Early Warning System

IFC-36210

Barry Callebaut Cote d'Ivoire RSF

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Quick Facts

Countries	Ivory Coast
Specific Location	San Pedro and Abidjan
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	A
Voting Date	2016-06-24
Borrower	SOCIETE IVOIRIENNE DE CACAO BIOPARTENAIRE
Sectors	Agriculture and Forestry, Industry and Trade

Project Description

The proposed investment involves a Risk Sharing Facility with two Barry Callebaut (BC) subsidiaries in Cote d'Ivoire: Societe Africaine de Cacao (SACO), a Barry Callebaut's subsidiary in Cote d'Ivoire and Biopartenaire (BP) which is 100% owned by Barry Callebaut; to provide non-cash lending with a short to medium term tenor by directly delivering inputs/services (fertilizers) to a large number of smallholder/farmer suppliers within BP's and SACO's partner cooperatives. Repayment of the loan will be deducted from the payment of the cocoa delivered by each farmer and cooperative. The project will also involve participation from at least one local Microfinance Institution, at which participating farmers will maintain a savings account to be used as collateral for the loan. Each borrower will be required to deposit a significant loan amount upfront in a savings account to be located at the MFI (through mobile money technology where available). This will help them establish a bankable credit history.

Early Warning System Project Analysis

The IFC review identified significant environmental and social risks typical of the cocoa sector in Côte d'Ivoire, particularly related to child labor, biodiversity loss from deforestation, supply-chain traceability gaps, and community safety risks linked to transport. People affected include smallholder cocoa farmers (typically managing 1–3 hectare plots), cooperative members, seasonal and permanent workers at SACO and BP, children in cocoa-growing communities vulnerable to child labor, and surrounding communities exposed to road safety risks. Mitigation measures focus on certified and traceable sourcing, child labor monitoring and remediation systems, farmer training on good agricultural and environmental practices, biodiversity protection through geo-localisation of farms, improved labor standards and grievance mechanisms, and strengthened environmental and social management systems under IFC Performance Standards 1, 2, 4, and 6, although residual risks remain where cocoa is sourced outside certified supply chains.

People Affected By This Project

The project negatively impacts smallholder cocoa farmers and farm workers who face ongoing risks related to child labor, occupational health and safety hazards, and limited oversight in non-certified and non-traceable parts of the supply chain. Children in cocoa-growing communities remain particularly vulnerable to child labor risks, especially where monitoring and remediation systems are still being established. Local communities may also be affected by increased road safety risks from cocoa transport and logistics activities, while forest-dependent communities and the wider public face indirect negative impacts from biodiversity loss and deforestation linked to cocoa production in areas that are not yet fully traceable or certified.

Investment Description

- International Finance Corporation (IFC)

Private Actor Relationship

Barry Callebaut AG is the parent company and global chocolate and cocoa manufacturer. Société Africaine de Cacao (SACO) is Barry Callebaut's main cocoa processing subsidiary in Côte d'Ivoire, responsible for sourcing cocoa from cooperatives and processing it locally. Biopartenaire is part of the Biolands Group, which is wholly owned by Barry Callebaut, and functions as a direct sourcing and farm services arm that works with farmers and village coordinators to supply sustainably certified cocoa to SACO and the wider Barry Callebaut supply chain.

Private Actors Description

Barry Callebaut AG

Headquartered in Switzerland, Barry Callebaut AG is the world's leading manufacturer of chocolate and cocoa products. The company is fully vertically integrated, covering the entire value chain from sourcing cocoa beans to producing semi-finished products and liquid and molded chocolate for the global food industry.

Société Africaine de Cacao (SACO)

SACO is Barry Callebaut's main cocoa processing subsidiary in Côte d'Ivoire, headquartered in Abidjan. It operates two cocoa processing facilities in San Pedro and Abidjan and sources cocoa primarily from partner cooperatives, Biopartenaire's network of registered farmers, and other local suppliers. SACO does not own cocoa farms and processes most of the cocoa it procures locally, with the remainder exported.

Biopartenaire (BP)

Biopartenaire is a direct sourcing and farm services entity operating in Côte d'Ivoire and Tanzania and is part of the Biolands Group, which has been wholly owned by Barry Callebaut since 2014. It works directly with farmers and village coordinators to source sustainably produced cocoa, providing training, professional services, agricultural inputs, and support for certification, and is certified under UTZ and Rainforest Alliance standards.

Contact Information

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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. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/

Bank Documents

- Project Information