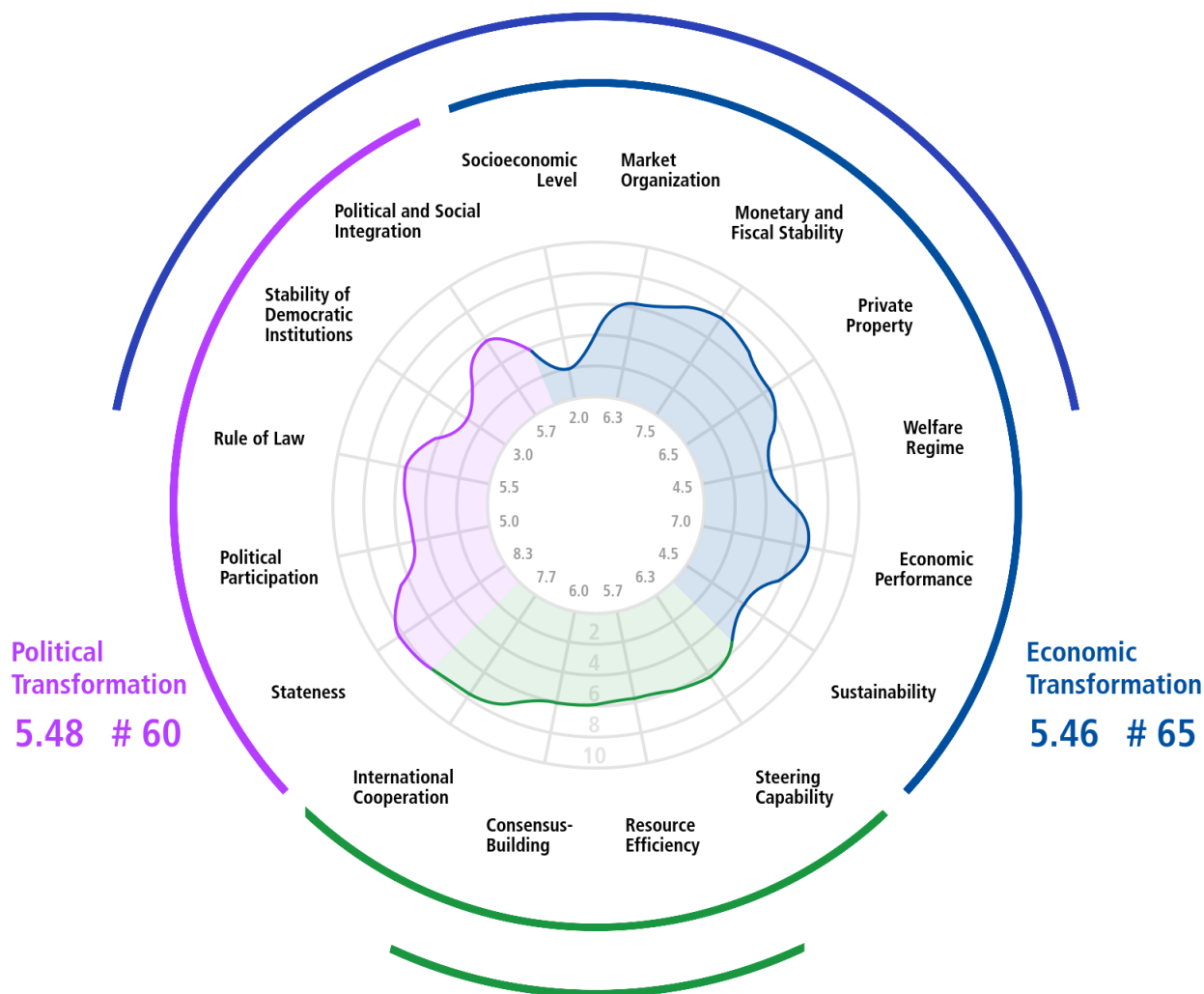


Benin

Status Index

5.47 # 62

on 1-10 scale out of 137



Political Transformation
5.48 # 60

Economic Transformation
5.46 # 65

Governance Index

5.80 # 31

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2024**. It covers the period from February 1, 2021 to January 31, 2023. 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	13.4	HDI	0.525	GDP p.c., PPP \$	4056
Pop. growth ¹	% p.a.	2.7	HDI rank of 189	166	Gini Index	37.9
Life expectancy	years	59.8	UN Education Index	0.443	Poverty ³	% 53.2
Urban population	%	49.5	Gender inequality ²	0.602	Aid per capita \$	64.9

Sources (as of December 2023): The World Bank, World Development Indicators | UNDP, Human Development Report 2021-22. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.65 a day at 2017 international prices.

Executive Summary

President Talon, who was re-elected in April 2021 following elections that were contested by the opposition, will remain in power until 2026. This gives him the opportunity to continue implementing the reforms he began in 2016. However, Benin's democratic system has become fragile, due to reforms to the party system and the new electoral code adopted in 2018. The country experienced deadly electoral violence in 2019 and 2021. Following the recent elections in January 2023, the opposition party Les Démocrates, led by Boni Yayi, Talon's predecessor, holds 28 seats in parliament, replacing the previous mono-colored Bloc Républicain (BR) and the Union Progressiste (UP) parliament (2019 – 2023). This shift provides the opposition with a platform for criticizing Talon's dictatorial tendencies and exercising control over government actions. The new parliament demonstrates progress in gender representation, with women occupying 26.60% of the seats, a notable increase from less than 10% in all Benin's parliaments since 1990. However, voter turnout has significantly declined since 2019, indicating apathy and a lack of confidence in the government, institutions and political processes.

The government's Action Program (PAG) implemented between 2016 and 2021 has yielded visible effects, particularly in infrastructure development, modernization of administrative services and urban living environment improvements through the paving project. A new PAG for the period from 2016 to 2021 aims to build upon the previous achievements, with a focus on industrial growth. In 2021, the economy experienced a strong rebound, with an estimated growth rate of 7.2% compared to 3.8% in 2020. Overall revenues have increased, and GDP per capita increased from \$3,505 in 2020 to \$3,769 in 2021, reflecting a growth rate of 3.8%. Nevertheless, challenges such as resource mobilization, resilience to external shocks and the impact of the Russia-Ukraine war, which has led to global food and oil price surges, persist.

Benin faces a growing threat of terrorist activity in its northern regions, originating from Islamist militant groups affiliated with al-Qaida and the Islamic State group in Burkina Faso and Niger. Currently, attacks are sporadic and limited mainly to border areas. Benin has taken several

measures to counter this escalating threat. The defense budget increased by 12.2% in 2022 and the country has diversified its military partnerships. Benin is strengthening security cooperation with Rwanda and the United States, while increasing its active engagement in regional counterinsurgency efforts, and maintaining its longstanding security partnership with France.

History and Characteristics of Transformation

Following independence in 1960, Benin experienced a period of political instability and military interventions. The last coup took place in October 1972, resulting in 17 years of military rule under Commandant Mathieu Kérékou, who established a Marxist-Leninist regime. However, due to economic failures and loss of support from the Eastern Bloc, the regime collapsed. In 1990, the National Conference, comprising politicians and civil society leaders, voted overwhelmingly to adopt a multiparty system, making Benin a trailblazer for democratization in Francophone Africa.

The first free and fair elections in 1991 resulted in the victory of the transition government of Prime Minister Nicéphore Soglo, solidifying the new political order outlined in the 1990 constitution. Kérékou returned to power in the presidential elections of 1996, surprising many with his win, and was re-elected in 2001. Outsider Thomas Boni Yayi triumphed in the 2006 presidential elections, showcasing the competitive nature of Beninese politics and the limited relevance of political parties. Yayi's unexpected re-election in 2011, without a runoff, triggered allegations of fraud from the opposition. During his second term, Yayi faced increasing criticism for his perceived authoritarianism.

In 2012, President Patrice Talon, a wealthy businessman, was accused of plotting against Yayi and attempting to poison him. Although Yayi eventually pardoned Talon in 2014, the incident, known as the Talon Affair, exposed the fragility of democracy in Benin and polarized the country. Contrary to rumors, Yayi did not attempt to modify the constitution to run for a third term. In the 2016 elections, former Prime Minister Lionel Zinsou ran as the presidential candidate for the pro-Yayi party, Cowry Forces for an Emergent Benin (FCBE). However, Talon, running as an independent, emerged victorious in the runoff, garnering support from defeated first-round candidates and defectors from the FCBE.

Talon's 2016 presidential victory was based on his promise to break with the tendencies of Yayi's controversial presidential administration. He pledged to defend and strengthen Benin's democratic institutions, including limiting the presidential mandate to a single term and modernizing the economy. Upon taking office, Talon initiated numerous political, institutional and economic reforms, outlined in the Government's Action Program (PAG) for 2016–2021. However, he faced strong opposition from political actors. In April 2017, his constitutional reform process in the National Assembly lacked support from opposition members of parliament. Nonetheless, a new law was successfully adopted, changing the partisan system, and parliamentary elections were held in April 2019 without the participation of opposition parties. Only two pro-Talon political parties, the Republican Bloc (BP) and the Progressive Union (UP), participated in this election, which had

low voter turnout (22.99%), electoral violence in several cities and sparked a serious political crisis. Supporters of former President Boni Yayi protested the election, leading to confrontations with the police and army. The new assembly favored the regime and proceeded to revise the constitution in November 2019. The opposition was subsequently absent from elections in 2019 and 2021.

Benin's democratic development has faced significant challenges. The 2019 and 2021 elections were marred by violence and a heavily skewed electoral code disadvantaged opposition parties. Voter turnout plummeted to just over 20%. However, the legislative election held in January 2023 occurred in a relatively open political landscape, with seven parties participating – four aligned with Talon and three in opposition. The Union progressiste and the Bloc républicain, the two governing parties, secured 81 out of the 109 seats in parliament. New electoral rules guaranteed at least 26 seats for women, resulting in women winning 29 seats (26.60%).

After the fall of Kérékou's Marxist-Leninist regime in 1991, Benin initially experienced a successful economic transformation with strong support from international donors. The Soglo presidency implemented radical reforms, resulting in his electoral defeat in 1996. While Kérékou's return to power did not significantly alter the strategy for reforms, economic progress stagnated during his presidency. Yayi's victory in the 2006 elections raised hopes for combating corruption and advancing the economic transformation, but his performance left many Beninese disappointed. The Talon government, elected in 2016, announced economic reforms but faced challenges in mobilizing funds for implementing the flagship projects outlined in the PAG. Nonetheless, Talon made some progress, particularly in vital sectors like agriculture and port activities. However, his status as a prominent businessman potentially conflicts with his commitment to economic transformation.

In the 2021 election, Talon was re-elected, against his initial promise to serve only a single term. The election was conducted under restrictive rules that prevented many opposition politicians from running. Under the Government Action Program (GAP II) for 2021 – 2026, Talon announced a continuation of previous policies, though with increased focus on addressing social issues.

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 maintains nationwide control over the use of force. There are no active armed rebel groups originating from Benin within the country. However, in recent months, Benin has faced jihadist attacks from neighboring countries, particularly Burkina Faso. Since 2019, terrorist attacks and kidnappings have been on the rise, with the northern region experiencing regular infiltrations by terrorist groups. Areas such as the W and Pendjari national parks, as well as the Alibori and Atakora regions, have been particularly targeted. Several attacks on police stations have also been reported, primarily in the north of the country. In response, Benin is on high alert for terrorist activities. The government has increased its military presence at border bases. There has been an increase in reports of radical Islamic preachers entering the country. To combat this, the government has established the National Commission to Combat Radicalization, Violent Extremism, and Terrorism (CNLRET).

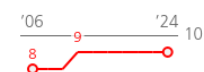
In rural areas, conflicts between herders and farmers have been reported, especially in the lower Ouémé Valley and the Niger Valley, where groups that also settle in Niger and Nigeria reside. The peaceful parliamentary elections held in January 2023 provide hope for a return to social cohesion. However, crime remains a serious issue that has not been effectively addressed. Incidents of road and armed robberies occur regularly, despite the merger of the police and gendarmerie into a unified force called the Republican Police in January 2018, with the aim to enhance crime-fighting capabilities.

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. Government 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, an NGO report identifies 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-

Question
Score

Monopoly on the
use of force

9



1

State identity

9



1

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 would 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.

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). 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. For instance, President Talon met with all the religious leaders after taking office, asking them, among other things, to stay away from politics. Under his government, a law allowing abortion was adopted in 2021 with almost no major contestation, especially from the Catholic Church.

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, especially in the north, has materialized in recent months, although only in rather isolated incidents. Individual extremist preachers are common, though there is no reliable information about either the extent of their influence or their connection to jihadist groups.

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 deficient, 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 World Bank development indicators published in 2022, 65.4% of the population has access to a basic water source, 17% has access to basic sanitation and 41.4% has access to electricity. These figures mask disparities between urban areas, which are generally well provided for, and rural ones.

The transport infrastructure is insufficient, making it difficult to transport people and goods from the countryside to urban centers.

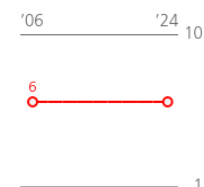
2 | Political Participation

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 erected a major barrier that severely limited the participation of several political parties in the April 2019 legislative elections and hindered opposition candidates in the following elections. These barriers included a dramatic increase in the deposit candidates have to pay (nonrefundable with less than 10% of votes), demanding that presidential candidates be sponsored by at least 10% of members of parliament and mayors, requesting that candidates include proof they owe no taxes in their applications, and increasing the costs for setting up political parties. All these provisions contribute to restricting political and electoral spaces. As a result, it became easy for whoever is in power to decide: (i) who can be presidential election candidates by controlling the sponsorship process (as in 2021), (ii) who can be candidates for legislative elections (like the legislative elections in 2023, when people on the opposition party's list were denied proof of no tax obligations).

These reforms sparked a boycott by opposition parties in the parliamentary elections of April 2019 and in the May 2020 communal elections. The presidential elections held in April 2021 took place without the participation of opposition candidates, such as Rekyia Madougou and Joel Aivo, who were rejected because they had not obtained the required number of sponsors to field a candidate, 16 deputies and/or mayors. The electoral administration is sufficiently independent but disorganized. The Autonomous National Electoral Commission (CENA), initially appointed on a

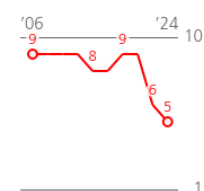
Basic administration

6



Free and fair elections

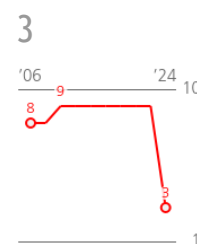
5



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. In March 2022, a technical body, the General Direction of Elections (DGE), was set up to support CENA in the organization of elections. The January 2023 elections that followed were thus organized more successfully than the previous ones. The voters' list compiled in 2011 is regularly updated, although there have been some protests from opposition parties. It was updated in 2020 and 2022 essentially without opposition representatives. The management of the LEPI (Liste Electorale Permanente Informatisée) has been reorganized. In March 2022, the Agence Nationale d'Identification des Personnes (ANIP) was entrusted with the management of the electoral list for the 2023 legislative elections in accordance with the new electoral code. However, updating the list and the limited financial resources allocated to managing it 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. Electoral violence in the aftermath of disputed legislative elections and low voter participation in communal and parliamentary elections are signs of Benin's democracy weakening. Presidential elections in 2021 were held without participation by opposition candidates. Out of the 20 candidates the Electoral Commission registered, only three pairs were finally selected. Opponents accuse the president of withdrawing sponsorships and of choosing his own challengers. Things were relatively open during the recent parliamentarian elections held on January 8, 2023, when seven political parties were in competition. Finally, in the new National Assembly that took office in February 2023, the opposition party, Les Démocrates, has 28 seats and the Union Progressiste and Bloc Républicain that support President Talon have 53 and 28 seats, respectively.

The government has the effective power to govern. However, it remains unclear whether the president was democratically elected. 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 who are more effective in meeting their needs, such as local customary leaders and religious service providers.

Effective power to govern

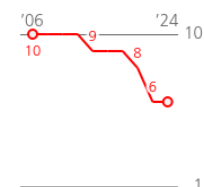


Freedom of expression is constitutionally guaranteed (since 1990) and individuals are free to organize themselves into political parties or non-governmental associations. However, the recent political reforms adopted by the Talon regime have introduced a number of restrictions. For example, the new charter 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 2018 and then for workers in the transportation, airport and hydrocarbon sectors in 2022. 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.

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 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 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 with the shut down of several media outlets, notably radio Soleil FM, SIKI TV, Eden TV and E Television, close to Sébastien Ajavon (an important businessman and presidential candidate in the last elections). The daily newspaper La Nouvelle Tribune has been

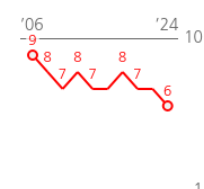
Association / assembly rights

6



Freedom of expression

6

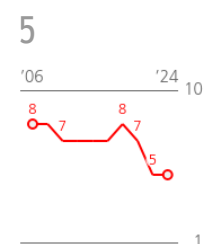


abrogated since May 2018. Reporters Without Borders (RSF) ranked Benin 121st out of 180 countries in 2022, a decrease of 7 points from last year and 25 points from its level in 2019. However, Benin is still in a considerably better position than its earlier ranking of 30 some years ago. Freedom House’s 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. Since February 2023, the journalist Virgile Ahouanse, director of Crystal News, the online radio station, has been persecuted for broadcasting testimony about extrajudicial killings at a primary school in Porto Novo. The deteriorating situation in the north led to violations of the freedom to engage in journalism. Several reporters were arrested and a foreign journalist was deported.

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 April 2019 legislative elections that led to the installation of only the Bloc Républicain (BR) and the Union Progressiste (UP), the main parties allied with Talon’s regime, parliament no longer acts as a balance to the power of the president. This will continue, as both UP and BR retain a majority in the current parliament with 83 of the total 109 seats. 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 (June 2018 – July 2022). 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 rejected.

Separation of powers



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. President Talon named his personal lawyer, Joseph Djogbénou, Constitutional Court president in 2018. Djogbénou stayed in office until July 2022.

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 and 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 of 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.

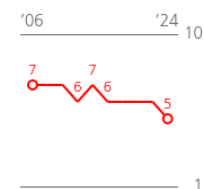
Prosecutions of the abuse of office increased in recent years, due to President Talon’s commitment to fight grand and everyday corruption. Several security agents (commander level), school principals and other civil servants who squandered public funds intended for their public missions were relieved of their respective functions. For instance, 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 2018 and 2019. In January 2021, former mayors of the municipality of Abomey-Calavi were convicted of the same crime.

However, attempts to fight corruption by high officeholders are sometimes perceived as witch hunts that benefit the political interests of the ruling power. For instance, the U.S. State Department reports that in December 2021, following one-day trials based on virtually no evidence, the Court for the Repression of Economic and Terrorism Infractions (CRIET) convicted opposition presidential candidates Joel Aivo of money laundering and crimes against the security of the state and Reckya Madougou of terrorist financing. CRIET sentenced Aivo to 10 years of imprisonment and Madougou to 20 years. Madougou was not allowed to question key witnesses and one of her attorneys questioned CRIET’s impartiality.

Generally, watchdog organizations such as the National Authority for 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.

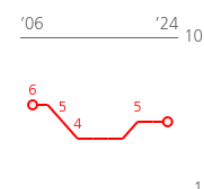
Independent judiciary

5



Prosecution of office abuse

5



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.

In March 2021, the country withdrew from the African Court of Human and Peoples' Rights, so individuals and NGOs can no longer file complaints against the state.

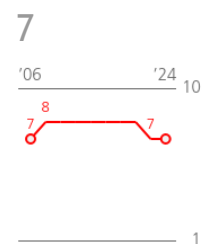
There is a divide between northerners and southerners. The south is generally more developed, but there is no outright discrimination against northerners or others on the basis of religion, gender or sexual orientation, although homosexuality is not widely accepted.

4 | Stability of Democratic Institutions

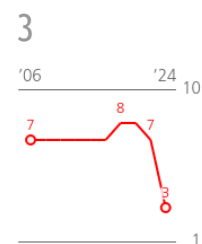
Benin has been cited as one of the most stable democratic systems in West Africa. But since 2016, the reforms initiated by President Talon have posed a serious challenge. Stability is not the result of institutions respecting each other's prerogatives or of performing their functions effectively and independently. Rather, the lack of friction is mostly the result of the fact that all the institutions, especially since the election of President Talon, are largely controlled by the executive.

Since 2019 the National Assembly, comprising members of parliament from the two major political parties (Republican Bloc/BR and Progressive Union/UP), has functioned as an institution committed to the service of the president. Following legislative elections held in January 2023, the opposition party, Les Démocrates, will be a dissonant voice in the new assembly, although the legislature, as a whole will, remain compliant with Talon's administration. 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 not always efficient, due to general administrative weakness and the aforementioned lack of resources. The perception of Benin's democratic institutions suffered under

Civil rights



Performance of democratic institutions



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 Talon due to the regime's control over each of them. Parliament and judicial institutions are bereft of dissonant voices.

The political class and other major actors generally accept democratic institutions as the legitimate form of political organization. There are no open campaigns against democracy, although the executive has to some degree undermined democratic institutions.

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. The reforms initiated by the president were strongly contested but finally approved by the new assembly, in which there is no representative of the opposition. The new constitution and the new electoral have been perceived as weakening the democratic model inherited from the national conference of 1990. 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.

During the 2023 legislative elections, electoral disputes were regularly submitted to the Constitutional Court for arbitration. In November 2022, the court's decisions allowed the opposition party, The Democrats, to participate in the elections.

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, in the 2019 and 2021 elections.

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. More than 150 political parties were registered before the 2018 reform, although only 30 were in any way 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. As a result, only 14 political parties could legally register in January 2021. Seven political parties participated in the January 2023 legislative election and three of them won seats in parliament. These reforms are the origin of political crises in 2019 and 2021.

Commitment to democratic institutions

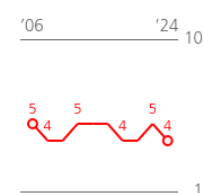
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1

Party system

4



1

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 June 2018, the Constitutional Court validated the new law on the right to strike, which has weakened trade union power considerably. There has been no strike called since the law was approved. Trade union elections held in January 2021 suggest that only three trade unions and confederations are representative. Starting in April 2022, the government met with trade unions and agreed to increase the minimum wage for private and public sector employees.

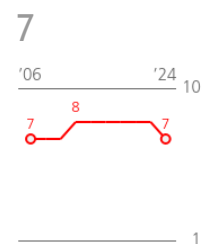
Some groups of workers from the informal sectors, such as informal traders who account for 70% of non-industrial gasoline consumption, have associations whose representatives negotiate directly with the government. The NGO sector is highly dependent on foreign capital, but urban civil society has a considerable impact on the political process. The government co-opted some activists from civil society (e.g., Citizen Alternative leaders Joseph Djogbénu 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.

Levels of approval toward democratic norms and procedures are very high, and this is reflected in the data from Afrobarometer surveys. According to Afrobarometer 2022, support for democracy is stable: 79% of respondents considered democracy

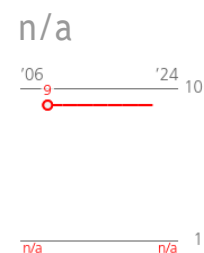
preferable to any other system of government and 90% of respondents disagreed with the idea of abolishing elections and the National Assembly. However, the last two legislative and municipal elections, which saw a low rate of participation reflect the problems of representativeness created by the new democratic system.

Citizens are unsatisfied with the country's democratic performance (let alone economic performance). For instance, according to Afrobarometer 2022, only 6.7% of them are very satisfied with democracy and 55.6% are either not at all satisfied or not very satisfied with democracy. 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%).

Interest groups

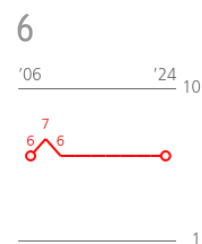


Approval of democracy



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. Post-election violence was recorded during legislative elections in 2019 and presidential elections in 2021. The most recent legislative elections in January 2023 were very peaceful. Increasing political divisions and numerous legal actions against state officials have reduced confidence in the government, although comprehensive data on levels of trust are not available.

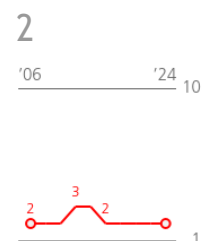
Social capital



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. The country is ranked 166th out of 189 with a value of 0.525 on the Human Development Index. Benin is making progress in particular in the areas of health and income, construction and services, with average economic growth rates exceeding 7.2% in 2021 according to the World Bank. 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. The overall loss in HDI due to inequality is 36.4% in 2021.

Question
ScoreSocioeconomic
barriers

The population was 12.45 million in 2021 with a fertility rate of 5.7 children per woman and a life expectancy of 61.2 years. The national poverty rate was 53.2% (59.9% in 2015). The international poverty (PPP) rate of \$1.90 per day was estimated at 19.2% in 2019. The Gini index declined from 47.8 in 2015 to 37.8 in 2018.

According to an assessment by the African Development Bank (AfDB), 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. Gender inequality is also relatively high. Benin scores 0.602 in the 2021 Gender Inequality Index (ranking 148th out of 162 countries).

In 2018/2019, only 54.8% of students were able to complete primary education.

Economic indicators		2019	2020	2021	2022
GDP	\$ M	14391.7	15651.5	17690.1	17401.7
GDP growth	%	6.9	3.8	7.2	6.3
Inflation (CPI)	%	-0.7	3.0	1.7	1.4
Unemployment	%	1.5	1.7	1.8	1.7
Foreign direct investment	% of GDP	1.5	1.1	2.0	1.5
Export growth	%	8.6	-25.0	12.6	19.1
Import growth	%	3.4	-19.8	16.8	18.5
Current account balance	\$ M	-575.6	-274.0	-734.7	-
Public debt	% of GDP	41.2	46.1	50.3	54.2
External debt	\$ M	3919.9	5304.2	6863.8	-
Total debt service	\$ M	515.3	240.7	744.9	-
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.3	11.4	10.1	10.1
Public education spending	% of GDP	3.0	2.9	3.2	3.2
Public health spending	% of GDP	0.5	0.9	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	0.5	0.5	0.6	0.6

Sources (as of December 2023): 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

The Heritage Foundation considers Benin “moderately free” in economic terms, ranking it 84th out of over 150 countries worldwide (and 7th in sub-Saharan Africa).

However, according to The International Labor Organization in 2022, informal employment in Benin was 96.9% in 2018. The large informal sector, estimated at over 48% of GDP, is based primarily on unregulated trade with Nigeria. The country has a small domestic market, although the basic institutional framework for market competition has been increasingly strengthened in Benin over the last two decades. According to the U.S. government, a U.S. Millennium Challenge Corporation (MCC) compact focused on regional integration and transport was signed in December 2022, with \$202 million for road infrastructure improvements, accompanied by policy and institutional reforms to strengthen road maintenance, freight traffic and cross-border trade, particularly with Niger.

In January 2022, the Beninese government published its Second Government Action Plan (PAG II) with a budget of \$20.6 billion. The PAG II lists more than 340 projects in 23 sectors and has a new focus on education and social services. Potential infrastructure projects include road, airport and railway construction, port expansion, housing, telecommunications, information technology and energy development.

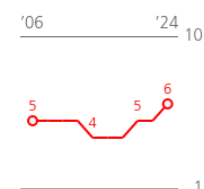
For investors who wish to establish a business in Benin, the government has established a stand-alone one-stop shop to facilitate registration of new businesses within two days.

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. However, Benin’s business environment remains poor, and the informal sector dominates the economy. Despite the progress made, poor energy and transport infrastructure constitute major challenges.

At least in principle, Benin is committed to implementing West African Economic and Monetary Union (WAEMU) community legislation on competition. Benin’s legal framework does not address antitrust or competition issues. 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, antitrust legislation is enforced. In July 2020, West African hotel developer Teyliom International filed a request for arbitration with the World Bank International Center for Settlement of Investment Disputes (ICSID) in relation to the Beninese government’s expropriation of a hotel the company had been constructing in Cotonou. This is an example of how Patrice Talon’s rule is problematic, given his conflict of interests as a major businessman

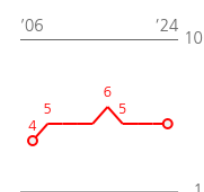
Market
organization

6



Competition policy

5



involved in strategic sectors of the economy. Talon and his family have complete control over 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. Benin is not a member of the International Competition Network.

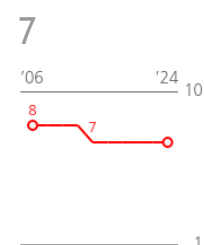
Benin has a liberal institutional trade framework, but commercial exchanges are hampered by a lack of modern technical equipment and bureaucratic barriers. Benin is a member of the World Trade Organization (WTO) and the West African Economic and Monetary Union (WAEMU), under whose rules trade is to a great extent liberalized.

According to the Institut National de la Statistique et de la Démographie (INSTAD), Benin's merchandise exports rose by 24.1% in the first quarter of 2022 to XOF 175.6 billion, year-on-year. Similarly, merchandise imports increased by 8.1% to XOF 462.9 billion. In this context, the trade balance showed a deficit of XOF -287.3 billion in the first quarter of 2022 compared to XOF -286.9 billion a year earlier.

According to the Heritage Foundation, Benin's economic freedom score is 59.8 ("moderately free"), making its economy the 84th freest in the 2023 Index. Its score is 4.6 points better than in 2020, when it was 55.2. Benin is ranked 7th among 47 countries in the sub-Saharan Africa region, and its overall score is above the regional and world averages. According to the Heritage Foundation's index, the trade-weighted average tariff rate is 12.1%, and non-tariff measures are in force. However, dynamic flows of foreign investment are constrained by persistent policy and institutional weaknesses. The index also reports that, despite the development of microfinance institutions, overall access to credit remains low.

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 the 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. Exports passing through the Port of Cotonou have steadily

Liberalization of
foreign trade



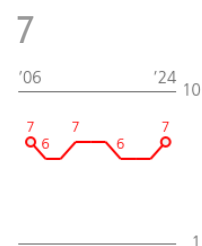
declined. A lack of technical maintenance and corruption have contributed to this decline. Foreign trade activities have suffered somewhat from the COVID-19 pandemic and the closure of the border with Nigeria but have been recovering since 2021. To boost the profitability of the Port of Cotonou, the government opted for a public-private partnership by delegating management to the Port of Antwerp International (PAI) in January 2018. Patrice Talon has relaunched the Import Verification Program, which aims to establish an electronic system to facilitate customs procedures. 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.

According to the World Bank's financial sector review (2018), Benin's financial sector is shallow and segmented, with 15 banks and over 600 microfinance institutions (MFIs), of which 111 were authorized at the end of 2022 and the remaining are unauthorized or nonbank financial institutions (two licensed e-money issuers, 14 insurance companies and two pension funds). Commercial banks and other credit institutions are governed by the regional banking law and supervised by the Banking Commission (Commission Bancaire). The Central Bank of West African States (BCEAO) also supervises large MFIs falling under "Article 44" (that is, MFIs with an outstanding credit portfolio or total of deposits of at least XOF 2 billion). According to the Heritage Foundation, 10 MFIs are supervised by the BCEAO. E-money issuers are also under the scope of the BCEAO. The insurance sector is regulated by the Conference Interafricaine des Marchés de l'Assurance (CIMA).

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). Following a remediation plan implemented in 2018, several MFIs were closed in 2018. At the end of 2022, a total of 111 MFIs were authorized to conduct all or part of the 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 1.7% in 2021, down from 3.0% in 2020 (in 2019 it was -0.7%). The IMF has highlighted a moderate increase in inflation at 1.7% in 2021, which remains 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.

Expansionary fiscal policies were pursued and the fiscal deficit (grants included) widened from 4.7% of GDP in 2020 to 5.7% in 2021. The World Bank considers overall revenues to have remained fairly resilient and that response plans significantly increased government expenditure in 2020/2021. Likewise, fiscal measures adopted to support the purchasing power of households put a strain on public accounts with the result that the deficit is expected to remain high in 2022.

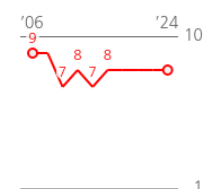
In 2020, total debt service in 2020 is \$288.8 million and external debt is \$5,250.5 million. Public debt at the end of 2021 was 49.9% of GDP. This is below the WAEMU average of 70%. The current account balance was -\$274.0 million in 2020, with government consumption 11.4% of GDP.

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

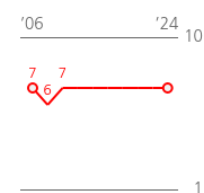
Monetary stability

8



Fiscal stability

7



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.

9 | Private Property

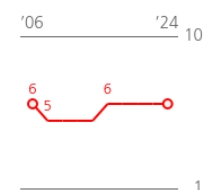
Property rights are adequately defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption and institutional pluralism. According to the Property Rights Alliance, Benin's International Property Rights Index (IPRI) score decreased by -0.263 to 4.327, making it 11th in the Africa region and 89th in the world. Most land in Benin is customary land and occupants lack formal documents to prove ownership. The conventional process for land registration is too expensive and complex for most rural landholders. 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 established 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 enterprise is viewed institutionally as a primary engine of economic production. Legal and institutional arrangements have been developed to support them. In addition, the current administration has adopted measures, such as fiscal advantages, to benefit private companies. However, almost the entire economy is controlled by a few powerful people, limiting those measures' attractiveness to investors.

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.

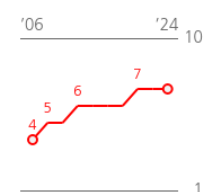
Property rights

6



Private enterprise

7



10 | Welfare Regime

Upon taking office for his second term, President Talon announced that it would focus on social development. Since then, some effort has been made to improve the social welfare system. In January 2023, the formal minimum wage was increased from XOF 40,000 per month to XOF 52,000 per month. Salaries also increased slightly. However, the majority of people benefit neither from the minimum wage nor from the salary increase, 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, health, oil and transportation 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 and 2022, 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

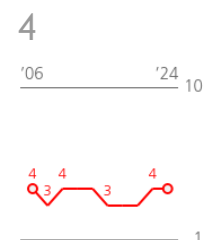
74.12 billion, in favor of formal businesses, artisans and small traders, informal services, and vulnerable people such as the poor and extreme poor.

In general, policies for providing social services are minimal, and health spending is insufficient.

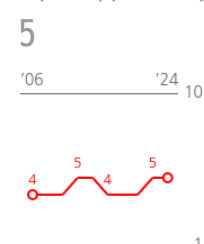
Differences in opportunities in Benin do not stem from active discrimination of particular groups but from general inequalities, mainly between an educated urban class and the majority of rural poor. Benin's level of socioeconomic inequality is relatively high compared with other West African countries.

The most recent literacy rate published by World Bank was 54.0% for males and 31.1% for females. The gross enrollment ratio in 2022 showed more progress in primary education (114.2%) than in secondary (47.5%) and tertiary education (11.1%). The ratio of female to male enrollment (GPI) in education in 2022 was 0.9

Social safety nets



Equal opportunity



for primary, 0.8 for secondary and 0.5 for tertiary level, respectively, showing that girls are more disadvantaged than boys in learning opportunities. In 2021, a survey conducted by the World Bank revealed that 58% of individuals had experienced a decline in income, while 5% had no income. Benin's Gini index data was 37.8 % in 2018, according to a World Bank estimate. This is a decrease from 47.8 % in 2015.

In 2019, Benin had a UNDP Gender Inequality Index score of 0.612, making it 148th out of 162 countries surveyed. 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 under-represented. 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.

In general, women are under-represented in political office. In the May 2020 municipal elections, 4.3% of councilors were women and there were four women mayors out of 77 elected. As the result of the political reforms, progress has been made recently, with 26.60% of National Assembly representatives being women.

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, although some societal stereotypes and inequalities exist. There is no legal right to same-sex relationships and no legal restrictions on the right of pro-LGBTQ+ rights organizations to operate. However, women and disabled people continue to experience discrimination. 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 other vulnerable people.

11 | Economic Performance

The overall macroeconomic situation of the country appears stable. According to the World Bank, the economy rebounded strongly in 2021, growing at an estimated 7.2% from 3.8% in 2020. The main drivers of growth were the services and construction sectors. Inflation was 1.7% on average in 2021, but inflationary pressures have increased significantly since, driven by higher food and petroleum prices. Inflation also has accelerated since the start of the full-scale war in Ukraine.

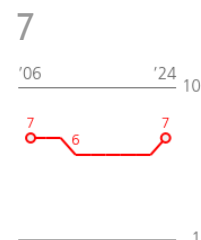
The World Bank also reports that, due to expansionary fiscal policies, the fiscal deficit increased from 4.7% of GDP in 2020 to 5.7% of GDP in 2021. The budget deficit grew in 2021 to 6.1% of GDP. Public debt was 49.1% of GDP in 2021 against 46.1% in 2020. But the risk of debt distress remains moderate, according to the World Bank.

Overall revenues remained fairly steady. GDP per capita grew from \$3,505 in 2020 to \$3,769 in 2021, a growth of 3.8%. Response plans significantly increased government expenditure during the 2020/2021 period. Fiscal measures adopted to support the purchasing power of households put a strain on public accounts so that the deficit is expected to remain high in 2022.

According to the African Development Bank, the current account deficit is estimated to have doubled in 2021, reaching 3.7% of GDP, due to a 64.5% decrease in public transfers; the financial system was strengthened with the fall in the rate of outstanding loans to 14.8% in September 2021 from 17% in September 2020. The national poverty rate was 38.5%, while, in 2021, unemployment was 1.6%, underemployment 72%, and informal employment 90.1%. Foreign exchange reserves are forecast to increase to six months of import cover on average in 2022/2023. Foreign Direct Investments (FDI) saw sustained growth between 2004 and 2014, reaching a peak of 4.2% of GDP in 2014, but since experienced a decline (to 2.7% of GDP in 2015, and 1.7% of GDP in 2016 and 2017; 1.5% in 2019 and 1.1% in 2020). Benin's current account balance has remained consistently negative. According to the IMF, the current account balance in 2020 was \$274.0 million.

The main risks to the economy are a resurgent health crisis, fluctuations in cotton and oil prices, the impacts of the Russo–Ukrainian war, adverse weather and deteriorating security in northern regions.

Output strength



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. However, Benin's rank in the Environmental Performance Index (EPI) rose from 167th to 155th (out of over 160 countries), representing an increase of 1.60 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. 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 increased from 2.9% of GDP in 2018 to 3.0% of GDP in 2019 and 2020. Data on spending on research and development is not available.

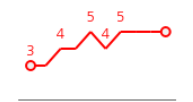
The U.N. Education Index score for Benin was a comparatively low and stable 0.443 in 2020 and 2021. Basic institutions for education, training, research and development do not function properly due to lack of support from the government. This results in a dismal literacy rate of 42.4 %, among the worst figures in the world, and even poor by African standards.

However, the African Development Bank (AfDB) notes significant progress with regard to primary and secondary education in recent years. Accordingly, gross enrollment surged to 125.6%, indicating that adults are also enrolling, and progress has been made across the country, including in rural areas. Gender inequalities persist (0.612 in 2019), although the female-to-male ratios in enrollment rates in secondary education have improved (from 0.6% in 2011 to 0.7% in 2014 and 0.8 in 2020). Although formerly known as the Latin Quarter of Africa, the AfDB assesses that the country's academic reputation has suffered considerably due to worsening public university facilities. A handful of private institutes cannot compensate for a general decline in the quality of public universities. Some improvement can be observed, however, in the geographic spread of tertiary educational facilities. The existing public universities in Abomey-Calavi, Parakou, Abomey and Porto-Novo have all opened campuses in provincial towns. The government has announced important measures to improve the higher education sector. The impacts of these measures will be visible in the years to come.

Environmental
policy

5

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Education policy /
R&D

4

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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 April 13, 2023, official statistics recorded a total of 28,014 positive cases of and 163 deaths from COVID-19.

According to the World Bank, the short-term outlook depends on uncertainties related to the geopolitical and security contexts, particularly in the Sahel, and to the effects of climate change. The conflict in Ukraine has accelerated inflationary pressures, particularly on food, and could trigger shortages and threaten food security.

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 to 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. For instance, the AfDB reports that during the 2016 elections, a platform of civil society organizations deployed 2,285 election observers. The NGO, Social Watch, set up an initiative called PAG Citizen Watch (2016 –

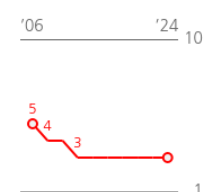
Structural
constraints

8



Civil society
traditions

3

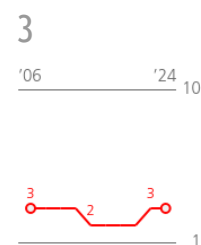


2021), in order to help monitor the implementation of Talon's Government Action Plan. During the parliamentary and municipal elections of 2019, many NGOs (e.g., Social Watch and WANEP) called on the president to work for inclusive elections and have regular initiatives to promote citizen control of public action, accountability, integrity and gender.

In a context of widespread poverty, the AfDB reports, however, that 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 post-election 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 runoff with the support of a broad and multiethnic coalition, which included northern politicians, such as the minister for planning and development, Abdoulaye Bio Tchane. 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. During the presidential elections of 2021, there was a resurgence of political violence due to the exclusion (due to lack of sponsorship) of two candidates from President Boni Yayi's party. Benin faces a gradually rising threat of terrorist activity in the north of the country, representing a spillover from violence perpetrated by Islamist militant groups linked to al-Qaida and the Islamic State group in Burkina Faso and Niger. Attacks are currently small and sporadic, and concentrated largely in the border regions.

Conflict intensity



II. Governance Performance

14 | Steering Capability

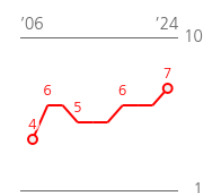
President Talon, who assumed office in April 2016 and was re-elected in 2021, is one of the country's most successful businessmen. He built his economic empire in the port and cotton industries, the most lucrative economic sectors in Benin. Talon's core presidential program is articulated in the Program of Action of the Government (PAG), made public at the end of 2016, and deals with the five-year period from 2016 to 2021. The current administration has been more consistent in attempts to implement its Program of Actions of the Government (PAG) than previous administrations. The plan has three main axes: consolidating democracy, the rule of law and good governance; undertaking a structural transformation of the economy; and improving the population's living conditions. The plan supports the United Nations' 2030 Agenda for Sustainable Development and is intended to strengthen the political and economic transformation. 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 due to a lack of funding. Following the re-election of Talon in 2021, a second Government Action Program (PAG II, 2021 – 2026), was adopted with aims to expand the road network and establish universal access to drinking water. The PAG II (2021 – 2026) has reinstated social development as one of the three key pillars of growth. In this regard, the new PAG identifies key strategies for enhancing the quality of human capital and improving the welfare of the population.

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 PAG (2016 – 2021). The international economic context (due to Russia's war in Ukraine) 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 inter-ministerial committee and a permanent secretary reporting to the Council of Ministers have been established with responsibility for implementation.

Question
Score

Prioritization

7



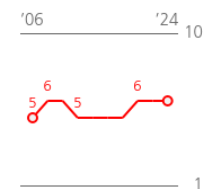
Talon's administration has committed to the implementation of ambitious reforms. The PAG is based on three pillars: consolidation of democracy, the rule of law and good governance; structural transformation of the economy; and improved social well-being. Significant progress has been made, but several 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 with Benin being 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).

To achieve its second Program (PAG II, 2021 – 2026), the government plans to mobilize \$20.5 billion, with 48% to be provided by the government and 52% from the private sector. However, the government will struggle to attract private investment inflows as large as those envisaged under the PAG II, owing to the poor business environment, which is marred by high levels of bureaucracy and corruption. The government is trying to implement reforms to the business environment to attract investment and diversify the economy. However, there are 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. There is major progress in modernizing public administration by digitalizing services. Benin's e-service portal provides information about more than 250 public services offered by public authorities. However, 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 have 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.

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

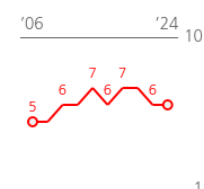
Implementation

6



Policy learning

6



encourage the administration to take ownership of the numerous reforms. 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. To overcome the lack of national expertise in many sectors, the Talon government has not hesitated to call on international expertise. In February 2023, for example, a Rwandan citizen was appointed to head the National Agency for the Identification of Persons (ANIP) to better lead the modernization of the civil status and electoral lists.

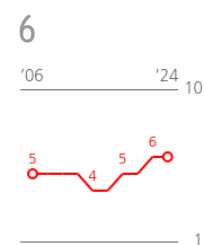
15 | Resource Efficiency

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. members of parliament 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.

Efficient use of assets

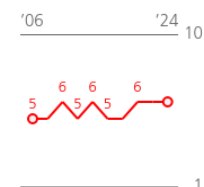


While under the Yayi government the coordination of public policies was ensured by the Ministry of Planning and Development, the Talon government has put in place a coordination mechanism attached to the general secretariat of the presidency of the republic. This new body, directed by former presidential 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.

In principle, the struggle against corruption has been a priority of Talon's government. However, in practice, corruption remains a challenge. 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 the 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 this is not respected in practice.

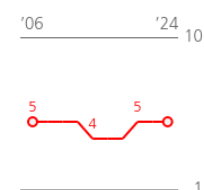
Policy coordination

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Anti-corruption policy

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Although impunity remains a problem, corrupt officials are sometimes prosecuted. For instance, the U.S. Department of State reports that, on April 7, 2022, CRIET convicted Urbain Kanlisou, a former secretary-general of the Port Agents Union of abuse of office and sentenced him to five years in prison and fined him XOF 100 million (\$163,000) while he was still in office.

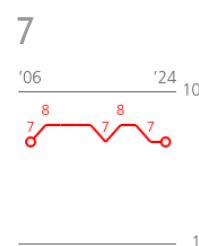
The National Directorate of Public Procurement, with branches in state ministries and decentralized departments, is supposed to ensure the transparency of procurement procedures. But it has not been able to eliminate corrupt practices and clientelism.

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 post-election violence. Many observers believe that the political reforms initiated by President Talon aimed to exclude certain opposition parties and political actors from power. However, there is some hope that this is not the case, due to the participation of the opposition in the legislative elections of January 2023. 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. Criticized for overly liberal policies in his first term, Talon has promised that his second term will focus on social improvements.

Consensus on goals



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.

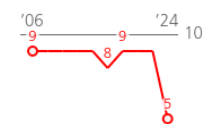
However, President Patrice Talon's commitment to respecting democratic principles is not certain. Although Talon has stated he will not seek re-election in 2026, the erosion of democratic norms under his rule may presage a bid for a third term in office. In other words, recent political violence and prosecutions, a parliament comprised exclusively of one party, limitations on freedom of the press, legal actions targeting the political opposition, regular attacks from armed groups in northern border regions 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 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, have plunged Benin into a deep political crisis. To resolve the post-election 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.

Anti-democratic actors

5



1

Cleavage / conflict management

7



1

Benin's executive has rarely felt the need to consult civil society organizations. This seems to be even more the case under President Talon's administration. However, the decentralization law allows for citizen participation in local governance and CSOs have used this to introduce citizen voices into the drafting of budgets and of development plans in several locations (not without some resistance from time to time). In addition, since the end of the 1990s, the parliament has consulted major CSOs (including trade unions) during budgetary sessions, asking for their input. Finally, it is common for the standing committees in parliament tasked with reviewing specific bills to consult with civil society organizations active in relevant domains.

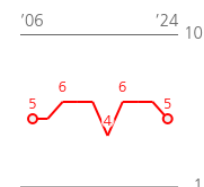
Overall, however, there are few institutional mechanisms for the systematic accommodation of civil society interests within the government's policymaking process. It is a widely held view in Benin that civil society activists are appointed to cabinet as a means of co-opting them and quelling their criticism. 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.

While support from civil society organizations, in particular Citizen Alternative, was an important factor behind Talon's election as president, Talon's 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 was justice minister and president of the Constitutional Court until July 2022) 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 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 post-election violence of 2019, President Talon initiated a political dialogue that 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, this dialogue did not preserve the country from electoral violence in 2019 and 2021. The current situation seems calm with the participation of opposition parties in the most recent elections. However, in the aftermath of previous electoral violence and numerous cases of exile and imprisonment of opponents, many are calling for the government to initiate some kind of reconciliation process. Recently, the opposition party, Les Démocrates, and some political activists have suggested adopting an amnesty law.

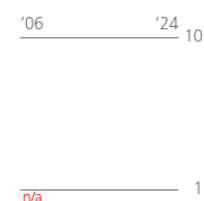
Public consultation

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Reconciliation

n/a



17 | International Cooperation

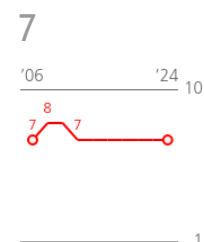
Given its dependence on foreign assistance, Benin has limited agency over accepting or refusing international aid. Development partners have faith in Benin's attempts to advance the consolidation of democracy but are increasingly alienated by the prevalence of corruption and mismanagement in the state 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 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.

The Economist Intelligence Unit reports that Benin will continue to prioritize ties with foreign donors and bilateral lenders in 2023/2024, a period during which the extended fund facility and extended credit facility (EFF/ECF) arrangement with the IMF will provide the country with budgetary and policy support. In March 2023, France reaffirmed its commitment to boosting economic, security, educational and cultural ties with Benin.

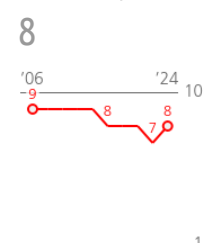
Having honored its international commitments, the government is generally considered a credible and stable partner by foreign governments, international organizations and the NGO community. Benin cooperates willingly with the United Nations and the International Court of Justice. On the other hand, following 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. Benin will continue to prioritize ties with foreign donors and bilateral lenders. In July 2022, a total of \$638 million was approved by the IMF as part of the extended credit facility (ECF) and extended fund facility (EFF). In July 2022, France announced plans for

Effective use of support



Credibility



closer collaboration with Benin through additional investments in security, education and culture. France currently supports Benin with military intelligence and training to counter the jihadist threat along its borders. The United States 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.

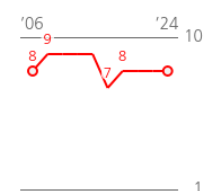
In December 2022, the Millennium Challenge Corporation granted a regional transport compact (BENIN-NIGER), devoting \$504 million to improve the trade corridor between the port of Cotonou in Benin and the capital city of Niamey, Niger. In 2016, the European Union and the Beninese government signed a 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. Economic cooperation with other southern hemisphere countries is less hampered by these kinds of challenges than it is with Benin.

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 of 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's relations with its West African neighbors will be reinforced by their joint need to combat the twin threats of piracy and Islamist militant groups, and by the country's participation in ECOWAS-led integration efforts. However, tensions with neighboring Nigeria over cross-border smuggling (particularly fuel from Nigeria, with the heavily subsidized price creating arbitrage opportunities) will persist.

Regional cooperation

8



Strategic Outlook

Since coming into power in April 2016, President Talon has faced controversy. He was re-elected in 2021 amidst controversial presidential elections. Electoral reforms introduced in 2019 during his first term prevented key opposition politicians from participating. However, in January 2023, following a decision by the Constitutional Court in November 2022, the opposition took part in legislative elections and secured 28 out of 109 seats in parliament. The loyal parties UP and BR, supportive of the president, still retain the majority. This means that Talon's ongoing reforms are likely to continue until 2026, when he is expected to step down after completing two terms. The increased presence of the opposition provides more space for channeling social discontent regarding Talon's increasingly authoritarian rule. Benin still needs policies to bring it back in line with inclusive democratic standards. A national dialogue is necessary to address political stability.

Maintaining political stability is crucial for preserving the impressive economic growth Benin has experienced in recent years. The government will continue to focus on improving economic growth. Policy support from the International Monetary Fund (IMF) and other donors can assist Benin in managing the economic impact of external shocks, including the surge in global food and oil prices due to Russia's war in Ukraine. Revenue mobilization is a key aspect of Benin's reform program. An effective fight against corruption is necessary to sustain this. The government has also implemented reforms to improve the business environment and attract investment, aiming to diversify the economy. Ongoing public investments in infrastructure, particularly in transportation and energy projects under the PAG II, will drive industrial growth. Construction of an oil pipeline from Niger's Agadem Basin to Benin's Port Seme, scheduled for completion in July 2023, development of the GloDjigbé special economic zone and expansion of Cotonou port will further support economic growth. The government aims to achieve sustainable economic growth while addressing social welfare goals.

Security remains a significant challenge for Benin. The country faces a gradually increasing threat of terrorist activity in the north, originating from Islamist militant groups affiliated with al-Qaida and the Islamic State group in Burkina Faso and Niger. Currently, the attacks are small and sporadic, primarily concentrated in border regions. The likelihood of armed Islamist groups gaining control over large parts of the country is slim. However, there is a real risk of the state losing control over remote and marginalized areas, where, due to limited state influence, militants could exploit conflicts between farming and herding communities. Strengthening military partnerships, enhancing regional and international security cooperation and providing support will be crucial to addressing these challenges.