BADEA signs USD 100 Million (CFA Francs 60 Billion) strategic agreements to boost Benin's private sector, enhance food security and address climate change

Cotonou, Benin Republic
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His Excellency Dr. Sidi Ould Tah, President of BADEA, signed three significant agreements with the Republic of Benin with a total amount of USD 100 Million (CFA Francs 60 Billion) to boost Benin’s private sector, improve food security, adapt to climate change and support the development finance landscape in West Africa.

These strategic framework and loan agreements were signed in Cotonou, with H.E. Mr. Romuald Wadagni, Senior Minister / Minister of Finance and Economy of Benin in the presence of H.E. Mr. Gaston Cossi Dossouhoui, Minister of Agriculture.

On this unique occasion, H.E. Dr. Sidi Ould Tah said: "The Republic of Benin is one of the fastest growing economies in Africa. BADEA has supported strategic infrastructure projects ranging from education, roads, energy projects to agriculture and climate change mitigation ones, and will keep being strongly supportive. Boosting private sector operations, promoting agricultural value chains and contributing to the Climate Action Agenda will be at the heart of our cooperation."

The first agreement signed is an Investment Protection Framework Agreement for the Private Sector financing and investments made in Benin's private sector. As a "preferred creditor" with respect to private sector transactions, this comprehensive framework agreement aims at providing certain fiscal and legal protections and at creating a conducive investment environment to attract more capital in core sectors. This new historical framework agreement paves the way for new private sector funding opportunities from BADEA in Benin.

The second agreement signed is a sovereign loan dedicated to funding the Republic of Benin’s contribution towards the capital increase of the West African Development Bank (BOAD) worth USD 50 Million (CFA Francs 30 Billion).

BOAD's capital increase will be geared towards funding new strategic high impact and green projects to boost regional economic integration and advance the Climate Agenda. Major decarbonization projects will contribute to achieving carbon neutrality by avoiding up to 18 Million tons of carbon dioxide emissions; approx. 244,000 jobs will be created through local SMEs support, with a special focus on women and youth - among other expected outcomes.

The third signed agreement aims at contributing to food security through USD 50 Million (CFA Francs 30 Billion) sovereign loan allocated to the agricultural land development and climate change adaptation project in the lower Mono River basin.

Limiting climate change's negative impact on agriculture is a central aspect of this integrated agriculture and social project, expected to create at least 2,000 new job opportunities with a special focus on youth and women. Establishing sustainable irrigation networks on 1,500 hectares will improve food supply and security, boost rice productivity by up to 133% and increase other crops production by 250% - among other expected outcomes.

On this special occasion, H.E. Mr. Romuald Wadagni said: "The three agreements signed today with BADEA are essential for the continued development of our country and the strengthening of regional integration in West Africa."

These major agreements were signed on the eve of Benin's 63rd Independence Day, highlighting the flourishing long-term partnership BADEA has developed with Benin, for 49 years.
About BADEA

BADEA is a multilateral development finance institution owned by 18 sovereign states, members of the League of Arab States which began operations in March 1975 providing finance and technical assistance for economic development exclusively in Sub Saharan Africa. BADEA works to facilitate and catalyse the flow of Arab and other external capital and investments into Africa.

Since 2015, the bank also expanded its focus on trade – both Arab-Africa trade as well as Intra-Africa trade. The Bank is an independent International Institution enjoying full international legal status and complete autonomy in administrative and financial matters. It is governed by the provisions of its Establishing Agreement and the principles of international law.

The Bank was created for the purpose of strengthening economic, financial and technical cooperation between the Arab and African regions and for the embodiment of Arab-African solidarity on foundations of equality and friendship and remains one of the very few multilateral development banks whose mandate is to serve non-shareholder countries.

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