



Organisation des Nations Unies
pour l'alimentation
et l'agriculture



Investment Opportunities in the Union of the Comoros

Country Profile

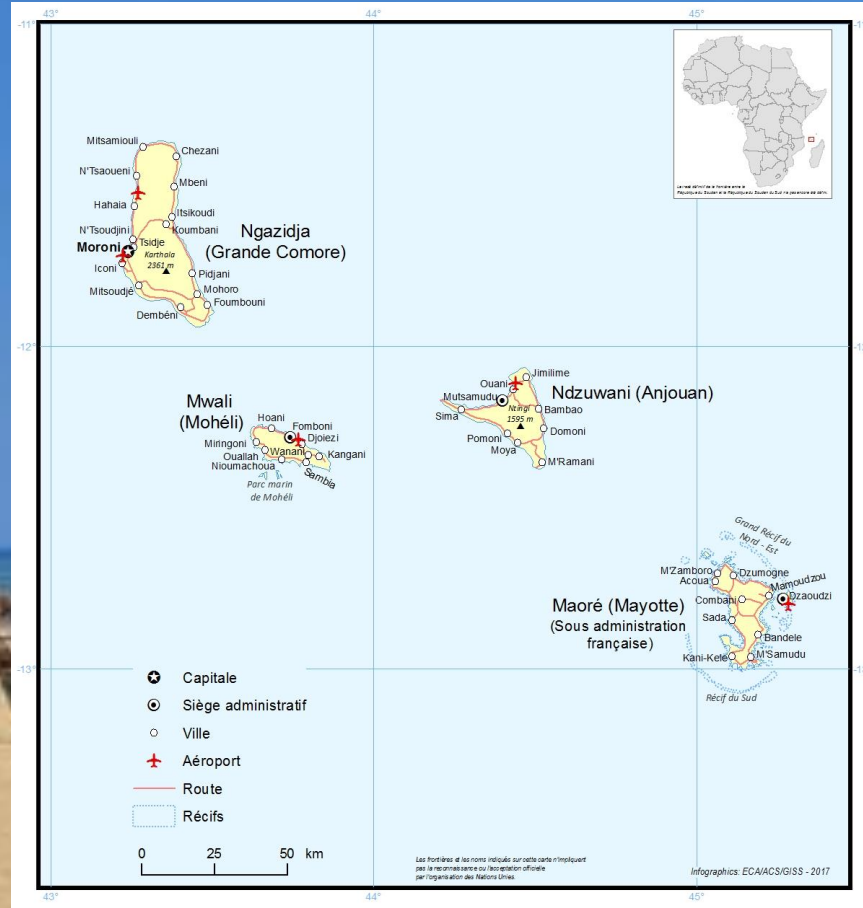
Why invest in the Union of the Comoros?

Relevance of the Hand-in-Hand Initiative in the country

Investment proposals in line with the HAND-in-HAND Programme



Country Profile – The Union of the Comoros



- Total land area of 2 236 km²
- Population: 889 676 inhabitants (INSEED, 2024 projection)
- HDI: 0.558 (2022)
- Regions: 3 governorates
- Prefectures: 16
- Municipalities: 54
- National policy based on: the plan “Emerging Comoros” (PCE) by 2030
- Member countries of: IOC, COMESA, SADEC, Arab League, AU, WTO



Poverty statistics

- **National poverty rate:**
44.8 % (WB, 2023)
- **Level of poverty among the agricultural population (FAO, MAPA 2021)*:**
 - the **south-east of Anjouan** has the highest concentration of poverty in the Comoros
 - In **Grande Comore** and **Mohéli**, most communes have a low to medium level of poverty, with the exception of a few communes that have a high level of poverty

Poverty level among the agricultural population, 2021.





Relevance of the "HiH" initiative in the Union of the Comoros



- The agricultural sector is the backbone of the Comorian economy, accounting for 44% of GDP and 57% of the working population.
- ✓ The country took its commitment to the 2030 Agenda to another even higher level by adopting, in 2019, the « Plan Comores Émergent » (PCE) which places the Union of the Comoros on a new development trajectory leading it to the status of an emerging country
- ✓ The pillars of the PCE contribute to both the achievement of the SDGs while integrating the implementation needs of the African Union's Agenda 2063.
- ✓ To facilitate the implementation of the « Plan Comores Émergent », the government has drawn up and adopted a portfolio of priority programs, all of which are all aligned with the SDGs and monitoring and evaluation is done around a mechanism based on the five pillars of the 2030 Agenda.
- ✓ Legal and tax incentive framework
- ✓ Fisheries, poultry and food crops, including bananas, are among the priority programs in the compact (COMPACT Comoros at the Dakar II Summit in January 2023)

Government objectives

- Desire to support the creation of new private businesses in the agricultural sector / greater involvement of the private sector.

Banana

- Target by 2030: increase banana production to at least 90 000 tons/year (COMPACT Comoros)
- Production for local demand and export (diaspora demand estimated at 45 tons/year)

Fisheries and aquaculture

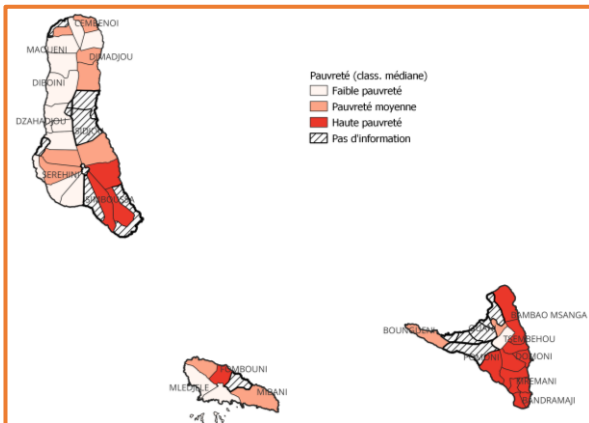
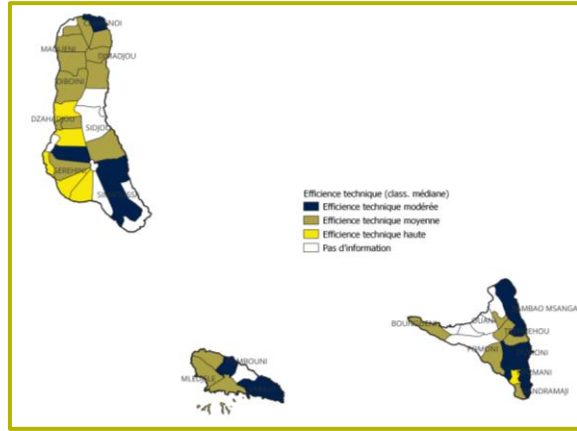
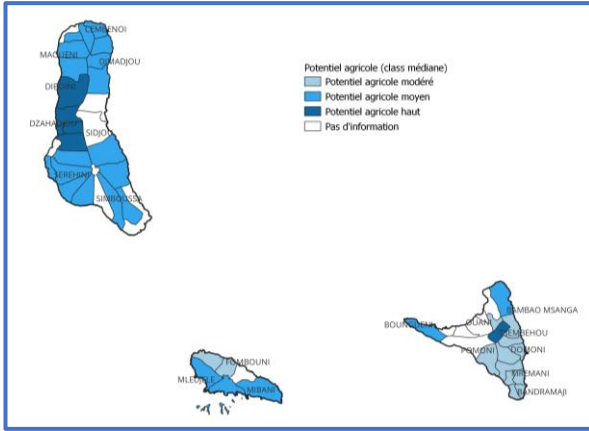
- Inclusion in the priority programmes and the PCE
- Huge potential in the fisheries and aquaculture sector and significant under-exploited fishery resources:
 - Demersal resources located on the continental shelf: 3,000 tonnes/year
 - Coastal pelagic resources: 10,000 tonnes/year
 - Oceanic pelagic resources (high seas): 20,000 tonnes/year
 - with 427 km of coastline
- improvements in the governance of the sector are underway, thanks to the support provided by the PTFs (statistics, safety, SCS, co-management, health control)
- support for the development of the private sector and the promotion of public-private partnerships (e.g. ANPI, chambers, employers' organisations, etc.)

Poultry

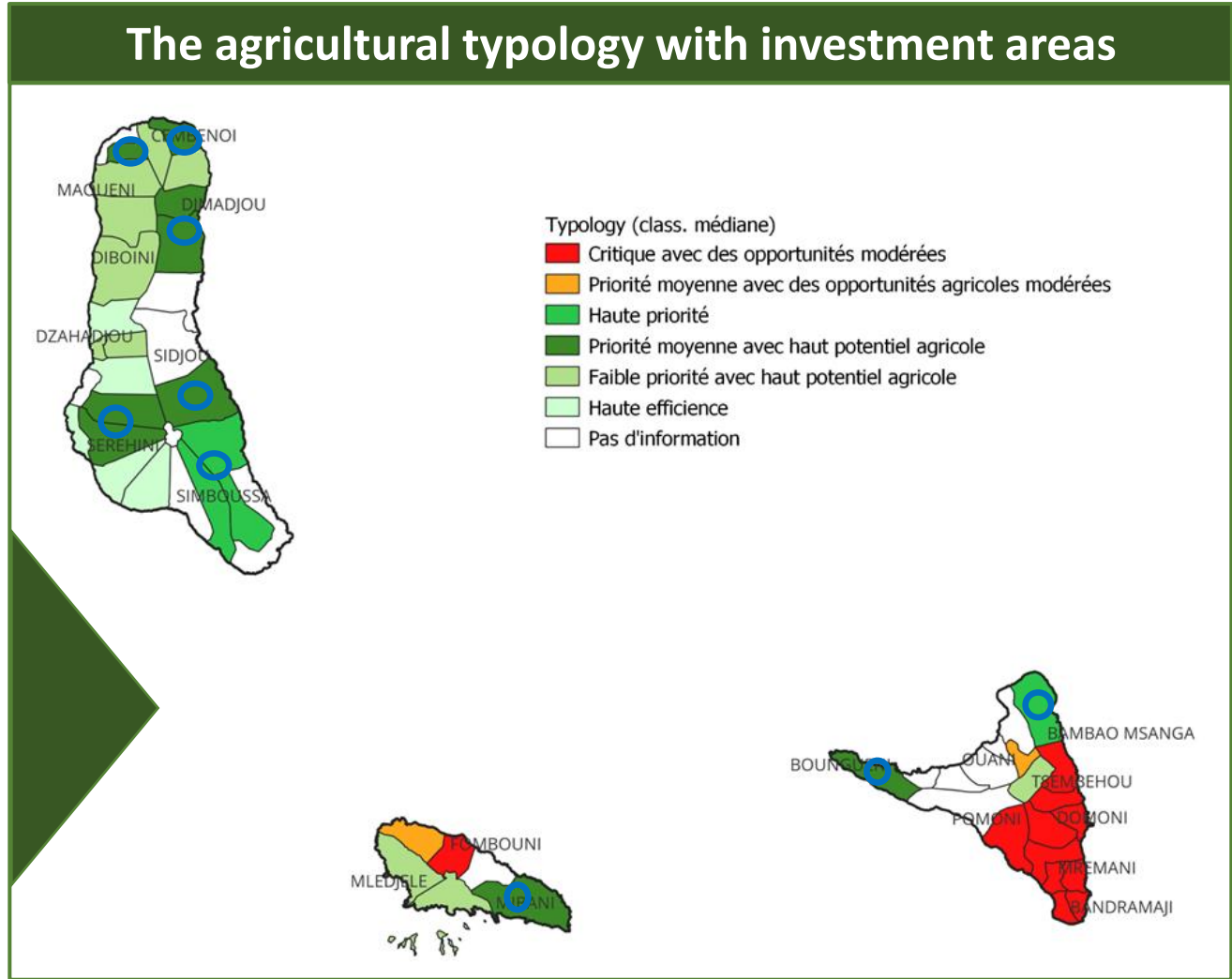
- Reduce imports: 80% of the animal products consumed are imported and the quantities imported are constantly increasing (10 000-15 000 tonnes/year)



The HIH agricultural typology and investment areas



The combination of the maps of **potential**, **poverty** and **efficiency** makes it possible to categorize territories according to typologies and to target the areas of intervention



Investment opportunities

Banana production
Fisheries and aquaculture
Poultry production





Opportunity 1: Climate-smart banana production

Context and market demand



- Context

- Bananas, the food crop par excellence in the Comoros, are one of the most important crops in terms of agricultural production (6,338 tons/year, FAO 2024) and yield (21.5 tons/ha)
- **Banana is a very popular staple food, with strong local demand.**

1. Increasing climate-smart banana production



Current constraints

- Predominantly artisanal agricultural production with insufficient local added value
- Weather-related and disease-related losses.
- Conservation of agricultural products without compliance with SPS standards, and still very limited processing, conservation and marketing activities
- Difficult access to agricultural credit and private investment
- Research and Development still in its infancy; Inefficient management structures due to a lack of qualified human resources and adequate equipment
- Legal framework does not encourage investment in the sector, in particular the existence of customs taxes on imported equipment and inputs intended for agriculture



Key Investments

- 1- Support banana production to nearly 90,000 tons of bananas/year: USD 5.6 million (private sector - public sector)
- 2- Build 3 large warehouses, 12 storage units for banana conservation, rehabilitate rural roads: USD 4.8 million (private sector)
- 3- Set up 25 processing units and 6 packaging units for products in the banana sector. USD 3.1 million (private sector)
- 4- Develop marketing channels and export markets: USD 2.8 million (private and public sector)
- 5- Establishment of 1 reference laboratory and 2 subsidiary laboratories for the in vitro production of banana trees 3.4 million (public and private sector)
- 6- Pilot a financial product for the sector and reduce customs taxes on imported equipment and inputs and support the creation of new private companies USD 0.3 million (public sector)

Risks and mitigations

- **1-Climatic, phytopathological and health risks:**
 - Mitigation: extension of resistant varieties and use of quality inputs and phytosanitary control
- **2- Risks: poor quality of infrastructure**
 - Mitigation: Bringing it up to international standards
- **3 -Risks: health safety**
 - Mitigation: Implementation of a system of health and health controls
- **4- Risks: Lack of opportunities**
 - Mitigation: Development of a strategy to gain international market share (AfCFTA, COMESA, etc.)
- **5- Administrative delays**
 - Mitigation: Application of the Investment Code

Investment Proposal: Banana



Cost Estimate

- Total investment (USD): 20 million
- Government Contribution (USD): \$1 million



Beneficiaries

- Direct total beneficiaries (households): 3 490
- Indirect total beneficiaries (individuals): 18 497
- Additional net income per household (USD): 1 785



Financial analysis

- Internal Economic Rate of Return: 22.58%
- Net Present Value (USD): 7 million
- Benefit/Cost Ratio: 2.10



Impacts

- ✓ Poverty reduction
- ✓ Food security
- ✓ Job creation
- ✓ Economic growth

Opportunity 2: Develop the aquaculture and fisheries sector



Context and Market Demand



Context

- Fishing contributes to national wealth creation estimated at 6.7%
- Existence of 5 industrial fishing segments and 4 national fishing segments: semi-industrial fishing, artisanal fishing, traditional fishing and shellfish gathering
- Existence of 121 cooperatives/associations bringing together a total of 7600 fishermen, including 55 in Grande Comore (4,000 fishermen), 45 in Anjouan (3,000 fishermen) and 21 in Mohéli (600 fishermen) (source Fishermen's Union, 2018)
- Aquaculture almost non-existent
- Unmet local demand: recurrent shortages and import of canned goods. Fish imports are estimated at between 500 and 1,000 tonnes/year
- Annual production between 20 000 and 25 000 tons/year
- Existence of potential export markets outside of the EU (East Africa in particular) that are accessible and remunerative



2. Developing the fisheries and aquaculture sector



Current constraints

- Small-scale fishing with insufficient local added value
- Predominance of the informal sector in the fisheries sector, and underdeveloped entrepreneurship
- Preservation and storage of seafood done individually, neglecting compliance with SPS standards
- The country has no fishing port, nor a well-structured local market
- Processing infrastructure in the fisheries sector remains insufficient and inadequate.
- Vocational training (navigation, mechanics, safety, conservation) and Research/Development scheme, which hamper the modernisation of the fishing professions



Key investments

- 1- Facilitate access to inputs, equipment, fisheries control and surveillance, safety at sea and construction of landing points for small-scale fishing on 3 strategic sites USD 1.8 million (private sector)
- 2- Install 45 aquaculture production sites, 45 fish ponds, 6 hatcheries and their equipment, and feed production units. USD 2.4 million (private sector)
- 3- Setting up a cold chain (positive and/or negative cold rooms, insulated containers/fish shops, ice boxes, ice) USD 0.8 million (private sector - public sector)
- 4- Create 30 small and medium-sized enterprises for the conservation and processing of tuna into cans, development of a marketing strategy (circuits, standards, export, etc.) 1.6 million USD (private sector)
- 5- Create and operate specific markets for fish and fishery products and support the creation of 30 fish markets in the main cities, USD 1 million (private and public sector)
- 6- Setting up a reference laboratory for product analysis and quality control for the certification of fishery products intended in particular for export USD 1.8 million (public and private sector)

Risks and mitigations

1- Risk: Over-exploitation of the coastal fringe and degradation of environments due to the anchoring of pirogues:

Mitigation; Promotion of semi-industrial fishing with the use of efficient and sustainable fishing equipment and technologies

2- Risk: low access to quality food for farmed fish

Mitigation: Controlled imports and initiation of local fish feed production

3- Risks: poor quality of cold chain infrastructure

Mitigation: Bringing it up to international standards

4- Risks: health safety

Mitigation: Establishment of a system for the protection and sanitary control of fishery products

5- Risk of resource degradation

Mitigation Support for the implementation of the Voluntary Guidelines for Sustainable Small-Scale Fisheries

Investment Proposal: Fisheries and Aquaculture



Cost Estimate

- Total investment (USD): 10 million
- Government Contribution (USD): 0.5 million



Beneficiaries

- Direct total beneficiaries (households): 2 503
- Indirect total beneficiaries (individuals): 13 266
- Additional net income per household (USD): 8 953



Financial analysis

- Internal Economic Rate of Return: 19.36%
- Net Present Value (USD): 3.84 million
- Benefit/Cost Ratio: 1.30



Impacts

- ✓ Poverty reduction
- ✓ Food security
- ✓ Job creation
- ✓ Economic growth



Opportunity 3: Develop the poultry sector

Context and market demand



Context

- The country imports 20 000 tonnes of broiler chicken and more than 950 000 table eggs (UA, 2022)
- Local production of broilers almost non-existent (except for artisanal production or culled laying hens).
- poultry farming, mainly focused on the production of eggs for consumption, very insufficient egg production
- Very low added value of the subsector and low contribution to employment,
- Very high price levels

3. Developing the climate-smart poultry sector



Current constraints

- A low level of poultry production.
- Chronic deficits in poultry feed.
- Persistence of animal diseases due to poor health and vaccination coverage.
- Lack of modern processing and marketing channels for livestock products.
- Lack of modern and appropriate infrastructure (poultry transport, input manufacturing plants, etc.).
- Limited Research and Development programs
- Lack of sustainable funding (public and private) accessible to farmers.



Key investments

- 1- Build infrastructure for the production of broilers (30), eggs and chicks (15). USD 8.2 million (private sector)
- 2- Create 3 pilot feed manufacturing factories (silos, supply of raw materials, and equipment) and development of local resources 1.5 million USD (private sector)
- 3- Set up a central pharmacy and 2 ancillary depots to make veterinary products available USD 2.7 million (public and private sector)
- 4- Create 3 cold chains, 6 modern slaughterhouses, 3 processing units and 6 storage units and warehouses. USD 3.9 million (private sector)
- 5- Establishment of processing units for local products in the poultry sector. 1.6 million (private sector)
- 6- Create and operate a reference laboratory in animal health and poultry disease surveillance. USD 1 million (public sector)
- 7- Piloting a sustainable and accessible financing model for the sector

Risks and mitigations

- **1- Risk: Epidemics requiring the slaughter of poultry:**
 - Mitigation: Veterinary surveillance, farmers' insurance
- **2- Risk: access to feed**
 - Mitigation Controlled imports and initiation of local feed production
- 3- Risk: Uncontrolled imports
 - Mitigation Customs Controls
- **4- Risks: poor quality of cold chain infrastructure**
 - Mitigation Bringing to international standards
- **5- Risks: health safety**
 - Mitigation Establishment of a system of and health checks on poultry products

Investment proposal: poultry



Cost Estimate

- Total investment (USD): 20 million
- Government Contribution (USD): \$1 million



Beneficiaries

- Direct total beneficiaries (households): 3 190
- Indirect total beneficiaries (individuals): 16 907
- Additional net income per household (USD): 3 633



Financial analysis

- Internal Economic Rate of Return: 20.16%
- Net Present Value (USD): 1.86 million
- Benefit/Cost Ratio: 1.08



Impacts

- ✓ Poverty reduction
- ✓ Food security
- ✓ Job creation
- ✓ Economic growth

Summary

Total investment: USD 50 million
 Government investment: USD 2.5 million
 Investment gap: USD 47.5 million

19-23 %
IRR

USD 12.7
million
NPV

~57 853
Total number of
beneficiaries

~ USD 4 836
Average additional
revenue

ExACT

Banana

Total investment: USD 20 million

Government contribution: USD 1 million

Investment gap: USD 19 million

IRR (%): 22.58

NPV: USD 7 million

Direct beneficiaries: 3 490

Indirect beneficiaries : 18 497

Average additional revenue: 1 785 USD/year

ExACT:

Fisheries and aquaculture

Total Investment: USD 10 million

Government contribution: USD 0.5 million

Investment gap: USD 9.5 million

IRR (%): 19.36

NPV: USD 3.84 million

Direct beneficiaries: 2 503

Indirect beneficiaries: 13 266

Average additional revenue: 8 954
USD/year

ExACT:

Poultry

Total Investment: USD 20 million

Government contribution: USD 1 million

Investment gap: USD 19 million

IRR (%): 20.16

NPV: USD 1.86 million

Direct beneficiaries: 3 190

Indirect beneficiaries: 16 907

Average additional revenue: 3 636 USD/year

ExACT: