

The Ghanaian counter-example: the Cocobod syndicated loan

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Not all resource-backed financing is opaque. Ghana's cocoa board, Cocobod, has every year since the 1992–1993 season taken out a syndicated loan from international banks to finance the purchase of beans from growers, repaid as the season's exports proceed. The facility reached USD 1.3 billion for the 2020–2021 season and then USD 1.13 billion for the thirtieth transaction, in 2022–2023, with European, African and Asian banks, including banks active in Geneva.¹ This facility, publicly announced, lasting a single season, secured by forward sales contracts and repaid before the following season, has the characteristics that oil prepayments lack: publicity, short maturity, security over an identified harvest and participation by a broad syndicate.

The cocoa crisis of 2024–2026 nevertheless showed the limits of this model. Faced with poor harvests and forward contracts concluded at prices that had become loss-making, Cocobod broke a thirty-two-year cycle in 2024–2025 by financing its purchases from its own resources. In August 2025 it confirmed that it would not take out a syndicated loan for the 2025–2026 season either, citing the global shortage of beans and the cost of the transaction. The delays in paying growers that followed fuelled smuggling to neighbouring countries.² For Geneva's banks and traders, the episode teaches that even the most transparent secured financing depends on the harvest and the price, and that a public board exposed to poorly hedged forward contracts can default towards its growers before it defaults towards its banks.

1 Notes

1. Cocobod, "Cocobod signs US\$1.3 billion syndicated loan facility for 2020/2021 crop season", cocobod.gh; "Cocobod Signs \$1.13 Billion 30th Annual Cocoa Syndicated Loan", The Cocoa Post. ↩

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2. “COCOBOD breaks 32-year loan cycle with decision to buy 2024/2025 season cocoa with own funds”, Graphic Online; “COCOBOD clarifies: No syndicated loan for 2025/2026 cocoa season”, citinewsroom.com, 4 August 2025. ↩

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