

#ClosingTheGap Benin

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Beninese entrepreneurial ecosystem stakeholders meet under the aegis of the Dutch Good Growth Fund (DGGF) and the Embassy of the Netherlands

On Thursday February 9th 2017 entrepreneurs, representatives from financial institutions and public and private business development service providers were welcomed by His Excellency Harry Van Dijk, Ambassador of the Netherlands to Benin. The workshop was organized around new perspectives on the Beninese entrepreneurial ecosystem and as such forms an integral part of the #ClosingTheGap study in Benin. The meeting aimed to validate the results of the research, but also and above all to formulate concrete solutions that could fill the gaps identified and thus contribute to a more conducive ecosystem for local businesses.



The study undertaken by the consultants from Enclude was commissioned by the [Dutch Good Growth Fund \(DGGF\)](#), an initiative of the Dutch Ministry of Foreign Affairs which seeks to expand the possibilities of financing small and medium-sized enterprises (SMEs) by investing in financial intermediaries that in turn invest in local companies. The mandate of DGGF is focused on "missing middle" enterprises: SMEs that have outgrown microfinance but do not yet have access to traditional financial services.

The #ClosingTheGap studies are designed to better understand and address the gaps in the entrepreneurial ecosystems part of the DGGF mandate. The [first such study was conducted in Kenya](#) in 2015. Practical research is conducted and events are organized locally, if possible in close cooperation with relevant partners. These events, as now held in Benin, bring together stakeholders to better identify the main challenges faced by the "missing middle" The outcomes of these local events are subsequently an integral part of the study.



The workshop on Thursday February 9th is part of a regional study covering six countries in Francophone West Africa: Benin, Ivory Coast, Guinea, Mali, Senegal and Togo. The study reveals the latest data on entrepreneurship in Benin, in particular a segmentation of the local SME sector (based on data from the [Enterprise Survey](#) undertaken by the World Bank with the support of DGGF and published at the end of 2016). This segmentation captures the characteristics of each sub-segment of the SME sector and the barriers that hinder their growth. These are put into perspective as part of an overview of the financial and non-financial services currently offered to them in order to contribute to a better understanding of the (systemic) problems behind the obstacles encountered by target entrepreneurs.

Participants reflected on the problems identified in small working groups, each with the perspective of the different actors in the entrepreneurial ecosystem: entrepreneurs, financiers, business development support services and government.



Local stakeholders have thus established roadmaps identifying concrete actions to be taken to fill the current gaps in the ecosystem. These recommendations illustrate the interconnectivity of local actors and their activities in order to develop a more conducive ecosystem for local businesses.

- To sensitize aspiring entrepreneurs to what the entrepreneurial journey entails, in particular in terms of risks, which implies a more effective communication of information related to entrepreneurship is required.
- To accompany entrepreneurs throughout the development of their business which requires local business development support services be strengthened.
- To enhance the capacity to evaluate entrepreneurs' financial plans - which implies in particular the improvement of the central of the risks.
- To develop financing mechanisms other than debt provided by commercial banks, which is not always tailored to the needs of some entrepreneurs; one option would be to explore the development of venture capital supply.



These concrete solutions will be captured in the final report #ClosingTheGap Benin which should be finalized by the end of the semester and made available to the public on the [DGGF website](#).

The event was made possible thanks to the contribution and participation of many. We thank H.E. Harry Van Dijk, Ambassador of the Royal Dutch Embassy in Benin and his team for their close collaboration all along the process of the study. Special thanks go out to the consultants' team, in particular Lukas Wellen and Hippolyte Wolou, for presenting the intermediary findings of the study and facilitating discussions. Finally, a big thank you to all the participants for their contribution to the discussion and the reflection.