



**DEPARTMENT OF INFRASTRUCTURE, ENERGY & DIGITALIZATION**

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**DIRECTORATE OF ENERGY AND MINES**

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**SELECTION OF AN INDIVIDUAL CONSULTANT FOR THE  
ELABORATION OF THE NATIONAL POLICY/STRATEGY  
FOR THE PROMOTION OF LIQUEFIED PETROLEUM GAS  
(LPG) IN BENIN**

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**TERMS OF REFERENCE**

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## **1. CONTEXT**

Despite its enormous energy potential (oil, gas, hydroelectricity, biomass, solar energy, etc.), West Africa still faces ever-increasing energy challenges, hampering economic and social development. This situation is corroborated by the region's level of energy consumption, which represents only 1.7% of global consumption, the lowest in the world.

Furthermore, final energy consumption in the ECOWAS region remains dominated by biomass, which accounts for 75%. Biomass is mainly used as a domestic fuel for cooking and heating, in rural, peri-urban and urban areas alike. Indeed, the low economic power of the population means that they do not have access to modern cooking fuels under current market conditions. The immediate impacts of this situation are deforestation, deterioration in people's health caused by inhalation of toxic smoke, air pollution and environmental degradation.

To reverse this trend, the ECOWAS Commission has decided to promote the increased use of Liquefied Petroleum Gas (LPG), a cleaner and more efficient fuel than other domestic energies. LPG also offers greater opportunities for wealth creation, domestic prosperity and pollution reduction for a better environment.

To this end, the ECOWAS Commission has developed a Regional Strategy for the Popularization of Liquefied Petroleum Gas (LPG) as a Domestic Cooking Energy in the ECOWAS region, adopted by the Ministers in charge of hydrocarbons during their 2nd meeting held in Ouagadougou on February 7, 2020.

The diagnosis carried out as part of the development of this strategy revealed that only 12% of the region's 70 million households use LPG as a domestic fuel, with a regional average cylinder-to-population ratio of 1:51 (i.e. 1 cylinder for every 51 people). The main constraints identified are regulatory, infrastructural, institutional and socio-economic. They include: (i) the absence of a dedicated national policy/strategy in member states, (ii) limited accessibility to the product, (iii) the initial purchase cost of the cylinder and its accessories, (iv) the inadequacy of the required infrastructure, (v) the lack of awareness among public users, and (vi) the lack of financial support as factors hindering the popularization of LPG.

To this end, the proposed Regional Strategy aims to promote the use of LPG by addressing these challenges. It aims to make LPG the preferred cooking energy of households in the region by 2030, i.e. to cover at least 45% of household use in the region. It is based around 4 strategic axes comprising a series of actions.

As part of the implementation of this strategy, the ECOWAS Commission is planning to support member states through two regional initiatives: i) Support for member states in defining a national LPG policy/strategy, enabling them to define, within an appropriate framework, all the actions to be taken to promote the use of LPG among the population, and ii) LPG 20/20 Initiative, which aims to distribute 20 million 6kg gas cylinders to 20 million households by 2030.

It is with this in mind that the ECOWAS Commission has drawn up the present terms of reference for the recruitment of an individual consultant to draw up a national policy/strategy for the promotion of liquefied petroleum gas (LPG) in Benin.

## **2. BRIEF GENERALTY ON BENIN' LPG SECTOR**

As Benin is not a gas producer, its entire LPG supply comes from imports. This figure has risen from 2,000 tonnes in 2000, to 13,000 tonnes in 2015, 31,000 tonnes in 2021 and 42,282.47 tonnes in 2022. Prior to 2002, all LPG consumed was used in households, and to a lesser extent other industries such as manufacturing, construction and mining use LPG in their operations.

Based on the 2021 energy assessment of household consumption, biomass accounts for 95.9% of final energy consumption, followed by electricity 1.7% and LPG 1.2%. However, the proportion of households using LPG as a cooking fuel is estimated at 8.8% in urban areas and 1.2% in rural areas.

The LPG sector in Benin was liberalized in 1995, with private LPG distributors/operators importing, storing and distributing LPG. However, since 2004, the government has set the price of LPG on a monthly basis, and no direct subsidy scheme is in place. However, LPG products and cooking equipment are exempt from taxes, VAT and customs duties.

In terms of regulations, the Ministry of Energy, Water and Mines is responsible for the regulation, projects, programs and quality control of all petroleum products in Benin. The Ministry of Industry and Trade is responsible for companies importing petroleum products (including LPG), the supply of petroleum products and the implementation of national petroleum policy, competition, prices and internal trade. The Office Béninois de Recherches Géologiques et Minières ensures that cylinders in circulation meet safety standards.

The government's desire to increase the use of LPG as a cooking fuel has led it to introduce tax relief measures (tax exemption) in the LPG value chain. Projects have also been set up to provide total tax exemption for gas-fired cooking equipment, but these are limited to densely populated urban areas.

### **3. OBJECTIVE OF THE MISSION**

The overall objective of the assignment is to draw up a national policy/strategy for the promotion of liquefied petroleum gas (LPG), with a view to increasing household access to this modern, clean fuel in a context of sustainable energy development

### **4. SCOPE OF ASSIGNMENT**

The assignment of the Consultant will consist of :

- Carry out an in-depth diagnosis of the LPG sub-sector in Benin. This analysis should cover the entire LPG value chain. It should include, but not be limited to:
  - a review of the institutional, legal and regulatory framework governing the LPG business;
  - an analysis of the market structure, in particular the LPG supply, production, import and distribution system, as well as the public and private players;
  - a description of existing infrastructures, including butane tanker reception, storage, transport and filling facilities;
  - an assessment of the LPG cylinder fleet, equipment and accessories, as well as safety regulations;
  - an analysis of gas and equipment pricing policy;
  - identification and detailed analysis of existing gaps and barriers ;
  - etc.
- Evaluate the evolution of LPG consumption over the next 15 years and analyze the impact of this growth on infrastructure and on the supply, distribution and control system.

- Design a national policy/strategy document based on a realistic vision, strategic objectives and a relevant short-, medium- and long-term action plan based on national specificities..

The National LPG policy should be aligned with the main thrusts of the ECOWAS Regional LPG Strategy. The actions to be defined should focus on improving regulations, promoting greater access to the product, reducing tariffs, strengthening the LPG distribution system, facilitating the acquisition of equipment and enhancing safety in its handling, as well as increasing public awareness.

## **5. EXPECTED RESULTS**

The main results expected from the Consultant's mission are as follows:

- an in-depth diagnosis of the LPG sub-sector;
- an assessment of consumption over the next 15 years and the resulting effects are known;
- a national policy document for the promotion of LPG with an implementation plan is drawn up.

Specifically, the preparation of the document should make it possible to achieve the following medium- and long-term results:

- Create an environment conducive to household LPG penetration by removing all potential barriers;
- Increase private investment in the LPG value chain;
- Promote the use of LPG by households in conditions of availability, accessibility and safety.

## **6. CONSULTANT PROFILE**

The study will be carried out by a Consultant with the following profile:

- A Master's degree in oil, gas or a related field;
- Must have ten (10) years' experience acquired within a government structure, a private company or a consultancy firm in the downstream hydrocarbon sector;
- Must have proven experience in defining policies and strategies (national or regional) in the hydrocarbons or energy sector in general;
- Proven experience in similar studies (at least two (2) LPG-related assignments in the last 10 years);
- Good knowledge of LPG promotion and development;
- Must have a perfect knowledge of the LPG value chain and Benin's national framework governing the downstream petroleum products sub-sector;
- Must be fluent in French.

**NB :** The consultant may propose in his proposal the support of a resource person to assist him in the data collection and sector diagnosis phase.

## 7. STUDY SCHEDULE AND DELIVERABLES

The study will be conducted over a period of **four (4) months from the kick-off meeting to validation of the final report.**

The Consultant shall propose a concept note presenting his understanding of the terms of reference and his methodological approach in line with the objectives and expected results of the assignment. It should also propose a detailed work schedule.

The consultant will submit the following deliverables :

- **An inception report** presenting the Consultant's work plan and methodology, as well as the implementation schedule for each task. This report will be approved by the ECOWAS Commission and the beneficiary country by videoconference.
- **An interim report** presenting the diagnosis of the LPG sub-sector, the assessment of consumption and the declination of the national policy/strategy. This report will be reviewed at a national validation workshop.
- **A final report** incorporating the comments and observations made at the workshop to validate the provisional report. It will be approved by ECOWAS and the beneficiary country.

The costs of organizing the national workshop to validate the provisional report will be borne by ECOWAS. However, the consultant will have to include in his financial proposal the costs relating to his participation in this workshop. The workshop will last two days.

The expected deliverables are presented in the table below.:

<b>Activities</b>	<b>Responsible</b>	<b>Duration (weeks)</b>
Kick off	All parties	D
<b>Transmission of inception report</b>	Consultant	D+ 2
Observations on inception report	Country / ECOWAS	D+3
<b>Transmission interim report</b>	Consultant	D+11
Validation workshop on interim report	Country /ECOWAS	D+13
<b>Transmission final report</b>	Consultant	D+15
Approval of final report	Country / ECOWAS	D+16

D\* : Date de démarrage des prestations