



G8 Cooperation Framework to support

# The New Alliance for Food Security and Nutrition in Benin



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**NEW ALLIANCE**  
for Food Security & Nutrition

## **G8 Cooperation Framework to support the New Alliance for Food Security and Nutrition in Benin**

Four years after the G8 Summit in L'Aquila, Italy, the international community recognises the importance of food security in achieving development, inclusive economic growth and the dignity of all women and men. In that spirit, the G8 member nations welcome the success of the Comprehensive Africa Agriculture Development Programme (CAADP) in demonstrating African ownership and leadership, its call for expanded public and private investment in agriculture and its desire to build on the progress that African governments have made in advancing a vision for agricultural development in Africa.

Benin's Growth Strategy for Poverty Reduction (SCRIP), drawn up for the period 2011-2015, aims to increase economic growth in order to expedite the realisation of the Millennium Development Goals (MDGs). The overall objective of the 2011-2015 SCRIP is to improve people's quality of life. The government is determined to press ahead with reforms to diversify the economy and increase the growth rate to 7.5% by 2015.<sup>1</sup> One of the priority growth areas is the agriculture sector, targeted with a view to ensuring food and nutrition security.

The Strategic Plan to Revive the Agricultural Sector (PSRSA) was drawn up and adopted in 2011 through a participatory process. This involved the full range of actors from the food and nutrition sub-sector who are committed to realising the vision to 'make Benin a dynamic agricultural power that is competitive, respects the environment, creates wealth and meets the economic and social development needs of the people by 2015'.

The PSRSA's overall objective is to 'improve Benin's agricultural performance so that it is able, in a sustainable way, to ensure food sovereignty for the population and to contribute to the economic and social development of Benin, the achievement of the Millennium Development Goals (MDGs) and poverty reduction'.

One of the fundamental guiding principles for the implementation of the PSRSA is the establishment of public-private partnerships for agricultural development. Accordingly, a National Agricultural Investment Plan (PNIA) has been drawn up. The PSRSA focuses on the development of 13 agricultural sectors.

In the food and nutrition sector, reforms carried out in 2007 led to the creation of the Strategic Plan for Food and Nutrition Development (PSDAN) and its Results-based National Programme for Food and Nutrition (PANAR). These are led and coordinated by the National Council for Food and Nutrition (CAN), which is chaired by the President of the Republic.

The overall goal is to put nutrition at the heart of development and increase the visibility of the sub-sector's contribution to creating wealth and achieving the Millennium Development Goals.

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<sup>1</sup>Republic of Benin (2011): *Stratégie de Croissance pour la Réduction de la Pauvreté* (SCRIP 2011 -2015).

All the above-mentioned strategic documents require the active participation of all actors, in particular, the public sector, local authorities, professional farming organisations, academic centres for learning and research, non-governmental organisations (NGOs), civil society and the private sector.

The New Alliance for Food Security and Nutrition represents the commitment of the Government of Benin and the G8 member states to work together towards this model of inclusive collaboration in order to increase private investment in the agricultural sector, encourage innovation, deliver sustainable food security and nutrition outcomes, create wealth and end hunger.

As partners, the parties involved mutually commit to the principles and actions outlined below.

### **Support for the Strategic Plan to Revive the Agricultural Sector and the Strategic Plan for Food and Nutrition Development**

The G8 member states, in line with commitments made in L'Aquila, reaffirm their intention to align their financial and technical support in the agricultural sector with: (1) the priorities of the PSRSA and its PNIA, as the national implementation framework of the Comprehensive Africa Agriculture Development Programme (CAADP), and (2) the PSDAN and its Results-based National Programme for Food and Nutrition (PANAR). Consistent with the foregoing, the G8 members recognise the value of the predictability of donor aid, including financial and technical support over a sustained period of time, as set out in Annex 2.

The G8 members intend to provide support within the agriculture sector to accelerate implementation of the PSRSA/PNIA and PSDAN/PANAR, in particular through the Grow Africa platform, with the overall goal of promoting greater private investment and scaling up innovation. The G8 members intend to engage their relevant government agencies and also bring to bear appropriate enabling actions to accelerate progress in the areas of finance and markets, science and technology and risk management. To address the underlying causes of food insecurity and malnutrition, the G8 members intend to focus key resources and other contributions on high-priority, high-impact investments under the PNIA and, in particular, on the development of 33 communes in Benin that are severely affected by food insecurity, as well as other communes where pockets of food insecurity exist.

### **Key policy commitments**

Benin is a party to commitments made by the Heads of Government at the world summits on food and nutrition and the Millennium Development Summit. The Government of Benin intends to pursue the policy goals set out below in order to build domestic and international private sector confidence and thereby significantly increase agricultural investment, with the overall goal of reducing poverty and ending hunger.

The commitments will be delivered by: (i) improving the business climate and dialogue with local and international investors; (ii) continuing and completing the structural reforms undertaken; (iii) adopting and implementing development taxation; and (iv) facilitating access to credit.

In terms of the agricultural sector, commitments focus on: (i) promoting agricultural entrepreneurship and increasing the professionalism of the actors involved; (ii) implementing 'added-value chain' approaches to promote agricultural sectors; (iii) pressing for investment by the state and its partners to establish the infrastructure, logistics and support needed to ensure the competitiveness of the agribusiness sectors in question; and (iv) implementing the strategy to diversify agricultural products (Annex 1).

Regarding the food and nutrition sector, the Government of Benin intends to: (i) strengthen the institutionalisation of the food and nutrition sector; (ii) guarantee that all citizens have a satisfactory nutritional status by implementing the Results-based National Programme for Food and Nutrition (PANAR).

The Government of Benin reaffirms its intention to provide the necessary human and financial resources and the mechanisms for dialogue: (1) with the private sector through the effective implementation of the priority measures recommended by the Round Table on Public-Private Dialogue; (2) with farmers and other stakeholders; and (3) across government ministries. This is essential to achieve tangible and sustainable outcomes in terms of people's wellbeing.

### **Private sector engagement**

Partnership working is needed to achieve the goals set out in the PNIA and the PANAR. For this reason, farmers and their organisations, the private sector and civil society organisations have committed to collaborate effectively with the government on implementing actions and initiatives that will considerably impact on reducing poverty in the country and improving the nutritional status of the population. Specifically, private sector representatives have signed letters of intent stating their intention to invest in the agriculture, food and nutrition sectors in Benin (see Annex 3). They have also expressed their intent to participate in and contribute to comprehensive, inclusive and sustainable consultation mechanisms between themselves and the Government.

### **Shared responsibilities**

The G8 members, the Government of Benin and the private sector confirm their intention to take account of the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security ('the Voluntary Guidelines') adopted by the Committee on World Food Security in May 2012. They also commit to the Principles of Responsible Agricultural Investment (PRAI), produced by several international organisations and endorsed by, among others, the G8 and G20, which are subject to a consultation process. In addition, they intend to work together to develop pilot programmes to implement the Voluntary Guidelines and the PRAI in Benin.

### **Coordination and collaboration**

Acknowledging their roles and responsibilities in implementing, monitoring and evaluating the PNIA, the G8 members intend to coordinate their efforts for greater effectiveness. The lead partner in the process to draw up the cooperation framework will be the Federal Republic of Germany. In order to avoid creating parallel structures during implementation, the lead partner in Benin will be the National Council for Food and Nutrition (CAN), which has among its functions the role<sup>2</sup> to coordinate actions related to food and nutrition. The G8 countries, including Germany, are prepared to provide support in this regard. As such, CAN will coordinate all consultation framework interventions for partners involved in food security and nutrition (the theme group on food, nutrition and food security – GTANSA) and for the Scaling Up Nutrition (SUN) platform of technical and financial partners in Benin. The G8 and the Government of Benin welcome the participation of other countries and partners.

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<sup>2</sup> Under Decree No. 2009-245 of 9 June 2009.

## **Results**

Consistent with the New Alliance goal of improving food security and nutritional status by helping 50 million people in sub-Saharan Africa to emerge from poverty by 2022, the participants intend their combined actions in Benin to help 972,000 people experiencing food and nutrition insecurity (12% of households) and 1,048,000 people at risk of food and nutrition insecurity (13.2% of households) to emerge from poverty.

### **Mutual accountability**

The G8 members, the Government of Benin and the private sector intend to review their performance under this document through an annual review process to be conducted within the broader context of the CAADP-donor Joint Sector Review of PNIA implementation. These participants intend, in particular, to review progress towards jointly determined objectives, on the basis of benchmarks that contribute to the fulfilment of the PNIA and the PANAR. This will include: (1) progress towards achieving the poverty reduction target; (2) G8 member commitments to align their agricultural investments to the Government of Benin's PNIA and PANAR; (3) government progress in implementing its policy commitments and engaging private sector investors; and (4) the investment commitments of private sector investors. The review will also take account of the shared responsibilities established in the Voluntary Guidelines and the PRAI.<sup>3</sup>

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<sup>3</sup>Principles for Responsible Agricultural Investment that respects rights, livelihoods and resources.

## Annex 1: Government of Benin key policy commitments

### Strategic indicators

- ❖ The rate of private investment in the agriculture sector has grown.<sup>4</sup>
- ❖ The production levels of crops targeted in the PNIA have grown.<sup>5</sup>
- ❖ The percentage of women with access to factors of production and involved in decision-making in the agricultural sector has increased.<sup>6</sup>
- ❖ The percentage of children suffering from chronic malnutrition has been reduced.<sup>7</sup>

Objectives	Framework policy actions	Time frame
<b>I. Encourage environmentally friendly private investment and agricultural entrepreneurship</b>	1) Implement the findings of the committee tasked with actioning the recommendations of the Round Table on Public-Private Dialogue.	Dec 2013
	2) Revise the Investment Code to create a more favourable environment for promoting the agricultural sector.	
	3) Revise tax, legislative and regulatory provisions so that they encourage and favour investment in the agricultural sector.	Dec 2014
	4) Develop irrigation schemes that are pre-adapted to climate change and to speculation (rice – 5,000 ha; maize – 50,000 ha; pineapples – 500 ha; vegetable crops – 1,500 ha).	
	5) Create fishponds and enclosures (1,600 fishponds and 2,190 fish enclosures).	2013-2018
	6) Complete and operationalise an environmental action plan for the agricultural sector.	
	7) Improve the electricity tariff regime.	
	8) Cut waiting times for connection to the electrical grid.	Dec 2014

<sup>4</sup>The figure for 2012 is 11.7%. See the Agriculture Sector Performance Report for 2012.

<sup>5</sup>For production figures see the Agriculture Sector Performance Report for 2012.

<sup>6</sup>The figure for ‘factors of production’ was 34.26% in 2008, and the figure for ‘decision-making’ was 40.28% in 2000. See the MAEP/DPP/PADSA II baseline studies on indicator 105.

<sup>7</sup>Figures for 2010: 35% for boys and 28.6% for girls. See EMICoV 2010.



<b>II. Facilitate access to markets</b>	1) Draw up and action a joint public-private programme to implement the 'Processing' and 'Access to market' components of the PNIA.	Dec 2013
	2) Apply the West African Economic and Monetary Union (WAEMU) directives in respect of exemption from VAT for certain foods and agricultural products.	Dec 2013
	3) Operationalise the Benin Agency for Food Safety (ABSSA) and the Central Laboratory for Food Safety (LCSSA).	Dec 2013
	4) Strengthen the information systems on markets, flows and prices of agricultural products.	
	5) Develop transport and communications infrastructure.	2013-2016
<b>III. Put in place appropriate and accessible funding</b>	1) Create and operationalise the National Agricultural Development Fund (FNDA).	Oct 2015
	2) Support the creation of the National Agricultural Development Bank (BNDA).	Dec 2015
	3) Strengthen the Benin Farmers Mutual Insurance (AMAB) company.	Oct 2015
<b>IV. Facilitate and safeguard access to and use of land</b>	1) Extend the development of rural land ownership plans to cover the entire country.	Dec 2018
	2) Set up a trustworthy information system on rural land ownership.	Dec 2013
<b>V. Strengthen women's economic empowerment in the agricultural and rural sector</b>	1) Design and set up a gender-based information and communication system to prompt behavioural change in the agricultural and rural sector.	Jun 2014
	2) Improve how gender is addressed when designing, implementing, monitoring and evaluating projects/programmes and activities in the agricultural sector.	Dec 2014
	3) Put measures in place to ensure equality and equity between men and women in terms of access to information, literacy and decision-making structures in the agricultural sector.	Dec 2013
<b>VI. Improve the population's nutritional status</b>	1) Guarantee the nutritional wellbeing of the population by ensuring the availability, accessibility and consumption of foods (early warning system, education and supervision and promotion of foods with a high nutritional value).	Jun 2014
	2) Build on achievements and strengthen the universal salt iodisation strategy.	Dec 2014
	3) Build the capacities of the National Council for Food and Nutrition (CAN) and strengthen Benin's participation in the SUN movement.	Dec 2013

## **Annex 2: Funding intentions of G8 members and others**

The G8 members express their intention to support Benin's PNIA investment plans for the CAADP and the goals of the New Alliance for Food Security and Nutrition through their support programmes. The exchange rate adopted herein is fixed at EUR 1 to USD 1.3.

### **GERMANY**

Pledged funding: 2013-2016: EUR 14.3 million (USD 18.6 million)

Additional funding: Germany intends to substantially increase its pledged funding for agriculture and food security and nutrition (these pledges will be made during the intergovernmental negotiations to be held in September 2013).

### **UNITED STATES OF AMERICA**

Pledged funding: 2013-2014: EUR 1.54 million (USD 2.0 million)

FY 2013 and FY 2014 funding levels are based on the President's Budget Request to Congress and subject to availability of funds.

Additional funding: 2015 - 2016: Due to United States Government budget procedures, commitments for 2015-2016 cannot be shared at this time.

### **FRANCE**

Pledged funding: 2013-2015: EUR 5.8 million (USD 7.5 million)

Contributions for agriculture, food security, rural development and nutrition are subject to the availability of funding, demand by governments and the private enterprises concerned and the confirmation of pledges by other stakeholders. Such contributions could amount to:

Additional funding: 2014-2018: EUR 12 million (USD 15.6 million)

### **JAPAN**

Additional funding: 2013-2016: JPY 181 million (USD 2.0 million)

### **EUROPEAN UNION**

Programme pledges: 2013-2016: EUR 15 million (USD 19.5 million)

### **BELGIUM**

Programme pledges: 2013-2015: EUR 15.9 million (USD 20.7 million)

Additional funding: 2013-2017: EUR 24 million (USD 31.2 million)





## **THE NETHERLANDS**

Programme pledges: 2013-2015: EUR 5.9 million (USD 7.7 million)

Additional funding: 2013-2017: EUR 10.7 million (USD 13.9 million)

## **SWITZERLAND**

Programme pledges: 2013-2015: EUR 1.4 million (USD 1.8 million)

Additional funding: 2013-2017: EUR 25.4 million (USD 33 million)



### Annex 3: Private sector investment intentions in the agricultural sector

By the end of May 2013, 24 prospective corporations and businesses had expressed their interest in investing and signed ‘letters of intent’, stating their wish to join the New Alliance for Food Security and Nutrition. These combined investment intentions total approximately 193 billion CFA francs, or about USD 386 million, which will impact on the lives of 365,000 people over the next three years.

**Table 1: List of businesses that have signed letters of intent**

Benin businesses	International businesses
1. Agrisatch S.A.	1. Cashew ACI <sup>8</sup>
2. Agro Espace	2. COMPACI <sup>9</sup>
3. Antemana	
4. Benin Emballages	
5. CANNA-JP	
6. ETD	
7. ETS Ferme Gbèmawonmédé	
8. Ferme Adjehoda	
9. Fondation Tonon	
10. Fludor S.A.	
11. Tunde Holding S.A.	
12. ICA GIE	
13. Nad & Co. Industry	
14. Orabank	
15. Pépité d’Or	
16. Royal Fish	
17. SODECO S.A.	
18. SOTRACOM	
19. SWCM S.A.	
20. SWCM AGRO Trading S.A.R.L.	
21. SHB Huileries	
22. Les Fruits Tillou	

The sectors and value chains involved are: poultry farming, fish farming, palm cultivation, oil mills, cashews, shea butter, manioc, maize, cotton, pineapple, fruit juices, vegetable crops, canning and infant cereals.

#### Corporate résumés

**Agrisatch** was founded in 2004 and is a poultry production subsidiary of the group CDPA (Comptoir de Distribution de Produits Alimentaires). Set up in 1988, CPDA became, after 18 months in operation, a limited liability company and now has a workforce of 350 employees and a turnover of around 30 billion CFA francs.

<sup>8</sup>The public-private initiative African Cashew Initiative (ACI).

<sup>9</sup>The public-private initiative Competitive African Cotton Initiative (COMPACI).



Agrisatch is the poultry production plant (poultry meat and eggs) of the agribusiness group CDPA-Agrisatch-SBB. Agrisatch is one of the main agro-industrial poultry production businesses in Benin, annually producing some 30 million eggs and 75 tonnes of poultry meat worth more than 3 billion CFA francs. The facility currently has 60 employees on the payroll in addition to the hundreds of casual work opportunities and indirect jobs generated.

Agrisatch plans to expand its operations, and a loan of around 10 million euro (from the French company Proparco and the Belgian company BIO) will enable the business to double its industrial capacity. Built on 25 hectares and fenced off for biosecurity reasons, the Tori Industrial Poultry Production Complex is divided into three sections: the egg-laying zone, the brooding zone and the poultry feed factory.

**AGRO Espace** was founded in 1998 and is a home-grown business in Benin that converts fruit (particularly pineapple) into fruit juice. The company's juices are sold and consumed in Benin and are also currently exported to Togo, Nigeria, Niger, Burkina Faso and Senegal. The juices are also bottled and sold under the 'Junatas' and 'Bravo Star' brands. AGRO Espace currently employs 40 people.

The quality of the juice is ensured by the local agro-climatic conditions, which are ideal for growing pineapples. Indeed, studies have shown that Benin pineapples are some of the best in the world in terms of taste, aroma, appearance, etc. and are therefore highly prized on the market. Furthermore, consumption trends show that a craze for natural drinks rather than fizzy 'soda' drinks is catching on in Benin and in other countries in the West Africa sub-region.

Output continues to grow, and weekly production has now reached 10,000 litres of juice. All the juice is sold on the local and sub-regional markets, which has allowed AGRO Espace to revamp the working environment and buy higher-performance production equipment. In spite of the quantities produced, demand is outstripping supply, and the semi-industrial machinery currently in use needs upgrading to a semi-automated production system, so that the company can satisfy its ever-growing customer base.

**Antemana S.A.R.L.** was established in 2003. Based in N'Dali, its semi-industrial processing plant turns shea nuts into butter and provides employment for 3,000 women organised in groups. The company invests in the promotion and marketing of shea, with 12 employees undertaking this work. In 2012, Antemana's turnover was 49 million FCFA and it produced 50 tonnes of shea butter. The company performs various functions in the sector, such as supporting the organisation of groups of women operatives, opening up access to more profitable markets and quality assurance. Antemana specialises in marketing quality end-products that are sold not just nationally but also in the European Union, the USA and Canada. Today, the Antemana shea butter exporting company boasts certification from the American Shea Butter Institute (ASBI).

As a leading company in the value chain for eco-friendly and natural shea butter, Antemana is aiming to diversify its products and grow its production capacity in order to satisfy potential demand. In the next few years, Antemana is committed to procuring higher-performance equipment and to investing in building the infrastructure needed to deliver on quality.

**Benin Emballages** is a company that specialises in making and selling plastic packaging for use in the food industry, including PET preforms, PET bottles, lids, cans, jars and boxes. Currently, Benin Emballages' production plant runs two injection moulders and one blow moulder, and the company employs 12 people as well as freelance sales representatives.



With an average turnover of around 548 million CFA francs, the company is set to procure a range of new-design moulds for 84 million CFA francs in July 2013. This purchase will increase the company's turnover by around 35% over 12 months. Further planned investments will enable the company to produce all kinds of packaging and containers for use by producers and processors to make their products more profitable.

**CANNA JP** is an association governed by the French law of 1901. The 'Dahomey Wellbeing Association' was founded by Jean Pliya in Cotonou in 1971 with a nine-member governing board. The association became the African Centre for Naturopathy and Applied Nutrition, comprising more than a hundred supporters and volunteers.

CANNA's goal is to: provide information about good nutrition; improve prevention by promoting healthy eating; combat chronic malnutrition and the double burden of malnutrition and obesity; and deliver ongoing training in food security and human development.

To the maximum extent possible, CANNA JP puts theory into practice with activities including: (1) naturopathy training courses for many generations of committed Beninese volunteers; (2) cooking demonstrations for families, with the aim of enlisting women in the campaign for healthy lifestyles through cookery classes, and children through educational nature trips; (3) a store selling health-food products; and (4) radio and television broadcasts to inform, educate and raise people's awareness about healthy food.

**ETD** is a non-governmental organisation that specialises in promoting entrepreneurship in agriculture. It is funded in its work by development partners, such as the European Union, the French Development Agency and various foundations. ETD supports the establishment of agrifood businesses categorised as 'service businesses and producer organisations' by building farmers' capacities, selecting and training rural entrepreneurs, providing financial and non-financial services and promoting local products from family-run farms.

The businesses it has supported have processed and marketed 710 tonnes of finished produce (rice, soya and honey), have a turnover of 420 million CFA francs and employ 42 staff members.

**ETS Ferme Gbèmawonmédé** was established in 1985 on a 10-hectare palm oil plantation but, over the years, the estate has grown to 280 hectares. Some 240 hectares are dedicated to palm oil production with a yield of 10 tonnes per hectare, and the remaining 40 hectares are given over to annual crops (maize and manioc). The company's annual turnover is around 400 million CFA francs, and it employs more than 80 staff.

The farm's main activities focus on growing selected oil palms and on producing palm oil and palm kernel oil. The aim is to grow capacity from the 20 tonnes of fresh fruit bunches (FFB) currently processed per day up to 30 tonnes.

**Ferme Adjehoda** is an agro-pastoral complex located in Grand-Popo. For many years, the company has specialised in vegetable crops and, over the last three years, has recorded an average annual turnover of 350 million CFA francs. It employs eight permanent staff and up to 150 seasonal staff. Since 2011, Ferme Adjehoda has been diversifying its activities and, to this end, has committed to work in partnership with the government, development partners and other actors to increase investment.

**Fondation Tonon** was established in 2010 and set up the Centre for Aquaculture Research and Business Incubation, as well as fish hatcheries and farms.



The training centre is now operational and comprises a laboratory, two 110-kVA electricity generators, an administrative block, a training centre with dormitories sleeping up to 30, a restaurant and five multi-purpose training rooms. Juvenile fish and rearing units are both produced on site for sale.

The fish farming units produce 475 tonnes of fish per year for sale on the national market. Future investments aim to increase production (and thereby reduce fish imports to 20,000 tonnes) and to farm fish off-season. This means that the fish produced in the centre's grow-out ponds and pens will sustain income-generating activity for 1,200 fish farmers and 130 fishmongers.

All these investments are worth some 4.8 billion CFA francs. The project currently underway is expected to cost 2.422 billion CFA francs, which will be financed internally along with a contribution by BOA Benin of 300 million CFA francs in the form of an investment loan spread over five years.

**Fludor-Benin S.A.**, a subsidiary of the TGI Group (a leader in Nigeria's agrifood industry with a turnover of USD 800 million), is a major oilseed pressing company which has been operating in Benin since 1996. It has spent the intervening years tirelessly consolidating its assets by diversifying while maintaining a focus on oils and fats. Fludor-Benin has invested USD 25 million in Benin since it was set up and has a turnover of around USD 25 million.

To consolidate and strengthen its business operations, existing and future projects will, on the one hand, diversify the range of food products and create new jobs, and, on the other, contribute to national economic development objectives.

#### CASHEW

- Set-up of a processing plant at a cost of USD 1.5 million to process 7,000 tonnes of raw cashew into finished product. This will provide direct, permanent employment for 450 people and significantly supplement the incomes of some 7,000 small farmers.

#### MANIOC

- Set-up of a processing plant for 100,000 tonnes of manioc. This plant, costing USD 1 million, provides a natural and valuable outlet for the manioc produced by Beninese farmers, who will be quick to increase the area under cultivation with manioc and yields.

#### SHEA

- Roll-out of a skills programme for women shea nut pickers at a cost of USD 200,000 for the purposes of ensuring better traceability and better nut quality. The project consists of running training and outreach programmes on good practices in picking, storing and drying, which will help increase rural women's revenues.
- Planting of new trees (using grafting) with state support at a cost of USD 10 million.

#### SOYA

- Strengthening of the soya sector (the company has been at the forefront of the soya sector for many years).
- The purchase of 500 hectares of land for sowing with certified seed.
- Creation of a model farm with a training centre for farming techniques, costing in the order of USD 2 million.

**Tunde Holding S.A.** is a multi-sector group based in Benin which was established in 2011 with a share capital of 5 billion CFA francs. The group operates in printing, publishing, vehicle sales, farming, services, commercial representation and public relations. It is the leader in printing services in West Africa and is the exclusive dealer for Volkswagen in Benin. The group's



turnover was 18.95 billion CFA francs in 2011, and the share capital of its subsidiaries stands at 7.52 billion CFA francs. The group employs nearly 650 people. Two of its subsidiaries are active in agricultural development and the improvement of food and nutrition security:

**Tunde Agro-Business S.A.** aims to develop agro-industry and agricultural production for both humans and animals. The company plans to create 530 jobs in the short term and 10,000 to 20,000 in the mid to long term. Some 2,000 of these posts will be permanent, providing the manpower to farm 3,000 hectares with vegetables (tomatoes, okra, onions, garlic, peppers and aubergines), cereals (maize), roots and tubers (potatoes) and oilseeds (soya). The projected cost of production and processing over the coming years is estimated at 21.5 billion CFA francs. These investments will cover: drip irrigation equipment; agricultural machinery and soil cultivation accessories; grading, storage and packing equipment; refrigeration equipment and vehicles; soil treatment, planting and harvesting equipment; processing equipment; etc. Furthermore, the company will put in place socioeconomic infrastructure for the benefit of local people in the rural areas covered by the project and is planning, with its partners, to provide farmers with irrigation kits, improved seeds and fertilisers, with a view to buying the farmers' produce at negotiated rates, rather than buy up their land. This will help increase productivity levels and facilitate the sale of their produce.

**Tunde Agric. TV, S.A.** was established in January 2013 with a share capital of 250 million CFA francs. The company aims to broadcast agriculture-related material on television (on farming, animal husbandry, fishing, forestry, farming and the environment, and farming and health). Its start-up budget is projected to be around 700 million CFA francs and is being financed internally. The channel will help to keep farmers informed, building their capacities to improve production and raising their awareness about good practices in farming and nutrition. It will start broadcasting via satellite within the next two years and will seek to secure a large farming audience.

**ICA-GIE**, founded in 1998, is an economic interest group comprising five member companies. Its partner members have a high degree of competence in the cotton sector. The three ginning companies are: **CCB** (Compagnie Cotonnière du Bénin, based in Kandi); **ICB** (Industrie Cotonnière Béninoise, based in Ouassa-Pehunco); and **SOCUBE** (Société Cotonnière du Bénin, based in Bohicon). Two other companies were acquired in 2008: **SNC** (Société Cotonnière de N'Dali, formerly SODICOT); and **IBECO** (Industrie Béninoise d'Égrenage et de dérivés de Coton, based in Kétou). In addition, the companies **SHB** (Société des Huileries de Bohicon) and **ASTRAL** are wholly owned subsidiaries.

Created under the legal form of a public limited company, the ICA group companies' main activities are the buying and ginning of seed cotton, as well as the export and sale of cotton-products, namely lint and seed for oil pressing, and other by-products. The group is the market leader in Benin, with the capacity to gin 140,000 tonnes of seed cotton and factories located from the centre to the north of the country.

The group employs 150 permanent staff and nearly 1,000 seasonal workers, who together produce 50,000 tonnes of lint and 70,000 tonnes of seed per crop. Turnover averages 28 billion CFA francs.

**Nad & Co Industry**, founded in 1997, is a trading and export company of agricultural products, cashew in particular. In 2011, an international-standard processing plant was built with an initial capacity of 750 tonnes per annum. It is planned to increase this capacity to 2,500



tonnes per annum by 2015. This has created 216 jobs in the first year, and the aim is to increase this number to 551. Nad & Co Industry cuts out the middlemen and buys directly from farmers. It uses semi-industrial processing methods, modelled on the cashew processing systems in place in India and Brazil.

With the support of its partners Technoserve, ACA, Fair Match Support, GIZ and the Bill and Melinda Gates Foundation, Nad & Co Industry reported an output of 40 tonnes in 2012 and sales amounting to 123 million CFA francs.

**Orabank Benin** is a subsidiary of Oragroup and is majority owned by the American investment fund Emerging Capital Partners. The bank is the product of the 2009 buyout of the Financial Bank banking group. The bank has a share capital of 17,135,740,000 CFA francs and has been operating in Benin for 25 years in its former guise as Financial Bank. Orabank Benin's vision is guided by its principles to support economic operators by financing their activities, growth and projects to deliver sustainable development and create permanent jobs and thereby contribute to combating poverty.

This support is offered in three ways:

1. *Providing a line of credit of 2.5 billion CFA francs over the next five years to finance the agricultural sector (to finance equipment, raw material production and processing activities).*

This line of credit is intended to finance the soya, cashew, maize, palm nut, rice and vegetable value chains.

The overall credit line of 2.5 billion CFA francs is to be spread over five years with an annual lending limit of 500 million CFA francs. The funds will be allocated in two distinct credit lines:

- 1.5 billion CFA francs are designated for operational finance (seasonal credits, the purchase of raw materials, inputs and supplies, etc.);
- 1 billion CFA francs are designated for investment financing (buying materials and equipment, building a mini-factory or industrial plant, etc.).

2. *Facilitating access to refinancing by decentralised credit structures with the primary aim of financing the agriculture sector value chain and its actors.*

This also falls within the lending categories selected for funding via the overall credit line of 2.5 billion CFA francs over five years. By financing these structures, Orabank can draw on local actors who best know the financial environment in specific farming areas, and this can help mitigate risk exposure in this business sector.

3. *Supporting state development policy for the agricultural sector by contributing to syndicated loans for the farming industry.*

This line of activity mainly focuses on providing finance for the cotton sector, which requires substantial capital investments but remains highly profitable.

**Pépité d'Or** was founded in 2005 and is dedicated to the development, production and distribution of fortified food products. Its annual turnover averages 60 million CFA francs. The company produces soya and cereal-based nutritional foods and works with small farmers. A total estimated investment of 570 million CFA francs would, over a two to five-year period, increase the production capacity of their processing plant for nutritional, vitamin-enriched baby foods.



This will create 100 direct jobs and will benefit 1,500 households as well as farmers and women's groups.

**Royal Fish** is a private company incorporated under Beninese law which works to: (1) produce and distribute juvenile catfish and tilapia; (2) produce and distribute catfish and tilapia for consumption; (3) provide support and training for fish farming start-ups and supply the associated material and equipment; (4) provide fish farming services, such as designing hatcheries or fish farming schemes, building ponds and tanks and supervising fish farming operations.

Royal Fish Benin's goal is to respond to the main concerns of fish farmers and fresh fish consumers. To this end, the company has installed an intensive juvenile-fish production system with a production capacity of 220 tonnes, comprising: a hatchery with incubators, storage tanks, spawning ponds, a rearing unit, a nursery unit, a rearing system and an on-growing unit. Over the next three years, additional investment to the tune of 340 million CFA francs will be put into effect.

**SODECO S.A.**, founded in October 2008 to process cotton, was created as a result of the privatisation of the SONAPRA industrial facility. It is an industrial and commercial undertaking, which manages 10 ginning plants located throughout the Republic of Benin. It has a ginning capacity of 312,500 tonnes of seed cotton, which is 53.19% of Benin's current national capacity. SODECO is the product of a public-private partnership.

The company's share capital stands at 35 billion CFA francs, with 51% owned by the private sector and 49% by the Beninese State. Its main activities are: on the one hand, cotton ginning and the processing and marketing of cotton products and by-products, in particular lint and cottonseed; and, on the other hand, contributing to the sustainable development of cotton production.

Turnover fluctuates according to production levels: in 2012, turnover was 47 billion CFA francs, while in 2011 it stood at 31 billion CFA francs.

**SOTRACOM S.A.** has been making the Yaourt Hollandais brand of dairy products, sold in Benin, Togo, Niger and Burkina Faso, since 2000.

In 2007, SOTRACOM invested more than 3 billion CFA francs in an international-calibre plant for large-scale production, which drove its share capital up to 10 million CFA francs. The production plant is used for making a new international brand called Y'Olland. Aside from dairy products, SOTRACOM also makes fruit juices from local fruits, the O'Crystal brand of still and sparkling mineral waters and plastic packaging. The three production lines are: the mineral water processing and bottling line; the milk and dairy product line; and the juice and natural drink production line.

An industrial dairy-cattle farm will also be established to provide the plant with a large percentage of the raw cow's milk used to make its yoghurt.

**SWCM S.A.** or Société West Coastal Marchand has a share capital of 50 million CFA francs, which it has built up since January 2005. It employs 17 office staff and more than 152 operatives and had an annual turnover of 3.2 million euro in 2012. The company runs offshoots in the sub-region and worldwide (Côte d'Ivoire, Burkina Faso, Togo, Nigeria, India and the United States) and is involved in export, agrifoods, production and inputs.





SWCM is a group of Beninese companies that specialises in exporting agricultural and tropical products, such as raw cashew nuts, shea nuts, dried ginger, sesame seeds, cocoa beans, pineapple, cottonseed, soya, beans, soya oilcake, gum arabic, coffee and manioc.

SWCM's main activity is exporting cashew nuts and seeds. Within three years and, using its own funds, it also intends to make the following substantial investments:

- The purchase of 900 hectares of land at an overall cost of 200 million CFA francs.
- The farm will be divided up and planted with:
  - 400 hectares of cashew;
  - 200 to 300 hectares of maize, soya and other food crops;
  - 100 hectares of vegetables.
- The installation of a seed cleaning and grading plant with a capacity of 10,000 tonnes per year.
- The procurement of heavy machinery.

**SWCM AGRO Trading S.A.R.L.**, a subsidiary of SWCM S.A., plans to install a modern cashew nut processing plant with a capacity of 12,000 tonnes per year in Tchaourou at an overall cost of 9 billion CFA francs. This will create many jobs and, by substantially increasing income and economic growth, will strengthen the industrial fabric, promote new industrial technologies and support food self-sufficiency. Over two years, the investment, made with the support of two Beninese commercial banks, will contribute to:

- developing the cashew nut sector in Benin and infrastructure building;
- safeguarding the collection and export system;
- improving the quality of the nuts produced;
- exporting the finished product to Arab countries, the United States and the European Union.

**SHB Bohicon S.A.** is a subsidiary of the ICA-GIE (Benin) group. This industrial plant for oilseed pressing was created by the Benin Government's 1997 asset sale of the Huilerie Mixte de Bohicon (Bohicon oil mill), formerly run by SONICOG (Société Nationale pour l'Industrie des Corps Gras). The purpose of this buyout was twofold: on the one hand, the company continued to diversify its oilseed-sector activities; and on the other, it broadened its network of operations for better market penetration and to create new centres of activity in West Africa.

The company's core business is the production of refined cooking oils made by oilseed pressing and animal feed. Since 2001 and following substantial investment, SHB has been operating a modern, high-performance plant with the capacity to press 120,000 tonnes of seed. It has a turnover of over 9 billion CFA francs (13 million euro). An investment programme of 2 billion CFA francs is underway, which will increase capacity to 160,000 tonnes per year and require more than 500 employees.

Additional investment of nearly 50 billion CFA francs is earmarked for the installation of a seed cotton delinting plant, a cogeneration unit, the modernisation of the production facility and the diversification of raw materials with the acquisition of equipment for pressing sunflower seeds and ground nuts. This will triple the company's turnover and create an extra 600 direct jobs.

**Les Fruits Tillou** is a farming business founded in 2000 that specialises in growing pineapples. In 2003, it began exporting the Sweet Cayenne and Sugarloaf pineapple varieties to Europe. The amount exported has risen from 2 tonnes a week in 2003 to 60 tonnes.



The company also runs a processing plant for pineapple-based juices and cocktails, which produces 12,000 25 cl-size bottles per week. It employs around 50 people and works with up to 220 small, privately owned farming businesses.

## **International companies**

**African Cashew Initiative (ACI) and Competitive African Cotton Initiative (COMPACI)** are public-private initiatives to develop the cashew (cashew nut) and cotton value chains. These initiatives are operating in many African countries and are co-funded by different international businesses, the Bill and Melinda Gates Foundation and the German Federal Government. The goal is to promote production, improve quality and increase local processing and added value for the products in question, with the ultimate aim of increasing farmers' incomes and creating jobs. Activities that focus on improving food and nutrition security for target groups are integral to these initiatives.