



PRESSE RELEASE

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Madagascar : Madagascar: EIB grants EUR 20 million loan to Sahanala initiative in support of agriculture, fisheries and food security

- **The EIB's EUR 20 million loan to Sahanala, a social enterprise working in agriculture and fisheries in Madagascar, aims to increase sustainable food production for the domestic and export markets.**
- **The initiative will help reduce dependence on imported maize and rice to meet local demand.**
- **The EIB operation - the first for Madagascar's agricultural sector since 2005 - will support an overall investment of EUR 40 million by Sahanala.**

Small-scale farmers, fishermen and the Malagasy population as a whole will benefit from a EUR 40 million initiative by Sahanala, backed by a EUR 20 million investment from the European Investment Bank (EIB), signed today in Antananarivo.

The loan will support two projects:

- The project in the western part of Madagascar, Maintirano, will support the mechanization of agriculture alongside traditional practices. The project also aims to set up an industrial complex to process corn, rice, edible oil and animal feed for the domestic market. The aim is to improve producers' incomes and living conditions ;
- The project in northern Madagascar, more specifically in Vohémar, aims to guarantee responsible fishing and the establishment of a modern deep-freezing plant equipped with refrigeration facilities. It will enable small-scale fishermen to access both domestic and international markets. Added to this are refrigeration units for ice production in the various collection centers.

Through these projects, Sahanala aims to support economic development and improve the living conditions of its shareholder producers and the communities and families linked to them, notably through the creation of over 1,500 jobs. They will provide farmers and fishermen with technical and economic know-how that will enable them to access markets more easily at fair prices, while strengthening their ability to meet the Malagasy population's growing demand for nutritious staple foods. Sahanala is committed to training producers to meet strict environmental standards, and to protecting biodiversity and natural resources to ensure responsible development. Sahanala will be the pioneer company in Madagascar when it comes to exporting seafood products certified by the Marine Stewardship Council (MSC). The company is also committed to promoting equal opportunities for women. It encourages women to take on management responsibilities, and offers them access to training, financial services and information.

Ambroise Fayolle, Vice-President of the European Investment Bank, signing the deal during an official visit to Madagascar, said, "This project will make a significant contribution to Madagascar's food security and improved livelihoods in the agriculture sector. As the Climate Bank, the EIB is pleased to support Sahanala's efforts to ensure sustainable practices, improve biodiversity and strengthen resilience to climate change, which are key objectives of the European Union's Global Gateway strategy."

Serge Rajaobelina, Chairman of Sahanala's Board of Directors, said: "Sahanala's purpose is to empower Malagasy farmers and its partners to improve their living conditions in a sustainable way, by giving fair value to their products and knowledge, and by committing them to act for local development

and the environment. Sahanala is owned by the farmers, who decide on the company's strategic direction. Each project, like these ones, stems from their solidarity and enables us to invest in their emerging sectors today. Our mission is clear: to bring economic development to communities through a responsible and equitable approach".

Harifidy Ramilison, Minister of Agriculture and Livestock for the Government of Madagascar, who was present at the signing of the agreement, commented: "The public sector rightly needs to support projects of this kind, because we know that food self-sufficiency, Velirano N°9 of HEM President of the Malagasy Republic Andry Rajoelina, and rural development are prerogatives and priorities for the government. We are proud to contribute once again to the development of Madagascar. "

Isabelle Delattre Burger, the European Union's ambassador to Madagascar, expressed her delight at the signing of this loan, which she hopes is the first in a long series of joint EIB/European Cooperation support to the private agri-food sector, which should boost this sector. Particularly where European cooperation is concentrating its activities in the rural sector.

Agriculture and the agro-processing sector employ around 80% of the working population in Madagascar. In recent years, the sector has been affected by drought and livestock diseases, in addition to the severe impact of the COVID-19 crisis and the war in Ukraine on the Malagasy economy as a whole. This situation led to famine in 2021-2022, affecting hundreds of thousands of people, particularly in the south of the country where they depend on subsistence farming.

Background information

About the European Investment Bank

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. Since 1970, the EIB has made long-term investments of € 903 million in Madagascar for key infrastructure as well as for the private sector.

[EIB Global](#) is the EIB Group's specialised arm devoted to increasing the impact of international partnerships and development finance, and a key partner in [Global Gateway](#). We aim to support €100 billion of investment by the end of 2027, around one third of the overall target of this EU initiative. With Team Europe, EIB Global fosters strong, focused partnerships, alongside fellow development finance institutions and civil society. EIB Global brings the Group closer to local people, companies and institutions [through our offices around the world](#).



The EIB is committed to supporting women's economic empowerment through its projects worldwide and in 2019 [endorsed the 2X Challenge](#). The [2X Challenge](#) is a multilateral initiative launched in June 2018 with the ambitious objective of deploying and mobilising unprecedented amounts of capital to support projects that empower women as entrepreneurs, as business leaders, as employees and as consumers of products and services that enhance their economic participation.

About Global Gateway

Global Gateway is the European strategy to boost smart, clean and secure links in digital, energy and transport sectors, and to strengthen health, education and research systems across the world. Through a 'Team Europe approach', Global Gateway brings together the EU, its Member States and their financial and development institutions to mobilise the private sector to leverage investments for a transformational impact. It aims to mobilise up to €300 billion in investments. Global Gateway is fully aligned with the UN's Agenda 2030 and its Sustainable Development Goals, as well as the Paris Agreement.

Press contacts

For the EIB

Susanna Seymour, s.seymour@eib.org, tel.: +352 43 79 87207/Mobile: +352 691 285 351

Website: www.eib.org/press- Press Office: +352 4379 21000 – press@eib.org



For Sahanala

Rico Andrianomenjanahary, rico.andrianomenjanahary@sahanala.net

tel. +261 20 22 258 30, Mobile: +261 33 37 765 31

<https://sahanala.net/>