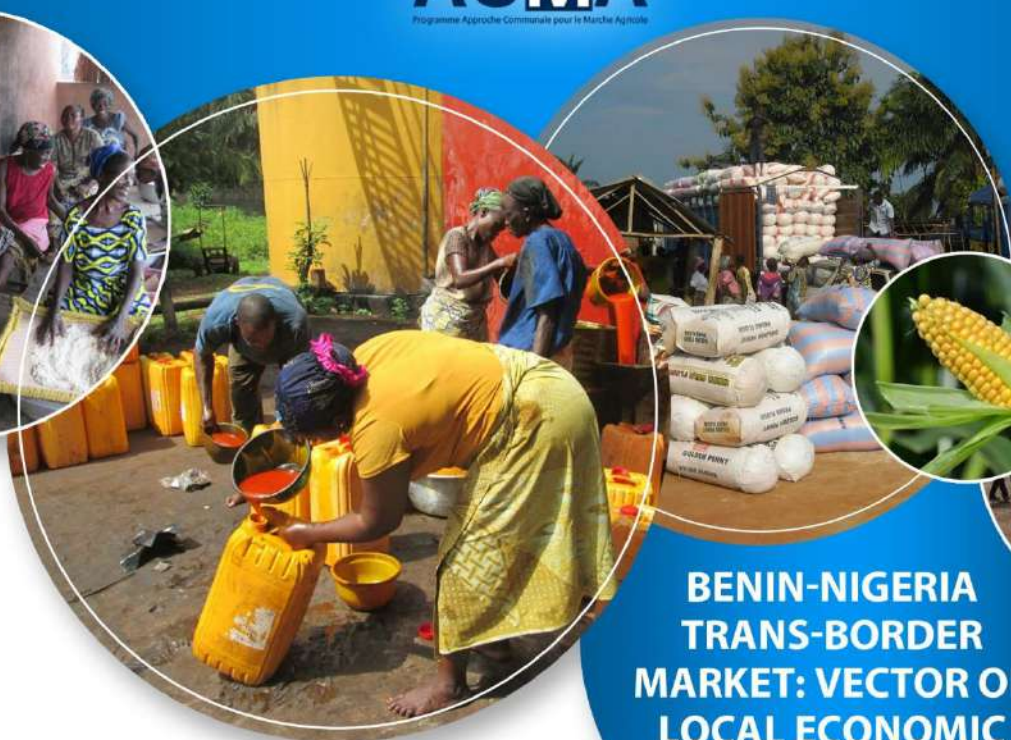


LOCAL GOVERNMENT APPROACH FOR AGRICULTURAL MARKET IN BENIN REPUBLIC

ACMA

Programme Approche Communale pour le Marché Agricole



**BENIN-NIGERIA
TRANS-BORDER
MARKET: VECTOR OF
LOCAL ECONOMIC
DEVELOPMENT**



Royaume des Pays-Bas

CONTEXT

Nigerian markets are already supplied by Beninese economic actors but with no real exploitation of the opportunities offered. These cross-border transactions are mainly done in the informal sector. Traders, processors and producers face major challenges affecting this cross-border trade and which ultimately does not really benefit these economic actors. Moreover, despite all the support to promote agricultural sectors oriented toward production and processing, the result is far from being satisfactory. For that reason, the "Local government Approach for Agricultural Market in Benin (ACMA)" programme is developed. It focuses on the market as the entry point of its interventions for the improvement of smallholder incomes and agricultural development.

THE ACMA PROGRAMME

The ACMA programme is funded by the Embassy of the Kingdom of the Netherlands in Benin, for a period of 4 years (2013-2017). The overall budget of the programme is 10 million euros with 40% allocated to commercial facilities under "communal project management" for trade increase.

The aim is to contribute to the improvement of food security and Beninese economic actors' agricultural incomes' increase. For this, it sets three specific objectives: (i) the power of the local economic actors is enhanced to promote trade, (ii) trade with Nigeria and in local markets have increased and (iii) local supply capacity of the products has quantitatively and qualitatively increased.

The target groups are male and female producers, processors and traders of which 40% are women in 22 communes of three departments bordering Nigeria: Ouémé, Plateau and Zou.

The priority products are palm oil, palm kernel nut, maize, soybean, groundnut, chilli pepper, cassava and derivatives (gari, tapioca and lafun), and fish (fresh and smoked).

The ACMA programme is implemented by a consortium of five international organizations : International Fertilizer Development Center (IFDC), Royal Tropical Institute (KIT), CARE International Benin / Togo, Sahel Capital Partners & Advisory Ltd. Benin Consulting Group International (BECG). The consortium is led by International Fertilizer Development Center (IFDC).





IMPLEMENTATION STRATEGY

The strategy of ACMA programme is oriented on the agricultural market, especially the one of Nigeria, and is based on two components which are strongly linked:

- (i) the supply and demand and
- (ii) The local government approach.

SUPPLY AND DEMAND

The first component comprises the support of the program to economic actor, who are linked through the Agricultural business Cluster (ABC), and buyers of Benin and Nigeria. The actors organized in ABC (supply) are actively involved in:

- The mobilization process of product supply (quantity and quality);
- Designing mechanisms to sell in bulk (reducing transaction costs, ensure better income);
- The inclusion of small (s) producers, transformers, traders, vulnerable groups in mobilizing 'products for the markets;
- Improving the competitiveness of products (negotiations, contracts, organizing logistics, commercial transactions);
- Facilitate the access to suitable financing mechanisms for members of ABC;
- Management of market infrastructures for collective transaction.
- Potential buyers (demand) are identified in Nigeria, particularly around Lagos, Ogun and Oyo states. The ACMA programme facilitates their linkage and business deals with Agricultural Business Clusters (ABC) in Benin.

THE LOCAL GOVERNMENT APPROACH

The second component has to do with activities that are oriented towards communal concertation frameworks or inter-communal concertation frameworks (CCC / CCIC) involving economic actors (ABC - private sector) and municipalities (mayors and municipal counselors - representatives of the public sector) to promote a favorable business environment.

These consultation frameworks are institutional innovations through their economic role, their focused

thematic (business climate) and the voice they want to give to agro-industry private sector in front of local authorities.

The creation of legitimate and legal frameworks is based on:

- A dynamic commercial-scale with Nigeria, its potential contribution to the local economy and, therefore, the interest of local authorities to invest in it;
- The active involvement of key stakeholders: (i) the private sector, (ii) local authorities, (iii) supervisory structures (prefects) and (iv) decentralized services of the State that affect commercial transactions.
- The ACMA programme facilitates public-private dialogue at the level of CCC / CCIC which is oriented on:
 - Identification of trade infrastructures and facilities, to boost commercial activities and transactions by ABC actors including vulnerable groups;
- The lobby-advocacy to be developed on the constraints on cross-border trade with Nigeria, including road harassment, local, national and sub regional rules

AMBITIONS OF ACMA PROGRAMME

- Forty-one (41) ABC built in the three targeted departments;
- At least 300 economic organizations of actors supported through the ABC are involved in commercial transactions;
- The CCC / CCIC initiated in the 3 departments to facilitate the business environment and promote trade with Nigeria and in Benin;
- Market-related infrastructures (warehouses, processing equipment, etc.) established in the towns that are 'strategic' for cross-border trade;
- Thirty-five thousand (35,000) economic actors (men and women) affected by the actions of the programme (40% women);
- More than 220 million FCFA loans to ABC actors through flexible financing arrangements;
- Objective of 4500 tons of warranted products sold at a remunerative price to increase revenue;
- Thousands of tons of targeted products sold by the actors of the ABC in Nigeria and Benin;
- Revenues of the direct economic actors (male / female) ABC members increased by 30%.

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