Early Warning System

IFC-36815

Ecom Corp Loan

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Quick Facts

Countries	Brazil, Ecuador, Ghana
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	A
Voting Date	2016-03-31
Borrower	ECOM Agroindustrial Corp. Limited
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Loan Amount (USD)	$ 50.00 million

Project Description

It is proposed that IFC provide up to $50 million to ECOM Agroindustrial Corp. Ltd. (“ECOM” or the “company”), an existing IFC client, for capital expenditure in Brazil (from where coffee and cotton is sourced), Ghana (cocoa) and Ecuador (also cocoa) and permanent working capital for general purposes, including providing financing to small holder farmers. The proposed investment would enable ECOM to: i) strengthen its balance sheet with permanent working capital; ii) support its ongoing efforts to further vertically integrate from its coffee and cocoa sourcing operations into midstream operations (e.g. coffee wet mills and cocoa processing plants); and iii) continue to invest into improving its sustainable (traceable/certified) supply chain practices.

IFC has had a long association with ECOM. Investments in 2006 (project #24433), 2008 (#26705), and 2010 (#29005) provided corporate loans to finance advances/provide long term loans to ECOM coffee suppliers in Central America. In 2012 (#30789) IFC also provided a $50 million C Loan to ECOM to allow the company to increase the amount of working capital, and support ECOM’s internal financing needs. In 2015, a $30 million credit facility (#33969) was jointly approved by IFC, IDB and Starbucks for long-term funding for coffee producers in Nicaragua to renovate farms affected by coffee rust.

Investment Description

- International Finance Corporation (IFC)

Private Actors Description

ECOM is a leading commodity trader incorporated in Switzerland with operations in 40 countries in Africa, Asia, Europe, Latin America and the United States. ECOM operates in sectors that are dominated by smallholder farmers and provides short-term loans for seasonal credits to its coffee and cocoa suppliers and selectively long-term loans for productivity and certification related investments. The Group is a significant player in the global coffee, cocoa and cotton trades.

ECOM was founded in Barcelona, Spain in 1849 by the Esteve Family, which still owns 94% of the Company with the balance held by the senior management.

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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/