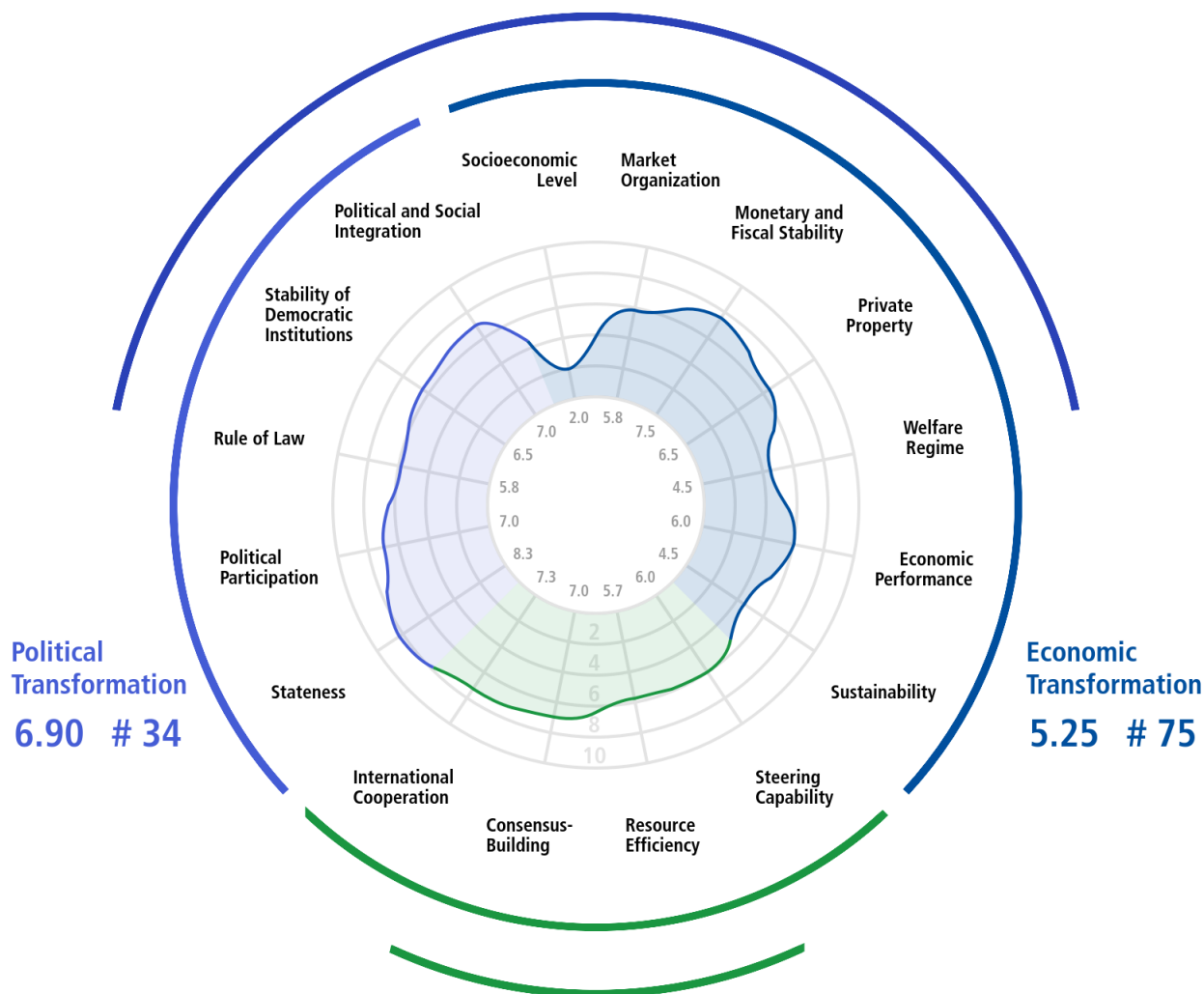


Benin

Status Index

6.08 # 48

on 1-10 scale out of 137



Political Transformation
6.90 # 34

Economic Transformation
5.25 # 75

Governance Index

5.85 # 28

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. 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	12.1	HDI	0.545	GDP p.c., PPP \$	3506
Pop. growth ¹	% p.a.	2.7	HDI rank of 189	158	Gini Index	47.8
Life expectancy	years	61.8	UN Education Index	0.478	Poverty ³	% 76.2
Urban population	%	48.4	Gender inequality ²	0.612	Aid per capita \$	51.0

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

The reforms initiated by President Patrice Talon as soon as he came to power in 2016 have plunged the country into an unprecedented political crisis. The reform of the party system and the new electoral code adopted in 2018 led to the organization of legislative elections in which opposition political parties were unable to participate. This situation led to deadly electoral violence between April and May 2019 in several cities in Benin, marking a break with democratic stability and social peace in the country. The new “single-party” (in functional terms only) assembly composed exclusively of supporters of the president thus validates the main objective of Talon’s still-contested constitutional revision. Its provisions regarding the sponsorship of 16 mayors/deputies to be assembled by each duo of candidates for the presidential elections were used to justify the rejection of candidates from several opposition political forces.

At the economic level, the implementation of the government’s Action Program (PAG) designed for the period 2016 - 2021 is beginning to show visible effects, particularly in the field of infrastructure and in the development of the urban living environment through the paving project. However, due to a lack of funding, several planned projects have not been implemented.

There is an evident conflict of interest between Talon’s role as president and his business interests. Talon’s private companies have regained control of key sectors of the economy, including the Port of Cotonou, from which Yayi had evicted him, and the cotton sector.

Benin has experienced sustained GDP growth in the last few years, with rates above 6.7% in 2019. The economic slowdown of Nigeria, the closure of Benin’s main trading partner borders, and the economic impact of the COVID-19 pandemic have however affected economic growth. The outlook for the Benin economy is positive, with GDP projected to grow at 6.7% in 2020 and 6.6% in 2021. In July 2020, the World Bank ranked the country for the first time as a lower middle-income country. Gross national income increased from \$870 to \$1,250. However, sustainable poverty reduction remains a long way away.

There has been progress with regard to some social indicators, for instance, school enrollment. However, Benin's rate of extreme poverty has not declined. Benin ranked 158 out of 189 with a value of 0.545 on the Human Development Index in 2019.

In order to implement its development strategy and avoid dependency on international donors, the government has plans to mobilize resources from the private sector. However, the private sector remains small in comparison to the country's large informal and predominantly subsistence economy. The initial support that Talon enjoyed from the private sector seems to be waning. Talon's statements that he will privilege merit over regional equilibrium in office appointments have raised eyebrows in the north of the country, where educational attainment is lower than in the south. In addition, public sector trade unions oppose further privatization and some proposed reforms.

Benin has shown great resilience in the fight against the COVID-19 pandemic, although there has been some impact on economic activities. The government did not opt for a lockdown, arguing that the country did not have the means to endure the consequences of the cessation of economic activities. As of February 19, 2021, the official statistics are 70 deaths and a total of 5,434 positive cases.

In conclusion, Benin continues to exhibit more or less the same strengths and weaknesses as in the past. However, consensus on the importance of democratic principles and on the values of nonviolence has been broken by the postelection violence in April 2019. Further challenges are ahead with presidential elections scheduled for April 2021. Benin's political economy shows little signs of effective transformation toward a socially sustainable market economy, despite President Talon's ambitions.

History and Characteristics of Transformation

Benin has, in recent history, undergone simultaneous political and economic transformation. The country has, all in all, made progress in consolidating its political transformation, and is considered very successful by regional and continental standards. Recently, democratic achievements may have come under stress.

Economic transformation of the economic system has faltered and shows a more uneven track record. On the one hand, Benin numbers among Africa's relative winners in economic growth. On the other hand, Benin remains among the poorest countries of the world and most of its citizens, employed in the subsistence economy, have not reaped the fruits of recent economic growth.

Following independence in 1960, Benin's political development was initially characterized by regime instability and a series of military interventions. The last coup, in October 1972, marked the onset of 17 years of military rule under Commandant (later General) Mathieu Kérékou, who installed one of the few formally Marxist-Leninist regimes in sub-Saharan Africa. Endogenous

economic failure and the end of material and ideological support from the Eastern Bloc led to the rapid downfall of the regime. The National Conference of 1990, composed of politicians and civil society leaders, voted overwhelmingly to adopt a multiparty system. Benin thus became the trendsetter for radical democratization processes in the whole of Francophone Africa until the 2016 elections.

The first free and fair elections in 1991, won by the prime minister of the transition government, Nicéphore Soglo, ratified the new political dispensation outlined in the constitution of 1990. The newly established democratic institutions survived Kérékou's return to power in the presidential elections of 1996, when the former military ruler snatched a surprise victory, and his re-election in 2001.

The electoral victory of outsider Thomas Boni Yayi in the 2006 presidential elections reaffirmed the competitive nature of Beninese politics and the limited relevance of political parties. In 2011, Yayi was unexpectedly re-elected without the need for a run-off, triggering accusations of fraud from the opposition. During his second term, Yayi was increasingly criticized for his real or alleged authoritarianism. In 2012, President Patrice Talon, one of Benin's richest businessmen, was accused of plotting against the president and having attempted to poison him. Talon was eventually pardoned by Yayi in 2014, but the "Talon affair" raised fears about the fragility of democracy in Benin, and further polarized the country between supporters and opponents of Yayi.

Rumors that Yayi intended to modify the constitution to run for a third term proved however wrong. Former prime minister Lionel Zinsou ran as presidential candidate for the Cowry Forces for an Emergent Benin (FCBE), a pro-Yayi political party, in the 2016 elections. Zinsou was defeated in the run-off by Talon, who ran as an independent candidate. Talon received support from presidential candidates defeated in the first round and from defectors from the FCBE.

Talon won the 2016 presidential election stating that he would break with Yayi's controversial presidency. He has pledged to defend and reinforce Benin's democratic institutions by, for example, limiting the presidential mandate to a single term and modernizing the economy. As soon as he took office, he undertook numerous political, institutional and economic reforms, the main lines of which he outlined in the Government's Action Program (PAG 2016-2021). But very early, faced a strong opposition from political actors. In April 2017, the constitutional reform process he initiated in the National Assembly did not have the support of opposition members of parliament. However, it succeeded in adopting a new law that has changed the partisan system and holds parliamentary elections in April 2019 without the participation of opposition political parties. Only two political parties, the Republican Bloc (BP) and the Progressive Union (UP), two pro-Talon political parties are participating in this election marked by low participation (22.99%, the lowest in Benin electoral history) and electoral violence in several cities of Benin. The country was thus plunged into a serious political crisis. Supporters of former President Boni Yayi took to the streets in droves to protest the election and were dispersed by police and army. The new Assembly is then favorable to the regime and has proceeded in November 2019 to the revision of the constitution requested by the president. The country is thus entering an unprecedented sociopolitical crisis marked by the absence of the

opposition in the various following elections. After the fall of Kérékou's Marxist-Leninist regime in 1991, economic transformation, promoted by the transition government, won strong support from the international donor community and was initially successful. During the Soglo presidency, radical reforms were implemented, which contributed to Soglo's electoral defeat in 1996. Kérékou, following Soglo as elected president, did not radically modify this strategy, but economic reforms stagnated under his presidency. The victory of Yayi in the 2006 elections seemed to indicate both a popular will to fight corruption as well as stronger government commitment to economic transformation. However, much of the Beninese public was disappointed by Yayi's performance. The Talon government, elected in 2016 announced economic reforms but also faces many challenges in mobilizing funding for the implementation of the PAG's flagship projects. However, Talon made some progress, especially in vital sectors of the economy such as agriculture and port activities. However, his status as a major businessman potentially conflicts with his commitment to advance economic transformation. In recent years democratic development has come under stress and the 2020 elections were contested as the electoral code strongly disadvantaged opposition parties. Voter turnout dropped to little more than 20%. Democracy in Benin is in jeopardy.

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 state's monopoly on the use of force is nationwide. Except for minor activities by Jihadists from neighboring countries, there are no armed rebel groups active inside the national territory. Mob justice, which had increased toward the end of 2016, fell sharply following a government decision to crack down severely on the perpetrators and bystanders of such acts. Many cases of conflicts between herders and farmers have been reported in rural areas, particularly in the lower Ouémé valley and in the Niger valley, which hosts groups that also settle in Niger and Nigeria. Acts of violence were recorded in April 2019 during the last parliamentary elections in several major cities such as Cotonou, around the residence of former President Boni Yayi, and in Parakou, Savè and Tchaourou in the northern part of the country. Crime remains a serious problem that has not been adequately addressed. Road and armed robberies are regular occurrences, despite the merger in January 2018 of the police and gendarmerie into a larger force called the Republican Police that was designed to better combat crime. The involvement of Benin in the fight against Boko Haram, alongside Nigeria, Niger, Cameroon and Chad, is a potential source of insecurity. In May 2019, two French tourists were kidnapped in Pendjari Park and released after the French army intervened, although their Beninese guide was killed. The attack was carried out by a group of kidnapers from Burkina Faso. A number of attacks on police stations have been recorded, particularly in the northern part of the country. Benin is on high alert for possible terrorist attacks. Reports of the influx of more radical Islamic preachers have increased. The government has recently established a National Commission to Combat Radicalization, Violent Extremism and Terrorism (CNLRET).

Question
Score

Monopoly on the
use of force

9



1

In stark contrast to other West African coastal states such as Côte d'Ivoire, there are no problems in defining citizenship and who qualifies as a citizen in Benin. Governmental action does not discriminate on ethnic, religious or cultural grounds, and the legitimacy of the republic is not questioned in principle. There is no dominant group that identifies itself as the core group of Benin's heterogeneous society. However, there is a strong historical divide between the northern part of the country (mainly the provinces of Atakora, Alibori, Borgou and Donga) and the southern provinces of Zou, Atlantique and Ouémé. Before colonialism, the latter used to belong to the kingdoms of Dahomey (Zou and Atlantique) and Porto-Novo (Ouémé). While the two kingdoms were involved in slave trading and politically favored in colonial times, they were at odds with each other. As a result, post-colonial Benin was politically divided into three parts representing internally heterogeneous communities. While northerners were perceived to be privileged and favored during President Yayi's rule (2006-2016), southerners are now perceived to be privileged by the incumbent president, Patrice Talon. Talon openly stated that he will favor merit and competence over regional equilibrium in office appointments. This might potentially put northerners at disadvantage. The north is the least developed part of the country and has less educated citizens and trained civil servants than the south. Regionalist overtones are increasingly present, particularly in political speeches. In September 2018, during a political meeting, a group of young people launched "Nikki's initiative" in response to the marginalization of northerners in the appointments made by President Talon's government. The young people behind this act have been prosecuted. The electoral violence in the north, the fief of former President Boni Yayi, demonstrates regional divisions and the feelings of marginalization by communities in this part of the country.

Separation between religion and the state is guaranteed by the secular 1990 constitution, and religious or ethnic extremists command no political influence. Although politics is still defined along ethnoregional cleavages, there is a fundamental national sense of solidarity and an elementary constitutional patriotism. The country has established a platform for inter-religious dialogue. Since 2015, Benin has hosted the African Initiative for Peace and Development Education by Inter-religious dialogue, which is supported by the African Union (AU). Under the aegis of late Professor Albert Tévoédjrè, the country inaugurated in March 2018 a center called Theophania, the African House of Peace, which has become a symbol of inter-religious dialogue. Catholics are over-represented in state offices as a result of the role of the church in education. However, this does not transfer into dogmatic interference. Generally, religious pluralism and tolerance are the rule. There are some preoccupations for the rise of evangelical groups and local religions (Voodoo, Banamè church) and their close relationships to politicians. The risk that Muslim extremism might spill over from neighboring countries such as Nigeria or Mali exists, especially in the north of the country. Individual extremist preachers are common, though there is no reliable information about the extent of their influence.

State identity

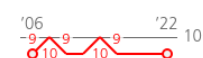
9



1

No interference of religious dogmas

9



1

The state's basic administrative structure exists throughout the country's entire territory, but its operation is checkered. The greatest accomplishment of the public sector in recent years has arguably been the extension of basic education to achieve almost full enrollment. In rural areas, however, the performance of political and judicial decision-making is substandard, and the allocation of public goods is inefficient. The largely donor-driven decentralization process, which includes capacity-building and civic education policies, has slowly started to improve socioeconomic conditions and strengthen the presence of basic administrative infrastructure. Still, legal standards are not enforced, and corruption remains a systemic problem, despite the Talon government's efforts. Examples include the state's inability to enforce import regulations and the enormous delays in public prosecutions, which have led to prolonged pretrial detentions.

According to the latest WHO/UNICEF (2017) joint monitoring program for water, sanitation and hygiene, access to an improved water source is 81% and 71% for urban and rural areas respectively, and sanitation facilities are scarce, with only 25% and 5% of the urban and rural population respectively having access to such facilities. In addition, at least 30% of schools have a limited drinking water service.

The COVID-19 pandemic does not appear to have disrupted existing services in Benin. Schooling was rescheduled so that time spent in the classroom over the school year was not reduced.

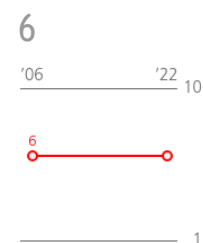
2 | Political Participation

Free and fair elections have been the norm in Benin from 1990 to 2016, where all candidates could contest elections. However, the reforms introduced by President Talon have erected a major barrier that limited the participation of several political parties in the April 2019 legislative elections. According to Freedom House, the electoral code passed in 2018 aimed to decrease the number of political parties, establish restrictive rules including an unusually high 10% threshold for party lists to win representation in the parliament, and introduced a dramatic increase in obligatory financial deposits for presidential candidates and legislative party lists (the sums for presidential candidates were subsequently reversed by legislation passed in November 2019).

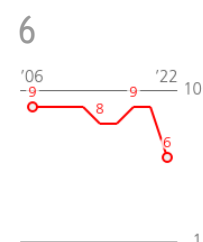
These reforms sparked a boycott by opposition parties in the parliamentary elections of April 2019 and in the May 2020 communal elections. Despite the opposition's call for a postponement of the elections due to the COVID-19 pandemic, the communal elections went ahead and were held with relatively low participation. Prescribed restrictions were not strictly followed by voters.

The presidential elections scheduled for April 2021 will take place without the participation of challengers because major opposition parties have not obtained the required number of sponsors to field a candidate, set at 16 deputies and/or mayors. The electoral administration is sufficiently independent but disorganized. The

Basic administration



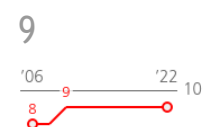
Free and fair elections



Autonomous National Electoral Commission (CENA), initially appointed on a temporary basis, was turned into a permanent body in 2014. CENA successfully organized parliamentary elections in 2015 and 2019, local elections in 2020 and presidential elections in early 2016. It is preparing to organize the next presidential elections. The voters' list compiled in 2011 is regularly updated, although there have been some protests from opposition parties. It was updated in 2020 essentially without opposition representatives. The management of the LEPI (Liste Electorale Permanente Informatisée) has been reorganized, a Council of Orientation and Supervision and a center for the treatment of biometric electoral data have been created and transformed in March 2017 into a National Processing Agency (ANT) administratively attached to the civil cabinet of the president. However, the process of updating the list and the limited financial resources allocated to managing the list has frequently created organizational problems, resulting in tensions between government and the opposition. In particular, under the rule of President Yayi, local elections initially scheduled for 2013 were postponed until June 2015 due to the non-availability of an updated list. The acceptance of elections as decision-making processes is less strong than in most consolidated democracies. Electoral violence in the aftermath of the disputed legislative elections and low voter participation in communal elections are signs of a weakening of democracy in Benin. At the time of writing, the country is preparing for the upcoming parliamentary presidential elections without the participation of opposition candidates. Out of the twenty candidates registered by the Electoral Commission, only three duos were finally selected. Opponents accuse the president of withdrawing the sponsorships and of picking his own challengers. In many ways, the next presidential elections will be a challenge in terms of voter participation, peace building and stability. This new charter is considered binding by political actors, including those who voted for it in the National Assembly, in that it requires existing political parties to achieve national coverage that is difficult to achieve.

The government has the effective power to govern. Decisions of elected officials can sometimes be influenced by third parties such as business, religious or traditional leaders, but not in a systematic way. The army, formerly a major power player, has receded from the political scene and appears unwilling to re-emerge. The peaceful and democratic transfer of power from Boni Yayi to his rival Patrice Talon is further evidence of the loyalty of the military to the laws of the republic. The appointment of the 12 prefects in accordance with the new organization of the administration into 12 departments has strengthened the capacity of the state to exercise power. However, political enclaves are more likely to exist at the local level where the elected municipal councilors enter a political field already occupied by various chiefs, notables and non-elected actors. State capacities at this level are often very low. This leads to parts of the population becoming disinterested in elected representatives and encourages them to turn to local actors that are more effective in meeting their needs, such as local customary leaders and religious service providers.

Effective power to govern



1

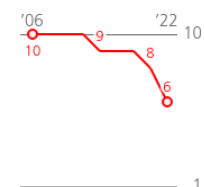
Freedom of expression is constitutionally guaranteed (since 1990) and individuals are free to organize themselves into political parties or non-governmental associations. However, the recent political reforms adopted by the Talon regime have introduced a number of restrictions. For example, the new charter of political parties adopted in July 2018 requires the mobilization of at least 1,155 founding members at the national level (15 per commune) compared with 120 (10 per department) previously. Although freedom of association is still recognized, the exercise of this right has been restricted. Thus, the right to strike for health and justice workers was removed by law. In addition, new restrictions are being placed on workers' right to strike, limiting them to a maximum of 10 days per year. These various reforms are considered to be serious threats to freedom of association and assembly. However, the unions continue to operate, representing the interests of the relatively small formal labor force – mostly public employees – but now wielding less power than before relative to the state. Civil society actors who used to play a watchdog role vis-à-vis formal politics are increasingly co-opted by the government. While this was already the case under President Yayi's rule, it has become more common under Patrice Talon, who came to power with strong support from civil society. In particular, Citizens' Alternative, the civil society coalition led by Professor Joseph Djogbénou, has become a political party and has played a major role in the last parliamentary, local and presidential elections.

As part of the restrictive measures to combat the COVID-19 pandemic, the government has prohibited meetings and assemblies of more than 50 people. As of January 2021, these measures had not been lifted, yet compliance was very low. It remains difficult to assess whether or not these measures are proportional to the threat posed by the pandemic. There is no obvious disproportionality.

The constitution guarantees freedom of expression and there is a multitude of private media that provide different opinions. State and numerous private media operate freely, but the latter are much more constrained by the financial influence of the government's communication services. There is no restriction or limit to accessing social media networks and since April 2018 the country has had a digital code that governs digital communication. Even if there is no explicit limitation on access to social media, the digital code is seen as a limit to freedom of expression and press liberty in particular. The new tax on social networks introduced by the government in July 2018 was withdrawn following strong pressure from the population, who consider the measure to be a response to criticism of the government. The regulation of the media sector combines both a public institution (the High Authority for Audiovisual and Communication, HAAC) and a professional association of journalists (the Observatory of Professional Standards and Ethics in the Media, ODEM). Domestic respect for the HAAC, once a model for the region, has suffered in the last few years due to the perception that it has lost its impartiality. The mode of appointment to the HAAC has been controversial, given that the chairman and two other members of the HAAC are nominated by the

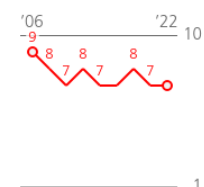
Association / assembly rights

6



Freedom of expression

7



president of Benin. Recent sanctions imposed by the HAAC on media outlets are perceived as serious threats to press freedom in Benin, because the HAAC frequently censures media outlets for defamation when they expose corruption or strongly criticize the government. There was a controversial case in December 2016. Several media outlets, notably radio Soleil FM, SIKa TV, Eden TV, and E Television, close to Sébastien Ajavon (an important businessman and presidential candidate in the last elections) were shut down for failing to respect HAAC regulations. More than a year later, most outlets were permitted to return to the air except Soleil FM and SIKa TV, which belong to Sébastien Ajavon. This decision followed Ajavon's arrest and subsequent release for alleged drug-trafficking. The daily newspaper La Nouvelle Tribune has been abrogated since May 2018. Reporters Without Borders (RSF) ranked Benin 113 out of 180 countries in 2020, a decrease of 17 points from its level in 2019. However, Benin is still in a considerably better position than its earlier ranking of 30 some years ago. Freedom House's Global Press Freedom survey did not record a similar backslide, instead consistently assessing Benin as having a lower level, "partly free," press. In December 2019, journalist Ignace Sossou was sentenced to 18 months in prison for having relayed on Twitter comments made by the prosecutor of Cotonou. Cases of arrests based on comments made via social media are increasingly frequent. During the COVID-19 pandemic, access to information has not been restricted and there are no recorded cases of harassment of journalists.

3 | Rule of Law

Separation of powers is constitutionally mandated but in practice, the president exerts strong control over the majority of democratic institutions. Benin has a presidential system in which the president frequently faces periods where the opposition has control of the country's unicameral legislative body, the National Assembly. However, following the legislative elections that led to the installation of a single party parliament consisting predominantly of supporters of the Talon regime, the parliament no longer acts as a balance to the power of the president. The judicial review by the Constitutional Court is a cornerstone of the political system and an effective check on the government and the National Assembly. The constitution provides for a simultaneous appointment of all judges, three by the president and four by the executive committee of the National Assembly. Because of the procedure to appoint judges, there have been debates over the independence of the court under the Yayi presidency. The debate continued with the Talon presidency when his lawyer, who became minister of justice in the first government, was appointed president of the Constitutional Court. The subsequent reversals of case law after Djogbénou took office suggest that the court is not fully independent. In particular, the court's most established members declared several new laws to be constitutionally compliant, including those relating to the withdrawal of the right to strike from health workers, which the previous court headed by Robert Dossou had

Separation of powers

5

'06 '22 10



1

rejected. The country did not declare a state of emergency as part of its COVID-19 crisis management strategy. The government has, however, implemented some restrictions on the number of people allowed to meet in a group, as well as movement within different regions of the country. In line with these rules, parliamentary sessions accommodated half of the MPs (41 out of 83 MPs) to respect the 50-person assembly limit.

Technically, the judiciary is institutionally distinct and operates independently, but – apart from the Constitutional Court – that independence is undermined by insufficient territorial and functional penetration. Access to courts has improved following assistance by the U.S. led Millennium Challenge Account (MCA) and by the European Union. However, corruption remains endemic: more than one-half of the country’s magistrates have been involved in financial scandals. The National Union of Benin Magistrates (UNAMAB), the trade union representing magistrates, has consistently complained about a lack of transparency in nominations and promotions. It recently issued serious criticisms of the law establishing the Court for the Suppression of Economic Offenses and Terrorism (CRIET) passed in May 2018, arguing it was unconstitutional and questioning its functioning. The CRIET has distinguished itself in the eyes of opponents to the regime. Lobbyists, friends, relatives, religious associations and other networks influence the judiciary, undermining its independence. In addition, judges can be pressured by political authorities or the state apparatus (e.g., the ministry of justice or subordinate departments). New courts have been created in several areas in the country to facilitate access to justice.

Prosecutions of the abuse of office have increased recently, due to President Talon’s commitment to fight grand and everyday corruption. Several security agents (commander level), school principals and other civil servants who squandered public funds intended for their public missions were relieved of their respective functions. In December 2018 and January 2019, several ministers and high-level personnel involved in the illegal investment of funds in ICC Services (a kind of pyramid scam) were sentenced to prison. In June 2019, the former prefect of the Littoral department was sentenced to a prison term in a land-related scandal, while in January 2021, former mayors of the municipality of Abomey-Calavi were convicted of the same crime. However, the fight against corruption by high office holders can be perceived as a witch hunt benefitting the political interests of the ruling power. In 2018, parliament authorized the prosecution of members of the government and waived the immunity of deputies in pending legal cases. The flight into exile of several people involved makes the outcome and effectiveness of sanctions uncertain. In October 2016 Transparency International published a National Integrity System assessment report, which illustrated how unfavorable economic and political structures prevent the effective prosecution of corruption. Some Beninese analysts speak of an excess of tolerance for the sake of societal peace. However, watchdog organizations such as the National Authority for

Independent
judiciary

6

'06 '22 10



1

Prosecution of
office abuse

5

'06 '22 10



1

Fighting Corruption (ANLC) transformed in April 2020 into the High Commission for the Prevention of Corruption (HCPCN), and the National Front of Anti-Corruption Organizations (FONAC) are doing their best to address the problem. HCPCN is under the control of the presidency, which may have weakened its capabilities. Since the ANLC was transformed into the HCPCN, there has been no sign of any new initiative.

Civil liberties are codified and generally guaranteed, but the legal procedures to seek redress for violations often exist only on paper and the poor level of literacy in rural areas makes the effective use of these rights difficult. In its 2020 report, CIVICUS observes that civil rights have declined in Benin in recent years. The country has been condemned by the African Court on Human and Peoples' Rights (CADHP) over several affairs, including the request to suspend the electoral process made by Sébastien Ajavon, who justified the request on the basis that his right to contest elections was not being respected.

Existing human rights violations are less the result of deliberate actions by state agents and rather the consequence of a lack of resources, especially in the prison system, where detainees can spend months or years under deplorable conditions, awaiting trial because of the large backlog of court cases within the justice system. Likewise, despite some improvements, children's and women's rights are not enforced in most rural areas.

There is a divide between northerners and southerners. The south is generally more developed, but there is no outright discrimination of northerners or of others on the basis of religion, gender and sexual orientation, although homosexuality is not widely accepted.

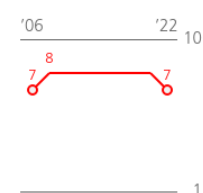
The government did not opt to implement lockdown measures in response to the COVID-19 pandemic, arguing that the country did not have the means to face the economic consequences of any lockdown. The main restrictive measure was to limit the flow of people living in the cordon sanitaire and other parts of the country in April 2020. Likewise, places of worship and celebration were closed for a short period (one month) before being allowed to reopen.

4 | Stability of Democratic Institutions

Benin has been cited as one of the most stable democratic systems in West Africa. But since 2016, the reforms initiated by President Talon have posed a serious challenge. The National Assembly, comprising MPs from the two major political parties (Republican Bloc/BR and Progressive Union/UP), functions as an institution committed to the service of the president. Other institutions are also considered to be under presidential control because they are headed by former collaborators or close friends of the president. Though progress has been made, local and regional government is still characterized by tension between traditional, appointed and elected actors. The overall performance of the administrative and judicial systems is

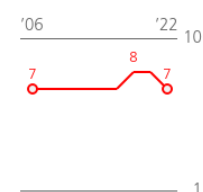
Civil rights

7



Performance of democratic institutions

7



not always efficient, due to general administrative weakness and the aforementioned lack of resources. The perception of Benin's democratic institutions suffered under the Yayi administration due to his ad hoc politics, in which he often attempted to sideline parliament and other institutions, though rarely with complete success. Democratic institutions continue to suffer under the Talon regime due to the absence of opposition within them. Parliament and judicial institutions are bereft of dissonant voices.

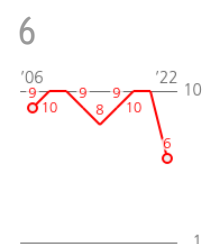
The political class and other major actors accept democratic institutions as the legitimate form of political organization. The country's democratic experience from 1991 to 2016 and its pattern of peaceful transfer of power have been major sources of national pride. This pride has waned with new political reforms that have plunged the country into a political crisis. Reforms initiated by the president, strongly contested then rejected in 2017 and then twice in 2018 by parliament, were finally approved by the new assembly in which there is no representative of the opposition. The new constitution and the new electoral laws continue to be protested against by the opposition parties, which accuse President Talon of weakening the democratic model inherited from the national conference of 1990. One implication of the new constitution was the extension of the end of the president's term by 45 days. In 2020, the method of electing mayors, which had been conducted by vote, was blocked due to the new electoral code. While in some municipalities the vote had already taken place, the process was stopped and a new interpretative law was submitted to parliament for approval. The new law enabled the installation of mayors. The COVID-19 pandemic has had no significant effect on relations between the institutions.

5 | Political and Social Integration

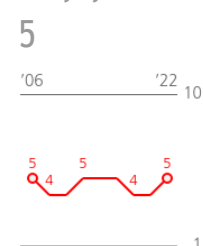
Since the advent of multipartyism in Benin in 1990, there has been a high degree of fragmentation, extreme volatility, and political parties that are usually based on regional and ethnic support. Individual leaders tend to dominate organizationally weak parties, held together by clientelist structures. Ideological polarization has been low and severe confrontations between parties rarely occurred until recently.

However, the July 2018 electoral reform that – ironically – was designed to curb the number of parties, has transformed the national political field. Ever since the renaissance of multiparty rule in 1990, the party system has been characterized by a low degree of institutionalization and high fragmentation. In the 2016 presidential election, this fragmentation resulted in an increased number of candidates from a multitude of political parties. More than 150 political parties were registered before the 2018 reform, although no more than 30 were in any politically significant. The new legal framework prescribes the required number of founding members for a legitimate political party (raising this number from 120 to 1,155), as well as establishing rules governing the public financing of parties.

Commitment to democratic institutions



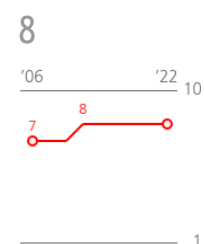
Party system



As a result of this reform, 14 political parties were able to secure their legal existence in January 2021. This reform is having a clear and significant impact on the party system and political participation. Among the new political parties formed, only two were able to take part in the legislative elections of 2019. Just five political parties, of which only one from the opposition, participated in the municipal elections of 2020. Among these, only three will manage to exceed the minimum threshold of 10% of national representativeness that will allow them to sit on municipal councils. These reforms are the origin of the political crisis that the country currently faces.

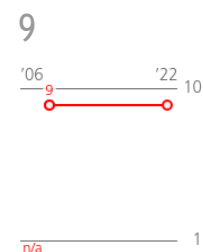
The topography of interest groups is relatively close-knit, though not all interests are equally represented. Rural and urban interests translate into the party system and explain the astonishingly high number of political parties. However, urban interests combined with personal rent-seeking are over-represented. Institutionalized trade unions have been very strong since the Marxist-Leninist period, but, in a country where the large majority of the population works in the informal economy, they only represent formal employees, mostly from the public sector. In April 2014, the trade unions were able to use strike actions to drive the government into a 26% increase in the minimum wage despite the tight national budget. However, since June 2018, the Constitutional Court has validated the new law on the exercise of the right to strike, which has weakened trade union power considerably. There has been no strike called since this law was approved. Trade union elections held in January 2021 suggest that only three trade unions and confederations are representative. Some groups of workers from the informal sectors, such as informal traders who account for 70% of non-industrial gasoline consumption, have associations whose representatives negotiate directly with the government. The NGO sector is highly dependent on foreign capital, but urban civil society has a considerable impact on the political process. The tone of protest from civil society associations further hardened during the last years of the Yayi presidency. Citizens' Alternative, the most vocal anti-Yayi civil society movement, later became a political party, which supported President Talon in the 2016 elections. The government co-opted some activists from civil society (e.g., Citizen Alternative leaders Joseph Djogbénou and Orden Alladatin) and since then, civil society has become less politically vocal, with the exception of Social Watch, which has established an initiative called the PAG Citizens' Watch. However, the majority of NGOs are less political and work in the interest of the association's aims, but also frequently in accordance with the material interests of the association's leadership.

Interest groups



Levels of approval toward democratic norms and procedures are very high, and this is reflected in the data from Afrobarometer surveys. According to Afrobarometer 2018, support for democracy is stable. 72 % of respondents considered democracy preferable to any other system of government and 96 % of respondents disagreed with the idea of abolishing elections and the National Assembly. However, the last legislative and municipal elections, which saw a low rate of participation reflect the problems of representativeness created by the new democratic system. The COVID-19 pandemic has had no visible effect on people's attitude toward the democratic institutions in Benin.

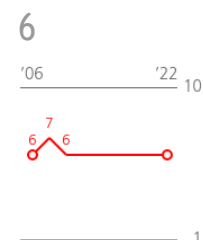
Approval of democracy



Recent Afrobarometer data published in February 2021 indicate that a majority of Beninians are satisfied with the government's reaction to the pandemic but demand more equitable policies. Satisfaction with the president and his policies has increased from 50% in 2017 to 62% in 2020, but respondents remain dissatisfied with the economic performance of the country. Trust in the president was 56% of all respondents, and only local councils and officials were trusted more (58%). However, the National Assembly and the political parties are trusted far less trust (42% and 36% respectively). The most trusted institutions are religious (74%) and traditional leaders (67%), as well as the armed forces (67%).

Social self-organization and the creation of social capital are strong, although these organizations are often locally limited and, therefore, do not cross the main linguistic and ethnic barriers (more bonding than bridging social capital). Apart from the high number of military takeovers after independence, Benin has a history of peaceful resolution of conflicts and no political violence. Social tolerance is increasing in Benin according to Afrobarometer data. This success can be attributed, among other reasons, to the Beninese's overarching trust in their society's capacity to find consensus as well as a balanced representation of the population in state institutions. Mutual trust suffered to some extent due to President Yayi's less conciliatory rhetoric. Under President Talon, tensions may have increased further due to his controversial reforms. Postelection violence was recorded during the last legislative elections. Increasing political divisions and numerous legal actions against state officials have reduced confidence, although comprehensive data on levels of trust are not available. It is difficult to assess the impact of the COVID-19 pandemic on the self-organization capacity of civil society. However, there was some adoption of e-working and increased use of ICT by civil society organizations.

Social capital



II. Economic Transformation

6 | Level of Socioeconomic Development

Benin has experienced sustained economic growth during the period of review. In July 2020, the World Bank ranked the country for the first time as a lower middle-income country. Gross national income increased from \$870 to \$1,250. However, Benin is still a long way from achieving sustainable poverty reduction. It is one of the world's least developed countries. In 2019 the country was ranked 158 out of 189 with a value of 0.545 on the Human Development Index. Benin is making progress in particular in the areas of health and income, with average economic growth rates exceeding 6% in recent years. A few years ago, Benin came close to the level of “medium human development” as defined by the UNDP, however it has plateaued since. The country exhibits social marginalization that is quantitatively and qualitatively extensive and structurally ingrained (inequality-adjusted HDI at 0.343 in 2019). Some social indicators have improved: primary school enrollment has surged, life expectancy at birth for both sexes increased by six years over the period of 2000 (55.4 years) to 2012 (61.8 years). However, this is still below the regional average increase of seven years. Data recently released by the National Institute for Statistics suggest that the majority of the population still live in absolute poverty, which has even increased since 2011: the proportion of the population with \$1.90 per day in purchasing power parity (PPP) is estimated at 59.9% in 2015. This proportion - with a threshold of \$1 per day in PPP - was 53.9% in 2011, compared to 40.8% in 2009, and 51.6% in 2007. The Gini index rose from 47.2 in 2007 to 46.3 in 2009 and 47.8 in 2015. Development is not geographically uniform, with urban and coastal areas benefiting significantly more from development than rural areas. Rising inequalities have incited internal migration (“hyper-urbanization”) and deepened dissatisfaction among underprivileged people and unemployed young university graduates. The majority of the population is engaged in the subsistence economy and the country has one of the largest informal sectors in the world. According to 2011 estimates, 90.4% of the active population were employed in the informal sector. Gender inequality is also high, with Benin scoring 0.612 in the 2019 Gender Inequality Index (ranked 148 out of 162 countries).

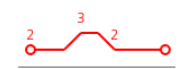
Altogether, Benin lacks the socioeconomic prerequisites for comprehensive freedom of choice.

Question
Score

Socioeconomic
barriers

2

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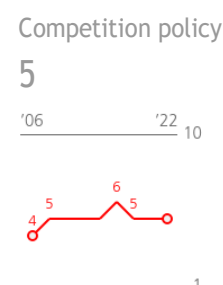
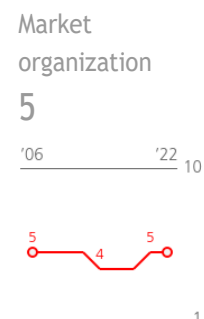
Economic indicators		2017	2018	2019	2020
GDP	\$ M	12701.7	14251.0	14391.7	15651.5
GDP growth	%	5.7	6.7	6.9	3.8
Inflation (CPI)	%	1.8	0.6	-0.7	3.0
Unemployment	%	2.4	2.4	2.3	2.5
Foreign direct investment	% of GDP	1.6	1.4	1.5	-
Export growth	%	7.0	5.0	8.6	-25.0
Import growth	%	14.3	4.8	3.4	-19.8
Current account balance	\$ M	-531.0	-648.8	-580.6	-
Public debt	% of GDP	39.6	41.1	41.2	46.1
External debt	\$ M	2794.4	3585.9	3877.8	5250.5
Total debt service	\$ M	104.1	231.4	514.0	288.8
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.5	10.4	10.3	11.4
Public education spending	% of GDP	3.5	2.9	3.0	-
Public health spending	% of GDP	0.8	0.5	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.9	0.6	0.5	0.5

Sources (as of December 2021): 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

According to estimations by the African Development Bank and the World Bank, the informal sector is dominant in Benin, although no precise and recent numbers exist. However, the basic institutional framework for market competition has been increasingly strengthened in Benin over the last two decades. The country continues to improve its ranking in the World Bank's Doing Business Report, being among the top 10 reformers since 2015 and improving its ranking to 149 out of 190 countries in 2020. According to this report, it takes 8.5 days and six procedures, with a cost of 3.4% of gross national income per capita to start a business. The World Bank judges that Benin has improved the reliability and transparency of its land administration as well as the speed of procedures related to the transfer of property. This judgment is supported by official statistics on land transactions. The introduction of deadlines for deeds of transfer of property, the new online cadastral map, and the establishment of a dispute management process have all contributed to the improved performance of the country. This progress reflects a series of ongoing initiatives from the government since 2017, such as the establishment of a one-stop shop for starting or registering a business, resolving insolvencies, heightened transparency of dealing with construction permits and fair tax registration on property. However, Benin's business environment remains poor, and the informal sector dominates the economy. There has been a remarkable expansion of the formal private sector in the last two decades. However, the formal private sector still faces numerous challenges, such as access to finance, corruption and unfair tax rates. Structural problems lay behind these constraints, according to the IMF. For example, access to credit is hindered by the absence of an effective credit registry and problems in registering property titles, while a weak judiciary prevents effective contract enforcement. Despite the progress made, poor energy and transport infrastructure constitute major challenges. President Talon presented a new plan to boost the economy through the establishment of a public-private partnership framework. Positive developments are underway through the second U.S.-funded MCA compact (2015 - 2020), which focuses on infrastructure investments in electric generation and distribution. In October 2017, Benin became a full participant in the G20 compact with Africa (CWA) initiative in the hope of attracting private sector financing for its government initiatives.

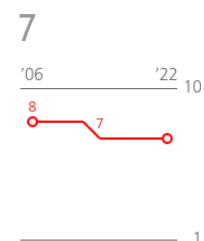
At least in principle, Benin is committed to implementing West African Economic and Monetary Union (WAEMU) community legislation on competition. The Ministry of Trade is in charge of supervision and the Authority for the Regulation of Electronic Communications and Post (ARCEP) is mandated to promote concurrence in the communication sector. In some cases, anti-trust legislation is enforced. In October 2016, the operations of the French group Canal Plus, which had breached anti-trust laws, were suspended. However, intervention is usually



subordinated to political relations. Patrice Talon's rule is problematic given his conflict of interests as a major businessman involved in strategic sectors of the economy. Talon and his family have a complete control of the cotton sector, owning 51% of the Society for the Development of Cotton (SODECO) through his private companies and controlling the remaining 49% of shares held by the state as president. Talon is also involved in the management of the Port of Cotonou, through the Import Verification Program (PVI) managed by Benin Control SA. This program had been canceled by his predecessor, but Talon chose to resurrect it. Formal antitrust rules do not affect the country's large informal sector. Although the informal sector is in general characterized by micro and small businesses, the most profitable informal economic activities, such as the re-export of goods to Nigeria, are controlled by a few powerful economic operators. This sector suffered from the unilateral closure of borders by Nigeria, between August 2019 and December 2020.

Benin has a liberal institutional trade framework, but commercial exchanges are hampered by a lack of modern technical equipment and bureaucratic barriers. Benin is a member of the World Trade Organization (WTO) and the West African Economic and Monetary Union (WAEMU), under whose rules trade is to a great extent liberalized. Benin's weighted average tariff rate is 12.3%, according to the Heritage Foundation. Benin's economic freedom score is 55.2, making its economy the 133rd most free. Its overall score decreased by 0.1 point, with an improvement in the score for fiscal health not enough to overcome falls in several other indicators. Trade liberalization has increased in West Africa due to progress toward the adoption of an Economic Partnership Agreement (EPA) with the European Union, Benin's largest trading partner, and the launch of the Economic Community of the West African States (ECOWAS) Common External Tariff (CET). Nigeria, a neighbor of Benin, and largest African economy, has not yet signed the agreement, thereby blocking its provisional application. The EPA has not been ratified by all ECOWAS member states. The EPA would commit the European Union and ECOWAS to the progressive and asymmetrical liberalization of trade, in a way that takes into account the difference in levels of development between the two blocs. It also aims to strengthen cooperation in sectors relating to trade and represents a potentially positive development for Benin. On the other hand, the implementation of the ECOWAS CET will change little for Benin, since it is already modeled on the implemented WAEMU CET, with four bands (0%, 5%, 10% and 20%). The introduction of the ECOWAS CET could however negatively affect imports to Benin, since it nullifies the advantage of importing goods from outside the ECOWAS region to Benin for re-export to Nigeria, as Nigeria has historically had much higher trade barriers. Exports passing through the Port of Cotonou have steadily declined. In 2016, the port registered a decrease of 41% from the first to the second semester. Lack of technical maintenance and corruption have contributed to this decline. To boost the profitability of the Port of Cotonou, the government opted for a public-private partnership by delegating management to the Port of Antwerp

Liberalization of
foreign trade

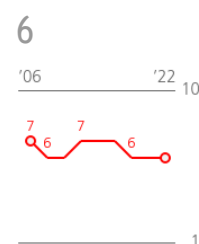


International (PAI) in January 2018. Patrice Talon has relaunched the Import Verification Program, which aims to establish an electronic system to facilitate custom procedures.

However, in August 2019, the closure of the Nigerian border as well as the economic crisis related to the COVID-19 pandemic, scuppered efforts to revive port activity. The program is also affected by a conflict of interest, since it is managed by a company owned by President Talon.

The financial sector in Benin has developed considerably from a very low starting point. It is relatively differentiated and aligned, in principle, with international standards. However, the sector suffers from institutional weaknesses. Due to a large informal economy and widespread poverty, relatively few enterprises have access to the banking system. The financial system remains underdeveloped. Banks have continued to increase their domestic assets, and there are many microfinance institutions, but overall access to credit remains limited. Assessing the quality of the banking sector quantitatively is difficult as recent numbers on non-performing loans and other indicators do not exist. However, according to the World 2016 Bank Enterprise Survey, about 92.5% of enterprises in Benin reported having a checking or saving account, while only 24.0% had a loan or line of credit. A widespread lack of property titles limits the availability of collateral, and fast and robust contract enforcement mechanisms are not available. Benin is not party to the Basel Accords, but supervision of the ordinary banking sector is relatively efficient due to regional integration. An IMF analysis in 2015 highlighted significant vulnerabilities of Beninese banks. Banks' capital adequacy has increased from 8.8% (in June 2015) to 10.6% (in December 2017), just above the 8% minimum envisaged by the Basel II agreement, yet below the WAEMU and sub-Saharan Africa averages. The ratio of non-performing loans remains high (approximately 20% in 2015), placing Benin among the worst WAEMU performers, second only to Guinea-Bissau. Difficulties in lending to the private sector have encouraged banks to lend to the state, a trend that has increased in the last decade. The predominance of the informal and subsistence economies has encouraged the diffusion of microfinance institutions (MFIs). According to IMF estimates, there were in 2015 over 700 MFIs in Benin, serving approximately 20% of the Beninese population. However, most Beninese MFIs are not legally authorized, and the large number of unauthorized MFIs increases the risk of instability. Following a remediation plan implemented in 2018, several MFIs were closed in 2018. At the end of 2019, a total of 112 MFIs were authorized to conduct all or part deposit-taking operations, lending and commitment by signature. The most important networks are the Federation of Savings Banks and Mutual Agricultural Credit of Benin (FECECAM), the National Union of Rural Savings and Loan Banks (UNACREP) and the National Network of Self-managed Village Savings and Credit Unions of Benin (RENACA). MFIs for which data was available in 2014 had a profitability ratio below average WAEMU levels, which could undermine their growth.

Banking system



8 | Monetary and fiscal stability

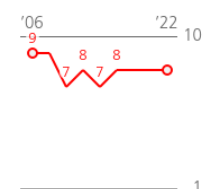
As a member of the West African Economic and Monetary Union (WAEMU), Benin cannot pursue an independent policy on currency and foreign exchange rates. The currency is pegged to the euro, and the Central Bank of West African States (Banque Centrale des États de l’Afrique de l’Ouest, BCEAO) is fully independent but heavily influenced by the European Central Bank’s anti-inflation policy. After the common currency CFA franc was devalued in 1994, inflation has remained relatively low, falling sharply to 0.9% in 2019. The IMF projects a moderate increase in inflation between 2016 and 2020, which will however remain under the 3% WAEMU convergence criteria. Data on the real effective exchange rate is not available.

In close collaboration with the IMF and the World Bank, the Benin government is committed to structurally transform the country’s economy by implementing a rigid policy with regard to public expenditure. Public debt at the end of September 2020 stood at XOF 4,290 billion (€6.5 billion) – 48.7% of GDP – including 46.6% of internal debt and 53.4% of external debt. This is below the WAEMU average of 70%. The increase in debt in 2020 reflects the government strategy to use domestic financing for capital investment projects. Ongoing reforms have created fiscal space by stimulating growth in domestic revenue. In 2020 the national budget faced the double impact of a fall in domestic income due to the pandemic and associated measures (including temporary tax cuts) and the Nigerian crisis and increased public spending. Despite several efforts to improve internal tax collection, the predominance of the informal sector poses a challenge to growing this source of income at a large scale. Nevertheless, Benin remains a country at low risk of debt distress. The current account deficit has increased moderately over the review period and is projected to represent an average of 8.6% of GDP between 2019 and 2022 and remain stable thereafter.

Benin is on the list of 25 countries to which the IMF has granted debt service relief under the Disaster Response and Relief Trust Fund. In May 2020, the IMF Executive Board approved an immediate disbursement of \$125.1 million (or 0.87% of Benin’s GDP) to Benin to address urgent financing needs to reduce the spread of COVID-19 and mitigate its economic and social impacts. Additional domestic financing for the budget plan is estimated at XOF 65.4 billion (\$109 million or 0.76% of GDP). Within the budget envelope, authorities reallocated XOF 31 billion from low priority investment projects and XOF 19.7 billion from recurrent expenditures.

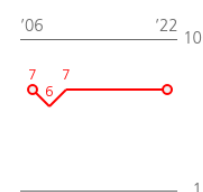
Monetary stability

8



Fiscal stability

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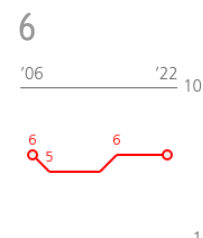


9 | Private Property

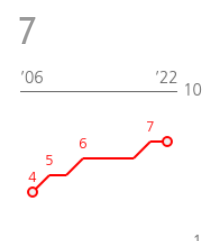
Property rights are adequately defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption and institutional pluralism. Most land in Benin is customary land and the occupants lack formal documents to prove their ownership. The conventional process for land registration is too expensive and complex for most rural land holders. Moreover, customary practice excludes or limits the access to land ownership to vulnerable groups (women, migrants, pastoralists). Benin has made a series of efforts to reform land tenure. The Rural Land Act of 2007 introduced the Rural Land Plan, a land use and tenure map that registers all rights over land and natural resources. A new land law has been adopted in 2013. The law aims to better define property rights by recognizing only the Certificat de Propriété Foncière (CPF) as a property title. The law also establishes the National Agency of Lands (ANDF), which was officially launched in 2016. The agency is supposed to deliver the CPFs and put in place an electronic system to manage information about land tenure. Although the creation of the ANDF is a positive step, the complexity of the land tenure problem encourages cautious expectations. According to the World Bank, Benin has improved the reliability and transparency of land administration as well as the speed at which the procedures for the transfer of property are conducted.

Private companies are free to operate, although institutional weaknesses pose substantial constraints on them. The Yayi presidency undertook or relaunched privatization programs in several strategic industries. The Talon administration seems intent on pursuing further privatizations rather than public-private partnerships. In addition to the privatization of the ports and the cotton sector, several other state companies and public services have seen their management entrusted to private parties (e.g., airports, school canteens, health insurance). Trade unions have voiced their opposition to these programs due to a fear of job losses. Privatizations, as well as the award of public tenders, are not always conducted in a transparent manner and there is conflict between public and private interests. Many contracts are signed over the counter, raising questions regarding their long-term security.

Property rights



Private enterprise



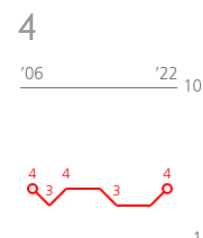
10 | Welfare Regime

General policies for providing social services are minimal, and health spending is insufficient. There is a formal minimum wage, which barely surpasses €2 per day (XOF 40,000 per month). The majority of people do not benefit from the minimum wage due to their informal employment or dependence on subsistence agriculture. Restrictions on working hours, and health and safety standards are rarely enforced. The government has made some progress, but Benin – as in most African countries – failed to achieve all the Millennium Development Goals (MDGs). Individual goals were met, particularly educational goals. However, the overall picture remains miserable, in particular with regard to an increase in extreme poverty and undernourishment. Only employees in the small formal sector can rely on pension funds. Workers are permitted to unionize (except those working in the justice and health sectors) and strike (although limited to a maximum of 10 days per year), but the existing trade unions tend to represent public sector employees, who already enjoy better working conditions than the majority of the population. Social safety nets are more efficiently provided by NGOs, and traditional clan and family structures, but their contribution to poverty reduction is hard to measure.

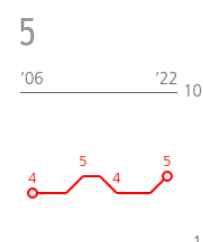
The government has initiated a Human Capital Building Insurance (ARCH) project that is expected to provide better social security, including a health insurance scheme for the population. According to data from Afrobarometer 2020, unemployment, especially that of young people, is the main problem facing the country. As part of the implementation of social measures related to the COVID-19 pandemic, the government of Benin has implemented a support program of XOF 74.12 billion, in favor of formal businesses, artisans and small traders, informal services, and vulnerable people such as the poor and extreme poor. According to an Afrobarometer survey, respondents were on balance satisfied with the pandemic measures in terms of their social impact but wished for more equitable social policies to cushion cases of hardship.

Differences in opportunities in Benin do not stem from active discrimination of particular groups but from general inequalities, mainly between an educated urban class and the majority of rural poor. Benin's level of socioeconomic inequality is relatively high compared with other West African countries. In 2019 inequality in education was 43.7% and inequality in income 32.0%, according to World Bank estimates. Benin's Gini index increased from 38.6% in 2003 to 43.4% in 2011 and 47.8 in 2015 (see also socioeconomic barriers). Discrimination based on race, gender, disability, language and social status is legally prohibited. Benin is an ethnically and religiously diverse country, and religious and ethnic groups are not discriminated against. There is no legal right for same-sex relationships and there is no legal restriction on the right of pro-LGBT rights organizations to operate.

Social safety nets



Equal opportunity

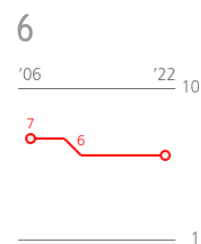


However, women and disabled people continue to experience discrimination. In 2019 Benin had a UNDP Gender Inequality Index score of 0.612, meaning it ranked 148 out of 162 countries. Although updated figures are lacking, evidence suggests that gender-based violence is widespread. In January 2012, a new law introducing harsher punishments for violence against women was adopted but is not consistently enforced. Education gender parity has increased by 20% over the last 15 years. However, women still have unequal access to secondary and tertiary education. The UNDP found that 18.3% of adult women reached at least a secondary level of education, compared to 33.9% of their male counterparts. In spite of these disadvantages, Beninese women are heavily engaged in the labor market, despite being underrepresented. Female participation in the labor market is 68.8% compared to 73.0 for men. The World Bank has estimated that 25.9% of Beninese firms have a senior female manager, compared to a regional average of 16.3%. However, the positive trend mainly reflects small firms (five to 19 employees), while larger firms are overwhelmingly managed by men. Disabled people currently receive no significant help from the state, but a draft law strengthening the rights of disabled people, together with the ARCH project launched by President Talon's administration, will offer improved support to disabled and vulnerable people.

11 | Economic Performance

The overall macroeconomic situation of the country appears stable. Benin has experienced sustained GDP growth in the last few years, with rates above 6.7% in 2019, thanks in part to an increase in public investment from 21% of GDP in 2016 to 29.6% in 2019. However, the economic slowdown of neighboring Nigeria, the closure of borders with Benin's main trading partners, and the COVID-19 pandemic have affected economic growth. The outlook for the Benin economy is positive, with GDP projected to grow at 6.7% in 2020 and 6.6% in 2021. The IMF projects a moderate increase in inflation and public debt between 2016 and 2020, but both are expected to remain under control, at 3% and 30% of GDP respectively. However, the overall level of economic performance is still poor due to the low level of industrial production and export of goods produced in Benin, a high degree of social inequality and extreme vulnerability to external factors including the COVID-19 pandemic. The top income tax rate is 45%, and the top corporate tax rate is 30% (45% for oil companies). Other taxes include a value-added tax. The overall tax burden equals 13.2% of total domestic income. Government spending has amounted to 23% of the country's output (GDP) over the past three years, and budget deficits have averaged 5.4% of GDP. Public debt is equivalent to 54.6% of GDP (according to the Heritage Foundation), which is acceptable for a developing country, but masks Benin's dependency on trade taxes. Foreign Direct Investments (FDI) saw sustained growth between 2004 and 2014, reaching a peak of 4.2% of GDP in 2014,

Output strength



but have since experienced a decline (to 2.7% of GDP in 2015, and 1.7% of GDP in 2016 and 2017). Benin's current account balance has remained consistently negative. The nominally low levels of unemployment (2.23% in 2019, a 0.15% decline from 2018) mask the predominance of the informal and subsistence economies, and extremely high levels of underemployment.

12 | Sustainability

Benin has had a legislative framework for environmental protection since 1999 and has ratified all major international environmental conventions. Environmentally sustainable economic growth received only sporadic consideration in the past and Benin ranked 167 out of 180 countries in the 2018 Environmental Performance Index (EPI). In 2020, it rose to rank 157 with a score of 30, representing an increase of 2.7 points over the past decade. Generally, environmental concerns receive rather limited consideration.

However, the 2015 Paris Climate Conference and the PAG (2016-2021) have led to a renewed interest in environmental issues. Environmental protection services in Benin and other cities have improved. In 2017 the country passed a law banning the use of plastic bags, but this has never been fully implemented. Cotonou has historically had one of the highest levels of air pollution among West African cities due to the widespread use of smuggled gasoline from neighboring Nigeria and, until 2016, a regulation on the maximum quantity of sulfur permitted in fuel which allowed 3,500 parts per million (ppm) compared to 10 ppm in Europe. However, in December 2016, after the publication of a report by Swiss NGO Public Eye accusing Swiss traders of exporting high-sulfur fuels to West Africa, Benin joined an initiative organized by the U.N. Environment Program to lower permitted levels of sulfur in imported diesel, which will fall to 50 ppm. As in many African countries, population growth increases the use of wood, which in turn deepens the massive problems caused by deforestation and forest degradation. Yet under foreign pressure and assistance, forest preservation efforts in Benin have been successful. Carbon dioxide emissions are 0.6 tons per capita.

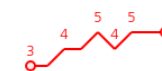
Benin has a very poor record in terms of education, training and research institutions. Public spending on education represented 2.9% of GDP in 2018. The U.N. Education Index score for Benin was a comparatively low 0.478 in 2019. Basic institutions for education, training, research and development do not function properly due to lack of support from the government. This results in a dismal literacy rate of 42.4 %, among the worst figures in the world, and even poor by African standards.

However, significant progress with regard to primary and secondary education has been made in recent years. Gross enrollment surged to 125.6%, indicating that adults are also enrolling, and progress has been made across the country, including

Environmental
policy

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Education policy /
R&D

4

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rural areas. Gender inequalities persist (0.612 in 2019), although the female to male ratios in enrollment rates in secondary education has improved (from 0.6% in 2011 to 0.7% in 2014). Formerly known as the “Latin Quarter of Africa,” the country’s academic reputation has suffered considerably due to worsening public university facilities. A handful of private institutes do not compensate for a general decline in quality of public universities. Some improvement can be observed, however, in the geographic spread of tertiary education facilities. The existing public universities in Abomey-Calavi, Parakou, Abomey and Porto-Novo have all opened campuses in provincial towns.

Governance

I. Level of Difficulty

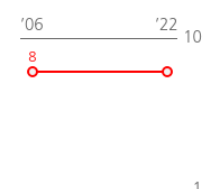
The structural constraints on governance are broad and far-reaching. The most significant constraints are unemployment, extreme poverty, a deficient education system, a lack of administrative as well as transport infrastructure, a critical undersupply of energy, and a dependency on international economic developments (cotton market, shipping and the giant neighbor Nigeria). There has been no significant benefit from the Port of Cotonou's ongoing reforms, which aim to take advantage of the country's sea access. The increasing frequency of natural disasters such as heavy rainfalls strain the state's resources, and structural poverty in large non-coastal areas persists.

Benin has shown great resilience in the fight against the COVID-19 pandemic, which nevertheless has had some impact on economic activities. The government did not opt for a lockdown, arguing that the country did not have the means to sustain the economic consequences of a cessation of economic activities. As of February 19, 2021, official statistics record a total of 70 deaths and 5,434 positive cases.

Traditions of civil society in Benin are fairly strong, at least by African standards. Even the Marxist regime of the past allowed for the operation of semi-independent trade unions and rural development associations, and a wide variety of civic and developmental associations have blossomed since the country came under democratic rule. Trade unions, the Catholic Church, which has always been a significant contributor in building political consensus in Benin, and other civil society actors played a major role during the democratic transition of the early 1990s. Though still highly dependent on the public face of well-known leaders and politicians, associative activity in Benin has been undergoing formalization. Participation in public life is valued culturally and NGOs perform an important watchdog function vis-à-vis the government. In July 2013, when there were rumors that Yayi might try to change presidential term limits, some civil society organizations, united in the Citizens' Alternative coalition, launched the so-called Red Wednesdays demonstrations. During the 2016 elections, the platform of civil society organizations deployed 2,285 election observers. Social Watch has set up an initiative called "PAG Citizen Watch (2016 - 2021)," a tool to help monitor the implementation of the Talon's Government Action Plan. During the parliamentary and municipal elections of 2019 many NGOs (e.g., Social Watch and WANEP)

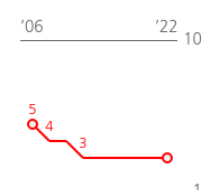
Structural
constraints

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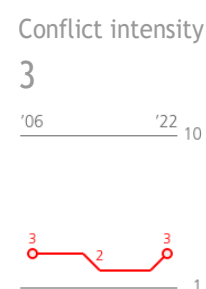
Civil society
traditions

3



called on the president to work for inclusive elections and have continued these calls for the forthcoming presidential elections. In a context of widespread poverty, however, many NGOs are highly dependent on international aid and technical support from international donors and are vulnerable to being co-opted by political actors. Given the lack of comprehensive survey data, levels of social capital and trust are difficult to measure, but unlike other countries with a record of major violence, distrust is less prevalent.

The postelection political violence in Benin following the 2019 legislative elections has broken the country's long tradition of peace. Deadly clashes took place in Cotonou in the neighborhood of former President Boni Yayi, in Tchaourou, Savè, and Parakou in the north of the country, considered the political fief of the former president. As in nearly all other African countries, Benin's society is divided along ethnic, regional and religious lines that shape political and social processes. The strongest historical divide separates the northern part of the country from the south, which historically was home to two strong kingdoms (i.e., Dahomey and Porto-Novo). The conflicts between these fragmented groups have traditionally been managed in peaceful ways; political actors trying to capitalize on ethnic or religious sentiments use their personal proximity to the people for political gain but avoid using incendiary language. President Yayi was frequently accused of favoritism toward "his people" from the north. He sometimes fueled this debate with imprudent statements. However, the north-south cleavage did not play a major role in the 2016 elections. Patrice Talon, while himself a southerner, was elected in the run-off with the support of a broad and multiethnic coalition, which included northern politicians, such as the minister for planning and development, Abdoulaye Bio Tchané. The north-south rivalry has however re-emerged after the elections. In particular, Talon's statement, that in selecting his collaborators he will disregard regional equilibrium in favor of competence, has been perceived by northerners as potentially discriminatory. In the run-up to the presidential elections of 2021, there is a potential for a resurgence of political violence due to the exclusion (due to lack of sponsorship) of two candidates from President Boni Yayi's party.



II. Governance Performance

14 | Steering Capability

President Talon, who assumed office in April 2016, is one of the country's most successful businessmen. He built his economic empire in the port and cotton industries, the most lucrative economic sectors in Benin. Talon's core presidential program is articulated in the Program of Action of the Government (PAG), made public at the end of 2016, and deals with the five-year period 2016 - 2021. The plan has three main axes: consolidating democracy, the rule of law and good governance; undertaking structural transformation of the economy; and improving the population's living conditions. The plan supports the United Nations' 2030 Agenda for Sustainable Development and would strengthen political and economic transformation in line with the BTI normative framework. It sets a series of priorities that envisage 77 political, economic and social reforms, and 299 projects, including the reform of the Beninese constitution, the reorganization of the cotton sector, the modernization of the Port of Cotonou, the improvement of the education sector, and numerous other public investments, especially in the domain energy and physical infrastructure. The plan is however judged to be over-ambitious by many observers. Financing the planned investments (€13.8 million is envisaged) will be a major challenge. To date, many actions programmed, particularly in the field of infrastructure, have been postponed due to a lack of funding. The asphaltting project for instance, which aims to build sewage systems in several cities, and which should be completed in 2018, is not even 50% completed. The government still hopes to mobilize resources from international donors and especially from the private sector, which should cover around 61% of planned investments. In addition, a law on public-private partnership was adopted in October 2016 and a National Development Program (PND) for 2025 was drawn up in May 2018 to integrate a long-term vision into the actions of the 2016 - 2021 PAG. The international economic context and Benin's vulnerability vis-à-vis the Nigerian economy will influence the pace of implementation of structural reforms. Some follow-up mechanisms to monitor the execution of the five-year plan have been put in place at the national and sector level. An interministerial committee and a permanent secretary reporting to the Council of Ministers have been established with responsibility for implementation.

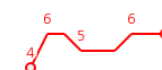
Given the relatively low impact of the COVID-19 pandemic at the time of writing, there has been no obvious impact on the prioritization of political and other transformation goals.

Question
Score

Prioritization

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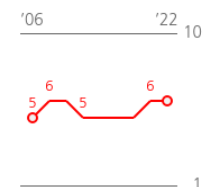
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Talon's administration has committed to the implementation of ambitious reforms. The PAG is based on three pillars: consolidation of democracy, the rule of law and good governance; structural transformation of the economy; and improved social wellbeing. By the end of Talon's first term, significant progress had been made, but several major projects such as the reform of the partisan system had negative impacts on the democratic stability of the country. Reforms in the agricultural sector have had a noticeable impact: Benin has been the leading producer of cotton in Africa since 2018. However, some of the measures taken by the government in order to implement its plan of reforms seem to have encountered opposition from workers in key sectors of the economy (e.g., agriculture, finance). There are some doubts about the social consequences of privatizations. Given his background as a businessman, President Talon is suspected of taking advantage of privatization programs for his own gain or for the benefit of his associates. On another level, the capacity of the public administration to implement reforms is weak due to a lack of personnel and specialists. To overcome this constraint, the government has created a number of new agencies. Petty corruption, bureaucratic delays and difficulties in retaining the best professionals in the state administration has negatively impacted the process of implementation of the 77 envisioned reforms. The immediate consequence of the pandemic was a drop in corporate income, which led to a temporary tax reduction. The same is true of the closing of the borders, which slowed port activity. Other than these specific instances, implementation has not been substantially affected by the crisis to date.

Some members of the current government were already involved in public affairs under Yayi's administration. Talon himself introduced the import verification reform at the Port of Cotonou and was involved in previous efforts to reform the cotton sector. Pascal Koupaki, secretary-general of the presidency, was prime minister under Boni Yayi. They appear to have learned to some extent from past experiences. At the beginning of 2016, during his election campaign, Talon made a gloomy and lucid diagnosis of the state of the country. He compared Benin to a sick man and argued that reforms were needed in all sectors. Talon's presidential program represents in several respects a break with the approach of Yayi. It proposes some innovative reforms. However, Talon's reformist intentions are not matched by a parallel evolution in the everyday practices of public officials, both in the ministries and in the local administration. The government will have to make substantial efforts to encourage the administration to take ownership of the numerous reforms announced. To improve the performance of the administration, working hours have been rearranged so as to allow officials a relatively long rest period at the end of the day. The measures taken by the government in the fight against the COVID-19 pandemic, a swift but measured reaction influenced by examples from outside Africa, have enabled the country to balance the health-related impact of the pandemic with the need to avoid the economic collateral damage of lockdown measures.

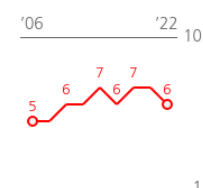
Implementation

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Policy learning

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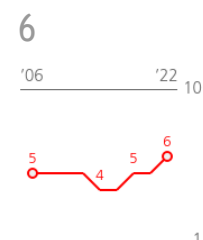


15 | Resource Efficiency

Since taking office, the Talon government has committed to reduce state expenses by reducing the size of the government (from 28 ministers in the last Yayi government to 22 ministers) and eliminating several political positions in the ministerial cabinets (e.g., attachés de cabinet 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 considerably. MPs salaries have also risen. Since 2016 substantial efforts have been made to reduce the budget deficit. The budget deficit expressed as the overall balance, basis of commitments including grants, continued to decline until 2019. It fell in 2019 to 0.5% of GDP and should stand at 1.8% of GDP in 2020. This is likely to grow to approximately 5.1% due to the impact of the pandemic. The government has indicated its desire to reduce this to 3% by 2022. The government, which includes a substantial number of technocrats, has pledged to promote merit and depoliticize the administration, by appointing high level civil servants through open competition. For the appointment of directors of administration and finance in ministries, the government has established a database of executives from which the persons to be appointed are chosen. To date however, this procedure is not yet operational and, in practice, there are still numerous clientelistic and political appointments, especially for highly sought positions (e.g., directors of public companies). To support the creation of new prefectures, the government has created departmental branches of several ministries. The creation of six new prefectures has improved central state devolution and has ensured a better coordination of public services. Formally, the country moved from six to 12 provinces (départements) several years ago, but the six new entities have never been provided the necessary infrastructure and staff due to disputes around where the prefectures should be located. Talon's government appears capable of overcoming this type of inefficiency. In January 2018, there was a merger of police and gendarmerie personnel in order to make a more efficient use of the resources available to these security agents. This has made a material difference to the security situation.

The management of the pandemic inevitably required an urgent reallocation of resources. In this context, the government approached the National Assembly in October 2020 with a request to adjust the general state budget. A corrective finance law was approved by parliament, taking into account the economic effects of the pandemic.

Efficient use of assets

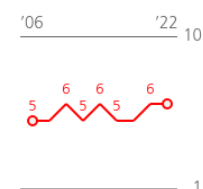


While under the Yayi government the coordination of public policies was ensured by the Ministry of Planning and Development, the Talon government has put in place a coordination mechanism attached to the general secretariat of the presidency of the republic. This new body, directed by former presidential candidate Pascal Koupaki, receives information from ministries and reports to the president. Similarly, an Office of Analysis and Investigation (BAI, headed by Johannes Dagnon, cousin and close friend of the president) has been created to monitor the activities of each sectoral ministry. With this structure, the coordination of government work has become highly centralized. It has been criticized for being administratively burdensome and some observers contend that it unfairly limits the power of ministers. In the ministries, the directorates for planning and forecasting are supposed to ensure the implementation of reforms. In practice, however, there are enormous obstacles to effective coordination, stemming in particular from competition between different branches of the administration and between the administration and the informal network around the president. The coordination of activities during the COVID-19 pandemic has been limited due to new modes of working (e.g., primarily digital/online).

In principle, the struggle against corruption has been a priority of Talon's government. However, in practice, corruption remains widespread. Efforts to repress large-scale corruption are hampered by the fact that those involved often enjoy clientelistic relationships with the incumbent regime. During Yayi's rule, some prominent corruption cases were publicly revealed only following pressure from foreign donors, such as in 2014 with the embezzlement of XOF 2.6 billion (€3.96 million) from a donor-funded project to improve access to clean water and sanitation. Talon's government has nevertheless made an effort to fight corruption. Several high-ranking Beninese executives have been prosecuted, as in the Metognon-BIBE case, in which several executives were guilty of collecting wine deposits and making a high-risk investment of public money in a bankrupt bank. Similarly, the National Assembly authorized the prosecution of several ministers serving President Yayi who were accused of corruption, as well as removing the immunity of deputies accused of corruption. The Court for the Suppression of Economic Crimes and Terrorism (CRIET) was created in August 2018. The National Anti-Corruption Authority (ANLC) created in 2011 was replaced in April 2020 by the High Commission for the Prevention of Corruption. Petty corruption, involving low-ranking civil servants and members of the security forces, as well as large-scale and national level crimes are investigated by the court. The replacement of the ANLC, which was an independent body, with the High Commission for the Prevention of Corruption placed directly under control of the president, is considered a weakening of the capacity to fight corruption. In fact, since its establishment, this new body has made little impact. Hence, government measures to tackle corruption face continued challenges. High-ranking politicians and civil servants are obliged by the law to disclose their assets, but in practice this is not

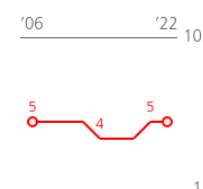
Policy coordination

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Anti-corruption policy

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respected. A report published in May 2016 revealed that only four out of 21 members of the incumbent government had disclosed their private assets when they took office. President Talon was not among these four. A more recent report (2018) indicates that this situation has not changed.

16 | Consensus-Building

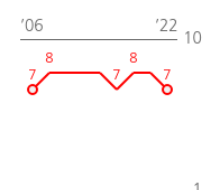
There is a broad consensus among all relevant actors concerning the value of Benin's democratic institutions. Despite lively debates on how exactly a democratic government should act, all actors agree that peace and democracy are the country's pride. All actors acknowledge the progress Benin has made since 1990 and the necessity of further deepening democratic governance. However, several observers believe that democracy has been weakened since President Talon's arrival, particularly with the adoption of new laws such as those prohibiting health and justice workers from exercising the right to strike and reforms to the electoral code with its restrictions on the registration of political parties for elections. The right to vote and electoral participation have both been weakened in recent years, leading to postelection violence. Many observers believe that the political reforms initiated by President Talon aimed to exclude certain opposition parties and political actors from power. However, in the implementation of democratic procedures, many political actors appeal to undemocratic means such as buying votes and the use of public goods for personal ends.

Not all major political actors agree on the goal of building a liberal market economic system that is socially balanced. Motives vary. A segment of the population relies on the income from illegal smuggling activities. Many political actors hesitate to support privatization and a substantial reform of the civil service. Some entrepreneurs are not eager to create more competition as they enjoy the benefits of near monopolies or oligopolies. Some politicians adhere to the French-inspired idea that crucial industries should be in the hands of the state. At the same time, only the Communist Party of Benin (PCB) is calling for a return to a command economy. President Patrice Talon, who is a businessman, is in favor of a policy of privatization of state companies.

In 2006, defying all predictions, President Kérékou, once the main veto player, abided by the constitution and left office. Since then, democratic actors have successfully and permanently co-opted all veto actors. In the period under review, no openly anti-democratic actors have emerged. Despite accusations from the opposition of having authoritarian aspirations, Boni Yayi, like Kérékou, kept his commitment to leave office after two mandates. The military, a highly influential veto player throughout the country's history, has apparently developed a more republican spirit and stays out of politics. President Patrice Talon has demonstrated his commitment to respect for democratic principles and peace. However, recent

Consensus on goals

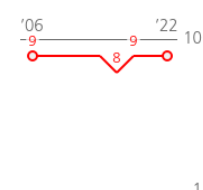
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Anti-democratic actors

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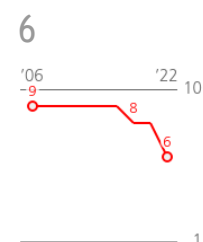
political violence and prosecutions, a parliament comprised exclusively of one party, limitations on the freedom of the press, the legal actions targeting the political opposition, and the potential of spillover effects from Jihadist movements in neighboring countries all underline the potentially fragile democratic consensus.

Another threat may emerge from the rise of piracy in the Gulf of Guinea, including in Benin's waters. The IMB's Piracy Reporting Center recorded 84 attempted and successful attacks in 2020, up from 64 in 2019 (and the same as the 82 in 2018). Most attacks were kidnapping attempts (of the crew for ransom). The region is now the location of over 90% of the world's reported kidnappings at sea.

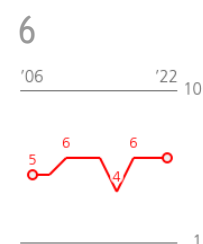
In stark contrast to neighboring countries, national unity is not an empty phrase in Benin. Credit for this success is attributable to the overall policy of all governments since 1990 and the country's political culture. During the second term of the Yayi presidency, however, the polarization between supporters and opponents of the president increased, taking on, at least in part, an ethnoregional character. When government critics who believed Yayi intended to stay in power beyond 2016 began to protest, government supporters immediately responded by organizing White Friday marches, instead of opening a peaceful dialogue with the opposition. Yayi's withdrawal from politics at the end of his presidential term and the election of a new president led to a temporary depolarization of the political environment. However, recent reforms to the party system and the constitutional revision, adopted by force, has plunged Benin into a deep political crisis. To resolve the postelection crisis of 2019, President Talon convened a political dialogue in October 2019 that resulted in the release of several political detainees and the participation of some parts of the opposition in the municipal elections of May 2020. However, the president is perceived by some supporters of Yayi as being unfavorable to northern citizens and his public commitment to privilege competence over regional equilibrium in political appointments is viewed with suspicion. Since his election Talon has replaced many Yayi loyalists at the upper levels of the administration with people who supported him in the first round of elections, a practice perceived by other political groups as divisive.

The political leadership takes into account the interests of civil society actors because of their significant power to mobilize. However, there are few institutional mechanisms for the systematic accommodation of civil society interests within the government's policymaking process. It is a widely held view in Benin that civil society activists are appointed to cabinet as a means of co-opting them and quelling their criticism. Regardless of the motives for their appointment to cabinet, their presence suggests an acknowledgment in government of the need to give civil society actors careful consideration. This willingness decreased in the last years of the Yayi presidency when inclusion was partially replaced by confrontation. In contrast, support from civil society organizations, in particular Citizen Alternative, was an important factor behind Patrice Talon's election as president. Talon's

Cleavage /
conflict
management



Civil society
participation



election has inaugurated a new period of co-optation of prominent civil society leaders, who now occupy positions in the government (e.g., Citizen Alternative leader Joseph Djogbénou has been justice minister and is now president of the Constitutional Court) and in the National Assembly (e.g., longtime civil society militant Orden Alladatin is now a member of parliament). This potentially weakens the capacity of civil society to perform a watchdog role. Communication with the rest of civil society does not seem a priority for Talon, who, in contrast to Boni Yayi, is known to be secretive and dislikes contact with the public. Although the Talon administration signed at the end of August 2016 a Charter of Social Dialogue with the non-communist trade unions, Talon's governance style and his privatization reforms seem to have alienated workers' associations, who have expressed vocal criticism. Civil society has also been active in the fight against the COVID-19 pandemic through awareness-raising activities and acts of solidarity and support for communities. But these actions have rarely been coordinated with those of the government.

Although systematic torture was employed under the first Mathieu Kérékou regime, no relevant political actor in the country has expressed a desire for large-scale reconciliation. Victims of torture are recognized, however, and they are eligible to receive a small pension. The National Conference in February 1990 successfully brought an end to Benin's authoritarian period of history. Kérékou was forced to resign from office and was granted amnesty for acts committed during his rule. After the postelection violence of 2019, president Talon initiated a political dialogue which began in October 2020. Several political parties from the opposition and the protest movement participated. At the conclusion of the dialogue, political actors of all stripes established a consensus around 18 key recommendations, the gradual implementation of which should help thaw the political crisis. However, more than a year since the dialogue was concluded, the political climate is far from calm. There are already many voices calling for the government to initiate some kind of reconciliation process before any future presidential election.

Reconciliation

n/a

'06 '22 10

n/a

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17 | International Cooperation

Given its dependence on foreign assistance, Benin has limited agency over accepting or refusing international aid. Development partners have faith in Benin's attempts to advance the consolidation of democracy but are increasingly alienated by the prevalence of corruption and mismanagement in the state administration. As a poor country without substantial natural resources, Benin has very little negotiation power vis-à-vis its international partners. This means that, although the government has nominally relative discretion on the allocation of aid, which is to a large extent disbursed as budget support, international partners are able to strongly influence the country's policies and priorities. Benin's historical prioritization of macroeconomic stability over other socioeconomic goals can be seen at least in part

Effective use of support

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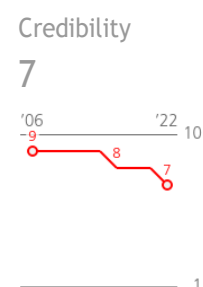
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as a response to external concerns. Moreover, under pressure from international donors, the Beninese leadership frequently tends to initiate programs without a serious commitment to effective implementation. Benin is trying to diversify its international relations, but, in spite of important trade links with China, India and Thailand, Western countries remain Benin's most significant partners. Since 2017, the country has been part of the G20 compact with Africa (CWA) in the hope of encouraging private sector financing for its PAG. The international community has demonstrated its solidarity with Benin in the face of the COVID-19 pandemic: in January 2021, the European Union mobilized €46.56 million on behalf of the Beninese government. This amount is intended to support the most vulnerable in Benin and help the country maintain its macroeconomic stability.

Having honored its international commitments, the government is generally considered a credible and stable partner by foreign governments, international organizations and the NGO community. Benin cooperates willingly with the United Nations and the International Court of Justice. On the other hand, following several declarations made against the government by the African Court on Human and Peoples' Rights (CADHP), the country decided to withdraw from the African Court of Human Rights. Benin no longer allows its citizens and civil society organizations in the country to appeal to this African jurisdiction in the event of a violation of their rights.

Benin also continues to contribute a significant part of its military to U.N. peace operations. However, the country's reliability suffers from delayed policy implementation, occasionally for opaque reasons. The IMF strongly criticized the management of public finances and the opaque award of public tenders during the last period of the Yayi administration. However, the Talon administration seems to have regained the IMF's confidence. Major donors continue to support Benin. The U.S. began in September 2015 a second Millennium Challenge Account (MCA) compact (2015 - 2020) with Benin, amounting to approximately \$375 million for power supply and economic growth. In 2016 the European Union and the Beninese government signed a five-year Good Governance and Development Contract for €114 million, of which €103 million will be disbursed as budget support. The European Union insists that its aid should be spent on improving the transparency of public finances, anti-corruption initiatives and reinforcing the rule of law. Inconsistencies in regulation and law enforcement, and a voiceless parliament, make Benin a challenging investment partner. However, economic cooperation with other southern hemisphere countries is less hampered by these kinds of challenges. Government engagement in international or multilateral efforts to coordinate a response to the COVID-19 pandemic has not been questioned.

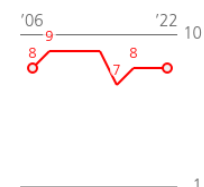


Benin has been a strong supporter of the regional WAEMU convergence schemes and fulfills the required four primary criteria of the planned West African Economic Union. Due to its limited economic and political weight, Benin cannot become a driving force behind increased integration. It strongly supports both ECOWAS and the AU, but, as a small country, Benin is certainly much less influential than players like Nigeria or South Africa. The country has a good record on the peaceful resolution of border conflicts. Border disputes with Burkina Faso, Niger, and Nigeria were peacefully settled by international bodies like ECOWAS or the International Court of Justice, or, if still unsettled, do not pose a major threat to bilateral relations.

Benin is also participating in regional peace support operations. In 2013, it sent 300 troops to Mali as part of the African-led International Support Mission to Mali (AFISMA). In March 2016, the Yayi administration announced the deployment of 800 soldiers as part of the Multinational Joint Task Force set up to fight Boko Haram in northern Nigeria, but the Talon administration has reduced the number to 200, citing financial and logistical difficulties. However, observers raise serious doubts about the government's capacity to handle the potential influx of Jihadists from Mali and Nigeria, bringing with them the danger of domestic radicalization. In particular, observers are concerned about the more remote and less developed areas of the north of Benin, where Muslims comprise a greater percentage of the population, including the national park where two tourists were kidnapped and their guide killed in June 2019.

Regional cooperation

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Strategic Outlook

The implementation of the contentious political and constitutional reforms initiated by President Talon following his accession to power in April 2016 have highlighted the limits of the stability of the Beninese democratic model that has long been cited as an example in West Africa. In April 2019, the country experienced electoral violence that resulted in deaths and material damage. Electoral competition, which was previously open, is now subject to legal restrictions which have resulted in the absence of opposition in parliament and the exclusion of a substantial segment of this opposition from the various elections organized by the Talon government. Future policies need to take Benin back toward democratic elections. A national dialogue should debate how to ease the restrictions on opposition parties.

The country now faces a potential danger to its stability in the form of the presence of terrorist groups in the western border area. To date radical Islam has remained marginal and religious tolerance continues to prevail. However, the porosity of Benin's borders could lead to the influx of more jihadists from neighboring countries. As a consequence, both the Beninese government and donors must take preventive measures to avoid the spread of violent religious extremism in the country. This is all the more important for the upcoming presidential elections, scheduled for April 11, 2021.

On the economic level the country has made progress, for instance in having brought the budget deficit under control. The government is committed to an ambitious development plan and should continue to pursue this. President Talon is promoting a model of public-private partnerships as a means of financing 61% of planned investments. Planned investments include programs to improve infrastructure, particularly in the domain of energy, and to improve Benin's underperforming education system.

Macroeconomic indicators have remained positive. Economic growth prospects are good but remain vulnerable to external shocks, especially excessive rainfall, global cotton and oil prices, changes in Nigeria's economic situation and the COVID-19 pandemic. The country continues to be characterized by widespread poverty despite being classified for the first time by the World Bank as a middle-income country.

The social record of the Talon government is less glowing than the economic one due to large-scale youth unemployment and general underemployment. Social and regional inequalities are on the rise, the informal sector continues to dominate the labor market and Nigeria's economic slowdown and its border closure have all affected economic growth in Benin. The government must be vigilant toward these risks.

Another key area for reform is government capacity. There are serious doubts about the capacity of the government to effectively implement public policies to boost economic development and reduce poverty. The administration is under-resourced and corruption remains widespread. The

fight against corruption led by President Talon will ultimately strengthen good governance and thus create an environment favorable to the financing of public services and works. Some problems are linked to Talon's coherence in implementing his policy of "rupture." Nominations under the Talon presidency have continued to be based on political loyalty and some observers suspect the president of using his position to further his private business interests.

Talon's background and personality also affect his capacity to engage with popular constituencies. Currently, Talon appears to think that a state can be administered as a private enterprise. He has demonstrated a disregard for regional and gender equality in political appointments and is yet to prove his commitment to social justice. This attitude could undermine the popularity of his presidency, especially among young people, who have high expectations and are most affected by underemployment.

The basic preference for a market economy is sufficiently rooted. However, Benin's extreme economic vulnerability could lead to economic stress and political protest.