

EXECUTIVE SUMMARY

In the current context of globalization, Africa is lagging behind improvements that impact on the ports sector worldwide. Unlike most other regions, the West African ports are mostly owned by the State.

The geographical location of Benin makes of Cotonou Port, an unavoidable Port in West Africa. Due to its strategic position, the port of Cotonou knows more traffic over the past ten decades.

As a corollary of this situation a priori advantageous, stays of vessels laid up in the territorial waters of Benin awaiting entry to dock for unloading cargo is becoming longer. Concomitantly, port operations and the various control procedures, resulting in lost time and significant shortfalls for economic operators and the Government of Benin. All this is primarily due to the notorious port congestion and long queues of jumbo vehicles.

Given this paradoxical reality of the port of Cotonou that is willing to be a reference port in the sub-region, the Government of the Republic of Benin in order to reposition the economy of Benin, has undertaken to promote the development of dry ports to increase the spaces for the maritime and related activities and likewise, improve the handling yields and the capacity of port facilities in the context of current port area congestion.

In this context, Benin authorities have given their agreement in principle to HEMOS Company, for the provision of an area of 101 hectares located 40 km from Cotonou to build a dry port.

The support of the Government of the Republic of Benin, supported by the United States through the Millennium Challenge Account (MCA), which funded the feasibility study for the project, aims at reassuring private investors to commit to its implementation.

The achievement of the Millennium Development Goals, including poverty reduction depends mainly on economic growth of which the expansion of trade is the kingpin. Thus the fundamental mission of this project is to work for poverty reduction by ensuring the competitiveness of Benin economy by the fluidity at the port activity level and contribution to African integration in a globalized world.

The construction of Tori dry port aims at among other objectives:

- Repositioning Benin economy;
 - Achieving the Millennium Development Goals;
 - Decongesting the port of Cotonou;
 - Inducing local development.

1.1 Component "Market"

This element addresses the provision of port services and traffic trends at Tori Dry Port. This will involve:

- Ensuring the loading and unloading of containers for Benin;
 - Ensuring the unloading operations to countries of the hinterland;
 - Serving as intermediate storage for bulk in containers;
 - Clearing spaces of empty container storage and maintenance of these containers;
 - Delineating areas for handling and storage of hazardous materials.
 - The transshipping goods between the incoming vessels anchored in Cotonou and transporting by rail or by road;
 - Providing services for goods transit.

1-2. Component «financial sustainability»

This component has three levels: profitability, financial security and funding.

1-2.1 Profitability

It will concern:

- getting a return on equity greater than or equal to 25%;
- getting a return on capital constant greater than or equal to 15%;
 - getting a level of profitability of around 35% by 2021;
 - controlling operating expenses;

1-2.2 Financial security

This subcomponent will strive to achieve:

- a capitalization rate of 80% by 2025;
- a sufficient cash level to ensure continuity of operations;
 - a stable level of resources representing twice the investments by 2025.

1-2.3 Funding

It will consist of:

- Diversifying sources of financing;
- Ensuring stability of funding;
- Negotiating interest rates to a profitable threshold for the proper project implementation.

The following elements constitute other guarantees important for funding:

- **The guarantee of traffic on the site to ensure the profitability of the project by the provisions of decree No. 2011-793 of December 9, 2011 on the extension of the territorial division of the Port of Cotonou to Cotonou Port Authority property located in Tori-Bossito in article 3;**

➤ The provisions relating to the real right HEMOS and its partners have on all works, fittings and port equipment that he will have erected and / or used for the duration of the concession;

➤ The firm commitment of the State not to implement any measure that could jeopardize the return on investment for the licensee;

➤ The firm commitment of the State, upon termination of the contract, to reimburse the licensee or his assigns the depreciated value of all works, equipment and all fittings related to the operation and which are conducted by the latter;

➤ The firm commitment and legal support to the project by the State through the repeal of all previous provisions contrary to the provisions of decree N° 2011-793 of December 9, 2011 on the extension of the territorial division of the port of Cotonou to Cotonou Port Authority property located in Tori-Bossito (article 8).

2- The component « sustainable development» The component of « sustainable development» goes through the implementation of economic policies and strategies within the framework of sustainable development in Benin and the effects of rents on the West African economy, it primarily concerns:

- The contribution to the achievement of the Millennium Development Goals including poverty reduction while taking into account the objective n°8 of the MDGs;

- Contribution to the improvement of the position of Benin in the sub-regional economy;

- The increase of tax revenues to allow Benin to meet the convergence criteria in the WAEMU and meet the requirements of the World Bank and IMF;

- The inclusion of Objective n°3 of the MDGs in the management of human resources;

- The completion of the port village allowing the project to participate in the achievement of Goals n°. 6 and 7;

- Environmental studies certifying that this project meets the requirements of Goal 7 of the MDGs;

Induction of local development