

Benin
Development Effectiveness Review

AFRICAN DEVELOPMENT BANK GROUP

January 2025














SAINT LAMBERT





Benin
Development Effectiveness Review

AFRICAN DEVELOPMENT BANK GROUP

January 2025

Acknowledgements

This Development Effectiveness Review in Benin of the African Development Bank is the result of collaboration between the Corporate Performance and Accountability Division (SNDR.1) and the staff of the Bank's office in Benin (COBJ). Ihcen Naceur and Rudolphe Petras (SNDR.1) coordinated the writing of this report. We would like to express our gratitude to Jamila Hedhli, Tankien Dayo, Zounoubate N'Zombie, Ibro Manomi, Ibrahim Boubakar, and Eric Pregnon for their contributions to this report. Augustin Kouadio Adom, Honoré Menzan, and Joël Sery provided invaluable statistical support. Finally, we would like to thank the peer reviewers for their pertinent comments: Sohir Debbiche, Hermann Nare, Luc Tossou and Joseph Mouanda. The report writing was supervised by Olivier Shingiro, SNDR.1 Division Manager, and Robert Masumbuko, COBJ Country Manager. Special thanks to photographer Hervé Pereira, graphic designers from Créon and the translators of the report.

Lamin Barrow
Director General, West Africa Region,
African Development Bank

Armand Nzeyimana
Director, Development Impact and Results Department,
African Development Bank

Cover photo: The Agricultural Infrastructure Support Project in the Ouémé Valley has significantly improved agricultural production and living conditions of the local population. Photo © AfDB

©2024 African Development Bank Group
All rights reserved. Published in January 2025.

African Development Bank Group
Benin Development Effectiveness Review

The opinions expressed in this report are those of the authors and do not necessarily reflect the opinions and policies of the African Development Bank (AfDB), its Board of Governors, its Board of Directors, or the countries represented therein.

By naming or referring to a territory or geographical area, or by using the term "country" in this document, AfDB does not intend to pass judgment on the legal or any other status of the territory or area in question.

The AfDB welcomes the printing or reproduction of information for personal, non-commercial use only, provided that it is acknowledged as the source. Users are prohibited from reselling, redistributing, or creating derivative products for commercial purposes without the express written approval of the AfDB.

Note: In this report, the $ symbol refers to the US dollar (USD). All amounts have been converted into USD at the rate of 1 Unit of Account (UA) = USD 1.33.

African Development Bank Group

Avenue Joseph Anoma - 01 B.P. 1387 Abidjan 01, Côte d'Ivoire
Telephone: (+225) 27 20 26 39 00

www.afdb.org

Photo credit: Ervé Pereira

Contents

Introduction 1

Country context 3

- Economy and governance 3
- Quality of life 4
- Environment and climate 5
- Major development sectors 6

Benin and the Bank: a growing cooperation 11

- History of the partnership and the Bank's presence 11
- The Bank's operations in Benin 12

The Bank's contribution to the development of Benin 16

- Strengthening economic governance, supporting private sector development, and improving business competitiveness 16
- Development of transport infrastructure, electricity supply, and access to drinking water and sanitation 18
- Agricultural resilience and agribusiness development 24

Key lessons 29

- Strategic lessons 29
- Operational lessons 30

Outlook 32

Conclusion 34

Annex 1: Methodological note 35

Annex 2: Sources of Development Indicators for Benin 36

Contents

List of figures

Figure 1 Trend in global greenhouse gas emissions (excluding forestry) under business-as-usual and intervention scenarios 6
Figure 2 Evolution of commitments and diversification of the Bank's sources of financing in Benin in the periods 2002–2012 and 2013–2023 12
Figure 3 Evolution of the Bank's commitments in Benin over the period 2013–2023 13
Figure 4 Breakdown by sector of the Bank's commitments in Benin during the period 2013–2023 13
Figure 5 Breakdown by sector of the Bank's closed projects during the 2013–2023 period 13

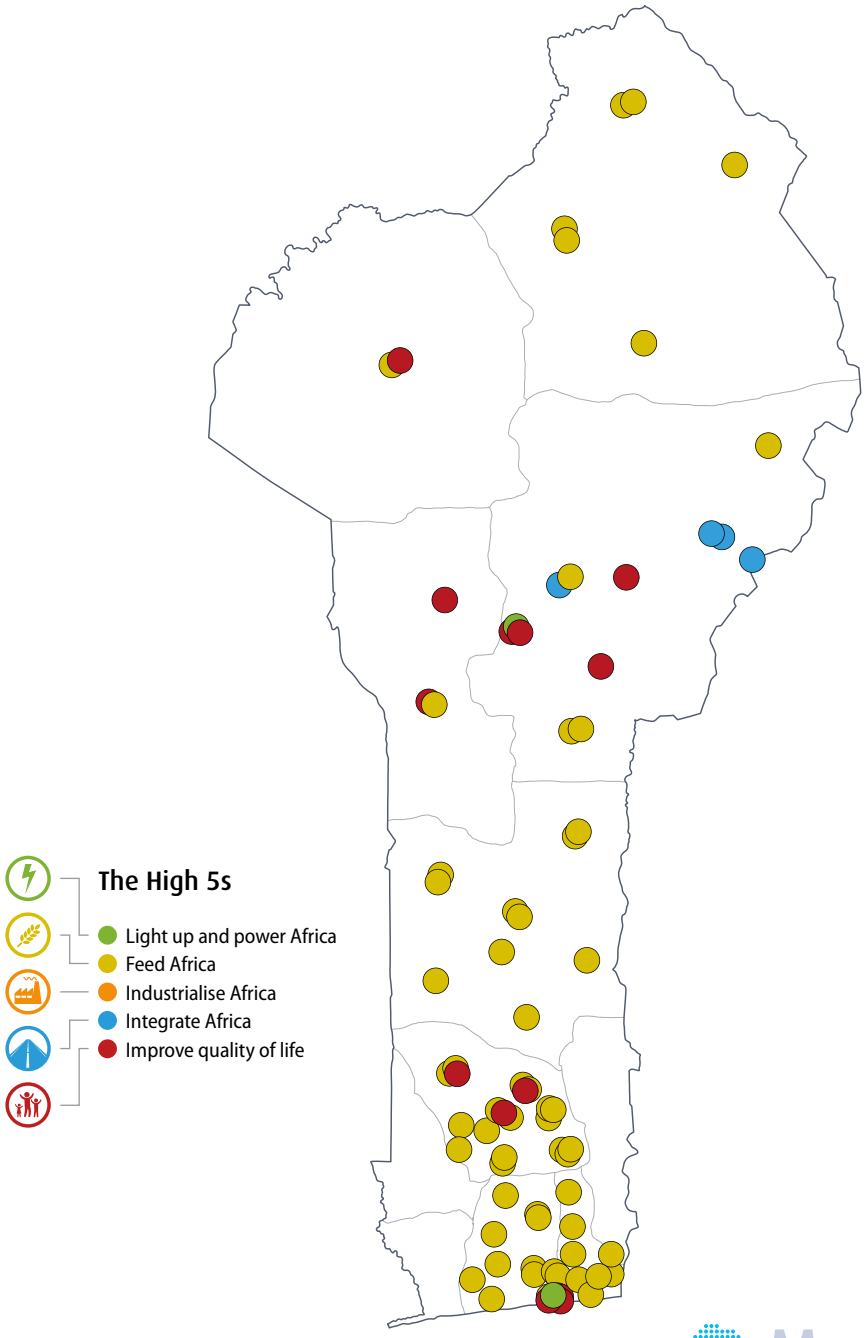
List of boxes

Box 1 Plan for food self-sufficiency in Benin by 2026 7
Box 2 The Project to Support the Competitiveness of Beninese Companies 17
Box 3 AfDB's African Industrialization Index (AII): Benin moved up from 32nd to 18th place between 2010 and 2021 17
Box 4 Abidjan-Lagos corridor 18
Box 5 Parakou's urban transport project: a testimony to the city's radical change 19
Box 6 Recommended measures for Benin in the AfDB's Electricity Sector Regulatory Index 2022 report 20
Box 7 Energy interconnection between Nigeria, Benin, and Togo: a pillar of regional economic development 21
Box 8 Significant impact of lack of access to electricity on academic outcomes and the well-being of pupils and teachers in a public school in the commune of Adjarra 21
Box 9 Problems with anarchic electrical connections in the commune of Akpakamey 22
Box 10 Testimonies from SONEB staff at the Godomey water plant near Cotonou 23
Box 11 In the commune of Aguégués, access to drinking water is essential for the survival and health of the inhabitants. Testimonials from Esther K. and Cécile B., residents 23
Box 12 The Support Project for Agricultural Infrastructure in the Ouémé Valley has been a driving force for change in the town of Sémè Podji 25
Box 13 Project to Support Food Production and Strengthen Resilience contributes to women's empowerment 25
Box 14 IDEV evaluation of TAAT-1 – Benin case study report: key findings on programme effectiveness 26
Box 15 The Cotonou abattoir: a major step forward for meat quality in Benin 26

List of tables

Table 1 Economic indicators 3
Table 2 Governance indicators 4
Table 3 Social and quality of life indicators 5
Table 4 Climate and environment indicators 6
Table 5 Agriculture sector indicators 7
Table 6 Indicators for the energy, water/sanitation, and transport sectors 8
Table 7 Outcomes from economic and financial sector governance 16
Table 8 Outcomes from the transport sector 19
Table 9 Outcomes from the energy sector 20
Table 10 Outcomes from water and sanitation sector 22
Table 11 Agriculture and agro-industry 24

Between 2013 and 2023, the Bank completed 16 projects across Benin, covering all the High 5s.





Securing access to water

The project to reduce water losses and improve drinking water supply systems allowed residents of the Aguégués commune to access drinking water, freeing up time for activities such as agriculture or fishing.

© AfDB

Introduction

The Development Effectiveness Review in Benin assesses the partnership between Benin and the African Development Bank (AfDB or the Bank) over the past decade (2013–2023) in supporting the country's development, highlighting achievements, challenges, and prospects.

First of all, the report presents the country's context, underscoring the progress observed economically and the reforms implemented to foster the business climate, while underlining persistent challenges such as poverty, underemployment, access to healthcare, and gender inequalities. It also highlights the progress made as well as the challenges facing energy, water and sanitation, and transport infrastructure.

The report then presents a background to the collaboration between Benin and the Bank, a fruitful partnership spanning over five decades in support of the country's development efforts. The review recalls Benin's priority development objectives supported by the Bank, which include agricultural development, transport infrastructure, energy sector reforms, and universal access to drinking water.

Based on the outcomes of this strategic partnership, the report reviews the Bank's contribution to Benin's development by highlighting the actions undertaken to strengthen governance, support the private sector, enhance business competitiveness, and improve transport infrastructure, power supply, access to drinking water and sanitation, as well as agricultural resilience and agribusiness development. This section includes testimonials from beneficiaries of projects financed by the Bank.

The report then identifies the main strategic and operational lessons learned from the collaboration between Benin and the AfDB.

Finally, the report discusses the prospects for future collaboration between Benin and the AfDB, which will help support the country on the path to progress and sustainable development, as formulated in the Bank's Country Strategy Paper for Benin which covers the period 2022–2026.

Bank outcomes in 5 figures



22
adopted or revised regulatory or legislative texts



155 km
of asphalted roads



114 km
of power transmission lines



65 415
people benefit from progress in agriculture



47 597 hectares
of land improved for farming



Empowering women through agriculture

The Food Production Support and Resilience Building Project empowered the women of this agricultural cooperative to generate own income.

© AfDB

Country context[1]

Benin's economic dynamic is showing notable progress marked by the transition to the category of middle-income countries, and a significant improvement in the business climate. The agricultural sector is emerging as one of the main drivers of wealth and job creation and offers tangible prospects for leading the country towards food self-sufficiency. Despite this encouraging progress, the country faces persistent challenges. The country's economic growth is not sufficiently inclusive and remains vulnerable to economic fluctuations, highlighting major challenges in social sectors and hampering development. Moreover, its vulnerability to the effects of climate change remains a key challenge. Lastly, despite recent progress, energy, water, sanitation, and transport infrastructure still require major investment. In 2023, Benin's total population was estimated at 12.6 million, compared with 10.0 million in 2013[2], which accentuates the need for economic and social development.

Economy and governance

Remarkable economic progress and a much-improved business climate

Over the past decade, Benin made remarkable economic progress, moving into the lower-middle-income category as of 1 July 2020. Gross National Income (GNI) per capita rose from $1180 in 2010 to $1350 in 2021. This progress was the result of major economic and financial reforms implemented under the first Government Action Programme (PAG) 2016–2021, and in the second PAG 2021–2026, which aims to consolidate the achievements of the first programme and accelerate economic and social development. These reforms have improved financial governance and the business climate, helping to modernize infrastructure and boost the private sector. Gross Domestic Product (GDP) growth has averaged around 5.3% per year over the past ten years, reaching 6.4% in 2023, despite the effects of recent crises (COVID-19, conflicts and many other shocks). GDP thus reached around $13.6 billion in 2023.

Encouraging progress has been made in recent years in the area of governance

Benin has introduced several reforms to improve governance. It has strengthened its electoral system with biometrics and stepped up the fight against corruption by enacting new laws. According to the Mo Ibrahim Index of Governance in Africa, the country scored 56.1 in 2021, identical to 2013, placing it 14th out of 54 countries. According to Transparency International's Corruption Perceptions Index, Benin improved its score from 36 out of 100 in 2013 to 43 in 2023, ranking 72nd out of 180 countries. Regarding budget transparency,

Table 1: **Economic indicators**

Indicator	2013	2023
GDP (in constant 2010 $ billions)	8.063	13.623(e)
GNI per capita ($)	1180	1350(2021)
Real GDP growth (annual %)	7.2	6.4(e)
Total external debt (% of GDP)	12.6	38.7(e)
Export diversification index (1 low – 0 high)	0.753	0.779
Import diversification index (1 low – 0 high)	0.579	0.526

"(e)" corresponds to "estimates"

1 The sources of the indicators in tables 1 to 6 are indicated in the Annex.

2 Source: Institut National de la Statistique et de la Démographie (INStaD) – General Population and Housing Census (RGPH) 2013, Revised projection, 2022.

Table 2: **Governance indicators**

Indicator	2013	2023
Mo Ibrahim Index of Governance in Africa (0 low – 100 high)	56.1	56.1(2021)
Corruption Perception Index (0 high – 100 low)	36	43
Africa Visa Openness Index (0 low – 1 high)	0.296(2016)	1.000
Africa Industrialization Index (0 low – 1 high)	0.452(2010)	0.5497(2021)

Benin was ranked 2nd in Africa in 2021, just behind South Africa, according to the International Budget Partnership. In addition, Benin was ranked 1st in 2023 on the Bank's Africa Visa Openness Index. It is one of the few countries on the continent to allow Africans from all countries to enter without a visa.

The country's efforts to improve governance and the business climate are also reflected in its progress on the Bank's Africa Industrialization Index. Benin moved from 32nd place in 2010 to 18th in 2021. This progression is due to the strengthening of capital investment and the quality of the policies implemented, which have created an environment conducive to industrialization (see Box 3 in the chapter on the Bank's contribution to Benin's development).

The country is on a positive economic trajectory and remains resilient to economic fluctuations but still faces persistent challenges

Benin's economy is following a positive trajectory, although it remains marked by weak economic diversification, as reflected in the country's diversification indices[3]. According to the indicator methodology, where a value of 1 indicates low diversification and 0 high diversification, the export diversification index, which rose from 0.753 in 2013 to 0.779 in 2023, shows that the country remains heavily dependent on a few products for its exports. Similarly, the import diversification index, which fell from 0.579 to 0.526 over the same period, indicates a limited diversity of imported products. Despite the risks associated with economic fluctuations – notably due to the weight of transit trade with Nigeria[4] and the importance of the agricultural sector, including crops such as cotton (11% of GDP), which is vulnerable to climatic shocks, – Benin has shown notable resilience. Although the country's total external debt rose to 38.3% of GDP in 2022 (from 12.6% in 2013), it remained sustainable, and the risk of debt distress was moderate in 2023. However, the economy faces risks such as fluctuations in cotton prices, rising prices for imported products, climatic hazards, and and the deteriorating security situation in the north of the country.

Quality of life

While Benin has made significant progress in terms of quality of life over the past decade, poverty, unemployment, issues in nutrition, education, health, and gender inequality remain obstacles to the country's development

Recent economic growth has brought social and economic progress to many Beninese, but efforts must continue to make this growth even more inclusive. The poverty rate has fallen from 40.1% in 2015 to 36.2% in 2022 but is still too high. Non-monetary poverty[5] has also fallen, from 28.7% in 2015 to 24.5% in 2022, reflecting progress in quality of life. Although unemployment fell from 2.3% to 1.6% between 2013 and 2019, the underemployment rate was still 35.9%[6] of the working population, and operates mainly in the informal sector, which accounts for 90% of jobs, with women and young people particularly hard hit. In terms of food security, Benin still faces many challenges, with around 1.3 million people undernourished and over 36% of children under 5 stunted. The country's 46% dependence on cereal imports makes it vulnerable to fluctuations in world prices.

The Government, with the support of its partners, has implemented programmes to address the country's social challenges, such as the Programme Spécial

3 The Export/Import Diversification Index of the United Nations Conference on Trade and Development (UNCTAD) measures the concentration of a country's trade. It ranges from 0 (highly diversified) to 1 (weakly diversified, dependent on a few products).

4 Re-export activities, mainly to Nigeria, account for over 40% of Benin's imports according to IMF Benin Report No. 22/246.

5 Non-monetary poverty is an indicator that reflects the extent of deprivation in terms of general housing comfort, possession of durable goods and hygiene.

6 Source: Institut National de la Statistique et de la Démographie (INStaD), First edition of the Harmonized Survey of Household Living Conditions (EHCVM), Benin, 2018-2019.

Table 3: **Social and quality of life indicators**

Indicator	2013	2023
Poverty and employment		
Population living below the national poverty line (% of population)	40.1(2015)	36.2(2022)
Unemployment rate, total (% of population)	2.3	1.6(2019)
Food security		
Number of undernourished people (million)	0.9	1.3(2022)
Percentage of children under 5 with stunted growth (modelled estimate, %)	34(2014)	36.5(2022)
Cereal import dependency rate (%)	43.5	42.2(2019)
Health		
Infant mortality rate, under 5 (per 1 000)	106.3	80(2022)
Life expectancy at birth, total (years)	63.84	65.5(2022)
Maternal death ratio (model estimate, per 100 000 births)	608	523(2020)
Education		
Junior high school completion rate (%)	45.3	25.4(2022)
Youth literacy rate (% of youth aged 15–24-year-olds)	60.1	69.2(2019)
Adult literacy rate (% of people aged 15 and over)	43.1	49(2019)
Gender		
Ratio of girls to boys in primary and secondary school enrolment (%)	0.83	0.90(2021)
Proportion of seats held by women in national parliaments (%)	8	27
Overall gender inequality index (0 low – 1 high)	0.589	0.616

d'Insertion dans l'Emploi (PSIE), the Azôli programme for integrating young people with little or no schooling, and the GBESSOKE programme, aimed to improve social service infrastructures and support the empowerment of vulnerable households for their economic recovery. Although significant progress has been made, particularly in reducing non-income poverty, certain challenges remain, largely due to structural issues such as the high birth rate, especially in rural and peri-urban areas. These factors make it difficult to meet the growing demand for basic infrastructure and services (electricity, water, healthcare, schools, school canteens), despite the Government's sustained efforts.

The Government is committed to resolving challenges in education, health, and socio-economic and gender inequalities. Transformation policies are being implemented in these areas, with expected outcomes in the future. In its PAG 2021–2026, the Government is promoting quality education by focusing on technical and vocational education, restructuring the education system, making major investments, and promoting scientific research. The objective is to improve access to basic services and social protection, through initiatives such as generalized access to health insurance and strengthening of the health-care system. The Government also aims to improve the quality of life, balance regional planning, preserve the environment, and strengthen resilience to climate change.

Environment and climate

Benin remains highly vulnerable to the effects of climate change

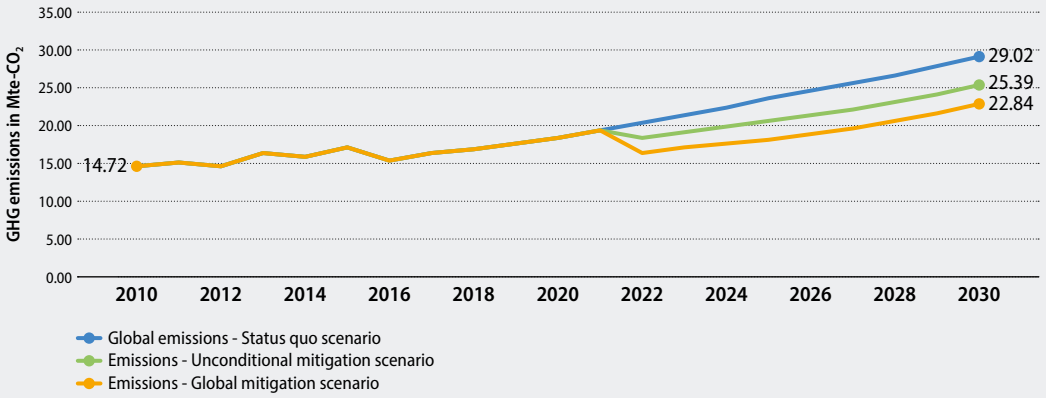
Benin is severely affected by climate change. It ranks 23rd out of 185 countries in the Notre-Dame Global Adaptation Initiative's 2021 Climate Vulnerability Index (ND-GAIN)[7]. Coastal ecosystems are under

7 Vulnerability measures a country's exposure, sensitivity and ability to adapt to the negative impacts of climate change. ND-GAIN measures overall vulnerability by taking into account vulnerability in six sectors essential to life: food, water, health, ecosystem services, human habitat and infrastructure.

Table 4: **Climate and environment indicators**

Indicator	2013	2023
Total GHG emissions (in Mt of CO_2 equivalent)	16.30	19.70(e 2021)
Forest area (% of land area)	30.9	27.4(2021)
Green Growth Index (0 low – 100 high)	50.13	50.7(2022)

Figure 1: **Trend in global greenhouse gas emissions (excluding forestry) under business-as-usual and intervention scenarios**



Source: Nationally determined contribution (NDC) revised in 2021

considerable pressure, leading to the rapid loss of mangroves. Deforestation is also a major problem, with forest area declining from 30.9% to 27.4% in the space of a decade. Benin's Green Growth Index, calculated by the Global Green Growth Institute (GGGI), remained virtually stable, rising from 50.13 points in 2013 to 50.7 points in 2022. The key issues are the inefficient and unsustainable use of energy and the preservation of environmental quality. To meet these challenges, the country has a National Climate Change Management Policy (PNGCC 2020–2030). In addition, the measures envisaged in the revised National Determined Contribution (NDC) in 2021 would reduce cumulative GHG emissions by around 48.75 Mte-CO_2 compared to the reference scenario, i.e. a reduction of 20.15% over the period 2021–2030 (see figure 1). Implementation of the NDC is estimated as requiring funding of $10.5 billion. Benin has also developed a multi-sectoral National Adaptation Plan for eight of the most vulnerable key development sectors[8]. Priority adaptation measures have been identified for each development sector to align with the Sustainable Development Goals.

Major development sectors

The agricultural sector: one of the pillars of the economy that could enable food self-sufficiency

The agricultural sector represents a major pillar of Benin's economy, currently contributing around 25% of GDP, at a similar level to 2013, and employing over 40% of the working population. It is one of the main drivers of wealth and job creation in the country. The main crops are cotton, cashew nuts, corn, yams, cassava, rice, sorghum, tomatoes, and pineapples. In addition, livestock breeding and fishing are major industries.

Crop production is underdeveloped and vulnerable to climate change. Despite the extent of agricultural land, which represents around 43% of the national territory, only 1.3% of it is irrigated. This situation limits the quantity and quality of crops produced. Agriculture is mainly dependent on rainfall, making producers highly vulnerable to the effects of climate

8 Water Resources, Agriculture, Health, Energy, Forest Ecosystems, Coastal Zones, Infrastructure and Urban Development, and Tourism.

Table 5: **Agriculture sector indicators**

Indicator	2013	2023
Agricultural land (% of territory)	35	43.06(2022)
Irrigated farmland (% of farmland)	0.5(2012)	1.3(2019)
Agriculture, value added (% of GDP)	25.3	25.4
Crop production index (2014 to 2016 = 100)	97.7	128.1(2022)
Livestock production index (2014 to 2016 = 100)	97.5	140.9(2022)

Box 1: **Plan for food self-sufficiency in Benin by 2026**

Additional production targets

- 400 000 tonnes of corn
- 500 000 tonnes of rice
- 1 500 000 tonnes of cassava
- 200 000 tonnes of soybeans
- 300 000 tonnes of market garden produce
- 150 000 tonnes of meat
- 5 000 tonnes of farmed fish

Priorities for food self-sufficiency

- Hydro-agricultural developments (20 000 hectares)
- Aquaculture facilities (10 clusters of 25-hectare ponds)
- Use of certified, climate-smart seeds
- Settlement of large ruminant farming
- Installation of fertilizers and other inputs
- Use of modern materials and equipment
- Facilitating access to technological innovations

Total cost:

CFAF 300 billion
(about $491 million)

change such as drought and flooding. These hazards have a significant impact on their livelihoods. Although the crop production index rose significantly, from 97.7 in 2013 to 128.1 in 2022, agricultural yields and productivity were hampered by various constraints. These include small farm size, shortage of inputs, poor mechanization, and difficult access to finance. Moreover, most agricultural products are exported in their raw state, and less than 30% of local production is processed, limiting the creation of added value.

Livestock farming in Benin makes a significant contribution to agricultural GDP (13%) and is expanding, as evidenced by the increase in the livestock production index from 97.5 in 2013 to 140.9 in 2022. However, meat and milk production do not meet national demand, leading to annual imports of around 60 000 tonnes of meat and 10 000 tonnes of milk. This situation is due to a variety of factors, including the low productivity of local animal breeds, limited access to veterinary and zootechnical tools[9], high feed costs, and inadequate pastoral area management. Other challenges include animal diseases, low vaccination participation, water access difficulties, climate change, and lack of funding. To address these issues, the Government has launched a programme to develop the dairy, meat, and table egg sectors, to meet national demand by 2026. At the same time, a ruminant herd settlement project has been set up to improve livestock production and optimize farm management.

Finally, fishing represents over 600 000 direct and indirect jobs and around 3.5% of GDP. The national fisheries and aquaculture policy and strategy was

9 Equipment and technologies used in agriculture to improve the productivity and quality of livestock.

Table 6: **Indicators for the energy, water/sanitation, and transport sectors**

Indicator	2013	2023
Energy		
Population with access to electricity (%)	32.6	56.6(2022)
Population with access to clean cooking solutions (%)	5	4.6(2022)
Total installed electrical capacity (MW)	140.4	335
Share of installed renewable energy generation capacity (%)	0.4	10.1
Water and sanitation		
Drinking water (%)	67.1	79.4
Share of population using basic sanitation services (%)	15	20(2022)
Transport		
Transport index (0 = low; 100 = high)	4.567(2018)	5.219(2020)
Logistics performance index (1 = low; 5 = high)	2.56(2014)	2.9(2022)
Annual volume of goods handled at PAC (in millions of tonnes)	7.8	12.5(2022)

revised in 2020, to improve the sector's production and competitiveness.

The Government of Benin launched an ambitious strategy for agriculture development. The ultimate aim is to achieve sustainable, competitive agriculture. This strategy is based on the Strategic Plan for the Development of the Agricultural Sector (PSDSA 2017–2025), which includes the creation of agricultural development clusters. In addition, the country has a food self-sufficiency plan for 2026 (see box 1), which aims to increase local production and reduce food imports. Benin has made significant progress in agricultural mechanization through the Société Nationale de Mécanisation Agricole, which has deployed over 2 200 modern machines, enhancing agricultural yields. To ensure sustainable and inclusive mechanisation, the Government has also implemented a National Agricultural Mechanization Strategy, making it accessible to all producers, including women and young people.

Benin is also investing in hybrid and climate-smart seeds to strengthen agriculture resilience against climate change. The Government is facilitating their acquisition to improve yields and food security, while providing support to farmers. In terms of financing, the National Fund for Agricultural Development has facilitated financing for farmers, enabling them to acquire modern equipment and adopt sustainable practices. Concrete measures have therefore been put in place to increase production efficiency, diversify crops, and develop the agro-industry. These actions will involve investment in infrastructure and logistics, including the creation of special zones dedicated to agro-industrial processing, to stimulate competitive markets and agri-food value chains.

Energy, water and sanitation, and transport infrastructure still require major investment

Energy: The Beninese population's access to electricity has increased significantly over the last decade, from 32.6% to 55.5% between 2013 and 2022. However, substantial investment in electrical infrastructure is still required. Electricity losses during transmission and distribution are high, estimated at 25% of total production. The installed electrical capacity is limited to 329.4 MW. The country imports electricity from Nigeria to meet national demand. To enhance local energy production, the country has adopted an ambitious strategy to develop renewable energy, with a particular focus on expanding solar power plants. As part of this strategy, the Government has launched a flagship project to build five photovoltaic power plants with a combined capacity of 100 MW, distributed across the country. Despite efforts to develop renewable energy, it still account for only 8.2% of total electricity production. These challenges limit the country's ability to meet the growing demand for electricity[10] and affect the quality of services. Benin's energy industry depends mainly on biomass. Only 4.6% of the population have access

10 This situation is notably highlighted in the Bank's Electricity Regulatory Index (ERI) 2022 report, where the country registers scores corresponding to a low level of development regarding financial performance and competitiveness, quality of service and facilitation of access to electricity.

to clean cooking solutions, leading to excessive use of wood and charcoal and contributing to deforestation (see table 4).

The Government has launched reforms in the electricity sector since 2016 to achieve universal access to clean, reliable electricity. The aim is to reach an installed power generation capacity of 1 400 MW by 2030, compared with 335 MW in 2023 To attract private investors, a new electricity code was adopted in 2020. Benin has also set up a National Renewable Energy Development Policy (PONADER) for the period 2020–2030. It aims to increase the share of renewable energies in the energy mix from 8.6% in 2022 to 31% in 2030. At the same time, the country is implementing a National Energy Management Policy (PONAME) for the period 2020–2030. This policy promotes energy control through supply and demand management, sustainable oversight of biomass resources and the environment, and the establishment of an effective institutional and regulatory framework, as well as adequate financing.

Water and sanitation: Access to drinking water has improved but remains insufficient, particularly in rural areas, as is the case with sanitation services across the country. Recent reforms and infrastructure projects have significantly increased the rate of access to drinking water, from 67.1% to 79.4% between 2013 and 2023. Currently, the overall rate of access to basic sanitation services is estimated at 20%, up slightly from 2013 (15%), with disparities between urban areas (30%) and rural areas (10%).

The Government is committed to improving the water and sanitation situation. However, mobilizing funding poses a major challenge to achieving the ambitious goal of universal access to drinking water. To meet this challenge, the Government launched an ambitious plan of CFAF 699 billion (about $1.1 billion), as formulated in the Government Action Programme 2021–2026. This plan includes several measures, such as the creation of a solid regulatory and institutional framework to encourage public-private partnership in the sector, the implementation of innovative initiatives to mobilize private financing, and collaboration with Development Partners (DPs) to increase access to financial resources.

Transport: Benin, strategically located, serves as a natural corridor for transporting goods to and from the landlocked countries of the Sahelian strip via the Autonomous Port of Cotonou (PAC), and as a link between the coastal countries of West Africa. Despite improvements in transport infrastructure and services, shortcomings persist, reflected in a modest improvement in the logistics performance index, from 2.56 out of 5 in 2014 to 2.9 out of 5 in 2022. The PAC places considerable emphasis on transport infrastructure, accounting for around a quarter of its investments. Priorities include modernizing and expanding the PAC, as well as improving the connectivity of agricultural areas with special economic zones and creating corridors to facilitate trade.

Benin's progress in the transport sector must continue. Road transport predominates, with over 90% for passengers and over 70% for freight. However, only 45% of national roads were asphalted in 2022, creating mobility and infrastructure problems for the population and the economy. Road maintenance and the obsolescence of the vehicle fleet are major challenges. The Bank's transport index[11] shows a slight improvement in Benin's score from 4.567 to 5.219 between 2018 and 2020. To meet these challenges, in 2021 the Government introduced a reform creating the Road Infrastructure and Land Development Company (SIRAT), responsible for ensuring infrastructure quality and guaranteeing sustainable funding for road maintenance. The Government also plans to improve road safety by adopting a new highway code and implementing a dedicated national policy.

PAC is one of West Africa's leading ports. It is essential for landlocked countries such as Niger, Chad, Burkina Faso and Mali. The port handles 90% of foreign trade and contributes 80–85% of customs duties collected and around 40% of Benin's total tax revenues. Despite improved governance and an increase in the annual volume of goods handled (12.5 million tonnes in 2022 versus 7.8 in 2013), maritime facilities are obsolete, leading to congestion problems within the port. Modernization work currently underway should reduce costs for forwarders and double the port's capacity by 2027 to handle over 25 million tonnes of cargo.

11 This index is one of the components of the AfDB's African Infrastructure Development Index.



Strengthening agricultural production

The Ouémé Valley Agricultural Infrastructure Support Project increased production and marketing of agricultural products.

© AfDB

Benin and the Bank: a growing cooperation

For more than 50 years, the Bank has maintained a solid partnership with Benin, underscoring its ongoing commitment to the country. This collaboration is based on regular dialogue with the authorities and development partners, to actively support Benin's ambitious development plan. Over this period, the Bank's operations evolved considerably, with substantial and varied financial commitments standing at over $1 billion between 2013 and 2023. At the same time, the Bank successfully closed 16 projects over the same period, representing a total investment of $382 million. These completed projects testify to the Bank's positive impact on Benin's priority development sectors, such as transport and agriculture.

History of the partnership and the Bank's presence

The Bank has enjoyed a fruitful partnership with Benin for over 50 years

The partnership between Benin and the Bank dates to 1972 when the AfDB granted the country its first loan to finance the development of its infrastructure. Since then, the Bank and Benin have worked together to support economic growth, reduce poverty, and improve living conditions for the country's people. The Bank opened a country office in Benin on 6 June 2019 to strengthen its presence on the ground and better meet the country's needs.

The strategic partnership framework is formulated in the Bank's Country Strategy Paper (CSP) for Benin updated every 5 years[12]. Over the past few decades, the Bank has supported transformational projects such as road construction, national and regional energy infrastructure (e.g. the Nigeria-Benin interconnection and the link to Togo and Ghana in the context of the West African Power Pool), and drinking water supply. Overall, the partnership between the Bank and Benin is close and constant, and both parties continue to work together to achieve the sustainable development goals pursued by the country. Over the past ten years, the Bank has strongly supported the improvement of governance, the strengthening and expansion of electricity, transport, and water/sanitation infrastructure, and the development of agriculture and agro-industry (see Chapter on the Bank's contribution to Benin's development).

The Bank's catalytic role in strengthening dialogue with the authorities and development partners

The Bank's Benin country office, based in Cotonou, the country's economic capital, plays a significant role in strengthening relations with the Government, DPs, the private sector, and civil society. It is headed by a Country Manager and made up of five professionals with expertise in economics, agriculture, transport, water and sanitation, as well as project management. In addition, it benefits from the expertise in the Bank's headquarters and West Africa Regional Office in energy, education, health, and private sector support, as well as in cross-cutting areas such as environmental and social safeguards, climate change, gender, governance, and fragility. Bilateral meetings with Beninese authorities are regularly organized to discuss development priorities and difficulties encountered in preparing and implementing current and future projects and programmes.

The Bank works closely with other DPs to harmonize approaches, ensure synergies, and strengthen the impact of its development actions. It plays an active role in the aid coordination system, contributing to coordination bodies at both strategic and technical levels. Since 2023, the Bank has played a key role in the fields of transport, water and sanitation, agriculture, and energy in terms of coordinating and mobilizing co-financing. The Bank is also involved in public finance management reforms, in collaboration with other budget support partners such as the International Monetary Fund (IMF), the World Bank (WB), the European

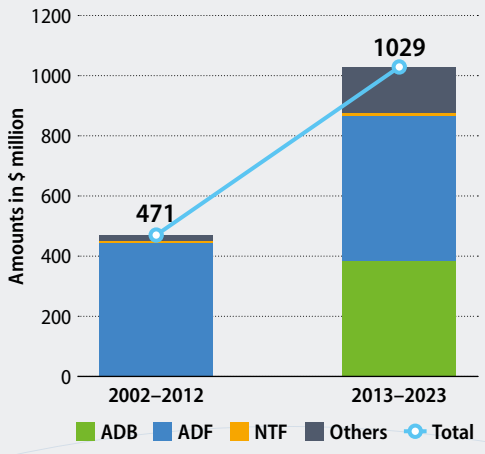
12 The last three CSPs of the Bank for Benin covering the following periods: 2012–2016, 2017–2021 and 2022–2026.

Union (EU), the *Agence Française de Développement* (AFD), Germany and the Netherlands. The Bank also participates in activities and initiatives on the themes of gender, health, and vocational training. Mobilizing financing for climate and green growth is also a central theme of dialogue between the Bank and public authorities.

An ambitious development plan for the country to accelerate the economic growth and improve social well-being, supported by the Bank

The PAG 2021–2026 constitutes the reference framework and the main instrument for steering the country's development action in the medium term. It aims to accelerate Benin's economic and social development and is structured around three pillars: (i) Strengthen democracy, the rule of law, and good governance, (ii) Pursue the structural transformation of the economy, and (iii) Sustainably increase the social well-being of the population. The total cost of the plan is estimated at $20 billion. It is expected to be financed 52% by the private sector and 48% by the public sector. DPs are expected to contribute 15% of the financing in the form of loans and grants.

Figure 2: **Evolution of commitments and diversification of the Bank's sources of financing in Benin in the periods 2002–2012 and 2013–2023**



Aligned with the PAG 2021–2026, the Bank's Country Strategy Paper (CSP) for Benin for the period 2022–2026 is structured around two priority areas: (i) Support for agricultural transformation and industrial development; and (ii) Strengthening of infrastructure to support production and economic competitiveness. The Bank's support under this CSP is provided selectively in four main sectors: agriculture, industrialization, energy, and transport. The strategy supports the consideration of several cross-cutting themes, including gender, governance, regional integration, the private sector, skills development, youth employment, information and communication technologies, climate change, and environmental and social safeguard issues.

The Bank's operations in Benin

The Bank increased its investments and diversified its sources of financing, comparing the periods 2002–2012 and 2013–2023

The Bank's commitments to Benin more than doubled in the respective periods 2002-2012 and 2013-2023, from $471 million to just over $1 billion, as illustrated in figure 2. This increase is attributable to a diversification of financing sources, on account of Benin's access to resources from the public window of the African Development Bank (AfDB) since 2018, in line with the Bank's revised credit policy[13].

In addition to financial support, the Bank has actively engaged in policy dialogue with the government of Benin through the preparation of Country Strategy Papers (CSPs) and other strategic discussions. The CSPs have been instrumental in aligning the Bank's investments with Benin's development priorities, particularly in sectors such as transport, agriculture, and energy. These dialogues have focused on key reforms, supporting the country's reform agenda. By aligning financial support with government priorities, the Bank ensures that projects contribute to sustainable development and long-term structural improvements.

From 2018–2019, Benin used these funds to finance three major projects in the sectors of transport, sanitation, and rural electrification[14]. In addition, the Bank mobilized more funds from trusts and special funds, such as the China-Africa Growing Together Development Fund (AGTF), the Global Agriculture, Food and Security Programme (GAFSP), and the Global Environment Facility (GEF).

13 Under this policy, approved in 2014, an ADF recipient country can borrow non-concessional resources from the AfDB window under certain conditions.

14 The Project to develop the Djougou-Pehunco-Kérou-Banikoara cotton road ($130 million); the Rainwater drainage for the city of Cotonou ($54 million); and the Rural electrification project ($67 million).

Figure 3: **Evolution of the Bank's commitments in Benin over the period 2013–2023**

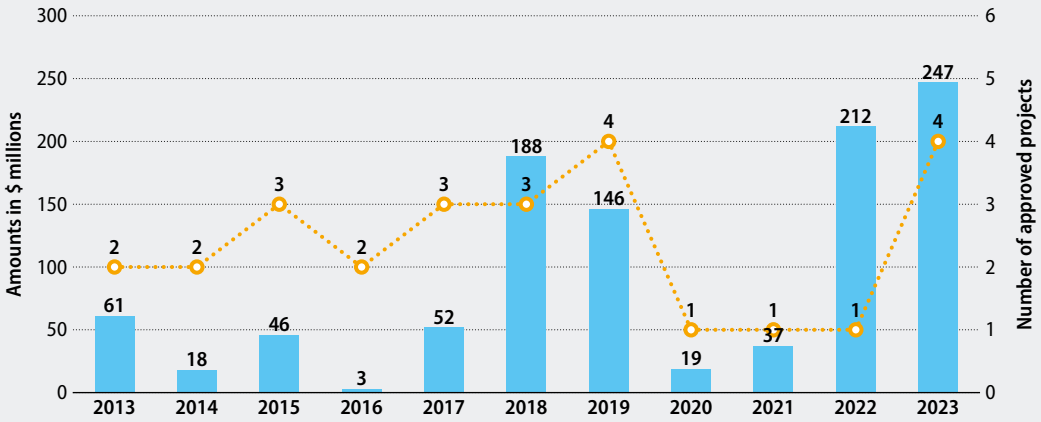
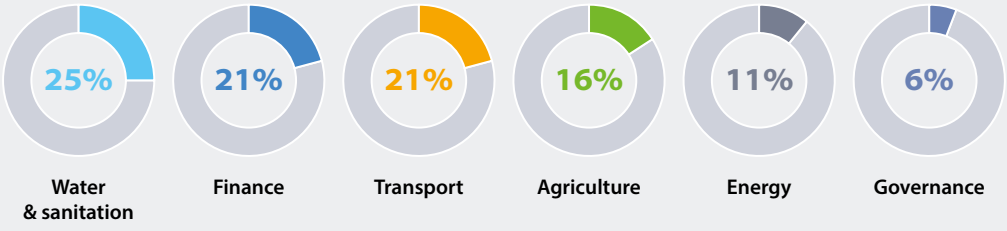


Figure 4: **Breakdown by sector of the Bank's commitments in Benin during the period 2013–2023**



The evolution of the Bank's investments in Benin over the period 2013–2023 made it possible to target key sectors for development

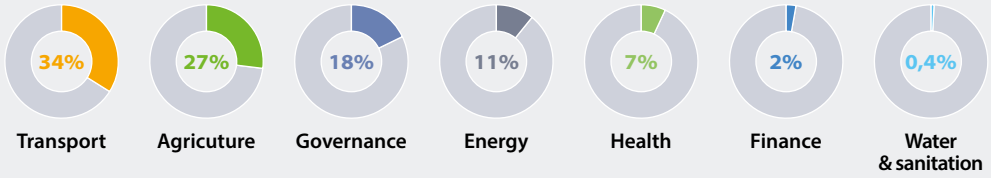
Between 2013 and 2023, the Bank granted Benin financing totalling around $1 billion, spread across 25 projects, as illustrated in Figure 3. This graph shows an increase in financing volumes in 2018 and 2019, the period during which Benin accessed the AfDB's public window for the first time. These projects were spread across various sectors, including water and sanitation (25%), finance (21%), transport (21%), agriculture (16%), energy (11%), and governance (6%), as presented in Figure 4.

The projects closed illustrate the Bank's impact on Benin's strategic sectors, notably transport and agriculture

Between 2013 and 2023, the Bank successfully closed 16 projects for a total of $382 million. It is important to note that ten of these sixteen projects were approved before 2013, between 2005 and 2012, reflecting delays in their implementation. Indeed, excluding budget support programmes, the average age of projects at closing was 8.2 years.

Closed operations concern the transport (34%) and agriculture (27%) sectors, followed by governance

Figure 5: **Breakdown by sector of the Bank's closed projects during the 2013–2023 period**



(18%), energy (11%), healthcare (7%) and finance (2%) (see figure 5). Among these projects, some major achievements deserve to be highlighted. In the transport sector, two significant projects played a crucial role in facilitating the movement of goods and people, while strengthening regional integration and trade growth. These are the Lomé-Cotonou Road Rehabilitation Project on the Abidjan-Lagos corridor and the Ndali-Nikki Road, linking Togo to Nigeria via Benin. In agriculture, the Communal Forest Management Support Project boosted forestry production, while the Project to Support the Dairy and Meat Sectors modernized processing infrastructure and equipment while strengthening product marketing and distribution mechanisms such as livestock markets, slaughterhouses, and dairies. These initiatives supported the foundations of Benin's agricultural economy, a fundamental pillar of national development.



Making electricity reliable thanks to regional interconnections

The Ghana-Togo-Benin Interconnection Project has strengthened electricity reliability in Benin through increased electricity export volumes from Nigeria and Ghana to Togo and Benin.

The Bank's contribution to the development of Benin

The Bank plays a key role in supporting Benin's economic and social development. Through the priorities defined in the Bank's various Country Strategy Papers (CSPs) for Benin, remarkable outcomes[15] have been achieved in three key areas: strengthening economic and financial governance, including support for private sector development and improving business competitiveness; infrastructure development, particularly in the areas of transport, access to drinking water, electricity, and sanitation; and finally, agricultural resilience and agribusiness development.

Strengthening economic governance, supporting private sector development, and improving business competitiveness

Over the past ten years, the Bank has provided financial support to the Government of Benin through budgetary assistance aimed at supporting economic and financial reforms, improving public finance management, and strengthening the country's economic competitiveness. Table 7 shows the main outcomes of the Bank's projects in this area.

A major contribution to economic and financial reforms and the growth of the private sector

Between 2012 and 2013, the Bank granted $40 million financing for the **Economic and Financial Reform Support Programme** which led to the introduction of a private sector development policy and a legal and institutional framework for financing public-private partnerships (PPPs). Between 2011 and 2013, the programme reduced the time (from 31 to 15 days) and cost of setting up a business (from 150% to 123% of per capita income).

In the same period, the Bank allocated $5.4 million from the ADF window for the **Project to support public finance management and improve the business climate** implemented between 2011 and 2016. This project strengthened the technical skills of the public procurement system and external control. It also strengthened tax and customs administrations, as well as structures involved in promoting the private sector.

The Bank also financed the **Project to Support the Competitiveness of Beninese Companies** (see box 2), which enabled the drafting of the decree on the creation and validation of development plans for the Glo-Djigbé special economic zone (inaugurated in 2020 and covering 1 640 hectares, just 45 km from Cotonou). This industrial zone aims to create value chains, from the supply of raw materials to the export of finished products.

Lastly, the Bank supported the **Private Sector Development Project in Northern Benin** to support business development through dedicated training and support services. It also invested in transport projects to

Table 7: **Outcomes from economic and financial sector governance**

Economic and financial governance	Closed projects 2013–2023		
	Planned	Actual	Completion rate
● Number of policies, regulations, or legislative texts adopted or revised	26	22	85%

15 See Annex: Methodological Note

Box 2: **The Project to Support the Competitiveness of Beninese Companies**

The aim of the Project to Support the Competitiveness of Beninese Companies was to boost the competitiveness of Beninese businesses by facilitating access to financing and improving their management and marketing. It has had several significant impacts, including the adoption of the Private Investment Code and the Law on Micro, Small and Medium-sized Enterprises (MSMEs), the establishment of the Cotonou Commercial Court, the adoption of a national policy to promote private investment, and the creation of the Investment and Export Promotion Agency (APIEx). These actions helped improve Benin's economic competitiveness, with an increase in industrial value added from 7.5% to 9.8% of GDP between 2017 and 2019, a reduction in the trade deficit from 14.5% to 5.6% of GDP between 2017 and 2019, and an increase in the private investment rate from 19.2% in 2017 to 22.6% in 2019.

Box 3: **AfDB's African Industrialization Index (AII): Benin moved up from 32nd to 18th place between 2010 and 2021**



The African Industrialization Index (AII), launched by the Bank in 2021, aims to improve understanding of the factors and drivers of industrial development in Africa. It provided an overview of progress in the industrial sector on the continent between 2010 and 2021, covering 52 of the 54 African countries. The AII groups 19 indicators into three dimensions: manufacturing sector performance, the direct determinants of manufacturing production (capital and labour), and the indirect determinants or enabling environment, comprising macroeconomic stability and the quality of policies and institutions.

Benin experienced one of the biggest rises in the AII rankings, from 32nd to 18th position between 2010 and 2021. This progress can be attributed to increased capital investment and the introduction of industrial development policies that take account of the effects of climate change. The country also increased its manufactured exports per capita and saw the share of these exports in total volume rise. This progress testifies to Benin's efforts to promote and develop its industrial sector, which contributes to economic growth.

Source: Africa Industrialisation Index 2022; African Development Bank

improve market access for businesses (see the chapter on the Bank's contribution to Benin's development).

These various interventions in the field of governance contributed to Benin's strong rise in the African Industrialization Index rankings (see box 3).

In addition, at the end of 2023, the Bank approved, through a budget support operation of $102 million, the first phase of the **Economic Governance and Private Sector Development Support Programme**. This programme aims to strengthen the private sector's contribution to the economy by improving the business climate, supporting the agri-food sector, and stepping up climate-related actions. Its objectives include increasing investment in the Glo-Djigbé Special Economic Zone, boosting added value in agri-food industries, and reducing the country's vulnerability index.

In the same year, the Bank approved the first phase of the **Skills Development Project for Employment in Priority Sectors**, for an amount of $88 million, which is mainly aimed at strengthening the skills and qualifications of young people to create a more innovative, enterprising, and competitive workforce, particularly in the agricultural and energy sectors, especially renewable energies.

Innovative financing mechanisms for infrastructure development, promoting the private sector, and combating climate change

To meet the country's growing financing needs for infrastructure development and private sector promotion, the Bank is setting up innovative financing mechanisms. For example, it signed a **Partial Credit Guarantee** of $200 million in September 2022, mobilizing €350 million in financing for the Sustainable Development Goals (SDGs). This initiative enables Benin to benefit from long-term, competitive financing from banks and private institutional investors. These funds will be allocated to sectors aligned with the SDGs, such as agriculture, agribusiness, water and sanitation, health, affordable housing, education, renewable energies, digital, job creation for youth and women, infrastructure, climate action, biodiversity conservation, and tourism.

In addition, the Benin Deposit and Consignment Fund (CDC Benin) will be one of the first African public institutions to benefit from the AfDB's "**African Green Bank**" initiative. This initiative will provide a climate finance facility hosted by CDC Benin and dedicated to the implementation of the National Strategy for Climate and the Environment. Priority areas will be clean energy production, resilient infrastructure, and intelligent agriculture. Funding of

$800 000 has been granted to implement this initiative, including the design of the model, the creation of a project pipeline, and a resource mobilization plan.

A key role in the fight against the COVID-19 pandemic

In response to the COVID-19 pandemic, the Bank granted Benin $6.8 million in budget support. This funding made it possible to set up 13 laboratories in all regions and districts to conduct screening tests. On account of these facilities, COVID-19's screening capacity reached 4 500 tests per day, i.e. 180% of the initial target. A total of 1.1 million people were tested. In addition, business support measures such as tax exemptions and wage subsidies safeguarded over 25 000 jobs, 48% of which are held by women.

Development of transport infrastructure, electricity supply, and access to drinking water and sanitation

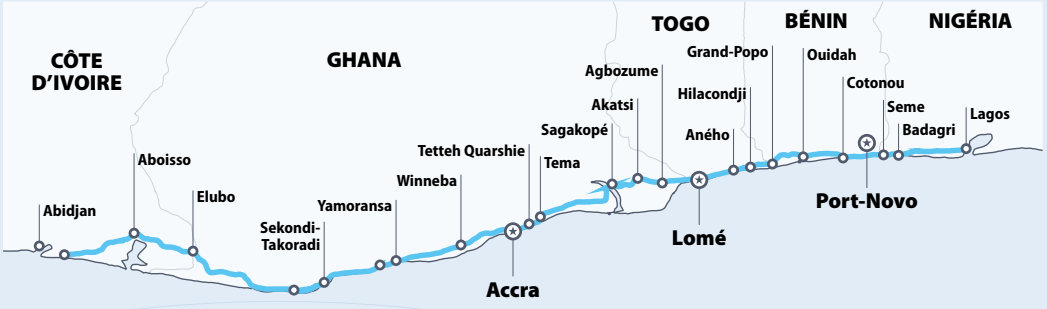
An essential role in modernizing road networks

The Bank has played a key role in the development of Benin's transport sector. For many years, it has been actively involved in supporting initiatives to improve the country's transport network infrastructure and connectivity. It has invested in the construction and rehabilitation of regional roads to facilitate Benin's trade with neighbouring countries and improve urban transport. On account of these actions, the Bank has made a major contribution to facilitating trade, reducing logistics costs, and promoting Benin's economic development. Table 8 summarizes the main outcomes achieved and expected from projects in the transport sector.

Strengthening regional corridors to promote regional integration and facilitate transport in Benin and West Africa – The Lomé-Cotonou Road on the Abidjan-Lagos corridor is one of the priorities of the African Union's (AU) Programme for Infrastructure Development in Africa (PIDA) (see Box 4) and an essential link in the West African Economic and Monetary Union (WAEMU) community road. The Bank is supporting the construction of this road through a two-phase **project to rehabilitate the Lomé-Cotonou Road and facilitate transport on the Abidjan-Lagos corridor**.

Phase 1, completed in 2022, cost about $115 million, of which $91.1 million was financed by the ADF. The works include the creation of two lanes in each direction on an 18.75 km section between Pahou and Ouidah, the rehabilitation of a 58.75 km road between Ouidah and Hillacondji (on the Togo border), and the construction of the Hilacondji-Sanvée-Condji juxtaposed checkpoint. These achievements have enhanced the mobility of people and goods between Pahou and Hillacondji, cutting journey times from 115 to 50.8 minutes, halving accidents, and reducing operating costs for light vehicles from CFAF 220 to CFAF 181 per vehicle. In addition, transit time at the border for freight trucks has fallen from 24 to 13.5 hours. The project also included the development of 110 km of rural tracks and the construction of enclosure walls for public infrastructure (schools, and health centres). The rural accessibility index[16] has seen a remarkable increase in the project area, rising from 30 to 95%.

Box 4: **Abidjan-Lagos corridor**



The 1081-kilometer Abidjan-Lagos corridor will link five West African countries - Côte d'Ivoire, Ghana, Togo, Benin and Nigeria – by road. This integrating corridor will link the most economically dynamic cities and ports and the most densely populated conurbations in West Africa (Lagos, Abidjan, Accra, Cotonou, and Lomé).

16 This index is used to assess the degree of access to essential services such as healthcare, education, transport and infrastructure in rural areas.

Table 8: **Outcomes from the transport sector**

Transport	Projects closed 2013–2023			Ongoing projects
	Planned	Real	Completion rate	Planned
Asphalted roads built or rehabilitated (km)	155	155	100%	226
—Of which regional corridors	155	155	100%	-
Feeder roads and related rural tracks built or rehabilitated (km)	217	225	104%	92
Border control post	1	1	100%	-

Phase 2 of the project, costing a total of $178 million and co-financed by the ADF to the tune of $39 million (along with Islamic Development Bank, the European Union and a few other donors), was scheduled for completion by the end of 2025. It aims to resolve traffic congestion between Avépozo and Aného in Togo, as well as coastal erosion problems along the Lomé-Cotonou corridor.

Lastly, the **Ndali-Nikki-Chicandou Road Asphalting Project** was completed in 2016 with funding mainly provided by the ADF, amounting to about $40 million. By improving the flow of goods and people on this section of the transverse corridor linking Togo to Nigeria, via Benin, the project has helped to strengthen regional integration and increase cross-border trade. This intervention was a response to the need to improve traffic flow between the port of Cotonou and the countries of the hinterland. The project involved upgrading and asphalting 77 km of roads, reducing the average travel time from 3 to 1 hour. In addition, 47 km of service roads have been built along the road, with fencing for schools and health centres. A toll/weigh station has also been set up, and carts have been distributed to women's groups.

Opening up the major cotton-growing basins to facilitate cotton transport – The **Djougou-Pehunco-Kérou-Banikoara cotton road development project**, approved by the Bank in 2018 and due for completion in 2027, involves building a road of around 210 km. It will be the backbone of the cotton road network in the departments of Donga, Atacora, and Alibori. The project costs $240 million, including $177 million from the Bank Group. At present, the poor state of the road makes it difficult to transport cotton from the northwest to the port of Cotonou. Trucks take up to 10 hours to cover 200 km. The project will reduce the time and costs involved in transporting and exporting cotton, one of the country's main sources of income. It will also include the development of 152 km of tracks, the construction of 18 boreholes to provide access to water, the construction of 1013 meters of fencing for public infrastructure (schools, health centres), and the rehabilitation of 9 commercial infrastructures.

Improving urban transport in Parakou to modernize the city – The **Parakou Urban Transport Project**, which is in its closing phase, has seen the commissioning of the main structures. The total cost of the project was estimated at $98 million, about half of which was financed by the Bank. Parakou, the country's third-largest city with a population of over 200 000, is the capital of a major agricultural region. However, the town's two main roads were in poor condition and narrow, hampering economic activity and traffic flow. The project rehabilitated 16 km of roads, including 11 km through the city and 5 km on the outskirts,

Box 5: **Parakou's urban transport project: a testimony to the city's radical change**



Parakou, Benin's third largest city, has recently undergone a major transformation thanks to an urban transport project. Hervé Hermann G., Departmental Director of Infrastructure and Transport in the Borgou Department, would like to testify to its impact. Mr. Hermann G. remembers a time when a section of the town was known as the "Death Road". Indeed, in 2013, this urban crossing was extremely dangerous. Accidents were frequent, putting people's safety at risk. Thanks to the project, the roads in Parakou have changed radically. Not only has the road been completely redeveloped, but the town's other trunk roads, which were in a poor state of repair, have also been rehabilitated. Mobility in Parakou has been significantly improved. Mr Hermann G. states: "*Commuting in the city is now easier, saving residents precious time. New shops have sprung up along the roads. Finally, the project has benefited users traveling to hinterland countries, helping to strengthen economic exchanges in the region*".

Table 9: **Outcomes from the energy sector**

Energy	Closed projects 2013–2023			Ongoing projects
	Planned	Real	Completion rate	Planned
Installed electrical capacity (MW)	210	210	100%	-
New or upgraded power transmission lines (km)	114*	114	100%	30**
People benefiting from new electrical connections (number)	-	-	-	250 000
New or improved power distribution lines (km)	-	-	-	3 301

* This is a 338 km power transmission line between Ghana, Togo and Benin. 114 km corresponds to the section of the transmission line in Benin.

** Estimates based on the average number of persons per household in Benin. According to World Bank data, the average number of people per household in Benin is around 4.3.

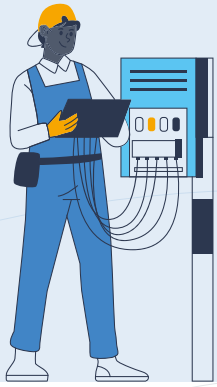
creating a dual carriageway. In addition, 7 km of lanes will be paved, and 5 junctions have been designed. Urban management tools will be put in place to help the Parakou town council plan and maintain road infrastructure. These works modernized the city, improving urban mobility and stimulating economic activity (see Box 5).

Efforts to strengthen the country's energy security and increase access to electricity

The Bank has played a crucial role in supporting the energy sector in Benin. Its commitment has been demonstrated through several projects aimed at improving sector governance, cross-border trade within the West African power pool, and the quality of and access to electricity in the country. Emphasis has been placed on strengthening and expanding electricity distribution networks to increase access to electricity, especially in peri-urban and rural areas. Table 9 summarizes the main outcomes achieved and expected from projects in the energy sector.

Strengthening the governance of the energy sector to ensure its sustainability – In 2017, the Bank granted budget support of $26.5 million for the **Energy Sector Support Programme**. This programme has improved the reliability and stability of the electricity supply by adding 210 MW of power generation capacity. Of this capacity, 150 MW was generated by independent producers, and 60 MW was imported from Nigeria. In addition, it has contributed to strengthening governance in the energy sector by funding the operating budget of the Electricity Regulatory Authority (ARE), enabling it to approve electricity tariffs, creating a new board of directors for the Beninese Electric Power Company (SBEE) and setting up a repayment plan for the State's arrears to

Box 6: **Recommended measures for Benin in the AfDB's Electricity Sector Regulatory Index 2022 report**



Recommended short-term measures (1–2 years)

- Develop regulatory mechanisms to compensate for guaranteed power generation
- Develop a distribution network code
- Evaluate the quality-of-service provision

Recommended medium-term measures (3–5 years)

- Prohibition on appointing a former member of the electricity company as a commissioner
- The regulator as the final decision-making body when issuing or modifying licenses
- Regulators' fees and other revenues are set by Parliament

Box 7: **Energy interconnection between Nigeria, Benin, and Togo: a pillar of regional economic development**



The manager of the Sakété substation in Benin, Josias N., supervises a team of about ten people who manage and maintain the substation. Josias N. declares: "*Since the launch of this initiative to interconnect Nigeria with Benin and Togo, the energy capacity transiting through the substation has grown by leaps and bounds, from 70 MW in 2007 to 300 MW, with peaks of up to 325 MW at peak times*". This interconnection has made the supply of electricity to Benin and Togo more reliable and regular, boosting the region's economic and social development.

Box 8: **Significant impact of lack of access to electricity on academic outcomes and the well-being of pupils and teachers in a public school in the commune of Adjarra**



In the public school of Adjarra, located near Porto-Novo, the lack of access to electricity has a significant impact on the academic outcomes and well-being of students and teachers. Denis H., Headmaster of the school, stresses the urgency of the situation and the need to electrify the school. According to him, "*the school has more than 2,000 students. Unfortunately, we don't have access to electricity, and this has an impact on school outcomes.*" In addition, he states: "*We are unable to keep to class times due to the lack of light. Learners encounter difficulties in studying and teachers complain about these conditions and prefer to migrate to the city to benefit from better working conditions.*" Electrifying the school will bring many benefits, including better lesson planning and a favourable learning atmosphere.

SBEE. However, further efforts are needed to effectively regulate the sector. According to the Bank's Electricity Sector Regulatory Index 2022, Benin ranks 29th place out of 44 African countries, with a low overall score of 0.465. The report recommends short- and medium-term measures to improve regulation of the sector in Benin (see box 6).

Improving access to stable, affordable energy through regional interconnections – Regional power interconnections play a crucial role in the development of electricity markets, promoting trade in cleaner, cheaper energy sources. The Bank supports this type of transformative project, such as the **Ghana-Togo-Benin Interconnection Project**, implemented as part of the West African power exchange system. This infrastructure has increased the volume of electricity exports from Nigeria and Ghana to Togo and Benin. The project involved the construction of 338 km of transmission lines across the three countries, including 114 km in Benin, and four transformer substations were extended or built. The total cost of the project was $89 million, of which $48 million was financed by the ADF.

This project has improved access to electricity and strengthened the country's energy resilience by offsetting shortfalls in hydropower production during periods of drought. In addition, it has reduced the country's dependence on rental thermal power plants, which are both polluting and costly. The Sakété substation, close to the Nigerian border, was extended as part of the project. The Benin Energy Company (CEB), which manages this substation, is witnessing the growth in capacity transiting from Nigeria to Benin and Togo (see box 7).

In addition, the **Nigeria-Benin-Niger-Burkina Faso Electricity Interconnection Project** (or Northern Backbone Project) aims to build an 842 km transmission line, as well as six transformer substations. Currently under construction, completion is scheduled for 2025. The components for Niger and Burkina Faso are financed by the Bank, while the World Bank finances those for Benin and Nigeria. This project will enable the exchange of electrical energy between these four countries and their interconnected neighbours. This interconnection will strengthen the supply of electricity to Benin and Togo from Nigeria, complementing the first Nigeria-Benin line, as well as its extension via the Ghana-Togo-Benin Interconnection Project.

Support for community electrification in rural and peri-urban areas – The Bank is actively supporting the electrification of rural and peri-urban areas in Benin through two complementary projects currently underway. Firstly, the **Project to restructure and extend SBEE's transmission and distribution system** was approved in 2018 for which the Bank provided ADF financing of $15.4 million. This project covers 12 communes in southern Benin. Secondly, the Rural Electrification Project, which was approved in 2019, for which the Bank granted a loan of $67.1 million.

Table 10: **Outcomes from water and sanitation sector**

Water and sanitation	Closed projects 2013–2023			Ongoing projects
	Planned	Real	Completion rate	Planned
Drinking water distribution network (transmission and distribution) built (km)	-	-	-	2.3
Domestic water meters installed/ replaced (number)	-	-	-	42 500
People for whom the risk of flooding is reduced (number)	-	-	-	99 315

Box 9: **Problems with anarchic electrical connections in the commune of Akpakamey**



Akpakamey, near Porto Novo, will be electrified as part of the Rural Electrification Project. The work revealed a worrying problem: anarchic electrical connections. Andrew S., manager at Alpha T & Limited, the company responsible for work in the locality, underlines this problem. "*Makeshift electrical connections provide unstable electricity and do not meet basic safety standards, posing a significant safety risk to residents.*" Residents negotiate with people in other localities who have access to the grid and use wires to bring electricity to their homes, tying them in a disorganized fashion to wooden sticks. Electrification of this commune will put an end to these practices. Andrew S.: "*Once access to the power grid has been established, residents will no longer have any interest in using these facilities. The project will guarantee reliable and secure electrical services*".

This project covers the rest of the country, with a total of 309 localities. These two projects, due for completion by 2027, will enable the construction of 3 301 km of distribution lines and the connection of 58 324 households to electricity, i.e. around 250 000 people[17].

The availability of electricity is bringing about positive changes that are having a beneficial impact on people's lives. It enables children and students to continue their studies in the evenings, opening up new opportunities. A case in point is the Adjarra public school, located in a fast-growing urban area but suffering from a lack of access to electricity (see box 8). This school will benefit from electrification as part of the **Rural Electrification Project**.

In addition, village electrification will help reduce air pollution by eliminating the need for diesel generators and will replace illegal electrical connections, reducing the risks associated with dangerous anarchic electrification practices (see box 9).

A strong commitment to improving water and wastewater infrastructure

The Bank is strongly committed to the water and sanitation sector in Benin. The Bank actively supports the improvement of drinking water distribution quality by reducing losses, as well as rainwater treatment to reduce the risk of flooding, which is becoming increasingly frequent in the country. Table 10 shows the main outcomes expected from projects currently underway in this area.

Modernization of drinking water networks in the Cotonou and Porto-Novo conurbations – The **Project to reduce water losses and improve the sustainability of drinking water supply systems in the cities of Cotonou, Porto-Novo and their metropolitan areas** received $8.9 million in funding from the Nigeria Trust Fund (NTF) approved in 2016. In the final implementation phase[18], it helped reduce water leaks and losses at Benin National Water Company (SONEB). Old, obsolete domestic meters have been replaced by 18 900 new meters, enabling

17 Estimates based on the average number of persons per household in Benin. According to World Bank data, the average number of people per household in Benin is around 4.3.

18 The project was scheduled for completion at end-2024.

Box 10: **Testimonies from SONEB staff at the Godomey water plant near Cotonou**



One of the improvements at the Godomey water plant concerns the extension of the remote management system for Cotonou's water network. Thanks to the project, 5 boreholes have been equipped with a remote management system. Mr. Ephrem Z., head of the remote management department at SONEB's network operations and coordination division, testifies to the improvements: "*In the past, in the event of a drop in flow, you had to go through all the boreholes to determine which one was at fault. From now on, an alert is automatically sent, making it possible to identify the faulty borehole and intervene quickly*".



A computer-aided maintenance management system (GMAO) has been set up. Emeline S., promotion officer at the Godomey water plant, explains how this system facilitates water resource management: "*This system enables remote, real-time consultation of flows, pressures, and volume at each station*". It can also be used for projections. Emeline S. adds: "*By 2030, a water deficit is forecast at the Godomey plant inlet. New boreholes are therefore needed to meet growing demand*".

Box 11: **In the commune of Aguégués, access to drinking water is essential for the survival and health of the inhabitants. Testimonials from Esther K. and Cécile B., residents**



In the commune of Aguégués, the testimony of Esther K. and Cécile B., two village residents, highlights the precarious situation in which the population lived before the implementation of the Drinking Water Supply Project. Their daily lives were marked by a disastrous situation. The lake water often made them sick, especially the children. Cholera was a plague. Since the arrival of drinking water, living conditions have improved. Esther K. shares her feelings: "*Before, we lived in constant fear of disease and losing our loved ones. The simple task of obtaining drinking water was a daily challenge.*" Cécile B. adds: "*We have clean, safe water at our fingertips, and it has truly transformed our lives. We are grateful to those who made this possible.*"

better measurement of customers' water consumption and increased revenues. The project also improved the water network management and maintenance system, including equipment for leak detection, modelling, and network sectorization, as well as training 224 SONEB agents, including 29 women (see box 10).

Thanks to this project, access to drinking water has been restored in the commune of Aguégués, in south-east Benin. The project involved the replacement of 14 km of obsolete water pipes and the installation of 263 water meters. For many years, residents have suffered from a lack of drinking water, which has led to health problems. Residents now have access to drinking water, reducing the risk of disease. In addition, residents no longer have to travel long distances to fetch drinking water, allowing them to devote more time to productive activities such as farming or fishing. In addition, households with water meters sell drinking water to residents. This activity enables women to become economic players in their communities, strengthening their financial autonomy and influence in community decision-making (see box 11).

The Government of Benin, in collaboration with DPs, is preparing an ambitious programme to improve access to drinking water in all the country's communes. This programme calls for the installation of 611 water supply systems at a cost of around $1.6 billion. This programme will be a major step toward realising the vision of universal access to drinking water for all.

Protecting the population from flooding to strengthen resilience in the face of climate change

– Heavy rains and frequent flooding caused by climate change are having a serious impact on the country. To solve this problem, the Bank has granted a $66 million loan to the **Support project for the rainwater sanitation programme in the city of Cotonou**, which will address the flooding problems for about 100 000 people. Floods disrupt economic activities, damage infrastructure, and affect the health and well-being of residents[19]. The work will include the widening of water collectors and gutters, the renovation of 12.2 km of roads to facilitate rainwater runoff, and the construction of a 220 500 cubic meter rainwater retention and storage reservoir.

19 During the severe floods that hit Benin in 2010, the Government estimated losses and damage at CFAF 127 billion (nearly $250 million), resulting in a 0.8 percentage point reduction in GDP.

Recent decades have seen an intensification of climate variability, with an increase in extreme weather events and disruptions to seasonal rainfall patterns. The number of communes at high risk of flooding has risen from 22 in 2010 to 35 in 2022. The Bank therefore decided to launch the **Secondary Cities Rainwater Sanitation Programme** in 2023, to extend its actions to secondary cities (Porto-Novo, Ouidah, Bohicon, and Abomey) where around 1 million people live. The Bank has granted a loan of around $125 million from its AfDB window and a loan of $48 million from the AGTF fund. The project will involve the construction of stormwater drainage infrastructure, including 42.7 km of collectors and 62.3 km of culverts. In addition, 18.7 km of roads will be asphalted and 16.1 km paved.

Agricultural resilience and agribusiness development

The Bank has contributed to Benin's agricultural development and food security by supporting agricultural production (food crops, market gardening, and animal products), the construction of agricultural infrastructure, and forest management. It has also provided support for several of the country's key sectors, such as cotton and cashew nuts. At present, the Bank is focusing its efforts on the development of agricultural value chains and agribusiness, one of the priorities of the CSP 2022–2026. The actual and expected outcomes of agricultural and agro-industrial projects are summarized in table 11.

Supporting the development and resilience of agricultural infrastructure for sustainable agriculture

Increased food crop production to sustainably improve living conditions for small producers – Two major agricultural projects covering several regions of Benin, the **Agricultural Infrastructure Support Project in the Ouémé Valley** worth $66 million, which was closed in 2024, as well as the **Project to support food production and strengthen resilience in the departments of Alibori, Borgou, and Collines** worth $27 million, which was closed at end-2023, were implemented in recent years. About 88 000 people have already benefited directly from these projects.

The **Agricultural infrastructure support project in the Ouémé valley** boosted agricultural production. With the development of 3 000 hectares of farmland and the distribution of 600 tonnes of seeds, an increase in agricultural yields has been observed. In 2022, there was an increase of 3 124 tonnes of rice, 1 082 tonnes of corn, and 1 796 tonnes of vegetable crops. Finally, the construction of 50 storage warehouses and feeder roads, farmers have been able to preserve their harvests in

Table 11: **Agriculture and agro-industry**

Agriculture	Closed projects 2013–2023			Ongoing projects
	Planned	Real	Completion rate	Planned
Agricultural inputs supplied, including fertilizers and seeds (tonnes)	2 887	12 468	432%*	24 113
Rural marketing and production facilities built or rehabilitated (number)	342	291	85%	410
Cattle supplied/vaccinated (number)	35 000	69 617	199%	15 400
People benefiting from progress in agriculture (number)	58 983	65 415	111%	5 078 603
—Including women	32 424	35 926	111%	2 473 498
Farmland with improved water management system (ha)	-	-	-	22 929
Rural population using improved agricultural technologies (number)	31 900	22 957	72%	179 029
Feeder roads built or rehabilitated (km)	1 510	1 141	76%	533
A land whose use has been enhanced: replanted, reforested, or developed (ha)	53 895	47 597	88%	138 804

* See the paragraph on the Multinational Support Project for the Cotton-Textile Sector below for an explanation of this high percentage.

Box 12: **The Support Project for Agricultural Infrastructure in the Ouémé Valley has been a driving force for change in the town of Sémè Podji**



The project has transformed agriculture in the region, offering new prospects for farmers. According to Jacques P., President of the Cooperative of Young Market Gardeners of Sémè Podji, the project has been positive for the local market gardening sector. "*Our production has improved significantly. The irrigation systems have made our work easier and increased our production*". The project has also created new outlets for farmers. Jacques P. underlines: "*We have succeeded in securing a market for the sale of our products. Once faced with precariousness, we have been able to increase our income.*" He adds: "*We now own vehicles to transport our products to markets* ".

Box 13: **Project to Support Food Production and Strengthen Resilience contributes to women's empowerment**



In the Glazoué region, the Project to Support Food Production and Strengthen Resilience is transforming the lives of women farmers, Adeline D., one of the beneficiaries, shared her testimony on the positive impact on her life. Previously, the situation for Adeline and many other women in the region had been difficult. Despite their efforts, harvests were meagre, and they depended entirely on their husbands to provide for the family. Thanks to the project, the situation has changed. Adeline testifies: "*Today, we are finally reaping the fruits of our labour, and we are no longer dependent on our husbands.*" *Thanks to their income, they can secure a better future for their families. Adeline adds: "We moms are capable of providing for our children.*"

optimal conditions and facilitate their marketing. In Sèmè Podji, for example, the project has had a positive impact on farmers' lives (see box 12).

The **Project to Support Food Production and Strengthen Resilience** supported the strengthening of food production in the departments of Alibori, Borgou, and Collines. Through to the use of certified seeds, compliance with recommended technical itineraries, and the development of production areas, productivity has been improved. Rice yields rose from 3.4 to 5.2 tonnes per hectare, while maize yields increased from 1.3 to 3.1 tonnes per hectare. In addition, the construction of stores has facilitated group sales, enabling producers to sell their harvests and access credit from micro-finance institutions. Beneficiaries' incomes increased from CFAF 176 000 to CFAF 418 000. In all, over 55 000 direct beneficiaries were impacted, particularly women (see box 13).

In addition, synergies have been created between these two projects and the **Programme of Technologies for African Agricultural Transformation - Phase I (TAAT-1)**, a continental Bank initiative aimed at increasing agricultural productivity by providing proven, climate-resilient technologies. In 2022, the Bank's Independent Development Evaluation (IDEV) assessed the positive outcomes of the TAAT-1 that have had a significant impact on the agricultural sector, creating opportunities to optimize the impacts of the Bank's existing and future operations in Benin (see box 14). In addition, Benin currently benefits from the **Multinational Integrated Programme for Development and Adaptation to Climate Change in the Niger Basin**. Launched by the Bank in 2018, it aims to provide training and equipment for producing, processing, and adding value to agricultural products to more than 4 million small-scale producers, including 220 000 in Benin.

Support for forest conservation to stabilize natural ecosystems – The Bank has supported Benin in forest management, through the **Communal Forest Management Support Project**, the first phase of which, costing $37 million, was completed in 2015 and the second phase, costing $8 million, is currently being implemented. Phase 1 saw the introduction of improved water management systems on 32 000 hectares of farmland and the reforestation of 6 000 hectares of forest. The second phase aims to consolidate achievements in terms of forest cover, infrastructure management, and stabilization of forest ecosystems.

Priority given to agribusiness and the development of agricultural value chains

Modernization of the cotton sector is vital to the country's economy, to improve production yields and farmers' incomes – The **Multinational Support Project for the Cotton-Textile Sector** was implemented between 2008 and 2016 in four African cotton-producing countries (Benin, Burkina Faso, Mali, and Chad) to improve cotton production and the processing of cotton fibre for textiles. In Benin, cotton is grown in the northern regions. These are small farms averaging 1 to 3 hectares, using traditional farming methods (crop rotation, manual ploughing). The project has trained 20 000 farmers

Box 14: **IDEV evaluation of TAAT-1 – Benin case study report: key findings on programme effectiveness**

1	2	3	4
Increased productivity and income (focus on the rice value chain)	**Strengthening technology dissemination**	**Creating synergies between value chain players**	**Strengthening the role of the private sector in agricultural technology transfer**
• Rice growers have doubled their productivity by using improved seeds. • Rice processors have seen an eightfold increase in the quantity of rice processed per week.	• Improving the capacity of the Consultative Group on International Agricultural Research (CGIAR) centres and the National Agricultural Research Institute of Benin (INRAB) has enabled improved agricultural technologies to be more effectively disseminated to farmers.	• Collaboration between farmers, processors, seed producers, and equipment manufacturers has encouraged technology adoption and fostered a dynamic ecosystem within value chains.	• Seed producers were equipped with improved seeds and received comprehensive training on their production. • Equipment manufacturers have acquired invaluable knowledge of techniques for improving processing productivity using machines and materials.

in Benin to adopt improved agricultural technologies. Moreover, almost 12 000 tonnes of agricultural inputs (fertilizers, seeds) were supplied, far more than the 2 700 tonnes expected, due to producers joining the community seed system. The construction of storage warehouses and rural tracks facilitated logistics. As a result, cotton production yields in Benin rose from 1 100 to 1 278 kg per hectare, and average producer income increased by 16%.

Box 15: **The Cotonou abattoir: a major step forward for meat quality in Benin**



Rehabilitation of the Cotonou abattoir has improved meat quality for the population. Barthelemy H., an electromechanical technician at the Cotonou abattoirs, stresses: "*The project has equipped our slaughterhouse with new equipment which has considerably improved the quality of our services.*" He also testifies to the positive impact the project has had on his career: "*I benefited from training that enabled me to become a polytechnician at Cotonou abattoirs. I am now training new technicians to take over.*"

Developing dairy and meat production to support food self-sufficiency – The Bank has granted $37 million in financing to the **Project on National Support for the Milk and Meat Sectors**. The project, completed in 2018, built 56 infrastructures for the production and marketing of milk and meat such as veterinary stations, storage warehouses, dairies, slaughter areas, livestock markets, milk collection centres, and laboratories. The project also enabled the development of 8 840 hectares of pasture, the construction of 80 boreholes, the rehabilitation of 162 km of rural tracks, and the creation of 751 km of transhumance corridors for livestock. Finally, it has enabled the training of 2 531 people and the creation of 34 jobs. These actions have improved local skills and employment in these sectors (see box 15).

At the same time, the Bank granted $800 000 in financing in 2015 to provide rapid assistance to producers and breeders affected by the floods in Karimama and Malanville. Implemented by the FAO, this

operation has resulted in the vaccination of 70 000 head of livestock and the repopulation of dams and fishponds with 250 000 fingerlings[20].

The Bank has continued to support this sector through the **Project to support the development of the dairy and meat sectors and promote livestock businesses** via $26.6 million in ADF financing approved in 2021. It includes the installation of sedentary herds near each dairy, the construction of a modern slaughterhouse in Parakou, the rehabilitation of 10 water reservoirs for livestock, the development of 2 500 hectares of pasture, the construction of 57 boreholes with drinking troughs and solar submersible pumps, the introduction of improved dairy breeds, the reinforcement of artificial insemination, the increase in fodder crops for livestock, the creation of new transhumance corridors and support for vaccination, and the training of 8 660 people.

Continuing its commitment to support agriculture and livestock, in 2023 the Bank extended its intervention to the aquaculture sector with the approval of the **Project to Promote Aquaculture and the Competitiveness of Fisheries Value Chains**, financed to the tune of $26.4 million. This project aims not only to boost aquaculture production and productivity but also to support sustainable management of inland and marine fisheries while developing value chains that are resilient in the face of climate change. As a result of this project, 7 000 people, 50% of them women, will benefit from improved fishing technologies, 100 processing units will be created, income from fish farms will increase by 15%, and 200 000 direct and indirect jobs will be generated.

Strengthening the cashew nut sector to support agricultural entrepreneurship and exports – About $20.3 million in financing was granted by the Bank in 2019 for the **Cashew nut industry development and agricultural entrepreneurship support project**. Cashew nuts are the country's second most important agricultural export, after cotton, generating 25% of agricultural export revenues. The project will achieve the following: 145 km of access roads, 5 storage warehouses, 15 000 ha of cashew plantations, and the creation of a 3 000-ha modern orchard to improve yield per hectare by 700 kg. It will also include 20 cashew nut shelling units, 20 cashew nut processing units, 5 mini power plants, and 30 village water systems to serve both rural communities and industrial units. In addition, the project will help industry players gain access to bank credit. Overall, it will benefit more than 75 000 individuals , with 30% of them being women.

20 Young fish for stocking rivers and ponds.



Stimulating urban mobility

The Parakou Urban Transport Project has improved urban mobility and stimulated economic activity.

© AfDB

Key lessons

This report revealed some important strategic and operational lessons for Benin's development. Strategically, it highlights the importance of a comprehensive and inclusive approach to overcoming structural challenges such as persistent poverty, insecurity, and climate change impacts. To achieve this, it is crucial to speed up investment in key sectors such as agriculture and infrastructure (energy, transport, water, and sanitation). The still under-utilized agricultural potential can stimulate economic growth, while the Autonomous Port of Cotonou is a major asset in the strengthening of regional integration. Regarding operations, it is crucial to improve the sustainability of infrastructure, strengthen resilience to crisis, and promote technological innovation in agriculture.

Strategic lessons

Benin faced with structural challenges: a global and inclusive approach

Despite encouraging economic performance, Benin faces complex structural challenges: persistent poverty, insecurity in the north, and climate change. These factors weaken development efforts, limit opportunities, and perpetuate a vicious circle of poverty, holding back the country's economic growth.

To address these challenges, the Bank and its partners need to adapt their approach. Among other things, this means stepping up investment in agriculture and basic infrastructure, while building resilience to climate shocks and security challenges.

Agricultural potential: an engine for economic growth

Benin's immense agricultural potential is still largely under-utilized and could play a key role in its economic development. Agriculture currently contributes about 25% of GDP, a level like that of 2013, and employs over 40% of the working population. Moreover, most agricultural products are exported in their raw state and less than 30% of local production is processed, thus limiting the creation of added value. Although efforts are underway to transform this sector, greater support is needed to maximize its impact. Agriculture offers numerous opportunities for growth and job creation, particularly in export sectors such as cotton and cashew nuts, as well as in livestock and fisheries.

To unlock this potential, the Bank and its partners must support the Government of Benin in stepping up initiatives to modernize agricultural practices, improve market access, and develop the agro-industry, through the 2026 Food Self-Sufficiency Plan. These actions will help to diversify the economy, create sustainable jobs, and strengthen food security. Special emphasis must be placed on introducing modern technologies and improving rural infrastructure to boost farmers' productivity and incomes.

Infrastructure: an essential driver of competitiveness and inclusive growth

Inadequate access to essential infrastructure, such as drinking water, electricity, and adequate transport, is a major challenge for Benin. Progress in these areas, be it energy, water, sanitation, or logistics, remains insufficient and hampers both economic competitiveness and social inclusion. For example, electricity infrastructure is inadequate, covering only 38% of the population. This situation is exacerbated by the slowness of interventions and the lengthy time it takes to implement infrastructure projects.

It is therefore imperative to accelerate investment in these key sectors to reduce regional disparities and improve living conditions for the population. It is necessary to improve the connectivity of agricultural areas with special economic zones and to create corridors to promote trade. An approach that combines speed and scale in project implementation could significantly transform the country's development prospects.

Opening up the major cotton-growing basins to facilitate the transport of cotton to the Autonomous Port of Cotonou is a concrete example of the need to improve infrastructure.

The Autonomous Port of Cotonou: a catalyst for regional integration

The Autonomous Port of Cotonou plays a vital role not only for the Beninese economy but also for regional

economic integration. Its strategic position makes it an essential development driver for the entire West African sub-region.

However, for the port to fully play its role as an engine of growth, targeted investments are needed to improve its efficiency, connectivity, and competitiveness. This involves modernizing port infrastructure, facilitating trade, and reducing logistics costs. By optimizing these aspects, the Autonomous Port of Cotonou could become a central player in regional economic development.

Operational lessons

Improving the sustainability and use of infrastructure

Projects in the transport infrastructure and agro-industry sectors revealed problems of deterioration and under-utilization of facilities.

For example, some stretches of road have suffered minor damage, and street lighting poles are out of use due to vandalism.

In response to these challenges, it is essential to systematically integrate quality and performance standards into procurement processes. The creation, in 2021, of the **Road Infrastructure and Territorial Development Company (SIRAT)** is a proactive measure to ensure the maintenance of the road network. In addition, in the agricultural sector, a covered market dedicated to the sale of market garden produce is facing unfair competition, and certain facilities, such as water supply systems for livestock, are no longer operational. To address these problems, it would be wise for the Bank to work closely with the Government to establish good maintenance practices, thereby ensuring the sustainability of the projects financed and optimizing their impact on Benin's socio-economic development.

Finally, to ensure the sustainability of infrastructure projects financed by the Bank, it is crucial to implement additional awareness-raising actions. These include informing users about the proper use of infrastructure, stressing the importance of regular maintenance, addressing safety issues - both road safety, and the use of electricity and raising awareness of hygiene measures, particularly those relating to water and sanitation.

Building resilience to crises

Global crises, such as the COVID-19 pandemic, highlighted the vulnerability of projects to price fluctuations and external shocks. Delays in electrification projects were noted, notably due to requests by some contractors to revise contract amounts.

To ensure effective implementation, the Bank needs to demonstrate adaptability. This includes anticipating price fluctuations and implementing adjustments in line with the Bank's Procurement framework. Effective communication between stakeholders is also crucial to minimize delays and ensure rapid project implementation. Mid-term reviews of ongoing projects provide an opportunity to adjust target results and ensure that objectives remain realistic and achievable.

Supporting technological innovation in agriculture to improve productivity and working conditions

In the agricultural sector, the introduction of innovative technologies is essential to reduce the drudgery of manual work and improve farmers' productivity. At present, many farmers still use traditional tools, which impacts their health and efficiency.

The Bank should encourage the adoption of modern techniques adapted to local needs, such as those – promoted by programmes like TAAT. This would not only increase yields but also improve farmers' living conditions by making their tasks less arduous.



Involving stakeholders

Projects financed by the Bank adopt a participatory approach by involving beneficiaries and local stakeholders.

© AfDB

Outlook

In recent years, Benin has enjoyed political stability and good economic performance, placing it among the lower-middle-income countries since July 2020. As this report underlines, the Bank's strategic and operational partnership in Benin over the past decade has largely contributed to these results. However, the main challenge remains the slow structural transformation of the economy. To remedy this, the Bank is committed to supporting inclusive growth that generates decent jobs, focusing on agricultural transformation, industrial development, and strengthening infrastructure to improve production and economic competitiveness.

Promoting an environment conducive to the development of agribusiness and improving agricultural productivity and diversification

The Bank is supporting Benin in creating favourable conditions for the development of agribusiness, recognizing the considerable potential of the agricultural sector to meet the challenges of food security, boost agricultural value chains and agribusiness, and generate sustainable employment. It is fully committed to supporting inclusive agricultural and industrial development while emphasizing environmental sustainability.

To boost agricultural production, the Bank will focus on improving **agricultural productivity and yields**, thus helping to **strengthen food and nutritional security** in the country. It will encourage the modernization of agricultural techniques, the adoption of climate-resilient practices, and the reduction of carbon footprints. Sustainable management of land and water resources, as well as secure access to water and optimized management of agricultural land, will be priorities. Strategic value chains, such as dairy, meat, fisheries, and aquatic products, will play a vital role in food security.

The Bank will also support the diversification of agricultural production by **strengthening value chains and developing agro-industry**. Its support will extend from production to processing and marketing of agricultural products. Concrete actions will aim to encourage private investment through the creation of an enabling environment, as well as the development of essential infrastructure. In addition, training programmes and financing mechanisms will be offered to the various players in the agricultural chain. Promoting entrepreneurship, particularly among young people and women, and supporting public-private partnerships will be priorities.

Concerning **industrialization to promote job creation**, the Bank will support Benin in the promotion of a local industry focused on the processing of raw materials, for the national market and sub-regional and international markets. It will focus its efforts on improving the business climate and governance in the manufacturing sector. Particular attention will be paid to the operationalization of the Glo-Djigbé Special Economic Zone (GDIZ), a key driver for the country's industrialization and the creation of decent jobs.

Building infrastructure to improve production and economic competitiveness

The Bank is committed to supporting the **development of transport infrastructure** to improve national and regional connectivity. It will finance transport corridors designed to open up agricultural production areas, stimulate trade, and strengthen regional integration. Improving this infrastructure should help reduce the cost of producing and exporting agricultural products, particularly cotton, the mainstay of Benin's economy. In addition, the modernization and extension of the Autonomous Port of Cotonou will be supported, to optimize port operations, thereby strengthening competitiveness and regional economic development.

At the same time, the Bank is committed to facilitating **access to affordable electricity** for both households and businesses, to boost the private sector's competitiveness. In addition, it will aim to increase power generation capacity based on renewable energies, thereby supporting the country's energy transition.

The Bank will place emphasis on **building resilience**, targeting vulnerable populations and regions facing security and climate challenges. Its integrated approach will encompass cross-cutting themes such as **regional integration**, **job creation**, **climate change adaptation**,

and **gender equality**. Each operation will be designed to be inclusive and gender-sensitive, promoting equal opportunities and sustainable economic development.

Lastly, the Bank will continue to support Benin in building its **financial and debt management capacities**. It will encourage the mobilization of domestic resources to create a stable macroeconomic environment conducive to private investment. This support will include reforms focused on transparency, efficiency, and sound management of public finances, thereby enhancing the confidence of investors and international partners in the Beninese economy.

Conclusion

The Bank is strongly committed to intensifying its collaboration with Benin by providing strategic financing to support the country's transition to a modern, sustainable economy. To this end, it will maintain close cooperation with the Government of Benin, development partners, the civil society, and the private sector. By collaborating, the Bank and its partners remain strongly committed to supporting Benin in key sectors such as promoting good governance, strengthening energy infrastructure, promoting renewable energies, efficiently managing energy demand, improving transport networks, providing access to drinking water and sanitation, and developing the agricultural sector and agro-industry. This sustained collaboration and investment are of vital importance in helping Benin to move towards a path of progress and sustainable development.

Annex 1: Methodological note

The purpose of this note is to show how this report highlights the country's development progress and the results achieved by the Bank.

Level 1: Monitoring the country's development progress

Level 1 indicators (see chapter on Country Context) track long-term development outcomes that shape the country's overall context. These indicators are based on data from national or international statistics.

Level 2: Measuring the outcomes from Bank-financed operations in the country

Level 2 indicators (see chapter on the Bank's contribution to the country's development) present the expected and achieved outcomes from projects completed by the Bank between 2013 and 2023 in Benin. The expected results of projects approved by the Bank between 2013 and 2023 are shown in a separate column.

Data sources come from the Bank's project appraisal reports for expected outcomes and the Bank's project completion reports for outcomes achieved. It should be emphasized that these are outcomes from all projects, not just the part financed by the Bank.

Green (●), orange (●), red (●), or grey (●) bullets are assigned to each level 2 indicator. For projects closed between 2013 and 2023, a green bullet (●) indicates that the Bank has achieved at least 85% of the expected outcomes, an orange bullet (●) corresponds to an achievement between 70% and 85% and a red bullet (●) is used for achievements below 70%. A grey bullet (●) is assigned to the expected outcomes from projects approved between 2013 and 2023 and still in progress.

Annex 2: Sources of Development Indicators for Benin

The economic, governance, quality of life, climate and environment, agriculture, and infrastructure indicators presented in this document come from the following sources:

Economic indicators

- **GDP (in billions of constant 2010 $):** African Development Bank
- **GNI per capita ($):** African Development Bank
- **Real GDP growth (% per year):** African Development Bank
- **Total external debt (% of GDP):** African Development Bank
- **Export diversification index (1 low - 0 high):** United Nations Conference on Trade and Development (UNCTAD)
- **Import diversification index (1 low - 0 high):** United Nations Conference on Trade and Development (UNCTAD)

Governance indicators

- **Mo Ibrahim Index of Governance in Africa (0 low - 100 high):** Mo Ibrahim Foundation
- **Corruption Perceptions Index (0 – 100):** Transparency International
- **Africa Visa Openness Index (0 low - 1 high):** African Development Bank
- **Africa Industrialization Index (0 low - 1 high):** African Development Bank

Quality of life indicators

Poverty and employment

- **Population living below the national poverty line (% of population):** National Institute of Statistics and Demography (INStaD), Harmonized Household Living Conditions Survey (EHCVM)
- **Unemployment rate, total (% of population):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013; Harmonized Household Living Conditions Survey (EHCVM) 2018-2019

Food security

- **Number of undernourished people (millions):** Food and Agriculture Organization of the United Nations (FAO)
- **Percentage of children under 5 with stunted growth (%):** National Institute of Statistics and Demography (INStaD), Multiple Indicator Cluster Survey (MICS) – 2014 and 2021-2022
- **Cereal import dependency rate (%):** Food and Agriculture Organization of the United Nations (FAO)

Health

- **Infant mortality rate, under 5 (per 1,000):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013; Multiple Indicator Cluster Survey (MICS) 2021-2022
- **Life expectancy at birth, total (years):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013, Revised Projection 2022
- **Maternal death ratio (model estimate, per 100,000 births):** World Health Organization (WHO), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Bank

Education

- **Junior high school completion rate (%):** National Institute of Statistics and Demography (INStaD), Multiple Indicator Cluster Survey (MICS)
- **Youth literacy rate (% of 15-24-year-olds):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013; Harmonized Household Living Conditions Survey (EHCVM) 2018-2019
- **Adult literacy rate (% of people aged 15 and over):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013; Harmonized Household Living Conditions Survey (EHCVM) 2018-2019

Gender

- **Ratio of girls to boys in primary and secondary school enrolment (%):** United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics
- **Proportion of seats held by women in national parliaments (%):** Inter-Parliamentary Union (IPU)
- **Overall gender inequality index (0 low - 1 high):** World Economic Forum (WEF)

Climate and environment indicators

- **Total GHG emissions (in Mt CO2 equivalent):** Benin's Nationally Determined Contribution (NDC), revised in 2021
- **Forest area (% of land area):** Food and Agriculture Organization of the United Nations (FAO)
- **Green Growth Index (0 low - 100 high):** Global Green Growth Institute (GGGI)

Agriculture indicators

- **Agricultural land (% of territory):** Food and Agriculture Organization of the United Nations (FAO)
- **Irrigated farmland (% of farmland):** Food and Agriculture Organization of the United Nations (FAO)
- **Agriculture, value added (% of GDP):** World Bank national accounts data and Organisation for Economic Co-operation and Development (OECD) national accounts files
- **Crop production index (2014 to 2016=100):** Food and Agriculture Organization of the United Nations (FAO)
- **Livestock production index (2014 to 2016=100):** Food and Agriculture Organization of the United Nations (FAO)

Infrastructure indicators

Energy

- **Population with access to electricity (%):** National Institute of Statistics and Demography (INStaD) - General Population and Housing Census (RGPH) 2013; Multiple Indicator Cluster Survey (MICS) 2021-2022
- **Population with access to clean cooking solutions (%):** International Energy Agency (IEA)
- **Total installed electrical capacity (MW):** International Renewable Energy Agency (IRENA)
- **Share of installed renewable energy generation capacity (%):** International Renewable Energy Agency (IRENA)

Water and sanitation

- **Drinking water coverage (%):** National Statistics
- **Share of population using basic sanitation services (%):** National Institute of Statistics and Demography (INStaD) - Multiple Indicator Cluster Survey (MICS)

Transport

- **Transport Index (0=low; 100=high):** African Development Bank
- **Logistics Performance Index (1=low; 5=high):** World Bank
- **Annual volume of goods handled at PAC (in million tons):** Official data from port authorities

Note: The data used in this document comes from the latest available updates from the sources mentioned above.

www.afdb.org

Design & layout: CRÉON



















About this publication

Since 2011, the African Development Bank (the Bank) has produced an Annual Development Effectiveness Review (ADER) that assesses the Bank's overall contribution to development results in Africa. Complementing the ADER, the Country Development Effectiveness Review (CDER) provides a detailed, country-specific analysis of the Bank's operational performance and activities in its Regional Member Countries. While the ADER offers an annual analysis of development trends at the continental level, the CDER takes a longer-term perspective, focusing on the effectiveness of the Bank's interventions within a specific country.

The CDER aims to assess the effectiveness of the Bank's operations, its success in achieving the development objectives of its member countries, the quality of its interventions, and their impact on development. It also serves as an essential management tool, fostering continuous improvement in the Bank's operations and organisational processes.

Like the ADER, the CDER contributes to enhancing transparency and accountability towards the Bank's shareholders, partners, and beneficiaries.

AFRICAN DEVELOPMENT BANK GROUP

African Development Bank Group

Avenue Joseph Anoma - 01 B.P. 1387
Abidjan 01, Côte d'Ivoire

Design: www.creondesign.net

www.afdb.org