

Africa Trade Policy Notes

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Reducing Dwell Time to Boost Efficiency at the Port of Cotonou¹

Introduction

The Port of Cotonou is of primary importance to economic growth and diversification in Benin. Furthermore, given its key geographic location as a port serving Niger and other land-locked countries to its north, and its proximity to Nigeria and Lagos, the Port of Cotonou is an important regional port. Over 80% of all goods entering the Port of Cotonou are destined for final delivery outside of Benin. Niger and Nigeria account for about 90 percent of Cotonou's transit/re-export traffic, with Nigeria accounting for the bulk of this traffic, most of it informal. As such, the economic impact of the Port of Cotonou on economic activity, job creation and livelihoods is vastly larger than the role it plays in simply serving the direct import and export needs of Benin's economy. Some 20 percent of national GDP is directly related to trade with Nigeria alone, informal or otherwise.

The port is currently profitable, despite its considerable inefficiencies and sub-optimal performance, largely due to restrictive trade policies in Nigeria, which encourage and facilitate the large-scale importation of goods into Benin through Cotonou, but which are ultimately destined as informal trade to Nigeria. The Port of Cotonou could be considered, to a large extent, a Nigerian port. This poses important risks, as trade liberalization or other policy changes in neighboring Nigeria could have a dramatic impact on port volumes in Cotonou. Thus, improving the efficiency of port operations is critical in not only increasing economic growth and opportunities within the prevailing economic environment, but is important in managing the sizable risks posed by potential policy reform in neighboring Nigeria.

Significant congestion in and around the port has been a major problem that delays the clearance and removal of goods and raises costs for importers and exporters. Institutional arrangements and developments in the port also lead to higher costs and to a significant diversion of traffic away from Cotonou.

HIGHLIGHTS

Improving the management and governance of port operations is fundamental to improving overall port performance and returning the Port of Cotonou to its place as the region's most competitive port.

The port-land interface is critical to port performance. Reforms cannot stop at the port gate as constraints will simply be pushed down the logistics chain.

High levels of corrupt practices, non-transparent transit and import procedures and processes, including negotiations between importers and Customs concerning the value and nature of merchandise being imported, and the highly informal and illegal smuggling of goods into Nigeria pose serious governance concerns at the port.



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The purpose of this note is to provide some insight into port operations and to propose reforms for facilitating the movement of goods through the port in an effort to reduce dwell time and improve the efficiency and effectiveness of port operations – all with a view to improving the competitiveness of the port.

Current State of Port Operations

The Port of Cotonou compares poorly with its regional competitors in terms of transport facilitation and operational productivity. In 2011 the average port dwell time was over 21 days, while in Lomé it was 18 days and in Abidjan 14 days. This increased to over 25 days during implementation of the new import verification program (PVI) in late 2011 and early 2012 and has subsequently fallen after the suspension of PVI activities. Dwell time in June, July and August 2012 were 20, 12 and 16 days respectively.

The Port of Cotonou was originally conceived for an annual loading/unloading capacity of around 2.3 million tons per year, a level attained in 2000. In 2005, total cargo handled through the port reached 5.1 million tons and at end-2011 it had reached 6.8 million tons, substantially surpassing the original capacity of the port. New facilities have been built and equipment has been provided to alleviate the current situation. Port handling operations were liberalized beginning in the late 1990s and three private operators currently compete in the port.

Physical infrastructure is often seen as the first response to improving efficiency and capacity at ports -- more quays, more and better cranes, better roads, more quay side space, etc. The general consensus however, is that the current state of infrastructure development in the Port of Cotonou is not the binding constraint and that existing

infrastructure is sufficient to handle expected volumes over the short- to medium-term.

Furthermore, the port's location in the center of Cotonou limits physical expansion possibilities. Thus, increasing capacity is best addressed through improved internal efficiency rather than through infrastructure expansion. Improving the efficiency of port operations and reducing dwell time in the port can increase port capacity substantially. Raballand et al (2012) note that for the Port of Durban in South Africa “. . . reducing dwell time from a week to four days more than doubles the capacity of the container terminal without any investments in physical extensions.”

Similarly in the case of Cotonou, efficiency gains will be easier to achieve through improvements in the port's procedural, management and administrative environment and importantly, through strengthened port governance. If goods can be moved through the port more quickly and if dwell time can be reduced given the current level of infrastructure investment, then port efficiency, capacity and competitiveness will be increased substantially. Furthermore, improvements of this nature need not be costly as compared to physical infrastructure, and are frequently more constrained by capacity limitations (administration and management issues) and political economy factors and considerations (governance issues) than by resource limitations.

Due to deficiencies across management, administrative, governance and logistics parameters, the port is operating well below its potential capacity. In an environment like Benin, where there is apparent strong commitment to administrative and governance reform, and where clear political will is being demonstrated at the highest levels, considerable improvements can be realized with limited financial investment.

Main Challenges

The main challenges and factors facing port operations, those generating the serious congestion

issues in and around the port, and those contributing to extended dwell times are summarized below:

Trade Facilitation and Procedural Issues

Hours of operation: Operational hours are important in managing congestion (peak time compared to non-congested time) and in improving dwell times (week-end and night-time operation for example). For this, not only do government agencies need to function during these times, such as Customs, but economic operators need to adapt their hours of operation as well. The port has the capacity to function 24 hours per day, 7 days per week, yet this is not being taken full advantage of, largely because of private sector operators' reluctance to operate on a 24 hour/7 day schedule.

Cargo Handling Procedures: To minimize dwell time the apron side and berth needs to be vacated as soon as possible for the next ship. Evidence points to some vessels taking an inordinately long time to unload their cargoes -- up to a month in some cases. This is an operator's responsibility. However, the port authority has no mechanism or ability to enforce performance standards on the operators, yet the upstream effect of prolonged vessel stays can be considerable.

This appears to stem from the fact that while infrastructure appears adequate, i.e., cranes, fork-lifts, etc., human resource capacity may be weak and thus the infrastructure under-performs due to limited work force capacity. While work force training is the responsibility of the private sector operators, the port lacks tools and mechanisms to insist on and demand performance up to minimum acceptable standards. Such insistence on performance standards would encourage private sector operators to ensure their work forces are properly trained and have the needed skills and capacities. Furthermore, some practices slow the unloading process, such as the bagging of bulk cargo at quay side rather than bulk removal.

Within Port Cargo Movement and Storage: The movement of goods and containers from the quay side to storage areas needs to be undertaken efficiently and to be properly recorded. Weaknesses in this regard in the Port of Cotonou exist primarily in three areas. First, congestion on the quay side and within the port renders this movement more difficult. This largely arises from heavy truck traffic in the port, but also arises from the presence of, storage of, or otherwise failure to remove debris, waste and other clutter from within the port. Second, the state of roads in the port is less than ideal and when added to the congestion problem makes movement within the port hazardous and slow. Finally, finding specific individual containers among the stacks of containers is at times problematic. Significant time is often lost in searching for containers among the hundreds, or at times thousands, of containers in the port.

Scanning and Physical Inspection: The introduction of scanners should have reduced the burden and time spent in inspecting containers. However, implementation of the system has proved problematic and the learning process was slow and extended as the operator of the system, handlers, clearing agents, forwarding agents, truckers, and others all had to adapt to the new system. Uncertainty around which goods were to be subject to scanning, misunderstanding of the process itself and capacity constraints among the operators of the scanning system contributed to long delays and unnecessary congestion around the scanning facilities. Nonetheless, scanning remains a viable option if properly implemented.

Port Information Systems: The "Système Intégré de Gestion du Port Autonome de Cotonou" (SIGPAC) is an integrated information system used by the port authority and various economic operators in the port. It provides the following functions: vessel traffic management; stevedore operation management and invoicing; apron side and shed management; management of goods/utility supply to the ship; and users' resource

management. It was developed with support from the Millennium Challenge Account (MCA). Although technically functional, SIGPAC is not being utilized to its full potential. Furthermore, there is a need to harmonize and bring greater coherency to the broad range of information systems currently operating in the port – SIGPAC, the entry/exit system and truck traffic management system, the video surveillance system, etc. There is also limited capacity to continually improve the ICT system as needed and not all users are properly trained. Improved electronic communication and more effective sharing of data among the economic operators in the port could contribute to improved port efficiency.

Removal Logistics and the Port-Land Interface

Truck Scheduling and Staging: The introduction of a truck staging system and truck call system is a positive development, as is the registration of trucks on entry and exit. In the past, the lack of such a system resulted in large numbers of trucks waiting in and around the port trying to arrange loads. A call system should result in trucks only coming to the port and entering the port if they have been pre-assigned a load. Time spent in and around the port should be minimal -- enter the port, pick up the assigned load, and then exit.

Unfortunately, enforcement of this system appears weak, and large numbers of trucks continue to be in and around the port without proper authorization. Furthermore, it appears that an effective system does not exist for the removal of trucks that do not have proper authorization to be in the port, or in the immediate port environs. This causes serious congestion and traffic flow issues directly within the port, in the immediate port vicinity and within the Cotonou city centre. The presence of trucks hovering in and around the port without an already assigned load is highly problematic. Furthermore, loaded trucks are authorized to enter the port with goods being exported. These trucks frequently then remain in the port searching for outbound (import) business and further contribute to the in-port congestion. There does not appear to be an

effective system for ensuring their timely departure from the port.

In-Transit Arrangements: Trucks transporting in-transit goods are required to form a convoy and are escorted through Benin by the military (or Customs). The formation of convoys can take one to several days. For example, a single truck driver missing necessary paperwork or clearances can delay the departure of an entire convoy. The introduction of a GPS system for individual trucks was a step in the right direction toward alleviating this constraint, but the GPS system has been discontinued with the suspension of the Benin Control contract and the practice has reverted to the use of convoys.

Capacity of Port Operators: While shipping agents representing the major liner shipping companies serving the Port of Cotonou are generally efficient, as are terminal operators, the clearing and forwarding community suffers from a lack of capacity and low professionalism. It is this community that is largely responsible for the clearance process and the delays encountered in moving goods from the “bon à sortie” point to final exit from the port.

Stripping of containers: The unpacking of containers and the repacking of 2 or more containers onto a single truck within the port considerably slows the movement of goods through the port and contributes to serious congestion within the port perimeter. Not only does this disrupt port operations, but it leads to the serious overloading of trucks, rapid deterioration of the road network and up-stream road transport issues. The stripping of containers within the port consumes space, takes time and confounds communication and clearance, as goods and loads are variously mixed, split and reassembled.

Use of Port as Storage: The possibility exists that operators are using the port areas as storage because the port does not impose storage charges or levy fees/penalties on goods remaining for extended periods in the port. Operators

themselves do however charge fees for goods that remain in the port. As such, an appropriate incentive structure does not exist for encouraging reduced dwell time as some operators make money from storage fees and have little incentive to remove goods in a timely manner. This of course is less problematic if the port is operating under-capacity and goods left in the port do not delay subsequent shipments or interfere with port operations, but as capacity is reached, the presence of goods essentially being stored in the port directly and immediately increases dwell time and delays the movement of goods through the port. This raises costs for those shippers who need rapid movement of goods through the port.



Political Economy Considerations, Governance and Port Management Issues

Port Governance: It remains unclear as to where decision-making authority and accountability really lies within the port, particularly surrounding high level port wide governance and reform issues. The division of responsibilities between the Port Authority (PAC), the Ministry of Maritime Economy, the Ministry of Finance, and the Presidency is perhaps inappropriate and unclear. It is difficult for the PAC to effectively manage port operations when it is not responsible for contractual issues with port operators, when reforms are imposed without sufficient consultation with the PAC and other stakeholders, and when decisions taken by PAC are reversed or altered by other layers of government. Under current arrangements many decisions appear poorly-informed, not to be

in the direct interest of port operations, to be unduly influenced by political considerations, and many are open to criticisms related to non-transparency and potential corruption.

Port Management: Effective port management is also constrained by management capacity issues. Effective port management is highly dependent on the managerial and technical skills of senior and middle management. Port management should be in the hands of capable, knowledgeable and experienced port management experts. Weaknesses in this regard are evident in the Port of Cotonou and appointments made on the basis of factors other than technical and managerial competence have compromised management's effectiveness.

Continuity in Management: Frequent changes in senior and middle management have increased management uncertainty and compromised the port's ability to fully implement necessary reforms. Meaningful reform requires sustained effort over a period of time, appropriate adjustment and adaptation, and consistency of vision in the application of reforms. When management changes too frequently, as is the case in the Port of Cotonou, this sustained and consistent effort is not applied. Furthermore, with a high rate of change there is little personal ownership of reforms, a lack of accountability, and incentives are tilted toward short term personal gain over longer term meaningful institutional reform and strengthening.

Adaptation to New Reforms: Implementation of significant reforms in an environment of limited capacity, where significant resistance can be expected and without the pre-requisites already in place is a challenge. Implementation of the PVI is an example where resistance should have been expected, accounted for and built into implementation plans. Weak implementation, a lack of awareness and acceptance by stakeholders, an inexperienced private sector operator, and capacity constraints among various stakeholders resulted in a deterioration in port performance and dwell time. Some reforms in the past have not

been owned by the port, owned to an even lesser degree by stakeholders and port operators, and some have been seen as being imposed from the outside. Reform plans in the past have not engaged those affected by reform and have not ensured the ownership of reforms by the port community.

Competition between Operators: While there is competition between national ports for business, i.e., Cotonou versus Lomé, the fact that terminal operations within the various regional ports are highly concentrated in the hands of a few operators, means that there may be substantially less competition at the operating level. It may mean little for a terminal operator in the Port of Cotonou if ships are diverted to Lomé, as that same terminal operator operates in Lomé as well. As such, while there is an incentive at the national level (government) to maintain port volumes in Cotonou, there is little incentive for the terminal operator to maintain volumes in Cotonou, say through improved efficiency of operations, as the loss of business to the operator in Cotonou will be compensated by the same operator's increase in business in Lomé. It would appear that this monopoly/duopoly situation may lead to little incentive at the private sector level to improve individual port competitiveness. This is problematic in light of the port's inability to demand the attainment of certain minimum performance standards.

Corruption: High levels of corrupt practices, non-transparent transit and import procedures and processes, including negotiations between importers and Customs concerning the value and nature of merchandise being imported, and the highly informal and illegal smuggling of goods into Nigeria pose serious governance concerns at the port. Corrupt and non-transparent practices seem to occur at several levels from large contracts entered into with port operators, to small individual contractual and procurement arrangements, to Customs practices, to the payment by truckers to gain port entry. This high level of corruption can raise costs, reduce government revenue

substantially, limit competition, and increase uncertainty.

High Level Political Support: High level political support for meaningful reform is required. Those implementing reforms need to be appropriately empowered, supported when necessary and backed up by clear messaging from the highest political levels that the port and Customs reforms are of primary national importance. While this level of support has been demonstrated in the recent past, particularly since the President's re-election in April 2011, and while messaging has been clear and unambiguous, this was not necessarily the case prior to April 2011 and needs to be maintained.



Political Engagement: While strong support and clear messaging from the political level is necessary, this does not imply personal involvement in the details of reforms or personal engagement in managing, directing, supervising or otherwise micro-managing reform efforts from the political level. Such interference in the past, has led to unpredictability and inconsistency in implementing specific reforms. Interference from the political level at the operational level, as opposed to the policy and strategic level, undermines implementation efforts being undertaken by those tasked with implementing reforms, limits institutional capacity building, reduces institutional and management ownership of reforms, and contributes to a high rate of reform failure. Some useful prior reforms instituted by port management, for example, the levying of penalties and fines for trucks spending too much time in the port, have

been over-turned, waived or not enforced following the application of political pressure applied by those who have been subject to such fines and penalties.

Recommendations

Below are a number of recommendations for improving port operational efficiency and potentially reducing dwell time.

Truck Scheduling System: No trucks should be allowed to enter the port without prior authorization. Efforts by truckers to circumvent this system should be resisted, as should political pressure to allow greater entry and there should be no exceptions regardless of the influence or nature of the truck operator. This may require the establishment of more parking or staging areas away from the port and outside the city center. Any trucks found to be in the port without authorization should face a penalty/fine and be forced to leave the port immediately. Fines and penalties thus levied should not be subject to cancellation, reduction or other non-payment based on a trucker's complaint or resort to the political level -- again, no exceptions.

Installation of Parking Meters/No Parking Zones and enforcement: In the short term, while a longer term traffic plan is being developed, thought could be given to the installation of parking meters/charges in designated parking areas and the designation of no-parking zones around the port environs and the city centre. This will discourage trucks from waiting around the port area, encourage them to use staging areas outside the city center, and could serve to generate municipal/government revenue from trucks and other vehicles that could be re-invested in improving the local road infrastructure. Enforcement would be required. In conjunction with an effective and enforced truck scheduling system there would be little need for trucks to park in the city center and this practice could be discouraged by meters and the enforcement of no-parking areas.

Pricing for Truck Time in Port: Consideration could be given to imposing a fee on truck time within the port. Various fees structures could be devised, but a fee could provide an incentive for trucks to enter the port, efficiently obtain their load and exit the port as quickly as possible. Entry time could be recorded for each truck and charges imposed after a set period, so that trucks entering and exiting within an acceptable time frame would not be subject to a fee, but trucks remaining in the port over a prescribed time limit would be subject to the imposition of fees on exiting.

Extended Hours of Operation: Serious attention should be given to providing incentives to operate the port 24 hours per day and 7 days a week. Releasing trucks at night could alleviate peak traffic congestion in the City of Cotonou and would better spread the truck traffic throughout the day and not conflict with ongoing Cotonou business and social needs. It is recognized that operators, employees, including private sector employees and government and Customs officials, and some truckers, might resist working shift work, or working weekend days, and this resistance should not be under-estimated. However, this is normal practice in many ports and many industries and can be overcome. Allowing the entry of and the release of trucks at night when roads are more or less deserted may reduce truck transit time significantly and speed up deliveries and improve trucking performance and profits. At peak hours, say at 3:00 pm in the afternoon, a truck having to traverse the city to enter or exit the port can easily take 3 hours to cover 40 or so kilometers. At 3:00 am this could take 40 minutes - 40 minutes in and 40 minutes out - instead of 3 plus hours in both directions. Incentives to encourage night shift operations should be considered.

Short Term Pricing Considerations: Port pricing should be addressed, particularly storage charges. The ability to impose storage charges and the manner in which they are imposed remains unclear. There is some uncertainty as to whether the contractual arrangements with the main port operators allow for the imposition of extended

berth and storage tariffs. Consideration should be given to imposing (or redefining if they currently exist for some operators) tariffs/penalties for cargo spending more than a certain number of days in the port. A determination can be made as to the appropriate number of days to allow cost free storage (i.e., assess the adequacy of the free time period) and then impose realistic storage fees for periods in excess of this initial cost free storage time. Appropriate storage tariffs have proven effective in reducing port congestion and in encouraging more rapid removal of goods and containers from ports. Storage fees can be based on: (i) free storage up to a given number of days; (ii) the imposition of daily rates after the free period; and (iii) a scale of fee increases as the number of days in the port increases. These should be set at levels that encourage rapid movement of goods through the port, but not so high as to significantly raise costs or lead to the abandonment of goods and containers in the port.

Reconsideration/Renegotiation of Contractual Arrangements with Operators: There is some concern that existing contractual arrangements are not optimal. Consideration could be given to revisiting the contracts with the major operators with a view to mutually improving contractual arrangements. This should be approached from a win-win perspective where the objective is not to unilaterally renegotiate contractual terms in favor of the port and the state, but to adjust existing contracts to better reflect current realities. Not having access to the contracts, it is unclear as to which contractual arrangements should be reconsidered, but there is a broad concern that existing contracts do not reflect current best practice. As such, there may be a clear interest on the side of the PAC and the Government to renegotiate certain terms and there may be similar interest on the side of the operators as well. If undertaken, renegotiations should be led by the PAC, with external assistance to ensure best practice.

Container Management: Consideration should be given to the amount of unloading and re-packing of goods from containers onto trucks that occurs in the port. This practice should be streamlined, undertaken outside the port at freight forwarders' facilities, other facilities or otherwise better managed. There are cost implications both to doing this in the port and in moving it outside the port, but the practice as currently undertaken in the port is disruptive, leads to increased congestion, increased truck traffic in and around the port, and contributes to higher dwell time. Streamlined customs procedures could also facilitate quicker clearance of containers and strengthened risk management systems with fewer physical inspections of low risk shipments could also facilitate container flow.

Installation of Weigh Scales: The very high rate of over-loading of trucks at the Port of Cotonou poses serious downstream problems for inland transportation, including issues such as significantly increased road deterioration (resulting in very high road maintenance costs for the Government), increased truck breakdown rates, road safety issues, and potential issues at border crossings. Overloading is a serious impediment to effective and efficient road transport across the region and it is imperative that this issue be addressed in Benin and regionally. While this is clearly a regional issue that will require regional solutions, primarily around enforcement efforts, it is essential that the Port of Cotonou has functional scales and that all trucks exiting the port be weighed, with no exception.

Rehabilitate Rail System and Strengthen Rail Management: A strengthened and more effective rail system could clearly and significantly improve the port-land interface and get goods and containers out of the port and to their destination more quickly. A fully functional rail system could also significantly alleviate truck traffic in the port and in Cotonou and reduce road traffic and associated maintenance. The benefits of a functional rail

system cannot be overstated and this should be a leading priority.

Establishment of Inland Clearing Depot(s):

Consideration could be given to the establishment of inland clearing depots in order to move containers out of the immediate port environs to a location where they could be subsequently cleared. The short experience with moving in-transit containers to the town of Allada by rail was successful in alleviating congestion in and around the port, although it suffered from weaknesses in the rail system. If costs could be kept reasonable and transfers made relatively quickly and efficiently, there may be merit in considering such arrangements. The planned development of dry ports is a step in this direction, but care should be taken to ensure costs are minimized, contractual arrangements are transparent and all stakeholders have been appropriately consulted and have helped informed the choice of sites and the logistical arrangements. As noted in an earlier recommendation, streamlined customs procedures could also facilitate quicker clearance of containers, whether in the port or at in-land depots, and strengthened risk management systems with fewer physical inspections of low risk shipments could facilitate container flow.

Strengthen Monitoring and Evaluation:

A strengthened system to measure more accurately port dwell time metrics and disseminate the results transparently could prove to be beneficial. Availability of accurate and disaggregated real time dwell time information would help in the identification of emerging bottlenecks and constraints and could lead to more rapid responses by port actors in maintaining efficient port operations. SEGUB (the port single window operator) and PAC, together with ALCO (Abidjan-Lagos Corridor Organization, a transport monitoring group), should be able to design a dwell time monitoring system with relatively little effort. The data exists and it is simply a matter of pulling it together and instituting a regular reporting system.

Stakeholder Engagement: Initiate regular meetings of stakeholders in the port at the decision-making level. The intention would be to identify, discuss and decide on the implementation of key measures that should be implemented to reduce dwell time and improve port efficiency and effectiveness. Many ports have something akin to a “Comité de Facilitation Portuaire” that serves this purpose. The Port of Cotonou should consider the establishment of such a committee to be an effective instrument for dialogue in improving port performance.

Raising Awareness: A workshop/seminar for the port community and consumers of port services could be useful in explaining the direct and indirect consequences of poor port performance on consumer prices, input prices, export costs, and economic competitiveness. The attendance of government decision makers, civil society participants, Parliamentarians, and others whose support may be required to effect change or support meaningful change should also be important. Planned reforms, their justification and implementation plans could be presented in order to generate greater understanding and foster greater ownership and support for the planned reforms.

Combating Corruption: Systems should be put in place to monitor, detect, and prosecute corrupt practices in the port. This extends to corrupt practices within Customs, at entry gates, load assignment practices, staffing and human resource practices, procurement, etc. Reporting systems and hot lines could be put in place for reporting instances of corruption, reports should be promptly and seriously investigated, and investigations should be followed by transparent and open enforcement, prosecution and administrative sanctions where warranted. An Anti-corruption team in the ports could be created to undertake investigations, monitor efforts against corruption and implement anti-corruption activities, including sting and undercover operations to identify corrupt officials. Awareness campaigns focusing on corruption, ethics and values among employees at the port and

among the consumers of port services could prove beneficial.

In many cases practices that slow the movement of goods through the port remain in place simply because they offer the opportunity for rent seeking, generate alternative revenue streams, reduce competition, impose barriers to entry, etc. Leveling the playing field could permit increased efficiency and significantly increased government revenue.

Strengthen Port Management: All senior and middle management appointments in the port and within the Customs Administration should be based on merit. Standards for management positions should be clearly defined (based on technical capacity, knowledge, experience and capability). Candidates for port management positions should be evaluated against these standards and selected based on their competence as measured by these standards.

Strengthened Port Governance: Decisions at the port should fall under a single clear line of authority, properly empowered and with the capacity, knowledge and accountability to make, implement and be held accountable for decisions thus made. The PAC should be at the center of all such decisions and should be fully and integrally involved in all port related decisions, even if not the ultimate authority. For example, all contracts with private operators should fully involve the PAC in terms of selection, negotiation, contractual details, performance criteria, etc., even if in the end the contract is signed by the Minister of Finance. In the very short term, this should extend to any arrangements around renewed tendering of the PVI contracts and PAC should be integrally involved in this process.

About the Author

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¹ The note summarizes a report provided to the Government of Benin in October 2012 in response to a request from President Yayi for advice on improving port performance. This followed rising dwell times in 2011 and 2012, high costs, traffic being diverted to more competitive regional ports, falling trade-related government revenue, and considerable unrest and conflict within the port community between private sector operators, government contractors, the Customs administration, and other levels of government. Following delivery of the report and complementary assistance and advice from the development community, the government implemented several of the recommendations over the ensuing months with significant impact on port performance. Dwell times fell quickly to under 10 days (currently under 7 days), costs were reduced, traffic increased by over 11%, and government revenues rebounded accordingly. Reforms to further improve port performance continue with emphasis now shifting more from port logistics (though efforts continue here as well) to Customs reforms.