



AFFORD BUSINESS CLUB:
A GUIDE TO DOING BUSINESS IN BENIN

Volume 1 – 2020/21







ABOUT THIS GUIDE

This fact sheet, produced as part of AFFORD Business Centre (ABC) services, provides a roadmap of exciting business opportunities in Benin for existing and potential investors in the Micro, Small and Medium Enterprises (MSME) sector. It aims to gather useful information and insights that will facilitate business and country operations for the diaspora and other businesses in the Benin market. This ABC Guide to Doing Business in Benin opens with an overview of the country's economic, political and social context, with basic market insights on the business opportunities that exist in key sectors. In addition to access to finance, which is one of the biggest challenges for SMEs in the diaspora, the guide provides information on useful statutory and private

organizations whose functions may have implications for businesses operating in Benin. It provides case studies on some of the situations companies frequently face and the strategies adopted to overcome them successfully. The ABC Guide to Doing Business in Benin will be regularly updated.

AFFORD BUSINESS CLUB (ABC)

The AFFORD Business Club (ABC) is the resource center of the ABC based in Shoreditch, in the heart of the technological and cultural capital of London. It offers a range of business development services, common-use facilities and financial support services to strengthen and promote the growth of diaspora-owned businesses and other businesses investing in Africa. In addition to providing an ideal space for networking, the Club also provides vital support by offering grants and negotiated loans, as well as a range of innovative solutions to meet the various challenges of SMEs including knowledge of the business landscape, regulation and access to finance. Practical support that

will facilitate the expansion of businesses in African markets by supporting jobs and wealth creation at the local level. To support growth abroad, AFFORD establishes partnerships with experienced business development institutions. In recent years, these have included the Enterprise Development Centre (EDC) Nigeria, Private Sector Federation Rwanda, AFFORD Sierra Leone, and Empretec in Zimbabwe. In 2020, AFFORD began a partnership with MDF West Africa on ABC Benin and seeks to collaborate with other partners.

AFFORD Business Center (ABC BENIN)

ABC Benin aims to strengthen the investment potential of the diaspora in the small and medium enterprises (SMEs) sector. During the pilot phase in 2020 - with the support of the Swiss Agency for Development and Cooperation (SDC) - ABC Benin will support the development of one hundred and ten (110) SMEs, including diaspora, youth and women's enterprises that have a potential for growth and job creation. In 2020, MDF West Africa partnered with AFFORD (African Foundation for Development) to ensure the operation of AFFORD Business Centre Benin (ABC Benin) through the MDF Benin team. MDF is a support structure for training and management consulting for development programs

(<http://www.mdf.nl>). MDF operates in West Africa through MDF West Africa and MDF Benin. MDF West Africa has supported Small and Medium-Sized Enterprises (SMEs) through incubation and accelerator programmes in Ghana since 2015. MDF West Africa's support for entrepreneurship in Benin began in 2017. MDF's aim is to complement local structures involved in supporting entrepreneurship in order to contribute to the strengthening of the entrepreneurial ecosystem in Benin and it does this through its delivery of programmes like ABC Benin.

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WARNING

Although every reasonable effort has been made to ensure the accuracy of the information provided in this «Doing Business in Benin» guide, no business decision should be made by the reader solely on the basis of this information without further independent verification and due diligence. Neither AFFORD nor its partners accept responsibility for such a decision or its consequences.



RELEVANT DATA ON BENIN AND ITS DIASPORA

It is estimated that 4.4 million, or more than 40% of Beninese, live abroad. Transfers received by households in 2011 are estimated at 172.3 billion, or 1.61% of GDP.

World Bank, «Data: Personal remittances, received (% of GDP) - Benin»
<https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?end=2019&locations=BJ&start=2011>
accessed July 31, 2020.

Remittances received from Beninese migrants mainly come from Africa (62.7%). A large part also comes from Europe (29.2%), mainly from France (20.1%). A survey on migration policies in West Africa (2nd edition ICMPD, 2016 p.75)
One in two households receive remittances from migrants while only one in ten send remittances to the diaspora.

European Commission, «Platform for Remittances, Investments and Migrant Entrepreneurship in Africa (PRIME Africa)» (June 16, 2020)
https://ec.europa.eu/international-partnerships/projects/platform-remittances-investmentsand-migrants-entrepreneurship-africa-primeafrica_en
accessed July 31, 2020

While 98.3% of the diaspora is in Africa, it is also present in Europe (with 30,000 expatriates) and the United States (with 8,000 expatriates). IOM Migration UN «Benin remains a country of emigration and destination, the migration profile of the IOM confirms» (December 4, 2012)

<https://www.iom.int/news/beninremains-country-emigration-and-destinationiom-migration-profile-confirms>
accessed July 31, 2020

Remittances from the Beninese diaspora in 2019 amounted to \$ 396 million, or 3.5% of GDP World Bank «Migrant Remittances October 2019». Almost all (86.8%) of the transfers received are concentrated in Cotonou.

UNCTAD, «Mobilizing Domestic Financial Resources in Africa Benin Case Study» July 2007
https://unctad.org/Sections/ldc_dir/docs/ldc2007_005-Benin_en.pdf
consulté le 31 juillet 2020 p.1

In 2012, Benin was selected for the programme «Transfer of migrants' funds for the development of Benin». An initiative of an intergovernmental organisation.

OIM ONU Migration 'Migration Activités' 2009
<https://www.iom.int/countries/benin> accessed July 31, 2020

In 2017, the «Transfer of migrants' funds for the development of Benin» was launched.

<https://www.iom.int/countries/benin> accessed July 31, 2020

In 2020, ABC Bénin is offering practical support to the Benin diaspora for job creation in Benin and an advocacy framework around diaspora investment and entrepreneurship. AFFORD UK, 'ABC Benin' 2020.

<https://www.afford-uk.org/abc-benin/>

MARKET OVERVIEW

Benin is a West African country, which stretches 700 kilometers in length, from the Niger River in the north to the Atlantic coast in the south. The country is part of ECOWAS and La Francophonie, and is bordered by Togo to the west, Nigeria to the east, and Niger and Burkina Faso to the north. Its population is estimated at over 11 million inhabitants (2019), relatively young with an average life expectancy of 61.2 years (World Bank 2020), with a growth of 2.8%.

Benin uses the CFA Franc (XOF), the currency of the West African Economic and Monetary Union (WAEMU). The FCFA is guaranteed by the French Treasury and its exchange rate is fixed on the Euro. The Euro / French Franc parity has been held stable since 1994, when the currency was devalued to 100%.

Economic growth in Benin remains robust (estimated at 6.7% for 2019) partly thanks to the increase in public investments which rose from 21% of GDP in 2016 to 29.6% in 2019. The human development index (0.52) is low and ranks Benin 163rd out of 189 countries in the world in 2019. The business climate remains perfectible though Benin has gained 4 places upwards in the «Doing Business 2020» index (149th / 190 instead of 153rd a year earlier)

The closure of the Nigerian border since August 20, 2019 to date is likely to weigh on GDP growth. Benin can, however, count on the continuous progression of cotton production and the continuation of infrastructure projects (urban roads, electricity and clean water networks, etc.) as part of the implementation of the Government Action Plan (PAG) and the start of construction of the Niger-Benin pipeline by China National Petroleum Corporation (CNPC) to mitigate or even cancel the effects of a protracted crisis with Nigeria.

Inflation is very moderate (0.9% June 2020) www.insae-bj.org, significantly below the 3% which constitutes the level set out in the WAEMU convergence criteria.

The outlook for Benin's economy is favourable with a projected GDP growth rate of 6.7% in 2020 and 6.6% in 2021. The implementation of reforms is favourable to investment. These reforms will boost the development of the private sector, making it more attractive for foreign and diaspora investment.

Despite all these reforms, there is a lack of infrastructure that reduces the profitability of economic activities and is an obstacle to growth, low productivity of existing firms, and the predominance of the informal sector, which reinforces structural imbalances and widens the gap between actual and potential growth.

The economy faces a trend decline in aggregate factor productivity in agriculture and industry. Agricultural productivity remains low and the industrial structure is based on the agri-food, manufacturing, construction and public works industries. The poor performance of the education, health and social protection sectors is notable. Moreover, the population growth (2.8%) and the level of underemployment (67.2%) are both very high. The country remains very dependent on the evolution of trade and exchange policies of Nigeria, the main economic partner with 51% of Benin's exports.

Yet, in addition to its natural resources, Benin offers an important market for investments, both for the diaspora and for other entrepreneurs. The country is also a gateway to markets beyond its border, particularly in the West African region.







INTERNATIONAL AGREEMENTS AND ASSOCIATIONS

Benin is a member of many trade blocks, including the Economic Community of West African States (ECOWAS), and the World Trade Organization (WTO) since February 22, 1996 and member of the General Agreement on Tariffs and Trade (GATT), since September 12, 1963. The GATT considerably reduces trade barriers, tariffs and preferences in order to improve mutual trade between member countries. Among others, Benin is a member of these trade negotiation groups:

- African Caribbean Pacific Group (ACP): the EU grants trade preferences to member countries of this group;
- G33: Also known as «Friends of Special Products» in the agricultural sector: a coalition of developing countries seeking flexibility for developing countries to allow them to open their markets to a limited extent in the agricultural sector

General information about Bénin

Area (BM, 2018)

Benin
112 760 km²

Sub-Saharan Africa
21.2 M km²

Population (BM, 2018)

Benin
11.5 M

Sub-Saharan Africa
1 078.3 M

Urbanisation rate (BM, 2018)

Benin
47.3%

Sub-Saharan Africa
40.2%

Population growth (BM, 2018)

Benin
2.7%

Sub-Saharan Africa
2.7%

Fertility rate (BM, 2017)

Benin
4.9 children per woman

Sub-Saharan Africa
4.8 children per woman

Life expectancy at birth (BM, 2017)

Benin
61.2 years

Sub-Saharan Africa
60.9 years

Share of the population aged under 15 (BM, 2018)

Benin
42.4%

Sub-Saharan Africa
42.5%

Share of population with less than \$ 1.90 per day (WB, 2015)

Benin
49.5%

Sub-Saharan Africa
41.4%

Adult literacy rate (BM, 2018)

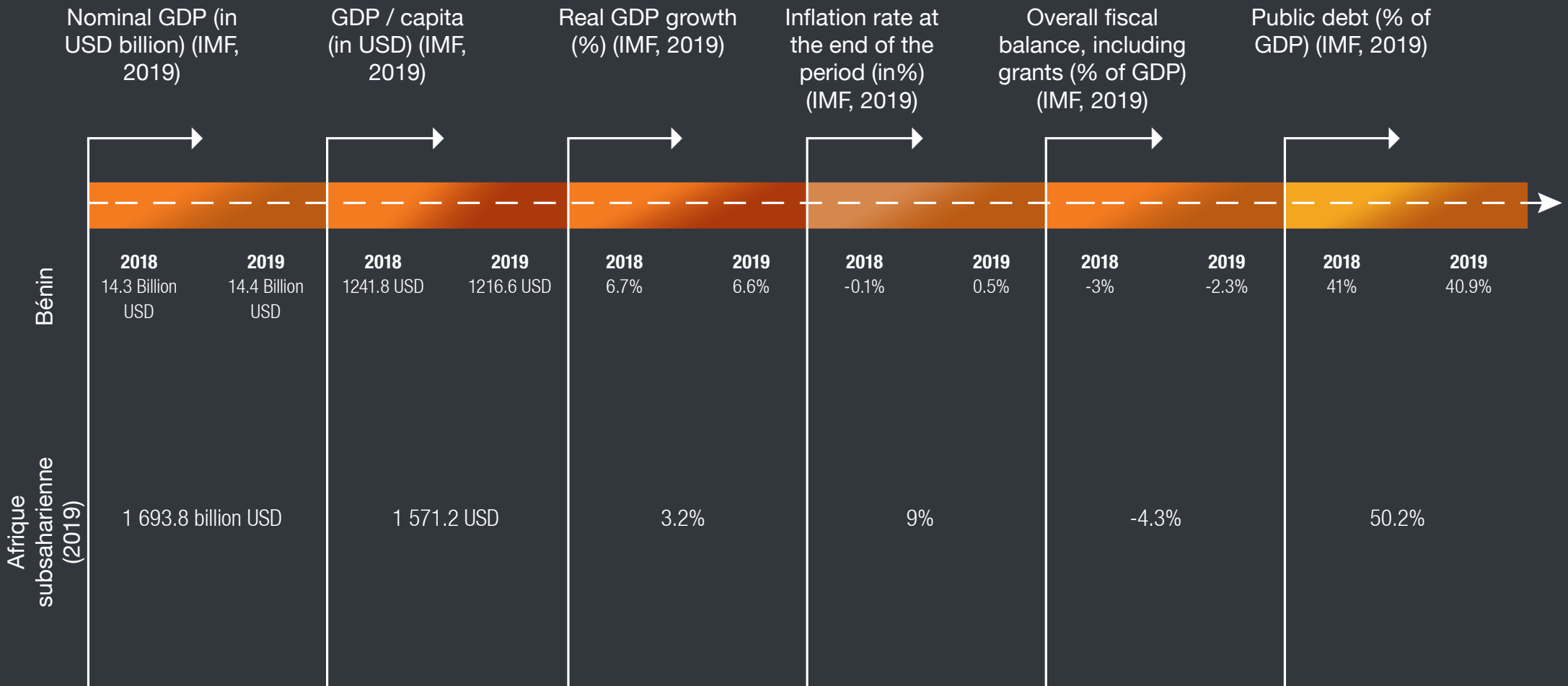
Benin
42.4%

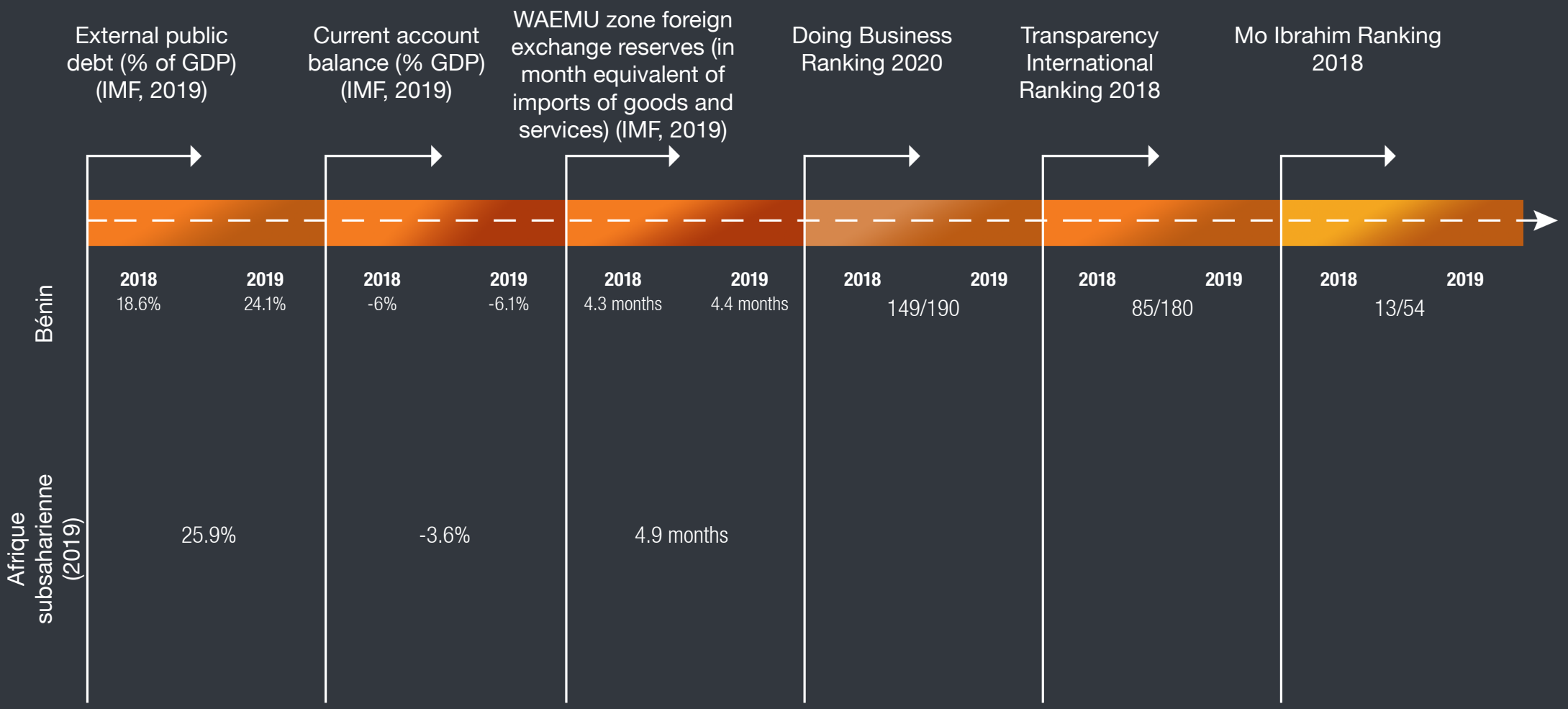
Sub-Saharan Africa
65.6%

HDI ranking (UNDP, 2018)

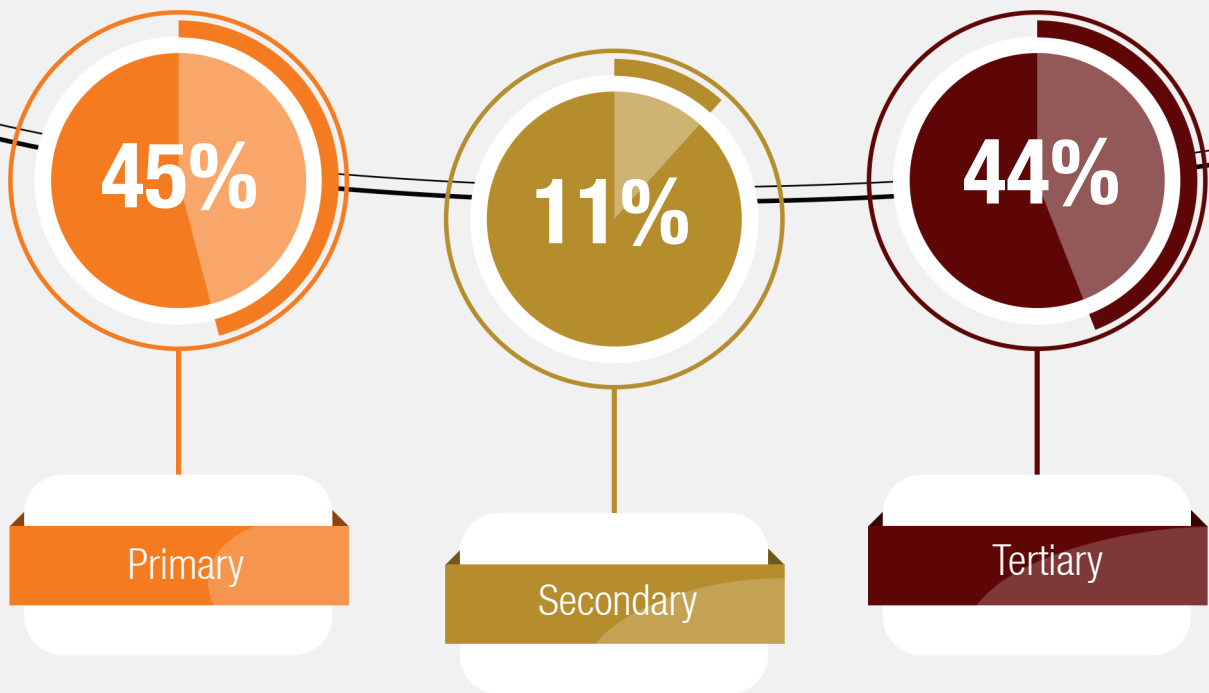
Benin
163/189

Main macroeconomic indicators

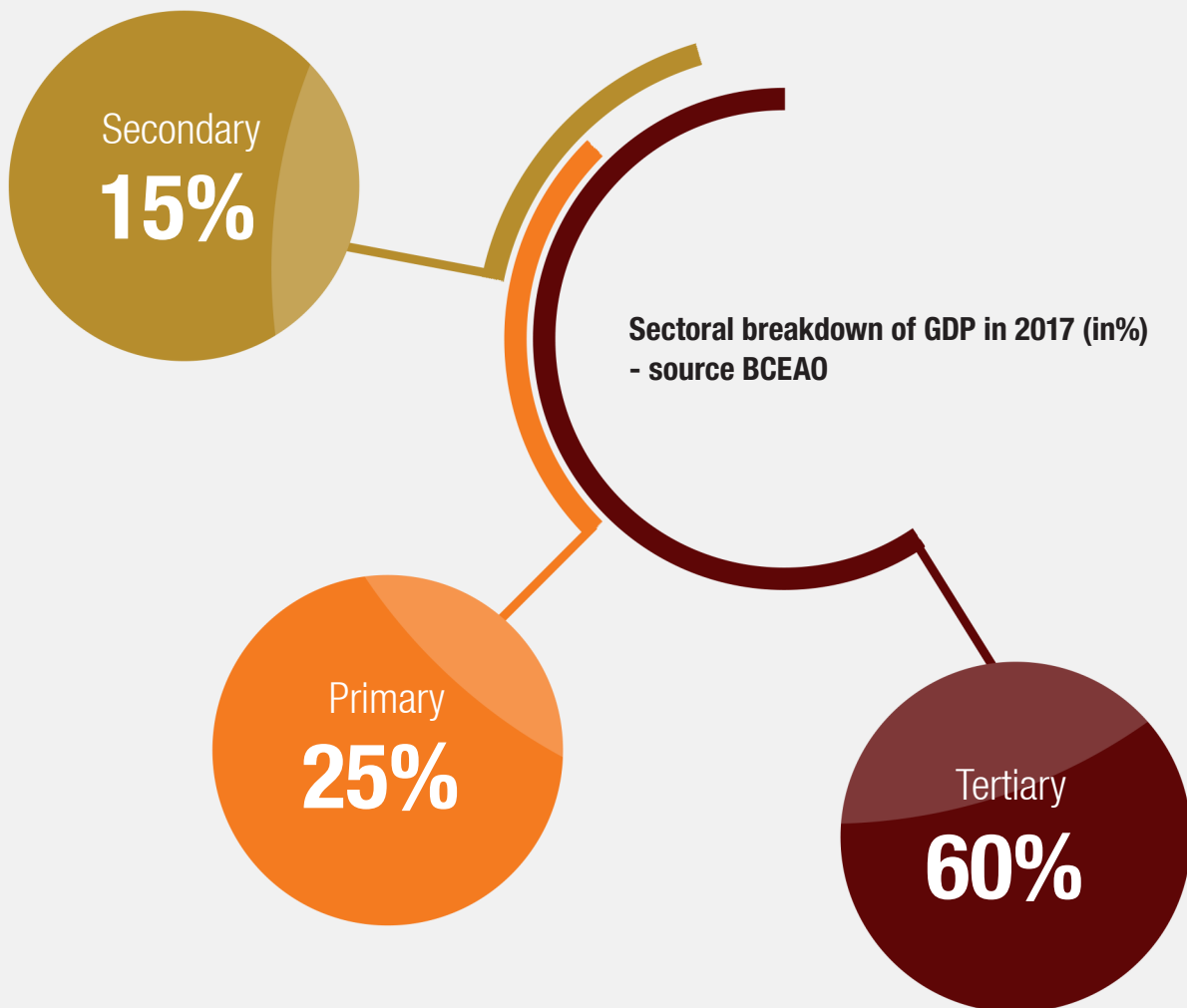




BREAKDOWN OF ECONOMIC ACTIVITY BY SECTOR



Employment by sector (% of total employment) - World Bank 2016



Sectoral breakdown of GDP in 2017 (in%)
- source BCEAO

The primary sector accounts for 28.1% of GDP and about 45% of employment in Benin. The secondary sector, 14.6%, including 6% for food processing industries and 4.4% for construction, accounts for about 11% of employment. The tertiary sector accounts for 48.8% of

GDP, of which 13% is in trade and 9% in transport, and provides almost as many jobs as the primary sector. Exports (XOF 450 billion in 2018 excluding re-exports) are highly concentrated in three product categories, namely cotton fiber (55%), cashew nuts (15.5%) and oilseeds (4.5%).

INVESTMENT OPPORTUNITIES AND HIGH-GROWTH SECTORS

The structure of Benin's economy has remained virtually stable since 2000. It is oriented towards agriculture and the processing industries for agricultural products, sectors largely centered on the two export products of cotton and cashew nuts, and towards trade.

With positive prospects for the Beninese

economy and a significant improvement in the ease of doing business, there is a range of investment and business creation opportunities in various promising sectors in Benin that can be exploited by the diaspora.

¹Ministère de l'économie et des finances/Direction générale du trésor



Investment opportunities in the primary sector

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Cotton ALIBORI BORGOU ATACORA DONGA ZOU COLLINE, MONO COUFFO, PLATEAU</p>	<p>Benin's main cash crop and leading export sector, accounting for more than 80% of national export earnings (APIEX, 2020). And more than a quarter of West Africa's production, Beninese cotton, offers enormous opportunities for processing.</p> <p>This sector is the most developed, supported, organized and structured. For its exceptional quality, Beninese cotton is highly sought after.</p>	<p>The fertilizers used are imported. In addition, the textile fiber and oilseed sub-sectors are still underexploited</p>	<ul style="list-style-type: none"> • Industries: Manufacture of cotton-based fabrics, production of fertilizers • Agro-industry: Cotton-seed processing. • Food industry: Cotton ginning for the transformation of cotton into fiber and into oilseeds • Services : Cotton bale storage service.
<p>Cashew nut COLLINE, ZOU, BORGOU, ATACORA DONGA, PLATEAU</p>	<p>Benin's 2nd export product (APIEX, 2020) after cotton are cashew nuts, considered the Pearl of Africa. It is highly prized internationally for its exceptional quality. The sector is one of the highest value-added sectors in Benin and is expected to produce 244,000 tonnes by 2025.</p> <p>However, the processing sector is relatively untouched: only 9% of this product is processed locally while 95% of national production is exported to Asia in its raw state. (APIEX, 2020).</p>	<p>Several constraints hinder the development of the sector: the low yield of the varieties used, the low availability of phytosanitary products, the absence of less expensive processing technologies adapted to small enterprises, difficulties in supplying adequate packaging for the export of raw and processed nuts.</p>	<ul style="list-style-type: none"> • Industry: Production and / or marketing of packaging; Production and / or marketing of phytosanitary products • Agro-industry: Production and / or marketing of small processing units

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Pineapple ATLANTIQUE, OUEME PLATEAU, MONO COUFFO</p>	<p>Exceptional product, Fair Trade - Organic - NOP certified, Pineapple is the 3rd export product of Benin. The two main varieties cultivated in Benin are: the Sugar Loaf (90%) whose quality and exceptional taste are highly appreciated internationally and the Smooth Cayenne (10%). The sugar loaf variety of pineapple from Benin was recently labeled with the support of the International Trade Centre of Geneva (ITC). Pineapple production is booming (358,870 tonnes/year including 322,983 tonnes of sugar loaf). Although 65% of national production is currently exported, the level of industrial processing remains very low. Thus, 40% of the pineapple produced (143,548 tons) is processed locally into juice, 8% is sold as dried pineapple to the European Union, 2% is exported as fruit, and the rest is consumed locally and exported to Africa (Burkina Faso, Mali, Senegal, Niger), Europe and the United States. (APIEX, 2020).</p>	<p>Les problèmes d'instabilité de la main d'œuvre, de non disponibilité d'intrants spécifiques, d'insuffisance de matériels végétaux performants, d'emballages et de référentiel technico-économique couplée aux problèmes de stockage ont fortement d'impact sur le développement de la filière.</p>	<ul style="list-style-type: none"> • Agro-industry: Production and marketing of quality layer discharges for the production of organic pineapple; Production and / or marketing of packaging for derived products • Trade: Marketing of specific inputs • Agri-food: Production of byproducts other than juice (dried pineapple, pineapple wine, pineapple vinegar, pineapple leather, etc.) • Export: to the EU and other countries in the sub-region • Services: Training and coaching of farmers; home delivery of agricultural and agro-food products; • Digital economy: Creation of a platform for connecting and selling pineapple and its derivatives; E-shop (online store) for the distribution of agricultural and agro-food products; Setting-up of a platform / web application for pineapple traceability.

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Shea ATACORA DONGA BORGOU ALIBORI</p>	<p>Shea is the 4th Export Product from Benin after cotton, cashew and pineapple. Benin produces and exports enough shea nuts, but the industrial processing capacity of almonds into butter remains embryonic. However, the processing of shea, in particular into shea butter, offers enormous potential on the international market. The chocolate sector is the main outlet for shea, since 95% of world imports are intended for this use. Shea butter is generally used as cooking oil or soap, but also exported to Europe and the United States, where it is used in chocolate making, cosmetology / pharmacology. (APIEX, 2020).</p>	<p>Destruction of the shea species/trees. Insufficient processing units.</p>	<p>There are several investment opportunities to be seized in this sector and in particular in:</p> <ul style="list-style-type: none"> • Agro-industry: the installation of factories • Industry: transformation of shea into cosmetic products; installation of packaging production plants • Export: to Asian countries and the USA for transformation into cosmetics
<p>Cassava ZOU, COLLINE OUEME, PLATEAU</p>	<p>2nd staple food after maize in Benin, cassava is grown in all departments of Benin but particularly in the South. Its production increased from 3,427,999 tonnes in 2012 to 4,066,711 tonnes during the 2014-2015 campaign. Cassava products are multiple and multifaceted and are sold on the national and regional market. Of the high number of 23 cassava products, four (04) stand out as having strong economic potential. These are Gari (62% of production), cosettes (15%), tapioca and lafun. Beninese cosettes are very popular on the international market. (APIEX, 2020).</p>	<p>It is clear that mastering improved production and processing technologies remains an objective. At the same time, regional demand for cassava products remains enormous and there is no reason to believe that this trend will reverse in the years to come. The baking flour currently available cannot meet the demand given its quality but also the volume available. Persistent phytosanitary problems. Storage problems.</p>	<ul style="list-style-type: none"> • Agri-food: :Production of gari for export to countries in the sub-region, Europe and America; Production of bread flour for bakeries and pastry shops in Benin and Nigeria; Cassava starch production. • Agro-industry: Production of alcohol. • Digital economy: Creation of a platform for connecting and selling pineapple and its products; E-shop (online store) for the distribution of agricultural and agro-food products

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Maize ATACORA, BORGOU, ATLANTIQUE, MONO, OUEME, ZOU</p>	<p>The maize sector contributes 12.63% to the agricultural gross domestic product (GDP) of Benin and employs 560,000 actors. 2nd livelihood and cash crop after cotton, maize is the most consumed cereal in Benin, far ahead of rice and sorghum. Its importance for food security is therefore no longer in doubt. Three main categories are produced, namely -sweet corn on the cob, roasted or boiled (green corn), used for popcorn, grain corn (roasted or moistened) used to make flour and semolina for the preparation of akassa, pasta, -sweet corn on the cob (green corn), cakes and various porridges, etc. In Benin, maize is also used in the food industry: brewery, pastry, chips, snacks and for animal feed: poultry, cattle, pigs, fish farming.</p>	<p>In addition to climatic hazards, the unavailability of specific fertilizers in a context of constant land degradation and the low availability of good quality seeds are real obstacles to the development of the sector. In addition, there are important postharvest losses (between 30 and 40%) and exports of national production to neighboring countries. At the same time, the needs for specific uses of maize (brewing, sweet corn/vegetable, fodder, etc.) are not yet covered by local production. These different needs constitute potential avenues for investment in the sector</p>	<ul style="list-style-type: none"> • Agro-industry / Trade: Marketing: of specific fertilizers; Marketing of high-yielding, short-cycle seed. • Services : Construction and / or marketing of storage infrastructure • Digital economy: Creation of a platform for connecting and selling pineapple and its products; E-shop (online store) for the distribution of agricultural and agro-food products.

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>White rice Zones : Vallée de l'Ouémé, BORGOU Sud, DONGA, COLLINES, ZOU et COUFFO</p>	<p>Rice has become in recent years one of the most widely consumed cereals in Benin, especially in urban areas. National rice production (over 400,000 tonnes) in 2019 is significantly below consumption needs (estimated at 25-30 kg of white rice per year and per capita) (MAEP 2011), partially satisfied by massive imports ranging from 70,000 to 380,000 tonnes of rice (depending on the year), part of which is reexported to neighboring countries.</p>	<p>Beninese consumers choose their rice mainly on the basis of cleanliness, aroma and flavor, quality of packaging and low breakage rate. There is therefore a need to add value to local rice in order to improve its quality, presentation (packaging) and thus its competitiveness. Local rice processing is subject to several constraints, including: poor access to appropriate processing technologies that guarantee good quality rice, lack of control of BPF (particularly with regard to drying, milling and packaging) increasing the risk of breakage and reducing the storability of the rice.</p>	<ul style="list-style-type: none"> • Services: Provision of mobile drying and threshing services; Rental of agricultural equipment. • Agro-industry: Production and / or Marketing of individual packaging, family format and processor format; Seed marketing. • Agri-food: Processing of rice into flour and other aklui products.

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Traditional tomato and leafy vegetables THE ENTIRE COUNTRY</p>	<p>Market garden production, the main component of urban and peri-urban agriculture, is considered one of the most profitable sub-sectors in the agricultural world, due to short production cycles and a rapid return on investment. It is expanding rapidly and provides the bulk of vegetables consumed in major cities such as Cotonou, Porto Novo, Sèmè-Podji and Grand Popo. The market gardening production, particularly that of tomatoes, uses imported seeds of dubious quality. Some market gardeners complain about the low germinative power of imported seeds and the melting of seedlings.</p>	<p>Among the constraints that hamper the production of market gardening crops are the lack of pests and diseases management, poor control of water, difficulties in conserving, and the lack of varieties adapted to agroecological conditions.</p>	<ul style="list-style-type: none"> • Agro-industries / Trade: Production of quality tomato seeds; Marketing of high-yield seeds; Production of food supplements based on tchayo. • Food industry: Production of tomato products (puree, powder in individual and family packaging). • Services: Providing of storage service for fresh vegetables • Digital economy: Creation of a platform for connecting and selling pineapple and its products; e-shop (online store) for the distribution of agricultural and agro-food products.

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
<p>Soybean grain, mustard and soy yogurt ZOU, COLLINES, BORGOU</p>	<p>Soya is presented as a very promising speculation. Very rich in protein (40%), it has the key characteristics to serve as a source of vegetable protein in a country with low consumption of animal protein. Soybean is also described as a crop that improves soil fertility, thus enhancing the sustainability of farms. For its qualities, soybeans have experienced a tremendous boom, with production increasing tenfold between 2010 and 2014.</p>	<p>The sector is faced with many challenges including, among others, the low level of processing and consumption of soybean derivatives, the insufficiency of quality production equipment, high post-harvest losses, production and supply of certified seeds, the lack of valorization of soybeans.</p>	<ul style="list-style-type: none"> • Agro-industries / Trade: Marketing of certified seeds. • Agri-food: Production of soy-based by-products for urban areas (the marketing of soy-based products is sparse and more or less restricted to rural areas).; • Services: Creation of specialized shops for the distribution of soyabased products, particularly in large consumption centers such as Cotonou, Porto-Novo, AbomeyCalavi, Parakou, etc.
<p>Livestock - Animal Production and Industries</p>	<p>Livestock activities are market-oriented once family needs are met. Transhumant livestock contributes 75% of the value of national cattle production. Livestock farming is growing rapidly in Benin and offers very promising economic prospects due to increase in demand.</p>	<p>Processing, conservation and storage infrastructures are insufficient in number, poorly distributed and poorly compliant with standards. Apart from Cotonou, where abattoirs are in a very dilapidated state and under-equipped, only the capitals of some communes have abattoirs but with little or no equipment.</p> <p>Cold rooms and refrigerated trucks for storing and transporting locally produced meat are almost nonexistent.</p>	<ul style="list-style-type: none"> • Agri-food: Creation of livestock farms, in the production of meat and the manufacture of dairy products. • Services: Creation of abattoirs; rental of cold rooms and refrigerated trucks

Sectors / Zones	Characteristics	Challenges	Investment opportunities and transversal sectors
Fishing	<p>The fishing sector is largely underexploited in Benin. Most of the fishery production (fish, shrimp and crustaceans) comes from sea fishing (industrial and artisanal) and inland fishing. The fish is far from covering local needs, it is far from meeting local needs, which justifies the import of nearly 11,000 tonnes of the product per year. Industrial fishing represents barely 60% of catches.</p>	<ul style="list-style-type: none"> • Extruded fish feed needs: currently fish farmers use imported feed which often does not meet yield and profitability objectives. • Equipment needs for transporting fish from the farm to local markets. 	<ul style="list-style-type: none"> • Agro-industry: production of extruded compound feed for fish; Production of living prey (maggots, larvae, artemia) for feeding fish. • Agri-food: Production of shrimps to meet the growing demand for fishery products, especially shrimp • Services: Creation of cold chains for the conservation of fishery products which is almost non-existent on the territory

Investment opportunities in the secondary sector

Sub-sector	Characteristics	Challenges	Investment opportunities
<p>Energy</p>	<p>More than 50% of the energy consumed in Benin is imported. From 1985 till date, energy consumption increases by an average of 6.3% per year. However, there are many rivers that can be the source of hydroelectric development and can reach 1676 GWH / year, for an electric power of 624MW. This will not only help to cover current consumption needs estimated at 480GWH / year but also to ensure the extension of the network to areas not yet electrified.</p>	<p>Availability of electrical energy. Expensive energy currently offered. Lack of electrification of rural areas.</p>	<p>Construction of hydroelectric dams, thermal power stations, research and drilling of oil platforms, Off-grid electrical energy production (renewable energy: solar, wind, biogas for domestic use).</p>
<p>Industry</p>	<p>The Beninese industrial sector offers interesting opportunities although it is still in the embryonic stage. Benin's industry is strongly characterized by the predominance of small agrifood processing units. However, the most important industries are oriented around the ginning and processing of the main export crop of cotton but also around the production of cement.</p> <p>With a contribution to GDP of around 8%, Benin's industrial sector is still pristine and offers significant opportunities for investors, particularly in the processing of agrifood products. (APIEX 2020).</p> <p>The small orange juice processing and tomato processing factories that were established are no longer functioning and are in the process of deterioration.</p>	<p>Technology deficit as a production factor: Availability, quality and high cost of production factors: electric power and water.</p> <p>The infrastructure currently available is insufficient in relation to the expressed needs.</p> <p>There are immense untapped possibilities in the production of exportable crops such as cashew, pineapple, mushroom, shea butter, tropical fruits, palm nuts etc.</p> <p>Renovation of small tomato and orange juice processing plants</p>	<ul style="list-style-type: none"> • Processing of agricultural products: packaging production; seed production. • Transport / digital: Creation of a distribution company for products manufactured locally and regionally • Agricultural: production of maize to supply the needs of breweries • Renovation / enhancing small tomato and ora

Investment opportunities in the tertiary sector

Sub-sector	Characteristics	Challenges	Investment opportunities
<p>Tourism and Handicrafts</p>	<p>The tourism sector contributed 2.6% of GDP and provided 5.6% of total employment in 2019 (BM 2020). The cradle of voodoo culture, arts and civilization, Benin enjoys a rich historical, tourist, cultural and architectural heritage unique to West Africa.</p>	<p>Challenges related to returning Benin pieces / objects that constitute its cultural heritage such as those in museums in France.</p> <p>Business tourism, ecological tourism and leisure tourism constitute important areas with little exploited potential.</p> <p>The finishing of the works of craftsmen remains unsatisfactory</p>	<ul style="list-style-type: none"> • Safari-tourism; discovery tourism; cultural tourism; tourist facilities (museums, construction of luxury hotel chains and leisure centers). • Construction of a modern museum that can accommodate works of art and cultural heritage objects. • Tourism / Digital: offer an application linked to an electronic box to serve as a tourist guide; • Trade / Industry: Supply of equipment for a better finishing of the works of craftsmen
<p>Trade -Service - Transport and Logistics</p>	<p>With a contribution of 35.7% to the national Gross Domestic Product (GDP), trade or the tertiary sector is the second largest contributor to GDP growth after agriculture.</p> <p>Benin is a potential platform for logistics services for neighboring countries and beyond, which promotes the establishment of packaging, repackaging, warehousing and intermediation companies in port areas</p>	<p>Insufficient service in logistics platforms (Airports, Dry Ports, Car parks, freight transport trucks, etc.). Ensuring the smooth flow of traffic at high-traffic points of the road network</p> <p>The problem of transporting people and goods in adequate conditions</p> <p>Facilitate movement at the main borders.</p>	<p>Construction of fruit quays, grouped purchasing counters or cold stores are opportunities to be seized in this sector (APIEX 2020).</p> <p>Digital applications to facilitate the transport of people and goods.</p>

Sub-sector	Characteristics	Challenges	Investment opportunities
<p>Digital economy and ICT</p>	<p>Information and communication technologies are an essential element in the development of the national economy. This sector is clearly progressing in Benin. In its action plan for 2016-2021, the Government of Benin aims to transform Benin in the medium term into a platform of digital services for all of West Africa through massive infrastructure development and generalization of broadband access to achieve a coverage rate of 80% as well as sanitation and sector dynamics.</p> <p>The digitization of tax payments in the various sectors has the advantage of reducing waiting time and long lines in front of counters</p>	<p>Difficulties in accessing electricity, especially in rural areas Marketing of goods and services. Access to state services, slowness in services. Market niches with high potential not yet developed in the fields of electronic money services, e-services, and e-commerce. In agriculture, for example, electronic platforms capable of disseminating market prices, creating links between supply and demand for products, etc. are not yet as developed in Benin unlike other West African countries such as Senegal and Ghana where they are already operationa</p>	<p>The development of telemedicine, telemonitoring, digital communication, microchips, software, software package etc..</p> <p>Provision of ICT services to SMEs such as: application development, IT services, money transfer services, E-commerce for several sectors: agriculture, textile, electronics.</p> <p>Trade of ICT goods and services: sale of airtime, stand loading, small retail stores, repair stores.</p> <p>Sales of solar products in rural areas: possibility of marketing electrical boxes, mobile chargers, solar panels, solar lanterns. Data collection services providers in the field in exchange for a fee.</p>

In summary, there are four (04) main sectors in which SMEs and the diaspora could achieve success more rapidly, compared to other sectors. These are the **food industry, agro-industry, digital economy and services sectors**. Most local businesses invest in these sectors because they present both strengths and challenges.



BUSINESS ENVIRONMENT IN BENIN: INCENTIVE REFORMS FOR INVESTMENT

The adoption of the various measures and the reforms under way over the last ten years reflect a political will determined to create the conditions for strong, sustainable growth for the country. To improve economic performance, several other reforms aimed at liberalizing agriculture, transport and infrastructure, mining and energy, telecommunications, and tourism, sectors in which there are real opportunities for profitable investments, are being implemented.

The establishment of a new mechanism for coordinating and facilitating relations with the private sector and promoting investments and exports has been carried out. This measure allowed:

- The creation of the Interministerial Committee for the Promotion of Investments (CIPI) to improve the strategic coordination of relations with the private sector as well as monitoring at the level of the Presidency of the Republic. www.ccibenin.org
- Restructuring of the Agency for the Promotion of Investments and Exports (APIEX) www.apiex-benin.com to make it the operational arm of the implementation of the Government's strategy in terms of investment and export promotion (reception, guidance and support for investors and exporters from Benin. A new role has been assigned to APIEX, it now plays the role of:
 - One-stop shop for business creation and the gateway for investors to Benin;
 - Technical body in charge of studying investment code approval requests;
 - Support Unit for Public Private Partnership;
 - Administrative Authority of Special Economic Zones;
 - Single window for promotion and information on exports;
 - A coordinating body for the implementation of Doing Business reforms.
- Improving investor protection, through the adoption of the Revised Uniform Act on Commercial Company Law and Economic Interest Grouping, on January 30, 2014, in Ouagadougou;
- Cessation of the use of the paper supports of the Single Bill of Expenses (BFU) through the memo n° 0899 and the circular note n° 0898 of March 19, 2014, issued by the General Directorate of Customs and Indirect Rights (DGDDI) www.douanes-benin.net
- Dematerialization of the control of the information contained in the Electronic Cargo Tracking Note (BESC) through DGDDI service note n° 1047 and circular note n° 1046 of April 2, 2014 ; www.finances.bj
- Recall on the non-requirement of the phytosanitary certificate for ordinary products (for non-food products and products of non-animal and halieutic origin) through memorandum n° 038 of February 14, 2014 from the Ministry of Agriculture, Livestock and Fisheries
- Limitation of the duration of joint checks to five (5) minutes per vehicle as well as the number of joint road checkpoints for the main corridors through the decree n° 2013-546 of December 24, 2013;
- Dematerialization of the procedure of verification of the company name due to the setting on line of a database of companies that can be consulted remotely by any promoter before the choice of the company name.

Strengthening the legal and judicial framework to secure investments through:

- The creation of the commercial court: With the adoption of laws 2016-15 of July 28, 2016 amending and supplementing law 2001-37 of August 27, 2002 on judicial organization in the Republic of Benin and law n° 2016-16 of 28 July 2016, the Beninese judicial system has

undergone profound changes with the creation of commercial courts and the establishment of specific procedural rules before these courts. Which are the commercial courts of Cotonou, Abomey and Parakou and the commercial courts of appeal with the same territorial seat.

- Reduction in the time limits for registering court decisions: The Keeper of the Seals awareness letter n ° 1053 of 23 April 2014 on the time limit for registering court decisions for the attention of the Presidents of the Courts of First Instance and Courts Appeal as well as to the Chief Registrars of the said jurisdictions, was sent to them, for this purpose, in particular, in order to avoid accumulations of court decisions at the level of the Registrars.
- Adoption of the unified and secure legal framework for Public and Private Partnerships <http://doingbusinessinbenin.com/>
- Establishment of provisions relating to transparency and fairness in the treatment of partners;
- Stabilization of rules and clarification of appeal mechanisms (protection of private investments);
- Revision of the law on public procurement: Revision of the Public Procurement Code and its implementing decrees;
- Reductions in the legal processing times for certain operations (time for signing contracts by the PRMP, supervision of the time for approval of contracts, etc.).

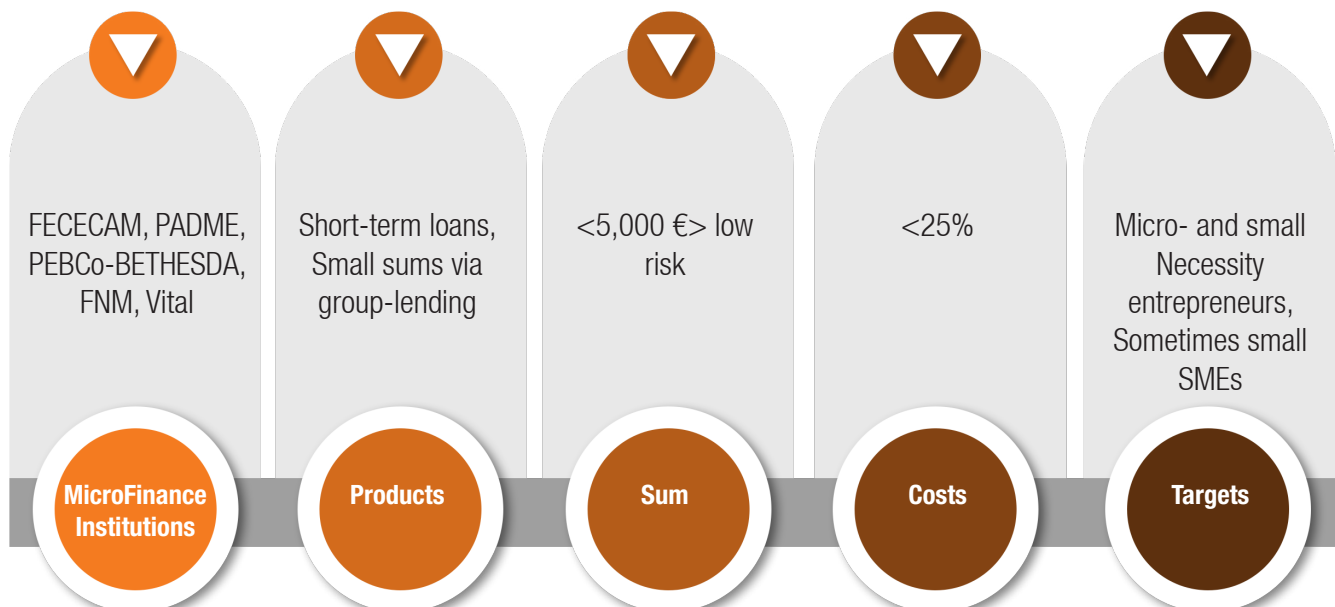
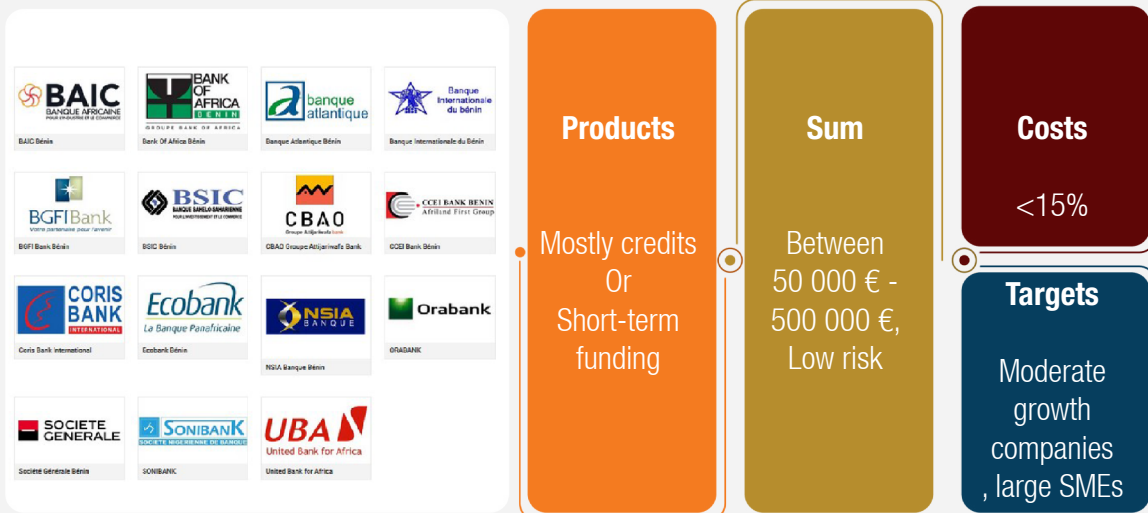
FINANCE AND INVESTMENT FOR SMEs

The diversity of the Beninese financial ecosystem is limited:

- About ten banks which cover only a small part of the investments needed by SMEs and only a few banks pay particular attention to SMEs.
- About one hundred licensed Micro-Finance Institutions (MFIs), mostly offering small loans (<€ 5,000)
- Private equity and venture capital are virtually unknown, except for a few large SMEs.



Financing by banks and MFIs



Access to finance is one of the main challenges facing SMEs in Benin. Difficulties stem mainly from a somewhat cumbersome legal and regulatory framework that favours lending to SMEs at very high rates. The majority of SMEs do not have official documentation, which also makes it difficult for them to access financing. The guarantees required by financing structures are often inaccessible to SMEs.

Funding from family, friends and relatives

Lack of funding causes many entrepreneurs to sometimes sell their property and ask friends and family for money to start a business

- Examples: Most SMEs in Benin

- Products: Informal debt
- Sum: <€ 5,000
- Costs: Low, sometimes interest is charged
- Targets: Startups, micro and small entrepreneurs

The Beninese government has tried to solve the problem by creating structures like the FNPEEJ www.fnpeej.bj under restructuring, the FNM www.fnm.bj , and the ANPME www.anpe.bj . Through these structures, SMEs benefit from loans at lower interest rates and technical support to lay the foundations for the development of their businesses.

Other forms of funding: diaspora support and investment

BBAN BENIN BUSINESS ANGEL NETWORK

The BBAN association, founded by a Canadian based Beninois diaspora member, and created in 2019, aims to enable the creation and development of a network of Business Angels to support companies in Benin. Thus, it seeks to expand the existing support systems for startups in Benin, strengthen the national entrepreneurial ecosystem and stimulate the emergence of successful national businesses. Its creation is in line with the desire of its members to support startups in their growth, by offering them funding alternatives more appropriate to their level of development and mentoring to face their multiple challenges. In doing so, the BBAN builds a development

framework that ultimately attracts sophisticated players, who are generally interested in companies at a more

advanced level in their maturity cycles. The fast-growing association currently has 23 members, committed to making 2.5 million CFA francs available annually. The network finances startups to the tune of 5 to 50 million CFA francs. In particular, it has notably enabled an investment in Ylomi, a platform for connecting artisans and professionals with their customers.

Interested investors and startups can contact BBAN on its website: www.beninangels.com and on these social media pages.

Twitter [@beninangels](https://twitter.com/beninangels)

Fb: <https://www.facebook.com/BeninAngels/>

DOING BUSINESS IN BENIN

Cas N° 1 : HUILERIE ROYALE TED BENIN



Armel AHIMAKIN is an agronomist who created the HUILERIE ROYALE TED BENIN SARL Company whose value proposition arose from the ruins of an artisanal coconut processing activity previously carried out by his mother.

His idea of taking over his mother's business was born of his love for coconut and its delicious oil to which he had been used to from childhood,

but whose production was abandoned not only by his mother but also by the majority of rural women who were in this production due to the exportation of the raw material, the rudimentary conditions of production and the difficulty in keeping stable the product obtained from the transformation. Armel used three assets at his disposal: his training in agronomy, his mother, a former producer, and a capital of money collected on the day of his defence to create around him an environment favourable to the revival of coconut processing in Benin

Faced with financial constraints, availability of packaging and equipment, HRTED operated for three years in a purely traditional but innovative production based on product quality, its economic model much more focused on fair trade and its ability to recover post-harvest losses, which brought considerable added value

to its solution. Through this value proposition HRTED has made it possible to considerably improve the living conditions of more than 30

women and to create a financial situation for 8 permanent employees and 5 laborers. HRTED has received several awards for this innovation including the RUFORUM award in 2018 for the 22 best African entrepreneurs, the Food connexion challenge organized by BoP Innovation

Centre in 2019, the Tony Elumelu foundation award in 2019, etc.



Thanks to the financial means received from these different awards, HRTED has moved to a level of semi artisanal production and has the vision to process 80% of the coconut produced in Benin and neighbouring countries by 2024.

Since there are no large industries specializing in coconut oil extraction in Benin, this market always offers new possibilities that we have seized by creating our brand. Our company's product is in great demand internationally for cooking and making cosmetic products. Although artisanal coconut oil is sold in the local market and companies like HRTED, Siloé and Agri-Conseil are moving into production, demand remains high for quality coconut oil. The coconut market is booming in Benin. Even if precise statistics on this market are lacking, it can be estimated at more than 100 million CFA



francs in 2018, because traders testify to have made considerable profits by selling its various derivatives. HRTED has focused on the coconut oil component, and aims to hold up to 60% of this market by 2022. This will be possible thanks to the equipment to be used to improve the quality of the oil, distribution partners (pharmacies, stores, supermarket, etc.) and international export



Cas N° 2 : IDIRIUM



A graduate in Intercultural Management and Translation (ISIT, Paris), he returned to Benin in 2010, after his university studies. He carried out consulting assignments as a freelance until 2012. Then, he created his first company: Pyramide Consulting, a communication and marketing agency. In addition to the work done for his clients, he edited a free magazine called ICÔNES, the aim of which was to promote the entrepreneurial and innovative youth of his country. He then entered the food industry in 2013-14, testing a revisited version of Agonlin's kluiklui. The concept appealed to him and this

led him to create the Iridium Company dedicated to agribusiness in 2015. This is how the Dayélian snack brand was born, which enjoyed great popularity and aroused the curiosity of both local and International media (Canal +, RFI, BBC Africa, Radio 2M Maroc, etc.).

At the time, it was not possible to create one's business online. You had to go to GUFÉ (Guichet Unique de Formalisation des Entreprises) for the various formalities. He found this rather frustrating, but it is the characteristic of any administrative procedure. In less than a month, he had completed the process. Today, all of this is much simpler because you can create your business online and complete it in a few hours or days.

At the time, he had to spend between 100,000 and 200,000 CFA francs (including the cost of opening the bank account and the initial deposit).

For start-up companies that do not have large volumes of activity from the start, the flat-rate regime: TPS (Synthetic Professional Taxes)

helps reduce the tax burden. However, both then and now, he would have liked to see more incentives to allow start-ups to get off to a good start without too many constraints. All in all, the charges relating to taxes remained bearable. On the other hand, when you leave the Synthetic Professional Tax (GST) regime and achieve a turnover of more than 50,000,000 CFA francs, the treatment changes and the tax burden increases significantly. It is therefore advisable for each company to find the means of tax optimization available to it according to its type of activity and the realities of its sector.

Staff motivation: When paying high salaries is a daily challenge, it is necessary to be able to share the vision with one's employees so that they accept the sacrifices made at the beginning. The complexities faced with local products often judged to be of questionable quality and too expensive is a barrier that is hard to breakthrough. These consumer reflexes are changing thanks to the initiatives that are multiplying in the sector and to various awareness campaigns.

Today, Iridium offers a wide range of about twenty snacks - under the Dayélian brand- from the rich culinary heritage revisited. The company offers the products to the general public, via shops, supermarkets and others, as well as to businesses (hotels, organizations, etc.) at a price of 1000 FCFA per package. To get there, he relied on hygiene, marketing and communication. It also exclusively distributes certain products such as a root liqueur called Ayoya. Last December, the company organized the largest fair of «made in Benin» products, Expo Daho.



Cas N°3 : RAYNIS

RAYNIS is a social enterprise created and registered in Benin in January 2019 under the number RCCM RB / ABC / 19B 2531. It has strong values, namely:

- Sociability;
- Efficiency;
- Client satisfaction
- Customer Satisfaction

The idea of creating this company has long been considered by the promoters, Raynald Ballo and Symphonie Tchibozo, who reside in France. Not being in Benin when RAYNIS was created and due to lack of information during this period, they



chose to entrust the administrative procedures to a notary firm which carried out the service while respecting the deadline and the fast transmission of the necessary documents in order to carry out their activities in all legality. Today, the process is completely simplified through the gufèbènin website

Their ambition is linked on the one hand to the desire to devote themselves to the passion for the profession of transport and sustainable mobility in connection with digital technology, organic farming and on the other hand to focus on improving living conditions in Benin. Hence the deployment in June 2020 of our first shared mobility platform: RMOBILITY

RMOBILITY is a complete digital platform for carpooling, co-motorage, shared taxi and bus whose aim is to connect drivers and passengers, and to help these users get around at a lower cost and in complete safety. Follow these links to access it:

- RMOBILITY website: <https://rmobility.raynis.bj>
- Mobile application on Android: RMOBILITY (the IOS version is being deployed)
- RAYNIS website: <https://raynis.bj>

They have a 100% team made up of young Beninese determined to take up this challenge at their end. In addition, they work in collaboration with important market players, namely insurance companies, mobile telephone networks, associations, etc...





L'application RMobility permet de réduire The RMobility application significantly reduces travel expenses. Raynald Ballo uses some simple examples to make himself more explicit: «Let's take a simple example: a Parakou-Cotonou trip costs on average 10,000 F CFA by bus and 30,000 F CFA in a private car. By carpooling, the costs are reduced to about 10,000 francs for the car owner. It's the same principle for motorcycles for those who share their empty seat on a daily basis. To access RMobility services, you must first download the application from Google Play Store and register. It is very simple to use and its operation is based on a few essential points". Raynald Ballo and his partner are pleased to collaborate with ABC Benin as part of the latter's programme to strengthen and support diaspora businesses. They are convinced that together we will take up the challenge of developing activities that create stable and sustainable jobs for the youth.

Who is the promoter of carpooling through the RMobility application?

Raynald Ballo is a young Beninese. In his thirties, a geographer by training, he is interested in subjects relating to transport and sustainable mobility in Africa and in Europe. He writes in his spare time and is the author of the novel « Soit Dieu, soit Elle » published by PBA Éditions. Following his university studies, he carried out a diagnosis of travel practices in a few cities in Benin. The field results reveal a real need to merge innovation and a new way of getting around. Hence the deployment of the RMobility app which is a shared mobility service.

With the RMobility application «Please note that by sharing the same car for a given trip, the costs are divided between the passengers. Its objective is to ensure that through this application, drivers and passengers are connected easily and safely throughout the territory (short, medium and long distances) «.

Indeed, the majority of respondents expressed their dissatisfaction with current transportation practices, including delays due to various reasons, safety, overloads, lack of comfort and additional costs.

For more information::

<https://www.youtube.com/watch?v=5v7ZzgmP47Q&t=18s>

For more information, subscribe to the platform's social media pages:

Instagram: <https://www.instagram.com/rmobility001/>

Facebook: <https://www.facebook.com/RMobility/>

YouTube: <https://www.youtube.com/channel/UCETNXmQmvpmlPJOWIenJQ>

In addition, the Beninese press is already interested in the platform.

Article link : https://kparonbaaru.mondoblog.org/rmobility-plateforme-de-covoiturage-a-cout-abordable/?fbclid=IwAR2OgA3MbMeq-s9oDWatOmr0eE1iFQ_GCP-x2hg9_mF1wkJBBAif82G8hxl



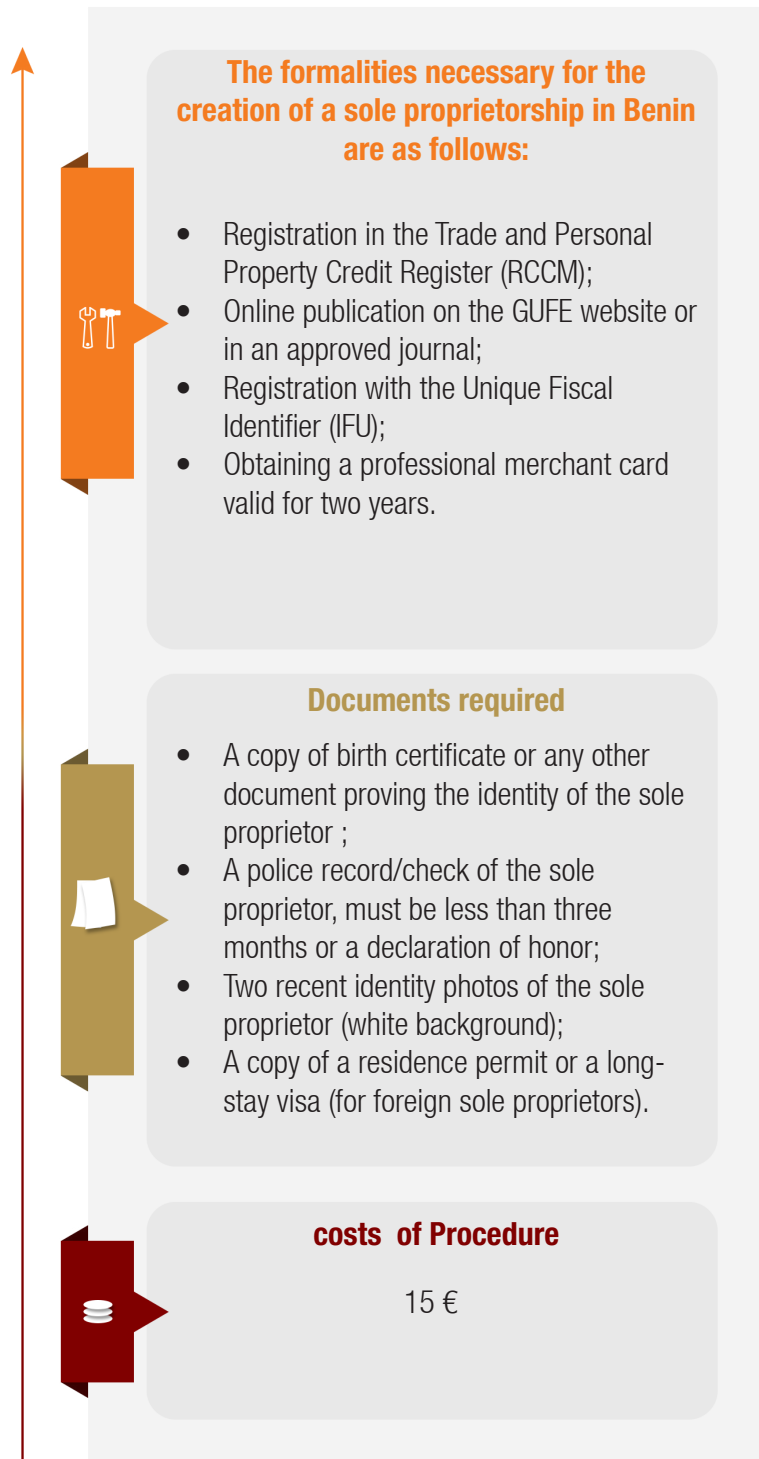
SIMPLIFIED BUSINESS REGISTRATION PROCESS

Who should you contact?

If you want to register a business in Benin, the Guichet Unique de Formalisation des Entreprises (GUFÉ) is the right place to complete the procedures. You will find all the administrations involved in the registration of a business in one place, and you will be able to complete the registration process at a lower cost and in a short time.

What formalities do you need to complete for which types of companies?

1) Formalities to be completed for registration by a natural person.



NB: These new costs are valid for both nationals and foreigners.

2) The required formalities for registering a company in Benin are as follows:

The required formalities to create a company in Benin are as follows:

- Registration of statutes, minutes and other acts;
- Registration in the Trade and Personal Property Credit Register (RCCM);
- Online publication on the GUFÉ website or in an approved journal;
- Registration with the Unique Fiscal Identifier (IFU);
- Obtaining the importer's card valid for two years.

Documents required

- An original copy of the statutes of company;
- A copy of a certificate or any other identity document;
- Two identity photos of each partner/director;
- A police record/check dating less than three months or a declaration of honour of the partners/directors.

Costs of procedure

25.91 €

What you need to know

The amount of share capital for SARL (Société à Responsabilité Limitée) is freely determined by the partners. The amount of the capital is divided into several shares. A minimum of 5,000 FCFA (€7.62) is required for the bank deposit, which represents the amount of one share. The IFU (Unique Fiscal Identification) certificate is established for the company, the manager and the associates (if any).

The documents are sent to your electronic mailbox, you will be able to receive them by e-mail.

website www.monentreprise.bj .

The online procedure is simplified:

1. Create your file
2. Pay online
3. Receive certificates



Conditions for opening accounts in a Bank

Opening a bank account in 3 steps:

<https://benindoeingbusiness.bj>

1. Opening a company account

What do you need to provide?

- Letter of account agreement (original) signed by one of the company officers;
- Registered statutes (dispatch) (simple copy);
- Extract from the trade and movable property credit register (simple copy);
- Legal journal containing the advertisement (simple copy);
- National identity card (original + simple copy) of each person authorized to sign the company's checks;
- Identity photo of each person authorized to sign company checks
- Certificate of residence (original + simple copy) from one of the corporate officers;
- Water, electricity or telephone bill (original + simple copy) from the place of residence of one of the corporate officers. He can also provide a rent receipt or a proof of tenancy or home insurance policy that is less than three months old and bears his name.

Pourquoi est-ce obligatoire ?

- Uniform Act on Commercial Companies and EIG (Economic Interest Group) Law
- Articles 313, 314
- Interministerial decree n ° 019/2010 / MC / MJLDH / MEF / MTFP / DC / SGM / SA of 07/16/2010: The bank Identity statement is requested by the Centre de Formalités des Entreprises to establish the unique tax identifier and the importer's card.

2 Deposit of share capital

What do you need to provide?

1. Payment slip (original);
2. Amount of share capital.

Pourquoi est-ce obligatoire ?

1. Uniform Act on Commercial Companies and IEG Law Articles 311, 387

3 Withdrawal of bank identity statement

What do you need to provide?

1. Payment receipt (Bank Of Africa) (original)

What you need to know

Let's take Bank of Africa (BOA) Benin as an example. The applicant can open the company's account in any bank in Benin listed in the attached list. All originals of the documents and papers provided are returned to the applicant immediately after verification of the copies.

Conditions of accessing accounts by SFD

Some SFD (Decentralized Financial System)

SFD	CONDITIONS FOR OPENING AND KEEPING ACCOUNTS (INDIVIDUALS)
PEPCo	Documents: 2 identity photos, 1 copy of identity card Account opening fees: 500 FCFA Minimum amount: 5 000 FCFA Account maintenance fees: 250 FCFA / month
FECECAM	Documents: 2 identity photos, 1 copy of identity card or Lépi card or passport Social share: 1 000 FCFA Membership fee: 500 FCFA Account opening fees: 1 000 FCFA Minimum amount: 1 000 FCFA Account maintenance fees: 500 FCFA FECECAM eased its conditions of access last June to promote more inclusion
ACFB	Documents: 2 identity photos, 1 copy of the identity card or Lepi card or passport Membership fee + purchase of booklet: 3 000 FCFA Minimum amount: 3 000 FCFA Account maintenance fees: None

SFD	CONDITIONS D'OUVERTURE DE COMPTES ET DE TENUE DE COMPTES (PERSONNE PHYSIQUE)
UNACREP	Documents: 3 identity photos, 1 copy of identity card or Lépi card or certificate of state possession Share: 3 000 FCFA Membership fee: 2 000 FCFA Minimum deposit: 2 000 FCFA Account maintenance fees: CFAF 1 000 / year
COMUBA	Documents: 3 identity photos + 1 copy of identity card or Lépi card Share: 2 500 FCFA Book and other fees: 1 000 FCFA Membership fee: 3 000 FCFA Account maintenance fees: None
CMMB	Documents: 2 identity photos, 1 copy of the identity card or Lépi card Social share: 10 000 FCFA Membership fee: 2 500 FCFA Minimum initial deposit: 2 500 FCFA Account maintenance fees: None

For the legal person (Company, Association, Group)

The conditions are practically the same for each manager

Case of PEBCO-BETHESDA

- 02 identity photos of each of the three (03) managers of the organization;
- 01 identity document of each of them;
- A minimum of 5 500 CFA francs

Registering a company in Benin: What tax system?

ELEMENTS	Microbusiness	Small business	Medium business	Big business
Legal form	Applies to all regardless of size > Sole proprietorship: Establishment, SARLU, SA unipersonal > SARL, SAS, SA, SNC The legal form does not determine the type of company (SME or Large), except for SAs which are at least medium-sized companies.			
Turnover	0 to 20 million (FCFA)	Over 20 to 50 million	More than 50 to 1 billion	Beyond 1 billion

Tax regime <i>(Depending on the level of turnover)</i>	Package or GST: Synthetic Professional Tax (GST) grouping together 4 taxes: VAT, VPS (on salaries), Licenses and Income tax	Actual: Taxes due and liquidated separately. Income tax (on corporate or personal income): rate of 25% or 30%
NB: limited companies (SA) cannot be subject to GST. They are automatically real.		
Foreign company: Application of taxation	<ul style="list-style-type: none"> • For countries that have signed the double taxation agreements (France, Norway, Morocco, United Arab Emirates) the company is taxed on the income in the country of origin of the company. However, the VAT is due on the services provided here. • For countries that have not signed the double taxation agreements: VAT (Value Added Taxes) is due on services provided here - but also 25% on individuals and 30% on companies for income tax. <p>NB: Diaspora and foreigners: Nothing in particular, apart from the double taxation agreements.</p>	
Incentives measures	If newly created companies that have never made a declaration or been subject to a tax audit come to declare themselves without an administrative control, the penalties related to non-prescribed exercises are canceled.	

The Government of Benin has improved the business climate by adopting texts aimed at simplifying the process of formalizing businesses, in particular the elimination of the obligation to constitute a minimum share capital and the use of a notary when setting up companies. Limited Liability Company (SARL) (Cf. article 2 of decree n ° 2014-220 of March 26, 2014), the elimination of the requirement of the Bank Identity Statement before the issuance of the

Unique Fiscal Identifier (IFU), and reduction of costs and duration of formalization of companies. With the creation of the GUFEBENIN website, extracts from trade registers and movable property loans have been published online since April 2013. The publication has become free, thereby eliminating the publication costs formerly required for companies

www.gufebenin.org

HOW TO CREATE AN NGO IN BENIN

Association - NGO – Advocacy organisations

In Benin, the registration of an NGO is done according to the following procedure:

What are the documents to provide?

- Application for registration of the NGO (NonGovernmental Organization) duly signed by one of the members, addressed to the Minister of Interior and Public Security;
- Two (02) copies of the minutes (PV) of the Constitutive General Assembly (constitutive congress);
- Attendance list duly signed by the participants in the constituent assembly (constituent congress);
- Two (02) copies of the statutes;
- Two (02) copies of the internal regulations;
- One (01) extract from the police record/check, less than three (03) months old, of the main officers: President, Vice-President, General Secretary, Deputy General Secretary, General Treasurer and his Deputy.
- A receipt for payment of the sum of fifty thousand (50 000) CFA in

to the Public Treasury account N ° BJ6600100100000010435064

- Two cardboard folders;
- An electronic version of the basic texts on a USB key or CD

Where does one file documents to register a national NGO in Benin?

The file is submitted at the Administrative Secretariat of the Ministry of the Interior on the 1st floor of the former Prime Minister's building located at the edge of the street not far from l'école Montaigne.

How is the procedure?

Once the documents have been constituted and filed, a receipt is issued to the applicant. Then the file is sent to the Directorate of the Ministry of Interior located at Gbégamey not far from the market. In the second week following the submission of the file, the applicant goes to the said Directorate to follow up and if everything is complete and in order, the registration is finalized.

SMEs' DEVELOPMENT SUPPORT ECOSYSTEM / LANDSCAPE

There are several types of structures for the promotion of entrepreneurship in Benin. These include consular organizations, civil society organizations and public services.

Main public structures for promoting entrepreneurship and employment in Benin

**BENIN CHAMBER OF
COMMERCE AND
INDUSTRY (CCIB)**
www.ccibenin.org

Information

- Help with business registration
- Sectorial market studies
- Help in assembling files
- Commercial events
- Business opportunities (supply, demand)
- Welcoming investors

Advice

- Investment possibilities
- Advantages of certain regulations
- Facilitating exchanges
- Support
- Performance improvement / Training / Arbitration and mediation
- Defense of the private sector (private sector legislation)
- Advocacy for the private sector
- Private sector advocacy
- Welcoming investors

**NATIONAL
CONFEDERATION OF
ARTISANS OF BENIN
(CNAB)**

www.cnab2017.org

The purpose of the CNAB is to promote and enhance the professions of craftsmen as well as advocate for the material and moral interests of craftsmen in Benin.

**COUNCIL OF PRIVATE
INVESTORS IN BENIN
(CIPB)**

www.cipb.bj

- Recognized interlocutor of national decision-making bodies on the country's economic, fiscal and social orientations.
- Promotion of a space favorable to investment, employment and optimization of local resources.
- Advocate for a long-term vision of a company that creates wealth and jobs.
- Reference body for international organisations.
- Circles of reflections, exchanges, analysis and proposals (GTF, GTJ).

**NATIONAL CHAMBER
OF AGRICULTURE OF
BENIN (CNAB)**

www.cnabenin.org

Representation and protection of the interests of the agricultural world:

- Participation in the development and implementation of development policies and programs.
- Watch over the general and specific interests of the agricultural world.

**NATIONAL UNION
OF PROFESSIONAL
POULTRY FARMERS
OF BENIN**

[https://ia-benin.net/
unap-benin/](https://ia-benin.net/unap-benin/)

Ensure the professionalization of modern poultry farmers in Benin, in an environment conducive to the development of their activities and their fulfillment.

Ensure the representation of poultry farmers wherever needed.

**EXPORT
DEVELOPMENT
ASSOCIATION (ADEX)**

- Enable Beninese companies to obtain or increase their market share internationally.
- Promote "made in Benin" products and services on foreign markets in collaboration with other stakeholder structures and organizations.

ALAFIA CONSORTIUM
www.alafianetwork.org

- Facilitating negotiations between members and donors.
- Access to a capital of skills in managing, monitoring and evaluating micro-enterprise support programs.
- Promotion of the exchange of experiences between member structures.
- Capacity building.
- Useful information for managing and developing support activities for micro-enterprise development.

Main consular and non-state organisations promoting entrepreneurship and employment in Benin

The economic liberalism in Benin has been accompanied by the establishment of several initiatives to support the private sector.

**THE MINISTRY OF
SOCIAL AFFAIRS AND
MICRO FINANCE IN
BENIN (MASMF)**
www.social.gouv.bj

The mission of the Ministry of Social Affairs and Micro Finance is to define, implement and monitor and evaluate the State's policy on social protection, family, children, national solidarity, microfinance and equal opportunities, in accordance with the laws and regulations in force in the Republic of Benin and the Government's development visions and policies.

**THE MINISTRY OF
INDUSTRY AND
TRADE (MIC)**
www.commerce.gouv.bj

The mission of the Ministry of Industry and Trade is to design, implement, monitor and evaluate the general policy of the State in terms of promoting industry and trade in accordance with laws, regulations and other legal instruments in force in the Republic of Benin.

**MINISTRY OF SMALL
AND MEDIUM-SIZED
ENTERPRISES AND
EMPLOYMENT
PROMOTION
(MPMEPE)**
www.pmepe.gouv.bj

The mission of the Ministry of Small and Medium Enterprises and the Promotion of Employment is to design, implement, monitor and evaluate the general policy of the State in matters of development and promotion of small and medium-sized enterprises and employment promotion, in accordance with the laws, regulations and other legal instruments in force in the Republic of Benin.

**FUND FOR THE
DEVELOPMENT
OF CONTINUING
VOCATIONAL
TRAINING AND
LEARNING (FODEFCA)**

This strategic mechanism to promote continuous training and apprenticeship is placed under the supervision of the Ministry of Labor. Its mission is to develop human resources by funding training actions for the benefit of workers in the modern and informal private sector (crafts, agriculture) and young people entering the labor market.

**FNPEEJ (NATIONAL
FUND FOR
PROMOTION OF
ENTERPRISE AND
EMPLOYMENT OF
YOUNG PEOPLE)**
www.fnpeej.bj

Created by decree n°2007-652 of December 31, 2007 and modified by decree registered under Case N°192/14 adopted by the Council of Ministers in its session of July 2 and 3, 2014, the FNPEEJ's mission is to facilitate the access of young people and SMEs to means and tools of production through credit, in collaboration with its various partners.

**FNM (NATIONAL
SOLIDARITY FUND)**
www.fnm.bj

The mission of the FNM is to contribute to building the financial and technical capacities of actors in the microfinance sector, in particular MFIs, to meet the financial and non-financial service needs expressed by low-income populations.

**PADME (MICRO-
ENTERPRISE
DEVELOPMENT
SUPPORT PROJECT)**

The PADME Association's mission is to make access to financial services easy and fast for small businesses and all low-income people.

**APIEX (AGENCY
FOR PROMOTION OF
INVESTMENTS AND
EXPORTS)**
www.apiex-benin.com

The APIEx is an integrated and rational tool for facilitating trade and investment operations which acts as an interface between the public and private sector in order to obtain more efficiency and results in the response to development of exports and investments.

Main programs and initiatives to promote entrepreneurship and youth employment

**THE UNIVERSITY OF
ABOMEY CALAVI
FOUNDATION**
<http://www.fondationuac.org>

- The missions are broken down into three strategic objectives which are:
- Mentor young graduates to create at least 30 innovative companies per year for 1,000 direct jobs and 5,000 indirect jobs at least by 2025;
- Sensitize all stakeholders in the university community on the need to promote the creation of businesses to solve the unemployment problem;
- Contribute to controlling the unemployment rate of UAC graduates to less than 20% by 2025.

THE TONY ELUMELU FOUNDATION

www.tonyelumelu.com/foundation.org

The Tony Elumelu Foundation Entrepreneurship Program is a 10-year, \$ 100 million commitment to identify, train, mentor and fund 10,000 entrepreneurs.

ESPOIR Strategic Entrepreneurship Programme for Enhanced Investment Opportunities (Swiss Cooperation, Embassy of the Kingdom of the Netherlands, GIZ)

The Tony Elu From 2018 to 2022, with funding of 3,480 million FCFA, 2,750 youth micro-enterprises, 1,000 job-creating agro-food SME's and 150 commercial agents in the distribution of nutritional products will be developed and increase the economic capacity of women owners, employees or suppliers. The enterprises contribute to sustainable economic growth, increased employment and income, and nutritious food.

Programme support for entrepreneurs :

- Coaching on business strategies and management skills.
- Coaching on financial management.
- Coaching on good production and manufacturing practices.

Components and Partner(s) for implementation :

Benin Business (BeniBiz), implemented by TechnoServe and co-financed by the Embassy of the Netherlands (75%) and Switzerland (25%) for a total amount of CHF 12.1 million for 4.5 years. This project has 3 components of support to: 1) 2'500 Youth Microenterprises (from FCFA 1.2 to 10 million turnover); 2) 750 Small and Medium Enterprises (from FCFA 10 to 50 million, with at least 5 employees); 3) 150 sales agents for nutritional products. The enterprises supported are active in all sectors of the economy (not only agro-food) except purchase and resale. <https://www.tnsbenin.org/benibiz.html>

Green Innovation Centres for the agro-food sector (ProCiva), implemented by the GIZ. The Green Innovation Centres focus their attention on the promotion of small agricultural enterprises to help them increase their production and income in a sustainable way.

<https://www.giz.de/en/worldwide/32853.html>

Action 3 allows to << support Beninese partners in order to continue the exploration of the rapidly evolving private sector and to test structures that are currently still weak but potentially promising and innovative but do not fit into the framework of the BeniBiz and PROCIVA>> projects.

melu Foundation Entrepreneurship Program is a 10-year, \$ 100 million commitment to identify, train, mentor and fund 10,000 entrepreneurs.

**THE FRANCOPHONIE
PROGRAM FOR
THE PROMOTION
OF YOUTH
AND WOMEN'S
ENTREPRENEURSHIP**

This program aims to support new entrepreneurs or young project leaders wishing to create a business through the establishment of incubators offering dedicated services: entrepreneurship training, tutoring, development of business plans, accounting and legal support, and training in digital tools.

SONGHAÏ CENTER

<http://www.songhai.org>

The center provides training for young entrepreneurs who must reproduce the Songhaï model, everywhere; starting mainly with their region (village), contributing to the sustainable development of their community by creating jobs and thus fighting the rural exodus.

**PROJECT FOR THE
PROMOTION OF
SMALL AND MEDIUM-
SIZED ENTERPRISES
IN THE AGRI-FOOD
SECTOR (PROSME-
SA): SWISSCONTACT**

The project aims to contribute to improving productivity, increasing income and creating jobs in Small and Medium-sized Enterprises in the rice, soybean, and poultry value chains of the departments of Borgou, Alibori, Zou and Collines.

TECHNOSERVE

<http://www.tnsbenin.org>

TechnoServe implemented the Business Plan Competition Program, CPA, a Beninese government initiative funded by the World Bank. A little over 130 laureates (45% of whom are women) emerged from the final phase of the competition and benefited from a total of 1.2 billion FCFA and technical assistance. Thanks to this support, these companies have created 300 jobs which, in a dynamic of growth, will generate 2,000 new jobs.

The Government of Benin has taken swift action to improve the business climate, create a sounder framework for investment and facilitate public-private partnerships.

Useful links for further information.

Why invest in Benin	https://doingbusinessinbenin.com/investir-au-benin/
Access to Public Procurement	https://doingbusinessinbenin.com/indicateurs/acces-aux-marches-publics/
Cross-border trade	https://doingbusinessinbenin.com/indicateurs/commerce-transfrontalier/
Business creation	https://doingbusinessinbenin.com/indicateurs/creation-dentreprise/
Execution of contracts	https://doingbusinessinbenin.com/indicateurs/execution-des-contrats/
Obtaining loans	https://doingbusinessinbenin.com/indicateurs/obtention-de-prets/
Payment of taxes	https://doingbusinessinbenin.com/indicateurs/paiement-des-impots-et-taxes/
Building permit	https://doingbusinessinbenin.com/indicateurs/permis-de-construire/
Protection of minority investors	https://doingbusinessinbenin.com/indicateurs/protection-des-investisseurs-minoritaires/
Electricity connection	https://doingbusinessinbenin.com/indicateurs/raccordement-a-lelectricite/
Insolvency settlement	https://doingbusinessinbenin.com/indicateurs/reglement-de-linsolvabilite/
Transfer of ownership	https://doingbusinessinbenin.com/indicateurs/transfert-de-propriete/
Land in Benin: The e-Notary platform presented to notaries	https://www.gouv.bj/actualite/710/foncier-benin-plate-forme-notaire-presentee-notaires/

DOING BUSINESS - Discover the summary of reforms implemented by the government to improve the business climate in Benin	https://www.gouv.bj/actualite/672/?fbclid=IwAR2l5Bzeg_vipCC5wTA0xvh5paT6ofq0XwT-vLr8As7HXno8x_SD1KRwgCvs
Are you a Notary and you have land transactions to carry out? It is now possible with a few clicks	https://www.gouv.bj/actualite/649/vous-etes-notaire-vous-avez-operations-foncieres-effec-tuer-desormais-possible-quelques-clics--/
Improvement of the business climate in Benin: The innovations contained in Law 2020-08 of April 23, 2020 on the modernization of justice	https://www.gouv.bj/actualite/640/ameliora-tion-climat-affaires-benin-innovations-contenu-es-dans-2020-08-23-avril-2020-portant-mo-dernisation-justice/
Business Climate in Benin - Loan Facility for Benin Businesses	https://www.gouv.bj/actualite/636/climat-af-faires-benin---facilite-obtention-prets-entre-prises-beninoises/
Law 2020-08 of 23 April 2020 on the Modernization of Justice	https://doingbusinessinbenin.com/wp-content/uploads/2020/04/Loi-2020-08-du-23-avril-2020-portant-Modernisation-la-Justice.pdf
Benin moves to commercial justice 2.0	https://www.banquemondiale.org/fr/news/fea-ture/2020/04/21/commercial-justice-20-benin-upgrades-its-system
improvement of the business climate: The Electronic Directory of Securities of the Trade and Securities Register launched	https://www.gouv.bj/actualite/579/ameliora-tion-climat-affaires-repertoire-electronique-su-retes-mobilieres-registre-commerce-credit-mo-bilier-lance/

GOOD REASONS TO INVEST IN BENIN

1. A model of democracy and stability in sub-Saharan Africa
2. An impressive cultural potential to promote
3. Growing areas of investment (agriculture, livestock, etc.)
4. An advantageous geostrategic situation for the circulation of goods and services
5. A legal framework and an incentive tax system
6. A still under-exploited industrial potential offering multiple opportunities
7. A qualified and competent human resource
8. A varied agriculture sector
9. A favorable climate for agriculture
10. High availability of land (around 11 million hectares)

Dos and Don'ts

Many SMEs in the diaspora and other countries entering a difficult market increase the risk of failure by their approach to business, and by not relying on the advice of business support and development agencies. After years of intensive

support to SMEs in the diaspora, here are some tips that the ABC programme has identified. Many of them are obvious - but companies ignore them at their peril.

To do	What not to do
Allow sufficient time for certificates and other registration documents	Do not get the funds and then start your research on business certification and other registration documents or authorizations required for your business. This approach can negatively impact the amount of time you need to spend on your business and will invariably cost you more.
Be realistic about your business plan and its deadlines - demonstrate its viability	Don't try to achieve a 10-year vision in a business plan or a 2-year cash flow. Achieving your vision requires realistic implementation
Own your business plan and financial projections and use them to manage or adapt the business on a daily basis	Don't try to run a business you don't fully understand
Select effective partners or build a strong local management team	Do not run your business in Nigeria from London or Glasgow or anywhere else in the UK
Be open to learning, criticism and new ways of doing business	Don't assume that what you've done before and your tenacity and passion will get you through this
Know and access all the assistance available to you in the diaspora and in the country of operation	Don't assume you have to know it all and do it all yourself or that it's a weakness to need and ask for advice or help
Be flexible and adaptable	Don't be dogmatic in your approach to business
Make sure you know what type of financing is right for your business model (grants, loans, equity (own funds, etc.)	Do not, at all costs, develop a plan for your business that matches the financier's goals but not your own goals
When looking for suitable financing, consider whether you are a pre-start, early stage, or existing business.	Do not sign a legal document for any type of financing without fully understanding your responsibilities and those of the financier, as well as the implications of both
Take into account your own business ethics, such as making sure you have a written record of all transactions. Integrate these elements into your operations.	Do not engage in unethical practices that could negatively impact or endanger your business.

Make sure you have performed a risk assessment and have a plan B, C and D	Never assume that Plan A will always conform to plan - always have a fallback option
Try to understand your (potential) customers, what your business can offer them in a unique way and how you will market to them	Don't assume customers are all the same and have the same behaviors and random marketing will be enough
Understand your activities and clearly identify the areas in which they would be most effective	Don't assume that your usual business will work so efficiently in a new market
Look for trends in your industry as much as possible, for example local and export market trends	Don't assume that because your business is working elsewhere the procedure and issues will be the same in another country
Think about your added value as a diaspora business - what is your diaspora USP for your business - diaspora networks, markets, skills, global perspectives, etc.	Don't just pretend nothing has happened in the country where you operate based on the principle that «everyone does it like this here».

Benin-based business support agencies can help you navigate the local market.

Comparative study of Diaspora Direct Investment (DDI) and Diaspora Financing Initiatives (DFI) of ECOWAS countries carried out by the World Bank in 2017. (See tables below)

The AFFORD DDI Index

The Diaspora Direct Investment Index (DDI) % of GDP. The table below ranks African countries according to DDI as a percentage of GDP.

Country	Total remittances in 2017 (in millions of US dollars)	DDI at 20% of remittances in 2017 (in millions of US dollars)	2017 Diaspora Funding Initiative (FDI) (in millions of US Dollars)	% DDI of GDP
1 The Gambia	228	46	5	3.06%
2 Cap Vert	211	42	111	2.60%
3 Liberia	403	81	247	2.46%
4 Senegal	1929	386	586	2.03%
5 Togo	367	73	88	1.69%
6 Guinea-Bissau	56	11	16	1.56%
7 Ghana	3536	707	3254	1.20%
8 Nigeria	22001	4400	3497	1.17%
9 Mali	827	165	559	1.15%
10 Burkina Faso	416	83	3	0.67%
11 Niger	263	53	337	0.65%
12 Benin	195	39	200	0.42%
13 Sierra Leone	47	9	751	0.26%
14 Côte D'Ivoire	342	68	972	0.18%
15 Guinea	44	8.8	577	0.09%

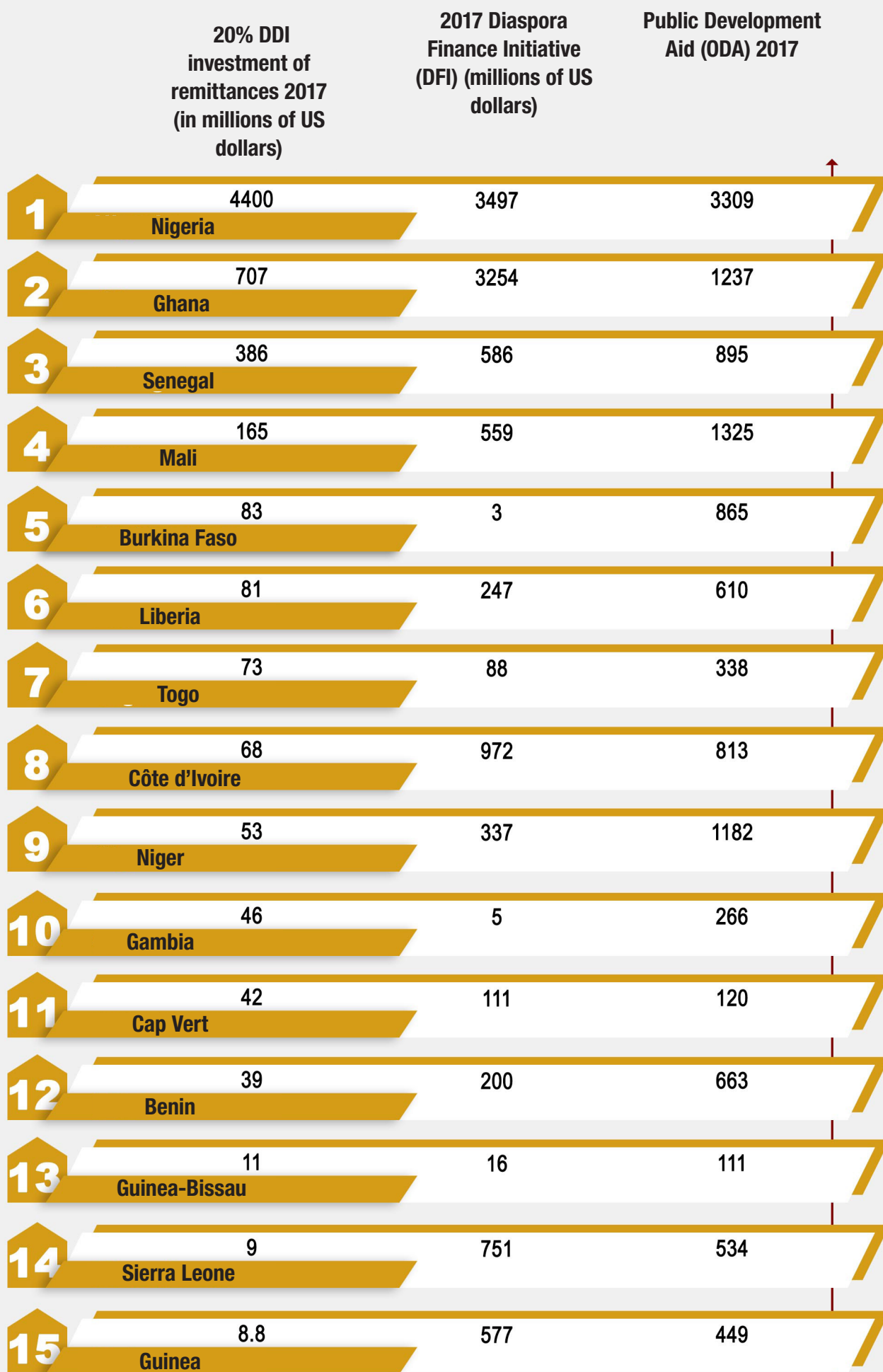
Sources : Extract from AFFORD DDI Index

Countries with the largest diaspora populations have relatively the highest levels of Diaspora Direct Investment. These countries may have relatively small economies. This is the case with Gambia; Cape Verde and Liberia which come first by the contribution of their diaspora to their GDP.

Total Diaspora Direct Investment (DDI) flow

This table ranks countries based on total DDI flows (Calculated as 20% of remittance flow).

In absolute terms, large African economies tend to dominate, even though the wealth of their diasporas is not a factor influencing their economy





Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Direction du développement
et de la coopération DDC

