Early Warning System

FMO-61529

SUCAFINA BRASIL INDUSTRIA, COMERCIO E EXPORTACAO LTDA

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Quick Facts

Countries	Brazil
Specific Location	Uninformed
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-08-12
Sectors	Agriculture and Forestry
Investment Type(s)	Fund, Loan
Investment Amount (USD)	$ 29.50 million
Loan Amount (USD)	$ 29.50 million
Project Cost (USD)	$ 29.50 million

Project Description

WHO IS OUR CLIENT

Sucafina is a multinational coffee merchant, founded in 1977 and based in Geneva, Switzerland. The company is active across the coffee value chain ranging from farming to roasting and has the vision to be the Leading sustainable farm to roaster coffee company in the world by 2025.

FUNDING OBJECTIVE

FMO will take an unfunded risk participation in a sustainability linked borrowing base facility, made available and arranged by Rabobank for Sucafina. The company will utilize the proceeds of the loan to fund sales of coffee to eligible buyers, purchase of coffee from eligible suppliers (including prepayments) and to finance warehousing and fobbing costs. Part of the loan proceeds will also be earmarked for covering margin calls.

WHY WE FUND THIS PROJECT

With this facility, Sucafina will be able to further expand its origination activities in Brazil and Colombia and thereby provide more direct support to coffee farmers. Through its sustainability activities, including the Farmer Hub initiative, Sucafina wants to increase the number of smallholder farmers reached globally from ~170,000 to 350,000 in 2025 and assist them with growing specialty coffees, diversifying into other crops and access to banking services and markets. FMO is closely supporting the Farmer Hub initiative through its capacity development program.

ENVIRONMENTAL AND SOCIAL RATIONALE

The E&S category is B+ (not changed since previous investment), due to largely reversible impacts, which can be mitigated through good management practices and Good International Industry Practice. Relevant IFC PS are 1 thru 4. The Company's assets are mainly primary processing units, warehouses and washing stations. PS 5 is not relevant since there is no ownership of farms and/or acquisition of large tracts of land. PS6 is not relevant because operations are not in or near HCV areas or Ramsar sites. The same applies to PS 7 and 8.

Investment Description

- Netherlands Development Finance Company (FMO)

Contact Information

FMO

ACCESS TO INFORMATION

As part of FMO’s ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl.

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism.