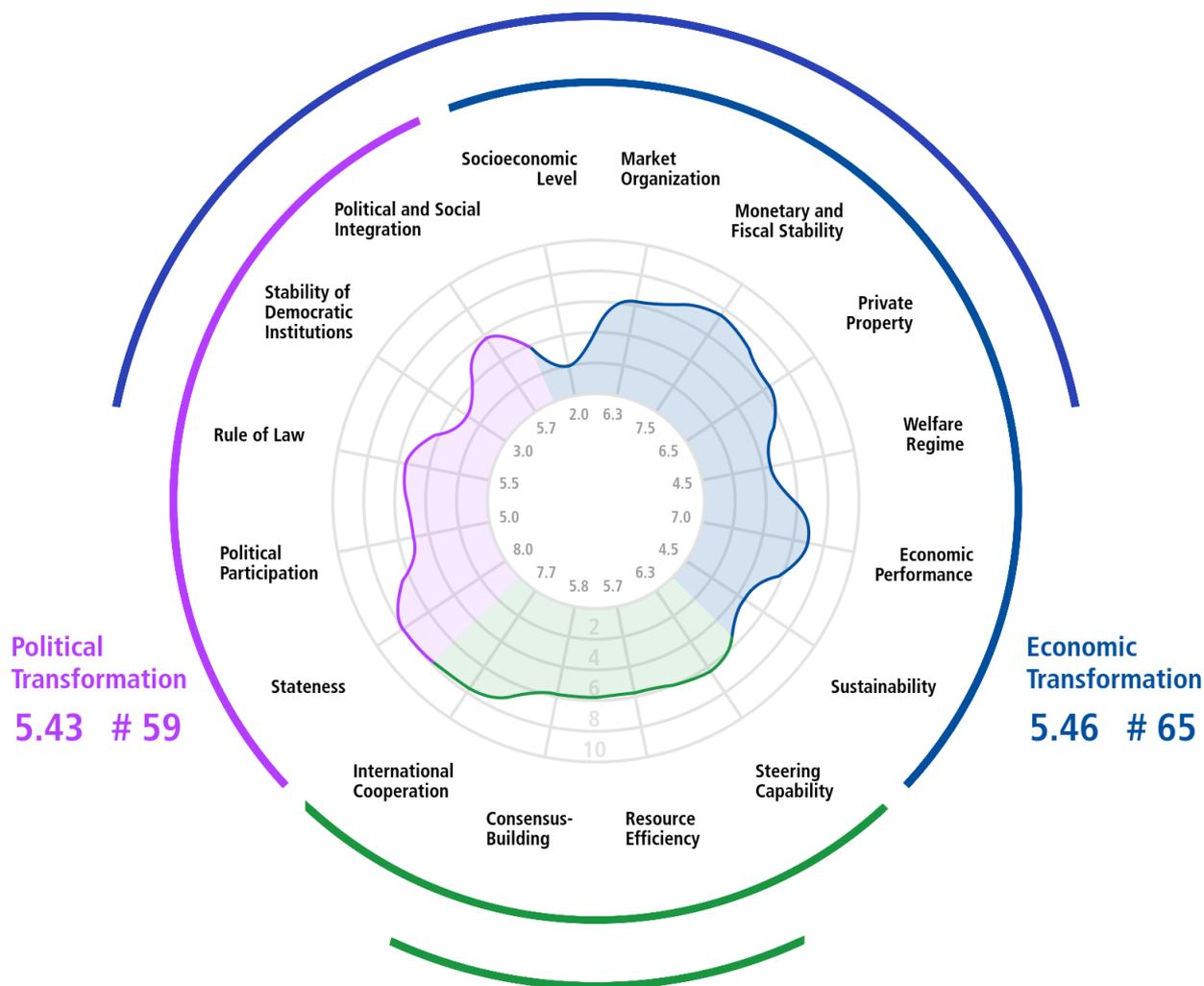


Benin

Status Index

5.45 # 61

on 1-10 scale out of 137



Political Transformation
5.43 # 59

Economic Transformation
5.46 # 65

Governance Index

5.80 # 31

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2026**. It covers the period from February 1, 2023 to January 31, 2025. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	14.5	HDI	0.515	GDP p.c., PPP \$	4435
Pop. growth ¹	% p.a.	2.5	HDI rank of 193	173	Gini Index	34.4
Life expectancy	years	60.8	UN Education Index	0.397	Poverty ³	% 43.4
Urban population	%	50.7	Gender inequality ²	0.573	Aid per capita \$	73.3

Sources (as of December 2025): The World Bank, World Development Indicators | UNDP, Human Development Report 2025. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

President Patrice Talon, elected in 2016 and re-elected in April 2021 in disputed elections, remains in power. Throughout his second term, he continued to implement reforms initiated in 2016, including a controversial new electoral code that led to significant electoral violence during the 2019 and 2021 elections.

After previous elections in which opposition candidates were sidelined, the January 2023 legislative elections saw the opposition party The Democrats (Les Démocrates) win 28 of 109 seats in parliament. The current parliament has improved women's representation to 26.6%, up from less than 10% since 1991, although voter turnout has declined since 2019 due to opposition boycotts and voter apathy.

In 2024, the National Assembly passed a contentious new electoral code intended for the 2026 general elections. Opposition parties, including Les Démocrates, began mobilizing against the code. On November 10, 2024, these parties formed a coalition of opposition forces aimed at promoting "constructive dialogue and cooperation," with the goal of reviewing the electoral code and auditing the electoral register. While Talon approved the audit, his allied parties showed little interest in the process. In February 2025, the government authorized an audit of the electoral register and allocated financial resources for it.

Security remains a concern, particularly given the threat of Islamist militant groups in the north. The 2024 defense budget is \$394 million, with an 18% increase projected for 2025. The government has established military posts and activated Operation Mirador in response to these threats. Despite these efforts, Talon acknowledged in December 2024 that counterterrorism remains a significant challenge.

Benin has diversified its military partnerships by strengthening ties with Rwanda, the United States and Belgium. The country has also increased its military commitments regionally and internationally while maintaining its military relations with France. As the review period ended, Benin was considering sending police officers to help secure Port-au-Prince, Haiti.

The country's economic strategy is guided by the Government Action Program (PAG). Its first phase (2016 – 2021) focused on infrastructure and modernization, and the second phase (2021 – 2026) aims for industrial growth. Benin's economy has grown by an estimated 7.2% since 2021 while facing challenges such as a significant informal sector, external shocks from the Ukraine war, tensions with Niger and ongoing changes in development aid flows.

Nevertheless, challenges such as combating informality, resisting external shocks, the impact of Russia's invasion of Ukraine, the politico-diplomatic conflict with Niger following the putsch in that country and the implementation of the decision by the Economic Community of West African States (ECOWAS) to close Benin's borders with Niger have had significant effects on the Beninese economy. The government has decried and acknowledged the high cost of living despite the many efforts it has made in this area.

Following the resumption of dialogue with Niger, one of Benin's key economic partners in the West African subregion, and improved relations with Nigeria under Bola Tinubu's administration, the World Bank expects Benin's economy to grow by 6.2% through 2026. This growth is projected to average 3.5% on a per capita basis, supported by ongoing investment projects and the notable expansion of the Glo-Djigbé Industrial Zone (GDIZ).

History and Characteristics of Transformation

In 1894, the French established the colony of Dahomey, which became a republic on December 4, 1958, and gained independence on August 1, 1960. The first 12 years after independence were marked by political instability and a series of coups, earning the country the nickname "Africa's sick child."

On October 26, 1972, Battalion Chief Mathieu Kérékou led a coup that began 17 years of military rule in Benin. The country was renamed the People's Republic of Benin in 1975, adopting a Marxist-Leninist socialist economy. By the mid-1980s, however, widespread corruption and economic decline created significant challenges.

In 1990, responding to international pressure, most notably displayed at the La Baule conference, Benin held the National Conference of Active Forces (Conférence Nationale des Forces Vives de la Nation). This historic assembly included politicians and civil society organizations who overwhelmingly opted to adopt a multiparty system, making Benin a pioneer in democratization within French-speaking West Africa. General Mathieu Kérékou, the president at the time, supported the conference's outcomes, which led to a transitional government. Prime Minister Nicéphore Soglo, a former World Bank administrator who had been exiled, established the first government under a new consensual constitution after winning the first free elections in 1991.

However, Soglo's administration faced growing unpopularity due to rigid governance and political clientelism. It was therefore not surprising when the former dictator Kérékou won the presidential election against Soglo in 1996 and was re-elected in 2001.

In the 2006 elections, Thomas Boni Yayi, an economist and former banker at the West African Development Bank (BOAD), emerged victorious in the second round, winning 75% of the vote. His victory was bolstered by support from several parties that had been defeated in the first round. However, Yayi's governance fell short of many promises, especially since opposition parties were either politically weak or undermined by the ruling government. In 2011, he was re-elected in the first round, a victory described as a "knockout." Yet internal and external observers, particularly from the opposition, noted electoral fraud stemming from the regime's control over the computerized electoral roll.

In 2012, a wealthy businessman, Patrice Talon, who had been financially supporting various political figures, including President Yayi, was suspected of plotting to poison the president. Although Yayi pardoned Talon in 2014, the incident raised doubts about the independence of Benin's judiciary and intensified national polarization.

Talon then contested and won the 2016 presidential election, benefiting from the fragmentation of the political elite. The then-ruling party Forces pour un Bénin Émergent (Forces Cauris pour un Bénin Émergent, FCBE) selected Lionel Zinsou, a former prime minister, as its candidate against Talon, despite internal dissent. This selection resulted in a split within the party, with some members supporting Talon. Ultimately, Talon won in the second round, aided by the support of Sébastien Ajavon, who finished third in the first round.

Upon taking office, Talon initiated political, institutional and economic reforms through his Government Action Program (PAG) during his first term (2016 – 2021). He faced resistance from many members of the political class, most evidently when the National Assembly rejected Talon's constitutional reform proposal in 2017.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The situation in the north of the country, along the border with Burkina Faso and Niger, is worrying due to the presence of extremist groups and repeated attacks on military positions. The attacks indicate that the Beninese state does not fully control the area and is not able to prevent cross-border incursions into its territory. In response, Talon's government has increased its military presence in those areas. This military action is complemented by various social projects designed to counteract recruitment into jihadist groups by currently unidentified terrorists. During his visit to Benin from November 18 to 27, 2024, U.N. Special Rapporteur Ben Saul issued a positive assessment of Benin's comprehensive and holistic approach to combating jihadist attacks and violent extremism, particularly in the northern regions that have been most affected.

Discrimination based on sociocultural or religious factors is nearly nonexistent in Benin, thanks to the secular principle outlined in the country's constitution. Political leaders or religious groups have not challenged Beninese society's diverse nature. However, issues related to regional allegiance and favoritism are present in political discourse.

While regionalism has lost some of its intensity, it can still be seen in the actions of political leaders across various regimes. Political actors occasionally exploit regionalism for their own ends, often depending on the origins of the elected leader.

For instance, during the presidency of Soglo, a southerner, some politicians from the north perceived him to be a defender of southern interests. Similarly, under Kérékou, a northerner, some individuals believed that he favored the interests of northerners. However, none of the country's presidents have worked exclusively with people from their own region.

The north is the least developed part of the country, especially in terms of infrastructure, and it is home to fewer educated elites. This is partly because during French colonial times, most social and infrastructure policies focused on the south. Since independence, the gap between the south and the north has narrowed but it remains.

Question
Score

Monopoly on the
use of force

8



1

State identity

9



1

The reforms initiated by Talon require political parties to ensure representation in all 77 communes of the country. These changes aim to encourage parties to develop roots across the country and discourage political regionalism.

The secular constitution of Benin, adopted after 1990, clearly separates politics from religion. It promotes national identity and patriotism as well as social and religious diversity. In May 2023, Brazilian artist Eduardo Kobra, with help from Claudine Talon, the wife of President Talon, created a fresco that symbolizes the tolerance and equality of religions in Benin and embodies the spirit of interreligious dialogue that extends beyond the country's borders.

Religious leaders in Benin are allowed to comment on political issues while maintaining neutrality in their statements. The Catholic Church often voices concerns about national matters, including reservations regarding the 2024 electoral code, which church leaders said they feared could foster political tension. In contrast, some Muslim leaders have differing views on this code. Despite these political differences, Benin enjoys a climate of religious tolerance, where Muslims, Christians and adherents of voodoo coexist peacefully. In September 2024, the National Assembly voted to approve law No. 2024-32 of September 2, 2024, authorizing the celebration of an annual festival of traditional religions on the second Friday of January and the Thursday preceding it. However, opinions on this new law vary within Beninese society. While some Beninese see it as justice for indigenous religions that have fewer public holidays, others have called on the government to uphold the secular character of the state.

In northern Benin, preachers compete in a type of religious rivalry, with some belonging to the Salafist movement and others to the Tidjaniya Sufi brotherhood. This competition is also reflected in the charitable activities of non-governmental organizations funded by countries such as Saudi Arabia, Qatar and Turkey, which are addressing social gaps left by the central government.

The state administration is present in most of the country but faces challenges in providing essential social services.

During Yayi's presidency, the regime focused on improving schools and universities, and this emphasis has continued under the Talon government. However, public universities struggle to recruit enough teachers, even though they are clearly needed.

The Assurance pour le Renforcement du Capital Humain (ARCH) program seeks to enhance the health, social conditions and quality of life for the people of Benin, with a focus on the most disadvantaged populations. There has been a notable improvement in the health sector, highlighted by the construction of new health facilities such as the Centre Hospitalier International de Calavi (CHIC). This facility is equipped with advanced medical equipment and is accompanied by newly established hospitals in Savè and Tchaourou. According to a 2023 survey by the International Budget Partnership, Benin ranks second in Africa and first in French-speaking Africa with regard to budget transparency.

No interference of religious dogmas

9



1

Basic administration

6



1

However, there are serious irregularities within the judicial system and significant issues related to prison conditions in Benin. For instance, Amnesty International has highlighted poor detention conditions and severe overcrowding in the country's prisons for the year 2024. Alexis Agboton Metahou, president of the Cotonou Court of Appeal, recently delivered a critical assessment at the formal hearing marking the start of the 2024 – 2025 judicial year. He denounced significant dysfunction in Benin's justice system and emphasized the urgent need for comprehensive reform.

Nationally, the proportion of the population with access to a basic water source is 67.4%. The share with access to basic sanitation stands at 19.5%, while the share with access to safely managed sanitation is as low as 2.7%. In comparison, the share with access to electricity in urban areas is estimated at 53.9%, compared with just 6.6% in rural areas. To address this disparity, the government is encouraging projects to empower rural populations in energy production. One such initiative is the Africa MiniGrids Program, launched on August 12, 2024, in Niaouli, located in the commune of Allada, by the minister of energy, water and mines. This program aims to increase off-grid populations' access to clean energy.

The provision of basic administrative services has improved slightly. The appointment of government executive secretaries has led to improved delivery of services at the communal level.

The country's transport infrastructure is inadequate, making it difficult to move people and goods from rural areas to urban centers. The government has implemented a paving and asphaltting policy to address significant deficits in transportation. This effort includes the introduction of Taxis-Jaunes – yellow taxis – particularly in major cities such as Cotonou, as well as the arrival of new private ride-hailing providers like Yango and Gozem. However, since November 2024, these private companies have encountered issues with the Beninese government, which accuses them of administrative shortcomings that must be resolved before they can continue operating in Benin.

2 | Political Participation

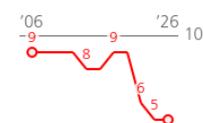
Free and fair elections, allowing all candidates to contest, were the norm in Benin from 1990 to 2016.

Changes to the political framework introduced by President Talon present challenges to the political system. One such reform requires candidates to provide a tax receipt and pay a deposit equal to 5% of the maximum authorized campaign expenditure, refundable only to parties receiving at least 10% of the total votes nationwide.

An important aspect of the new electoral code, passed in March 2024, is the increased sponsorship requirement. Article 132 specifies that presidential candidates must be supported by at least 15% of all deputies and mayors. This revised electoral code

Free and fair elections

5



complicates participation for many political parties in legislative, municipal and presidential elections under Talon's government, particularly for the upcoming elections in 2026. These changes have significantly reduced the number of political parties from nearly 200 before 2017 to 12 in 2024 and limited the number of candidates who can apply.

Some observers view these rules as unfair obstacles aimed at opposition parties. Many parties that oppose Talon have struggled to meet the new criteria, leading to their exclusion from recent elections. The government claims the new electoral framework is essential, but opposition parties dispute its fairness.

The Autonomous National Electoral Commission (CENA) was originally established for three years but became permanent in 2014 under President Thomas Boni Yayi. CENA coordinates and manages elections and has demonstrated independence over the years, although some issues remain, including the insufficient provision of counting protocol sheets at polling stations and the application of sanctions against CENA representatives in cases of electoral misconduct.

To enhance CENA's capabilities, a technical body known as the Direction Générale des Élections (DGE) was established in 2021. The DGE serves as CENA's technical and operational arm, supporting the Electoral Council in its mission as outlined in Articles 31 – 36 of the 2019 electoral code.

The DGE's involvement with CENA improved the organization of the 2023 legislative elections. While the electoral list created in 2011 under Yayi has been frequently updated, it continues to face criticism from current opposition parties, many of whom were involved in its establishment in 2011. However, the forthcoming general elections remain a challenge in terms of the logistics required for holding communal and legislative elections on the same day.

The new electoral code, enacted in March 2024, assigns the National Agency for the Identification of Persons responsibility for transmitting statistical data from the computerized electoral list to CENA by specific deadlines for the 2026 general elections. Some opposition parties, including Les Démocrates, have expressed skepticism regarding the reliability of the electoral roll and are calling for an audit. President Talon has agreed to this audit, urging Les Démocrates to select neutral experts, with the government covering the costs.

Updating the electoral roll and managing associated expenses often present challenges and lead to misunderstandings between the government and its opponents. This was particularly evident during the municipal elections initially scheduled for 2013, which were held in June 2015 during Yayi's term. Political maneuvering from both the opposition and pro-Talon parties has frequently hindered the effective implementation of electoral roll updates, resulting in confrontations between supporters of the two factions and a lack of enthusiasm among Beninese.

The principle of governance by elected representatives has been firmly established, but the existing institutions exercise weak control over a powerful executive. In principle, the president, who holds executive power, could be constrained by the elected members of parliament, who have legislative power, or by the judiciary. In practice, the National Assembly exercises very little control over government action. The new territorial administration code has separated mayors' political functions from administrative ones, which are now concentrated in the hands of executive secretaries.

The army's role in Benin's political landscape is virtually nonexistent today – a stark contrast to the 1960s, 1970s and 1980s, when the military played a dominant role in political affairs.

Despite recognition of the right to freedom of association, this right has faced significant restrictions. In 2018, a law abolished the right to strike for health care and justice professionals, followed by a similar prohibition for transport, airport, and oil and gas workers in 2022. Currently, workers are permitted to strike for only 10 days per year. While these measures aim to ensure the operational viability of essential sectors such as health, justice and education – unlike the pre-Talon years characterized by frequent strikes – these reforms challenge employees' rights.

Trade union movements have been weakened and their activities restricted. On May 1, 2024, Beninese authorities prohibited a commemorative march organized by the Confédération syndicale des Travailleurs du Bénin (CSTB). Police dispersed marchers and arrested 72 demonstrators. The CSTB condemned the refusal of a planned rally at the Ministry of Labor in November 2024, expressing its concerns in an open letter titled “Denunciation of the Ban on a Sit-in Protest at the Ministry of Labor and the Violation of the Labor Exchange Franchise.” Three trade union organizations signed this letter.

Law 2024-26, adopted by the National Assembly on June 21, 2024, stipulates that no trade union representative can serve on the Economic and Social Council. This law is viewed as a measure that restricts trade union freedom in Benin, even though negotiations and meetings between trade union movements and the government continue. A prominent figure in Benin's trade union movement, Noel Chadaré, has joined the Union Progressiste le Renouveau (UPR) political party, which supports the government's actions. Chadaré's departure from the Confederation of Independent Trade Union Organizations (Cosi-Bénin) undermines trade union representation.

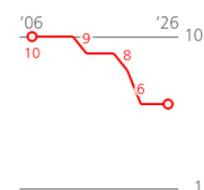
Effective power to govern

3



Association / assembly rights

6



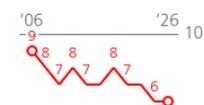
The constitution guarantees freedom of expression, allowing a diverse range of analog and digital information transmission channels to operate in Benin. As of November 2024, there were an estimated 100 or more online media outlets in the country. Benin's media landscape features both public media, which are closely aligned with the government, and private media, which offer a variety of content. Their activities are regulated by the Haute Autorité de l'Audiovisuelle et de la Communication (HAAC), the Observatoire des Normes Professionnelles et de l'Éthique dans les Médias (ODEM) and the new Digital Law.

The regulatory authorities are not independent of the government. Talon appointed Edouard Loko as the new president of the HAAC in 2024. Loko has introduced new regulations that will be submitted to the Constitutional Court for approval by 2025. Significant shortcomings exist in the criteria governing the operation of digital media in particular. Despite numerous difficulties, restrictions and repression associated with the digital code, and challenges like inadequate pay for Beninese journalists, the country has not recorded any cases of journalists being killed or imprisoned, according to the 2024 report by Reporters Without Borders. Benin has improved its ranking in this report, now occupying 89th place compared to 112th in 2023 and 121st in 2022. However, the ongoing fight against armed groups in the northern part of the country has led Beninese authorities to impose several restrictions on journalistic practices, ostensibly in an effort to combat disinformation.

A significant issue is the country's lack of financially autonomous press groups, which often allows political figures and corporate leaders to influence journalistic content. Additionally, there have been cases of media outlets being closed for opposing the regime, such as Sika TV, owned by businessman Sébastien Ajavon, who is currently in exile. Some journalists have been accused of defamation and breaches of professional ethics. For example, on March 12, 2024, journalist Aboubakar Takou, the publication director of the newspaper *Le Béninois Libéré*, appeared before the CRIET court following accusations from two magistrates regarding his professional conduct. These accusations were based on a violation of Article 550 of Law No. 2017-20 concerning the Digital Code in the Republic of Benin. Subsequently, the journalist had to issue an apology. The challenges faced by the Beninese press can also be partly attributed to the ineffectiveness of journalist associations and organizations meant to defend their interests.

Freedom of
expression

6



1

3 | Rule of Law

The constitution of Benin establishes the principle of separation of powers. However, in practice, this legal framework is often undermined in the ongoing struggle for political power. The president wields significant control over most democratic institutions, particularly the judiciary and the legislature. After the 2023 legislative elections, only three political parties secured representation in the National Assembly: Bloc Républicain (BR), Union Progressiste le Renouveau (UPR) and Les Démocrates (LD). Although Les Démocrates serves as the sole opposition party, it frequently faces challenges from the other two pro-Talon parties, particularly regarding voting and the passage of bills and proposals that benefit the government.

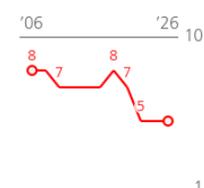
The Constitutional Court plays a vital role in the political system by providing primary judicial oversight of the government and the National Assembly. Its decisions are final and cannot be challenged. The appointment of judges and the independence of their judgments have been questioned under various regimes that have governed the country since 1990. According to the constitution, all judges are appointed simultaneously: three by the president and four by the executive committee of the National Assembly, where 85% of the members belong to the presidential majority. This means the judges of the Constitutional Court all belong to the same political camp. All the judges currently on the court were named in 2023 by the president and the executive board of the National Assembly, on which the opposition has only one of seven seats total members. Concerns about the court's independence have been raised, particularly regarding some judges' close ties to the government. Most notably, Joseph Djogbénu, who was President Talon's former lawyer and minister of justice during Talon's first term, served as president of the Constitutional Court from 2018 to 2022. After Djogbénu stepped down as the court's president to serve as president of the UPR party, the Constitutional Court played a crucial role in allowing Les Démocrates to participate in the 2023 elections, despite CENA initially rejecting its candidacy for not meeting all the required criteria. The current head of the Constitutional Court is Dorothee Sossa. While the court poses some constraints on the executive, it is clear that pressure on the operations of the Constitutional Court still exists.

Economic offenses are the most common infraction among public officials. The new Court for the Repression of Economic Offenses and Terrorism (CRIET), created under Talon, is tasked with prosecuting abuse of office, such as misappropriation of public funds, tax fraud or money laundering.

State entities such as the Beninese School and University Sports Office (OBSSU) and the Glo-Djigbé Industrial Zone (GDIZ) have been investigated. In 2023, probes into corruption scandals involving the Beninese Electricity Company (SBEE) and the National Council for the Fight against AIDS, Tuberculosis, Malaria and Hepatitis (CNLS-TP) resulted in court appearances.

Separation of powers

5



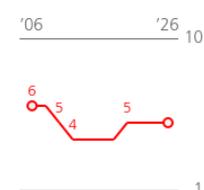
Independent judiciary

5



Prosecution of office abuse

5



Currently, the available data does not allow for effective monitoring of the outcomes of CRIET’s legal proceedings. Consequently, it remains challenging to verify whether individuals charged by CRIET with embezzlement of public funds are actually serving the penalties prescribed in the country’s laws. There are also concerns about the state’s possible use of CRIET to persecute political opponents.

Between 2020 and 2024, there were reported cases of intimidation against human rights defenders, as well as instances of abusive arrests and arbitrary persecution. According to Dieudonné Dagbéto from Amnesty International’s local office in Benin, there has been some progress on human rights issues in the country in 2024, including “the adoption of a new Penal Code, the acceptance of the United Nations’ recommendations to revise the Digital Code, and the strengthening of protections for freedom of expression, media rights and the independence of the High Authority for Audiovisual and Communication (HAAC).” However, the actual revision of the Digital Code – in theory to facilitate greater freedom of opinion without fear of persecution – has yet to be implemented.

Discrimination and various forms of violence against women remain prevalent in Benin, despite the government’s efforts to address these issues. A 2024 report from Afrobarometer finds that 77% of those surveyed felt that the police and courts should take more action to protect women and girls from discrimination and harassment. More positively, 64% of respondents said that it was “somewhat likely” or “very likely” that reports of harassment and discrimination against women would be taken seriously.

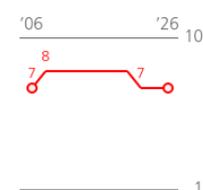
4 | Stability of Democratic Institutions

Between 1990 and 2016, Benin was often praised as a model democracy in Africa, despite weaknesses in its party system and the incidence of vote-buying. However, democratic institutions have suffered since President Talon came to power. By 2023, most observers considered Benin to be a hybrid regime rather than a democracy. While seemingly democratic institutions exist, their functioning has been undermined. In theory, there is separation of executive, legislative and judicial powers, but in reality, observers of Beninese political life note the influence of the president on judicial decisions. The 2023 legislative elections, which returned opposition parties to the National Assembly, albeit in small number, represented a positive step in preventing further concentration of power in the executive.

The judiciary also faces structural challenges, including the slow pace of proceedings, a lack of professionalism among some judges and a negative public perception of the justice system. According to Freedom House (2024), the judiciary is not free of corruption and the process for appointing judges lacks transparency.

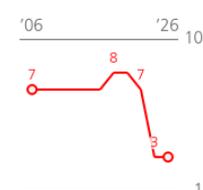
Civil rights

7



Performance of democratic institutions

3



Most actors in Benin accept democratic institutions as legitimate, though President Talon has undermined these institutions during his time in office. At times, President Talon has suggested that he views democratic institutions as obstacles to progress and development, and some of his actions in office – such as limiting political competition or freedom of expression – cast doubt on his commitment to democracy. The Beninese electorate is largely supportive of democratic institutions, though it appears to be critical of their actual functioning.

The judiciary's position is more nuanced: it has allowed the passage of many laws that undermined democratic institutions, but has also prevented further erosion of democracy when the Constitutional Court helped restore the main opposition party's place on the ballot during the 2023 legislative election. The clergy in Benin, most notably the Catholic Church, have been vocal supporters of democracy. The military remains neutral and demonstrates respect for existing institutions. Civil society groups and NGOs support democracy but operate within significant constraints. The opposition is committed to democracy, yet critical of its current state. The fact that the opposition challenges the incumbent using existing institutions such as the courts shows its acceptance of these institutions.

5 | Political and Social Integration

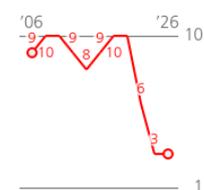
Since transitioning to a full multiparty system, Benin has implemented significant reforms aimed at strengthening its political party system, ensuring that parties are deeply rooted in society and represent national interests. However, from the 1990s to 2016, the political landscape of the country remained fragmented. Many political parties were effectively viewed as “electoral clubs,” with their influence often limited to the home regions of their founders. No political party has succeeded in electing the president alone, demonstrating the fragmentation of the system. This often leads to opportunistic alliances designed to support the president's election in exchange for ministerial appointments. Voters are frequently unaware of candidates' political agendas and ideologies, often deciding whom to support based on personal connections or money distributed by candidates rather than on their own understanding of a political program. Political parties tend to operate on a clientelist basis, showing little accountability to the electorate after elections.

To address these issues, Law No. 2018-23 on the Charter of Political Parties, amended by Law No. 2019-41, introduced stricter criteria for establishing and operating political parties. It also sought to reduce the influence of money in elections. These measures aim to distance parties from regional or ethnic affiliations and guide them toward more national representation.

The laws have dramatically reduced the number of parties able to win seats in parliament. While some welcomed this reduction in the number of parties due to the high level of political fragmentation, critics argue that the laws created very high barriers to entry, undermining political competition.

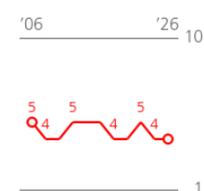
Commitment to democratic institutions

3



Party system

4



The Beninese political party system remains poorly institutionalized. Parties do not represent significantly different policies but instead reflect narrower personal or regional interests. Parties are not polarized along the ideological spectrum.

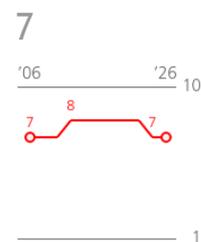
Social interest groups, including religious leaders, civil society organizations, and national and international non-governmental organizations, have always played a significant role in promoting social cohesion, inclusive governance and the defense of democratic principles.

However, these groups operate within financial and political constraints. Reliance on foreign funding and state support hinders the work of civil society organizations and partly explains their tendency to become politicized. Criticism has been raised regarding the politicization of these organizations, with some leaders aligning themselves with the government under Patrice Talon.

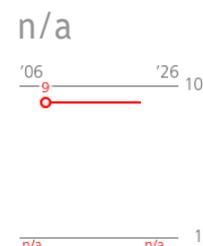
The connection between civil society actors and the government is not exclusively a result of the current regime, but it has become more notable. Connections to the government allow dialogue between NGOs and the state. For example, a meeting between Social Watch Benin and the Directorate General of the Budget (DGB) in 2024 ensured that civil society organizations' proposals were considered in the state's general budget for 2025. At the same time, this gives the regime some oversight over NGOs and limits NGOs' independence.

In his State of the Nation address on December 20, 2024, Patrice Talon emphasized the importance of democratic principles in gaining political power and executing inclusive development plans. However, in 2022, during discussions with French entrepreneurs in France, Talon acknowledged the limits to democratic progress, making the case for constraining citizens' right to strike. These statements raise questions about the sincerity of democratic practices under President Talon in Benin and prior regimes. A recent Afrobarometer survey on democracy in Benin for 2024 found that 60% of Beninese citizens consider their country to be democratic. Additionally, 77% of those surveyed said they preferred democracy over any other political system, and 88% said they opposed dictatorship. However, the population's level of satisfaction with the way democracy works in their own country has declined, with only 39% expressing satisfaction in 2024 compared with 41% in 2022. This suggests that citizens still support democratic norms and procedures even as they criticize the weakness of existing institutions.

Interest groups



Approval of democracy



Trust, mutual aid and assistance – rooted in sociocultural values – serve as significant social and cultural connections between people in Benin. This is particularly evident through sociocultural and religious initiatives at both the community and broader levels. Key actors in these initiatives include non-governmental organizations (NGOs) officially recognized by the state and unregistered social groups. Civil society organizations and NGOs enjoy majority support, according to public opinion polls. Levels of trust among citizens are moderately high. While the majority of Beninese respondents polled by the Afrobarometer say they trust other citizens to some degree, a sizable minority (22.8%) says they do not trust others at all. Trust in people of other religions is relatively high, with a majority of citizens expressing such confidence. Levels of trust in traditional leaders are relatively high, with close to 60% of respondents stating they trust traditional leaders somewhat or a lot.

Social capital

6



II. Economic Transformation

6 | Level of Socioeconomic Development

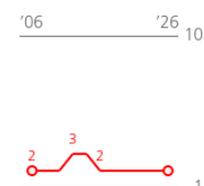
Benin's economic growth has remained relatively stable despite external challenges such as the closure of the Niger-Benin borders. The World Bank continues to classify Benin as a lower-middle-income country. The nation's GDP per capita rose from \$1,264.71 in 2022 to \$1,300.32 in 2023. GNI per capita was estimated at \$1,400 in 2022 and \$1,440 in 2023.

However, with the population estimated at 13.71 million in 2023, poverty and social inequality remain significant problems in Benin. Although Benin experienced a notable decrease in the incidence of monetary poverty between 2019 and 2022, according to INSTaD (the Beninese statistical institution), the country's score on the UNDP's Human Development Index for 2022 placed Benin at 173rd globally. In this ranking, women make up one of the social strata most affected by development issues. Benin's position underscores the fact that public policies implemented since 2016 have yet to meet expectations, as issues related to access to drinking water in rural areas, social exclusion and gender inequalities persist.

A 2024 study by the Sub-Saharan Africa Women's Empowerment and Demographic Dividend (SWEDD) reported that 54% of Benin's population lived in poverty. This group is skewed toward women. Women are also disproportionately marginalized in the labor market and face barriers in access to health care, land and education. According to the World Bank, in 2023, the labor force participation rate for females in Benin was 74.2% and for males 77%.

Question
ScoreSocioeconomic
barriers

2



Economic indicators		2021	2022	2023	2024
GDP	\$ M	17687.6	17425.4	19673.3	21482.6
GDP growth	%	7.2	6.3	6.4	7.5
Inflation (CPI)	%	1.7	1.4	2.7	1.2
Unemployment	%	1.8	1.7	1.7	1.7
Foreign direct investment	% of GDP	2.0	2.2	2.3	2.5
Export growth	%	12.6	14.5	4.3	4.4
Import growth	%	16.8	-4.6	10.4	-0.8
Current account balance	\$ M	-734.7	-991.0	-1608.5	-
Public debt	% of GDP	50.3	54.2	54.9	53.4
External debt	\$ M	10080.2	10736.7	12482.8	-
Total debt service	\$ M	771.0	514.3	948.0	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.1	10.1	9.5	9.0
Public education spending	% of GDP	3.1	3.1	3.2	-
Public health spending	% of GDP	0.3	0.5	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.6	0.6	0.7	-

Sources (as of December 2025): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Benin's market organization framework in 2024 presents a dual reality, characterized by strong economic fundamentals, a rapidly growing industrial base and improved regulatory governance, yet tempered by persistent structural weaknesses, trade imbalances and the enduring prevalence of informal economic activities.

While the country has made significant progress in economic expansion, inflation control and trade diversification, it remains highly vulnerable to external shocks, particularly fluctuations in global commodity prices, geopolitical risks and the ongoing security crisis in the Sahel region, especially the diplomatic difficulties with Niger.

For decades, the Republic of Benin has operated within an open-market framework, largely guided by its participation in the World Trade Organization (WTO) and the West African Economic and Monetary Union (WAEMU), two institutions that advocate trade liberalization, regional integration and economic cooperation. These institutional arrangements provide a solid foundation for fostering market efficiency, economic competitiveness and cross-border commercial transactions.

However, according to the Heritage Foundation, Benin's score on the Index of Economic Freedom stands at 58.5, making its economy the 96th freest globally in the 2025 report. The country's economic freedom score is lower than the world average but higher than the regional average. According to the 2025 Index, Benin's economy is considered "mostly unfree." There has been some improvement in the investment climate, as new business registrations can now be completed in 48 hours. Despite some advancements, inadequate energy and transportation infrastructure present significant challenges.

Benin's economy continues to be dominated by the informal sector. According to the International Labour Organization (ILO), the informal sector accounted for 96.3% of employment as of 2022.

The government and its enterprises control the provision of basic services such as water and electricity, while telecommunications are partly controlled by private investors (Moov and MTN) and state-owned companies (Celtis). The state is omnipresent in the organization of economic life, strongly influencing sectors such as cotton. President Talon holds a 51% stake in the Société de développement des fibres cotonnières (SODECO), while controlling the remaining 49% of the shares held by the state due to his position as president. The government controls the cashew and soya sectors, setting prices that often conflict with the interests of producers. Private economic operators are therefore almost nonexistent in the markets for cashew, cotton and soy – three products considered strategic by the government.

Market
organization

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In a bid to enhance competition and ensure a fairer, more transparent market environment, the Beninese National Assembly enacted Law No. 2025-02 on the Organization of Competition in the Republic of Benin on January 21, 2025, marking a significant step toward modernizing the country's regulatory framework and aligning its commercial policies with international best practices. This newly adopted legislation introduces a broad set of measures aimed at strengthening market transparency, reducing anti-competitive behaviors and fostering a more dynamic and inclusive economic environment. Among its key provisions, the law addresses issues such as price liberalization, the regulation of monopolistic practices, greater oversight of mergers and acquisitions, and specific provisions related to franchise agreements and exclusivity clauses, all of which are designed to prevent unfair market distortions and promote consumer protection. In addition, this law will give the Ministry of Trade, which is in charge of supervision, and the Authority for the Regulation of Electronic Communications and Post (ARCEP) a mandate to promote competition in the communications sector and to investigate, regulate and penalize firms engaging in restrictive business practices, ensuring that market players adhere to fair competition standards.

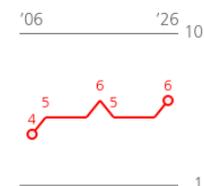
An essential feature of this new regulatory framework is its inclusion of specific measures to govern digital trade and e-commerce, an increasingly important sector that has seen rapid growth across Africa. Given the expansion of online commercial activities, integrating digital market regulations within the broader competition law ensures that Benin is well positioned to manage the complexities of modern trade and protect consumers from emerging risks in digital transactions. However, while the adoption of this legislation marks a positive milestone, its effectiveness will ultimately depend on how rigorously it is implemented and enforced, which will require both institutional capacity-building and strong political commitment.

Foreign trade plays a crucial role in Benin's economic structure, serving as both a source of revenue and a key driver of macroeconomic performance. The country's trade balance is characterized by a heavy reliance on agricultural exports, an increasingly diverse set of trading partners and significant informal cross-border trade activities, particularly with neighboring Nigeria.

The 2023 simple average most-favored-nation tariff rate for Benin stood at 12.0%. As a member of the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU), Benin conducts its trade at the subregional level in accordance with the revised ECOWAS treaty on the free movement of goods and people. The country also applies the elimination of customs duties on imported and exported goods and nontariff barriers to facilitate the realization of a communitywide free-trade area. Benin respects, at least in theory, the Common External Tariff (CET) within WAEMU, which aims to standardize customs duties and facilitate intracommunity trade.

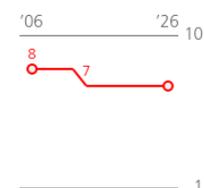
Competition policy

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Liberalization of foreign trade

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However, the protection and export ban on certain products such as cashew nuts and soy by private commercial actors to neighboring countries such as Togo in 2024 raises questions about Benin's compliance with its commitments regarding the free movement of people and goods within ECOWAS. According to a 2022 report by the National Institute of Statistics and Demography (INStAD), the country is encountering difficulties in the application of the ECOWAS standard external tariff, particularly concerning individual commitments made to the World Trade Organization (WTO), insofar as since 2015 some ECOWAS countries appear to be applying rates higher than the binding rates for nonagricultural products.

Benin's banking sector comprises 227 networks and about 15 credit institutions, which are unevenly distributed across the country, according to the Benin Chamber of Commerce and Industry in 2022. The same report notes that the lending rate for bank loans in Benin fell from 7.84% in 2017 to 6.94% in 2021. Compared with other countries in the West African Economic and Monetary Union (WAEMU), Benin's lending rate of 6.94% was the fourth lowest in 2021, behind Senegal (5.7%), Côte d'Ivoire (5.73%) and Burkina Faso (6.75%).

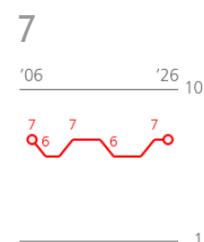
Further improvements in Benin's banking system were noted in 2023, according to the WAEMU Banking Commission's report. The report highlights that in 2023, banks' equity capital strengthened, enhancing the sector's solvency with a recorded ratio of 16.4% – significantly above the required threshold of 11.50%. Additionally, the quality of the loan portfolios of Beninese banks improved, as the portfolio deterioration rate dropped to 4.8%, down from 7.1% the previous year. This achievement made Benin the leader in portfolio quality within the WAEMU, with its rate remaining below the regional average of 8.5% for the second consecutive year.

Despite these positive developments, Benin's banking sector faces significant challenges. Key issues include a lack of competitiveness, failure to comply with international standards, administrative delays and the occasional politicization of economic matters. By 2021, fewer than 30% of Benin's banks met the Basel II and III standards. Therefore, reforms are essential to revitalize the banking sector and align it with international standards and conventions.

8 | Monetary and fiscal stability

The country's monetary policy is largely influenced by its membership in the West African Economic and Monetary Union (WAEMU), which limits independent currency policies. The CFA franc (XOF) is pegged to the euro, providing exchange rate stability but restricting the ability to engage in monetary adjustments reflecting domestic economic conditions. The Central Bank of West African States (Banque Centrale des États de l'Afrique de l'Ouest, BCEAO) ensures that macroeconomic policies within WAEMU align with broader financial stability objectives.

Banking system



Monetary stability



Following the 1994 devaluation of the CFA franc, the inflation rate in Benin has remained relatively low and stable, reflecting the effectiveness of BCEAO's inflation-targeting strategy. In 2023, according to World Bank data, Benin's inflation rate stood at 2.7% and thus remained below the West African Economic and Monetary Union convergence standard of 3%.

While price stability is a positive indicator of macroeconomic resilience, the country remains vulnerable to external shocks, particularly global commodity price fluctuations and supply chain disruptions.

On November 12, 2024, WAEMU and ECOWAS convened the third High Level Committee Meeting on the launch of the ECO, the proposed single currency for ECOWAS member states. Discussions centered on the legal framework, financial costs associated with the transition and the institutional reforms required for implementation. Although the ECO currency is intended as a replacement for the CFA franc, and is seen as a means of unifying monetary policies across the region, its adoption requires fiscal readiness, inflation harmonization and a robust central banking structure, making its full implementation a long-term strategic objective.

Benin's fiscal policies aim to ensure sustainable public finance management. The government has pursued comprehensive fiscal reforms to improve revenue collection and optimize public expenditure, while working to align the budget deficit with regional standards. The country's monetary stability is closely tied to exchange rate policies and inflation control mechanisms implemented by the Central Bank of West African States (BCEAO).

The Ministry of Economy and Finance, through the Fiscal Policy Unit within the General Directorate of Taxes (DGI), develops and implements Benin's fiscal policy with a focus on enhancing domestic resource mobilization and strengthening tax compliance. The 2024 Finance Law, the main budgetary instrument, aims to balance revenue generation, expenditure commitments and debt sustainability while supporting strategic sectors that drive economic expansion.

The 2024 national budget is structured around a revenue forecast of XOF 1,994.2 billion and includes contributions from direct and indirect taxation, customs duties, treasury resources, budgetary grants and project-specific funds. On the expenditure side, the government has allocated XOF 2,551.7 billion for operating expenses, public investments and debt servicing, resulting in a projected budget deficit of XOF 475.7 billion, equivalent to 3.7% of GDP. Although this deficit is slightly above the 3% threshold recommended by WAEMU's fiscal convergence criteria, the government has outlined policy measures to gradually reduce this gap by increasing domestic revenue collection and improving expenditure efficiency.

In December 2024, the International Monetary Fund (IMF) concluded the fifth review under the Extended Credit Facility and Extended Fund Facility, as well as the second review under the Resilience and Sustainability Facility, leading to the immediate disbursement of approximately \$80 million to the Beninese government to support

Fiscal stability

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fiscal stabilization efforts and facilitate structural reforms. The 2025 budget law aims to reduce the fiscal deficit to 3% of GDP in accordance with WAEMU's fiscal convergence rules while prioritizing enhanced social spending and public investment in key infrastructure projects.

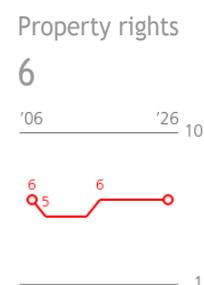
9 | Private Property

Property ownership is a cornerstone of economic stability, legal security and investment confidence, allowing individuals and businesses to acquire, use and transfer assets within a regulated framework. In Benin, the evolution of land tenure policies and property laws has secured ownership rights; however, bureaucratic hurdles, customary practices and socioeconomic inequalities pose significant challenges. The government has introduced reforms to enhance legal clarity, facilitate land registration and promote inclusive access to property, but their effectiveness varies between urban and rural areas, with women, pastoralist communities and migrants continuing to face significant difficulties.

Benin's performance in global property rights assessments reflects these challenges. According to the Property Rights Alliance, the country's International Property Rights Index (IPRI) score declined by 0.263 points to 4.327, ranking Benin 11th in Africa and 89th globally. This decline indicates persistent obstacles in formalizing land tenure and inefficiencies in property registration, while traditional inheritance structures often override statutory protections. In rural areas, where land is both a productive asset and a source of social identity, many smallholders find the official land registration process prohibitively expensive and complex, making legal ownership an inaccessible privilege. As a result, a significant portion of land remains informally held, exposing landowners to uncertainty and disputes and limiting access to financial resources, as unregistered land cannot be used as collateral.

In response to these challenges, Benin has launched legislative and institutional initiatives to modernize its land administration system. The 2007 Rural Land Act introduced the Rural Land Plan, a program aimed at mapping land use and formalizing ownership claims for rural communities. While this initiative marked a significant step toward legal recognition of land tenure, its implementation has faced challenges such as limited institutional capacity and resistance from communities accustomed to informal governance.

Building on this reform, Benin amended the 2007 Land and Property Act/Code (Law No. 2013-001) in 2013, creating a legal framework for land management. Under this law, the state ensures the protection of private property while retaining the ability to engage in land expropriation for public projects, provided that affected individuals receive fair compensation. The code streamlined the process of securing land tenure by requiring the issuance of a Certificate of Property Ownership (Certificat de Propriété Foncière, CPF), the primary legal document proving land rights. In rural



areas, land tenure rights are established through documentary evidence, judicial decisions and registration under the Rural Land Plan, enabling informal landholders to transition to legally recognized ownership.

A central component of this reform has been the establishment of the National Land and Property Agency (Agence Nationale du Domaine et du Foncier, ANDF), a public institution responsible for securing, coordinating and overseeing land management at the national level. The agency is mandated to implement policies that enhance land tenure security, harmonize land-related processes and ensure compliance with legal frameworks. The ANDF is responsible for registering property rights, facilitating the formalization of ownership and resolving land disputes by collaborating with local authorities, traditional leaders and judicial institutions to mitigate conflicts over overlapping claims and discrepancies between customary and statutory land tenure systems.

Acquisition of property in Benin is legally permitted through inheritance, donation, purchase, exchange, accession and long-term occupancy.

In Benin, private enterprise is officially recognized as a central driver of economic activity, with legal and institutional structures designed to support the establishment and growth of businesses. However, recent data suggest a decline in new business registrations, with only 369 enterprises created in February 2024 compared to higher numbers recorded in January, indicating potential concerns regarding business confidence, administrative bottlenecks or shifting market conditions.

The government has introduced various fiscal incentives to attract private investment, including tax exemptions, streamlined business registration processes and financial support mechanisms for small- and medium-sized enterprises (SMEs).

10 | Welfare Regime

The social protection system in Benin remains largely underdeveloped, facing significant challenges in terms of accessibility, financial sustainability and institutional coordination that limit its effectiveness in providing adequate coverage for vulnerable populations. While successive governments have undertaken reforms to expand social welfare programs and improve access to essential services, major structural barriers persist, preventing the establishment of a comprehensive welfare system that addresses citizens' needs. Despite notable progress in strengthening social programs and introducing legal protections, economic inequalities and inadequate social security coverage for informal sector workers underscore the urgent need for further policy interventions to ensure a more equitable social welfare framework.

Private enterprise

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Social safety nets

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Benin's social security system has long been defined by institutional fragmentation, with multiple agencies handling different aspects of welfare provision and creating bureaucratic inefficiencies in service delivery. The Caisse Mutuelle de Prévoyance Sociale (CMPS) was a key entity responsible for managing social security benefits, but following Decree 2023-600 of November 29, 2023, it was officially dissolved, creating uncertainties about the future management of contributions and benefits for independent workers and informal sector employees. The absence of clear guidelines as to which institution will assume these responsibilities raises concerns about potential gaps in social protection.

Currently, the management of social security contributions for family benefits, workplace accident compensation, disability pensions and survivor benefits is handled by the Caisse Nationale de Sécurité Sociale (CNSS) for formal sector employees. The Agence Nationale de Protection Sociale (ANPS) collects contributions related to the Assurance pour le Renforcement du Capital Humain (ARCH) program, which is designed to extend social protection to informal sector workers. However, the lack of clarity surrounding benefit administration, particularly after the dissolution of the CMPS, highlights the need for improved institutional coordination to ensure all workers receive adequate protection.

As of January 1, 2023, the official minimum wage in Benin, known as the Salaire Minimum Interprofessionnel Garanti (SMIG), is set at XOF 52,000 per month for a standard 40-hour workweek. Although this adjustment aims to improve income security for low-wage earners, enforcing wage regulations is challenging in a country where the informal economy accounts for a significant share of employment. Many workers, especially in rural areas, continue to earn below the legal minimum wage due to weak enforcement mechanisms and the lack of collective bargaining structures. Expanding social security coverage to informal sector workers and ensuring compliance with wage regulations will be critical to strengthening labor protections and reducing income disparities.

To reinforce social protection systems, Benin has adopted a Holistic Social Protection Policy for 2024 – 2033, accompanied by an operational strategy covering 2024 to 2028. This framework includes four flagship programs: the expansion of social safety nets to provide direct financial assistance to vulnerable populations; the development of social services and insurance mechanisms to enhance access to health care and retirement benefits; the implementation of crisis resilience strategies to improve emergency response capacity for economic and environmental shocks; and the establishment of more effective governance structures to oversee the implementation and evaluation of social protection initiatives. The total estimated cost for implementing these programs is projected at XOF 709 billion, or approximately \$1.14 billion, reflecting the government's financial commitment to expanding social welfare coverage despite ongoing fiscal constraints.

Current data estimates that the literacy rate for women is 36.4%, while enrollment ratios for girls relative to boys are approximately 0.9 for primary school, 0.8 for secondary school and 0.6 for tertiary education. These figures highlight disparities between women and men in educational opportunities and access. Similar gaps are evident in the employment sector, where women account for only 48.2% of the workforce. Additionally, the data indicates in Benin that eight out of 10 women report being underemployed, compared to six out of 10 men (World Bank 2024).

To promote equality for all, Benin has taken significant steps to enhance child welfare and strengthen the legal framework for protecting children's rights, particularly through partnerships with international organizations such as UNICEF and other technical and financial partners. These efforts target disparities in access to education and employment opportunities, especially for girls and women. By fostering a supportive environment and ensuring that children's rights are upheld, Benin works toward a more equitable society in which every individual has the chance to thrive.

In 2024, the government launched several strategic initiatives to improve the well-being of children, with a particular focus on addressing gender disparities in education and reducing the prevalence of gender-based violence in schools and communities. A key milestone in this effort was the adoption of the National Program for the Acceleration of Girls' Education and Well-being, which followed the 2022 Forum on Girls' Education organized with the support of UNICEF. This program was designed to address high dropout rates among girls as they advance in age, a challenge that has long been a major obstacle to gender equity in education.

With a budget of 83.6 billion CFA francs, or approximately \$139 million, including 7.7 billion CFA francs mobilized through the Global Partnership for Education, the program focuses on four key areas: expanding educational access through literacy initiatives, alternative education programs and vocational training opportunities for girls who have dropped out or never attended school; implementing measures to retain vulnerable girls in school while introducing stricter policies to reduce gender-based violence and combat social norms that perpetuate discrimination; enhancing life skills and health education by incorporating comprehensive sexual and reproductive health education across all municipalities and increasing adolescent girls' access to health care and economic resources; and facilitating the transition from school to employment by providing targeted support for female entrepreneurship, vocational training and financial inclusion initiatives.

Despite these government efforts, gender-based violence remains a pervasive issue in Benin, with women and girls facing risks of discrimination, harassment and abuse both in educational institutions and workplaces. According to a September 2024 Afrobarometer report, about 27% of women ages 15 to 49 have experienced violence in their lifetime, and 10% have faced sexual violence. Many victims hesitate to report incidents due to fear of retaliation, social stigma or lack of trust in the judicial system,

Equal opportunity

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despite laws intended to protect women from such violence. Strengthening institutional responses to these challenges is essential for improving safety and security for women in Benin.

11 | Economic Performance

Decades of consistent economic growth have allowed Benin to join the category of lower-middle-income countries. According to the World Bank, Benin's GDP (purchasing power parity, PPP) per capita in 2023 was \$1,394. The inflation rate for the year 2023 was 2.7%. Economic growth is expected to remain strong in the coming years, with forecasts indicating an annual growth rate of 6.2% between 2024 and 2026, largely supported by increased investment and continued expansion of the Glo-Djigbé Industrial Zone (GDIZ), a key driver of industrial transformation. Over the past decade, real GDP has grown at an average rate of 4.8% per year, surpassing the broader African average of 3.8%. Economic resilience has been evident in Benin's recovery following the disruptions caused by the COVID-19 pandemic. Real GDP growth rebounded sharply to 7.2% in 2021 before moderating slightly to 6.3% in 2022. The economy expanded by 6.6% in the second quarter of 2024, following a 6.3% growth rate in the first quarter. This growth has been driven by strong performances across all key sectors, with agriculture growing by 5.5%, industry expanding by 8.2% and services increasing by 6.4%. The third quarter of 2024 recorded an even stronger performance, with GDP growth accelerating to 7.2%.

Despite these trends, Benin's structural transformation has progressed modestly, with employment shifting from agriculture to services, though much of this transition has been into low-productivity activities. World Bank data indicates that agriculture's share of GDP declined from 35% in 1991 to 28% in 2019, while services expanded from 53% to 56%. The labor market has undergone significant changes, with agricultural employment dropping from 56% of the workforce in 1991 to 30% in 2019. The share of employment in services surged from 27% to 49%, while industrial jobs increased from 17% to 22%. However, the limited rise in services' GDP contribution suggests that much of this employment transition has been concentrated in informal, low-productivity sectors. Addressing this imbalance will require targeted efforts to boost productivity, enhance skills training and support the transition of informal workers into more structured employment opportunities.

Labor market dynamics reveal an uneven distribution of income, with earnings concentrated among formal sector employees, while independent workers – who make up 88% of Benin's labor force – remain largely excluded from structured wage systems and social protection programs.

Benin enjoys strategic advantages that contribute to its economic appeal, including access to international maritime trade routes via its coastal location and a shared border with Nigeria, Africa's largest economy, positioning it as a gateway for

Output strength

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regional commerce. The country serves as a key hub for the importation and redistribution of secondhand vehicles from Europe to West Africa. As one of the most politically stable nations on the continent, Benin offers a relatively secure environment for business and investment, making it increasingly attractive to foreign capital.

12 | Sustainability

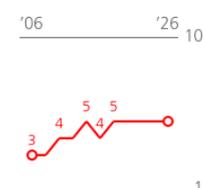
Benin has demonstrated a growing commitment to sustainable development, integrating environmental policies and climate adaptation measures into its broader economic agenda. While progress has been achieved in certain areas, significant challenges persist in addressing environmental degradation, enhancing climate resilience and ensuring equitable access to essential resources such as clean water and renewable energy. Benin scored 37.8 on the 2024 Environmental Performance Index, reflecting a need for more ambitious policy interventions to improve ecological governance and sustainability outcomes. The 2024 Sustainable Development Report indicates the country has reached the halfway mark in achieving all 17 Sustainable Development Goals (SDGs) with an overall score of 55.6 out of 100, positioning it above the ECOWAS population-weighted average. The country has established key financial mechanisms to support sustainable development, including the National Environment and Climate Fund (FNEC), which operates under the Ministry of Living Environment and Sustainable Development.

In October 2024, the government officially launched the Local Climate Adaptive Living Facility (LoCAL), a climate adaptation initiative with a budget of XOF 5.47 billion. Funded primarily by the Green Climate Fund along with a contribution from FNEC, the project seeks to strengthen local climate governance by integrating climate adaptation strategies into municipal development plans. Its primary objectives include improving access to climate finance at the local level, increasing the share of adaptation-focused investments in sectors such as agriculture, food security, health, water management and urban planning, as well as by enhancing ecosystem resilience.

Public perception of environmental challenges has become increasingly pronounced, as highlighted by the Afrobarometer survey conducted in September 2024. The most pressing concerns include sanitation and human waste management, deforestation, inadequate waste disposal – particularly plastic waste – and pollution affecting water sources and air quality. Urban centers, particularly Cotonou, have been heavily impacted by rising levels of air pollution, driven by rapid population growth and insufficient urban transport infrastructure. The resulting environmental degradation has had adverse effects on agricultural yields and public health while contributing to greenhouse gas accumulation. Without urgent interventions, the consequences could undermine broader development efforts.

Environmental
policy

5



To transition toward a more sustainable energy system and reduce reliance on fossil fuels, the government launched the FORSUN project in November 2024, designed to address the country's energy production deficit while increasing the share of renewables. The project is expected to enhance Benin's energy autonomy, lower electricity costs for households and contribute to emissions reductions of approximately 23,000 metric tons of CO₂ annually over 25 years. With a total investment of nearly 39 billion CFA francs, FORSUN is co-financed by the French Development Agency and the European Union under the "Team Europe Benin – Investing in Green Energy" initiative. The project includes the expansion of the DEFISSOL solar power plant in Pobè and the strengthening and extension of electricity distribution networks across multiple municipalities. By enhancing renewable energy infrastructure and expanding electricity access, this initiative is a critical step in Benin's long-term energy strategy.

Benin strives to invest in and improve education and research at all levels. Between 2000 and 2020, the net enrollment rate in primary education was 71.6% for boys and 46.2% for girls. Girls' enrollment has improved, with a gross rate of 107.4% in 2021 compared to 106.44% in 2020, while the regional average rose from around 50% to more than 80%.

In 2024, the government launched several strategic initiatives aimed at improving children's well-being, with a particular focus on addressing gender disparities in education and reducing the prevalence of gender-based violence in schools and communities. A key milestone in this effort was the adoption of the National Program for the Acceleration of Girls' Education and Well-Being, which followed the 2022 Forum on Girls' Education that was organized with support from UNICEF. This program was specifically designed to address the high dropout rates among girls as they advance in age – a challenge that has long been a major obstacle to gender equity in education. The program has a budget of XOF 83.6 billion, or approximately \$139 million, including XOF 7.7 billion mobilized through the Global Partnership for Education.

In 2022, 3.4% of GDP was devoted to the education sector. Since coming to power, Talon has announced a structural reform of Benin's education system, with a clear emphasis on vocational education. For example, in 2024, the provisional budget of the Ministry of Secondary, Technical and Vocational Education was XOF 199,120,328,000.

Despite the government's stated determination to raise the level of education in Benin, the country continues to struggle. Noticeable differences remain between the number of girls and boys in education. According to UNESCO, in 2024, about 400,000 girls of school age were not in school. Many girls tend to drop out during adolescence, particularly in their final years of primary education and at the beginning of secondary education. This issue is especially concerning in the northern regions of the country.

Education policy /
R&D

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Benin's public universities are not among the best in the subregion, and the number of higher education instructors falls well below demand. The University of Abomey-Calavi, which is the main university in the country, was ranked 195th out of 200 universities in Africa according to the African University Ranking in 2023.

Governance

I. Level of Difficulty

Benin faces a series of structural constraints that continue to shape its economic, social and environmental trajectory, limiting its ability to achieve sustained and inclusive development. While the country has demonstrated resilience and a commitment to reform, deeply embedded structural challenges persist, requiring comprehensive and sustained policy interventions. These constraints span economic vulnerabilities, governance inefficiencies, environmental risks and social disparities, all of which contribute to the complexity of policy implementation and the difficulty in overcoming developmental bottlenecks.

One of the most persistent challenges is the fragility of economic diversification, as Benin's economy relies heavily on a few key sectors, including agriculture, trade and services, many of which operate within low-productivity and informal structures. The slow pace of industrial transformation has resulted in an imbalanced labor market, with a substantial portion of employment concentrated in the informal sector, which represents nearly 88% of the workforce. While efforts have been made to enhance industrialization through initiatives such as the Glo-Djigbé Industrial Zone (GDIZ), the structural transition from agriculture to higher-value services and manufacturing has been relatively slow, often leading to underemployment and stagnant productivity levels. Additionally, the country remains highly dependent on trade with Nigeria, a relationship that exposes Benin to external economic shocks such as border closures and fluctuations in regional demand.

Infrastructure deficits present another significant structural constraint, particularly in transportation, energy and digital connectivity. The limited reach of transport networks, especially in rural areas, hampers domestic trade and restricts access to essential services. Although Benin has made progress in expanding its electricity supply, a large portion of the population still lacks access to reliable electricity, limiting industrial capacity and economic competitiveness. Similarly, while the country has taken steps to improve digital infrastructure, gaps in broadband penetration and technological literacy continue to slow the adoption of digital solutions, which are increasingly critical for modernizing economic activities and improving governance efficiency.

Governance and institutional weaknesses further complicate development efforts, particularly in the enforcement of regulatory frameworks and the implementation of social and economic policies. Despite being one of the more politically stable nations

Structural
constraints

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in West Africa, Benin still struggles with bureaucratic inefficiencies, corruption risks and limitations in public administration capacity. These challenges impact the effectiveness of service delivery, particularly in areas such as land administration, social security distribution and business regulation. The dissolution of the Caisse Mutuelle de Prévoyance Sociale (CMPS) in late 2023 highlighted the difficulties in transitioning toward a more efficient social protection system, as the reassignment of key responsibilities remains unclear, creating uncertainty for beneficiaries. Similarly, the enforcement of labor laws and gender equality protections remain weak, as evidenced by the persistence of workplace discrimination, gender-based violence and barriers to women's land ownership.

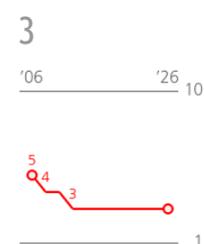
Historically, civil society organizations have been instrumental in fostering democratization and advancing key socioeconomic and political issues in Benin. Their emergence dates to the early 1990s with the country's move toward liberal democracy. Since then, the activities of civil society organizations have evolved and been promoted under various political regimes. However, it should be noted that there is a lack of consistent data that would enable a precise assessment of the civil society sector in Benin. This is partly due to the fact that the sector comprises both formal and informal organizations. Despite the creation of the Centre de Ressources National in 2007, which later became the Civil Society House, there is still no effective database of all civil society organizations in Benin. In 2015, the ministry responsible for relations with institutions estimated that there were 6,000 registered civil society organizations in Benin. This number has undoubtedly increased between 2015 and 2024. Furthermore, most civil society organizations depend financially on national and international political and financial institutions and lobbies. This dependence hampers and weakens the impartiality and credibility of civil society organizations in judging the country's sociopolitical governance.

Beginning with the first elections in 1991, electoral periods in Benin were typically celebrated and not marked by violence. However, from 2011 onward, various political maneuvers by those in power have changed this dynamic. For instance, the introduction of the Permanent Computerized Electoral List (Liste électorale permanente informatisée, LEPI) sparked contention from the opposition party Union Fait la Nation. Additionally, reforms to the party system under President Talon included criteria seen as exclusionary by his political opponents. These actions led to violence surrounding the 2019 legislative and 2021 presidential elections in a manner rarely observed in the country before.

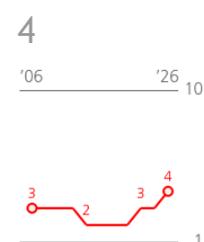
Fortunately, calm has returned to the electoral process, as demonstrated during the 2023 legislative elections, in part thanks to civil society organizations, religious leaders of all faiths and foreign partners.

Benin does not experience large-scale conflicts strictly related to religion or social group membership in a broader social context. However, a 2024 study by LASDEL indicates that low-level violence still occurs, particularly in the form of land disputes,

Civil society traditions



Conflict intensity



conflicts between livestock farmers and crop farmers, and matrimonial disputes tied to traditional practices of exchanging women. Other conflicts include interclan disputes, chieftaincy conflicts, issues surrounding social and political precedence, intercommunity and sometimes interfaith conflicts, disputes involving cross-border populations, and conflicts linked to the export of child labor.

Conflicts related to land tenure and those between livestock breeders and farmers are the most frequent challenges to social cohesion.

The northern regions of Benin are significantly affected by conflict and insecurity, primarily due to foreign violent extremists crossing the northern border. According to the Netherlands Institute of International Relations, since July 2022 there has been an increase in violent incidents in northern Alibori and Atacora West. In the first eight months of 2023, northern Benin saw 34 battle-related deaths. A notable attack occurred in Kaobagou in May 2023. Several villages in northern Benin are regularly visited by violent extremists, who have also infiltrated W National Park. According to the BBC, more than 120 Beninese military officers were killed between 2021 and the end of 2024. An attack in January 2025 in Alibori killed an estimated 30 people. Violent attacks in the north have led to the stigmatization of the Fulani people, who are often unjustly accused of being the primary perpetrators of these incidents.

II. Governance Performance

14 | Steering Capability

The government has shown a commitment to transformative reforms, but lingering challenges such as weak administrative capacity, limited inclusivity and perceptions of political favoritism risk undermining broader public trust and the sustainability of these efforts.

Benin has emerged as one of West Africa's most dynamic economies, showing a pattern of robust economic growth. Under President Patrice Talon, re-elected in 2021 on a platform of meritocratic governance, the government has pursued an ambitious reform program aimed at transforming public administration and strengthening economic resilience.

A cabinet reshuffle in April 2023 produced a streamlined 22-member team, reaffirming the government's commitment to efficiently executing its development agenda. The revised team reflects a deliberate effort to align governance structures with the primary objectives of the second Government Action Program (PAG II), which serves as the main instrument for policy implementation over the 2021 – 2026 period. This program, including 87 reforms and 201 transformative projects, represents an ambitious investment of XOF 12,011 billion to accelerate economic growth, enhance social equity and build resilience within the nation.

Question
Score

Prioritization

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The PAG II integrates the strategic objectives of Benin's 2018 – 2025 National Development Plan and aligns with broader international frameworks such as the U.N.'s Agenda 2030 Sustainable Development Goals (SDGs) and the African Union's Agenda 2063. This alignment ensures coherence between national policies and global development priorities, positioning Benin as a forward-looking state committed to sustainable progress. The program's financial strategy highlights the administration's reliance on state and private sector contributions and aims to mobilize \$20.5 billion over the period. A significant milestone in this strategy was Benin's successful issuance of Eurobonds in 2021, a first in sub-Saharan Africa, which demonstrates innovative financing capabilities.

PAG II is structured around three strategic pillars: strengthening democracy and governance, fostering structural economic transformation and improving social well-being. These pillars are further divided into actionable objectives, addressing critical areas such as macroeconomic stability, economic diversification, education and equitable access to basic services. The government's efforts to enhance governance are evident in initiatives to streamline administrative processes, digitize public services and establish mechanisms for accountability. The digitalization of public administration, particularly through the launch of an e-services portal providing access to more than 250 government services, is a testament to Benin's commitment to modernization.

Despite these efforts, challenges remain. The international economic environment – particularly the repercussions of Russia's war in Ukraine and Benin's dependency on the Nigerian economy – has slowed the pace of structural reform implementation. Mechanisms such as interministerial committees and permanent secretariats reporting to the Council of Ministers have been instituted to ensure robust monitoring and coordination of the plan's execution. The administrative apparatus faces significant hurdles, including personnel shortages, inadequate technical expertise and bureaucratic inertia. While the creation of new agencies has mitigated some capacity gaps, issues such as petty corruption, inefficiency in public service delivery and delays in reform implementation remain pressing concerns.

Economic reforms have been a cornerstone of Benin's development strategy. The government has focused on enhancing the investment climate by addressing critical areas including ease of business creation, access to utilities and tax administration. These reforms have positioned Benin as a competitive destination for domestic and foreign investors.

Nonetheless, the inclusivity of this economic growth remains a contentious issue. While reforms have stimulated specific sectors, particularly agriculture and infrastructure, their benefits are unevenly distributed. Large-scale incentives for the cotton industry, a sector with significant links to President Talon's business interests and Benin's most lucrative economic sector, have drawn criticism for favoring elite

stakeholders. Additionally, concerns about transparency in public procurement processes have persisted with allegations of preferential treatment for companies aligned with political elites.

The political dimension of Benin's reform trajectory reveals both progress and contention. Initiatives to strengthen the rule of law and democratic institutions have been offset by controversial developments, including the exclusion of opposition parties in the 2019 legislative elections and the 2021 presidential election. The centralization of power, along with the perception of judicial bodies such as the Court for the Repression of Economic Offenses and Terrorism (CRIET) as instruments of political suppression, has sparked public discontent. These dynamics highlight the need for greater inclusivity and political pluralism to reinforce the legitimacy of governance reforms.

Socially, the government has made strides in improving access to basic services and enhancing social protection mechanisms. Investments in education, health care and infrastructure are gradually improving the quality of life for many citizens. However, the lingering effects of the COVID-19 pandemic, including reduced corporate incomes and temporary tax reductions, have constrained fiscal space and delayed progress toward social objectives. Border closures, which disrupted port activities, further exacerbated these challenges, illustrating the vulnerabilities of Benin's economy to external shocks.

The government has implemented transformative projects to enhance productivity and create opportunities for citizens, particularly by expanding industrial and commercial activities and decentralizing administrative services. Projects such as GBESSOKE, Microcredit Alafia, the national school feeding initiative and the 1,000-day nutrition supplement pilot project are key achievements addressing social inequalities.

Digitizing public services has significantly improved efficiency, with more than 200 government services now accessible online. This has reduced bureaucratic bottlenecks and improved the ease of doing business. In addition, the cabinet reshuffle in 2023 streamlined decision-making, allowing for a more focused execution of the government's development agenda. Efforts to modernize tax collection and public financial management have also resulted in better revenue mobilization, increasing the government's capacity to fund strategic projects.

In October 2024, Benin reached an agreement with the IMF on policies under the fifth review of its 42-month Extended Credit Facility (ECF) and Extended Fund Facility (EFF) program, as well as the second review of the Resilience and Sustainability Facility (RSF). Pending approval by the IMF Executive Board, Benin will receive disbursements of SDR 31.2 million Special Drawing Rights (SDR) (approximately \$42 million) under the ECF/EFF arrangements and up to 39.6 million

Implementation

6

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SDR (about \$53 million) under the RSF arrangement. This will bring total disbursements under the ECF/EFF program to 431 million SDR (approximately \$576 million).

One major challenge to the government's achievements remains corruption. According to the 2023 Transparency International report on the Corruption Perceptions Index (CPI), published January 30, 2024, Benin ranked 70th globally out of 180 countries and territories, with a score of 43 out of a possible 100.

Political clientelism and partisan nominations are also significant issues that hinder the effective implementation of state priorities. For example, on December 11, 2024, the Council of Ministers announced the appointment of 12 minister-counselors, complementing the existing 22 ministers. This new team is notable for its diversity in expertise and professional backgrounds, integrating seasoned politicians and new profiles. However, the appointments have elicited mixed reactions. Critics, including opposition figure Martial Sokou, have questioned their necessity and described them as a potential reinforcement of governmental propaganda. The lack of formal terms of reference for these minister-counselors has also raised concerns about their roles and objectives.

Through visible achievements in modernizing infrastructure, reforming the political system and improving the business climate, Talon's governance and the implementation of PAG I and PAG II have positively impacted Benin's socioeconomic life.

However, the centralization of power and the perception of judicial bodies such as the Court for the Repression of Economic Offenses and Terrorism (CRIET) as instruments of political repression have aroused public discontent and contributed to tarnishing the country's image in recent years. Given the current socioeconomic context – characterized by the monopolization of key sectors of the economy, such as the cotton sector and the port, and by the polarization of political life through the Olivier Boko coup d'état affair – it seems the current government has not sufficiently learned from the negative aspects associated with its governance. Such dynamics underscore the need for greater inclusivity and political pluralism to strengthen the legitimacy of governance reforms.

Socially, the government has made strides in improving access to basic services and enhancing social protection mechanisms. Investments in education, health care and infrastructure are gradually improving the quality of life for many citizens. However, the lingering effects of the COVID-19 pandemic, including reduced corporate incomes and temporary tax reductions, have constrained fiscal space and delayed the achievement of social objectives. Border closures, which disrupted port activities, further exacerbated these challenges and illustrate the vulnerabilities of Benin's economy to external shocks.

Policy learning

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15 | Resource Efficiency

The current government has a mixed record on efficient resource use. Since taking office, President Talon has committed to reducing state expenses by downsizing the government – from 28 ministers in the previous Yayi administration to 22 ministers – and eliminating several political positions within ministerial cabinets, such as cabinet attachés and press officers. In contrast, the salaries of some cabinet members, particularly directors of cabinet (DCs), departmental general secretaries (SGs) and their deputies, have increased significantly. Additionally, members of parliament have also seen their salaries rise. The appointment of 12 minister-counselors in 2024 will significantly impact the state budget, although their salaries remain unknown. The policy of exclusion in the country’s governance remains an obstacle to the rational use of human resources.

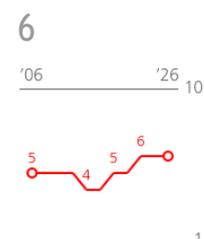
The current government has shown pragmatism in managing debt and public finances. In 2024, public debt is expected to drop from 54.5% of GDP in 2023 to 53.7%. The debt portfolio is being restructured; domestic debt is predicted to fall from 32.5% to 27.9% over the same period, while external borrowing is forecast to rise from 67.5% of the total in 2023 to 72.1% in 2024. These trends, supported by techniques such as reprofiling and swaps, aim to lower refinancing risks and optimize borrowing costs. The largest external funding source remains multilateral creditors, a fact which guarantees consistent support for development projects.

As of September 2024, Benin’s total public debt stood at approximately \$11 billion, or 52.8% of GDP. This represents a slight increase from 52.1% in June 2024, due primarily to substantial investments in infrastructure and the industrial zone.

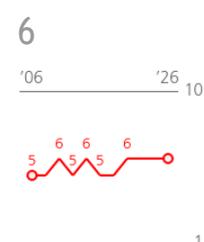
Benin’s approach to policy coordination reflects an effort to balance economic growth, social development and fiscal discipline. The government has prioritized industrialization and infrastructure development while maintaining a focus on fiscal sustainability, as seen in measures to control inflation and reduce public debt. However, trade-offs between economic expansion and social policies remain a challenge. Investments in industrial zones such as Glo-Djigbé have contributed to economic growth but have also raised concerns about labor rights and equitable resource distribution. Similarly, while infrastructure spending has been emphasized, some social sectors, including health care and education, require further investment.

Regarding anti-corruption measures, institutions such as the Court for the Repression of Economic Offenses and Terrorism (CRIET) and the Economic and Financial Brigade (BEF) are actively engaged in investigating financial misconduct, but corruption cases persist, particularly in state-owned enterprises and public procurement.

Efficient use of assets



Policy coordination



Coordination between government ministries and agencies is primarily centralized, with key decisions made by the executive branch. Certain policy areas, such as economic and fiscal planning, show signs of integration across departments. For example, the 2025 finance bill includes provisions for both infrastructure development and social programs, suggesting an effort to align fiscal policies with broader economic and social goals. However, coordination challenges remain in governance-related matters. Investigations into corruption and financial mismanagement highlight areas where interagency collaboration could be strengthened. There are also instances of overlapping mandates and jurisdictional redundancies between different state institutions, which can hinder the efficiency of policy implementation.

Defining and assigning responsibilities within the government has not always been clear, leading to concerns about redundancy and inefficiencies. The recent appointment of 12 minister-counselors, in addition to the existing 22 ministers, has raised questions regarding role clarity and administrative efficiency. Without clearly defined mandates, such appointments may lead to overlapping responsibilities and potential inefficiencies in governance.

Decentralization efforts have been initiated to enhance local governance, granting municipalities greater financial and administrative autonomy. However, challenges persist in aligning national policy objectives with local-level implementation. In some instances, budget allocations do not fully translate into effective service delivery due to administrative bottlenecks or mismanagement at the municipal level.

Corruption remains a persistent issue in Benin. For example, allegations of corruption and financial mismanagement have implicated the leadership of the Office Béninois du Sport Scolaire et Universitaire (OBSSU). After the revelation of a XOF 2.5 billion embezzlement, Director General Alexis Donald Acakpo was imprisoned. Additionally, a new legal case has emerged, accusing him of complicity in a XOF 279 million fraud orchestrated by Roland Zossou. Zossou allegedly defrauded Rémi Tchogbé of this amount, with Acakpo implicated as an accomplice. These cases are under review by CRIET.

On June 27, 2024, a total of 13 employees of the Glo-Djigbé Industrial Zone (GDIZ) appeared before CRIET on charges of corruption and sexual harassment. The defendants were alleged to have created a scheme within the industrial zone extorting money from women seeking employment by misleading them to believe such payments were required to secure jobs. The zone's authorities uncovered the scheme and filed complaints. The victims, all women, did not attend the trial, but were represented by Maître Alexandrine Saïzonou Bédié, who also represented the National Institute for Women (INF).

Following investigations into corruption scandals involving the Société Béninoise d'Énergie Électrique (SBEE) and the National Council for the Fight against AIDS, Tuberculosis, Malaria, Hepatitis and Epidemics (CNLS-TP), the implicated

Anti-corruption
policy

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individuals appeared in court on July 10, 2023. These cases have implicated about 20 individuals, with additional suspects under investigation to determine their level of responsibility. In the CNLS-TP case, 11 individuals remain in detention as inquiries by the Economic and Financial Brigade (BEF) continue. In the SBEE investigation, authorities reportedly discovered more than XOF 300 million at the residence of the public procurement manager (PRMP) and several million at the home of the technical director. These incidents have fueled public criticism of the government's anti-corruption strategy. Despite long-standing promises of governance reforms and anti-corruption measures, some citizens perceive these initiatives as mere rhetoric, overshadowed by persistent challenges of mismanagement and governance shortcomings.

Digitalization of a number of public services, including the payment of taxes and fees to the public treasury, is seen as a way to achieve greater transparency and limit the risk of corruption.

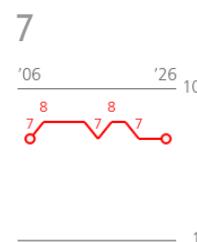
16 | Consensus-Building

By launching its democratic transition in the early 1990s, Benin was a pioneer within sub-Saharan Africa, setting a precedent for others in the region. Until recently, the country's political evolution was marked by its commitment to democratic principles, characterized by peaceful transfers of power and the establishment of strong democratic institutions. Notably, Benin has experienced multiple transitions of power. Prior to President Talon's tenure, the country made considerable strides in consolidating democratic norms. Among Beninese citizens, there is a clear adherence to liberal democratic principles, though a somewhat lower level of public satisfaction with democracy as practiced in the country.

Since 2016, Benin has experienced a decline in its democratic credentials, as reflected in assessments by several international organizations. The Bertelsmann Transformation Index (BTI), Varieties of Democracy (V-Dem) and Freedom House have all raised concerns about the country's democratic status, citing electoral restrictions, weakened political competition and the erosion of fundamental freedoms.

The BTI 2023 report highlights the decline of Benin's democratic system due to political reforms, particularly the adoption of a new electoral code in 2018. These reforms limited opposition participation and led to electoral violence in 2019 and 2021. Similarly, the Varieties of Democracy (V-Dem) index shows a significant decline in Benin's democratic performance. The country scores 0.3 (out of 1) on the Liberal Democracy Index and 0.45 on the Electoral Democracy Index, reflecting growing constraints on political participation and electoral competitiveness. V-Dem's "Regimes of the World" typology now classifies Benin as an electoral autocracy, indicating that while elections are held, they do not meet the standards of free and fair democratic processes.

Consensus on goals



Freedom House’s evaluation further confirms this democratic regression. The country’s political rights rating deteriorated from 2 (Free) in 2016 to 5 (Partly Free) in 2021, with the score for civil liberties also deteriorating from 2 to 3 over the same period. This decline is attributed to the government’s increasing use of the justice system to suppress political opponents and

Since the early 1990s, Benin has liberalized its economy after abandoning its former Marxist-Leninist doctrine. Economic reforms have been a cornerstone of Benin’s development strategy, and all governments since the transition to the multiparty system have embraced a market economy. The government has focused on enhancing the investment climate by addressing critical areas including ease of business creation, access to utilities and tax administration. These reforms have positioned Benin as a competitive destination for domestic and foreign investors.

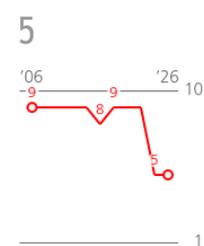
Nonetheless, the inclusivity of this economic growth remains a contentious issue. While reforms have stimulated specific sectors, particularly agriculture and infrastructure, their benefits are unevenly distributed. Large-scale incentives for the cotton industry – a sector with significant links to President Talon’s business interests and Benin’s most lucrative economic sector – have drawn criticism for favoring elite stakeholders. Additionally, concerns about transparency in public procurement processes have persisted, with allegations of preferential treatment for companies aligned with political elites.

Most political actors in Benin are united in their support for democratic principles. The country’s history, marked by military coups and dictatorial leadership from 1972 to 1989, underscores the importance of democracy in Benin. The democratic backsliding that has occurred over the last few years is testing political leaders’ commitment to these principles. Recent developments linked to accusations of an attempted coup d’état by Olivier Boko (a personal friend of the president) and Oswald Homeky (a former minister), and their subsequent actions, raise questions about the existence of anti-democratic actors.

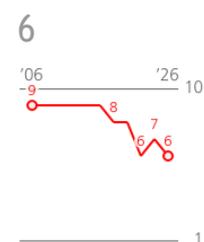
Benin’s political landscape is marked by deep-seated divisions, with tensions between the government and opposition forces shaping the country’s political discourse. While multiple political and social groups contribute to governance, the most significant cleavages revolve around perceptions of democratic backsliding and electoral fairness. These concerns have intensified as opposition leaders and civil society groups challenge reforms introduced under the current administration.

Concerns from the opposition center on the belief that the country’s democratic space has contracted under the current administration. Critics, including leaders of the opposition party Les Démocrates and former President Boni Yayi, argue that recent reforms aim to consolidate power among the ruling elite while marginalizing opposition voices. In response, these groups have initiated a “framework for

Anti-democratic
actors



Cleavage /
conflict
management



dialogue” to restore what they call a damaged democracy and ensure that the 2026 presidential election is free and fair. The government, however, contends that the implemented reforms were essential for political stability.

As the 2026 presidential election approaches, the Autonomous National Electoral Commission (CENA) is mobilizing 102,682 agents to facilitate the electoral process, backed by a budget of XOF 15 billion. However, concerns about the fairness of the elections loom, particularly following the Constitutional Court’s validation of a modified electoral code on March 14, 2024. The new code imposes stringent requirements for presidential candidates and high thresholds for party representation in the National Assembly, which critics argue could disproportionately exclude smaller parties and independent candidates. In February 2025, the president of the republic authorized the independent committee set up by the opposition to audit the electoral list to be used for the 2026 general elections.

Traditional chiefs, civil society organizations, religious leaders and political actors play an essential role in easing sociopolitical tensions arising from the polarization of major political issues.

In Benin, civil society organizations (CSOs) play a critical yet often constrained role in shaping public policy. While the country has a history of active civic engagement, the extent to which political leadership consults these actors remains limited and in many cases selective.

Under President Patrice Talon’s administration, governance reforms have emphasized efficiency and institutional restructuring, yet the integration of diverse civil society voices in policymaking has been inconsistent. Although some government initiatives have included consultation processes, particularly in areas such as economic development and social welfare, many CSOs argue that engagement remains superficial. Consultative meetings, when they occur, often involve organizations that align with government priorities, leaving out more critical or independent voices.

The 2018 political reforms, which consolidated more than 200 political parties into a handful of legally recognized entities, have also impacted civil society participation. While the government justified these changes as necessary for political stability, critics argue that they have reduced avenues for grassroots organizations to influence political discourse. Additionally, increased regulatory scrutiny of NGOs and civic organizations has at times been perceived as a means of curbing dissent rather than an attempt to foster inclusive governance.

Meaningful, institutionalized engagement in which civil society contributions genuinely shape policy outcomes remains sporadic. Ultimately, while Benin’s political leadership engages with civil society actors to some extent, this engagement tends to be controlled and selective rather than taking place through an open and

Public
consultation

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systematic process that fully leverages the diversity of voices within the country. Achieving a more inclusive policymaking approach will require a commitment to broader consultation mechanisms, legal safeguards for civic participation and a shift toward governance that embraces – not just tolerates – pluralism in policy discourse.

Since the democratic transition of the early 1990s, Benin has generally remained stable, but political tensions, electoral disputes and governance challenges have periodically tested national unity. The legacy of contentious elections, political arrests and growing divisions between the ruling government and opposition forces has necessitated ongoing reconciliation efforts.

One of the most significant periods requiring national reconciliation was the period following the electoral crises of 2019 and 2021, during which opposition figures and activists were arrested in the wake of widespread protests. These elections were marked by political reforms that critics argued restricted opposition participation, leading to violent confrontations between security forces and demonstrators. The political turmoil further entrenched divisions, with the ruling administration defending the necessity of legal measures to maintain order while opposition groups and civil society organizations decried the repression of political dissent.

The head of state has frequently used presidential clemency to ease political tensions and strengthen national unity. On August 2, 2024, the day after Benin's Independence Day, President Patrice Talon issued two decrees pardoning more than 400 common law prisoners and 27 opposition activists arrested after the electoral violence of 2019 and 2021. This gesture was framed as an effort to advance national reconciliation, particularly in light of ongoing calls from civil society and religious leaders to release political detainees.

However, the selective nature of these pardons has fueled further political debate. While some activists were granted clemency, high-profile opposition figures such as Reckya Madougou and Joël Aïvo remain imprisoned. Both were sentenced to lengthy prison terms on charges related to threats against state security, allegations their supporters argue were politically motivated. Talon has consistently rejected appeals for their release, citing the gravity of their actions as justification for his refusal. This has led opposition groups and international human rights organizations to question the impartiality of the clemency process and call for broader amnesty measures.

Beyond the political sphere, reconciliation efforts have also been shaped by broader historical legacies. The need for national unity extends past electoral conflicts to include social and economic disparities that have influenced tensions among different regions and communities. Traditional and religious leaders and civil society organizations continue to mediate disputes and advocate for inclusive governance. While presidential clemency remains a strategic tool to ease tensions, its selective application highlights the enduring challenges of political reconciliation in Benin. Looking ahead, the degree to which clemency measures foster genuine national

Reconciliation

n/a

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n/a

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cohesion will largely depend on the government's willingness to pursue broader dialogue and address the underlying grievances that have fueled political and social divisions.

17 | International Cooperation

Over the past five years, Benin's economic strategy has prioritized diversification, with efforts to strengthen key sectors such as agriculture, energy, infrastructure and trade. For example, the modernization of the Port of Cotonou remains central to enhancing its role as a regional trade hub. Attracting foreign investment has been a major objective, supported by measures to improve governance, financial transparency and institutional efficiency.

Integration of international assistance into economic development plans has been achieved through substantial financial support from the International Monetary Fund (IMF). A \$638 million package, approved in July 2022 under the Extended Credit Facility and the Extended Fund Facility, has contributed to economic stabilization and infrastructure investments. IMF-backed reforms have strengthened fiscal discipline, improved tax collection and optimized public spending. Additionally, the Millennium Challenge Corporation (MCC) has played a key role in infrastructure development. A \$375 million compact from 2015 to 2020 targeted improvements in electricity supply, while a \$504 million regional transport compact, approved in 2022, supports trade corridor development between Cotonou and Niamey. These initiatives align with long-term objectives to position the country as a key logistics hub in West Africa.

Governance reforms have been supported through the European Union's Good Governance and Development Contract, which allocated €114 million between 2016 and 2021. Financial assistance from the EU has been contingent on public financial management improvements, increased transparency and anti-corruption measures. Although progress has been made, challenges persist due to inconsistencies in regulatory enforcement and limited parliamentary influence in decision-making.

The International Monetary Fund (IMF)'s approval of a \$638 million extended credit package in July 2022 was a strong indicator of international confidence in Benin. This funding reflects confidence in economic policies and fiscal discipline, particularly in maintaining debt sustainability and advancing structural reforms. Similarly, engagement with the European Union has been productive with the implementation of the €114 million Good Governance and Development Contract. The EU's financial assistance has been contingent on improvements in transparency, anti-corruption efforts and the rule of law – areas in which steady progress has been recorded despite lingering institutional weaknesses.

Effective use of support

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Credibility

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Benin has consistently upheld international trade and investment agreements. Participation in the West African Economic and Monetary Union (WAEMU) and the Economic Community of West African States (ECOWAS) demonstrates a commitment to regional economic integration. Compliance with WAEMU's convergence criteria reflects adherence to monetary and fiscal policies that promote macroeconomic stability. The country has also maintained trade agreements under the African Continental Free Trade Area (AfCFTA), ensuring continued access to regional markets. However, regulatory uncertainties and enforcement challenges remain obstacles to attracting further foreign investment.

Security and defense cooperation have been a cornerstone of Benin's international engagement. Reliable military partnerships with France, the United States and regional allies have been reinforced through intelligence sharing and training programs, particularly in counter-terrorism efforts against jihadist threats in the northern regions. Participation in United Nations peacekeeping missions further underlines Benin's commitment to global and regional stability. Active deployment in nine of the United Nations's 14 ongoing operations, including a significant role in the Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), signals credibility in upholding international security commitments.

Human rights and governance commitments, while largely observed in diplomatic engagements, have faced scrutiny in specific areas. Compliance with international human rights conventions and International Labour Organization (ILO) core labor standards has been generally maintained, but concerns over political freedoms and governance transparency persist. The EU and international watchdog organizations have highlighted inconsistencies in legal enforcement and media freedom. Engagement with mechanisms such as the United Nations Human Rights Council remains ongoing, but criticisms over the selective application of governance reforms suggest areas for improvement.

Legal cooperation with international institutions such as the International Criminal Court (ICC) and the International Court of Justice (ICJ) has remained stable, with no significant violations of international legal agreements. However, political and economic tensions with neighboring Niger and Togo have tested diplomatic stability. The closure of borders following the 2023 coup in Niger and the subsequent economic sanctions imposed by ECOWAS disrupted trade and led to diplomatic strains. While the government reopened its borders in February 2024 in alignment with ECOWAS decisions, the lack of reciprocity from Niger and retaliatory measures, such as the arrest of Nigerien nationals, have created ongoing tensions.

In the realm of climate commitments, the government has demonstrated adherence to international environmental agreements, including the Paris Climate Accord. Efforts to align with global climate policies include participation in sustainable development initiatives supported by multilateral donors. However, implementation of environmental policies remains at an early stage, with challenges in enforcing sustainable resource management practices.

On the regional front, Benin remains a committed participant in the West African Economic and Monetary Union (WAEMU) and adheres to its four key convergence criteria. However, due to its relatively small economic and political stature, Benin does not play a leading role in driving regional integration. Despite this, the country continues to support regional institutions such as the Economic Community of West African States (ECOWAS) and the African Union (AU), although it has far less influence than larger countries like Nigeria or South Africa.

A critical aspect of Benin's foreign engagement is its involvement in peacekeeping operations. Despite being a relatively small player on the global stage, Benin consistently contributes to regional peace and stability, participating in nine of the United Nations' 14 ongoing peacekeeping missions, notably in Mali as part of the Multidimensional Integrated Stabilization Mission in Mali (MINUSMA). This participation reflects Benin's commitment to promoting stability in the Sahel region, which has been plagued by conflict. Although Benin withdrew its contingent from the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO) in 2018, its sustained involvement in MINUSMA demonstrates a strategic shift toward operations that more closely align with its regional security interests.

Benin's diplomatic landscape, however, has been marred by tensions, particularly with its immediate neighbors. The situation with Niger serves as a prominent example of how external events can deeply affect bilateral relations. In July 2023, following the coup in Niger that ousted President Mohamed Bazoum, ECOWAS imposed a set of economic sanctions and closed borders with Niger. Benin supported these sanctions, leading to the closure of its border with Niger, which significantly disrupted trade and left more than 1,000 trucks stranded, primarily from the port of Cotonou. Although Benin reopened its border in February 2024 after ECOWAS suspended sanctions, Niger has yet to reciprocate, continuing to fuel political and economic tensions. In response, Benin arrested five Nigerien nationals involved in a business venture, accusing them of document fraud. Additionally, Benin's temporary suspension of Nigerian oil exports via the Sèmè port, followed by a reversal of this decision, highlights the precarious nature of its relationship with Niger.

In the broader West African context, Benin has navigated strained relations with Nigeria, especially during former President Muhammadu Buhari's tenure. In 2019, Nigeria closed its borders with Benin over smuggling concerns, disrupting trade in essentials like rice and poultry. After negotiations, Nigeria agreed to reopen its borders in June 2023, signaling a thaw in relations. The agreement in May 2024 to establish mechanisms for more efficient border management has led to smoother trade flows.

Tensions with Togo surfaced after the kidnapping of Steeve Amoussou, a Beninese citizen, in Lomé in August 2024. In response, Benin authorities arrested several individuals they held responsible, escalating the dispute. Amoussou's arrest shortly after his abduction, along with subsequent legal charges related to cybercrime, added further tension to diplomatic relations between Benin and Togo.

Regional cooperation

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Strategic Outlook

Under the leadership of President Patrice Talon, Benin has made notable strides in governance, economic management and international engagement. Stability and economic growth have yielded measurable progress, particularly in fiscal policy and public financial management. However, challenges persist in the form of regulatory inefficiencies, internal political dynamics and security threats. To sustain and build on these gains, the government must adopt a more proactive approach to institutional reforms and policy implementation.

Although Benin has made commendable efforts to enhance transparency and efficiency, inconsistencies in policy implementation and oversight mechanisms continue to hinder governance. The government should prioritize establishing independent regulatory bodies to oversee tax collection and public procurement, ensuring accountability and reducing corruption. Further digitalization of public services and financial transactions could enhance efficiency, mitigate leakages and improve tax compliance.

A key recommendation is to strengthen decentralization efforts so as to empower local governments with greater financial and administrative autonomy. This would enable communities to address pressing developmental needs more effectively, while additionally fostering citizen engagement in governance.

Benin's economic trajectory has benefited from international financial support, particularly through the IMF's Extended Credit Facility (ECF) and Extended Fund Facility (EFF). While these mechanisms provide stability, Benin must complement external support with policies that promote sustainable, self-sufficient economic growth.

To achieve this, the government should:

- Diversify the economy by promoting value addition in the agricultural sector, increasing investment in manufacturing and expanding digital industries.
- Enhance the business climate by reducing bureaucratic red tape and implementing investor-friendly policies to attract foreign direct investment (FDI).
- Invest in human capital through targeted education and vocational training programs aligned with the demands of a modernized economy.

Additionally, leveraging public-private partnerships (PPPs) for infrastructure development – particularly in the transportation and energy sectors – could ensure sustainable financing while reducing fiscal burdens.

The efficient allocation and use of resources remain areas of critical concern. While foreign financial inflows have supported key projects, the impact of such funding depends on careful deployment. To improve financial management, the government should enhance fiscal discipline by instituting performance-based budgeting and conducting periodic expenditure reviews.

Benin must also address socioeconomic disparities by investing in social protection programs, improving access to quality health care and promoting inclusive economic opportunities.

Strengthening microfinance institutions and providing targeted financial support for small- and medium-sized enterprises (SMEs) can foster economic empowerment and job creation.

Benin's strategic location in West Africa requires that it play an active role in regional economic and security frameworks. Although the country has been a strong supporter of regional integration, its influence is limited by its size and economic weight. To strengthen its position, Benin should seek more strategic alliances within ECOWAS and WAEMU, advocating policies that benefit smaller economies.

Given the country's rising security concerns, particularly along its northern borders, Benin must enhance regional security cooperation efforts. Expanding intelligence-sharing initiatives, reinforcing border security and engaging in joint counter-terrorism efforts with neighboring countries will be crucial in mitigating threats.