

## **Agricultural Policy Advisory Fund measure on soya sector in Benin**

**Projektnummer: 17.0123.4**

**TC-Module: Agricultural Policy Advisory Fund measure on soya sector in Benin**

**in Benin, PN: 17.0123.4**

Submission of a

working proposal for the implementation of a single fund-financed measure

at an estimated offer price of up to EUR 830,000

After a review of alternative options, the TC measure presented in the offer and its promotion correspond to the most favourable relation between the pursued purpose of the TC measure and the means to be used.

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### List of abbreviations

<b>ABS</b>	<i>Association Bénin Soja</i> Farmer Association Benin Soya
<b>ACMA</b>	<i>Approche Communale Pour le Marché Agricole</i> Local Approach to Agricultural Markets
<b>AFRIS</b>	African Innovation Services
<b>CNA-Bénin</b>	<i>Chambre Nationale de l'Agriculture du Bénin</i> National Chamber of Agriculture of Benin
<b>ECOWAS</b>	Economic Community of West African States
<b>IITA</b>	International Institute of Tropical Agriculture
<b>PROCAD</b>	<i>Programme Cadre d'Appui à la Diversification Agricole</i> Program for supporting the Agricultural Diversification
<b>ProAgri</b>	<i>Programme pour la Promotion de l'Agriculture</i> Program for Agricultural Promotion
<b>ProCIVA</b>	<i>Projet Centres d'Innovations Vertes pour le secteur Agro-alimentaire</i> Green Innovation Centres for the Agriculture and Food Sector
<b>PTB</b>	<i>Physikalisch-Technische Bundesanstalt</i> German Metrology Institute
<b>SEWOH</b>	<i>Sonderinitiative EINEWELT ohne Hunger</i> Special initiative ONEWORLD – No Hunger, funded by BMZ
<b>SDG</b>	Sustainable Development Goals
<b>SME</b>	Small and Medium-sized Enterprises

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## 1. Brief description

Module title	Agricultural Policy Advisory Fund measure on soya sector in Benin
Sector	Rural Development and Agriculture
Programme	Single module under the global project Agricultural Policy Advisory Fund
Strategic Reference Framework	Focus areas of the German Development Cooperation in Benin, and the Marshall Plan with Africa
Module objective	The Benin national strategy for the soya sector is coherent and contributes to increase the production, processing and trade of soya products.
Contribution to the national implementation of the Agenda 2030	Improving the policy and regulatory frameworks in the soya sector will contribute to achieving the sustainable development goals (SDG) 1 on poverty reduction among small farmers, 2 on access to healthier food and to market information, 5 on gender equality, and 17 on policy coherence and partnerships in Benin.
Core problem	The first national plan for the soya sector has not been finalized yet. Whether it is coherent with policies in other sectors remains to be seen. Producers and small and medium-sized enterprises (SME) in the soya sector are insufficiently organized to tap into the opportunities offered by the growing demand in local, regional and international markets. Due to insufficient policy and organisational framework conditions, local soya production and regional trade do not come up to their true potential.
Target groups	Ministry of Agriculture, Husbandry and Fisheries, Ministry of Trade and Industry, Ministry of Small and Medium-sized Enterprises and Employment Promotion, and private sector actors.
Political partner	Ministry of Agriculture, Husbandry and Fisheries of Benin.
Methodological approach (including instruments)	The measure aims at creating evidence for supplementing and implementing the national soya strategy. For a better organization of the sector, private actors will be supported in establishing a self-administered national platform. Access to information and markets will be enhanced. The measure will be coordinated by a 33 % international staff, who is subordinated to a 10% executive manager. The technical advisory services will be carried by a 100 % senior national policy advisor. The measure will be administered by a 40 % local administration supervised by a 10% senior finance and administration manager. Local and international experts, capacity development measures, financing contracts and exchange trips will supplement the advisory services.
Core outputs	The evidence-basis for monitoring and supplementing the national strategy for the soya sector is improved (output 1). The access of soya value chain actors to up-to-date market-relevant information is improved (output 2). A national platform and new networks at local and regional levels are created among the soya sector actors (output 3).
Cooperation	None
Total costs	EUR 830,000
Duration	07/2019 – 06/2022 (3 years)

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## 2. Classification of the module

### 2.1 Classification of the module in a strategic reference framework

The TC-module is a single measure under the global project Agricultural Policy Advisory Fund. It will contribute to meeting the indicators and objectives of the global project, which aims at promoting the use of improved agricultural and trade policy instruments by selected African countries and regional communities.

The present fund measure is in line with the BMZ country strategy for Benin, negotiated during government negotiations in September 2016. This strategy defines the agricultural sector as a priority area for the German development cooperation in Benin.

Through its aim of improving the policy framework in the soya sector and enhancing access to information and markets at regional level, the fund measure will contribute to implementing the Marshall Plan with Africa, under which Germany is committed to support African countries in using improved instruments for policy-making and increasing intra-African trade.

Improving the framework conditions in the soya sector will contribute to achieving several of the sustainable development goals (SDG). Specifically, it will contribute to reducing poverty among small farmers (SDG 1), and will ensure their access to healthier food, to market information and enhanced market stability (SDG 2). The fund measure will contribute to the elaboration and implementation of gender-sensitive policies, and will empower women to participate effectively in the policy process (SDG 5). Finally, the fund measure will contribute to improving the capacity of partners in Benin in designing and implementing coherent policies, and will promote multi-stakeholder dialogue and partnerships at local and regional levels (SDG 17).

### 2.2 Other development cooperation measures in the intervention area of the module

The fund measure will build on past experiences of GIZ projects working in the agricultural sector. A close cooperation with the German Metrology Institute (*Physikalisch-Technische Bundesanstalt*, PTB) fund for quality infrastructure and the GIZ fund trade for development is also expected to draw synergies across the new activities intended in the soya sector. Use will be made of available capacities and contacts with other donor projects to harmonize viewpoints, coordinate action, share information, simplify procedures, and avoid duplication.

A detailed overview of donor projects in the soya sector and potential synergies with this fund measure is provided in the following table.

Donor/Project	Expected synergies at the levels of outcome and impact
BMZ / Bilateral Programme for the promotion of Agriculture (ProAgri)	The programme ProAgri (PN 16.2200.0) supports several value chains among which soya value chains for an increased production and processing of the local production. By improving the policy and regulatory frameworks, the fund measure will also contribute to boosting the ProAgri's ground activities.

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<p>BMZ / Green Innovation Centres for agriculture and Food Sector in Benin, implemented by GIZ (ProCIVA)</p>	<p>The project ProCIVA (PN 14.0967.1) is active in the soya sector in Benin, where it mostly supports farmer organizations and SMEs at local level to adopt improved production and processing techniques and adapted business models. The fund measure will complement the ProCIVA's activities by improving the policy and regulatory frameworks of the soya sector, increasing access to market information and unleashing the potential of the soya sector for trade in local and regional markets.</p>
<p>BMZ / Cluster coordination of the green sector in Benin</p>	<p>The cluster coordination ensures the coherence of activities across all German development projects related to the agricultural sector in Benin. A close coordination between the fund measure and the cluster coordination avoids duplication of efforts and ensures more effectiveness and efficiency in the implementation.</p>
<p>BMZ / Improving quality infrastructure in soya sector in Benin</p>	<p>This is a project funded by the BMZ and jointly implemented by the PTB and GIZ. The project is expected to start in October 2019 and will focus on improving norms, quality standards and metrology issues in the soya sector. The present fund measure will complement this joint project by improving the policy framework in the soya sector and improving market access for producers and processors of soya products.</p>
<p>Dutch Cooperation / Local Approach to the Agricultural Markets in Benin (ACMA)</p>	<p>ACMA aims at improving rural livelihoods by organizing producers and processors to increase trade of agricultural products. ACMA also works on reducing trade barriers for agricultural products between Benin and the neighbouring countries, especially Nigeria. The present fund measure aims at building on the ACMA experiences to boost trade of locally produced soya products in the regional markets. Cooperation in the areas such as improved market and information access is also foreseen.</p>
<p>Dutch Cooperation / Towards an efficient soybean food chain in Benin (ProSeSS)</p>	<p>The aim of this project is to improve access to quality seeds by supporting researchers and practitioners to develop a plan for certified soya seed and by installing viable soya seed farms. The dysfunctions in the soya seed supply are critical for the entire sector. Therefore, this fund measure will work closely with the ProSeSS project to improve the policy framework on soya seed.</p>
<p>World Bank / Programme for supporting the agricultural diversification (ProCAD)</p>	<p>The programme aims at improving agricultural productivity and diversification in Benin. By improving the policy and regulatory frameworks, the fund measure will also contribute to boosting the ProCAD's ground activities.</p>

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### **3. Analysis of problems and potentials**

**Initial situation in the intervention area:** Over the last fifteen years, the production of soya has increased by more than 40 times (from 3427 tons in 2001 to 156,901 tons in 2016). Soya contributes in several ways to the economy of rural areas and to the livelihoods of the entire population. Firstly, as a leguminous that is grown in rotation with other crops, soya improves the soil fertility by fixing nitrogen and microorganisms in the soil and reducing soil erosion. Secondly, soya is an oleaginous plant that is used to extract vegetable oil. As such, its demand by oil refineries has been growing rapidly. The by-product of the oil production, i.e. the soya meal, is an important animal feed, especially for pig and poultry. The demand for soya by local manufacturers (oil refineries and animal feed manufacturers) surpasses the domestic production of soya by far and can only be met with imports. This pinpoints to substantial gains that can be realized if the local production of soya is increased. Besides its use in animal consumption, soya is an increasingly important source of protein for human consumption. Many products derived from the soya bean are now part of the normal diet of the Benin people (e.g. soya cheese, milk, yogurt, flour and cookies). In particular, soya flour is commonly used in the nutrition of the 0 to 5 years old infants. Accordingly, soya receives a particular attention from policy-makers to combat malnutrition.

The soya sector has also a vast potential for trade with neighbouring countries. Currently, about half of the local production is exported to Nigeria, mostly through informal channels. Usually, Nigerian traders come to buy directly from collectors in Benin and transport the product to Nigeria. At times, imports of soya products from Nigeria also take place. Similarly, trade in the two directions takes place with Togo, Burkina Faso, Ghana, and Côte d'Ivoire. Finally, there is a growing demand for Benin's soya products in international markets, especially in Asia. India made about 60 % of the demand of Benin's soya products in 2016, followed by Vietnam with 22 % of the demand in countries outside the Economic Community of West African States (ECOWAS) region. The top destination in the EU market is Belgium, where there is a niche for organic soya products.

Due to the large number of value chains in the soya sector and its potential for growth, it has been selected by the government of Benin as one of the emerging sectors that deserve more attention and public investment in the future. In both the Strategic Plan for the Development of the Agricultural Sector at the horizon 2025 and the National Investment Plan for Agriculture and Food Security (2017 – 2021), the importance of the soya sector has been stressed for its role in improving soil fertility, its potential for trade and for reducing rural poverty by generating additional income to smallholder farmers.

Despite this recognition of the importance of the soya sector, there is to date no national strategy for the development of the soya sector. The first-ever national development plan for the soya sector expected for March 2019 has not yet been finalized. Whether it is coherent with policies in other sectors (poultry, pig, oil, trade, etc.) remains to be seen. Moreover, there is almost no regulatory framework to ensure norms, standards, quality and traceability of the soya products. While there are some regional directives, e.g. ECOWAS regulation on seeds and flours, these directives need to be reviewed by the member states, and translated into national laws to come into effect. Further steps including the adaptation of the procedures manuals for quality control and phytosanitary certification are also required. The

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lack of policy and regulations has led to frequent shortages in the supply of certified soya seeds to the producers in the past. Subsequently, the production of soya is still hampered by the use of low-yielding seed varieties. Understanding the problems in the supply chain of seed and proposing policy reforms to improve the availability of certified seeds is crucial to boost yields, improve production and enhance trade of soya products.

While demand for soya products in local and regional markets is growing fast, the producers and SME involved in the sector are insufficiently organized and unable to tap into the vast opportunities that the sector offers. They have little information on key determinants of the market. Moreover, they have little knowledge of the requirements (norms, quality and traceability standards) to gain formal access to the regional markets. To improve access to markets, several initiatives have been experimented, including a contractual agreement between soya producers and the oil refinery FLUDOR, and the implementation of the agricultural cluster approach linking producers and processors. Some of these initiatives failed because either the producer or the buyer broke the contract. Other initiatives were successful at small scale and need to be scaled up.

**Derivation of the module objective:** the objective of the fund measure is that the Benin national strategy for the soya sector is coherent and contributes to increase the production, processing and trade of soya products.

**Causes and Theory of Change:** the soya sector is at the intersection of several policy fields, including agriculture, trade, food and nutrition, employment and the promotion of small and medium-sized enterprises. Responsibilities to provide public goods and services for the development of the soya sector are spread over several agencies and ministries of which the ministry of agriculture is only one. Therefore, improving the coherence of the policy framework in the soya sector requires a dialogue between the relevant ministries and the active participation of the private sector actors. Moreover, the policy process needs to be supported by more evidence to make informed decisions to supplement and implement the national strategy for the soya sector.

The lack of organization in the soya sector prevented the private actors to come together systematically to discuss the bottlenecks in the sector, search for solutions, share information and have a stronger voice to influence the policy process. Therefore, the fund measure will support the soya sector actors in establishing a national platform (*Interprofession Soya*) administered by the actors themselves. This platform will enable the multi-stakeholder dialogue among actors and will improve networking and partnership possibilities, peer learning and information sharing in the sector. This will benefit all the actors, especially the small farmers and women in terms of access to information and markets.

Improving the policy and regulatory frameworks in the soya sector will contribute to increase the production, processing and trade of soya products. In the long run, the fund measure will improve the overall conditions in the soya sector and will unleash the potential of this sector to create jobs, especially for women in the processing and trading stages of the chains.

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### 4. Objectives, hypotheses, indicators, and partners of the TC-module

#### 4.1 Objectives, target groups, Indicators, and impact hypotheses

Module objective: The Benin national strategy for the soya sector is coherent and contributes to increase the production, processing and trade of soya products

Indicators	Base value	Target value
Module objective indicator 1: A <b>consultative group</b> comprising relevant actors of the sector (at least one person representing the Ministry of Agriculture, Husbandry and Fisheries, the Ministry of Trade and Industry, the Ministry of Small and Medium-sized Enterprises, farmer organizations, traders, consumers, processors), and consisting of <b>at least 30 % women</b> , is established as a permanent advisory board on policy-making and monitoring	0	1
Module objective indicator 2: <b>Two gender-sensitive measures</b> aiming at <b>enhancing the framework conditions</b> in the soya sector are implemented by the relevant actors	0	2
Module objective indicator 3: A <b>national platform</b> for the soya sector ( <i>Interprofession Soja</i> ) is established and <b>meets twice a year</b> to improve the organization of actors in the sector, connect them and <b>increase access to information and markets</b>	0	1

The target values of the indicators are provisionally. They will be verified during the first year of implementation and will be adapted during the first progress report if necessary.

For further details have a look at the results logic and results matrix in annex 1.

**Target group:** The target group of the fund measure is composed of policy-makers, especially the Ministry of Agriculture, Husbandry and Fisheries, the Ministry of Trade and Industry, and the Ministry of Small and Medium-sized Enterprises and Employment Promotion of Benin, the stakeholder Associations, soya farmers, processors of soya products, primarily SME, traders of soya products in both local and regional markets.

Other beneficiaries are actors in downstream sectors of the value chain such as animal feed manufacturers, poultry and pig farmers, who will also benefit from the improvements in the soya sector. The processing and trading of soya products is dominated by women who will also benefit from the improvements realized in the sector.

**Impact hypotheses:** for the supplementation and implementation of the national soya strategy (output 1), the fund measure will set up studies conducted by local and international experts to generate the necessary evidence, assuming the existence of political and reform will and that the provided advisory services will secure the incorporation of this evidence into policy. Beyond the formulation of policies, the fund measure will support the implementation

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of selected policies for the improved access to information and to markets (output 2), assuming that the necessary market information could be collected and efficiently stored in a digital tool to be used by the actors. The fund measure will support actors in creating a multi-stakeholder platform (output 3) to enhance peer learning and the exchange of information and opportunities in the sector. The achievement of the outputs will unleash the potential in the soya sector.

**Deviations from the strategic specifications of the BMZ:** None.

#### 4.2 Political partner and partners' structure

The political partner for this fund measure is the Ministry of Agriculture, Husbandry and Fisheries.

The political partner for the fund measure shall have the right to demand the services to be rendered to it directly from the GIZ. The GIZ and the political partner shall regulate the details in an implementation contract. The BMZ may exercise its rights under the mandate, in particular those under the General Contract, without the consent of the political partner.

The Ministry of Agriculture, Husbandry and Fisheries is the government branch in charge of elaborating and monitoring policies in the agricultural sector, including the soya sector. As the aim of the fund measure is to improve policy coherence, the steering structure will include representatives of the Ministry of Agriculture, Husbandry and Fisheries, and representatives of other government branches, especially the Ministry of Trade and Industry, the Ministry of Small and Medium-sized Enterprises and Employment Promotion, and the Ministry of Planning and Development. Private sector actors will also be represented in the steering committee.

Other partners inside Benin include the Normalization and Metrology Agency, the National Agency for Food Safety, and the Central Laboratory for Food Safety for matters related to norms and standards. The University of Abomey-Calavi, the Benin National Institute of Agricultural Research (INRAB), and the International Institute of Tropical Agriculture (IITA) are potential partners for research-based evidence creation and capacity building trainings. The NGO African Innovation Services (AFRIS) is also a potential partner that is experienced in collecting price and market information in Benin.

Partners outside Benin include the Humboldt-University in Berlin, and the University of Hohenheim for evidence creation and capacity building on policy instruments, and the German Metrology Institute (Physikalisch-Technische Bundesanstalt) on norms and standards.

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### 5. Structure of the TC-module

#### 5.1 Methodological approach and term

**Term:** from 07/2019 until 06/2022 (3 years)

**Strategy:** The strategy of the fund measure is to promote evidence-based policy-making and build the capacity of relevant actors at both individual and organisational levels. The fund measure will support the active participation of all stakeholders in the process of policy-making and will provide continuous policy advice during the implementation of policies. Peer-learning and new technologies of information will also be used to enhance access to information and markets in the sector.

**Instruments:** The fund measure will be managed by a 33 % international staff (AMA, Bd. 4), based in Cotonou, who will be responsible for communication with the steering unit at GIZ headquarter as well as with the formulation of progress reports and other administrative tasks. He/she will be subordinated to the executive manager (*Durchführungsverantwortlicher*) of the ProCIVA (AMA, Band 5), who will have the formal responsibility for the country package. For the supervision tasks, the ProCIVA executive manager is expected to spend 10 % of his time and will be compensated accordingly.

Technical expertise will be conducted by a full-time (100 %) national advisor (NP, Bd. 4), also based in Cotonou. In consultation with the executive manager and the international staff, he/she will serve as policy advisor, carrying out most of the activities and communication with partners.

The fund measure will be supported by 40 % local administration staff, supervised by a 10 % senior finance and administration manager shared with the other SEWOH projects in Benin for all logistics and administrative tasks.

Part of the activities will be implemented by partners through financing contracts. Local and international experts as well as study trips, institutional exchanges (twinning) and capacity development measures will supplement the advisory services.

**Output:** To support coherent policies in the soya sector in order to improve the production, processing and trade of soya products, the fund measure concentrates on three outputs:

**Output 1** aims at improving the evidence-basis for monitoring and supplementing the national strategy for the soya sector. To this end, the fund measure will conduct studies to generate evidence to inform policy-makers and relevant actors in the soya sector on options for the implementation of the national strategy. The capacity of policy-makers and other relevant actors in the policy process will be enhanced through trainings on policy analysis, monitoring and evaluation tools. A gender-sensitive consultative group consisting of policy-makers and other relevant actors of the soya sector will be created, as a permanent advisory board, to monitor the implementation of the strategy and propose the necessary adjustments for a sustained development of the sector.

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**Output 2** aims at improving the access of value chain actors to up-to-date market-relevant information. The drivers of demand and prices in local and regional markets will be analysed to inform actors in the soya sector on what drives demand and price of soya products in local and regional markets. Reviewing existing market analyses and conducting complementary ones will provide a solid basis for developing a digital market information system to share timely information among actors to reduce information barriers and foster trade.

**Output 3** aims at supporting soya sector actors in establishing a national platform as well as new networks at local and regional levels. In order to improve the organization of the sector, the actors in all soya-related value chains will be supported in the process of creating a national platform (*Interprofession Soja*). This platform is expected to meet twice a year and is self-administered by the actors. Given the low use of contractual agreements at present, a study will provide evidence-based knowledge on what forms of contracts work and how contracts can be enforced. Furthermore, exchange trips to explore trade opportunities in neighbouring countries to establish contact with counterparts, develop networks and gain a better understanding of the requirements in those markets will be conducted.

The following table describes in detail the core activities related to each output, the timeline and milestones, and the inputs and instruments that are planned.

Outputs	Core activities	Timeline and mile stones	Inputs and planned instru-ments
Output 1	<p>Assessment of the coherence of the national development strategy for the soya sector with other fields of policy</p> <p>Assessment of the phytosanitary risks of the soya and formulation of measures to improve the nutritional value of soya products and enhance trade opportunities</p> <p>Analysis of the seed supply chain and formulation of necessary reforms</p> <p>Capacity building of policy-makers and relevant actors on policy analysis, monitoring and evaluation tools</p> <p>Meetings of the gender-sensitive consultative group to initiate the dialogue between public and private actors</p> <p>Continuous advisory services throughout the supplementation and implementation of policies in the sector</p>	<p>03/2020 (study report)</p> <p>03/2020 (List of phytosanitary risks)</p> <p>09/2020 (study report)</p> <p>06/2022 (training workshops)</p> <p>06/2022 (meeting protocols)</p> <p>06/2022</p>	<p>1 local advisor (100 % national staff)</p> <p>1 project executive manager (10 % international staff)</p> <p>1 component leader (33 % international staff)</p> <p>2 administration assistants (40 % national staff)</p>
Output 2	<p>Review of existing information on local and regional markets of soya products</p> <p>Complementary market analyses</p> <p>Development and diffusion of a digital market-information tool</p>	<p>12/2019 (literature review)</p> <p>03/2020 (market analysis reports)</p> <p>06/2021 (IT tool)</p>	<p>1 administration manager (10 % international staff)</p>

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Outputs	Core activities	Timeline and mile stones	Inputs and planned instruments
Output 3	Establishment of the national private actors platform Exchange trips to explore regional markets Analysis of existing contract forms and formulation of adapted contractual agreements for the poultry sector actors Networking events leading to the adoption of new contractual agreements among the actors of the poultry sector	12/2021 (statutory documents) 05/2022 (trip reports) 03/2020 (study report) 06/2022 (event reports)	Local and international experts  1 IT specialist  Financing contracts

### 5.2 Ensuring the sustainability of the measures

The fund measure supports institutions and actors that aim at improving the framework conditions in the soya sector. The economic and environmental sustainability of the policy measures will be ensured through well-researched analyses and the assessment of different policy options upon which policy decisions are based. The social sustainability will be addressed through specific recommendations for women, youth, as well as consideration of needs of the poor, and smallholder farmers.

The successful measures of this module can be upheld as good practices by the actors. The multi-stakeholder platform and networks resulting from the different exchange formats can pave the way for making additional improvements in the sector. The advisory services provided to the Ministry of Agriculture, Husbandry and Fisheries and the capacity building trainings will enhance their capacity and enable them to follow-up on the good practices and sustain the development of the soya and other agricultural sectors.

A joint monitoring of the results between the fund steering unit and the Ministry of Agriculture, Husbandry and Fisheries will ensure the effectiveness of the measure, a good management and mutual accountability of the results.

### 5.3 Partner input, co-financing

	Concretization	Value estimation
Co-financing	Not relevant	Not relevant
Partner input	The political partner will provide ministerial staff to take part in training measures, exchange trips and other capacity building formats.	Not possible

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### 5.4 Total cost and detailed cost estimate

The total costs for the measure is EUR 830,000<sup>1</sup>

## **6. Assessment of the sustainability and risks of the TC-module**

### 6.1 Economic, ecological and social sustainability

**Economic effects:** The potential of the soya sector for creating jobs can be unleashed through the improvement of the framework conditions in the sector. This will enable smallholder farmers, and small and medium-sized enterprises, especially in rural areas, to increase their incomes substantially.

**Social effects:** Improving the policy and regulatory framework conditions in the soya sector will improve access to safe food for the population, and especially their access to plant-based protein sources. The fund measure will also contribute to reducing poverty among women and young people who make up a majority of actors in the soya value chains. The fund measure will also create the conditions for their active participation in the policy process.

**Environmental effects:** From the ecological perspective, the production of soya in rotation with other crops improves soil fertility and reduces soil erosion. These additional benefits will be achieved through this fund measure. However, the expected increase in the soya production entails the risk of extending the production area at the expense of forestland, as experienced in other regions, especially in Latin America. This risk is however low as in the context of Benin the remaining forestlands are declared protected areas that are managed by government agencies with the support of various donors, among which the German cooperation plays an essential role.

**Consequences for the conception of the module:** The objective of the measure and its indicators are aligned with national and regional policies, which are oriented towards sustainable development.

**Other effects:** The planned capacity building trainings on policy analysis, monitoring and evaluation tools will enhance the capacity of the involved actors in the long run and allow them to replicate the acquired knowledge to other sectors. Moreover, the networks resulting from the exchange trips and other organized events as well as the mutual trust fostered between them can pave the way for making additional improvements for a sustainable and inclusive development of the soya sector. A detailed assessment of the fund measure effects is available in the Annex 3 (markers).

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<sup>1</sup> This budget estimate is based on the assumption that some costs (e.g. long-term personnel, materials and equipment, etc.) are shared with the other measure funded by the Agricultural Policy Advisory Fund on poultry products in Benin. Implementing the two fund measures is recommended in light of the thematic synergies.

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### 6.2 Evaluation of the risks to the effectiveness of the module

Risks	Risk assessment*	Extent to which risks can be influenced	Risk-reducing measures
<b>Political risk</b>			
Political and reform will	1	1	Through a constant dialogue policy-makers from different ministries as well as representatives of the private sector will be brought together to discuss how the policy framework conditions in the soya sector can be improved
<b>Implementation risks</b>			
<p>For the incorporation of the evidence generated from the various studies into coherent policies require the involvement of many actors who must reach joint agreements.</p> <p>The stakeholder dialogue and consultations is a long process.</p> <p>Strong interest groups such as the oil refineries and animal feed manufacturers, could impede cooperation.</p>	2	1	The fund measure will try to integrate all interest groups, including the oil refineries and animal feed manufacturers, to assure a broad acceptance of the revised policies. The fund measure will also follow-up the implementation of the elaborated policies and regulations, through intensive advisory services.
<b>Risk for long-term anchoring</b>			
<p>The policy recommendations provided are not implemented.</p> <p>The achievements of the measure are not sustained</p>	1	1	<p>The advisory services provided to the Ministry of Agriculture, Husbandry and Fisheries and the capacity building on policy analysis, monitoring and evaluation tools are expected to enhance their capacity and enable them to follow-up on the good practices and sustain the development of the soya and other agricultural sectors.</p> <p>The network resulting from the trade facilitation activities implemented by the measure and the mutual trust fostered between them can pave the way for making additional improvements in the soya sector.</p>

## Agricultural Policy Advisory Fund measure on soya sector in Benin

Projektnummer: 17.0123.4

Risks	Risk assessment*	Extent to which risks can be influenced	Risk-reducing measures
Environmental and social impacts of the measure (unintended impacts)			
Increased soya production at the expense of forestland	1	1	The environmental risks related to deforestation are very low as soya production usually takes place in rotation with other crops on agricultural lands that are already cropped. Moreover, the remaining forestlands in Benin are protected lands that are managed by government agencies with the support of donor among which the German cooperation plays an important role.
Risks of corruption			
Corruption	1	1	The risks of corruption are low as the government has been relatively successful in addressing the issue
<b>Total risk</b>	2	1	

\* Scale: 1=low, 2=medium, 3=high, 4=very high

### 6.3 Declaration

The relevant guidelines contained in the country priority strategy papers, binding sector strategies and cross-sectoral strategies of the BMZ have been taken into account during planning and will be adhered to during implementation of the TC measure. We assure the BMZ of compliance with all specifications and conceptual and technical standards and we assume responsibility for the proper implementation of the TC measure. The BMZ may therefore assume that it no longer needs to verify the compliance of the TC measure design with the specifications in every individual case.