

 Early Warning System

IFC-36202

CHO Tunisia

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

### Quick Facts

<b>Countries</b>	Tunisia
<b>Financial Institutions</b>	International Finance Corporation (IFC)
<b>Status</b>	Active
<b>Bank Risk Rating</b>	B
<b>Borrower</b>	CHO COMPANY SA



This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

## Project Description

### PROJECT DESCRIPTION

The proposed IFC investment comprises an A-loan in an amount of up to US\$16 million, as well as a B loan of up to US\$10 million, to finance capital expenditures and working capital needs of CHO Company ("CHO" or the "Company"), a Tunisian olive oil producer and bottler established in 1996. CHO Group is the largest olive oil milling operation in Tunisia and has vertically integrated operations, from orchards and olive fields to mills, refineries, accredited laboratory, and state of the art packaging facilities. The core business of CHO is to sell various grades of olive oil and by-products of olive oil processing: 1) virgin olive oil (both bio certified and non-certified, representing approximately 20% certified), filtered and bottled or sold in bulk; 2) refined oil (processed from pure olive oil or extracted olive residue oil), filtered and bottled or sold in bulk; 3) biofuel from waste olive residue; and 4) household soap and liquid soap using oil refining by-product. To this end, the company purchases pressed olive oil from third-party mills (70% in 2014) as well as from its own mills (30%), and CHO exclusively relies on external farmers for olive production as the company's own orchard produces only 2% of its total olive demand. CHO activities entail: a small olive tree orchard; olive pressing at one company owned facility; olive residue pressing (both physical and chemical extraction) at two company owned sites; oil refining; bottling; soap processing; procurement of olives, oil and olive residue; warehousing/storage of oil and operation of an International Olive Council certified laboratory. Company operations are located on the Mediterranean coast near the town of Sfax, which is approximately 230 km south of the capital city Tunis. The region of Sfax is an important olive-growing zone for Tunisia and accounts for 30 percent of the country's olive crop. Company activities are conducted across multiple operational units: 1) 100 hectare site, irrigated and planted in 2011 with 22,000 trees; 2) three company-owned olive presses and currently four additional ones are rented (pressing of bio-certified and non-certified olives kept separate). Waste material from the olive press is used as an input for the extraction facilities; 3) bottling facility for extra virgin olive oil (5 production lines for filling bio certified and non-certified product) and a refinery for processing "second grade" oil and olive residue oil into an edible oil. Waste material from the refinery is used as an input for the soap processing facility; 4) and 5) physical and chemical extraction of olive residue oil at two sites (El Amra and Chrarda) to provide input oil for the refinery. Waste material from this process is transformed into a combustible material and used as a source of biofuel across the Company's operations and all surplus is exported; 6) soap processing facility to transform waste by-product from refinery into various household grade soaps and liquid soaps; and 7) bulk oil warehousing facility to centralize procurement and mixing of all types of oil prior to bottling or bulk resale for export. This site also includes a quality testing laboratory to inform procurement decisions but also to ensure consistency in quality of oil produced and sold.

### OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's environmental & social (E&S) appraisal took place from February 16th-20th, 2015, in Sfax and surroundings in Tunisia and included the following: -Meetings with CHO Company senior management, including CEO; Group Advisor and Chief Accountant; External Accountant; Chief Accountant and Human Resources; Business Development Manager; Commercial Manager; Sales & Marketing Executive, Western Europe Market Zone; Quality Manager; Environmental Manager; OHS and Security Manager; Warehouse Manager and Bulk Oil Procurement; Olive Residue Procurement; Site Manager, Olive Residue Extraction Plant at Chrarda; Site Manager, Cosmetic Production Plant; Quality Laboratory Manager; Site Manager, Bottling Plant and Refinery; Site Manager, Oil Press Plant; and Foreman, Olive Plantation. -Site visit to CHO Headquarters in Sfax including bottling unit, oil refinery, soap and cosmetics processing unit, oil warehousing and storage facility and oil quality testing laboratory; oil press located outside Sfax; olive orchard in El Aitha (Mahres-Sfax); and the Chrarda olive residue extraction plant located 70 km from Sfax: -Meetings with representatives from the Office National de l'Huile (National Oil Office)



---

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

**Investment Description**

- International Finance Corporation (IFC)



---

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

### **Contact Information**

#### ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at [CAO@worldbankgroup.org](mailto:CAO@worldbankgroup.org). You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



---

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.

**Other Related Projects**

- IFC-47721 CHO Tunisia III