AFTER A DECADE OF SLOW GROWTH AND A CIVIL WAR CONFLICT, CÔTE D’IVOIRE IS ON THE REBOUND. THE AGRICULTURE SECTOR HAS BEEN ONE OF THE ENGINES OF THIS STRONG GROWTH. AS THE WORLD’S TOP COCOA PRODUCER, CÔTE D’IVOIRE PROVIDES MORE THAN FORTY PERCENT OF GLOBAL PRODUCTION.

To further support the cocoa sector, IFC and GAFSP have invested in a $9 million risk-sharing agreement alongside Barry Callebaut, a leading manufacturer of high-quality chocolate, to help up to 100,000 smallholder cocoa farmers in Côte d’Ivoire access credit needed to grow their production and earnings.

The risk sharing facility will also be supported by the Netherlands Sustainable Trade Initiative (IDH), a Dutch development organization. Under the agreement, IFC and Barry Callebaut will equally share the risk in the $9 million local currency-equivalent credit facility, which will help farmers purchase fertilizers and lease large equipment, such as tractors.

As farmers increase production and formalize their operations, they will establish the track records required to borrow directly from local financial institutions. The farmers are supplying cocoa to two subsidiaries of Barry Callebaut: the Societé Africaine de Cacao, and Biopartenaire, both operating in Côte d’Ivoire.

While Côte d’Ivoire leads the world in the production and export of cocoa, the country’s farmers could vastly increase their yields with improved training and access to credit. This project will help thousands of small farmers improve the quality and yield of their cocoa, thereby improving incomes.

EXPECTED RESULTS:

Through this project, up to 100,000 smallholder farmers will receive access to credit by the 2020/21 season, and an expected $24 million in benefits will be generated to smallholders as a result of this investment. By year two, participating farmers are expected to receive an income increase of 23 percent.

The project is also expected to have an appreciable impact on the agricultural value chain in Cote d’Ivoire. The risk sharing facility will also have significant small farmer reach and contribute to improving farmer incomes by increasing the quality and yield of cocoa collected over time.