



GOUVERNEMENT
DE LA RÉPUBLIQUE
DU BÉNIN

 **OBJECTIFS
DE DÉVELOPPEMENT
DURABLE**

SDG BOND FRAMEWORK 2030 AGENDA

July 2021

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FOREWORD

More than ever, Benin is fully committed to implementing the United Nation's 2030 Agenda. As early as 2016, the Beninese authorities created a dedicated governance structure capable of mobilizing Benin's institutions across the board and transforming public action.

The evaluation of the costs to achieve the sustainable development goals (SDGs), also known as "costing", and the work carried out to prioritise the most pressing targets, has endowed us with a bedrock for analysis and action.

This SDG Bond Framework is a natural step in Benin's incorporation of the 2030 Agenda in all public actions.

Our institutional system for achieving the SDGs is now well developed: the diagnosis and quantitative assessment of our situation in view of the United Nation's official targets, consultations with various stakeholders, strategic planning and budgeting are now supplemented by an external financing strategy harnessing international capital markets.

The actions carried out upstream by all the Ministries, and in particular the analysis of Benin's budget in view of the SDG targets, puts us in a unique position vis-à-vis investors. We are now able to offer them greater transparency on the use of the proceeds that will be raised.

Through this framework and the bond issues that will follow, we propose an investment product that carries a high impact. The spending that will be (re)financed thanks to the proceeds of these "SDG Bond issuances" notably focuses on Benin's youth. The 2030 horizon is being addressed as of now, and it is particularly in our youth that we wish to invest more today.

Considerable work has already been accomplished to implement the 2030 Agenda. However, we want and need to make further progress.

This is why, in parallel to this SDG Bond Framework, which was reviewed by Vigeo Eiris (V.E.) in order to confirm that it complies with sustainable finance best practices (obtaining the highest score), we have launched an innovative partnership with the Sustainable Development Solutions Network (SDSN)¹.

This technical partnership with an organization working under the auspices of the United Nations and specialized in assessing and documenting SDG trends, will make it possible to monitor over time the progress made by Benin towards SDGs, our positioning relative to our neighbours, the relevance of the public policies carried out or still yet the gaps to be filled, thereby enabling our policies to be redirected and adapted as necessary.

This framework, allocation and impact reporting, and the work carried out with the SDSN, are all efforts aimed at enhancing dialogue with stakeholders.

The objectives set in this framework are a further evidence of the accountability the Beninese Government exerts to ensure vis-à-vis our international investor base, which we intend to expand, our bilateral and multilateral financial partners, and, above all, our fellow citizens.

We are pleased to be writing a new page in the history of SDG finance and the 2030 Agenda. With both humility and determination, we hope to become a recurring issuer at the very cutting edge of integrity and innovation.



Romuald Wadagni,
Minister of the Economy and Finance

¹ The Sustainable Development Solutions Network (SDSN) is a global network of universities, research centres and knowledge institutions. The SDSN has been operating since

2012 under the auspices of the UN Secretary General. See the press release on the partnership, [here](#).

ABBREVIATIONS

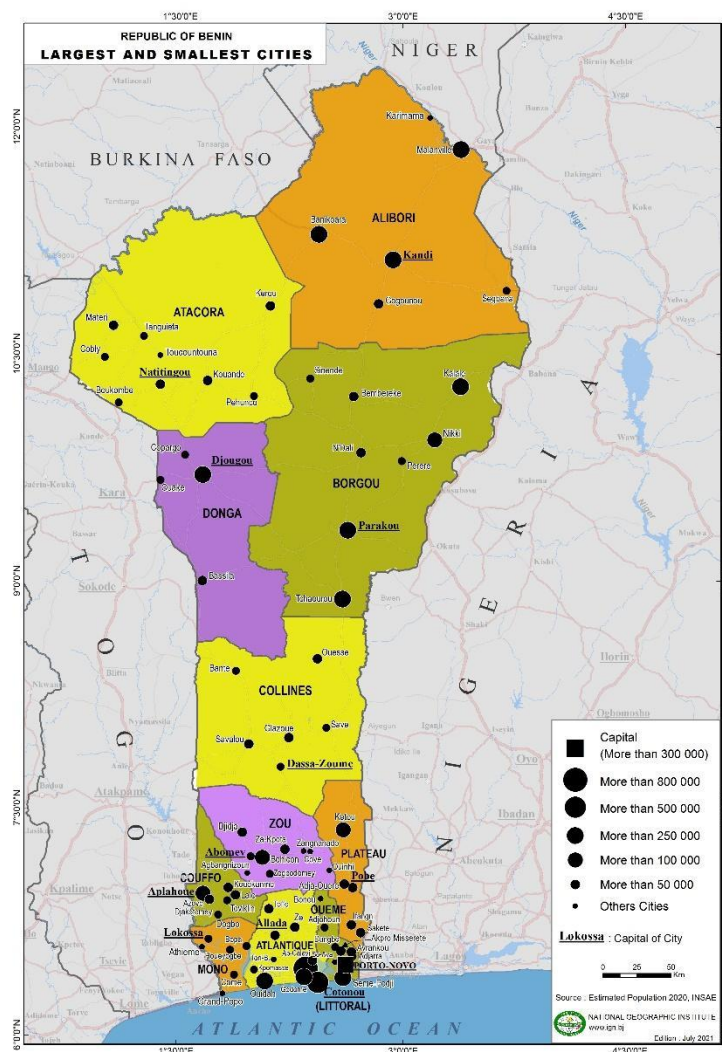
BEA	Benin Environmental Agency
LETDA	Living Environment and Territorial Development Agency
ARCH	Insurance for Reinforcing Human Capital
ADB	African Development Bank
CBWAS	Central Bank of West African States
WADB	West African Development Bank
TYF-SDG	Ten-Year Action Framework for Accelerating SDG Implementation
ECOWAS	Economic Community of West African States
MYEPD	Multi-Year Expenditure Planning Documents
MYBEPD	Multi-Year Budgetary and Economic Planning Document
GDE (ex GDEA)	General Directorate for Economy
GD-SDG-CM	General Directorate for SDG Coordination and Monitoring
GDPMPI	General Directorate for Programming and Monitoring of Public Investments
ESIS	Environmental and Social Impact Study
MDSF	Municipality Development Support Fund
IMF	International Monetary Fund
MDG	Millennium development goal
UNSDG	United Nations Sustainable Development Group
NSDI (ex INSAE)	National Statistics and Demographics Institute
SDG	Sustainable Development Goals
GAP	Government Action Plan
APP	Annual Performance Projects
GSDP	Growth for Sustainable Development Programme
GDP	Gross Domestic Product
PIP	Public Investment Programme
NDP	National Development Plan
AWP	Annual Work Plan
UNDP	United Nations Development Programme
IRA	Integrated Rapid Analysis
SDSN	Sustainable Development Solutions Network
VE	Vigeo Eiris
WAEMU	West African Economic and Monetary Union

PART I: Benin mobilised for the 2030 Agenda

1. The basics about the Republic of Benin

The Republic of Benin is located in **West Africa** in the tropical zone between the Equator and the Tropic of Cancer. It is bordered by Niger in the north, Burkina Faso in the north-west, Togo in the west, Nigeria in the east and by the Gulf of Guinea in the south.

Figure 1: Benin, breakdown of populations and the various departments



Source: Republic of Benin, *National Geographical Institute*, 2021

Porto-Novo is the Republic of Benin's administrative capital. Cotonou is the country's economic and political centre and the country's most densely populated city, with over 800,000 residents.

1.1 Political and administrative organisation of Benin

Benin is divided into **12 departments**², themselves divided into **77 municipalities**.

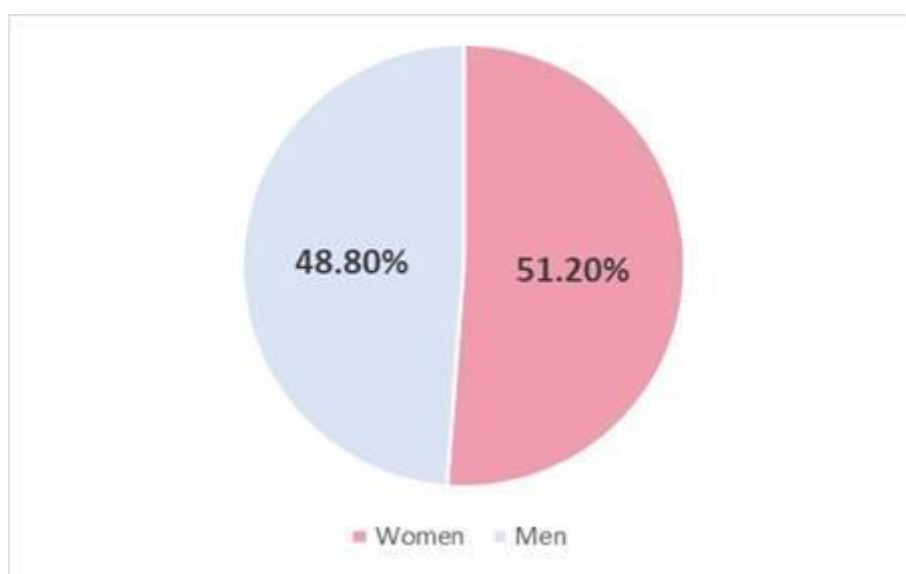
In order to ensure that its economic governance programme is effectively implemented, in June 2016, the Government adopted a new map of the administrative centres of Benin's 12 departments³. Municipalities are endowed with legal personality and have financial autonomy. Each municipality's budget is adopted by a city council vote. The mayor is responsible for authorising it.

Benin's 3 largest cities (Cotonou, Porto-Novo and Parakou) benefit from special status laid down by law. The other 74 municipalities have ordinary status.

1.2 A predominately young and rural population

According to the fourth edition of the general census⁴ carried out by the National Statistics and Demographics Institute (NSDI), in 2013, **the Beninese population consisted of 10,008,749 inhabitants**, of which 51.2% were women and 48.8% were men (see figure 2)⁵.

Figure 2: Breakdown of the Beninese population by gender (2013)



The NSDI estimates that Benin's population reached **12,220,528 persons in 2020**. The annual population growth rate for the 2020 – 2030 period is estimated to stand at 2.3%.

Benin's population is particularly young. According to 2013 census figures, nearly 65.5% of the population was less than 25 years old and 46.5% was less than 14 years old, with a median age of 17. According to the NSDI's projections, in 2020, the under-25 population stood at 7,814,455 people, i.e. an increase of nearly 1,261,815 people between 2013 and 2020.

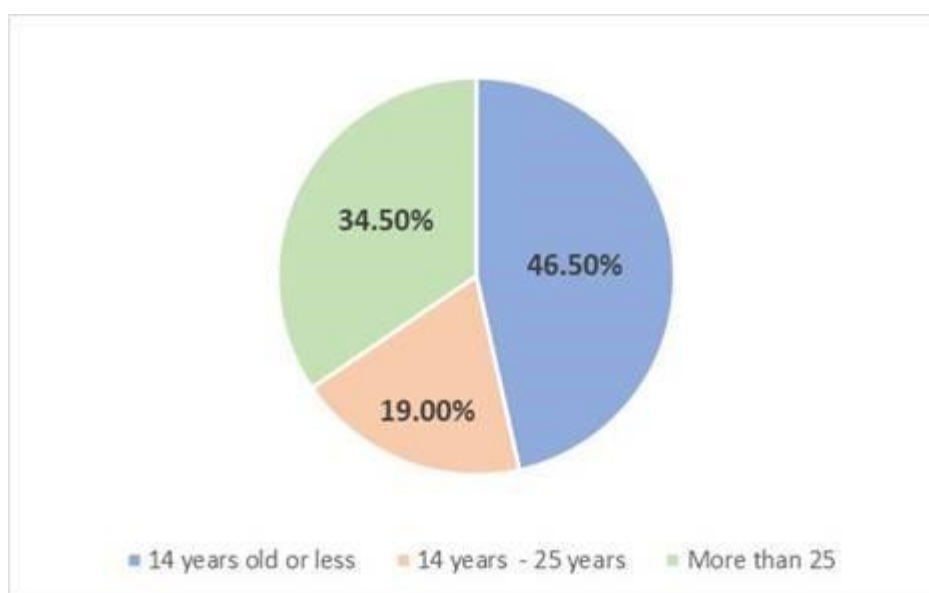
² Benin's 12 departments are: Alibori, Atacora, Atlantique, Borgou, Collines, Couffo, Donga, Littoral, Mono, Ouémé, Plateau, Zou.

³ Decision adopted by the Council of Ministers on 22 June 2016.

⁴ Recensement général de la population et de l'habitation or RGPH-4.

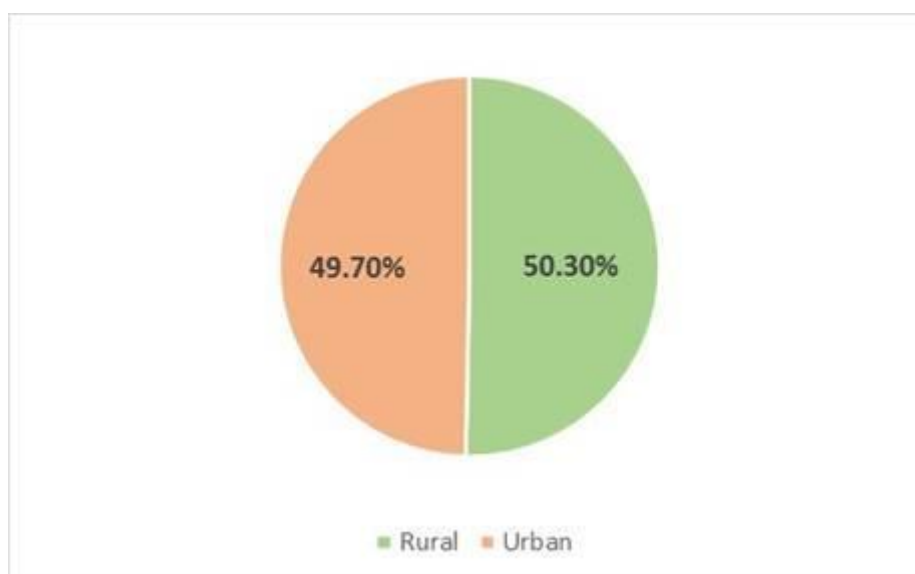
⁵ Republic of Benin, National Statistics and Economic Administration Institute, *General census of the population and habitation 4, Volume 1: Status and structure of the population*, 2013.

Figure 3: Breakdown of Benin's population by age group (2013)



According to the NSDI's demographic projections, **the majority of Benin's population lives in rural areas (50.3%)**, with the country's urban population representing 49.7% of the total population.

Figure 4: Breakdown of Benin's population by area



In 2020, the 2 largest cities, Cotonou and Abomey-Calavi, had 829,089 and 801,364 inhabitants, respectively⁶. **The urbanisation rate was estimated to be approximately 49.7% in 2020, compared to 38.9% in 2002.** According to the NSDI's projections, over half the Beninese population will live in urban areas in 2030 (57.3%).

⁶ Republic of Benin, National Statistics and Economic Administration Institute, *Demographic projections and social demand outlook, 2020*.

1.3 Human development indicators are improving

Drawing from its political stability, **Benin's Human Development Index (HDI) has improved over the past 30 years**, rising from 0.35 in 1990 to 0.52 in 2018. The HDI is developed by the UNDP and is a summary measure of long-term progress in three fundamental human development areas: quality of life, life expectancy at birth and education level of persons aged 15 and up.

In 2018, Benin ranked number 1 among countries of the West African Economic and Monetary Union (WAEMU), ahead of Côte d'Ivoire and Senegal. The country's HDI increase is the result of progress made by the country in three component areas of the index. Between 1990 and 2019, Benin has recorded significant gains in the areas of the **life expectancy at birth, schooling** (under 15s in particular) and has experienced **regular growth in its gross domestic product per capita at constant prices**.

According to the International Monetary Fund, Benin's GDP increased from USD 2,195 in 1990 to USD 3,258 in 2020, an increase of nearly 50%⁷.

1.4 Benin's economic structure

With GDP estimated at FCFA 9,008 billion in 2020 (13.7 billion euros) for a population of 12.2 million inhabitants, Benin entered the **middle-income country category** (lower tranche) in 2020, with GDP per capita of 1,003 euros⁸.

The rapid and sustained increase in real GDP growth over the 2015-2020 period results from the **continual improvement in the country's productive resources**, and in particular:

- (i) **Improved public governance** enabling to create an environment favourable to private investment and economic growth;
- (ii) **Expanded production of cotton and other agricultural products** since 2016;
- (iii) **Increased activity in the construction sector** tied to the implementation of the Government's Action Programme;
- (iv) **Continued improvement in electricity supply**;
- (v) Favourable trends in the **agribusiness sector**;
- (vi) **Dynamism of the Port of Cotonou and its effects on services activities**, particularly trade and transportation.

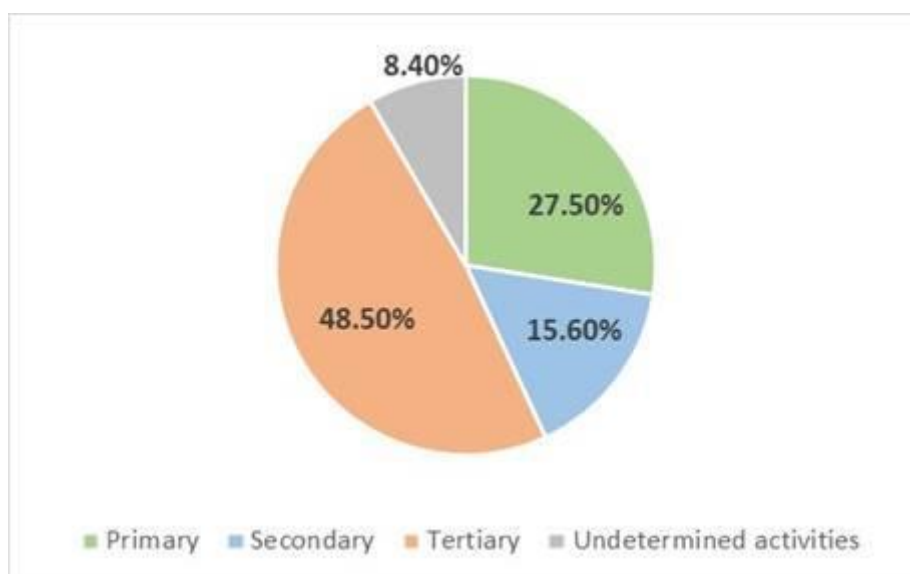
Benin's economic structure is dominated by the tertiary sector, which represented on average 48.4% of nominal GDP over 2015-2019. The Beninese service sector includes **trade, accommodation and food services, banking activities, health care, education-related activities, transportation and telecommunications, public administration, and other commercial services**.

The primary sector's share in the economy, which is made up mainly of subsistence farming and exports **(including cotton, cashew nut and pineapple production), as well as livestock farming, hunting, fishing and farming**, represented on average approximately 27.4% of GDP over the 2015-2020 period, while the secondary sector, which principally revolves around agri-food industries and other manufacturing industries, energy and construction, represented 15.7% on average over the same period.

⁷ International Monetary Fund, *World Economic Outlook*, April 2021, available [here](#).

⁸ French Treasury Department, Lomé economic bureau, "Benin: economic and financial situation", 14 December 2020, available [here](#) (in French only).

Figure 5: Breakdown of Benin's economy by activity Sector



Source: National Statistics and Demographics Institute (2021 estimate)

Benin recorded strong economic performance between 2016 and 2019, with **average real GDP growth of 5.5%**. Despite the Covid-19 pandemic, the average real GDP growth rate stood at 3.8% in 2020 and is expected to reach 6% in 2021, according to the latest IMF staff visit to Cotonou in Q1 2021.

1.5 The authorities' response to the Covid-19 pandemic

In 2020, Benin's growth dynamic was weighed down by the Covid-19 pandemic and its economic and social consequences, with real GDP growth standing at 3.8%⁹. The **resilience of Benin's economy** in the face of Covid-19 should, however, be underscored, with Benin recording **the third best real growth rate in Sub-Saharan Africa in 2020**, after Ethiopia and Guinea and before Tanzania and Côte d'Ivoire¹⁰.

The Government adopted various measures. **In particular a targeted and non-generalised lockdown in order to protect the economy, all while limiting the spread of the virus. Health care spending was expanded, with cash transfers to small health units**, and support was extended to affected enterprises. The cost of the response plan was estimated over 457 million euros (FCFA 300 billion) in 2020, including in particular:

- **An increase in health care spending of over 127.8 million euros (FCFA 83.8 billion)** to cover the cost of purchasing health care equipment, the construction of temporary medical centres, and the quarantining of at-risk populations;
- An overall budget of more than **7.6 million euros (FCFA 5 billion) to help artisans and small trade players** through various forms of monetary transfers.

In order to support the production sector, which was battered by the public health crisis's economic consequences, the measures taken by the Government notably consisted of:

- 1- Full deduction of donations granted by companies to the State as part of the fight against the pandemic from the calculation of taxable income;
- 2- Not applying late penalties for untimely filings and payments of taxes and charges;
- 3- Customs tax and duty exemptions on health care equipment, materials and other sanitary inputs forming part of the fight against Covid-19.

⁹ *African Economic Outlook 2021*, p. 10, available [here](#).

¹⁰ African Development Bank, *African Economic Outlook 2021*, p. 13, available [here](#).

Following the Council of Ministers session of 29 June 2020, these measures were supplemented by **measures to facilitate the financing of businesses** relating to:

- The creation of a partially guaranteed (50%) credit line of over 76 million euros (FCFA 50 billion) **for non-agricultural SMEs**;
- **The creation of a financing mechanism for the agricultural sector** including: i) a 76 million euro line (FCFA 50 billion) to finance banks for loans to be extended to the agricultural sector; ii) partially guaranteed (50%) credit line of over 152 million euros (FCFA 100 billion); iii) an interest rate subsidy line to allow for near-zero interest rate for agricultural businesses, amounting to over 22 million euros (FCFA 15 billion);
- **The creation of a refinancing line of over 15 million euros** (FCFA 10 billion) for decentralized financing systems to enable them to have sufficient liquidity for financing the informal economy.

These measures help to support economic recovery, with **forecasted growth of 6.5% over the 2022-2026 period** according to the International Monetary Fund (IMF) ¹¹ and of 7.0% over same period according to Benin's authorities. **The Government benefits from the continued support of its technical and financial partners**, including the IMF (nearly 118 million euros), the World Bank (nearly 75 million euros) and the WADB (nearly 23 million euros).

The Central Bank of West African States took a series of mitigation measures to support the West African Economic and Monetary Union's banking sector, which facilitated the financing of economic activity, including a 50-basis point decrease in its policy rates, improving credit quality (the minimum submission rate for liquidity injection tenders was lowered to 2.0% from 2.5% and the marginal lending facility rate was lowered to 4% from 4.5%).

¹¹ International Monetary Fund, *World Economic Outlook*, April 2021.

2. Actions and policies closely anchored to the 2030 Agenda

In 2015, the 193 members of the United Nations adopted the 2030 Agenda for Sustainable Development¹². The 2030 Agenda “*provides a shared blueprint for peace and prosperity for people and the planet, today and in the future*” and includes 17 Sustainable Development Goals, 169 targets and 232 global indicators.

In order to implement the 2030 Agenda, **Benin adopted ambitious measures to incorporate the 17 SDGs into its national planning and its budgetary and fiscal policies** (key concept of anchoring public action to the SDGs). In particular, the Republic of Benin set itself apart by carrying out **an ambitious “costing” exercise in collaboration with the United Nations Development Program (UNDP)** to assess the cost of achieving the SDGs, which is embedded in all of its planning and strategy documents linked to the 2030 Agenda.

2.1 Actions for taking ownership of the 2030 Agenda

In 2017, the Republic of Benin defined development priorities during an inclusive and participative process bringing together public sector actors (central administrations, municipalities, parliament), civil society, the private sector and technical and financial partners in the form of theme-based groups organised around the SDGs.

2.1.1 Prioritising the most pressing SDG targets

The prioritisation process made it possible to identify **49 priority targets** out of the 105 targets that were reviewed for a first selection¹³.

Prioritisation involves **defining the most important targets for the Republic of Benin to reach** from among the official SDG targets defined by the UN. An approach designed by the UNDP made it possible to identify **the SDG targets that had not been considered in the country’s strategy and planning documents in 2017**.

Prioritisation made it possible **to select the targets that are the most relevant to resolving the challenges identified in Benin’s sectoral and national policy documents** in view of all the official SDG targets defined by the UN.

Prioritising the SDGs consisted of **assessing each target in light of three different filters for assessing each target’s “relevance”, “priority level”, and “quality of statistics”**.

¹² UN General Assembly (21 October 2015), “Transforming our world: the 2030 Agenda for Sustainable Development”, available [here](#).

¹³ See Annex A for all 49 priority SDG targets. Prioritisation derives its essence from the Resolution adopted in New York by the General Assembly of the United Nations on 25 September 2015 on “*Transforming our world: the 2030 Agenda for Sustainable Development*”. In point 55 of that Resolution, the prioritisation objective is explicitly expressed: “*The Sustainable Development Goals and targets are integrated and indivisible, global in nature and universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities. Targets are defined as aspirational and global, with each Government setting its own national targets guided by the global level of ambition but taking into account national circumstances. Each Government will also decide how these aspirational and global targets should be incorporated into national planning processes, policies and strategies . . .*”, available [here](#).

The target is relevant when...	The target is a priority when...
It matches an unachieved Millennium Development Goal (MDG)	It contributes to respecting other international commitments (Agenda 2063, for example)
It has a transformational potential (e.g. empowerment of women, which leads to profound social change)	It directly contributes to eradicating poverty and social exclusion
It contributes to several sustainable development dimensions	It contributes to national priorities

During the decision process, a target is selected over another one depending on the quality of the statistics enabling to monitor it (e.g. availability and degree of disaggregation). In addition to the prioritisation criteria applied internationally, Benin based its selection of national targets on **synergies among targets in order to have the maximum impact**.

When a target has successfully made it past relevance and priority filters, it is considered to be eligible and is submitted for selection. When it makes it through selection, it is then prioritized. **In order to facilitate selection and proceed with prioritising targets, a third filter is applied: the quality of statistics for the target, according to two main criteria:**

- the existence of indicators to measure the target (RIA 2);
- the existence of disaggregated data for the target;

Table 1: Criteriology used by Benin for prioritising targets

Filter level	SDG target prioritisation criteria
Filter 1: Relevance	1. "Forgotten" SDG targets (table from RIA 1)
	2. Target corresponding to a Millennium development goal (MDG) target presenting delays
	3. Transformational targets (universal accelerators, such as the empowerment of women, girls, youth, access to education, water and energy)
	4. Targets contributing to several sustainable development dimensions
Filter 2: Priority level	5. Targets contributing to complying with other international commitments (COP21, etc.)
	6. Targets that directly contribute to eliminating poverty and social exclusion
	7. Targets reflecting other national priorities
Filter 3: Quality of statistics	8. Indicators exist for measuring the target (table from RIA 2), measurement at a reasonable cost is possible
	9. Targets that can be measured on a disaggregated basis

In the first instance, the RIA tool and the prioritisation matrix allowed for the selection of 38 targets that are in line with the general targets defined by the SDGs. In addition, 11 additional targets were selected as being considered to have a special importance to Benin given its development priorities (see details in Appendix A). In the end, **a set of 49 priority targets was selected**¹⁴.

¹⁴ For information on the work carried out to prioritise targets, see The Republic of Benin, *Report on the prioritisation of Sustainable Development Goals in Benin*, July 2017, p. 46. Available [here](#).

2.1.2 Costs of achieving the SDGs

The Government of Benin **quantified the costs of achieving the SDGs** (hereinafter referred to as “SDG costing”).


















i. A four-pillar approach carried out with international partners

The UNDP, the German International Cooperation Agency (GIZ) and the International Monetary Fund (IMF) were involved in the project. The IMF was particularly engaged in an SDG costing study focusing on sectors that have a social dimension, under the supervision of the Ministries of Health, Secondary and Technical Education & Continuing Education, and Water & Mines¹⁵.

SDG costing consists in assessing the minimum budgetary expenditures required to reach the SDGs by 2030. It entails reinforcing the connection between planning and budgeting.

Budgeting for achievement costs rests on four pillars that serve as an analytical tool for identifying synergies among the SDGs and minimising arbitrage effects between targets.

Table 2: The four pillars of the 2018 – 2025 National Development Plan and the corresponding SDGs

Population or Social	     
Prosperity or Economy	   
Planet or Environment	    
Peace or Partnerships ¹⁶	 

Source: 2018-2025 National Development Plan

ii. The estimated amounts

The SDG costing methodology used by Benin includes three main steps:

- 1) **Identifying bottlenecks in the way of achieving the SDGs** (particularly those SDGs whose achievement would have major contribution to other goals);
- 2) **Identifying accelerators that can eliminate bottlenecks;**
- 3) **Evaluating the cost of implementing these actions.**

The development of the **Ten-Year Action Framework for Accelerating SDG Implementation** (2021-2030) published in November 2020 estimated at circa 18 billion of euros for the period 2021-2025 alone

¹⁵ A presentation of the SDG costing work carried out by the German International Cooperation Agency and the Republic of Benin is available [here](#).

¹⁶ The Peace or Partnerships pillar also covers Governance matters.

the cost of accelerating measures for achieving the SDGs¹⁷. The total amount can be broken down as follows:

- i) An estimated cost of nearly 2.7 million euros (FCFA 1.78 billion) for transversal actions;
- ii) Financing needs of close to 4.5 billion euros (FCFA 2,956 billion) for all specific actions identified to achieve eligible priority targets;
- iii) Namely, 181 actions, 46% of which are projects, 13% are programmes and 41% are other types of actions;
- iv) Close to half of the identified actions (41%) are financed exclusively by the national budget, 17% are financed exclusively by technical and financial partners, and 24% are jointly financed by the national budget and technical and financial partners.

*Table 3: Financing needs for the 2021-2025 period, per pillar
(in millions of euros)*

Pillar	2021	2022	2023	2024	2025	Total
Population	950	844	807	830	876	4,306
Prosperity	3,371	2,510	2,513	2,512	2,208	13,114
Planet	65	61	65	61	65	316
Peace	48	42	42	42	42	215
Total per year	4,434	3,456	3,426	3,445	3,190	17,952

Source: Republic of Benin, Ministry of Development and coordination of Government Action, excerpt from SDG costing report (2018)

It should be noted that the SDG costing is not broken down per pillar according to financing source categories, such as the national budget, technical and financial partners or municipalities.

¹⁷ Republic of Benin, General Directorate for Sustainable Development Goal Coordination and Monitoring, *Ten-Year Action Framework for Accelerating the Implementation of the SDGs in Benin: 2021-2030*, November 2020, p. 15, available [here](#)

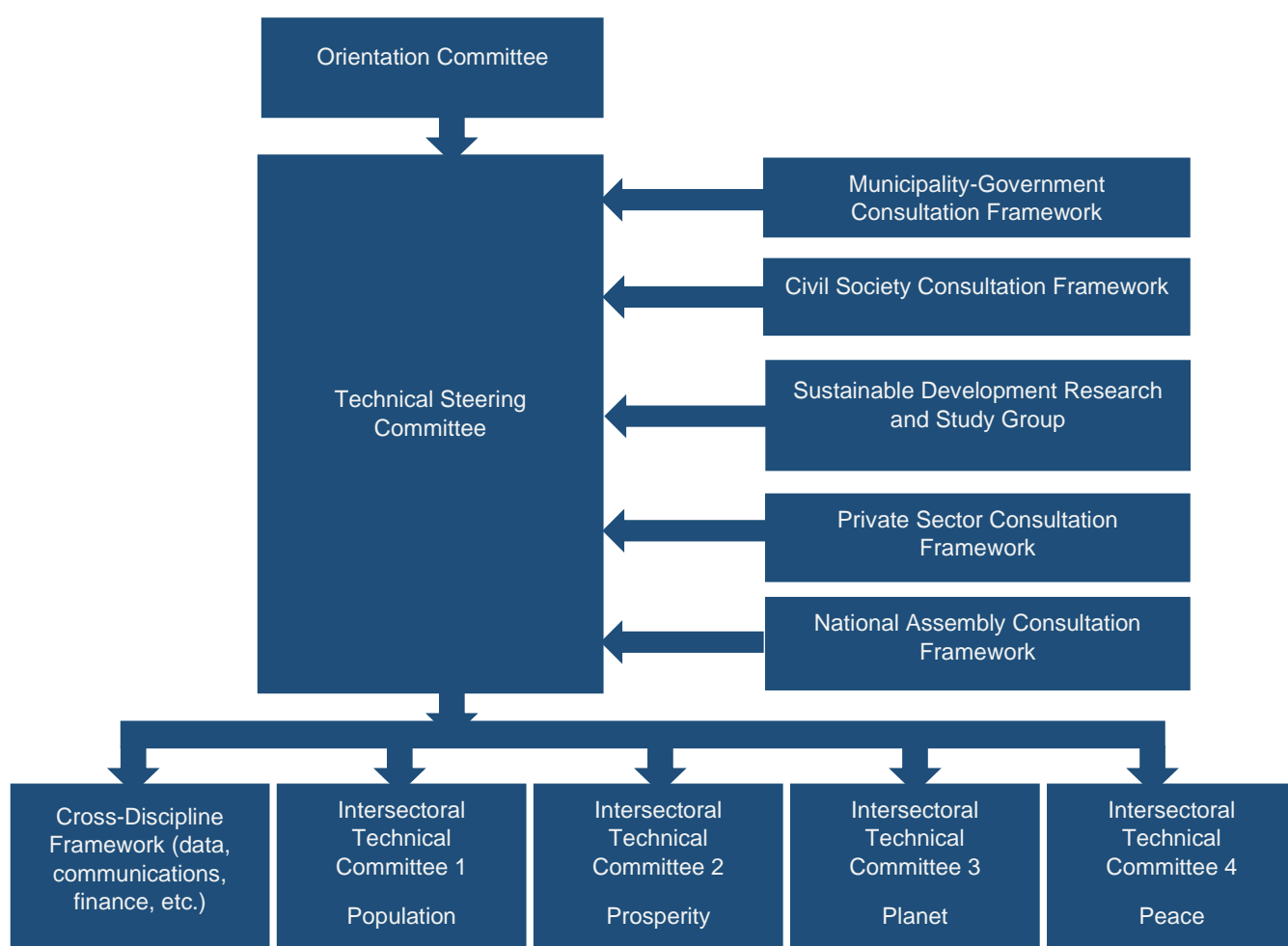
2.2 Mobilising institutions and transforming public action to reach the SDGs

Since December 2016, Benin's government has designed an institutional structure dedicated to implementing the 2030 Agenda. Various committees were formed to implement the **Government's Action Programme with respect to the key SDGs** identified in the SDG target priority report (see 2.1.1).

2.2.1 Institutional and legal structure tied to the SDGs

An SDG governance was put in place as soon as the **Government's Action Programme was adopted in 2016**. It was then redefined at the time of the implementation of the Ten-Year Action Framework for Accelerating the Implementation of the SDGs (TYF-SDGs) in 2020. The governance structure looks as follow:

Figure 6: Institutional SDG governance according to the Ten-Year Action Framework for Accelerating the Implementation of the SDGs in Benin: 2021 - 2030



Source: Republic of Benin, General Directorate for SDG Coordination and Monitoring, November 2020

- **The Technical Steering Committee** plays a key role in **implementing the SDGs and the associated sectoral strategies and policies**. It mobilises the intersectoral technical committees around achieving the major strategies selected by the Orientation Committee. The State Ministers responsible for the Development and Coordination of Government Action and for the Economy and Finance are critical parts of this committee.
- **The permanent secretary of the Technical Steering Committee** and the **General Director for SDG Coordination and Monitoring** draft a summary report on the sectoral contributions to the SDGs.
- **The General Directorate for SDG Coordination and Monitoring (GD-SDG-CM)** has been a keystone of SDG governance in Benin¹⁸ since August 2016. The Directorate notably collaborates with the **technical departments** of the Ministry of Development and Governmental Coordination and the planning and sectoral forecasting departments¹⁹.

The GD-SDG-CM was deeply involved in the development of **the Ten-Year Action Framework for Accelerating the Implementation of the SDG (TYF-SDG) in Benin: 2021-2030**²⁰. The main difference with the previous structure was the introduction of sustainable development research and study groups (RSG) bringing together experts working on reaching specific SDGs - “Social RSG” (SDGs 1 to 6); “Economy RSG” (SDGs 7 to 11); “Environment RSG” (SDGs 12 to 15); “Governance RSG” (ODD 16) – across the four pillars defined in the planning guideline documents.

Benin’s 2021-2030 TYF-SDG was inspired by the Millennium Development Goals Acceleration Framework developed by the UNDP and approved by the United Nations Development Group (UNDG), the purpose of which was to identify and implement solutions to issues creating bottlenecks impeding the MDGs²¹.

The ten-year accelerating framework is structured around four main stages:

1. **Identify the SDG target that**, according to projections, **is likely not to be reached**, identify the bottlenecks that can impede it from being achieved and list out the key interventions that are considered necessary for achieving it;
2. **Identify the reasons for a lack of effectiveness for each intervention**. Bottlenecks can affect several SDGs at the same time or only one in particular;
3. **Identify potential solutions**. Each solution includes a set of activities that must be executed by the entities that are in the best position to do so until 2025;
4. **Pool all the solutions** proposed in order to draw up a “measures matrix” for the TYF-SDG which includes a monitoring and assessment mechanism.

Beyond this framework, Benin has committed to including the 2030 Agenda in its national legislation by **drafting a law on the planning of development projects**, which has been steered by the General Directorate for Development Policies since September 2020. The law endows Benin with a system for the financial planning of investment expenditures and revenues and the monitoring and alignment of investment laws tied to the SDGs, at the national, sectoral and local levels.

¹⁸ Decree no. 2016.502 of 11 August 2016 on the attributions, the organisation and functioning of the Minister of the Plan and Development, art. 64, functioning of the General Directorate for SDG Coordination and Monitoring, 11 August 2016.

¹⁹ Order 2016 042/MPD/DC/SGM/SA/042 SGG16, 26 December 2016, Title I, art. 1, 7, 11.

²⁰ Ministry of the Plan and of Development, *Ten-Year Action Framework for the Acceleration of the Implementation of the SDGs in Benin: 2021-2030*, November 2020, [available here](#).

²¹ United Nations Development Programme, *Millennium Development Goals Acceleration Framework*, 2015, [available here](#).

2.2.2 Involvement of local authorities

Due to the country's decentralized organization²², local authorities (through the National Association of the Municipalities of Benin) play a significant role in SDG governance in Benin.

The Beninese local authorities have fundamental competencies, such as local development, planning, habitation, education, water, sanitation, environment, and energy, each of which have a direct relationship with the SDGs.

In 2019, the Government of Benin launched an **SDG spatialisation process bringing together Benin's 77 municipalities and approximately 2,000²³** players and aimed at identifying the municipalities' specific projects that respond to local challenges and the targets prioritised at the national level.

The report on local priority targets was approved in particular by the municipalities, departmental planning delegates, and the technical and financial partners, and constitutes a tool for accelerating the operationalisation of the SDGs at the local level.

2.2.3 Monitoring of SDG targets achievement performance

The General Directorate for SDG Coordination and Monitoring (GD-SDG-CM) uses tools to estimate the degree to which the SDGs are incorporated into Benin's public policies. The measurement of the sensitivity of the annual work plans of each ministry to the SDGs makes it possible to assess to which extent the SDGs are taken into account.

A detailed analysis grid (breaking down support, empowerment, production, and consumption activities) enables GD-SDG-CM's evaluators to ascertain whether the objectives defined by the Ministry have been reached and to measure results through five steps:

1. **The annual work plan is uploaded into a platform by a SDG focal point** (i.e. the GD-SDG-CM's liaison person within each ministry) in order to begin its evaluation;
2. The relevant ministry's Director of Programming and Forecasting **approves the annual work plan**
3. **Workshops to assess the relevance of the activities being evaluated** are held between the GD-SDG-CM (the focal point) and the individuals who master the platform. This step is broken down as follows:
 - Assigning a score to each activity;
 - Consideration of the target and associated target SDG indicators;
 - Consideration of a spatial dimension with a bonus applied to activities covering territories with particularly high needs.
4. The relevant ministry drafts a comprehensive **report on the sensitivity of its activities to the SDGs**;
5. The report is then **approved and presented to the Council of Ministers**.

This decision process must be made public through the websites of Benin's Ministry of Development and Governmental Action Coordination and Ministry of the Economy and Finances.

In addition, an SDG analysis of certain Public Investment Programme (PIP) projects is carried out by the General Directorate for Investment Programming and Monitoring.

To date, an "SDG grade" was attributed *ex post* to 103 PIP projects. This grade is called the "SDG coloration index" and is used to assess **the level of the project's alignment with the SDGs and to assess its capacity to contribute to achieving the SDG targets**.

²² The decentralized organisation of Benin provided for by the decentralisation law of 15 January 1999, as reinforced in 2009 by the implementation of a 10-year national decentralisation and de-concentration policy.

²³ A list is communicated in the SDG spatialisation report in the form of priority actions for Benin's 77 municipalities, available [here](#). Certain actions are financed by MDSF funds, i.e., the State, but we do not have a detailed view in the report on the financing mechanism.

The grade is calculated according to the following criteria:

- **Effectiveness** with respect to the project's adaptability to the related indicator of the SDG target. If the project directly impacts the indicator for the related SDG target, it is worth 100 points. If the project does not directly impact the associated indicator of the SDG target, it is worth 50 points.
- **Interrelationship** with the SDGs in order to consider any spill-over effects attached to the projects and to evaluate how reaching a particular target would promote synergies and the achievement of other SDG targets. The interrelationship is measured by an "interrelationship index" using the RIA prioritisation matrix analysis. The project earns 25 points per additional SDG target that is positively impacted.
- **Degree to which the "No one left behind" principle is taken into account.** This criteria aims at highlighting projects with the highest impact on reducing poverty and on the living conditions of vulnerable people (the disabled, women, children, youth). The project earns 25 points per impacted target from among the three following categories:
 - Principle accounted for – High: between 75 and 100
 - Principle accounted for – Medium: between 50 and 75
 - Principle accounted for – Low: less than 50
- **Geographical impacts**, which relate to a project's effects outside the targeted department. The GD-SDG-CM evaluates the spill-over effects a project has on the populations of neighbouring departments. A project earns 100 points if it impacts more than one department. If it does not, it earns 50 points.

Once weighted, these four criteria make it possible to calculate an overall grade using the following calculation formula:

Coloration index

$$= \sqrt[4]{(\text{Effectiveness index} * \text{Interrelation index} * \text{Geographic impact index} * \text{Inclusion principle})}$$

The projects are then classified by the overall score according to whether they are projects:

- "with high SDG impact" (between 75 and 100, green colour)
- "with medium SDG impact" (between 50 and 75 and 100, yellow colour)
- "with low SDG impact" (between 25 and 50, red colour)

Projects with high SDG impact relate in particular to the agricultural, energy, education, and digital sectors and to the urban development sector.

2.3 Dissemination of the SDGs in public policies

In the context of planning, Benin has made the 2030 Agenda a long-term focus for the entire country. On the continental level, Benin has committed to implementing the **African Union's Agenda 2063**. On the national level, the implementation of that agenda contributes to the achievement of Benin's long-term development vision described in the “**Benin Alafia 2025**” document, which underlies the 2018-2025 National Development Plan.²⁴ All of the Alafia vision operationalisation instruments are aligned with or are in the process of being closely tied to the SDGs:

- The Government's Action Programme (GAP);
- The National Development Plan (NDP);
- The Growth and Sustainable Development Programme (GSDP);
- The sectoral strategic plans of the various ministries;
- The municipal development plans

The planning adopted by Benin also makes it possible to address the SDGs at four levels:

- (i) **The planning level**, which includes the national strategy for achieving the SDGs by 2030 under various strategic plans;
- (ii) **The programme level**, which defines the policies and objectives for achieving the various strategic plans that have been mentioned;
- (iii) **The municipality level**, which translates the SDG targets at the municipal level with target prioritisation;
- (iv) **The budgetary level**, which defines the specific budget lines and the specific projects supervised by the ministers and which align with the Government's Action Programme and the 2018-2025 National Development Plan. The process is a democratic system that defines the relationship between the public sector entities and the other local authorities and proposes the mechanisms through which they act based on mutual agreement. The mechanisms and projects are defined as follows:
 - Flagship projects, and then priority projects (defined in the Government's Action Programme)
 - Sectoral projects (National Development Plan)
 - Departmental and local projects

In order to systematize the use of public resources, Benin uses a programmatic structure that is based on the use of budget programmes, which allows it to group allocations in a representative and homogeneous manner. **A budget programme is a category of expenditure that is based on groups of goods or services that share a common purpose.** It is a fundamental aspect of budgeting that is based on results and a system for measuring results.

²⁴ United Nations Development Programme, *Evaluation of the BENIN ALAFIA 2025 vision*, 2018, available [here](#).

2.3.1 The Government's Action Programme

In October 2016, the Council of Ministers adopted the Government's Action Programme (GAP) for the 2016-2021 period. Since the most recent Beninese elections took place on 11 April 2021, the next GAP covering the 2021-2026 period is currently being prepared²⁵.

The GAP incorporates numerous priorities that contribute to achieving the SDGs

The 2016-2021 GAP made it possible to make large scale reforms and investments in numerous areas tied to the SDGs of the 2030 Agenda, such as **agriculture, tourism, culture, infrastructure, the digital economy and information technologies**. The 2021-2026 GAP should logically pursue and finalise the major 2016-2021 GAP projects, and in particular those related to the above-cited 45 flagship projects²⁶:

- In the agriculture sector, **improved organisation of high added value product industries**, such as pineapple, cashews, cotton, table eggs, vegetable crops, corn, manioc, and rice.
- **In the tourism sector**, the construction of a **cultural centre dedicated to voodoo art and the reconstruction of the historical city of Ouidah**, so as to make Benin a principal heritage tourism destination in Africa.
- In the digital economy sector, **use of information and communication technologies as a catalyst of economic growth and modernisation**, notably through the government project for **the development of telecommunications and ICT infrastructures** (PDI2T) and the roll out of the digital terrestrial television.
- **In the energy sector**, ensure better access to electric energy for populations throughout Benin as specified in **the action plan for the electrification of rural communities in Benin** (See Appendix B).
- **The modernisation of the energy sector**, in particular through the selection of a **consortium of companies for the construction of 4 solar power stations** of an aggregate capacity of 50 MW in Natitingou, Djougou, Parakou and Bohicon and another 25 MW solar power station in the Plateau department.

Table 4: Proportion of households connected to solar electricity²⁷ in 2020

	Natitingou	Parakou	Djougou	Bohicon	Benin total
Proportion of households connected to solar electricity (%)	40.74%	5.58%	15.21%	7.41%	13.57%
Total number of households	39,301	60,642	40,393	16,002	2,246,440

Source: NSDI, Survey conducted as part of the collection of benchmark data and of improvements in the indicators of MCA-Benin ii, 2020

²⁵ As the Beninese general election took place in April 2021, the 2021-2026 GAP has not yet been prepared as of the date of this document. The 2021-2026 GAP should be based on the elements of the presidential programme, which is available [here](#).

²⁶ Republic of Benin, Presidency of the Republic of Benin, *Government's Action Plan Programme 2016-2021*, available [here](#).

²⁷ Persons direct accessing electric services, either through mini-networks supplied by solar energy stations offering service that is similar to Beninese electricity company (SBEE), or through individual solar kit solutions.

- A welfare programme known as “Insurance for Reinforcing Human Capital” (IRHC), the objective of which includes putting in place universal social coverage.
- Access to food and drinking water for all, in both rural and urban areas.
- The construction of a new 346-bed university health centre in Abomey-Calavi managed by the Paris Public Hospital System’s international arm in order to supply a wide range of medical services in several disciplines, and emergency medicine, cardiology and oncology in particular.
- The creation of an International Knowledge and Innovation City, which will group together universities, research institutions and company incubators.

2.3.2 The “Leave no one behind” initiative

Developed in 2018, the special initiative for financing SDGs aimed at “Leaving no one behind” revolves around 20 projects. These projects are anchored to the GAP’s pillars and are closely tied to the SDGs.

They seek inclusive development that is based on achieving the 9 SDGs listed below, for an aggregate cost of close to 3.5 billion euros (FCFA 2,295 billion). The selection of these nine SDGs results from an **inter-sectoral analysis of needs and spill-over effects**, as well as synergies with priority SDG targets²⁸.



²⁸ Republic of Benin, National dialogue on leaving no one behind, Ministry of Planning and Development and United Nations System in Benin. Link available [here](#) and see the non-public document provided: *Special initiative for financing “Leave no one behind”*, September 2019.

The projects and programmes being pursued in this area relate to, for instance:

- i. Beginning in October 2017, implementation of the **“Insurance for Strengthening Human Capital” project** offering its beneficiaries an integrated package of four services. The planned actions seek to ensure: (i) low-cost access to the health care system by poor populations (targeting about 4.3 million Beninese); (ii) improving skill levels (targeting 1.8 million Beninese in the informal sector, targeting the “extremely poor” category defined by National Social Welfare Agency (NSWA) through specific micro-credit programmes, as well as artisans and informal sector players), (iii) access to credit (targeting about 1.8 million Beninese in the informal sector), and (iv) membership in a pension plan (targeting about 2 million Beninese in the informal sector) ;
- ii. Starting March 2018, **the construction of 20,000 social and low-cost housing units** to relieve the scarcity of decent housing for very low- and low-income households (programme in progress). Approximately 1,000 units are currently being built and contracts have been entered into in respect of 8,000 units, i.e., 45% already launched. Once the construction has terminated, a committee will be put in place to define award conditions (see Appendix B);
- iii. Starting in 2019, commencement of the **national programme for the development of high-added value industries** (pineapple, cashew nut, vegetable crops) in the agricultural sector aiming at:
 - Improving production and yields through the implementation of new plantations with graft plans;
 - Maintaining old plantations;
 - Drawing up and implementing an industrial plan for local processing (applies in particular to pineapple, cashew nuts and vegetable crops (tomato, peppers, onion, gumbo, carrot and leafy greens)).

This programme’s objective is to reinforce the agricultural sector’s contribution to GDP (target of +3% at 23 July 2019), all while leading to a one point decrease in the severe malnutrition rate of children aged 0 to 5 years, an increase in vegetable processing capacity and a 10% decrease in post-harvest losses.

Targeted populations	
Steered with the United Nations system in Benin, this “Leave no one behind” initiative is principally aimed at:	
i)	Young graduates without employment
ii)	Persons living with a disability
iii)	Populations who are not connected to the electricity network
iv)	Low-income households with inadequate accommodation
v)	Populations living off agriculture in border and rural areas
vi)	The elderly who are not always sufficiently taken into account in Benin’s development policies and programmes

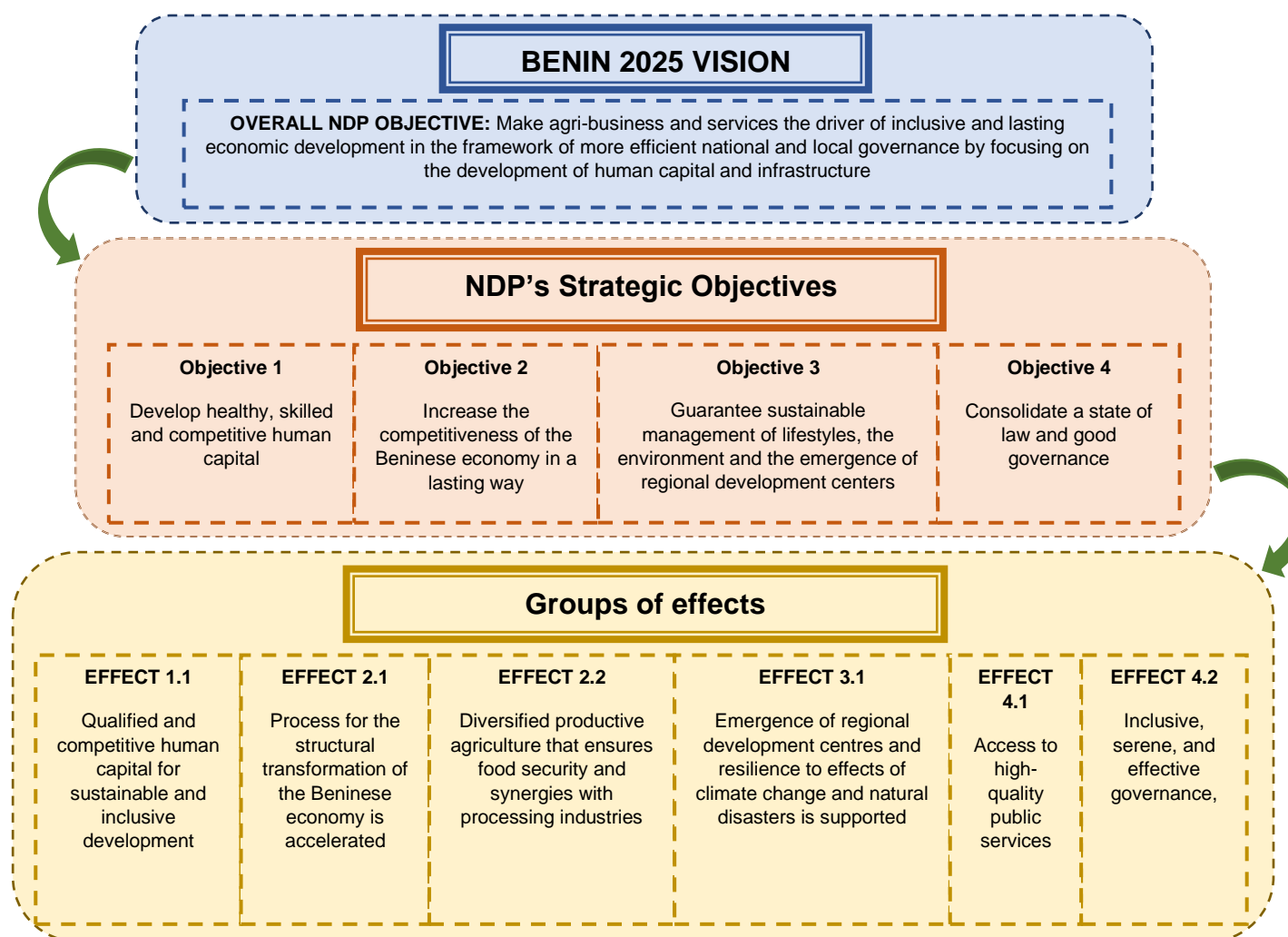
2.3.3 The 2018-2025 National Development Plan

Benin embeds the principles and objectives of the 2030 Agenda into its development plans, public policies and national budget. In its 2018-2025 National Development Plan, Benin wishes to profoundly reorganise and channel public spending to programmes generating well-being, and specifically addressing the most disadvantaged populations.

The NDP’s long-term objective is to achieve long-lasting, sustainable and inclusive growth of at least 10% in 2025 based on the development of agribusiness, tourism and services. This national and local governance framework focuses on improving human capital and infrastructure. The National Development Plan is structured around four major themes:

- i) Human capital and the well-being of the people
- ii) Productivity and economic competitiveness
- iii) Environment, climate change and territorial development
- iv) Governance

Figure 8: 2018-2025 NDP, a programming instrument for implementing the SDGs in Benin



- The current NDP was prepared using a participative and inclusive consultation process that included:
- The Beninese ministers involved in reaching the SDG targets;
- The National Assembly;
- Civil society organisations;
- The social partners;
- The National Association of the Municipalities of Benin (NABM) at the level of the 12 Beninese departments (during the assessment and strategic choices phase);
- The technical and financial partners, and in particular the United Nations Development Programme²⁹.

2.3.4 The 2018-2021 Sustainable Development Growth Programme

Adopted in March 2018 for the purpose of contributing to achieving the “Benin Alafia 2025” Vision, the Sustainable Development Growth Programme is a short-term step towards the achievement of the National Development Plan (NDP) adopted in October 2018³⁰.

The Sustainable Development Growth Programme is an instrument aimed at the lasting recovery of the Beninese economy that amplifies the strategic focuses of the most recent growth strategy for reducing poverty (2011-2015). The Sustainable Development Growth Programme aims at responding to the following challenges:

- **Challenge 1:** Improve the economy’s overall and sectoral competitiveness.
- **Challenge 2:** Reduce inequalities in access to basic social services. In order to effectively combat poverty, in addition to reviving economic growth, the adopted strategies must also incorporate appropriate redistribution policies.
- **Challenge 3:** Correct disparities in the various areas of the country.
- **Challenge 4:** Improve the management of public affairs. The implementation of high-quality governance, at all levels, is a prerequisite to boosting the ability to effectively implement development policies.

The implementation of the Sustainable Development Growth Programme seeks to achieve the objectives of the National Development Plan, through seven operational areas:

1. Reinforcing the foundations of democracy and the state of law;
2. Optimising governance by energising and modernising public administration;
3. Improving the macroeconomic framework and maintaining stability;
4. Supporting economic growth by relying on six strategic sectors that are still undervalued (digital economy, agriculture, tourism and culture, transportation, energy and mining, crafts);
5. Improving performance in education;
6. Strengthening basic social services and social protection;
7. Balanced and sustainable development of national land;

These 7 axes are accompanied by a **performance measurement framework** that will make it possible to evaluate the progress made each year in implementing the SDG targets that are a priority for Benin and in the conduct of the priority actions attached to those targets.

²⁹ Republic of Benin, *2018-2025 National Development Plan*, October 2018, p. 18, available [here](#).

³⁰ Republic of Benin, *2018-2021 Sustainable Development Growth Programme*, March 2018, p. 50-52, 113, 141 available [here](#).

2.3.5 Priority social spending

Since 2010, as part of the extended credit facility arrangements agreed with the International Monetary Fund, **Benin has defined and targeted priority social spending within the general state budget.** This spending is based on the priority programmes identified in the 2011-2015 third growth strategy for poverty reduction.

This spending is directed towards education (three ministries tied to educational issues in Benin), social insurance, social assistance, health, social affairs, living environment, hygiene, sanitation and agriculture.

Regarding reviews of the economic and financial programme supported by the International Monetary Fund's extended credit facility over the 2017-2020 period, the technical memorandum of understanding specifies that *"priority social expenditures are defined in relation to the priority programs identified in the GAP. This spending covers certain (non-salary) expenditures in the following sectors, among others: development, economy and finances, health; energy, water and mines; agriculture, livestock and fishing; justice, public safety, infrastructure and transportation, culture and sports, social affairs and microfinance, promotion of employment and SMEs, education, lifestyle, labour and civil service. Spending execution is monitored on an appendix basis throughout the programme using the Integrated Public Financial Management System"*³¹.

The share of priority social expenditures in the State's budget has grown substantially since 2010, increasing from close to 151 million euros (FCFA 99 billion) in the state's general budget in 2011 to nearly 293 million euros (FCFA 192 billion) at the end of December 2019³². Today, these expenditures cover 17 ministries.

Table 5: Amount of priority social spending (objective and realised) between December 2017 and December 2019 (in millions of euros)

End of December 2017		End of December 2018		End of December 2019	
Indicative objective	Realised	Indicative objective	Realised	Indicative objective	Realised
243,9	256,6	254,6	308,5	274,4	292,7

³¹ International Monetary Fund, Report No. 19/203, June 2019, p. 77, item 25 [available here](#) This definition is recalled in the technical memoranda of understanding of the Fund's staff reports in the context of the reviews of the economic and financial program supported by the Extended Credit Facility.

³² International Monetary Fund, *Third review under the extended credit facility arrangement and request for waiver of nonobservance of performance criterion*, IMF Report 18/364, December 2018, [available here](#). Republic of Benin, General Budget Directorate, information provided in July 2021.

3. Benin's climate commitments through its nationally determined contribution

Benin's first nationally determined contribution (NDC)³³ under the Paris Agreement includes mitigation and adaptation measures to climate change. These measures relate to limiting greenhouse gas emissions from energy, agriculture, and forestry sectors, as well as reducing vulnerabilities in the agriculture, water resources, coastal and forestry sectors.

These measures are covered by eligible categories and in particular the preservation of lake and coastal areas, the preservation and restoration of biodiversity, reasonable exploitation of Beninese forest cover and the fight against desertification (See Part II.1.4).

In the area of climate change mitigation, Benin plans to globally reduce its aggregate greenhouse gas emissions (excluding the forestry sector) by approximately 16.17% over the 2021-2030 period as compared to a scenario where the status quo³⁴ is maintained, i.e., approximately 49.49 MT eCO₂.

Sector-based mitigation efforts have been defined:

Agriculture	Energy	Forestry
<ul style="list-style-type: none"> - Promote growing techniques - Promote soil fertility management techniques in the context of plant production - Reinforce hydro-agricultural developments - Reduce emissions from the agricultural sector 	<ul style="list-style-type: none"> - Develop electrical energy production from renewable energy sources - Expand household access to electric lighting as a replacement of kerosene lighting - Address gaps in energy databases 	<ul style="list-style-type: none"> - Reduction of emissions/bolstering of carbon sinks for the sector - Increase the capacity for capturing carbon from forest ecosystems through sustainable developments and natural forests and strengthen reforestation/planting efforts

With respect to adaptation, the principal objectives that have been identified are for the following sectors:

Agriculture	Forestry	Coastal	Water resources
<ul style="list-style-type: none"> - Ensure the diversification and promotion of high value-added agricultural industries, as well as the modernisation of agricultural infrastructure resilient to climate change - Promote appropriate agricultural production systems for food and nutritional security that are resilient and adapted to climate change 	<ul style="list-style-type: none"> - Promote intensive reforestation throughout the national territory using incentives - Promote the sustainable management of state and municipal forests - Adapt the forestry sector's legislative and regulatory framework to the context of climate change 	<ul style="list-style-type: none"> - Protect the coastline against the risk of rises in sea level that could exacerbate the phenomenon of coastal erosion - Rehabilitate the banks of lakes and lagoons located on the coast 	<ul style="list-style-type: none"> - Ensure universal access to safe drinking water for the entire population of Benin - Strengthen the availability of water in disadvantaged areas to adapt populations to climate change

³³ Link to the first defined contribution at the national level of Benin under the Paris Agreement [here](#).

³⁴ A "business as usual scenario" corresponds to a situation with no significant changes in household attitudes and priorities, no major technical changes, and above all no economic or political developments in climate change mitigation.

<ul style="list-style-type: none"> - Define new agricultural calendars that are adapted to a changing climate - Improve the performance of Beninese agriculture, in order to make it capable of sustainably ensuring food and nutritional sovereignty and contributing to economic and social development 	<ul style="list-style-type: none"> - Update the national forest inventory - Reduce community vulnerability to the deterioration of forest ecosystems - Promote agroforestry - Develop mangrove ecosystems (forest formations that are characteristic of the coast) 	<ul style="list-style-type: none"> - Reduce the vulnerability of human settlements and resources in coastal areas to rises in sea level - Ensure continued protection of marine and lagoon ecosystems 	<ul style="list-style-type: none"> - Promote water conservation in various water uses, reduce vulnerability of natural and human systems to water stress, flooding and deterioration of water quality - Reinforce knowledge about the climate system and the tools for generating climate and hydrological information and forecasting climate hazards, promote water management and good governance
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To achieve its ambitions of mitigating greenhouse gases and adapting to the effects of climate change, Benin has estimated its **financial needs at \$11.6 billion, of which \$3.5 billion is the contribution of the Government of Benin over the period 2021 to 2030**. The shares for mitigation and adaptation measures are respectively 6 and 5.6 billion dollars³⁵.

³⁵ Link to the first defined contribution at the national level of Benin under the Paris Agreement [here](#).

PART II: SDG Bond Issuance Framework

This document proposes a framework for the issuance of sovereign SDG bonds by Benin. It is based on existing arrangements developed by Benin for the implementation of the 2030 Agenda (notably the prioritization of the most pressing SDG targets and an SDG costing exercise, see Part I-2.1).

Benin's desire to **tap into the deep international capital markets by issuing SDG financing instruments is part of this aim of incorporating the 2030 Agenda into all its actions and policies.**

The SDGs are increasingly being used in the capital markets as a framework for analysing and responding to environmental, social and governance ("ESG") issues. Part II of this document describes the mechanisms for managing and using the proceeds raised and for assessing their impact.

In this regard, the framework describes the **four essential components of the International Capital Market Association's (ICMA) Green Bond Principles ("GBP") and Social Bond Principles ("SBP"):**

- (i) Use of proceeds;
- (ii) Process for expenditure evaluation and selection;
- (iii) Management of proceeds;
- (iv) Reporting on allocation and impacts of the funds used.

The Ministry of the Economy and Finances manages the Republic of Benin's SDG issuances in accordance with the principles described in this framework.

The SDG bonds issued with reference to this framework will be used to finance the national budget. The repayment of principal and interest under the SDG bonds is not conditioned upon the selection or realisation of the eligible expenditures described below. As a result, purchasers of Benin's SDG bonds will not bear any risk tied to projects.

This issuance framework is aligned with the most recent sustainability bond guidelines (Sustainability Bond Guidelines ("SBG") – 2021 edition) published by the ICMA³⁶.

The framework is available online on the official site of the Ministry of the Economy and Finance in a clearly identified and easily accessible area. The Second Party Opinion (SPO) is available on the same site as the framework³⁷.

³⁶ Principles that apply to green bonds, voluntary guidelines for the issuance of green bonds (2021 version) [available here](#), and principles that apply to social bonds, voluntary guidelines for the issuance of social bonds (2021 version) [available here](#), and principles that apply to sustainability bonds (2021 version) [available here](#).

³⁷ All documents relating to the SDG issuance programmes will be available via the following website, [here](#).

1. Use of Proceeds

1.1 Rules and budget alignment with the SDGs

Benin's budgetary processes are principally governed by **the 1990 Constitution**³⁸, **the organic law 2013-14 of 27 September 2013** relating to budget financing laws (BFOL)³⁹, and the **laws on decentralisation** which define the financial regime applicable to the municipalities⁴⁰. The BFOL was supplemented by decrees in 2014, 2015 and 2020 on the management of public finances, and by a Transparency Code, which requires that Beninese public funds be properly managed.

Benin's National Assembly votes a **balanced budget** (Art. 109 of the 1990 Constitution) and determines the budgetary resources that are necessary for the execution of the budgetary programmes defined in the **multi-year expenditure planning documents (MYEPD)**, which translate for each ministry the national policy planned by the **multi-year budgetary and economic planning document (MYBEPD)** over a three-year period. Due to new financial legislation, a two-phase timetable has been introduced for parliament.

First, a budget orientation debate⁴¹ is held by 30 June of each year, on the basis of the MYBEPD and MYEPD. Subsequently, the actual draft budget law and its annexes are examined at the opening of the budget session in October. The National Assembly exercises this prerogative within the framework determined by the BFOL.

The proceeds from Benin's borrowings, including those under the SDG bonds, are used to finance the State's budget and, consequently, the budgetary programmes described in the MYEPD, and the ministries' annual performance projects.

The State's budget is approved by the National Assembly annually, such that the execution of all budget programs expires at the end of the financial year. The continuity of any project is based on the National Assembly's annual approval of the multi-year expenditure planning document (an annex to the budget financing law).

Since 2018, the Government of Benin has established **a connection between the national planning process and the 2030 Agenda**. As such, Benin has the elements necessary for implementing **medium-term strategic planning in favor of the 2030 Agenda**, as well as monitoring tools and tools for communicating on results and impacts. On the basis of the **annual budget appropriation process**, the Government can take public policy decisions and then propose the allocation of budgetary resources aligned with the SDGs to the National Assembly.

Benin's annual budget appropriation process takes the following factors into account:

- The national development planning system;
- A program structure based on multi-year budget and economic planning documents and multi-year expenditure planning documents. This structure takes into account the priority actions selected at the time of costing and identifies the actions to take into account in the next multi-year expenditure planning documents;
- A budget approach that is based on annual performance projects;
- A system for evaluating performance by the DG-SDG-CM.

³⁸ Constitution as amended by law no. 2019-40 of 7 November 2019.

³⁹ Transposition of Directive 06/2009/CM/WAEMU on the reform of the harmonized framework of public finances.

⁴⁰ Notably law no.98-006 of 15 January 1999.

⁴¹ Republic of Benin, *Constitution of the Republic of Benin*, 11 December 1990, Art. 109, available [here](#).

1.2 The various issuance formats

Benin's SDG/2030 Agenda bonds may be issued in various formats in accordance with the Green Bond, Social Bond or Sustainability Bond principles established by ICMA (see above).

- **Exclusively Green format** (financing or refinancing only of expenditures falling within environmental eligibility categories);
- **Social format** (financing or refinancing only of expenditures falling within social eligibility categories);
- **Sustainability format** (financing or refinancing of expenditures falling within both green and social eligibility categories).

However, in light of Benin's national priorities and the will to carry forward a universal and integrated agenda, most issues will likely consist of sustainable bonds.

The Government of Benin does not preclude issuing **Sustainability-Linked Bonds tied to the achievement of SDGs targets**, depending on how the market develops and in particular the introduction of alternative mechanisms to the variation of the coupon (increased efforts and/or payments to third party associations that operate in areas related to missed sustainability performance targets).

1.3 Nature of eligible expenditures

This section lists the nature of eligible expenditures, and the following one lists eligible categories. Eligible expenditures consist only of those **where the State is the operator, as well as transfers or appropriations to certain State agencies**.

Eligible expenditures can equally relate to the construction of health care infrastructure, such as hospitals, the rehabilitation of heritage sites, intangible assets such as human capital, applied research, encouraging innovation and training.

Table 6: Nature of eligible expenditures

Expenditure Category	Details
Expenditures for the acquisition of goods and services	General operating expenses for services. Dedicated to the operation of public administrations (maintenance, office supplies and equipment; equipment for hospitals, schools and universities; payment of water and electricity bills and communication costs for public services). Only expenditures for the Ministries of Health and Education are eligible.
Current transfers and subsidy expenditures	Allow the State to: pay student scholarships and allowances to teachers; pay for social measures taken by the Government , in particular school fees for schoolchildren and students, payments in connection with free caesarean sections, payment for care of the indigent using emergency funds, assistance to haemodialysis patients, support to school canteens through the national integrated school meal program, and the creation of subsidies for newly commissioned hospitals.
Public investment expenditures	Expenditures principally devoted to building/rehabilitating hospitals, classrooms; supply of water and electricity to populations; the development of agriculture; the improvement of the living conditions; creation of zero-emission transportation infrastructure, and information and communication technologies.
Personnel expenditures	Personnel expenditures include salaries and benefits paid to civil servants and government employees who provide public services to the population. Only personnel costs for teachers and doctors, midwives and state nurses are eligible. In contrast, personnel costs for security and defence forces are excluded.

On the basis of this issuance framework, Benin, through its Ministry of the Economy and Finance, will issue SDG bonds, the proceeds of which will be allocated to the categories of eligible expenditures detailed below (see Part II - 1. 1.4).

Refinancing of eligible expenditures is only possible if the latest settlement ordered by the General Directorate for the Treasury and Public Accounting for the expenditure occurred within the **last two years preceding the SDG bond issuance**. The estimated portion of the refinancing will be communicated prior to each issuance.

1.4 Categories of eligible expenditures

The eligible expenditures presented below are classified according to the **four pillars** presented in Part I: population, prosperity, planet and partnerships⁴².

The **size of the logos** representing the SDGs is proportional to their presumed contribution. The SDGs with the largest logos are those that are the most closely tied to the eligible categories and which have **the most significant expected contribution effect**. However, smaller sized SDGs are also featured in the table because they are tied to the principal SDG (concept of interrelation), with a contribution effect that is less direct but nevertheless still significant.

The most closely related SDG targets are detailed in the last table column.

Finally, **detailed information on the rationale for each category**, relating in particular to Benin's context and specificities, are presented in Appendix B.




The table below presents a summary view of the eligible expenditure categories.

Table 7: Summary of the 12 eligible overarching categories

Pillar #1 Population	<ul style="list-style-type: none"> - Development of sustainable and productive agriculture - Access to drinking water and wastewater processing - Improving the health of all - Decent housing for the poor - Expanding education services and improving the capacity to take on students
Pillar #2 Prosperity	<ul style="list-style-type: none"> - Access to low-carbon, reliable and affordable energy - Connectivity and digital inclusion throughout the territory - Supporting employment and financial inclusion of the youth, women, and rural entrepreneurs
Pillar #3 Planet	<ul style="list-style-type: none"> - Developing living environments and sustainable infrastructure for all - Conservation of lake and coastal areas, reasonable economic exploitation of the coastlines - Conservation of biodiversity, restoration and reasonable exploitation of the forest cover and fighting against desertification
Pillar #4 Partnerships	<ul style="list-style-type: none"> - Promoting heritage sites, educational sites, and entertainment infrastructure

⁴² See Part I - 2.1.1, Table 1: The four pillars of the 2018-2025 National Development Plan and the corresponding SDGs.





PILLAR #1: POPULATION

Categories of eligible expenditures ⁴³	Details & Sub-categories <i>Green categories ● Social categories ●</i>	Target population	Official SDG targets
   Development of sustainable and productive agriculture	<ul style="list-style-type: none"> ➤ Measures to support and/or strengthen subsistence farming by improving connectivity and opening-up, development of arable land, improved irrigation, facilitating the establishment of new farmers ● ➤ Extend warning and management systems for climate disasters affecting the agricultural sector (floods, hurricanes, etc.) ● ● ➤ Finance agricultural insurance mechanisms and disaster management systems for farmers ● ● 	<p>Youth, and in particular first-time entrants onto farmland</p> <p>Small food producers</p> <p>Foodstuff merchants</p> <p>Farming cooperatives</p>	<p>1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions</p> <p>2.2 By 2030, end all forms of malnutrition...</p> <p>2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers...</p> <p>8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation...</p>

⁴³ See Appendix B for the rationale for each eligible expenditure category and certain exclusions, as the case may be.

<p>6 CLEAN WATER AND SANITATION</p>  <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>Access to drinking water and wastewater processing</p>	<ul style="list-style-type: none"> ➤ Construction, operation, maintenance of infrastructure that increases production, transportation and water processing and storage capacities ● ● ➤ Creation of low-cost connections to drinking water for low-income households ● ● ➤ Construction of hydraulic infrastructure for farmland not used for animal breeding (irrigation, water supply, drainage, wastewater drainage, flood control installations) ● 	<p>Populations living in informal accommodations and/or rural areas</p> <p>Populations deprived of a functioning water point</p> <p>Populations (rural in particular) that are not connected to wastewater drainage and management networks</p>	<p>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water</p> <p>6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene...</p> <p>6.4 By 2030, substantially increase water-use efficiency across all sectors and</p>
<p>3 GOOD HEALTH AND WELL-BEING</p>  <p>5 GENDER EQUALITY</p>  <p>10 REDUCED INEQUALITIES</p>  <p>Improving the health of all</p>	<ul style="list-style-type: none"> ➤ Development and/or extension of social protection mechanisms allowing free health care professionals consultation (general practitioners, specialists) and access to the related treatments (e.g. free malaria care for pregnant women and children under 5) ● ➤ Training expenditures and/or remuneration of health care personnel, doctors, midwives, and state nurses ● ➤ Development and upgrading of health care facilities (hospitals, palliative care units, university health centres, acquisition of equipment, including scanners and imaging equipment) and care for populations that have been excluded or distant from the health care system (e.g. end of life care for the elderly) ● ➤ Financing of dispensaries, health centres, maternity wards, housing for health care workers ● 	<p>Sick beneficiaries in Benin's 77 municipalities⁴⁴</p> <p>Individuals suffering from chronic or acute illnesses</p> <p>Young girls and women whose access to sexual and reproductive health services is limited</p> <p>All patients in the hospital systems and the elderly who are distant from the conventional health care system</p> <p>Health care personnel</p>	<p>3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births</p> <p>3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases...</p>


⁴⁴ According to the scope planned under the Insurance for Reinforcing Human Capital (ARCH).

<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>1 NO POVERTY</p>  <p>Decent housing for the poor⁴⁵</p>	<ul style="list-style-type: none"> ➤ Construction of housing units that allow for safe and decent occupation (access to electricity, drinking water, collective sewage, minimum m2 surface area per habitant, minimum lighting, ventilation, no humidity and safe construction) ● ➤ (Re)housing of populations living in informal accommodation (public financing of rents and/or organisations responsible for assigning units in social housing and managing those units) ● 	<p>People living in overpopulated and/or informal housing</p> <p>People living in housing exposed to natural hazards (ingress, humidity, submersion)</p> <p>Poor populations (in terms of living conditions and money)</p>	<p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services...</p> <p>11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory planning and management...</p>
<p>4 QUALITY EDUCATION</p>  <p>5 GENDER EQUALITY</p>  <p>10 REDUCED INEQUALITIES</p>  <p>Expanding education services and improving the capacity to take on students</p>	<ul style="list-style-type: none"> ➤ Maintenance and/or rehabilitation expenditures for public schools and universities ● ➤ Construction of schools and universities equipped with cutting edge equipment to stimulate scientific and technical sectors in particular⁴⁶ ● ➤ Personnel expenditures (payroll and acquisition costs of goods and services) for teachers and teaching teams ● ➤ Current transfers and subsidies financing student scholarships (social and/or merit-based), allowances for teachers, payment of school fees, free school meal programmes, purchase of schoolbooks) ● 	<p>Beninese students in primary or higher education, with particular focus on the enrolment of children from low-income families and, still more, young girls</p>	<p>4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education...</p> <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills...</p> <p>4.5 By 2030, eliminate gender disparities in education and ensure equal access for the vulnerable...</p>






⁴⁵ This refers to poverty in terms of living conditions, calculated using a non-monetary index correlated to people's comfort and housing conditions, see Republic of Benin, Ministry of Planning and Development, National Statistic and Economic Analysis Institute, Memorandum on poverty in 2019, July 2020, p. 4, available [here](#). The relevant population may be expanded subject to conditions and depending on the circumstances, and notably to certain civil servants and craftsmen.

⁴⁶ Danish Ministry for Foreign Affairs (DANIDA) & Agence française de développement (AFD), *Mid-Stage Evaluation of the 10-year plan for the development of the Beninese education sector (PDDSE 2006-2015)*, February 2012, available [here](#).






PILLAR #2: PROSPERITY

Categories of eligible expenditures	Details & Sub-categories <i>Green categories ● Social categories ●</i>	Target population	Official SDG targets
 <p>Access to low-carbon, reliable and affordable energy</p>	<ul style="list-style-type: none"> ➤ Construction of solar power plants and onshore/offshore windfarms ● ➤ Programmes for the electrification (connection to the national distribution network) of urban and rural communities depending on distance from the conventional grid, electrification rate and change in the electric mix⁴⁷ ● ➤ Development of mini/off grid networks for populations located more than 10km away from the conventional network supplied by a renewable source of electricity ● ● 	<p>Entire Beninese population, but in particular habitants who live in the countryside who are poorly connected to the conventional electricity grid (in the North of Benin, mostly)</p>	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>




⁴⁷ Expenditures for connection to the national distribution network are eligible when the following three criteria are cumulatively met: i) communities targeted for the connection are located less than 10 km away from the conventional grid; ii) these communities have an electricity access rate of less than 50% for urban communities and less than 10% for rural communities; iii) The share of renewable energy in the country's electricity mix (expressed in %) must be on the following trajectory: share equal to or greater than 1% in 2020 and 2021, 3% in 2022, 8% in 2023 and 2024 and 10% from 2025 This last criterion guarantees connection to a network whose the electricity distributed through it has a carbon intensity that regularly improves. It is based on the statistics included in "2016 – 2020 key figures, energy assessment and indicators" from the General Directorate for Energy Resources, p.11.

<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>4 QUALITY EDUCATION</p>  <p>Connectivity and digital inclusion throughout the territory</p>	<ul style="list-style-type: none"> ➤ Extend the broadband networks, particularly in rural areas ● ➤ Enhance the quality of educational services provided by the public education system and expand capacity by using digital technology ● ➤ Generalize e-services and the digitalisation of public administration ● ➤ Programs for deploying digital tools for training purposes and collaboration between teachers and students to broaden their operational skills ● ➤ Digital infrastructures for financial inclusion and entrepreneurial development ● 	<p>Rural and urban Beninese population that is not (or not very) connected to the internet</p> <p>Students at various levels of instruction in Benin</p>	<p>9.2 Promote inclusive and sustainable industrialization</p> <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries...</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>5 GENDER EQUALITY</p>  <p>10 REDUCED INEQUALITIES</p>  <p>Supporting employment and financial inclusion of the youth, women, and rural entrepreneurs</p>	<ul style="list-style-type: none"> ➤ Development and support, and/or funding of training leading to qualifications, for the full integration of young workers ● ➤ Support expenditures for small- and medium-sized companies employing young workers through measures facilitating access to bank financing and micro-credit, as well as tax incentives ● ➤ Financial endowment for microfinance for the empowerment of vulnerable populations (women, landlocked rural populations) ● 	<p>Young workers in the process of entering the job market</p> <p>Young unemployed graduates</p> <p>Female entrepreneurs</p> <p>Entrepreneurs from rural areas running SMEs/ETIs</p>	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation...</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men...</p>

PILLAR #3: PLANET

Categories of eligible expenditures	Details & Sub-categories <i>Green categories ● Social categories ●</i>	Target population	Official SDG targets
     Developing living environments and sustainable infrastructure for all	<ul style="list-style-type: none"> ➤ Rehabilitation of unsanitary areas and neighbourhoods ● ➤ Sustainable development of common areas for commercial, recreational and leisure purposes ● ➤ Waste prevention, reduction, reuse and recycling systems and/or equipment (excluding incineration, landfilling and dumping) ●● ➤ Infrastructure and equipment for modes of transports operating without direct greenhouse gas emissions⁴⁸ ● 	<p>The whole Beninese population and in particular the inhabitants of areas concerned by purification and affected by the direct and indirect effects of construction sites</p> <p>Informal traders in Beninese markets and unconnected Beninese entrepreneurs</p> <p>People living urban centres</p>	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development ...</p> <p>11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services...</p> <p>11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory planning and management...</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>




⁴⁸ Only transport methods with no direct emissions (i.e., zero tailpipe emissions) are eligible.

 <p>Conservation of lake and coastal areas, reasonable economic exploitation of coastlines</p>	<ul style="list-style-type: none"> ➤ Programs to combat coastline erosion in urban and rural coastal areas in southern Benin ● ➤ Rehabilitation and conservation of coastal ecosystems providing eco-systemic services, such as mangroves ● ➤ Financing of community infrastructures for the development of artisanal fishing industries in South Benin⁴⁹ ● 	<p>Coastal populations of South Benin, particularly those next to lake or coastal areas with mangroves and fishermen population shaving developed artisanal fishing activities</p>	<p>14.2 [...] sustainably manage and protect marine and coastal ecosystems, including by strengthening their resilience...</p> <p>14.5 [...] conserve at least 10 per cent of coastal and marine areas ...</p>
  <p>Conservation of biodiversity, restoration and reasonable exploitation of the forest cover and fighting against desertification</p>	<ul style="list-style-type: none"> ➤ Reforestation initiatives that include the population in the enhancement and exploitation of natural forest ecosystems ● ● ➤ Agroforestry programmes and the development of local non-timber processing and enhancement chains⁵⁰ ● ➤ Reforestation programs using indigenous species to combat soil erosion and desertification ● 	<p>Rural and urban populations in close proximity (less than 15 km) to forest systems</p> <p>Small-scale farmers seeking access to land</p>	<p>15.1 [...] ensure the conservation, restoration and sustainable use of terrestrial ecosystems ...</p> <p>15.2 [...] promote the sustainable management of all types of forests...</p>

⁴⁹ A water surveillance team was created to ensure the rational and sustainable use of aquatic ecosystems and to ensure compliance with the law of 7 August 2014 on fishing and aquaculture in the Republic of Benin. For more information, see Appendix B.

⁵⁰ Benin has a program with the International Tropical Forest Organization so that it may certify the National Forest Office's plantations. A certification process is in progress (Forestry Stewardship Council step 5 out of 7).

PILLAR #4: PARTNERSHIPS

Categories of eligible expenditures	Details & Sub-categories <i>Green categories ● / Social categories ●</i>	Target population	Official SDG targets
<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>4 QUALITY EDUCATION</p>  <p>Promoting heritage sites, educational sites, and entertainment infrastructure</p>	<ul style="list-style-type: none"> ➤ Programs and initiatives for the rehabilitation of heritage assets shared both by the Beninese who visit them (local and experiential tourism) and culturally, for the groups who keep the heritage alive and maintain it ● ➤ Develop open heritage sites that allow for cultural education and reappropriation by young Beninese of traditional cultures of Benin ● 	<p>Entire Beninese population, and particularly the young and people living in the vicinity of rehabilitated and promoted remarkable sites</p>	<p>11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage</p> <p>4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development ...</p>

1.5 Theme-based and sectoral exclusions

Any public expenditure relating to any of the following activities will be systematically excluded:

- Any project having a connection with fossil fuels (energy production based on solid or liquid fossil fuels, as well as storage and transport dedicated to fossil fuels);
- Any project having a connection with the tobacco, alcohol or gambling industries;
- Any project tied to the production or trading in arms or defense and security equipment, including small arms and small-caliber arms as well as explosives and military ammunition;
- Any project relating to the development of red meat sector⁵¹;
- Any project resulting in deforestation of primary forests, modified natural forests or mangroves;⁵²
- Any project that is likely to be prejudicial to indigenous people;
- Any agricultural project involving the development, dissemination and production of GMOs that has not been subject to the approval of the National Biosecurity Council⁵³;
- Any cotton-related project using pesticides that have not been authorised by the National Pesticide Management Committee⁵⁴;
- Any territorial rehabilitation/development project resulting in the displacement of over 100 persons without prior consultation or financial indemnification;
- Any production or trading of products or activities that are considered to be illegal under domestic and international laws:
 - o United Nations Framework Convention on Climate Change
 - o United Nations Convention to Combat Desertification
 - o United Convention on Biological Diversity
 - o Convention for Cooperation in the Protection and Development of the Marine and Coastal Environment for the West and Central African Region
 - o Convention Concerning the Protection of the World Cultural and Natural Heritage
 - o Convention on Wetlands, Waterfowl Habitat – Ramsar Convention
 - o Kyoto Protocol to the United Nations Framework Convention on Climate Change
 - o Paris Climate Agreement
 - o African Convention on the Conservation of Nature and Natural Resources
 - o Montreal Protocol on Substances that Deplete the Ozone Layer and its amendments
 - o The Vienna Convention for the Protection of the Ozone Layer
 - o Convention on the Protection of the Underwater Cultural Heritage
 - o Convention for the Safeguarding of the Intangible Cultural Heritage
 - o Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention, CITES)
 - o International Labour Organisation Convention no. 105 on the Abolition of Forced Labour
 - o International Labour Convention no. 182 on the Worst Forms of Child Labour

⁵¹ This exclusion does not concern the development of the dairy industry.

⁵² Primary forests are forests that include indigenous tree species where no significant human influence is visible. [Natural modified forests](#) include indigenous tree species that grew naturally. A modified natural forest shows signs of past human influence within the ecosystem. Finally, a mangrove is a tree formation developed in Benin's swamplands and lagoons, consisting principally of mangrove trees.

⁵³ The [law of 3 February 2021](#) on biosecurity in the Republic of Benin regulates GMO cultivation. Article 25 provides that “no authorization for the import, transit, confined use, development, dissemination, production or insertion into the economy of modified living organisms or derivative products can be taken by the National Biosecurity Council without a prior assessment of the risks to human and animal safety and to biological diversity”.

⁵⁴ Republic of Benin, Ministry of Agriculture, Livestock Farming and Fishing, *up to date list of approved pesticides*, May 2021, [available here](#)

2. Process for expenditure evaluation and selection

The process for expenditure evaluation and selection **ensures that the proceeds of each SDG bond issuance are used for/allocated to eligible sustainable expenditures**, in accordance with the criteria specified in the previous section. Social and environmental risk management is of fundamental importance here.

2.1 Social and environmental project management

Benin's Government has put in place **environmental, social and governance policies and procedures** which are monitored and applied by specialised entities.

Regarding projects with significant environmental impacts, this mission belongs to the **Benin Environmental Agency**⁵⁵. In 1999, Benin adopted a framework law on the environment⁵⁶.

Regarding public investment projects with significant social stakes, the Life Environment and Territorial Development Agency becomes involved. Public investment projects are evaluated on the basis of **effectiveness, inter-relationships, inclusion and geographic impact criteria** (see below).

The World Bank's environmental and social standards are used for these audits (e.g., ESS 1, 2, 3, 4: assessment and management of environmental and social risks and impacts, labour and working conditions, community health and safety, resources efficiency and pollution prevention and management).

The Government of Benin is particularly attentive to forest cover conservation. The assessment of forest cover dynamics is based on satellite and mapping data and forest inventories. The analysis of satellite and mapping data makes it possible to monitor changes in the surface areas of the various vegetation formations. The assessment is coupled with field verifications making it possible to assess sprawl caused by agricultural activities. These measurements can allow the relevant ministries to take the appropriate corrective measures to ensure forest conservation.

The Benin Environmental Agency (BEA)⁵⁷ is responsible for implementing, monitoring and compliance with these policies and procedures when public investment projects are being executed. The agency collaborates with sectoral ministers by requiring:

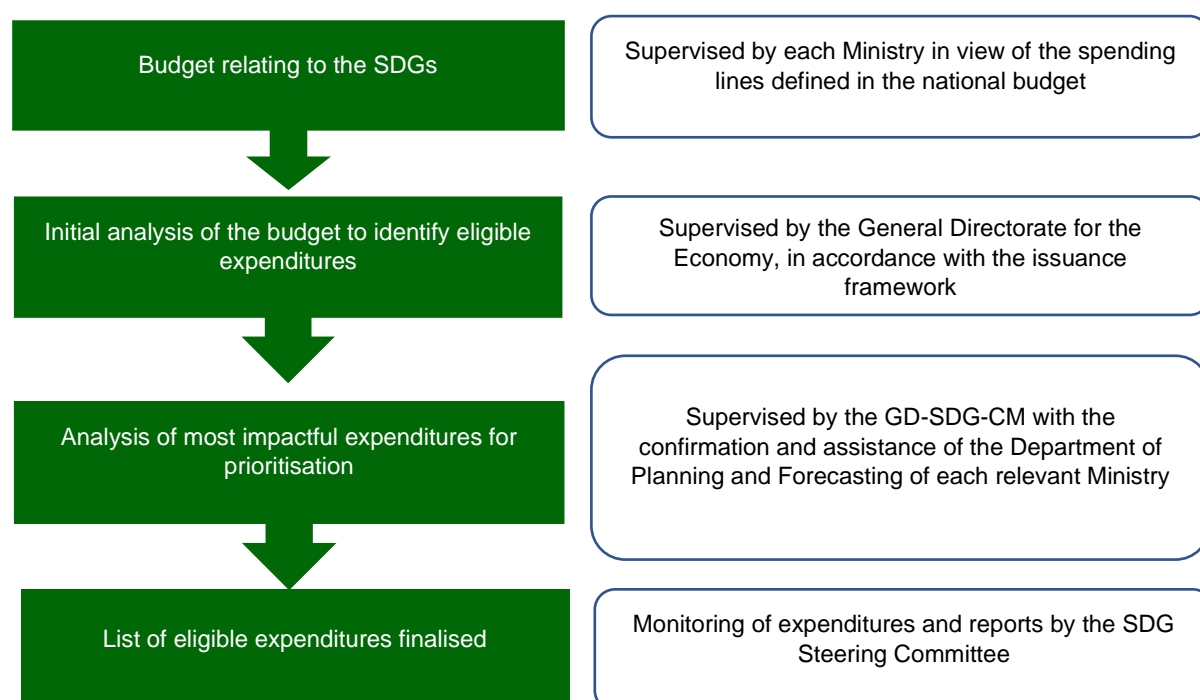
- An environmental, social and strategic assessment for policies, plans and programmes.
- An environmental and social impact assessment (ESIA) of environmental issues and risks in the design, approval, planning, execution, monitoring and evaluation processes of a project or any activity aimed at socio-economic development, with varying degrees depending on the fragility of the area in which the project is to be implemented. Policies, plans or programmes with respect to which the implementation site is not precisely known are subject to the environmental and social management framework.
- An environmental and social audit for projects that have/do not have the environmental and social compliance certificate.

All public and private projects are graded on a scale ranging from A to D. ESIA's must be carried out in advance for all projects included in categories A and B; the report from this study must be submitted to the BEA for approval in before receiving an **environmental and social compliance certificate**.

⁵⁵ The Beninese Environmental Agency has been operational since 1996. One of its main missions is issuing environmental compliance certificates (ECC) and approving environmental and social impact assessment reports for all projects in Benin, both public and private.

⁵⁶ Republic of Benin, law no. 98-030 of 12 February 1999, Framework law on the environment in the Republic of Benin, [available here](#).

Figure 9: Process for selecting eligible expenditures



In case of non-compliance, a **plan for implementing corrective actions** is mandatory. The environmental and social audits include proposals that enable the project owner to become compliant. The plan for implementing the recommendations is accompanied by an appendix for implementing corrective and preventive actions. It summarizes the audit findings, recommendations and corrective and preventive actions to be implemented, the monitoring indicators that have been adopted, implementation deadlines, and the parties responsible for execution, monitoring and follow-up.

2.2 The SDG Bond Steering Committee

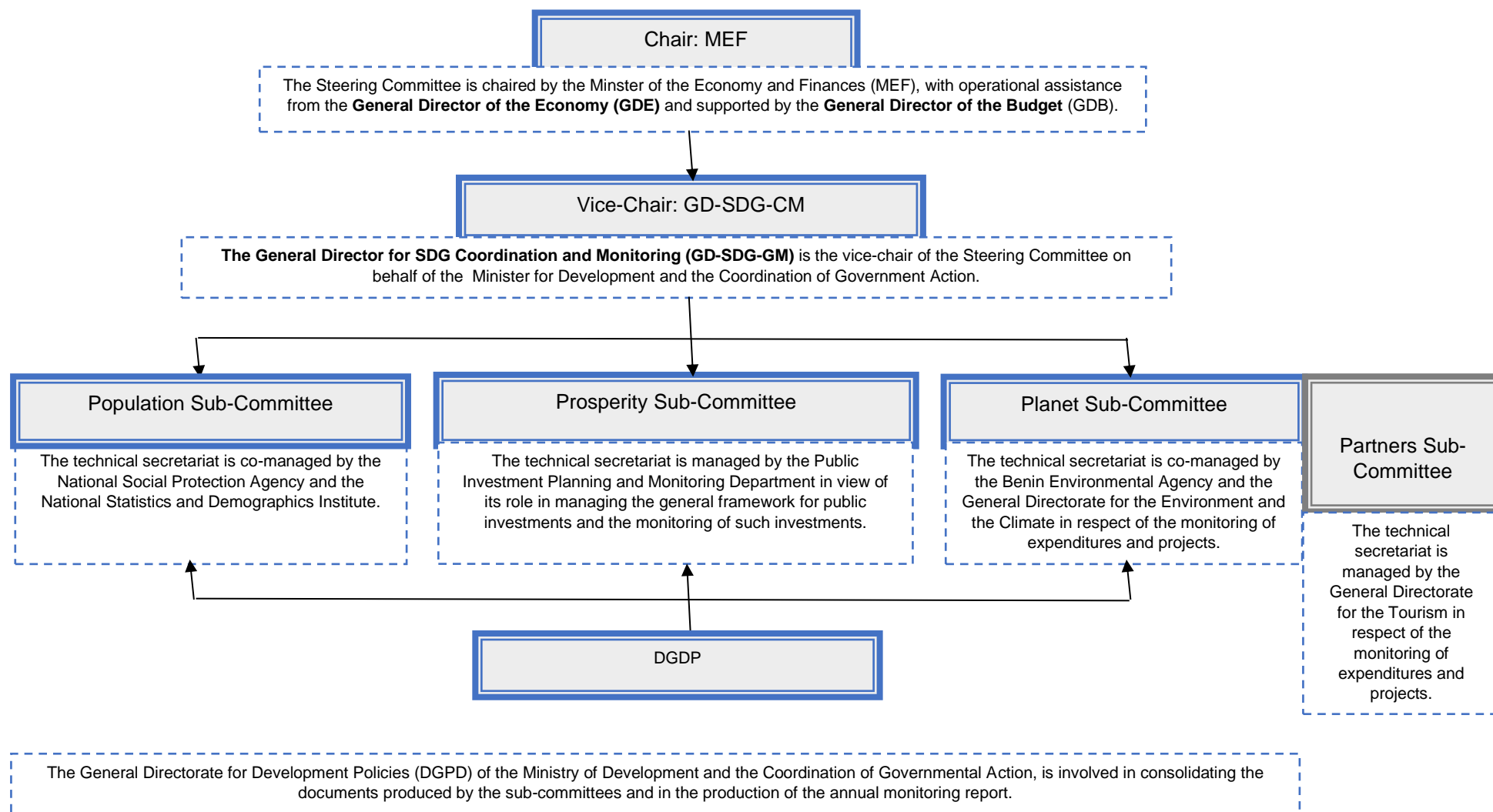
The SDG Bond Steering Committee (hereafter referred to as the “Steering Committee”), which is chaired by the **Minister of the Economy and Finance**, carries out essential missions, and in particular verifies the eligibility of projects, assets and expenditures selected, evaluates and selects eligible expenditures and allocates the related funds (analytical allocation of the proceeds raised) every three months up until the bond’s maturity.

The Steering Committee also ensures **consolidation of the monitoring documents produced by the sectoral subcommittees** in order to produce a **comprehensive annual report on the allocation and impact** of the proceeds allocated to SDG projects by the Republic of Benin.

The Committee will also **oversee any amendments of this SDG Bond framework**.

Progress updates/meetings of the Steering Committee will take place **every three months**. Internal minutes and summaries of decisions will be produced.

SDG Steering Committee Structure Chart



2.1.1 Members of the Steering Committee

The General Directorate for Coordination and the Monitoring of the SDGs

The **Director General of the Economy** is a full member of the SDG Steering Committee. He is the operational arm of the Minister of the Economy and Finance. He will be assisted by the **Director General of Budget (DGB)**. The **Director General of SDG Coordination and Monitoring (GD-SDG-CM)** will be the vice-chair of the Committee on behalf of the Minister for Development and Government Action Coordination. The DGB will be responsible for allocating and monitoring expenditures. The Committee is chaired by the **Minister of the Economy and Finance**.

The GD-SDG-CM will coordinate all the sub-committees and will also monitor the degree to which the SDGs are incorporated into the strategies led by each Ministry's Department of Planning and Forecasting within the sub-committees. It may have recourse to the Benin Environmental Agency and the Life Environment and Territorial Development Agency to address any controversies and to carry out remediation measures.

The structure of these sub-committees mirrors three of the four pillars that organise the Government's Action Plan and the 2018-2015 National Development Plan:

1. **Population** (human capital, agriculture, education, health care, demography)
2. **Prosperity** (various economic sectors, crafts, industrial development, employment)
3. **Planet** (environmental matters)

The General Directorate for Development Policies

The General Directorate for Development Policies (a part of the Ministry of Development and Governmental Action Coordination), as the overseer of the implementation of national development policies by sectoral entities (ministries, agencies), participates in the consolidation of documents produced by the sub-committees and in the production of the annual allocation and impact monitoring report described in the section 4.3.

This department also takes part in status meetings on issues relating to the environment, digitalisation, gender and employment and is involved in all pillars.

Three sub-committees with scopes derived from three of the pillars defined above are made up of the following stakeholders.

1. Population sub-committee (Pillar 1)

The technical secretariat is co-managed by the National Social Protection Agency and the National Statics and Demographics Institute (NSDI). The NSDI is notably involved in the evaluation of health and social indicators.

The technical secretariat is responsible for monitoring the expenditures and projects relating to the eligible categories defined above:

- Development of sustainable and productive agriculture
- Access to drinking water and wastewater processing
- Improving the health of all
- Promoting heritage and educational sites and entertainment infrastructure
- Expanding educational services and improving the capacity to take on students

2. Prosperity sub-committee (Pillar 2)

The technical secretariat of the sub-committee is managed by the **General Directorate for Public Investment Planning and Monitoring** in view of its role in managing the general framework for public investments and the monitoring of such investments.

It is responsible for monitoring expenditures and projects relating to the eligible categories defined above:

- Development of living environments and sustainable infrastructure for all
- Decent housing for the poor
- Connectivity and digital inclusion throughout the territory
- Access to low-carbon, reliable and affordable energy

3. Planet sub-committee (Pillar 3)

The technical secretariat is co-managed by the Benin Environmental Agency and the General Directorate for the Environment and the Climate in respect of the monitoring of expenditures and projects relating to the eligible categories defined above:

- Developing living environments and sustainable infrastructure for all
- Conservation of biodiversity, restoration and rational exploitation of the forest cover
- Conservation of lake and coastal areas, rational economic exploitation of coastlines

3. Management of Proceeds

Each of Benin's SDG bond issue will be associated with a basket of eligible expenditures approved for settlement in the two calendar years that precede and follow the issuance (Y-2 and Y+2).

The earmarking of the proceeds of SDG Bond issuances to eligible expenditures is made on notional amounts ("analytical" ringfencing of the proceeds).

The SDG Bond Steering Committee will be responsible for allocating the proceeds from each SDG Bond issuance and for monitoring expenditures to ensure that all proceeds are allocated to financing or refinancing eligible expenditures.

The list of eligible projects will be updated regularly. An expenditure initially included may lose its eligibility if it ceases to meet one of the criteria presented in this framework document. The Committee will ensure that a surplus of eligible expenditures is available for each new issue (a "buffer") so that the total of eligible expenditures always exceeds the amount issued, in order to counter a situation where an expenditure loses eligibility.

Until full allocation of the proceeds, the net amount of each issuance will be deposited into a special account opened by *Caisse Autonome d'Amortissement* (CAA) "CAA – SDG Proceeds" with the Central Bank of West African States (CBWAS) or placed with independent local commercial banks on term deposits. The entire amount of the proceeds raised in each issuance shall be allocated to eligible expenditures within two calendar years of the issue date. If an expenditure becomes ineligible, the issuer undertakes to replace the expenditure allocated to such project with other eligible expenditures to the extent possible, within a minimum of 3 months and no more than 12 months.

4. Allocation and impact reports

With respect to each SDB Bond issuance under this Framework, the Republic of Benin will provide investors with:

- An allocation report
- An impact report

These two reports will be **published annually throughout the life of the issue**. The reports will be published on the anniversary date of the relevant issuance, or within three months of such anniversary at the latest.

The reports will be available on the official site of the Ministry of the Economy and Finances in a clearly identified and easily accessible area. In the event of social or environmental controversies tied to eligible projects, the Republic's responses and remediation actions will be communicated to investors.

As part of a **partnership signed in July 2021**⁵⁸ (see 5.2 Partnerships), the Sustainable Development Solutions Network ("SDSN") will furnish an in-depth analysis of Benin's progress in achieving the SDGs.

This external analysis, **which is purely consultative**, will help provide information for the annual reports as follows:

- The allocation report will reflect the prioritisation and the selection of eligible expenditures that were made in the prior year in view of the latest observations and recommendations made by the SDSN;
- The impact report will aim to illustrate Benin's progress on the priority SDG targets (see Part I – 2.1.1 1) and the principal improvement areas identified by SDSN.

4.1 Allocation report

An annual allocation report will be provided to investors by the Republic of Benin until the maturity of the bonds and will include the following information:

- The initial date, amount and maturity of the issue;
- The share of proceeds allocated as a % of the total issue;
- Amount and % share of new financing/refinancing (% of projects coinciding with the ICMA's green and social bond principles);
- Summary of eligible categories with an indication of which categories have benefited from funding (allocation breakdown);
- Amounts allocated by eligible categories (and % distribution) and a breakdown between expenditures falling within green and/or social sub-categories;
- Description of the principal expenditures financed and associated projects or programmes;
- The remaining amount of funds to be allocated;
- Type and amount of temporary investments;
- Share of co-financing (examples: projects co-financed with international lenders).

The allocation reports will be audited by Deloitte (see "Auditors and external evaluators").

⁵⁸ Press release available [here](#).

4.2 Impact report

In addition to the allocation report discussed above, the Republic of Benin undertakes to provide investors with an impact report on the social and environmental impacts generated or caused by the eligible expenditures to which funds were allocated.

The impact report will be based on best market practices, and in particular those defined by the International Capital Markets Association (“ICMA”) with respect to environmental and social issues⁵⁹.

These reports will be based on verified information and will include:

- Regarding completed projects, the resulting environmental and/or social benefits
- Regarding projects that are in progress, the anticipated environmental and/or social benefits
- Qualitative performance indicators and, when available, quantitative indicators making it possible to judge the financed/refinanced project's impact
- A description of the methodology used to assess the impact of the various financed or refinanced projects (underlying assumptions, calculation rules, key concepts, etc.)
- Impacts by defined eligible category
- The contribution to the various SDGs, and in particular to reducing delays and making progress on targets identified as priorities
- Where possible, information about the end-beneficiaries of the expenditures will be provided, and in particular:
 - o Age range of beneficiaries
 - o Gender of beneficiaries
 - o Income levels of beneficiary households
 - o Beneficiary social and/or professional category
 - o Beneficiary employment status

The impact report will be **verified internally by specialised administrations and auditing bodies**. As necessary, an **external verification** of this report may be considered, notably to confirm post-issuance compliance with the ICMA principles.

The table below presents examples of indicators that could be used in the impact reports:

⁵⁹ See ICMA, *Harmonized Framework for Impact Reporting for Green bonds*, December 2020, [available here](#) & *Harmonized Framework for Impact Reporting for Social bonds*, June 2020, [available here](#).

Table 8: Sample of achievement and impact indicators (illustrative)

Pillar #	Eligible categories	Outcome indicators	Impact indicators (percentage of change / improvement) ⁶⁰
#1 Population	Development of sustainable and productive agriculture	<ul style="list-style-type: none"> - Number of accessibility projects financed - Number of farmers benefiting from subsidies - Number of newly created sectors - Number of enterprises financed through the National Agricultural Development Fund - Number of female market gardeners supported - Number of adaptation techniques disseminated - Number of markets modernized 	<ul style="list-style-type: none"> - Decrease in the incidence of food poverty (%) - Share of the population experiencing moderate to severe food insecurity (%)
	Access to drinking water and wastewater processing	<ul style="list-style-type: none"> - Number of new drinking water supply projects funded - Number of projects for reinforcing drinking water supply financed - Number of suburban areas connected to a drinking water system 	<ul style="list-style-type: none"> - Share of the population using safely managed water supply services (%) - Share of the population using safely managed sanitation services (%)
	Improving the health of all	<ul style="list-style-type: none"> - Number of health care centres (prevention, screening, and care) financed - Number of hospitals financed - Number of persons benefiting from free health insurance - Health training visitation rate 	<ul style="list-style-type: none"> - Share of the population having access to health insurance (%) - Share of the population contributing to a pension system (%) - Rate of Pentavalent 3 vaccination in children aged 0 – 11 months (%) <ul style="list-style-type: none"> - Full vaccination coverage rate (%) - Neonatal death rate (%) - Health infrastructure coverage rate (%) - Prevalence of HIV in pregnant women (%)
	Decent housing for the poor	<ul style="list-style-type: none"> - Number of social and low-cost housing development and real estate projects financed 	<ul style="list-style-type: none"> - Share of households with access to basic services (%) - Share of urban population living in slums, informal settlements, or inadequate housing (%)
	Expanding education services and improving the capacity to take on students	<ul style="list-style-type: none"> - Number of specialised schools funded by skill area (physical therapy, pharmacy, engineering) - Number of classrooms, workshops and other facilities built, amount of equipment acquired - Number of functional literacy centres (opened and evaluated) - Number of high schools renovated, number of high schools equipped - Number of doctoral scholarship recipients 	<ul style="list-style-type: none"> - Net enrolment rate in the various school levels (primary, secondary, technical) (%) - Studies/curriculum completion rate (%) - Share of students who started kindergarten 1 who complete elementary school (%) <ul style="list-style-type: none"> - Annual growth rate of student enrolment - Gross enrolments rate (1st and 2nd cycles) (%)

⁶⁰ Whenever possible, data relating to these impact indicators will cover several years/financial years so as to track improvement trends or performance dips over time. The shortest possible time-interval will be used, depending on data availability.

#2 Prosperity	Access to reliable and low-cost carbon free energy	<ul style="list-style-type: none"> - Number of solar projects financed - Installed capacity (MW) of carbon free energy - Number of electrified rural communities 	<ul style="list-style-type: none"> - Decrease in electricity bills (%) - Share of population with access to electricity (%) - Share of population principally using clean technologies for cooking (%) - Share of population principally using clean fuels for lighting (%)
	Connectivity and digital inclusion throughout the territory	<ul style="list-style-type: none"> - Number of broadband or ultra-broadband deployment projects financed - Number of internet connections installed 	<ul style="list-style-type: none"> - Share of population with internet connection (%) - Proportion of digitalized public administration services (%)
	Supporting employment and financial inclusion of youth, women and rural entrepreneurs	<ul style="list-style-type: none"> - Total of allowances paid - Number of subsidies to SMEs or ISCs to support youth employment - Number of vocational education university built and operational - Number of youths supported for entrepreneurship - Total number of microcredit beneficiaries 	<ul style="list-style-type: none"> - Youth employment rate (%) - Number of hires facilitated / allowed thanks to financial support or tax measures
#3 Planet	Developing living environments and sustainable infrastructure for all	<ul style="list-style-type: none"> - Number of projects for modernising waste collection and processing financed - Area of reconstituted coastal areas - Length of collectors built (linear meter, lm) - Length of gutters built (lm) 	<ul style="list-style-type: none"> - Waste collection rate (%) - Waste recycling rate (%) - Pre-collection service coverage rate (%) - Rate of persons protected against flooding (%)
	Conservation of lake and coastal areas, reasonable economic exploitation of Benin's coastlines	<ul style="list-style-type: none"> - Protected coastline - Surface area of reconstituted coastal areas - Number of persons protected against flooding - Land routes rehabilitated or created (lm) - Drainage network built (lm) 	<ul style="list-style-type: none"> - Proportion of sea area covered by protected marine areas (%)
	Conservation of biodiversity, restoration and reasonable exploitation of the forest cover and fighting against desertification	<ul style="list-style-type: none"> - Number of listed forest sustainable management projects - Additional forest surface area or surface area of deteriorated forests placed under sustainable management (in ha) 	<ul style="list-style-type: none"> - Proportion of the surface area of forest cover in relation to the country's surface area (%)
#4 Partnerships	Promoting heritage sites, educational sites and entertainment infrastructure	<ul style="list-style-type: none"> - Number of projects for rehabilitating natural cult areas (medicinal forests and lakes) - Preserved heritage area - Length of roads developed (lm) - Number of visitors (Beninese and international) 	<ul style="list-style-type: none"> - Proportion of heritage land conserved in Benin (%)

In many areas, international and institutional statistical cooperation could be a source of information for the impact reports (see table 9 below). However, it must be noted that the frequency of most programmes is not annual but rather on a five-year time interval.

Table 9: Sample of international and institutional cooperation initiatives in the area of statistics

Programme	Partners	Period
Conduct of the Benin Demographic and Health Survey	United States Agency for International Development (USAID), Food and Nutrition Council (SP CAN), Global Fund (GF), United Nations Children's Emergency Fund (UNICEF), United Nations Population Fund (UNPF)	Every 5 years
Conduct of the Multiple Indicator Cluster Survey (MICS)	UNICEF, USAID, UNPF, World Bank	Every 5 years
Conduct of General Population and Habitation Census	World Bank, UNPF, UNICEF	Every 10 years
Conduct of the Comprehensive Analysis on Vulnerability, Food Security and Nutrition	World Food Programme (WFP)	Every 5 years
Conduct of the Harmonized Survey on Household Living Conditions	World Bank, WAEMU Commission	Every 2 years
Conduct and update of social dashboards (sectoral, national and local)	United Nations Development Programme (UNDP)	2020-2023

5. Auditors and external evaluators

5.1 External review

Second Opinion

Benin had appointed VE as issuer of the Second Party Opinion. VE provided an opinion on the Framework's transparency, governance, and compliance with ICMA's 2021 Sustainability, Green and Social Bond Principles.

The report is available via the following link: <https://odd.finances.bj/>

V.E concluded that *"the Republic of Benin's SDG Bond Framework is coherent with the Republic of Benin's Government's strategic sustainability priorities, and that it contributes to the achievement of its sustainability commitments and targets"*. It deemed that the SDG Bond Framework is *"aligned with the four core components of the GBP & SBP and best practices identified by V.E"*

The contribution to sustainability has been assessed as advanced by VE (i.e. the highest score possible). Expected impacts are considered "advanced" and ESG risks management as "robust".

Any significant change to this Framework will be submitted to the Second Party Opinion provider.

Independent auditor

Each year and until the proceeds have been fully allocated, the independent auditor will verify the following information:

- Allocation of proceeds to eligible expenditures;
- Compliance of the expenditures financed by the proceeds raised with the criteria defined in the Use of Proceeds and Fund Management sections.

5.2 Partnerships

The Republic of Benin partners with various actors in connection with the 2030 Agenda, including the UNDP and the Sustainable Development Solutions Network (SDSN).

The SDSN is helping Benin to implement the SDGs, including assessing public policies (budget and fiscal matters in particular).

Benin and SDSN signed a cooperation partnership on July 12, 2021⁶¹.

The SDSN will conduct regular evaluations of Benin's situation vis-à-vis the SDGs, the progress made and trends (SDG distance measurement). These assessments will be public and will be used to provide information for the SDG impact reports.

This partnership seeks to provide the Government of Benin with an in-depth analysis of the country's comparative SDG performance and to compare this performance with country's public policies and ambitions. This project will be part of international efforts to support the actions and financing of the SDGs through the development of dedicated bond products. In particular, it aims to support efforts to incorporate the SDGs into Benin's budgetary and fiscal framework and to make all public policies consistent.

⁶¹ See de press release (July 12, 2021), [here](#).

Paragraph 41 of the 2030 Agenda⁶² recognizes that “*public finances, both domestic and international, will play a vital role in providing essential services and public goods and catalysing other sources of finance*”. SDG 10 includes a target relating to encouraging official development assistance and financial flows to states where the need is greatest, including African countries.

The project will be based on the three initiatives presented below and will be conducted over a period of 9 to 12 months, and potentially renewed:

- (1) **In-depth comparative analysis of Benin’s SDG indicator performance** used in the SDSN’s report and main gaps compared to the rest of Africa and the world;
- (2) **Collection of qualitative data and mapping of public policies and the Government’s ambitions** in the area of the SDGs. SDSN’s survey of “government SDG efforts” published in the “Sustainable Development Report” (SDG Index) will be carried out and deepened in the case of Benin in order to take the country’s specificities into account. This survey will be supplemented by a mapping of SDG public policies in Benin;
- (3) **Dissemination and communication** of the study results during at least one event on the African continent and/or international event, notably to international lenders and investors.

The study will aim to highlight Benin’s main SDG challenges as well as the way the Government:

- responds to these challenges, in particular through its main budgetary expenditures officially tagged as contributing the most to the SDGs (budgetary programs earmarked throughout SDG bond financing, in particular);
- intends to respond to it in the near future (investment programmes, new reforms, etc.);
- evaluates related financing needs.

The SDSN will mobilise its network of experts internationally and in Africa as well as its analytical frameworks, including the “Six Transformations”⁶³. Other French and international partners may be mobilized.

The SDSN’s conclusions will be taken into account by Benin’s various authorities and administrations, and in particular by the SDG Bond Steering Committee (see Part II - 2.2). As appropriate, the SDSN’s observations will be accompanied by recommendations on the basis of which the Steering Committee will adjust the evaluation and selection process for eligible expenditures. Certain expenditures may thus be prioritised, while others may be ruled out or be reduced in size.

⁶² General Assembly of the United Nations (21 October 2015), “Transforming our world: the 2030 Agenda for Sustainable Development”, available [here](#).

⁶³ The six transitions are: 1. Education, Gender and Inequalities; 2. Health, Well-Being and Demography; 3. Energy, Decarbonation and Sustainable Industry; 4. Sustainable management of land, food, water and oceans; 5. Sustainable cities and communities; 6. Digital revolution for sustainable development. The social justice principles aimed at “leaving no one behind” and further supporting the circular economy underly these transitions.

APPENDICES

Appendix A: List of 49 prioritized UN SDG targets

As part of the prioritization exercise carried out with the UNDP in 2017.

Social Scope
SDG & Targets
Goal 1. End poverty in all its forms everywhere
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round
2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons
2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
Goal 3. Ensure healthy lives and promote well-being for all at all ages
3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births
3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births
3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being
3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations
Goal 5. Achieve gender equality and empower all women and girls
5.1 End all forms of discrimination against all women and girls everywhere
5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Goal 6. Ensure availability and sustainable management of water and sanitation for all
6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all
6.2 By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
Economic Scope
SDG & Targets
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all
7.1 By 2030, ensure universal access to affordable, reliable and modern energy services
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending
Goal 10. Reduce inequality within and among countries
10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable
11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations
Environmental Scope
SDG & Targets
Goal 12. Ensure sustainable consumption and production patterns
12.2 By 2030, achieve the sustainable management and efficient use of natural resources
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature
Goal 13. Take urgent action to combat climate change and its impacts
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans
14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements
15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally
15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world
Institutional Scope
SDG & Targets
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children
16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all
16.5 Substantially reduce corruption and bribery in all their forms
16.6 Develop effective, accountable and transparent institutions at all levels
16.9 By 2030, provide legal identity for all, including birth registration

Appendix B: Detailed rationale for each eligible expenditure category

Development of sustainable and productive agriculture

This refers to expenditures for current transfers, subsidies and investments in support of responsible agriculture, that is, agriculture that is respectful of soil and aquifers (moderate sampling of nature in order to avoid the depletion of natural resources) and that does not endanger the health of farmers and/or local populations⁶⁴.

Table 10: Criteria defining sustainable agriculture in the Beninese context

Local food security	The proposed farming system must contribute to the food security and/or the subsistence of local communities (subsistence system that contributes to the rural economy).
Minimal ecosystem deterioration through agricultural production	The agricultural production ecosystem must allow diversity of non-harvested species that support production to be preserved (soil micro-organisms, pollinators) and species in the broader environment that contribute to the agro-ecosystem's diversity (agricultural, pastoral, forest and aquatic agro-ecosystems) through the limited use of pesticides ⁶⁵ .
Promotion and use of local agricultural know-how	The system must have the potential of retaining valuable local traditional agricultural knowledge and practices, and natural resource, biota, land and water management systems that support agricultural, forestry and/or fisheries activities (aquaponics, locally developed drip irrigation).

This sustainable agriculture is also performed with respect for human rights and the rights of agricultural workers (limited working hours, weekly rest time, freedom of association, and respect of the ILO's fundamental conventions to which Benin adhered to as early as 1960⁶⁶). Excluded from this category are expenditures whose purpose (i.e., directly/primarily aim) seeks to support fossil-fuel powered equipment. More specifically, the cultivation of cotton, Benin's leading export, may be eligible under the following conditions:

- Available and calculable indicators exist to measure the sustainability of cotton farming systems and certifications⁶⁷.
- Traceability of phytosanitary products used in reasonable quantities (list of pesticides authorized for use in Benin by the National Committee for Pesticide Management).
- Verification by public authorities or specialized agencies of compliance with these criteria.

Access to drinking water and wastewater processing

This refers to public investment expenditures that promote access to quality drinking water for everyday consumption and basic sanitation facilities for targeted populations.

There are numerous positive interrelationships between the water theme and SDG 6 and the other SDGs, particularly in the area of health (SDG 3, Good health and well-being) and the prevention of water-borne diseases, which are partly due to a lack of sanitation.

⁶⁴ Sossou Comlan Hervé, *The Financing of Agriculture in Benin: management and adaptation strategies for agricultural operations, Doctoral thesis for obtaining a PhD in agronomic sciences and biological engineering*, Belgium, University of Liège-Gembloux Agro-Bio Tech, p. 29 et seq. available [here](#).

⁶⁵ This point can be verified through the specific agricultural statistical surveys conducted by the Agricultural Statistics Department, as well as by exploiting the results of the Modular Integrated Household Living Conditions Surveys.

⁶⁶ In addition to compliance with ILO conventions, the Republic of Benin has adopted a Labour Code (amended and supplemented by law no. 2017-05 of 29 August 2017) that lays down the conditions and procedure for hiring labour and terminating employment contracts in the Republic of Benin, which is mainly aimed at providing an appropriate legal framework for the exercise of constitutionally recognised social rights: right to work, freedom of work, freedom of enterprise, right to strike, protection against unjustified or arbitrary firings. See e.g., David Affodjou, *Benin Labour law, Practical Guide*, COPEF, July 2019.

⁶⁷ Benin has joined the Cotton made in Africa (CmiA) initiative, which promotes sustainable production standards.

Improving the health of all

Inclusivity in the area of health (including free universal access to health care) refers not only to building intake capacity to reach a wider set of populations as compared to a baseline, but also to developing social policies.

Benin is pursuing the upgrade of the health sector described in “2025 Benin National Long-Term Prospect Studies”. Improving the population’s socio-health conditions is a leading priority, as is improving governance and resource management in the health sector⁶⁸.

Many of the challenges faced by Benin’s health sector could be mitigated by improved supply of basic technical services equipment in care units and by improving maintenance of that equipment.

Decent housing for the poor

A sustainable living environment depends on ensuring that housing is not overcrowded⁶⁹ and guaranteeing access to sufficient local facilities and services.

As population hyper-density is often correlated with the establishment of informal housing in urban areas whose populations are below the average non-monetary poverty level⁷⁰, actions aimed at improving the living conditions of these populations contribute to ensure a level of comfort thanks to the installation of new equipment.

Progressive and non-discriminatory access to adequate sufficient urban services for the poor implies the availability of drinking water, a source of energy for cooking and lighting, sanitation and health services, and garbage and sewage disposal. The challenge of providing decent housing for the poor also lies in locating their homes close to employment areas, schools, childcare services and other social facilities, far away from polluted areas. Decent housing for the poor must provide physical security for occupants as well as sufficient space. This housing must also protect its occupants from weather (rain, moisture and wind).

Certain targeted populations may be covered by such schemes and expenditure, including through the Société immobilière et d’aménagement urbain (SimAU). For example, middle-income groups such as civil servants, artisans, etc., could be targeted.

Expanding educational services and improving the capacity to take on pupils and students

Educational services refer both to the enrolment policies directly paid for by Benin’s Government to increase the chances of access to education for all and to the infrastructures that allow the people of Benin to receive a quality education.

In this regard, improving the quality of school services and financing new facilities can be seen as a way to keep skills at home in Benin and to avoid South/North migration due to gaps in educational infrastructure in the country.

For primary education, only investments and expenditures in public educational institutions that offer free and universal access are eligible.

Since December 2003, the free enrolment of girls in school has been generalized and the Government is determined to increase the gross enrolment rate of young girls so as to achieve universal access to basic education.

⁶⁸ Republic of Benin, Ministry of Health, *2018-2022 National Health Development Plan*, available [here](#). The connection between providing social protection and free care is key in Benin. Since 2016, the Ministry of Health has ensured access to quality care irrespective of financial barriers and has made investments to strengthen free care. In addition to [FCFA 21.3 billion](#) invested for dialysis and free caesarean sections, FCFA 1.2 billion has been disbursed to ensure free malaria care for children less than 5 and pregnant women. FCFA 2 billion has also been disbursed to provide care for the most vulnerable populations. Some of these measures reinforce a [system of free care put in place in October 2011](#). Thus, as part of the fight against malaria, Benin adopted the policy of free treatment of malaria in pregnant women and children under five in October 2011. Since 2016, the implementation of the Insurance for Strengthening of Human Capital programme (which has several components including universal health insurance) has amplified the free malaria care initiative, which is part of the basket of care offered. USAID, Collective, *Analysis of Free Care Policies and Cost of Malaria Treatment*, September 2018, [available here](#).

⁶⁹ The definition of “adequate housing” is based on a critical reading of the recognised attributions given to this type of housing by UN Habitat and the Office of the UN High Commissioner for Human Rights, *The Right to Adequate Housing*, 2000, p. 4 available [here](#)

⁷⁰ From a non-monetary point of view, poverty is captured using a composite standard of living index. This indicator reflects the general comfort in which households live (housing, possession of durable goods and hygiene).

In higher education, registration fees of non-scholarship, non-assisted and non-salaried students in Benin's national universities have been covered since 2008⁷¹.

Access to low-carbon, reliable and affordable energy

Access to electricity is an essential or "basic" service carrying with it many direct and indirect benefits, including lighting, fueling various equipment used for eating and drinking (allowing penetration rates of clean cooking energy to be improved) and (tele)communications (radio telephony, internet). This access is deployed and/or encouraged by the State through various expenditures and investments.

Fossil fuels in all forms (solid, liquid or gasified) are excluded.

Access to electricity can be ensured by connection to the conventional electricity grid (belonging to Société béninoise d'énergie électrique) or by "off-grid" solutions. In fact, when certain populations are located too far away from the conventional grid (distance greater than 10 km), they can benefit from "mini-grids" (that is, a connection to a mini power station with a solar grid within the area) or independent electricity production kits (at-home solar energy production devices contained in a kit).

Connectivity and digital inclusion throughout the territory

Digital inclusion refers to the process that allows an individual to have access to digital technology in order to acquire skills that act as a lever for that person's social and economic inclusion.

The 2016-2021 Government Action Programme includes among its development objectives the use of digital technology and skills in the education sectors and in vocational, technical, initial and continuous training via the internet⁷².

Increased connectivity – mobile connectivity in particular – allows the people of Benin, wherever they are and especially in the countryside, to access basic services such as health care. The mobile phone industry is playing an increasingly significant role in accelerating social development in West Africa⁷³. Mobile digital platforms optimize digital and financial inclusion and stimulate innovation.

Supporting employment and financial inclusion of the youth, women and rural entrepreneurs

In Benin, over 90% of jobs are in the informal sector and unemployment among 15–34-year-olds is particularly high⁷⁴. Vocational training is therefore a key issue for young people in Benin, who are exposed to unemployment and insecurity. Ensuring financing of vocational training and the financing of SMEs/ISCs created by young workers through support mechanisms (subsidized loans, etc.) granted by the Beninese State makes it possible to improve the integration of young people in Benin and to ultimately stimulate the country's economic fabric and growth. According to the report on the Modular Integrated Household Living Conditions Survey carried out by the National Statistics and Demography Institute (NSDI) in 2011, 90.4% of employed persons aged between 15-64 worked in the informal sector, 4.6% in the formal public sector and 4.9% in the formal private sector⁷⁵. Job creation can also be stimulated by optimized access to financial services, particularly for vulnerable populations such as women and 15-34 year olds, whose access to banking and microfinancing can stimulate entrepreneurial development.

⁷¹ Republic of Benin, decree no. 2008-802 of 31 December 2008 on free tuition for Beninese students who have obtained the baccalaureate in the current calendar year or a diploma accepted as an equivalent.

⁷² Republic of Benin, Presidency of the Republic, *2016-2021 Government Action Programme*, available [here](#) as regards the digital component and projects related to the GAP. The 2021 digital and digitalisation agenda unveiled on 24 February 2021 continues to have the extension of high- and very-high speed broadband as a 2021 priority, as indicated in the [press release from the Minister of Digital and Digitalisation](#).

⁷³ United Nations, *2020 Rapid assessment of e-commerce readiness*, available [here](#).

⁷⁴ Source: "AFD (26 April 2017), In Benin, vocational training has taken a sip from the fountain of youth", available [here](#).

⁷⁵ See also, Appolinaire Tollegbe, Conference "The informal sector and the modernisation of the economy, the dynamic informal sector in Benin", NSDI (ex INSAE), 30 September 2014.

Developing living environments and sustainable infrastructure for all

Sustainable infrastructure is closely tied to a sustainable living environment which, from a health and socially inclusive point of view, is sanitary, well ventilated, and open to all populations. These urban living environments are fully in line with the emergence of sustainable⁷⁶ or “smart” cities. Here, sustainable infrastructure refers to places:

- With a smaller carbon footprint compared to ordinary infrastructure;
- Socially inclusive of all their communities and users (inhabitants and direct users of the area, neighboring communities, visitors, traders);
- With location and planning criteria aimed at, for example, reducing urban heat islands due to disorganized urbanisation (largely informal) and urban congestion caused by deficiencies in urban traffic networks;
- Avoiding massive population resettlement (less than 100 people, i.e., a lower threshold than the 200-person mark defined by the African Development Bank) and after having been subject to consultation with the populations.

Conservation of lake and coastal areas, reasonable economic exploitation of coastal areas

Benin adopted a coastal law in 2018. The Benin Environmental Agency (BEA) is responsible for the RAMSAR administrative authority (a Ramsar site designates a “wetland of international importance”). Benin has 5 Ramsar sites. The focus in this area is on expenditures for the conservation of Benin’s coastline, which is experiencing a high rate of coastal erosion. Coastline retreat can reach 12 to 30 metres per year at the most critical points, while the coastline is already home to 1.8 million inhabitants, i.e., about 18% of the country’s total population in 2013 according to NSDI (formerly INSAE) surveys⁷⁷.

In this dynamic tending towards erosion, the impact of human activities needs to be underscored, particularly in the damage caused to coastal flora that can act as a barrier to erosion. The category targeted here therefore particularly concerns the conservation of the mangroves that occupy the central and western sectors of Benin’s coastline, lakes Ahémé and Nokoué, and the lower valleys of the Mono⁷⁸. The coastal zone is also threatened by the rise in sea level.

Even though it plays the role of a shelter and spawning ground for fish and bird species, this bank vegetation (mangrove) particularly suffers from unauthorised trimming for supplying the energy needs of coastal populations and the development of the *acadjas* practice, which is a prohibited practice under article 73 of the law no. 2014-19 of 7 August 2014 on fishing and aquaculture in the Republic of Benin.

The country has therefore undertaken to clean water bodies and rivers where there has been widespread use of prohibited fishing gear and methods. A surveillance brigade for monitoring water bodies was created and equipped to ensure the rational and sustainable exploitation of aquatic ecosystems.

Regarding the development of sustainable aquaculture and support for artisanal fishing activities, the exploitation of coastal areas through aquaculture development is governed by the law of 7 August 2014 on fishing and aquaculture in the Republic of Benin. Title V of that law specifies that the use of a certain number of elements for both artisanal and industrial fishing is prohibited. These prohibitions ensure the reasonable exploitation of fish resources. Therefore, the use of explosive materials, firearms or toxic substances or bait in continental or maritime fishing is prohibited, as is placing nets, dams, equipment or other devices having the purpose or effect of blocking

⁷⁶ The elements for characterising sustainable infrastructures put forward here fall within the problematic of sustainable cities in Africa. While 60% of the population of sub-Saharan Africa will be urban in 2050 (figure given in the presentation document of Club Abidjan Ville Durable), the emergence of “intelligent” cities requires optimised urban planning (master plans and reduction of informal areas), green mobility and programmes for sanitation and the development of unsanitary areas, particularly in lagoon cities such as Cotonou or Porto-Novo. Regarding the organisation of lagoon cities in Benin, see the work of Pierre Vennetier, and in particular [“Costal developments and evolution of a lagoon system: Case study in Benin”](#), Les Cahiers d’Outre-Mer, 1991, p. 321-332.

⁷⁷ Republic of Benin, General Directorate of the Ministry of Water and Mines, study conducted in 2015.

⁷⁸ Republic of Benin and World Bank, *Identifying Mission for the West African Coastal Management Technical Assistance Programme* (P152518) 11-15 May 2015, p. 24 et seq., [available here](#).

river flow or obstructing the entrance to lagoons, estuaries or river mouths for fishing purposes or using pair trawling in industrial or artisanal maritime fishing⁷⁹.

Conservation of biodiversity, restoration and reasonable exploitation of the forest cover and fighting against desertification

This refers to expenditures for promoting the sustainable management of all types of forests and the restoration of damaged land and soil. The issue at stake is that, other than in listed or endogenously protected areas, coverage by natural plant formations (dense dry forests, semi-deciduous forests, gallery forests, swamp forests, open forests, savannahs (with shrubs, trees or woodland), marshy savannahs, mangroves and sacred groves of South Benin) is shrinking due to exponential growth in demand for farmland, the search for more fertile land (covered by forests), lumber production, urban sprawl and the sometimes insufficient compliance with forest laws.

While curbing the degradation of forests for food purposes (firewood) by involving the population in plant biodiversity conservation is part of the restoration dynamic, the reasonable exploitation of Benin's forest cover can also help with the conservation of a wide variety of species despite economic exploitation of forests.

Promoting heritage and educational sites and entertainment infrastructure

In a culturally diverse Benin, promotion of the various national cultures favors inter-ethnic and inter-community stability and, consequently, political and social stability. Benin boasts more than 100 linguistic and cultural groups who live together in a relatively small space, where equilibrium among these cultures supports the country's stability.

The expenditures included within this category therefore relate to supporting a heritage economy, which operates around heritage sites that allow the people of Benin to unite around commonalities that tie them to both their traditional communities and to the country's mixed history.

This covers the "promotion and development of domestic tourism, a factor encouraging mixing between peoples, tolerance and peace (2013-2025 National Tourism Policy)" and "the creation of tourism development zones in communities with significant natural and socio-cultural potential"⁸⁰.

⁷⁹ Republic of Benin, Ministry of Agriculture, Livestock and Fishing, framework law no. 2014-19 of 7 August 2014 on fishing and aquaculture in the Republic of Benin, [available here](#)

⁸⁰ Republic of Benin and United Nations Development Programme, National Tourism Policy, NTP 2013-2025, p. 29.

Appendix C: Rationales for certain sectoral exclusions

- **Exclude projects that relate to the development of “red meat” sectors**

Due to their greenhouse gas emissions, projects involving the development of cattle farms would contradict Benin's climate change mitigation strategy. They are therefore excluded from the pool of eligible expenditures. Eligibility for SDG funding is therefore limited to players developing “white meat” sectors (pork and poultry, already widely consumed in Benin), in particular within the project's priority intervention zones: Adjarra, Sèmè-Podji, Dangbo, Kétou, Pobè, Comé, Djakotomey, Zagnanado, Djidja, Savè, Savalou, Abomey-Calavi, Toffo and Tori-Bossito for the pork sub-sector⁸¹.

Inspectors from the Ministry of Agriculture, Livestock and Fishing are responsible for the development and control of these systems, and in particular the technical advisors of the Ministry of Agriculture, with support from municipal phytosanitary inspection agents (see National Strategy for the Implementation of Agricultural Advisory Services in Benin⁸²).

- **Exclude all projects that lead to deforestation in primary forests, modified natural forests and mangroves**

Expenditures leading to the development of monocultures at the expense of tropical forests are excluded, with industrial palm oil plantations in South Benin being especially targeted. The unreasonable industrial expansion of palm oil production destroys the natural habitats of many species, leading to decreased biodiversity. In addition, the reduction of forest areas means that waterside communities lose the enjoyment of ecosystem services, including medicinal plants and other non-timber forest products. These communities also lose part of their cultural heritage to the extent that some forests have cult and sacred values attached to them, making them places where voodoo and various traditional ceremonies are practiced.

- **Exclude urban regeneration projects that lead to massive population displacement**

It excludes any rehabilitation and land-use planning that involves, without prior consultation and financial compensation, the displacement of more than 100 people (a threshold that is more demanding than the 200 people required by development banks). That being said, a project involving the displacement of 100 or more people may be eligible if it meets several criteria: customary rights guaranteed, rehousing of populations, indemnification for loss of land and other property, implementation of a comprehensive resettlement plan (for any project). The resettlement plan must be accessible to displaced populations in a language they can understand⁸³.

⁸¹ For an illustration of the significance of the poultry industry, see the offering of meat distributors in Benin, [available here](#).

⁸² Republic of Benin, Ministry of Agriculture, Livestock and Fishing, National Strategy for the Implementation of Agricultural Advisory Services in Benin, 2008, [available here](#).

⁸³ In particular, the following African Development Bank document can be consulted: *Involuntary Resettlement Policy*, November 2003, [available here](#).

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