

SNV-Netherlands Development Organisation

WEST AND CENTRAL AFRICA

Investment Opportunities in the Ghanaian Shea Sector.

Netherlands

Development

Organisation

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Connecting People's Capacities

Overview of presentation



- SNV in brief
- SNV Approach
- The Shea Map
- Background
- Investment Opportunities
- Capacity Development needs
- SNV PO development model

Ghana Shea, lots of cash



SNV in brief

- Established in the Netherlands in 1965,
- Present in 36 countries across Asia, Africa, and Latin America where we help local communities drive their own development agendas.
- Work in Shea in Ghana, Burkina, Mali and soon in Benin.
- Help people overcome poverty by enabling access to the tools, knowledge and connections they need to increase their incomes and gain access to basic services.
- Believe that all people should have the opportunity to pursue their own sustainable development.

Three Key Roles

1. Advisory services
2. Knowledge networking
3. Evidence-based advocacy

Three Key Sectors

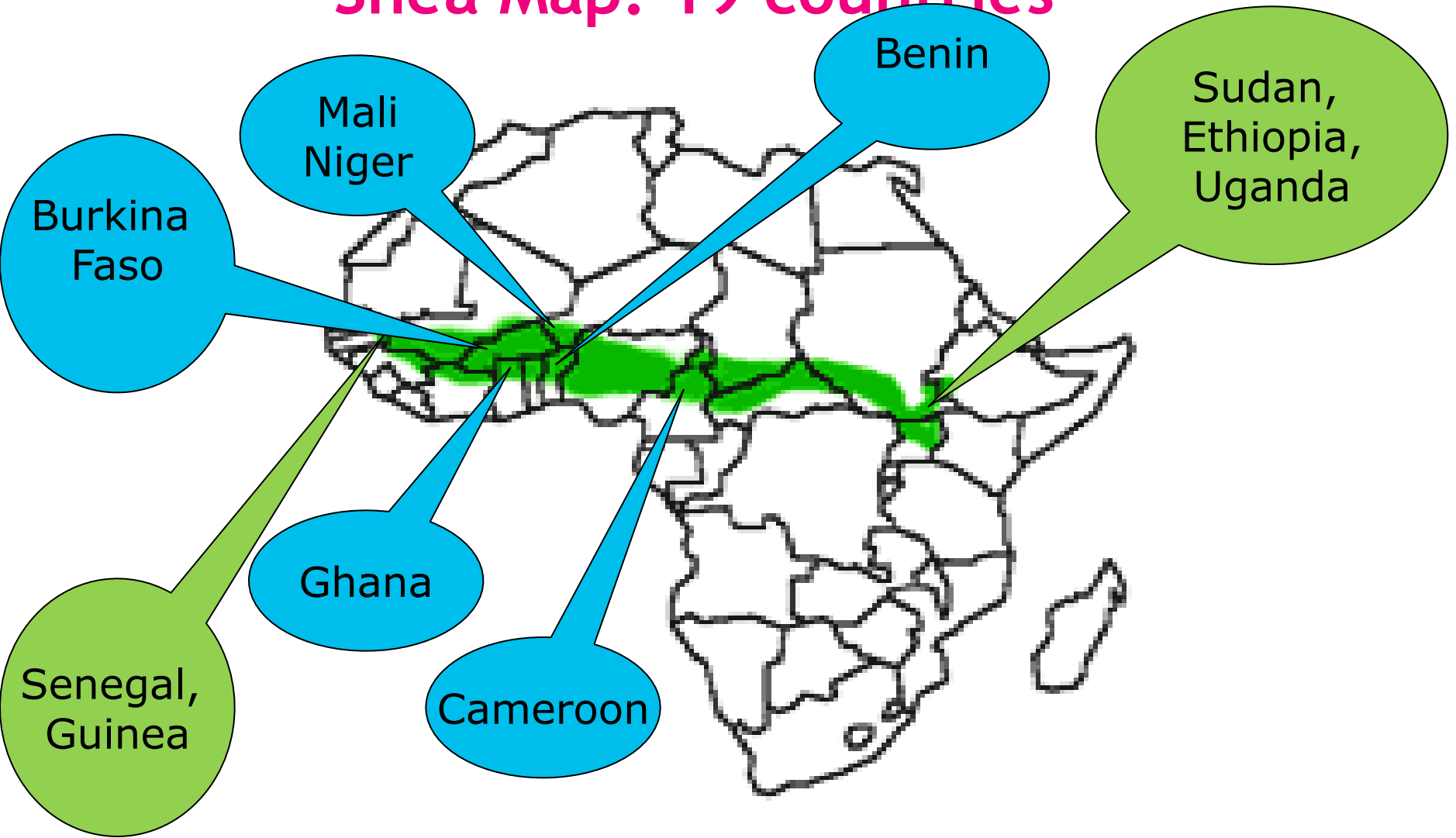
- 1) Agriculture
- 2) Renewable Energy
- 3) WASH

SNV's Approach

Four Keys to Impact

1. Systemic change
2. Local ownership
3. Contextualised solutions
4. Inclusive development

Shea Map: 19 countries



Some background

Globally ,

- approximately 150,000-200,000 tonnes of shea kernels are exported each year from West Africa,
- over 60,000 tons (approx. 33%) coming from savannah belts of northern Ghana.
- market growth potential is enormous.
- increasing demand and an increasing world market price, combined with favourable EU legislation,
- high nut quality is a competitive advantage.
- ample domestic market development potential.
- Shea is a good ingredient for Cocoa Butter Equivalent

In Ghana;

- Shea grows naturally and widespread in Northern Ghana (35% of Ghana's land mass).
- Found sparsely in northern corridors of BA and Volta Regions.
- Ghana produces the highest quality nuts and is one of the world's largest producers and exporters.

In Ghana cont'd;

- Over 900,000 shea pickers /processors in Ghana, mostly women,
- shea as part of household survival (coping) strategy during lean season
- Annual nuts and butter volumes.....
- Nuts and butter is valued at approx USD 33 million.
- Potentially large and rapid impact on rural poverty and livelihoods,
- High Government support for shea development/ business

Investment Opportunities

1. RELIABLE SUPPLY OF RAW MATERIALS

- Nuts for butter production from Ghana, Bourkina Faso, Mali: sourcing can be facilitated by NGOs and local companies through aggregation from small producers.
- Butter from large National Crushing capacity (PBC Shea Company, Sheabu, Ghana Nuts, GSFI Ltd, Juaben Vegetable Oil Mills, etc) for confectioneries, pharmaceuticals, cosmetics

2. RELIABLE ROAD AND TRANSPORT INFRASTRUCTURE

- Good arterial roads from North-South and to coastal ports and harbours
- Bulk warehousing facilities under construction by National PPP initiative (USAID supported Ghana Grains Council) adaptable for bulk shea storage and marketing, easing sourcing

Investment Opportunities cont'd

3. LARGE NATIONAL AND REGIONAL MARKET FOR SHEA BASED PRODUCTS

- **Products:** Hair creams, body creams, body lotions, soaps, chocolate - possibility to produce new brands using cheap cocoa powder and butter etc etc.
- **Market:** rising consciousness/re-orientation on local products, rising middle income population, rising urban populations, rising consciousness about health products, and awareness about the health benefits of natural African products, favorable ECOWAS trade protocol and imminent Regional Economic and Monetary Unionization

Investment Opportunities cont'd

4. SOCIAL BUSINESSES/ IMPACT INVESTMENT/ INCLUSIVE BUSINESS POTENTIALS

- Impact Investing possibilities:
- Large unmet demand for middle level business financing
- provision of rural micro- finance products for micro and small informal private sector. Possibility for foreign-local business partnerships with export oriented medium growth shea businesses -

Investment Opportunities cont'd

5. EXCELLENT SEA PORT FACILITIES - SERVING THE SUB-REGION

- Takoradi Port (Bulk cargo for cocoa export, shea)
- Tema Port for bulk cargo/shea nuts and butter export
- Inland Port Facilities - in Kumasi and soon in Tamale

6. GOOD INVESTMENT CLIMATE

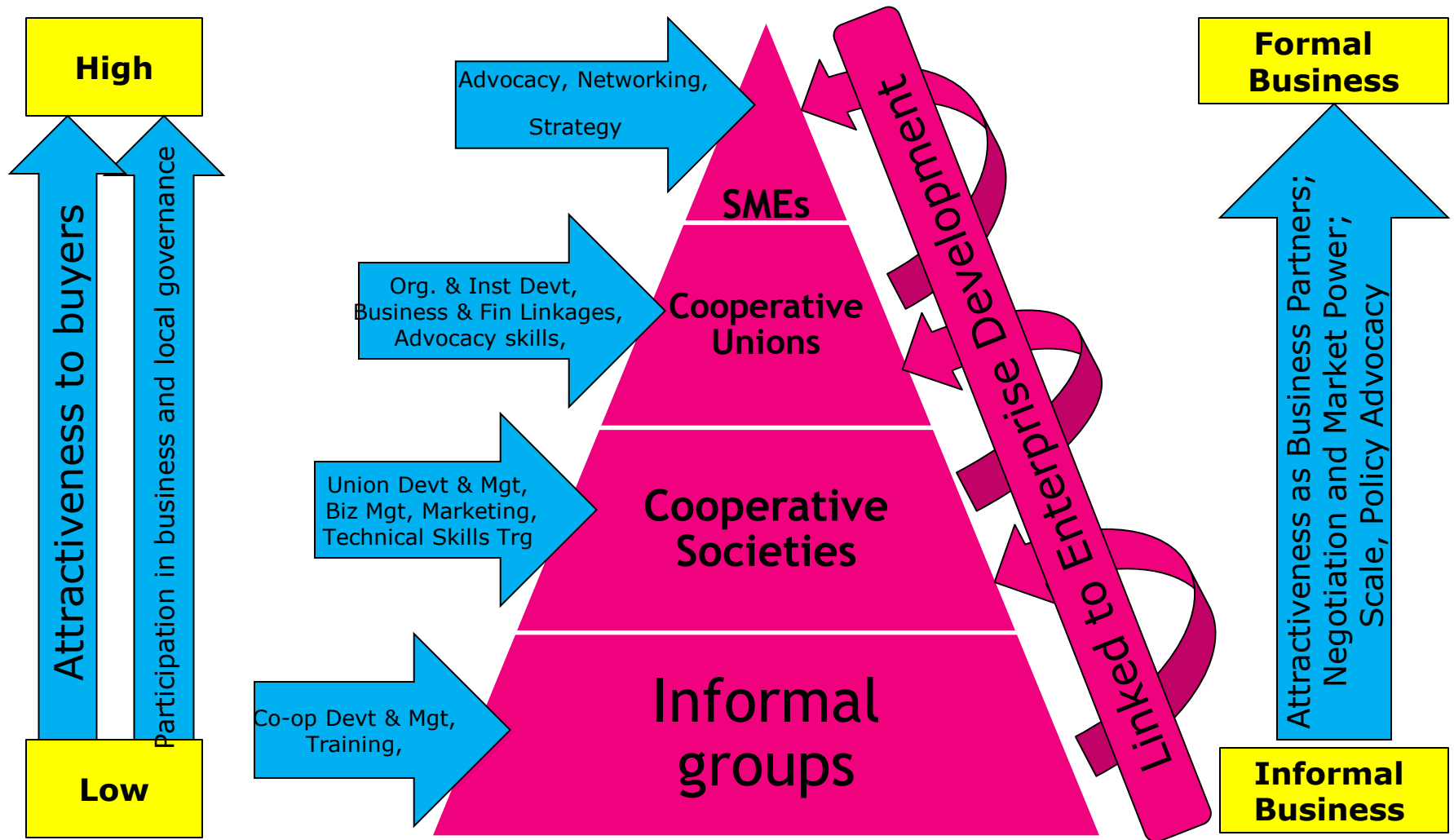
- Stable Democratic Governance couple with Low and stable Domestic inflation
- AGOA, and support from USAID/WATH
- Tax holidays in shea zone
- Cheap low and middle level manpower (labour, technical and managerial expertise)

Capacity development Needs

- Business orientation and entrepreneurship.
- Improving nuts and butter quality.
- Savings mobilization and credit access
- Knowledge and skills in marketing.
- Organizational strengthening. management and governance.
- Strategies for advocacy, government relations and public outreach.



VCD+IB: Strengthening Producer Groups



End of Presentation