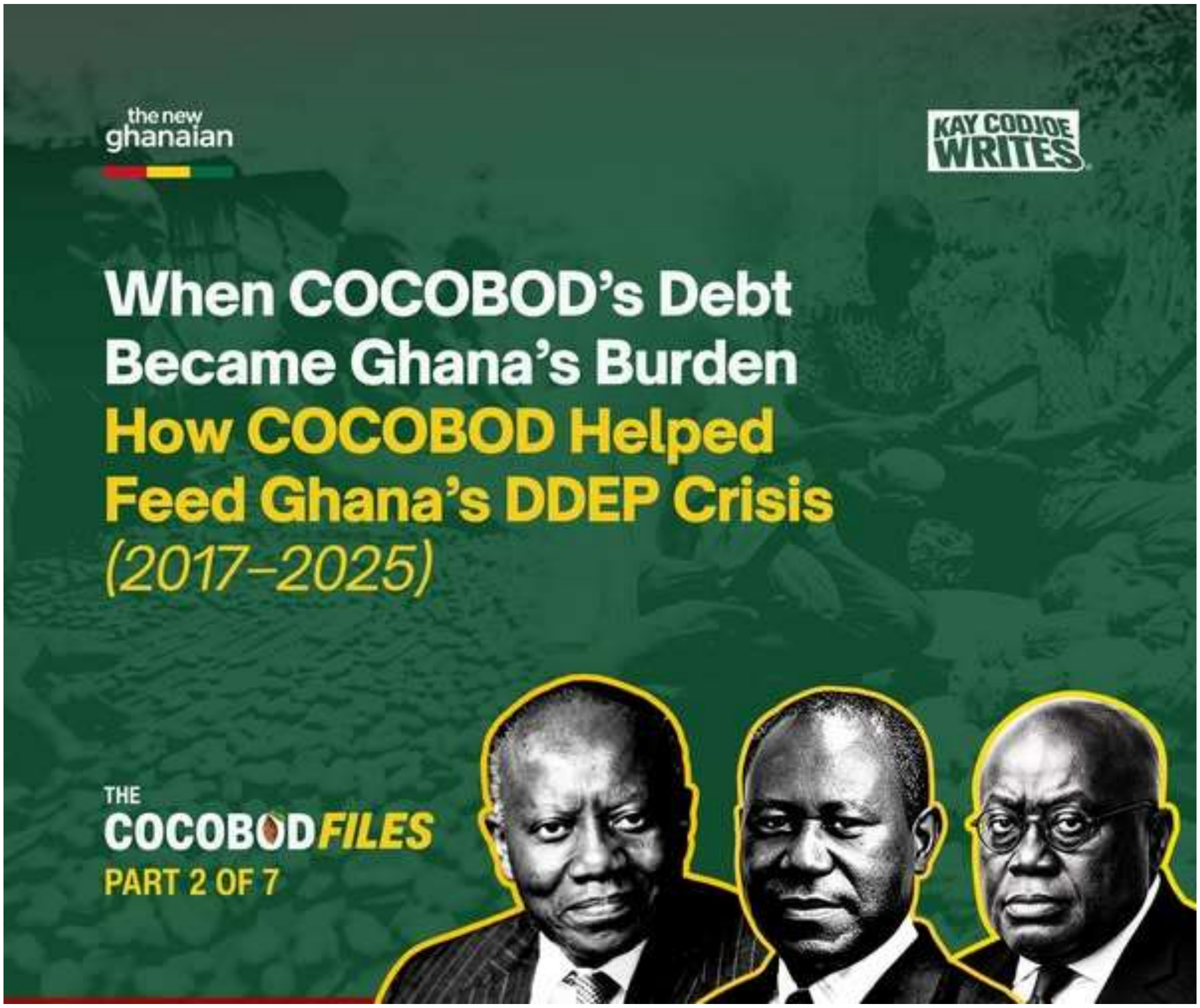

To understand the gravity of COCOBOD's debt position today, one must first understand a simple but uncomfortable truth:

The cocoa sector did not merely suffer through Ghana's Domestic Debt Exchange Programme. It formed part of the broader debt overhang that made the crisis unavoidable.

Between 2017 and 2024, under the government of President Nana Addo Dankwa Akufo-Addo, and with Joseph Boahen Aidoo serving as Chief Executive of COCOBOD, Ghana's public debt expanded sharply amid rising fiscal deficits, external shocks, heavy borrowing, and deteriorating debt servicing capacity. By 2022, the Republic had lost access to international capital markets, inflation surged, the cedi weakened dramatically, and debt sustainability collapsed.

In response, the Akufo-Addo administration, led by then Finance Minister Ken Ofori-Atta, launched the Domestic Debt Exchange Programme (DDEP) in December 2022 as part of Ghana's IMF-supported debt restructuring framework.

The DDEP required holders of government bonds and related domestic instruments to exchange them for new bonds with lower coupon rates, longer maturities, and deferred principal repayments. The programme ultimately restructured over GH¢80 billion in domestic debt.

But sovereign debt alone was not the whole story.

Embedded within Ghana’s wider domestic debt architecture were quasi-public liabilities large enough to affect the national picture. One of the most significant was COCOBOD.

For years, COCOBOD financed operations through cocoa bills, syndicated loans, and later cocoa bonds. That model was not unusual. Commodity boards borrow to finance crop purchases and seasonal flows. But borrowing remains sustainable only when tied to disciplined spending, productive output, and manageable obligations.

That discipline began to erode.

As commitments expanded across cocoa roads, engineering works, procurement contracts, and operational liabilities, COCOBOD’s debt ceased to resemble seasonal financing and began to reflect structural leverage.

By the time Ghana entered debt distress, COCOBOD’s obligations had become too large to ignore.

Current records show:

- GH¢16.18 billion in total debt obligations
- GH¢7.72 billion in cocoa bond principal
- GH¢3.46 billion in coupon obligations
- GH¢6.48 billion due in the near term
- Repayment clusters concentrated around 2025–2028

COCOBOD’s liabilities sat within the wider domestic debt pressures the Republic was forced to confront during the restructuring process.

That was the turning point.

Because it meant COCOBOD’s debt burden had grown large enough to influence Ghana’s sovereign restructuring framework.

In simple terms:

Debt accumulated inside COCOBOD had grown large enough to become part of the national debt problem.

The consequences were not theoretical.

A pensioner in Mankessim who had invested in government bonds expecting steady coupon payments suddenly found those payments deferred. His savings remained, but time had been taken from him.

A mid-sized bank in Accra, exposed to cocoa bills and government securities, tightened its balance sheet. Lending slowed. Credit to businesses shrank.

A trader who relied on that credit could no longer restock.

The ripple effects moved silently from balance sheets into households.

And within this same system sat another revealing pressure point: procurement tied to declining output.

Between 2019 and 2025, COCOBOD contracted 286,250 bales of jute sacks worth over US$253 million, including a 3 December 2024 contract for 80,000 bales valued at US$48.25 million.

Yet as of April 2025, only 91,858 bales had been received, leaving 194,392 bales outstanding, even as cocoa production declined from over 1 million tonnes to roughly 480,000 tonnes.

That is not a timing issue.

That is a structural mismatch.

A farmer arrives at a buying center during harvest season and is told sacks are unavailable. Cocoa is stored poorly. Quality deteriorates. Income falls.

A warehouse supervisor watches inventory stretch thinner each month, while records show millions of dollars in contracts already signed.

A procurement officer signs off on new orders while previous deliveries remain outstanding.

The system continues to spend.

But it stops delivering.

Now connect this to the broader debt structure.

At the same time:

- Cocoa roads commitments reached GH¢26.5 billion
- Only GH¢5.4 billion was paid
- Leaving a funding gap of over GH¢21.6 billion

Layer on debt, layer on procurement, layer on non-performance, and layer on deferred payments.

This is how the system breaks.

And when that system feeds into sovereign debt, the consequences scale.

Even after DDEP, the burden did not disappear.

It was transformed.

Short-term obligations were stretched. Coupons reduced. Principal payments deferred. But repayment pressures were pushed into the future.

COCOBOD’s bond schedule now reflects this reality, with over GH¢2.3 billion due in March 2026 and another GH¢2.3 billion in August 2026.

The burden was not removed.

It was postponed.

And postponement has victims.

A pensioner waiting longer, a bank lending less, a farmer earning less, and a contractor unpaid.

This is not abstract.

It is lived.

Which raises the unavoidable question:

If COCOBOD's commitments and liabilities had been better controlled between 2017 and 2025, would Ghana's domestic debt restructuring have needed to be as broad, as painful, or as disruptive?

That is no longer partisan.

It is historical.

Because when debt created inside one state institution grows large enough to shape a sovereign restructuring programme, that institution is no longer merely managing its books.

It is shaping the fiscal destiny of the Republic.

And that is why The COCOBOD Files matter.

Not simply because they expose problems in the cocoa sector.

But because they show how sectoral indiscipline can become national crisis.

By: Kay Codjoe