



the sustainable trade initiative

# Making cocoa farming more sustainable and profitable through access to credit for productivity inputs

## SECTOR:



Cocoa

## COUNTRY:



Côte d'Ivoire

## PROJECT PARTNERS:

- Barry Callebaut
- International Finance Corporation (IFC), a member of the World Bank Group
- IDH

## PROJECT DURATION:

2016 - 2020

## Impact expected

Improved livelihoods and bankability of 103,000 smallholder cocoa farmers and sustainability of Barry Callebaut's business model.

**\$24m**

Benefits generated to smallholders as a result of investments

**103k**

Farmers reached by 2020/21 season

**23%**

Expected income increase for farmers at year two



All farmers in program will have savings accounts

## Financing Facility

To support the cocoa sector and help smallholder cocoa farmers in Côte d'Ivoire access needed credit, IDH, Barry Callebaut and IFC entered into a risk sharing partnership of USD 9 million to cover up to 103,000 smallholder cocoa farmers in Cote d'Ivoire by 2020.

## IDH CONTRIBUTION:

First loss risk participation up to the value of:

**USD\$1,3m**



## How It Works

**Barry Callebaut**, with support from **IFC** and **IDH**, provides in-kind credit to farmers and farmer cooperatives in the form of inputs and farm services (productivity package).



There are two types of packages; the basic package will provide training in areas like pruning and crop protection and the second advanced package additionally provides fertilizers to professional and

credit worthy farmers, with trees under 20 years of age. Both packages will be supported by on-farm individualized coaching through Barry Callebaut's accredited agents trained on business management, agronomy and adult education. To receive the productivity package on credit, farmers are assisted in opening a bank account where they are required to save part of the package value up-front. The accounts are opened at Advans, one of the leading microfinance institutions (MFIs) in West Africa.

This combined plan will empower farmers after a few successful years, transforming them into entrepreneurs with a positive operational, financial and profitability track record; and thus become bankable, making it possible for local financial institutions to provide loans directly to farmers, a giant leap forward for cocoa farm financing.

## More info?

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