

Benin Water Sector

Opportunities for the Dutch Water Sector

Dutch Government asked Aidenvironment to advise on potential Product Market Combinations for the Dutch Water Sector in 12 developing countries, Benin being one of them, and how the Dutch Water Sector can position itself in order to get a better access to the market.

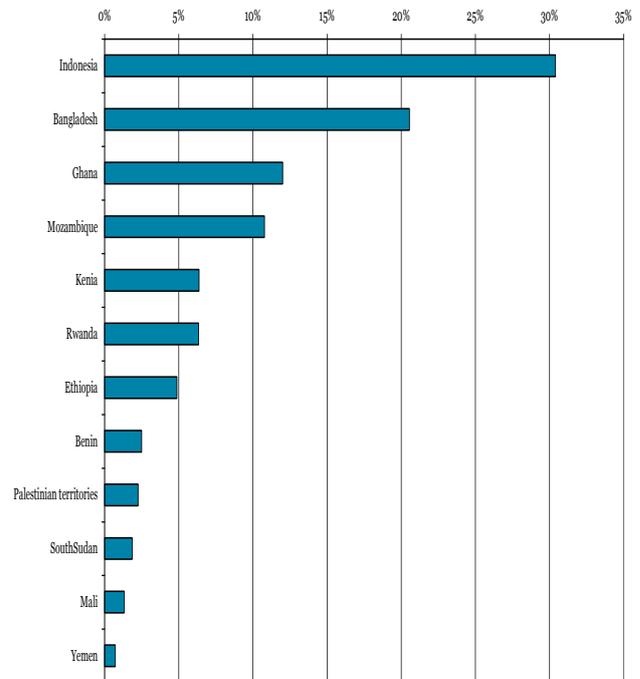
These reports describe the physical ‘water situation’, how the water sector is being organized, the legal and policy framework, trends and entry barriers in a simple way as well. Finance and climate change are special topics in each report. These reports are available on the [aidenvironment](http://aidenvironment.nl) website.

Demand:

The need in Benin focuses on three main sectors: WASH, IWRM (including flooding), and institutional strengthening of (governmental) agencies. In the WASH sector there is a need for fairer distribution and access to clean water and sanitation, especially in semi-urban areas. Operating faecal sludge treatment plants are not present which results in environmental pollution. There is an increasing need for improved water management, erosion prevention and water storage. The last need is related to functioning of governmental organizations or other executing agencies. Tasks of the central government have been decentralized to local governments, however the tasks and responsibilities of these governments for management and implementation is not clear.

Current interest and activities of Dutch organizations:

There are not many companies, NGOs and public service organizations (PSOs) active in Benin. The sectors in which the organizations are involved are water supply and sanitation, IWRM and the cross over with ICT. Most promising areas as indicated by the Dutch water sector players are drinking water supply & treatment, IWRM, urban water management and irrigation. Companies and PSOs are mainly active in advice and support of products, while NGOs are involved in capacity building. Client of the Dutch water sector players are mainly the public sector, local knowledge institutions and international NGOs.



Breakdown of Dutch exports in the water sector to the 12 OS-countries, in % of turnover, source: Web survey Panteia, 2014/2015

Potential product market combinations:

Based on the situation and the needs (demand) of Benin and the supply of the Netherlands a number of Product-Market Combinations (PMCs) have been defined in the areas of WASH, IWRM and maritime. The following are a small selection of the PMCs:

- Delta planning: airport relocation, flood dikes, real estate development, port development, and wetlands restoration.
- Faecal sludge management: training, capacity building, stakeholder collaboration and development of technologies. This could be done by knowledge institutes, NGOs and companies.
- Institutional support of INE. Dutch Water Boards, water companies, consultancy companies, and knowledge institutes can support INE in the introduction of ICT and provide management and business support for adaptation to the labor market.
- Port and logistics in Cotonou, including services and advice to support logistics and quay development by

large companies or consultancies. Dredging of the port can be done by dredging companies.

- Solid waste treatment.

Suggestions on positioning strategies for future activities:

To enter the country, Dutch organizations can make use of PPEAII of the Dutch government. IFIs can be a means for entering the country through specific projects (WB for faecal sludge management or support of INE) and PPEAII of the Dutch government. The Water Partnership Benin or the Netherlands-Benin Platform could offer insights in the market and opportunities.

Successes and lessons learnt: examples

Based on expert’s opinions, three organizations and their activities in Benin are highlighted because of their experience in the country.

Boskalis has over thirty years of experience through their involvement in port development and coastal erosion protection. The company has worked closely together with the government and has a good understanding of the situation and way of working in Benin.

Royal Eijkelpkamp Foundation has just entered Benin through its cooperation with the INE with financial support of FDW and funding from sponsors. Because of the ANBI status, the foundation has some tax advantages. This cooperation is a good example of how the country can be explored for possibilities to enter the Beninese market for groundwater monitoring equipment.

One organization active in Benin indicated that the services provided focus on large and complex projects that require high-end technologies, in order to create and enter a niche market. The organization continuously broadens its services to maintain its position as leader in the sector and to be able to grow, even when the market stagnates. The office in the Netherlands is responsible for tendering and also for project execution. The organization works with regional and local representatives for business development and support for acquisition and project execution.

Brabant Water has worked closely with local companies such as SONEB for water provision of Parakou. Brabant Water has much practical experience in working with those types of private companies. Other successes mentioned by the survey respondents are PPEA II, the involvement of UNICEF in the country and the NICHE program.

Facts and Figures

Government type	Democratic republic
Language	French is the national language of the country. Other languages are Fon and Yoruba in the south, and some tribal languages in the north (CIA, 2104).
Population	10,160,556, which ranks 88 on the world list (CIA, 2014 est.)
Population growth	2.81% (CIA, 2014)
Economic growth (GDP)	5%, world comparison ranking: 59
Expected growth (GDP)	2015: 4.4%, 2016: 4,3%
GDP (PPP)	€ 7,084 billion
GDP (PPP) per capita	€ 1,356 world comparison ranking: 202
Unemployment rate	1%
Inflation rate	2.4% 2015; -1.70%, 2020: 0.6%
Foreign direct investments	3.9% of GDP
ODA in % of GNI	6.8% (2012)
Imports	€ 1,555 billion
Import partners	China (37%), USA (9%), France (6%), Malaysia (5%)
Doing business index	2014: 167 (out of 189)
WEF Global competitive index	130 out of 148

Trade and Aid strategies

Aidenvironment advises Water Sector players how to combine goals on Trade and Aid. Our advice strengthens the reputation and license to operate of businesses, opens new windows for finance, and enhances growth while contributing to development goals.

Our team performs market research and advices on effective Public Private Partnerships and engagement strategies, and facilitates organizations in tapping into local networks and finance.

Interested?

Contact Frederik Claasen to find out what we can do for you.

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