SINCE THE END OF ITS CIVIL WAR AND THE FORMATION OF A NEW GOVERNMENT IN MAY 2011, COTE D’IVOIRE HAS EXPERIENCED A SWIFT ECONOMIC TURNAROUND. THE COUNTRY IS THE WORLD’S LARGEST COCOA PRODUCER WITH A RECORD OUTPUT FOR THE 2013/14 CROP SEASON OF 1.74 MILLION TONS, REPRESENTING 40 PERCENT OF GLOBAL COCOA PRODUCTION.

This project provides truck leases to up to 100 cooperatives supplying cocoa to Cargill West Africa, a subsidiary of one of the world’s largest commodity traders. The new trucks will enable the cocoa cooperatives to collect more cocoa from farmers and improve their income. It will also help the cooperatives establish and build a credit history with banks to facilitate future financing.

Cocoa collection represents the principal activity of cooperatives in Côte d’Ivoire and is the largest component in their cost structure, mainly due to the age and high maintenance needs of current truck fleets. Good quality collection trucks help to reduce the cooperatives’ costs and minimize potential losses resulting from frequent truck breakdowns. By investing in new trucks through this project, the cooperatives are expected to improve their profitability, be more competitive and use the resulting savings from their operation to improve the productivity of farmers.

The proposed project is a risk sharing facility with Société Ivoirienne de Banque (SIB) to provide leased trucks to Cargill’s supplier of cocoa cooperatives in Côte d’Ivoire. SIB is the fourth largest bank in the country in terms of loans and fifth largest bank in terms of deposits, with a network of 50 branches. SIB has a universal bank business model servicing the retail, SME and corporate segments.

COTE D’IVOIRE: Speeding up the cocoa sector

$4 million investment to provide leased trucks to cocoa cooperatives in Cote d’Ivoire

EXPECTED RESULTS:

This risk sharing facility with SIB will cover a portfolio of leases for cocoa collection trucks for up to 100 cooperatives and is expected to reach 50,000 farmers.

The project is also expected to have an appreciable impact on the agricultural value chain in Côte d’Ivoire. It is also anticipated to have significant small farmer reach and contribute to improving smallholder farmers’ income by increasing over time the quality of cocoa collected. Once successfully implemented, the project could potentially be replicated elsewhere and be used as a good role model for encouraging other financial institutions to increase lending to cooperatives.