

Expanding Access to Markets through Benin's Port of Cotonou

Benin's MCC Compact includes a \$169.5 million "Access to Markets" project that seeks to expand capacity, reduce costs, and improve the operating performance of Benin's Port of Cotonou. Compact-funded infrastructure improvements include doubling the length of the port's sand-stopping barrier; expanding internal roads, parking, and security infrastructure; and constructing a new South Wharf container terminal.

Millions of consumers of imported products in Benin and neighboring inland countries, as well as exporters, will benefit directly or indirectly from improvements at the port. The new, MCC-financed South Wharf container terminal alone is expected to generate up to \$30 million in new revenues annually and \$256 million in complementary investments provided by the selected South Wharf container terminal concessionaire, Groupement Bolloré-SMTC. In coordination with MCC, the Government of Benin engaged the International Finance Corporation (IFC) to structure and manage the competition for the award of the South Wharf concession, signed on September 10, 2009. The successful award of the concession for the South Wharf was a condition precedent to the provision of any MCC funding for South Wharf construction.

In addition to the various fees that will be paid over the life of the concession, Groupement Bolloré-SMTC has agreed to more than double container traffic by year 2020, and will also finance landside infrastructure improvements. Based on IFC's analysis, the concession will generate a positive fiscal effect exceeding \$1.5 billion for the country over the 25-year life of the concession.

Local Bolloré Director Bernard de Buor said, "The competitiveness of the Port of Cotonou will be judged by its capacity to give the best service. We have to keep in mind that other ports of the region already offer better facilities.



The MCC Compact leverages private-sector investments to improve Benin's Port of Cotonou.



The vastness of the Port of Cotonou and its busy platforms are evident in this aerial photo.

“We wish to develop a partnership with the authorities in order to become the port of reference of the Guinea Gulf. As we plan to double the volumes of containers within the next years, it is essential that the receivers can get their cargo in shorter delays. Otherwise, the terminal will be congested, and we will lose the benefit of our investments.

“All the port improvements generated by the MCC Compact are critical for the success of this major expansion of our activities in the Port of Cotonou. Our ambitious goal of doubling container traffic to Benin cannot be achieved without significant reforms for customs and port management.”

MCA-Benin, the government entity responsible for implementing the MCC Compact, is supporting the Port Autonome de Cotonou in improving its operations and oversight of financial transactions. Operational improvements at the port have already resulted in significant reductions in ship waiting time and eliminated port customer congestion fees.

The MCC Compact is also assisting the Customs Authority to implement reforms, and to install a national computer network aimed at promoting greater efficiency and transparency.

The reduced delays, reduced costs, and increased volumes of exports resulting from the MCC-funded project are expected to significantly improve the Port of Cotonou’s regional competitiveness and, in doing so, benefit the entire Beninese economy.

For more information on MCC’s Compact with Benin, visit www.mcc.gov/benin.