



Brussels Development Briefing N° 42

**Women entrepreneurs– key players in
agribusiness development in the ACP countries**

17 September 2015, 9 am-1 pm
ACP secretariat - 451 Avenue Georges Henri, 1200 Brussels, room C
<http://bruxellesbriefings.net>

**Launching a local food processing industry to improve
nutrition**

SODEPAL: a pioneering company in the West African subregion

Simone Zoundi, CEO, Sodepal, Burkina Faso

Summary

Introduction 3

1. The role played by women entrepreneurship in relation to the support measures available in Burkina Faso 3

2. SODEPAL's mission..... 4

3 About SODEPAL..... 4

Conclusion 6

ANNEXES..... 7

Introduction

Located in the heart of West Africa, Burkina Faso is largely an agricultural economy. Over 80% of the population earns a living from farming, stockbreeding and forestry.

Food and nutritional security has been one of the Government's main concerns ever since independence.

Several policies have been developed to boost the agricultural sector (production, processing, marketing).

The state and its partners have been providing the production sector with various types of support for more than 10 years now.

These efforts have helped to increase output for the benefit of the combined farming, forestry and grazing system, the fisheries sector and wildlife, while promoting the emergence of new promising sectors (sesame, cashew nuts, Shea butter...).

Accordingly, product marketing schemes have been undertaken as part of a process for promoting market-led production.

However, it must be recognised that the efforts have lost a great deal of momentum owing to a lack of a suitable system for production development based on optimising the value chain via value-adding initiatives.

This state of affairs forms the background to the attention the government, and the technical and financial partners are now paying to the agribusiness sector.

1. The role played by women entrepreneurship in relation to the support measures available in Burkina Faso

Women entrepreneurship represents one of the main driving forces behind women's economic empowerment with all the advantages this implies for overall economic growth.

Developed by the Minister for the Promotion of Women and Gender Equality, with the backing of the World Bank, the National Strategy for Promoting Women Entrepreneurship is based on four strategic priorities reflecting the whole range of women entrepreneurship development requirements:

Priority 1: Women and girls' access to the means of production

Priority 2: The employment and self-employment opportunities available to women and girls

Priority 3: Marketing the items produced by women and girls and ensuring the viability of their businesses

Axes 4: Legal and institutional framework of support for women entrepreneurship

Generally speaking, these priorities are focused on:

- Strengthening the role women play in the development process;
- Enhancing the role women play in resource production and sharing;
- Improving women's social and economic circumstances;
- Undertaking campaigns to make people much more aware of the role women play in all the political, economic and social sectors and spheres;
- Improving women's involvement in the decision-making processes.

All of these initiatives are based on the approach adopted in the Strategy for Accelerated Growth and Sustainable Development (SCADD) and the private sector development policy, where women entrepreneurship enjoys a key role thanks to the promotion of SME/SMI.

Women entrepreneurship is now recognised as a springboard for economic growth. Looking beyond the household unit, an ever-increasing number of women are operating as entrepreneurs in all fields of activity: industry, trade, research, farming activities, services, etc.

2. SODEPAL's mission

Over 180 million children under five years of age are suffering from chronic malnutrition or stunted physical growth in the world, including over 75 million in Africa. The causes are many and varied and the negative consequences for child development are generally irreversible. In Burkina Faso, 31.5% of under-fives are suffering from growth retardation, which represents more than one million every year.

The scale of the problem is massive. That said, little is known about the chronic malnutrition problem, while the policies, schemes and response strategies applied by the authorities and development agencies are apparently not enough to deal with the issue.

Over 45% of under-five mortality in the world is attributable to general malnutrition, including 15 to 17% to chronic malnutrition. Growth retardation is also associated with inadequate cognitive development and a reduction in a child's learning ability.

In adult life, this results, in particular, in a reduction in individual incomes equal to 22-45%. In specific countries, such as those in sub-Saharan Africa, chronic malnutrition is responsible for a lower level of annual output estimated at 11% of gross domestic product (GDP).

What this means in Burkina Faso is that: i) every year over one million under-fives will fail to attain their full physical and intellectual development potential; ii) one in three children is at risk of dying from diarrhoea or other infectious diseases and iii) children who survive to reach adulthood will be less educated and less productive men and women, who represent an obstacle to the social and economic development of their own homeland.

Convinced that the development of local resources provides job-creating opportunities, helps to produce wealth and combat malnutrition, which is a major problem throughout the Sahelian area zone, the promoter of SODEPAL is committed to promoting R&D in various sectors (the production of nutritional supplement foods, bakery products, confectionary,...) as a springboard for the development of local resources.

The development of the farm, stockbreeding, fishery and forestry products value chain helps to provide a variety of nutritious foods for the population, while creating an effective system of support for food and nutritional security and combating poverty.

3 About SODEPAL

3.1 Activities

A medium-sized company with a capital of CFA Franc 70 million, SODEPAL SA (public limited company) was founded on 23 December 1991 in partnership with Nutriset of France for the purpose of producing nutritional supplement foods based on Codex Alimentarius standards. It is the outcome of the Boulangerie-Biscuiterie du Levant, a one-person company created in June 1978, having reached its mature growth stage.

With its 46 permanent employees, SODEPAL boasts an annual turnover of CFA Franc 235 million (roughly €359 thousand).

The company's management system is consistent with the West African Accounting System (SYSCOA).

SODEPAL was granted WORLD BANK financial support in 2006 against the background of the Regional Fair. The funding enabled the entity to purchase an "extruder chain" for manufacturing fortified instant infant cereals.

The company promotes local products with a variety of foods marketed nationwide and on a subregional scale on the basis of three production lines:

- Bakery production line (1.5 T/year)

- Biscuit production line, including fortified infant biscuit flavour cereals based on local products (2.5 T/year)

(consistent with the Codex Alimentarius standards) for children under six months, pregnant women, nursing mothers, elderly people or people suffering from nutritional deficiencies:

- Biscuit flavour VITALINE: composition: flour composed of wheat and maize, peanut paste, raising agent, sugar, milk powder, vitamin and mineral supplements
- biscuit flavour VITA-CASUI: composition: flour composed of millet and maize, palm oil, raising agent, sugar, milk powder, vitamin and mineral supplements
- Fortified instant infant cereals production line (2.5 T/year)
 - instant VITALINE: composition: maize flaks, peanut paste, sugar, milk powder, vitamin and mineral supplements
 - instant VITA-CASUI composition: millet-maize flakes, palm oil, sugar, milk powder, vitamin and mineral supplements

The production of dry biscuits and biscuits enriched with moringa: 100 tonnes/year
A varied range of products (see the website www.sodepalsa.com)

3.2 Organisation

SODEPAL's organisational setup:

- regular inspections to ensure the application of the Codex Alimentarius standards, compliance with the rules of the HACCP system, for infant cereal quality assurance purposes.
- each department has monthly meetings with the Nutritional quality assurance officer for the purpose of permanent awareness-raising among staff.
- training, monitored by a standards expert, is underway for the certification of infant cereals.

3.3 SODEPAL market

The outlets for nutritional supplement foods:

- pharmacies nutritional rehabilitation centres, supermarkets;
- NGOs, emergency aid services, food aid services: nationwide and on a subregional scale (Niger, Mali)
- institutional customers: supplies of cereals followed by microbiological and physicochemical analyses under supervision (of the DTA – Food Technology Department)
 - Caritas Mali
 - Secours Catholique
 - Mission Française au Niger
 - Islamic Relief (in Niger, in Mali)
 - Action contre la Faim
 - SOS SAHEL INTERNATIONAL (Mali)...
 - PLAN BURKINA

The biscuits, baking products, Bonbon Toedo, Bessé are supplied to schools, supermarkets, shop services stations, private individuals, individual customers, etc.

3.4 Difficulties

- **The economic environment.** A market flooded with random frequently repackaged products and the weak purchasing power of the general public are the key constraints SODEPAL has to contend with
 - the economic constraints are also felt in the early stages of production
 - difficulties with sourcing and storage facilities.

- **Financial environment**

Most entrepreneurs are unable to gain access to bank loans, because loans for small and medium-sized enterprises (SMES) are expensive and extremely risky for banking institutions, owing to the inadequate guarantees often offered and no special treatment is granted to SMEs:

- excessively long credit granting periods;
- high case costs and interest rates;
- high amount of required guarantees

- **Institutional environment**

Burkina Faso has made huge progress in recent years in the case of regulations and the tax system via streamlining and a more SME-friendly approach.

However, mention should be made of the heavy tax burden and high customs duties.

Similarly, the company generally has to contend with power supply problems and the fraud and corruption factors.

4 Outlook: "Agribusiness Complex" project

The idea behind the "Agribusiness Complex" project is to create a springboard for promoting and marketing a variety of local processed products referenced from international quality standards and earmarked for the international and subregional markets.

4.1 Overall aim: the project is designed to help improve the living standards of vulnerable sections of the population from the perspective of producing affordable and accessible nutritional supplement foods made from local products obtained from the farming, stockbreeding, fishery and forestry sectors.

4.2 Specific aims

- Developing a quality label for local processed products;
- Developing an international sales team;
- Harnessing innovation and R&D for the promotion of local raw materials, contributing to job and wealth creation.

4.3 Planned investments

The planned investments are focused on :

- Acquiring space in a 2 ha industrial area;
- Building the plant and administrative building on a modular basis;
- Acquiring equipment for the various sectors being planned for;
- Acquiring the necessary logistical and transport resources.
- Building an in-company laboratory.

4.4 Overall cost of the project:

CFA Franc 2.095 billion or €3,193,806

Conclusion

In order to make a major contribution to the aim of promoting local products and combating malnutrition, SODEPAL is focusing its efforts on improving the availability and accessibility of local high-quality processed products.

Accessibility

- ⊕ Low-cost accessible products
- ⊕ Periodical awareness-raising and promotion campaigns

Availability

- ⊕ Identifying the major obstacles
- ⊕ Forging a producer-consumer partnership

ANNEXES

Human resource potential

The team is organised on the basis of four key roles:

- i) Administrative, ii) Finance and Accounting, iii) Sales and Marketing, iv) Technical.

Organisation chart:

