



**APRM REPORT
NO. 6**

AFRICAN PEER REVIEW MECHANISM

APRM COUNTRY REVIEW REPORT

REPUBLIC OF BENIN



JANUARY 2008

COUNTRIES PARTICIPATING IN THE AFRICAN PEER REVIEW MECHANISM (APRM) AND PANEL OF EMINENT PERSONS

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ACKNOWLEDGMENTS

The APR Panel of Eminent Persons is pleased to present its review report on Benin. An undertaking such as this is clearly impossible without the extraordinary goodwill and contribution of a large number of people.

The panel would therefore like to acknowledge the unfailing support of the Beninese people and, in particular, the personal involvement and availability of His Excellency Dr Thomas Boni Yayi, president of the Republic of Benin, and his predecessor, His Excellency Mr Mathieu Kérékou, who set the country on the APRM path.

The panel would also like to express its thanks to the national APR Focal Point; Mr Okanla Moussa, minister of foreign affairs, African integration, Francophony and the Beninese diaspora; Mrs Mariam Diallo, special advisor to the president and ex-minister of foreign affairs; Mr Séraphin Lissassi, director of African integration; Professor Honorat Aguessy, president of the Independent National Commission for the Implementation of the APRM (INCI-APRM); and all the other members of the commission who carried out the self-assessment exercise with diligence and meticulousness and who, with the same skill and determination, facilitated the assessment of the country by the APR team.

Representatives of the government and state institutions, the private sector and civil society sensitised the grass-roots communities, popularised the APRM and gathered extremely useful comments for the Country Review Mission (CRM). In addition, the local office of the United Nations Development Programme (UNDP) provided logistical support to the mission. The APR Panel would like to take this opportunity to express its warm appreciation and acknowledgment to these role-players.

This report, the sixth of its kind, is the product of five months of work and effort by a team of high-level African experts who have worked patiently and relentlessly under the intellectual leadership of Marie-Angélique Savané, member of the APR Panel of Eminent Persons, and under the enlightened leadership of the panel, with the administrative support of the APR Secretariat. This team comprised Mr Mbaya J Kankwenda, Mr Donatien Bihute, Mr Ousmane Diallo, Mr Yenikoye Ismael Aboubacar, Mr Karim Ben Kahla, Mr Léopold Donfack Sokeng, Mr Racine Kane, Mrs Souad Abdennebi-Abderrahim, Mr Daniel Gbetnkom, Mr Gaston Bushayija, Mr Moïse Nembot, Mr Sudir Chuckun and Mr Dalmar Jama. The APR Panel would like to express its deep gratitude to them and to emphasise the debt that is owed to them.

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Finally, the APR Panel would like to express its heartfelt thanks to all those who, behind the scenes, have translated, revised, improved, amended and corrected the initial documents, and thanks to whom you now hold the final product in your hands. Their devotion and the time that they have devoted to this report are hugely appreciated.

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GOOD PRACTICES

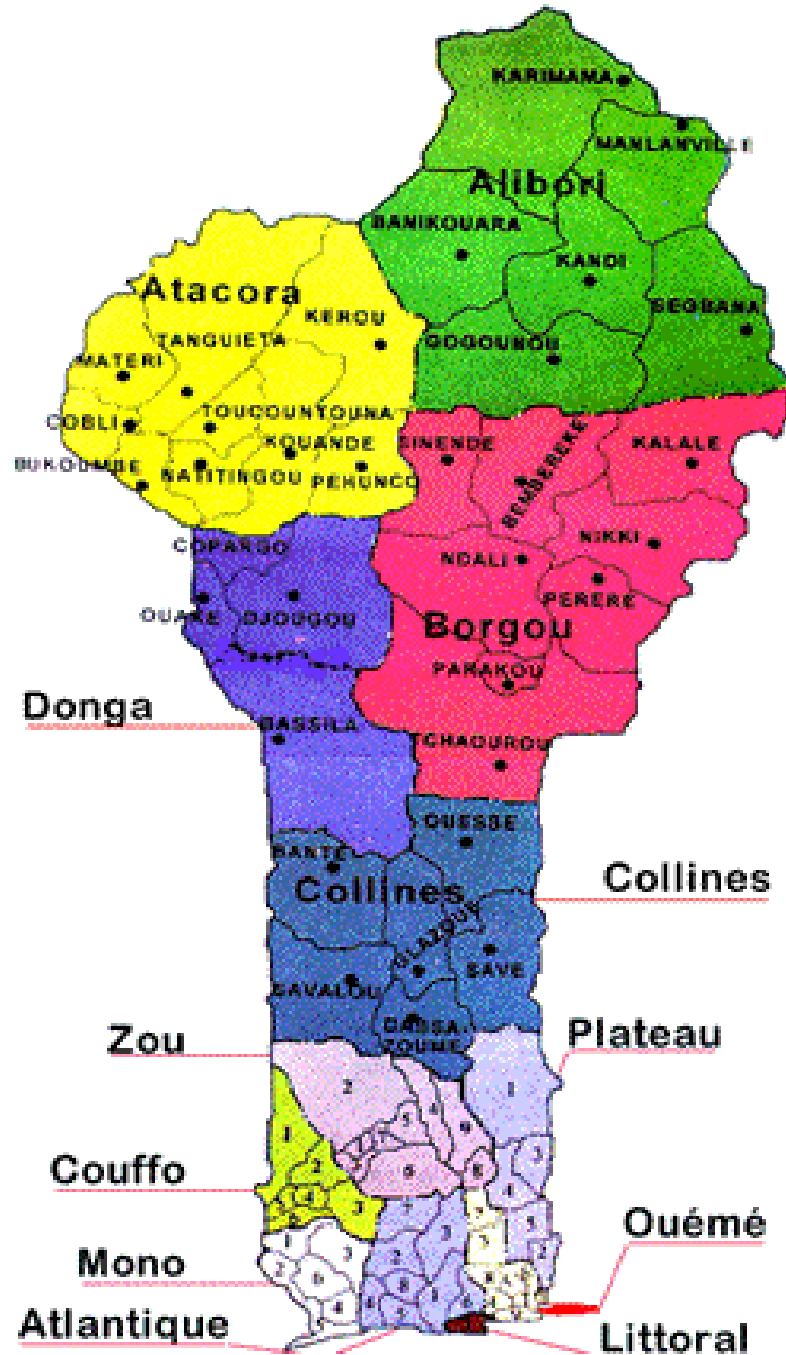
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MAP OF BENIN



Source: Benin Development Gateway 2004-2008, www.developpementbenin.org.

Administrative map of the Republic of Benin showing the geographical boundaries of the 77 communes and the territorial areas of the country's 12 departments.

COUNTRY FACT SHEET

Location:	West Africa
Surface area:	114,763 km ²
Population:	8,053,690 inhabitants (2007) Life expectancy: 55 (2005, United Nations Children's Fund – UNICEF) Annual population growth rate: 3.3% (1990-2005, UNICEF) Estimate of HIV prevalence rate in adults (15-49 years): 1.8 (end 2005, UNICEF)
Main cities:	Cotonou, Porto-Novo, Parakou, Abomey, Bohicon, Natitingou, Djougou, Lokossa Administrative capital: Porto-Novo Economic capital: Cotonou
Independence:	1958: Independent state within the French community 1 August 1960: Independence under the name of the Republic of Dahomey
Constitution:	2 December 1990: Adoption by referendum of the draft constitution establishing a presidential regime and multiparty politics
Administrative divisions:	12 departments and 77 communes, 546 districts and 3,743 villages or city neighbourhoods
Political governance:	Presidential regime, multiparty democracy Political parties: 1xx President: Since 6 April 2006, His Excellency Dr Thomas Boni Yayi
Electoral system:	Two fundamental laws govern elections in Benin: Law 2000-18 of 3 January 2001, which concerns the general rules on elections; and Law 98-006 of 9 March 2000, which concerns the municipal and communal electoral regime. <i>Voting method:</i> There are two voting rounds in the presidential election, and election is by majority vote. The legislative elections are based on voting lists drawn up in the departments (12 departments), and on the largest remainder proportional representation method. The single-chamber Parliament (National Assembly) has 83 seats.
Macroeconomic indicators:	Gross domestic product (GDP) at current prices: 2,459.4 billion CFA franc (2006) Real GDP: 1021.8 billion CFA franc (2006)

Trade:	<p><i>Main export products:</i> Cotton, unbleached fabric, oil, cashew nuts, pineapples</p> <p><i>Export countries:</i> Morocco, Nigeria, France, Germany, Portugal, Belgium, Italy, China, India, Indonesia, Hong Kong, United States of America (US), Brazil, Gabon</p> <p><i>Main import products:</i> Various equipment</p> <p><i>Import countries:</i> France, Netherlands, United Kingdom, Germany, Italy, Belgium, Spain, Côte d'Ivoire, Senegal, Nigeria, Mauritania, Ghana, Togo, Niger, Burkina Faso, Thailand, China, Japan, Pakistan</p>
External debt:	Foreign debt after relief: 345.7 billion CFA franc (2006), or 14.1% of GDP
Currency and exchange rate:	<p>Currency: CFA franc</p> <p>Rate of exchange in relation to the euro: 655.957</p>

Source: National Institute of Statistics and Economic Analysis (*L'Institut National de la Statistique et de l'Analyse Economique* – INSAE – www.insae-bj.org), *Rapport final : Base de données géoreférencées sur l'utilisation agricole des terres au Bénin*, National Centre of Remote Sensing and Forest Cover Surveillance (*Centre National de Télédétection et de Surveillance du Couvert Forestier* – www.fao.org/AG/agl/agll/landuse/docs/benin.doc).

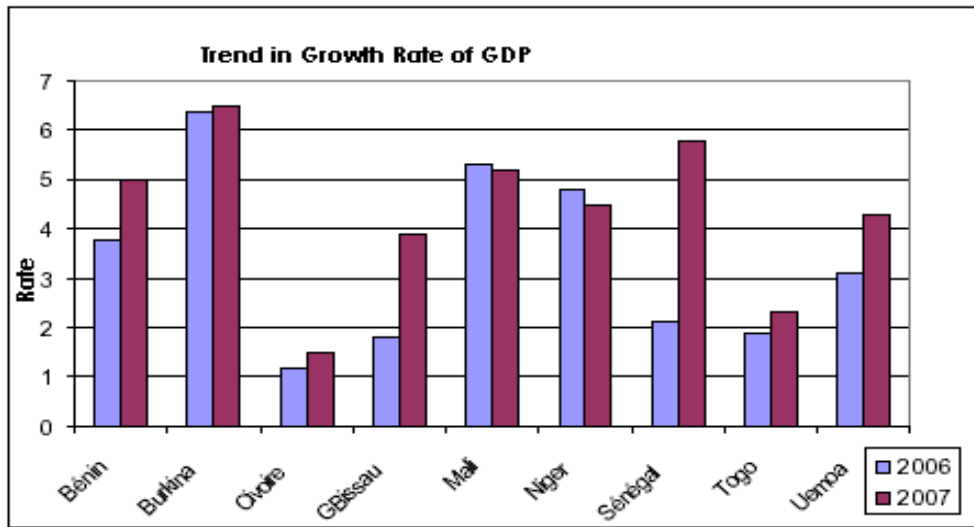
SOME ECONOMIC AND FINANCIAL INDICATORS OF BENIN

YEAR	2003	2004	2005	2006	2007 (provisional)
NATIONAL ACCOUNTS					
Nominal GDP (in billions of CFA franc)	2067.5	2140.0	2298.7	2459.4	2644.5
GDP in volume (constant price 85)	928.5	957.4	984.9	1021.8	1072.8
GDP growth rate in volume	3.9	3.1	2.9	3.8	5.0
BUDGET INDICATORS					
Basic budget balance on nominal GDP	-0.4	-0.4	-0.2	0.1	-1.7
Ex-Heavily Indebted Poor Countries (HIPC) basic budget balance and budget grants/nominal GDP (in %)	0.7	0.6	0.5	0.9	-1.2
Annual rate of inflation (trend of average indicators in %)	1.5	0.9	5.4	3.8	0.5
Total outstanding public debt added to the nominal GDP (in %)	41.1	40.0	41.1	14.9	19.9
Tax revenue on GDP (in %)	15.2	14.6	14.5	15.4	15.8
Current ex-grant balance over GDP (in %)	-9.7	-7.7	-6.2	-6.5	-6.1
Total ex-grant balance over GDP (in %)	-3.7	-3.6	-3.1	-2.5	-4.5
Total balance over GDP (in %)	-1.9	-1.0	-0.9	-0.7	-2.1
Basic cash total balance over GDP (in %)	-2.0	-1.4	-1.8	-0.4	-3.6
Basic primary balance (in % of T.R.)	1.2	-0.2	0.5	2.4	-9.3
MONETARY SITUATION					
Net external assets	390.0	329.0	375.7	520.2	n.d.
• Central Bank	321.3	252.0	320.5	436.7	n.d.
• Banks	68.7	77.0	55.2	83.5	n.d.
Domestic loans	197.4	213.2	279.5	255.0	n.d.

• Government's net position	-96.5	-98.8	-95.6	-160.8	n.d.
• Loans to the economy	293.9	312.1	375.1	415.8	n.d.
Money supply	554.7	502.8	615.5	726.1	n.d.
EXTERNAL TRADE AND BALANCE OF PAYMENTS					
Free on board (FOB) imports	475.9	444.8	456.6	504.1	513.4
FOB exports	314.3	300.4	305.0	297.0	302.3
FOB-FOB trade balance	-161.5	-144.5	-151.6	-207.1	-211.1
Balance of services	-47.4	-37.8	-45.0	-35.8	-36.0
Current balance	-192.5	-152.4	-119.3	-121.7	-135.9
Current ex-grant balance	-201.3	-165.7	-142.4	-159.9	-160.5
Total balance	-24.1	-61.6	49.2	144.5	25.0
Coverage rate: exports/imports in %	66.1	67.5	66.8	58.9	58.9
Total balance in % GDP	-9.3	-7.1	-5.2	-4.9	-5.1
FOREIGN DEBT					
Outstanding foreign debt	832.6	838.0	925.6	345.7	507.3
Foreign debt servicing	29.2	15.1	15.5	15.2	23.1
Outstanding foreign debt in % of GDP	40.3	39.2	40.3	14.1	19.2
Outstanding foreign debt servicing in % of total exports (1)	6.7	3.5	3.1	3.3	4.5
Outstanding foreign debt servicing in % of ex-grant revenue	8.3	4.3	4.1	3.6	4.6

(1) Source: National Accounts Department, Table 1, Statistical Annex, *Quarterly report on Execution of Multilateral Surveillance*, June 2007, West African Economic and Monetary Union (WAEMU).

Prospects for economic growth in member states of WAEMU



Source: Quarterly report on Execution of Multilateral Surveillance, June 2007, WAEMU.

ABBREVIATIONS AND ACRONYMS

ABE	Beninese Environmental Agency
ABWA	Accounting Bodies in West Africa
ADB	African Development Bank
AFD	French Development Agency
AFROSAI	African branch of INTOSAI
AGOA	Africa Growth and Opportunity Act
AIC	Cotton Inter-professional Association
ANPE	National Employment Agency
AOF	French West Africa
APR	African Peer Review
APRM	African Peer Review Mechanism
ARV	antiretroviral drug
AU	African Union
BBdra	Beninese Copyright Office
BCEAO	Central Bank of West African States
BIC	tax on industrial and trade profits
BOAD	West African Development Bank
BPM	Brigade for the Protection of Minors
BRVM	Regional Stock Exchange
C4	Cotton 4
CAP	Certificate of Professional Competence
CCIB	Chamber of Commerce and Industry of Benin
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women
CENA	Independent National Electoral Commission
CENAFOC	National Centre of Accounting Training
CENTIF	Financial Information Processing Unit
CES	Economic and Social Council
CET	Common External Tariff
CFAA	assessment of public finance management
CFE	Centre for Company Procedures
CIPB	Benin Private Investors Council
CMVP	Public Life Moralisation Unit
CNDE	National Commission on the Rights of Children
CNDLP	National Development and Poverty Reduction Committee
CNPMP	Public Procurement Unit
CNSEA	National Centre for Safeguarding Children and Adolescents
CNSS	National Social Security Fund
CPSS	Committee on Payment and Settlement Systems
CRM	Country Review Mission

CSAR	Country Self-Assessment Report
CSR	corporate social responsibility
DCRE	Department for the Coordination of External Resources
DEPOLIPO	Population Policy Statement
DFI	direct foreign investment
DGID	General Directorate of Taxes and Lands
DIVI	Department of Inspection and Internal Verification
DNMP	National Public Procurement Directorate
ECA	Economic Commission for Africa
ECOWAS	Economic Community of West African States
EDS	Health Survey
EPI	Extended Programme of Immunisation
FENAB	<i>Fédération Nationale des Artisans du Bénin</i>
FIDH	International Federation for Human Rights
FOB	free on board
FONAC	National Organisations Front for the Fight against Corruption
FSAP	Finance Sector Assessment Programme
GDDS	General Data Dissemination System
GDP	gross domestic product
GIABA	Intergovernmental Action Group against Money Laundering in West Africa
GPRS	Growth and Poverty Reduction Strategy
GSM	Global System for Mobile communications
HAAC	National Audiovisual and Communication Authority
HCR	High Council of the Republic
Hep B	hepatitis B
HIPC	Heavily Indebted Poor Countries
HR	hotel management and catering
IASB	International Accounting Standards Board
ICFTU	International Confederation of Free Trade Unions
ICT	information and communication technologies
IDISA	Development Index and Gender Inequalities in Africa
IEC	information, education and communication
IGE	General State Inspectorate
IGF	General Finance Inspectorate
ILO	International Labour Organization
IMF	International Monetary Fund
INCI-APRM	Independent National Commission for the Implementation of the APRM
INFRE	National Institute for Training and Research on Education
INSAE	National Institute of Statistics and Economic Analysis
INTOSAI	International Organization of Supreme Audit Institutions
IPH1	human poverty index
ISO	International Standards Organization

JSC	Judicial Service Commission
LDC	less developed country
MAEP	Ministry of Agriculture, Livestock and Fisheries
MDG	Millennium Development Goal
MEHU	Ministry of the Environment, Housing and Town Planning
MFE	Ministry of the Family and the Child
MFI	micro-finance institution
MOU	Memorandum of Understanding
MP	member of Parliament
MTEF	Medium-Term Expenditure Framework
NEPAD	New Partnership for Africa's Development
NGO	nongovernmental organisation
OAU	Organisation of African Unity
ODA	overseas development assistance
O.E.C.C.A- Bénin	Association of Chartered and Certified Accountants of the Republic of Benin
OECD	Organisation for Economic Co-operation and Development
OHADA	Organisation for the Harmonisation of Business Law in Africa
OLC	Observatory on the Fight against Corruption
OPM	Presidential Mediation Body
OPT	Posts and Telecommunications Organisation
PAC	Credit Access Project
PIRSJ	Integrated Programme to Support the Judicial and Judiciary System
PNGE	National Environmental Management Programme
PNPF	National Policy on the Promotion of Women
PRD	Democratic Renewal Party
PRPB	People's Revolution Party of Benin
PRSP	Poverty Reduction Strategy Paper
QIBB	basic welfare indicators
RGPH	General Census of the Population and Housing
RIFONGA	Network for the Integration of African Women Working in NGO and African Associations
ROSC	Report on the Observance of Standards and Codes
SAP	Structural Adjustment Programme
SBEE	Beninese Electricity and Water Company
SBS	biological and social sciences
SDDS	Special Data Dissemination Standard
SED	socioeconomic development
SICA	Computerised Interbank Clearing System
SIGFIP	Public Finance Information Management System
SME	small and medium enterprise
SMI	small and medium industry
SMIG	authorised minimum wage
SONACOP	National Company for the Marketing of Oil Products

SONAPRA	National Company for Agricultural Promotion
SONEB	Benin National Water Company
SPT	single professional tax
STA	agricultural science and techniques
STAG	administrative and management sciences and techniques
STAR	Computerised Settlement System
SYSCOA	West African Accounting System
SYSCOHADA	OHADA accounting system
TFP	Technical and Financial Partner
TRI	Technical Research Institute
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
US	United States of America
VAT	value-added tax
WAEMU	West African Economic and Monetary Union
WAMU	West African Monetary Union
WiLDAF	Women in Law and Development in Africa
WTO	World Trade Organization

EXECUTIVE SUMMARY

1. INTRODUCTION: IMPLEMENTATION OF THE APRM PROCESS IN BENIN

1.1 Benin's commitment and the launch of the review

- 1.1 Benin signed the Memorandum of Understanding (MOU) on 31 March 2004, indicating to citizens and the international community the commitment of Benin's political leaders to observe the principles of democracy, socioeconomic development and good political, economic and corporate governance through periodic reviews by the country's African peers.
- 1.2 Initially, the APR Panel envisaged that the process would be launched in the fourth quarter of 2006. However, the president of the republic of Benin, who was to finish his term in office at the beginning of 2006, wanted the process to begin prior to his leaving office. That would allow him the opportunity to provide his successor with strategic guidelines on those questions of governance that the people of Benin deemed a priority. Therefore, in response to this request from the head of state, Mrs Marie-Angélique Savané, a member of the APR Panel of Eminent Persons, visited Benin from 14 to 17 November 2005 as the head of a delegation of seven persons with a view to provide support for the implementation of the assessment process. It was at this time that the Benin authorities and the APR Forum signed the MOU on the Technical Assessment Mission and on the Country Review Mission (CRM).
- 1.3 The awareness campaign began immediately after this visit, in December 2005, but had to be suspended in February and March 2006 to avoid possible confusion among the population during the presidential election campaign. The self-assessment began only after the election fever had subsided. The first draft of the Country Self-Assessment Report (CSAR) was available in December 2006, following a period of uncertainty after the presidential elections. However, there was a further delay in its release and authentication by the public owing to the legislative elections which were to take place in March 2007. Thus, the final CSAR was not available until the end of June 2007. As the programme of action had not been validated by the relevant authorities, the CRM requested the APR Focal Point and the INCI-APRM to review the report before its submission to the head of state for ratification and approval by the government.
- 1.4 Some time after the APRM process had begun, the country underwent a change in government with the election in March 2006 of Dr Thomas Boni Yayi as president of the republic. The APR Panel was delighted at the new head of state's personal determination to continue and reaffirm Benin's commitment to make itself available for assessment by its African peers. In fact, he invited the APR Panel to dispatch a review mission in July 2007 in order to present the report on Benin at the Forum Summit of Heads of State

and Government to be held in January 2008. The president publicly renewed this invitation during the 8th Forum Summit of Heads of State and Government (APR Forum) held in Accra, Ghana, in July 2007. **This commitment on the part of the head of state was a major factor in the success of the exercise in Benin.**

- 1.5 *It is important to emphasise a unique feature of the APRM process in Benin: the process does not really focus on the state of governance in Benin during the current administration's mandate. This administration has a relatively free hand in that the process provides it with a review of Benin's state of governance at the time of assuming power. All those who take up the reins of power are thus encouraged to get a clear idea of the state's condition and the stakes and challenges of governance before they enter office.*

1.2 The progress of the CRM

- 1.6 Benin's CRM was conducted by Mrs Marie-Angélique Savané, member of the APR Panel of Eminent Persons, from 15 July to 5 August 2007. Benin thus became the sixth country to be assessed, and in particular, the first francophone country in sub-Saharan Africa, as well as the first non-member country of the New Partnership for Africa's Development (NEPAD) Implementation Committee. This meant it was less informed on the APRM and less prepared for the process.
- 1.7 The CRM managed to meet all those involved in the APRM process in Benin, in particular the president of the republic; the institutions of the republic; members of government; decentralised communities in certain of the country's communes; political parties; civil society; opinion leaders, including traditional authorities, youth movements and women's organisations; groups of disadvantaged persons; and the media. It was to carry out the widest possible consultations with all stakeholders in order to deepen the CSAR and to formulate recommendations to reinforce and improve the programme of action.
- 1.8 The work of the CRM began with an audience granted to the president of the CRM by the head of state, followed by the official launch of the review during a ceremony attended by the institutional leaders of the republic, members of government, members of the diplomatic and consular corps, traditional leaders, civil society, the private sector and the entire APRM delegation. The president of the republic reiterated his support and personal involvement in facilitating the review process in his country. He urged all citizens of Benin, especially opinion leaders and decision makers at all levels, to assist the CRM wherever necessary, and especially to provide any requested information frankly and independently.
- 1.9 The CRM conducted its work in three stages: the first in Cotonou, the economic capital and a major city in Benin where the majority of governmental and diplomatic services are based; the second at the level of the

departments, with the CRM visiting all six departmental prefectures; and the third in Porto-Novo, the administrative capital of Benin and home to the National Assembly and the Mediator of the Republic.

- 1.10 For the first time in the history of the APRM, a ‘recap’ meeting was held at the end of the visit during a dinner presided over by the president of the republic and attended by members of government and the highest officers of the administration, as well as representatives of civil society and the corporate world. During this meeting the CRM team presented the main provisional results of its consultations, highlighting the great achievements made in Benin but also pointing out the challenges identified during the review. In his presentation, the head of state reaffirmed his willingness to make the APRM an instrument of good governance in his country. He emphasised the fact that the people of Benin were committed to developing a robust programme of action in order to take up the identified challenges and to implement the recommendations of the APRM assessment.

2. HISTORICAL CONTEXT AND CURRENT CHALLENGES

- 2.1 From being a protectorate in 1894 and thereafter the French colony of Dahomey, Benin gained independence under the name Republic of Dahomey on 1 August 1960. The following month it was admitted to the United Nations (UN). In 1975, the country assumed its current name. Its borders had been fixed in colonial times following agreements with Great Britain (which had established itself in neighbouring Nigeria) and Germany (established in Togo) when Dahomey was still integrated into French West Africa (AOF) in 1899. During the interwar period, Dahomey was one of the main political and intellectual centres of the AOF, largely due to the importance given to education (thanks to religious missions), particularly in the south. Numerous political parties were founded during this era, along with newspapers opposing the colonial system. Aligned with free France during World War II, Dahomey became an autonomous state within the French community in 1958.

2.1 From independence to the National Sovereign Conference

- 2.2 The years following independence were marked by great political instability and successive changes in political regime. The country has known two constitutions, four military coups d’état and 10 presidents of the republic or heads of state – both civilian and military – in 10 years. In 1970, a three-member Presidential Council assumed the reins of power and two years later, in 1972, the council was once again deposed by a military coup d’état, bringing Major Mathieu Kérékou to power. From 1974 onwards, the latter established a political system based on a Marxist-Leninist ideology.
- 2.3 During the 1980s, Benin’s economic situation continued to decline. In 1987, an International Monetary Fund (IMF) programme imposed drastic measures: an additional 10% salary deduction, a hiring freeze and the forced retirement

of civil servants. In 1989, a new agreement signed with the IMF regarding a macroeconomic stabilisation and Structural Adjustment Programme (SAP) provoked a massive general strike among civil servants and students who were demanding payment of salaries and grants.

- 2.4 The social and political unrest led President Mathieu Kérékou to renounce the Marxist-Leninist ideology and accept to convene a National and Sovereign Conference of the Bone and Sinew of the Nation, the first of its kind in Africa. Convened in Cotonou in February 1990, this conference put the organs of transition in place: a president of the republic, a prime minister as head of government, and a High Council of the Republic (HCR) – serving as both Legislative Assembly and Constitutional Court. Finally, a Constitutional Commission was set up, the aim of which was to draft a new fundamental law – the constitution – which was to be approved by referendum on 2 December 1990.

2.2 Period of democratic renewal

- 2.5 Following the National Sovereign Conference, a transitional government was put in place in 1990, which paved the way for a return to democracy and a multiparty political system. In the presidential election of March 1991, the prime minister, Nicéphore Soglo, beat President Kérékou. Nevertheless, the structural adjustment and public expenditure restrictions recommended by the IMF, coupled with the deepening economic crisis in the wake of the devaluation of the Central African CFA franc in 1994, revived the discontent. After having lost his majority within the Legislative Assembly, President Soglo was beaten by Mathieu Kérékou in the presidential election of 17 March 1996. Five years later, in March 2001, Kérékou was re-elected as president of the republic. In 2006, the fourth presidential election since the advent of democracy and the multiparty system in 1990 was won – in the second round and by a large margin (74.52% of the votes cast) – by Dr Thomas Boni Yayi.
- 2.6 On the political front, the National Sovereign Conference held in February 1990 (see point 2.4 above) saw Benin turning to a multiparty democracy based on the promotion of human rights and fundamental freedom. Gradual political transformation enabled the country to consolidate its democratic foundations. As a result, the electoral process has been maintained since the elections in 1991, thereby favouring the changeover of political power and wide participation of the population in electing those in power in presidential, legislative and local elections. Today, Benin is often cited as a model for democracy in Africa.
- 2.7 In economic terms, Benin recorded satisfactory macroeconomic results during the course of the 1990s, with an annual growth rate in the region of 5% and a controlled rate of inflation. However, since 2001, the pillars of the Beninese economy have shown signs of weakness, leading to a slowing of economic activity between 2003 and 2005. The real growth rate of the economy kept declining, reaching 3.4% in 2004 compared to 3.9% in 2003 and 2.9% in 2005. At this rate, with a population growing at 3.1%, poverty reduction could

only be very slow. Nevertheless, growth resumed in 2006, reaching a rate of 4.1%, with optimistic prospects for 2007 and 2008.

2.3 Benin and the challenges facing its government

- 2.8 Despite its encouraging and rapid economic recovery since 2006, Benin has experienced severe and persistent problems, including significant levels of poverty (one-third of the population is on the poverty threshold); corruption; a large informal economy; lack of infrastructure; and a barely competitive agricultural and industrial sector. Moreover, the importance of its trade with neighbouring countries makes Benin vulnerable to upheavals in the region.
- 2.9 Still, the national authorities remain optimistic about Benin's inevitable resurgence in the years to come. To this end, the policy of the current government is based on four priorities: (i) human resources; (ii) consultative governance; (iii) development of an entrepreneurial spirit; and (iv) the construction of new infrastructure. In the country's 'Alafia Bénin 2025' framework, the government's ambition is to eventually make Benin an emerging country. This vision is highlighted in a strategic policy document for the period 2006-2011, which has as its main strategic thrusts the reconstruction of the administration; promotion of economic recovery; resolute continuation of structural reforms (harbours, telecommunications, electrical energy and water); development of human capital (providing free primary education); and the promotion of fundamental development through decentralisation. Underpinning these thrusts is the Growth and Poverty Reduction Strategy (GPRS – second-generation) for the 2007-2009 period. This strategy constitutes the frame of reference for dialogue with the country's Technical and Financial Partners (TFPs) with a view to mobilising and coordinating resources.
- 2.10 The preferred tool for implementing developmental policies and programmes is an efficient public administration with capacity to fulfil the functions of a responsible public service. This remains a major challenge to democracy and development in Benin. Being fully aware of this, the government's developmental policy is geared to rehabilitate the administration in its entirety through the effective implementation of a series of reforms.
- 2.11 It has to be said that Benin has no shortage of assets to provide a basis for its development. In fact, despite its modest economic weight in the subregion, Benin plays a central role as a trade centre for Niger, and particularly for its neighbour Nigeria. The global business environment is also favourable following the country's implementation of a modern commercial legal system and a new investment code with related tax incentives. Benin's political stability is an added factor to promote the private sector and attract foreign investors.

3. MAIN OBSERVATIONS AND FINDINGS ON THE FOCUS AREAS

3.1 Democracy and political governance

- 3.1 **On the issue of codes and standards**, the CRM noted that efforts were made to ratify international legal instruments, but the same is not true for the legal standards of the African Union (AU). In fact, Benin has to date still not *promulgated the African Union Convention on Preventing and Combating Corruption, adopted in July 2003 in Maputo*. The CRM congratulates the new Beninese authorities for their determination to accelerate the process of adopting and ratifying international instruments, and invites them to adopt all the legislative and regulatory measures necessary to ensure that internal laws comply with the international standards and codes ratified by Benin.
- 3.2 **From the point of view of internal and external conflict management**, the CRM congratulates the authorities and the people of Benin for maintaining the climate of peace and political stability that has characterised Benin over the past two decades. Although internal conflicts do exist, they are not serious enough to jeopardise the political and social stability of the country. There are, nonetheless, several aspects that warrant special attention and that require the development and implementation of a national strategy for the prevention, management and resolution of conflicts. In terms of relations with neighbouring countries, the CRM noted the peaceful settlement of the dispute between Benin and Niger on the subject of Lété Island, and the government's declared willingness to find suitable solutions through dialogue and negotiation for the border dispute between Benin and some of its neighbours (notably Burkina Faso).
- 3.3 **In the area of constitutional democracy**, the CRM noted that, since the National Sovereign Conference of 1990, Benin has shown proof of an effective and vital democracy characterised by a return to democratic pluralism. The constitution recognised the right of all Beninese citizens to participate in the management of public affairs, in compliance with relevant international conventions. Moreover, political parties enjoy constitutional recognition. The framework for the organisation and action of the opposition is governed by the Act of 2001. A particularly flexible regulatory mechanism favours the creation of numerous political parties: today there are more than 150 officially registered parties. However, the CRM noted that the proliferation of political parties as a feature of the multiparty system has often been the cause of a certain dysfunctionality in Benin's democracy. This situation calls for the effective application of the Charter of Political Parties.
- 3.4 **The electoral system in Benin** is not exempt from suspicion. It has been the subject of some controversies around its inability to guarantee just and fair competition in free and transparent elections. The CRM nonetheless noted, with great satisfaction, the holding of regular elections according to a fixed electoral calendar. This state of affairs indicates good practice, which helps to

entrench a culture of democracy within the political system. Presidential elections were held in 1991, 1996, 2001 and 2006, and the democratic transition of the head of state (1991, 1996 and 2006) is to be welcomed as an example for others to follow.

- 3.5 **Decentralisation and local governance** appear to be a major challenge to democracy and political governance in Benin, given the expectations of the grass-roots population. The CRM noted the marked gap between the need for greater decentralisation that was articulated strongly by the parties, and limited human and material resources, as well as the communes' legally recognised competencies to effect improved standards of living for the population. This matter is particularly important in light of the mandate given to decentralised authorities to encourage local development.
- 3.6 **In the area of economic, social, cultural, civil and political rights**, the CRM could observe the effectiveness of constitutional guarantees in respect of human rights and fundamental liberties. **Civil and political rights** enshrined in the most important international instruments are included in the constitution. The CRM was also gratified to note the effective freedom of worship and religious tolerance. In Benin, many different Christian denominations, Islam and traditional religions coexist peacefully with one another. **Economic, social and cultural rights** are also enshrined in the constitution: the right to education, health, work and the right to strike. The same is true of solidarity rights (so-called third-generation rights), i.e. the right to development, and to a healthy, satisfying and sustainable environment. The CRM, nonetheless, noted that this declaration remained one of form rather than substance and that it was incomplete.
- 3.7 **Access to justice** was also perceived by the CRM to be a major challenge to establishing democracy and social equality. Although Benin is a country that upholds the rule of law and in which every effort is made to promote and popularise fundamental rights, it is also true that these rights must be effectively protected by the institutions responsible for them. This is not always the case. Reforming the justice system and providing greater access to it remain critical tasks in consolidating the rule of law, legal security of citizens and investment.
- 3.8 **Insofar as the constitutional provisions enshrining the separation of powers are concerned**, the CRM noted the wealth of constitutional and legislative provisions on the separation and balance of powers of the republic. From a formal perspective, it was noted that each of these powers is dealt with under a separate chapter in the constitution, and that complementary provisions governing these powers are enshrined in organic laws. These laws are adopted by a different majority to that which is required for the adoption of ordinary laws. Also, the Constitutional Court automatically monitors these laws to ensure that they conform to the constitution. In other words, the principle of the separation of powers is well ensured by elaborate judicial mechanisms. Nevertheless, effective separation of powers and control mechanisms are not obvious given the institutional environment, and given that other structures have limited powers in relation to the Executive.

- 3.9 **In the case of public office**, many problem areas were identified in relation to the administration and to public office in general, thus confirming what was highlighted in the CSAR. These problem areas include a waste of resources and politicisation of the administration. The CRM also noted the shortcomings of the system with regard to assessing, promoting and disciplining civil servants, which are largely the result of the politicisation of the Beninese administration and its lack of transparency. This accentuates the gap between the administration and the administered, and so reduces the legitimacy of the public service. Finally, low salaries and disparities in remuneration represent another important problem area.
- 3.10 **The CRM noted that corruption** had a serious impact on the proper functioning of the Beninese state. The White Paper on corruption in Benin underlines that “the opportunities that lend themselves the most to corruption are in large part administrative procedures or the demand for goods and services: one citizen out of every two (51%) falls foul of corruption; the most corrupt sectors are health, education, tax services, the Treasury, public procurements, customs, the justice system, mayoral offices, etc. Customs is at the top of the list, having the highest incidence of corruption with 98% of people stating that this sector was corrupt”.
- 3.11 The CRM noted with satisfaction the new authorities’ stated intention to fight the scourge of corruption. The ‘green march’ against corruption, in which the head of state himself participated, is proof of the severity of the phenomenon, which is considered a social cancer. To give an indication of the extent of the problem, the Observatory on the Fight against Corruption (OLC) – quoting the minister of finance, Irénée Koupaki – notes that “the Treasury’s losses in taxation revenue owing to fraudulent practices, combined with the actions of taxpayers and tax and customs officials, are estimated to be over some one hundred billion CFA francs each year”. According to the same source, exceptional expenditure of approximately 201 billion CFA franc between 2001 and April 2006 still had to be properly audited – in other words, justified on the basis of proper documentation. This sum is approximately one-third of the national budget. The fight against corruption has not progressed beyond the realm of formal documents. There is indeed unanimous agreement that very little political will exists to fight corruption, and that there are few reliable and significant results in this area. However, since the appointment of President Boni Yayi, the political will to combat corruption has improved and the country has witnessed the indictment of one minister and another political figure. Moreover, some 30 judges have also been indicted in cases related to criminal justice costs, entailing a loss for the Beninese state of several hundred million CFA franc. Nonetheless, people remain sceptical about the government’s chances of winning this important and beneficial battle. Although the vision and strategy to eradicate corruption exist and are being managed by the institutional tools for combating corruption, the problem lies in the determination to, and efficiency of, implementing them.
- 3.12 On the issue of **the promotion of women**, the CRM observed that significant progress had been made. At the institutional level, the CRM noted that Benin introduced equality of the sexes in the constitution. In effect, this fundamental

law adopted the provisions of the African Charter on Human and People's Rights, which provides for the equality of the sexes, as well as total and equal protection for all before the law. Furthermore, Section 26 of the constitution lays down the principle of the equality of men and women. Benin also ratified, without reservations, the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) on 12 March 1992, in accordance with Section 144 of the constitution. Laws have been adopted on sexual and reproductive health, on the elimination of the practice of female genital mutilation and on the Individual and Family Code. In terms of policies, a National Policy on the Promotion of Women (PNPF) was adopted on 31 January 2001, aiming to improve the social and legal position of women, to ensure their education and training, and to improve their economic capacity. A multi-sectoral programme of action was adopted to implement this policy.

- 3.13 Despite these laudable efforts, there is much that remains to be done. Notable are the legal status of women, their access to justice and to resources, their presence in decision-making positions, and the assumption of responsibility for the situation of women and their integration into developmental policies and programmes. The CRM also noted that the contents of the Individual and Family Code were not widely known among the population, which seems to continue to adhere to customary practices that are unfavourable to women.
- 3.14 **On the question of the youth**, the CRM noted with satisfaction that Benin adhered to many of the international and regional instruments protecting the rights of children, like the Convention on the Rights of the Child, published on 5 September 2006. Appropriate national laws complying with the principles and the provisions of the convention had been adopted. However, the CRM noted that Beninese children still face a number of major issues, such as the nondeclaration of births, malnutrition, poor schooling, having to work from a young age, child trafficking, limited access to health services, and sexual exploitation. The CRM also noted certain gaps in Benin's legislative and institutional mechanisms. The Code of the Child has not materialised, nor has the amendment of the Criminal Code and of the Criminal Code of Procedure been finalised. Moreover, since births are not automatically registered, not all children have recognised civil status.
- 3.15 **Ten years after the National Sovereign Conference**, Benin is seen as a haven of peace and stability in the subregion of West Africa. The CRM was pleased to note Benin's strengths in the areas of political governance and democratic development. These strengths include a climate of peace and stability; the effectiveness of fundamental liberties and, in particular, civil and political rights; supremacy of the constitution and concern for strict respect of this fundamental law (which ensured the democratic transition of the head of state on many occasions – events that occurred smoothly and without conflict, making Benin one of the few African countries in which democratic principles have been fully realised and have found real and effective expression); respect for the electoral calendar; respect for the principle that the defence and security forces are subject to a legitimate government (which has also contributed to the entrenchment of a culture of citizenship – a crucial factor for the promotion of democracy and survival of the republic); and a climate of

tolerance, characterised by the harmonious and peaceful coexistence of all religions and forms of worship, making Benin an example to be emulated by the rest of Africa.

- 3.16 The critical question is whether Benin's political system has the capacity to guarantee political and civil liberties while ensuring the economic and social development of the people. The second part of this challenge is analysed in the report in the sections on economic governance and socioeconomic development. Concerning the first aspect, the CRM observed that Benin – notwithstanding the strengths that have been mentioned and the progress seen – is faced with a number of challenges. To this effect, the implementation of the Charter of Political Parties is strongly recommended in order to contribute to the implementation of a governance system based on republican principles and the public interest. Moreover, the role, place and status of traditional governance within the republic are also important elements of the challenges facing Benin. Challenges that will have to be given serious attention include institutional efficiency; promoting and consolidating the rule of law; providing access to the justice system and ensuring its efficiency; promoting full enjoyment of economic and social rights; and consolidating the role and place of women in the economy, society and in particular in decision-making bodies and their representation therein. Finally, corruption at all government and society levels represents a major challenge that affects all political, economic and social players, and this calls for measures that are at the same time rigorous, appropriate and beneficial.
- 3.17 In order to consolidate what has been achieved and to deal with the major challenges of political governance, the APR Panel would like to recommend the following: (i) ratify relevant international instruments, including the African Union Convention on Preventing and Combating Corruption; (ii) develop and implement a national strategy for the prevention, management and resolution of conflicts without delay; (iii) reinforce the capacity and effectiveness of institutions, accelerate the process of decentralisation, and proceed with the effective transfer of competencies and resources to communes by implementing the decentralisation laws; (iv) strengthen the functional guarantees on the separation and balance of powers by building capacity in the National Assembly; (v) ensure strict adherence to the Charter of Political Parties; (vi) consolidate the independence of the judiciary and the autonomy of judicial authority, and accelerate the implementation of the Integrated Programme to Support the Judicial and Judiciary System (PIRSJ) in all its aspects; (vii) implement the relevant provisions on administrative reform, while ensuring the development of a new administrative culture based on appreciation of the value of work, merit, respect for the public service and correct remuneration, along with regular monitoring of all levels of administrative management, reporting, results and sanctioning (positive or negative); (viii) implement a national strategic plan for the fight against corruption with a policy of 'zero tolerance' for the corruptors and the corrupted; (ix) develop and adopt a national gender policy to provide a frame of reference and guideline for all sectors of development; and (x) develop and implement a code on the protection of the child and a national strategy with

appropriate measures to effectively combat any kind of exploitation, especially economic and sexual exploitation and child trafficking.

3.2 Economic governance and management

- 3.18 **Stakes and challenges of governance and economic management.** Benin's postcolonial economic history can be divided into three major periods. Economic governance and management policies have followed these three periods, and have influenced both the focus and challenges of the country's economic structure throughout its history.
- 3.19 *The first period* (1960-1972) was marked by great instability, with a series of coups d'état and frequent change of leaders (more than 15 heads of state) and political regimes. Benin was known as the 'sick child' of West Africa and the political management of independence was constantly in crisis. The coup d'état of October 1972 put an end to this period. The focus and challenge of transforming an economic structure based on colonial objectives into an integrated economic structure aimed at national development were not taken into account during this period.
- 3.20 *The second period* (1972-1990), that of the construction of socialism, was marked by nationalisation of some private enterprises and by the creation of new state enterprises and semipublic companies. Economic policy in the socialist development system, which mainly advocated industrialisation, encouraged massive state industrial investment for which the country may have lacked the necessary management capacity. This resulted in a serious economic crisis.
- 3.21 *The third period* (1990 to date), known as the Democratic New Deal, began after the National Sovereign Conference. The return to liberalism and the establishment of a multiparty democracy formed the basis of economic management. Whilst now receiving international aid, the country's economic governance in this period was marked by a need for macroeconomic stabilisation in order to create the conditions necessary for economic recovery. The macroeconomic results were satisfactory, but development and structural change prompted a quest for financial balance, which replaced development policy. The economic governance model could not last long and the country became increasingly incapable of effectively playing its role as a transit economy and, especially, of reducing poverty.
- 3.22 The country has defined its long-term vision in the Alafia Bénin 2025 project, and this is a praiseworthy step. The Alafia Bénin 2025 vision seeks to build an emerging Benin by that year. Furthermore, the government recently translated the vision into 'strategic development orientations'. However, the coordination needed to implement these orientations, and particularly translating them into sectoral policies, suffers from certain weaknesses that breed other challenges for economic governance. These weaknesses are widespread corruption (which has become a culture and a more or less internalised method/instrument of governance) and lack of accountability in the

implementation of macroeconomic and sectoral development policies, as well as poor coordination.

- 3.23 Economic growth seems to be picking up again, but poverty remains at an alarming level. Economic governance should deal with the fundamental structural problems of Benin's economy and spare the country the long-term risk of being rooted in satellisation and being a transit economy without a solid productive base. It should also, in a realistic manner, deal with the problem of the informal sector, which plays an important economic, social and even political role. Since the informal sector will continue to play this role for a long time in Benin's economy and society, it is necessary to 'use it well' in solving the country's problems. This sector should be made a recognised component of the economy by keeping only a watchful fiscal eye on it without trying to formalise it. Chapter Four of the report discusses these issues and proposes ways of addressing the challenges observed.
- 3.24 **Ratification and implementation of standards and codes.** Benin has adopted most of the standards, codes and principles relating to economic governance and management, with a few exceptions – which are noted in the report – particularly in the areas of corruption, money laundering and regional integration. In this regard, the APR Panel makes recommendations, particularly for the adoption of standards and codes that have not yet been adopted; the strengthening of transparency and the dissemination of economic, budgetary and financial information in general; modernisation of the statistics system; dissemination of prudent data on the financial sector; and capacity building for the organs concerned.
- 3.25 **Promotion of macroeconomic policies that support sustainable development.** The government's efforts towards improving the macroeconomic framework are indisputable and, consequently, Benin has a good image among its development partners. However, the expected results have not increased production in a sustainable manner, nor significantly reduced the level of poverty. Production remains undiversified with cotton accounting for more than 50% of exports. For several reasons, progress in economic activity has remained below the projected performance indicators.
- 3.26 In its GPRS (2007-2009), the government defined a baseline scenario with a costed reflection of the various sectoral strategies to be implemented to accelerate growth and reduce poverty, while simultaneously maintaining macroeconomic stability. In the strategy, the acceleration of growth will be based on diversification of production, economic liberalisation, support to the private sector, reinforcement of economic and social infrastructures, and strengthening of good governance.
- 3.27 **Public finance management** has certainly made some progress, particularly in results-based management and the preparation of Medium-Term Expenditure Frameworks (MTEFs). However, there are still major constraints on the auditing of public expenditures. The government is implementing a vast programme on revenue collection, broadening the tax base, and taking

measures to address the constraints noted – particularly with regard to the external sector, financial system, debt relief and privatisations.

- 3.28 ***Sectoral and microeconomic policies.*** It was noted that the implementation of programme budgets in the *agricultural sector* encountered difficulties of resource mobilisation and mastery of budgetary procedures by the players. In the *industrial sector*, administrative delays and barriers to investment and privatisation contribute significantly to increasing operating costs, thus affecting the pace of growth and competitiveness of enterprises.
- 3.29 The major obstacles to economic growth and poverty reduction are structural. They concern the rigidity of the production machinery and structure, the low level of investment, limited diversity of exports (dominated by cotton), the noninclusiveness of growth, and the low level of job creation. This situation makes the economy very vulnerable to external shocks and weakens the country's balances.
- 3.30 With this in mind, the ***APR Panel recommends*** measures and actions that would meet the challenges and address the constraints, particularly in: (i) macroeconomic and sectoral governance; (ii) forecasts and statistics; and (iii) the reduction of vulnerability to exogenous shocks.
- 3.31 **Implementation of sound, transparent and predictable economic policies.** Benin has defined a long-term vision – Alafia Bénin 2025 – which has been translated into Benin's strategic development orientations and which will be implemented under the GPRS (2007-2011). The vision seeks to build a “leading nation, a well-governed, united and peaceful country, with a prosperous and competitive economy, cultural influence and social well-being”. The country has made significant efforts in cleaning up the macroeconomic framework, defining sectoral strategies and allocating budgetary resources. However, the projection of an emerging Benin requires a number of economic policies that are not yet clear. These include the nature and model of economic growth, its sustainability, inclusiveness and the diversification of its productive base; the reconfiguration of the national space and its adaptation to the strategy of growth poles; the country's capacity to address the focus and challenges of the current and emerging Benin; and finally, translation of the vision and its six strategic development orientations into appropriate sectoral policies and programmes.
- 3.32 The transparency and predictability of economic policies require that the control of economic governance and public resource management should be effective and firm. This function suffers from serious weaknesses, thereby fostering a general climate of financial misappropriation, illegal enrichment, corruption and impunity. It was noted that there were no detailed reports on budget implementation – in terms of concrete results in the implementation of development programmes – that would facilitate assessment of the effectiveness and quality of public expenditures in development programmes. The CRM also noted that the cleaning up of the macroeconomic framework is not development-oriented, since it does not contribute to poverty reduction. Given the importance of the informal sector and the transit economy, if the

country's economy is left open to the external forces of globalisation, the configuration in WAEMU and the future of the Nigerian economy, there would (in the long term) be a risky process of satellisation and informalisation of Benin's economy.

- 3.33 The CRM was pleased to note that the country had defined policies in economic sectors, such as agriculture, industry, transport and energy. However, these policies need to be coherent and coordinated so as to realise the Alafia Bénin 2025 vision. They need to address the challenges and focus, and ensure that the development poles are accompanied by a spatial distribution of economic functions. In this manner, complementary linkages could be created which would construct an integrated and reconfigured economic environment that would contribute to poverty reduction. Efficient economic governance requires a state machinery with institutional capacity adapted for building the emerging Benin and the effective coordination of economic policies – all of which are difficulties still encountered on the ground.
- 3.34 At the end of its analysis, the CRM makes recommendations on pursuing the cleaning up of the macroeconomic framework to meet the objectives of poverty reduction, on translating the vision into appropriate sectoral strategies consistent with the policy of growth poles and constructive integration of the informal sector, and on the emerging focus and challenges in the construction of the Alafia Bénin 2025 vision.
- 3.35 **Promotion of sound public finance management.** The CRM noted the efforts made by the government in key areas, like reforms towards results-based management. These include budgetary and accounting management, internal and external auditing, and the public procurement system. However, the management of public expenditure still encounters constraints in these three areas. An action plan for the results-based budget management strategic framework was adopted in December 2005, and its implementation should be reinforced. In order for budgetary reform to achieve sustainable success and to have a positive impact on the efficiency of public expenditure and the ensuing results, it needs to form part of an administrative reform and an appropriate reform of the public service. In this respect, the reforms carried out by the government still suffer from a number of weaknesses relating to the pace and time frame of effective transfer of areas of competence, the modalities for assigning competent human resources, and the overall council budget financing policy.
- 3.36 **Concerning the improvement of budget implementation,** the extension of the Public Finance Information Management System (SIGFIP) to all the ministries helped to reduce the payment period to less than 25 days in 2004 and to improve project implementation. However, the system suffers from poor auditing of public expenditure. Audit institutions encounter many constraints in the performance of their duties, particularly in the internal and external audit, as well as in the public procurement system. Lastly, the scourge of corruption also affects the sound management of public finance.

- 3.37 In light of these findings, the APR Panel makes relevant recommendations on results-based budget monitoring, the public procurement system, as well as the internal and external auditing of public expenditure.
- 3.38 **Fight against corruption and money laundering.** Corruption has become a dreadful scourge that affects the entire political, economic and social fabric of the country. The areas most affected are the public administration in general, and the financial administration of the state in particular (taxation, customs and public procurement), as well as politics and justice. The causes of corruption in Benin are many, ranging from the struggle for survival to make ends meet at the end of the month due to meagre salaries, to a culture where political parties and the state machinery are turned into vehicles for individual success through illegal enrichment, corruption and mismanagement. The practice is entrenched in the behaviour of managers, leading to a weakness in the audit function and governing organs, in turn breeding a sense of impunity for economic crimes.
- 3.39 Efforts have been made by the authorities and civil society organisations to put into place instruments to lift the moral fibre in public life and to combat corruption. However, the effectiveness of these instruments remains doubtful or even nonexistent. The consequences of the scourge are evident in politics and in public resource management. There is a worsening of poverty and increased social inequalities; a loss of competitiveness of the public administration and the private sector; deterioration of the quality of human capital; and a lack of progress in the area of socioeconomic development. Furthermore, the CRM noted that Benin had not yet ratified all the international conventions on combating corruption and money laundering. The CRM noted that the bill on preventing and combating corruption and money laundering, initiated by the government in November 2006 and brought before the National Assembly, has not yet been discussed in order for the law to be adopted. WAEMU directives on combating money laundering in member countries have not yet been implemented in Benin.
- 3.40 The recommendations of the APR Panel call for strengthening the audit function and organs responsible for the adoption and effective application of relevant standards and codes. These are zero-tolerance measures, which the highest echelons of leadership could employ in the fight against corruption; improvement in the working conditions of civil servants; studies on the phenomenon of corruption; and improving the regulations on the declaration of assets of senior political officials.
- 3.41 **Accelerating regional integration through harmonising monetary, trade and investment policies.** Benin is a member of major regional integration groupings in West Africa, and also signed the treaty establishing the Organisation for the Harmonisation of Business Law in Africa (OHADA). It also signed and ratified most of the standards and conventions listed in the APRM questionnaire. The CRM noted that, since 1999, Benin's performance in terms of compliance with the WAEMU primary convergence criteria was noteworthy. However, the situation is not always the same with regard to the secondary criteria, where efforts still need to be made.

- 3.42 At the same time, it is useful to consider the WAEMU Common External Tariff (CET), which Benin implemented in 2000 over its entire territory. As regards the tax system, the CRM noted that tax pressure on the corporate sector in Benin is around the average in WAEMU, but is high in comparison to the country's level of development. In particular, the value-added tax (VAT) and corporate tax penalise the private sector excessively. On the other hand, community legislation on anti-competition practices adopted by WAEMU in 2002 is not yet in force in Benin. These provisions, which bind all WAEMU member states, seem not to be effectively implemented by some countries in the subregion, including Benin.
- 3.43 It was noted that Benin is still taxing its exports, be they intra-WAEMU, intra-Economic Community of West African States (ECOWAS) or to the world market, which shows nonconformity of Benin's national trade policies with regional community integration standards. Similarly, the WAEMU directive on transparency in the privatisation process is not yet applied in Benin. This shows a lack of compliance with commitments made at the regional level, meaning that access to the phase of free trade zone has not yet been achieved.
- 3.44 Based on these findings, the APR Panel makes suggestions for compliance with the secondary convergence criteria; ECOWAS and WAEMU provisions and directives not yet applied or implemented; acceleration of progress to the establishment of a free trade zone; improvement of transparency in the privatisation process in accordance with WAEMU directives; and consultation with countries in the region and other less developed countries (LDCs).

3.3 Corporate governance

- 3.45 After a long period of political instability, Benin adopted a new constitution in December 1990 that established democracy, the rule of law and political freedoms, as well as the right of free enterprise. However, despite this success (marking the country as a model of democracy in Africa), Benin recorded limited progress in poverty reduction and sustainable development. The democratic institutions that arose as a result of elections have not played their role in promoting good corporate governance and establishing mechanisms to stimulate growth and investment.
- 3.46 **Standards and codes relating to corporate governance in Benin.** Although Benin ratified most of the international conventions and the public authorities are driving efforts to make the conventions and laws known, their implementation does not always follow. This applies mainly to the uniform acts of OHADA, which Benin's legal system is increasingly trying to integrate but which are not yet completely accepted by all the economic players in Benin. The same applies to international accounting and audit standards, which encounter problems of regional coordination, the relatively young age of the Association of Chartered and Certified Accountants of Benin, and practices that deviate from the texts in force (i.e. with the OHADA accounting system, or SYSCOHADA).

- 3.47 Assisted by independent regional structures, Benin's banks are governed by a prudential mechanism defined by the WAEMU Council of Ministers in June 1999, and are about to implement the pillars of the Basel II agreement. As for enterprises, they hardly adapt their activities and products to international standards in terms of quality or respect for the environment, and there is no code or charter for corporate governance in Benin.
- 3.48 **Evolution of enterprises in Benin.** Although the creation of enterprises was facilitated by the Enterprise Formalities Centre (Single Window), managed by the Chamber of Commerce and Industry of Benin (CCIB), much still remains to be done to simplify procedures and help youths to assess and cope with corporate risks within a formal framework. One of the key stumbling blocks seems to be tax pressure, which causes many economic and social distortions, including hypertrophy of the informal sector. The multifaceted and multidimensional informal sector is the greatest generator of wealth and employment in Benin. Accused of being a source of corruption, tax evasion and money laundering, this sector is a safety valve for social unrest and one of the pillars of family solidarity, especially as no formal support is given to citizens in general and to businesspeople in particular.
- 3.49 In other respects, the results of privatisation in Benin are mixed. While contributing a total of 33.6 billion CFA franc (United Nations Conference on Trade and Development – UNCTAD, 2005) to the state, public utility services were not part of these privatisation operations, which were sometimes discriminatory or nontransparent. Furthermore, the privatisation programme was behind schedule, and efforts still have to be made to stabilise the enterprises for privatisation and evaluate their assets. However, the government has prepared a regulation that defines the terms and conditions of privatisation and has announced a programme for the next two years.
- 3.50 **The business environment in Benin.** The formal sector in Benin suffers from unfair competition from the informal sector and from the relatively narrow domestic market. Due to the absence of a national legal competition regulation structure with the required skills, independence and material resources, coupled with relatively weak structures to defend consumers, there are often cases of violations and serious breaches of the rules of fair competition.
- 3.51 Penalised by low domestic demand and the illegal ('underground') practices of some well-established enterprises, businesspeople of the formal sector in Benin often depend on public sector demand, which is difficult to obtain. Indeed, public procurement suffers many of the same problems affecting the entire national economy (i.e. both the public and private sectors). Added to the scourge of corruption, there is also the lack of training in public procurement procedures, dysfunction of the relevant authorities, and delays in contract awards and payment of suppliers.
- 3.52 The difficulties of the formal sector enterprises are compounded by the uncooperative attitude of the administration (particularly taxation services) and some lack of support from the banking sector. Indeed, although the banks are in a situation of over-liquidity and do not encounter any serious problems

of unpaid loans, they only partially meet the needs of Benin's economy and investors. The banks' relatively low credit extension into the economy, their limited geographic coverage of the country and penetration of markets, as well as the low medium- and long-term credits, demonstrate the progress that still needs to be made. This also accounts for the rapid decline of bank financing in the face of informal finance and micro-finance, which only partially meet the needs of modernising enterprises and the economy in Benin. While the banking sector deplors the lack of entrepreneurial spirit and bankable projects, it seems that the issue of guarantees – especially with regard to land and complex formalities – underlies a sort of self-rationing on the part of companies in the face of difficulties in dealing with the formal banking sector.

3.53 Other main constraints and weaknesses of the business environment in Benin include:

- Corruption that costs the country about 3% of its GDP and costs enterprises 8.4% of their turnover, according to official estimates.
- Lack of confidence in the efficiency of the administration and judicial system: 54% of Benin's enterprises consider the administration to be inefficient or ineffective and in the event of dispute, 55% of the businesspeople prefer to settle their debts out of court.
- The burden of regulations: Administrative structures seem to have maintained the habits of the socialist management system. Managers of manufacturing firms declare that they devote about 8.3% of their time to fulfilling administrative formalities, while 65% of export and/or import firms consider customs clearance operations to be bad or very bad.
- The lack of well trained, specialised and competent human resources and human resource supervision.
- The state of infrastructure: Electricity, water and roads pose difficulties, as do insecurity and information and communication technologies (ICTs).

3.54 **Legality of actions by enterprises and businesspeople in Benin.** Wherever the CRM held discussions with stakeholders, the inefficiency of the judicial system was mentioned as an obstacle to the development of enterprises. Consequently, the shortcomings of Benin's legal framework and fear of endless proceedings in court force some players in the economy to settle their disputes through family networks or traditional authorities, who are deemed more reliable, faster and less corrupt than the 'modern' networks.

3.55 With little confidence in their legal environment, Beninese enterprises only partially fulfil their obligations to the various stakeholders in their environment:

- Tax evasion is quite significant as taxes constitute a heavy burden on the formal sector. This sector, though not always convinced of the fairness of

the exercise, has to cope with competition from the informal sector and the huge ‘parallel tax’ of corruption.

- Child labour seems to be a widespread practice: UNICEF estimates that 480,000 children between the ages of 6 and 12 years are working. The International Confederation of Free Trade Unions (ICFTU) indicates that this problem is due to the lack of inspection, particularly in rural areas and in the informal economy.
- Only a small percentage of employees (estimated at less than 10% of the labour market) are covered by the social security system. Indeed, the formal sector does not always declare all its staff members in an attempt to avoid administrative problems and related costs.
- The notion of corporate social responsibility (CSR) is not widely understood in Benin. According to Benin’s CSAR, the state has not put in place an attractive framework that encourages enterprises to assume greater social responsibility towards the grass-roots communities.
- Benin has legislation and a number of mechanisms for protecting the natural environment. Although environmental impact assessments are required for developers who want to invest in activities that can have an impact on the environment, there is no respect for the environment and no enterprise in Benin has ISO 14 000 certification.

3.56 **Business ethics in Benin.** Several cases of bad governance, including embezzlement of public funds, forgery and the use of forgeries, were identified in the CSAR. These cases caused huge losses for the state. Ad hoc committees were set up or claims filed in the courts for these. However, very few of these cases ended up with a sentence from the courts. Furthermore, money laundering is a major problem in Benin. The Intergovernmental Action Group against Money Laundering in West Africa (GIABA) has a representative in Benin, but at present only files are transmitted to the economic offences unit, as GIABA is not yet operational in the country.

3.57 Among the constraints on the prosperity of enterprises, corruption ranks fourth in formal enterprises and sixth in informal enterprises. What is alarming is that most of the stakeholders seem to be fatalistic with respect to this scourge, which they consider to be an integral part of daily life in Benin. In the same vein, the CRM noted that Benin’s media, though active and many in number, is not used in objective economic investigation of economic misappropriations, fraud and acts of tax evasion that are rampant among public and private sector players in Benin.

3.58 Lastly, although Benin is a member of the African Intellectual Property Organization, the CRM noted that the Beninese Copyright Office (BBDRA) is still unable to address the problem of counterfeiting. It suffers from a lack of resources and a bad image, which have the effect of turning the structure into an auxiliary of the taxation services rather than a body that defends the interests of creative artists and innovation.

- 3.59 **Transparency in, and information on, Benin's enterprises.** Generally speaking, there seems to be a lack of information on and in Benin's enterprises. At the macroeconomic level, there are no sectoral studies or information on the various markets. This is depriving enterprises of knowledge of their environment and threatening the survival of a number of enterprises. At the microeconomic level, very few enterprises in Benin have internal audit structures.
- 3.60 The lack of transparency in enterprises in the formal sector, obscurity of enterprises in the informal sector, as well as governance problems of state-owned enterprises, create conditions for the chartered accounting profession that are not yet conducive to providing reliable accounting and financial information.

3.4 Socioeconomic development

- 3.61 **The socioeconomic development challenges** faced by Benin are numerous. The economy is still dominated by exploitation of agricultural resources, primarily cotton, and the activities of Cotonou Port. Growth driven by these sectors remains inadequate to reverse the negative trends in poverty, which still affects more than 30% of the population. This situation could, if it persists, undermine the attainment of the key Millennium Development Goals (MDGs) by 2015, particularly in education, health, access to drinking water and poverty reduction. The response to this situation requires a development framework conducive to the creation of decent and sustainable employment in urban and rural areas, driven by strong economic growth.
- 3.62 However, given the small size of the domestic market (about 7.6 million inhabitants), the generation of an annual average growth of more than 7% requires greater integration into the world market so as to boost and diversify the exports of goods and services. Improvement of the overall and sectoral competitiveness of the economy remains the lifeblood of this new strategy, and it is an important challenge that has to be accepted. This requires the creation of an economic and institutional environment of international standards.
- 3.63 **Concerning international commitments**, the CRM noted with satisfaction that Benin has ratified all the conventions and adhered to the standards and codes recommended by the CSAR. However, much effort still has to be made in publishing these documents in the Official Gazette of the Republic of Benin. They should be included in national legislation and disseminated to the population who would benefit from them.
- 3.64 **Promotion of, and capacity building for, self-reliant development.** Ownership of the socioeconomic development process with less dependence on external aid and policies for socioeconomic development constitute major challenges in the democratisation process. Meanwhile, the influence of TFPs in development programmes and policies is strong. Overseas development assistance (ODA) accounts for more than 60% of the financing of

development programmes. Benin has, for a long time, benefited from the HIPC Initiative and is one of the Cotton 4 (C4) LDCs in the World Trade Organization's (WTO) cotton initiative, along with all its commitments at the subregional level (WAEMU, ECOWAS, and so forth). All these factors undermine autonomy in effective socioeconomic development.

- 3.65 Furthermore, **the eradication of poverty** and improvement of the quality of life constitute major challenges that the authorities will need to address. Indeed, the authorities will have to address the concerns of the population, which in March 2006 expressed the need to have a renovated political class that can provide concrete answers to its problems as soon as possible. Economic vigour is one way of achieving this objective. To that end, the new authorities set the target date of 2011 for improvement in the society's quality of life and poverty reduction. It envisaged that the incidence of poverty would be reduced from 27% in 2005 to 19% in 2011 and to 15% in 2015.
- 3.66 This goal falls within the vision expressed in *Alafia Bénin 2025*. The achievement of such a vision requires implementation of reforms centred on good governance, which will help to consolidate the institutional bases of democracy; streamline the management of human, financial and institutional resources; formulate and implement relevant economic and social policies; and ensure accountability of local authorities through effective decentralisation.
- 3.67 Another dimension and challenge in the socioeconomic development ownership process concerns **the participation of all stakeholders**. Generally speaking, the players concerned deem such participation to be inadequate, particularly at the local level, as they do not always feel they are included in the preparation and implementation of projects and programmes that concern them. However, the CRM feels that the conditions for enhancing such participation exist in Benin, since civil society is already relatively active and committed to defending human rights and improving the conditions of the most underprivileged social groups. The government should take appropriate measures to put in place a legal and regulatory framework conducive to more active participation of civil society, political parties, the private sector, all economic players and all the regions of the country. Finalising the decentralisation process is a way towards the promotion of such participation.
- 3.68 All these measures should be accompanied by the effective enhancement of the participation of all stakeholders in the socioeconomic development process through broadening the consultation space, accelerating the finalisation of the decentralisation process to foster participation at the decentralised level, and establishing joint consultation organs between the government and the major development partners of Benin. The broadening and sustainability of participation space could also be fostered by transforming or even institutionalising the self-evaluation exercise as a national practice. This will help foster a spirit of co-ownership and mutual accountability between the state, its private sector partners and civil society. An observer institution or similar entity for monitoring governance in Benin would be appropriate for this mission.

- 3.69 **As regards access to basic social services**, the CRM is pleased with the efforts made by the government of Benin to provide affordable access for the poor – especially those in rural areas – to essential services like education, health, social security, drinking water, sanitation, electricity, arable land, housing and micro-finance. This encouraging observation should, however, not conceal the difficulties that continue to be encountered in these sectors – difficulties that will continue to slow down progress if some relevant measures are not taken in time.
- 3.70 *Concerning education*, it should be noted that in primary and secondary education, the gross enrolment rates increased at all levels of the education system over the past two decades. With respect to the girls-boys ratio at primary and secondary levels, the indicators showed a ratio of 0.75% (3:4) in 2004 for an MDG target of 1 (1:1) in 2015. The level remains low and the causes are generally linked to socio-cultural traditions concerning the role of girls in the family unit (house help); problems of sexual delinquency, which often leads to early pregnancies and therefore drop out from school; and problems of poverty, which make parents prefer to send boys to school rather than girls if the family has many children. This demonstrates that poverty remains the backdrop of some problems in the school system.
- 3.71 Another serious problem in education is that of an insufficient number of teachers, whose level of training is at the same time steadily declining. This trend is mainly a result of the freeze on recruitment into the public service, which arose due to structural adjustment measures. The shortage, despite using teachers on contract, was estimated at more than 8,000 teachers for public primary education for the 2004-2005 academic year. Lastly, stakeholders consider the productivity of the education system to be very low.
- 3.72 *As far as health is concerned*, Benin has a high mortality rate and a steadily deteriorating health environment. Although several programmes exist and some progress has been made, the health sector has weaknesses that seriously undermine its performance. This is evident in a few key indicators, like the gross death rate, which ranged from 12.3/1000 to 10.5/1000 between 2002 and 2005; the infant mortality rate of 90/1000 to 65.6/1000; the child mortality rate of 146.4/1000 to 102.9/1000; and the maternal mortality rate of 474.4 to 485 deaths for 100,000 live births – all estimated over the 2002-2005 period (according to INSAE /DED/ RGPH3 2002 and population projections 2005).
- 3.73 Furthermore, the coverage rate of health infrastructure is 82%, with wide regional disparities, low quality of services in rural centres and a low infrastructure utilisation rate (34% of the population in 2002). This reflects the inadequacy of the services offered, as well as the obstacles to access, particularly economic (occasional expenses). Widespread poverty of large categories of the population is alarming. Consequently, access by women to obstetrical services remains limited, and adequate management of communicable diseases is also difficult. Malnutrition is also a key health problem, and maternal and infant mortality rates are high. If current trends persist and no well-targeted and strong corrective measures are taken, the MDGs in health could be difficult to achieve in terms of the reduction of

infant mortality, improvement of maternal health, and control of major diseases such as malaria and HIV/AIDS.

- 3.74 **As regards vaccinations**, it could be said that public authorities in Benin have paid special attention to this issue with the Extended Programme of Immunisation (EPI) over the past 10 years. At national level, the vaccination coverage throughout the national territory in 2003 was encouraging. Benin recently adopted the introduction of new vaccines, like hepatitis B (Hep B) and the anti-amaril vaccine (or vaccine against yellow fever) for effective inclusion in routine EPI.
- 3.75 **Access to other basic social services.** The CRM noted that despite noteworthy progress in some sectors that provide essential services such as water, energy, micro-finance, markets, ICTs and land, there are still aspects on which efforts should be concentrated in order to promote social wellbeing. Recent statistics show that about two-thirds of the rural population in Benin does not yet have access to *drinking water*. Meanwhile, *sanitation* problems in rural and urban areas are still cause for concern. Electrical *energy* is hardly accessible, given frequent power cuts. *Micro-finance* is widespread and delivers good services in the promotion of income-generating activities, particularly for poor women in rural areas. *Access to markets* for agricultural products is difficult and is seriously affected by a shortage of communication facilities in rural areas, especially due to a lack of good rural roads. Lastly, ICT systems are still poorly organised in the country.
- 3.76 **Access to farmland and urban land** is a key concern throughout the country, and it appears that land ownership problems slow down investment in the country. Actions to remove these obstacles have been envisaged. They mainly involve the dissemination and implementation of the Rural Land Plan (PFR); preparation and dissemination of laws regulating land security in urban areas; the establishment of decentralised land conservation centres; adoption by the National Assembly of the law on the Rural Code; and pursuance of operations to introduce the Urban Land Register.
- 3.77 **As regards progress made in gender equality in all crucial areas, including girls' education at all levels**, the CSAR noted that women account for 52% of the population of Benin (51.5% according to the last census of 2002). Their contribution to the country's development is significant and is widely recognised. However, socioeconomic, cultural and other stigmas continue to push them into the background – this despite the fact that, in the traditional society of Dahomey (present-day Benin), women were free to do the jobs of men: they could participate in government and serve in the army as the very famous 'amazons' who, with swords, valiantly defended the fatherland against colonisation.
- 3.78 A new Individual and Family Code was adapted in 2004 in line with the constitution, which establishes gender equality, prohibits genital mutilations and does not recognise polygamy. The code also allows for women to possess means of production. Other measures taken in favour of gender equality include the abolition of school fees for girls. However, despite attempts to

increase the participation of women in political life since the National Sovereign Conference of 1990, their representation in high state office and elective positions remains insufficient. This marginalisation of women in Benin seems to be due to local ancestral customs, which have always kept women away from certain activities and functions. Restoring gender balance remains a major challenge to the socioeconomic development of Benin.

- 3.79 In light of the weaknesses and challenges noted by the CRM with regard to gender equality in Benin, the APR Panel made a number of recommendations on translating the government's political will into concrete action. This is to be done by considering the issue of gender equality as a national priority and as a prerequisite for sustainable development. The APR Panel also recommended capacity building (organisational, human and financial) for government structures responsible for promoting gender equality and for the private sector and civil society. Finally, it was recommended that a recruitment policy be adopted in the public service, requiring that in cases of equal qualifications for the same employment, priority should be given to women. Likewise, the private sector should be encouraged to follow a similar voluntary positive discrimination policy that favours women, as defined by government.

3.5 Crosscutting issues

3.5.1 Corruption

- 3.80 There is unanimous agreement that corruption has become a way of life and a certain way of governance. Corruption is generally accepted as an instrument of power and a means to achieving personal success in society. Public opinion in Benin is of the view that there has never been any real political will and very little evidence of results to combat corruption. Despondency about the ability to eradicate corruption has reached such a peak that all people seem to want to do, is to wait for a 'messiah' to deal with the problem. When an evil like corruption is so endemic in society, it is no longer possible to identify any one cause and deal with it appropriately. The roots can only be dealt with by a high-level example. This is because a gangrene that affects the entire social body begins with the head. Although measures have been adopted and instruments put into place, their effectiveness is doubtful. The CRM observed two things in this regard: one the one hand, there is the stated and determined political will of the new authorities to stamp out this evil with (at times) bold measures and, on the other hand, there are reservations, expressed by many of the participants, about the effective capacity of the authorities and of Benin society to eradicate the 'tentacles of corruption'.
- 3.81 The APR Panel recommends that the scourge be dealt with on different levels through teaching by example at the high levels of state and public administration; regular and unannounced monitoring of all levels of state administration, followed by appropriate sanction; and the enshrinement of republican values and morality and restoring them to their rightful place.

3.5.2 Decentralisation and the role of traditional institutions

- 3.82 Increased decentralisation is necessary, not only to ensure greater participation by the grass-roots population, but also to allow for fuller expression and better management of socio-cultural diversity. However, there is always a gap between the desire expressed in the plans and programmes, and reality. Some of the weaknesses of the decentralisation process include the lack of clarity in the definition of local affairs; inadequate human and material resources and competencies in the communes; the hesitation in the effective transfer of these competences; the ambiguous status of local administrative units; political conflict; poor understanding of regulations by locally elected officials; racketeering; inappropriate intervention by supervisory authorities; poor cooperation between the decentralised services and locally elected officials; regulations not reflecting local realities; and the lack of involvement of traditional authorities and 'royal members' who are often at the centre of power in rural communities. This situation points to the urgent need for a decentralisation policy.
- 3.83 Given all of these considerations, the APR Panel recommends that the Beninese authorities adopt measures to ensure the effective transfer of competencies to the communes, including more rigorous requirements for locally elected officials (such as morality, integrity and training), improved capacity at this level, and involvement of traditional institutions in the process of decentralisation.

3.5.3 The issue of gender and the equality of the sexes

- 3.84 Women constitute more than half the population of Benin (approximately 52%). This cannot be ignored, first, in terms of socioeconomic development and secondly, in terms of the goal of constructing an emerging Benin. This is underscored by women's vigour in their way of doing business in Benin. Therefore, women need to be considered when addressing the question of governance, as examined by this review process. Significant progress in improving Benin's legal and institutional framework has been made over the past few years, but the political, economic and social rights of women and their autonomy continue to be subject to certain restrictions. This is especially true in relation to socio-cultural traditions, which remain strong in the country. In a country where women represent over half the population, the political, economic and social effects of gender inequality impede the development of an emerging Benin and the realisation of sustainable human development.
- 3.85 The APR Panel believes that legislative amendments, information, intercultural exchange and practical measures, as well as positive discriminatory measures, need to be used as leverage to change the socioeconomic and psycho-cultural institutional structures that continue to support these inequalities. Public authorities, territorial communities, traditional authorities, nongovernmental organisations (NGOs) and unions have a major role to play in this regard. The APR Panel therefore recommends that the Beninese authorities and other stakeholders, in their respective spheres and at their

respective levels of authority, work as quickly as possible towards creating an environment that enables women to play a role in, and to benefit from, development. This can be done by building their capacity through education and health, as well as through equitable access to employment and other sources of wealth.

3.5.4 Training, assessment and involvement of the youth

- 3.86 Benin is a country with a very young population. In 2002, some 46.8% of the population was under 15 years of age¹. The youth are the role players in the building of the Benin of tomorrow. They are the agents of change necessary for the development of the country. If they are to play this role, they need to believe in, and have a place in, society – in political, economic and socio-cultural terms. As soon as they lose confidence in society and no longer see their future as lying within it, they begin to question society, which could even lead to its demise. The government has made significant efforts in terms of education in traditional schools and in technical and specialised professional schools in the major centres of the country, as well as in terms of employment. However, these efforts are not adequate in the face of strong demand for both training and employment.
- 3.87 The APR Panel recommends that the government pursue the financing of primary school education and continue to raise public awareness on the advantages of sending children to school, especially in departments in the north, like Alibori, Atacora and Borgou. It is also recommended that the government finance apprenticeships and technical and vocational training schools in all departments, so as to reduce the cost of these training programmes. These measures will contribute to the preparation of the youth for their entry into the Beninese society of tomorrow.

3.5.5 Poverty and access to resources

- 3.88 Poverty continues to be endemic and even continues to grow in respect of vulnerable sectors of society and in certain geographical areas, especially in rural areas. Access to basic social services, such as education, health, drinking water and sanitation, reproductive health, energy and decent housing, still represents an enormous problem for a major portion of the population.
- 3.89 Policies and programmes have been implemented to improve the access of Beninese to basic social services. Progress has been made, but the results were inadequate in the face of the actual needs of the population. This was due mainly to the fact that these programmes were implemented in the context of financial austerity, and were dictated by policies of stabilisation and structural adjustment. The state has remained solely ‘responsible’ for the supply of development services and resources. This situation makes it difficult to ensure their provision in the long term, given the limited resources of the state.

¹ Third General Census of the Population and Housing (RGPH). October 2003. *Summary of analyses*. Demographic Education Division, INSAE: Cotonou. Page 7.

- 3.90 People's access to resources plays an important role in peace and political stability, and therefore in building and consolidating democracy. It promotes social cohesion and facilitates the building of consensus and the mobilisation of the bone and sinew of the nation around the development model chosen under the guidance of the authorities. It is acknowledged that the state cannot be the sole provider of development resources and services, even though they are called social resources and services. Private sector and civil society are important partners in this process and in the process of improving citizens' access to resources.

3.5.6 The informal sector

- 3.91 Born out of the weaknesses of the formal sector – which fostered marginalisation and impoverishment – the informal sector took root and developed as an integral part of the economic, social and even political life of the Beninese society. Policies and attitudes to the informal sector in Benin are dictated by two viewpoints: positive and negative. On the positive side, the informal sector is acknowledged for its economic and social importance. As a major creator of wealth and jobs, the informal sector contributes to poverty reduction and acts as a safety valve for social problems associated with lack of jobs and especially for alleviating the social tensions that could result from unemployment. On the negative side, the informal sector stands accused of many economic ills and abuses. It is seen as the cause of the high, heavy and complex taxation of the formal sector, which is penalising the sector and discouraging investment. The state's policies and relations with the informal sector are marked by the 'fiscal gendarme' attitude.
- 3.92 The current and foreseeable reality of Benin's economy is that the informal sector plays, and will continue to play, an important role at all levels of social and economic life in the country. The informal sector should therefore be the object of special attention, both by the government and by its development partners. The CRM is of the opinion that a strategy combining these approaches would be the best option for Benin. Such a strategy would have a threefold effect: it would promote the complementary nature of the formal and informal sectors through subcontracting and consequent tax incentives; it would identify ways of extending the tax base without this becoming a form of 'harassment' of the informal sector; and finally, it would promote an aid programme in response to the needs of the informal sector.

3.5.7 Reform and modernisation of the state

- 3.93 The reform and modernisation of the state amount to defining the very nature of the state model that would ideally be established in the Benin of tomorrow. It also implies that reforms have to move from the present consumer state to the facilitating state, which will be the pillar of transformation and the leader in constructing the vision of an emerging Benin. The result is the transformation of the state apparatus into a machine of change. Consequently, major reforms have been initiated over the past few years, involving mainly

the modernisation of the state *sensu stricto* with the ultimate goal of enhancing democracy and especially improving the effectiveness and efficiency of public services.

- 3.94 The results continue to be mixed and raise the problem of the capacity of the state and society to carry out the desired reforms and modalities in good time and in proper order. With a view to increase the success of these reforms, it would be in the interest of the government to clarify the nature and operational actions of the state to construct the vision of an emerging Benin, as well as the priorities, sequences and resources that could be mobilised to that end. These are all challenges that seriously affect the leadership's qualities, notably in its capacity to mobilise, join together and coordinate initiatives around a realistic project.

3.5.8 Citizenship and legal insecurity under the rule of law

- 3.95 The rights of the person have been at the heart of Benin's democracy since the National Sovereign Conference in 1990. Benin's constitution of 11 December 1990 devotes 33 articles to the rights and duties of the human person. The fact still remains that the effective protection of these basic rights and legal protection of the citizens depend on the efficiency of the institutions that are responsible for them. In this regard, one of the major concerns of the Beninese is the issue of civil status: how the individual can obtain a legal identity he/she can use to establish his/her status as a citizen. Without a legal identity, the individual can neither move around freely (freedom of movement), nor exercise his/her voting right (freedom of choice), nor establish a trade nor create a company (freedom of business establishment), nor have access to basic services (education, health, water and electricity), nor acquire property (request for a land title and property inheritance), nor open a bank account or find a job (right to work), nor legally form a union (right to marry).
- 3.96 Efforts undertaken by the state in this regard remain hesitant and are not reassuring. The reluctance to implement an electronic electoral register is clear evidence of this. Although Benin is no exception in this regard compared to some African countries, it is nonetheless extremely urgent that the public authorities accelerate the public hearings organised by the Department of Justice to deal with this problem, and especially to put in place an efficient civil status system that will allow citizens to establish their legal status through appropriate means.

Good practices
<ul style="list-style-type: none"> • Personal involvement of the president of the republic in implementing the APRM process. • Compliance with the electoral timetable for presidential and legislative elections.

- Democratic changeover at the helm of state affairs.
- The Constitutional Court of Benin, efficiency in the service of democracy, rule of law and fundamental liberties.
- The directory of reference prices.
- Women in the Beninese armed forces.
- Songhaï, an alternative manner of development.
- The presidential programme in micro-finance.
- The framework for interfaith consultation.
- The association 'Qui dit Mieux': Employment promotion and environmental protection.
- The extensive APRM national consultation process.

4. CONCLUSION

- 4.1 Benin has made enormous progress in the four focus areas of the APRM assessment, particularly since the democratic renewal phase. However, it still has to meet *a number of major challenges*, given the shortcomings in its achievements and the requirements of its future by 2025 (see the section on challenges in point 4.3 below).
- 4.2 The authorities are well aware of these challenges and seem determined to meet them, given the lessons of the history of the country and the aim of achieving its goal of becoming an emerging country by 2025. That is why, together with the National Sovereign Conference, the authorities have defined a long-term vision for the country and translated it into strategic development orientations that constitute the framework for the definition of GPRS policies or sector policies.
- 4.3 Benin *does have strengths in political terms, in the economic sphere and at the social level* (see below). All these resources enable the country to develop a strong productive base, prepare its entry into the club of Africa's emergent countries, and allow it to benefit from the opportunities offered by globalisation.

Strengths

1. The resolve to change for the better and the personal involvement of the president in this regard.
2. Benin is today a country enjoying peace and stability after years of military regimes and political instability.
3. The entrenchment of the values and culture of democracy in society.

4. Benin is an untouched country endowed with vast potential with regard to agriculture (4.8 million hectares of arable land, of which less than 1 million hectares is currently being cultivated), fishery resources, forestry, tourism and livestock breeding, which is inadequately exploited but capable of attracting investment.
5. A favourable geographic location (a 125-kilometre coastline equipped with an important port, a common border of about 700 kilometres with Nigeria – which constitutes a market of nearly 140 million potential consumers – and sharing other borders with landlocked countries like Niger and Burkina Faso).
6. The vigour of the country's informal sector, particularly in the trading arena that is dominated by women.
7. Membership in regional economic and monetary entities.
8. The youthfulness and vitality of the population.
9. The competence of the local labour force.
10. The capacity to adapt cultural values to face current challenges.

Challenges

1. The effectiveness and primacy of the law, guarantor of the legal protection of the citizens and their property.
2. Depoliticisation of the bureaucracy, and the reform and modernisation of the state, along with Benin's public administration.
3. The fight against corruption, which affects the entire nation at a disturbingly high level.
4. A poor level of participation by women in decision making and in political representation.
5. The trafficking and exploitation of children.
6. The transformation from a colonial-based economic structure to an integrated economic structure for growth and sustainable national development.
7. The fight against rising poverty levels through the effective implementation of the vision of Benin as an emerging nation.
8. Transformation of the informal sector to a recognised component of the economy.
9. Promotion of a new partnership and entrepreneurial culture in order to revive the private sector.

10. Improvement of the business climate, particularly the competitiveness of enterprises.
11. The development and modernisation of infrastructure – especially in the education, health, energy and telecommunications sectors – and ensuring quality service delivery.
12. Economic diversification, especially in the agricultural sector so as to minimise dependence on the cotton sector.
13. The conservation of the environment and reduction of regional imbalances.

CHAPTER ONE

1. INTRODUCTION: THE APRM PROCESS AND ITS IMPLEMENTATION IN BENIN

“The mandate of the African Peer Review Mechanism is to ensure that policies and practices of participating States are in conformity with the agreed political, economic and corporate governance values, codes and standards. The APRM is a mutually agreed mechanism for self-evaluation of countries by Heads of State and Government of the participating countries.”

NEPAD/HSGIC/03-2003/APRM/MOU/Annex II

1.1 The APRM and its implementation

1. During the Inaugural Summit of the AU, held in Durban, South Africa, in July 2002, the NEPAD Implementation Committee adopted the Declaration on Democracy, Political, Economic and Corporate Governance. In a bid to improve the quality of governance in Africa, the 6th Summit of the Heads of State and Government Implementation Committee (HSGIC) of NEPAD, held in March 2003 in Abuja, Nigeria, endorsed the Durban Declaration and adopted the MOU on the APRM. Subsequently, the main documents outlining the core principles, processes and objectives of the APRM, including the *APRM Base Document*, the document on *Organisation and Processes (O & P)* of the APRM, as well as the document on *Objectives, Standards, Criteria and Indicators for the APRM (OSCI Document)* were also adopted by the heads of state.
2. Member states of the AU may voluntarily accede to the APRM, a mechanism for self-evaluation by Africans for Africans. The main objective of the APRM is to ensure that the policies and practices of participating states conform to the values, codes and standards of political, economic and corporate governance and socioeconomic development contained in the Declaration on Democracy, Political, Economic and Corporate Governance. The ultimate goal is, therefore, to encourage participating states to adopt policies, standards and practices that lead to political stability, high economic growth, sustainable development and accelerated subregional and continental integration. The APRM intends to achieve this goal by sharing the experiences of successful and best practices and consolidating them. Thereafter, it hopes to build competence by identifying the deficiencies in, and assessing the requisites for, capacity building.

Box 1.1: The APRM progress report

Widely proclaimed as the jewel in NEPAD's crown, the APRM is a unique exercise intended to facilitate the exchange of information and best practice between peers. It is based on mutual trust and confidence in the process. It is also a commitment to African governance for Africans and serves as a tool for implementing the codes and standards enshrined in the Declaration on Democracy, Political, Economic and Corporate Governance and for achieving socioeconomic development.

National ownership and leadership by participating countries are essential for the effectiveness of such a process. This includes leadership as practised in other existing national processes, such as the Poverty Reduction Strategy Papers (PRSPs), the MTEF, the National Human Rights Action Plans, strategies for the MDGs, ongoing institutional reforms and other poverty reduction strategies, as well as other relevant governance and socioeconomic development strategies, programmes and projects.

Twenty-seven member countries of the AU have thus far voluntarily acceded to the APRM. Algeria, Burkina Faso, Cameroon, Republic of Congo, Ethiopia, Gabon, Ghana, Mali, Mauritius, Mozambique, Nigeria, Rwanda, Senegal, South Africa and Uganda were the first 15 countries to accede. Benin and Egypt signed the MOU at the AU Extraordinary Summit held in Syrte, Libya, in February 2004. In July 2004, five other countries – Angola, Lesotho, Malawi, Sierra Leone and Tanzania – acceded during the AU Summit held in Addis Ababa, Ethiopia. Later, two more countries – Sudan and Zambia – acceded during the APR Forum Summit in Khartoum, Sudan, in January 2006. São Tomé and Príncipe signed the MOU during the NEPAD Implementation Committee meeting held in Addis Ababa in January 2007, and Djibouti acceded during the Forum Summit held in Accra, Ghana, in July 2007.

Ghana, Kenya, Mauritius and Rwanda were the first countries in which reviews were held (in 2004). So far, CRMs have been carried out in six countries: Ghana, Rwanda, Kenya, South Africa, Algeria and Benin. Ghana, Rwanda, Kenya, South Africa and Algeria were peer-reviewed at the APR Forum Summits in Khartoum, Banjul and Accra.

3. So far, 27 member countries of the AU have voluntarily acceded to the APRM. Accession signifies the commitment of the signatory to be peer-reviewed periodically, to be guided by the agreed mechanisms and to commit itself to achieving good political, economic and corporate governance and socioeconomic development in its programme of action.
4. The APRM process comprises five successive phases. They are defined in the *APRM Base Document* and are described briefly below.
5. **Phase One** is a preparatory phase, both at the level of the APR Secretariat and at national level. Under the direction of the APR Panel, the secretariat forwards a questionnaire, covering the four focus areas of the APRM, to the country to be reviewed. With the assistance, if necessary, of the APR Secretariat and/or relevant partner institutions, the country uses the questionnaire to conduct a self-assessment exercise. After completing the self-assessment, the country formulates a preliminary programme of action that builds on existing policies, programmes and projects. Both the CSAR and the preliminary programme of action are submitted to the APR Secretariat. At the

same time, the APR Secretariat develops a background document on the country. This document is drafted on the basis of documentary research and on recent and relevant information about the state of governance and development in the country. It covers the four focus areas.

6. **Phase Two** is the country review visit. Under the direction of the APR Panel, the CRM visits the country concerned. Its priority is to add to the CSAR by holding as many consultations as possible with government, officials, political parties, parliamentarians, representatives of civil society organisations, the media, the academia, trade unions, business and professional bodies. Its main objectives are to:
 - learn about the perspectives of the different stakeholders on governance in the country;
 - clarify the challenges identified in the documents on issues not addressed in the country's preliminary programme of action; and
 - build consensus on how such issues could be addressed.
7. It is important to note that the country plays a mainly facilitative role during the visit to ensure that the CRM can carry out its review efficiently. The CRM has full access to all sources of information and to the different stakeholders, as is provided for in the MOU on the Technical Assessment Mission and on the CRM signed by the country and the APRM.
8. During **Phase Three** the report of the review mission is drafted. It is based on the CSAR, the background documents, questions prepared by the APR Secretariat, and on information obtained from both official and unofficial sources during the wide-ranging consultations held with stakeholders during the review visit.
9. The draft report:
 - considers the applicable political, economic, corporate governance and socioeconomic development commitments made in the preliminary programme of action;
 - identifies any remaining weaknesses; and
 - recommends further actions to be included in the final programme of action.
10. The draft report is first examined by the panel, its official author. It should be clear about the specific actions to be taken in cases where major issues have been identified. The draft report is first discussed with the government concerned to ensure the accuracy of its information. This, therefore, is an opportunity for the government to react to the CRM's findings and to formulate its own views on the weaknesses that have been identified and which must be corrected. The government's responses should be appended to the CRM's report on its findings and the recommendations made in the draft

report by the APRM, together with the programme of action finalised by the country.

11. **Phase Four** begins when the CRM's final report and the country's final programme of action are sent to the APR Secretariat and the APR Panel. The panel then submits these to the APR Forum of participating heads of state and to the government under review for consideration and for the formulation of actions deemed necessary in accordance with the forum's mandate. If the country shows a willingness to rectify the identified shortcomings, participating governments should provide whatever assistance they can and urge donor governments and agencies to assist the country under review.
12. **Phase Five** is the final phase of the APRM process. Six months after the report has been considered by the heads of state and government of the participating member countries, the report is formally and publicly tabled in key regional and subregional structures. These include the regional economic community to which the country belongs, the Pan-African Parliament, the African Commission on Human and Peoples' Rights, the Peace and Security Council, and the Economic, Social and Cultural Council (ECOSOCC) of the AU.
13. The timeline for these processes may vary considerably depending on the country and its specific characteristics. The anticipated duration of each peer review from Phase One to the end of Phase Four is between six and nine months.
14. This report marks the third phase of the APRM process in Benin. It presents the findings of the CRM to Benin, as well as the panel's recommendations.

1.2 Implementation of the APRM process in Benin

15. Benin signed the MOU on 31 March 2004, indicating to its people and the international community that its political leaders were committed to observing the principles of democracy, socioeconomic development and good political, economic and corporate governance through periodic reviews by its African peers.
16. After acceding to the APRM, President Mathieu Kérékou immediately designated the Ministry of Foreign Affairs and African Integration to be the APR Focal Point. It then established an independent national commission for the implementation of the APRM. This was officially launched on 11 November 2005 and was supervised by a representative from civil society. The INCI-APRM in Benin comprises 97 members, including 27 from public authorities (government, Parliament and the judiciary), 13 from the private sector (employers' associations and independent economic operators) and 57 from civil society.
17. The mission of the INCI-APRM in Benin is to:

- popularise the principles, processes, objectives and actions of the APRM in terms of their adoption by the different stakeholders in the development process;
 - sensitise national opinion on the issues and challenges of the APRM;
 - popularise the MOU and the Declaration on Democracy, Political, Economic and Corporate Governance;
 - ensure Benin's influence on the international scene as a result of the implementation of the APRM;
 - monitor the implementation of national policies introduced in terms of the framework of the APRM;
 - promote better integration of national policies introduced in terms of the framework of the APRM;
 - produce reports periodically on the progress of the implementation of the APRM; and
 - define the methodologies envisaged for the self-assessment exercise.
18. In order to fulfil its mission effectively, the INCI-APRM elected an executive committee. It was to be supported by an advisory committee consisting of the chairperson of the technical subcommittee in charge of defining the methodology for the self-assessment exercise. The whole process was to be completed in consultation with the Technical Research Institutes (TRIs) in the four APRM focus areas.

Good practice 1.1: The extensive APRM national consultation process

In order to foster ownership of the review mechanism by the citizens of Benin and to ensure that data is collected effectively through national investigations and consultations, the INCI-APRM established focal points in the country's 22 ministries, the six prefectures of the 12 departments, the 77 communes, 13 focal points in Cotonou (given its demographic importance) and in employers' organisations. These focal points, which are an extension of the INCI-APRM, invariably include a representative from public authorities, a representative from the private sector and a representative from civil society.

19. The self-assessment exercise cannot succeed without competent, credible and trustworthy technical institutions. Consequently, Benin recruited four institutions, each covering one of the four APRM focus areas. To that end, and on the recommendation of the support mission, a recruitment panel was established in order to ensure transparency in the selection procedure.
20. Initially, the timetable for the work of the APR Panel envisaged that the process would be launched in the fourth quarter of 2006. However, the

president of the Republic of Benin, whose last term of office was to finish at the beginning of 2006, wanted the process to begin before he left office so that he could give his successor some strategic guidelines on the governance issues considered to be priorities by the people of Benin.

21. It was, therefore, in response to this request by the Benin head of state that Mrs Marie-Angélique Savané, a member of the APR Panel of Eminent Persons, visited Benin between 14 and 17 November 2005 as head of a delegation of seven persons to provide support for the implementation of the assessment process.
22. The main objective of the support mission was to launch the self-assessment process in Benin. The specific objectives were:
 - to sign the technical MOU on the APRM;
 - to evaluate the procedures and mechanisms put in place by Benin for carrying out its self-assessment exercise;
 - to meet the INCI-APRM and the TRIs in order to assess the potential of researchers to be involved in the process; and
 - to agree on an implementation plan for the national commission with the aim of accelerating the various self-assessment activities.
23. The mission was received by the president of the Republic of Benin, the president of the Constitutional Court, and the minister of foreign affairs and African integration, who was the APR Focal Point in Benin and who closely monitored the work of the mission.
24. The mission worked intensively with the members of the INCI-APRM. It also held several working sessions with representatives from civil society and the private sector, the Unit for Moral Standards in Public Life and the TRIs to explain the principles, organisation and procedures of the APRM.
25. The mission also explained – to members of the diplomatic corps and international organisations – the objectives of the APRM and the results expected of Africa in general, and particularly in Benin; the progress of the review mechanism; and the role to be played by the different international organisations as partners in the development of the Republic of Benin.
26. The sensitisation activities started immediately in December 2005 but had to be suspended in February and March 2006 to avoid any confusion in the minds of the population because of the campaign for the presidential election. Although the first draft of the self-assessment report was available in December 2006, its release and validation by the population was once again delayed by the elections scheduled for March 2007. Hence, the self-assessment report was not ready until the end of June 2007. However, since the action programme could not be validated by the competent authorities, the mission requested the APR Focal Point and the INCI-APRM to finalise the

report before submitting it to the head of state for validation and approval by the government.

27. It should be emphasised that, some time after the start of the APRM process in Benin, the country experienced a change in government with the election of Dr Thomas Boni Yayi as president in March 2006. The APR Panel was delighted that the new head of state was determined to continue and reaffirm Benin's commitment to make itself available for assessment by its African peers. The president subsequently decided to invite the APR Panel to dispatch a review mission in July 2007 in order to present the report on Benin at the January 2008 forum. This invitation was publicly reiterated during the Summit of the Heads of State and Government held in Accra, Ghana, in July 2007.

1.3 The CRM

28. The Benin review mission was conducted by Mrs Marie-Angélique Savané, member of the APR Panel of Eminent Persons, between 15 July and 5 August 2007. Benin thus became the sixth country to be assessed and the first non-member country of the NEPAD Implementation Committee. This meant that it was less informed about the APRM and less prepared for the process. More importantly, it was the first Francophone country in sub-Saharan Africa to be assessed. This was a new experience that will definitely interest other countries which are experiencing the same realities in the subregion and elsewhere on the continent.
29. The mission comprised 14 African experts from about 10 AU member states selected by virtue of their competence and experience in the field of governance in the different focus areas covered by the APRM. They were:

30. For the panel and the APR Secretariat:

Mrs Marie-Angélique Savané, head of the mission and member of the APR Panel of Eminent Persons; Mr Gaston M Bushayija, Coordinator: Socioeconomic Development; Mr Moise Nembot, Coordinator: Democracy and Political Governance; Mr Sudir Chuckun, communications officer at the APR Secretariat; and Mr Dalmar Jama, Research Analyst: Corporate Governance.

31. For partner institutions:

Mrs Souad Abdennebi, regional adviser for the promotion of women's rights at the Economic Commission for Africa (ECA); Mr Daniel Gbetnkom, economic affairs officer at the ECA for the West African subregion; Mr Donatien Bihute, former vice president of the ADB and international consultant representing the ADB; and Mr Racine Kane, country economist at the ADB.

32. For independent experts at the APR Secretariat:

Democracy and political governance: Mr Yenikoye Ismael Aboubacar, international consultant and former dean of the Faculty of Human Sciences in Niamey; and Mr Léopold Donfack Sokeng, professor of public law at the University of Douala.

Economic governance and management: Mr Mbaya J Kankwenda, international consultant, executive director of the Congolese Institute for Development Research and Strategic Studies (ICREDES), former resident representative of the UNDP, and former minister of planning in the Democratic Republic of Congo.

Corporate governance: Mr Karim Ben Kahla, professor of business management and the University of Tunis.

Socioeconomic development: Mr Ousmane Diallo, international consultant and former minister of planning of Mali.

33. In accordance with the APRM mandate, the review mission further investigated and authenticated the results of the self-assessment done by the INCI-APRM on efforts made by Benin in the field of governance. In more concrete terms, the mission:
- held extensive consultations with all stakeholders in order to deepen and complete the self-assessment report;
 - evaluated the draft programme of action submitted by the country and made appropriate proposals;
 - ensured, as far as was possible, that the self-assessment process carried out by Benin was technically satisfactory, credible and devoid of any political manipulation; and
 - established a consensus with the stakeholders on the remaining issues and challenges and made recommendations likely to improve governance in the country.
34. Hence, the mission met with all actors involved in the APRM process in Benin, particularly the president of the republic, representatives of the legislative and the judiciary, institutions of the republic, members of government, decentralised communities of departments and certain communes of the country, political parties, traditional authorities, employer and private sector organisations, civil society, opinion leaders, youth movements, women's organisations, groups of disadvantaged persons and the media.

1.4 Activities conducted during the review mission

35. The work of the mission started with an audience granted by the head of state to the president of the mission. This was followed by the official launch of the review during a ceremony attended by the presidents of institutions of the republic, members of government, members of the diplomatic corps, members

of the consulates and international organisations, traditional leaders, civil society, the private sector, and the entire APRM delegation.

36. The mission conducted its work in several stages. The first stage was in Cotonou, the economic capital and a major city in Benin, where most government departments and diplomatic missions are located. The second stage was in the departments, where the mission visited all six departmental prefectures. The third stage was in Porto-Novo, the administrative capital of Benin, and home to the National Assembly and the Mediator of the Republic.
37. In Cotonou, the mission first met with the APR Focal Point and the INCI-APRM to discuss the self-assessment report. Then, during the first three days, it met with all stakeholders, including civil society and the private sector, first in a plenary session and then in working groups. The mission subsequently met with all the presidents of institutions of the republic: the Constitutional Court, the High Court of Justice, the Supreme Court, the Economic and Social Council (CES), and the National Audiovisual and Communication Authority (HAAC). The mission also met with a total of 22 ministers and their close collaborators.
38. The mission met several civil society organisations, including the League of Associations for the Protection of Human Rights, the Bar Association, and the anti-corruption watchdog OLC. Within the same framework, the mission organised a women's forum, a youth forum, a forum for executives and intellectuals, and a media forum. The mission finally held thematic meetings with several groups including the CCIB, the National Employers' Council, the National Council of Private Investors, the National Employers' Organisation, the National Federation of Artisans, the Association of Young Entrepreneurs, the Association of Women Entrepreneurs, the Association of Exporters, the Association of Banks and several financial institutions, including the Central Bank of West African States (BCEAO).
39. During the second stage the review team visited departments in the north, the centre and the south of the country. It met with all stakeholders, first in a plenary session, then in working groups and then again in a plenary session to present and validate the reports of the working groups. Wherever it went the mission observed, with great satisfaction, that the population had responded enthusiastically to the invitation of the APRM and had met the expectations of the evaluators: the people had analysed the situation well and in an articulate manner.
40. The third and final stage took the mission to Porto-Novo, where it had the opportunity to interact at length with the Bureau of the National Assembly and presidents of the various parliamentary committees. On this occasion, the members of Parliament (MPs) informed the CRM about some difficult and complex issues like full multiparty politics, corruption, the functioning of institutions and separation of powers, as well as crosscutting issues such as gender inequality, the land issue, and so on. Later the same day the mission had discussions with the Mediator of the Republic, a newly created institution

which is based in Porto-Novo and is entrusted with the mandate to resolve disputes arising between the state and citizens.

41. For the first time in the history of the APRM a ‘recap’ meeting was held at the end of the visit at a dinner, chaired by the president of the republic. It was attended by members of government and top officials of the administration, as well as representatives of civil society and the business community. During this meeting the review team presented the main provisional results of the consultations, highlighting the great achievements by Benin and the challenges identified in the review. In his address, the head of state of Benin reaffirmed his willingness to make the APRM a tool for good governance in his country. He emphasised the fact that the people of Benin were committed to developing a robust programme of action for implementing the recommendations of the APRM assessment.
42. At the end of the first mission the review team could not produce an initial draft report. This was because of the limited time set for the mission, which had been spent mainly on the discussions that were characterised by massive and inclusive participation of all sections of Beninese society. However, the activities were continued at an accelerated pace during the three weeks that followed the review mission. In order to finalise the report and to get clarity on the relevance of some documents provided to the CRM, a follow-up mission was carried out between 4 and 12 October 2007. During this visit the CRM had the honour of attending a Cabinet meeting at the invitation of the president of the republic. This was also the first meeting of its kind in the history of the APRM. During this memorable session, personally chaired by the head of state, the APRM had the opportunity to exchange views with all members of the government on issues or information of concern. The CRM also visited the Songhaï Centre, which is internationally renowned as an agricultural training and production extension centre for young Beninese and Africans. Its work is based on the principle of “Don’t Lose Anything”, either in agriculture or stock breeding.
43. The outcome of this intensive work is organised as follows. This introductory chapter is followed by the presentation, in Chapter Two, of some historical landmarks. Chapters Three to Six present the findings of the review mission in the four focus areas of the APRM: democracy and political governance, economic governance and management, corporate governance, and socioeconomic development. Each of these four focus chapters begins with an analysis of the situation in Benin concerning the signing and ratification of the codes and standards contained in the APRM methodology. The analysis of each objective begins with a brief summary of the country’s self-assessment report on the particular objective. This is followed by the findings of the meetings between the review mission and stakeholders at both national and departmental levels and then by the conclusions of the assessment mission. The conclusions are based on documentary research and on meetings with stakeholders at both national and departmental levels. The analysis ends with the recommendations by the APR Panel on those issues of governance that are considered to be important for the completion of measures that the authorities themselves are already taking, or intend to take, following the self-assessment

exercise. Since one of the objectives of the APRM is to foster better practices on the continent, the best practices of Benin are also mentioned and the boxes present aspects of governance specific to Benin that deserve to be highlighted.

44. Chapter Seven presents an analysis of crosscutting issues concerning two or more focus areas that require general action, while Chapter Eight is devoted to constraints and general prospects.

1.5 Commitment of the head of state to the APRM process

45. One of the basic conditions for ensuring the success of the APRM exercise in a given country is the high level of collaboration between the national authorities and the CRM. In this regard, the personal commitment of the head of state is a strong signal that the government, and therefore everyone, is a party to the exercise and expects results. In the case of Benin, the APRM mission is particularly pleased with the commitment, at a very high level, of Beninese authorities. In fact, the mission constantly enjoyed the personal support of His Excellency Dr Boni Yayi, president of the Republic of Benin, and his entire government. This exceptional involvement, at such a high level, augured well for the success of the assessment process in Benin. It should, therefore, be commended and highlighted as a best practice.

Good practice 1.2: Personal involvement of the president of the republic

The country assessment process in Benin was conducted under excellent working conditions. These were seen in the quality of the commitment of all stakeholders to ensure the success of the exercise and in the quality of the material and logistical resources put at the disposal of the assessment mission in the field.

The results achieved by the assessment mission were largely facilitated by the personal involvement of His Excellency Dr Boni Yayi, president of the Republic of Benin, and his entire government. Since he assumed office, President Boni Yayi has constantly shown keen interest and unflinching commitment to see the APRM process conducted in his country as quickly as possible.

Hence, since the process started, the president of the republic has provided firm support, inspired by his passion for the improvement of governance in his country, to the APRM exercise. This constant support is evidenced, among other things, by:

- the encouragement given to the eminent persons of the APRM to urge them to carry out the process in Benin as soon as possible;
- the official launch of the review mission during a solemn, televised ceremony attended by the national institutions;
- the five or more audiences which were granted to the head of the mission;
- the audience granted, on 18 July 2007, to the delegation of the country assessment mission for the discussions that helped to give direction to the mission in order to ensure its success. During this meeting the president of the republic, while insisting on his personal commitment and that of the Beninese authorities to ensure the efficient conduct of the mission in the most transparent way, assured the head of the mission that Benin

could take up the challenge, that there was nothing to hide, and that no subject was taboo. He took the opportunity to speak about the importance of the assessment for changes in policies that he wanted to make;

- the prolonged session for the presentation of the preliminary conclusions of the mission during a discussion, followed by a dinner. This grouped the entire government and institutions of the republic around the president; and
- the invitation to members of the assessment mission, during its second visit to finalise the report, to attend the Cabinet meeting of Wednesday 10 October 2007. This meeting was personally chaired by the president of the republic, and was intended to enable members of the mission to hold direct discussions with all the members of the government. This rare and exceptional fact in Africa deserves to be adequately highlighted. This meeting enabled the mission to realise the progress made in its activities and to obtain from the president of the republic and all the ministers the necessary information for finalising the report before its second consideration by the panel.

A firm, personal commitment at such a high level is currently rare on the continent. It deserves to be cited as an example of best practice. It may also be affirmed that it gave the Benin exercise an exemplary character as it communicated an enthusiasm for participation to all the stakeholders at the central level and at the level of prefectures and communes.

CHAPTER TWO

2. HISTORICAL CONTEXT AND CURRENT CHALLENGES

2.1 First kingdoms in independent Dahomey

46. The Republic of Benin is a West African country situated on the Gulf of Benin. It is surrounded by the Atlantic Ocean in the south, Burkina Faso and Niger in the north, Togo in the west, and Nigeria in the east. It stretches 700 km from the Atlantic Ocean to the Niger River, and its widest point measures 325 km. According to the National Geographic Institute (IGN), Benin covers a surface area of 14,763 km². According to the last general census, held in 2002, Benin had a population of 6,753,060. This is estimated to have risen to 8,078,314 by 2007. Almost half the population of Benin is below 15 years old, while those between 15 and 35 years of age represent about 30% of the country's population. Men comprise 48.6% of the population while women comprise 51.4%².
47. Benin is not a mountainous country, although there are mountains of about 800 m high, together with plains and plateaus. With its three climatic zones (a humid tropical climate in the south, a semi-humid tropical climate in the centre and a dry tropical climate in the north), its geomorphology, numerous estuaries and fluvio-lagoon systems, Benin has great agricultural potential. It also boasts a great diversity of flora and fauna, as well as several sites that could contribute to the development of the tourist industry. Moreover, the pivotal position of Benin and its coastline are favourable for trade with, and travel between, Nigeria and landlocked countries like Niger, Burkina Faso and Mali.
48. Before colonisation, Dahomey (present-day Benin) comprised three vast groups of kingdoms. The north was dominated by states founded by the Baatombu warrior dynasties (the Wasangari) from the east. They had settled in Nikki, Kouandé, Kandi and Parakou. A string of small Nago-Yoruba kingdoms (including those of Kétou and Sàbé) existed across southern Dahomey between the Ouémé River and the border of present-day Nigeria. These kingdoms were gradually subjected to the hegemony of their powerful neighbour, Abomey. Finally, the south was dominated by the great monarchies of the Adja-Fon era. These monarchies exerted the greatest influence over the country, with the two powerful kingdoms of Danxomé (spelt 'Dahomey' by the colonists) and Porto-Novo³.
49. According to oral tradition, at the beginning of the 16th Century the Adja left the town of Tado, situated on the banks of the Mono River in Togo, to settle in Savé and Allada in the south. In the 17th Century, a split between the heirs to

² RGPH-INSAE, 2002.

³ 1998. 'The Republic of Benin', *Encyclopædia Universalis France S.A.*.

the Allada Kingdom resulted in the formation of the Adjatché Kingdom in the south-east. Further north, under the direction of Houegbadja (1645-1689), the Dahomey Kingdom was formed. Abomey became its capital.

50. However, it was Agadja the Conqueror (1708-1732), one of the sons of Houegbadja, and his successors, including Guézo (1818-1858), who succeeded in transforming Danxomé into a powerful pro-slavery kingdom that prospered through international trade. Besides his warrior campaigns, Guézo also successfully modernised the kingdom: the monarchy was reorganised by improving provincial structures and instituting a fiscal administration, while the army was strengthened by modern arms and the establishment of a permanent military corps (including a special 'brigade' known as the Amazones).
51. Finally, Guézo also succeeded in transforming the kingdom's political economy, in the middle of the 19th Century, by abolishing the slave trade. Gradually, the export of palm oil replaced that of ebony wood (black slaves), resulting in profound socioeconomic changes in the kingdom. His successor, Glélé (1858-1889), continued with the work of centralising policy and modernising the economy.
52. Colonisation profoundly disrupted this modernising process. At the end of a protracted war of resistance, King Béhanzin (1889-1894), the son of Glélé, was dethroned and Dahomey became a French protectorate. Relying on the rivalry between Abomey and King Toffa of Porto-Novo, France conquered the rebel kingdom without any difficulty.
53. In 1851, France signed a trade and friendship treaty with King Guézo. Under the treaties signed in 1868 and 1878, King Glélé transferred the Cotonou region, situated between Ouidah and Porto-Novo, to France. In 1883 King Toffa, of Porto-Novo, who wanted to protect himself against the expansionist aims of Dahomey, signed a protectorate treaty with France.
54. In 1899, Dahomey was integrated into the AOF. Its borders were determined in agreement with Great Britain and Germany. They were originally established in Nigeria but are presently in Togo. In Dahomey, thanks to the religious missions, education was considered important, particularly in the south. Thus, in the period between the two wars, Dahomey was one of the main political and intellectual centres of the AOF.
55. Political activities developed quite early and political parties were soon born, while a press opposed to the colonial system arose. Aligned with free France during World War II, Dahomey became an autonomous state within the French community in 1958. The country attained independence on 1 August 1960 and entered the UN the following month.

2.2 From independent Dahomey to the National Sovereign Conference

56. The years following independence were marked by great political instability, by a series of coups d'état and, consequently, by successive changes in government. The country has known two constitutions, four military coups d'état, and ten civilian and/or military presidents of the republic or heads of state. During this period, no political or military leader held power for more than three years. To remedy this instability, the military leaders of the time instituted a Presidential Council and a 'revolving' chairmanship involving three former heads of state or government: Hubert Maga, Justin Tométin Ahomadegbé and Sourou Migan Apithy.
57. On 26 October 1972, Major Mathieu Kérékou put an end to this anachronistic political system through a military coup, the fifth of its kind in the history of independent Benin. From 1974 onwards he introduced Marxist-Leninist-inspired policies and in 1975, in order to reduce the political weight of the south, the name 'Dahomey' was symbolically abandoned for that of 'Benin' – a name inspired by the Bight of Benin (on the Atlantic Ocean), where Cotonou is situated. The name 'Bight of Benin' itself probably derives from the Kingdom of Benin which, in the past, covered part of the country and neighbouring Nigeria.
58. Similarly, Kérékou banned voodoo, the traditional religion well entrenched in the south. A new constitution, instituting a single-party regime (the People's Revolution Party of Benin – PRPB), was promulgated in 1977. In the same year an attempted coup d'état, supported by mercenaries, failed. This further hardened the regime. Three former presidents, imprisoned in 1972, were released in 1981.
59. During the 1980s, the economic situation of Benin continued to decline. In 1987 an economic recovery programme, under the auspices of the IMF, imposed drastic measures on the country: an additional 10% deduction on salaries, a freezing of recruitments, and forced retirements. A new structural-adjustment agreement signed with the IMF in 1989 led to a massive and indefinite strike by students and civil servants, who demanded back payments of salaries and scholarships grants (which had been frozen).
60. Despite the appeasement measures taken by the government (payment of salary arrears, setting up of a human rights commission, amnesty for political prisoners, and formation of a broad-based government), the protest action intensified under the combined influence of the newly formed trade unions and the Communist Party of Dahomey, which had been secretly organising a resistance movement since the 1970s.
61. Corporate claims rapidly led to political criticism of the regime. The movement was further strengthened with the involvement of the Catholic Church, which published a pastoral letter condemning the abuse of power. The police uneasily concealed their discontent, and were divided as to what

attitude to adopt towards the protestors and opponents. The whole country was paralysed.

62. The social and political unrest compelled President Mathieu Kérékou to abandon the Marxist-Leninist ideology and accept the institution of a National and Sovereign Conference of the Bone and Sinew of the Nation, the first of its kind in Africa. Convened in Cotonou in February 1990, the conference established transitional bodies: a president of the republic, a prime minister, a head of government, and the HCR. The HCR served at the same time as a legislative assembly and a constitutional court. Finally, a constitutional committee was set up to draft a new constitution, which was approved by referendum on 2 December 1990.
63. Long considered to be the ‘sick child’ of Africa because of its chronic instability, the Republic of Benin thus became a pioneer of the democratisation movement in Africa. Indeed, after 17 years of the Marxist-Leninist military regime, Benin had initiated a wave of national conferences, with which about 12 countries in the continent had experimented.

2.3 The period of democratic renewal of the 1990s⁴

64. Following the National Sovereign Conference, a transitional government was formed in 1990. It paved the way for a return to democracy and multiparty politics. Prime Minister Nicéphore Soglo defeated Kérékou in the presidential election of March 1991. He reinstated voodoo in order to win the support of traditional authorities and made 10 January of each year a National Voodoo Day.
65. However, the SAP and reduction in public expenditure recommended by the IMF, coupled with the deepening of the economic crisis in the wake of the devaluation of the CFA franc in 1994, revived popular discontent. After losing his majority in the Legislative Assembly, President Soglo, accused of nepotism by his opponents, was defeated by Mathieu Kérékou in the presidential election of 17 March 1996. Following the resignation of Prime Minister Adrien Houngbédji in May 1998, President Kérékou assumed the functions both of head of state and prime minister. In any case, he had created the post of prime minister more for reasons of political expediency at the time than for constitutional reasons, since the constitution makes no provision for this position.
66. During the 2001 elections at the end of his mandate, President Kérékou won the first ballot ahead of his predecessor, Nicéphore Soglo. With the withdrawal of Soglo and that of the other two candidates – who described the ballot as a “farce” – Mathieu Kérékou was re-elected as president of the republic, with 84.06% of the votes, in March 2001.

⁴ Text adapted from the article by INSAE, ‘History of Benin’. www.insae-bj.org.

67. Aged 73 and 72 years respectively in 2006, the outgoing head of state, Mathieu Kérékou, and his great rival Nicéphore Soglo had already exceeded the age limit of 70 years set by the constitution to stand for election. The fourth presidential ballot since the advent of democracy and multiparty politics in 1990 was won, in the second round, by Thomas Boni Yayi with a vast majority. He obtained 74.52% of the votes cast.

Box 2.1: Chronology of the main political events in Benin	
1960 (1 August)	Independence of the Republic of Dahomey; Hubert Maga is elected the first president of Dahomey on 26 July 1960 and proclaims the independence of Dahomey on 1 August.
1960 (25 November)	Adoption of the constitution.
1960 (11 December)	Legislative elections; victory of the Dahomey Unity Party (PDU); amalgamation of Sourou Migan Apithy's Dahomey Nationalist Party (PND) and Hubert Maga's Dahomey Democratic Rally (RDD).
1963 (October)	Strikes and protests.
1963 (28 October)	Hubert Maga is removed from office; power goes to Colonel Christophe Soglo.
1963 (December)	The army hands over power to Apithy, who becomes president of the republic; Justin Ahomadegbé becomes prime minister and vice president.
1964 (5 January)	Adoption of the new constitution by referendum.
1965 (29 November)	On 27 November, the Dahomey Democratic Party (PDD), which is the party in power, relieves Apithy of his duties and appoints Ahomadegbé as head of state. On 29 November, Christophe Soglo puts an end to the institutional freeze by forcing Apithy and Ahomadegbé to resign. The formation of a new government is entrusted to the president of the National Assembly, Tahirou Congacou.
1965 (22 December)	Coup d'état led by Christophe Soglo, the army chief of staff.
1967 (17 December)	Military coup d'état led by Commander Kouandété, who hands power over to Lieutenant Colonel Alphonse Alley.
1968 (26 June)	Following the boycott of the elections, the Revolutionary Military Committee (CMR) swears Dr Emile Derlin Zinsou into power.
1969 (10 December)	Coup d'état led by Maurice Kouandété, Sinzogan and Paul Emile de Souza; a military council appoints De Souza as head of state.
1970 (7 May)	Lieutenant Colonel de Souza hands over to a civilian government. Maga is appointed head of a troika, which includes Apithy and Ahomadegbé. It is envisaged that power will be rotated every two years. Maga inaugurates the system for two years, and is followed by Ahomadegbé.
1972 (26 October)	A new military coup d'état brings Major Mathieu Kérékou to power.
1973 (December)	Creation of the National Revolutionary Council (CNR).
1974 (30 November)	Official declaration of adherence to a Marxist-Leninist ideology.
1975 (30 November)	Proclamation of the People's Republic of Benin; institution of a single party, the PRPB.

1977 (16 January)	Air attack on Cotonou Airport by a group of mercenaries (which included Bob Denard).
1977 (26 August)	Adoption of the fundamental law (constitution).
1979 (November)	Legislative elections; strong majority in favour of the candidates of the ruling party.
1980 (6 February)	The revolutionary assembly elects Mathieu Kérékou as president of the republic.
1984 (31 August)	Re-election of Mathieu Kérékou.
1987	Economic crisis, student unrests and protests by the army.
1988 (March-June)	Two military plots are foiled.
1988 (September)	Setting up of a state security court.
1989 (2 August)	Re-election of Mathieu Kérékou.
1989 (November)	General strike.
1989 (December)	Benin abandons its Marxist-Leninist ideology.
1990 (February)	The constitution is suspended.
1990 (19-28 February)	The National Sovereign Conference in Cotonou (493 delegates) lays down the principles of the future constitution.
1990 (9 March)	Setting up of the HCR, which includes four former presidents: Hubert Maga, Justin Ahomadegbé, Emile Derlin Zinsou and Tahirou Congacou. The HCR holds legislative power.
1990 (12 March)	The HCR appoints Nicéphore Soglo as prime minister.
1990 (2 December)	Adoption, by referendum, of the draft constitution instituting a presidential regime and multiparty system.
1991 (2 February)	Legislative elections.
1991 (24 March)	Nicéphore Soglo is elected president of the republic.
1993 (7 June)	Setting up of the Constitutional Court.
1995 (28 March)	Legislative elections; victory of Nicéphore Soglo's opponents (Democratic Renewal Party – PRD).
1995 (November)	Military arrests; rumours of an attempted coup d'état.
1996 (3/18 March)	Presidential election; General Mathieu Kérékou is elected with 52.49% of the votes. Nicéphore Soglo is defeated.
1996 (9 April)	Formation of the government, comprising 18 members from different political groups; Adrien Houngbédji is appointed prime minister (a post not provided for in the constitution).
1998 (8 May)	Resignation of Prime Minister Adrien Houngbédji and the other three ministers from his party, the PRD.
1998 (15 May)	Formation of the second Kérékou government composed of 18 ministers, 13 of whom were not part of the previous team. There are four women in the government, but no prime minister.
1998 (7 June)	Installation of the new constitutional court by the head of state.
1999 (30 March)	Legislative elections; the opposition wins 42 seats out of 83.
1999 (22 June)	Mathieu Kérékou forms a new government.

2000 (19 December)	Adoption of two new electoral laws.
2001 (8 March)	The Independent National Electoral Commission (CENA) fails to publish the results of the first round of the presidential election of 4 March. It entrusts this responsibility to the constitutional court.
2001 (20 March)	Nine of the 25 members of the CENA resign in protest against the conditions under which the second round of the elections were organised.
2001 (24 March)	Mathieu Kérékou is re-elected for a second mandate of five years.
2001 (6 April)	Mathieu Kérékou is sworn in for his last mandate as president of Benin.
2002 (15 December)	Municipal and local elections.
2003 (30 March)	Legislative elections.
2006 (5 March)	Organisation of the first round of the fourth presidential elections (26 candidates are authorised to participate in the race).
2006 (19 March)	Organisation of the second round of the fourth presidential elections. Dr Thomas Boni Yayi is elected president of the republic in the second round.
2006 (6 April)	Boni Yayi is sworn in as president.
2007 (31 March)	Legislative elections.

2.4 The current dynamic drive and its sluggishness: the strong points and weaknesses of the advent of an emerging Benin

68. Apprehension about the challenges to be met in terms of governance depends, on the one hand, on an analysis of the history of Benin, and on the other, on the nature of the transformation that the country wanted to make given its vision for the future.
69. Under the French colonial system, the coastal countries had clearly defined functions. Apart from supplying raw agricultural and/or mining products to Paris, and providing markets for finished products from the latter, their main function was to provide passage to and from towns in the interior that did not have access to the sea. Benin's economy was, therefore, structured to accomplish these functions and to provide routes for landlocked countries like Niger, present-day Burkina Faso and part of Mali. The main mission of the politico-administrative machinery was to ensure that this function was effectively performed. The formation of an integrated economic fabric and an integrated economic space at the national level was not a concern of the colonial system. This required a different state machinery, and constitutes both a goal and a challenge for the independent country in the future.
70. The political history presented above shows that Benin's economic development was achieved in three major stages. The first stage extended from the attainment of independence in 1960 to the 1972 coup d'état. This was the period of the decolonisation crisis or the independent management crisis. The

second period, 1972 to 1990, was marked by the adoption of the revolutionary political regime and, therefore, by the implementation of a socialist-oriented development policy. The third period, called the democratic renewal period, lasted from 1990 until the present. Governance and economic management policies therefore followed these three periods and influenced both the goals and challenges of the economic restructuring of the country.

71. *The first period* was marked by great political instability, as has been explained above. This instability did not make for the regular and clear direction in governance and structural transformation needed for socioeconomic development, despite the affirmation of the state's desire to 'correct' the evils of colonisation by recommending and implementing state investment in the economic sector. Building a development economy meant taking up another challenge – that of constructing a state capable of managing the development processes given the weaknesses in national private capital.
72. The efforts of the state in this regard were remarkable but limited. Without really trying to escape the colonial structure, inherited from the French economic empire in Africa, the government did develop a public sector at the time. However, it did not shut the door to private investments, as it was aware of the real weight of French capital in the economy and of the weak resources of the state. This meant that the state retained its objectives and challenges of transforming from an economic structure modelled along colonial lines into an integrated economic structure striving for national development, while still remaining open to the world. Furthermore, the postcolonial economic governance and management structures could not define, much less implement, an economic policy of structural transformation.
73. *The second period* – the period during which socialism was adopted (1972 to 1990) – was marked by a strengthening of the state apparatus, nationalisation of some private enterprises, the creation of new state-owned enterprises, and sometimes also by mixed economy enterprises. In fact, it was difficult for a state without real economic weight and with a neocolonial economy managed from the outside to consolidate socialist developmental logic. It had neither the resources nor capacities to do so. It was fought both from within and outside the country. In reality, the country had been characterised by poor economic governance since the first half of the decade. Aware of the fact that Benin was seriously affected by an economic crisis and a drought, the leaders ultimately declared Benin a 'disaster country' in early 1984 and solicited international aid.
74. The end of the period was, therefore, marked by the interventions of the Bretton Woods Institutions. Strict economic stabilisation and SAPs in their classical versions were 'negotiated' and implemented through different agreements. These were not successful, either in terms of growth or in terms of the social welfare of the population. This resulted in social agitation, which soon became political demands. The economic and social crisis was, in fact, a reflection of the political crisis of the system and the demands for democracy. The entrenchment of the latter became another aim and challenge for modern

Benin, and in this it succeeded very well after the National Sovereign Conference.

75. ***The third period*** (1990 to the present) – the period of democratic renewal – is characterised by a return to liberalism, to multiparty politics and to democratic governance. A broad-based sociopolitical order was established and is increasingly affirming itself. International aid is being provided to support the efforts to achieve economic stability. The economic governance of this period is marked not so much by a concern for structural transformation as by a concern to achieve economic stability with a view of creating the conditions for economic recovery.
76. The macroeconomic results are satisfactory, but the breathlessness of a mode of economic governance which is focused on the management of day-to-day affairs could not last in the context of the devaluation of the CFA franc in 1994. The SAP and PRSP I could not solve the economic difficulties facing the country. Its vulnerability to both internal and external shocks and the weakness of the style of economic management in force were expressed mainly in terms of a decline in growth and especially in the standard of living of the population. The issue of the socioeconomic development and structural transformation of the economy was reduced to one of a frantic search for financial equilibrium that served as a development policy. The challenge was to define another vision and other strategies, but especially to put in place a state machinery capable of implementing them in partnership with the other actors. And this was all the more urgent since Benin – facing reduced competitiveness, a decline in its transitional economy and an increase in its economic orbit insertion – was obliged to take up the challenge of building an emerging economy capable of benefiting from regional integration and globalisation. The challenge was, therefore, to avoid entrenching itself in the dynamics of orbit insertion and a transitional economy without a solid productive base.
77. In other words, the challenge of consolidating the democracy acquired after the National Sovereign Conference depends on the ability of the democratic government of Benin to improve the conditions and quality of life of its citizens, and to ensure for all Beninese nationals the right to a minimum standard of living which goes beyond basic freedoms and other political and civil rights.
78. The authorities are well aware of these challenges and seem determined to confront them by using the lessons learnt from the history of the country.
79. Indeed, between 1960 and 1972 there were many good intentions to achieve industrial development, but these were often not translated into reality because of the recurring political instability. A few state companies were created before this period. They included *Société Nationale des Huileries du Dahomey* (SNAHDA); *Société Nationale pour le Développement Rural* (SONADER); *Industrie Dahoméenne des Textiles* (IDATEX); *Industrie Cotonnière du Dahomey*, which later became *Société Dahoméenne des Textiles* (SODATEX); and *Société des Ciments du Dahomey* (SCD).

80. These initiatives – which were subject to the willingness of the authorities of the new independent state to take over after the colonial period – were completed by private industries, particularly in the sectors of soap production, the manufacture of metal structures, the assembly of *Citroën* vehicles, the production of pasta, the assembly of bicycles and motorcycles, and the manufacture of *Bata* shoes. Despite these initiatives, the private industries had little weight in the economy of this period.
81. Significant industrial investments were made between 1972 and 1989. There was a move towards nationalisation and the creation of state-owned and mixed-economy enterprises. Accumulated investments totalled 17.5 billion CFA franc in 1979, a figure never attained before. The country benefited most from these investments in 1974 and 1975. The industrial fabric was never as dense as during this period and comprised more than 20 production plants of all kinds. Nevertheless, the country was severely affected by economic crisis and drought, which led its leaders to declare Benin a ‘disaster country’ in January 1984 and to solicit international aid as a matter of urgency.
82. During the 1990s, Benin recorded satisfactory macroeconomic results with an annual growth rate of around 5% and a contained rate of inflation. Indeed, the average growth recorded during the 1991-1996 period was 4.1%, and 5.2% was recorded for the period 1997 to 2001⁵. However, after 2001, the pillars of the economy of Benin showed signs of weakness. This slowed economic activity between 2003 and 2004.
83. Extremely dependent on trade with Nigeria, the Beninese economy was particularly vulnerable to the decisions taken by its neighbour to tighten restrictions on imports after the end of 2003: the actual growth rate of the economy continued to decline and reached 3.4% in 2004, compared to 3.9% in 2003⁶. With the population growing at a rate of 3.1%, poverty reduction can only be very slow.
84. The economic slowdown may be attributed to both economic and structural factors. Indeed, 2004 was characterised by a difficult regional and international environment. The most notable of these difficulties were the maintenance of trade restrictions imposed by Nigeria on the re-exportation of goods from Benin, and unfavourable oil and cotton prices. This vulnerability of the Beninese economy to external shocks also resulted from the delay in implementing the structural reforms initiated in the 1990s⁴.
85. This slowdown continued in 2005, with a growth rate of 2.9% according to data released by the IMF⁷. Nevertheless, there was a slight but sustained growth to 4.1% in 2006. There were also optimistic forecasts for 2007 and 2008, estimated at 4.7% and 5.2% respectively, according to the same source.

⁵ INSAE. National Accounts.

⁶ OCDE: *Perspectives économiques en Afrique 2005/2006 – Etudes par pays: Bénin* [OECD (Organisation for Economic Co-operation and Development): *Economic prospects in Africa 2005/2006 – Country Studies: Benin*]

⁷ IMF. World Economic Outlook. April 2007.

86. However, despite this encouraging economic recovery, Benin is facing other persistent problems: considerable poverty (a third of the population lives below the poverty line), corruption, the major role played by the informal economy, a lack of infrastructures, and an uncompetitive agricultural and industrial sector. Furthermore, the importance of trade with neighbouring countries makes Benin vulnerable to changes in the region.
87. Although the programme signed with the IMF in August 2005, under the Poverty Reduction and Growth Facility (FRPC), can help Benin to revive its structural reforms while maintaining its focus on the priority social sectors, it seem unlikely that the MDGs will be achieved by 2015 even if significant progress will have been made in some social sectors by then (see Chapter Six).
88. Nevertheless, the national authorities are optimistic about the emergence of Benin in the years to come. To this end, the policy of the present government is based on four priorities: (i) human resources; (ii) consultative governance; (iii) promotion of an entrepreneurial spirit; and (iv) construction of a new infrastructure. The government's ultimate ambition is to transform Benin into an emerging country.
89. As mentioned earlier, the vision of an emerging Benin – *Alafia Bénin 2025* – has been translated into developmental strategies for the period 2006 to 2011. These have been adopted and concern the following main strategies: the reconstruction of the administration; the promotion of economic recovery; a resolute pursuit of structural reforms (harbours, telecommunications, water and electricity); the development of human capital (free primary education); and the promotion of grass-roots development through decentralisation. These initiatives serve as a basis for the formulation of a GPRS (second-generation) for the period 2007 to 2009. This document constitutes the reference framework for dialogue with TFPs with a view to the mobilisation and coordination of resources.
90. At the political level, following the National Sovereign Conference in February 1990 (see Box 2.2), Benin opted for a multiparty democracy based on the promotion of human rights and basic freedoms. The political transformation gradually built on the democratic foundations. Consequently, since the elections of 1991, the electoral process was affirmed, thereby facilitating the changeover of political power and wide participation of the population in presidential, legislative and local elections. Today, Benin is often cited as a model of democracy in Africa.

**Box 2.2: The National and Sovereign Conference of the Bone and Sinew of the Nation
(La Conférence Nationale des Forces Vives de la Nation)**

Owing to unprecedented and ongoing economic and political crises in Benin, at the end of 1989 President Kérékou agreed to convene a National Conference of the Bone and Sinew of the Nation, to which the army subscribed. In the course of the proceedings, the conference proclaimed itself to be 'sovereign'.

The National and Sovereign Conference of the Bone and Sinew of the Nation, held in Cotonou between 19 and 28 February 1990, was certainly the peak of Benin's transitional process. It was then that the nation decided to change. Within only 10 days, this institution of a new kind in Africa caused a profound upheaval of the political life and conceptions in the country. Indeed, the 493 delegates from both opposition and government circles agreed to lay the foundations for a new order.

First, the conference suspended the 1977 Marxist-Leninist constitution and entrusted the task of drafting a new constitution to a committee of jurists, which was submitted to popular referendum in December 1990. It then limited the powers of the president of the republic. President Mathieu Kérékou was retained but lost most of his power, including the defence portfolio. Transitional institutions were created, among them the post of prime minister (entrusted by a vast majority vote to Nicéphore Soglo, who was later elected president of the republic) and a legislative body, the HCR. The HCR comprised the 13 members of the Presidium of the Conference; former presidents of the republic; the three chairpersons of the constitutional, economic and cultural committees; six delegates from the provinces; and 25 elected members.

A multiparty presidential election was organised for March 1991. Defeated in the second round by Nicéphore Soglo, Mathieu Kérékou accepted his defeat but came back to power, five years later, through the ballot box. Hence, through its decisions, the National Sovereign Conference had a considerable impact. It ushered in a new regime and established a new political system.

Many African countries followed Benin's example. These include Burkina Faso, Congo-Brazzaville, Gabon, Madagascar, Mali, Niger, Togo and Zaire (now the Democratic Republic of Congo). However, none of the other national conferences was as successful as that of Benin, in terms of both its efficiency and the scope of the decisions adopted.

91. However, the large number of ethnic and regional political parties (approximately 150) and the unreliability of electoral lists and CENA (among other problems) are in danger of weakening Benin's democracy. If, for some actors, "freedom cannot be cut up", many Beninese are questioning the opportunities provided by, and the efficiency of, Benin's multiparty system. They argue that it favours personal ambitions more than the interests of the country as a whole. Political parties are, in reality, "political enterprises" – machines created to produce political "gains" as well as economic and financial benefits for their founders and active members.
92. Suffering from an inadequate workforce in certain spheres (the education and health sectors, for example), Benin's administrative productivity is low. The efficiency of public administration and its capacity to provide a responsible public service and to implement developmental policies and programmes remains a major challenge in consolidating democracy and in developing Benin. Fully cognisant of the situation, the government's developmental policy proposes to repair the entire administration through the effective implementation of a series of reforms. The stated objective is to transform the administration into a modern 'development administration' in response to the needs of an emerging Benin.
93. The poor capacity of Benin's legal system, in terms of both access and efficacy, is another major issue of concern. Indeed, despite the relative

independence it enjoys, the judicial system lacks human, financial and material resources to fulfil its role. This is the reason behind the long delays in the courts.

94. In addition to these structural problems, the persistence of corruption at all levels weakens, and will continue to weaken, the process of consolidating democracy and will jeopardise economic and social developmental efforts. Will the personal commitment and determination of the current head of state facilitate the eradication all these difficulties? Only time will tell. The clearly displayed political will and the vigorous actions already undertaken may inspire hope in this essential area.
95. In the face of this sluggishness and these challenges and goals for the future of the nation, it should be acknowledged that Benin has assets that can enable it to realise its ambition of becoming an emerging country. These assets include: (i) Political will, which has helped to define a long-term vision for the country and to translate this vision into strategic development orientations. These orientations form the framework for the definitions of GPRS and sectoral policies, and also entrench the values and cultures of democracy, human rights and sociopolitical stability; (ii) A vast agricultural potential. Benin has 4.8 million hectares of arable land, of which hardly 1 million hectares are cultivated; (iii) Fishing, stockbreeding, forestry and even mining and tourism potentials, which are inadequately exploited; (iv) Its geographical position. Benin has 125 km of coast equipped with a major port, about 700 km of a common border with Nigeria (which represents a market of nearly 140 million potential consumers), and it borders with landlocked countries like Niger and Burkina Faso; (v) The youth and the dynamism of the population; (vi) The skills of the local labour force; (vii) The dynamism of the informal sector; and finally, (viii) Membership of regional monetary and economic groups. All these assets are helping the country to develop a solid productive base and prepare for its entry into the club of emerging African countries. In order to do that, Benin must ensure that it coordinates the implementation of its developmental strategies and their translation into sector policies. It must also struggle resolutely against the general canker of corruption, which has become more or less internalised as a culture and a mode, or instrument, of governance. It must also guard against the absence of accountability in the implementation of development policies.

CHAPTER THREE

3. DEMOCRACY AND POLITICAL GOVERNANCE

3.1 Introduction: the challenges for democracy and political governance

96. The political history of independent Benin is characterised by three major periods. The first, from 1960 to 1972, was beset by political instability and successive coups d'état. The second, the so-called revolutionary period, lasted from 1972 to 1989. This was a more stable period, with the country becoming a one-party state under the autocratic rule of General Mathieu Kérékou. Political stability, however, did not lead to development or economic and social recovery for Benin. The third period, from 1990 to the present, is the period of democratic renewal. It began with the National and Sovereign Conference of the Bone and Sinew of the Nation.
97. Benin changed from a dictatorial one-party military regime into a multiparty democracy, an event which flowed from the National Sovereign Conference (which was spearheaded by lawyers and other constitutional experts). Neither the former military dictatorship and one-party system nor the multiparty democracy, instituted by the country's constitutional experts under the 1991 constitution, succeeded in laying the ground for economic recovery and sustainable development.
98. The major challenge for good political governance in Benin is to forge a true democracy that is founded on efficient institutions capable of introducing sound initiatives for economic development and of building a prosperous nation in line with the vision of an 'emerging Benin'.
99. The very essence of a multiparty democracy is the improvement of the lives of the people. It is not enough to confer freedom of expression, the right to vote and other civil rights on the people. They need access to food, health care and education: indeed, the basic human rights. The challenge at hand is to ensure that all Beninese have a minimum standard of living!
100. Fortunately, the current leaders seem to recognise this and have resolutely geared their programmes toward sustainable development that is aimed at the material, spiritual and cultural advancement of the nation as a whole. Great strides have been made in this direction.
101. Some major achievements and assets of Benin are:
- the establishment of a peaceful climate and political and institutional stability, making the country an oasis in a region of violence and conflict;

- adherence to the principle of subjecting the defence and security forces to the legitimate civil authorities;
 - the deepening of a democratic culture that fosters the enjoyment of civil and political rights;
 - respect for the constitution and the affirmation of its supremacy, guaranteed by an independent Constitutional Court;
 - respect for the principle of democratic changes of government;
 - strict respect for electoral timetables;
 - government's clear willingness to transform; and
 - adequate human resource potential within and outside Benin to drive development activities.
102. These gains notwithstanding, a critical review of political governance and democracy in Benin brings several worrying issues to the fore, some of which deserve special attention. They are:
- The quest for efficiency in political institutions. How do we manage constitutional powers in order to promote democracy, justice and the wellbeing of the citizens? How do we separate powers but still ensure that responsibilities are clearly defined?
 - The credibility and efficiency of the multiparty system in the light of the proliferation of political parties in Benin. There are over 150 parties (for 3 million voters), of which only 30 or so meet the requirements of the Charter of Political Parties.
 - The challenge of the transparency, sincerity and credibility of elections, which are contributors to peace and stability. Is it possible to guarantee free and fair elections in the absence of a consensual and secure voters' register? How can this be done when 2 million Beninese nationals do not possess birth certificates or identity cards?
 - The effectiveness of the rule of law, its application and compliance with it by everyone so as to ensure the security of the country's citizens and assets. How do we ensure that freedom and democracy do not degenerate into indiscipline, civil disturbance or even anarchy?
 - The efficiency of the justice system which, notwithstanding the current reforms, still falls short of satisfying plaintiffs and investors in terms of access, speed, integrity, efficiency and the credibility of the decisions taken, among others.
 - The challenge of modernising and depoliticising Benin's public administration, and ensuring efficiency in it, so that it can play the dual role of public service provider and developmental tool.

- The fight against corruption, a canker that has permeated all dimensions of society, including political, administrative, economic, social and even family life.
 - The bid to establish efficient and effective decentralised and local governance processes in order to foster socioeconomic development and advancement of the citizens. This makes it important to reorganise the state machinery, to improve representation, to take the people's concerns into account, to ensure accountability right from the base, to transfer skills and resources, and to ensure the quality of basic services rendered.
 - Mounting insecurity, and the fight against both crime and organised crime in a transitional economy.
 - The need to clarify the relationship between modern and traditional governance in order to ensure increased participatory democracy with the active and official involvement of the traditional authorities in the Beninese society.
 - The gender issue, both in terms of its political dimension and how it ties in with sustainable development. Is it possible for Benin to become an emerging economy while 52% of the country's population remains marginalised?
 - The country's youth, which could be described as a virtual 'time bomb'. Can we reasonably aspire to sustainable development with a demoralised youth that faces poverty and unemployment and has no professional prospects?
 - The continuing trafficking, exploitation and abuse of children, which has reached such alarming proportions that resistance to the eradication of this scourge seems now to be ingrained in local custom.
103. The ability of the political and democratic governance system to meet these challenges, in the short and medium terms, depends largely on the extent to which the people subscribe to the vision of building an 'emerging Benin' – a free and democratic society where everyone prospers. This chapter deals with these issues and recommends concrete actions to be taken to overcome the numerous challenges.
104. It is without doubt in this spirit that the new president of the republic has launched the 'consultative governance' concept. This is an approach based on regular consultation between all the active sectors of the nation – the authorities of the state, the diverse forms of civil society and the private sector – through a forum for consultation.

3.2 Ratification and implementation of standards and codes

i. Summary of the CSAR

105. The CSAR does not deal with the international and regional instruments to which Benin subscribes. It also does not refer to the African Union Constituent Treaty or the NEPAD Strategic Framework Document. The sectoral document on political governance shows, however, that Benin has ratified most international conventions and treaties on human rights, but does not give a full list of those that have been ratified. The document mentions, for instance, the 1992 Convention on Slavery, the 1974 Convention on Apartheid and the 1981 African Charter on Human and People's Rights, but mentions the ratified instruments for illustrative purposes only.
106. The sectoral document on political governance rightly emphasises that the publication of a ratified instrument in a government gazette is a condition for a legal statement to be made before a judge. It cites cases where the grounds given by a plaintiff (albeit based on a treaty ratified by Benin) are rejected in court because the instrument has not been published in a government gazette.

ii. Conclusions of the CRM

107. The mission noted that the Benin government has signed and ratified a number of international legal instruments as well as those initiated by the AU. The status of ratification is shown in the tables below:

Table 3.1: UN

Description and date adopted	Date of coming into force	Date of succession, ratification or membership by Benin
International Covenant on Economic, Social and Cultural Rights 16 December 1966	3 January 1976	12 March 1992
International Covenant on Civil and Political Rights 16 December 1966	23 March 1976	22 March 1992

Optional Protocol to the International Covenant on Civil and Political Rights 16 December 1966	23 March 1976	12 March 1992
The Slavery Convention 25 September 1926, and amended by the 7 September 1953 Protocol	7 July 1995	12 March 1992
Convention Relating to the Status of Refugees 28 July 1951	22 April 1954	4 April 1962
Protocol Relating to the Status of Refugees 31 January 1967	4 October 1967	9 December 1969
Convention on the Consent to Marriage, Minimum Age for Marriage and Registration of Marriages 10 December 1962	9 December 1964	23 June 1965
Convention on the Elimination of All Forms of Racial Discrimination 21 December 1965	4 January 1969	30 November 2001
Convention on the Elimination of All Forms of Discrimination against Women 18 December 1979	3 September 1981	12 March 1992
Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment 10 December 1984	26 June 1976	12 March 1992
International Convention on the Suppression and Punishment of the Crime of Apartheid 10 December 1973	18 July 1976	21 November 1974
Convention on the Rights of the Child 20 November 1989	2 September 1990	30 August 1990
Optional Protocol to the Convention on the Rights of the Child, on the Involvement of Children in Armed Conflict		Ratified 30 March 2004
Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography		Ratified 30 March 2004

Statute of the International Criminal Court 18 June 1998	1 July 2002	22 February 2002
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Table 3.2 : International Labour Organization (ILO)

Convention concerning Forced or Compulsory Labour 28 June 1930	1 May 1932	12 December 1960
Convention concerning Freedom of Association and Protection of the Right to Organise 9 July 1948	4 April 1950	16 May 1968
Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively 1 July 1949	18 July 1951	16 May 1968
Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value 29 June 1951	23 May 1953	16 May 1968
Convention concerning the Abolition of Forced Labour 25 June 1957	17 January 1959	22 May 1961
Convention concerning Discrimination in respect of Employment and Occupation 25 June 1958	15 June 1960	22 May 1961
Convention concerning Protection and Facilities to be Afforded to Workers' Representatives 23 June 1971	30 June 1973	11 June 2001

Table 3.3: United Nations Educational, Scientific and Cultural Organization (UNESCO)

Convention concerning the Fight against Discrimination in Education 14 December 1960	22 May 1962	9 May 1963
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Table 3.4: International human rights

Geneva Convention for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of Armed Forces at Sea 12 August 1949	21 October 1950	14 December 1961
Geneva Convention (III) relative to the Treatment of Prisoners of War 12 August 1949	21 August 1950	14 October 1961
Geneva Convention relative to the Protection of Civilian Persons in Time of War 12 August 1949	21 October 1950	14 December 1961
Protocol concerning the Protection of Victims of International Armed Conflicts 10 June 1977	7 December 1978	12 November 1984
Protocol concerning the Protection of Victims of non-International Armed Conflicts 10 June 1977	7 December 1978	12 November 1984
Convention on Certain Conventional Weapons 10 October 1980	2 December 1983	27 March 1989
Protocol I to the 1980 Convention on Fragmentation Weapons 10 October 1980	2 December 1983	27 March 1989
Protocol III to the 1980 Convention on Incendiary Weapons 10 October 1990	2 December 1983	27 March 1989
Ottawa Treaty on the Banning of Anti-personal Mines 16 September 1997	1 May 1999	21 September 1998

108. The status of ratification by Benin of treaties/conventions, of which the commission is a depositary, is as follows:

Table 3.5: AU

Title, date and venue of adoption	Date of coming into force	Date of submission of ratification instruments by Benin
African Union Convention Governing the Specific Aspects of Refugee Problems in Africa: 10 September 1969, Addis Ababa, Ethiopia	20 June 1974	12 March 1973
African Union Convention for the Elimination of Mercenaries in Africa: 3 July 1977, Libreville	22 April 1985	3 May 1982
Cultural Charter for Africa: 5 July 1976, Port Louis (Mauritius)	19 September 1990	19 February 1982
African Charter on Human and People's Rights: June 1981, Nairobi	21 October 1986	25 February 1986
Treaty establishing the African Economic Community: 3 June 1991, Abuja	12 May 1994	31 May 1999
African Charter on the Rights and Welfare of the Child: Adopted in July in Addis Ababa	29 November 1999	30 May 1997
African Union Constituent Act: 11 July 2000, Lome	26 May 2001	11 July 2001
Protocol to the Treaty establishing the African Economic Community, relative to the Pan-African Parliament: 2 March 2001, Syrte	14 December 2003	27 November 2003
Protocol Relating to the Establishment of the Peace and Security Council of the African Union: 9 July 2002, Durban	26 December 2003	7 December 2004
Protocol to the African Charter on Human and People's Rights relative to Women's Rights in Africa: July 2003, Maputo	In force	8 March 2005
Protocol to the Amendments to the African Union Constituent Act: July 2003, Maputo	Not in force	8 March 2005
African Civil Aviation Commission Constitution: 17 January 1969, Addis-Ababa	15 March 1972	6 December 2006
African Union Convention on Prevention and Combating of Terrorism: July 1999, Algiers	6 December 2002	11 February 2004, Addis-Ababa
African Charter on Elections, Democracy and Governance: 30 January 2007, Addis-Ababa	Not in force	

AU treaties/conventions not yet ratified by Benin

109. To date, Benin has signed all the treaties or conventions of the Organisation of Africa Unity (OAU) and of the AU. However, a number of standards have not yet been ratified and the incorporation of most of these instruments into national law has been dragging. This is shown in the table below:

Table 3.6: AU treaties/conventions not yet ratified by Benin

Title, date and venue of adoption	Date and venue of signing by Benin	Observations
Additional Protocol to the OAU General Convention on Privileges and Immunities: June 1980, Freetown	11 February 2004, Addis-Ababa	Ratification pending
African Union Convention on Preventing and Combating Corruption: July 2003, Maputo	11 February 2004, Addis-Ababa	Adopted but not yet enacted and published in the Official Gazette
The African Nuclear Weapons Free Zone Treaty: 11 April 1996, Cairo	11 February 2004, Addis-Ababa	Not ratified by Benin
Protocol to the OAU Convention on the Prevention and Combating of Terrorism: 8 July 2004, Addis-Ababa		Not ratified by Benin
The African Union Non-Aggression and Common Defence Pact: January 2005, Abuja	11 February 2004, Addis-Ababa	Not ratified by Benin
Protocol of the Court of Justice of the African Union: July 2003, Maputo	11 February 2004, Addis-Ababa	Not ratified by Benin
African Charter for Democracy, Elections and Governance: 30 January 2007, Addis-Ababa	Not in force	Not ratified by Benin

110. The CRM noted that, while efforts had been made to ratify the international legal instruments, the same could not be said for the legal standards set by the AU. Efforts by the government to combat corruption would have an impact if the commitments made by Benin on this issue begin materialising, following the enactment and publication in the Official Gazette of the law on the ratification of the African Union Convention on Preventing and Combating Corruption, July 2003. All serving of writs and passing of sentences by courts for corruption will depend on the enactment and publication of this convention by Benin.
111. The CRM was informed that a large number of ratification authorisations are still pending at the offices of Parliament. The official explanation given for these delays is that the commissions, to which these projects are submitted, need to organise awareness workshops on the issues so that MPs can understand the texts and vote responsibly.

112. With regard to child protection, Law 61-20 of 5 July 1961, on the displacement of minors under 18 out of the territory, and Decree 73-37 of 17 April, on trafficking and the abduction of minors, were never enforced. A vote on a new law, on the conditions of displacement of minors and punishment for child trafficking in the Republic of Benin, was called for on 30 January 2006. This text, just like others already ratified by Benin, must be enacted, disseminated and enforced throughout the country.
113. The effectiveness of the implementation of these instruments can be assessed by the regularity with which the National Human Rights Consultative Council submits reports on violations of human rights to the relevant UN bodies and to the AU. This body is attached to the Ministry of Justice and replaces the Benin Commission on Human Rights, which no longer exists as it was too politicised. In this regard, it is important to stress the fact that the delay in the submission of the National Human Rights Consultative Council reports is worrying to say the least. The report on the implementation of the Optional Protocol to the International Covenant on Civil and Political Rights, which should have been submitted in 1993, was only submitted in 2004. The same goes for the report on the implementation of CEDAW. It was due in November 2005 but was never submitted. The report on the Convention on the Rights of the Child, due in January 2002, suffered a similar fate.

iii. Recommendations of the APR Panel

114. The APR Panel recommends that:

Government should:

- ratify all pending international instruments, including the African Union Convention on Preventing and Combating Corruption;
- issue the implementing decrees for all pending international legal instruments, especially those on child protection and the promotion and protection of women;
- take all the necessary legislative and regulatory measures to ensure that national laws are consistent with the international standards and codes that Benin has ratified, and inform the public about these laws; and
- ensure the timely submission of reports on the implementation of international instruments to organs of the UN.

The National Assembly should accelerate the vote on the authorisations for the ratification of instruments submitted to it, while remaining vigilant about government's commitments in terms of international agreements.

The National Human Rights Consultative Council and civil society organisations should carry out informative campaigns about the instruments ratified, and should conduct civic education to facilitate the implementation of instruments that protect the rights of citizens.

3.3 Assessment of APR objectives

Objective 1: Prevent and reduce intrastate and interstate conflict

i. Summary of the CSAR

115. The CSAR notes common ground in terms of information gleaned from all sources (literature, focus groups, surveys, national consultations and validation workshops). The various sources of information all point to the existence of internal conflicts as well as conflicts between Benin and its neighbours.
116. **Internally**, the CSAR distinguishes between two types of conflicts:
- First, conflicts which occur at the national level. These include economic inequalities, organised crime, inter-communal conflicts, ethnic and religious divisions, land cases and social dialogue (claims by unions).
 - Secondly, commune-specific conflicts. These have to do with the regional features and the sociological and cultural realities of each commune. The CSAR notes that in many rural communities, conflicts often erupt between farmers and herdsmen whose cattle damage the crops of the farmers.
117. **In terms of relations with neighbouring countries**, the CSAR raises the issue of border disputes between Benin and Niger. A recent example is the Lété Island dispute, which was decided in favour of Niger by the International Court of Justice.
118. A major potential source of conflict is the difference, in political regimes, between Benin and some of its neighbouring countries. This could affect relations between the government of Benin and the governments of those countries. The CSAR notes that contacts between the Beninese population and the people of neighbouring countries (such as Togo) reveal the highly sensitive nature of the issue. With regard to other countries (Nigeria and Burkina Faso), the report notes some friction stemming from the intense commercial activities that have led to uncontrolled immigration and the settlement of people from neighbouring countries in border areas. The report makes the following recommendations to help resolve the problems:
- update/clarify border demarcations;
 - establish public administration and build infrastructure in these border areas to show the presence of government;
 - establish dialogue with the governments of border countries; and
 - the demarcation committee should consult the documents and make proposals to government.

119. The CSAR emphasises the existence of regulations and mechanisms to prevent, reduce and manage conflicts.
120. According to the CSAR, Benin has been trying to maintain good relations through permanent consultations. However, it deplors the lack of preparedness of the other countries to hold joint commissions for demarcating borders, and that unilateral decisions are taken by some neighbouring countries to close their borders.

ii. **Conclusions of the CRM**

121. The CRM noted that, while domestic conflicts existed, they had not reached proportions that would compromise the political and social stability of the country. The review mission focused its attention on the types of conflicts, analyses of their causes and the mechanisms for managing and resolving them.
122. **In terms of the types of internal conflicts** the CRM noted, in meetings with stakeholders, the following:
 - **The land issue** remained a major cause of conflict in the country's rural areas. This is due to the flaws in the legal mechanisms that govern land;
 - **Conflicts between sedentary farmers and nomadic herdsmen** are a second source of concern. These are exacerbated by the absence of a Rural Code and an appropriate strategy for managing and preventing conflicts;
 - **Work-related conflicts** include strike action in sectors such as education and the justice system. This hampers the work and performance of the administration;
 - **The issue of the demarcation of communal borders** is also a source of conflict. It is often fanned by envy aroused by the wealth, or potential wealth, of one region or the other; and
 - **The absence of a proper physical planning policy.** Regional imbalances in infrastructure, services and wealth redistribution are also sources of concern because they affect peace and stability.
123. The CRM also noted the lack of preparedness of the country and stakeholders to cope with the sheer magnitude of the conflicts. The lack of a national strategy for conflict prevention, management and resolution is coupled with the problem of weak modern and traditional conflict-management mechanisms.
124. **From the point of view of conflict management and prevention mechanisms** one can distinguish between:
 - traditional mechanisms; and
 - modern mechanisms.

125. The CRM noted the existence of **traditional mechanisms** for managing and resolving the conflicts that are particularly rampant in the rural areas. The defiant attitude of most Beninese nationals toward the country's justice system – which is fraught with delays, corruption and a high level of centralisation in the provision of modern services – compels most citizens to take their cases before traditional authorities, despite the shortcomings of the latter. Some of these shortcomings are:

- The absence of a legal framework that sets out the role and status of traditional authorities in society, and which formalises the decisions taken by these traditional institutions; and
- Traditional authorities' ignorance about relevant provisions of the constitutional, legislative and regulatory framework and, more specifically, the provisions of the Civil Code and Penal Procedure Code. Some traditional chiefs have been taken to court for imposing sanctions that may have been allowed by custom but are considered to be cruel and degrading by the law. An example is tying and beating up persons found guilty of an offence.

Box 3.1: Towards harmonious coexistence between traditional and modern governance

One of the challenges facing Benin today is the need to create a modern system of governance based on observing the international legal instruments to which Benin subscribes, and on respect for the country's own cultural and social values. This brings into sharp focus the issues of the place and role of customs and traditions in the building of a democratic system. Furthermore, there is the need to pave way for harmonious relationships between traditional institutions of governance and modern republican institutions.

The administrative organisation of Benin in the pre-colonial period was characterised by chieftaincies, which in turn were divided into nomadic and permanent chieftaincies. Kingdoms were born when some powerful chiefs were able to extend their territories. Traditionally, the king was regarded as a political figure, a family head, a religious leader and a judge all in one. The colonial period saw absolute power handed over to governors and area commandants. This stripped the chiefs and kings of their powers and delegated only menial functions to them.

The post-independence era did not see any significant change in the status of traditional chiefs. Indeed, many experts⁸ believe that, following the colonial era, chiefs lost their power and status – which should have been commensurate with their growing numbers – with the creation of new townships and villages, and that their status consequently diminished in the eyes of the people. Nevertheless, many observers believe that, in Benin, chiefs have a huge influence on the people, especially on rural dwellers. They influence the polls, are capable of resisting institutional attacks, and adapt to political and institutional change.

It is against this backdrop that some hard thinking must be done to ensure that modern and traditional governance coexist peacefully and complement each other. The aim here is to create a legal framework to set out the role and position of traditional chiefs in a constitutional

⁸ Dagbénon Mathias Gogan, Sokêhoun Prisca Gogan.

state such as Benin. This statute will set forth the rights and duties of kings and traditional authorities who would play the role of contributing to nation building in areas like peacekeeping, social harmony and cohesion, promoting justice and equity, and mobilising for the economic and social progress of grass-roots communities (the women, children, youth and the elderly).

Indeed, democracy in Benin would stand to gain by creating this harmony to ensure joint and efficient coexistence between modern and traditional governance. The APR Panel seriously urges the Benin authorities to take this necessary action to salvage the nation.

126. **Modern mechanisms** also have shortcomings, which affect several areas such as:

- *Political and institutional conflicts*

127. The CRM welcomes the climate of social peace in Benin and the absence of disputes between political parties or the various institutions of the republic. However, conflicts between traditional institutions (such as the long-standing dispute between two Abomey kings) or modern institutions (like the dispute about the competencies of the Constitutional Court or the Supreme Court, which has an impact on the proper administration of justice) deserve attention. Modern mechanisms seem to fare badly in this regard.

128. In this respect, the CRM welcomed the creation of the Presidential Mediation Body (OPM) and the appointment of the Mediator of the Republic. However, the issue of the legal framework of this institution requires close attention. A law should be passed to govern the conditions for the appointment, functioning and duties of this organ, as well as the material, human and financial resources needed to run it.

129. The CRM further observed that while the drafting, adoption and implementation of a statute by opposition parties on its role in the political, economic and social context may be a requirement of Benin's political class, its completion and actual implementation are slow in coming. In this regard, it would be advisable to clarify the role of the opposition.

- *Work-related conflicts*

130. The CRM noted with concern the flaws in the management and conflict resolution mechanisms, **especially with regard to work-related conflicts**. Recurrent strikes in the education sector – which have been condemned by education sector stakeholders because of their disastrous effects on the education of the youth – and a drawn out strike by judicial service workers (two months during which things came to a standstill in this important state institution) illustrate these weaknesses. In this regard, the CRM observed that there is no specific institution responsible for this type of conflict management and resolution.

- *Conflicts between farmers and herdsmen*

131. The CRM noted the scale and recurrence of conflicts between farmers and herdsmen in the rural areas, where nomads bring their cattle to graze. These conflicts have, in many cases, led to deaths. This situation calls for the introduction of a policy to create awareness of these conflicts and to prevent and resolve them.

- *Conflicts in rural areas in general and land-related disputes in particular*

132. A report by the International Federation for Human Rights (FIDH) notes that, in rural areas, “most citizens resort to traditional courts to settle their cases according to custom. These courts that were first developed in the rural areas are beginning to gain ground countrywide. While they are seen as a relief for the country’s congested courts, the decisions taken by those courts are often in violation to human rights. These courts are presided over by village chiefs, elders or retirees with no formal legal training. The decisions they take are often contrary to the cases and jurisdiction of common law⁹”.

133. The CRM observed that most of the disputes in rural areas are land related, and stakeholders believe that over 60% of cases pending at the courts are land related. The sluggish justice system has often been condemned, as have corrupted judges who continually adjourn cases. Indeed, in many cases, an ordinary citizen could request that the final decision on the ownership of a plot of land or field be adjourned. This creates a state of judicial insecurity.

134. The rural dwellers have been increasingly resorting to traditional authorities to manage and settle their disputes. However, in most cases, the decisions taken by the traditional justice system are referred to the country’s courts by plaintiffs whose suits are dismissed by traditional courts. If this situation is not regulated and controlled, it could degenerate and undermine local investment, the climate needed for economic investment, development and social peace in general.

- *Faith-related conflicts*

135. The CRM was satisfied with the establishment of the **faith-based consultation framework**, some of whose objectives are:

- to contribute significantly to the entrenchment of democracy in Benin;
- to work towards good governance, poverty reduction, underdevelopment and corruption as part of the national policy on change; and
- to foster the peaceful coexistence of all religious denominations in Benin in order to promote peace and understanding.

⁹ FIDH. July 2004. *La justice au Bénin : corruption et arbitraire*.

136. The CRM welcomes this laudable initiative given that, in many West African countries, religious conflicts are a source of great concern because of their magnitude and disastrous effects on peace and economic and social development.
137. **Conflicts with neighbouring countries.** While the CSAR noted the existence of border and cross-border disputes – one recent example being the dispute between Benin and Niger concerning the ownership of Lété Island (decided in favour of Niger by the International Court of Justice) – it does not name other countries, like Nigeria and Burkina Faso, which have similar disputes.
138. According to local government officials, some of the causes of these conflicts are:
- the shortcomings in Benin’s diplomatic system and government’s failure to protect the integrity of the national territory;
 - lack of clarity and failure to update colonial texts, thereby questioning current border demarcations;
 - vibrant trading along and across borders, making it difficult to police them, and porous borders, uncontrolled immigration and settlement of people from neighbouring countries in the border areas;
 - Balkanisation and poor parceling of the continent by colonial powers;
 - fertile soils and land abounding in natural resources that are sources of envy by people in neighbouring countries; and
 - neglect of border populations by the state and the lack of administration or infrastructure in border regions, whose people are often marginalised.
139. Conflicts with neighbouring countries mainly stem from the differences in their political regimes. Meetings with stakeholders revealed that Benin’s dispute is mainly with Togo. Information gathered on the ground confirms the results of the survey on the origin of border conflicts. The CRM noted with satisfaction that the two countries have approached the problem on the basis of a policy of good neighbourliness, responsibility and, above all, a willingness to seek favourable solutions through dialogue and consultation.
140. Generally, following the documentary analysis, review of the CSAR and meetings with stakeholders, the ARP Panel was happy to note the climate of peace that has reigned in Benin for the last 17 years. The panel further welcomes the setting up of the framework for interfaith consultation in Benin. It encourages stakeholders to continue playing their roles of promoting peace and interfaith harmony, as well as the efforts to ensure a larger representation of religious denominations.

iii. Recommendations of the APR Panel

141. In general, the APR Panel recommends that government and all stakeholders (civil society, political parties, the public and private media, the private sector, and so on) should:

- pursue and consolidate the policies of peace and social dialogue which are indispensable for entrenching democracy, political governance and economic and social development.

142. Specifically, the panel recommends that government should:

- draw up and adopt a legal framework to determine the roles of traditional authorities in society and their duties and rights, and create awareness among them about human rights;
- adopt and implement the statute clarifying the status and responsibilities of opposition parties so that they can fully play their roles in, and contribute to the advent of, an ‘emerging Benin’;
- draw up and implement the Rural Code so as to avoid conflicts in rural areas, which are inhabited by the majority of the population;
- strengthen and re-energise village committees in conflict-resolution skills to ensure the peaceful and amicable settlement of rural conflicts;
- continue to work with neighbouring countries to manage and resolve conflict through dialogue, consultation and negotiation; and
- provide help and support to the framework for interfaith consultation, which is an exemplary initiative in West Africa, to encourage its stakeholders to continue their roles of fostering peace and interfaith harmony in Benin.

Good practice 3.1: Framework for interfaith consultation

The framework for interfaith consultation is an original and exemplary initiative whose main objectives are to:

- maintain peaceful coexistence among all religious faiths in Benin to promote peace and harmony;
- facilitate interfaith dialogue; and
- work toward the peaceful coexistence of institutions of state and the various civil society stakeholders in Benin.

The framework, which only came into being on 25 May 2007, organised an interfaith national council in August 2007.

The APR Panel welcomes this laudable initiative and tasks the government to provide constant support to this framework that is contributing to the enhancement of peace and tolerance in Benin.

Objective 2: Promote constitutional democracy, including political contests and the opportunity to make choices freely, the rule of law, the declaration of human rights and the primacy of the constitution

i. Summary of the CSAR

143. **Democracy and electoral contests.** Constitutional and electoral democracy has made great strides in Benin. Political parties and associations are governed by legislation. The electoral system has also been improved to ensure transparent elections. The democratic changeover of power is being respected because elections are held regularly. However, elections must be more transparent to ensure that they are free and fair. The CSAR, however, highlights a few weak areas: the excessive number of political parties; political migration; and a weak electoral system, which includes the high cost of elections, the lack of a voters' register, bribery, the late establishment of CENA and its politicisation. These areas require solutions or actions to improve governance. These include revising the Charter of Political Parties, compiling a permanent and computerised voters' register, establishing a permanent independent national electoral commission, and applying sanctions in the event of a drift off course.
144. **Constitutional supremacy.** The government of Benin has the constitution as its fundamental law. The constitution sets forth constitutional and human rights which are well-respected. Benin has several republican institutions responsible for ensuring compliance with the constitution. Some of these are the Constitutional Court, the High Court of Justice and the Supreme Court. However, implementation of the economic and socio-cultural rights of citizens is limited, interpretation of some provisions of the constitution is poor, and some of the decisions of the Constitutional Court are not implemented. This makes it necessary to revise the constitution to adapt it to the country's peculiar situation and to restore the state's authority.
145. **Decentralisation.** Decentralisation has started and is ongoing, albeit slowly. Currently, communes represent the only level of decentralisation and they are beset with problems. These problems are: poor grass-roots participation in the development process, delays in the transfer of power from government to communes, the people's lack of involvement in the formulation of policy guidelines for communes, inadequate resources for the development of the communes, and the lack of communication between the communal

administration and the people. The decentralisation process therefore needs to be taken to the village level. Communication between the local administration and the grass-roots population needs to be improved in order to ensure greater involvement in the implementation of communal development plans, and power needs to be transferred to the communes by the central administration.

ii. Conclusions of the CRM

146. **Democracy and electoral contests.** Self-assessment documents, many other documentary sources (such as the constitution, laws, studies and various reports) and information gathered by the field missions have all helped to show the effectiveness and vitality of democracy in Benin since the National Sovereign Conference of 1990 and the country's return to a multiparty democracy.
147. *The constitution recognises the right of all Beninese citizens to participate in the management of public affairs.* Relevant international conventions such as the United Nations Charter (1945), the Universal Declaration on Human Rights (1948) and the African Charter on Human and People's Rights (1981) are all part of the constitution, which is the supreme law of the land.
148. *Political parties* are recognised by the constitution. They are governed by laws such as the Charter of Political Parties, of 21 February 2001, and the Statute of the Opposition, of 23 November 2001, which gives a framework for the organisation and activities of opposition parties. The opposition comprises all parties, party alliances or groups of political parties that have opinions that differ from those of the ruling party. They may express their ideas in anticipation of a democratic change of power.
149. This body of legislation led to the creation of many political parties – indeed, there are more than 150 officially registered parties. However, the proliferation of political parties has caused democratic dysfunction. Stakeholders have identified and even denounced many flaws in the party system: fictitious membership, lack of credibility of parties, lack of conviction and manifestos, strong ethnocentric and regionalist leanings of political parties, and the existence of many insignificant parties that are only driven by selfish ambitions. The issue of political 'migration' should also be condemned, as should the absence of internal democracy. The same goes for the secret financing of parties and their campaigns, the politicisation of public administration, moneymaking and corruption, among others.
150. Political parties that meet the conditions to operate and have at least one MP receive financial aid from the state. However, the absence of systems for *public financing and control of party expenditure* hampers the efficiency of the democratic process. Indeed, there is a drift towards the 'privatisation' of the wealthier parties. This has led to many calls for government to strengthen the legal framework, to apply the provisions of the Charter of Political Parties strictly, and to sanction political parties that do not adhere to the regulations. This would drastically reduce the number of political parties.

Box 3.2: The Charter of Political Parties: a suitable but ineffective legal framework

Although Article 5 of the constitution states that “*Political parties shall contribute to the voting process, they shall be formed and shall exercise their activities freely per the terms of the Charter of Political Parties*”, it is the legislators who have the duty to organise the formal framework within which political parties can operate.

In 1990, the first Charter of Political Parties (law 90-023 of 13 August 1990) provided for political pluralism in accordance with the multiparty system. However, promoters of political parties do not always respect the required standards, and this results in the current proliferation of parties that operate outside the law.

Drawing lessons from the anarchical and cacophonous development of the partisan system, the public authorities reformulated the Charter of Political Parties through Law 2001-21 of February 2001.

This law defines political parties as groups of citizens trained to promote and defend their plans for society and political programmes in terms of the constitution of 11 December 1990 (Article 2). The law assigns to them a clearly defined responsibility.

The Charter of Political Parties compels all parties to have manifestos (Article 4) and to play a role in political life. To this end, “parties or groups of political parties may express their opinions on any issue of local, national or international interest” (Article 11). Among others, they are called upon to: (i) participate actively in raising awareness about morals in all aspects of public life; (ii) defend and respect public property; (iii) contribute to the depoliticisation of public administration; (iv) help to safeguard cohesion and national unity; and (v) work toward the promotion of fundamental freedoms and human rights. They must also contribute to the training of citizens, and be actively involved in parliamentary affairs and the control of government’s activities.

To be recognised, all political parties must respect certain criteria, and the state guarantees them the full enjoyment of public freedoms while respecting the constitution (Article 9).

The new charter compels existing political parties to comply with its provisions within a period of 12 months or lose their legal status. Only 28 parties have met this requirement within the time frame set by the law. Strict application of the provisions of this charter should have led to the dissolution of defaulting parties. This would have clarified the country’s political scene, brought an end to the confusion and strengthened the authority of the state.

151. From another point of view, the *issue of the legal status of the opposition* remains a great source of concern. Although the law on this issue was promulgated in 2001, it has never been really applied. The regulatory and material guarantees of opposition parties and their heads have remained ineffective. This has so affected the position that today there is no real and official opposition in Parliament to hold the ruling party in check. This brings up the issue of sustaining constitutional democracy in the absence of a strong opposition.

152. *Benin’s electoral system* is not free of suspicion and it has become ineffectual in its ability to guarantee free, fair and transparent elections. In 1995, CENA, an independent institution, was set up to oversee all elections. It has since

become the central point of the country's electoral process. Its status ought to be guaranteed by the constitution to enhance its legitimacy.

153. Of CENA's 25 members, 19 are appointed by parties, two by civil society and four by government. CENA is responsible for preparing, organising, running and supervising the presidential and legislative elections, and for centralising the results, which it sends to the Constitutional Court for verification. The Constitutional Court declares the results. However, CENA declares the results of the communal and municipal polls itself. It has been active in all the elections and has branches in the departments and communes. Its term of office ends with the completion of the elections. Despite the existence of a permanent administrative secretariat, this irregularity poses a problem since having to establish CENA before each election seems like 'reinventing the wheel'. Setting up these CENAs is often fraught with much delay and dilly-dallying, and it is often difficult for the new CENA to build on the experiences of the previous ones.

Good practice 3.2: Compliance with the electoral timetable for presidential and legislative elections

The challenge of good democratic governance

The regular organisation of elections on the basis of election timetables, set in advance, is a good practice which will help inculcate the democratic culture in the country's habits. Presidential elections were held in 1991, 1996, 2001 and 2006. The resultant changeovers in power in 1991, 1996 and 2006 are laudable examples to be emulated by other countries on the continent. Legislative elections were held in 1991, 1995, 1999, 2003 and 2007. Following the municipal elections in 2002-2003, local elections will be held in early 2008, five years after the current municipal councils took office.

However, election timetables should be planned more rationally. The country seems to be permanently mobilised for costly election campaigns while the people suffer. These unending electoral campaigns may very well lead to voter apathy. Can a poor country in a constant state of electioneering meet the challenges of economic development?

154. With the absence of an electoral code as such, specific electoral laws approved for each type of election are adopted and amended prior to the election taking place. The presidential election is conducted through a two-round majority system, while the legislative election is decided by list-based proportional voting. This system actually helps small parties to thrive. The stakeholders pointed out the lack of equity in the representation of the communes (no MPs for some, and over-representation for others) in Parliament because of the regional-based listing. For this reason, some people proposed the idea of having constituency divisions or a representative system that would guarantee at least one MP per district.
155. With each election and change in government, the lack of a transparent and secure voters' register has raised concerns about the *issue of the reliability of*

the voters' list. Efforts at putting together a permanent and computerised voters' register, based on a thorough electoral census, have yielded nothing. Several reasons have been provided for this: exorbitant cost, obstruction by unscrupulous politicians who capitalise on the loopholes in the system to manipulate the register for fraudulent ends, and practical difficulties linked to the lack of legal identity of a large number of potential voters. Informal sources report that at least 50% of Beninese citizens of voting age do not have a birth certificate, let alone a national identity card. The rallies held to remedy the situation were not successful because of the high cost of the procedure for rural dwellers. Promises by various governments to solve the situation have also been in vain and the status quo seems to suit everyone. It has become urgent to solve the problem in order to enhance the credibility of the elections and of democracy in Benin.

156. The HAAC *ensures equal access to the public media by all parties.* All candidates are given equal airtime for their activities and all parties believe that they are given equal access during elections. Outside of election time, however, feelings are mixed about such access as there are no regulations to that effect. It would be advisable to compel the media – especially the audiovisual houses, public and private alike – to cover the parties' events on an equal basis throughout the year by affording them airtime to express themselves directly to the public.
157. *Electoral campaigns* provide candidates the opportunity to meet freely with the electorate and solicit their votes. There have been many discrepancies during elections, thereby casting doubt on the efficiency of the electoral system. These include: clandestine financing of campaigns and moneymaking, mass circulation of monies, lobbying, interference by traditional leaders and religious bodies during campaigns to influence choices, vote bargaining and alliances, politicisation, failure by CENA and the public administration to remain neutral, shortcomings in the organisation of the elections, various fraudulent acts, and others.

Box 3.3: Mastering the financing of elections

Mastering the financing of elections in Benin has become an issue of concern, especially against a backdrop of economic crisis and endemic poverty. Indeed, since the advent of democratic renewal, the cost of elections has been rising at an alarming rate. From 3.2 billion CFA franc in 1996 to 9.7 billion CFA franc in 2001, it climbed to 31.7 billion CFA franc (48.78 million euros) in 2006. These figures are only for the presidential election, and amount to two and six times the combined cost of the last presidential and legislative elections held in Mali and Niger respectively – both of which have larger populations. The organisation of elections has become a quick way of making money, and many are cashing in. Over-invoicing, corruption, embezzlement and all forms of excesses have become the order of the day. These practices were recently denounced by the Council of Ministers, which has become aware of this electoral waste. The APR Panel is calling on the authorities to consider quickly ways and means of controlling the financing of future elections.

158. The Constitutional Court is responsible *for the control of electoral disputes* during presidential and legislative elections. It ruled on 18 cases for the presidential election in 1996, on 67 cases in 2001 and on 26 cases in 2006. The Supreme Court rules on electoral disputes during municipal elections. These courts have made many rulings independently, although such rulings may have caused considerable controversy. The Constitutional Court's power over national elections, including presidential elections, has been contested by certain stakeholders, who condemn it for being a judge in its own cause because of its involvement in the supervision of the electoral process.
159. A survey published in June 2007 shows 60.3% of respondents expressing satisfaction at how elections are run in Benin, with 27.09% saying they are not satisfied. This means that most people are happy with the country's electoral system and democracy.
160. This, however, does not mean that the people are satisfied with the political parties (whose actions have come under considerable criticism), or with the politicians for that matter. Rather, the dissatisfaction is mitigated by the culture of tolerance of the country's citizens; the important role of democratic vigilance; and the participation of a very dynamic *civil society*, which is interested in the management of public affairs (there are more than 6,000 registered NGOs, some of which are highly rated). Civil society plays an important role in promoting and entrenching a democratic culture and seems to be replacing political parties as organisers of the country's political life. Civil society also contributes greatly to the fight against poverty at the grass-roots level.
161. Civil society would stand to gain by organising itself better and by organising itself into national networks so as to become more visible and be more efficient, especially in the rural areas. Several stakeholders have condemned civil society for being present more in conference halls than on the ground. They are said to be quick at diverting partner funds for their own ends. Hence, civil society needs to build its institutional capacity.

Good practice 3.3: Democratic changeover at the helm of affairs: expressing a shared culture of democracy, tolerance and fair play

In years gone by, Benin was at the mercy of military takeovers. These led to revolutionary dictatorships that forbade power-sharing in any form. The democratic transition of the 1989-1991 period led to an exemplary democratic process, where everyone accepted the verdict of the ballot box as a sign of the sovereignty of the people.

At the end of the highly contested presidential elections of 1991, which ended the transition to multiparty democracy, General Mathieu Kérékou, who had until then directed affairs with an iron fist, handed over the seat of power to Nicéphore Soglo.

Five years later, Kérékou regained the seat through the ballot box, in a remarkable comeback, to become head of state. This was proof enough that the multiparty system and democracy in Africa had become an open field to all, even to former proponents of a one-

party system, provided they adopt a culture of tolerance and join in the democratic process.

Ten years on, President Kérékou, who had reached the age limit for being president, and whose second and final term of office had come to an end, withdrew from the political scene. Elections were held and Dr Thomas Boni Yayi was elected president after presidential elections.

In a region where some countries try to change their constitutions to extend the term of office of the head of state (so that the head of state can hold onto power), the Benin example is quite significant. It shows fair play and gives a sense of how highly African people regard their leaders and what they expect from them. This should be highlighted as an exemplary practice to be emulated by others.

162. **Constitutional supremacy.** The CSAR is rather silent on this issue. However, the report by the TRIs and other documentary resources show that the people of Benin favour a constitutional state based on the supremacy of the constitution.
163. The preamble to the constitution states that the constitution is the supreme law of the state, before which the people of Benin pledge their “loyalty, fidelity and respect”. Articles 154-156 of the constitution set forth a rather rigid procedure for revising it: the draft or proposal, initiated by the president of the republic or the speaker of Parliament, must be ratified by three-quarters of the MPs. The revision only becomes valid after a referendum, except in the event of a parliamentary vote, when four-fifths of MPs can ratify it.
164. Amendments to the constitution require wide consensus among the political class or, if need be, the direct agreement of the people. The Constitutional Court developed a very daring case law on the protection of the constitution. The case law requires all future revisions to the constitution to respect the spirit of the resolutions of the National Sovereign Conference, from which the constitution emanates. Indeed, in Benin, the constitution is generally respected except for a few minor cases of violations of some of its provisions.
165. The contribution of the Constitutional Court to the acceptance of the rule of law and the subjection of public authorities (including subordinate legislation) to the constitution ought to be highlighted as a good practice worth emulating by other African countries. Also laudable is civil society’s vigilance and strong determination to protect the constitution (exemplified in the 2005-2006 “Don’t touch my Constitution” campaign), as well as the loyalty of the previous presidents who complied with the constitution by stepping down rather than attempting a constitutional or military takeover. It appears that 73.98% of the people surveyed felt that the constitution is respected in their country. This should be encouraged in a subregion fraught with conflicts, coups d’état and unconstitutional changes in regime.
166. Generally, the CRM is very concerned about the pervasive indiscipline within the society at an individual, collective and even institutional level, and the high tendency of people to circumvent the norm – whether it is a law or procedure. Refusal to comply with the law, as well as indiscipline and apathy,

are serious constraints that need to be addressed through sound and participatory leadership that extols the respect for the rule of law and freedoms.

167. **Decentralisation.** The grass-roots population expects to see an improvement in their lives. Therefore, decentralisation and local governance appear to be the major challenges for democracy and political governance in Benin. Chapter X (Articles 150-153) of the constitution of 11 December 1990 lays down the foundations for decentralisation. However, these articles only became effective after February 2003 and the first local elections. At least six laws, 26 decrees and five inter-ministerial orders govern the various aspects of decentralisation in Benin. This high number of legislative and regulatory texts has contributed to mystifying an already complex issue. They have made ownership of decentralisation difficult for all stakeholders (the central government, deconcentrated and decentralised authorities, elected local councillors at all levels and the grass-roots population). This problem was not adequately highlighted by the CSAR.
168. While it may seem premature to take stock of the decentralisation process in Benin, a few observations can still be made on the basis of existing documents, relevant legal texts and information gathered on the ground.
169. There is the need for increased decentralisation to ensure greater participation by the grass-roots population. There should be greater focus on cultural specifics, and the management of Benin's socio-cultural diversity needs to be improved. However, the constitutional and legislative foundations laid for decentralisation do not seem to be solid enough. Indeed, the constitution does not make the autonomy of the decentralised communities sufficiently explicit, while it only provides for the principle of free administration, national solidarity and interregional balance. Moreover, the fact that decentralisation should be geared toward local development and meeting the needs of the people is not clearly stated.
170. It is important to highlight the lack of clarity in the definition of local affairs. There is still much ambiguity about the state relinquishing its powers to decentralised local governments. Besides, the central government is unwilling to relinquish its powers. A case in point is the refusal to transfer the Tantokpa market to Cotonou. Transfer of powers and resources is a major problem, and there seems to be total confusion on the ground about which services are the competence of the state and which are the competence of local authorities.
171. The human and material resources do not measure up to the legally recognised skills that the communes ought to have. The elected local councillors are often not well educated or well trained. The staff is aging, unqualified, politicised and inadequate. Material resources are insufficient in both quantity and in quality. Financial resources are inadequate, both in terms of net worth and transfers from the state. It has become critical to rethink the issue of finance for the communes and local taxation in order to make them viable and independent. These communes seem to have inherited the flaws and defects of the sub-prefectures they succeeded.

172. Institutional organisation and intra-communal relations are not the best, and many constraints need to be overcome if democracy is to be deepened and local governance strengthened. There is also much ambiguity about the local administrative units, namely the districts, villages and neighbourhoods in the cities. The law does not grant them legal status or financial autonomy. Their councils are elected and required to work with mayors. Their operational capacities are often conferred by courtesy of the mayors. This has led to misunderstandings, tensions and even conflicts. The same is true for the district councils that are not operational in the communes under special scheme and whose neighbourhood and village chiefs, although not elected, have been in their positions for over 15 years. However, there are plans to review them at the local elections in early 2008.
173. Another important issue is the high tendency to dismiss mayors at a whim. There are also many internal conflicts, fuelled by political intrigues and quarrels. There is also lack of knowledge of the legal texts, exacerbated by the incompetence of, and sometimes illiteracy among, many elected councillors; moneymaking; interference by the supervising authority; poor collaboration between the deconcentrated services in communal territories and elected councillors; and so on. There is a need to teach people about decentralisation to enhance local governance.
174. There is a lack of or inadequate communication between elected officers and grass-roots communities who do not understand why they are consulted only when they have to pay taxes and levies. They also do not benefit from quality services or assistance, and their requests are never heeded. The dysfunction in the management of the markets and other commercial places, especially in terms of paying taxes and levies, is a constant source of concern for stakeholders who complain about being ‘ripped off’ by municipal and central government workers alike. There is, therefore, a need for more coordinated action by the relevant departments.
175. These constraints have a real impact on local governance, and call into question the efficiency of Benin’s decentralisation system. Analysis of the findings of a survey organised by the TRIs show that most people – citizens and elected officers alike – are not satisfied with the decentralisation system in place, with the quality of services or the autonomy granted the communes. Only 19.57% of those surveyed said they were satisfied with the autonomy in local development granted to the communes, while 39.13% felt otherwise, and 41.3% had no opinion on the issue. Only 13.33% of respondents said they were satisfied with the assistance given by government to the communes. Another 35.63% said this was inadequate, and 51.11% were undecided. Lastly, 43.75% of respondents believe that decentralisation has not been a success, with 35.63% disagreeing, and 20.63% being undecided. Half the respondents believe that governance at the grass-roots level is a failure, 29.31% think it is successful and 20.69% are undecided.
176. There is concern because legal texts have not been adapted to local realities. Traditional authorities, namely the chiefs, are not involved in local governance although they are responsible for making social regulations. In a country with

a large number of rural dwellers, these authorities play an important role in the communes, districts and villages – which are the main areas affected by decentralisation.

177. From another standpoint, the numerous deconcentrated services (prefectoral administrations and sectoral departmental services) compete for power with decentralised services within the same space. This poses three types of problems: first, a conflict of powers and responsibilities; secondly, the not-so-efficient administrative coordination; and thirdly, the weak institutional capacities of these administrations caused by the distribution of inadequate human and material resources. These resources could be pooled using regional centres that have the administrative and technical capacity to ensure more efficient management of local authorities.

iii. Recommendations of the APR Panel

178. To improve democratic governance, the APR Panel recommends the following:

1. For electoral democracy and political competition:

In the short term:

- Implement all relevant provisions of the Charter of Political Parties strictly, especially those providing for sanctions on parties that do not comply with the provisions (government and competent authorities, with the help of civil society and Parliament).
- Redefine the framework for financing political parties and electoral campaigns to ensure rigorous control of electoral expenditure. Also, greater sanctions should be imposed (government and competent authorities, with the support of civil society and Parliament).
- Regroup the elections to ensure better control over election timetables and expenditure, which have become sources of corruption and moneymaking (government, Parliament and the Constitutional Court).
- Establish a reliable voters' register based on a permanent computerised electoral list. It is important to release funds urgently to conduct meetings in the countryside and villages to resolve, once and for all, the problem of identification for many Beninese nationals who do not possess identity cards (government and competent authorities, traditional authorities, elected local councillors, religious leaders, other civil society members and Parliament).
- Establish the CENA for a fixed period of time, to be renewable once. There may be no need to establish its branches so as to streamline expenditure (government and Parliament).

In the medium term:

- Revise electoral laws to help improve the quality of representatives in the various assemblies. One solution is to be less stringent with the list system of voting by introducing the preferential voting system and, in certain cases, the single-member system (government, in consultation with political parties; Parliament; and associations and civil society movements, in consultation with political parties and the competent authorities).
 - Create a favourable legal framework for independent candidates (government, in consultation with political parties; Parliament; associations; and civil society movements).
 - Ensure a more equitable representation of communes and districts in Parliament. One solution would be to guarantee at least one seat for each district (government, in consultation with political parties; and Parliament).
2. To speed up the process of decentralisation:

In the short-term:

- Set up district, village and neighbourhood councils, subject to relevant legal provisions.
- Subject to decentralisation laws, transfer powers to the communes, on the bases of progressiveness and subsidiarity, and in line with the financial and institutional capacities of the communes.
- Clarify and share resources between the communes and the state, as well as between the communes and their administrative units. This should take into account the need to grant the communes their financial autonomy (see Chapter Four on fiscal decentralisation).
- Demarcate the territorial borders of each commune clearly to curb inter-communal conflicts (government).
- Establish more stringent requirements for candidates to qualify for the position of mayor. They must be people of integrity with good moral backgrounds, and have at least high school leaving certificates (government, Parliament, municipal councils and voters).
- Sensitise and train government workers, elected local councillors and their staff on decentralisation issues and local governance. Disseminate information about legal texts on decentralisation to ensure ownership and efficient implementation of the process (government, mayors and development partners).
- Promote decentralised cooperation to help develop municipalities (government, mayors, elected offices, the elite, people of the diaspora and associations).

- In collaboration with development partners, promote institutional capacity building in communes to ensure better institutional balance between the decentralised administrations and the deconcentrated services (government, mayors and development partners).
- Reduce supervisory control over the local assemblies and institute judicial control in order to foster better accountability by elected local councillors (government and Parliament).

In the medium and long term:

- Introduce significant decentralisation reforms to promote the autonomy of decentralised local authorities (government, Parliament, decentralised authorities and development partners).
- Involve traditional authorities in local governance and draw up a legal framework to govern their participation in the activities of the decentralised local authorities. This should cover rights, obligations, conflict mediation, decision-making advisory services, consultancy and others (government, Parliament, and associations of traditional kings and chiefs).
- Involve elected local councillors, traditional authorities, associations and other civil society representatives in the preparation of draft reforms to ensure wide consensus about the laws governing these reforms (government, Parliament and all stakeholders).
- Facilitate the participation of civil society in decision making by creating an enabling environment (government, Parliament, civil society and development partners).

Objective 3: Promote and protect economic, social, cultural, civil and political rights as contained in all the African and international human rights instruments

i. Summary of the CSAR

179. **With regard to economic, social, cultural, civil and political rights**, many provisions, starting with the constitution, recognise and protect the economic, socio-cultural, civil and political rights of citizens. Apart from this basic law, there is the African Charter on Human and People's Rights, the laws governing female genital mutilation and sexual harassment, and provisions on the fundamental right to work. The fundamental freedoms of expression, association, religion and of the press, among others, are respected in Benin. While it is possible to find cases where these constitutional rights have been violated, they are generally minimal.

180. On a day-to-day basis, however, the people do not always enjoy these rights. On the socioeconomic front, large-scale inequalities persist in the society. Many citizens are unable to satisfy their basic needs despite the efforts of the government, especially in the areas of education (there is free education at the preschool and primary levels), health care, and so on. In addition, one can see a lack of respect for the rights of citizens, as well as a lack of drive in the promotion of economic, social and cultural rights. Thus, it is necessary to ensure a more thorough review of the laws and the provisions guaranteeing these rights, including increased sensitisation about human rights.
181. **With regard to justice and guarantees for rights and freedoms**, the justice system in Benin can hardly be accessed by the majority of citizens, despite the giant steps taken to establish Courts of First Instance in several communes and an Appeal Court in Parakou to reduce the pressure on the one in Cotonou. There is an acute lack of information for citizens about mechanisms for referring cases to courts. Most people who come under the jurisdiction of a court therefore do not know the procedures to follow when seeking redress in the event of conflict. The bureaucratic bottlenecks and corruption in the judiciary create a lack of confidence in the justice delivery system, thereby contributing to the alienation of citizens from the courts. Most people therefore resort to other mechanisms for resolving disputes. These include settlement at the family level, village councils, and arbitration and mediation by traditional authorities (chiefs) or religious authorities. Others, however, resort to violent, illegal or underhanded means such as mob trials and casting spells.
182. The CSAR mentions several proposals intended to improve the situation. These include an independent judiciary; quality service from the justice system in the short term; a mechanism for performance appraisal, which should include surveys to determine whether parties are satisfied by the courts; judicial reforms in order to restore a positive image of the judiciary; and sustaining the sensitisation drive on procedures for referring cases to the courts.

ii. **Conclusions of the CRM**

183. **Economic, socio-cultural, civil and political rights**

An analysis of several documents confirms how effectively human rights and fundamental freedoms are being guaranteed.

184. The civil and political rights enshrined in major international instruments are incorporated in the body of the constitution. They include the right to life (Article 15); personal integrity (Article 18); the right to elect and be elected (Article 6); and the rights to freedom of thought and of conscience, religion and opinion (Article 23).
185. Freedom of worship is practised daily, and religious tolerance – the hallmark of a religious Beninese society – seems to be a value that must be highlighted as it constitutes a virtue worth emulating by other subregional countries that

are often torn apart by inter-denominational conflicts. In Benin, a large number of Christian churches, Islam and traditional religions (in particular voodoo) coexist in harmony. All of them contribute to the spiritual upliftment of the people. There is some fear, however, that some religious groups may have attempted to influence political choices.

186. Freedom of the press deserves particular mention because of its highly valued pluralism. A multitude of newspapers (including several dailies), a large number of private television and radio stations, as well as community radio stations coexist in Benin. However, press excesses were frequently observed and highlighted during the forum organised by the CRM for journalists. From the so-called revolutionary era, characterised by a lack of freedom, the press has moved on to a total freedom that is akin to anarchy, and abuses abound. There have been many cases of defamation, rumour mongering, corruption, manipulation of the press to achieve political ends, and articles written on the orders of people.
187. The lack of professionalism of new journalists, the failure to observe ethical and professional standards, the pervading impunity, incomes, and inadequate regulation of the profession were criticised. One could say that freedom of the press in Benin is threatened more by internal forces than by external ones. Control, including 'censorship' of the public media, seems to give cause for major concern. The efforts of HAAC, aimed at addressing these shortcomings, have not yet yielded any positive results. The profession needs to be better organised and effectively self-regulated.
188. The CRM noted efforts made by the public authorities to allocate grants to the private media (an average of 300 million CFA franc per annum), and lauded the efforts made by journalists to address their own problems within the framework of the National Professional Journalists Association. However, these efforts need to be consolidated and the support of development partners would help.
189. The same situation applies to the exercise of other civil rights, which is often thwarted by ignorance and the enthusiasm of the security agencies (many cases of violence and degrading treatment have been reported). The poor state of the prisons, excessive deterioration of living conditions in penitentiary institutions, corruption, the pervading wheeling and dealing, and legal insecurity are also matters of concern.
190. Economic and socio-cultural rights are also enshrined in the constitution. These include the right to education (Article 8, Paragraph 13), the right to health (Article 8), the right to work (Article 30), and the right to embark on industrial action (Article 31). The same applies to solidarity rights (the so-called third-generation rights) in respect of development rights (Article 9), and rights to a secure, satisfactory and sustainable environment (Articles 27, 28, 29 and 74).
191. This official statement notwithstanding, the actual implementation of these rights leaves much to be desired. The findings of the focus groups organised

by the TRIs support the observations made by the CRM. Participants in the focus groups believe that “the failure to respect the economic and socio-cultural rights of the citizens of Benin is the major consequence of bad governance, particularly during all three previous presidential terms. In these conditions, the respect for legal and constitutional rights is losing its value in the face of insecurity caused by the failure to ensure the provision of the basic needs of the population”.

192. Indeed, it is not enough for the people to have freedom of expression, the right to vote and other civil rights. They also need access to food, health care, education and accommodation: in short, the right to live. This is an “area where Benin has fallen short in terms of governance since the beginning of the democratic era”. Thus, it is imperative to address the issue, as a matter of priority, to ensure the right of all nationals to a minimum standard of living.
193. The issue of the right to education seems to be the most critical of the MDGs. The government seems to be conscious of this issue, as it has made preschool and primary education free for all (see Chapter Six). The right to education in the mother tongue seems to concern the government, as does the right to cultural identity. The securing of these rights is, however, beset with a host of constraints, and can only be envisaged in the long term as current priorities are the fights against illiteracy and poverty.
194. **Access to justice, and guarantees in the respect of rights and freedoms.** This issue seems to be of utmost concern, and the effectiveness of measures to promote and protect human rights depends on it. While Benin respects the rule of law, and efforts are actually made to promote and disseminate information on fundamental rights, the fact still remains that these rights must also be effectively protected by institutions that are charged with that responsibility. Respect for the law by the appropriate authorities is essential if fundamental rights are to be promoted effectively and if the justice system is to be seen to be credible.
195. From this standpoint, it is important to highlight actions taken by institutions such as the National Consultative Commission for Human Rights, the Benin Commission for Human Rights, the Supreme Court and the Constitutional Court to protect human rights. Even government is subject to the jurisdiction of the courts – and the courts, although their actions may sometimes be flawed, do not hesitate to pass sentence.
196. There are many examples of such actions. The most notable of these sentences are those passed by the Constitutional Court, though other competent authorities also pronounce judgments and cause arrests to be effected in order to protect the rights of citizens from violations by public institutions (central and local governments, the law makers, the Executive and even the head of state) and individual citizens. However, these laudable actions, aimed at consolidating the rule of law and the protection of human rights, are mainly performed by the elite who live in urban areas.

197. Access to justice is still a problem for the large majority of Beninese for various reasons. The first is inadequate national coverage and a limited number of courts that are saddled with too much work. With the paucity of courts in the country, and pending the establishment of additional ones, a person with a court case must travel about 200 kilometres to reach a Court of First Instance and about 300 kilometres to reach an Appeal Court – a daunting task for an already deprived population.
198. The second issue is no doubt a cultural one, on account of the remoteness of what is considered to be “justice for white people and the rich” by the rural dwellers. They are less educated, are more often than not deprived of their legal identity, and still remain rooted in their culture and traditional values. Another concern for participants is the dual nature of Benin’s legal system, which is both modern and traditional, although the courts are not ‘technically’ qualified to handle issues concerning witchcraft and the casting of spells. On this score, participants rightly felt that it would be an issue of governance to find ways and means of addressing the issue, as happened in Cameroon. They refer to the need for a better internalisation of the traditional justice system with all the solutions that it offers to citizens. From this particular standpoint, the mediation role played by traditional chiefs could be better used in the short and medium terms on condition that it is human-rights friendly.
199. The third reason is the limited resources and institutional capacity of the judicial system. In November 1996, the forum on the justice system in Benin pinpointed this as an impediment to the effective delivery of justice and, as a consequence, legal and judicial security for citizens. These obstacles include complex procedures, bureaucracy, congestion in courtrooms, prohibitive costs, a shortage of manpower, insufficient training for judges and support staff in spite of all the efforts made in recent times, lack of staff motivation, outdated equipment, dilapidated buildings, bribery and corruption.
200. Moreover, although the law provides for legal aid, it is not effectively enforced for those who need it. It is only when a person is committed to trial that the state provides him/her with counsel. A 10-year and entirely funded PIRSJ was eventually introduced, following a broad participatory process, to find appropriate solutions to address the issue of equal access to an independent and efficient justice system that guarantees the fundamental rights of all citizens of Benin.
201. Indeed, the issue of judicial reform remains a major challenge for the consolidation of the rule of law and legal security of citizens and investors. Unfortunately, in spite of the pervading and recurring discourse on the need for an effective and secure justice that is accessible to all, the ongoing reform is slow in yielding results. It is thus clear why 64.21% of the respondents believe that justice in Benin is not accessible to citizens. A further 19.06% felt that it was and 16.72% had no opinion.
202. Is the low position occupied by the attorney-general and minister of justice on the protocol list of members of the current government symptomatic of the little importance given to the justice system? The same can be said of budget

allocated to the judiciary. It is therefore imperative to hasten the reform process to ensure better access to justice and guarantees for the effective protection of fundamental rights.

Good practice 3.4: The Constitutional Court of Benin, efficiency in the service of democracy, the rule of law and fundamental liberties

In an institutional environment that is strongly marked by corruption and greed, the Constitutional Court of Benin is the guarantor of the rule of law and the protector of fundamental rights and public freedoms. Established by Articles 114-124 of the 11 December 1999 constitution, the Constitutional Court has, since its inception, been used to consolidate democracy and the rule of law – principles whose foundations were laid during the transition to democracy in the 1990s.

The Constitutional Court derives its authority from the constitution and is the backbone of the rule of law and of constitutional democracy in Benin. It enforces rigorous compliance with the provisions of the constitution by always interpreting the law in such a way as to give priority to the constitution, the separation of powers, and protecting the rights and freedoms of citizens.

An example of this was the Constitutional Court's objection to extending the term of office for parliamentarians from four to five years. Its explanation was that any bill seeking to amend that provision in the constitution would be contrary to the resolutions of the February 1990 National Sovereign Conference which, in the court's opinion, are above the constitution and therefore binding ipso facto on all public authorities. The court also ordered the postponement of the inauguration of the president-elect of the republic in 1996 because the relevant constitutional provisions had been infringed. Furthermore, the president was made to comply with the decision of the Judicial Service Commission (JSC) on the appointment of judges, making it clear to him that any decision to the contrary would constitute a violation of the constitution (decision no. 2002-012 of 19 February 2002).

The court's decisions are enforceable and binding on all authorities – be they political, administrative, military or judicial – and this gives rise to occasional protests.

The court nevertheless plays a vital role in regulating the institutional and judicial life of Benin, and deserves to be commended.

iii. Recommendations of the APR Panel

203. In order to promote the exercise and enjoyment of all human rights, the APR Panel made the following recommendations:

1. Provide better control of the press and promote press freedom through the following actions:
 - Negotiate an industry-wide agreement for journalists from both the public and private media (journalists, media chiefs and government).
 - Draw up and codify statutes for journalists using the participatory approach (journalists, media chiefs and government).

- Organise and finance initial and further training for journalists (journalists unions, media chiefs, development partners and government).
 - Build the capacity (training, equipping, human resource, and so on) of the HAAC (Benin's official media regulator), journalist associations and unions to foster better organisation and self-censorship in media activities. Particular attention should be given to capacity building for better evaluation, control and strict discipline in cases of lapses in professional responsibilities (journalists unions, media chiefs, development partners and government).
2. Promote basic human rights in neighbourhoods and villages by:
- Initiating and/or enhancing educational programmes, at basic school level, on citizenship, republican values and human rights (government and the National Consultative Commission for Human Rights).
 - Organising regular awareness and educational campaigns on human rights in the television, radio and newspaper media through training seminars (National Consultative Commission for Human Rights, human rights associations and the HAAC).
 - Developing specialist training courses for security forces and judicial officers to protect all human rights (including economic, cultural and social rights) and to ensure compliance with national and international protocols on human rights (National Consultative Commission for Human Rights, human rights associations and NGOs).

Objective 4: Separate powers, protect the independence of the judiciary and develop an efficient Parliament

i. Summary of the CSAR

204. **With regard to the constitutional provisions separating powers**, several provisions in the constitution of Benin separate powers. This separation is achieved through the institutions created under the constitution. These institutions are functioning quite well except for a few internal and external problems. Data collected during the study shows that the separation of powers does not work perfectly in Benin.
205. The Executive in Benin is particularly powerful because the president of the republic, who is both the head of state and head of government, has a significant number of functions. Consequently, the Executive has a marked influence over the other two powers, the legislature and the judiciary. This leads to some interference between powers. This, in turn, brings corruption, politicisation and bribery in its wake.

206. **With regard to the independence of the legislature**, the National Assembly is certainly independent. The constitution even accords it one section (Section 5) just as it does the Executive. Its functions – the exercise of legislative authority and control of government activities – are set out in the constitution. The National Assembly passes its own bylaws but is controlled by the Constitutional Court, as is stipulated in the constitution. However, a large number of Beninese nationals believe that the National Assembly is not playing its role of watchdog over government activities effectively. This gives rise to a need to enhance the functions of the National Assembly to include monitoring the implementation of the national budget.
207. **With regard to the independence of the judiciary**, most Beninese citizens see the judiciary as an extension of the Executive, since the Executive wields some influence over it – despite the existence of a law that establishes its independence. The CSAR focuses on a number of problems plaguing the judicial system. These include corruption, disputes about jurisdiction, and the weakness of the judiciary. To strengthen the judiciary and make it independent, it has become necessary to make the president of the Supreme Court the chairperson of the JSC, to dismiss unscrupulous judges and encourage the honest ones, and to highlight the best practices of the judiciary in order to enhance the confidence of the citizens in their justice system.

ii. **Conclusions of the CRM**

Constitutional provisions establishing the separation of powers

208. Available documents provide a wealth of information about the existing constitutional and legislative provisions on the separation and balance of powers in the country. Each of the powers is dealt with in a separate section of the constitution. The supplementary provisions on each power are set out in the establishment acts, which were adopted by a different majority than the majority that passes ordinary laws. The Constitutional Court must ensure that the establishment acts conform to the constitution.
209. Several of the provisions of the 1990 constitution deal with the independence of each power and the differences between the executive, legislative and judiciary functions in a presidential system of government where separation of powers is strictly observed.
210. Article 54 of the constitution states that executive power lies with the president of the republic. He is the head of government and, as such, he determines and implements national policy. Paragraph 5 of the same article says that the duties of the members of government are different from the duties of MPs. Under Article 79, Parliament is formed by a National Assembly whose members are called MPs. It has legislative power and also monitors government activities. Article 92 states that an MP appointed to a ministerial position shall lose the right to sit in Parliament. Similar provisions on the judiciary deal with the differences and independence of Supreme and Constitutional Court members, and members of government or Parliament.

Article 125 states that the judiciary is independent of the legislature and the Executive. Judicial power is exercised by the Supreme Court, as well as by courts and tribunals established in accordance with the constitution.

211. Two establishment acts set out the conditions for this independence and the accompanying guarantees. The separation of powers is thus established by very detailed legal provisions.
212. The Constitutional Court, the principal court on constitutional matters, is the main mechanism for conflict resolution in government institutions. On the basis of Article 114 of the constitution – which stipulates that the Constitutional Court is the body that regulates the operations of institutions and activities of public authorities – the court develops precedents to support the independence of each of the powers.
213. The president of the republic, who is both head of state and head of government, is the only member of the Executive to whom cases of conflict between government bodies can be referred. However, a practice has evolved whereby one of the ministers has the position of coordinator of government activities and is the first port of call for resolving the problems that come up within the governmental structure.

Box 3.4: The government's working charter

Preaching good governance from the top by example

The government's working charter – recently initiated by Dr Boni Yayi's government and signed by all members of the Council of Ministers on 19 June 2007 – demonstrates the commitment of the president and his ministers to implementing the provisions of the preamble to the constitution. This states that conscience, competence, probity, sacrifice and loyalty in the interest of the common good are essential if the legitimate aspirations of the people of Benin are to be realised.

Members of government must declare their faith in the 10 cardinal values listed below as a demonstration of their total commitment to the success of the president's programme: (i) public interest takes priority in every decision or action; (ii) liability in the performance of duties in accordance with the principle of accountability; (iii) integrity, as members are role models in society and champions of public morals; (iv) equity, demonstrated by a desire for social justice and fairness; (v) solidarity in government action; (vi) transparency as a symbol of good governance and a reflection of the legitimacy of decisions and actions; (vii) open-mindedness, characterised by objective dialogue based on 'republican concepts'; (viii) civility, reflected in administrative decorum, courteousness and respect for the president of the republic; (ix) confidence in self, colleagues and partners, without losing sight of the importance of checking oneself and others; and (x) accountability with regard to the right of the people to information.

In a society characterised by high levels of corruption, to which it is seeking solutions, political leaders would set a clear example if they translated their commitment into action – a characteristic of dynamic and honest leadership.

214. The issue of whether the separation of powers, and its related control mechanisms, is effective is of major interest in this institutional environment. Since the 1990 constitution came into effect, each of the powers has carried out its function relatively well. Looking at the CSAR and the TRI reports, very rarely has the public or even the CRM had occasion to blame the separation of powers for a serious problem in a government institution. Parliament regularly exercises its control over government activities through written or verbal questions. The Constitutional Court also regularly and independently performs its function of regulating political life.
215. However, the poor institutional capacity of some authorities – such as the National Assembly (as the parliamentarians themselves admit), the Supreme Court, the High Court of Justice, and the courts and tribunals – must be condemned because it undermines the power of the Executive and its head, who is simultaneously head of state and head of government. This could result in the abuse and personalisation of the power of the president.
216. The work of focus groups and the information gathered by the CRM during its field work attest to this. An opinion poll conducted in June 2007 revealed that 34.78% of those polled believe that the current constitutional mechanisms promote the separation and balance of powers. However, 15.05% did not agree. This leaves a very high number of people who were noncommittal (50.17%, more than half the interviewees) because they had no knowledge of the issues.
217. However, many of those interviewed thought that the prerogatives given to the Executive by the constitution have made the Executive so strong that the other powers, particularly the legislature, do not have real influence. Many others were emphatic that there is some collusion between powers so that it would seem as if there was one power instead of several. It has become imperative to introduce better checks of the different functions and to strengthen control of the actions of the Executive through a stronger Parliament and independent courts. These checks and controls, together with a better organised civil society, will help prevent any tendency towards personalising state power.

Box 3.5: Presidential leadership

Participatory support for the vision of an emerging Benin

Under a presidential system of government, the issue of leadership seems to be of utmost concern. The president of the republic is seen as “the purveyor of prosperity and development”. The election of a new president, ripe with campaign promises, raises the hopes of a people beset by endemic poverty and bereft of freedom.

In Benin, the issue of how to transform the presidential vision of an emerging Benin into a common shared vision, implemented by all components of society, is a real challenge.

The solution is to compile and implement an effective institutional communications strategy that will draw the active support of all citizens. Consequently, more sustained attention should be paid to the information flow between the base and the top. A greater chance of success is

assured if the vision is defined, appropriated and implemented using the participatory approach.

The CRM is pleased to note the determination of the head of state to explain and share his vision with the people who elected him. It is hoped that beyond the president's commitment and passion to explain his vision and actions, the concept of 'concerted governance' will be established as part of the dynamic of a pragmatic and truly participatory leadership.

218. **The independence of the legislature.** The independence of the legislature in Benin is guaranteed by law and in practise. The institutional machinery, which is both constitutional and legislative, conforms to the required standards in more than name only. The same is true of the immunities and material guarantees that come with the work of Parliament.
219. Benin's Parliament is also financially independent. Interference by the Executive in the work of Parliament, and conflicts caused by the government being brought before Parliament to answer for its actions, are rare in Benin. Since the Executive does not have the right to dissolve Parliament – which is a feature of presidential governments – Parliament performs its duties in peace. The institutional stability of the legislature in Benin is certainly due to democracy in the country.
220. This does not mean, though, that Benin is free from the weaknesses in, and decline of, African parliaments. The National Assembly is weak and under-equipped, MPs are not always well trained and lack proper assistance, administrative staff is poorly trained and highly politicised, there is a lack of initiative in legislative matters, there are not enough staff and experts to ensure effective control of government action, deliberations are slow, the intellectual and technical quality of debates is poor, and so on. Since multiple legislatures were established in 1991, only five out of 12 parliamentary commissions of inquiry have submitted reports which have been considered in plenary; only three parliamentary questions made it to the floor for a full debate; fewer than 500 laws have been passed; and only about 200 questions (written or verbal, with or without debate, including questions on topical issues) have been addressed to the government. Recourse to foreign expertise will, for the moment, hardly help the Beninese National Assembly find solutions to its problems. Furthermore, the lack of official opposition does not augur well for democracy.
221. The greatest weakness of Benin's Parliament, according to observers and stakeholders, is the fact that it is extremely money-conscious. The National Assembly seems to crystallise the weaknesses and defects of the democratic system in Benin, which is consumed by corruption. The list system ensures the election of wealthy candidates who can finance parties' campaigns and bribe voters even if these candidates are illiterate, suspected of corruption, embezzling public funds or have questionable morals. It is only money – except in a few cases – that will ensure a place on a privileged party list, a passport to winning an election. The result of this is a large number of MPs of doubtful character who are implicated in corruption scandals and alleged to be

blocking important anti-corruption laws that would restore the authority of the state. Add to this the numerous and persistent rumours of corruption in the national Parliament and there can be hardly any doubt that there is an urgent need for a programme to restore the image of Parliament and to build its capacity.

222. **The independence of the judiciary.** The independence of the judiciary should be understood as the independence of all the courts. This includes special courts like the High Court of Justice and the Constitutional Court, which hears cases of violations of human rights.
223. The independence of judges in Benin is guaranteed by important laws like the constitution; Establishment Act 94-027 of 15 June 1999 on the JSC; Law 2001-35 of 21 February 2003, which establishes the judiciary; and the acts establishing the Constitutional Court, the High Court of Justice and the Supreme Court. The new statutes for members of the Supreme Court are in the process of being adopted.
224. Judges in Benin, for the most part, are not subjected to temporary mandates for the exercise of their functions. They are appointed for life. Only the president of the Supreme Court and members of the Constitutional Court and the High Court of Justice are appointed for a fixed term. Judges of the Constitutional Court and the High Court of Justice are not necessarily members of the national legal service, but the security of their jobs is guaranteed by the principle of irremovability. This is one feature that is accepted by all legal systems as evidence of the independence of the judiciary of a country. It is enshrined in Article 115 Paragraph 4, Article 126 Paragraph 2, and Article 133 Paragraph 2 of the Constitution.
225. Pursuant to Law 2001-35 of 21 February 2003, which establishes the judiciary, the appointment of a judge can only be terminated on disciplinary grounds and in accordance with specified procedures (also used for state prosecutors) by the JSC.
226. Some provisions of the constitution, however, make the independence of the judiciary relative. In terms of Articles 127-130, the president of the republic is also the head of the Executive. He guarantees the independence of the courts and appoints judges. The constitution gives the JSC – which is the body that disciplines judges – the role of assistant and adviser to the president. The minister of justice shares the vice-chairmanship of the JSC together with the president of the Supreme Court. He nominates judges for appointment, and initiates and conducts investigations into disciplinary matters concerning judges brought before the JSC. The strong presence of the Executive on the JSC and the subordinate role of the JSC – the body that guarantees and preserves the independence of the judiciary – are serious violations of the principles of the separation of powers and the independence of the judiciary.
227. It is thus very appropriate that the Constitutional Court has endeavoured to make up for the gaps in the conditions governing the independence and irremovability of judges. The Constitutional Court has ruled that the approval

of the JSC be sought for the appointment of judges (ruling 2002-012 of 19 February 2002). By doing so, it has forced the president of the republic and his Council of Ministers to endorse the decision of the JSC with regard to the appointment of judges or be in violation of the constitution. This is very significant and demonstrates the full extent and meaning of the independence of the judiciary from a legal point of view.

228. It must, however, be stated that the independence of the judiciary is undermined by poor working conditions – despite the recent increase in the salaries of judges – and the crying need for staff at all levels of judicial administration. Court officials have to file and investigate hundreds of cases each week. The accounts department is more than four years behind with the inspection of accounts, while prisons are dilapidated, overcrowded (the population is more than three times the number originally intended) and full of prisoners awaiting trial (more than two-thirds of the prison population) – often held under inhuman conditions.
229. The High Court of Justice is paralysed by a complex and highly politicised procedure and an inability to decide on what sanctions to apply in the cases before it. The ambiguities and loopholes in the applicable laws sometimes lead to different interpretations by the Constitutional and Supreme Courts, causing them to accuse each other of going beyond their respective mandates.

Box 3.6: The case of the embezzled legal fees

A pointer to the poor conditions of Benin's justice system

The case of the embezzled legal fees – in which about 100 legal officers, court registrars and tax revenue collectors were accused of embezzling legal fees – is an indication of the woeful working conditions of judicial staff.

Investigations revealed the existence of a network of shady officers who had worked out a way to improve their working conditions, and make a little extra on the side, by using illegal methods like claiming higher costs for transport used when carrying out their duties.

Sixty-three of them (including several judges) were given sentences of varying degrees and several were sentenced to prison. When they appealed, the judges were clearly treated less harshly. Many of them received lighter sentences and several subsequently got their jobs back. This leniency did not go down well with the public, who are generally not very well informed about the subtleties of legal cases, and who therefore quickly concluded that the judges had been favoured because of their 'connections'.

The positive fallout from this case is that justice was seen to be done, impunity was not entertained, and judges did not hesitate to try to convict their peers. This sends a message of hope about the ability of the judiciary to tackle corruption and the embezzlement of public funds in Benin resolutely (on condition that members of the judiciary are adequately remunerated!).

230. The public perception of the independence of the judiciary vis-à-vis the Executive and economic leaders is largely negative. Personal ambitions and

social pressures – which give rise to interference in legal proceedings, corruption and greed, uncertainties, and conflicts between authorities or within one authority – all greatly undermine the independence and prestige of the judiciary. The judiciary is therefore seen by the public as being very ‘sick’, notwithstanding the efforts of several honest and competent judges.

iii. Recommendations of the APR Panel

231. In order to guarantee the separation and balance of powers, the APR Panel recommends:

- Institutional capacity building for the National Assembly by recruiting and training parliamentary staff (Parliament).
- Improving the status and service conditions of parliamentary staff by introducing a career development plan, salary increments, and so on (Parliament).
- Depoliticising the staff by making them work as public officials in the service of the nation rather than for any particular political group (Parliament).
- Opening parliamentary offices in every district (Parliament).
- Providing further training for MPs in the work of Parliament, in methods of executive control, for parliamentary missions and in the necessity to be answerable to the electorate (Parliament, possibly with the cooperation of development partners).
- Reviewing establishment laws and the Electoral Provisions Act on the appointment of MPs to ensure better representation (at least one MP for each district), and to take into account gender balance and age (Parliament and government).

232. In order to consolidate the independence of the courts and the judiciary, the APR Panel recommends:

- Providing greater autonomy for the JSC from the Executive, seeing that the president of the republic and the minister of justice are also the chairman and second vice-chairman respectively of the JSC (government, Parliament, the Constitutional Court, the JSC and judicial workers’ unions).
- Accelerating the implementation of the PIRSJ, and updating the data on the various components if necessary (government and Parliament, with assistance from development partners).
- Setting up an ad hoc inspection, performance evaluation and anti-corruption task force within the judiciary. This should comprise representatives from all sectors of the judicial system selected for their

integrity and intelligence (JSC, the Supreme Court, government, Bar Association and corporate groups).

- Instituting a National Day of the Judiciary to celebrate the institution and members of the justice system who have distinguished themselves during the year (government, JSC, the Supreme Court with the assistance of all the other national institutions, and civil society).
- Assessing the capacities of the High Court and taking the necessary legislative and institutional measures to ensure the effective functioning of this important court (government and Parliament).

Objective 5: Guarantee an efficient, capable and responsible public service

i. Summary of the CSAR

233. According to the CSAR, since the public service and administrative modernisation meeting was held in 1994, numerous measures have been taken to reform Benin's public service, enhance its performance and make it the spearhead of development. These measures created awareness among public servants of their responsibilities. It must, however, be admitted that most of the weaknesses identified during the National Sovereign Conference still exist. They include ageing public officers; arrogance, indifference and even scorn towards illiterate users of public services; the high cost of services; lack of a sense of professionalism among public servants; impunity; not taking advantage of the knowledge and skills of workers; poor time management; politicisation of the civil service; and the recruitment quotas policy (a clear avenue for discrimination and tribalism).
234. The national consultation conducted by the INCI-APRM led to a number of interventions to strengthen institutions and to make the public service efficient and effective. The CSAR mentions some of these:
- the creation of a general secretariat in all the ministries to help separate political from technical functions and to safeguard the reputation of the ministries;
 - the creation of one-stop shops in sensitive sectors, such as the port and customs, and the beginning of administrative decentralisation;
 - the creation of customer service bureaus in the ministries and public institutions; and
 - the creation of a single reference file for public officials.

235. Some problems and failures were, however, recorded. These were: the rejection of the draft bill on promotion by merit, the acute staffing problem, obstacles to capacity building and social development caused by quota recruitment, ineffective governmental tools for assessing public officials, poor definition of the status of local authority officials, and lazy and incompetent public officials who are the result of impunity and inadequate control.
236. Most of the population expressed doubts about the transparency of recruitments, advancing reasons such as the extreme politicisation of the public service, corruption, favouritism and all kinds of irregularities. The procedures for staff promotion, training, management and assessment were also said to lack transparency.

ii. Conclusions of the CRM

237. At the end of the stakeholders' meetings, and after studying the documents, the CRM noted several problems in the public service. These confirmed the points raised in the CSAR.
238. The CRM found real problems in the implementation of administrative reforms. An opinion poll revealed that 70.69% of officials and local councillors interviewed thought the reforms were unsatisfactory. The stakeholders thought that the results of the reforms were not very visible.

Box 3.7: An efficient public service

A prerequisite for economic and social development

The condition of the civil service led the government to compile an initial register of government employees in December 1986. This flushed out fictitious employees and helped to computerise personnel management. The public service and administrative modernisation meetings held in December 1994 kick-started Benin's administrative reform (2000).

This reform was an expression of the need to make the public service development-oriented by taking appropriate measures. Today, an analysis of the situation in the civil service reveals that the operations and quality of public services call for vigorous action, particularly in the area of promotions and human resource development. Special emphasis should be put on gender balance in top positions, and on transparent and attractive career management plans. In the same vein, considerable effort should be made to depoliticise the public service, to fight corruption, and to ensure the transparent and effective management of human and financial resources in order to reduce the yawning gap between citizens and the civil service. Thus, the few successes noted by the reform are hardly felt. The political will expressed time and time again is overshadowed by poor understanding of the reform activities. The misunderstanding is largely due to the implementation strategy itself, and to the red tape within the institutional mechanisms of the very reforms to be implemented.

In order to meet the challenge of a developing administration, the APR Panel recommends that the government should find solutions to the following problems: delays in the implementation of the reform programme; lack of information and the low level of involvement of the Ministry of Public Services and Administrative Reform in the reforms initiated by the ministries themselves; loss of confidence by public service users and by civil society; lack of

clarity in job descriptions; ignorance of the reforms by technical sector organisations and the public; and politicisation of the public service.

239. The CRM noted a recurring criticism from stakeholders during meetings. This was the politicisation of the public service. This supported the observations made by the focus groups to the effect that interpersonal relations in the service are governed by the patronage caused by political affiliation and nepotism. Consequently, competent officers are not promoted, while those appointed are often not competent. Politicisation of the service will lead to low capacity and performance and to the demotivation of numerous workers and staff who become frustrated and disappointed to discover that experience, integrity, hard work and merit no longer count for promotion in a sector that is so crucial for economic and social development.
240. The weakness of the evaluation, promotion and disciplinary process also came up during meetings. This problem was attributed largely to the politicisation of the public service. The CRM also noted that Benin's public service is ageing. Several speakers at meetings thought that the austerity measures – adopted for public service recruitment following the implementation of the SAP of the 1990s – did not encourage new recruitment. Some ministries have not done any recruiting since 1986. The participants also expressed their disappointment with the quota system of recruitment because it promotes mediocrity in the public service.
241. The stakeholders mentioned the lack of transparency in the public service. Public officials always claim confidentiality to justify why they do not release relevant and reliable information. In the name of secrecy, officials withhold a lot of information. The lack of information hinders the smooth operation of the state machinery, widens the gap between the public service and consumers, and places the legitimacy of public services in doubt.
242. Another weakness in the public service, mentioned during meetings, was poor and disparate salaries. In all the regions visited, participants agreed that salary increases would improve living conditions and help fight corruption. Corruption, in the opinion of several observers, is one of the most serious vices plaguing the public service.
243. The participants stressed the inefficiency of Benin's public service and confirmed consumers' dissatisfaction with the quality of services rendered. This confirms the observation made in the preliminary study, where 58.22% of people interviewed said they were not satisfied with the reception and the quality of the services given in government institutions. It must also be noted that the problem of capacity is caused, in part, by the 'brain drain' affecting certain key sectors like health.

Box 3.8: Towards effective contribution by the diaspora to development projects

It is estimated that about 3 million Beninese citizens live abroad (in 2007, the total population of Benin was estimated at 8,053,690). The contribution of this large number of people to Benin's development needs to be organised and managed. After three decades of political instability, the 'democratic renewal' established by the National Sovereign Conference awakened interest in this group of citizens and in getting them to participate more in the economic development of their home country. Successive governments thus created various management and support institutions for the diaspora: the Ministry of Foreign Affairs in charge of relations with Beninese nationals living abroad; a high commission for Beninese nationals living abroad; and a national agency for Beninese nationals living abroad.

Beninese nationals in the diaspora, on their part, mobilised themselves to create three types of structures: the short visit home; the return home to seek out, and contribute to, a development project in a village, etc.; and the permanent return home to establish development projects. In addition to the repatriation of funds by individuals, the diaspora also launched the micro-finance project to grant loans to women and other creators of micro and small enterprises.

However, like the rest of Africa, Benin faces another challenge – the brain drain. The APR Panel encourages the Benin government to implement a national policy aimed at including its nationals in the diaspora in the process of drafting and implementing economic and social development policies and programmes for the country.

244. Participants in country meetings also discussed the outdated tools and poor performance of decentralised institutions. This is because of the unwillingness of the central authorities to transfer human and financial resources to local authorities or to transfer some powers and competences to the decentralised agencies.

iii. Recommendations of the APR Panel

245. In order to improve the performance of the civil service – in the light of the preliminary findings and recommendations of the public service reform strategy paper of July 1999 and the administrative reform framework document of June 2000 – the APR Panel wishes to recommend that government should:

- Give clearer job descriptions in order to enhance the role of the public service in the judicial system and in the fight against judicial insecurity, in human resource development, in promoting the rule of law, in training, in education and health, in the security of citizens, and to ensure an efficient and effective public service.
- Promote the development of a new administrative culture centred on the values of hard work, merit, respect for the public service, routine control at all levels, administrative management, accountability, commitment to achieving results, and discipline (positive or negative).

- Enhance the status and motivate (including financially) of its human resources through the implementation of a new salary structure aimed at improving working and living conditions.
- Implement capacity building measures for management and administrative institutions at the local, regional and national levels.
- Set up a rational and efficient information management system that is transparent and uses modern information and communication techniques.
- Draw up and implement a regulatory mechanism to tackle the problems mentioned in this report (such as lateness and laziness), starting with a review of the legal framework on public service personnel (Parliament and government).
- Pass a law on the depoliticisation of the public service. The objectives of this law would be the clarification, description and strict separation of technical and political functions so as to guarantee the continuity of the state and to ensure and enhance integrity, efficiency and republicanism in the public service.
- Implement and promote the policy of consultation and political association to ensure greater participation by the various professionals in the diaspora in the task of national development, and to create attractive conditions to encourage such professionals to return to Benin.
- Strengthen the mechanisms for the control and assessment of services and service provision through the establishment of appropriate channels of information under the control of representatives of government, the public sector and civil society.

Objective 6: Tackle corruption in the political world

i. Summary of the CSAR

246. According to the CSAR, corruption is rife in both the private and the public sectors. The following structures, measures and actions are recommended in the fight against corruption: an auditor-general's department; internal audit departments at ministries; the OLC and, recently, the unit for the improvement of public morals; civil society pressure groups like unions and NGOs; institutions like the National Organisations Front for the Fight against Corruption (FONAC), Transparency International, the Association for the Fight Against Racism, Ethnocentrism and Regionalism (ALCRER), ELAN and others; the introduction of a National Anti-corruption Day (8 December); audits ordered by the new government which, unfortunately, fail to satisfy the public; and some 'showy' sanctions like demotions and property seizures.

247. The OLC campaign is, however, hampered by the superficial nature of some of the measures taken. The measures do not take into account: the socio-cultural dimension of corruption; the extreme politicisation of the public service, coupled with the system of patronage, which is the root cause of impunity and the lack of firmness; the lack of conviction in major corruption cases; the absence of a conviction that corruption can be eliminated; and the absence of real political will to eliminate it.

ii. **Conclusions of the CRM**

248. The CRM noted during meetings with stakeholders that an alarming number of Beninese nationals are involved in corrupt practices. This was traced to many years of delayed salaries during the socialist era. The failure and inability of the government to guarantee salaries has led to people finding ways of surviving – adopting of a philosophy that says “the goat grazes where it is tethered” – and to a culture of corruption that has become endemic over the years. While the meetings with the stakeholders highlighted the widespread nature of corruption, the key players in the country brought to the fore the alarmingly high level of corruption in top government circles in recent decades. The expression “the fish starts to rot from the head” kept cropping up at country meetings to emphasise the gravity of the problem and to point a finger at the perpetrators.

249. **Incidence of corruption in Benin.** A recent European Development Fund study, titled *Benin’s Governance Profile*, found that corruption affects all sectors of the public service, especially customs, procurement, the Cotonou Port Authority, the Internal Revenue Service, and others. In addition, a survey by the Public Life Moralisation Unit (CMVP) revealed that between 80% and 90% of customs revenue was lost to the state between 1996 and 1997.

250. The OLC, quoting Irénée Koupaki, the minister of finance, noted that the losses in tax revenues to the state (through fraud by taxpayers, and by tax and customs officials) are valued at 100 billion CFA franc annually. The document continues, quoting the same source, that about 201 billion CFA franc worth of expenditure made by payment order between 2001 and April 2006 have yet to be regularised with authentic supporting documents. This amount represents about one-third of the national budget.

251. A UNDP study conducted as far back as 2000 showed that:

- 78.8% of Beninese nationals think that the public service is corrupt;
- 80% of Beninese nationals have no confidence in the justice system; and
- 83.6% think that the campaign to raise moral standards in public life was not effective.

252. The report of the OLC mentions the following corrupt practices:

- payment of huge bribes to top officials;

- tax and customs fraud;
 - over-invoicing of services provided to the state;
 - under-invoicing of fees owed to the state;
 - misappropriation of administrative, financial and material assets;
 - swindling citizens and companies;
 - influence-peddling, misappropriation of funds and favouritism in procurement procedures; and
 - election fraud characterised by bribing people.
253. **Legal framework for the anti-corruption campaign in Benin.** *At the local level*, the draft anti-corruption bill has not yet been adopted. The bill was sent to the National Assembly by decree on 31 March 2006 and, although this was done according to emergency procedures, the bill is yet to be passed.
254. The money-laundering law, on the other hand, was passed by the National Assembly in May 2006.
255. *At the international level*, the African Union Convention on Preventing and Combating Corruption has been signed but not yet ratified.
256. The United Nations Convention on Corruption (Mérida) was ratified on 12 August 2004. According to the *Benin's Governance Profile* report, it is proving difficult to integrate this instrument into Benin's laws.
257. **Institutional framework for the anti-corruption campaign.** Several structures and institutions have been put in place by the government or at the initiative of civil society as part of the anti-corruption campaign. They include:
- an assets verification committee;
 - an anti-corruption committee;
 - an SOS Corruption Committee;
 - the unit for the improvement of public morals placed under the office of the president of the republic (1996);
 - the forum for the mobilisation of civil society against corruption, which gave birth to FONAC in 1998;
 - the Ahanhanzo Glèlè commission, created in April 1999 to compile all cases of embezzlement and misappropriation of public funds from 1996 to 1999. Out of 294 cases, 120 have been taken to court;
 - a development projects implementation control unit (2004);

- the OLC (2004); and
 - the auditor-general's department, created in 2006.
258. It should be noted that several structures exist to fight corruption as part of the anti-corruption activities of civil society. The most prominent of these is FONAC, were created in 1998. FONAC's activities focused on advocacy for an anti-corruption law, creating awareness, encouraging citizens to take cases of corruption to court, whistle-blowing, investigations and others.
259. The OLC was created on 21 April 2004. It comprises 17 members drawn from different sectors (the National Assembly; the ministries of justice, finance and the interior; the judiciary; auditors; and civil society). The OLC's functions are to:
- supervise the implementation and control of the national anti-corruption strategy and action plan;
 - evaluate the anti-corruption programmes from time to time;
 - create educational and awareness programmes, and encourage anti-corruption campaigns;
 - collect data on corruption and follow corruption cases;
 - ensure that the necessary witness-protection measures are put in place; and
 - support any action intended to strengthen the anti-corruption drive, particularly the adoption of an anti-corruption law and making economic crimes subject to prescription.
260. **Effectiveness of the anti-corruption campaign in Benin.** Bibliographical data and people interviewed on the ground agree that there has hardly been any real political will to tackle corruption, much less to achieve any significant and convincing results. Corruption has become a culture and the tool of a certain type of governance. There is little hope of eliminating this vice, and people are waiting for some kind of 'messiah' to turn up and turn things around.
261. Since President Boni Yayi came to power, the political will to fight corruption has become evident. A minister and a politician have already been indicted, and about 30 judges have been charged in a criminal court fees saga that caused financial loss to the state valued at several hundred million franc.
262. The White Paper on corruption mentions other cases of corruption, such as the National Company for the Marketing of Oil Products (SONACOP) transfer and the Ministry of Energy and Water tender for the sinking of 147 boreholes in Mono, Couffo, Ouémé and Plateau. The results of the anti-corruption drive are generally insignificant, especially when placed against the high incidence of corruption in Benin.

263. Three years after the official launching on 16 September 2004 of the OLC, which refers to itself as the anti-corruption frame of reference, country visits and meetings with stakeholders all show that the vice is still alive, poisoning all sectors of economic activity and social life, and that it is rampant in the top echelons of government.
264. The ‘green march’ against corruption, in which the head of state himself participated, is a sign of the gravity of the situation, described by Minister Irénée Koupaki in these terms: “Corruption is one of the greatest evils in our society. Over the years it has become endemic, undermining development, eroding our sense of civic responsibility and upsetting our values. Despite the efforts made over the past fifteen years to combat corruption, many Beninese nationals continue to engage without scruples in misappropriation of funds, in tax fraud and in dubious transactions. The extent of corruption is such that today the people have the impression that everyone is tainted, which impacts negatively on their commitment”¹⁰.
265. At the end of several discussions with the stakeholders, two conclusions were arrived at:
- there is an affirmed and clear political will on the part of the new leadership to fight corruption; and
 - there are mixed feelings among many of the participants about the actual capacity of the authorities and of society as a whole to eliminate corruption.
266. The CRM is aware of the gravity of corruption in Benin and the immeasurable damage it wreaks on peace and harmony, on the morals and values of the citizens, and on national development and prosperity. It needs action and measures that are tough, bold, daring and exemplary. It demands, most of all, a sense of patriotism at the highest levels of government and among managers in state institutions who will place the national interest and the welfare of the people above selfish interests. The people must be given hope again, and this can only be done through concrete measures that are part of a national policy aimed at equipping them morally to wage an effective war against corruption.

iii. Recommendations of the APR Panel

267. The APR Panel strongly recommends that government, Parliament, judicial service officials and judges, traditional authorities, political parties, NGOs, civil society associations, and citizens all swear the citizenship oath to fight corruption by every means. To this end, the panel specifically recommends that government should organise a large awareness-raising campaign to highlight this important issue.

The panel recommends that the National Assembly, in strict compliance with the relevant constitutional provisions, should:

¹⁰ Preface to the National Anti-Corruption Strategic Plan.

- Adopt the anti-corruption law as soon as possible.
- Perform its function, of effective and regular control of public resources, fully to ensure that public expenditure is effectively controlled.

The panel recommends that the government and the institutions tasked with fighting corruption should:

- Implement the nine-point national anti-corruption strategy effectively by: (i) demonstrating the political will and determination of the government to give hope and encouragement to the people in the fight against corruption; (ii) implementing the required administrative and institutional reforms; (iii) establishing a legal and effective anti-corruption framework; (iv) stabilising public finances and increasing the return on public funds; (v) consolidating and strengthening the rule of law; (vi) improving the transport sector; (vii) supporting the activities of civil society; (viii) improving the attitudes and work ethics of public servants and improving their salaries; and (ix) adopting a pragmatic approach to the implementation of anti-corruption policies.
- In addition to the strategic plan: (i) make the anti-corruption control system, and control in general, more dynamic; (ii) create a corruption-intolerant environment; and (iii) emphasise that corruption will certainly be detected and not sanctioned.
- Draw up, as soon as possible, a civic and moral education programme for implementation in primary and secondary schools.
- Strengthen and make effective the administrative and financial controls in all state institutions and their branches beginning with the National Assembly and the Chamber of Accounts, and make accountability a culture and a natural reflex in the administration and management of public assets.
- Build the material and human capacities of the various control bodies and increase their roles in this difficult but salutary task.
- Build human and material capacities for the judicial system and review the status of judges.
- Amend the constitution by creating an audit bench, and build its capacity to execute its function of exercising judicial control over the use of public resources.
- Implement a policy of zero tolerance for the corrupters and the corrupted alike so as to eradicate the culture of connivance and impunity that breeds corruption.

To the Audit Bench of the Supreme Court, the panel recommends that it should:

- Perform its function of controlling the accounts of government and other public institutions under its authority fully and transparently, and ensure that deadlines are respected.
- Prioritise its activities by aligning them with those of the government and combining its efforts with those of the National Assembly, while taking into account its limited means and capacities.

Objective 7: Promote and protect women's rights

i. Summary of the CSAR

268. The CSAR briefly mentions measures that were taken to promote and protect women's rights and the participation of women in building society. These include the Individual and Family Code, the law on sexual harassment, the law on discrimination against women, and the inclusion of gender issues in several development programmes and projects. Benin also ratified the Additional Protocol on the African Charter on Human and People's Rights relative to Women's Rights in Africa on 6 March 2005. The CSAR also mentions the opinions expressed during focus group meetings, held as part of the preliminary study, and the results of the sample survey carried out for drafting the CSAR.
269. With regard to the obstacles hindering the promotion of women and the protection of their rights, the CSAR mentions illiteracy, which constitutes a serious handicap for the social affirmation of women; socio-cultural impediments linked to tradition; the weak representation of women on national decision-making bodies; and mutual solidarity. There are also the issues of the inadequate internalisation of conventional laws contained in national statutes and their dissemination because of the poor resources allocated; a lack of follow-up; the disintegration of structures and departments entrusted with the promotion and protection of women's rights; a lack of knowledge about laws; failure to apply sanctions when laws about the promotion and protection of women's rights are not observed; flexibility in the conditions for granting loans; and the lack of subsidies for girls enrolled in private establishments.
270. The report quotes recommendations made by people interviewed in the survey. They proposed remedies for these obstacles or weaknesses, including the restructuring of organisations responsible for promoting and protecting women's rights in order to ensure that activities intended to achieve these ends are coordinated better; the ratification of the Convention on the Political Rights of Women; the mobilisation of women on women's issues; the sanctioning of those who violate laws on the promotion and protection of women's rights; subsidies for girls enrolled in private establishments; and easing the conditions for granting loans to women.

ii. Conclusions of the CRM

271. The CRM experts noted the considerable progress made towards promoting women in Benin, although much still remains to be done.
272. With regard to **measures taken to promote and protect women's rights**, the CRM states that Benin has introduced gender equality at the constitutional level. The basic law has included the provisions of the African Charter on Human and People's Rights, which guarantees gender equality and the total and equal protection for all under the law in Articles 2, 3, 4 and 5. Meanwhile, Article 26 of the constitution highlights the principle of gender equality by specifying: "the State ensures equality under the law for all irrespective of origin, race, sex, religion, political opinion or social position." On 12 March 1992, in Article 144 of the same constitution, Benin also ratified unreservedly the CEDAW, as well as several other international and regional instruments¹¹.
273. With regard to the legal provisions guaranteeing women's rights, several laws have been promulgated. They include Law 2003-04 of 3 March 2003, on sexual and reproductive health; Law 2003-03 of 3 March 2003, on the elimination of female genital mutilation; and Law 2002-07 of 7 June 2004, on the Individual and Family Code¹².

¹¹ Legal instruments on women's rights: Ratification status (website of Women in Law and Development in Africa – WILDAF)

- Protocol to the African Charter on Human and People's Rights relative to Women's Rights in Africa (30 September 2005)
- CEDAW, 12 March 1992.
- International Covenant on Economic, Social and Cultural Rights, 12 March 1992.
- International Covenant on Civil and Political Rights, 22 March 1992.
- The African Charter on Human and People's Rights, 20 January 1986.
- Convention concerning Equal Remuneration for Men and Women Workers for Work of Equal Value, 16 May 1968.
- Convention on the Consent to Marriage, Minimum Age for Marriage and Registration of Marriages, 23 June 1965.

¹² Laws on women's rights (WILDAF website)

- Constitution of 11 December 1990, adopted in the referendum of 2 December 1990, into which the African Charter on Human and People's Rights of 1981 is integrated.
- Civil law: legal duality as regards the family (application of laws since independence: Customary Law of Dahomey of 1931 and Napoleonic Code of 1958).
- Bouvenet Penal Code of 6 May 1877.
- General collective labour agreement.
- Labour legislation adopted by Law 98-004 of 27 February 1998.
- Law 86-013, giving the general status of permanent government officials (permanent civil servants or government employees) of 26 February 1986.
- Law 86-014, spelling out the legislation on civil and military retirement pensions of 26 September 1986.
- Law cracking down on incitement in favour of abortion and birth-control propaganda of 31 July 1920.
- Nationality code (Law 65-17 of 23 June 1965).
- Law 65-25 of 14 August 1965, relating to the organisation of the land ownership system in Dahomey.
- Law 2003-04 of 3 March 2003, relating to sexual and reproductive health.
- Law 2003-03 of 3 March 2003, cracking down on the practice of female genital mutilation.

274. From another point of view, the strengthening of this willingness to promote women in Benin led to the creation of numerous institutions. These include the National Commission for the Integration of Women in Development (1993); the Department for Women's Affairs (1996); the Women's Department in Rural Agricultural Development (CFDAR) at the Ministry of Agriculture, Livestock and Fisheries (MAEP) in 1995; and a ministry responsible for the promotion of women, now called the Ministry of the Family and the Child (MFE), in 1998. In addition, two gender focal points have been designated in other ministries.
275. The government of Benin also established a National Commission for the Promotion of Women (CNPf) in 2002, followed by Departmental Commissions for the Promotion of Women (CDPF) in 2003. Other operational provisions include the creation of a department for the coordination, monitoring and evaluation of gender integration, and the Department of Statistics and Information on Women within the Department for the Promotion of Women and Gender (DPFG).
276. With regard to policies, the PNPf was adopted on 31 January 2001 and aims, inter alia, at improving the social and legal status of women, at ensuring their education and training, and at strengthening their economic capabilities. A multi-sectoral plan of action was adopted to implement this policy.
277. **Effectiveness of measures taken.** After considering the great efforts made, and the considerable progress on promoting women in Benin, the CRM pointed out that the situation of women is still uncertain. There are still problems, particularly with regard to the enjoyment of human and legal rights; protection against violence; access to justice; representation at the decision-making level; taking responsibility for the state of women; and mainstreaming gender in development policies and programmes through institutional mechanisms.
278. The CRM pointed out that the content of the Individual and Family Code is not well known by the population, which is still attached to customary practices that are unfavourable to women. In fact, though the legal status of Beninese women may have developed *de jure* thanks to the different laws adopted and cited above, the *de facto* situation is still not satisfactory. The application of new laws is still problematic. There are various levels of application, depending on whether persons concerned are educated or not, whether they live in a town or village, or whether customary and traditional customs have a strong or moderate influence in the family.
279. It is worth emphasising Article 127 of the Customary Law of Dahomey. It stipulates that "a woman has no legal power ... she is part of the man's assets"¹³. Thus, according to Dahomey custom, it is only in practice that the woman has some importance. She is often valued in relation to her ability to procreate. In certain localities, she is thought to be the property of the husband

• Law 2002-07 of 7 June 2004, relating to the Individual and Family Code.

¹³ Dr Elisabeth Fourn. 19 November 2005. *Entreprenariat féminin: Étude des fondements sociologiques de la promotion des femmes au Bénin*. Forum Socio-économique : Cotonou.

in marriage and could be bequeathed, against her wishes, to a third member of the family in her husband's will¹⁴. She does not inherit from her direct ancestry or from her husband, and is denied all rights except that of managing the home.

280. Apart from the violation of their economic rights, women also undergo serious attacks on their physical and moral integrity. Early and forced marriages, genital mutilation, widowhood rites, physical violence, and lack of respect for succession rights still persist. According to the men and women interviewed, these old practices are still prevalent in towns and villages in modern Benin.
281. The victims of these violations are awaiting the application of new provisions and hope that offences will be appropriately punished by the Penal Code. Meanwhile the Penal Code, which is supposed to be in line with these new laws, is still pending at the National Assembly. Furthermore, the poor functioning of the justice system (its complexity, cost and influence) discourages women from resorting to it. Also, in cases of family conflict, it is the traditional judges who generally intervene and apply customary laws. These are characterised by socio-cultural barriers that are not favourable to women. As mentioned in Objective 1 of this chapter, traditional authorities ignore the relevant provisions of the constitutional, legislative and regulatory framework and, more specifically, the provisions of the Civil Code, the Penal Code and the Penal Procedure Code.
282. With regard to the participation of women in governance, the CRM pointed out that they are under-represented on decision-making structures at all levels. While women account for more than half the population (51.5% according to the last census in 2002), there are only six women ministers, only five women parliamentarians (out of 83 in the National Assembly), and only two women out of seven at the Constitutional Court (i.e. 28.57%) – although this court has been headed by women since it was set up. Only 26.8% of the civil service is female, there were only two women prefects out of six in 2006 (33.33%), only three out of 77 mayors elected in 2003 were women (3.9%), there were only 46 women community councillors out of 1,199 (3.84%), and only 47 out of 327 members of the executive bureaux of parties in 2003 were women (14.4%). However, 61% of people in the social ministries are women. Furthermore, according to a study carried out by a team of consultants, led by Adrien Glèlè Ahanhazo, “the highest proportion of women within the executive bureaux of political parties is 23.8% (5 out of 21), 20% (three out of 15)...” and so on. These figures indicate that Benin is far off the objectives set in the Beijing Action Forum, which aims at women comprising at least one-third (33%) of representatives on decision-making bodies. This figure, however, cannot be reached as political parties do not offer enough candidates. This situation was highlighted by interested parties and participants at the different meetings of the CRM, especially by those who were present at the Forum on Women in Cotonou. They called for the adoption of a law on quotas, which would be applied temporarily and abolished once the desired quotas had been reached. Besides a law on quotas – which the CRM regards as

¹⁴ INSAE. 2003. *Characteristics of Vulnerable People in Benin*.

being very important for addressing the imbalance between men and women in politics – there are also economic, social and cultural obstacles that must be removed.

Box 3.9: Reasons for the low representation of women on principal decision-making bodies

The documentary review and the persons interviewed by CRM experts have helped to identify the causes of the low representation of women on the principal decision-making bodies. These factors include: the influence of tradition (a woman cannot be a chief), the resistance and distrust of men about the involvement of their spouses in politics, and violence against women. There are other obstacles such as: illiteracy, which is widespread among women; the low percentage of girls in schools (see the chapter on socioeconomic governance); their heavy workloads, and unequal distributions of paid and unpaid work between men and women; the lack of structures, like childcare centres, to take care of them from childhood; and the absence of the means and systems that ease domestic duties. Moreover, women seem unwilling to fight for their participation in the political administration of the country. They also lack confidence in themselves and lack leadership training in certain regions of the country. In addition to these factors, “the conduct of political life nowadays requires substantial resources, which women in general do not have. Out of 121 political parties registered in 2002 in Benin, only two parties were led by a woman. More than 60% of members of The Renaissance Party of Benin led by a woman are women. Paradoxically, its National Management Committee has only 8 women out of a total of 30 members”¹⁵.

283. Violence against women also causes concern. This phenomenon has been raised by stakeholders and by studies and research done on the issue. The report by Benin on the Development Index and Gender Inequalities in Africa (IDISA), developed by the ECA, reveals that Beninese women are subjected to numerous acts of violence, both within the family and in society in general. The reasons given to justify this violence vary. They link to basic education in the context of the family. The only duties women have are to be quiet, devoted, docile, submissive, and ready to carry out the wishes and decisions of men. Financial autonomy is another issue. Poverty affects women mainly and makes them financially dependent on men. With regard to domestic violence, women who fear to be separated from their children prefer to remain and suffer the violence. This violence, which is an infringement of the rights of women, also has serious physical and psychological consequences. It is also not dealt with appropriately by the government. In fact, despite the adoption of certain measures – such as the International Day for the Elimination of Violence against Women, which is celebrated on 1 December in Benin; the creation of a favourable framework for the development of structures to protect and care for the victims of domestic violence; the establishment of an SOS green number for battered women, an initiative of the Ministry of Justice;

¹⁵ WiLDAF-Benin. May 2005. *Benin and the UN Convention of November 1979 on the Elimination of All Forms of Discrimination against Women*. Cotonou.

and human rights laws – there is no strategy or action plan for the elimination of domestic violence, or an appropriate budget in this regard¹⁶.

Box 3.10: Women and politics

Beninese women make up over 51% of the population but are poorly represented on the political scene. A study of the situation shows that, beyond the rights conferred by legal instruments at national, regional and international levels, there are very few women in decision-making bodies. In fact, political responsibilities are considered to be the private domain of men and the state, embodied by the president of the republic. Yet a female lawyer, Marie Elise Gbedo, ran twice for president in 2001 and 2006. The president of the Association of Women Jurists in Benin (AFJB), Gbedo had to face a number of cultural and material obstacles and different forms of violence at the hands of both men and women.

“In politics, women are often treated in a diabolical manner. Almost all women who try to work their way up in politics are referred to as women of low morals especially when they succeed. The discriminatory and untruthful remarks sometimes relayed by the press or radio and television are often weapons used to destabilise women in politics. The numerous attacks against the few women leaders in our countries are tangible proof of the means used by men to fight them in the field ... Our African societies are rife with such practices owing to the influence of certain outmoded traditions, which have to be rejected at all costs, the repugnant illiteracy, the ill-digested religious concepts, the disguised poor moral and material standards.”

Extract of an article by Mrs Ramatou Baba Moussa, President of the Network of African Women Ministers and Parliamentarians (REFAMP) Benin, presented at the seminar ‘Role of Women in the Consolidation of Democracy and Peace’, Cotonou, 28-30 January 2003.

284. With regard to the ministerial department responsible for women and gender promotion, the CRM has revealed that this structure has undergone several name changes since its inception. Today it is known as the Ministry of the Family and the Child, a name devoid of the word ‘woman’. The removal of the term ‘women’s affairs’ and ‘woman’ has received varied reactions. Some consider it to be retarding the promotion of women, while others explain it by the fact that the woman is a full member of the family and must not be dissociated from it. Many participants at the Forum on Women, organised in collaboration with the CRM in July 2007, criticised the removal of the word ‘women’ from the new name of the ministry. They also mentioned the weaknesses and inadequacies of this structure.
285. Most of the personnel of the MFE are just implementers, and the very few staff who draw up programmes are highly mobile. The number and level of staff, the change in personnel (which occurs after each ministerial reshuffle), and the very low budget allocated to it, all account for the very little clout the department has in government. “Gender equality in Benin is still perceived as a technocratic objective and the woman is not yet considered an essential agent of change. The State does not invest enough in the promotion of women although they constitute a crucial factor (nearly 52% of the population) in its

¹⁶ UNECA, March 2007. Benin’s report on IDISA,

development strategy”. They have declared that it is crucial, considering the difficulties in this area, for Benin to have a structure that has a clear mandate, adequate political influence, sufficient human and financial resources, as well as the required skills and capabilities for carrying out its tasks. Thus, the participants at the Forum on Women demanded the creation of a structure to handle gender and development issues that should report directly to the president of the republic, and that would have branches in all other ministries.

286. The CRM has also noted the absence of a national gender policy – serving as a basis for all parties and departments – to promote the gender dimension in policies and programmes. The CRM experts also noted the efforts made by bilateral and multilateral partners to support Benin in the promotion of its women and gender policy. The CRM learned – following discussions held with representatives of the Swiss Cooperation Agency, the Danish Agency for International Development (DANIDA) and the UNDP – that efforts are under way to take the issue of gender equality into account in strategic documents, budgets and programmes. In 2005, the approach was integrated into certain sectors, when the budget/programme of MAEP (the Population Policy Statement, or DEPOLIPO) was re-read, and in the formulation of the 10-year strategic plan of the Ministry of Works and Public Service. However, these same partners found weaknesses and a lack of coherent planning about the strategic options adopted in the budgets/programmes and in the annual work plans of the other ministries, as well as the lack of an appropriate budget for carrying out activities for greater equality and equity.
287. The analysis of the performances of most sectors revealed that the major activities carried out under the gender theme boils down to awareness campaigns and training¹⁷. These conclusions were reinforced by the national study on IDISA, conducted by some of the national researchers mentioned above. This study has highlighted the challenges, weaknesses and areas requiring intervention. It highlighted particularly the small budgets allocated to gender issues. The promotion of women should not be limited solely to the reform of their legal status. It is therefore imperative to ensure equity for women in the allocation of public funds through adequate budgets for gender issues. Examining budgets from a gender perspective helps to identify gaps and discrepancies between the access to, and distribution of, public resources. It is not a question of preparing separate budgets for women and men. On the contrary, the objective of analysing budgets from a gender perspective is to redefine priorities and to allocate adequate resources that will meet the needs of all sections of the population, while taking into account the disadvantaged position of women.

¹⁷ Budgetary support joint mission and joint implementation of budgetary support review and implementation of PRSP – gender approach in the joint mission.

iii. Recommendations of the APR Panel

288. The APR Panel recommends that the government:

- Adopt a national gender policy that will serve as a reference and orientation framework for all sectors of development.
- Guarantee women's rights by enforcing the laws adopted.
- Translate into local languages and disseminate the Individual and Family Code and all laws relating to the rights of women and the family.
- Provide the MFE, as well as gender focal points attached to sector departments, with the necessary authority and human and financial resources to enable them to perform their tasks.
- Allocate an adequate budget to the integration of gender issues in the policies and programmes of action of all departments.
- Ensure that there is systematic education and training in the human and legal rights of women for all professional groups linked to judicial and extrajudicial activities, judges, doctors, lawyers, court clerks, bailiffs, traditional chiefs, and others.
- Strengthen education about the human rights of women in the primary and secondary education curriculum.
- Take all measures aimed at ensuring the equal access of women to elective and nonelective responsibilities, to political and administrative positions, and to political organisations and associations, through the adoption of positive measures of action such as quotas and the revision of electoral laws and legal texts.

Civil society and the media are urged to strengthen awareness, in adults and children, of the human and legal rights of women.

The private sector and civil society should promote the creation of an enabling environment for women to combine work and family life.

Objective 8: Promote and protect children's rights

i. Summary of the CSAR

289. The CSAR gives a very brief account of the measures taken to protect children and young people. These include the creation of a Brigade for the Protection of Minors (BPM) and a Children's Ministry; the creation of a Children's

Parliament; the ratification of the Convention on the Rights of the Child and the law against the trafficking and exploitation of children; free nursery and primary education; training programmes for the youth in entrepreneurship; NGO programmes of international institutions like Aide et Action, Terre des Hommes, Plan Benin, UNICEF, the Network for the Integration of African Women Working in NGO and African Associations (RIFONGA) Benin, and others. Several activities have been undertaken. These include the organisation of a seminar on youth employment; the promotion of civic education and citizenship; the creation of a Ministry of Youth and Sports and Leisure; the creation of recreation centres in the departments of the country; the establishment, within the same ministry, of a press group for the sensitisation of youth, by the youth, about reproductive health in particular; the establishment of youth centres in communities; and the training of youth in entrepreneurship.

290. The CSAR mentions that, despite these measures, there are still many problems. These include child trafficking; illegal work and economic exploitation, particularly through child labour; and unemployment and massive underemployment of the youth.
291. With regard to weaknesses, the CSAR notes that laws on the rights of children and the youth are not being disseminated, that there is a lack of incentives to structures that should take the youth into account, that there is a general lack of civic responsibility, and a lack of human and material resources to run the recreation centres.
292. At the end of this review, the CSAR proposes solutions or actions to improve governance. These include disseminating laws on the rights of children, creating employment for youth through the promotion of local radio stations, and integrating the youth (also through the radio stations).

ii. Conclusions of the CRM

293. The CRM notes that Benin has acceded to a large number of international and regional instruments that protect the rights of children. One such instrument is the Convention on the Rights of the Child, which was published on 5 September 2006. Benin has also ratified the following documents:
 - The Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography (25 May 2000).
 - The Optional Protocol to the Convention on the Rights of the Child, on the Involvement of Children in Armed Conflicts (25 May 2000).
 - Convention 138 of the ILO, on the minimum age of admission to employment (11 June 2001).

- Convention 182 of the ILO on the banning of the worst forms of child labour and immediate action for their elimination (28 May 2001).
 - The United Nations Convention on Organised Transnational Crime and its Additional Protocol aimed at preventing, curbing and punishing the trafficking of persons, in particular women and children; its Additional Protocol against the illicit trafficking of migrants by land, air and sea; and its Additional Protocol against the manufacture and illicit trafficking of firearms, their parts, elements and munitions (6 November 2003).
 - The Optional Protocol to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (20 September 2006).
294. At the regional level, Benin has acceded to the African Charter on the Rights and Welfare of the Child (adopted by the OAU, which became the AU, in July 1990) signed on 27 February 1992 and ratified on 17 April 1997, together with the following subregional agreements:
- The Cooperation Agreement against the trafficking of children between Benin and Nigeria (June 2005).
 - The Cooperation Agreement against the trafficking of children signed between nine countries in the region: Benin, Burkina Faso, Côte d’Ivoire, Guinea, Liberia, Niger, Mali, Nigeria and Togo (27 July 2005).
 - The Additional Protocol to the United Nations Convention on Organised Transnational Crime, against the illicit trafficking of migrants by land, air and sea (called the Palermo Protocol).
295. With regard to national rights, the constitution of 11 December 1990 remains the frame of reference as far as human rights are concerned. Article 147 stipulates that “Upon publication, treaties or agreements that have been lawfully ratified take precedence over laws, and for each agreement or treaty, subject to its application by the other party”.
296. Articles 12 and 13 of the constitution specifically concern children and the education of children in particular. Article 12 demands the guarantee of education for children and the necessary conditions to achieve this end. Article 13 lays down the principles according to which the state should provide for the education of children in public schools. Article 13 also states that primary school is compulsory and that public education is free.
297. In the context of the principle of nondiscrimination, Article 26 establishes that “the State should protect the family, especially the mother and child”. Other provisions, even when not specifically aimed at children, concern human rights and certain rights enumerated in the Convention on the Rights of the Child as part of human rights. These include the right to life, to freedom, to security, and to the integrity of persons (Article 15); the presumption of innocence and the rights of defence (Article 17); the banning of torture and cruel, inhuman or degrading treatment; the right to medical assistance during

police custody or detention (Article 18); and the right to equality before the law (Article 26). Article 40 states that the “State must integrate the rights of the human being into literacy and education programmes in various school cycles and universities and in all programmes of the Armed Forces, Public Security and Allied Forces”.

298. At the legislative level, Benin has taken the measures listed below to strengthen the legal framework on the rights of the child and to synchronise national legislation with international instruments:
- Law 2006-04 of 5 April 2006, stating the conditions for the displacement of minors and the abolition of child trafficking in the Republic of Benin.
 - Law 2006-31 of 5 April 2006, relating to the prevention, responsibility and control of HIV/AIDS.
 - Law 2002-07 of 24 August 2004, relating to the Individual and Family Code and to female genital mutilation.
 - Law 2003-04 of 3 March 2003, on sexual and reproductive health.
 - Inter-ministerial Decree 16/MEPS/METFP/CAB/DC/SGM/SA of 1 October 2003, which specifies sanctions to be imposed on the perpetrators of sexual violence in schools in general, and in technical, professional, public and private secondary educational establishments.
299. The *Individual and Family Code* has been in force since 24 August 2004. Based on the principle of equality, this legislation improves the legal status of children in several ways. These include succession by all children, be they legitimate or natural, girls or boys; the right to inherit from parents; and the right of girls to choose their future husbands freely.
300. Moreover, Articles 438 and 439 provide for the loss of parental authority when parents have been convicted under criminal law for committing a crime or an offence against their child, and when they endanger the safety, health and morality of their child “by ill-treatment, pernicious instances of constant drunkenness, acknowledged misconduct or criminality, lack of care or lack of guidance”.
301. *Law 2003-04 of 3 March 2003, relating to sexual and reproductive health.* This law states the conditions under which contraception is permitted, pregnancy voluntarily terminated, and the conditions for taking care of persons living with HIV/AIDS.
302. *Law 2003-03 of 3 March 2003, relating to the abolition of female genital mutilation practices.* This law abolishes the practice of female genital mutilation.
303. The law on child labour and trafficking was voted on by Parliament on 30 January 2006 and is awaiting promulgation by the president of the republic.

This law is aimed at prescribing the conditions for the movement of children within and outside Benin, and at punishing child traffickers.

304. The CRM also noted that new institutions designed to protect and promote the rights of the child have been set up. These include the National Commission on the Rights of Children (CNDE) and the National Unit for Monitoring and Coordinating Activities for the Protection of the Child. They include a number of action plans and programmes adopted by state organs concerned with the promotion and protection of the rights of the child. They also note that Benin has prepared a draft national policy and strategy for protecting children.
305. *At the institutional level*, several governmental and nongovernmental national and international bodies are in charge of children¹⁸. At governmental level, many ministries deal with issues relating to the rights of children. First, there is the Ministry of Justice, Legislation and Human Rights. It coordinates the monitoring of the Convention on the Rights of the Child in the different governmental and local structures and between the various relevant ministries. The mission of the Ministry of the Family, Social Protection and Solidarity is to ensure, through the Directorate of the Family, Children and Adolescence, that the laws on the family and protection of the child – namely the Individual and Family Code and the Convention on the Rights of the Child, together with other instruments that protect the rights of children ratified by Benin – are implemented effectively.
306. The BPM of the Ministry of Interior, Security and Decentralisation is responsible for protecting children and adolescents by preventing social maladjustment, and by investigating crimes and offences committed by minors younger than 18. The Ministry of Primary and Secondary Education has, as one of its missions, to initiate, prepare and propose policies, strategies and plans of action relating to the implementation of national education policies and to see to their application. It also coordinates various actions to promote education for girls.
307. The mission of the CNDE (Decree 99-559 of 22 November 1999) is to coordinate all actions for implementing the Convention on the Rights of the Child with other ministries and public organisations. In 2001, six departmental committees on the rights of the child were set up. The National Centre for Safeguarding Children and Adolescents (CNSEA) is charged with the re-education and social reintegration of minors in difficulty. Besides its primary function – which is receiving minors in conflict with the law and in ‘moral’ danger – the CNSEA was becoming a reception centre for children who are victims of trafficking. Established by presidential Decree 67-316/PR/MGM of 9 September 1967, the CNSEA has been closed and reopened several times between 1967 and 1995, when it was last reopened. The centre has been closed for 10 years because of the implementation of the decentralisation process. Apart from the CNSEA located in Cotonou, two regional centres have been in existence since 2000 in Parakou and Aplahoué. The gradual construction of additional regional centres has been planned for each department. With regard

¹⁸ Benin’s report CRC/BEN/2, Paragraph 46.

to health, Benin has put in place a vaccination programme, and has taken responsibility for orphans who are victims of HIV/AIDS and the education of girls and handicapped children (see Chapter Six on socioeconomic development).

308. The CRM notes, in the light of all the measures and provisions mentioned, that some progress has been made by Benin to promote the welfare of children by guaranteeing them better legal protection. Some relevant national laws that conform to the principles and provisions of the Convention on the Rights of the Child have been adopted. Thanks to the support of international organisations and NGOs, the country mobilised itself to fight child trafficking and child labour. It has also tried to sensitise the population about violence perpetrated against children, about the role of the BPM, and about the children's judge.
309. The CRM observed – in discussions with stakeholders, participants at workshops organised in the prefectures visited, members of NGOs and in newspaper articles – that, despite all these efforts, Benin's children still face serious problems. These include failure to register births, malnutrition, education, the socioeconomic environment, work at an early age, trafficking, health, sexual exploitation, and others.
310. The CRM noted that legislative and institutional provisions are still incomplete. The legal provisions aimed at guaranteeing better legal protection for children are inadequate. The Code of the Child has still not seen the light of day, nor has the revision of the Penal Code and the Penal Procedure Code. In addition, the fact that the declaration of births is not automatic or widespread in the country means that not all children have birth certificates. Furthermore, those who do not register their newborn babies do not run the risk of being punished. Moreover, there are neither control mechanisms nor structures for registering children at birth in remote areas. This situation perpetuates forbidden practices such as ritual murders perpetrated against children accused of being wizards or witches¹⁹. It also gives rise to faked identity papers and numerous other abuses, particularly those that involve falsifying the ages of children for the purpose of work or marriage.
311. At the institutional level, the main weaknesses come from inadequate structures and material and personal resources made available to the departments concerned. The MFE, in particular, suffers from a lack of staff and adequate monetary resources. Moreover, monitoring of projects is relatively weak and the actions envisaged are not sustainable.
312. With regard to education, free primary education, particularly for girls, seems to be a myth. Stakeholders have observed that measures taken to offer free education have not been accompanied by support measures like the provision of school stationery, school uniforms, transport, and accommodation in the community centres that guarantee the control and supervision of rural children.

¹⁹ Some regions in Benin that have strong animist traditions still consider some children as 'witches'. According to this tradition, children born with an anomaly – i.e. whose mothers die through childbirth, who are delivered by breach, whose first teeth cut through the upper jaw, who are born prematurely, or who do not cry at birth – are almost always condemned to death.

The lack of supervision of these children has led many parents to withdraw their girls from school for fear that they become pregnant.

313. Faced with a very high population growth (see Chapter Four on economic governance and management) and a difficult socioeconomic environment, many children continue to be deprived of education, and the girls are worse off than the boys. Their living conditions are determined by those of their parents and anyone responsible for their upkeep. Thus, despite the laws in force, many parents are compelled to make their children work at an early age in order to survive. They expose these children to physical and moral danger. “A large number of children still work in cotton plantations, handle pesticides and insecticides, and are obliged to work in the fishing sector, work on heaps of refuse in search of scraps, cans and bottles. On cotton plantations in the hinterland (Banikoara), children are exposed to insect bites, chemicals and dehydration products. Many of them suffer from respiratory disorders. Other children have back problems from carrying heavy loads in the markets of the cities of Benin, particularly Dantokpa, Malanville, Ouando, Bohicon, Savalou, and others.²⁰” Those who peddle at road intersections in the major cities are exposed to all sorts of abuses, such as indecent proposals to girls, sexual fondling, rape, abductions, road accidents, and others.
314. Children in apprenticeships are not effectively protected despite the laws in force. They work in inhumane conditions, are exploited economically and are often victims of violence which, incidentally, appears to be a common phenomenon in Benin. Children are also victims of trafficking. Despite the measures taken by the government, Benin continues to be the hub of child trafficking in West Africa. It is a country of origin, of destination and of transit²¹.

Box 3.11: Combating child trafficking in Benin

Child trafficking is a topical issue in Benin today. The fight for its eradication concerns the authorities, international organisations as well as national and international NGOs working in the area of human rights. Child trafficking has serious consequences for children. Its effects on the physical, moral and psychological health of children, their families, and the society are multiple, diverse and destructive. In general, the children lose opportunities for education and vocational training, and their chances of equitable access to employment are reduced. This lack of education reduces their chances of survival, now and for the future. It also influences their capacity to participate in national life and to take family and work-related decisions. The pitfalls facing the children sent to foreign countries (cross-border trafficking) or to other regions of the same country, and the situations into which they are plunged, are new forms of slavery unacceptable to humanity.

The number of children who are victims of trafficking has not been established officially. It varies from one source to another since definitions of what is meant by child trafficking vary. According to the ILO, the number is 161,428, while UNICEF officials estimate it to be around

²⁰ See the site developpementbenin.org/traficenfant.php for more about trafficking, placement and the work of children.

²¹ The Protection Project. March 2002. *A human rights report on trafficking of persons, especially women and children. A country-by-country report on a contemporary form of slavery*. Page 61.

40,000. Whatever the number of victims, this trafficking constitutes a grave violation of the rights of children and must be eradicated at all costs (see the *National Plan of Action to combat child trafficking for purposes of exploitation in child labour* of the MFE, validated in October 2007).

315. With regard to girls, a massive mobilisation of civil society, particularly NGOs and women, and various awareness campaigns have led to recent progress made in the area of female circumcision. However, it seems that in certain regions, girls continue to be subjected to this practice despite the 2003 law. Many of them are victims of early and forced marriages. In addition, some are exposed to harassment and sexual violence or are made prostitutes to support their family financially. Some state officials take advantage of their positions to abuse girls sexually. It is reported that certain teachers ‘sexually negotiate’ the passage of girl pupils to higher classes.
316. **The youth and their participation in governance.** The youth constitute the largest segment of the Beninese population. They face multiple socioeconomic and cultural challenges. These include illiteracy; dropping out of school; maladjustment; an inappropriate education; the absence of a suitable support policy at educational, cultural, and leisure levels; and unemployment. At the Youth Forum held on 28 July in Cotonou, many of them demanded greater involvement in decision making. In addition, faced with the lack of a National Youth Council, they used their meeting with the CRM to request a second meeting, on Sunday 29 July, to continue their work on the four thematic areas of the APRM, to make proposals and recommendations, and to suggest that the National Youth Council be created.
317. With regard to good political governance, they hoped to see the number of political parties reduced, and demanded that the High Court become operational and that magistrates be elected rather than appointed. Their demands also dealt with the development of African and Beninese culture. They called for a reform of the constitution to include these cultural values and to introduce national languages to the education system. As education in citizenship and democracy is a priority, they demanded that civic education be introduced to schools as it promotes learning about human rights and democratic values such as dialogue, pluralism, tolerance and respect for others. They hoped that education, which provides the means to acquire knowledge and necessary skills and qualifications, would enable them to take control of their own lives and futures.

iii. Recommendations of the APR Panel

318. The APR Panel recommends that:

The government should:

- Adopt the Child Protection Code and a strategy to combat violence.

- Ensure the enforcement of the Individual and Family Code.
- Accelerate the adoption of the Penal Code and Penal Procedure Code.
- Take adequate measures to combat all forms of the exploitation of children (particularly economic and sexual) and child trafficking.
- Guarantee the rights of children by enforcing laws adopted to conform to the Convention on the Rights of the Child.
- Allow the youth to exercise their political rights and to participate in governance.
- Give effect to free primary education, especially for girls.
- Strengthen education about democracy in schools.
- Provide the MFE with the necessary authority and the human and financial resources for it to carry out its functions.

Civil society and the media should improve the awareness of adults about the human and legal rights of children in order to curb the economic exploitation of children and their maltreatment.

Objective 9: Promote and protect the rights of vulnerable persons, including internally-displaced people and refugees

i. Summary of the CSAR

319. In order to promote and protect the rights of refugees and vulnerable groups, including the disabled, the CSAR listed measures that have been taken. These include the presence and institutionalisation of the United Nations High Commissioner for Refugees (UNHCR); the signing of the Geneva Convention by Benin; the creation of the Department of Social Protection; the presence of the Red Cross and Red Crescent through the International Committee of the Red Cross and Red Crescent (ICRC); the actions taken by organisations like the UNDP, the Food and Agriculture Organization of the United Nations (FAO) and Action Aid to provide food, health, shelter and other assistant for refugees; the Charter on Refugees; the care provided by the Ministry of Family, Women, Children and the Disabled; and the Community-based Rehabilitation Centre for the Disabled.
320. Despite these measures, the CSAR noted that the plight of these vulnerable groups remains somewhat critical. The shortcomings it noted included the lack of education for the youth, the relocation of adults or refugees to facilitate their integration into the community, the lack of hospitality structures for the elderly, and the limited number of associations for senior citizens. The CSAR

recommended the formulation of an efficient action plan for disaster management. This should include training stakeholders, providing adequate equipment, constructing retirement homes, and all other measures aimed at promoting the self-fulfilment of senior citizens.

ii. **Conclusions of the CRM**

321. The CRM complimented the information about refugees it gained in meetings with stakeholders, from the representative of the UNHCR, and from the UN website. In April 2005, and in the months following, over 26,500 people from Togo sought refuge in Benin. Of these, 10,300 settled in Comé and Agamé, while 15,000 were received by local communities. Apart from the Togolese refugees, citizens from different nationalities have also found a safe haven in Benin.
322. The law grants the right of asylum to in accordance with the United Nations Convention on the Status of Refugees and its 1967 protocol. In partnership with the UNHCR and other humanitarian organisations, the government has put in place a system to protect refugees and to provide assistance to these asylum seekers.
323. In Benin, refugees and nationals have equal access to common law rights and services. These include the right to work, the right to education, and the right to have access to social services. However, work is difficult to find and remains the biggest obstruction to their integration because of the economic environment of the host country. This remains a challenge. In recent years, additional emphasis has been placed on capacity building to speed up the process. In order to promote the integration of refugees, the UNHCR is implementing projects in education, vocational training and income-generating activities²².
324. Women are particularly vulnerable. Together with girls, they make up approximately 50% of the refugee population. They are deprived of shelter, their civic rights and sometimes a family structure, thereby ultimately exposing them to sexual harassment and abuse. The UNHCR has developed a specific series of programmes to ensure that they are protected and have equitable access to the basic goods and services required to rebuild their lives.
325. Children and adolescents under the age of 18 constitute half of the refugees, and their protection is the priority of the activities of the UNHCR. Particular attention is given to them so that their basic rights, such as the right to education, are respected. Through sensitisation and information campaigns, the UNHCR has been attempting to ensure that child refugees do not become the victims of child trafficking.
326. **People living with disabilities.** According to stakeholders, there is little information about the disabled, and extensive studies have often ignored this segment of the population. In the socio-cultural context of Benin, disability is

²² See www.onubenin.org.

considered a curse, a punishment for the victim or his/her parents for violating a taboo, or quite simply the penalty for a bad character or poor behaviour. Disability is perceived as an evil spell. A newborn with abnormalities is a sign of the gods' displeasure with a community guilty of deviant behaviour. The newborn must duly be sent back to the gods to appease them. This encourages the murder of malformed children. In some tribes, these children are simply removed by drowning. However, disability that occurs later in life is better tolerated²³.

327. However, efforts by the Department of Social Protection of the Ministry of Family and Social Welfare to sensitise people and to present a less demeaning image of disability are helping to change people's attitudes.
328. However, in some parts of the country, disabled newborn babies are still murdered at birth. The handicapped must therefore keep a low profile within the family and avoid any contact with strangers. Society's unwillingness to accept the disabled is sometimes so acute that these people are compelled to leave their families and try to make ends meet, usually by begging on the streets. They are also marginalised by the family, in the educational environment and in the workplace.
329. In its attempts to alleviate this situation, the government has promoted this category of the population by increasing public awareness about it. Benin has introduced a few questions about the disabled in its 2002 general census survey. The results showed that 172,870 persons (2.55%) of Benin's population were disabled. This figure is believed to be low compared to observations made elsewhere in the developing world, which show the figure to be about 4%. Presumably, the census missed some disabled persons because they do not want to be counted. A more accurate estimate of their number may be close to 271,000. Moreover, disabled persons in Benin are unequally divided between the north and the south. The prevalence of disability is, on average, two times higher in the south (3.04%) than in the four northern regions (1.6%). It is likely that the more difficult socioeconomic conditions of the northern regions do not favour the survival of disabled persons²⁴.
330. **Senior citizens.** The CRM noted that, according to the various census surveys in Benin, the number of senior citizens is increasing tremendously. The numbers have gone up from 302,283 in 1979 to 477,697 in 2002. This is a 50% increase. The vast majority of senior citizens are illiterate and live in very poor conditions.
331. The social conditions of older women seem more unfavourable. On average, they live longer than the men, and the practice of polygamy means that women are more likely to be widowed. Two out of every five elderly women are widows, while only one elderly man in every 20 is a widower. However, it is a belief in Benin that the transmission of witchcraft is matrilineal. This is why

²³ Justine Adkjounle, Odjoube and Memounath Zounon born in Bissiriou, Tome. *The disabled in Benin*, Volume 5, Characteristics of vulnerable people in Benin. INSAE.

²⁴ October 2005. Policy and development strategy for physiotherapy in 2006-2010 in Benin, a working paper presented during the national workshop on validation.

every elderly woman is suspected to be a witch. All of this contributes to the isolation of elderly women²⁵.

332. Until 1996, the authorities had not shown real interest in the plight of elderly people. It was in that year that some measures were taken and a ministry in charge of the family was created. This ministry has a department in charge of the elderly, but the lack of human and material resources remains a challenge. As a result of these constraints, it is often difficult to identify the needs, concerns and specific problems of the elderly.
333. The new Individual and Family Code has made significant strides in the inheritance law for widows and widowers. It has also made provision for improving the plight of widows. Generally, however, social practice is very different from law. In order to address these deficiencies, the government developed a national action plan for the “active ageing”, with the collaboration of the United Nations Population Fund (UNFPA), in 2006. The objectives of this plan are to promote the good health and welfare of the elderly, to reduce their poverty levels from 33.4% to 17% by 2016, to discourage the social exclusion of elderly people, and to improve the socioeconomic and demographic awareness about elderly people and their differing gender needs. Implementing this plan requires human and material resources, which seem to be lacking.

iii. Recommendations of the APR Panel

334. The APR Panel recommends that government should:
 - Promote a more active integration of refugees, in partnership with the UN.
 - Develop a strategy for the promotion and protection of the disabled.
 - Strengthen the fight against the culture of rejection of disabled children through sensitisation and education, and take severe action against the murderers of newborns.
 - Strengthen health structures for the diagnosis and early screening of diseases likely to lead to disability, and for antenatal medical tests.
 - Ensure decent living conditions for the disabled, whose reduced intellectual or physical capabilities hamper their self-sufficiency and increase their dependency on family resources.
 - Strengthen community life and revitalise associations fighting for the promotion and protection of the disabled.
 - Speed up the implementation of the national action plan for active ageing.

²⁵ National action plan for active ageing (2007-2016), developed by the MFE.

- Establish a system of health care for the elderly and provide adequate social and economic security.
- Encourage the social and medical mentoring of elderly people.
- Establish a system of social support to facilitate the care of the elderly within their own families.

CHAPTER FOUR

4. ECONOMIC GOVERNANCE AND MANAGEMENT

4.1 Introduction: the challenges for economic governance and management

335. The goals and challenges to be met in economic governance depend on an analysis of the economic history of Benin and on the nature of the transformation that the country wanted to accomplish in order to realise its vision.
336. As a result of its postcolonial economic past, Benin's economic history can be divided into three major periods. The first, the decolonisation or independent management crisis period, runs from the proclamation of independence in 1960 to the coup d'état of 1972. The second period runs from 1972 to 1990. It is marked by the establishment of a revolutionary socialist regime and, therefore, by the introduction of a socialist development policy. The third period, known as the Democratic New Deal, runs from 1990 to the present. The economic governance and management policies have, therefore, followed these three periods and influenced the focus and challenges throughout the country's subsequent economic history.
337. *The first period* was marked, at the political level, by great instability characterised by a series of coups d'état (five in all), frequent changes of leaders (more than 15 heads of state) and changes in political regimes. Benin was known as the 'sick child' of West Africa, and political management after independence was in a constant state of crisis. The coup d'état of October 1972 put an end to this period at both the political and economic levels.
338. Despite this political instability – which did not facilitate steady and clear direction for economic governance or for deep structural change – the first period was marked at the economic level by the government's will to 'correct' the evils of colonisation by adopting and implementing a policy of state investment in the economic sector. Consistent with the ideology of the struggle for independence, the population was mobilised mainly by promises of changes to the colonial system and the adoption of another economic structure. This other structure could be established only through state intervention because of limited private capital. Benin was not an exception in this regard.
339. Without really trying to escape the colonial structure inherited from the French economic empire in Africa, the government felt accountable to the Beninese people for their commitment during the struggle for independence. Consequently, it demonstrated its good intentions to compensate the people by

launching initiatives to create public enterprises, promote industrial development and support agricultural development during this period. However, sound management became difficult because of the political instability caused by 12 years of crisis in managing national independence.

340. As a result of the importance of French capital in the economy and of limited state resources, economic governance during this period was never closed to private investment. Rather, the new state's economy – without being effectively transformed – was made to function alongside private initiatives, such as industries and businesses, to promote Benin's economy and the economies of landlocked neighbouring countries.
341. This means that the challenge of transforming an economic structure modelled along colonial lines into an integrated economic structure striving for national development, though possible, continued to pose problems. The postcolonial economic governance and management structures could not define, much less implement, an economic policy aimed at structural transformation. Benin's position in the empire continued to be crucial in the economic governance of this period. This was understandable as the country, which was handling its political instability with difficulty, did not have the time to define a vision for the Benin (Dahomey at that time) that it wanted to construct for the future or to mobilise the human, material and financial resources required for that purpose.
342. *The second period*, during which socialism was adopted, was marked, as expected, by nationalising some private enterprises, by creating new state enterprises and by creating some semipublic companies. Since socialist systems advocate industrialisation, massive state industrial investments were encouraged. However, the country lacked the capacity to manage them.
343. Furthermore, it was difficult for a state, without any real economic weight and with a neocolonial economy managed from the outside, to develop a socialist developmental policy. It had neither the resources nor the capacities. Its new policies were attacked both from within and outside of the country. Consequently, the economic governance of the country continued, even during this second period, to manage, or rather mismanage, its colonial heritage. The economic and social consequences were soon felt. The half measures of socialist governance and poor economic and financial management in a context of economic crisis led to social and political unrest. This ultimately destroyed the option of a socialist developmental system towards the end of the 1980s.
344. In fact, in the first half of the 1980s, a failed economic governance system had already affected the country. Aware of the fact that Benin had been hard hit by an economic crisis and drought, its leaders finally declared Benin a 'disaster country' at the beginning of 1984 and sought international aid. The macroeconomic situation, the state of affairs in the core sectors of the economy, and the economic and social conditions of the population caused things to worsen drastically. The state was unable to pay the meagre salaries of its civil servants and poverty increased.

345. The end of the period was, therefore, marked by the interventions of the Bretton Woods Institutions. Strict conventional stabilisation programmes and SAPs were ‘negotiated’ and implemented through various agreements. They were not successful in terms of either growth or the social welfare of the population. Social unrest followed and these soon became political demonstrations. The collapse of the Soviet regime during the same period only served to alienate the country further from socialist developmental policy and a single-party system. The National Sovereign Conference marked the end of this period and ushered in another.
346. *The third period* (1990 to the present) was known as the Democratic New Deal. It started at the conclusion of the National Sovereign Conference. The return to liberalism, and its related governance systems, became the basis of economic management. Then international aid arrived. It brought with it internal social and political cohesion and a new-found confidence in managing and mitigating social evils and for making the necessary efforts to establish macroeconomic stability. The economic governance of this period was marked not so much by the need for structural transformation as by the need to achieve economic stability in order to create the conditions for economic recovery. Day-to-day economic management ignored the importance of constructing a new economic vision to solve the basic problems of Benin’s economy.
347. The macroeconomic results were satisfactory in terms of economic growth, external trade, public finances and inflation. The new democratic framework helped enormously. However, this method of economic governance, based on routine management, soon ran out of steam after the devaluation of the CFA franc in 1994. The SAPs and the PRSP I could not resolve the country’s economic difficulties. Its vulnerability to both internal and external shocks and the weaknesses in the current style of economic management were clear, particularly in the decline in growth and the standard of living of the population. The issue of economic development and structural change boiled down to a frantic search for financial equilibrium, which then served as a developmental policy.
348. Although the country had championed compliance with the macroeconomic convergence criteria adopted in WAEMU, or at least most of them, its competitiveness continued to decline. It became increasingly incapable of playing its role as a transitional economy effectively. Benin’s heavy dependence on the world’s economy and on the economy of its powerful neighbour, Nigeria, did not help it to define, let alone implement, governance – except in terms of routine economic management with a short-term perspective. There was just no policy on structural change to assist in the construction of an alternative and long-term vision. It is here that we find another focus and core challenge for economic governance in Benin. This is to define and implement a vision, for the Benin of tomorrow, to achieve sustained and equitable growth, to reduce poverty, and to transform economic structures into an integrated national economy that is open at both regional and world levels and capable of resisting internal and external shocks.

349. The country has defined its long-term vision in the Alafia Bénin 2025 project. This a praiseworthy step, especially as the vision seeks to construct an ‘emerging Benin’ by that time. Furthermore, the government recently translated the vision into ‘strategic development orientations’. However, coordinating the implementation of these strategies, and particularly their translation into sectoral policies, suffers from weaknesses that constitute other challenges for economic governance. These weaknesses are widespread corruption, which has become a culture and a more or less internalised method, or instrument, of governance; a lack of accountability in the implementation of macroeconomic and sectoral development policies; and poor coordination in this area.
350. Economic growth seems to be picking up again, but poverty remains at a very alarming level and is increasing. Furthermore, it is high time for the country to address basic structural problems in the economy and to avoid the long-term risk of remaining dependent and of being rooted in a transitional economy without a solid productive base. Lastly, economic governance should also be able to deal with an important economic phenomenon in Benin: the position and role of the informal sector, which should be integrated in economic policies. Indeed, this sector plays an important economic, social and even political role, and it will not disappear soon. It will continue to play a key role in Benin’s economy and society for a long time. It is necessary, therefore, to see how it can be ‘well used’ to solve problems, and how it can be turned into a recognised component of the economy by keeping only a watchful fiscal eye on it without trying to formalise it. The authorities need to strike a balance. Indeed, this sector has developed mainly because of the failure to integrate the so-called formal economy into the country’s socioeconomic development policy.

4.2 Ratification and implementation of standards and codes

i. Summary of the CSAR

351. Benin has adhered to or ratified several legal international and African economic standards and codes. This also shows the country’s determination to adopt governance standards approved at the international level in order to ensure better economic governance and management for the country.
352. However, Benin’s CSAR did not go into the detail, required in the APRM questionnaire, about compliance with the standards and codes. The CRM thus noted that the CSAR does not provide enough information on a number of codes and standards, or simply that it passes over them in silence. Consequently, the CSAR’s analysis of several standards and codes is not detailed and clear, or sometimes does not even exist. This applies to the following codes and standards:
- The Code of Good Practices in Fiscal and Budgetary Transparency.

- Guidelines for Public Debt Management and Sustainability.
 - Accounting and Auditing Standards.
 - Core Principles for Payments and Settlement Systems. The CSAR indicates that these principles were prepared by the bank and approved by the ministers, whereas the principles were defined by the Committee on Payments and Settlement Systems (CPSS) of the central banks of G10 countries and the Bank for International Settlements based in Basel, Switzerland.
 - The Core Principles for Effective Banking Supervision.
 - The Basic Supervisory and Regulatory Principles in the area of Insurance and Regulation.
 - The African Union Convention on Preventing and Combating Corruption, and the United Nations Convention on Corruption.
353. A number of these standards and principles are also considered in Chapter Five on corporate governance, while the implementation of standards and principles relating to regional integration is considered in Objective 5 of this chapter.

ii. **Conclusions of the CRM**

354. Joint IMF/World Bank missions have conducted assessments in Benin on some standards and codes under the Finance Sector Assessment Programme (FSAP), in collaboration with the World Bank and the IMF. The CSAR should, as far as possible, have indicated the level of conformity with each section or principle of the standards and codes. The CRM found that, in many cases, these same standards and codes are reviewed by the BCEAO in various community programmes.
355. **Code of Good Practices in Fiscal and Budgetary Transparency.** The FSAP of the IMF/World Bank recognises a series of internationally accepted standards on transparency policy laid down by the IMF. These standards can be divided into three groups: (i) transparency of data, established by the IMF Special Data Dissemination Standard (SDDS) and General Data Dissemination System (GDDS); (ii) budgetary transparency, established by the IMF Code of Good Practices on Transparency in Public Finance; and (iii) {transparency of the monetary and financial policies: IMF code of best practices for monetary and financial transparency policies. The CRM noted that the authorities of Benin conform to the SDDS and GDDS under the aegis of the FSAP and the BCEAO.
356. However, the CRM noted that, even though there were no official limitations to prevent the dissemination of economic and financial information, there was no communication strategy to announce the government's macroeconomic policies regularly.

357. **Guidelines for Public Debt Management and Sustainability.** All of these guidelines, introduced by the IMF/World Bank at the request of the International Monetary and Finance Committee (IMFC), are aimed at helping countries to improve the quality of their public debt management and reduce their vulnerability to internal and external financial shocks.
358. **Core Principles for Payments and Settlement Systems.** The Core Principles for Payments and Settlement Systems were defined by the CPSS of the central banks of G10 countries and the Bank for International Settlements based in Basel, Switzerland. There are 10 such core principles for payment systems, and four central banks responsible for their implementation.
359. The BCEAO initiated a regional project to modernise payment systems in the eight countries of WAEMU in March 1999. The countries were Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. This reform of payment systems in WAEMU falls within the general framework for deepening financial systems, improving monetary policy frameworks and accelerating the regional economic integration process.
360. Consequently, interbank payments in Benin are made through the Computerised Interbank Clearing System (SICA) in WAEMU. It is a computerised exchange and settlement tool for massive payments between participating national and subregional institutions of WAEMU. It was launched on 17 November 2005. SICA participants are commercial banks, the BCEAO, the post office and the Treasury. After the launch of the Computerised Settlement System (STAR) in WAEMU on 25 June 2004 (as well as the launch of SICA), tele-clearing went operational in Benin on 9 November 2006.
361. This new mechanism enables banks in Benin to send electronic files of their clearing operations (cheques, transfers and bills of exchange) to their fellow members rapidly. This exchange is done from their different branches via the main branch in Cotonou or the subsidiary branch in Parakou, irrespective of whether the bills are to be paid in the town, in another town or another bank in the country. The CRM noted that interbank payments are generally made within the prescribed period and that the payment systems are currently being modernised.
362. **Basic Supervisory and Regulatory Principles in the area of Insurance and Regulations.** These principles, defined by the International Association for Insurance Supervisors, have the following objectives: to protect investors; guarantee a fair, equitable and transparent market; and reduce systemic risks. These aspects are considered in more detail in Chapter Five on corporate governance.
363. **Accounting and Auditing Standards.** The International Accounting Standards Board (IASB) is the body responsible for developing international Accounting and Auditing Standards. The IASB carried out modifications to standards with an emphasis on fair values in accounting. In general, the CRM noted that internal auditing and other internal and external control measures in

public enterprises are not well developed and not applied systematically. These aspects are also considered in more detail in Chapter Five on corporate governance.

364. **Core Principles for Effective Banking Supervision.** These principles were drawn up by the Basel Committee for Banking Supervision. They define 25 core principles and cover the following areas: preconditions for effective banking supervision, licensing and structure, prudential regulations and requirements, methods for ongoing banking supervision, accounting and disclosure, institutional powers of prudential authorities, and cross-border banking activities. In Benin, the BCEAO is responsible for this important control and supervision exercise.
365. **African Union Convention on Preventing and Combating Corruption, and the United Nations Convention on Corruption.** The CRM noted that Benin has signed and ratified these conventions, but has not yet incorporated them into the country's legal system, and that the relevant implementing decrees have not yet been issued. The CRM also learned that there was a WAEMU directive, No. 07/2002/CM/UEMOA of 19 September 2002, on combating money laundering in WAEMU member countries. However, Benin has not yet introduced the regulatory framework that has already been established in Guinea-Bissau, Niger and Senegal.

Table 4.1: Situation of standards and codes for economic governance and management in Benin

Standards and codes	Signed	Ratified
Constitutive Act of the African Union (2000)	11 July 2000	3 July 2001
NEPAD Strategic Framework Document (2001)	Adhered automatically since October 2001	Adhered automatically since October 2001
Code of Good Practices in Fiscal and Budgetary Transparency	FSAP/BCEAO	FSAP/BCEAO
Guidelines for Public Debt Management and Sustainability	FSAP/BCEAO	FSAP/BCEAO
International Accounting and Auditing Standards	BCEAO	BCEAO
Core Principles for Payments and Settlement Systems	FSAP/BCEAO/ROSC	FSAP/BCEAO/ROSC
Core Principles for Effective Banking Supervision	FSAP/BCEAO/ROSC	SAP/BCEAO/ROSC

African Union Convention on Preventing and Combating Corruption	11 February 2004	March 2006
United Nations Convention on Corruption	Adopted in 2005	Adopted in 2005
Treaty on the West African Economic and Monetary Union	10 January 1994	
Treaty on the Economic Community of West African States	24 July 1993	
Abuja Treaty on the Creation of the African Economic Community (1991)	3 June 1991	31 May 1999

*ROSC – Report on the Observance of Standards and Codes, within the framework of collaboration between the World Bank and IMF.

iii. Recommendations of the APR Panel

366. The APR Panel recommends the following corrective measures to the competent Beninese authorities (government, BCEAO and National Assembly):

- Finalise a detailed assessment – principle by principle or section by section – for each standard and code listed in the APRM questionnaire. Wherever standards and codes have not been met, a programme of action should be prepared. This should specify measures to be introduced to fill the gaps observed. The required standards and codes should be ratified as soon as possible.

On transparency in economic and financial information:

- Have a defined information disclosure policy including the use of new ICTs.
- Continue developing and modernising the statistics system for the dissemination of prudential data in the financial sector, and for its speedy dissemination to Parliament and to the public in general.
- Encourage the disclosure of information on the budget process to enable citizens, and particularly civil society, to participate in budget preparation and in the monitoring of its implementation.
- Develop the capacities of the organs concerned, so as to ensure the effective monitoring of existing measures and laws.

4.3 Assessment of APR objectives

Objective 1: Promote macroeconomic policies that support sustainable development

i. Summary of the CSAR

367. *Macroeconomic context and quality of development.* The CSAR indicates that the performance of Benin's economy has varied over the previous five years. However, 2006 showed economic recovery, with a GDP growth rate of 4.5% as against 2.9% in 2005. This recovery was sustained by improvements in trade with Nigeria and a 26% increase in the port traffic.
368. The economy remains vulnerable because of: (i) trade restrictions imposed by Nigeria; (ii) competition from Lome Port, which increased after a decline in the performance of Cotonou Port; (iii) cotton production below projections; and (iii) appreciation of the euro in comparison to the US dollar, which impacted negatively on economic activity, and particularly on cotton exports to the Asian market. Production remains undiversified and cotton continues to be Benin's major export product. Even though the inflation rate was contained within the limits of the community standard between 2003 and 2004, general price levels started rising from 2005 to almost 5% against a target of 3%.
369. The government has pursued public finance reform but the results need to be consolidated. The overall budget deficit increased from 3.3% of GDP in 2004 to 4.3% of GDP in 2005. This was caused by a significant decline in revenue and an increase in total expenditure and net loans. This deficit was reduced to less than 3% in 2006.
370. *Public debt has become sustainable.* Public debt started declining, particularly in 2003, when Benin benefited from the HIPC Initiative. Indeed, the debt service/revenue ratio started declining from 2004, thereby reflecting the overall efforts made by the country to remain below the 15% level defined as the international standard for outstanding payments. The ratio has been reducing significantly since 2001 because of debts cancelled under the HIPC Initiative after Benin reached the decision point in July 2000 and the completion point in March 2003.
371. With regard to capital budgets, the public resources allocated to social sectors increased significantly between 2003 and 2004. However, after 2005 the budget allocation to these sectors declined and fell below 30% in July 2007. Benin has paid its debts to the BCEAO and no deficit has been financed by BCEAO in the past five years.
372. *Formulation of the government's macroeconomic forecasts.* The CSAR mentions that these forecasts are based on the Finance Law. Other data is also used for making macroeconomic forecasts. These are demographic statistics,

trends in cotton prices, the value of the dollar, oil prices, the government's objectives in terms of real growth, holding inflation at about 3%, and compliance with community standards. Macroeconomic forecasts are made on the basis of trends in agricultural production (especially cotton), the international environment, and government's objectives for the GPRS. Lastly, the report mentions that sector studies have been conducted in the various ministries. The results will be sent to the Ministry of Finance, which will analyse them and propose budgetary allocations that take into account the preceding budget year, macroeconomic forecasts and the capacity of the ministries.

373. The CSAR also emphasises the reasons behind the current projections for real growth in GDP and income for 2008 being higher than for the past five to 10 years. This optimism is based on the new method of governance that accompanied the change of regime after the last presidential elections in March 2006.
374. ***Sectoral or macroeconomic policies that promote economic growth and sustainable development.*** The government has adopted various sectoral policies and has carried out crosscutting reforms. The crosscutting reforms focus on the fiduciary framework, the auditing of public expenditure, and administrative management. These reforms help mainly to strengthen the macroeconomic framework and are aimed at improving the level and quality of public expenditure. Each ministry, through MTEFs, implements a policy based on poverty reduction.
375. With regard to *sectoral programmes*, the CSAR indicates that several sectoral reforms have been implemented in most areas that contribute to growth and socioeconomic wellbeing. These are (in particular) health, education, agriculture, the environment, transport, justice, decentralisation and deconcentration.
376. *Access to land.* In order to promote private investment, the government has taken measures to reduce land insecurity and create assets convertible into cash. The measures focus mainly on the formal registration of land, authenticating title deeds, simplifying procedures, and reducing costs for granting land certificates.
377. *Access to credit.* The government of Benin considers micro-credit as an important tool for reducing poverty. Consequently, a number of measures have been taken under the Credit Access Project (PAC). This aims at sustaining the contribution of the micro-finance institutions (MFIs) to financing the economy through reducing the cost of credit substantially and diversifying financial services. These measures are aimed at: (i) improving the sustainable access of the MFIs to bank resources and other low-cost private financing; (ii) supporting MFIs in diversifying credit supply and reducing its cost; and (iii) improving demand.
378. *Access to the market.* It should be noted that, since more than 90% of Benin's trade is by sea, the government's objectives in this area are to: (i) construct

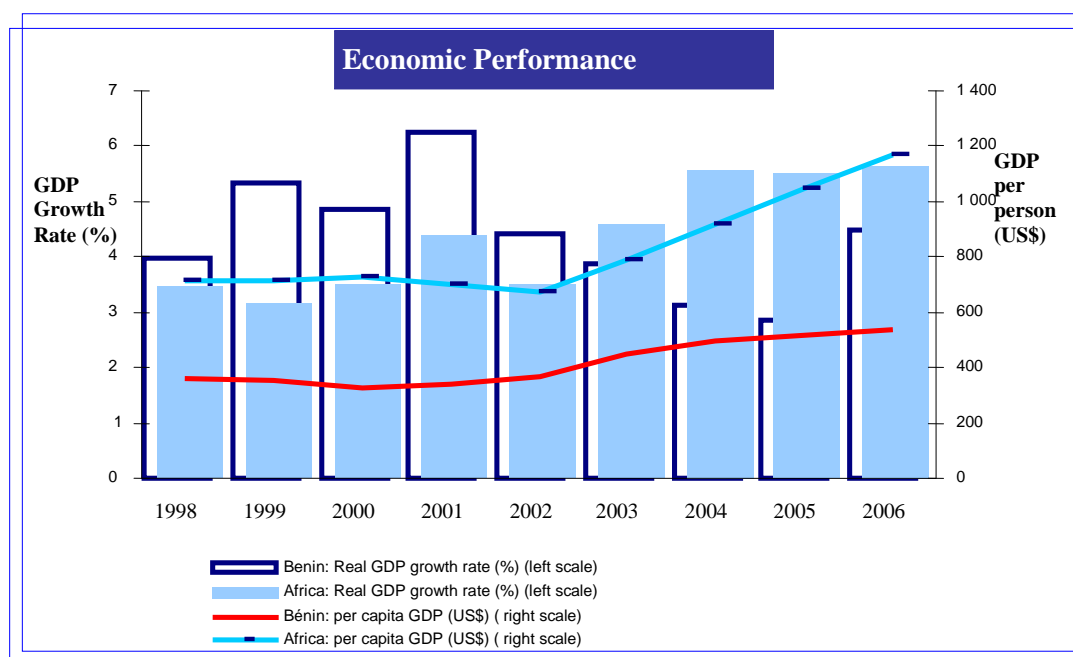
and rehabilitate port infrastructures; (ii) procure and install an integrated security system to adapt the PAC to international standards; (iii) construct a compulsory control base for fishery products; and (iv) build the capacity of stakeholders.

379. *Improvement of the business environment.* The measures taken in this area aim essentially at improving the legal and judicial framework. The measures should build a justice system that is accessible, credible and efficient, and one that contributes to the consolidation of the rule of law, protects human rights and guarantees security in socioeconomic activities.
380. The CSAR describes the measures taken – in sectoral and microeconomic policies and programmes – to ensure gender equality, the sustainability of the environment and job creation. It also describes efforts made to mobilise domestic resources (including public and private savings), to generate public capital and to reduce capital flight.
381. *Vulnerability to internal and external shocks.* At the external level, the vulnerability of Benin's economy is linked mainly to cotton and oil prices and to its trade dependence on Nigeria. At the internal level, limited diversification in production is a major handicap. In addition to these constraints, mention should also be made of the decline in port activity, the low productivity of local labour, antiquated production facilities, the failure to modernise agriculture, and low production volumes. These factors do not allow for economies of scale.

ii. **Conclusions of the CRM**

382. *Macroeconomic framework.* The description of the macroeconomic framework in the CSAR does not adequately reflect macroeconomic management constraints or the efforts made by the government to address these constraints. However, the GPRS, which is aimed at reducing poverty during the 2007 to 2009 period, indicates alternative scenarios and prospects for achieving the MDGs.

Figure 4.1: Economic performance



Source: African Development Bank, World Economic Outlook, IMF, April 2007.

383. *Production remains undiversified and cotton accounts for more than 50% of exports.* The increase in economic activity (4.5%) has remained below the performance indicators, which projected GDP growth at nearly 7% for 2006. The low economic growth is caused mainly by significant delays in implementing structural reforms – particularly in the cotton sector, which is the country's main source of foreign exchange – and by the low competitiveness of Benin's enterprises, which are handicapped by the poor performance of the electricity and telecommunications sector and the Cotonou Port. With regard to the cotton sector, the reforms that started in 2002 have not yet been fully implemented. Furthermore, the bases for the sustainable management of the sector involving all stakeholders, particularly the Cotton Inter-professional Association (AIC), have not yet been laid. Also, the industrial tool of the National Company for Agricultural Promotion (SONAPRA – *Société Nationale pour la Promotion Agricole*) has not yet been effectively privatised. Nevertheless, it must be emphasised that the sector is moving in a new direction. As part of its policy of privatisation, the government recently decided to cede partial control over SONAPRA²⁶ to a new organisation, the *Société Commune de Participation*, which would hold 45% of the shares of SONAPRA. The Beninese state would retain 35% of the shares while cotton producers, SONAPRA employees and domestic and foreign investors would together hold 20% of the shares.

²⁶ 8 October 2007. *The Nation (La Nation)*, Number 4342. 'The Cabinet. Creation of a New Society for Developing the Cotton Sector'.

Box 4.1: The cotton sector

Benin's economy is highly dependent on cotton as it contributes about 40% to the country's exports and about 90% to agricultural revenue. During the past 10 years, production has hovered around 334,000 tons, while the 2004-2005 farming season had a record production of 427,000 tons. The lowest production, of 191,000 tons, was recorded in 2006-2007.

The cotton sector is managed by three private associations. These are the AIC, the *Association Professionnelle des Egreneurs du Bénin* (APEB), and the *Groupement Professionnel des Distributeurs d'Intrants Agricoles* (GPDIA). The partnership between these three associations was often marred by inter-association conflicts and financial scandals – to the extent that the state had recently to intervene in order to compensate many cotton producers and to settle financial claims between the partners, leading to considerable sums of money being disbursed.

The government aims to increase production in the next two years to 320,000 tons and 500,000 tons respectively and, in the medium term, to increase the rate of cotton processing from 3% to 30% by rehabilitating textile factories.

Benin was commended for the excellent quality of its cotton fibre, estimated respectively at 98.17% of production in 2005-2006, and 97.91% in 2006-2007²⁷. Private sector activities at various levels and support from some TFPs (including the World Bank, the French Development Agency (AFD) and the European Union) account for the increases in the proportions of income for producers from 2% to 25%.

However, the world cotton market is crippled by the fact that the industry is heavily subsidised by major producers from industrialised and emerging countries and, in the case of Benin, through the smuggling of materials from neighbouring countries and those further away. This is weakening the cotton processing industries established in the country. The CRM thinks that obstacles to the survival of the cotton sector in Benin can only be eliminated through the creation of a predominantly private subregional partnership (which focuses on the creation of a regional cotton stock market) and the introduction of a special tax on cotton applicable to all the countries concerned.

384. The government has, in its new GPRS for the 2007-2009 period, defined a baseline scenario. This is a costed reflection of the various sectoral strategies to be implemented in order to accelerate growth and reduce poverty during this period, while maintaining macroeconomic stability (in levels of inflation and in targeted and sustainable deficits). In these strategies, growth will be accelerated by diversifying production, by reinforcing economic and social infrastructures, and by strengthening good governance.
385. Although the CSAR has not stated this, it should be noted that, with regard to liberalisation, the government has adopted a more attractive investment code and has tried to improve the business environment. However, these measures have not attracted significant direct foreign investment, mainly because of constraints relating to the legal and judicial framework and administrative barriers to private investment.

²⁷ Strategic development orientations of Benin for 2006-2011, *Emerging Benin*.

386. ***Situation of public finance.*** It should be noted that the performance of the taxation services has suffered over the past five years from an upsurge in fraud through the under-evaluation of imports and the abusive granting of exemptions, and from the slowdown in economic activities following the restriction of re-exports to Nigeria. In order to increase tax revenue, the government is implementing an extensive programme to collect revenue and broaden the tax base.
387. ***External sector.*** The two main factors that weakened the country's external position in the period from 2000 to 2005 were the decline in cotton production and unfavourable trends in cotton prices. Furthermore, the rise of the euro against the US dollar favoured the over-valuation of the CFA franc, thereby reducing the competitiveness of Benin's cotton. These difficulties were compounded by increases in oil prices and a decline in public transfers from re-export operations. Consequently, the current account deficit (excluding grants) stood at 7.2% of GDP in 2004. The deficit improved slightly to 6.4% of GDP in 2005 as a result of improvements in the balance of payments.

Table 4.2: Trends in the main aggregates by scenario

	2007			2008			2009		
	Baseline scenario	MDG scenario	Trend scenario	Baseline scenario	MDG scenario	Trend scenario	Baseline scenario	MDG scenario	Trend scenario
GDP growth rate %	6.0	7.3	4.1	6.8	8.1	4.5	7.5	8.7	5.0
Investment rate	23.6	26.4	22.9	24.4	27.2	23.2	25.2	27.6	23.6
Total expenditure in % GDP	24.4	30.2	22.4	25.0	29.2	22.3	24.6	27.5	21.8
Budget deficit in % GDP	-6.8	-12.7	-4.8	-6.9	-11.5	-4.2	-6.3	-9.9	-3.4
Financing gap (billion CFA franc)	49.6	216.6	0.0	93.8	246.2	12.0	72.2	212.5	30.2
<i>Current deficit in % GDP</i>	-5.8	-6.1	-6.1	-5.5	-5.8	-6.2	-4.9	-5.2	-5.5

Source: INSAE and Department of Economic Analysis and Forecasting (DAEP).

388. *Financial system.* The performance of the banking system, assessed in terms of compliance with prudential ratios, is sound on the whole. This is despite an increase in bad private sector debt (from 4.7% to 7.2%) caused by difficulties experienced by SONAPRA. Furthermore, the micro-finance sector has developed enormously throughout the country over the past 10 years, particularly in the poorest regions where banking penetration is low. With nearly 500,000 customers, the micro-finance sector in Benin is the most developed in WAEMU. However, efforts to build the capacity of MFIs should be pursued.
389. *Debt relief.* Benin has been benefiting from the HIPC Initiative since 2003, as well as from the Multilateral Debt Relief Initiative. Over the past three years, Benin has not accumulated any internal or external payment arrears. However, it should be pointed out that the sustainability of Benin's public debt depends on several factors that can sometimes be unfavourable to the country. They include (especially) the heavy dependence on volatile cotton prices, the unfavourable changes in Nigeria's trade policy towards Benin, and the appreciation in the value of the euro against the dollar. However, Benin is one of the 18 countries that will benefit from debt to multilateral creditors being cancelled.

Table 4.3: Macroeconomic indicators (% of GDP unless otherwise indicated)

	Period before the Private Sector Recovery Programme I			Private Sector Recovery Programme I period			
	1990-94	1995-99	2000-02	2003	2004	2005	Average 2003-2005
Population (million)	4.9	5.8	6.6	7.0	7.2	7.4	7.2
Population growth rate (in %)	3.3	3.3	3.3	3.0	3.0	3.0	3.0
GDP (in billion CFA franc)	644	1319	1823	2067	2140	2299	2169
Per capita GDP (in thousand CFA franc)	131	228	277	296	298	310	302
Real GDP growth rate (in %)	3.7	5.1	5.2	3.9	3.1	2.9	3.3
Per capita growth rate (in %)	0.4	1.8	1.9	0.8	0.2	-0.1	0.3
Gross investment	14.4	18.2	18.9	20.3	20.7	17.0	19.3
Gross public investment	4.9	6.1	5.8	6.6	5.4	5.3	5.8
Gross private investment	9.5	12.1	13.2	13.7	15.3	11.6	13.5

Gross domestic savings	10.1	9.6	10.0	10.2	12.2	8.8	10.4
Total revenue	11.2	14.3	15.8	16.6	16.4	16.7	16.6
Tax revenue	9.2	12.2	14.0	14.9	14.6	14.5	14.7
Total expenditure	17.7	17.7	18.6	22.0	19.8	19.8	20.6
Wage bill	6.2	4.7	4.4	5.1	5.8	5.7	5.5
Primary basic balance	0.9	3.5	1.6	-1.4	-0.3	0.1	-0.5
Exports	16.3	17.6	15.8	15.2	14.0	13.0	14.1
Imports	24.7	24.2	22.7	23.0	20.8	19.9	21.2
Overall balance	6.9	-0.1	2.8	-1.2	-2.9	2.1	-0.7
Net external assets (in months of imports)	4	7	12	11	7	10	9
Outstanding debt	52.8	59.4	51.8	40.3	40.3	40.3	40.3
Debt service	1.8	2.0	1.3	0.8	0.7	0.6	0.7
Debt service (in % of exports)	11.9	8.6	5.9	3.8	3.6	3.1	3.5

Source: DSCRPMDEF.

390. *Privatisation.* Some new strategies have just been introduced to the cotton sector under the privatisation denationalisation policy. The government decided to transfer the industrial tool of SONAPRA²⁸ partially to the *Société Commune de Participation*. It will hold 45% of the capital of SONAPRA. The state will hold 35% of the capital, while 20% of shares will be held by the producers, the staff of SONAPRA, and the Beninese and foreign public. The PAC and the Beninese Electricity and Water Company (SBEE – *Société Béninoise d'énergie électrique et d'eau*) have had their privatisation programme postponed several times. The cotton sector was given a new boost, thanks to the investment of a Beninese professional who already had three cotton spinning factories. Moreover, the government has initiated the privatisation of the Posts and Telecommunications Organisation (OPT – *Office des postes et télécommunications*) and passed decrees²⁹ creating the *Poste du Bénin*. In addition, the *Société Béninoise d'électricité et d'eau* (SBE) was divided into two entities: the Benin National Water Company (SONEB – *Société nationale des eaux du Bénin*) in June 2003; and the SBEE in March 2004. In 2007, the privatisation process concerned transferring the shares of the SBEE to the private sector and defining new privatisation options for the telecommunications and management of the Cotonou Port.

²⁸ 8 October 2007. *La Nation*, Number 4342. 'Cabinet Meeting. Creation of a new company to develop the cotton sector'.

²⁹ Decree 2004-260 of 5 May 2004 on the creation of Benin Telecom SA, and Decree 2004-365 of 28 June 2004.

391. However, it is important to note that the exchanges with stakeholders showed that they perceive this privatisation more as a condition imposed by multilateral development banks than as meeting a real need for economic management. The level of ownership of the structural reforms has remained low.
392. Admittedly, public financial management has made some progress, particularly in results-based management and in the preparation of MTEFs. However, there are still some major constraints in the auditing of public expenditure. A new strategy is being finalised to reform the public service. With regard to good governance in this area, a national strategic plan for the fight against corruption was adopted in 2002 and the new authorities have confirmed their intention to conduct a new survey on corruption.
393. ***Basis for macroeconomic forecasts.*** Macroeconomic forecasts are based on the Harrod Domar projection model. The macroeconomic forecast model is used for preparing the budgetary framework and indicates the maximum resources for each sector at the time of preparing the MTEFs. This static model needs to be improved to take into account programme budget requirements, and needs to be made more exhaustive to cover all sectors of activity. Furthermore, the government should have dynamic models to facilitate behaviour analysis and to assess the impacts of implementation policies.
394. ***Sectoral and microeconomic policies.*** The efforts made to improve the macroeconomic framework are indisputable. However, the expected results could not achieve a sustainable increase in market output – which is mainly based on cotton – nor reduce the level of poverty significantly.
395. In the *agriculture and forestry sector*, the implementation of the programme budget for the agricultural sector encountered difficulties with regard to mobilising resources, and stakeholders have not mastered budgetary procedures. This alarming situation also exists in the social sectors of health and education, which are priority areas for poverty reduction. Public expenditure in the social sectors remains low. However, decisions taken for the 2007-2008 financial year (see Chapter Six on socioeconomic development) open prospects for new hope.
396. In the *industrial sector*, administrative sluggishness and obstacles to investment contribute greatly to increases in operational costs and to the risks facing the formal sector. More than 80% of the 400 formal enterprises interviewed in the World Bank survey on investment climates consider corruption in Benin, the functioning of the justice system, as well as customs and fiscal procedures as being very serious obstacles to their development. Similarly, delays in the implementation of the privatisation process in the electricity sector reduce the competitiveness of enterprises because of frequent outages and the high cost of electricity.
397. Benin has a good image with its development partners. However, the progress made at the macroeconomic level has not significantly reduced poverty, which

affects nearly 30% of the population. The major obstacles to economic growth and poverty reduction are structural. They are the rigidity of the production machinery and structure, low investment, and limited diversity in exports – which are dominated by cotton. This situation makes the economy very vulnerable to external shocks and weakens the country's balance of payments. The country also experiences other constraints, particularly with regard to land issues, the legal protection of businesses, taxation and customs tariffs, the management of public utility services, and the development of infrastructure. These barriers considerably affect the competitiveness of enterprises.

398. In conclusion, it should be pointed out that the government faces two key challenges that need to be addressed: (i) improvement in the overall and sectoral competitiveness of the economy to provide a macroeconomic framework for promoting development; and (ii) eradication of poverty and improvement of the quality of life of the population.

Box 4.2: Current practice in developing the MTEF in Benin

The MTEF method of budget preparation started in 2002. First, the General Directorate of Economic Affairs (DGAE), in consultation with the General Directorate of the Budget (DGB) and the permanent secretariat of the National Development and Poverty Reduction Committee (CNDLP), presents guidelines that indicate, for the medium term, the government's objectives with regard to economic growth, inflation, tax pressure and budget deficit. The guidelines define the macroeconomic framework of the government's policy and analyse recent developments both at the national level and in light of the economic policies of countries in the subregion. They give an estimate of the resources expected by Benin for the next three years so as to assess expenditure projections within reasonable limits.

Based on these guidelines, the sectoral allocations are determined according to criteria like: (i) increasing the relative proportions to priority sectors; and (ii) limiting the increases in allocations according to their absorptive capacity. In order to apply these criteria, the data on effective expenditure by ministries play a very important role. After this stage of determining sectoral allocations, the expenditures in the initial overall allocations are discussed and reviewed.

The process ends with the compilation of proposals from all the sectoral ministries to prepare the country's MTEF, which is then sent to the government for approval. Consequently, it could be said that the MTEF preparation is a repetitive process that could be divided into six phases:

- Phase 1: Macroeconomic framework and estimates of mobilisable resources.
- Phase 2: Preparation of preliminary sectoral budget ceilings.
- Phase 3: Discussions and review of the sectoral budget ceilings.
- Phase 4: Approval of ministerial ceilings and mechanisms by the government.
- Phase 5: Finalisation of CDS-MT.
- Phase 6: Finalisation of the MTEF and approval by the government.

The government's ultimate goal is to make the MTEF a tool for budgetary discipline and for forecasting the financing of sectoral policies. The MTEF also makes it possible to rationalise

the allocation of resources by taking into account developmental priorities and poverty reduction. It also helps to strengthen *a priori* control of public expenditure and to establish a *posteriori* control. Consequently, it facilitates assessment of the impact of the budget on the population and assesses budget efficiency.

iii. Recommendations of the APR Panel

399. The APR Panel makes the following recommendations:

In the area of macroeconomic and sectoral governance

- Improve the global and sectoral competitiveness of the economy by developing infrastructures to provide a macroeconomic framework that will support development.
- Increase poverty reduction in order to improve the quality of life of the population.
- Broaden the tax base and improve the efficiency of revenue offices by reorganising and modernising taxation and customs services.
- Improve the efficiency of public expenditure by introducing results-based public affairs management.
- Broaden the production base by diversifying production.
- Finalise the privatisation process, particularly in the cotton sector and the OPT, and establish the telecommunications regulatory authority.
- Establish a land market to increase tax revenue, and reduce the cost of bank loans through mortgage guarantees.
- Improve the business climate and production support structures by intensifying the fight against corruption.
- Adopt a regulatory framework and create a regulatory body for the water and electricity sectors.
- Accelerate reforms in the Cotonou Port to improve its competitiveness.

In the area of forecasts and statistics

- Pursue the reform of the national statistics system.
- Improve economic framework and forecasting tools so as to take into account the problems of programme budgets.

In the area of reducing vulnerability to exogenous shocks

- Establish sectoral policies to facilitate the development of growth-oriented project clusters and to promote high value-added production, and develop a policy for promoting exports, particularly in the agro-industrial sector.
- Develop alternative energy sources like solar and biomass.
- Promote the instrument for economic and financial surveillance of the environment with regard to the main sectors of activity, and ensure – in collaboration with the private sector – coordination at the national level.

Objective 2: Implement sound, transparent and predictable government economic policies

i. Summary of the CSAR

400. Improving efficiency and transparency in public administration, Parliament and taxation services

With regard to public administration, the CSAR feels that “the smooth and transparent functioning of the public administration requires an appropriate institutional framework to coordinate and integrate administrative reform activities so as to better meet the needs”. As this framework does not exist or operate efficiently, the CSAR recommends a number of measures to make it operational and efficient.

401. With regard to the taxation services, the CSAR indicates two categories of tax reform measures that have been implemented. They are the reform of tax assessment and collection procedures, and the reform of procedures relating to land documents. In both cases, the objective is to increase internal revenue through modernising the tools and better knowledge of taxable goods.

402. Similarly, the CSAR recalls the reforms introduced for customs procedures, particularly for strengthening the control capacities of the customs services. The reform measures are mainly about modernising the computer system, streamlining customs operations, and controlling and monitoring operations in connection with both the payment and collection of customs revenue.

403. However, the CSAR points out that there are difficulties in implementing all these reform measures. This is because of the country’s economic situation in particular. Furthermore, customs and taxation services also suffer because of the general lax attitude in the country, particularly with regard to impunity. The CSAR also thinks that most of the texts in force are obsolete and need to be updated.

404. **Implementing predictable economic policies.** The CSAR indicates a number of measures and processes put in place to facilitate consultation with the stakeholders in decision making. These measures were followed particularly by the formulation of the second-generation PRSP. The participation and personal commitment of stakeholders were based on the nature of the process and the multidimensional nature of poverty in Benin.
405. With regard to the preparation and monitoring of other economic policies, the CSAR thinks that, since the latter is generally entrusted to renowned and competent international structures, it ensures predictability. Similarly, the audit measures taken by the new government will contribute to rehabilitating management in the public economic and financial sectors.
406. Furthermore, the CSAR feels that, since the economic policies are contained in the government's programme of action and in the various generations of the GPRS – which are generally backed by the MTEF – this “indeed demonstrates the predictability of economic policies”.
407. **Coordinating the efforts of the various departments.** The CSAR affirms that, on the horizontal level, the government “instils some synergy among the ministries, while enhancing the framework for participatory dialogue between the public sector and the private sector”. Similarly, the award of government contracts is controlled by the National Public Procurement Board, which defines the rules of procedure.
408. At the vertical level, the administrative organisation of the ministries provides for decentralised structures in departments and regions (in particular), and is under the authority of prefects. The central bodies, such as the CNDLP, are functional at the departmental level through their respective decentralised services. This shows collaboration between the ministries and the departmental authorities in the implementation of economic policies and programmes at the regional level.
409. However, the CSAR stresses the operational difficulties encountered by these mechanisms in ensuring the effective coordination of the implementation of economic policies, mainly because of administrative red tape and nontransparent audit procedures.

ii. **Conclusions of the CRM**

410. **On the general plan of sound, predictable and transparent policies.** The CRM commends the existence of a vision translated into strategic development orientations that should be ‘operationalised’ under the second-generation GPRS. The Alafia Bénin 2025 vision states that Benin wants to construct a “leading nation, a well-governed, united and peaceful country, with a prosperous and competitive economy, cultural influence and social well-being”. The government should be congratulated in this regard, all the more since this shows the government's determination to pursue a dream that the Beninese defined prior to the present government's assumption of office. It is

expected that building this vision will not be reduced to the GPRS, because the stakes go well beyond that.

411. Furthermore, the CRM expressed satisfaction with the ongoing clean-up efforts, and particularly in:

- The macroeconomic framework for creating favourable conditions for other economic policies, investments and the general socioeconomic development framework. However, the CRM hopes that the quest for macroeconomic balances – recommended mainly by development partners – will not create obstacles to economic and social progress because, as shown by the experience of PRSP I, the results were not really positive.
- The definition of sectoral strategies and, in some cases, of their operational programmes of action with indications of priorities. It is, therefore, necessary to consider economic strategies and policies that go beyond poverty reduction.
- The allocation of budgetary resources since 2006. This shows that the government intends to improve budgetary allocations in line with its new priorities.

412. The CRM felt that having a vision and projecting it into the future is an excellent way of giving a plan of action to the government and all the national stakeholders. The CRM congratulated the government for this initiative. However, the Alafia Bénin 2025 projection requires a number of economic policies on which the CSAR was silent. These include (especially):

- The (re)definition of the nature and model of economic growth³⁰, which should be clarified from the onset so as to identify the bases and growth-oriented sectors for the period and what they will focus on.
- Given the importance of the sustainability of the growth model, the issue of inclusiveness (of the rural poor, in particular) and the diversification of its productive base. These factors are included in the strategic development orientations of Benin and in its GPRS. However, these factors require further exploration, particularly with regard to their structuring.
- The reconfiguration of the national space, its transport networks, its economic geography (agricultural, industrial and commercial) and its demographic geography. This reconfiguration should, on the one hand, ensure that they are consistent with each other and, on the other, adapt them to the Benin of today – with its current economic, social and demographic bottlenecks – as well as to the envisaged ‘emerging Benin’. It should take into account, among others, the position that the country wants to occupy, as well as the role it wants to play in agriculture, industry and trade in the subregion of tomorrow.

³⁰ Reference is made here to the pro-poor growth model – as in the case of China as opposed to the Indian model – which is based on state-of-the-art technology and which remains sterile in the face of the increase in poverty.

- The adaptation of the growth poles strategy – or better still, the development strategy (which is not well defined in its content and spatial organisation) – to the strategies of project and programme clusters in the reconfiguration of the economic and demographic geography. This requires more effort in its definition and in the policies and programmes for its implementation.
413. This is all the more true since sound, predictable and transparent policies are also interpreted in terms of their relevance to the focus, challenges and development objectives of the nation as it moves towards the envisaged ‘emerging Benin’ of 2025.
 414. At this level, it is not certain whether the translation of the vision and its six strategic development orientations (which are well defined) into sectoral policies and programmes will be effective in moving the nation in the intended direction. The lack of quantified data on the required human and financial resources warns of the gaps between the bold views expressed by leaders and their translation into judiciously calculated actions, especially given the sluggish and dysfunctional networks in Beninese society.
 415. The informal sector and the transitional economy are extremely important factors in Benin. Thus, if the economy of the Benin of tomorrow is left open to the forces of globalisation, the configuration of a WAEMU controlled by external economic forces, and the Nigerian economy, there would be a risky process of ‘satellising’ and ‘informalising’ it in the long term. That is why it is imperative to have a clear vision that the people of Benin will see as their way forward, and thereafter translate it into appropriate and voluntarist policies and programmes so as to realise the dream of an ‘emerging Benin’ by 2025.
 416. Other points that require attention are the need to adapt the major challenges of economic governance and management to the macro and sectoral economic policies, and the methods of allocating resources to these policies effectively. In this regard, the Finance Law should reflect the implementation of the annual component of the development plan, which is an expression of the vision and strategic development orientations. Although efforts have been made in this direction since 2006, the CRM believes that Benin is still far off its targets in this area.
 417. Since the ‘emerging Benin’ intends to be “a country that attracts investments, accelerates its economic growth and redistributes the benefits equitably, a country which successfully integrates into the world economy thanks to its export capacities”, it is obvious that the economic policies, particularly in terms of fiscal policies, will play a significant role in efforts to improve the business environment. This issue is being discussed, but no appropriate policy seems to have been found.
 418. In order to have more predictable and transparent policies, the audit function of economic governance and the management of public resources should be effective and strong. However, it seems that this function is very weak in Benin. This observation is valid for the internal and external audit organs, the

Chamber of Accounts and the National Assembly. It was at the specific request of the head of state that the Chamber of Accounts only produced its report on the 2002 accounts in July 2007. Thus, there was a delay of five years. Consequently, it can no longer be used to define and implement appropriate corrective or preventive measures or to impose the necessary sanctions.

419. The weakness and inefficiency of this function sustain the general climate of financial misappropriation, illicit enrichment, the much-denounced scourge of corruption, and the impunity that is widespread in Beninese society. This has a very negative impact on economic governance and management and, therefore, on the effectiveness of implementing development budgets.
420. The budget policy should be based, among other things, on the implementation of previous budgets. Yet, the CRM noted that there were no detailed reports on budget implementation – either in terms of figures spent on specific budget items, or in terms of the results of implementing development programmes for which the expenditures were incurred. This made it impossible to assess the effectiveness, optimality and, therefore, the quality of public expenditure in the different development programmes. Moreover, these reports are required for monitoring the outputs, achievements and progress made in this area and of its shortcomings.
421. The CRM was informed that the lack of transparency in economic policies is even more crucial in public procurement and public finance. With regard to the latter, apart from the revenue and expenditure channels – which remain opaque for the majority of Beninese people and even the controlling bodies – there are still revenues that are not budgeted for today. This is particularly true in the case of revenue from the sale of second-hand vehicles and from escorting these vehicles to neighbouring countries. These revenues are said to provide Benin with nearly 1.2 billion CFA franc per month, according to the Ministry of Finance, but they are not budgeted for. This seems applicable to funds looted some time ago and recovered in one way or another, but their budget allocation was not brought to the attention of the public.
422. Despite campaigns personally initiated by the head of state against corruption, and therefore for the promotion of transparency and accountability in the management of public resources, the opinion of stakeholders seems to be that the ideology of each successive government is: “it is now our turn to eat”. With the entrenchment of the culture of corruption and the climate of impunity, the people are sceptical about whether the fight against corruption can be successful. Corruption seems to have become a measure of success in life. Fighting against a practice that has been entrenched as a culture calls for exemplary and systematic sanctions for economic crimes, especially those committed at the top.
423. This seems all the more true since the legal texts make no provision for the publication of budget statements for wide dissemination, or for the participation of the public in the allocation of public resources and the monitoring of budget implementation. The current slow budget

implementation is also perceived by the public as part of the same network of corruption and illicit enrichment. It should, however, be noted that, for some people, the slow spending of budget allocations is due mainly to the sluggishness of disbursement mechanisms, the levels of competence of budgetary authorities, splitting up of expenditure procedures, and the practice of making demands that fall outside the specifications.

424. Compliance with most of the WAEMU macroeconomic convergence criteria is an accomplishment to be commended in Benin. However, this has been achieved in a climate of widespread corruption and increasing poverty. Macroeconomic performance, while the population is being impoverished, is an obvious sign that stabilising the macroeconomic framework is not the same thing as stabilising development, which is what the current APRM exercise hopes to do.
425. The CRM noted that the macroeconomic convergence criteria of WAEMU, as well as the requirements and conditions of the programmes of international financial institutions (the IMF and the World Bank, in particular), also limit the country's room for manoeuvre. However, it seems that low salaries cause 'petty' corruption as people try to take advantage of state tools at their disposal to supplement their incomes. Some even assert that this is morally acceptable. One macroeconomic convergence criterion is that tax should not exceed 17% of GDP. As Benin is at 14.4%, it is possible for the country to increase its revenue through taxes – over and above the current efforts to broaden the tax base – and to reach the level of the WAEMU convergence criterion. This will enable the country to increase its revenue and possibly contemplate an increase in the incomes of the citizens (particularly civil servants). The Ministry of Finance seems to be sceptical about this, arguing that the burden of arrears and the lack of career prospects, among others, are all factors that help to mitigate the impact of the increase in state revenue that results from the successes in meeting the macroeconomic convergence criteria. However, the CRM believes that this argument does not carry much weight when considered in the light of the losses incurred by the state through corruption, financial misappropriation and illicit enrichment – all due largely to the low salaries of civil servants. The state of Benin should find ways and means of combating all forms of corruption in the 'lower categories' and especially in the 'high places'.
426. Still at the level of macroeconomic policies, the implementation of the policy of the transfer and privatisation of public enterprises is sinuous and opaque, thereby indicating that policies are unpredictable and not transparent. This is another area where corruption and illicit enrichment abound.
427. Generally speaking – and with the exception of the preparation process for GPRS II that was recently adopted – the participation of stakeholders in preparing and implementing economic policy remains low in Benin. Very often, the people do not identify with these policies, but they are nevertheless often required to bear the consequences of policies that they did not help to develop and which, therefore, seem to be imposed on them. This tends to generate resentment or resignation. It is expected that the initiative, by the

president of the republic, to institutionalise permanent dialogue in the form of ‘concerted governance’ will solve this problem and pave the way for building consensus around economic and social policies.

428. Another challenge in the GGE concerns the weight and place of the informal sector in Benin’s economy and society. This sector is recognised as playing an important role. Estimates of its importance vary, but all confirm its importance in the economy, in employment, in the mobilisation of savings, in investment, in social peace, and so on. The sector is, therefore, important at the economic, social and even political level. Implementers of the country’s economic policies tend to have an attitude of acting as ‘fiscal police’ towards this important sector, and thus seek to ‘formalise’ policy forcefully. It is necessary to develop a constructive policy that meets the needs of this sector and makes it a partner in the effort to build the Benin of tomorrow. The objective should be to study constructive ways and means of involving the informal sector in the development of economic policies, as it is obvious that the sector will not disappear soon. In the meantime, the major economic efforts are leading to marginalisation, exclusion and the development of survivalist activities in this sector.
429. The effective implementation of sound, transparent and predictable economic policies also requires state machinery with sufficient institutional capacity to build the ‘emerging Benin’ of 2025. Apart from the problems of human, technical, material and organisational capacities, there is also the problem of the level of commitment and functional efficiency of this machinery for it really to become a ‘development administration’ capable of conducting and implementing appropriate economic policies for constructing the ‘emerging Benin’.

Box 4.3: Emerging Benin: an original vision

‘Emerging Benin’ is an economic vision organised around the acceleration of economic growth and equitable redistribution of its fruits in order to reduce poverty by 2011 substantially. This ambition is based mainly on six strategic development orientations. These are analysed in detail in the GPRS document for the period 2007-2009. The document is followed by a priority action programme for the same period. The originality of the ‘emerging Benin’ vision lies in the coherence of these documents and in the innovative nature of the GPRS. Beyond the desire to restore major macroeconomic balances – common to poverty reduction strategy papers in many developing countries – the Benin GPRS addresses long-term planning issues that indicate that the spirit of *Alafia Bénin 2025* and of wealth creation continues. This constitutes a good practice.

It should be noted, however, that the lack of quantified data in the analysis preceding the presentation of the strategic development orientations will interrupt the smooth implementation of the plans. Here is an illustration. In order to support the health sector, which is essential for economic growth, it is important to estimate the number of doctors and hospitals that will be needed. It is also important to know how many doctors and hospitals the country had at the time of the analysis. Hence, the quantified gap between the two should gradually be filled before the end of the period specified. Projections such as these will minimise ad hoc recruitments and reduce difficulties in aligning budgets with the objectives of the different ministries. They will also give clear ideas of the financial resources that will be

needed to realise the Alafia Bénin 2025, which of the resources the country can generate, and what contributions should come from development partners.

430. The importance of coordination in economic governance and management policies seems to be understood in government circles. However, it encounters difficulties in implementation and operational effectiveness. This is admitted by the authorities and stakeholders. The CRM could not clearly define the nature of the coordination weaknesses. The difficulties seem to stem from previous practices, which made each official in ministries or institutions feel ‘directly accountable’ to the head of state. This also results in some inflexibility in implementing reforms, especially policies that aim at structural transformation. Delays in decentralising budgets are also due to this state of affairs.
431. **Sectoral economic policies.** The CRM was also pleased to note that *agriculture* is recognised as the basis of the country’s economy and development. However, agricultural policies do not seem to reflect this. Instead, there is a tendency to ‘informalise’ agriculture. In this respect, there has long been talk of agricultural diversification, but it has been slow in materialising. Nevertheless, according to stakeholders and some officials in the ministry concerned, the government continues to subsidise cotton production with billions of CFA franc despite the lack of clear prospects for this enterprise caused by the subregional and world situation. The strategy currently adopted for the different sectors is obviously welcome, but it should not be driven mainly by export concerns. Food insecurity is another significant challenge. Similarly, rain-fed agriculture – in the absence of a water-control policy – has limits. These should be taken into account if the government wants to make the agricultural sector the basis of the country’s economy.
432. The objectives of the *industrial and trade strategies* are well defined. These are to develop raw materials, and to meet the needs of the population in so doing; and to broaden the industrial base by participating in regional policy, by complying with WTO rules, and by regulating the domestic market. These objectives are intended to be met mainly through the policy of growth poles. The CRM is pleased with the existence of these two well-defined sectoral objectives. The CRM believes that the policy of growth poles requires that the definition and location of these poles should be accompanied by a spatial distribution of economic functions so as to create links between the different poles and their respective hinterlands, on the one hand, and between the poles themselves on the other. This will establish an integrated and reconfigured economic space that is not isolated, and one that is open to WAEMU and (particularly) ECOWAS. In this respect, the CRM noted the genuine concerns of the government regarding the country’s energy deficit, which limits Benin’s industrial prospects, and it appreciates the solutions envisaged by the authorities to address it.
433. The objective of the *transport* strategy is to construct and maintain means of transport and communication. At this level, the transport sector should be

adapted to the current economic and population characteristics, and especially to the vision of the Benin of 2025. The CRM was pleased to note the existence of road toll stations so that road users can contribute to road maintenance and to programmes for developing infrastructure.

434. The CRM has found that it is not clear whether the sectoral policies will contribute fully and harmoniously to the development of the Alafia Bénin 2025 vision. For example, the CRM is not sure whether the strategy of growth or development poles in industry will be consistent with those of transport and agriculture, especially as it is said that the major objective of the transport policy is to transport agricultural products out of the country. Consequently, efforts should be made to ensure that the overlap between the different sectoral strategic frameworks reflects coherence between the policies, on the one hand, and between the policies and the ‘emerging Benin’ scenario on the other.

iii. Recommendations of the APR Panel

435. The APR Panel recommends that the government should:
- Pursue efforts to stabilise macroeconomic policies, particularly the public finance framework and sectoral strategies.
 - Clarify the nature and model of growth derived from the vision of an ‘emerging Benin’ by providing it with a solid, sustainable and largely inclusive productive base.
 - Define clearly the desired reconfiguration of the national space for the same target date, by ensuring consistency between the industrial strategy of growth poles, the economic (agricultural, industrial, commercial and transport) geography, and the population geography projected for 2025, with a view to establishing an integrated fabric and economic space.
 - Define a policy and constructive programme of action for the informal sector in view of the role it currently plays, and will be called upon to play, in the Benin of the future.
 - Strengthen the ‘control’ function of economic governance and the management of public resources, particularly by strengthening the mandates, authority and capacities of bodies with statutory responsibilities, and by implementing appropriate sanctions to fight against the climate of impunity.
 - Include detailed budget implementation (result) reports in the Finance Law.
 - Harmonise the requirements of the macroeconomic convergence criteria with those of development, social peace and the fight against corruption.
 - Strengthen coordination in implementing economic policies that will lead to the building of the Benin of 2025.

- Ensure that the strategic development orientations of the ‘emerging Benin’ are translated into appropriate, coherent and quantified sectoral policies and programmes of action, and that they are implemented.

Objective 3: Promote sound public finance management

i. Summary of the CSAR

436. The CSAR focuses on: (i) measures taken concerning laws, policies and programmes, institutional development and resource allocations for a predictable medium-term tax framework; and (ii) actions taken to develop an efficient decentralised tax system. With regard to taxation, these measures draw on WAEMU directives and were implemented from 1991 within a context of structural adjustment. They aim mainly at controlling public expenditure and increasing revenue so as to ensure budget balance.
437. With regard to taxation services, the government has simplified the fiscal system and extended the taxation system to the informal sector. At the institutional level, most of the responsibility for collecting direct taxes has been transferred from the General Directorate of the Treasury and Public Accounting (DGTCP) to the General Directorate of Taxes and Lands (DGID). Several types of taxes have been abolished and replaced with VAT. This has a broad base and has imposed a single rate of 18%, in accordance with WAEMU directives, since 1991. Other equally important measures range from the establishment of a taxpayers’ file to updating the General Tax Code. These have helped to enhance government’s performance in public finance management.
438. The customs services have been reorganised in order to improve administrative management and border controls, and to simplify customs tariffs. The measures taken also include: (i) improvements to the computerised management of customs clearance operations (SYDNIA, ASYCUDA++); (ii) reducing custom duty exemptions and tax evasion; (iii) the automatic transfer of manifests; (iv) reorganising and computerising several customs services (KRAKE, Cotonou Port); and (v) the General Directorate of Customs and Excise (DGDDI)/DGID computer connection.
439. The CSAR assessment of the current situation in public funds management is based solely on: (i) the frequency of reports and public monitoring of all government revenues and expenditures; and (ii) the time given to parliamentarians to consider and approve the draft budget, and the number of amendments to the draft budget adopted by Parliament.
440. As regards fiscal decentralisation, the CSAR indicates that the council will henceforth have its own budget. This will comprise recurrent revenue, capital revenue, recurrent expenditure and capital expenditure. The law defines the

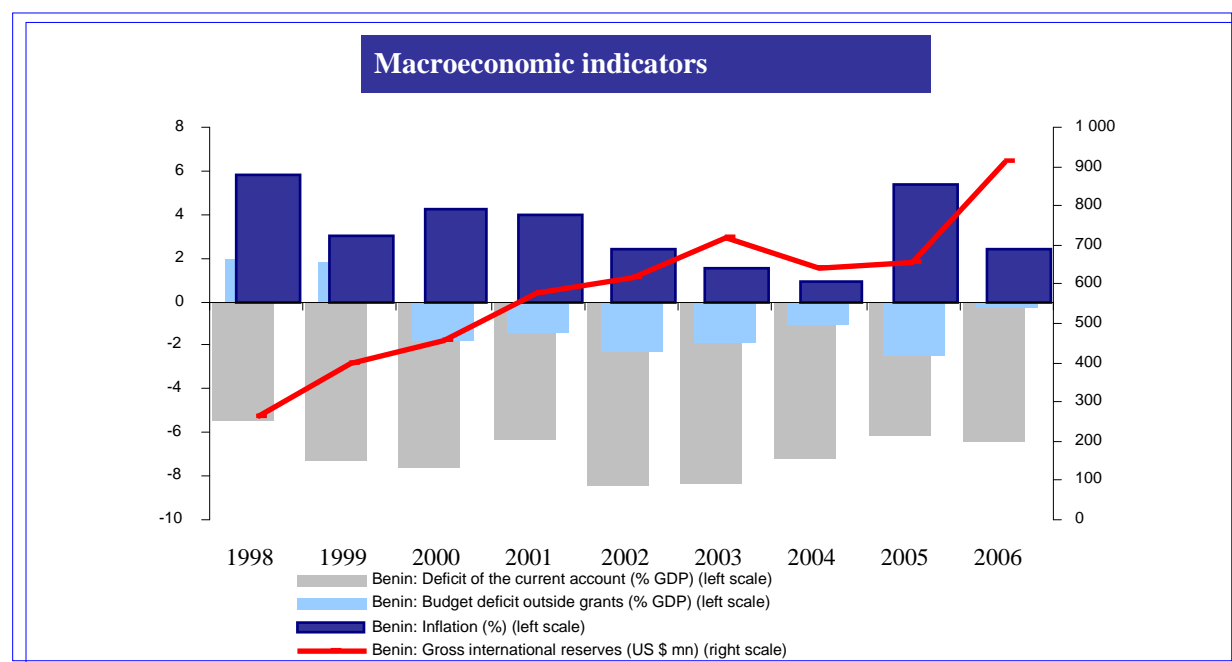
revenue spread of councils and the related expenditures to be borne by them (see the provisions of Sections 9-23 of Law 98-007 of 15 January 1999, defining the financial regulations of councils in the Republic of Benin).

441. Paragraph D of Article 10 of Law 98-007 presents the revenue spread of the state from which deductions must be made for the councils. The CSAR indicates that, in order to ensure the efficiency of financial decentralisation for the economic and socio-cultural promotion of councils, the provisions of Section 57 of Law 98-007 instituted: cooperation between the councils, on the one hand, and between councils and national or foreign NGOs and decentralised authorities of other states on the other; and financing assistance to other local authorities. In this respect, a Local Authorities Financing Institution has been established.
442. *Transfer of financial resources to support the transfer of areas of competence.* In accordance with Law 97-029 of 15 January 1999, the council has its own areas of competence as a decentralised local authority. Furthermore, under the control of the responsible authority, it has other responsibilities that fall within the competence of the state. The council is responsible for building, equipping and repairing government primary and nursery schools, as well as for maintaining these institutions. The government transfers the required resources to the council for these functions. With regard to health, the council is responsible for building, equipping and repairing public health and social welfare centres, as well as public cultural, youth, sports and recreational facilities in the districts, villages or neighbourhoods. Again, the government transfers the necessary resources to the council.
443. *An assessment of the efficiency of this system* indicates that the capacity of local authorities to manage (if necessary) tax resources and to plan and implement economic policies is relatively limited. The major problems encountered by the country in implementing an efficient decentralisation system are: (i) lack of leadership in the decentralisation process; (ii) absence of a clearly formalised strategy; (iii) lack of commitment on the part of ministries to the decentralisation process; (iv) delays in the transfer of areas of competence and the corresponding resources; (v) inadequate resources in councils; (vi) inadequate government transfers; (vii) failure by some local elected officers to assimilate their roles; and (viii) the magnitude of fiduciary risks.
444. In the light of these constraints, the CSAR concludes that decentralisation is not yet effective. Finally, as regards the strengthening of institutional mechanisms to ensure the effectiveness of budget decentralisation, the CSAR indicates that the Ministry of Finance and Economy has developed procedures for utilising the decentralised resources made available to city councils and credit managers in the central administration.

ii. Conclusions of the CRM

445. The CSAR limits itself mainly to an analysis of reforms carried out to improve revenue from tax. The report contains no analysis of the management of public expenditures. Consequently, the section on the objective for public finance management is incomplete. Reforms introduced in this area by the government, which are essentially aimed at improving governance, are not covered in the report. The section on public revenue management is limited essentially to an incomplete presentation of the institutional and regulatory framework of public finance management.
446. With regard to improving public revenue, the CSAR does not emphasise the programme to improve the local tax system. However, the CRM was pleased to note the efforts made by the government to introduce budgetary and accounting management, and the reform of internal and external audits and the public procurement system, which are the main areas of results-based management. Indeed, in order to modernise management in public administration, the government has prepared a reform strategy for the results-based management of public resources. This strategy, which reflects the vision of the government for the new method of public management, aims essentially at establishing a public resource management system that helps to reduce poverty substantially through greater efficiency and transparency in public spending.

Figure 4.2: Macroeconomic indicators



447. In the same vein, and although this is not mentioned in the CSAR, the CRM also noted the efforts made by the government to establish programme budgets in the various sectors. The CRM noted the budget support given by development partners to support the implementation of the GPRS. Indeed, since Benin completed the implementation of the GPRS under the HIPC Initiative, its implementation has benefited from four budget support programmes between 2003 and 2006. Benin fulfils the general preconditions with regard to the budget support guidelines. These are: (i) political and economic stability and the government's commitment to adopt the Development Budget Support Loan (DBSL) approach; and (ii) the technical prerequisites relating mainly to the fiduciary framework and the establishment of MTEFs. Indeed, Benin has made significant progress in the establishment of MTEFs. These frameworks, which describe the programmes in each sector, are based on the pillars of the GPRS and are implemented using a results-based approach. However, the capacities within the technical ministries – particularly in the programmes and projects departments and public procurement units – should be strengthened.
448. In Benin, public expenditure management still faces constraints in establishing budgetary and accounting management, and in the reform of internal and external audits and the public procurement system. These constitute the main areas of reform for results-based management. This reform has been retarded mainly because of low human and institutional capacity. There are still some inadequacies, particularly with regard to disparities in the mastery of new tools, the decentralised procedures for preparing overall budgets, and the monitoring-evaluation systems in the sector ministries. With regard to budget implementation, SIGFIP is still far from being efficient, since investments from abroad are not included and there is no interface with the Treasury. Furthermore, agents have not mastered the use of the SIGFIP software.
449. In the area of control, there is a plethora of organs with overlapping functions. This affects the efficiency and effectiveness of control considerably and encourages corruption. Furthermore, inadequate capacity in human and material resources also reduces the efficiency of internal controls. Finally, the functioning of the public procurement system still suffers from major constraints. These require that the reforms are pursued and consolidated. These constraints include: (i) the persistence of nontransparent procurement procedures; (ii) the existence of very cumbersome public procurement procedures in which responsibilities are inadequately or poorly defined; and (iii) delays in implementing the new institutional framework of the public procurement system. Furthermore, sector ministries still suffer from low institutional capacity for the management and award of public contracts. To these can be added the lack of qualified personnel, the lack of equipment, the fact that public contracts are not audited, and that the procedures manual has not been disseminated.
450. In the area of public finance, results-based management presupposes the existence of greater management autonomy and implies greater accountability on the part of programme managers. On the other hand, the programme managers are obliged to report, through performance reports, to management

and to the Chamber of Accounts. The Chamber of Accounts, in turn, reports to Parliament through its performance audits and opinion letters. However, the CRM noted that the effectiveness and functionality of this mechanism are doubtful given the level of experience in the country.

451. Budgetary reform can only be successful and have a significant impact on the effectiveness of public expenditure if it is integrated with administrative reform and an appropriate reform of the public service. Here the government has undertaken a reform of the public service which is yet to be implemented. In addition to the budgetary reform and the reform of the public service, the reform of local (or territorial) administration, which has started, should be intensified by improving its capacity to offer basic services to the local population and by managing the economic development of the decentralised authorities. The principle of accountability (identification of the persons responsible) should be reaffirmed. All of these reforms require a new organisation of public administration, a new vision for public management and a new allocation of responsibilities.
452. The deconcentration and decentralisation strategy should also specify the pace and time frames for the effective transfer of competences, the modalities for assigning competent human resources, and the overall policy on financing council budgets.
453. ***Concerning improvements in public finance management and results-based budget management***, an assessment of public finance management (CFAA) was conducted in 2005 by the key development partners and in close collaboration with the government. An action plan for the results-based budget management strategic framework was adopted in December 2005. Its implementation should be reinforced by adopting clear guidelines which should be included in the macroeconomic strategic direction note and in budget circulars of the Ministry of Finance during the preparation of the draft sectoral budgets and the finance bill.
454. ***Concerning improvements in budget implementation***, the extension of SIGFIP to all ministries helped to reduce the payment period to less than 25 days in 2004 and to improve project implementation. The government should ultimately obtain more exhaustive expenditure commitments in the SIGFIP (i.e. financial commitments before legal commitments) and payments by money order, which will be captured in the system in real time. With regard to grants, administrative and financial clauses defining the actors concerned and the procedures for entering operations will be included in the state accounting system. The government intends to abandon the use of payment orders gradually and to take appropriate measures to ensure compliance with budget allocation limits in the consumption of credits. Furthermore, despite these good intentions for sound public finance management, the existence of special procedures for expenditure from external resources continues to be a major risk for mismanagement of public finance and an obstacle to the preparation of sectoral strategies.

455. Auditing of public expenditure plays a key role in any public finance management system. In Benin, this system is made up of internal and external audits. Internal audits involve the Financial Control Inspectorate and the General Finance Inspectorate (IGF), both within the MFE; specific general inspectorates in some ministries; and the Department of Inspection and Internal Verification (DIVI), which is the internal audit structure of the sectoral ministries. External audits are conducted by the Chamber of Accounts and the National Assembly. The major constraints facing the audit institutions in the performance of their duties are:
456. ***With regard to internal audits:*** (i) the well-known inadequacy of the human and material resources that are put at the disposal of these institutions; (ii) the proliferation of national *a posteriori* audit bodies, in addition to the IGF, as most ministries have a General Control Inspectorate and a DIVI (another *a posteriori* internal audit body); and (iii) the lack of coordination between the various audit bodies, resulting in the same structures being audited by several auditing bodies at the same time.
457. Furthermore, the independence of DIVI within sectoral ministries, vis-à-vis line authority, is not always respected. Further, the fact that these bodies do not have their own resources increases their dependence and significantly reduces the scope of their investigations. Regulatory texts that clearly define the rules and regulations governing auditors are also nonexistent. This further weakens their ability to perform their auditing duties and encourages great mobility through other structures of the administration. Apart from the financial and accounting audit guide, the inspection and internal audit departments in the ministries do not have at their disposal a guide on technical and organisational audits adapted for their own ministry. This further reduces the scope of their investigations in the field.
458. In the absence of adequate data entry resources, the confidentiality of DIVI audit reports is not always ensured. This produces blockages in the subsequent implementation of recommendations contained in these reports, especially where the competent authorities have to take disciplinary action against offenders. Despite the number of audit bodies, misappropriations are constantly increasing because sanctions are not being applied. This creates a climate of impunity within the administration. Finally, it should be noted that inadequate on-the-job training programmes for auditors to help them improve their technical skills, and the lack of follow-up of the recommendations from audits, render the existing internal audit system unsuitable for ongoing results-based budget reform.
459. ***With regard to external audits,*** Benin is one of the few WAEMU countries that have not yet established an audit office. The Chamber of Accounts continues to be based within the Supreme Court. Consequently, it does not have the autonomy or the competences required to carry out audits, to establish necessary laws and regulations in good time, or to guarantee the sound execution of public expenditure in a country that receives most of its government assistance in the form of budget support. It should be noted that the constitutional amendment bill on the establishment of a Chamber of

Accounts has received the legal opinion of the Supreme Court and was sent to the presidency a year ago. It is desirable that, as part of the planned constitutional review, the president of the republic sends the bill to the National Assembly. If he does not it could be interpreted as a lack of political will to create the Chamber of Accounts and, therefore, as resistance to the strengthening of the audit function of the institution in the fight against corruption and mismanagement of state resources.

460. A constraint to the work of the Chamber of Accounts is its inadequate staff in relation to the scope of duties required for the judicial auditing of state accounts. This causes delays in the auditing of management accounts transmitted to this institution. A second constraint is the low archiving capacity of the Chamber of Accounts to preserve documents to support the management accounts of public accountants. A final constraint is the inadequate financial training of members of the finance committee of the National Assembly and, in general, the majority of parliamentarians, to exercise effective control over budget implementation.
461. The inadequate resources of the Chamber of Accounts, compared to its mandate, significantly reduce its independent external audit role in public finance and its effectiveness. This situation does not promote accountability. Each year the work programme records significant delays. These compromise sending reports on the application of the rules and regulations to the National Assembly. Reports for the 2003-2006 period have not yet been sent.
462. A move from the Chamber of Accounts to an audit office requires an amendment to the constitution. The Supreme Court gave a legal opinion on the matter and it was sent to the Ministry of Justice. Transforming the Chamber of Accounts into an audit office will ensure compliance with WAEMU directives and confer total independence on the office.
463. ***The public procurement system.*** The government is pursuing the strengthening of the public procurement system by carrying out reforms aimed at: (i) improving the transparency of the public procurement system; and (ii) simplifying and modernising the internal and external audit systems. Thanks to an amendment to the Public Procurement Code in August 2004, the government has started to establish a new institutional framework for the public procurement system. It is now based in the National Public Procurement Regulation Committee (CNRMP), the National Public Procurement Directorates (DNMPs), and the Public Procurement Units (CNPMPs). The Public Procurement Code is being revised in accordance with WAEMU directives. However, the actors involved in the public procurement chain should receive appropriate training. To that end, the programme implemented by the government also provides for the training of senior staff in the procurement units and for the conduct of public procurement audits.

Box 4.4: Legal and institutional frameworks for public procurement*(i) Legal and regulatory framework*

Public procurement in Benin is governed mainly by Order 96-04 of 31 January 1996, instituting the Public Procurement Code applicable to the Republic of Benin, and by three regulations. These are: (i) Decree 99-288 of 2 June 1999, on the functioning of the various commissions involved in controlling and monitoring the application of public procurement regulations; (ii) Decree 99-311 of 22 June 1999, introducing a Code of Ethics and Moralisation of Public Procurement; and (iii) Decree 99-312 of 22 June 1999, fixing the ceilings of direct negotiation and competitive bidding procedures and the rules applicable to public procurement.

(ii) Institutional framework for public procurement management

The framework comprises mainly, on the one hand, project owners (deconcentrated and decentralised administrative units) which are responsible for programming, planning and monitoring the implementation of public procurements and, on the other, committees whose responsibility is to control and monitor the proper application of procurement regulations. The responsibilities, organisation and functioning of these different public units have weaknesses that impede the efficiency, and even transparency, of the execution of public procurements.

(iii) Contract award operations and performance of the private sector/public order

Public contract awards and management operations are managed entirely by the respective project owners (ministries or other public institutions and local authorities). The actual execution of public procurements is carried out entirely by the private sector in Benin. This sector is organised through an independent private entity, the *Conseil national du Patronat du Bénin* and a public entity, the *Chambre de Commerce et d'Industrie*.

(iv) Integrity of the public procurement system

The Chamber of Accounts, based at the Supreme Court, is responsible for auditing public expenditure and public procurements. This institution should³¹, in accordance with a WAEMU guideline, be transformed into an audit office to enhance its efficiency and enable it to play its legal and regulatory role fully. The order instituting the Public Procurement Code does not provide for any appeal mechanism for bidders during the contract award stage. Finally, Benin has a regulatory and institutional framework³² to fight corruption. This framework has, since June 1999, made it possible to prepare a Code of Ethics and Moralisation of Public Procurement. Although there is an organised and operational framework to fight corruption in public procurement, there are still some significant weaknesses in the mechanisms for preventing independent *a posteriori* audits of public procurements.

iii. Recommendations of the APR Panel

464. The APR Panel makes the following recommendations to the authorities (government, National Assembly and the Chamber of Accounts):

³¹ The deadline in Benin for application of this WAEMU directive was 31 December 2002.

³² The national strategic plan for the fight against corruption in Benin was prepared in October 2001, following reflection between the public sector, the private sector and civil society.

About results-based budget monitoring

- Prepare an annual report on implementing programme budgets and on implementing a programme budget monitoring-evaluation system by providing the monitoring-evaluation units with staff and equipment.
- Make better budgetary classifications.
- Pursue the implementation of a programme on improving the internal tax system, particularly by broadening the tax base and intensifying tax audits with a view to eradicating tax evasion.

About the public procurement system

- Finalise the adaptation of the Public Procurement Code according to WAEMU directives.
- Strengthen the capacities of the DNMPs and the CNPMPs.
- Conduct regular public procurement audits and pursue the implementation of the action plan for improving the public procurement system.

About internal auditing of public expenditure

- Reorganise the audit and inspection bodies of the administration.
- Strengthen, streamline and enhance the efficiency of internal audits with simplified procedures and better definitions of the responsibilities of the various audit structures.
- Define professional norms and standards.
- Implement a training programme for internal auditors on life annuity debt, public finance management, financial and accounting audits, as well as the administrative and financial management of local authorities.

About external auditing of public expenditure

- Transform the Chamber of Accounts into an audit office by providing it with adequate resources, and enhance the independence and autonomy of external audit institutions.
- Strengthen the technical capacities required for parliamentary control over the management of government and strengthen, streamline and enhance the efficiency of external audits.

Objective 4: Fight against corruption and money laundering

i. Summary of the CSAR

465. The CSAR indicates that corruption is a real scourge that is rooted in all sectors of Benin's society. It is a constant source of concern to the authorities, civil society and development partners because it affects the political and economic development of Benin. According to representatives of trade unions, the spread of this scourge is due to a number of factors. These include:
- Low salaries, especially in the administration. They are below the cost of living and force workers to supplement their income by all possible means.
 - The loss of state authority.
 - Failure to recognise the real merit of workers.
 - The politicisation of the administration.
466. Corruption has been established as a system in public administrations and in local authorities. It is so widespread that its effects have extended to the semipublic and private sectors. The phenomenon is multidimensional.
467. The government of Benin has taken both legal and institutional measures to fight against this scourge. The CSAR mentions that there are clear regulations and provisions for their application in public sector procurement. An example is the Public Procurement Code. However, despite the prohibition to awarding contracts by direct negotiation when the purchases exceed a certain amount, this prohibition is often evaded by dividing the procurement into packages so as to remain below set ceilings. Hence these provisions are yet to demonstrate their efficiency. There are certainly institutions to fight corruption, but the results have been poor.
468. The report also emphasises the existence of legal provisions establishing a code of conduct, which includes the public declaration of assets. The president and ministers declare their assets on assumption of and leaving office. However, these declarations are not known to the citizens so the latter are not able to exercise social control.
469. The report also mentions that, with the inauguration of the new government, Benin now has an ombudsperson to evaluate cases of corruption in the public sector. However, the constitutionality of the appointment of an ombudsperson has been challenged by the Constitutional Court. Furthermore, no parliamentary committee was set up to evaluate cases of corruption. The CSAR also notes that, whenever measures are taken to fight corruption, every effort is made to evade them. It could, therefore, be said that the past five years have been rather disappointing on this score, and a new start will have to be made.
470. With regard to the follow-up, and eventually prosecution, of cases of corruption over the past five years, the government has established two types of mechanisms. The first was the creation of the CMVP. This comprises civil servants and is attached directly to the presidency of the republic. However,

such a unit is wrongly or rightly seen by the majority of citizens as a structure that could not moralise anything. According to its detractors, its main task was to be an attractive ‘window-dressing’ for the authorities and to divert public attention.

471. The report notes that, in reality, these criticisms against the CMVP are exaggerated. While it is true that the structure did not have adequate resources to achieve its ambitions, it did take enormous risks to moralise public life. More than once it showed the desire to make a significant contribution to the improvement of morals. The CMVP was dissolved and replaced by the General State Inspectorate (IGE) and the anti-corruption watchdog OLC.
472. The second measure was the creation of FONAC. It was established by the government under pressure from civil society organisations, which expressed the urgent need for such an organisation. Independent of the authorities, FONAC became famous for its commitment in a severe and merciless fight against corruption. This is shown by the numerous operations that hit the headlines and created difficulties even for ministers in office. However, here too it should be recognised that FONAC and OLC did not have a positive impact on the anti-corruption drive.
473. Lastly, the report notes that the fight against corruption in the Beninese public service encounters some problems. These are:
- difficulties relating to social pressure;
 - difficulties relating to the involvement of the state in wheeler-dealing;
 - difficulties relating to politicisation of the administration;
 - difficulties of making a clear distinction between politics and the judiciary;
 - difficulties relating to the very functioning of the administration, marked by the existence of service relations – a situation of dependence resulting from its excessive ranking;
 - deep-rooted nepotism; and
 - favouritism at all levels where appointments are reserved for those who can serve selfish interests.
474. With regard to money laundering in the country, the CSAR mentions that its prevalence is not known. However, some key measures have been taken in terms of legislation, policies, programmes, institutional development and the allocation of resources to combat money laundering in the country. For example, the Directive and the Single Law on the fight against money laundering in WAEMU member states was adopted by the Council of Ministers of the AU. Benin recently adopted this law in Parliament. However, its entry into law is subject to its promulgation by the head of state.

ii. Conclusions of the CRM

475. The CRM notes that the CSAR does not analyse the categories of corruption in Benin in a manner that would enable the recommendations to address the specific forms and modalities of corruption. However, the discussions with stakeholders and additional reading helped to show that the most common forms of corruption are bribery, tax and customs evasion, over-invoicing of services provided to the state through government contracts, under-invoicing of debts owed to the state, misappropriation, influence peddling, favouritism, and vote-buying during elections. The areas most affected by these practices are public administration (in general), state financial administration (taxation, customs and government contracts), politics and justice (also see Chapters Three and Five).
476. The CRM also notes that the CSAR lists the causes of corruption in Benin but overlooks the weaknesses in control bodies and their dependence on politicians and top officials in public administration. This lack of independent oversight transfers control to those with the most power. On the other hand, there are factors that encourage partiality in decision making, and consequently spread corruption. These are: the ignorance and illiteracy of the population; impunity; delays in providing public services; the excessive centralisation in public administration; political favouritism in the appointment of top officials because of the absence of job descriptions and career plans; and the acceptance of the practice of offering gifts and of preferential treatment.
477. With regard to the fight against corruption in its different forms, the CSAR is silent on some commendable efforts made by the government of Benin since the 1990s. However, these efforts are ineffective in view of the magnitude of the scourge. Over and above the establishment of the CMVP and FONAC, noted in the CSAR, it is important to note that in 1990 the recommendations of the National Sovereign Conference emphasised the moralisation of public life in particular, and the SOS Corruption Committee was set up in 1995. After the CMVP was replaced, the government requested assistance from the World Bank to develop a mechanism to fight against corruption in awarding public contracts in 1997. FONAC was established in 1999 and, in that same year, the government of Benin and of nine other African countries adopted 25 principles for combating corruption at a conference in Washington. The finance minister took another significant step when, following doubtful procedures in the privatisation of SONACOP, he referred the matter to the courts. The failure of all these initiatives casts doubt about the analysis of the causes of corruption in Benin and of how it spreads.
478. At another level, the CRM notes that, despite the fact that corruption has worsened poverty, increased social inequalities, caused public administration and the private sector to be less competitive (see Chapter Five), and caused a decline in the development of human capital (see Chapter Six), no effort has been made by the government to ratify and implement all the international conventions on the fight against corruption and money laundering. These conventions include:

- The United Nations Convention on the Funding of Terrorism, adopted in 1999.
 - The United Nations Convention on Organised Transnational Crime, adopted in 2000.
 - The African Union Convention on Preventing and Combating Corruption, adopted in 2005.
 - The UN Convention on Corruption, adopted in 2005.
479. Furthermore, the CRM noted other facts that could cause corruption or spread it in the Beninese administration. These include the delay in the decentralisation process and the excessive tax burden (See Chapter Five). It emerged from the discussions the CRM had with stakeholders and elected officers in all departments visited by the mission that the resources allocated for the decentralisation process have not yet been disbursed. This delay, like other delays in centralised or decentralised government services, compels rural and urban users, who want to obtain services quickly, to bribe state employees. In return, some public agents make bribery a practice and sometimes even a condition for issuing an official document or authorising a payment on time.
480. With regard to the tax burden, a comparison with the other WAEMU countries shows that it is relatively heavy in Benin. For example, corporate tax ranges from 55%, for enterprises engaged in the exploration, exploitation, production and sale of natural hydrocarbons, to 38% for most industrial and commercial enterprises. The same tax is 30% in Côte d'Ivoire, and 35% in Mali, Senegal, Burkina Faso and Guinea-Bissau (www.bceao.org). Similarly, the tax on dividends is 18% in Benin as against 10% in Côte d'Ivoire, Mali and Senegal. Such over-taxation encourages the informal sector to expand, and sharpens the appetite of businesspeople and traders to bribe tax officers to postpone the deadline for payment of taxes or to waive the taxes altogether.
481. The CRM also noted, after discussions with authorities and stakeholders, that tax and customs evasion is deep-rooted in Benin because of the lack of clear mechanisms and control institutions. The number of audit structures and overlapping of tasks hamper the effectiveness and efficiency of auditing and promotes corruption. The Chamber of Accounts, which is not yet autonomous, is hampered by the inadequacy of the audit resources, provided to it by the government, to complete the volume of work it has. The chamber is still attached to the Supreme Court. However, WAEMU texts provided for the transformation of chambers of accounts into audit offices in member states by the end of the year 2002. This has so far not been done in Benin. The Chamber of Accounts suffers from a blatant shortage of human resource and its staff is inappropriately trained. It started with two magistrates, has only eight today and, for example, there are only two magistrates to audit the accounts of 77 towns. This staff shortage creates excessive delays in, and postponements to, the audits of state accounts. The obvious consequence is that the findings of audits become obsolete and useless. During discussions with the staff in July 2007, the CRM noted that the magistrates were still working on 2003

accounts. The shortage of staff at the Chamber of Accounts is partly attributable to the cumbersome procedures, provided for in the constitution, for appointing magistrates.

482. On the other hand, the separation of executive and legislative powers is not effective (see Chapter Three). This creates an imbalance which prevents the National Assembly from controlling public finances effectively. According to members of the National Assembly, there seems to be a system of ‘communicating vessels’ and, therefore, complicity between the Executive and the presidential majority in Parliament when it comes to budget votes and audits of its execution.
483. There are many internal audit bodies and they act in a disorganised manner. The IGE, which replaced the CMVP and comprises mainly representatives of the state and ministries, does not represent civil society. This body is, in the eyes of the population, not credible enough to conduct a real campaign against corruption. There are also the DIVIs, which are internal audit structures in the sectoral ministries. All these internal control bodies suffer from a shortage of human and material resources, thereby making them vulnerable to corruption.
484. Information gathered from additional reading, and in consultations with authorities and stakeholders from all economic sectors, showed that there are no reliable studies or data on corruption in Benin, although the phenomenon is described as a scourge that is eating into the society and economy of Benin. The only references that the CRM noted in the economic management and governance document concern the position of Benin³³ in the Transparency International ranking of 2004. As a result of the aggregated nature of the corruption perception index, this ranking provides little information on the relationship between corruption and individual economic operators. Other references noted in the additional readings concern the World Bank survey on a limited sampling of enterprises to analyse the investment climate in Benin. The activity report of the OLC quotes the statement by the minister of finance and economy in a lecture-discussion organised in January 2000 by Transparency International in Cotonou. This states that corruption in Benin reduces GDP and state revenue each year by three points. This represents the equivalent of about 50 billion CFA franc (page 16). The last OLC White Paper considers the issue but without the data that can give an accurate idea of the extent of the phenomenon. This shortage of data limits the government’s capacity to adopt appropriate measures at the macroeconomic and sectoral levels to fight corruption effectively.
485. The CRM also notes that the bill on the prevention of, and fight against, corruption and money laundering – initiated by the government in November 2006 and tabled before the National Assembly – has not yet been discussed in order that the law may be passed. According to discussions held with the Bureau of the National Assembly, the delay is due to the fact that the bill should be examined by other judiciary authorities, particularly the Supreme

³³ Benin was ranked 74th out of 145 countries covered by the survey.

Court and the Constitutional Court, before it is considered by the parliamentarians and eventually passed.

486. The CSAR emphasises the government's efforts to identify cases of corruption and to impose sanctions on offenders. These efforts include the creation of the CMVP, FONAC and the OLC. However, no analysis is made on the effectiveness of these mechanisms. The CRM noted that the CMVP no longer exists and that the efforts made by FONAC and OLC are, given the spread of corruption, ineffective. The limited efficiency of the two bodies could be due to the fact that their services are not decentralised to other departments, and that they do not have the power to sanction people identified as being involved in corruption cases. Furthermore, the staff of these two institutions are not remunerated and there is a lack of incentive to do their work, although OLC staff members are paid allowances for their transport and participation in meetings. This may discourage staff from personally engaging in investigations and may make them susceptible to bribes by people involved in various forms of corruption. Finally, staff members are threatened by government employees identified as being involved in corruption cases. They do not have any protection against physical attack and their careers could be jeopardised.

Good practice 4.1: The directory of reference prices and the Code on the Public Declaration of Assets

The Ministry of Development, Economy and Finance drew up a directory of reference prices for the purchase of goods for public administration in May 2007. It is hoped that the directory will optimise public expenditure. The directory of reference prices, which covers 2,840 products, is an initiative in the fight against corruption. Its application will help to minimise cases of over-invoicing and the charging of fictitious prices, and result in considerable savings for the state.

In the same vein, the adoption of the Code on the Public Declaration of Assets by top civil servants, notably the president of the republic and ministers, is a commendable effort by the government to dissuade those with malicious intentions. It requires top civil servants to declare assets to the Supreme Court on assuming and leaving office. Unfortunately, according to stakeholders, the code is not effective. They revealed that the present government presented only a single document for all its members and that the document was, in any case, inaccessible to civil society.

487. At a completely different level, it would be useful to go beyond the aspect of corruption relating to the abuse of public office by government employees for their own profit, as noted by the CSAR. In this respect, the CRM noted, during discussions with stakeholders, that corruption in the form of vote-buying during elections was rampant in the society. Parliamentarians accept bribes to have laws adopted that are favourable to certain social categories. The CRM confirmed the existence of this form of corruption during its discussions with the Bureau of the National Assembly. The argument put forward to justify this practice is that, in several meetings of the legislature, no political party

represented at the National Assembly had a majority. Consequently, it became difficult to adopt laws without prolonged negotiations between the parties. In these negotiations, the minority political parties, aware of their importance for the functioning of the National Assembly, demanded bribes to support bills proposed by the major parties.

488. Other dimensions of corruption that should be emphasised are favouritism and the predominance of family, ethnic or religious ties over merit. These are also forms of moral corruption that create an environment of frustration. They are also eating into Benin's society, as was revealed in the discussions between the CRM and the stakeholders.
489. Money laundering is given very little attention in the CSAR. The CRM notes the absence of both institutional and legal provisions at the national level for combating this scourge. It is also an obstacle to economic development and increases social inequalities and frustration. Furthermore, Guideline 07/2002/CM/UEMOA of 19/09/2002, on the fight against money laundering in WAEMU member countries, has not yet been implemented in Benin.

iii. Recommendations of the APR Panel

490. In view of the negative impacts of corruption, its eradication has become a major component of government policies and a key challenge to long-term development in Benin. Consequently, in order to reduce all forms of corruption, the APR Panel makes the following recommendations:
- Sign, ratify and implement all international and regional conventions on the fight against corruption and money laundering, starting with those mentioned earlier. It is also necessary for Benin to develop effective institutional and legal frameworks to combat money laundering (government).
 - Implement effectively the component of the decentralisation process on the allocation of financial resources (government).
 - Commission a simulated study on the tax relief required to reduce the tax burden, while maintaining state revenues, and disseminate the relevant texts (government).
 - Implement the WAEMU texts on the transformation of the Chamber of Accounts into an autonomous audit office, provide this controlling body with adequate and well-trained staff, and subsequently implement Guideline 07/2002/CM/UEMOA of 19/09/2002 on the fight against money laundering (government and the National Assembly).
 - Strengthen the audit bodies of the state apparatus by fighting impunity for economic crimes, institute incentive bonuses for the staff of these bodies, and enhance the value of the control function of the legislature (government, the National Assembly and the Supreme Court).

- Commission an independent survey on corruption and money laundering in order to obtain quantified data on their scope and characteristics in Benin.
- Accelerate the examination and adoption, as a matter of priority, of the law on corruption pending in Parliament in order to ensure its application (government and the National Assembly).
- Review the text on the declaration of assets by officials so as to make its implementation effective and public (government and the National Assembly).
- Strengthen the capacities of state revenue offices (in terms of staff and working facilities), modernise their technical tools and, at the same time, simplify their procedures (government).

Objective 5: Accelerate regional integration by participating in the harmonisation of monetary, trade and investment policies

i. Summary of the CSAR

491. Benin is a member of several regional integration groups, including WAEMU, ECOWAS and the Community of Sahel-Saharan States (CEN-SAD). It is also a member of the AU. In the framework of the promotion of trade, the CSAR notes that Benin's national policy draws on WAEMU and ECOWAS trade policies. The key objectives of these two organisations are to increase intra-community trade and to open the subregional market to world trade. In addition to these two instruments, Benin organises other trade promotion activities, such as trade fairs and other events, to introduce Benin's products to the outside world.
492. With regard to the level to which policies conform to regional integration objectives, the report notes that Benin's national policy is fully consistent with WAEMU and ECOWAS objectives. However, according to recent WAEMU simulations, this indicator is not very satisfactory. Greater efforts are still needed in order to eliminate the many trade barriers between some member states. Hence, the report indicates that the process of integration with the two groups is facing problems. These are associated mainly with extortion on roads and at borders between states, the failure of some member states to apply the signed texts, and the adoption of measures that are contrary to integration programmes and policies.
493. The report notes that, in order to promote regional monetary harmony, cooperation and coordination, Benin has approved all the measures adopted by

the West African Monetary Union (WAMU) and WAEMU. These measures cover a number of texts, conventions and laws, including:

- the treaty instituting WAMU;
- the WAEMU treaty, revised in 2003;
- the Cooperation Agreement between the French republic and members of WAMU;
- the agreement establishing the West African Development Bank (BOAD);
- the convention establishing the Banking Commission;
- a set of conventions relating to STAR in WAEMU; and
- the law on banking regulation.

494. Finally, the report notes that there is no mechanism to evaluate progress made to comply with the agreements, treaties and MOU on regional monetary harmony, cooperation and coordination. However, in the light of the functionality of the institutions of WAEMU, significant developments have been noted with regard to compliance with commitments made by the BCEAO.

ii. **Conclusions of the CRM**

495. Discussions held with stakeholders and the Ministry of Foreign Affairs enabled the CRM to note that, in addition to what is mentioned in the CSAR, Benin is a member of the major regional integration groups in West Africa and that it has also signed the treaty establishing OHADA. This focuses on the harmonisation of business laws in CFA franc-zone countries. It has also signed and ratified most of the standards and conventions indicated in the APRM questionnaire. However, the CSAR remained silent on the adherence, ratification and implementation of the Inter-African Conference on Insurance Markets (CIMA) code for insurance in African countries in the franc zone.

496. The CSAR does not mention Benin's performance on multilateral surveillance and, more particularly, the convergence criteria aimed at harmonising national economic systems. However, additional readings by the CRM showed that, since 1999, Benin's performance in terms of compliance with the primary convergence criteria in WAEMU is noteworthy. This is shown in Box 4.5 below. However, this performance is not as good for the secondary convergence criteria. Between 1999 and 2005, the criteria relating to 'wage bill/tax revenue' and 'tax revenue/GDP' ratios were rarely consistent with established standards. The expansion of the informal sector, as well as tax and customs evasion as a result of corruption, could account for the chronic noncompliance with these two criteria.

497. As far as successes are concerned, special mention should be made of the successes achieved by private investors (including Beninese nationals) through the creation of Ecobank, a private banking institution established in 18 West and Central African countries. It intends to extend its activities as far as East and Southern Africa. It has a network of 320 agencies dispersed in the member countries. Ecobank is an example of the success of private regional cooperation for the promotion of transnational investments and regional integration on the continent.
498. At another level, it is useful also to consider the implementation of the WAEMU CET, which Benin enforced in 2000. Discussions with stakeholders revealed that Benin continues to adapt some national taxes to the CET community plan, which is a deviation from the texts governing imports within WAEMU. This deviation makes imports more expensive in Benin than in the other member countries.
499. With regard to the tax system, the CRM noted that the tax pressure on the corporate sector in Benin is about the average of taxes in WAEMU, but high in comparison to the country's level of development. In particular, VAT and corporate tax penalise the private sector excessively and make Benin's economy into one that is characterised by a high level of underground activity.
500. On the other hand, the community legislation (Law 2/2002/7CM/UEMOA) on anti-competition practices, adopted by WAEMU in 2002, is not yet in force in Benin. A competition consultative committee was set up in May 2002 to implement this community regulation. However, this structure seems to lack expertise, independence and financial resources. To date, it has not yet made any decision on violations of the competition legislation.

Box 4.5: Status of Benin's adherence to the convergence plan in the WAEMU zone								
	1999	2000	2001	2002	2003	2004	2005	Standards in 2005
Primary criteria								
Budget deficit/GDP (%)	3.1	1.8	1.0	0.8	-0.2	0.5	1.1	≥ 0.0 %
Inflation rate (average annual %)	0.3	4.2	4.0	2.4	1.5	0.9	2.3	≤ 3.0 %
Ceiling of total public debt/GDP (%)	62.3	60.6	59.1	49.4	41.1	41.1	45.8	≤ 70.0 %
Domestic and foreign arrears	0.0	0.0	0.0	0.0	0.0	0.0	0.0	Non-accumulation
<i>Number of criteria met</i>	4	3	3	4	3	4	4	

	1999	2000	2001	2002	2003	2004	2005	Standards in 2002
Secondary criteria								
Wage bill/tax revenue	33.2	31.1	32.7	31.9	33.5	38.0	36.1	≤ 35.0 %
Public investment/tax revenue (%)	11.0	12.4	22.4	19.3	23.2	21.5	24.1	≥ 20.0 %
Tax revenue/GDP (%)	13.6	14.6	14.2	14.4	14.9	14.6	15.6	≥ 17.0 %
Current account deficit/GDP (%)	-8.0	-7.2	-7.5	-8.3	-9.7	-6.3	-5.3	≤ -5.0 %
<i>Number of criteria met</i>	1	1	2	2	3	2	2	

Source: WAEMU, *Multilateral Implementation Supervision Report*. December 1999, 2000, 2001, 2002, and 30 June 2005.

501. In order to harmonise trade within WAEMU, a preferential trade system was instituted in 1996 to increase inter-community trade. The system defines the customs duties and taxes applicable to products originating from the union. These products are put on a short list and should be exempted from all import duties and taxes in member states excluding, if necessary, VAT and other domestic taxes. These provisions, which bind all WAEMU member states, seem not to be effectively implemented by some countries in the subregion, including Benin. The stakeholders in Benin's border departments who had discussions with the CRM systematically complained about harassment by the security forces and customs officers at the borders, even for products covered by the preferential system. This is a violation of the principle of the free movement of goods, which is a prerequisite for access to the free trade zone.
502. On the other hand, thanks to unilateral and multilateral trade reforms, West African countries have completely liberalised their exports. However, discussions with businesspeople and traders revealed that Benin is still taxing its exports, be they intra-WAEMU, intra-ECOWAS or to the world market. The CRM noted that all this indicates that Benin's national trade policies are not conforming to regional standards. These taxes are all the more harmful as Benin – following its membership of the WTO in 1996 – benefits, as an LDC, from special and different treatment and enjoys maximum flexibility in the application of the rules and principles of this institution. Accordingly, several WTO member states have unilaterally abolished import duties and quotas applicable to all LDC exports.
503. The CRM noted in additional readings that the WAEMU directive on transparency in privatisation is not yet applied in Benin. This shows lack of compliance with commitments made at the subregional level.

504. With regard to ECOWAS, additional reading by the CRM and discussions with authorities and stakeholders showed that access to the free trade zone has not yet been achieved. Considerable efforts need to be made to liberalise and formalise trade between Benin and Nigeria. On the other hand, the transition to a single currency within ECOWAS is marking time. All member states need to make efforts.

iii. Recommendations of the APR Panel

505. The APR Panel makes the following recommendations:
- Make efforts to increase tax revenue so as to comply with the secondary convergence criteria defined by WAEMU, as well as the primary criteria. These efforts should focus on improving tax collection, reducing tax peaks, and broadening the tax base (government).
 - Remove specific national taxes from the CET so as to comply with community standards and to create a climate of competition on Benin's market (government).
 - Implement the preferential trade system and the principle of free movement effectively, and appoint people within WAEMU so as to consolidate the transition to the common market. This will help to eliminate the harassment of traders and businesspeople at the borders of the country (government).
 - Liberalise exports completely in accordance with WAEMU, ECOWAS and WTO standards (government).
 - Enforce WAEMU legislation in anti-competition practices (government).
 - Improve transparency in the privatisation process in accordance with the WAEMU directive on transparency in privatisation, and notify the commission of any privatisation project (government).
 - Reconsider and accelerate the exports diversification programme so as to enjoy the benefits offered by preferential liberalisation in regional integration groups, the WTO system for access to markets of other member states, and provisions of the Africa Growth and Opportunity Act (AGOA) that facilitate access to the US market until September 2008 (government).
 - Act, in consultation with other LDCs, to change WTO rules concerning subsidies to the agricultural sector – more particularly cotton production – by Western countries (government).
 - In consultation with other member countries, and in accordance with Article 3 paragraph 2a of Chapter II of the ECOWAS treaty, act to accelerate the integration of the market and to facilitate progress towards the institution of a single currency for this economic group (government).

CHAPTER FIVE

5. CORPORATE GOVERNANCE

5.1 Introduction: the challenges for corporate governance

506. After a long period of political instability and state-controlled economy, Benin adopted a new constitution in December 1990, which established democracy, the rule of law and political freedom, as well as the right of free enterprise. However, despite this success (marking the country as a model of democracy in Africa), Benin recorded limited progress in poverty reduction and sustainable development. The democratic institutions resulting from the break with the Marxist-Leninist ideology have not played their role in promoting good corporate governance. This compelled the new regime to initiate a policy aimed at stabilising the management of state property, ridding the Beninese society of the scourge of corruption and creating the necessary conditions for boosting the private sector. Over and above its poverty reduction strategy, Benin nurses the legitimate ambition of becoming an emerging country, which entails the mobilisation of all forces of the nation to carry out a vast programme of appropriate investments and reforms.

5.1.1 Review of priorities in the political and economic agendas

507. Addressing the challenges of poverty reduction while constructing an emerging nation requires not only huge investments, but also substantial reforms to create the enabling environment to attract national and foreign private investors. However, it should be noted that 16 years after adopting the constitution at the National Sovereign Conference, the political debate following the implementation of democratic rule seems to have taken precedence over development priorities. Indeed, the adoption by relevant state organs of many regulations indispensable in pursuing economic reforms was delayed by political manoeuvring to protect or strengthen individual political positions, or by internal struggles among institutions over their prerogatives. Important bills such as those relating to the creation of a Chamber of Accounts and tax reform are still waiting to be approved by the competent institutions. Accordingly, for example, the implementation of the Private Sector Recovery Programme adopted in 2000 is behind schedule, because the regulations have not been adopted and the mechanisms for effective implementation have not been put in place. In order to meet the challenge of becoming an economic hub for the region, Benin needs to prioritise the adoption and implementation of appropriate measures, and avoid situations where political manoeuvring delays economic reforms aimed at promoting the private sector.

5.1.2 Promoting a new partnership and entrepreneurial culture

508. Having inherited planned economic policies from the erstwhile French presence, along with the experience of about 20 years of socialism, Benin now needs a new partnership and entrepreneurial culture to boost the private sector (which has lost its direction), as well as the institutions and traditions conducive to development. To that end, there is a need for cultural change.
509. The existing administrative culture should be replaced by a new concept of public service and new relationships based on mutual trust. The relationship of mistrust and defiance, which causes businesspeople to conceal the performance of their enterprises and juggle with or postpone their corporate commitments for fear of excessive taxes, cannot foster real enterprise development. Only a partnership culture that places the administration at the service of all citizens – and no longer considers the private sector and entrepreneurs as the enemies, corrupters or the corrupted, but as imperfect and necessary partners – will help construct an emerging economy. This new administrative and partnership culture should be the basis of not only relations between the private and public sectors, but also between the formal and informal sectors, civil society and the private sector.
510. The culture of assistance in which no one is responsible leads to a practice of ‘wait and see’ and even widespread sluggishness. In a kind of chain reaction, international institutions assist the state and the society; the state assists civil society, enterprises and citizens; civil society assists the citizens; the enterprises assist the workers; etc. In bypassing traditional solidarity relations and making favouritism legitimate, such assistance only creates institutions that are barely able to cope with modernity, without allowing them to establish and make effective efforts towards progress.

5.1.3 Improving the business climate

511. The current business climate is not conducive to the achievement of Benin’s goal of reducing poverty and becoming an emerging country by 2025. It is, therefore, important to establish and ensure the smooth functioning of a legal, legislative and regulatory framework that is attractive and competitive compared to those of other countries in the region. Benin should draw maximum benefit from the potential offered by its membership of WAEMU and ECOWAS to improve the competitiveness of its enterprises and to meet the challenges of its economic partnership agreements with the European Union and the WTO. It is necessary to urgently implement programmes aimed at upgrading Benin’s businesses so as to improve their competitiveness at the regional and international levels. Public authorities should review the Investment Code as a matter of urgency with a view to making it more attractive, knowing that over and above the benefits granted by the Investment Code, potential investors are sensitive to the tax system applicable to them when their enterprises are reclassified under the common law system.

5.1.4 Modernising infrastructure

512. The challenges arising from the country's goal to become a haven for investors and a hub for trade in the region have little chance of being met if Benin does not quickly implement programmes for rehabilitating and modernising basic infrastructure to assist the functioning of the economy. This will mainly involve investment in the energy and telecommunications sectors, whose dysfunctionality currently constitutes a major obstacle to the development of enterprises. Considerable investments have already been made in road construction, energy and telecommunications, including the laying of an optical fibre cable to Cotonou. However, Benin suffers from a chronic energy shortage, while the costs of telephone communications are among the highest in the WAEMU region. All these factors penalise enterprises and have a negative impact on their competitiveness.

5.1.5 Implementing a development tax system

513. All corporate governance stakeholders in Benin, including representatives of the public authorities, insisted on the urgent need to change from a repressive tax system to one that is more favourable for development. This tax reform should involve four main areas: (i) substantial reduction of the tax burden, starting with the tax on industrial and trade profits (BIC); (ii) broadening of the tax base which, among other things, would pave the way for greater contribution by the informal sector to increasing tax revenue – a sector that would be encouraged by the reduction of the tax rate on BIC; (iii) computerisation and decentralisation of the Central Revenue Department; and (iv) simplification and substantial reduction in multiple duties, fees and taxes, which constitute the arsenal of Benin's tax system.

514. The successful establishment of this development-oriented tax system will depend on the capacity of the government to promote a new tax culture and establish new relationships of confidence between taxpayers and the Central Revenue Department.

5.1.6 Restructuring and establishing a new governance of the cotton sector

515. Special attention should be paid to Benin's cotton sector, whose production and processing systems seem to be in disarray. In the wake of many job losses, along with the privatisation or closure of spinning plants, this sector did not achieve the expected results, but rather caused frustration among many stakeholders in the sector. The cotton sector can successfully face international competition only within a regional private partnership. This should include the creation of a private regional company and a cotton stock market. Only under these conditions should agreements with foreign technical partners be contemplated, with the partnership focusing on modernising the means of production and seeking growth-oriented markets.

5.1.7 Organising the informal sector

516. Present in all African economies, the informal sector has benefited from the inefficiency of Benin's systems for production and distribution of products and services, as well as from some suspicion towards the 'modern' system, to assume considerable proportions³⁴. Fraud and tax evasion, which are rampant in the underground economy and part of the informal sector, have led to tax harassment of a narrow formal sector. As a consequence, the formal sector bears, in a disproportionate manner, the burden of tax on business. The informal sector in Benin seems to be well known to the public authorities, as it is estimated that there were 170,000 enterprises that participated in opinion surveys organised during the preparation of the CSAR.
517. The level of formalisation of the private sector constitutes an economic and social development challenge. It is the result of the particular way in which social and economic aspects are merged with the modern and traditional economies. The persistent resistance to make the shift from a family and domestic economy (primary liberalising) to a modern economy begs a number of questions:
- Is the formal or 'modern' organisation not suited to the African culture and consequently a (re)producer of poverty?
 - Does the informal sector result from a traditional reaction to the transition to a modern economy? Is this reaction a resistance to state regulatory authorities, or even a reaction of women (the majority in this sector) to the economic order of men?
 - How can the behaviour of informal sector players be 'rationalised'? How can the sector be organised without compelling it to fit the mould of a formal sector?
518. By asking these questions, the CRM considers the issue to be not so much a matter of formalising the Beninese informal sector as it is increasing the sector's capacity to create wealth, and to participate in the welfare of the population and the development of the nation. In other words, the objective is not to compel economic players to formalise their activities in the hope of instilling economic modernisation, but to assist them to transfer from a low investment activity (which leads to subsistence or domestic consumption) to an enterprise of wealth creation, accumulation and reinvestment of the wealth.
519. Integration of the informal sector into economic policies should, therefore, be an issue of importance to the public authorities. It will create links between the formal and informal sectors that will also help increase the country's tax revenue. It should be noted, however, that tax reform is not the miracle solution that will enable the informal sector to contribute more to economic growth, or accelerate its transition to the formal economy. Other measures are

³⁴ The formal or 'modern' sector is sometimes accused of being incapable of dissociating itself from the colonial economy, of only partially meeting the needs of the population, and of perpetuating economic dependency on the West.

necessary, notably the creation of an institutional and regulatory framework that is conducive to investment and trade.

5.2 Ratification and implementation of standards and codes

i. Summary of the CSAR

520. The CSAR confirms that Benin has signed, adopted, ratified and published the following international standards and codes, with various levels of implementation in the Official Gazette:

- The Universal Declaration on Human Rights.
- The Constitution of the African Union (2000).
- The International Pact on Economic, Social and Cultural Rights (2006).
- The NEPAD Strategic Framework Document (2001).
- The International Accounting Standards, as a result of Benin adhering to the International Organization of Supreme Audit Institutions (INTOSAI).
- The International Audit Standards, following Benin's adherence to INTOSAI.
- The Core Principles for Effective Banking Supervision, following Benin's membership of WAEMU.
- The Core Principles of Securities and Insurance Supervision and Regulation.
- The 26 ILO conventions on labour and social security.

521. While indicating that the country has not adopted the OECD and Commonwealth principles of corporate governance, the CSAR presents "legal, political and institutional alternatives to corporate governance". It also underscores the legal and administrative provisions containing minimum requirements for labour safety and hygiene, as well as other measures to better guarantee the safety of workers.

522. **Ratification by the state and compliance with international audit and accounting standards by enterprises established in Benin.** As a WAEMU member, Benin applies Article 95 of the WAEMU treaty on the harmonisation of national provisions regulating the exercise of certain economic activities or professions, as well as Regulation 04/96/CM/UEMOA of 20 December 1996 on the adoption of a common accounting system within WAEMU known as the West African Accounting System (SYSCOA). Consequently, the accounting and audit standards in force in Benin are those applied in the WAEMU environment and conforming to international practices.

523. Furthermore, it should be pointed out that Benin is a member of the African branch of INTOSAI (AFROSAI), an international organisation of supreme audit institutions for public finance. This body aims to continuously improve the auditing of public accounts and to promote sound public management throughout the world. Active participation in AFROSAI meetings obliges Benin to comply with the Code of Ethics and International Audit Standards.
524. It is within this context that the Association of Chartered and Certified Accountants of the Republic of Benin (O.EC.C.A-Bénin) was created by Act 2004-03. Its objective is to ensure compliance with the code of ethics applicable to chartered and certified accountants. Under this act, a chartered account is a person who is registered on the Roll of the Order of Chartered Accountants and whose usual profession entails the following:
- verifying, assessing, reviewing and correcting the accounts of enterprises and organisations to which he/she is not bound by a service contract;
 - certifying the reliability and accuracy of the summary financial statements required of enterprises by the laws and regulations in force; and
 - conducting accounting and financial audits.

A chartered accountant may also:

- keep, organise, sign off and supervise all types of accounting;
 - analyse, through accounting procedures, the operations of business enterprises in terms of economic, data processing, legal and financial aspects;
 - exercise the mandate of judicial expert in accounting and as licensed trustee, official receiver or provisional administrator; and
 - generally give any advice and make recommendations on corporate organisational management and taxation.
525. The chartered accountant prepares, in his/her name and under his/her responsibility, a report on the observations, findings and recommendations. While quality human resources are available thanks to the establishment of the O.EC.C.A-Bénin, it is unfortunate to note that very few enterprises, particularly in the private sector, resort to authorised professionals for the audit and control of their financial reports.
526. To solve this problem in small enterprises (and particularly those in the informal sector), the government of Benin took measures to assist businesses in management and bookkeeping. These include Decree 2001-271 of 27 July 2001 and Directive 04/97/CM/UEMOA giving legal status for approved management centres in member states of WAEMU. These centres mainly prepare annual financial statements and tax returns for their customers. However, they cannot replace authorised chartered accountants to carry out auditing and control assignments, because Article 6 of the aforementioned

decree specifies that the approved management centre cannot carry out financial audit assignments for members whose accounts it keeps. However, it may carry out sectoral studies and project appraisal assignments for them.

ii. Conclusions of the CRM

527. **Disclosure of regulations.** Even though Benin has ratified most international conventions, and public authorities are making efforts to make the conventions and laws known, their application does not always follow. This applies mainly to the Single Act of OHADA, which Benin's legal system is increasingly trying to integrate but which is not yet completely accepted by all players in Benin's economy.
528. **Accounting standards.** As far as accounting standards are concerned, Benin recently created the O.E.C.C.A-Bénin, which should organise the chartered and certified accountancy profession and guarantee the accuracy of accounts of business enterprises. The auditors swear an oath, after which they are authorised by the courts to operate. Despite the efforts to harmonise the accounting and auditing standards with international standards through SYSCOHADA, the practices are not in line with the directives that are in place.
529. Efforts to comply with International Accounting Standards are thwarted by problems of regional coordination. Indeed, West and Central Africa are divided into two 'accounting blocks' and three 'legal blocks':
- The first block comprises West African countries that are members of WAEMU. The National Accounting Firms Association plays a supranational role in it, and is expected to consider evolving towards international standards.
 - The second block, that of Central African countries, has not adopted this supranational approach.
530. The three legal blocks, which overlap and involve Benin, are: the block comprising WAEMU countries; the block of countries that have adhered to OHADA (including Central and West African countries, and with components that go beyond the accounting system); and lastly, the block of ECOWAS countries (including West African Francophone and Anglophone countries).
531. SYSCOA has been applied in WAEMU since 1 January 1998 and, therefore, comprises only West Africa. With the creation of OHADA, which covers a much wider regional framework, a new OHADA Single Act was adopted on 24 March 2000 to organise and harmonise SYSCOHADA. However, unlike SYSCOA, which hinges on BCEAO, a specific supranational body was not created – although such a body would have been of enormous assistance to the 16 Francophone countries of OHADA. According to a representative of the O.E.C.C.A-Bénin, the promoters of OHADA merely took the French accounting system and introduced some innovations to SYSCOA. In so doing, they paid more attention to relations with France than to matters of economic

union. SYSCOHADA – which is used in Francophone Africa – is therefore not quite suitable, and the 16 Francophone African countries have not yet taken appropriate measures to move from SYSCOA to SYSCOHADA.

532. This situation has created a stalemate, as evidenced by the absence of meetings since 2001 to review the accounting system. Each country has developed its own view on future accounting developments, losing sight of the need to harmonise the different systems. Hence, the Benin association received 685 million CFA franc to move towards the International Accounting Standards under the Accounting Bodies in West Africa (ABWA), which regroups 12 countries. The two leading countries (Nigeria and Ghana) have started adapting to some of the standards, whereas the Francophone countries still seem to be dragging their feet.
533. Benin's accounting system, therefore, seems to be torn between SYSCOHADA and the ABWA system (drafted only for WAEMU). An official from the National Centre of Accounting Training (CENAFOC) reported several cases of revising the budgets of enterprises or public companies drafted on the basis of SYSCOA in order to transfer them to SYSCOHADA. The need to harmonise accounting systems is all the more important since the development of the regional stock exchange depends on quality financial and accounting information. However, even if the International Federation of Accountants (IFAC) were to contribute to harmonising the standards and actions of all accords of the subregion, it would be necessary to hold meetings mainly to plan the establishment of a Pan-African accounting institution.
534. **Banking standards.** Beninese banks are governed by a prudential mechanism defined by the WAEMU Council of Ministers in June 1999. The mechanism has two main objectives:
- to enhance the solvency and stability of the banking system; and
 - to provide greater protection for depositors within the context of liberalising monetary, banking and financial activities.
535. These rules, harmonised with the definitions of the WAEMU Bank Accounting Plan, also take into consideration the prescriptions of the Basel Committee on the assessment of risks, as well as the commitments of the banking system under the 1988 Capital Agreement. Three key standards are used to assess the solvency of banks in WAEMU (in conjunction with the level of statutory equity capital of each institution): the holding of minimum capital, rules of risk cover, and a limit on fixed assets and equity participation. Three other prudential standards mainly concern the setting of a ceiling for individual risks: limits on loans to major shareholders, managers and staff; medium and long-term employment cover with stable resources; and liquidity and portfolio structure. Apart from two banks, Benin's banking sector seems to comply with all these standards and rules.

536. Furthermore, according to the annual report of the WAEMU Banking Commission (2005), WAEMU member countries began to improve conformity of their regulatory and supervisory frameworks to the 25 Core Principles for Effective Banking Supervision, which is the main prerequisite for transition to the implementation of Basel II. This development in Benin's banking system should start in 2008.
537. Several directives to guarantee a more enabling environment for investment and economic activities are still pending. These are, for example, the Single Act on payment instruments in WAEMU, Rule R09/98/CM/UEMOA on external financial relations of WAEMU member states, and Instruction 93/RO of 1/10/93 on the institution of a mandatory reserve system.
538. **Quality standards.** According to stakeholders, although the Benin Centre for Standardisation and Quality Management was established in 1995, and although many training courses on quality control and management have been offered, very few businesses in Benin can boast of being certified for the quality of their procedures and products. Public organisations and laboratories in charge of controlling hygiene or the quality of certain sensitive products – agricultural products in particular – lack resources and play a very limited role. This is especially true of the quality control unit of the Ministry of Fisheries, whose limited resources make it impossible to conduct regular checks, which otherwise could significantly improve the standard of catches. Similarly, the Benin Centre for Standardisation and Quality Management seems to seriously lack the necessary resources for developing its activities.

iii. Recommendations of the APR Panel

539. On this basis, the APR Panel would like to make the following recommendations:
- Establish a legal and fiscal framework to further encourage: (i) enterprises to comply with the standards in the certification of their accounts; and (ii) the banks to adhere to the Basel I and II standards (government).
 - Accelerate and ensure widespread compliance with OHADA standards (government and professional associations).
 - Implement a participatory process that will result in the preparation of a code or charter on corporate governance for Benin. Stakeholders participating in this process should take inspiration from the King II Governance Code of South Africa, as well as the corporate governance principles approved by the OECD (government and professional associations).
 - Establish a quality control programme aimed at encouraging and assisting Beninese enterprises to adhere to international standards on the quality of products and procedures (like those of the International Standards Organization (ISO) (government and professional associations).

5.3 Assessment of APR objectives

Objective 1: Promote an enabling environment and effective regulatory framework for economic activity

i. Summary of the CSAR

540. **Main categories of enterprises and their roles in the economy.** The Centre for Company Procedures (CFE) has registered about 50 public enterprises, 17,000 private enterprises in the formal sector, and more than 172,000 enterprises in the informal sector. The CSAR analyses the contribution by enterprises to wealth creation in Benin. Indeed, it contains useful information on the sectoral distribution of enterprises, as well as their contribution to job creation and the income of the Central Revenue Department. The informal sector also includes many NGOs that implement and manage productive projects in partnership with the local population. These enterprises are numerous and are generally located in the interior of the country. Their disappearance often follows the departure of the relevant NGO.
541. *Cotton sector.* The CSAR affirms that cotton remains the country's major export commodity and outlines the vast reform programme of the sector, which resulted in the transfer of a number of responsibilities from the state to the private sector³⁵. The CSAR acknowledges that there are some management problems in each of the associations and that some professional families were dysfunctional. It also notes that operating rules are not respected and deplors the lack of vision for the sector by partners in the AIC. The CSAR underscores the importance of the support that the AIC received from development partners – particularly the World Bank, the AFD, the European Union and the Swiss Cooperation Agency – through the Cotton Sector Reform Support Project (PARSC).
542. *Informal sector.* The informal sector enterprises comprise farms, cottage industries, socio-denominational units, petty trade and service enterprises. These include barbers, mechanics, dry-cleaners, welders, tailors, shipping agents and port subcontractors, drivers, etc.
543. **Tax burden and its impact on enterprises.** The CSAR recalls that the revenues of the government of Benin are to a large extent derived from taxes. Commercial taxes account for more than half of the fiscal revenue and about half of the state's revenue. The national tax system has been considerably simplified and streamlined as part of the harmonisation process within WAEMU. In some respects the tax system constitutes an obstacle to the development of economic activities. The CSAR acknowledges that this system is characterised by a relatively heavy tax burden, focused on the collection of

³⁵ Organised mainly into three farmers' associations, ginners and input distributors.

public revenue from a narrow taxable base. Enterprises operating in Benin pay various taxes: (i) BIC; (ii) tax on income from securities (IRVM); (iii) dividend tax; (iv) VAT; (v) employer's contribution to staff salaries; (vi) single professional tax (SPT); and (vii) single land tax (TFU).

544. **Bank funding and the status of the banking sector and micro-finance.** Domestic funding is ensured by both the public and private sectors. Domestic contribution to the funding of the economy in 2004 was estimated at 104.12 billion CFA franc, compared to 132.88 billion CFA franc in 2003. This represents a decline of 21.6%. The fall is attributable to the primary banks, which granted investment credits of only 19.29 billion CFA franc to the national economy, whereas their contribution amounted to 42.34 billion CFA franc in 2003 (Department for the Coordination of External Resources – DCRE – 2006). In 2004, the private sector's contribution to development funding was estimated at 47.98 billion CFA franc, and that of the public sector at 56.14 billion CFA franc. Despite the cash surplus at the disposal of the banks, loans granted to the economy were inadequate compared to other WAEMU countries. Banking sector players lay the blame for this situation on business enterprises, which they accuse of not submitting sufficient quality projects to the banks. Furthermore, long-term loans were inadequate, representing less than 1% of all bank credits granted during the past years. Short-term loans represented between 70% and 80% of all credits (World Bank, 2005).
545. *Stock market and enterprises in Benin.* The Regional Stock Exchange (*Bourse Régionale des Valeurs Mobilières – BRVM*) is based in Abidjan. It has a country office in each member state in order to promote the market and increase the number of potential customers. The BRVM began its activities in Benin in September 1998. Technical difficulties, particularly in the area of computer information technology and telecommunications, created delays in the proposed timetable of its activities. During these past years, the BCEAO continued to encourage the issuing of new financial instruments as part of monetary policy. In this regard, a local commercial bank issued deposit certificates for an amount of 2 billion CFA franc, while BOAD floated Treasury bonds on the WAEMU money market for an amount of 25 billion CFA franc at the nominal tax-free rate of 6%. Recently, investment certificates were issued on occasion by some private companies (e.g. the Beninese Brewing Company, or SOBEBRA). These certificates were bought directly, without being registered on a stock market, by institutional investors in France.
546. **Business climate in the country.** As far as the legal and regulatory framework governing industrial and commercial activities in the country is concerned, the CSAR lists the conventions ratified by Benin as a member of WAEMU and other international organisations. These deal mainly with reform of the judicial system through the creation of special chambers in the courts and tribunals, and ratification of the treaty establishing OHADA. The CSAR acknowledges, however, that Benin's judicial system is considered to be corrupt by the private sector.

547. Public and private enterprises assess the economic environment and current regulatory framework differently: 50% of public enterprises (as opposed to about 40% of private enterprises) feel that the economic environment and current regulatory framework are bad for business. About 44% of private enterprises (compared to 25% of public enterprises) are of the opinion that the economic environment is fairly good.
548. **Assets with significant impact on the prosperity of enterprises.** Nearly all public (94%) and private (89%) enterprises unanimously agree on the fact that political stability in Benin is a major asset for the development and prosperity of their businesses. The strategic geographic location of Benin in comparison to landlocked countries benefits only half of public enterprises and about 44% of private enterprises. Even though half of public enterprises feel that Benin's membership in WAEMU has a positive impact on the prosperity of their activities, most private enterprises (about 66%) think otherwise.
549. The stabilisation and capacity building measures of the Cotonou Port Authority over the past number of years have not yet borne fruit. Indeed, 81% of public enterprises and 80% of private enterprises surveyed feel the regulatory framework for port activities is one of the factors that negatively impact their operations.
550. **Key obstacles to private investment and the prosperity of enterprises.** For the public sector, these obstacles comprise mainly the lack of a policy and favourable economic environment, inadequacy of the legislative and regulatory framework, and high fiscal pressure. For the private sector, the CSAR identifies cultural burdens and lack of business. At the level of the banking system, the CSAR deplores the absence of a specialised structure for medium and long-term funding. Finally, the CSAR deplores the lack of a permanent framework for dialogue between the public and private sectors.
551. *Access to land.* According to public and private enterprises, difficulties of access to land are also factors that impede their prosperity. The land tenure system in Benin is governed by both modern and customary laws. Only 10% of the landed property is registered. Without title deeds, applicants for bank loans face difficulties getting access to bank credit, due to the lack of mortgage guarantees. Many owners of buildings construct them with residential permits. Several stakeholders claimed that some banks and MFIs are prepared to grant loans on the basis of land covered by residential permit mortgages.
552. *State of the infrastructure.* Infrastructure does pose problems in Benin. The main types of infrastructural services perceived as being of poor quality are electricity supply, transport and telecommunications. Indeed, the frequency of power cuts in Benin is one of the highest for the group of countries for which recent data on the investment climate is available. Power cuts occurred for 44 days in 2003/2004. This led to an average production loss of 7.4% in value, as only 25% of enterprises have electricity generators to solve the problem. Furthermore, even though electricity rates in Benin are close to those of most countries in the WAEMU zone, according to World Bank data (2005), a

number of enterprises cannot benefit from the preferential rates offered in principle by the SBEE to manufacturing industries. This is because the definition of this category of firms is unclear in the directives. Benin also suffers from poor communication to the hinterland and to neighbouring countries. In addition, the CSAR mentions harassment at many checkpoints manned by the police, customs and municipal council services along the major highways. These problems generate additional costs and delays for transport enterprises, as well as increase the risks of deterioration of the transported goods. Problems in the telecommunications sector are rather serious in Benin, since fixed telephone services are considered to be of poor quality and it takes more than 200 days to obtain a telephone connection. According to World Bank data, telecommunication prices in Benin are generally high compared to those in the countries of the subregion (World Bank, 2005).

ii. Conclusions of the CRM

553. Enterprise creation

Box 5.1: Creation of enterprises by young people

Young people face highly unfavourable conditions for the development of an entrepreneurial spirit, with a consequent low propensity for self-employment. According to these young people, enterprise creation in Benin is hampered by the inadequacy of training programmes versus what the job market demands, administrative sluggishness, poor academic orientation, and the state of the business environment (including the burden of the tax system and the uncooperative attitude of banks).

Nevertheless, the CRM observed that enterprise creation has been facilitated by the establishment of the *Centre de Formalités des Entreprises* (one-stop service) managed by the CCIB. The centre issues provisional testimonials to any applicant for enterprise creation and takes charge of obtaining the authorisations from the relevant authorities. All stakeholders affirmed that it takes about one month to obtain these documents, which represents significant progress compared to the situation in the past. The economic players affirmed, however, that problems start as soon as the enterprise begins its activities, as the tax services demand immediate payment of a tax advance from anyone who embarks on commercial or industrial activities. This is mainly the case with young enterprise creators, who complain that the tax authorities require that entrepreneurs pay their contributions in advance, even before the enterprise starts its activities. Quite often the amounts demanded exceed the capital mobilised by the entrepreneur. These demands by the tax authorities often lead to the defection of entrepreneurs to the informal sector. Several businesspeople feel that these provisional taxes should be abolished, and that enterprises created by young people should be granted tax and levy exemptions for at least two years. In view of the challenges facing young people in the creation of jobs, the CRM supports this proposal.

Sources: UNDP, CRM

554. **Main categories of enterprises and their roles in the economy.** The CSAR estimates the number of formal sector enterprises at 17,000. The enterprises are mainly sole proprietorships (which account for 67% of the total), followed

by limited liability companies (30%) and companies (1.5%). The country's entire tax burden is borne by the formal sector enterprises, thereby discouraging investment and stifling any enterprise that fulfils its legal obligations. The CSAR admits that a pragmatic solution needs to be found to highlight this sector's contribution to the country's tax burden among regular enterprises. It is obvious that the risk of very high tax pressure may generate economic and social distortions. There is an optimal level of taxation which, if exceeded, leads to evasion and a reduction in tax revenues. Yet, investors are not only concerned about the returns on their investments, but above all, about a guarantee that economic activity – which is adversely affected by high tax pressure – will continue and remain sustainable.

555. **The cotton sector.** In the CRM's view, partial privatisation of the cotton sector may not resolve the many difficulties confronting it. For Benin and other cotton producing countries in West Africa, this privatisation should be accompanied by the adoption of a new common strategy based on cost reduction through economies of scale, the processing of cotton into textile products, and the creation of a cotton stock market capable of generating financial resources for the modernisation of the cotton-based textile industry.
556. In light of the complexity and cross-border nature of the problems faced by the sector, Benin cannot hope to win the battle alone. The sector needs a legal and regulatory environment involving all cotton producing countries (like the Coal and Steel Economic Community created in the aftermath of World War II), under an overall strategy to rehabilitate and develop the cotton sector. One of the possible solutions could be that the states of the region agree to transfer their cotton sector, including the textile factories in their territories, to one regional company (or a small number of companies) with private national operators forming the majority of shareholders. The new multinational company (or companies) would have the possibility of restructuring the industrial fabric through economies of scale and enter into partnership agreements with producers' associations in the region. A dedicated stock exchange for the sector would be created to mobilise resources for the upgrading and modernisation of some of the textile factories whose maintenance and location would be determined only by efficiency and performance. The existence of a common currency is a major asset for turning around the sector and mobilising financial resources for its rehabilitation and the upgrading of the textile factories. This is the requisite condition for the West African cotton sector to survive and to enter into competition with the Asian industries on national and international markets. Such is the line of thought proposed by the CRM. It is also on this condition that the regional company (or companies) could negotiate partnership agreements with TFPs to upgrade and modernise textile plants so as to make their products more competitive on the world market.
557. **Informal sector.** This multifaceted and multidimensional sector is the greatest generator of wealth and jobs in Benin. The sector, which comprises mainly the multifaceted retail trade, also covers a wide range of other activities, including motorcycle taxi drivers, logistics agents for products to neighbouring countries, craftsmen, and productive projects of NGOs.

558. During the meeting with the minister in charge of the economy, planning, development and assessment of public action, the minister informed the CRM that the informal sector accounted for about 65% of Benin's economy. Accused of corruption, tax evasion and money laundering, this sector is a safety valve for social unrest and one of the pillars of family solidarity, especially as no formal support is given to citizens in general and businesspeople in particular.
559. The informal sector has two categories of players and practices, which may cut across each other without merging. Indeed, one category consists of enterprises that might decide not to declare their activities and that, since they pay neither registration fees nor corporate tax, can pay for a business licence and local taxes. The other category consists of illegal operations (trade or otherwise) that can neither be billed nor declared, and that are often the output of enterprises that are prosperous, highly respected and belong to the underground economy (rather than the purely informal economy).

Table 5.1: The main categories of enterprises and their roles in the economy

	Informal economy	Underground economy
Origins	<ul style="list-style-type: none"> • Deal with the weaknesses of the state and stagnation of the modern economy (unemployment, precariousness of employment in the formal sector, etc.) • The fear of being exposed to the formal structures of the state and the administration (notably fiscal pressure and social regulation, and the slow pace and complexity of administrative procedures) • Incapacity or inability to formalise one's business (absence of administrative structures, illiteracy³⁶, low level of education or lack of certificates, lack of identity cards, scarcity of capital, and inadequate technical knowledge) • Lack of information on aid from the state and advantages of formalisation 	<ul style="list-style-type: none"> • Taking advantage of the weaknesses of the state (delinquency or even to a degree organised criminality) • The differentials of the customs regime, speculation and shortages • Possibility of operating in the informal sector • The vagueness of certain regulations and procedures • Banning of certain activities and businesses and difficulties of enforcing controls • Possibilities of corruption

³⁶ Illiteracy affects nearly 70% of the population.

Reasons for remaining in the sector	<ul style="list-style-type: none"> • Self-sufficiency, subsistence and survival • Legality and sometimes illegality (but still maintaining legitimacy) • Corruption as a 'cost' incurred that needs to be minimised • Social and family constraints (at the level of markets, selling prices, recruitment, etc.) • The logic of accumulation and reinvestment of (development) profits is ineffective, since: <ul style="list-style-type: none"> ○ a major change or technique would give the enterprise greater visibility ○ apprentices would be replaced by workers who are more educated and therefore better paid and defended ○ the surplus is used to engage other members of the family or for the family's consumption ○ clients lack of visibility, are uncertain and have weak purchasing power (refusal to invest and tie up money in the enterprise) 	<ul style="list-style-type: none"> • Predation and quick profits • Illegality and illegitimacy (antisocial activities) • Corruption as an 'investment' to be managed or optimised • Vertical organisation and clan support
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560. The CSAR affirms that the number of enterprises in the informal sector stands at 172,000. In another survey, 201,160 informal production units were identified in Cotonou³⁷ alone. By providing employment to 95% of the labour force in Benin, this sector seems to contribute to the "right of the poor to create and manage enterprises". The Beninese authorities seem to be totally aware of the importance of informal sector enterprises, since they manage to identify them, charge stall levies (for those with stalls in markets), create instruments to help them in their development (approved management centres), and authorise a general trade union for the informal sector.

561. **The underground economy.** Due to the major differences between the customs regime as applied in the WAEMU zone and the regime in force in Nigeria, a vast informal import-export market for all kinds of products (mainly to Benin's neighbour, Nigeria) has been developed. This trade is draining considerable revenue from state coffers. Informal trade seems to represent about one-quarter of all exports, particularly to Nigeria³⁸.

³⁷ 'The informal sector in the agglomeration of Cotonou. Performances, insertion, prospects'. Survey results 1.2.3: Phase 2-2001. Quoted in Conde Aboubacar (2007), *Le secteur informel et les recettes fiscales au Bénin : cas du commerce illicite des produits pétroliers*. Internship Report for Magistère II. International Centre for Studies and Research on Development.

³⁸ French Embassy in Benin, Economic Mission. *Le commerce extérieur béninois en 2002, 2003*. <http://www.commerceexterieur.gouv.fr/economie/documents.asp>.

562. Trade, particularly with Nigeria, contributes to expanding the trade sector in Benin and provides customs revenue for the state. Indeed, goods in transit through Benin are often imported legally, but re-exported in an informal manner. It is estimated that nonofficial re-exports account for 6% of GDP and contribute one-third of customs revenue (World Bank, 2005). However, these re-export operations are also associated with informal imports and the sale of products on the Beninese market (including oil products). This constitutes unfair competition by informal operators who avoid all regulations and taxes.
563. The poor mounting of bids in the public sector is another source of fraudulent practices. In fact, the terms of reference of public contracts are not often realistic and do not take into account the importance of the contracts in question or the situation of the possible bidders. By trying to standardise and scrupulously respect the procedure, some officials neglect the nature, specifics or simply the size of the contracts in question. This excessive formalisation leads to aberrations like the one observed by a stakeholder who affirmed having spent 2 million CFA franc to prepare a bid document (three certified balance sheets, different testimonials and commitments, etc.) for participation in a public contract which, in the final analysis, involved a transaction of 5 million CFA franc.
564. **Criticisms levelled against the informal sector.** According the 2005 World Bank report on the investment climate in Benin, about 82% of enterprises in the trade sector consider competition from the informal sector as a ‘major’ or ‘very serious’ problem. In addition, nearly 84% of firms in the trade sector consider themselves as competing directly with the informal sector. The estimated market share of informal firms in the trade sector is high (about 43%). The main advantages of informal firms, according to informal enterprises in the trade sector, are that they pay less or no tax at all (97.7% of the firms), do not apply the directives (93%), and sell inferior quality or fake products (78%).
565. According to some stakeholders, it is not rare to find a formal enterprise in the centre of a network of informal entities. This would enable them to participate in public procurement without necessarily being obliged to register all the economic operations of their network/group. Furthermore, some public enterprises or organisations within the country are sometimes obliged to procure supplies from the informal sector and to regularise their situation by ‘finding’ invoices. This is particularly true when the entity in question does not have suppliers in the formal sector. These transactions are not without benefits, since the prices charged by the informal sector are attractive, even for a public enterprise. Paradoxically, transactions of these enterprises in the interior of the country – which does not deal with the informal sector – are therefore prejudiced in terms of their competitiveness.
566. The informal sector gets legitimised by the difficulties the state is having in establishing an adequate institutional framework for the survival and development of enterprises, as well as by the place it occupies in the

economy³⁹. Other factors giving it legitimacy are the dazzling success of some traders⁴⁰, the low prices charged, and the jobs it created. Yet, the informal sector is accused of being at the same time:

- At the root of the shortfall in the state's revenues and a fiscal burden for the formal sector. Even if it is largely supported by players in the formal sector, this accusation ignores the complex interplay between the tax rate and tax base, and presupposes that the state accords greater importance to the collection of taxes than to the growth of the economy (in its two aspects, formal and informal).
- The source of unfair competition. This criticism is levelled against public sector enterprises and also those which, in the private formal sector, receive aid from the state. In reality, the formal and informal sectors do not generally have the same clients and do not use the same resources. The result is that where there is competition, it is rather between the formal economy and the underground economy⁴¹.
- Noncompliant with the legislation governing working conditions, respect for the environment and spatial planning.
- A cause of the invasion of the national market by foreign products, especially from Nigeria.
- An obstacle to the development of the industry, which is also affected by the reduced size of the local and subregional market and by over-production seen in Nigeria⁴².

Box 5.2: Difficulties of the informal sector

- Low profitability (compared to the high profitability of the underground economy) due to a lack of resources, training and information. Players in the informal sector do not benefit from the economies of scale or from the flexibility that should be associated with their small size.
- Management problems: these players lack resources (which, eventually, are not reinvested in the enterprise), prefer the short-term, and make no distinction between the accounts of the enterprise and those of the owner.
- Confusion between the informal sector and the underground economy, and the possibilities opened to the latter. This implies that efforts should be concentrated on the repression of the underground economy, taking care not to confuse the one sector with

³⁹ 68% of GDP according to INSAE (2004).

⁴⁰ Notably the famous 'Mamas Benz', who are traders in the market and have become rich through petty trading and informal activities.

⁴¹ Marchand Geneviève, 2005, *L'économie informelle au Sénégal. Logique de fonctionnement de quelques entreprises informelles à Saint-Louis*. Doctoral Dissertation : University of Laval.

⁴² Nigeria's market of nearly 120 million inhabitants and its economic potential are not comparable with those of its neighbours.

the other.

- Dependence on the formal sector: the informal sector develops thanks to the difficulties facing the formal economy, but needs it in order to survive.
- Incapacity of the state to assist the players to develop and plan their own actions in the framework of a coherent economic policy.

567. The system of direct taxation of informal activities relies on occupation and business tax. The latter is generally in the form of a lump-sum payment. In addition to this tax, which is managed by the government services, there are also local taxes that significantly increase tax pressure on informal activities. The lump-sum procedure, which is normally a contradictory one, is most often transformed into a unilateral procedure of automatic assessment in which the taxpayer is cheated. The tax is claimed either at the end of the year during the festive period (which is not representative of normal activities, and therefore does not adequately represent the lump sum to be paid) or on the basis of potential revenue estimated from the value of the enterprise's capital or of physical items like the size of the premises.
568. **Support for the informal sector.** Given the scope and importance of the informal sector in Benin, the APR Panel considers that a more realistic and pragmatic attitude will help to avoid the following three extremes:
- ignoring the informal sector and focusing solely on the tip of the iceberg;
 - believing that the growth of the formal sector will necessarily be achieved through the fight against the informal sector; or
 - considering the informal sector to constitute the 'natural' expression (or reaction) of the real economy and making it the solution, or even the panacea, to the problems of underdevelopment.
569. The informal sector is the creator of wealth, and rather than "breaking the thermometer thinking it will cure the fever", the causes of this sector's magnitude should be investigate so as to develop tools and a policy to organise it with a view to:
- avoid its exploitation by players in the underground economy;
 - assist it to better play its role as wealth creator and a shield against poverty;
 - assist it to succeed the transition to the formal economy; and
 - promote partnership between the informal and formal sectors, and avoid unfair competition.

Box 5.3: Benin's famous women traders, the 'Mamas Benz'

From humble beginnings, these women are now well-off and have become big-time entrepreneurs. Their turnover runs into hundreds of millions of CFA franc for those in the formal sector, and tens of millions of CFA franc for their less well-off counterparts in the informal sector. Most of these women mastered their trade by chance on the job, understudying their mothers and sisters or simply by having caught the 'trading virus' alongside their spouses who are traders or importers. Others may have started because they could not find anything better after their secondary or high school education. Many of them hold *baccalauréat* or even postgraduate diplomas in education. These are the new crop of the businesswomen.

They started slowly with very little capital – for some, less than 25,000 CFA franc. Some even mortgaged their accommodation permits. Others bought on credit from their suppliers and sold the items at a profit. Gradually, they built their own little empires and managed to put together the capital to modernise their businesses. Still others sought the services of local savings and credit banks that provide credit to small entrepreneurs ignored by the institutional financial sector.

The activities carried out by these women are varied. Some are retailers who sell diverse items. Others have specialised in the sale of all kinds of alcoholic or nonalcoholic drinks (from wine to champagne, from whisky to canned beer, and other similar products). Many are into textiles or leatherwear, while others sell food items like rice. They resell what they buy from wholesalers in Cotonou, but they also go as far as Lome and Abidjan, and even off the African continent to places like Paris. They are also familiar with the Middle East and Asia routes. The goods are purchased and shipped in large containers to be sold to wholesalers or retailers in Cotonou and Lome.

Many of them refuse to deal with the banks because of problems withdrawing money. They prefer to keep their money at home so as to always have ready cash to be used whenever needed.

Today, these businesswomen have graduated from the informal to the formal sector. Those who still remain in the informal sector are prevented by tax and customs problems from moving into the formal sector. For most of these women, the major handicap, though, is illiteracy and a lack of training.

570. The government of Benin and the country's donors should, therefore, pay greater attention to the informal sector in analysing Benin's development strategies. Among actions that could encourage this sector to better contribute to tax revenues, the government could consider substantially reducing the tax burden that weighs heavily on enterprises, starting with the BIC. However, a strategy based essentially on taxing the informal sector will only have a marginal impact, and the results the formal sector enterprises expect may not be attained. To ensure sustainability and perpetuation of economic activity, it is important to put in place a global strategy and a gradual approach to broaden the tax base, rather than vainly seeking to propose taxation of the informal sector and to keep the players there.

Box 5.4: The *Jeune Chambre Internationale Soleil Bénin*

This young dynamic entity won the Top Young Chamber award at the Congress of Young Chambers (2001) for its Enterprising Youth School Project.

Objectives of the project

- To develop the individual and creative capacities of artisans and to train them in the techniques of design and development of income-generating projects.
- To enable participants to acquire the techniques to ensure efficient management of their production units.
- To promote leadership aptitudes in artisans and assist them to professionalise their activities.
- To assist artisans to create a mutual association.

Partners in the project are the *Jeune Chambre Internationale Soleil Bénin*, the Hanns Seidel Foundation and the *Fédération Nationale des Artisans du Bénin* (FENAB). To ensure adequate follow-up of the participants, each class will comprise 25 artisans duly selected by the competent structures of FENAB in such a manner as to ensure that all trades are validly represented.

A seminar will be held in the country, and the period of training will be five days, with an average of 6-8 hours of work per day. The teaching approach will focus on the active participation of the participants in an interactive process involving group work, role-playing and creativity exercises.

Topics discussed

- Bookkeeping in the enterprise.
- Financial management of a cottage-type enterprise.
- Micro or small enterprise and the law.
- Management of apprentices and workers.
- Management of production in a cottage-type enterprise.
- Management of materials and equipment.
- Commercial activities.
- Marketing activities.
- Mental programming.
- Information systems and development of the cottage-type enterprise.

The project will be implemented annually and the total budget per training seminar is 1,694,175 CFA franc.

571. **Foreign enterprise.** With the exception of a peak in 1991, the flow of direct foreign investment (DFI) into Benin remains relatively low. The CSAR

indicates a GDP rate of 1.46% between 1994 and 2003, as against 1.6% for WAEMU and 2.33% for the entire sub-Saharan Africa. This flow is linked mainly to privatisation operations. According to UNCTAD (2005)⁴³, the low absorptive capacities of the country, due mainly to the low level of education and training of the workers, are such that DFI inflows seem to have had limited impact on the transfer of technologies and skills to Benin, with the exception of the new ICT sector and the banking sector.

572. **Goods and services markets.** Although Benin's domestic market is quite small, the fact that the country lacks a true national legal competition regulatory body with the necessary expertise, independence and material resources⁴⁴, coupled with the relative weakness of consumer defence associations, has often led to serious violations and infringements of the rules of fair competition. This can be seen in the sale of poor quality and even dangerous products, false advertising, under or over-invoicing, no respect of trademarks, below-cost pricing⁴⁵, related sales and concerted price fixing, etc.
573. All these are commonplace practices, especially in towns further inland, where markets are often poorly organised and even the minimum infrastructure needed for their proper functioning is lacking. Furthermore, some manufacturers complain about the influx of Chinese goods into Benin's markets and the failure of the Chamber of Commerce to sensitise citizens on the need to rather consume locally made products.
574. Despite the existence of community antitrust legislation adopted by WAEMU, no specific internal legislation regulates competition within the country. Consequently, all lawsuits concerning unfair competition brought before the courts are tried on the basis of contract or civil law. The only sector that has recently been organised and endowed with specific, albeit provisional, directives is the telecommunications sector.
575. **Public procurement.** There seems to be confusion in the minds of many people interviewed by the CRM about the notions of contract and public procurement. This shows the influence and ripple – or inhibitory – effect that the state of Benin exerts on the rest of the economy. The Public Procurement Code of 30 January 1996 lays down the rules for free competition. This instrument was supplemented by Decree 99-311 of 22 June 1999 instituting a Code of Ethics and Moralisation of Public Procurement, and Decree 99-312 of 22 June 1999 fixing the thresholds and procedures for direct negotiation and competitive bidding, as well as the rules applicable to public procurement. After evaluating the public procurement system in 2002, the government set up the National Coordination and Monitoring Committee on the Reform of Public Contracts (CNCS) and started putting in place a new institutional framework containing the provisions of the law amending the Public Procurement Code adopted in August 2004.

⁴³ UNCTAD. 2005. *Examen de la politique de l'investissement, Bénin*. UN: New York and Geneva.

⁴⁴ The Foreign Trade Department, which is part of the Ministry of Trade, cannot replace a real national competition committee.

⁴⁵ These sales are often associated with the lack of cost accounting and, in the specific case of the informal sector, with social and community price fixing.

576. Several stakeholders and levels of control are involved in the public procurement process:
- the National Public Procurement Regulatory Board;
 - the National Public Procurement Department;
 - directors in charge of planning and forecasting (often appointed late, and apt to change with each Cabinet reshuffle);
 - the procurement units within technical ministries, whose members are often seasoned officials;
 - project managers, whose appointment or replacement is often arbitrary and who lack training;
 - the OLC; and
 - the Chamber of Accounts of the Supreme Court, which audits public expenditure and, in particular, public procurement.
577. Besides the fact that compliance with the procedures and rules of expenditure does not in any way solve the issue of the quality of expenditure, the public procurement system in Benin still fails to offer all the necessary guarantees of transparency and integrity. According to the country's governance profile report – prepared in 2005 by the ADB, UNDP and the African Capacity Building Foundation (ACBF) – this shortcoming is due to the absence of: (i) an out-of-court control mechanism through systematic annual technical audits of public procurement and the obligation of accountability in law; (ii) an independent redress mechanism suspending the procurement process to enable bidders to defend their interests, invest and confidently participate in the bidding process; (iii) specific provisions in the anti-corruption institutional and regulatory framework designed to avoid or eliminate conflicts of interest in public procurement; and (iv) performance criteria to measure transparency in public procurement and effectively punish offences committed by stakeholders in the public service or private sector during public procurement.
578. With regard to speed and efficiency in the execution of public procurement, officials always have to turn to the Ministry of Finance for the necessary authorisations to commit such expenditure, whereas the budget has already been adopted. Although project coordinators have a global budget, some of them do not know how to initiate the procurement procedure. For instance:
- they often split project contracts, which makes them resort to the procurement procedure several times;
 - it is only when the project is selected and approved that concrete modalities of execution are considered, thereby retarding project implementation;

- the ‘capacity building’ component is often used for the purchase of vehicles, hence the proliferation of large-capacity vehicles; and
 - the executing agencies face difficulties adapting the annual expenditure procedure with the duration of multi-year projects.
579. These difficulties, coupled with the lack of training in public procurement procedures and the malfunctioning of the relevant services, account for the abnormally slow awarding of these contracts and contribute to delays in executing state budgets.
580. Furthermore, some people affirmed to the CRM that working with the state is a risky process. Often, the holder of a government financial claim for a public procurement is obliged to bribe a government employee in order to be paid in turn. To protect themselves against late payments, which can exceed two years in certain cases, some suppliers inflate their invoices (doubling or tripling their prices) and/or bribe government employees. Other stakeholders mentioned the case of ad hoc enterprises created solely for the purpose of bidding for a public contract, often at the suggestion of a friend or relative who is well placed in the administration.
581. Concurrently, while instruments provide for the appointment of secretaries-general of ministries for a period of five years and for the director of planning and forecasts for three years, the transfer of these senior officials – which results from each Cabinet reshuffle – also affects the efficiency of procurement procedures (and the functioning of the administration in general).
582. In its GPRS for 2007-2009, the government of Benin plans to: (i) organise joint capacity building workshops in public procurement for public services, local authorities and civil society organisations; (ii) draw up an official price list for the purchase of goods and services by sector, accompanied by an outreach plan for all communication channels and languages of Benin; (iii) assess the effectiveness and impact of state audit services, as well as the behaviour of state auditors; and (iv) institute a national label for government service providers and suppliers who comply with the non-corruption clause. This national distinction would entitle them to exceptive tax facilities over a given period.
583. **Bank financing and the status of the banking sector.** After the serious crisis that rocked state-owned banks in 1989, the privatisation of almost all banks and the arrival of many foreign banks and subsidiaries led to a significant improvement in the quality of banking services in Benin. Except for one bank under liquidation, the banking sector is controlled mainly by foreign private interests.
584. The sector is characterised by:
- a low presence of formal financial intermediation relative to the size of the economy;

- the low credits granted to the economy despite the over-liquidity of banks;
 - a limited geographic coverage of the country and a sparse network of bank branch offices⁴⁶;
 - limited market penetration: according to the World Bank (2005), only 38% of manufacturing industries declare that they have access to bank financing. There are about 2 million bank accounts in Benin for a population of more than 7 million inhabitants. Small and medium enterprises (SMEs) are virtually denied access to financing mechanisms;
 - high market concentration: two banks control close to two-thirds of deposits and the credit market;
 - relative dependence on the cotton sector: most banks are exposed to only a few enterprises, and loans to the cotton sector may account for up to 40% of the portfolio of banks⁴⁷;
 - predominance of short-term credits: credits for less than one year account for between 70% and 80% of all credits, while long-term credits are rather few and account for less than 1% of all bank credits (World Bank, 2005)⁴⁸;
 - ties to non-performing loans, which remain at a reasonable level: this figure stands at between 10% and 12%, according to information gathered by the CRM;
 - relatively high intermediation margins and interest rate margins;
 - the presence of an informal finance sector in the form of tontines and a parallel exchange market; and
 - relatively high wages: whereas banks face declining turnovers, the wage bill in 2005 increased by 53.7%.
585. Although bank credit is a minor source of financing for corporate investments and operations in Benin, enterprises are financed mainly with equity capital, and the micro-finance sector is expanding quite rapidly. However, this does not seem to overly bother the bankers whom the CRM met. Indeed, stakeholders of the banking sector affirmed that there was no bank governance problem in Benin and that they did not have any difficulties managing their risks. They indicated that the main cause of the relative decline in bank financing is the absence of truly bankable projects. According to the World Bank report on the investment climate (2005), this limited use of Benin's banking system could be interpreted as the outcome of self-rationing by firms,

⁴⁶ The banks have offices in only a few big towns like Cotonou, Porto-Novo and Parakou.

⁴⁷ The World Bank Financial Sector Unit. 2005. *Benin Financial Sector Review*, report number 33440-BJ.

⁴⁸ As they have short-term resources and cannot control the risks of medium and long-term credits, commercial banks could not fill the gap left after the disappearance of development banks.

since they face difficulties in dealing with the formal banking system. In turn, this self-rationing could be due to:

- the formalities required for dealing with banks, especially recourse to an external auditor to audit accounts;
- financing costs: on average, the real interest rate for bank loans is 10.9% in the manufacturing sector; and
- required guarantees: the value of the required guarantees represents on average 126% of the value of the credit. For several people who met with the CRM, the bank guarantees demanded are often unrealistic. This problem of guarantees is all the more serious because land ownership rights in Benin are a thorny issue, and several enterprises tend to mark down their initial capital in order to minimise the business licence fee that they have to pay even before starting their business.

586. Other private sector representatives were highly critical of the banking sector. In fact, with regard to the solidity of the sector, although the BCEAO requires that 60% of bank commitments be taken on enterprises whose accounts are audited and rated by it, the percentage of enterprises of Benin's formal sector in this situation does not exceed 30%. Furthermore, banks in Benin are criticised for limiting themselves to financing commercial or short-term transactions and managing deposits, and for failing to encourage investments. Accordingly, they demand that 30% of the investment amount be blocked before they can assist a potential businessperson. International banks, for their part, finance mostly foreign enterprises.
587. The CRM also noted that banks in Benin lagged behind in the development of traditional means of payment (especially the use of cheques) and electronic banking. Thus, enterprises whose water or electricity bills exceed 100,000 CFA franc are required to pay by certified cheque, which often entails that a worker is assigned for the whole day to this operation, which costs 2,000 CFA franc. The increasingly less frequent use of cheques in commercial transactions is due to a lack of trust in this payment instrument. Representatives of the National Investors' Council of Benin (CNIB) deplored the fact that fund transfers between a Benin-based bank and another based in Nigeria take six times longer, because Nigeria refuses paper clearance. The fee deducted by banks in Benin for this service is 2%, and a possible acceleration of the procedure would cost the client enterprise 5%. Even though banks claim to have invested in the development of their internal information systems, electronic banking is still in its infancy and the parallel exchange market is fairly well developed.
588. **Micro-finance.** Despite their over-liquidity, the primary banks of Benin do not seem to be equipped to offer adequate services to SMEs, and especially to informal sector enterprises. They mainly finance large local enterprises. Consequently, the share of primary banks' financing of the private sector fell from 54.65 billion CFA franc in 2001 to 19.29 billion CFA franc in 2004. This can be compared to the financing granted by MFIs, whose operations in favour

of the private sector went from 6.05 billion CFA franc to 28.69 billion CFA franc over the same period. This finance benefited over 8,000 persons, as shown in Table 5.2.

Table 5.2: Private sector financing trends from 2001 to 2004 (in billion CFA franc)

Sources	2001	%	2002	%	2003	%	2004	%
Primary banks	54.65	90	15.59	43.8	42.34	63.3	19.29	40.2
MFIs	6.05	10	19.99	56.2	24.59	36.7	28.69	59.8
TOTAL	60.70	100	35.58	100	66.93	100	47.98	100

Source: DCRE/MDEF

589. There has been an upsurge in MFIs in Benin over the past decade to address the shortcomings of primary banks. At the end of 2002, there were 1,192 MFIs in Benin, of which only 36 were officially recognised. However, their penetration rate is still relatively low, because only 15% of the working population has access to their services. Serving mainly small enterprises of the formal and informal sectors, their growth is perceived as an answer to the inadequacies seen in traditional bank credits, which are accessible only to large enterprises.
590. A National Micro-finance Fund was created by Decree 2006-301 of 27 June 2006. Its aim was: (i) the refinancing and establishment of credit lines for MFIs operating in favour of the poor population groups; (ii) offering loan guarantees; and (iii) providing interest rate subsidies for the target populations, including the youth and women. It is managed by a national coordination, orientation and monitoring committee; the CNOS; window monitoring committees; and a general management and an internal and external audit mechanism. The intervention rates of the fund are 5% for the initial phase (of which 3% is meant to constitute strategic savings) and 8% for the second phase (of which 5% will serve as strategic savings). The CRM commends the government's initiative to create this fund, as well as its performance in such a short time. Indeed, the fund has intervened in all the 77 communes of the country, and about 135,000 persons have received financial support. However, the APR Panel feels that it is necessary to update the monitoring legislative and regulatory framework of many MFIs in the country⁴⁹.
591. Data collected by the CRM indicates that the Beninese diaspora participates in the funding of investment and consumer activities of Benin's population through unilateral transfers to families of immigrants. Recent figures indicate that these transfers increased from 26 billion CFA franc in 1990 to 86 billion CFA franc in 2005. During 2006, capital transfers represented 37 billion CFA

⁴⁹ It is Act 97-027 of 8 August 1997, governing the regulation of mutual benefit institutions or savings and credit cooperatives, commonly called PARMEC Law.

franc, while current transfers represent 87 billion CFA franc. The APR Panel learnt that the Beninese diaspora has also created micro-credit institutions that grant loans of up to 100,000 CFA franc.

592. Among the major criticisms levelled against MFIs, the CRM noted the following:
- Interest rates are too high, like those of loan sharks (about 24% per year according to some CRM respondents).
 - The poorest groups of the population do not have access to micro-finance.
 - Micro-finance is focused only on existing projects and does not finance the setting up of businesses.
 - The amounts granted by MFIs are too small to allow for any real take-off of business.
 - The conditions of access to micro-finance are sometimes restrictive, as these institutions sometimes demand surety, which the businesspeople cannot provide.
 - The loan period does not take the production cycle into account (notably for farmers).
 - MFIs limit themselves to financial support and do not give advice, information or even training conducive to the success of projects.
 - Recovery procedures are sometimes just within the borders of legality.
593. **Stock markets in Benin.** The fact that virtually all Beninese companies shy away from the BRVM is due to the configuration of these companies. Most of them are SMEs and sole proprietorships (which make up 67% of businesses in Benin). The challenges of regional integration in Benin, implementation of ACP/European Union economic partnership agreements, and Benin's adherence to the WTO make it imperative for the country's limited liability companies to restructure themselves and scale up their capacities so as to better integrate into the global economy. The growth of Beninese companies could initially be financed by the banking sector, which is in a situation of over-liquidity. However, in view of the interest rates applied by the sector, the cost of bank transactions, and the potential of regional direct financing, it is recommended that more Beninese companies should join the stock market and take advantage of the opportunities it offers.
594. **Business climate and the legal and regulatory framework.** Benin does not seem to have an enabling climate for private sector enterprises. The following data, culled from a World Bank survey (2005) on the investment climate in Benin, summarises some aspects of the difficulties encountered by private enterprises:

- Based on the Heritage Foundation's index of economic freedom, Benin was ranked 128th out of a total of 162 countries in 2005, while it came 114th out of 117 countries on the World Economic Forum's growth competitiveness index.
 - The problem of corruption, according to official estimates, costs the country about 3% of GDP and enterprises 8.4% of their turnover. Moreover, 11.6% of the value of government contracts is lost in informal payments or various bribes by manufacturing firms.
 - The lack of trust in the effectiveness of government services and the justice system: 54% of Beninese firms consider government services as too ineffective or inefficient and, in case of litigation, 55% of enterprises would prefer to go for an out-of-court settlement. The percentage of firms having lost confidence in the justice system is 65.3%, while only 1.7% of disputed invoices are settled by resorting to the courts.
 - The weight of administrative procedures: government structures seem to have inherited vestiges of the socialist management of the economy. Thus, managers of manufacturing industries declare that they devote about 8.3% of their time to handling administrative formalities, while 65% of export and/or import firms consider customs clearance operations as bad or very bad.
595. With regard to human resources management, one of the CRM respondents said that it could take six months to register a fixed-term contract of employment (a period often longer than the contract itself), while eight months are generally needed to obtain a work permit for an expatriate worker.
596. Despite an increase in contributions from 100,000 CFA franc to 200,000 CFA franc, the CCIB seems to lack the means to achieve its primary objective, which is to promote enterprises. Its role in informing traders of business opportunities and offering them training in management techniques is, therefore, limited. This difficulty is exacerbated by the absence of state subsidies for the past three years, which has a negative impact on enterprises in the interior of the country. The CCIB finds it increasingly difficult to obtain the necessary human and financial resources to accomplish its mission of defending corporate interests.
597. **Investment Code.** Benin has had an Investment Code since 9 May 1990, and offers tax and customs benefits not very much different from those offered by other developing countries. The code, however, functions poorly and many bottlenecks impede its smooth implementation, due mainly to the many formalities the potential investor has to fulfil, the different authorisations required from administrative departments, and the need for the Technical Investments Committee to consider applications. The committee is chaired by the minister of planning, who simultaneously holds two positions. Unfortunately, the code is unable to match the benefits offered by several African countries that opted to set up investment promotion agencies often covering exports, steered by a joint independent board comprising

representatives from the public and private sectors, with a broad decision-making mandate and who can grant the benefits requested in less than 15 days. Benin should draw on the Ivorian Investment Code – one of the most attractive in the West African region – to innovate and establish the necessary functional mechanisms and tax incentives for sustaining the country’s vision of becoming a major hub for trade and business in the region.

598. **Access to land.** One of the main factors making it difficult to obtain loans for investment is the lack of guarantees (especially land guarantees), as well as legal insecurity in the relevant transactions. In fact, this problem is particularly serious in Cotonou and the coastal region. It has worsened since 1997-1998 when, following a Cabinet decision, the banks indicated that they would no longer accept building permits authorised by customary law, or provisional certificates issued by the administration pending the registration of the plot of land as mortgage security. Even though the Land Tenure Code is still awaiting promulgation, the main difficulties stem, firstly, from divergences between modern and customary land laws and, secondly, from administrative and judicial red tape. Thus, because ‘traditional’ sales are ignored but not formally prohibited by law, a prospective buyer of land may receive objection thereto from a former customary owner. Furthermore, a parcel of land duly registered in the Urban Land Register is often claimed by several persons. According to several stakeholders, such conflicts take four to five years to be settled by the courts, and it is not rare for a land dispute to take 15 to 20 years to be finally settled.
599. Furthermore, the European Development Fund report (2006) revealed that the registration of a small plot of land in an urban area costs more than 1,200 euro, whereas per capita GDP in 2006 was 483 euro. In addition, the registration procedure could take up to two years. Consequently, only 1% of households have a land certificate for their land, while the majority of the rural population count on customary land law and only 10% of landed properties are registered. Another pernicious effect of this situation is that several local governments mobilise most of their staff to handle land issues, resulting in a waste of energy for these services. Also, users are required to go through numerous formalities and bear both official and informal costs.
600. Besides costs associated with transactions and settlement of land disputes, the UNCTAD report on Benin’s investment policy highlights other less visible but equally high costs. These include the sterilisation of a part of private savings⁵⁰ and of public investments⁵¹. Lastly, land is also the cause of blockage of private initiatives, inasmuch as it is not easy to quickly find land on which to carry out a project.
601. **Corporate competitiveness, productivity and performance.** The UNDP report (2005) on assessment of the investment climate in Benin makes the following observations on the productivity of enterprises in the formal sector:

⁵⁰ Owing to the fact that several households see their savings blocked in the form of a land purchase, and thus unusable for a very long time – pending clarification of their rights.

⁵¹ Owing to the fact that some public utility networks provide services to many plots of land that are unused for a long time.

- Labour productivity or the value added per worker is lower in Benin (2.481) than in Kenya, Mali, Senegal and South Africa.
 - Total labour cost per physical unit of output (ratio of remuneration to value added in the sample firms) is higher in Benin, even though its labour costs are relatively lower.
 - Capital intensity, estimated by the amount of capital per employee, is higher in Benin (US\$ 7.376) than in Mali, Tanzania, China and Uganda, but lower than in Kenya and Senegal (US\$ 10.746 and US\$ 10.856 respectively).
 - Capital productivity, estimated in terms of the value added per dollar invested, is lower in Benin (where one dollar yields a value-add of 30 cents) than in Kenya, Tanzania, Senegal, Uganda and Mali (35, 43, 58, 70 and 77 cents respectively).
 - The use of production capacity is about 60% (60.9% in Kenya, 71.1% in Senegal and 73.4% in Mali).
 - The relatively small size of businesses and their lack of diversification prevent them from reaping the benefits of economies of scale.
 - The report concludes that firms in Benin have higher total factor productivity than similar enterprises in most other countries of East Africa, except Kenya. However, this productivity is lower than that of Mali and Senegal.
602. According to stakeholders, the low performance that characterises formal sector enterprises in Benin could be attributed to rigidities in the country's business climate and to human resource management problems:
- Qualified supervisory staff are hard to come by.
 - A high proportion of the workforce has received no appropriate vocational training.
 - Recruitments are often done on the basis of nepotism or by word of mouth within certain networks: available jobs are not really advertised, nor is there any competition between candidates.
 - Technical education, in the broad sense, is not well developed and only a small proportion of enterprises in Benin – less than one-fifth according to the UNDP – provide their employees with external training. These training sessions, which are financed by the firms, seem to only partially meet the expectations of employees.
 - Assistance for staff training is limited and sometimes linked to corruption.
603. Furthermore, even buoyant enterprises are often made to conceal their real performance for fear of being penalised by the tax regime. Consequently, there

are no ‘success stories’ that can inspire young entrepreneurs or produce a ripple effect in the rest of the economy. The industrial sector (in particular) could subcontract, spin off or partner with competing businesses.

604. These weaknesses prompted the government to launch a national development programme intended to improve the performance of SMEs. This programme was also intended to prompt the Private Sector Recovery Programme which, in 2001, had helped to identify nearly 300 enterprises for which a rehabilitation plan was prepared but which could not be implemented for lack of bank support.
605. The government is also trying to broaden Benin’s industrial base by processing farm produce and giving priority to the needs of the population. Through its decentralisation policy it has developed industrial zones, which will serve as centres for local development.
606. Finally, competitiveness problems prevent many micro-enterprises in the formal and informal sectors from becoming fully fledged SMEs capable of implementing subcontracting or innovative strategies. Apart from the fact that they lack support and financial resources – which makes them depend on micro-credit and the entrepreneur’s personal funds – these enterprises are deeply involved in corruption and often lack information and training to successfully do business. As a result, these enterprises choose the easy way out by copying from each other and all too often substituting economic rationale for a mimetic one.
607. **The state of infrastructure.** Besides power outage problems – which cause turnover losses of about 13.4% – roughly 104 days are needed to connect to the electricity network, while connection to drinking water supply is also inadequate⁵². The country has virtually no organised urban transport system. Although considerable efforts have been made to build major highways, the country still suffers from poor road maintenance and a very sparse rail network⁵³. According to the GPRS report for 2007-2009, some local authorities, now responsible for road maintenance and management as a result of decentralisation, have begun to erect tollgates on the existing network in order to recover part of the maintenance costs.
608. On the maritime front, the one-stop service at Cotonou Port is still unable to expedite formalities as it only pools the forms and papers demanded by the various government services and has not really reduced the time for obtaining them. Thus, customs clearance of imports may take up to 24.4 days.
609. Finally, Benin seems to be lagging far behind in ICTs. With the obsolete equipment of Benin Telecom SA, the number of telephone lines per thousand inhabitants in the biggest city is only 41.6, whereas the average cost of a phone call is among the highest in the region. The number of personal computers per thousand inhabitants is only 3.7. It is, therefore, important for Benin to quickly modernise its telecommunication network and extend its

⁵² Two-thirds of the rural population does not have access to drinking water.

⁵³ Limited to a single 438 km metric-gauge railway line between Cotonou and Parakou.

optic-fibre cable network to cities in central Benin. This would contribute to the creation of new jobs.

610. **Harassment and insecurity on major highways.** Apart from the fact that the road and rail networks are obsolete, Benin faces other obstacles like the numerous checkpoints on major highways in the country; harassment of drivers by the police, gendarmerie and customs services; and insecurity caused by ‘highway robbers’. During interviews with stakeholders, the CRM was informed that there are at least 38 vehicle checkpoints between Cotonou and Malanville, a town located on the border with Niger. Despite this, attacks on vehicle convoys by armed bandits and highway robbers are recurrent events, especially on the eastern and northern borders of the country. Armed bands, comprising elements from Benin, Nigeria, Niger and even Chad, are organised in international networks. However, the CRM learnt that the government of Benin and governments of the neighbouring countries have established a West African Committee of Police Chiefs, and Benin set up a common patrol with Niger to combat banditry on the major highways.
611. **Privatisation.** Benin first implemented privatisation between 1992 and 1998. The first SAP had a component for the liquidation of some state-owned corporations, as well as a restructuring and a privatisation component. Some sectors considered to be strategic had been excluded from the privatisation programme. According to one of the stakeholders met, this first privatisation was relatively successful: the restructuring had, at least in the short-term, given quite satisfactory results, and the affected corporations had been transferred to operators who, despite a few layoffs, still continued their activities. Other stakeholders felt that the privatisations had led to retrenchments, higher prices for certain vital imported goods, and greater poverty⁵⁴. The UNCTAD report (2005) notes that most asset transfers to foreign buyers were generally negotiated on the condition that a significant (albeit partial) number of workers from the defunct public enterprise would be retained. The report concludes that this DFI had a limited impact on Benin’s economy in terms of domestic investments, job creation, and technology and skills transfers.
612. At the end of the first privatisation programme, the state no longer had the necessary funds to continue the rehabilitation and privatisation effort. Although the privatisations were expected to cover the hydrocarbons sector with SONACOP, the second programme, initiated in 1998, had neither a clear timetable nor the necessary funds to ensure its successful implementation. Consequently, the credibility of public policy was dealt a serious blow. A case in point is Benin Telecom SA, which was expected to be privatised in 1999 and a regulatory board set up in its place. Owing to government and parliamentary delays, it was only at the end of 2006 (with the arrival of the new government) that the board was established. In the meantime, with the opening of the sector to private operators in 2002, the OPT experienced

⁵⁴ The privatisation of the cotton sector, and of SONACOP, was a failure for small farmers in the first instance and encountered serious governance problems in the second.

serious difficulties which require that it be rehabilitated before privatisation in 2009.

613. Several privatisation procedures were used in Benin (leasing management, assets transfer, equity participation, etc.), but without clear technical rules having been laid down in this regard. Benin's privatisation balance sheet shows mixed results. Although the state reaped a total of 33.6 billion CFA franc (UNCTAD, 2005), the privatisations did not involve services deemed critical to the public, and were sometimes marred by discriminatory and non-transparent practices. This was the case with two buyers of the oil mills, who criticised the national authorities for not complying with the concession agreement signed on tax benefits and the supply of grains. The same applies to SONACOP whose privatisation seems – at least according to Transparency International's report (2003) – to have been conducted under conditions of very little transparency.
614. Finally, it should be noted that the law prohibiting privatisation in the strategic sectors has not been repealed and is still in force. The implementation of the current privatisation timetable must, therefore, begin by repealing this law.
615. Though delays have been recorded in the privatisation programme, and efforts still have to be made to rehabilitate enterprises listed for privatisation and to take stock of their assets, the government has prepared a statement specifying the conditions for these privatisations and announcing a programme for the next two years. It comprises:
 - The transfer of the industrial equipment of SONAPRA not later than 30 September 2007⁵⁵. This transfer will involve cotton producers, the staff of SONAPRA, and the Beninese or foreign public. The enterprise will, therefore, resume its initial activity, namely agricultural promotion. According to the GPRS (2007), the state plans to set up a private company, whose majority shares will be held by private operators, to take over the ginning plants.
 - The transfer of shares held by Benin in the cement company at Onigbolo after an evaluation of its assets before 31 March 2008. The transfer will be made after the withdrawal of Nigeria, which has transferred its shares to private investors. It should be done through international competitive bidding and on the regional financial market.
 - The opening of up to 51% of the capital of Benin Telecom SA to private operators before 30 June 2008. This will take place after the ongoing restructuring of the enterprise and will be done through international competitive bidding on the BRVM.
 - The opening of the share capital of Libercom to private operators.

⁵⁵ The transfer has effectively been made.

- The rehabilitation of the SBEE, and the creation of a public corporation responsible for carrying out investment and maintenance. It also applies to another company for electricity power distribution, 51% of whose capital will be opened to the private sector on the BRVM through international competitive bidding to ensure the distribution of electricity.
 - The concession of the Cotonou Port Authority through international competitive bidding before the end of the first quarter of 2008.
 - The rehabilitation of the Common Benin-Niger Railway Organisation (*Organisation Commune Bénin-Niger des Chemins de Fer*).
 - The restructuring of the Beninese Shipping Company (*Société Béninoise des Manutentions Portuaires – SOBEMAP*), which will be transformed into a semipublic company following an audit.
616. It should be noted that there are also plans to finalise the privatisation of the OPT. Indeed, during the CRM, conflict broke out between the government and two private mobile telephone operators on the payment of royalties to the state. Although the majority of the public (more than 80%, according to some sources) supported government's decision to reaffirm its authority and responsibilities, the conflict impacted negatively on subscribers, especially since the two private mobile telephone operators control most of the market. The CRM hopes that a quick and fair solution will be found that will be in the interests of the partners.

iii. Recommendations of the APR Panel

617. On this basis, the APR Panel would like to make the following recommendations:
- Undertake a quick reform of the tax system to make it 'development-oriented'. This reform could focus on four main areas, namely: (i) a substantial cut in the tax burden, beginning with the BIC; (ii) broadening of the tax base following this reduction; (iii) computerising and decentralising the tax services, including the introduction of a Tax Identification Number (NIF); and (iv) a significant reduction of the numerous taxes, dues and duties that make up Benin's tax system.
 - Quickly adopt other laws relating to economic reforms that are still pending before decision-making bodies, not only in order to accelerate the implementation of the GPRS, but also to lay the foundation for building an emerging Benin.
 - Revitalise the mechanisms of the National Employment Agency (ANPE) and, where necessary, other youth employment support institutions – including the Regional Solidarity Bank – with a view to improving their operating procedures for the benefit of young entrepreneurs.

- Exempt young entrepreneurs from payment of all duties and taxes for at least the first two years following the creation of the enterprise, and put in place a national integrated programme to support the youth in opening businesses.
- Diversify Benin's financial landscape by creating companies specialised in financial lease and venture capital, diversify bank risks and products, and consolidate the geographical coverage of the national territory by primary banks.
- Encourage banks, insurance companies and major companies to resort to the financial market and be listed on the BRVM.
- Encourage the creation of public companies and foster the expansion of businesses that can access the stock market and, hence, mobilise resources for their development and investments.
- Put in place assistance, counselling and supervision of informal sector enterprises to help them make profits, and to reinvest those profits in order to prepare their gradual integration into the formal sector. These structures will be associated with enabling mechanisms for specific partnerships between the formal and informal sectors, and with tax bonuses to enterprises that enter into partnership with enterprises in the formal sector.
- Review the cotton sector rehabilitation and development strategies – in a process involving all partners in the sector – with the key objective of establishing: (i) regional cooperation focused on the creation of a cotton economic community; (ii) control of the sector by the interregional private sector; (iii) upgrading and modernisation of ginning plants; and (iv) the creation of a cotton stock exchange in member countries.
- Lower the intervention threshold of the African Guarantee and Economic Cooperation Fund (FAGACE).
- Improve the functioning of the CFE to make it a real one-stop service, and regroup all the players involved in enterprise creation.

Objective 2: Ensure that enterprises behave like good corporate citizens in terms of human rights, social responsibility and sustainability of the environment

i. Summary of the CSAR

618. **Enterprises and the justice system.** The CSAR identified the following as the main shortcomings of Benin's legal framework:

- the diversity of the sources of Benin’s law impedes recourse to substantive law;
 - a single Court of Appeal;
 - inadequate training and number of magistrates and judicial officers; and
 - absence of a Commercial Court and an Arbitration Court, as well as delays in the settlement of disputes.
619. With regard to the judiciary in Benin, the CSAR indicates that 73.61% of magistrates in active service are transferred to courts undergoing reform. However, the authorities’ efforts are limited by inadequate human resources, since 12.50% of magistrates transferred to the judicial services handle labour disputes in the Law Courts and Courts of Appeal in Benin. In view of the difficulties in referring matters to the courts, employers often tend to abuse workers’ rights.
620. **Legal framework in the industrial free trade zone.** In the legal provisions governing free trade zones, only the act of 8 September 2005 provides for labour standards and human rights in working relations. As the Decree of 13 October 2003 was issued before the act came into force, this poses a legal problem that must be resolved through the signing of a new implementation order.
621. **Tax obligations in Benin.** The CSAR states that the national tax system was considerably simplified and streamlined during harmonisation within WAEMU. However, the system is still relatively cumbersome, with a strong focus on the collection of public revenue from a narrow tax base. It further acknowledges that tax officials have been lax in monitoring the implementation of tax obligations. About 70% of the major enterprises pay little or no tax at all. Special benefits were also granted in a non-transparent manner to some influential businesspeople, which further narrowed the tax base. Finally, the CSAR notes that the non-payment of VAT refunds and long delays accompanying these payments are a problem for the formal sector.
622. **Respect for human and workers’ rights.** From 1960 to 2001, a total of 26 ILO instruments were ratified by the relevant services in Benin. The government of Benin is bound to the ILO, obliging it to implement and incorporate the content of the relevant instruments into its national laws.
623. Despite the legal consistency of worker protection measures, the duly ratified ILO conventions have not been systematically published. If these instruments are not published in the Official Gazette, they are very difficult to enforce on the public. This situation is among the grievances presented to government by the different trade union federations. It is also listed by the General Directorate of Labour as one of the priorities of its annual action plan.
624. *Membership of trade unions.* With the recognition of workers’ right to form trade unions (except during the revolutionary period, which was characterised

by monolithism), the plurality of trade unions has always been the rule. Hence, there has been a burgeoning of labour union confederations and a proliferation of grass-roots trade unions, with an upsurge in membership. This vitality of Benin's trade union movement is also reflected in the influence it enjoys at the regional and international levels, marked by many affiliations and (in particular) by the appointment of some union leaders in their management bodies.

625. *Labour administration.* Compared to the number of complaints recorded, the labour administration services generally succeed in reconciling disputing parties by drawing up an out-of-court settlement report. The average time to settle a labour dispute is four weeks. However, if reconciliation fails, the matter is referred to the courts. In Cotonou, a court decision takes 26.9 weeks on average. Proceedings in the Court of Appeal of Cotonou take just under two years.
626. Since 1991, the number of strikes has increased, reaching a record peak of 29 in 2002. This increase is closely linked to the increase in grass-roots trade union movements, whose sectoral demands are different from those that are presented to the government by the central unions.
627. Strikes are more frequent in the public sector than in the private sector. This is because the main grievances motivating the strikes involve the payment of salary arrears, the raising of the index point, or actual payment of arrears for reclassification or due to an increase in family allowances. Furthermore, the risk of dismissal to which striking workers expose themselves, as well as the difficulties of reintegration, are enough deterrent for private sector workers to strike.
628. *Corporate compliance with labour legislation.* From 2002 to 2004, the CMVP carried out 64 inspections in enterprises nationwide, and prepared a detailed analysis of the administrative and social security situation at these enterprises. After the inspections, the following observations were made:
- non-affiliation of most employees to social security;
 - salaries lower than the authorised minimum wage (SMIG);
 - non-validity or nonexistence of work permits for some expatriate workers;
 - maltreatment and physical violence;
 - false declarations (markdown of declared and taxable salaries); and
 - poor working conditions.
629. In other words, the general working conditions in the enterprises inspected are not good, and the level of compliance with official labour and social security regulations varies depending on the department and the type of enterprise. The inspection revealed that only 12 out of the 64 enterprises inspected were in

compliance with social security legislation on the date of the controls, representing an overall percentage of 18.75%.

630. **CSR, commitment and citizenship.** Most enterprises in Benin limit their social role to sponsoring socio-cultural, educational and sports events. This restricted vision of the notion of CSR may lead to its limited acceptance or rejection by the communities, which would no longer identify themselves with the particular enterprises. Several persons (who requested to remain anonymous) blame the low social commitment of enterprises in Benin on tax evasion in particular.
631. **Respect of the environment and sustainable development.** With the adoption of the constitution in December 1990, environmental concerns became a constitutional matter. At the institutional level, control of environmental protection was given to the National Assembly, while the CES was given constitutional powers to ensure the integration of environmental issues into socioeconomic policies, plans and programmes. Furthermore, two other facts point to political will in this regard, namely the creation of the Ministry of the Environment, Housing and Town Planning (MEHU) in 1992, and the creation of the Benin Environmental Agency (ABE) in 1995. Despite the existence of these constitutional tools, there is still no truly holistic policy on the environment or a clear vision of medium-term objectives⁵⁶.
632. Despite all the laws and regulations, acts committed showing disregard for environmental laws and destruction of the environment go unpunished. In 2001, only 5.22% of enterprises had an environmental management system, whereas the minimum defined as a government objective was 75%. However, field surveys reveal that private enterprises and, to a lesser extent, public enterprises show a genuine concern for compliance with environmental laws. However, the CSAR noted that compliance with the environmental legislation by informal sector enterprises is not at all encouraging.

ii. Conclusions of the CRM

633. **Benin's enterprises and the justice system.** According to the CSAR there are no courts to decide on commercial disputes. This observation was raised in the numerous discussions held with stakeholders, government authorities, civil society and the private sector, which highlighted the shortage of magistrates trained in trade and ancillary activities. This shortage has far-reaching effects on the commercial sector.
634. Wherever the CRM had an opportunity to talk with stakeholders, the inefficiency of the justice system was cited as an obstacle to corporate development. The CRM noted that many stakeholders mentioned the absence of a commercial court as a drawback to the quick settlement of disputes between businesspeople.

⁵⁶ 2002. *Integrated Report on the State of the Environment in Benin.*

635. According to several stakeholders, labour disputes brought before the Law Courts and Courts of Appeal have been dragging on for more than three or four years. As a result, many enterprises have never had their disputes settled by the courts. Consequently, they do not enjoy the appropriate services in cases of commercial disputes. The CRM is of the view that a separate Commercial Court should be set up in Cotonou, with agencies in the other towns.
636. The deficiencies of Benin's legal framework and the fear of getting stuck in court forces some businesspeople to settle their disputes by turning to the network of family or traditional authorities deemed more reliable, faster and less corrupt than the 'modern' networks.
637. The CRM met the department of the newly established OPM. The body has a broad mandate that includes mediating between the government and the private sector. Recourse to the body is free of charge. It uses the procedures of arbitration and reconciliation to negotiate with the two parties to a dispute. The CRM noted that enterprises' use of the OPM will be meaningful in finding solutions to disputes concerning the payment of suppliers by government services and local authorities.
638. The CCIB also recently set up an arbitration body (the arbitration, mediation and reconciliation centre), which could avert judicial red tape and delays for enterprises. Finally, there is a third arbitration body not mentioned by stakeholders and which seems quite remote from the concerns of citizens and corporate executives. This is the Common Court of Justice and Arbitration instituted by OHADA.
639. **Fiscal obligation: weight and impact of taxes on enterprises.** Within WAEMU, only budgetary policy is in the hands of leaders to enable them to conduct their economic policy. This constraint is even greater for the state of Benin, whose budget continues to depend mainly on taxes. In fact, although the acceptable rate of tax in WAEMU is 17% (14% in Benin), commercial taxes in Benin account for more than half of the tax revenue and about 50% of the state's revenue. The CRM also noted, wherever it had discussions with stakeholders, that: (i) the tax system in Benin is cumbersome and very complex for taxpayers; (ii) its administration suffers from arbitrary practices by tax officers; and (iii) the tax system is the root cause of the corrupting of civil servants by taxpayers wishing to elude state control over a substantial part of their income sources.
640. Taxes constitute a heavy burden on the formal sector, which is still not convinced of the fairness of the exercise. Thus, among the reproaches levelled by some stakeholders against the tax administration, the CRM notes the following main points:
- The tax burden in Benin is the root cause of the expansion of the informal sector: whereas the informal sector pays SPT, the formal sector pays 38% tax on profits.

- An entrepreneur is obliged to pay tax in advance, even before starting his/her business.
 - The tax system is based on declaration, in which a payment of 25% of the previous year's taxes is made as an advance every quarter. In cases where more tax is paid than is actually due, the taxpayer loses a lot of time collecting it and even risks the chance of not getting what he/she is due.
 - VAT refunds always come very late – between six months and four years, according to some CRM respondents
 - The tax system is too complex: a recently published report on the Private Sector Recovery Programme⁵⁷ identifies 96 taxes, dues and duties collected by the state or local authorities. These taxes and dues paralyse private initiative as much as the tax services, which are obliged to handle 96 control systems.
 - In cases of conflict with the tax services, a taxpayer first pays all the sums owed before taking the matter before the courts. If he/she happens to win the case, he/she would receive a tax credit which, according to the CRM respondents, is hardly effective and a source of corruption by some tax workers⁵⁸.
 - The 2007 Finance Law provides that any readjustment by a tax inspector must be justified, and that such an inspector is liable to sanction if he/she does not give such justification. Still, the absence of real tax consultants, the outdated tax code, and the failure to circulate the tax services' internal memos tend to weaken enterprises and virtually make them dependent on the tax inspectors. This situation also opens the doors to excesses and corruption.
 - Even when an enterprise incurs losses, it is obliged to pay a minimum tax of 200,000 CFA franc.
 - Businesses with a turnover of less than 40 million CFA franc, and service providers whose turnover does not exceed 15 million CFA franc, may pay a flat rate tax.
 - If traders and enterprises are over-taxed, the individual capital gains are exempted from tax.
 - Tax payments or refunds are often the hotbeds of corruption.
641. Although Benin's three SAPs provided for reforms to modernise public finance and tax services, and though the state launched a programme in 2006 to broaden the tax base, the scope of the government's actions remains limited.

⁵⁷ PASP, June 2007. *Elements of Advocacy on Taxation*, Preliminary version.

⁵⁸ This procedure was revised by the 2007 Finance Law, which provides that in the case of a dispute, a bank guarantee should be deposited before the matter is taken to a small claims court (rather than summary procedure).

This is due to users' poor knowledge of the laws and their lack of a 'tax culture'. This prompted the government to publish a handbook of tax procedures that is little known within business circles.

642. Moreover, OHADA subregional standards contain criteria to converge taxes, which somewhat limits the government of Benin's leeway. The standards aim to establish better relations with taxpayers, especially by setting up a user reception structure and a service for large enterprises (whose turnover exceeds 100 million CFA franc), and by a quick resolution of the costs in tax disputes. These efforts are, however, impeded by unbending bureaucracy. A case in point is the arbitration unit in the customs services, whose activities seem to have been frozen for more than a year.
643. Finally, it is worth mentioning that until the recent creation of the O.E.C.C.A-Bénin, some tax inspectors also had their own accounting firms and operated with total impunity. This situation ought to have stopped with the new directive, which requires at least two-thirds of the capital of a consultancy firm to be held by a chartered accountant on the rolls of the O.E.C.C.A-Bénin.
644. **Respect for human and workers' rights**

Right of the youth to work. The ANPE.

Box 5.5: The ANPE

The ANPE is a structure established to assist with professional placements, either through self-employment or in paid employment. During meetings with officials of the ANPE in the Department of Ouémé, the CRM learnt that the agency introduced a programme for training entrepreneurs in 2005, which included:

- two or three weeks' training on enterprise creation;
- an internship in an enterprise for two or three months; and
- one week spent on the preparation of a business plan.

After the training, the ANPE recommends the entrepreneurs to micro-finance establishments. The pilot project for 2005 involved 54 entrepreneurs. However, only seven entrepreneurs out of the 54 obtained funding from their enterprises to implement their projects. Between 2006 and 2007, 5,000 entrepreneurs were registered in the programme, including 55 in the Department of Ouémé.

The CRM noted that this programme is highly appreciated by stakeholders. However, the current challenge is to establish the best relations with MFIs and other sources of funding and to mentor the entrepreneurs until they start their businesses. In an interview with the newspaper *La Citadelle* in 2006, the (former) general manager of the ANPE noted that after training, the ANPE follows-up on the entrepreneurs in the field to ensure that they manage their business efficiently.

Source: The APRM, <http://beninhuzu.org>, *La Citadelle*, 'Efficient training of young Beninese project promoters', 13-12-2006.

645. The CRM also observed that the technical and vocational training system at secondary education level offers different types of training in the schools. These are: administrative and management sciences and techniques (STAG); agricultural science and techniques (STA); biological and social sciences (SBS); as well as hotel management and catering (HR). Students are trained in technical colleges for three or four years during the first cycle, and receive a Certificate of Professional Competence (*Certificat d'Aptitude Professionnelle* – CAP) or a Certificate in Tropical Agricultural Studies (*Brevet d'Etudes Agricoles Tropicales* – BEAT). Those who opt for additional second cycle technical training in government technical high schools receive a Technician's Diploma (*Diplôme de Technicien* – DT)⁵⁹.
646. During meetings with the CRM, stakeholders observed that training in secondary/high schools and universities has very little bearing on the skills required to succeed in professional life. Families try to fill this gap in several ways: some pay craftsmen and other specialised workers to impart income-generating skills to their children; others enrol their children in vocational schools that award the CAP. Stakeholders at Natitingou remarked that their CAPs, which had been awarded by training schools, were not recognised by the government, whereas others with equivalent training were. This they see as an injustice towards some of the youths of their region.
647. **Women's right to work.** The CRM learnt that 26.6% of the workforce in the public sector, and 41% in the formal private sector, are women and that women receive fewer promotions to managerial positions. In general, they receive a lower level of education and are thus confined to lower-paid jobs. Several stakeholders were of the view that gender-based discrimination is an impeding factor for women's promotion. On the other hand, the CRM learnt during a meeting with the youth that women with certificates were often more likely to be employed in the public and private sectors. The CRM felt that the main handicap to women's employment and empowerment is their low level of education. It would, therefore, seem that female certificate holders enjoy a measure of positive discrimination in terms of employment, but this does not necessarily hold in terms of career advancement. For illiterate or less educated women, discrimination results in petty trading, undeclared work in the informal sector or household chores. For those who hold certificates there is a glaring waste of material and human resources as a result of merit being disregarded during employment and appointment.
648. **Employment of children.** In 2001, Benin ratified ILO Convention 138, on the minimum working age, and Convention 182, on the worst forms of child labour. The legal minimum age of employment is 14 years. However, the CRM learnt that child labour is practised in various forms in Benin, and that this is due to poverty that affects the daily lives of families. Children aged 7-8 years often assist their parents on family farms, in businesses, in the market, on construction sites and as vendors. Some children are even employed as

⁵⁹ National Institute for Training and Research on Education (*Institut National pour la Formation et la Recherche en Education* – INFRE). July 2004. *Rapport Nationale du Développement de l'Education* (47th session of the International Education Conference). Porto-Novo. Page 42-43.

domestic servants, including through ‘vidomegon’, a practice whereby rural families send their children to work in the homes of well-to-do families, often relatives. According to UNICEF estimates, 480,000 Beninese children aged between 6 and 12 years actually work. The ICFTU attributed this problem to the lack of inspection, more especially in rural areas and in the informal economy⁶⁰.

649. During the meetings with stakeholders, the CRM learnt that a distinction is made between children working at home to help their parents in the fields, especially during school holidays and weekends; children who are sent to learn a trade with farmers, craftsmen and other specialised workers; and children who undertake paid work in violation of the international conventions on child labour. The CRM was informed that this latter practice was rare, whereas the first two were widespread. Very few stakeholders were sensitive to the problems of child labour and even their possible exploitation. Many were ready to defend these child labour practices, particularly household chores and the learning of a useful trade locally.
650. Given people’s apparent acceptance of, and resignation to, the problem of child labour, the CRM feels that children in Benin are extremely vulnerable and quite often exposed to exploitation. Families need to be sensitised to the dangers of child labour, and should be helped to rather look for vocational schools and training centres for their children. Craftsmen and other professionals employing children as apprentices should be encouraged to voluntarily adhere to codes of ethics, which define codes of conduct on how to treat apprentices.
651. **Health of employees.** The labour code requires employers to bear 60% of all possible hospitalisation costs incurred by an employee, and to provide security for 60% of the amount of costs in case of hospitalisation of one of the members of his/her family. Therefore, businesses have an incentive to take out a group insurance policy, and such action (which is beneficial to employees) is considered to be a benefit in kind by the tax services and is taken into account in the calculation of the basis of assessment.
652. **Compliance with labour laws.** Benin has laws and agencies that deal with occupational safety standards. While the Ministry of Labour and Public Service has a general responsibility to ensure occupational health and industrial safety in Benin, surveillance and control fall under the jurisdiction of the National Occupational Health and Safety Board (CNSST). The Department of Occupational Health, for its part, coordinates, oversees and proposes draft laws on issues of occupational health.
653. Agencies such as the National Social Security Fund (CNSS), the Ministry of Mines, Energy and Water, and the National Road Safety Authority carry out health and safety related activities in their respective spheres. Section 189 of the labour code regulates the setting up of Security and Occupational Safety

⁶⁰ ICFTU. 28 and 30 June 2004. *Internationally Recognized Core Labour Standards in Benin, Burkina Faso and Mali*. Report for the WTO General Council Review of the Trade Policies of Benin, Burkina Faso and Mali: Geneva. Page 8-11.

Committees (CSSTs) within enterprises, which have a duty to provide suitable on-site training in order to monitor the health and safety conditions of employees and to investigate industrial accidents⁶¹.

654. Stakeholders informed the CRM that labour inspectors are insufficient in number and often use the pretext of sanitary and safety rules to extort money from corporate managers or proprietors. Market traders also indicated that the state gives very little assistance to ensure cleanliness and maintain hygienic standards in the markets, and that state employees are only interested in receiving tips. The CRM felt that the inspectors and enterprises should work together to ensure that laws governing occupational health and safety are respected.
655. According to the core self-assessment documents, apart from the corps of labour administrators, the majority of labour inspectors and controllers are posted to divisional directorates and the General Directorate of Labour. In the discharge of its duty of guaranteeing social peace and economic development through respect of basic labour standards, the labour administration faces the problem of inadequate human and material resources.

Table 5.3: Situation of staff of the labour administration

Corps	Staff strength	At post at the labour inspectorate	At post at the central administration
Labour administrators	30	14	16
Labour inspectors	44	35	10
Labour controllers	28	20	8
Total	102	69	34

Source: Human resource division of the Ministry of Labour.

656. **Governance of the CNSS.** Given that a significant number of enterprises operate in the informal sector, the majority of firms in the country do not contribute to the CNSS. On the other hand, the stakeholders – notably the CCIB – informed the CRM that a number of enterprises that contribute to the CNSS understate their staff strength. The main reasons for this are the high rates of the CNSS contributions, and the risks of exposure to tax harassment following formalisation of the activity.

⁶¹ René, K. Houéssou. 13-15 March 2007. *More prevention, less compensation: Organization of the prevention of occupational hazards in Benin: Good practices and challenges*. International Social Security Association, Seminar IV: Occupational diseases: Monitoring, recognition and compensation, Kribi, Cameroon. Page 2.

657. Several stakeholders stressed that the CNSS itself is not a good example of governance. This is due to the following:
- the general manager of the CNSS is appointed by the minister rather than the board of directors (which is formed by the tripartite of state-employees-employers);
 - senior civil servants also contribute to the CNSS, while it is reserved for private sector workers; and
 - it is alleged that the funds of the CNSS are not always used efficiently⁶².
658. **Undeclared work.** According to the governance profile designed by the European Development Fund in 2006, only a tiny fraction of employees (estimated at less than 10% of the labour market) are registered with the CNSS. In fact, the formal sector does not always officially declare its entire staff, so as to avoid administrative problems and related costs.
659. An official of an employers' association met by the CRM estimated the proportion of the population working under statutory conditions at 5%: 2.5% in the private sector, with the remaining 2.5% made up of civil servants. Transparency in labour issues can be controlled in large enterprises, but not in the smaller ones.
660. Apart from the unscrupulous behaviour of some employers who perceive undeclared work as an opportunity to further exploit vulnerable and often illiterate workers ignorant of their rights, the scale of this form of work can also be attributed to administrative bottlenecks and to the fact that many people do not have identification papers. Thus, the CRM was informed of the case of an employer who went to the CNSS four times without obtaining the necessary form. In this particular case, obtaining the form required for discharging one's obligations towards the state can be seen as corrupting a public service worker. Also, the more an enterprise declares its employees and exhibits transparency, the more likely it is to be the target of tax harassment.
661. Finally, undeclared work results in a number of abuses: wages lower than the SMIG or even non-payment of wages, working hours longer than the legal 40 hours, difficult working conditions, etc. However, the frequency of these abuses must be seen in the right perspective. Formal contracts and labour relations are often underpinned by a personal commitment, like a word given here and there and social relationships (friendship or blood relations) that bind the employer and the employee and which, in case of dispute, may lead the two parties to seek arbitration by a traditional authority.
662. **CSR, commitment and citizenship**
- CSR is not widely understood in Benin. This is mainly because the vast majority of enterprises are SMEs with very few resources and management

⁶² The basic document of the CSAR mentions the inefficient use of the funds of the CNSS, notably in the case of welfare housing projects financed by the fund, but which was not executed.

capacities in the area of social responsibility. Core self-assessment documents reveal that the prime responsibility for such behaviour should be attributed to the state, which lacks standards as well as technical and statutory means to assess the relevance of management costs.

663. Several entrepreneurs and members of the CCIB informed the CRM of cases of companies that contributed to the financing of CSR projects – like the building of schools or financing of charity activities – only to be penalised by the tax authorities for ‘poor fund management’ or attempted tax evasion.
664. According to the core self-assessment documents, the state has not established an attractive framework to encourage enterprises to better honour their social commitments to grass-roots communities. There is no equitable treatment of CSR projects in Benin’s laws, and companies avoid exposure to high taxes for this type of project. In fact, the tax services tolerate only one-thousandth of turnover to be channelled as gifts and social works. Any amount above this threshold is considered as sales support and therefore taxable. This dampens the social enthusiasm of major beneficiary enterprises capable of participating in public life in other ways than through sales support and implementation.
665. At Lokossa, some stakeholders informed the CRM of cases of enterprises that contributed to improving the daily life of citizens by building a school and a college. Though discouraged by tax considerations, this resolve of certain enterprises to assume their social responsibilities also risks being construed as political election-oriented actions and could, therefore, trigger reprisals from elected officials at local and national levels.
666. The circle of mistrust also includes corporate citizen commitment by which some managers engage in politics, not for the public good, but solely to win contracts and be paid by the state.

667. **Respect of the environment and sustainable development**

Benin has a number of laws and mechanisms for the protection of the natural environment. Stakeholders confirmed that developers wishing to invest in activities that could affect the environment are required to carry out environmental impact assessments. Investors are required to obtain an ‘environmental conformity certificate’ before starting their projects, and may have to undertake more in-depth environmental impact assessments before the project is approved.

668. Some enterprises in Benin are ISO 9000 compliant, but none has the ISO 14000 environmental certification. One of the major difficulties is the lack of relevant expertise at the national level. Stakeholders stressed that urban waste, pollution and gold mining activities need to be better managed, stating that council quality control and hygiene services only come in to collect taxes and not really to assist enterprises or address the problem of industrial or agricultural waste, not even with technical advice.
669. The CRM feels that the inspection service in MEHU needs better training, qualified workers and financial resources to enable it to tackle these

challenges. The inspectors should be better trained in the diagnosis of instances of environmental pollution. The private sector should also be encouraged to disseminate best practices in environmental management.

Good practice 5.1: The association 'Qui dit Mieux': employment promotion and environmental protection

Qui dit Mieux is an association of women of the Department of Ouémé Plateau, initially created as a drama troupe of women of Porto-Novo in 1980.

First activity: Recycling of plastic bags

After a few years of cultural activities in 1996, the women realised that drama could not earn them enough money to meet their basic needs. Therefore, they decided to focus their activities on the protection of the environment. Their initial aim was to help poor women and out-of-school girls to fight against poverty by carrying out income-generating activities, while focusing on the protection of the environment. Their objectives were to sensitise the population to the disadvantages of plastic bags and on the need to protect the environment. Urged by their chairperson, Mrs Grâce Dotou, they decided to launch activities for the recycling of plastic bags that were scattered in the streets and polluting the environment. With the support of the prefect and the UNDP, the association became operational in 1999. The association's members collect bags and recycle them in a small workshop in Porto-Novo.

Products manufactured by *Qui dit Mieux* from the recycled bags cover a very wide range of objects, including works of art, bags of different shapes, ladies' dresses, dolls and mats. The techniques for recycling plastic bags were promoted throughout the Department of Ouémé Plateau. The women who produce the bags are paid according to the quality of the product, and their incomes vary between 30,000 CFA franc and 100,000 CFA franc – depending on orders and the quality of their products.

Qui dit Mieux has popularised the techniques for recycling plastic bags not only in Benin, but also in several African countries where the chairperson has conducted training workshops on their techniques.

The association has won many national and international awards, including the first prize for the best initiative at the Benin Handicraft Fair in 1998, the Excellence Prize awarded by the National Lotteries Authority of Benin in 2000, and the Africa Initiative Prize awarded by Western Union in Paris in 2004.

Second activity: Reforestation

In 1994, the association launched a campaign to sensitise women of the Department of Ouémé Plateau on the need to protect the environment through the planting of trees for firewood. Each woman who plants a tree can cut the branches every one or two years without felling the tree itself. This enables some of them to earn up to 4,000,000 CFA franc per year. Hence, about 5,000 trees have been planted by the women. Many women in the region have joined this programme, which is unfortunately competing with the illegal exploitation of virgin forests. The CRM also observed that the association's programmes are not supported by any public or private organisation, which does not help to increase the association's popularity nationwide – as was the case in Burkina Faso.

iii. Recommendations of the APR Panel

670. In this regard, the APR Panel wishes to recommend the following:

- Creating a separate court for the settlement of commercial disputes and providing it with the necessary human and financial resources to function, and with means to decentralise its activities further inland (government and the CCIB).
- Setting up mechanisms to enable universities to collaborate with businesses in organising further training courses for students on the industrial environment, and introduce uniform standards for appraising certificates issued by private technical training and apprenticeship schools and those of public education (government).
- Establishing links between SME/small and medium industry (SMI) development programmes on the one hand, and MFIs and other partners offering SME/SMI financing on the other (ANPE).
- Establishing programmes to educate the masses on the negative effects of child labour, and taking legal action against enterprises that employ minors (government).
- Increasing tax benefits for enterprises that carry out social projects such as the construction of schools, the financing of sport activities, vocational education, and health services in the communities where they are based (government).
- Building the capacity of environmental protection services, starting with the ABE, to enable them to investigate cases of violation of environmental regulations, especially through appropriate training of inspectors in the techniques of diagnosis and identification of instances of environmental pollution (government).
- Intensifying communication with enterprises on best practices in environmental management (government and CCIB).

Objective 3: Promote the adoption of codes of ethics in business in the pursuit of corporate goals

i. Summary of the CSAR

671. Measures for promoting corporate ethics

Audit of accounts of public enterprises by the Chamber of Accounts of the Supreme Court. It is mentioned in the CSAR that the Chamber of Accounts of

the Supreme Court exercises power of control over public establishments, state-owned corporations, semipublic companies, social security agencies, and organisations subsidised by a public body or a public establishment. The CSAR indicates that five decisions have been taken by the Chamber of Accounts since 1990. Though negligible, this number nonetheless reflects the will of the court to break with its lethargic past. However, for reasons not understood, these interim decisions were never made final.

672. The CSAR indicates that for at least the first three decades of its existence, the Chamber of Accounts was a complete failure in auditing public enterprises, as it dealt with only one case. This was mainly due to inadequate auditing staff, and a lack of (or incomplete) accounting by public enterprises, thereby complicating the work of the Chamber of Accounts.
673. *Efficient management of public procurement.* The CSAR recalls that public procurement is governed by Act 2004-18 of 27 August 2004. It also lists the implementing orders of this act. These orders specify time frames for the awarding of contracts, the extent of competency in the awarding of contracts based on the contract amount, the different stages of the procurement process, the levels of competence of each ministry, the role of public procurement units, and (in particular) the key role of the National Public Procurement Department in the award of contracts.

674. **Fight against corruption**

The CSAR indicates that the government has taken measures to curb the spread and incidence of corruption in state enterprises and structures. These include, but are not limited to, the enactment of a law to fight corruption, the creation of the IGE, and the establishment of a training (and advanced training) programme for professionals – such as accountants, judicial police officers, magistrates and corporate managers. To enhance the regulatory framework and incentive measures, the government introduced special legal arrangements determining criminal and disciplinary punishment for acts of corruption and related activities. The CSAR quotes Benin’s key laws, which include the Penal Code and several laws and ordinances that punish acts of misappropriation, corruption, extortion by public officials, as well as demand for payment for services rendered in government offices and on the highways.

ii. **Conclusions of the CRM**

675. **Corporate values, culture and governance in the country.** The CSAR identified several cases of bad governance, which have caused huge losses to the state. These include the misappropriation of public funds, forgery, and the use of forged documents leading to the setting up of ad hoc committees or lodging of complains at the courts. However, several stakeholders interviewed by the CRM argued that very few of these cases ultimately resulted in a court sentence.
676. **Role of the press and the media.** Though large in number and very active, the media in Benin are not equipped to objectively carry out investigations

into economic malpractices, fraud, and other cases of tax evasion in which many Beninese (from both the public and private sectors) were implicated. The level of training of most journalists is quite low, making it difficult for them to undergo training programmes that require a minimum level of basic knowledge of economic and financial issues. They are, therefore, exposed to the risk of rumour mongering and agree to publish articles provided by people whose sole interest is to defend themselves in cases of accusation of fraud or corruption. Despite the intervention of the Media Deontology and Ethics Observatory (ODEM), journalists easily fall prey to politicians or businesspeople who want to defend their own interests and may, therefore, lose their independence and credibility. Training programmes in economic and investigative journalism are necessary and should be supported by the public authorities and the journalists' association.

677. **Money laundering and smuggling.** Money laundering is widely carried out in Benin. This is often seen in money going straight to finance investments in the real estate sector⁶³, without passing through the banks. Even though training programmes are organised to equip state employees with the means of tackling this scourge, some of the CRM respondents indicated that decisions are taken neither by the most competent nor the best trained in the service.
678. Although a WAEMU community directive to combat money laundering was adopted in September 2002, the directive contains a clause that requires all member states to incorporate the directive into their national laws. Although the bill in this regard has provided, *inter alia*, for the establishment of a Financial Information Processing Unit (CENTIF), nothing has been done as the members of this unit are yet to be appointed.
679. GIABA has a correspondent point in Benin that transmits dockets to the economic crimes squad until such time as the anti-money laundering unit becomes fully operational. During discussions with stakeholders, especially in Porto-Novo, the CRM was informed of cases of drug trafficking along the border with Nigeria. This situation is all the more disturbing since it was not mentioned in the CSAR.
680. **Counterfeiting and respect of intellectual and industrial property rights.** With regard to respect for intellectual and industrial property rights, Benin is a member of the African Intellectual Property Organization. The CRM noted that the BBDRA is still incapable of dealing with counterfeiting. It suffers from a lack of resources and a poor image, since it is considered to be an auxiliary of the tax administration rather than an organisation in defence of creators' rights and innovation. The difficulty in enforcing intellectual property rights hampers the transfer of technology to the local private sector within the framework of DFI.

iii. Recommendations of the APR Panel

On this basis, the APR Panel wishes to recommend the following:

⁶³ The cash involved may come from corrupt practices.

- Strengthening of training programmes for judges in commercial and management law, and encouraging enterprises to use the intermediation services of the OPM for the amicable settlement of their disputes (government).
- Launching a campaign to make enterprises aware of their tax obligations, and supporting the anti-corruption campaign launched by the president of the republic (government, CCIB, Benin Private Investors Council [CIPB] and professional associations).
- Ensuring the adoption of clauses to stop all practices of corruption and unfair competition, and that these clauses are included in all procurement or partnership contracts (CCIB, CIPB and professional associations).
- Taking all necessary measures to ensure enforcement of court judgments and decisions relating to misappropriation of public funds and other economic malpractices committed by state employees in the central services, as well as in public and semipublic enterprises (government).
- Requiring government service organs and agents to pay penalties for the late settlement of suppliers' bills or delays caused by their corrupt practices (government).
- Encouraging the development of investigative journalism so that the media would be equipped to publish more credible information on cases of corruption and economic malpractice (government, media officials, CCIB and professional associations).
- Providing CENTIF with the necessary human and financial resources for its efficient functioning.

Objective 4: Ensure that enterprises treat all their partners in a fair and equitable manner

i. Summary of the CSAR

681. **Legal framework for corporate governance.** *OHADA.* The CSAR recalls that Benin is a member of OHADA and, as such, no act is necessary in order that the Uniform Acts may come into force. However, these Uniform Acts need to be published before they can become demurrable. Article 9 of the treaty establishing OHADA stipulates that this publication must be in the Official Journal of OHADA and in the official gazette of the member states. However, only its publication in the OHADA Journal can render it enforceable after 30 days. In this way, the fact that some countries do not have an official gazette would be of no consequence.

682. The Uniform Acts of OHADA published to date stipulate that only previous national provisions contrary to the Uniform Acts shall be repealed. Thus, OHADA shall not terminate these provisions even after the transitional period. However, it is probable that with time, the Common Court of Justice and Arbitration – whose decisions are applicable in the courts of member states – will mitigate the risk of distortion between countries. The latitude given to national courts to appraise what conforms to, or is at variance with, the Uniform Acts will likely create the risk of different judgments, thus favouring disputes.
683. *Arbitration.* The treaty establishing OHADA gives precedence to arbitration. As evidence of the importance of this method of settlement, arbitration was made an integral part of the treaty, enshrined in its preamble and in Articles 1 and 21-26, and recognised by the act as such. The treaty affirms the autonomy of the arbitration convention and accelerates the settlement of disputes. It also specifies the powers of the arbitrator. Likewise, it makes provision for the intervention of the judicial authority in the appointment of arbitrators where the need arises, as well as for the supervision of arbitral award.
684. **Shareholders' rights.** *Accountability of managers to shareholders.* In cases where their rights are violated, shareholders have two avenues of redress: either by arbitration, or through subpoena to appear in court. According to the CSAR, not only do shareholders of public and private enterprises have a relatively good knowledge of avenues of redress, but they can also access relevant information from enterprises on request. However, only public enterprises have mechanisms for recognising the interests of all players: employees, creditors, consumers, suppliers and local communities.

Table 5.4: Shareholders' rights in a company

Percentage of share capital (single or in a group)	Rights
At least 5% (1 billion), 3% (2 billion) or 0.5% (> 2 billion)	Inserting a draft resolution in the agenda of a general meeting
At least 10%	Convening a general meeting
At least 34%	Minority threshold in decisions of the general meeting
At least 51%	Simple majority
At least 67%	Control of meeting

Source: *The Entrepreneur's Orientation Handbook*, 2003

685. There is a desire to provide greater protection to shareholders and associates by ensuring wider information coverage and defining stricter communication and advertising rules than before.

686. **Rights of other stakeholders (local authorities, suppliers and clients).** *Local authorities. The act regulating the collective procedures for the settlement of liabilities.* This act addresses the problem of poor performance of businesses by providing solutions better tailored to the socioeconomic context. It puts an end to the disparities observed, prevents difficulties encountered by enterprises in settling their disputes amicably, gives priority to the protection of enterprises with unquestionable viability, and protects employment.
687. There is a tendency to emphasise the preventive component, with the introduction of minimal stock warning procedures implemented by auditors and a minority of shareholders. Similarly, there is a desire to protect creditors, who constitute the majority. Sanction is provided against managers through extending the procedures for the civil and professional forfeiture of directors, as well as imprisonment for debt and the introduction of the offence of organised bankruptcy.
688. **Creditors' rights. The act organising simplified recovery procedures and proceedings for enforcement.** The coming into force of this act reassured creditors and fostered the development of credit. As is the case with other matters, the law was obsolete in most member states. Its objective was to modernise the recovery procedures and proceedings for enforcement, to simplify the procedures, and to tailor them to the business realities in Africa. The Uniform Act institutes two new procedures, namely the delivery order, and the restitution order. Their effectiveness is guaranteed by new seizures: seizure by apprehension, and seizure under a prior claim. The novelty of the act with regard to the proceedings for enforcement lies in the attachment of real property. Hence, new seizures of goods have been instituted, namely that of associates' rights and securities, and the garnishment of debts.
689. Most informal sector enterprises lack mechanisms that cater for the interests of employees, creditors, consumers and suppliers.
690. According to the CSAR, there are very few enterprises that:
- have mechanisms to cater for the interests of their users;
 - address the complaints of national or local authorities; or
 - consult their clients on the quality of products or services offered.

ii. **Conclusions of the CRM**

691. **Legal framework for corporate governance: mediation.** The CRM met with the senior management of the OPM and believes that this institution could help find solutions to the problem of late payment of suppliers by the different bodies of the Beninese administration.
692. **Shareholders' rights: accountability of managers to shareholders.** The CRM was informed of a case where the rights of minority shareholders were ignored by the private sector. Minority shareholders do not often have the

opportunity to express their views on the fundamental problems of the enterprise. The major challenges confronting minority shareholders concern information, costs and delays in court actions, which may take three to four years before judgment is passed.

693. **Rights of other stakeholders (authorities, suppliers and clients)**

Suppliers' rights. Several enterprises survive on contracts for the supply of goods and services to the government. The regulations require that contracts worth more than 10 million CFA franc should be awarded through open competitive bidding. Stakeholders – notably enterprises – informed the CRM that the award of public contracts is often not transparent, indicating that government employees sometimes offered contracts and jobs to friends or parents without competitive bidding. Another challenge relating to transparency in management within the administration is linked to the poor dissemination of information and insider-dealing. The CRM feels that there is an urgent need to reform the procurement system in the public sector to ensure that there is fairness in the awarding of public contracts.

694. *Entrepreneurs* contacted by the CRM affirmed that the Beninese administration is characterised by considerable delays in payment for goods and services already supplied by the private sector. Money owed to the private sector by the state stands at about 55 billion CFA franc. In addition to delays in judicial procedures, there are problems relating to delays in debt recovery.

695. The CRM is of the opinion that the rapid payment of invoices owed by the state is a priority and must feature among the priority actions of the government. Ministries and government services ought to be encouraged to give priority to the payment of bills so as to encourage business promotion in the country. Penalties for the late payment of suppliers could be envisaged, as could a toll-free telephone number accessible to suppliers to enable them to lay charges against government employees who ask for bribes before paying bills. As a last resort, speedy judicial and reconciliation procedures should be established as a means of expediting the payment of suppliers.

696. **Partnerships within the sectors and sub-sectors.** As part of socio-professional groupings, some small handicraft enterprises have come together to form a network that shares operating costs and to seek common solutions to recurrent problems. They also plan to import raw materials or participate in trade fairs or product exhibitions. This move is encouraged by the state.

697. Similarly, and in a quest to diversify the economy, the government intends to develop project clusters with ripple effects. These clusters are justified by the low level of industrial processing which, in Benin, is generally limited to the primary processing of raw materials ('embryonic clusters'), with low value added. Six embryonic clusters have been identified: (i) cotton/textile; (ii) agro-food system, trade and international trade; (iii) public works, civil engineering and construction materials; (iv) tourism, handicraft and culture; (v) transport and logistics linked to international trade; and (vi) telecommunications and ICTs.

iii. Recommendations of the APR Panel

698. Based on the aforementioned, the APR Panel wishes to recommend the following:

- Introducing legal provisions that protect the rights of minority shareholders in public and private enterprises, as well as mechanisms to expedite court procedures (government and the CCIB).
- Encouraging the rapid judicial resolution of disputes related to the repayment of bank loans, in order to further reassure creditors (government and the CCIB).
- Consumer associations should negotiate with government to strengthen their legal and institutional framework for the defence of their interests.

Objective 5: Provide for the accountability of enterprises, and of their managers, directors and executives

i. Summary of the CSAR

699. **Compliance with production standards and dissemination of information by companies.** The CSAR indicates that public and semipublic companies and state-owned corporations are required to transmit to their boards of directors – which represents the decision-making body in the Ministry of Finance and Economy, the Technical Supervisory Ministry, and finance controllers – the following documents in keeping with Act 94-009 of 28 July 1994 and Act 88-005 of 26 April 1988 relating to:

- the minutes of board meetings;
- the recurrent and investment budgets, as well as their funding plans;
- financial statements and activity reports; and
- the report of the statutory audit of board accounts.

700. Corporate governance and strategic orientation

Contribution of boards of directors. The functioning of board of directors of private companies in Benin is governed by the Uniform Act of OHADA, which defines:

- the functions of the board of directors;

- the procedure for appointment and duration of the mandate of members of the board of directors; and
- the functioning of the board, in particular its convening notices, deliberations, reports, remuneration, responsibilities and sanctions.

701. Key points of this act include:

- Article 416, which provides that companies can be administered by a board of directors comprising of a minimum of three and a maximum of 12 members.
- Article 420: The managers shall be appointed for two years in accordance with the articles of association or by the constituent general assembly during its constitution and in the course of corporate life. Their term of office is fixed by the articles of association and may not exceed six years.
- Article 425: A director may not belong concurrently to more than five boards of directors of companies with headquarters in the same country (in the case of countries that are a signatory to the act).
- Article 464 and 479: A managing director or chairman of the board of directors may not serve for more than three consecutive terms as managing director or board chairman of companies with headquarters in the same country (in the case of countries that are a signatory to the act).
- Article 741: Shareholders holding less than 5% of the share capital may institute a case of social negligence against the executive directors. This action is time-barred after three years following the injurious act or its revelation. However, where the wrong is qualified as a crime, the action is time-barred after 10 years.

702. The organisation and functioning of public and semipublic companies are governed by Act 88-005 of 26 April 1988 in the Republic of Benin. This act defines the role of the board of directors; the appointment and mandates of state agencies and authorities; the functioning of the board of directors; the remuneration of members of the board; and penal sanctions. Articles 35 and 36 of this act provide that the general manager and the assistant general manager shall be appointed respectively by decree adopted at a Cabinet meeting and by order of the line ministry after approval by the board of directors of the state authority or corporation. The supervisory authority may waive this prescription to consult the board of directors.

703. While a manager cannot belong concurrently to more than three public or semipublic companies that have their headquarters in Benin, the criteria for his/her appointment are not laid down by the law or any special regulatory instrument.

704. **Efficient functioning of boards of directors of companies.** This situation stems very often from the way in which instruments are applied when

executing budgets of public companies and from compliance with the accounting system.

705. In the first case, the different phases prescribed for income and expenditure operations are not always respected. Consequently, some documents that are required to clearly show these phases do not exist (income item, un-established commitment files and nonexistent expenditure items). These were the unfortunate findings made by the Chamber of Accounts during the auditing of some public companies.
706. In the second case, the accounting system, which comprises several accounting methods, is not well applied. Most often, preference is given to the general accounting system to the detriment of other accounting methods (e.g. cost accounting and stores accounting). Consequently, it is impossible to evaluate some aspects of management due to a lack of data from cost accounting and other accounting documents required for assessing management.
707. Furthermore, as regards accountability, the executives and managers of private companies have much better access to relevant information than those of the public sector. On the other hand, in public companies, information on corporate bodies is more readily available and the accounting and auditing standards are more compliant with the laws in force.

ii. Conclusions of the CRM

708. **Compliance with production standards and dissemination of information by companies.** *Players and mechanisms that generate macro and microeconomic data.* As a general rule, there seems to be no information on and within Beninese companies. At the macroeconomic level, sectoral market studies and data are lacking – a situation that deprives companies of good knowledge of their environment and threatens the very survival of some of them. Similarly, BenInfo, the country's social and economic information system, is poorly utilised, hardly updated and of little use to companies. Public companies are also not exhaustively listed. Indeed, of the 61 companies or public organisations, only 21 are known in detail by the Ministry of Finance and Economy. Even then, the largest company in Benin does not even feature on this list.
709. Although information processing is one of its main functions, INSAE does not have updated information on the population and management characteristics of Beninese companies. According to the Benin governance report prepared by the ADB in 2005, difficulties stem from the lack of a statistics development plan and harmonisation of data production sources.
710. At the microeconomic level, apart from banks and other financial institutions that are equipped with a functioning internal audit service (as required by the regional banking commission and their majority shareholders), very few institutions in Benin have internal audit services. According to the people interviewed by the CRM, accounting or management software packages are

hard to find in Benin's public companies. Several executives of these public companies and organisations are reluctant to use computers, and it was when the younger crop of civil servants came into action that good use could be made of the information technology. Generally, even when this technology is available, the micro or macroeconomic and financial information is produced and disseminated very late, thereby reducing its usefulness for corporate governance.

711. *Informing the various partners.* Even though public companies are required to forward a certain amount of information to the minister in charge of economy, the control of such companies remains inadequate. In fact, the section of the Chamber of Accounts that is responsible for public companies and organisations has only three magistrates, though it is intended to cover all public companies and bodies of the different ministries.

712. **Corporate governance and strategic orientation.**

Accounting, auditing and the accounting process. In Benin, auditing becomes mandatory once a company meets two of the following three criteria:

- a capital of more than 10 million CFA franc;
- a turnover of more than 250 CFA franc million; and
- a staff strength of more than 50 persons.

713. Companies should automatically enlist the services of an auditor. For the other cases, enterprises in Benin should use the services of an in-house accountant.

714. According to some stakeholders interviewed by the CRM, the selection of a chartered accountant is still done informally by 'word of mouth' instead of through an open and public call for tenders. Competition in the auditing market is, therefore, skewed by personal relations and the auditors' social network. This situation is further compounded by the fact that the law does not yet provide for rotations of signatures or private audit firms. This situation might create a relationship of connivance between the managers and accountants, thus jeopardising the necessary independence of the latter.

715. While the work of auditors in the private sector company is free, the same does not apply to auditors of the public sector. For state-owned structures, chartered accountants are appointed for a period of six years, and the government has predetermined that remuneration should be based on the number of hours of work and the hourly rates fixed by the regulations. According to the president of the O.E.C.C.A-Bénin, this practice is probably linked to the period when auditing was done by tax or other agents who used it to supplement their salaries. However, this might impact negatively on the profession, as well as on the quality of expert valuations. Indeed, since it does not give the auditors the necessary time and means for their assignment, this constraint might lead to too many certification refusals or to a botched job, in which the auditor's input depends on the level of remuneration received rather than his/her actual responsibility.

716. Finally, the profession also suffers from unfair competition from some accounting middlemen, court experts and even tax agents who are capable of issuing testimonials accepted by tax authorities.
717. *The O.E.C.C.A-Bénin.* The recent creation (at the end of July 2006) of the O.E.C.C.A-Bénin aims at better organising of the profession and adding credibility to financial and corporate accounting. This is why companies are, henceforth, required to attach an audit engagement to their income tax return issued by a chartered accountant.
718. The O.E.C.C.A-Bénin is the first association in West Africa to have attempted to institute standards in line with international standards. With the approval of the Ministry of Finance, this new association strives to establish benchmarks and sensitise all concerned on the need to respect such standards, with the aim of producing reliable financial statements. After a period of near anarchy – during which anyone could act as accountant, or even a chartered accountant – Benin now has 42 qualified chartered accountants and 28 public accountants⁶⁴.
719. According to the president of the O.E.C.C.A-Bénin, if one compares the needs of the Beninese economy with the staff involved in the profession in neighbouring countries⁶⁵, this number is sufficient at present. There are also some 40 trainee accountants at present, and two or three years from now the staff of the profession would likely double.
720. With the creation of the O.E.C.C.A-Bénin and the adoption of new standards, it is now necessary to retrain some accountants and chartered accountants. Even though the training of chartered accountants is currently sponsored by the BCEAO, the training of Beninese accountants still involves the possibility of travelling to France to complete some of the modules. An attempt to institute a French certificate is also hampered by the need to travel to France for the oral examinations.
721. CENAFOC – which is a technical department of the Ministry of Finance – trains accountants and accounting clerks; prepares financial and administrative procedure manuals for public companies; and trains employees of these companies in management, accounting and finance. It is also responsible for the SYSCOA permanent secretariat and gives opinions on the budgets of some public companies (by auditing and helping them to comply with OHADA standards). The centre suffers from lack of staff and material resources.
722. Placed under the supervision of CENAFOC, two accredited management centres (CGA) monitor business accounting in the informal sector. The first CGA is responsible for traders and has almost 500 members. The second (which is much more recent) works with companies in the handicraft and agricultural sectors, and has about 20 member enterprises. Following admission to these centres, companies are given support in drawing up their financial statements and benefit from a 40% tax reduction. Even though it is

⁶⁴ Whereas about 800 claimed to be chartered accountants some time ago.

⁶⁵ 12 qualified chartered accountants in Togo; five in Niger; about 15 in Senegal; and less than 10 in Mali and Burkina Faso.

aimed at helping small and informal sector companies to structure themselves better, several factors have made it impossible to achieve the expected results, namely:

- Lack of confidence on the part of informal sector companies.
- The tax rebate is valid only for one financial year.
- Sensitising the informal sector companies was neither suitable nor adequate.
- The CGAs' resources are very limited (about four civil servants per CGA and no computer equipment).
- No office within the country (apart from the focal point, which is too isolated from Parakou).

723. *Power and responsibility of auditors.* Beninese chartered accountants also provide advisory services in management and, until the advent of OHADA (which assigned the responsibility to bailiffs), they could draft company articles of association. Chartered accountants are involved in this activity mainly because of the scarcity of business lawyers and the lack of taxation advisers in Benin.
724. Due to the shortage of control bodies, it is not uncommon for some companies to have several accounts and balance sheets. Indeed, the courts are supposed to provide the balance sheets of certified companies, but the lack of storage space is such that these documents are not properly archived and are, therefore, not available.
725. *Managers: establishment, training, motivations, careers, means of action and control.* Managers of public enterprises and semipublic companies do not have a limited term of office, and their salaries are fixed by the board of directors of the firm. According to several stakeholders contacted, the managers of these firms are often selected on the basis of nepotism (political, regional and tribal).
726. *Executive directors and board of directors: powers and responsibilities.* Appointed by decree, the executive directors of public enterprises do not have fixed terms of office determined in advance and, according to many stakeholders, are likely not to be strict and competent in company management. It would appear that what motivates these executive directors is mainly the board session allowance; hence the multiplicity of extraordinary board meetings of public enterprises.
727. *Penalising management actions.* Cases of economic malpractice, like misappropriation of public funds by managers of public and private enterprises, were cited in the CSAR and by several stakeholders. The CSAR indicates that OHADA has issued directives – for example Article 743, which should be applied by member countries in cases of negligence by board members – but that Benin has not yet promulgated the laws to apply such directives. Table 58 (page 154) of the thematic report clearly illustrates the

magnitude of misappropriation of public funds, forgery and the use of false documents by managers of companies – most of which are state-owned – such as the Joint Benin-Niger Railway and Transport Organisation (OCBN), the CNSS, the Cotonou Port Authority, and *Continental Banque Bénin*. The charge dockets of these misappropriation cases have been forwarded to the Court of First Instance or the legal department, but very little has been done in terms of following up on these cases or taking criminal action against these dishonest managers. However, the CRM learnt that the new leadership has started taking criminal action against some managers of state-owned companies accused of embezzling state funds.

iii. Recommendations of the APR Panel

728. In light of the aforementioned, the APR Panel would like to make the following recommendations:

- Defining the criteria for appointing board members and managers of public enterprises, making sure that recruitment and promotion are done through a call for nomination or competitive examination, as the case may be (government).
- Adopting regulations to ensure the effective functioning of the financial analysis centre for state-owned enterprises (government).
- Aligning the legal frameworks governing the functioning of state-owned enterprises and semipublic companies, as well as the legal regulations governing the social, cultural and scientific boards with the OHADA directives (government).
- Promulgating the two implementing laws of Article 743 of OHADA directives on cases of negligence against managers of public enterprises (government).
- Expanding the experience of the CGAs and expanding the scope of their intervention to enable them to provide effective support to micro and small enterprises in all areas of management (government).
- Improving the working conditions of examiners, auditors and chartered accountants in order to guarantee the independence and objectivity of judgments and the efficient conduct of their missions (government and the O.EC.C.A-Bénin).

CHAPTER SIX

6. SOCIOECONOMIC DEVELOPMENT

6.1 Introduction: the challenges for socioeconomic development

729. On the basis of a vision shared with the entire country, the new authorities have adopted a mission to transform Benin into an emerging nation by 2025. This ambition is reflected in their determination to create conditions that are conducive for accelerating economic growth and reducing poverty in the country significantly. The main challenges of socioeconomic development (SED) are listed below.
730. The control of all aspects of development through ownership of the entire SED process comprises the orientation, preparation, implementation, follow-up and evaluation of projects and programmes. The role-players in the process are:
- The state, which should normally have the technical, institutional and financial capacity to accomplish SED successfully. A country like Benin is evaluated according to its capacity to manage the basic features of its development programmes.
 - Development partners also have a major role, mainly in coordination. As long as the country continues to need developmental assistance, and given the number and diversity of the interventions made, another major challenge of SED concerns the control of the interventions and their efficient coordination in order to direct aid to the areas prioritised by the country.
731. Another important SED challenge concerns the participation of all the stakeholders. Generally, this is thought to be inadequate, particularly by the local actors who still do not feel involved in the development and implementation of projects concerning them.
732. Finalisation of the decentralisation process to ensure the efficient participation of local actors is another major challenge facing SED in the coming years. Today, issues relating to the transfer of skills, council financing mechanisms, capacity building in budget management for local authorities, the availability of adequate human resources in both quality and quantity, and the adoption of specific texts on the personnel of local councils are major concerns that the government needs to address urgently.
733. Improving the access of the population to basic services and protecting the environment are other challenges facing SED in Benin. These can be addressed mainly through improving access to drinking water and to clean,

hygienic conditions in rural, semi-urban and urban areas; improving the performance of the national health system; and improving access to quality basic education about environmental protection measures. In these areas the most pressing challenges to SED in Benin are:

- To reduce the high maternal and neonatal mortality rates in order to achieve the MDGs. Poverty is widespread. Therefore, access to health care is more of a problem in terms of economic affordability than because of geographical issues.
- To improve access to quality basic education in order to increase the primary school enrolment rate to 96% by 2008, and to improve the quality of basic education.

734. Employment is a major concern. Unfortunately, its profile is still not well known so that effective measures to assist youth and women – the main victims of unemployment – could not be taken. This phenomenon constitutes another challenge to SED in Benin.
735. The situation of women deserves particular attention, despite attempts to increase their participation in political life since the National Sovereign Conference of 1990. Restoring balance in this regard remains a major challenge for SED in Benin.
736. Environmental protection is threatened by the fact that firewood is still the most common source of energy, both in rural and urban areas. The use of new sources is hampered by cultural reluctance and economic constraints.
737. Reducing regional imbalances is another of the major challenges which have to be addressed in order to accelerate growth and reduce poverty. Regional disparities need to be considered so that greater territorial equity in the distribution of social and economic benefits can be assured. The environment also needs to be protected to guarantee the sustainability of natural resources.

6.2 Ratification and implementation of standards and codes

i. Summary of the CSAR

738. The CSAR affirms that Benin has subscribed to the following international conventions, although there is no proof and dates are not given:
- The Universal Declaration on Human Rights, of December 1948.
 - The African Charter on Human and People's Rights, of January 1986.
 - The United Nations Convention on the Rights of the Child, of August 1990.
 - The United Nations CEDAW, of March 1992.

- The African Charter on the Rights and Welfare of the Child, of June 1996.
 - The Millennium Declaration, adopted on 8 September 2000.
 - NEPAD, of May 2002.
 - The Convention on the Rights of the Child, adopted by the General Assembly of the United Nations on 20 November 1989.
 - Convention No. 138, of 19 June 1976, fixes the minimum employment age at 14 years.
 - Convention No. 182, on the banning of the worst forms of child labour and immediate action for their elimination.
 - The Optional Protocol to the Convention on the Rights of the Child, on the involvement of children in armed conflicts, signed on 22 February 2001. It was ratified by Law 2002/27 of 31 December 2002.
 - The African Charter on the Rights and Welfare of the Child, ratified on 20 January 1986.
 - The African Charter on the Rights and Welfare of the Child, adopted at the 26th Conference of Heads of State and Government of the OAU in Addis Ababa, Ethiopia, July 1990.
 - The Optional Protocol to the Convention on the Rights of the Child, on the Sale of Children, Child Prostitution and Child Pornography, signed on 22 February 2001. It was ratified by Law 2002/27 of 31 December.
739. In addition, according to the CSAR, the country has adhered to all African decisions and recommendations governing health. These are:
- The Dakar Declaration on the AIDS Epidemic in Africa (1992).
 - The Tunis Declaration on AIDS and the African Child (1994).
 - The Algiers Appeal for the intensification of AIDS control in Africa, adopted by the 2nd session of the Labour and Social Affairs Commission of the OAU (April 2000).
 - The Abuja Declaration on the ‘Rollback Malaria’ Initiative in Africa (April 2000).
 - The Ouagadougou Commitment for Actions for the Implementation of Decisions and Recommendations of Heads of State and Government of the OAU with a view to strengthening HIV/AIDS control in Africa (May 2000).

ii. Conclusions of the CRM

740. The CRM was satisfied that Benin has ratified all conventions and adhered to the codes and standards recommended by the CSAR. These include:

- The right to development enshrined in the African Charter on Human and People's Rights, including the Protocol to the African Charter on Human and People's Rights relative to Women's Rights in Africa – adopted by the 18th Conference of Heads of State and Government of the OAU on 18 June 1981 in Nairobi – was ratified by Benin on 20 January 1986. The CRM was delighted to note that, since 1990 (at the end of the National Sovereign Conference that brought together the bone and sinew of the nation), the African Charter on Human and People's Rights was appended to the Beninese constitution and adopted at the referendum of 2 December 1990. It is now an integral part of the constitution and Beninese law.
- The Protocol to the African Charter on Human and People's Rights relative to Women's Rights in Africa was ratified on 30 September 2005.
- The MDGs, 2000.
- The United Nations Declaration on the Right to Development, 1986.
- The African Charter on the Rights and Welfare of the Child, 1990.
- The Constitution of the African Union, adopted on 11 July 2000 in Lome, which came into force in 26 May 2001 and was ratified on 11 July 2001.
- The international CEDAW (Beijing Action Forum). Benin ratified the convention, and its optional protocol was ratified in December 2004.

741. However, none of these conventions were published in the Official Gazette of the Republic of Benin. This could constitute an obstacle to their implementation. In addition, the codes and standards were not disseminated to the people – who are supposed to be the beneficiaries – and only a few have been incorporated into national law.

iii. Recommendations of the APR Panel

742. The APR Panel makes the following recommendations:

- Publish all instruments ratified by Benin in the Official Gazette of the republic and keep a register of these publications (government).
- Harmonise Benin's laws with the ratified instruments which, in principle, take precedence over national laws (government and Parliament).
- Establish other mechanisms in order to take ownership of codes and norms ratified at the national level. These should include translating them into

national languages, organising outreach seminars and conferences, and publishing regular reports on the implementation of major standards and conventions (government and civil society).

6.3 Assessment of APR objectives

Objective 1: Promote self-reliant development and capacity building to guarantee self-reliant development

i. Summary of the CSAR

743. The CSAR tackles the problem of promoting self-reliant development and capacity building by reviewing and analysing a number of development programmes and projects implemented over the years. It proceeds to question the country's real capacity to finance them.

744. The major programmes reviewed include:

- The DEPOLIPO, adopted in May 1996 and reviewed in March 2006. The main goal of this national policy is to improve the living conditions and quality of life of the people.
- The Long-Term Perspective Study for Benin by 2025 (Alafia Bénin 2025). The vision of Benin emphasises social welfare and envisages the Benin of 2025 as being a leading country properly governed, a united and peaceful country with a prosperous and competitive economy, a country with cultural influence, and one characterised by social welfare.
- The GPRS (2007-2009), drawn up by the new government.
- The programming tools of the MTEF, Programme Budget and Town Development Plan.

745. A broad analysis of these documents shows that they complement each other logically.

746. Besides these strategy papers, the country has prepared sector papers. These focus on achieving the MDGs by 2015 in each of the major sectors: drinking water, education, health, agriculture, transport, communication, and others.

ii. Conclusions of the CRM

747. The challenge of promoting self-reliant SED in a country like Benin can be interpreted to mean building the capacity of stakeholders to play their roles and getting them to take ownership of these roles. This can be achieved

through setting a number of benchmarks. Guidelines should be defined for them in order to ensure that these different responsibilities are properly understood and adequately executed.

748. The CRM observed that several programmes and initiatives are under way or are being developed in the country. The different interviews could not reveal whether all the stakeholders, notably in the prefectures, were really aware of, or fully participating in, these initiatives. As far as programmes are concerned, the poor results noted in the implementation of activities are no doubt explained by poor ownership, especially at the grass-roots level. The personal commitment of decentralised authorities should no longer be limited to local elected representatives. It should be extended in order to ensure greater impact on the different segments of the population.
749. It is evident that Beninese actors have, to some extent, good capacities in developing and designing programmes. However, the same cannot be said about their implementation. In fact, citizens often mention the existence of a wide gap between the quality of policy, strategy and programme papers and their implementation in the field. This is particularly true with regard to the people's interests and their active participation.
750. The CRM observed that there is insufficient cooperation with civil society organisations and the private sector in formulating policies and implementing decisions and programmes in the area of SED.

Box 6.1: The promotion of self-reliance depends on a substantial reduction in external aid

The level of dependency of the country on external aid can be appreciated by comparing the proportion of external sources of funding with that of funds allocated for programmes and projects. It is true that, generally, we observe a strong influence of the TFPs in development programmes and policies. ODA is present to a large extent, and represents more than 60% of the funding for development programmes. Benin, which has for a long time benefited from the HIPC Initiative, is one of the LDCs of the C4 in the WTO cotton initiative framework. Add to these the commitments made at the subregional level (WAEMU, ECOWAS). All of these factors can, of course, threaten the country's ability to implement SED effectively on its own.

In a system marked by globalisation and interdependency, it is difficult for a poor country to be completely self-sufficient in the area of SED. Nevertheless, African heads of state believe that, within the framework of the APRM, countries should have control, leadership and ownership of their SED. This is compatible with accepting aid from development partners, especially with regard to financial, technical or technological support. To get the best out of this cooperation, the capacity to coordinate development activities effectively is a good indicator of the level to which the process has been mastered. In Benin, the existence of a ministry in charge of the coordination and evaluation of government action is a guarantee of success in the area of coordination.

751. Benin's level of self-sufficiency is, nevertheless, comparable to that of other countries of the subregion in similar economic situations. In fact, the ability of

a country to pilot and manage its SED is not measured only in terms of its political and financial control of the development process. It is also measured in terms of other parameters. These are: the institutional and technological capacity to develop, implement, monitor and evaluate SED programmes; ownership of the entire process by the state and by major groups of the nation; and a strong consensus around a vision and planning for a sustainable future. To that end, Benin is mobilising the necessary political and human resources to implement, in the coming years, the vision adopted after the new authorities came into power.

752. At the national level, the vision of the new authorities is expressed in the eight strategic guidelines, 37 options and 191 strategic goals contained in the 'emerging Benin' document. This is quite a difficult undertaking. The vision should be translated into medium-term strategic plans and development programmes. To realise this vision and build an emerging economy in Benin, it is important to embark immediately on good strategies that will help achieve the objectives by taking advantage of the many strengths of Benin. These are: its political will; its compliance with democratic principles; its respect for human rights; its commitment to the sociopolitical stability that will enable it to implement the vision; its under-exploited agricultural potential (only 1 million out of 4.8 million hectares of arable land are cultivated); its mining and tourism potential; its geographical position (it has 125 km of coast, a deep seaport, a common border of about 700 km with Nigeria – which represents a market of some 140 million potential consumers – and has borders with the landlocked countries of Niger and Burkina Faso); its youthful and dynamic population; its skilled local work force; and its membership of regional economic and monetary bodies.
753. To achieve its vision and to move towards self-reliance in SED, government has painted a scenario and decided to provide the means to realise it. To this end, the prerequisite is to increase the growth rate to a sustainable level of 8-9% per year, and even to reach double figures by 2011. These levels are much higher than the rates reached to date. They can only be reached if economic structures undergo profound transformation and new growth poles for the different sectors are developed.
754. A dynamic economy is the means of reaching the ultimate goal: the welfare of the people of Benin. That is why government's second objective is to reduce poverty by 2011 and to improve the quality of life. More specifically, this will entail reducing the incidence of poverty from 27% in 2005 to 19% in 2011, and subsequently to 15% in 2015.
755. One of the most important goals will be to ensure balanced and sustainable development of the nation through grass-roots development. The National Sovereign Conference of February 1990 focused on sustainable development. Since then there has been some awareness, at the national level, of the need to promote regional development and rational environmental management. Hence it entails ensuring, in the long term, a healthy living environment for all and maintaining a balance between people, ecosystems and development in a participatory and integrated approach. One of the targets of the MDGs is to

use the national space rationally and sustainably and to strengthen environmental awareness. Equity and efficiency are the ways of closing intra- and interregional gaps and to compensate for delays in acquiring equipment while taking into account the requirements of the competitiveness that stems from regionalisation and globalisation.

756. The CRM took note of the intention of the government to make Benin an emerging country. This also shows the will to pursue SED and to control all the necessary avenues, particularly investment, and to build the capacities of the actors to address these new demands. There are two concerns regarding whether these objective can be achieved: the quality of the human resources being trained, and the undiversified nature of the Beninese economy.
757. With regard to building technical capacity, the CRM observed that the country has several structures. They most visible include universities, specialised centres and institutes, on-the-job training and the activities of the TFPs. While there are many players, it has been observed that the required synergy to ensure real efficiency is not always there. In other words, there is an urgent need to coordinate the actors in capacity building so as to better channel their efforts within the SED priorities.
758. With regard to institutional capacity building, there are several programmes targeting public administration intended to modernise it. Parliament, the Supreme Court and the private sector will be developed in the coming years. Concerning Parliament, in particular, it was revealed during discussions that its inadequate capacity accounts to a large extent for its limited success in promulgating laws.

iii. Recommendations of the APR Panel

759. The APR Panel calls on development officials and stakeholders to consider the following measures:
1. Pursuing efforts already made to ensure that ownership of the SED process actually incorporates all sectors of the nation in addition to the state actors (government and local authorities).
 2. Promoting real ownership of the entire SED process at all levels, while ensuring coherence between the development actions initiated at the local level and those suggested by the TFPs, as well as monitoring and evaluation all these activities (government and TFPs).
 3. Strengthening the coordination of dispersed SED activities in order to achieve the synergy that could lead to the effective completion of the process (government).
 4. Reducing dependency on external aid by investing more in social development and by strengthening production capacity.

Objective 2: Accelerate socioeconomic development to achieve sustainable development and eradicate poverty

i. Summary of the CSAR

760. The CSAR looked at this issue from the perspective of the presentations and from observations made of the various programmes and projects initiated by public authorities in previous years.
761. The economic situation of Benin has, on the whole, experienced mixed development over the last five years. The actual economic growth rate was on average lower than that for the previous period, but remained higher than that of the population. The average rate of inflation, measured using the consumer price index, rose to 3.8%. The per capita income (US\$ 380) is still clearly lower than the sub-Saharan average, which stands at US\$ 500. At the current population growth rate, forecasts indicate that the population will reach 8.9 million inhabitants by 2015, while the urbanisation rate (27% in 1980 compared to 42% in 1999) suggests that more than 50% of the population will be living in urban areas. This will increase the pressure on already overstretched social structures and aggravate employment and environmental problems.
762. In the energy sector, like the water sector, considerable efforts are being made to electrify rural areas. Strategies implemented in the area of social protection have brought about considerable progress in the areas of child protection and in the fight against child trafficking. The reorganisation of the base of the health pyramid has brought health care closer to the population. This has been achieved by the creation of zone hospitals. These are first-reference hospitals and below them are peripheral health centres.
763. In all, more than a decade of adjustment in Benin has revealed that, notwithstanding the restoration of major macroeconomic balances and progress made at the social level, the phenomenon of poverty still persists and is assuming disturbing proportions, especially in rural areas. The evaluation of PRSP I revealed that “economic growth has been on the decline since 2002. The average rate stood at 4.8% before the PRSP and at 3.5% during the period 2003-2005”. According to the evaluation survey statistics, which represent popular opinion, the introduction of the GPRS did not contribute significantly to reducing income poverty.

ii. Conclusions of the CRM

764. Benin’s efforts to promote sustainable development, through accelerated growth and initiatives to eradicate poverty, have been made clear in a review by the CSAR and from information provided by officials in ministries, central services and nongovernmental stakeholders. They are strengthened by the

vision for 2025, a strategic development guideline (2006-2011), and the GPRS – and are supported by a short-term priority action programme for 2007-2009. Government should be congratulated and encouraged to persevere on this proactive path.

765. The authorities have recognised the magnitude of poverty, and attempts have been made to address it by accelerating growth. The most significant measure is the ‘emerging Benin’ scenario with its four specific objectives. These will enable the country to achieve an average economic growth of 7% each year throughout the period from 2007 to 2009.
766. These objectives are: to stabilise the macroeconomic framework, to revitalise the private sector, to diversify the economy, and to promote regional integration. Though laudable, these objectives do not shed sufficient light on the nature of the growth envisaged and on the specific mechanisms that will achieve it. In a country like Benin, special attention must be given to the ‘pro-poor’ element in this growth.
767. The CSAR gives some insight into measures to reduce poverty. However, meetings with stakeholders in the prefectures visited revealed that poverty is a basic concern, and that the prefectures still lack the information to understand the phenomenon completely, or to contribute to the search for viable solutions to eradicate (or at least mitigate) it through local initiatives.
768. The CSAR indicates that, after all, poverty remains endemic and is sometimes on the increase in vulnerable segments and in some geographical areas. Poverty is often felt through inadequate access to basic social services like education, health and drinking water, among others.

Box 6.2: Poverty in Benin

Nearly 28.5% of the population of Benin was poor in 2002 (compared to 29.6% in 1999/2000). Income poverty is more pronounced in rural areas (31.6%) than in urban areas (23.6%). Inequalities between the poor worsened between 1999 and 2002 because of the increase in abject poverty in urban areas. A World Bank study specified indicators “of consumption, income and assets” as basic welfare indicators (QIBB). Results obtained from surveys conducted in 2003, despite weaknesses observed in the collection of this data, show that the level of poverty is much more acute than expected. On the basis of the income poverty line derived from QIBB in 2003, 39% are poor while 22% of the population can be considered to be extremely poor. The human poverty index (IPH1) did, nevertheless, improve slightly (from 51.4% in 1999 to 48.9% in 2002). It reflects efforts made by the authorities to develop socio-community infrastructures. Human poverty affected 43.1% of the population in 2002. It affected 3.3 times more persons in rural areas than in urban areas. Rural areas account for nearly 84% of the national poverty index. Poverty affects young people to a greater extent, and the poverty index is more pronounced among women – who represent nearly 51.5% of the population.

With regard to the MDGs, the increase in the pattern of poverty incidence in Benin exceeds the levels envisaged in the MDGs. This means that poverty has not yet been reduced to the expected levels. The gap between the MDGs and development in Benin is still very wide when one considers the depth and severity of poverty. If this trend is maintained, it is very

likely that the objective of halving poverty by 2015 will not be achieved. With regard to non-income poverty, there was a downward shift in the IPH1 during the period under review (IPH1 declined from 51.4% in 1999 to 49.9% in 2001, and to 48.9% in 2002). However, compared to the MDG targets, it was observed that the IPH1 of 2002 fell short of the 3.79 points of the 45.1% expected. This is below MDG targets.

Table 6.1: Progress made in achieving the MDGs in Benin

Objective	Objectives and actions initiated to achieve them
1. Reducing poverty by 15% in 2005 and doubling per capita income by 2015	With regard to the overall objective of reducing poverty, the situation between 1999/2000 and 2002 does not indicate significant progress, although available statistics do not portray the actual level of income poverty in 2003. The incidence of income poverty remained virtually unchanged (from 29.3% in 1999/2000 to 28.5% in 2002). In addition, inequality among the poor at the national level worsened because of the marked increase in severity, especially in urban areas.
2. Ensuring universal primary schooling by 2015	The gross school enrolment rate climbed from 56.8% in 1990/1991 to 80% in 2004. Taking into account the targets for social expenditure, the objective of a 96% school enrolment rate by 2008 will be achieved.
3. Eliminating gender disparities in primary and secondary education	Only 14% of girls complete primary school in rural areas, compared to 39% of boys. This disparity suggests that the MDGs for the education sector will not be achieved. Gender discrepancies are widespread. Throughout Benin, the gross literacy rate for boys stood at 94.33% in 2001/02. The government action programme aims to increase the enrolment rate of girls from 78.1% to 80% in primary schools, and from 10% to 20% in secondary schools between 2001 and 2006.
4. Reducing by two-thirds the infant and child mortality rates by 2015	The infant mortality rate declined from 103.5 per 1,000 live births in 1996, to 94.8 per 1,000 live births in 2001, and to 91 per 1,000 live births in 2002 (GPHC3). The child mortality rate declined from 183.9 per 1,000 in 1996, to 162.7 per 1,000 in 2001, and to 146.4 per 1,000 in 2002 (GPHC3). Like most countries of the subregion, Benin has made efforts to reduce mortality among children. However, the gains made have largely been reversed because of HIV/AIDS infection.
5. Reducing by three-quarters the maternal mortality rate by 2015	According to statistics of the RGPH of 1992 and 2002, maternal mortality was estimated at 474.4 per 100,000 live births in 2002, compared to 498 per 100,000 live births in 1992. There is a difference between rural and urban areas. Rural areas have a higher rate (505.4 per 100,000 live births in 2002), but there has been some stability in both areas over the last 10 years. To reduce maternal mortality, Benin has started to improve the nutritional supervision of mothers, to develop emergency obstetrical neonatal care (EONC), basic obstetrical neonatal care (BONC), and information, education and communication (IEC) operations.

6. Controlling and reversing the trend of the spread of HIV/AIDS, malaria and other diseases by 2015	The prevalence of HIV/AIDS among pregnant women who consulted health personnel during prenatal visits has dwindled since 2001. From a prevalence rate of 0.3% in 1990, it increased progressively to a national level of 3.7% in 1997 and to 4.1% in 2001, before dropping to 1.9% in 2002. It is estimated that more than 200,000 persons currently live with HIV/AIDS. The 2002 figure was obtained after conducting a national survey with prenatal and sexually transmitted infection consultants. It was based on a more inclusive sample compared to that of 2001. Malaria is one of the major diseases in Benin. In 2002 it accounted for 37% of health care needs in health facilities. Fatalities due to malaria dropped from 316% in 1995 to 70% in 2002.
7. Increasing the proportion of persons using drinking water	With regard to drinking water, 2002 statistics reveal that 61% of the population had access to drinking water. Nearly 22% of this water is supplied by the defunct SBEE, while 15.5% is supplied through village pumps, 8.3% through protected wells and 5.7% through standpipes. On the other hand, 39% of the population remains vulnerable by resorting to non-drinkable water supply sources [unprotected wells (22.6%), rivers and backwaters (13.2%), water tanks and other sources (3.1%)]. The population's access rate to drinking water remained unchanged over the past years at 61.1%. This situation shows a shortfall of 9% compared to the target for 2003 (70.3%). At this rate, it seems unlikely that the target of 78% will be reached by 2015. This situation is explained by, among other things, the absence of a water resources management strategy until 2003. Moreover, reforms undertaken by the defunct SBEE, which led to the separation of the 'water' sector from the 'electricity' sector, will only start yielding results from 2005.
8. Creating a global partnership for development	The partnership has been established in various areas, particularly that of poverty reduction.

769. ***The problem of sustainable development was not thoroughly examined by the CSAR.*** The problems of environmental protection and employment, particularly youth employment, have not been sufficiently analysed. However, they are important and have been mentioned frequently by the different stakeholders at both central and departmental levels. Besides, they are essential components of sustainable development.
770. Given that firewood is virtually the only source of domestic energy (especially in rural areas), the consequences of its exploitation on deforestation and the degradation of ecosystems, as manifested through the gradual advance of the savannah, are very perceptible and preoccupy the people interviewed. The phenomenon of extreme poverty and social and cultural constraints hinder the people's access to alternative domestic sources of energy such as gas, renewable energies and solar energy.
771. This has led to the continuous degradation of forest and wildlife resources. Therefore, in order to counter the blow that such a loss of ecological diversity and environmental degradation could have on life, Benin has subscribed to

several international conventions and agreements in this field, joined its partners in the preservation of its ecosystems by declaring a forestry policy in 1994, and implemented important programmes and projects.

772. Besides these natural resources, major environmental problems affect the quality of the living environment and health. These problems include: the proliferation of slums in major towns, especially in Cotonou; increases in open dumps and poor hygiene; the depletion and pollution of surface water resources; air pollution in urban areas, which is exacerbated particularly by industries and by using imported second-hand vehicles withdrawn from circulation in Europe; trafficking in hazardous products (fuel, drugs, farm and veterinary); inadequate support counselling and environmental education; and the lack of tools for environmental protection for professional associations and agents in contact with the population.
773. Government is preoccupied with the scope of these problems. They intensify environmental degradation and have negative consequences for the welfare of the population and on lasting development. The National Environmental Management Programme (PNGE – *Programme National de Gestion de l'Environnement*), initiated in 2002 for a six-year period, is seen as a set of coherent activities. These activities have optional links between the environment and poverty reduction in that they implement the guidelines of the Rio Summit on Lasting Development effectively. The overall objective of the PNGE is to “contribute to lasting economic and social development of the populations of Benin through poverty reduction, promoting internalised participatory planning and local governance”.
774. A number of provisions have been envisaged to promote the implementation of a real environmental conservation policy. These include the greenness of the GPRS. This will promote concrete political measures aimed at incorporating the environment in related plans, programmes and projects in order to ensure its sustainability. Other measures under way or envisaged in the area of environmental protection include: building environmental management capacity at the grass roots; strengthening the system of incorporating the environment in sector policies and in the tax system; promoting the integrated management of natural resources, particularly water and forest resources; and promoting basic sanitation.
775. *With regard to the promotion of sustainable employment*, limited information has been provided by the CSAR, although stakeholders consider the problem of employment as being crucial throughout the country. The employment profile has not been developed clearly yet. Measures envisaged for the coming years include: promoting employment and income-generating activities; developing micro-finance; protecting vulnerable areas; fostering community development; promoting regional development centres; social protection; and the empowerment of women.
776. The major challenges to accelerating SED, in order to achieve sustainable development and eradicate poverty, include:

- The capacity to promote and maintain, for a long period, a policy of accelerated growth. This has the aims of: stabilising the growth rate at 7% and even striving towards attaining a two-digit growth figure in order to contain the effects of increased population growth, which stands at an average of 3.25% (as per GPHC 2002); and promoting a lasting development policy that incorporates all of the concepts relevant to the problem.
- Diversifying the sources of economic growth, which today hinge on cotton and trade. This should reduce the poverty level significantly through an inclusive and participatory approach, and should ensure the equitable distribution of growth spin-offs. The niches that are most likely to contribute to this diversification are the services sector, biodiversity and modern agriculture, with its promotion of high value added products like palm oil and rice in the Ouémé Valley. The ongoing experiences – notably those provided by the NGO Songhaï, which will be described in Objective 4 – do give hope for the future.
- The capacity, at the external level, to develop and maintain a dynamic partnership with all the TFPs and ensure the follow-up and efficient coordination of these actors.

iii. Recommendations of the APR Panel

777. Based on the analyses and emerging challenges, the APR Panel recommends the following measures:

1. Build economic growth on a structured and expanding basis in order to reduce poverty through massive investment and job creation. In this regard, special measures should be taken to ensure that this growth is ‘pro-poor’ by insisting on job creation in the appropriate areas and through the sectors likely to diversify growth. The aim of the measures should be eventually to support, or replace, the cotton sector. The sectors likely to diversify growth include renovated and diversified agriculture, industries to process raw materials, tourism and services. Similarly, there is a need to plan the establishment of efficient redistribution mechanisms (government and the private sector).
2. Progressively include the other components in the sustainable development process. These should include (especially) the promotion of human capital through capacity building, and by building ownership of the SED process through the effective participation of all people in the development and implementation of policies and programmes (government).
3. Preserve fragile and limited natural resources (water, soil, forests and biodiversity) to achieve sustainable development by preserving ecosystems and by improving the public health of citizens by managing waste, sanitation and atmospheric pollution better, especially in towns (government, civil society and the private sector).

Objective 3: Strengthen policies, distribution mechanisms and results in key areas: education, health and control of HIV/AIDS

i. Summary of the CSAR

778. The CSAR begins by presenting the political, legal and institutional measures taken by Benin to ensure sustainable SED in the social sectors. It shows that reforms – which government decided to implement gradually and which feature in the PRSP – are emphasised by principles specific to each sector. Compliance with policies and mechanisms no doubt had an impact on the social indicators. The real impact of policies and strategies is reflected in the substantial improvement of the conditions of access to, and use of, services. However, there are some problems related to improvement.
779. *In education*, several strategies have been adopted to promote education in general and that of girls in particular. These strategies guarantee harmonious development.
780. There was a significant improvement in the completion rate. It reached 49.1% in 2003 compared to 46.2% in 2002. It has made regular progress since 2000. However, the enrolment rate increased more rapidly for boys than it did for girls. Boys had a rate of 61.1% in 2003 compared to 52.3% in 2002, while girls had a rate of 36.1% in 2003 compared to 29.3% in 2002.
781. The gross enrolment rate was estimated to be 94.1% in 2003. This was a slight increase over the 2002 level (90.4%). There was an increase of nearly 11.3% between 2000 and 2003 as the gross enrolment rate moved from 82.8% in 2000 to 94.1% in 2003. The figure improves slowly for boys because it is already high (107.1% in 2003 as against 103.9% in 2002), while there is an appreciable increase of 4.3% for girls (80.5% in 2003 compared to 76.2% in 2002).
782. *Secondary education*, which lasts for seven years, consists of two cycles: the first cycle runs from Form 1 to Form 4 (four years), while the second cycle runs from Form 5 to Upper Sixth (three years). There are 283,560 students in general secondary education. The private sector has 41,620 students, or 14% of the total enrolment in the sector. The gender ratio is 0.47, meaning that there are 91,284 girls to 192,276 boys. The gross enrolment ratio in general secondary education stands at 28%, with 38.8% in the first cycle and 11.2% in the second cycle.
783. There were 61,766 students in higher education in 2002. The public sector had 32,348 students as against 29,418 in the private sector. The University of Abomey-Calavi has 30,107 students, translating to 93% of students in the public sector. The number of students per 100,000 of the population stood at

478 in 2002, as against 419 in 2001. This higher education rate remains relatively low. The gender ratio for higher education is 0.2; that is, two girls for eight boys.

784. *In the health sector*, several plans and programmes aimed at improving the socio-health conditions of the population have been implemented since independence. Between 1989 and 1993, the national health policy focused mainly on preventing disease and improving access to essential drugs.
785. Given the inadequate results achieved, the government decided, at the round table on the health sector organised in January 1995, to refocus its health policy and to align it to the decentralisation process already under way. Thereafter, from 1997 to 2001, the main objectives of the health policy were: to improve health coverage; to decentralise the health pyramid; to moralise and improve the management of the health sector; to improve the financing of the health sector; to improve care for the sick; and to improve the living conditions of mothers and children based on programmes aimed at promoting reproductive, maternal and child health.
786. With regard to the control of HIV/AIDS and other communicable diseases, particular emphasis has been laid on HIV/AIDS control because of its increasing magnitude. The prevalence rate was 2.2% in 2003 as against 1.9% in 2002. All recorded cases of AIDS since 1985 yield a ratio of 1.7 men for every woman (1.7:1) for all recorded cases. The most affected age group remains that of young adults (20 to 39 years). This represents 57% of all cases. Access to preventive health service is still low given that reproductive health programmes (like the distribution of male and female condoms, treatment of sexually transmitted infections, HIV/AIDS screening, sex education at school, and so on) do not really match the real needs of communities.
787. Benin officially opted for a strategy to facilitate access to antiretroviral drugs (ARVs) for all age groups in 2001. Tri-therapy truly began in February 2002, initially with 12 medication distribution sites and 900 patients. Prior to treatment, clinical and biological criteria were defined by age group. In December 2004, treatment with ARVs was declared free. However, access is far from being really free (National AIDS Control Council – NACC – 2005).

ii. **Conclusions of the CRM**

788. With regard to education, the CRM was pleased to note that education is being taken seriously by the authorities of Benin. They have made improving conditions in this sector an absolute priority. They must be commended and exhorted to persevere.
789. Aware of the need for an educational policy with a framework for greater coherence and integration between action plans in each of the sub-sectors of education, government has developed a 10-year development plan for education for the period 2006 to 2015. The entire plan is sustained by: a macro-finance framework which enables calculations based on mobilisable resources; policies which take into account quantitative and qualitative

dimensions; and alternative options for the quantitative and qualitative development of every teaching sector. Furthermore, the problems of education in Benin were discussed during the national forum on the education sector held between 12 and 16 February 2007 in Cotonou.

790. Aware of the challenges presented by gender disparities, the public authorities pledge to intensify the programmes targeted for girls' education. In education, as in health, the problem of economic accessibility remains the most constraining factor despite a series of recent measures aimed at abolishing school fees for primary education. This constitutes a far-reaching political measure that should be commended and emphasised.
791. At the institutional level, since the Cabinet reshuffle of 17 June 2007, education has been made the responsibility of three ministries: the Ministry of Primary Education and Teaching of National Languages, which is also in charge of nursery education (although this is not explicitly stated as the responsibility of the ministry); the Ministry of Secondary Education and Technical and Vocational Training (MESFTP), which is in charge of formal schools (technical and vocational training schools) and informal education (apprenticeships); and the Ministry of Higher Education and Scientific Research (MESRS), which is responsible for universities and all higher educational institutions (university technological institutes and schools offering the vocational training certificate and other vocational training courses).
792. With regard to performance in the different teaching sectors, the following could be deduced:
793. *Primary and secondary education.* An assessment of the gross enrolment rate shows that progress has been made at all levels of the educational system during the last two decades.

Table 6.2: Gross enrolment rate

	1980	1992	1999	2005
Primary	68%	71%	77%	94%
Secondary		12%	19%	41%

794. The quantitative improvement in the system is the result of progress – both in the public and the private sectors – at all levels of the system, from nursery to higher education. The progress recorded must not detract from the need to make more effort. Over and above the GSR {Taux Brut de Scolarisation}, an evaluation of effective schooling through success and drop out rates highlights the access that learners have to the different classes and cycles of the system. Indeed, of 100 children going to school, only 54 get to Form 6 and fewer than 10 get to the last year of high school. This shows low performance in the

system, which could be attributed to the quality of service provided. This, in turn, depends on the quality of the teachers and their working conditions.

795. The problem of teachers has often been mentioned in the capital city by the line ministries and in the districts by the stakeholders. It was concluded that there are insufficient teachers and their quality keeps dropping. The following table indicates the progress made in student/teacher ratios from 1992 to 2005.

Table 6.3: Trends in student/teacher ratios, 1992-2005

1992	1994	1996	1998	2000	2002	2004	2005
39.8	48.3	52.0	53.7	55.8	55.3	52	50

Source: Programming and Planning Department (DPP)-Ministry of Primary and Secondary Education (MEPS)

796. This downward trend in supervision (increases in the number of students per teacher) results mainly from the recruitment freeze in the public service due to structural adjustment measures. However, the needs in education are increasing. Despite hiring contract workers, this deficit stood at more than 8,000 teachers for government primary education at the beginning of the 2004-2005 school year. To fill these vacant positions, communities at the grass roots recruit community teachers for the primary schools, and these individuals are often not suitably qualified. For this reason there are three types of teachers in public primary schools: permanent civil servants, contract workers and community workers.
797. Based on the girl/boy ratio at the primary and secondary levels, available indicators show a ratio of 0.75 in 2004 for an MDG target of 1 by 2015. The same indicators show the proportion of girls completing primary school in rural areas to be 14% compared to the 39% for boys. This inequality hampers the achievement of the MDGs in the education sector. It could also lead to questions about the extent to which progress indicators could be compatible with the objectives set for Benin by 2025 when measuring the necessity for, and importance of, a large number of schooled and qualified women.

Box 6.3: Universal education as defined by the MDGs

These projections for 2015 show the distance that still remains to be covered in order to ensure universal education as defined by the MDGs; that is, to ensure that all children who go to school reach CM2 (Form 3). The situation is exacerbated by the fact that repeats are quite rampant in the system, and by the existence of many schools that do not offer sufficient classes, especially at the primary level (in 2002, nearly 40% of primary school children were registered in schools that do not offer six years of schooling). In addition, there are other serious problems linked to gender equity and geographical location. The proportions of pupils

who completed primary school by zone and gender in 2002 were as follows:

- 70% of boys who completed primary school were in urban areas.
- 39% of boys who completed primary school were in rural areas.
- 47% of girls who completed primary school were in urban areas.
- 14% of girls who completed primary school were in rural areas.

798. Overall, there are some areas, notably in terms of girls' education, which experienced a decline until the recent decree on free education. Free education, however, has not yet made a visible impact.
799. Problems in the first cycle of secondary education are rather the same. Inequalities are more obvious, especially between the sexes. The equality index at the national level for the two secondary cycles was only 0.47 in 2002 as against 0.42 in 1997. With regard to geographic disparities, the GSR stands at 12.65% in the Atacora and Donga districts, and at 29.89% in the Atlantic and Littoral districts. The national average is 21.3%.
800. At the level of *higher education and scientific research*, the CRM noticed that the number of students in public institutions rose from 9,964 to 34,415, and the number in private institutions from 751 to 7,782 between 1994 and 2005. This massive influx into state universities results from differences between the offer and supply of higher education. The exponential growth in the flow of secondary school leavers to universities is unmanageable in the long run and already poses a number of problems (an average of 6,000 holders of A-level certificates apply for admission to university per annum). At the level of higher education, a new phenomenon that has developed is the emergence, for some years now, of private establishments that are not easily accessible by the majority of holders of A-level certificates, and whose certificates are not recognised by the authorities in traditional universities.
801. Finally, it should be noted that there is little relationship between university education in general and the needs of the job market, or between research and the requirements of the economy. In this regard, the results of agricultural research are yet to be effective in a country that still imports its food products.
802. Two clear phenomena about equity emerge:
- The disparity between standard faculties, schools and institutions. Vocational training schools account for 20% of the total enrolments in universities, while standard universities account for the remaining 80%.
 - The gender-based disparities. The high growth rate in the student population is evidence of the disparity between the enrolments of girls and boys.

Table 6.4: Trends in the proportion of girls in public institutions of higher education

1997	1998	1999	2000	2001	2002	2003	2004	2005
18.9%	19.4%	20.5%	19.8%	22.2%	22,7%	19.1%	21.6%	22.7%

Source: Ten-year Development Plan of the Education Sector 2006-2015 (Oct 2006).

Box 6.4: Problems regarding the education and enrolment of girls

Stakeholders in nearly all departments said in interviews that people in both rural and urban areas are concerned about the problem of education. These concerns are mostly about access, especially economic access to education. The phenomenon of poverty is a real obstacle to universal access. Even though free education has just been decreed for primary schools (which in itself shows a very strong political will on the part of the authorities), the people feel that this measure concerns only school fees. The other recurrent expenses – such as the cost of school supplies, uniforms and food – are still generally too great for people, particularly those in rural areas.

With regard to girls' education, the reasons generally given for the problem are: socio-cultural traditions, which see the girl as just a helper in the household; problems of premature pressure on girls, which often results in early pregnancies and, therefore, abandoning education; and poverty, which leads parents to regard the education of boys as being more important than that of girls if there are many children in the family. Poverty was, therefore, the underlying cause of all the problems in the education system.

803. *With regard to health*, it should be noted that, in order to improve performance in the key social and health indicators, the authorities have developed and are implementing 24 programmes. They include reorganising the health pyramid into 36 health districts at the base. These comprise three groups of 12 health zones each. The objective is to ensure that systems are shared rationally and equitably, and that reproductive health is improved.
804. Implementing these programmes will probably improve performance in the indicators, particularly with regard to physical and economic access. These would contribute favourably to achieving the MDG of reducing infant, juvenile and maternal mortality by 2015.
805. Despite the existence of most of these programmes, the health care sector still has several shortcomings. These hamper its performance seriously. This is evident in the following main indicators:

Table 6.5: Some basic health indicators

INDICATORS	2002 estimates	2005 estimates
1. Gross birth rate	41.2%	39.2%
2. Gross mortality rate	12.3%	10.5%
3. Infant mortality rate	90%	65.6%
4. Juvenile mortality rate	146.4%	102.9%
5. Maternal mortality rate	474.4 deaths per 100,000 live births	485 deaths per 100,000 live births
6. Life expectancy at birth (years)	59.2	60
7. Life expectancy at birth for men (years)	57.2	57.7
8. Life expectancy at birth for women (years)	61.3	62.2
9. Average age of women giving birth (years)	30.3	...
10. Total fertility rate	5.53 children/women	5.31 children/women

Source: INSAE/DED/RCPH3, 2002 and 2005 Demographic Projections.

806. To complete this table, it could be added that the overall health facility coverage rate is 82%, but that there are high regional disparities. The percentages are only 50% in the Littoral, 67% in the Zou and 71% in the Collines areas. Similarly, 56% of the urban population had access to health services in 2001 against 11% of the rural population. Over and above these regional disparities, several district health centres do not yet comply with the required standards and do not possess adequate equipment. In addition, there is always a shortage of medical staff because of the high number of retirees not being replaced, as well as the absence of competent new personnel. Finally, the rate at which health facilities are being used is low (it was 34% in 2002). These factors all point to inappropriate services being offered and certainly also to economic obstacles (incidental expenses), which are dramatic in the context of the general poverty in the population. The high number of health facilities that need to be upgraded to required standards, the inadequate numbers of qualified staff (especially in rural areas), and the limited use of health services are the reasons for the low health coverage rate of the population.
807. This situation results in the high rates of maternal and infant mortality. These are 485 maternal deaths per 100,000 live births, and 89.1 per 1,000 live births respectively (Health Survey – EDS – 2001). If the present trend persists and, in the absence of well-targeted and enhanced measures, the MDGs for health

will not be achieved with regard to reducing infant mortality, improving maternal health, and fighting major diseases like malaria and HIV/AIDS.

Box 6.5: The promotion of reproductive health

In Benin, the government has formulated a Family Health Policy and a National Reproductive Health Programme (PNSR). Their main components are: women's health (gynaecological care and support, safe motherhood, reducing maternal mortality rate, and neonatal care); youth health (education on family life and responsible parenthood); the management of the reproductive health of adolescents and young people (including the prevention of risky behaviour, unwanted pregnancies, early motherhood and induced abortions); men's health (the promotion among men of the awareness about their responsibilities in reproductive health and of their adherence to the reproductive health programme); the management of sexual pathologies and sexual dysfunctions; and the fight against sterility and genital cancers.

In the area of women's health, the different strategies are aimed mainly at reducing maternal mortality.

In order to reduce maternal mortality, many steps have been taken by the government – on both the institutional and operational levels – in order to reduce the ratio of 498 deaths per 100,000 live births observed in 1996, to 200 deaths per 100,000 live births, which is the target for 2016. These steps include:

- Preparing the different documents used as a frame of reference for the implementation of policy programmes, norms, standards of services in family health, programmes and the IEC strategy in reproductive health.
- Improving and extending coverage in health infrastructures to ensure that women have better access to antenatal care and delivery services.
- Improving the quality of services by improving technical competence.
- Advocating the involvement of the politico-administrative authorities, parliamentarians, leaders and communities in order to resolve the health problems of the mother and the child.

808. *HIV/AIDS control.* The HIV epidemic is regularly monitored in Benin. At the national level, AIDS prevalence among women in prenatal consultations stood at 2.1% in 2005. This figure hides large disparities between districts. The HIV/AIDS infection rate continues to rise at an alarming rate in the population, despite sensitisation and social mobilisation campaigns. According to EDS II, the number of persons living with HIV and AIDS in 2005 was estimated at 71,950. This number seems to be underestimated because of the method of monitoring and insufficient voluntary screening. The authorities are implementing a combat strategy based on prevention and free treatment with ARVs. They also set up a specific budget item within each ministry for the fight against HIV/AIDS.

Box 6.6: The National Solidarity Fund

A helpful measure was the creation of the National Solidarity Fund with resources from debt alleviation under the HIPC Initiative to support and intensify the control of malaria and HIV/AIDS. However, the perception of the people interviewed is divided about its real effectiveness. Screening is not always discreet, despite the principle of medical confidentiality. Discrimination with regard to free access to ARVs is also practised in specialised centres. It is often said that the drugs are channelled elsewhere and prescribed to patients who can pay for them where control measures are not enforced.

809. Insecure living conditions related to poverty and a generally dirty environment continue to be the major causes of malaria and other communicable diseases. There has not been much real progress in these areas since 2005. Progress in eradicating these diseases requires improving hygiene and sanitation conditions. Combating diarrhoea, particularly in children between birth and age five, would reduce mortality in this age group.
810. *Vaccinations.* Children's health is an aspect to which the authorities of Benin pay special attention. This is obvious in the prevention and follow-up of infant mortality and in alleviating poverty. There has been intense vaccination activity under the EPI in the last 10 years. The rates given are only for the targeted population, particularly women of child-bearing age, pregnant women and children under the age of 1.
811. At the national level, the vaccination coverage of children younger than 11 months of the third dose of the diphtheria, tetanus, whooping cough and poliomyelitis vaccine was 105% in 2003. The average vaccination coverage all over the country against measles is about 97%. This is quite encouraging compared to other vaccinations. The Littoral district has the highest levels of coverage, and the Atacora the lowest.
812. The following table, drawn from the plan to introduce the pentavalent vaccine, gives the vaccination coverage for 2004-2009.

Table 6.6: Plan to introduce the pentavalent vaccine

Antigen	2004	2005	2006	2007	2008	2009
Antituberculosis vaccine (BCG)	100%	100%	100%	100%	100%	100%
Hepatitis (Hep3)	82%	n/a	n/a	n/a	n/a	n/a
Diphtheria, whooping cough and tetanus (DCT3)	89%	n/a	n/a	n/a	n/a	n/a
Pentavalent vaccine	n/a	85%	85%	90%	90%	93%

(DCT3/Hep3/Hib3 [meningitis])						
Anti-amaril vaccine (AAV)	90%	90%	91%	92%	93%	94%
Measles (VAR)	90%	90%	91%	92%	93%	94%
Tetanus toxoid (TT2+)	%	%	%	%	%	%

Source: MSP/DN PEV, April 2004.

813. The coverage rates are satisfactory when compared to those of other countries in the subregion. It must also be noted that Benin recently introduced new vaccines – like the Hep B vaccine, the anti-malarial vaccine, and AAV – in the EPI in August 2002. The disease burden associated with Hep B and yellow fever, as well as the need to prevent the diseases through routine vaccination, has been well known to the Ministry of Health in Benin for many years. However, because of financial constraints, the vaccines could only be introduced after assistance was obtained from the Global Alliance for Vaccines and Immunisation (GAVI).

iii. Recommendations of the APR Panel

814. The authorities of Benin must be congratulated and encouraged for initiating social policies in favour of the poor, although there is still a long way to go. In order to safeguard and consolidate achievements, the APR Panel recommends:
1. Intensifying the policy to support enrolment so as to provide equal educational opportunities and to fight against dropping out of school, particularly in areas where enrolment figures are not yet satisfactory (government, civil society and the private sector).
 2. Enhancing measures aimed at promoting longer-term studies, particularly for girls, by implementing a national policy and supporting a mechanism to favour the access and retention of girls in school (government, civil society and the private sector).
 3. Emphasising quality by improving the qualifications of teachers, establishing international standards, and improving working conditions in the education sector (government).
 4. Continuing to build social and health facilities, and further involving local councils, the private sector and traditional healers (government, civil society and the private sector).
 5. Continuing the fight against HIV/AIDS, especially by mobilising all segments of society to halt an increase in the prevalence rate, and even to eradicate the disease (government, civil society and the private sector).

6. Regularly sample opinion about the monitoring or evaluation of social programmes to ensure progress in terms of service (government).

Objective 4: Ensure affordable access for all citizens, especially the rural poor, to water, sanitation, energy, finance (including micro-finance), markets, ICT, housing and land

i. Summary of the CSAR

815. The CSAR shows that Benin has laws and institutions that provide water, sanitation, energy, finance, ICT and land, and that efforts are being made in each of these sectors. However, policies and strategies have been adopted whose impact on the population cannot be easily assessed.
816. *Water* is the key factor in all development policies and strategies. Thus, governance in this domain is seen in the adoption of suitable legislation to ensure the equitable and legal use of resources, especially when they are shared between several parties. The integrated management of water resources is the new approach being used in the sector.
817. According to recent statistics, the national average drinking water supply to rural areas was 42% in 2003. Enormous disparities are observed from one district to another. The Atacora, Borgou and Alibori districts are found to be above the national average (61%, 50% and 47% respectively), while Ouémé and Plateau have levels below the national average (31% and 32% respectively). The other districts are very close to the national average.
818. In 2003, Benin had 10,150 water points of all categories. This equates, on average, to one functioning well for every 152 inhabitants in rural areas. Water points function at 90.6%. This means that about 10 out of every 100 pumps are out of order. In 2003, less than one-third of households (31.3%) had access to drinking water from SONEB.
819. *In sanitation*, the problems mainly concern drainage of rainwater in urban areas, and channelling used water in both urban and rural areas. This is also a major threat to the environment. More than 81% of households throw their waste into the open, and 67.3% relieve themselves in the same manner.
820. *The energy sector* should be controlled to ensure the economic development and welfare of the population in Benin. Though Benin has enormous potential, energy is rare. The field survey conducted for the CSAR shows that the most widely used source of lighting is kerosene (79.5%), while wood (80.3%) and charcoal (13.4%) remain the most widespread means of cooking. The population experiences many difficulties getting access to electricity, which remains the most convenient source of energy. Only 14.8% of persons interviewed found electricity very accessible to the population, whereas more

than one-third (34.4%) found electricity less accessible, and 42.2% thought that electricity is inaccessible. Using these facts, government has developed a strategic framework for the energy sector and a national policy for rural electrification.

821. ***With regard to micro-finance***, the CSAR revealed that access to conventional bank loans marginalised many small-scale entrepreneurs. Today, many initiatives are observed in the area of savings and credit. Commonly called MFIs or decentralised funding systems, these initiatives bring multiple and variable responses to the funding problems of micro and small enterprises.
822. Hence, besides commercial banks and financial institutions, there are many savings and credit unions and cooperatives; direct credit initiatives promoted by non-profit associations; private institutions; and NGO credit systems. In addition, there are government initiatives; financial actors operating in the informal sector, commonly called mobile bankers; and groups of alternate savings and credit associations.
823. In 2000, MFIs formed a network called the National Association for Micro Finance Practitioners of Benin – otherwise known as the ALAFIA consortium. In Benin, 15% of the labour force has access to the financial services offered by the MFIs, compared to only 3% who have access to traditional banks.
824. ***Access to markets***, particularly for farmers in rural areas, was treated only in passing by the CSAR. The agricultural sector itself experiences a lot of difficulty because of the high dependence on climate and low diversification. Cotton production is the dominant export commodity, with all the consequences of the changing nature of markets. Furthermore, the obsolete transport infrastructure, particularly rural roads, makes it difficult to transport agricultural products to intermediate and even urban markets.
825. The CSAR shows that the ***communication and ICT sector*** is very large indeed. It includes telephone, posts, ICT and media services. In the context of globalisation, this sector is vitally important for SED in Benin, and government pays attention to it. Apart from the results given for the opinions sampled during the process, the CSAR does not provide specific information on the number and state of land and mobile phone lines available, or of internet connectivity in the country.
826. With regard to national communication and ICT policies and strategies, government has prepared a national strategy document for ICT development. Until recently, four major actors shared the Global System for Mobile communications (GSM) landscape: Libercom, Telecel (which became Moov), Areebba, and Bell Benin Communication (BBcom). The sector is dominated by private service providers. This includes community cybercafés operating in the major coastal towns or in some inland cities like Parakou.
827. Compliance with standards in the communications and ICT sector in Benin is not easy to determine, as the sector still lacks regulatory provisions in such

strategic areas like publicity, communication bodies and the suitable installation of private booths.

828. *Access to arable land* is complex and complicated. This results in land disputes, which are quite frequent in both urban and rural areas. The CRM could not get a global picture of the overall situation in rural areas.
829. *With regard to urban housing*, people often settle without authorisation and erect structures that do not comply with legal standards and regulations. This makes control of urbanisation and town planning difficult. Plots are managed very poorly. Court cases or referrals to traditional authorities often result. However, Benin complies with international laws on the organisation of the housing sector and (though to a lesser extent) on the land sector.

ii. Conclusions of the CRM

830. The CRM appreciates the efforts of the Benin government to ensure affordable access, by the poor in rural areas, to essential services like drinking water, sanitation, electricity, arable land, housing and micro-finance. Although this is encouraging, it must not hide the difficulties that persist in this sector. These are likely to slow down progress if a number of pertinent provisions are not made.
831. *With regard to drinking water in rural areas*, the implementation of the sanitation and development strategy of the water and sanitation sector in rural areas (PADEAR), during the last decade, led to significant progress in this area. However, recent statistics show that about two-thirds of the rural population in Benin do not have access to drinking water. Obstacles to the development of the sector are:
- Insufficient annual construction of water points compared to the average of 1,350 required to attain the MDG.
 - Persistent long delays in mobilising the financial participation of communities because of the prevailing poverty in those zones.
 - Insufficient national capacity in financial and human resources.
 - The large number of authorities for managing water resources.
832. Government is optimistic about achieving the MDGs in this sector. Indeed, it doubled its capacity to create water points between 2002 and 2006. Improved budgetary planning and execution, as well as the significant assistance of several donors, have created this drive to boost and sustain performance in the sector. Similarly, government intends to pursue its efforts by improving:
- Access of the rural population to drinking water.
 - The management of water points.

- The management of water resources.
 - The supply of water and sanitation services to urban and peri-urban areas.
833. To ensure better and efficient management of the sector, the 2006-2008 budgetary programme for the Ministry of Mines, Energy and Water emphasises:
- building new structures and rehabilitating water points;
 - replenishing the stock of manual water pumps; and
 - providing logistic support to the decentralisation of the services of the Ministry of Mines, Energy and Water.
834. Government adopted an action plan to make the management of the water supply system professional and to develop the local private/public partnership in its management. This plan included a programme of activities and a detailed calendar. It intends to build the capacities of actors in the expenditure execution chain of the sector to control the procedures for budget execution, and to improve the performance of the sector. In this respect, government commits itself to:
- Guarantee the availability of good quality water in acceptable quantities to satisfy all users within the framework of the integrated management of resources.
 - Reduce costs for the state and the population by enhancing the efficiency and capacities of the different actors.
 - Contribute to actions linked to the water and other sectors.
 - Improve the rate of rural water supply from 41% in 2005 to 46.3% in 2007.
835. *With regard to sanitation*, progress has been made in terms of support activities to all the sanitation sectors. However, sectoral studies have highlighted some problems regarding rapid urbanisation. They are: hazardous urbanisation; poor town management because of the absence of community management capacity and the necessary financial resources to meet the increasing need for services adequately; insufficient sanitation facilities for rainwater; and used water and solid waste disposal.
836. Within this framework, government proposes, through urban management, to:
- Develop urban planning documents like urban master plans and urban planning charts.
 - Construct and maintain urban roads in the major and secondary cities of Benin.

- Secure plots and houses.
- Identify and develop sites for low-cost housing.
- Promote real estate initiatives to increase the supply of decent housing.
- Invest in sanitary infrastructure in towns and rural areas.

837. *With regard to energy*, the CRM noted that the country is presently experiencing a major crisis. This is shown in the numerous power outages in cities, particularly in the capital city, Cotonou. The existence of important projects to electrify secondary towns and rural areas was pointed out to the CRM. Furthermore, connection to the Nigerian network will be improved in the near future. This will definitely reduce the present problems. In addition to this crisis, the lack of diversity in energy sources is still the most important handicap for the country.

838. *The micro-finance sector* has expanded significantly countrywide in the last decade, notably in the disadvantaged regions where few banks exist. This sector is increasingly in demand by some SMEs. Communication and visibility about the possibilities for the sub-sector have been remarkably improved with the regular publication of micro-credit products in Benin. However, it was reported by the CRM that 2004 was a difficult year for the sector because of difficulties in the cotton sector, to which a large number of clients belong. The number of clients at micro-credit institutions in Benin increased by 75% to reach 500,000 persons. Benin has the greatest number of MFIs in WAEMU. The Federation of Agricultural Credit and Savings Funds (which converts savings to credits) and the institutions for direct credit (which are funded on the financial markets by authorities and donors) make up the two networks in the sector. With an interest rate of 2% per month, the cost of micro-finance remains expensive in the opinion of many people. Some sectors, like the cottage industry, do not benefit substantially from loans granted. Agriculture and trade remain a priority.

Good practice 6.1: The presidential programme in micro-finance

The president of the Republic of Benin, Dr Boni Yayi, launched a micro-credit programme to assist the poorest population groups (called MCPP) on 27 February 2007. At a cost of 6 billion CFA franc, this three-phased programme is intended to make the poorest population groups, especially women, economically active. The beneficiaries – organised into groups of three to five, or of five to 15 – will receive, during the first phase of this programme, 30,000 CFA franc at an annual interest of 2% and a rebate of 3% in the form of a contribution. The programme is being implemented nationwide with the support of six MFIs. It still enjoys the support of several development partners, including the BOAD. The bank signed a funding agreement of 1.5 billion CFA franc to support the initiative in October 2007.

839. Despite many opinions on the quality and real services rendered by micro-finance, the CRM believes that micro-finance enables poor women (in particular) to start a small income-generating activity (micro-enterprise). The number of actors in the sector may create confusion in the minds of beneficiaries, who still find it difficult to understand the various modes of intervention.
840. One of the major drawbacks to *market access* is the lack of communication in rural areas. This includes nonexistent roads or their extremely poor condition. The CRM's survey enabled it to learn about ambitious programmes for rural transport. The objective is to improve transportation with a view to increasing the access of rural communities to basic social services, markets and production areas. The strategy note on rural transport (NSTR), adopted on 22 March 2006, is the basis of the rural transport programme. Thus, the sector has a multi-year investment and maintenance programme for rural roads, and an institutional framework for the implementation of this strategy. The government intends to improve the management of the rural road sub-sector in 2007. Therefore, it updated the institutional framework for the management of rural roads, and drafted and adopted new regulations for these roads. It undertakes to develop and maintain roads for rural transport by giving priority to the following projects:
- To develop the Bassila-Manigri-Wari Maro road.
 - To eliminate dangerous sections on rural roads in Atacora, Donga, Borgou, Alibori, Mono, Atlantique and Ouémé.
 - To develop 250 km of rural roads.
 - To rehabilitate 720 km of community roads in the Zou, Collines, Plateau and Couffo areas.
841. These areas were chosen on the basis of accessibility to health centres, schools, agricultural produce and markets. In the same vein, an emergency programme to maintain roads and tracks under the cotton marketing campaigns has been developed, and studies for building road infrastructure will be conducted during the year.
842. *ICTs* are not yet well organised in the country. At the rural level, cyber community programmes – which were intended to contribute to the popularisation of ICTs – ended up failing because sustainability was not ensured and the material found itself in unauthorised hands. This phenomenon was particularly serious in Parakou. It is not easy to understand compliance standards in communication in Benin. Until recently, and with the mobile telephone operators' crisis, the struggle was limited to the actions of consumer associations. They continue to denounce the exorbitant GSM call rates.
843. *Access to farmland* is an important concern nationwide. The CRM observed that problems vary according to whether they occur in the northern or southern zones. According to tradition, which still predominates, land remains the

property of the community. Access to land is (generally) through succession to male members of the family. Girls have no right to inherit because, it is thought, they will become members of another family where they can exercise their rights through their children. The access of women to land is particularly difficult for social reasons.

844. The rural land system is so complex that it was not easy for the CRM to find documents that give adequate information on the situation. The absence of information is the cause of disputes in the country's land tenure system. It is generally agreed today that the poor performance of Benin's agriculture (agricultural extension, introduction of new varieties, and so on) is partly due to the land issue.
845. The structural problems facing the agricultural sector could be resolved by popularising and disseminating, on a large scale, the account of an alternative way of development, pioneered by an NGO in the outskirts of Porto-Novo, in Savalou and Parakou: the Songhaï project.

Good practice 6.2: Songhaï, an alternative manner of development

Refusing to import poverty and export wealth, dipping into the deep moral resources of the African and putting into practice God's mathematics – which compels man to develop resources entrusted to him in order to survive and prosper on earth – are the principles that guide the actions of Songhaï, a development NGO in Benin.

The Songhaï Centre, created in 1985, aims at improving the standard of living of the people of Africa. Its objective is to ensure the organisation of networks of excellence, competitiveness and growth for the balanced economic development of territories. It promotes the use of local resources and both traditional and modern methods. It encourages rigorous management. It encourages people to assume responsibilities, to take initiative through consultation, and to listen to all others in order to create viable agricultural projects. To implement this mission, Songhaï offers a multidimensional centre for training, production, research and sustainable agricultural development.

To attain its objectives, Songhaï channels and articulates its energies on a daily basis around two main objectives:

- Developing technical and entrepreneurial skills in local communities in general, and in the youth in particular.
- Establishing an appropriate organisational structure for developing profitable economic activities. It strengthens the capacities of the people by creating space to popularise the entrepreneurial culture so that it can act as a catalyst for their economic initiatives.

Songhaï is an organisation promoting a project for a sustainable future based on a systematic concept. It articulates the 'social-economic-spiritual' approach to ensure the development of the technical and organisational capacities of the people, so that they can cater for themselves through agricultural entrepreneurship. The logic used is one of integrating the development of industry and trade. It focuses on the development of resources available locally while, at the same time, showing a spirit of openness and exercising careful selection of outside resources.

As a project for sustainable development, Songhaï is multidimensional (with environmental,

human, organisational, technical/informational and financial components). These are five indispensable assets for achieving sustainable economic growth. At the environmental, technical and human level, its model of agrobiological production systems and functional training in entrepreneurship constitutes its originality. The model is inspirational. It popularises the culture of success in an Africa rich in creativity but where, unfortunately, success has become an exception to the rule. The obvious ambition of Songhaï is to be an incubator for networks of excellence, competitiveness and sustainable growth.

Songhaï works to change mentalities and to see a new breed of development entrepreneurs emerge. This is achieved by promoting SED mechanisms which have, as ultimate goals, the creation of a reservoir of human resources capable of taking charge of, and leading, lives.

846. ***Housing and urban land tenure*** are major issues in daily life and a great factor in SED. The country has considerable legal and institutional instruments on rural and urban land. However, it should be noted that there are great disparities in this area. The numerous problems encountered at this level – such as the lack of respect for legal instruments by citizens, and the effects of land speculation – constitute bottlenecks. These hinder the activities of authorities at the central and local level with the advent of decentralisation.
847. In conclusion, this analysis of Benin (with regard to SED governance) shows that, despite the significant progress made in some sectors, there are still several aspects that require more effort to promote social welfare. The CRM noted that the weaknesses in rural development and in land access policies can only be corrected within the framework of a set of measures likely to redraw the economic geography of Benin through a good territorial development policy. This will gradually reduce the regional disparities that create inter-community tensions.

iii. **Recommendations of the APR Panel**

848. In order to improve access to basic services, the APR Panel makes the following recommendations:
1. Take quick measures to ensure the establishment of mechanisms to mobilise the contributions of the population to the projects for installing water supply points. At the same time, strengthen the internal management capacities of councils by putting at their disposal adequate tools for more rapid and effective transfers of skills in the construction and management of water projects (government).
 2. Grant greater importance to the basic hygiene and sanitation sector within the Ministry of Health by developing preventative and organisational services (government and regional councils).
 3. Pursue a strong policy to diversify energy sources by making use of new energies like biomass and solar energy. At the same time, facilitate their access to citizens at all levels (government, private sector and development NGOs).

4. Simplify the administrative formalities for water point and electricity requests in peri-urban and urban areas. At the same time, reduce the costs of these services so as to take the widespread poverty into account (government).
5. Review land laws and set up a specialised institution to facilitate and ensure justice, transparency and equity in access to land in both rural and urban areas. At the same time, curb dualism with respect to land issues in order to attract investors through a participative and consensual approach (government).
6. Ensure that the implementation of all development programmes and projects is compatible with the decentralisation policy, which itself must be effectively implemented (government and local authorities).

Objective 5: Indicate progress made with respect to gender equality in all crucial areas, including girls' education at all levels

i. Summary of the CSAR

849. The CSAR stressed that Benin has a legal framework to guarantee fundamental human rights. This legal framework consists of national instruments and international conventions specifically directed at women and girls. These have been ratified.
850. In the area of education, besides national instruments and international conventions, papers resulting from meetings such as the 1991 General Conference on Education defined specific strategic development orientations for the promotion of girls' education. Indeed, it was specified that *"The school must also educate a large number of girls; this will ultimately reduce the present disparity. Especially, it will create the best conditions for the protection of the mother and the child through good food and a more effective training of the child. The education of the young girl will guarantee her development and consolidate her economic independence; finally, the family unit could be better preserved"*.
851. Within the framework of the 'education for all' strategies, Benin has taken a number of actions. These include: establishing a training system for underprivileged girls; creating environments favourable for the education of girls; reducing school fees for girls in the first cycle of secondary general education; creating centres for girls; introducing incentives for registering girls in scientific and technical training programmes; supporting the best practical training of girls; adopting a law that protects girls in schools and training centres; popularising legal instruments for the protection of girls in schools and training centres; and continuing to popularise the Convention on the Rights of the Child.

852. The CSAR also emphasises that concrete actions were taken to establish a more equitable environment. These included formulating the PNPf, which is supported by a multi-sectoral action plan. Its goal is to contribute to reducing (in the short term) and eradicating (in the long term) the disparities between men and women in all areas of activity. However, the CSAR did not mention the current changes and trends in school attendance, education, access to health care, or the employment of girls.
853. Another positive aspect highlighted by the CSAR is the existence of a ministry in charge of women's empowerment in all governments of the democratic era. However, the report observed that, even if there are increasingly more women on national decision-making bodies, their number in leadership positions is still low. Very few communes are headed by women, and Benin is still far from achieving parity in government and the National Assembly. This situation is revealed in the survey conducted in the field by the self-assessment team.
854. According to this survey, 63% of those interviewed think that the representation of women on decision-making bodies of schools is poor. Similarly, 71% think that women are poorly represented on water management projects. This is surprising given the fact that in Benin, like in most African countries, the fetching of water in households is a duty given mainly to women.
855. In contrast, the CSAR states that, according to more than half of those interviewed, women are well represented on the decision-making bodies of health centres. Women's representation is more visible on maternity and vaccination management bodies. The report attributes this to the traditional role women play in the family circle, and also to the efficient organisation of health centre management committees (CoGeCS).
856. This is also true of women's representation on micro-credit management structures. Half of those interviewed indicate that women are present. In addition, 49% of those interviewed said that women are well represented in the management of markets. This is not surprising, and can be explained by the key role played by women in the organisation and leadership of markets in Benin.

ii. Conclusions of the CRM

857. Women represent close to 52% of the Beninese population (51.5% according to the last census in 2002). Their contribution to the development of the country is important and is acknowledged by all. However, sociological, cultural and other factors continue to relegate them to a secondary position. This has been discussed extensively in Chapter Three of this report.
858. Nevertheless, the constitution of 11 December 1990, which replaced the fundamental law after the National Sovereign Conference, provided a frame of reference for the protection of women against all forms of discrimination. In Article 26, it generally affirms the principle of equality between men and

women, and the protection of the mother and child by the state. It proclaims gender equality among Beninese nationals in Article 6. For this reason, it is generally agreed that the promulgation of this constitution marked significant progress in the promotion of women in Benin.

859. Benin has established a large institutional framework for promoting gender equality. This has been reported in Chapter Three of this report. In addition to this large framework, there is a network of focal points on gender. These were established at different levels in the line ministries, in NGOs, and in associations (two focal points per structure). They have as a general mission to ensure at each level that the principles of equality and gender equity are considered when promoting sustainable development and equity in Benin. However, the activities of this network are hampered by limited human and financial capacity, and by the absence of effective links with the planning structures in ministries.
860. Dynamic NGOs have contributed to the improvement in the participation of women in social life, and to advocacy for a more dignified place in terms of work, power and visibility for the Beninese woman since the National Sovereign Conference. However, they also need capacity building, especially in the area of institutional organisation and advocacy.

Box 6.7: Functions of gender focal points

The mission of the gender focal points entails:

- Providing (together with INSAE) the MFE with information and social and statistical data to help identify the major areas of action that must be taken into consideration to ensure gender equality and equity.
- Facilitating the implementation of the action plan of the PNPf in the specific focal point area.
- Supporting the MFE in the design of programmes and projects relating to the focal point.
- Helping to establish institutional mechanisms to coordinate actions in the area of gender, population and development between the MFPSS and its ministry.
- Supporting the MFE in the dissemination of the PNPf action plan.
- Ensuring, in collaboration with the MFE, the consideration of gender within the programming and planning units of the focal point.
- Participating, as experts on gender issues, in the training that will be organised by the MFE for other development actors.
- Jointly carrying out, in collaboration with the MFE, sensitisation sessions on gender equity and gender equality for sustainable and equitable development in Benin.
- Regularly providing the MFE with surveys and information relating to gender.

861. The vision of the role of women in general, their place in the economy and in society, as well as the follow-up to the Beijing Action Forum, prompted the government of Benin to formulate national policies and strategies focused mainly on women. These led to the approval of the Individual and Family Code in 2004.
862. The policies include: (i) the 1996 Population Policy Declaration; (ii) the 2001 policy on women empowerment in the agricultural and rural sector; (iii) the PNPf of 2002; (iv) the 2003 activity programme of the African Centre for Gender and Development (ACGD); and (v) the creation of a family, women and children observatory (Decree 2005-514 of 14 August 2005) under the MFE, which has the task of producing and disseminating data and information disaggregated by gender.
863. *Equal opportunities in access to resources and services.* Benin ratified the International Pact on Socioeconomic and Cultural Rights, of 16 December 1966, on 12 March 1992. Therefore, it pledged to grant the same rights to men and women by ensuring (in particular) that women enjoy their right to employment, social security, health and education fully.
864. *Education.* With regard to gender equality in access to social services, Benin has made some progress, especially in the area of education. In fact, Benin has initiated several policies and programmes to eliminate gender disparities in education, where the efforts of the country are most remarkable. These include: the abolition of school fees for girls; the creation of a girls' education network; the Social Development Support Programme (DEVESCO), with its Education Project; and the PNPf with its action plan.
865. However, despite this significant progress made at the policy level, the CRM noted that most boys of school-going age went to school in 2002. The same is not true for the girls. The net school enrolment rate for girls stood at 78.1% as against 110.46% for boys. The situation is similar in primary schools, and today the girl-boy ratio is 0.7.
866. According to the third population census of 2003, the net enrolment rate for children aged 6-11 years was 49.4% for girls, and 69.9% for boys. For those aged 6-14 years, the rate stood at 45.3% for girls and at 56.9% for boys⁶⁶.
867. Disparities are also observed at the regional level. For example, Mono had a net enrolment rate of 65.6% for girls and 74.5% for boys for children aged 6-14 years. Atacora had only 28.4% for girls and 43% for boys, while Alibori had only 20.2% for girls as against 24.8% for boys.
868. Although it is well known that girls are at a disadvantage, their problem is more one of lack of access to schools than gender inequality: "When there are no schools even for the boys, where do you expect to find schools for the girls?" During discussions with stakeholders, the CRM noted that in the area of child labour in general, and of female child labour in particular, unwanted pregnancies and early marriages – girls are contracted to relieve families of

⁶⁶ INSAE. 2003. Third RGPH. Volume 3.

their economic burdens or to guarantee the girls' futures – were the main causes of the education drop-out rate of over 50% for girls as against 30% for boys. In fact, according to UNFPA⁶⁷, 70% of boys complete primary school as against 47% of girls.

869. With regard to literacy education, in a country where almost two-thirds of the population is illiterate, women are no better off. Literate women represent only 32.5% of young people aged 15-24 years, compared to 58.2% for men. The proportion among adults is 22.6% for women and 46.4% for men. This is a major challenge that requires a lot of concerted effort from all stakeholders, particularly the government, which should make literacy one of the development priorities.

Good practice 6.3: Women in the Beninese armed forces

In the ancient Kingdom of Dahomey (now Benin), there was a women's elite corps known as the Amazones, named after some ancient heroines. Their presence in the army dates as far back as the Akaba reign (1680-1708). In 1890, which was the dawn of the colonial era, women represented 30% of the total enrolment in the army and were the majority in the king's personal guard. They were recruited randomly from girls thought to be fit for 'warfare'; that is, from volunteers (princesses or commoners) "with exceptional physical build". Strong, invincible, schooled in warfare and trigger-happy, they were always the first to attack. Their astounding bravery encouraged the male soldiers (See Cosme Gosshé Mekpo, *Les Amazones face à L'ordonnancement Social*).

Today, Beninese women, like the Amazones before them, are increasingly enrolling in the various military and paramilitary corps of the army. At the moment, there are 396 active women in the infantry. Among them are five officers and 112 noncommissioned offers. There are 89 women in the national gendarmerie, 36 in the air force and 38 in the navy. This is a total of 559 active women in the national army.

A military school for girls was created in 2000 in Natitingou, Atacora, to encourage women to follow a profession in the military. The most deserving girls are admitted to the school after their FSLC and after successfully taking an entrance examination. In addition to their military training, they receive a general education (the same as they would get in any grammar school). Today, the school has a total enrolment of 258 trainees and a newly built dormitory to accommodate the girls.

870. *Access to employment.* With regard to employment, both Beninese men and women have the right to the professional activities of their choice. The current labour code, adopted by Law 98-004 of 27 January 1998, makes no gender distinction in terms of the quality of a worker. On the contrary, the code protects women by making it prohibitive for any employer to consider gender, age or race when taking decisions about employment, work distribution, promotion, provision of social benefits or dismissal (Article 4)⁶⁸.

⁶⁷ UNFPA. 2003. *Data on Benin*.

⁶⁸ WiLDAF. 2002. *Alternative report: Benin and the UN Convention of 1979 on the Elimination of All Forms of Discrimination against Women*.

871. However, Beninese women – probably for socio-cultural reasons or because of the nature of certain jobs – do not enter just any profession. Conversely, there are professions where men are in short supply. These are hawking, pottery, hairdressing, domestic services and typing. Most professionally active Beninese women are involved in these lower-paid jobs.
872. The CRM noted with satisfaction that Beninese women were becoming increasingly active. Statistics from INSAE show that there were 1,396,468 working women in Benin in 2002. This represents 49.3% of women compared to just 42.6% in 1992. The annual increase is 4.6%. Almost all the active women were employed. However, 96.8% of these women work in the informal sector, 1.4% in the public sector and 2% in the private formal sector. If there are 102 active men for every 100 women in the entire country, then the ratio is 95 men to 100 women in the informal sector, 300 men to 100 women in the state formal sector, and 243 men to 100 women in the private formal sector. The formal and permanent formal sector demand more qualifications, and qualification is a privilege of men.
873. *Maternal and reproductive health.* The fundamental objective of the PNPF⁶⁹ is to improve the health and nutrition of women and the family. To achieve this, efforts have been made in the last few years to promote maternal and infant health services and family planning. However, discussions with stakeholders revealed that, in the area of health, women are still largely underprivileged. Women's specific needs are not adequately addressed in health sector policies and strategies.
874. For example, despite Law 2003/04 of 3 March 2003 on sexual and reproductive health, Beninese women still do not fully enjoy their right to health, especially the right to reproductive health. Deep-rooted customary practices seriously impede the enjoyment of this right. For example, Beninese women cannot practise birth control without permission. They need their husbands' consent to use contraceptives, and this consent is hardly ever given.
875. The CRM was pleased to note that Benin, in its May 1996 population policy statement, planned to "promote responsible fertility" to help reduce early and/or belated motherhood, to reduce the number of abortions, to enhance family planning for responsible sex, to distribute contraceptives, and gradually to abolish such practices as forced or early marriages. Despite this policy and despite information, sensitisation and education campaigns carried out by Beninese associations and NGOs, the birth rate is still high and mothers still young (there were 6.3 children for each woman in 1996, and 5.6 children for each woman in 2001). There were great disparities depending on the region and the women's level of education. There has been only a slight increase in the use of contraceptives, from 3% in 1996 to 7% in 2006. This may partly explain increases in the number of illegal abortions and the high rate of mortality and early pregnancies.

⁶⁹ MFE. 2007. *PNPF*. 2nd edition.

876. *Participation in decision making.* The problem of women participating in decision making has largely been dealt with in the section on the promotion and protection of women, which can be found in Chapter Three on democracy and political governance. Unfortunately, the absence of women on management structures is not limited to high-level decision-making bodies. Although women contribute most to farm work, their representation in rural agricultural organisations is not proportionate to what they contribute.
877. During one discussion forum, the CRM team was informed that, even on local committees for the management of amenities like water (whose clientele is exclusively women), women are not represented. Even when they are, the men carry out their functions while women are made to play ceremonial roles.

iii. Recommendations of the APR Panel

878. Considering the weaknesses and challenges identified by the CRM with regard to gender equality in Benin, the APR Panel recommends the following measures:
1. Translate the government's political will into concrete actions by making gender equality a national priority and a prerequisite for sustainable development (every level of government).
 2. Sensitise Beninese citizens about gender for a radical and speedy change of mentality on gender equality (government, civil society and traditional authorities).
 3. Build the organisational, human and financial capacities of structures charged with promoting gender equality in the private sector and in civil society (government, civil society and TFPs).
 4. Organise vast national literacy campaigns targeting women by making reproductive health and the Individual and Family Code part of programmes (government, civil society and traditional authorities).
 5. Develop an equal opportunity recruitment policy for the public service. It should give priority to women and sensitise the private sector to do the same within the framework of an aggressive discrimination policy – clearly defined by the government – that favours women (government, private sector and employers' organisations).

Objective 6: Encourage the broad-based participation of stakeholders at all levels of development

i. Summary of the CSAR

879. The CSAR indicated that the mechanisms for improving the participation of stakeholders in development are recent. It was the advent of decentralisation that provoked the massive participation of all stakeholders. Currently, the level at which this goal has been achieved cannot really be determined.
880. In the light of such massive participation of stakeholders, the following can be cited, based on the CSAR, as reasons for its growth: favourable institutional mechanisms; the advent of decentralisation; the existence of a consultative framework for TFPs; and the facilitation of political and social life by an organised civil society that is gradually regaining its influence and principles for the concerted management of social services.
881. According to the PRSP, achievement of the objectives of growth and poverty reduction depends on all these mechanisms. The strategy guarantees good and transparent management of public affairs and involves every citizen. The major activities are: the fight against corruption; public resource and management capacity building; administrative reforms; decentralisation; strengthening of legal and judicial systems; and consolidating democracy and internal social dialogue.
882. The fight against corruption led to the creation of civil society organisations that employ every means to wipe out the phenomenon. These organisations include FONAC, Transparency International, the CMVP, and others. The people condemn certain behaviours and abuses through interactive programmes organised by radio and television stations, all of which contribute to good governance. The procurement process is well regulated.
883. The CSAR goes further to present a long list of results of the survey on the people's perception and assessment of governance with regard to their involvement in decisions relating to the development of educational, health, road and other infrastructures.

ii. Conclusions of the CRM

884. Although the CSAR treats the very important issue of participation lightly, the CRM was satisfied with the efforts made by the Beninese authorities, through decentralisation, to broaden the base of discussion and consultation with SED stakeholders. This is commendable. However, despite such clear will, there is still much to be done in order to achieve this noble goal. Apart from the efforts recorded above, the CRM noted (and this has largely been confirmed by discussions held with stakeholders in the country) that several programmatic documents and other development projects have been worked out in the various SED sectors without the knowledge of people at the grass-roots level and their organisations. Such development programmes are normally based on the policies and strategies in force or highly recommended by partners like TFPs and NGOs. The participatory method most needed by the actors is hardly

really used before these projects, and this is a major governance weakness for SED in Benin.

885. With regard to the processes for policy and strategy development, the participatory method involving all the stakeholders is hardly widely respected, as was the case during the Long-Term National Studies (NLTPS). This was the fundamental inadequacy in the PRSP I, which Benin sought to correct while developing the GPRS.
886. Discussions held with technical ministries in Cotonou, with members of civil society, and with people in the country showed that the issue of participation is gaining ground in the country. This is supported by the fact that today it is becoming increasingly clear that any democratic management of power and state affairs requires the participation of all stakeholders. This will require the personal commitment of the nation to decisions taken. It will also require that there is interaction between public decision makers and citizens in order to ensure that the people's views about policy and its implementation are considered.
887. In fact, it is becoming even clearer today that poor governance is often the result of the fact that governments shun the much-needed dialogue with society. This often poses the problem of legitimacy. In traditional societies, whether power is centralised or not, there is participation – although membership in the traditional council is limited to people of the clan.
888. Several actors have been identified in Benin to be playing an important role in SED. Similarly, several areas and levels of participation were identified. Some of the major actors are:
 - *State institutions* like the CES. The CES plays a key participatory role in the country's economic and social life. It is a kind of think-tank that is asked for advice on all the country's major issues, especially those regarding the budget. The CES has a membership of 30 made up of representatives of socio-professional groups, youth enterprises, researchers, employers, the private sector and farmers. The CES helps to broaden the level of stakeholder cooperation. It is consulted by the head of state but can also act on its own. The CES formulates recommendations or opinions which the state is expected by law to implement.
 - *Civil society*. Although the notion of civil society is an old one, discussions about its definition appear to have started not long ago in Benin. It is generally agreed that it is an area that both unites and divides the state and its citizens. More precisely, civil society can be defined as an autonomous entity comprising benevolent associations pursuing public goals. Such associations are, on the one hand, above the citizen and, on the other, distinct from the market and the state. There are three distinct levels of civil society in Benin. The first comprises grass-roots organisations and village groups, and is the basic unit of civil society at the local level. The intermediary level, which comprises NGOs and federations, is a link between the various primary units of civil society. It ensures their

participation in public institutions and in political, social and economic processes which go above the local level. The higher level comprises specialised citizen organisations that work for the whole of civil society. It defends and promotes civil society with regard to the state and the market, trains and provides technical assistance, and conducts research and advocacy on SED policies.

889. Thus, civil society comprises public interest associations such as grass-roots organisations, federations and networks, NGOs, trade unions, labour confederations, professional groups, local development associations, cultural associations, federations of producers and craftsmen's associations, religious communities and traditional chiefdoms, and others. From this point of view, civil society acts as a launch pad for democracy. It brings together citizens, organises their interests, lists their expectations and forwards these to decision makers. It also fights excesses so as to enable the growth of a new political culture founded on participation, dialogue and tolerance. FONAC, for example, is an organisation comprising some 60 very active associations, federations and confederations involved in the fight against excesses. Sensitisation, denunciation and pressure campaigns by civil society organisations and FONAC have generally created significant awareness in the people vis-à-vis the administration. Such efforts are still acclaimed by the public. For some years now, civil society has been very active in politics, in the defence of the rights of consumers, and in the promotion of social welfare.
890. *Decentralisation* also offers Benin an excellent opportunity to ensure the participation of stakeholders, through greater involvement in local councils, in development programmes and projects. The country has a rich history of attempts to decentralise. These led to the current system of administration thanks to the February 1990 National Sovereign Conference. The conference came up with a new constitution, which contained the major principles of decentralisation reforms aimed at empowering the grass-roots population through elected councils. Based on these principles, a decentralisation policy was drafted. Deconcentration, within a legal framework established by the constitution and five other laws voted between 1994 and 1999, was defined. After the reforms were initiated, local elections were organised in December 2002, town and municipal councils established, and mayors elected. Although Benin is heavily engaged in decentralisation, the process is still in its experimental phase. This is why elected local officials quite often complain about the lack of resources because they are not being disbursed by the central authorities. Although the goal of a shared management of social services (schools, health centres, markets, bus stations, and so on) has been achieved, there is still much to be done about governance within decentralised structures. These structures at times have difficulties cohabiting with deconcentrated administrative services.
891. *The private sector* in Benin also has to play a major role in the process of stakeholder participation. There is a real potential for the development of the Beninese private sector, especially in the agribusiness, tourism and handicraft sectors. However, there are many obstacles to its development, particularly at the level of land, the legal protection of businesses, taxes and custom duties,

public utilities management, and infrastructure development (ports, telecommunication services, water and electricity).

892. *With regard to participation*, and with special reference to the GPRS, the private sector is seen as the cornerstone of strong and sustainable growth capable of reducing poverty. However, stakeholders and leaders in the private sector have, in the past, complained and have expressed their feelings by not participating fully in the drafting of government development strategies and policies. As a result, an ad hoc committee was set up in April 2003 to ensure greater involvement of the private sector and civil society in the implementation of the GPRS. The interim secretariat of the ad hoc committee was appointed and entrusted with the responsibility of preparing an action plan to:

- Improve the participatory process.
- Build the capacity of the private sector and civil society to carry out advocacy activities.
- Develop a private sector/public sector partnership.
- Build on the private sector development strategy as one of the specific priorities of the PRSP. The strategy looks at: financing the private sector; taxation; the economic and legal environment; mechanising agriculture; water control; promoting SMEs; developing tourism; improving infrastructure; implementing the Transport Sectoral Projects (PSTs); and the management of the Cotonou Port Authority. It was hoped that a workshop would facilitate the formulation of an action plan to strengthen dialogue and consultation between government and the private sector about SED policy development and implementation.

893. Mechanisms for dialogue between the private and public sectors are being established. For example, the private sector development support programme (PADSP) has a 'business environment improvement' component. This component has a sub-component, "support to the development of dialogue between the private sector and government with the view to eliminating regulatory and administrative obstacles to investment and export". This facilitated the creation of the Export Development Association (ADEX).

894. It should, however, be noted here that the introduction of genuine dialogue between the government and the private sector was delayed by the existence of many professional organisations, the absence of a well-known legal framework, lack of collaboration between the actors of the private sector, and leadership wrangling.

895. *Development partners and subregional cooperation.* In the area of participation in SED, it is also possible to mention Benin's relations with its development partners and its actions through regional and subregional cooperation. It was stated in Objective 1 of this chapter that the structure of Benin's economy did not allow for sufficient internal savings to finance its

development programmes. Since over 60% of SED funding is from foreign sources, it is normal that all the mechanisms for mobilising such funding be based on permanent dialogue between the state and its partners. Such dialogue generally takes place in joint commissions, advisory groups, round-table conferences, programming meetings, or other types of project or programme review meetings. Generally, such discussion forums are held much to the satisfaction of the parties, and the priorities – although sometimes only suggested – are generally accepted.

896. The problem is that, although measures are often taken to ensure that foreign partners respect the terms of commitments taken, this is not always the case. For example, decisions about the disbursement of funds to LDCs have not yet been implemented. Similarly, decisions for on-the-spot monitoring of the Paris Declaration on aid reforms are yet to be taken. Better coordination on the part of partners would certainly help to speed up the process.

Box 6.8: Summary of the Paris Declaration

The Paris Declaration was signed in March 2005 by the TFPs and partner countries, including Benin. It is based on the principle of mutual commitment to improving aid efficiency. It comprises a practical and concrete framework that aims to improve the quality of aid and its impact on development. The commitments centre on five main principles:

- **Appropriation.** Partner countries show perfect control of their development policies and strategies, and ensure the coordination of development support actions.
- **Alignment.** Donors direct all their support to national development strategies and the institutions and procedures of partner countries.
- **Harmonisation.** Donors endeavour to harmonise their actions better to give them greater collective efficiency.
- **Results-based management.** The management of development funds has been improved because of better results.
- **Mutual responsibility.** Donors and partner countries are mutually responsible for the results obtained in the area of development.

897. With regard to *subregional cooperation*, Benin actively participated in the implementation of regional integration policies within the framework of ECOWAS, WAEMU, the AU and NEPAD. In terms of its commercial integration in the subregional and global economy, serious discussions are under way. These include a study initiated in 2004 to develop an integrated strategy to scale up Benin's exports.

898. On the whole, conditions for increasing stakeholder participation exist in Benin. Indeed, the institutions of the republic, territorial communities, civil society, the private sector and development partners are all aware of it, committed to it and relatively active in it. Benin has made considerable

progress in governance, especially in the area of the participation of actors. It is important to note that, at the local level, consultative and discussion forums – particularly those relating to rural development, education, health, and water supply, among others – have been set up and are gradually being fine-tuned for SED projects.

iii. Recommendations of the APR Panel

899. On the basis of the analysis and findings, the APR Panel makes the following recommendations:
1. Accelerate the completion of the decentralisation process so as to boost participation at the decentralised levels, while ensuring the required effectiveness in terms of the transfer of areas of competence, the availability of financial and human resources, and operational capacity building (government).
 2. Activate the mechanism for coordinating aid between government and Benin's major development partners in order to ensure better follow-up, at the local level, of international commitments like those relating to LDCs or the Paris Declaration on aid reform (government and TFPs).
 3. Empower the CES to play a more important role than ever before. This would broaden the base for discussion and participation with regard to the country's major issues, and would strengthen the method of formulating legal decisions (government).
 4. Promote, broaden and even institutionalise the practice of self-assessing governance in Benin to make it a national practice, in order to develop a sense of joint responsibility and mutual accountability between the state, its private partners and civil society. A governance observatory or other monitoring institution in Benin would be necessary for this (government, the private sector, civil society and regional governments).

CHAPTER SEVEN

7. CROSSCUTTING ISSUES

According to the APRM questionnaire, crosscutting issues are issues of a general nature which, even though they may be examined in a particular thematic area, can also be pertinent to other thematic areas. Crosscutting issues therefore require study from a holistic viewpoint in APRM reviews. In this report, the crosscutting issues include corruption; decentralisation and the role of traditional authorities; gender mainstreaming and equality; youth training, development and integration; poverty and access to resources; the informal sector; reform and modernisation of the state; and citizenship and lack of legal security under the rule of law – all common issues affecting all governance areas in Benin.

7.1 Corruption

900. At the end of the review of the political, economic and social situation of Benin, there was general agreement that corruption, like a many-headed hydra, has spread its tentacles in all directions and is plaguing all the sectors of governance (public sector, private sector and civil society). Corruption has become a culture and the instrument of a mode of governance. Since December 1990, corruption has been classified by the constitution as one of the offences that are punishable under the law. However, the very law meant to facilitate the fight against illicit enrichment and corruption has not yet been adopted and established. Many anti-corruption measures have been taken and instruments put in place, but they have failed to deliver. There is talk of the ‘distribution habits’ of public authorities who are not truly committed to tackling the scourge head-on.
901. While the new authorities have affirmed the political will to fight the scourge of corruption, there is still a lingering sentiment of doubt among stakeholders with regard to government’s ability to root out this canker from Beninese society. The adverse effects of corruption on the four dimensions of governance examined in this report are immense.
902. This is why, aware that corruption has reached unprecedented levels, the APR Panel of Eminent Persons advocates that every aspect of the scourge should be tackled through the following measures:
- *Those at the helm of affairs and, indeed, at all levels of government, must set an example to all.* In this regard, the systematic punishment of all acts that violate the provisions of basic law and the requirements of proper public management and accounting, from the top right down to the lower

echelons of government, must become and remain the cardinal rule in public management and administration.

- *Systematic and unannounced control, followed by punishment at all administrative levels of the state and its local services*, must become an absolute rule of governance. In order to succeed, this strategy must be underpinned by a strong and resolute political commitment, and must have adequate legal instruments tailored to any emergency situation.
 - *Republican values, ethics and morals* must be established and given their rightful place. In a bid to reinvent republican values, an appreciation for fundamental standards and for the value of civilisation should be the supreme guide and impregnable stronghold against the culture of laziness, easy gain and predatory behaviour.
903. The APR Panel invites all political parties, institutions of the republic, citizens, the private sector, and civil society organisations in Benin to put up a broad and united front against corruption. This will ensure the vigilant eyes of citizens, and will act as a redeeming gesture for the moral revival, development and prosperity of Benin and its people.

7.2 Decentralisation and the role of traditional authorities

904. As a continuation of the 1990 National Sovereign Conference – which asserted fundamental rights and freedoms in the country – Beninese authorities wanted to push this political commitment right to the level of enlisting broader participation of the grass-roots populations in their local affairs. Provided for in Articles 150-153 of the constitution of 11 December 1990, the first local elections – which marked decentralisation in Benin – were only held in 2003.
905. The quest for greater efficiency in satisfying collective needs, the strong fight against centralism, and the concern to involve the people in local affairs, have become major challenges for democracy and public governance in Benin. Some well-intentioned people considered hastening the decentralisation of powers without necessarily providing the resources needed. This is reflected on the ground by the people's inability to make use of allocations in areas like the construction and upkeep of local infrastructure, or to bear recurrent costs linked to the sustainability of such infrastructure. The right to differ – on which all decentralisation is based – was not made to go hand in hand with the equality of citizens, which entails an equalisation system, urban solidarity, and other national equalisation funds in a country unevenly endowed in terms of wealth and regional development.
906. Compounding these challenges is the issue of the chiefs and kings who symbolise traditional governance, and who should be included in the decentralisation process. These traditional leaders should be encouraged to participate more in local governance. This can be achieved by defining a legal framework that would govern their participation and involvement in the activities of decentralised services (especially their rights and obligations), as

well as in conflict mediation activities, providing advice on decision making, and assisting in dealing with inequalities and issues regarding compensation.

907. Five distinct laws and many statutory instruments govern different aspects of decentralisation in Benin. As revealed during the various meetings the CRM held with the stakeholders, such a proliferation of laws and regulations complicates decentralisation and makes it more difficult for all the stakeholders – including the central power, deconcentrated and decentralised authorities, local elected officials at all levels, and the grass-roots populations – to assume ownership of the process.
908. Decentralisation is strongly needed, not only because it will enhance people's participation at the grass-roots level, but also because it will enable better expression of culturally specific characteristics and better management of socio-cultural diversities in Benin. The constitution and subsequent instruments of implementation are based solely on the principles of free administration, national solidarity and interregional balance, focusing on representative democracy. On the other hand, the democratic guidelines with regard to citizens' right to be informed of local affairs, and especially to be consulted on decisions that concern them, are not clearly defined.
909. Furthermore, decentralisation has the ring of an unfinished business because of uncertainties in the definition of local affairs; the inadequate human and material resources of councils when compared to their legally recognised competences; and the statutory ambiguity of local administrative units (namely subdivisions, villages and the neighbourhoods of towns, dealt with at length in Chapter Three of this report). There is an urgent need to organise a training course on decentralisation – a need highlighted by issues such as partisan quarrels; poor mastery of the laws owing to incompetence; the illiteracy of many locally elected officials; the sometimes ill-timed intrusion of the supervisory authority owing to a very broad interpretation of the supervisory authority's control; and the poor collaboration between devolved services present on the council territory and locally elected officials, as well as weak institutional capacities stemming from them.
910. Indeed, these local authorities do not have any legal staff or financial autonomy as stipulated by law. Subdivisional municipal councils are not operational in special councils, and the heads of urban neighbourhoods and villages who were not elected have been in office for over 15 years (for some). Municipal councils are elected, and are required to collaborate with and assist the mayor. The bulk of their functional capacities depends on the mayor's goodwill, which generates misunderstandings, tensions and even conflicts.
911. These challenges have a real impact on local governance and can jeopardise the effectiveness of the collective Beninese service delivery system. Many stakeholders on the field expressed worries about the unsuitability of instruments to local realities, and the lack of involvement of traditional authorities and the chiefs. Enjoying strong legitimacy in the councils, subdivisions and villages – which are the territories most affected by

decentralisation – these traditional authorities, who are neglected by the political authorities in administrative matters, are at the very centre of the system of social regulation in rural communities.

912. In these times of scarce material and human resources, it would be necessary, before increasing local autonomy, to first experiment with a small local pilot community that would allow for the maintenance of the structure close to the people. This would lead to the elimination or regrouping of certain sparsely populated subdivisions, villages and councils under the administration of larger councils. In the long term, administrative units or consultative councils could be created to serve as the liaison between the administration and the grass-roots populations.
913. All these considerations led the APR Panel to invite Benin’s authorities to:
- Transfer areas of competence to the councils in pursuance of the laws on decentralisation, and commensurate with the financial and institutional capacities of these councils.
 - Require candidates to the mayoral office to meet a stricter profile. They must have good and blameless morals and integrity, and have at least a high school completion certificate (government, Parliament, municipal councils and stakeholders).
 - Train state employees and locally elected officials and their staff in the issues related to decentralisation and local governance (government).
 - Sensitise people on decentralisation, and provide local language translations and circulate instruments on decentralisation so as to ensure wider ownership and effective implementation of this process (government, mayors and development partners).
 - Involve locally elected councillors, traditional authorities and chiefs, associations, and civil society representatives in the design and implementation of development projects so that the laws establishing them reflect the widest possible consensus and ensure actual accountability (government, Parliament and all stakeholders).

7.3 Gender mainstreaming and equality

914. Women make up more than half of Benin’s population. They are among the key actors of national development and the entrenchment of genuine democracy. In the case of Benin, they are part of the business community, especially in SMEs. They are therefore part of the issue of governance as considered in this exercise.
915. Benin has ratified international and regional political instruments in order to guarantee gender equality and gender mainstreaming in development policies and programmes. Moreover, in addition to the provisions of Article 147 of the country’s constitution – which establish the superiority of agreements and

treaties duly ratified by Benin over national laws – there are several instruments relating to the status of women in Benin that align the national laws to the ratified instruments. The CRM counted over 20 in all.

916. The intention behind these instruments was to create a congenial environment for the different planning models and sector-based development programmes, as well as institutional mechanisms, in order to offer equal opportunities for action to men and women alike, and to measure the impact of these instruments on these two groups.
917. However, although significant efforts have been made in the last few years to improve the legal and institutional framework in Benin, the political, economic and social rights and the autonomy of women still suffer certain restrictions. These restrictions are mostly the result of socio-cultural considerations, which are still strong in the country.
918. In Benin, access to public space, decent work, equal pay, public positions and elective mandates is still the exclusive preserve of men. Women perform household chores, or poorly paid or unpaid informal work, whereas everybody acknowledges that women are the ones who meet the basic needs of their families, particularly in the case of the children. It is therefore not surprising that in Benin, poverty affects mostly women and children. Although some progress has been made in terms of girls' education and the participation of women in decision making, the rate is still very low, and much remains to be done to attain satisfactory levels in these areas.
919. In a country where women account for more than half of the total population (about 52%), such inequalities will definitely have a political, economic and social impact on efforts geared towards building an emerging Benin that enjoys lasting human development. Concrete actions with clear and measurable indicators along the path of equitable, community-based and sustainable human development will therefore be necessary.
920. The APR Panel believes that the main factors that may have an impact on the institutional, socioeconomic, psychological and cultural structures – which are vectors of such gender inequalities – are legislative amendments, information, inter-cultural dialogue, and the implementation of concrete actions.
921. As such, the APR Panel recommends that the authorities of Benin and other stakeholders should, in their respective areas and at their respective levels of responsibility, set up without delay an environment that will:
 - enable women to build their capacities;
 - ensure equal access to employment and other sources of wealth;
 - institute a quota system at all levels of management of public resources; and
 - ensure extensive participation of women in Parliament.

7.4 Youth training, development and integration

922. **Nature of the issue.** Benin is a country with a very young population. In 2002, about 46.8% of its population was below 15 years old⁷⁰, with an average age of barely 16.3 years. Furthermore, 61% of the active population was below 35 years. Of these, 95% worked in the informal sector, 2.6% in the public sector and 2.4% in the private formal sector⁷¹. The characteristic youthfulness of the population offers opportunities as well as risks, and these need to be identified in order for the opportunities to be seized and the risks effectively prevented.
923. Young people are actors and above all decision makers in building tomorrow's Benin. They are the factors of change needed for the future of the country. However, for this to be possible, they should have faith in the Benin of today and tomorrow, and they need to be mainstreamed into the political, economic and socio-cultural dynamics of the society. Once they lose faith in such dynamics and fail to see their prospects therein, they will become factors and actors of questioning, if not of social unrest.
924. For this reason, the issue of their integration into democratic principles; political governance; policies and strategies that fall under economic and corporate governance; and governance in the democratisation of the socioeconomic development process in general, is still the crux of the exercise in a country like Benin. The opportunities need to be open to the youth to enable their positive and constructive integration into the dynamics of constructing an emerging Benin. Integrating the youth is both a measure of, and an important challenge for, peace and political stability, as well as for the entire *Alafia Bénin 2025* project.
925. From this standpoint, the problems relating to available employment and training opportunities for the youth are of particular importance. In 2002, the official figure of unemployed persons stood at 19,123, which was largely underestimated. However, it is important to point out that 72% of the official number of unemployed persons registered were aged below 35 in 2002, 56% were seeking employment for the first time, and 68% were male⁷². This constitutes a social time bomb.
926. It should be noted that the existing opportunities relating to education and training in Benin do not concern all young people. In 2002, 38.8% of students of school-going age (6-14 years) had never attended school, with an even greater percentage for girls (45.4%). The divisions with the highest rate of youth exclusion from the educational system are those in northern Benin: 70% of youths aged between 6 and 14 in Alibori have never been to school, and this figure stands at 57.8% in Atacora and 53.2% in Borgou⁷³.

⁷⁰ Demographic Education Division, INSAE. October 2003. 'Summary of analyses'. Third RGPH: Cotonou. Page 7.

⁷¹ *Ibid.*, page 26-27.

⁷² *Ibid.*, page 27-28.

⁷³ *Ibid.*, page 24-26.

927. The lack of qualified young people, and the difficulties they face in accessing opportunities that build their capacity for positive integration into the ongoing process (owing to the lack of technical and vocational preparation), constitute an obstacle to the vision of building an emerging Benin by 2025.
928. **Government efforts and findings of the APRM.** It should be noted that the government has made significant efforts, and that there are opportunities for the youth to receive training in both conventional schools and in specialised technical and vocational schools in many centres of the country. Vocational schools offer the CAP⁷⁴ in the following areas:
- STAG;
 - STA;
 - SBS; and
 - HR.
929. Similarly, with regard to employment, the ANPE has been making efforts in integrating the youth. Unfortunately, these efforts are not enough when one considers the high demand in both training and employment. In addition, ongoing efforts to provide jobs fall well short of the demand (supply in relation to demand). There are also shortcomings in terms of quality and approach, and this impacts on the efficiency and productivity of the system as a whole.
930. The APR Panel recommends that the government continue the funding of primary education, and that it should continue to raise public awareness on the advantages of sending children to school – particularly in the divisions of the north, such as Alibori, Atacora and Borgou.
931. It is also recommended that the government finance learning and technical and vocational training schools in all divisions, in order to cut down the cost of training programmes. Lastly, vocational and technical training schools should be assessed using the same standards as the equivalent certificates. Such measures will contribute to the preparation of the youth for their positive integration into the dynamics of the Beninese society of tomorrow.

7.5 Poverty and access to resources

932. **Nature of the issue and current situation.** One of the findings that cuts across all the chapters of this report is that Benin is experiencing a poverty situation which seems not to be improving. Instead, real poverty is on the rise, especially with regard to financial poverty. Seen from this angle, poverty implies lack of access or limited access to financial and material resources, or

⁷⁴ INFRE. July 2004. *National Report on the Development of Education* (47th session of the International Conference on Education). Porto-Novo. Page 42-43.

- (especially) to institutional services provided by the state and the community in general.
933. Seen in this light, poverty is often accompanied by lack of access to or enjoyment of one's rights. As such, poverty and access to resources go hand in hand. This is a problem at the heart of the four dimensions of governance under the APRM mandate. It affects, and is even the yardstick of, the efficiency of policies in each of the four focus areas of the APRM, namely democracy and political governance, economic governance, corporate governance, and socioeconomic development. It is thus by its very nature an overarching issue of the APRM.
934. In the case of Benin, it was noted that, in the absence of sustained economic growth and with a growth rate far higher than that of the population in the last 10 years, poverty remains endemic and is even at times a growing phenomenon for the vulnerable groups and certain geographical regions, particularly in the rural areas. Access to basic social amenities like education, health, drinking water and sanitation, reproductive health, energy, and decent housing still poses difficulties for the majority of the population.
935. On the whole, the monetary poverty index stagnated somewhat (from 29.3% in 1999/2000 to 28.5% in 2002). There was also a worsening of inequality among the poor at the national level as a result of a significant increase of the severity index, especially in urban areas. This means that access to resources – whether physical or monetary – is becoming difficult for economic reasons or due to poverty.
936. **Government response.** The CRM generally commends the efforts made by the government of Benin to provide – at a cost affordable to the poor – basic services like drinking water, sanitation, electricity, arable land, housing and micro-finance, especially in rural areas.
937. Policies and programmes have thus been implemented to improve the access of Beninese to education, health, drinking water and sanitation, arable land and micro-finance. However, very little effort has been made in the other areas. Thanks to these policies and programmes, progress has been made, thereby contributing to the alleviation of poverty, or at least improving the people's access to certain resources and services considered here.
938. However, the poor results are due mainly to the fact that these policies were generally implemented within a context of financial austerity dictated by stabilisation and structural adjustment policies. The policies and programmes aimed at providing resources and services to enhance and give a chance to democracy – ensuring socioeconomic development for the citizens, reinforcing the business climate, and streamlining a macroeconomic framework accepted consensually by the people – lacked a global unifying vision that would bring the necessary cohesion. They also lacked operational coordination that would ensure efficiency in achieving the results.

939. Furthermore, the policies were implemented with little or no involvement of the people and other development actors. It is the state alone that was responsible for providing the development services and resources. Given the state's limited resources, this could hardly ensure perpetuity.
940. In conclusion, despite the impressive progress identified in certain sectors to ease and/or improve people's access to development resources and services, all the sectors still have a long way to go. In particular, there is a need for an integrated approach for the implementation of policies and programmes aimed at improving people's access to resources.
941. The current government reviewed the approach during the formulation of the GPRS adopted in 2007. Apart from the fact that the GPRS falls in line with the vision of an emerging Benin by 2025, it is a translation of Benin's strategic development guidelines, at least for the medium term.
942. However, the strategy suffers from certain shortcomings that are worth mentioning here. These include the obviously poor social coordination – especially by the government – in implementing the GPRS, as well as the flaws in translating the Alafia Bénin 2025 vision and its strategic development guidelines into coherent and operational sector policies.
943. **Findings and suggestions of the CRM.** The population's access to resources is a factor of peace and political stability, and hence a factor for the building and consolidation of democracy, social cohesion, consensus building and mobilisation of the bone and sinew of the nation around the development model selected.
944. Improvement of access to resources is also an outcome and an appropriate economic policy enhancement factor. It is in line with socioeconomic development, and above all with the construction of the vision of the Benin of tomorrow. However, this can be so only if governance in its entirety is applied to the development policy, i.e. the democratisation of the development process which, as such, is not limited only to democratisation of the political sphere.
945. One of the ultimate goals of socioeconomic development governance is to provide the people of Benin improved access to resources and services so as to take them out of poverty, increase their opportunities, and fully involve them in the dynamics of building an emerging Benin by 2025. This will involve all stakeholders – government, the private sector and civil society – who must all feel socially responsible and must be partners in building the vision for the country's future. Improving access to resources and services must not be solely the state's responsibility.
946. This implies that the four dimensions of the APRM mandate are found in, and fall in line with, the issue of providing Beninese citizens access to resources. It also implies that the approach to the problem should be holistic. Lastly, it implies that the coherence and coordination of policies – just like the involvement of the people themselves and other actors in the democratisation of Benin's development – should guide the implementation of the GPRS and

the translation of the strategic guidelines into coherent and operational sector policies and programmes. The government and the nation's labour force have the political capacities in this regard, especially as part of the 'concerted governance' advocated by the new authorities.

7.6 The issue of the informal sector

947. The nature of Benin's economic governance since the colonial period promoted development of the informal sector. In effect, the absence of sustained, participatory, all-inclusive and equitable growth that fosters job creation had dire consequences for the living standards of the people. This was compounded by an economic context characterised by the quest for financial orthodoxy and austerity, leading to poverty or aggravating it. Indeed, these people were compelled to seek means of survival in unstable, peripheral and so-called informal activities in order to meet their most basic needs.
948. Today, the informal sector is multifaceted and multidimensional. It covers a wide spectrum of activities ranging from taxi drivers to forwarding agents of goods destined for countries neighbouring on Benin. It includes craftsmen, the various forms and levels of the retail trade, barbers and hairdressers, foodstuffs vendors in community markets and along major highways, and so forth.
949. The informal sector actors include owners or operators of micro-enterprises, self-employed persons, as well as dependent workers – be they wage earners or not. What is noteworthy in the case of Benin is that women and children are among the major actors in this sector. Funds for informal activities come from thrifts and loans groups, and from MFIs, rather than from bank loans. Despite the unstable nature of its activities, the informal sector in its entirety is heading the field, and is developing to the point that it is today an unavoidable reality in the Beninese society.
950. In its relationships with the formal sector, the informal sector indulges in an 'ambiguous' liaison characterised at times by 'unfair' competition. This often penalises investments in certain sectors. The informal sector is also often a complementary or complicit supplier or market for the formal sector. The informal sector therefore covers the entire economic, social and (no doubt) political life of the Beninese society, and thus becomes an integral part thereof.
951. It is within the context of 'unfair' competition with the formal sector that the informal sector is seen as occupying an important position in the country's economy. However, the sector does not contribute to the funding of the state's machinery to the tune of its weight in the economy, and generally only contributes its part through business licences, flat rate taxes and local taxes.
952. **What are the future prospects?** The current and foreseeable reality of Benin's economy is that the informal sector plays and will continue to play a major role in all dimensions of the country's social and economic life. It is for this reason that the informal sector should be paid special attention, both by

the government of Benin and its development partners, and especially in the country's development strategies and cooperation programmes.

953. A series of policy proposals have been made to foster greater contribution by the informal sector to the economy through increasing the sector's contribution to tax revenues and substantially reducing the tax burden of formal sector enterprises. To that end, government must have a dual impact: a better understanding of informal enterprises, and activities to broaden their tax base and increase their tax rate. From this standpoint, the state may very well have a growing need for resources to finance the functioning of its services and institutions, as well as its economic and social development programmes.
954. Other policy proposals are aimed at promoting a strategy to 'formalise' informal sector activities, especially by setting up an incentive programme for voluntary transition from the informal sector to the formal sector. Unfortunately, experiences on the 'formalisation' of the informal sector have shown their limits in many countries, even when they were recommended and supported by international organisations. It is for this reason that the policies recommended above call for a better understanding of the informal sector and its needs, with a view to developing an assistance and promotion strategy to transform the informal sector into a nursery for future SMEs. The assistance policy would entail training, access to credit under preferential conditions, equipment, and management capacities, among others.
955. The CSAR is of the opinion that a strategy combining these approaches would be more fruitful in the case of Benin. The effect of such a strategy would be threefold: promoting complementarity between the formal and informal sectors through subcontracting and consequent tax incentive; identifying instruments for the broadening of the tax base without 'harassing' the informal sector; and finally, promoting an assistance programme in response to the assistance needs of the informal sector. In the light of this, the approved management centres (*Centre de Gestions Agréés*) and regional solidarity bank (*Banque de Solidarité Régionale*) should be reinforced and should be drawn upon in this strategy.
956. The informal sector is part of Benin's economy and has a role that goes beyond the confines of the economy. The challenge is therefore not to 'integrate' the informal sector into the economy of the country, since it is already there in its own way. Although statistics differ, they all confirm the important role of the informal sector in the economy, employment, mobilisation of savings, investments in certain sectors, social peace, and so forth. The informal sector is therefore important on the economic, social and even political fronts. As such, it is necessary to develop a constructive policy to meet the needs of this sector and thus make it a partner in the economic dynamics of building the Benin of tomorrow.

7.7 Reforms and modernisation of the state

957. **Nature of the issue.** The issue of reforms and the modernisation of the state and the Beninese society undoubtedly constitutes one of the major challenges of the battle for the advent of an emerging Benin at the start of the century. It affects the mode of political, economic and corporate governance, as well as performances in the area of socioeconomic development.
958. Indeed, the materialisation of this new vision depends on a profound change in the society, affecting the institutions, administrative machineries and the economic and social environment. Hence the importance of the reforms initiated since the democratic transition of the years 1989-1992 under the double seal of multiparty democracy and a liberal economy, which are guarantors of sustainable development.
959. If it is public knowledge that the political reforms of the 1990s helped to put in place, at the end of the National Sovereign Conference, relatively stable political institutions and a democratic system that paved the way for a double change of the head of the state, the fact still remains that endemic poverty, combined with other politico-administrative, economic and social dysfunctions, highlight the problem of relations between democracy and development.
960. The main issue to be resolved concerns the type of reforms to be implemented with a view to ensuring political and democratic stability on the one hand, and development and economic prosperity on the other. This will have the consequence of changing Benin from a very poor country to an emerging country. It is also necessary to define the nature, modalities and pace of the reforms of the state and society that are required in order to construct an emerging Benin. Consequently, the central issue is the very redefinition of the model and missions of a state capable of supporting this long-term vision, having as a consequence the terms of reference of an efficient strategic programme required for that purpose.
961. The other no less important issue is the margin of autonomy and manoeuvre available to the state under structural adjustment when it is conducting its reforms – particularly when seen from the perspective of a specifically endogenous development.
962. **Response of the government.** Several instruments have been defined and put in place for the purpose of instituting reforms and modernising the state. The first is certainly the document *Alafia Bénin 2025*, which describes the political vision of the future Benin: “Benin is in 2025 a leading country, a well-governed country, united and in peace, with a prosperous and competitive economy, a country of cultural influence and social well-being”. This long-term vision deserves to exist, and it should be materialised through “the promotion of concerted governance, the creation of a conducive climate for the development of the private sector, the development of infrastructures, the strengthening of the capacities of the civil society and the involvement of local communities in the development process”.

963. The second instrument is the PRSP, which highlights the objectives and commitments of the Beninese government with regard to the growth and development of the country in the short and medium terms. Finally, the third instrument is the document on the strategic development orientations of Benin (2006-2011), entitled *Emerging Benin*, which best translates the vision of President Boni Yayi and his government in this endeavour.
964. The implementation of these projects will result in the realisation of a series of reforms first initiated a few years ago. However, although these reforms give the impression of a country that is open to change and modernisation, they do not always take into account the scope of change needed, or the concrete achievements that could be used to determine whether the reforms were successful.
965. A first group of reforms aims at modernising government in the strict sense of the word, with the ultimate objective of furthering democracy. Special focus falls on improving the effectiveness and efficiency of public services, particularly with regard to the mechanisms of governance and accounting. These reforms concern the organisation of a state that wants to be a 'facilitator', and the redefinition of its missions in this regard. It includes issues such as the judicial system; prison system; public service; administrative and financial decentralisation and deconcentration; the fight against corruption; wheeler-dealing; and so forth. In short, this group of reforms entails the search for efficient performance of public institutions and administration.
966. A second group of reforms concerns the macroeconomic framework, the conduct of economic policies, and the management of development in general. The main objective of these reforms is to stimulate growth with a view to the reduction and eradication of poverty, and to ensure sustainable development. The reforms include the privatisation of state enterprises; stabilisation of public finance; facilitation and transparency of procedures with a view to protecting private investors; the establishment of an attractive and encouraging tax system; encouraging private initiatives and better organisation of the informal sector; the strengthening and transparency of economic regulations; the development of infrastructure such as roads, ports, electricity, telecommunication, ICTs, and so forth; modernisation and structuring social services, notably transport; and the restructuring, rehabilitation and diversification of the agricultural sector.
967. A third group of reforms is targeted at the society in its multiple components, and relates to public policies and sustainable development. The areas concerned include education, declared as a social priority; health; housing; employment; salaries; retention of highly qualified executives; involvement of the diaspora; agriculture and the land tenure system; and the family and gender.
968. The Beninese people have high expectations of these reforms, the main objectives of which are: a political governance based on ethics and

accountability; the improvement of the citizens' control of elected officers, authorities and various administrations; a proximity administration in the service of the citizen and the enterprise; an improvement of the quality of public expenditure; and the establishment of sector policies more conducive to the creation of wealth and socioeconomic development in the fight against grass-roots poverty, notably in rural areas and in the major towns.

969. Succeeding in the goal of creating a politically and economically strong and modern state depends on the capacity of the public authorities to operationalise the aforementioned vision. As a result of its many assets, Benin is well placed to assume a leading role in the subregion.
970. In order to increase its chance of success, a ministry in charge of administrative and institutional reforms was created in 2006. Its main mission is “the design, implementation and monitoring-evaluation of government policy on administrative and institutional reform, in accordance with the laws and regulations in force in Benin, the vision and the development policy of the government”. This ministry is tasked with integrating those government efforts that are aimed at modernising the state in a context of democracy, the rule of law and economic liberalism – given the urgent need of reforming the state in line with the requirements of global and sectoral competitiveness of the Beninese economy.
971. The results are, however, extremely moderate. The reforms undertaken have remained at a project stage and, when projects are initiated, they very often slow down or are even thwarted by various factors. These factors include weak strategic piloting; low coordination of the action; lack or inefficiency of monitoring and evaluation; lack or insufficiency of human and material resources; poor ownership of the reforms, which are generally imposed from the outside, and related processes; inefficacy of the leadership; and lack of proper accounting.
972. **Conclusions of the APRM.** Neither the aptness of the reforms, nor the relevance of their content, can be questioned: modernisation of the Beninese society and state seems indispensable. However, the fact remains that the rhythm, modalities and simultaneousness of the reforms pose problems with regard to the capacity of society and its institutions to internalise and implement them. This, in turn, impacts on the chances of success of these reforms.
973. These various constraints are all the more difficult to overcome since they seem to take root in the particular history and social dynamic of Benin. The challenge of modernising the state, its institutions and its economy will only be met by the ingenuity of the Beninese people, and by their capacity to assume the changes imposed by modernity without giving up their identity.
974. The state is called upon to construct the vision of an emerging Benin. When the nature and modalities of the functions of the state in this regard are clearly defined – something that has not yet been achieved – the reform of the state apparatus should be understood in terms of (particularly) appropriate

institutions, the reorganisation of their operational mechanisms, the legislative and regulatory mechanism, and the resources and methods of work. The challenge is to transcend the model of the state as the ‘facilitator of the private sector’ (a ‘Western’ model recommended by some donors), while simultaneously taking responsibility for the development of society and the management of the welfare of citizens – who are mainly subjects here. In the case of Benin (and generally in Africa), the state is expected to be the key agent of change, under the direction of which the entire society involves itself in the changes required by the construction of a consensual vision. The state is not only the housekeeper and manager of the city; it is here, more than elsewhere, transformer and bearer of the dream of the nation. It is within this context that the need for reform and improvement of the state apparatus should be placed. This will enable the state to assume its responsibilities in this regard efficiently and effectively.

975. This requires that particular attention be paid to a few aforementioned but essential issues, notably:

- The capacity of the state to conduct the reforms and modernisation in a context of scarcity of financial resources and increased poverty, given the importance of the costs involved.
- The merging of the different strategic development orientation documents into a single, comprehensive document that would ensure efficient strategic planning of the reforms and development of Benin, and that would act as a real compass of the government and the entire society.
- The scarcity of human resources, commensurate with the challenges facing the Beninese society in operationalising the vision of creating an emerging Benin.
- In relation to the first two issues, the dependency of Benin on the external world – notably development partners. Since resorting to foreign funding and expertise carries the risk of the imposition of ‘ready-made’ solutions, the content and pace of reforms may not be endogenous.
- The local culture of irresponsibility, inertia, disorder and even evasion of the standards or the law, which is a major difficulty to be overcome.
- The issue of legal security, most notably the rapid resolution of legal identity; land security and legal titles; as well as the protection of people and property, which is guaranteed by a strong, efficient, independent and fair justice system.
- The conflict between modernity and tradition in a state where the rural areas are still quite often the poor parent of public policies, and where illiteracy and obscure traditions often impede the modernisation of the society and socioeconomic development. The weight of religions, traditions and multi-secular practices – which constitute the base of a

society perhaps a bit too proud of its identity and culture – should consequently be questioned in the debate on the modernisation of the state and society.

- The increasing gap between an enlightened elite (which is the instigator of reforms) and the vast majority of Beninese citizens (who are less involved in decision making but yet are called upon to bear the results of the reforms) is a constraint. How can we close the gap between, on the one hand, the highly westernised oligarchy that controls the different levers of the state system and, on the other, the great mass of those ‘abandoned by modernity’ – the vast majority of whom live in the interior of the country, withdrawn into themselves on the basis of an ancestral and parallel organisational model that is essentially out of the state’s control, and who are nonetheless subjected to domination by the state?
976. The challenge is to really offer – beyond political slogans – a model of a viable and sustainable society that transcends merely the concerns of the modernised elite of the urban areas, and takes into account the daily needs and welfare demands of the poor and miserable masses living in the rural areas and towns in Benin. The problem therefore relates to the rhythm and modalities of the reforms, and especially to the capacity of the public authorities to mobilise, federate and coordinate initiatives around the reform project.
977. This approach necessitates moving beyond explanations of the presidential vision and the delivery of the usual reports. It requires that government develop the capacity for listening and critical dialogue, consultation, transparent exchanges and joint decision making. This will ensure that the state becomes a partner of civil society and all the other stakeholders, in a dynamic of mutual enrichment, where the state cannot ‘do everything’ – and where it is recognised that expecting this from the state is a false hope. Herein lies the issue of institutional capacity reform, which needs to be addressed.
978. It is hoped that the ‘concerted governance’ project, which is in the making, signals the beginning of these prerequisites, announcing this ‘revolution of mentalities’ that would help Benin to wage the war to reform and modernise the state and society. It is only in this way that the vision of an emerging Benin, reflected in the various strategic orientation documents drawn up, would have some chance of materialising – subject to a few corrections imposed by the constraints of a political future whose linearity and predictability are more random in this era of globalisation.

7.8 Citizenship and lack of legal security under the rule of law

979. Human rights are at the centre of Benin’s democracy since the National Sovereign Conference held in 1990. What would human rights protection mean without minimum legal safety, which makes the person a citizen? Legal safety entails the citizen’s guarantee to enjoy the fundamental liberties attached to his/her person, and his/her peaceful and free possession of

property. It implies protection of individual rights against the arbitrary power and unpredictability of the public authorities. These rights include the right to legal identity (birth certificate), which makes an individual a unique being by conferring on him/her certain rights and obligations. Real citizenship is acquired only through a legal act, which enables the individual to exercise rights and assume responsibility for his/her actions if he/she encroaches on the rights of others or violates the law.

980. Benin signed and ratified international and African legal instruments, especially the International Pact on Civil and Political Rights, and the African Charter on Human and People's Rights. The 11 December 1990 constitution of Benin devotes 33 sections to the rights and obligations of the person.
981. The fact remains that the efficiency of the protection of these fundamental rights depends on the efficiency of the institutions responsible for their protection. Legal insecurity takes control of a legally constituted state when the citizen is not informed of the laws that are binding on him/her. Applying obsolete or anachronistic instruments to contemporary situations also constitutes insecurity in a state under the rule of law. Similarly, human and investment rights must be protected by a predictable justice system, especially the execution of final court judgments against all parties.
982. High on the agenda of concerns of the people is the issue of citizenship, whereby the individual can obtain a legal identity to enable him/her to establish his/her status as a citizen. Without legal identity, the individual can not move freely (freedom of movement), exercise his/her voting right (freedom of choice), set up a business or company (freedom of enterprise), access basic social services (education, health, water and electricity), access or acquire property (apply for a land title or inherit property), open a bank account, find employment (right to work), or even legally form a union (right to marry).
983. Indeed, freedom of movement may be effective only when the person enjoying such a right can exercise it without any restriction from state authorities. Unfortunately, many of the stakeholders that the CRM met informed it that people frequently fall victim to police racketeering because they do not have a national identity card. Similarly, freedom of enterprise is also encroached upon in the absence of a legal identity. In order to set up a business or enterprise, the applicant must produce some proof of identity, which is one of the documents required for registration in the trade register and for registration of a company, application for a bank or micro-finance loan, or simply integration into the formal economic system.
984. The civil status also constitutes an obstacle for the free exercise of civil and political rights. Without legal proof of identity, a Beninese citizen cannot be registered in the electoral list and thus exercise his/her voting right. The ongoing debate on the constitution of a computerised and transparent electoral database highlights the complex nature of the issue. Such a process requires the organisation of mobile courts where magistrates go out to the people in the

hinterland to gather information on persons, and to pass auxiliary judgments to issue birth certificates to those lacking them. However, the absence of sufficient material and human resources limits the efforts of the justice system in the provision of these rather traditional services of the state. Most often, applicants must go to court in order to be issued a birth certificates. In addition to service and transportation costs involved with such an exercise, the applicant is bound to produce three witnesses during the auxiliary judgment. These quite exorbitant costs discourage people and contribute to them maintaining their ‘illegal’ status with regard to the law. This rather incomprehensible situation calls for urgent, widespread and immediate action from the state.

985. Access to property, and particularly to arable land and real estate, is also blocked in the absence of a legal identity. Stakeholders mentioned cases of children and widows dispossessed of their land because they did not have a civil status certificate establishing their kinship to the deceased.
986. The same applies to access to basic social services, which is rendered impossible in the absence of a legal identity. Stakeholders expressed their frustration at not being able to register their children in schools because they do not possess the required birth certificate. This is particularly true for those in rural areas. The same applies to access to electricity and access to health care in some health centres.
987. There are also impediments on the right to work in the absence of a legal identification document. The offer of employment is subject to the submission of proof of identity, since this information is helpful in checking an applicant’s criminal record and his/her social security registration. It is a legal requirement that is liable to criminal sanction. Since they are often unable to meet this requirement, the people – particularly the youth and women – add to the already high unemployment rate or resort to the informal sector.
988. It is worth pointing out that possessing a birth certificate is an inalienable human right. It is the responsibility of the state – as per its commitments under international instruments on human rights protection – to take all necessary measures to ensure that each Beninese citizen possesses a legal identity.
989. Efforts made by the state in this regard are still half-hearted and are not reassuring. Hesitation with regard to setting up a computerised electoral database is glaring proof of this. Although Benin is not a major exception in this area when compared to other African countries, it is nevertheless extremely urgent that state authorities speed up the mobile public declarations organised by the justice system to remedy the situation. There is also the need to set up an efficient civil status system, which will make it possible to:
 - establish frank collaboration between the administrative structures involved in civil status management from the base to the top;
 - computerise the services that deal with the passing of auxiliary judgments;

- establish special birth registration centres in hospitals, maternity homes and other public and private health units;
- ensure that birth registration centres have better trained workers with unquestionable professional and moral aptitudes, as well as ensure that they are provided with proper working conditions and incentives that would free them from the temptation of corruption;
- implement a programme to raise public awareness of birth certificates, train people on how to obtain a birth certificate, and impose action against accomplices and beneficiaries of fraudulent certificates; and
- provide the justice system with appropriate means to perform this task.

CHAPTER EIGHT

8. GENERAL CONCLUSIONS: CONSTRAINTS AND PROSPECTS

8.1 Introduction

990. The assessment exercise in Benin followed the signing of the MOU on 31 March 2004. On completion of this assessment exercise – and considering the specific constraints faced by Benin in meeting its development objectives – the APR Panel acknowledges its appreciation of the determination and efforts made by the newly elected authorities to achieve the stated objectives.
991. The desire to make progress is obvious and seems to guide the leaders and stakeholders met throughout the exercise. However, this desire and commitment, though clearly expressed, should be translated into concrete actions by eliminating the following constraints (some of which could even constitute risks).

8.2 The constraints

992. **At the political level**, a major risk is the capacity of the government to deal with pressure groups active in the implementation of reforms. These reforms are focused on ensuring the participation of all stakeholders in the reform process, ensuring accountability, and engaging in the fight against corruption.
993. The new authorities, who came to power through the last elections⁷⁵, enjoy the effective support of the population and have started carrying out reforms aimed at guaranteeing – in an adequate manner and for all citizens – the rule of law, security and peace. The pursuit of the reforms by the new government was also facilitated by the stability of the Beninese public administration. However, administrative red tape and a sincere desire for change remain issues of concern.
994. Concerning accountability, the institutions in charge of the control and regulation of executive power, though officially put in place, are not fully operational. This is due (notably) to a lack of adequate human resources. The Executive still has supremacy over the legislative power. The APR Panel also

⁷⁵ The international community commended, in April 2006, the transparency that characterised the election of the president of the republic. This election (the third of its kind since the National Sovereign Conference of February 1990), as well as the organisation of the legislative elections in 2003, have strengthened the democratic renewal of the country and confirm that Benin has, once again, succeeded in a peaceful handover of power.

noted the inadequate participation of the private sector and civil society due to their low capacity to effectively take part in decisions that concern them.

995. However, it should be emphasised that the programme of the government entails a series of reforms aimed at ensuring increased *participation of the stakeholders*. Indeed, the conditions for greater participation exist in Benin, since civil society is already relatively active in the country and is committed to the defence of human rights and the improvement of the conditions of the poorest social groups. The current government has implemented these programmes through a more active participation from civil society, political parties, the private sector, and all economic players, as well as all regions of the country. In addition, development partners are providing increasing support for actions aimed at strengthening credible civil society organisations.
996. *In the area of accountability*, the government has agreed to review the constitution in 2008 in order to achieve greater effectiveness of the separation and balance of power between the Executive, the judiciary and Parliament. The president of the republic plans to strengthen, as part of the review, the following constitutional provisions: (i) the impossibility of each of the powers to encroach upon or wipe out the prerogatives of the other two; (ii) the effective exercise of the role of independent arbitrator by the authorities of the judicial power; and (iii) the clear definition of the missions and responsibilities of the institutions, as well as the implementation of mechanisms of their interaction and collaboration. It is expected that this review will be the occasion to transform the Chamber of Accounts into an audit office.
997. In the area of justice, the implementation of the PIRSJ facilitated the adoption of the laws on the bench, the judicial administration, the status of the opposition and the new Charter of Political Parties. At the same time, government is currently carrying out a budgetary reform focused on results, which will pave the way for better internal and external control of public expenditures.
998. Finally, on the whole, *fiduciary risks* have been reduced since Benin initiated the implementation of the recommendations of the CFAA (carried out in 2005) and of the analytical review of the public procurement system (CPAR – carried out in 2003). In addition, in July 2007 Benin completed the report of the review of public expenditures (PEFA).
999. Overall, although the political risks are real, they have been reduced by the government's desire and commitment to implement the necessary reforms:
1000. **At the economic level**, the vulnerability of the Beninese economy – associated with the existence of a monoculture export – constitutes the main challenge facing Benin. This requires diversification of the sources of economic growth (which is essentially based on cotton and trade) with a view to significantly reducing the level of poverty.
1001. The risk associated with the low diversification of production (cotton represents the main export revenue) and fluctuations of the rainfall pattern

(which affect agricultural production) is expected to reduce with the progress made in the implementation of the strategy and programme for rural and agricultural development. These achievements will be consolidated with the results expected from the implementation of the Private Sector Recovery Programme, which is a full component of the GPRS (2007-2009).

1002. Despite an economic situation that, on the whole, is currently experiencing a favourable trend, progress registered at the macroeconomic level has not succeeded in significantly reducing *the phenomenon of poverty – another major constraint and challenge of development in Benin* that affects more than 30% of the population. This situation is a consequence of the concentration of production around one branch, as well as poor redistribution of the benefits of growth, which makes it impossible to effectively fight poverty in Benin. An average growth of more than 5% is expected under the GPRS, and this will significantly reduce the incidence of poverty. To that end, and with the support of development partners, the strategy of the government must continue to rely on a stable macroeconomic framework in the medium term. The government should pursue the improvement of the basic economic infrastructures, and give preference to expenditure sectors that contribute directly to poverty reduction. To that end, the reforms implemented will help to address the constraints in the area of improvement of the legal protection of business, fiscal responsibility, customs duties, management of public utility services, and finally, the development of infrastructure.
1003. To reduce the cost of production factors, the government plans to pursue the modernisation of its financial and banking system and improve the performance of public structures that supply strategic goods. Benin should accelerate the pace of implementation of its privatisation and liberalisation programme in order to establish the long-term bases for its development through: (i) the actual sale of ginneries of SONAPRA; (ii) the concession of the current electricity company; (iii) the completion of the privatisation of telecommunications; (iv) the implementation of the second phase of the study on the privatisation of port management, and the preparation of an action plan to implement its main recommendations; and (v) the development and operationalisation of a new regulatory framework for the electricity and telecommunications sectors. Apart from these measures – which the government intends to pursue in order to promote the different sectors that constitute sources of growth – the government should be able to take advantage of the AGOA initiative, which offers markets for textile products.
1004. Another important risk concerns *the dependency of the Beninese economy on political and economic development in Nigeria*. As Benin's main trade partner, Nigeria constitutes an opportunity but also a risk for development and poverty reduction in Benin. The risk will, however, be reduced by the success of the structural reforms – notably those concerning improvement of the competitiveness of the Cotonou Port Authority with a view to making it a commercial platform. Furthermore, Benin plans to strengthen its customs system in order to get the most it can from its strategic position as the gateway to the Sahelean countries.

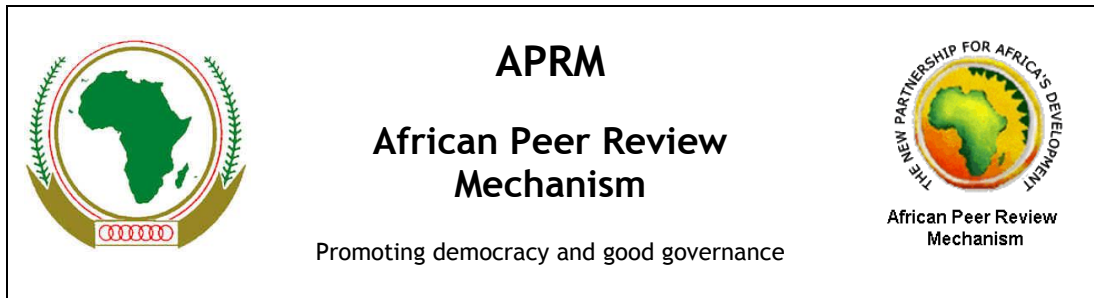
1005. **Concerning the fight against corruption**, considerable efforts are still necessary in order to eliminate the many constraints at this level. In this regard, the government has adopted a national strategic plan for the fight against corruption, and has also finalised a survey on corruption. Benin initiated the implementation of Directive 07/2002/CM/UEMOA of 19/09/2002 on the fight against money laundering in WAEMU member countries with the adoption, by Parliament, of the law against money laundering. It now has to implement political will in this regard.
1006. **At the level of the low budget execution capacity**, *risks are associated with the low access of the population to basic services*. In the framework of the improvement of basic services, one of the risks identified in the implementation of activities of the different related programmes comes from the low institutional and human capacity of the services concerned, their low capacity for absorption of credits, and some administrative red tape. This is valid for health, education and other basic social services. The risk reduction factors include support of the partners for the programme budget approach and budget support, which has the advantage of ensuring efficient coordination of aid. In addition, improvement of the fiduciary and public expenditure control framework will help to reduce these risks through efficient execution of public expenditures.
1007. **Concerning greater participation of women in order to promote gender equality** in all key areas, it should be noted that, despite the considerable efforts deployed, the majority of the population (nearly 52%) is still marginalised by the decision-making bodies. If this phenomenon is not stamped out, it can constitute a real risk that could jeopardise the expected results in the area of socioeconomic development and the extension of political and democratic rights to women.
1008. **The low level of motivation on the part of government officials** due to low salaries and excessive politicisation of the public service is another constraint that should be eliminated as soon as possible. The programme of the government took this risk into account by mitigating it through the implementation of a results-based reform of the public service. This reform is organised around the establishment of a remuneration system for public servants, the status of government workers, modernisation of services, and the implementation of the Public Service Charter. The decisive measure is the review of the wage index, which can only be applied gradually to all government workers.
1009. **The final risk, an exogenous one, may result from the increase in oil prices** and the decision of the new government to ban the illegal sale of petrol. This risk will be reduced in the medium term and presupposes a diversification of production and the development of alternative sources of energy.

8.3 Prospects

1010. Despite these numerous constraints, Benin has a number of major assets, the exploitation of which will certainly help to overcome these obstacles.
1011. In order to attain its development objectives, the government has developed a number of strategies through (notably) the documents on the 2006-2011 strategic development orientations of Benin, entitled *Emerging Benin*, which translates the vision of Alafia Bénin 2025; and the GPRS (2007-2009), which includes a basic scenario with quantification of the different sectoral strategies to be implemented to accelerate growth and reduce poverty, while maintaining macroeconomic stability. This strategy, developed in a participative manner with all stakeholders, bases the acceleration of growth on the diversification of agricultural production, economic liberalisation, support for the private sector, improvement of the economic and social infrastructure, and good governance.
1012. This strategy is aimed at eradicating the major constraints to the development of the country with a view to transforming Benin into an emerging country by 2025. This ambition is reflected in the desire of the government to create the necessary conditions for accelerated economic growth so as to ensure a significant reduction of poverty in the country. Specifically, this strategy comprises measures for mitigating the risks and constraints identified in the framework of the diagnosis of the economic and social situation of Benin.
1013. In the different focus areas, the most important assets, at the political level, are: (i) the resolve to change for the better; and (ii) the entrenchment of the values and culture of democracy, human rights and sociopolitical stability; in the economic sphere are: (iii) the vast potential with regard to agriculture (4.8 million hectares of arable land, of which less than 1 million hectares is currently being cultivated), fishery resources, livestock breeding, forestry, mineral resources, as well as tourism – which is not adequately exploited; (iv) the geographical location (a 125 kilometre coastline equipped with an important port, sharing a long common border of about 700 kilometres with Nigeria, which represents a market of nearly 140 million potential consumers, and sharing borders with landlocked countries such as Niger and Burkina Faso); (v) the dynamism of the country's informal sector; (vi) membership of some regional economic and monetary entities; and at the social level are: (vii) the youthfulness and dynamism of the population; (viii) the competence of the country's local labour force; and (ix) the pride in the country's cultural values.
1014. Therefore, the Beninese should rise to the challenges of good governance and sustainable development by relying on their strengths in the implementation of their future vision.

APPENDIX I

PROGRAMME OF ACTION OF BENIN



BENIN ACTION PLAN FOR IMPROVED GOVERNANCE THROUGH THE APRM

November 2007

ACRONYMS AND ABBREVIATIONS

ABE	Beninese Environmental Agency
ABERME	Benin Agency for Rural Electrification and Energy Management
ADEX	Export Developmental Association
AGETIP	Public Works Agency
AGETUR	Urban Planning/Public Works Agency
ANCB	Benin National Town Councils Association
ANPE	National Employment Agency
ANPI	National Agency for the Promotion of Investments
APRM	African Peer Review Mechanism
AU	African Union
BCEAO	Central Bank of West African States
BOAD	West African Development Bank
BoD	Board of Directors
BRS	Regional Bank of Solidarity
CAPAN	Analysis Unit on Development Policies of the National Assembly
CCIB	Chamber of Commerce and Industry of Benin
CDCC	Departmental Council for Consultation and Coordination
CEB	Electricity Community of Benin
CEBENOR	Benin Centre of Standardisation and Quality Management
CENA	Independent National Electoral Commission
CEPAG	Centre for Development and Assistance in Business Management
CES	Economic and Social Council
CIPB	Benin Private Investors Council
CIPE	Small-sized Enterprises Tax Office
CNP	Council of Employers
CONAFIL	National Commission for Local Finance
CPA	Centre for the Promotion of Associations
CSAR	Country Self-Assessment Report
CSO	civil society organisations
DCI	Domestic Trade Department
DDEPN	Departmental Director for the Environment and Nature Protection
DGB	General Directorate of the Budget
DGDDI	General Directorate of Customs and Excise
DGID	General Directorate of Taxes and Lands
DGPN	Office of the National Police
DGSSMF	Directorate for the Supervision of the Micro-finance Sector
DGT	General Directorate of Labour
DGTCP	General Directorate of the Treasury and Public Accounting
DGTP	General Directorate for Public Works
DLEC	Coastal Ant-erosion Department

DNMP	National Public Procurement Directorate
DPI	Investment Promotion Department
DPP	Programme and Planning Department
DRFM	Financial and Material Resources Department
FAGACE	African Guarantee and Economic Cooperation Fund
FONAC	National Organisations Front for the Fight against Corruption
GDP	gross domestic product
GPRS	Growth and Poverty Reduction Strategy
HAAC	National Audiovisual and Communication Authority
IEC	information, education and communication
IGE	General State Inspectorate
IGF	General Finance Inspectorate
IGM	General Ministry Inspectorate
IGN	National Geographic Institute
IGSEP	General Inspectorate of Public Services and Employment
ILO	International Labour Organization
IMF	International Monetary Fund
INSAE	National Institute of Statistics and Economic Analysis
JORB	Official Gazette of the Republic of Benin
LEPI	Permanent Electronic Electoral List
MAEIAFBE	Ministry of Foreign Affairs, African Integration, Francophony and Benin Nationals Abroad
MAEP	Ministry of Agriculture, Livestock and Fisheries
MAPLN	Ministry of Literacy and Promotion of National Languages
MCA	Millennium Challenge Account
MCAT	Ministry of Culture, Handicraft and Tourism
MCRIPPG	Ministry in Charge of Relations with Institutions, Government's Spokesman
MD	managing director
MDGLAAT	Ministry of Decentralisation, Local Governance, Administration and Town and Country Planning
MECEPDEAP	Ministry in Charge of Long-term Planning, Development and Public Action Evaluation
MEF	Ministry of Economy and Finance
MEPN	Ministry of Environment and the Protection of Nature
MFE	Ministry of the Family and the Child
MFI	micro-finance institution
MIC	Ministry of Industry and Trade
MICPME	Ministry of Industry, Trade, Small and Medium-sized Enterprises
MISP	Ministry of the Interior and Public Security
MJLDH	Ministry of Justice, Legislation and Human Rights
MJSL	Ministry of the Youth, Sports and Leisure

MRAI	Ministry of Administrative and Institutional Reform
MS	Ministry of Health
MTFP	Ministry of Labour and Public Service
NGO	nongovernmental organisation
OCBN	Joint Benin-Niger Railway and Transport Organisation
OCS	Observatory on Social Change
ODEM	Media Deontology and Ethics Observatory
OLC	Observatory on the Fight against Corruption
PAC	Cotonou Port Authority
PDC	Town Councils Development Programme
PERAC	Public Expenditure Reform Assistance Credit
PFR	Rural Land Plan
PMLS	Multi-sector AIDS Control Programme
PNLS	National Programme for the Fight Against AIDS
RFU	Urban Land Register
SBEE	Beninese Electricity and Water Company
SGM	secretary-general of a ministry
SIGFIP	Public Finance Information Management System
SME	small and medium enterprise
SNIGS	National Health Information and Management System
TFP	Technical and Financial Partner
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WAEMU	West African Economic and Monetary Union
WTO	World Trade Organization

Development is increasingly viewed as a comprehensive phenomenon marked by various economic, social, political, environmental, cultural and technological tiers. These tiers shift and converge to form individual and collective welfare. The necessary convergence of activities inherent to such areas can only be achieved through good governance, which constitutes a tool for boosting balances and regulating production relations among stakeholders. With a view to improving governance in Benin, an action plan has been drafted subsequent to the strategic diagnosis conducted in relation to the different objectives suggested by the APRM.

The drafting, consolidation and finalisation of this action plan have been the main topic discussed during two seminars of stakeholders (including government, the private sector and civil society) held on 27 September 2007 and 26-27 November 2007. These seminars gathered the various bodies responsible for planning, long-term planning/prospects, drafting and execution of budget programmes of ministries.

The cost assessment method used during the aforementioned meetings is based on results targets, available statistics, the population each intervention should cover, the

nature of services to be provided to beneficiaries, and the various reference prices of each intervention.

The plan includes a series of actions ensuing from the diagnosis made for each theme considered. It also encompasses priority recommendations contained in the CSAR. However, it is likely to go through necessary adjustments to take into account implementation deadlines and the development of the socioeconomic and political environment, and recommendations made as a result of Benin's review.

The implementation of Benin's action plan will necessitate collaboration between government, the private sector and civil society. In addition, partnership with the international community is needed, including TFPs (especially the UNDP), and with the support and leadership of the AU. Negotiations, training and required exchanges with major stakeholders will be considered throughout the process with a view to ensuring the success of the implementation.

For this reason, the government of Benin will establish, as early as February 2007, an Implementation Monitoring Observatory for the action plan and recommendations included in the CSAR.

The action plan sets a distinction between two kinds of actions: on the one hand, specific actions relating to precise dimensions of governance, and on the other hand, crosscutting actions that cover all the areas considered.

I. SPECIFIC ACTIONS

The specific actions concern the four thematic areas considered, namely democracy and political governance, economic governance and management, corporate governance, and socioeconomic development.

1. DEMOCRACY AND POLITICAL GOVERNANCE

GENERAL OBJECTIVE 1: PREVENT AND REDUCE INTRASTATE AND INTERSTATE CONFLICT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.1.1 Establish a peaceful atmosphere within national borders	1.1.1.1 Mobilisation of living forces around the major national causes (in the midterm)	Tensions between social groups, regions and ethnic groups are scaled down	Improved quality of relations between social groups, regions and ethnic groups	Opinion poll Count of incidents	MCRI MISP	Parliament CSOs Private sector Partners	MCRI MISP MJLDH	2008-2010	1,000,000
	1.1.1.2 Promotion of civics with a view to strengthening national unity	High-level citizenship awareness	Number of actions in favour of citizenship Expression of citizenship awareness and respect for public property or state	Study and evaluation reports	Teaching and adult education association Ministry of Communication Ministry of the Youth Ministry of Culture	UNICEF Konrad Adenauer UNESCO Other partners Private sector INFOSEC	DPP IGM Civil society	2008-2015	3,000,000
1.1.2 Demarcate the final borders with neighbouring countries	1.1.2.1 Establishment of a security space of peace and cooperation with border countries	Cross-border populations live together peacefully	The number of border disputes scales down	Free movement of persons and goods Absence of crisis	MAEIAFBE MDGLAAT MDN MISP MCRI	Border populations Subregional bodies	Mayors Security forces	2008-2009	1,000,000

APPENDIX I: PROGRAMME OF ACTION OF BENIN

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.1.2 Demarcate the final borders with neighbouring countries (continued)	1.1.2.2 Capacity building for national committees for borders demarcation (in the short term)	Capacities of national border demarcation committees are reinforced	Number of meetings held	Reports	MAEIAFBE MDN MISP MDGLAAT MEF MEMP	TFPs Civil society	DPP of ministries	2008-2009	170,000
	1.1.2.3 Referral, if need be, to international arbitration bodies (in the midterm)	International arbitration bodies are referred to if need be	Number of referrals	Counting	MAEIAFBE MCRI	TFPs	MAEIAFBE	2008-2012	2,000,000
	1.1.2.4 Evidence of the presence of the Beninese state in border areas through economic and socio-community infrastructures (in the midterm)	Social and community infrastructures are built in border areas	Number of economic, social and community infrastructures built	Documents	Ministry of Agriculture MISP Ministry of Town Planning MEF MEPN MSP MTPT	TFPs Civil society Private investors	DPP of ministries	2008-2011	500,000,000
Subtotal 1									507,170,000

GENERAL OBJECTIVE 2: PROMOTE CONSTITUTIONAL DEMOCRACY, INCLUDING POLITICAL CONTESTS AND THE OPPORTUNITY TO MAKE CHOICES FREELY, THE RULE OF LAW, THE DECLARATION OF HUMAN RIGHTS AND THE PRIMACY OF THE CONSTITUTION

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.2.1 Improve transparency and lawfulness of elections	1.2.1.1 Enforcement and strengthening of the Charter of Political Parties to make it more demanding in terms of missions and duties (in the midterm)	Political parties fully participate in political life and are closely involved in basic political debate and the raising of citizenship awareness among populations	Number of parties Impact of their actions	Counting Opinion poll	Permanent secretariat of the CENA MISP MEF	TFPs Political associations MCRI MDGLAAT	Constitutional Court Supreme Court	2008-2012	250,000
1.2.2 Ensure effectiveness and sustainability of the election management handling system	1.2.2.1 Depoliticising the CENA by changing the appointment pattern of its members (in the midterm)	Gradual absence of fraud and other irregularities observed during voting	Number of awareness raising actions	Counting Opinion poll	Parliament	TFPs	Constitutional Court	2008-2010	100,000
	1.2.2.2 Final settlement of the issue of the electoral roll, electoral code and electoral schedule (in the midterm)	Decrease of the number of protests or claims by candidates The logistic organisation of voting is improved	Status of CENA members Number of protests	Electoral file Counting	MCRI MJLDH Parliament	Civil society MISP	Constitutional Court Supreme Court	2008-2011	2,600,000
	Drafting the LEPI							2008-2010	Cost to be determined with TFPs
	1.2.2.3 Reliability in the funding mode of electoral campaigns (in the midterm)	Reliable electoral campaign funding	Parties' campaign-related expenditure	Audit commission report	MJLDH Audit commission	Civil society TFPs	Audit commission	2008-2011	300,000

APPENDIX I: PROGRAMME OF ACTION OF BENIN

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.2.3 Consolidate democracy, enrooting the rule of law and human rights in habits	1.2.3.1 Restoration of habits, customs and social institutions (in the midterm)	Democratic rules and principles, as well as provisions of the Universal Declaration on Human Rights, are introduced in habits	Appropriation of good conduct rules by each individual Better functioning of social, economic and political institutions	Investigations	MJLDH MJSL MF MRAI	TFPs Civil society CES MCAT	MJLDH MJSL MF	2008-2011	1,000,000
1.2.4 Ensure that all national stakeholders are better aware and abide by the rules of the democratic system	1.2.4.1 Better popularisation of the law	Mutual confidence is established, even among social groups	Beninese nationals rely more on one another, both at individual level and at social group level	Investigations	MCRI MJDLH MRAI	TFPs Civil society	Supreme Court MCRI MJDLH	2008-2011	1,000,000
1.2.5 Institutional capacity building for local councils	1.2.5.1 Guarantee of the effectiveness of competence and resource transfers (in the short term)	Resource transfer is real	Local government administration is improved	Investigations	MF MDGLAAT	TFPs Civil society ANCB MTFP MRAI	MDGLAAT	2008-2009	500,000
	1.2.5.2 Establishment of imputability (performance and accountability requirement) with local governments (in the short term)	Local government is efficient	Populations at the grass-roots receive quality services	Investigations	MDGLAAT	TFPs Civil society ANCB MTFP MRAI	MDGLAAT ANCB	2008- 2009	500,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.2.6 Work out democracy and peace promotion policies	1.2.6.1 Organisation of radio and television programmes on democracy and peace	Promotion of democracy and peace	Increasing number of radio and television programmes on democracy and peace	Statistics	Ministry of Culture and Communication	General public World Bank	Ministries of the interior, justice, information and communication	2008-2010	100,000
Subtotal 2									6,350,000

GENERAL OBJECTIVE 3: PROMOTE AND PROTECT ECONOMIC, SOCIAL, CULTURAL, CIVIL AND POLITICAL RIGHTS AS CONTAINED IN ALL THE AFRICAN AND INTERNATIONAL HUMAN RIGHTS INSTRUMENTS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.3.1 Reduce economic inequalities	1.3.1.1 Strengthening equalisation of sales prices of widely consumed goods (oil, cement, pharmaceutical products, etc.)	Equalisation of basic products is enhanced	Prices of products in various regions in Benin	Price list Interview Satisfaction survey	Joint Inter-ministerial Commission in charge of setting the prices of widely consumed goods	TFPs Private sector	MIC MMEE MF MEDPEAP	2008-2009	400,000
	1.3.1.2 Creation of regional development hubs	Regional development hubs exist	Number of regional hubs created Percentage of people satisfied with the services of regional hubs	Counting Opinion poll	MEDPEAP	TFPs MDGLAAT Economic operators Foreign investors	Ministry of Economy and Development	2008-2010	2,000,000
1.3.2 Ensuring that each citizen has at least the basics required to live on (food, clothing, housing, health care, education, etc.)	1.3.2.1 Creation of a development programme that is gradually achievable	A development programme securing rights is worked out	Drop in the percentage of citizens struggling for the aforementioned rights Reduce the cost of public social services, mainly in rural areas	Opinion poll Costs list Opinion poll	MJCRI MFFE	TFPs Civil society	ANPE Micro-finance Unit	2008-2010	1,200,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.3.3 Scale down estate-related conflicts	1.3.3.1 Drafting a relevant land administration regulation	Relevant regulation exists in land administration	Land administration acts Effective enforcement and impact	Law documents Survey and conflicts counting	MDGLAAT MUHRFLEC	Parliament MCA Private sector	MJLDH MDGLAAT MISP	2008-2010	350,000
1.3.4 Ensure improved land administration	1.3.4.1 Reform of land administration procedures 1.3.4.2 Enhancing land registration system	Land-governing law RFU and PFR are set up Land registration system is reinforced	Number of acts passed and popularised Percentage of registered lands compared to targeted lands Procedures for assigning land title deeds are made simple, and their purchase costs are lowered	JORB Land registers Archives Rural land schemes	MUFFEC IGN City councils Prefectures DDE	MCA Devolved services of the Ministry of Agriculture	Ministry of the Interior MEF Ministry of Agriculture	2008-2013	50,000,000 ⁷⁶
1.3.5 Strengthen self-regulating capacities	1.3.5.1 Capacity building for those bodies, and technical means made available to them	The HAAC and the ODEM are strengthened	Number of officials trained Amount of equipment made available	Training reports Reception minutes	MEF Ministry of Communication	Media	DPP HAAC ODEM	2008-2010	1,000,000

⁷⁶ The amount of US\$ 50 million is allotted to cover fees incurred as part of the reform of land administration procedures, and to subsidise the purchase of land title deeds within specific-status towns. The amount does not include actions taken by the MCA in rural and urban areas and in the outskirts.

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.3.6 Promote economic, social, cultural, civil and political rights	1.3.6.1 Initial and continuous training of journalists	Journalists are trained	Number of journalists trained	Training reports Schedule of radio and TV programmes		HAAC	Associations of Journalists Employers Private press	2008-2014	1,000,000
	1.3.6.2 Organising media campaign to raise awareness and to educate people on human rights	The media carry out awareness-raising and education campaigns	Number of campaigns conducted	Reports Media Radio TV Posters	MEF Ministry of Communication	UNICEF	DPP/MEF Ministry of Communication	2008-2018	
Subtotal 3									55,950,000

**GENERAL OBJECTIVE 4: SEPARATE POWERS, PROTECT THE INDEPENDENCE OF THE JUDICIARY
AND DEVELOP AN EFFICIENT PARLIAMENT**

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.4.1 Build capacities for the Parliament as regards drafting laws, checking government actions and representation	1.4.1.1 Training in law-making techniques 1.4.1.2 Making the means to check government action available to Parliament	Members of Parliament are trained in law-making techniques, and have the means to check government action	Number of laws passed Number of checks carried out	Reports of the Speaker of Parliament Reports of parliamentary commissions	Parliament CAPAN	TFPs Civil society	Constitutional Court	2008-2009	400,000
Subtotal 4									400,000

GENERAL OBJECTIVE 5: GUARANTEE AN EFFICIENT, CAPABLE AND RESPONSIBLE PUBLIC SERVICE

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.5.1 Improve civil service performances	1.5.1.1 Adoption and implementation of a framework law for improving civil service performance (in the short term)	Effectiveness, transparency and ethics are strengthened in the civil service	Number of independent audits carried out in government institutions Civil service users are satisfied with the service provided by the administration	Counting Survey	MRAI Parliament	TFPs MTFP MF Specialised agencies	MRAI	2008-2010	2,500,000
	1.5.1.2 Definition of a responsible and fair policy for motivation in the civil service 1.5.1.3 Setting up an integrated system of human resources management	Human resources are better managed	Number of truly operational functionalities	Reports Number of deeds issued per year	MRAI MTFP MEF	MEF TFPs DRH	DPP	2008-2009	500,000
Subtotal 5									3,000,000

GENERAL OBJECTIVE 6: TACKLE CORRUPTION IN THE POLITICAL WORLD

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.6.1 Noticeably reduce corruption	1.6.1.1 Capacity building of control bodies	An efficient control mechanism exists and is functional Reducing corruption acts End of impunity	The quality and quantity of inspections Number of punished agents	Control bodies Audit reports of inspection bodies	OLC IGE Civil society MRAI	TFPs	Civil society	2008-2010	1,500,000
Subtotal 6									1,500,000

GENERAL OBJECTIVE 7: PROMOTE AND PROTECT WOMEN’S RIGHTS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.7.1 Reduce inequality between men and women	1.7.1.1 Popularisation in national languages of the Individual and Family Code and other laws related to women's rights	Women are better involved in all political and socioeconomic spheres Reducing violation of women's rights (violence at home, genital mutilations, etc.) especially in rural areas	The mentality of men and women has changed Percentage of women involved in political and socioeconomic spheres Rate of violence against women	Investigations Justice decision Appointments	MFE MJLDH Women's organisations MAPLN MCRI	Civil society Other ministries	TFPs Society	2008-2012	2,000,000
Subtotal 7									2,00,000

GENERAL OBJECTIVE 8: PROMOTE AND PROTECT CHILDREN’S RIGHTS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.8.1 Increasing respect for children and young people’s rights	1.8.1.1 Severe punishment of persons guilty of acts of physical cruelty to children	The fight against child labour and trafficking is reinforced Promotion of entrepreneurship among young people	Number of child victims of forced labour	Counting Survey	MJLDH MF MISP	Partners	MJLDH MF MISP	2008-2009	900,000
	1.8.1.2 Taking effective measures to prevent child trafficking		Number of victims of child trafficking		MJLDH MF MISP MJSL MMFEJF	European Union ILO (BIT)	MJLDH MF MISP MJSL MMFEJF	2008-2009	2,000,000
	1.8.1.3 Entrepreneurship promotion		Youth unemployment rate						
	1.8.1.4 Capacity building of MFE structures in charge of child protection	Structures are operational	Number of SMEs established Number of persons recruited Number of bodies made available	Loans allocated Deed of secondment Reception minutes	MFE	MEF TFPs	DPP TFPs	2008-2011	
Subtotal 8									2,900,000

**GENERAL OBJECTIVE 9: PROMOTE AND PROTECT THE RIGHTS OF VULNERABLE PERSONS,
INCLUDING INTERNALLY-DISPLACED PEOPLE AND REFUGEES**

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.9.1 Promote respect for the rights of vulnerable groups	1.9.1.1 Improvement of vulnerable groups' access to employment (in the midterm)	Vulnerable groups have access to employment	Employment statistics of vulnerable groups	Counting Survey	MMFEJF MEF MJSL MCAT Ministry of Agriculture	Partners Civil society	MTFP MMFEJF MEF Ministry of Agriculture	2008-2011	2,000,000
1.9.2 Improve the socioeconomic condition and integration of vulnerable groups in society	1.9.2.1 Improvement of their access to sources and means of financing (in the midterm)	Vulnerable groups have access to funding	Number of funded initiatives aimed at vulnerable groups	Counting	MMFEJF MCAT	Partners MF MJSL Civil society	Ministry of Civil Service MMFEJF MF MJSL MAEP MEPN Ministry of Town Planning Ministry of Health Ministries of Education	2008-2011	3,000,000
1.9.3 Promote the emergence of areas of activities that employ vulnerable groups	1.9.3.1 Providing technical training in managing income-generating activities (in the midterm)	Vulnerable groups AGRs are promoted	Vulnerable groups' autonomy and their capacity to take responsibility for themselves are on the increase	Counting	MAEP MCAT MEPN MMFEJF	Partners Civil society	MTFP MEF MMFEJF Ministry of Agriculture	2008-2011	2,000,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.9.4 Take better account of vulnerable groups' concerns in development policies and strategies	1.9.4.1 Taking into account vulnerable groups' concerns in development policies and strategies	Vulnerable groups' concerns are taken into account	Number of actions taken in their favour provided for in the GPRS	Counting	MFE MEDPEAP	Partners Civil society	Ministry of Civil Service MFE MMFEJF MEDPEAP	2008-2009	100,000
Subtotal 9									7,100,000
SUBTOTAL I (DEMOCRACY AND POLITICAL GOVERNANCE)									586,370,000

2. ECONOMIC GOVERNANCE AND MANAGEMENT

GENERAL OBJECTIVE 1: PROMOTE MACROECONOMIC POLICIES THAT SUPPORT SUSTAINABLE DEVELOPMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.1.1 Carry out macro-economic estimates	2.1.1.1 Expansion and updating of available database	Database updated and made available	Increased number of usable databases	Consulting available databases	INSAE	DPP (all ministries) BCEAO CSPMES	Ministries of Development and Finance	2008-2010	200,000
	2.1.1.2 Carrying out forecasts from all relevant data	Realistic and reliable forecasts	Variance between forecasts and achievements/ execution	Database analysis and variance analysis report	INSAE	DPP (all ministries) BCEAO CSPMES	Ministries of Development and Finance	2008-2010	100,000
	2.1.1.3 Build the human, material, financial and institutional capacity of the DPPs and INSAE		Reliable data on the public and private sectors is made available						
2.1.2 Improve business environment	2.1.2.1 Implementation of a tax policy promoting investment	Updated, popularised and applied tax policy document	Investment flow	Fiscal policy execution report	DGID	CCIB DGDDI Employers' Federation	Ministry of Finance	2008-2010	60,000
	2.1.2.2 Initiate laws aiming at protecting the right of possession	Law protecting the operational property right	Number of decisions passed in economic and financial matters	Tax policy publication report (Official Gazette)	Supreme Court	Parliament Courts Judges' Association Bar Association CCIB Employers' Association	Ministry of Justice	2008-2010	40,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.1.3 Work out growth-promoting sector policies	2.1.3.1 Building the capacity of the poor to conduct income-generating activities	Poor entrepreneurial capacity is developed Increase in schooling and literacy rate	Number of micro-companies created Schooling and literacy rate	INSAE database Literacy Department database	All structures in charge of promoting companies Literacy Department Ministry of Agriculture	NGO	Ministry of Development and Micro-finance Ministry of Literacy Department of Technical Education Department of Primary Education	2008-2010	500,000
	2.1.3.2 Improvement of access to credit	Access to credit has been improved	Increasing number of micro-credit beneficiaries Outstanding payments rate	IMF report	Micro-finance Unit	IMF Banks BCEAO Alafia Consortium Support organisations	Ministry of Micro-finance	2008-2010	600,000 ⁷⁷
2.1.4 Improve domestic resources mobilisation policy	2.1.4.1 Tax base expansion Tax evasion reduction	Increase in tax revenue	Number of companies or activities liable to tax Tax evasion rate reduced	Tax Inspection Department annual report	DGID	DGDDI Courts Police	MDCB	2008-2010	300,000

⁷⁷ This amount is allocated in order to establish policies promoting access to credit, and is not intended for credit granting.

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.1.4 Improve domestic resources mobilisation policy (continued)	2.1.4.2 Setting up incentives for MFIs	Increase in savings and credits	Bonus fund set up Laws adopted towards strengthening the control system More frequent and strict controls of MFIs	Evaluation report	Micro-finance Unit	IMF Banks BCEAO	BCEAO MMFEJF	2008-2010	1,000,000
	2.1.4.3 Strengthening the control system								
	2.1.4.4 Reduction of differential between debit and credit rates through the raising of credit rates	Differential between debit rates reduced	Differential between debit and credit rates reduced	BCEAO Banking Commission report	Commercial banks DGPME	MMFEJF	BCEAO Banking Commission	2008-2010	600,000
	2.1.4.5 Incentives as to the increase of long-term deposits by way of issuing of compulsory borrowings and popular shareholding	More protracted deposits value date	More varied and attractive bank products		IMF		Ministry of Finance		
Subtotal 10									3,400,000

GENERAL OBJECTIVE 2: IMPLEMENT SOUND, TRANSPARENT AND PREDICTABLE GOVERNMENT ECONOMIC POLICIES

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.2.1 Improve effectiveness and transparency of customs administration	2.2.1.1 Improvement of import, transit and export procedures	More effective customs policy	Reduced number of customs evasion acts	Import, transit and export procedures manually revised and corrected	DGDDI	CCIB	MDCB	2008-2010	200,000
	2.2.1.2 Updating of anti-fraud and smuggling techniques		Control frequency	Updated anti-fraud and smuggling techniques		National Employers' Association			
2.2.2 Make economic policies foreseeable	2.2.2.1 Improvement of the effectiveness of planning and control procedures	A more proactive state	Management chart/roadmap	Reinforced planning and control capacity	DPP General Inspection of the ministry	All public bodies	MECEPDEAP	2008-2013	100,000
Subtotal 11									300,000

GENERAL OBJECTIVE 3: PROMOTE SOUND PUBLIC FINANCE MANAGEMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.3.1 Strengthen promotion of a sound management of public funds	2.3.1.1 Strengthening and generalisation of programme approach in budget management	Government expenses and income controlled	Budget execution rate	Performance reports	MEF	DPP All ministries' DRFM	MDCB DGB	2008-2013	100,000
	2.3.1.2 On-time adoption of payment acts	Programme budgets are available and executed in all public organisations	Budget balance ratio	Performance reports	MEF	DPP All ministries' DRFM	MDCB DGB		
		Payment acts are adopted on time	Number of payment acts passed on time	PIP	DRFM of all ministries and public organisations DGTCP	Parliament	Supreme Court Audit Chamber		
	2.3.1.3 Generalisation of PERAC as applied to all ministries	Public expenditure is rationalised PERAC reform is made general	Number of ministries developing programme budgets	Investigations Budget execution review	DGB DGTCP	All ministries and public organisations DRFM	Ministry of Finance	2008-2013	100,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.3.1 Strengthen promotion of a sound management of public funds (continued)	2.3.1.4 Set up a mechanism ensuring the traceability of public resources	The monitoring of the use of public resources is actually more rigorous	SIGFIP Number of payment orders	Public funds management report	DGTCP DGB	DRFM of all ministries and public bodies Public Procurement Panel DNMP	MF	2008-2013	50,000
	2.3.1.5 Review of the public procurement mechanism	The traceability mechanism is operational		Activity report of the Public Procurement Panel	DNMP				
	2.3.1.6 Strict limitation of resort to payment orders	New public procurement procedures are designed and operational		IGF's reports					
2.3.2 Develop an efficient system of budget decentralisation	2.3.2.1 Development of an efficient leadership in terms of budget decentralisation	The authority of the state in terms of budget decentralisation restored	Number of city councils/communes benefiting from budget decentralisation	Decree on the selection of chief-towns issued and implemented SIGFIP Strategy papers available for a real budget decentralisation Action plans available in ministries Surveys	Budget Department Local Communities	Ministry of Finance Prefectures City councils	Office of the President Ministry of Decentralisation	2008-2010	15,000
	2.3.2.2 Formalisation of budget decentralisation strategies								
	2.3.2.3 Development of a plan of action for the budget decentralisation process								
Subtotal 12									265,000

GENERAL OBJECTIVE 4: FIGHT AGAINST CORRUPTION AND MONEY LAUNDERING

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.4.1 Scale down the prevalence of corruption in the civil service ⁷⁸	2.4.1.1 Setting up a mechanism of sanction against people involved	Decreasing number of corruption cases	Plans of moral and civic rearmament have been developed and are operational Anti-corruption and unlawful enrichment laws are passed	Surveys Corruption rates	DRH and IGM All ministries	Ministry of Finance MRAI	Civil society	2008-2013	2,000,000 ³
	2.4.1.2 Upgrading of civil servants' performance with respect to the real cost of living	A more prestigious status for civil servants is adopted	Improved salary scale	Social assessment	DRH All ministries	Ministry of Administrative Reform MTFP IGSEP IGE IGF			
	2.4.1.3 Evaluation of corruption rates	Decreasing number of corruption cases	The proportion of people involved who are punished	Inspection report	IGE IGM IGF IGSEP	Ministry of Justice			

⁷⁸ The reduction of the prevalence of corruption in the civil service requires sufficient means and includes:

- sensitisation, and human, material and technical capacity building for control bodies and the judiciary system; and
- more courts to be established so as to speed up the study of cases.

In addition, the implementation of such activities requires quite a lot of time.

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.4.1 Scale down the prevalence of corruption in the civil service (continued)	2.4.1.4 Rationalisation of budgetary options (with a view to reducing the state living standard)	Public funds stabilised	Proportion of the budget allocated to investments	Public budget	Financial control DGB Ministry of Security	Other ministries			
2.4.2 Scale down the prevalence of money laundering	2.4.2.1 Revamping of the economic financial squad	Decreasing practices of money laundering	Number of cases of money laundering	Report of the economic and financial squad	Economic and financial squads	BCEAO	MF IGE	2008-2013	1,000,000
	2.4.2.2 Control of the origin of goods	Intervention plans of the financial squad developed and implemented		Report of the financial squad		WAEMU			
	2.4.2.3 Intervention capacity building for structures in charge of the fight against money laundering	Structures in charge of the fight against money laundering are provided with adequate means		BCEAO report		Public safety forces			
				WAEMU report					
Subtotal 13									3,000,000

GENERAL OBJECTIVE 5: ACCELERATE REGIONAL INTEGRATION BY PARTICIPATING IN THE HARMONISATION OF MONETARY, TRADE AND INVESTMENT POLICIES

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.5.1 Boost membership for economic integration	2.5.1.1 Reduction of swindling on interstates roads through: - popularisation of legal provisions - unexpected controls - punishment of the guilty - reduction of the number of police checkpoints	Free movement of persons and goods	Number of complaints from users relating to swindling on interstates roads	Surveys	National police headquarters	FONAC Carriers Trade Union	Ministry of Public Safety	2008-2013	50,000
		Fewer complaints with regard to interstates roads	Number of cases of punishment inflicted on careless/dishonest agents	Police's report	Gendarmerie headquarters	OLC	MDCTTP/PR		
		Swindling-related provisions are applied		Gendarmerie's report Customs Department's report	Customs Department headquarters	Other anti-corruption organisations MDCB			
	2.5.1.2 Speeding up of the establishment of the African Integration Observatory of	African Integration Observatory is established and operational	Number of legal provisions in terms of ratified integration laws	Report of the Ministry of Integration	DIR	Other states	Ministry of Foreign Affairs	2008-2013	250,000
	2.5.1.3 Popularisation of laws passed at the international level		Degree of involvement in the integration policies and programmes	Surveys	DRECI				

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.5.1 Boost membership for economic integration (continued)	2.5.1.4 Persuasion of other member states of subregional organisations to abide by development programmes and policies	Laws governing international relations are known in the various countries	Frequent workshops and fora are organised for the popularisation of laws relating to integration	Reports of workshops and fora on integration	FAGACE	BCEAO	Ministry of Finance		75,000
	2.5.1.5 Negotiation with other WAEMU member countries with a view to relaxing the banking law and PARMEC law	Forums and seminars on the need to observe obligations relating to cooperation agreements		Mission reports in other member countries of WAEMU BOAD report	BOAD	WAEMU	Ministry of Micro-finance		
	2.5.1.6 Facilitation of local funding of companies in the subregion	PARMEC and more flexible bank laws are implemented and promote relations between banks and MFIs (especially regarding 'refunding') Local funding of companies in the subregion is facilitated and increased	Number of agreements ratified	FAGACE report	Micro-finance Department	BCEAO	Ministry of Micro-finance		
Subtotal 14									375,000
SUBTOTAL II (ECONOMIC GOVERNANCE AND MANAGEMENT)									7,340,000

3. CORPORATE GOVERNANCE

GENERAL OBJECTIVE 1: PROMOTE AN ENABLING ENVIRONMENT AND EFFECTIVE REGULATORY FRAMEWORK FOR ECONOMIC ACTIVITY

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.1.1 Carry on improving the regulatory framework	3.1.1.1 Promotion of commercial jurisdictions Promotion of rural legislation	Commercial jurisdictions are available and perform well Rural legislation is worked out	Number of operational commercial jurisdictions Proportion of files processed in comparison to the number of files received Performance of the rural legislation	Counting Surveys Progress reports	MIC MJLDH Ministry of Agriculture	Partners MJLDH	Legislation directorate MJLDH	2008-2011	600,000
3.1.2 Improve infrastructure services and Benin's competitive position	3.1.2.1 Improvement of the quality and volume of electricity supply	Electricity is available both in quantity and quality	The quality and volume of electricity supply Number of power failures/cuts	Surveys Progress reports	MMEE SBEE	CEB Partners Private operators	Ministry of Energy Ministry of Public Works and Transport	2008-2013	2,000,000
	3.1.2.2 Improvement of the status of the road and railway network	There is a sound road and railway network	State	Inventory Progress reports	DGTP OCBN	TFPs			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.1.2 Improve infrastructure services and Benin's competitive position (continued)	3.1.2.3 Improvement of the functioning of the Telecommunications Regulating Authority	The Telecommunications Regulating Authority is kept on track	Number of decisions Quality of decisions	Surveys Progress reports	Ministry of Telecommunications				
	3.1.2.4 Improvement of the competitiveness of PAC	The Cotonou Port is more competitive	Statistics of transactions ⁷⁹ Comparison with other ports of the subregion	Progress reports Comparative study	PAC	MCA Other partners	Ministry of Transport		
3.1.3 Changing the Investments Promotion Centre into an ANPI	3.1.3.1 Establishment of the ANPI	The ANPI is established	Establishment of the ANPI	Acts Documents	ANPI Budget Department Treasury Department	CCIB National and foreign businesspeople	Ministry of Commerce	2008-2009	1,000,000,000
	3.1.3.2 Provision of financial and human resources to the ANPI	Financial and human resources are made available to the ANPI		Surveys Counting	Investment Advisory Board	CCIB National and foreign businesspeople	Ministry of Development		

⁷⁹ The statistics already take into account the speed of transactions. Therefore, it is no longer necessary to use this last indicator.

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.1.3 Changing the Investments Promotion Centre into an ANPI (continued)	3.1.3.3 Establishment of an Investment Advisory Board	The Investment Advisory Board is established	Quality and quantity of resources made available	Acts Documents					
	3.1.3.4 Support to the national private sector with a view to establishing relations with multinational companies	Support to the national private sector to establish relations with multinationals	Establishment of CCI Number of companies created Number of stakeholders of private sector assisted Impact of interventions	Surveys Counting		CCIB CIPB National and foreign businesspeople			
Subtotal 15									1,002,600,000

GENERAL OBJECTIVE 2: ENSURE THAT ENTERPRISES BEHAVE LIKE GOOD CORPORATE CITIZENS IN TERMS OF HUMAN RIGHTS, SOCIAL RESPONSIBILITY AND SUSTAINABILITY OF THE ENVIRONMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.2.1 Improve the observance of labour law	3.2.1.1 Improvement of the management of the social intermediation of labour disputes	The social intermediation service is performing well	Quality of services Professional conscientiousness of stakeholders	Surveys	DGT	Trade unions Universities Schools ILO Other partners Social partners CCIB CNP	MTFP MJLDH	2008-2009	100,000
	3.2.1.2 Reform of the dispute settlement system through the steadiness in the composition of the jurisdictions (effective presence of assessors) Initiation of a summary proceedings institution for social matters and establishment of the industrial tribunal	The conflict resolution system is more efficient	The standards module relating to basic labour standards is implemented Induced impact						
	3.2.1.3 Organisational reform of the labour administration to achieve an administrative decentralisation by making labour services open to all	The decentralisation process is initiated at the level of the labour administration	Number of IEC activities Number of stakeholders reached Number of brochures produced Number of organised sessions			Other partners			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.2.1 Improve the observance of labour law (continued)	3.2.1.4 Setting up a capacity building programme for all stakeholders of the labour sector, with a view to increasing knowledge of and respect for the legislation through information and awareness campaigns	A communication plan on labour law is drafted and implemented	Number of brochures produced Number of organised sessions Number of companies reached	Counting		CCIB			
	3.2.1.5 Drafting, launching and popularising guidelines to private companies	The guidelines are drafted and communicated to private companies	Number of information and awareness sessions organised for the benefit of labour stakeholders People reached Number of audits conducted			CNP	MTFP		50,000
	3.2.1.6 Increased awareness of social partners (Employers' Association and trade unions)	Information and training actions are carried out for the benefit of social partners The control of private and partly state-owned companies is reinforced	Quality of system instruments Number of publications	Surveys			Ministry of Administrative Reform	2008-2009	
	3.2.1.7 Reinforcement of the control mission in public and state-owned companies, etc.	Sound management	Number of inspection missions carried out	Counting Inspection report	IGF and auditors	Internal auditors	IGE Ministry of Public Action Evaluation		

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.2.1 Improve the observance of labour law (continued)	3.2.1.8 Systematisation of collection and publication of information relating to labour statistics in private, public and partly state-owned companies, in compliance with Convention 160 of the ILO, which was ratified by Benin on 6 April 2000	An adequate control mechanism is set up	Number of cases punished Relevance of sanctions	Inspection report	DGT	Social partners	MTFP Employment Observatory		
	3.2.1.9 Implementation of coercive procedures against dishonest employers	A collection and information dissemination system relating to labour statistics in companies is available	Quantity of human resources Quality of human resources	Surveys Statistic data available	MTFP (DGT)	Other partners	MTFP CCIB		
	3.2.1.10 Improvement of material and human resources of devolved structures in charge of workers' administrative conditions control	Punishment of abuses or violations of the labour code	Number of violation cases	Counting	MTFP (DGT)	CCIB			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.2.2 Compel new companies to systematically abide by the certification of environmental conformity ⁸⁰	3.2.2.1 Check – at the level of technical studies relating to projects – whether the safety of the environment and the living environment is ensured by the provisions prescribed thereon Ensure that the provisions are in compliance with approved standards in Benin Check the sincerity (by way of counter valuation) of the project environmental impact study produced by promoter(s)	Projects are submitted to be checked for environmental standards	Effectiveness of inspections Number of projects checked	Surveys Counting	DGT	ABE Other partners CCIB	MEPN	2008-2009	200,000
3.2.3 Increase social liability of companies in Benin	3.2.3.1 Awareness raising for companies on the need and benefits they can derive from an increased social commitment	Companies are made aware of corporate sponsorship	Number of awareness raising actions	Counting	Employment Department		Ministry of Economy	2008-2009	100,000

⁸⁰ This measure concerns newly established companies. Other companies were, instead, submitted to an environmental audit intended to bring them into conformity.

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.2.3 Increase social liability of companies in Benin (continued)	3.2.3.2 Devising enticing measures (easy formation and expansion, and tax benefits ⁸¹) to encourage companies to be more committed vis-à-vis communities	Enticing measures do exist with national companies	Number of motivational measures	Surveys Counting	CCIB CNP				
Subtotal 16									450,000

⁸¹ Precisions relating to tax benefits are provided every year in the financial act.

GENERAL OBJECTIVE 3: PROMOTE THE ADOPTION OF CODES OF ETHICS IN BUSINESS IN THE PURSUIT OF CORPORATE GOALS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.3.1 Enhance the auditing of public companies by the Auditing Commission	3.3.1.1 Production of administrative accounts and accounting management	The auditing of companies by the Auditing Commission is effective	Number of companies having produced administrative accounts	Counting	Auditing Department	CCIB CNP Supreme Court	MIC MJLDH	2008-2009	900,000
	3.3.1.2 Turning the Auditing Commission of the Supreme Court into an Auditing Court	The Auditing Commission is turned into an Auditing Court	The effectiveness of the Auditing Court	Documents Surveys					
3.3.2 Closely associate the private sector and the media with the promotion of ethics in business	3.3.2.1 Adoption of legislative measures to prevent and fight corruption practices and related acts committed in the private sector and by actors in the sector	Legislative measures punishing corruption exist The private sector is involved in the fight against unfair competition and dumping	Number of laws	Counting	Administrative Reform Department	CCIB CNP CIPB	MIC MJLDH MRAI	2008-2009	

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.3.2 Closely associate the private sector and the media with the promotion of ethics in business (continued)	3.3.2.2 Establishment of mechanisms to encourage the participation of the private sector in the fight against unfair competition, and ensure the respect for the market procedure and ownership rights	The fight against unfair competition is strengthened	Progress report	Progress report	DGCI	CCIB CNP	MIC	2008-2009	300,000
	3.3.2.3 Adoption of measures aimed at preventing companies from offering bribes in order to be awarded contracts	Laws punishing corruption are popularised	Effectiveness of involvement	Opinion poll	DNMP MCRI	Office of the President			
	3.3.2.4 Popularisation of major and specific laws relating to the anti-corruption fight, with the participation of the media and civil society	The media are associated with the fight and have access to information	Number of media and CSOs involved	Survey	OLC	IGE			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.3.2 Closely associate the private sector and the media with the promotion of ethics in business (continued)	3.3.2.5 Improving the access of the media to information on cases of corruption and related offences, as long as the dissemination of such information does not have any negative effect on the investigations and fair trials	A code of ethics exists in each profession							
	3.3.2.6 Promotion of professional orders and the code of ethics in each profession								
Subtotal 17									1,200,000

GENERAL OBJECTIVE 4: ENSURE THAT ENTERPRISES TREAT ALL THEIR PARTNERS IN A FAIR AND EQUITABLE MANNER

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.4.1 Build the capacities of Consumers' Associations	3.4.1.1 Training of Consumers' Associations so that they may play their role in information provision, sensitisation and lobbying, with a view to improving the quality of companies' service provision	Consumers' Associations benefit from training in the area of advocacy and lobbying	Number of sessions Number of people trained	Counting	Consumers' Associations	Media CCIB Partners	MIC	2008-2009	150,000
3.4.2 Pass a law on advertisement and popularise quality standards	3.4.2.1 Preparation and adoption by Parliament of a law on advertisement	The law on advertisement is passed	Law on advertisement	Documents	Parliament	CCIB Consumers' Associations	MCRI	2008-2009	200,000
	3.4.2.2 Large dissemination among the population of quality standards in terms of products and services supplied by companies	The quality standards are disseminated	Number of popularisation actions Number of laws distributed Number of persons reached	Counting	CEBENOR	CNP Partners Media Ministry of Communication	MIC		

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.4.3 Build the capacity for action of meteorological and quality control services	3.4.3.1 Improvement of material and human capacities of technical services responsible for meteorology and quality control	Availability of adequate means for meteorology and quality control services	Quantity of means made available Quality of such means	Counting Opinion poll	DMCQ	CCIB	MIC	2008-2009	500,000
Subtotal 18									850,000

GENERAL OBJECTIVE 5: PROVIDE FOR THE ACCOUNTABILITY OF ENTERPRISES, AND OF THEIR MANAGERS, DIRECTORS AND EXECUTIVES

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.5.1 Augment government's contribution to corporate management	3.5.1.1 Updating of legislative and regulatory documents governing public and semipublic companies in Benin	Laws governing companies are updated There is an appropriate mechanism to appoint MDs of companies and the chairman of the BoD Each MD has a clearly defined roadmap	Quality of laws Relevance of modifications Effectiveness of elections of chairman of BoD by peers Profile of BoD members Effectiveness of invitation to apply Respect for the procedure Number of directors appointed according to the new procedure	Investigation document relating to laws governing enterprises Counting Letters of appointment of MDs	MJCRI All ministries on which companies depend	CCIB CNP CIPB	Ministry of Commerce and Industry Ministry of Development IGE IGF IGSEP	2008-2013 2008-2009	10,000
	3.5.1.2 Election of the chairman of the BoD of public and semipublic companies through an appropriate mechanism	The profile of members of the BoD is determined The relevant authority responsible for the management of public and semipublic companies is established		Opinion poll List	Inter-ministerial Commission	MIC DSAEP	Ministry of Economy and Development		

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.5.1 Augment government's contribution to corporate management (continued)	3.5.1.3 Determination of standard profile of members of a BoD for public and semipublic companies								
	3.5.1.4 Creation of a high authority in charge of monitoring the management of public and semipublic companies, and of government assets in these companies – and having the power to enforce due sanctions	The regulatory body in charge of monitoring the management of public and semi public companies is established The IGE controls public and semipublic companies	Number of members Quality of members Number of audits undertaken	Investigations	Inter-ministerial Commission	Partners	Ministry of Economy and Development		
3.5.2 Improve the monitoring of public and semipublic companies by the IGE	3.5.2.1 Establishment of a mechanism to monitor public and semipublic companies	Companies draft and implement a plan for good governance	Number of plans drafted and implemented	Report and audit	Office of the President IGE MIC	Partners CCIB	Ministry of Economy and Development	2008-2013	100,000
	3.5.2.2 Assistance to companies in the drafting and monitoring of the implementation of action plans of good governance								

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.5.3 Enhance the internal auditing bodies of companies	3.5.3.1 Capacity building of members of the BoD	Chartered accountancy members are trained	Number of sessions Number of people trained	Counting	IGE	Partners CCIB	Ministry of Economy and Development	2008-2013	250,000
	3.5.3.2 Capacity building of auditors	Auditors are trained	Number of sessions Number of people trained						
Subtotal 19									360,000
SUBTOTAL III (CORPORATE GOVERNANCE)									1,004,260,000

4-SOCIOECONOMIC DEVELOPMENT

GENERAL OBJECTIVE 1: PROMOTE SELF-RELIANT DEVELOPMENT AND CAPACITY BUILDING TO GUARANTEE SELF-RELIANT DEVELOPMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.1.1 Enhance the level of appropriation of programmes, development guidelines and designing	4.1.1.1 Development of an ascending programming approach in the various socioeconomic sectors (start from the basis)	Operational ascending programming approach is defined	Document available with practical implementation plan	Mission report of formulation of sector programmes, PDCs, and budget programmes	MEDPEAP	DPP of all sector ministries Consulting firms	Ministry of Development	2007-2008	500,000
	4.1.1.2 Improve the budget programmes sector approach through the involvement of the basis in the sector programming (appropriation and implementation of ascending approach) by actors	The beneficiaries at the grass roots are involved in the drafting of sector programmes (budget programmes, projects, etc.)	Level of involvement of local actors in the designing of sector policies and programmes (75%)	Mission Report on the evaluation of sector and national programmes	Sector ministries	Town councils	All ministries	2008-2010	1,000,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$				
4.1.1 Enhance the level of appropriation of programmes, development guidelines and designing (continued)	4.1.1.3 Systematic popularisation of documents on the national and sector programme at various levels	Easy access to programme documents (documents popularisation rate)	Number of copies of documents distributed (DSCR, OSD, PAP, PRDE, Alafia Consortium)	Review or evaluation investigation	Sector ministries	Other stakeholders	Ministry of Development and Finance	2008-2009	1,000,000				
			Number of persons having access to programme document			Partners	Local communities						
	4.1.1.4 Capacity building in counselling assistance to public services in every sector through training	More equipped actors on participatory approach, monitoring and evaluation of projects	Rate of implementation of training programmes (Achievement, forecasting)	Practical training report	FODEFCA CEPAG Local governments' office	Partners	MF and sector ministries Town councils MEDPEAP	2008-2009	2,000,000				
4.1.1.5 Support to town councils in terms of capacity building in human resources (recruitment and training in programming and project management)	Town councils more equipped and capable to execute and monitor local development projects	Number of town councils strengthened (out of the 77)	Report on practical training and annual report of town councils							MDGLAAT	TFPs MTFP MEDPEAP	2008-2009	2,100,000
		Achievement rate of PDC and PAI (85% minimum)											

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.1.2 Promote self-funding for sustainable development	4.1.2.1 Strengthening of the Internal Revenue Service in town councils (establishment, means)	Efficient mobilisation of local resources	Number of town councils equipped with CIPE (revenue service for small businesses) (out of the 77)	Internal Revenue Service report		CEPAG Town councils	Tax Department	2008-2008	1,000,000
	4.1.2.2 Fight against tax evasion at all levels	Better tax collection (national level)	Tax collection improvement rate	Annual report on national tax regime	MF CIPE Town councils	Tax Department	Ministry of Finance	2007-2011	770,000
	4.1.2.3 Wide use and availability of RFU for all town councils	RFU updated in at least 60% of town councils	Percentage of town councils having RFU (>60%)	Audit of RFU database	Ministry of Decentralisation	MF Partners	MUHRFLEC	2008-2010	6,000,000
	4.1.2.4 Development and use of economic power in various town councils	Economic power in various town councils is better used	GDP improvement rate	Report on the economy	Town councils	TFPs MDGLAAT	CONAFIL	2010-2015	2,000,000
	4.1.2.5 Inter-communality principles appropriation by town councils	Common investments among well developed local governments	Number of town councils in an inter-district network (77)	ANCB report	Commune/town councils	Partners	Ministry of Decentralisation	2008-2012	780,000

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4.1.2 Promote self-funding for sustainable development (continued)	4.1.2.6 Effective competence transfer to town councils	Town councils have all powers vested on them by law	Number of town councils having purview	ANCB report		TFPs	Office of the President Ministry of Decentralisation	2008-2012	15,400,000
	4.1.2.7 Improvement in the management of foreign aid and loans (establishment of a monitoring and repression system in public management)	Strongly punished corruption and embezzlement cases	Percentage of development projects successfully managed	Study on governance	Self-governing Redemption Fund	MEDPEAP	Ministries of Finance and Development	2007-2011	600,000
Subtotal 20									33,150,000

GENERAL OBJECTIVE 2: ACCELERATE SOCIOECONOMIC DEVELOPMENT TO ACHIEVE SUSTAINABLE DEVELOPMENT AND ERADICATE POVERTY

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.2.1 Speed up socioeconomic development, achieve sustainable development and eradicate poverty	4.2.1.1 Development of the participation of communities at the grass roots (local communities) in choices of social welfare promotion	Grass-roots communities feel responsible for their own development	Level of involvement of beneficiaries	In-depth study	Local governments or communities	All ministries	Ministry of Development	2007-2012	200,000
	4.2.1.2 Development of ethics in government projects management: establishment of a systematic and operational training and auditing system (monitoring/evaluation and financial and accounting auditing)	Ethical development models designed and made operational	Document of the available model, showing the steps and ethical clauses in the management of projects of public interest	Mission report of the ad hoc/special committee responsible for drafting the document	DPP of all ministries General Inspectorate of Ministries	TFPs	Ministries in charge of development, finance and decentralisation	2007-2008	1,000,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.2.1 Speed up socioeconomic development, achieve sustainable development and eradicate poverty (continued)	4.2.1.3 Continued training of management bodies of socio-community infrastructures (with involvement of local actors)	Better management	Performance rate of management bodies at the grass roots	Regular surveys through opinion poll	Sector ministries	Department of Highway and Construction Works Department of Hydraulics Department of Energy Department of Water Town councils and districts/prefectures	Ministries in charge of development, finance and decentralisation	2008-2012	1,540,000
	4.2.1.4 Better orientation of socioeconomic development projects: determination of an operational procedure for designing social projects	Drafted, disseminated and operational procedures	Number of procedures brochures distributed at various levels	Mission report and inspection survey	Sector ministries	Town councils and districts/prefectures	Ministries in charge of development, finance and decentralisation	2008-2012	1,155,000
	4.2.1.5 Establishment of an IMF re-funding fund for the benefit of grass-roots communities so as to ensure participations against social investments	Loan possibility by communes/town councils with re-funding institution	Number of town councils having resorted to mechanism (re-funding structure) to carry out socio-community infrastructures	Complete annual surveys	Ministries in charge of development, finance and decentralisation	Town councils and districts/prefectures	Ministries in charge of development, finance and decentralisation	2008-2012	1,400,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.2.1 Speed up socioeconomic development, achieve sustainable development and eradicate poverty (continued)	4.2.1.6 Respect for commitments as part of the national contribution to development projects	Benin meets its commitments in relation to foreign funding	Percentage of release of national shares	MEF report	Ministry of Finance	Budget Department	Ministries in charge of development, finance and decentralisation	2007-2009	
	4.2.1.7 Regular monitoring of the poverty status in various social areas: efficient, updated database	Reliable data available	Poverty indicators regularly computed	Report	MEF	Town councils	OCS MEDPEAP	2008-2015	400,000
	4.2.1.8 Significant support to consumers' protection bodies to enable them to assume their duties of promotion on the knowledge of consumers' rights and duties	Consumers have a better understanding of their rights and duties	Number of consumers' rights protection bodies supported	Progress report	MCRI PPG	MJRDH MIC Consumers' Associations	CPA ONG	2008-2009	160,000
	4.2.1.9 Facilitation of access to loans by communities through the implementation of micro-credit programmes	Credits and loans are more accessible	IMF increase rate Increase rate in the number of loan beneficiaries Rate of re-funding of IMF by classical banks	Progress report	MF BRS Commercial banks Partners BCEAO Micro-finance Promotion Department	Ministry of Micro-finance	DGSSM		

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4.2.1 Speed up socioeconomic development, achieve sustainable development and eradicate poverty (continued)	4.2.1.10 Drafting and implementation of the national anti-erosion and coastal protection policy	The coastline is protected and developed	Number of built breakwaters Sea advance rate	Evaluation report of the application of laws relating to coastal protection	MUHRFLEC	Populations MEPN City councils	APR Focal Point	2008-2013	
	4.2.1.11 Capacity building of the staff of the DLEC	Populations are made aware of the need to preserve and protect the coastline	Level of involvement of the concerned populations	Social audit report Investigations Implementation report	Ministry of Finance				
4.2.2 Reinforce the implementation framework of policies in the fight against poverty	4.2.2.1 Implementation and publication of poverty reduction activities	Poverty reduction	An annual assessment report on the GPRS is available	Statistics study on GPRS evaluation		General public State World Bank			20,000,000
4.2.3 Protect the environment and nature	4.2.3.1 Capacity building of the environmental police	Capacities of the environmental police are enhanced	Number of sensitised organised populations in the environmental area Number of checks performed	Implementation assessment of MEPN		DDEPN Environmental police	MEPN	2008-2013	600,000
4.2.4 Exports diversification	4.2.4.1 Improvement of trade facilitation	Port handling activities are liberalised and port operations rationalised		MCA report	PAC	MCA	MDCTT	2008-2013	4,000,000

APPENDIX I: PROGRAMME OF ACTION OF BENIN

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.2.4 Exports diversification (continued)	4.2.4.2 Strengthening of regional integration, and intensification of trading with Nigeria	The customs computerisation is improved	Growth rate of exports	Report on the status of the regional integration process	CCIB	MAEIAFBE	MIC	2008-2013	
	4.2.4.3 Active involvement in multilateral trade negotiations under the aegis of the WTO	Hindrances to exports are reduced	Growth rate of exports	Trade agreements	MDPEAP	MIC MAEIAFBE	MAEIAFBE	2008-2013	
	4.2.4.4 Improvement of the legal and regulatory framework	Legal and regulatory framework has become attractive, especially through the issuance of title deeds, as well as an appropriate competition policy and the investment code	Number of companies that have submitted to the rules of established competition	CEBENOR	Department of Legislation/Ministry of Justice		MIC	2008-2013	
	4.2.4.5 Export promotion by way of the implementation of the free export processing zone/free zone	The free export zone is operational	Number of industries installed in the free zone	Progress report of the free zone's authority	Free Zone Authority	CCIB ADEX	MIC	2008-2013	
	4.2.4.6 Improved customs information	Customs performances are increased	Growth rate of computerised database packages	Customs statistics	Director General of Customs	MEF		2008-2013	

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4.2.4 Exports diversification (continued)	4.2.4.7 Improvement of quality standard control services in the various groups (training of stakeholders in the export sector)	Quality and standards control services in the various groups are improved and actors are trained	Acceptance rate of export products Number of trained actors	CEBENOR Report of the special inter-ministerial committee	DGDDI	MIC	MIC MMFE CPI	2008-2013	
	4.2.4.8 Improvement of the quality of telecommunication, energy and transport services	Electrical power/offer is available in quantity and quality An adequate road and rail network exists The Telecommunications Regulating Authority is efficient The Cotonou Port is more competitive	Quality and volume of electrical power/offer Network profile	Opinion poll	Benin Telecom SA SBEE ABERME OCBN PAC				
	4.2.4.9 Organisation and improved training of producers and processors	The quality control and standard services in the different clusters are improved and actors are trained	Number of private investors' growth rate	Balance sheet of Benin Telecom SA activities MIC	Department of Legislation/ Ministry of Justice Ministry of Agriculture	Ministry of Agriculture			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.2.4 Exports diversification (continued)	4.2.4.10 Improvement of research in the fight against parasites on processing technologies in each export group	Research on the fight against parasites on processing technologies in each export group is reinforced The training of producers and processors is better organised and improved	Number of activities carried out in the fight against parasites on processing technologies in each group Number of satisfied farmers	Inventory Inquiries Evaluation report	INRAB IITA		Ministry of Agriculture		
Subtotal 21									30,455,000

GENERAL OBJECTIVE 3: STRENGTHEN POLICIES, DISTRIBUTION MECHANISMS AND RESULTS IN KEY AREAS: EDUCATION, HEALTH AND CONTROL OF HIV/AIDS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.3.1 Improve citizens' access to basic social services	4.3.1.1 Increasing citizens information on access and support opportunities at various levels	Conditions and access opportunities are known to citizens at various levels	Knowledge rate within the population	Periodic inquiries through opinion poll	Sector ministries	Town councils and decentralised services	Ministry of Development NGOs	2007-2008	300,000
	4.3.1.2 Strengthening of concerted and participatory management of social infrastructures	Efficient infrastructure management	Self-financing rate of renewal at infrastructure level	Periodic inquiries through survey	Sector ministries	Town councils and decentralised services	Town councils Sector ministries Civil society	2007-2008	300,000
	4.3.1.3 Setting up of a monitoring system of prices for social services	Reasonable prices collected/practiced	Inflation rate for social services	Periodic inquiries through survey	INSAE	BCEAO	Civil society	2008-2008	150,000
	4.3.1.4 Monitoring of the respect for standards and ethics in social services, especially private structures	Standards are respected at all levels (schools, health centres, micro-finance structures, etc.)	Rate of respect for standards	Periodic inquiries through survey	Sector ministries	Consultant	MTFP	2008-2013	50,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.3.2 Speed up the establishment of social infrastructure	4.3.2.1 Basic school infrastructure, construction and equipment	Basic school infrastructure is available, accessible and close to the population	Number of built and equipped modules	Surveys	MEMP	CSOs Local authorities AGETUR AGETIP	Office of the President	2008-2011	Cost to be determined with TFPs 600,000,000
	4.3.2.2 Recruitment and training of teachers	Teachers are recruited and trained	Number of recruited and trained teachers	Progress reports	MFPT MEMP				
	4.3.2.3 Support to effective free maternal and primary education	The number of children provided with schooling has increased	Children's schooling rate	School statistics	Government (MEF)	TFPs	Parliament		
	4.3.2.4 Full care for people living with HIV/AIDS and other transmissible diseases Strengthen malaria control Building of a reference subregional hospital	Patients are taken care of and better integrated Decrease in the number of consultations Reduction of health evacuations	HIV/AIDS-related mortality rate reduced Malaria-related mobility and mortality rates reduced Occupational absenteeism rate reduced Increase of coverage rate for impregnated mosquito nets Number of cases dealt with locally	Health statistics	PMLS PNLS SNIGS MS	NGOs TFPs	MS		
Subtotal 22									600,800,000

GENERAL OBJECTIVE 4: ENSURE AFFORDABLE ACCESS FOR ALL CITIZENS, ESPECIALLY THE RURAL POOR, TO WATER, SANITATION, ENERGY, FINANCE (INCLUDING MICRO-FINANCE), MARKETS, ICT, HOUSING AND LAND

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.4.1 Improve cost of social services (education, health, transport, housing conditions, etc.)	4.4.1.1 Subsidies for social services providers	Improve lifestyle of populations	Amount of subsidies for hygiene-related illnesses Frequency in price indexes	Surveys Health statistics	MF City councils	Sector ministries NGOs Environmental police	MEPN Social Action Department MFE Local development NGO	2008-2015	20,000,000
4.4.2 Improve the purchasing power of populations	4.4.2.1 Job creation through the promotion of niche/ flourishing industries	Unemployment and underemployment are reduced	GDP/inhabitant	INSAE	MAEP MEDPEAP	Sector ministries	MAEP/APRM	2008-2015	10,000,000
	4.4.2.2 Development of an entrepreneurial spirit	SMEs are established	Unemployment rate	INSAE	MMFPPMEEJF MJSL	Sector ministries	MMFPPMEEJF MJSL	2008-2015	5,000,000
	4.4.2.3 Support and promotion of MFIs	Micro-credit is available and accessible to communities at the grass roots	Number of beneficiaries	DGSSMF	Ministry of Micro-finance	Ministry of Decentralisation	DGSSMF	2008-2011	12,000,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.4.2 Improve the purchasing power of populations (continued)	4.4.2.4 Drafting and implementation of drastic policies to diversify energy sources	Several energy sources are available	Number of established energy sources Proportion of population having access to energy	INSAE	Ministry of Energy	Sector ministries	Office of the President	2008-2015	10,000,000
	4.4.2.5 Improvement of land, legal and regulatory framework	Equity and justice in land area are guaranteed	Number of title deeds allotted	Land registries	Parliament Government	Town councils Constitutional Court MCA	MJDH		
Subtotal 23									57,000,000

GENERAL OBJECTIVE 5: INDICATE PROGRESS MADE WITH RESPECT TO GENDER EQUALITY IN ALL CRUCIAL AREAS, INCLUDING GIRLS' EDUCATION AT ALL LEVELS

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.5.1 Promote girls' education	4.5.1.1 Designing and implementation of an acceleration programme to fight against socio-cultural taboos hindering the promotion of women, and (especially) keeping girls in the education system	Increased girls' education Socio-cultural taboos that hinder the promotion of women are lifted A gender promotion budget is put in place	Girls/boys gross education rate	Education statistics	Ministries of Education	NGOs USAID	MFE Civil society SOS Village	2008-2011	10,000,000
4.5.2 Promote women's participation and contribution in all sectors and skills areas	4.5.2.1 Support to female leadership development (via training)	Increased rate of women's representation at various levels	Percentage of women in key decision-making positions	Inquiry	MFE	Town councils/ communes	MFE	2008-2009	2,310,000
	4.5.2.2 Women's promotion in decision-making positions	Increased rate of women's representation at various levels	Percentage of women in positions of responsibility	Inquiry	MFE	Town councils/ communes	Parliament Associations for the defence of women's rights	2008-2009	15,000
	4.5.2.3 Capacity building structures in charge of gender promotion	Women's promotion bodies are strengthened	Number of reinforced bodies	Progress reports	MFE	CSOs Local governments	MCRIPPG		
Subtotal 24									12,325,000

GENERAL OBJECTIVE 6: ENCOURAGE THE BROAD-BASED PARTICIPATION OF STAKEHOLDERS AT ALL LEVELS OF DEVELOPMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.6.1 Involve communities at the grass roots in sector programming	4.6.1.1 Drafting of sector budget programmes with strong participation from town councils	Appropriation of sector budget programmes by communities at the grass roots	Town councils' involvement rate	Inquiry	DPP/ sector ministries	Town councils/ commune	MEDPEAP	2008-2010	500,000
	4.6.1.2 Popularisation of PDC and PAI, and a communal sessions report to the relevant population	Information distributed to citizens	Level of information distributed to citizens	Inquiry	Town council/commune	Prefecture/district and public decentralised services	DPP of various concerned sector ministries	2008-2010	1,540,000
4.6.2 Determine the demarcations of town councils/ communes	4.6.2.1 Final demarcation of town councils	Communes' border demarcations are performed	Effective demarcation of town councils Impact of the action	Survey documents and conflict counting	Ministry of Town Planning IGN	Parliament MCA Private sector Partners Town councils	Ministry of Decentralisation	2008-2010	750,000
4.6.3 Improve effectiveness and transparency at the level of local authorities	4.6.3.1 Setting up of an integrated, functional organisational framework conducive to decentralisation	Effective decentralisation The functioning of the territorial administration is improved Functional organisational mechanisms	Number of established decentralised bodies Volume of resources transferred to the town councils	CAD and CDCC report Report of the FADEC orientation council Inquiries with populations at the grass roots	MRAI MTFP MDGLAAT Commune FADEC	All other ministries TFPs	Ministry of Territorial Administration CONAFIL	2008-2013	500,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.6.3 Improve effectiveness and transparency at the level of local authorities (continued)	4.6.3.2 Establishment of a collaboration mechanism between the prefect (district officers), decentralised services and town councils	The meeting between the prefects (district officers), decentralised services and mayors is periodical Effective consideration of populations' concerns at the grass roots	Number of annual meetings	Work reports	Local authorities' office Decentralisation mission	All other ministries TFPs	MDGLAAT	2008-2011	
	4.6.3.3 Substantial decentralisation funding	PDCs are financed by at least 80%	Share of the state's financial contribution to the budget of town councils and central administration's external services	Budget execution report Finance act	Ministry of Finance	All other ministries TFPs	Decentralisation mission	2008-2013	1,000,000
	4.6.3.4 Establishment of a foreign aid coordinating framework (local communities at the grass roots, people's representatives, central power, development partners) for a better follow-up at the local level	Foreign aid is rationally allotted Local resources are better managed	Number of projects successfully implemented Number of conflicts in the implementation of local development projects	Framework establishment acts	City councils	Development partners	Ministry of Decentralisation	2008-2009	

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.6.4 Increase the extent to which the concerns of vulnerable groups are taken into account in development policies and strategies	4.6.4.1 Consideration of the concerns of vulnerable groups in development policies and strategies	The concerns of vulnerable groups are taken into account	Number of scheduled activities in their favour as planned under the DCSR	Counting	Ministry of Development Other ministries	Civil society partners	MFE	2008-2009	100,000
4.6.5 Improve the implementation framework of the policies in the fight against poverty	4.6.5.1 Implementation and publication of poverty reduction activities	Poverty reduction	An annual evaluation report of the GPRS is available	Survey statistics Study relating to GPRS evaluation	Ministry of Finance	General public State World Bank	APR Focal Point MAEP	2008-2013	20,000,000
Subtotal 25									24,390,000
SUBTOTAL IV (SOCIOECONOMIC DEVELOPMENT)									758,120,000
GRAND TOTAL OF ACTIVITIES WITH SPECIFIC NATURE									2,356,090,000

II. CROSSCUTTING ACTIVITIES

GENERAL OBJECTIVE 1: IMPLEMENT A DEVELOPMENT TAXATION POLICY

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.1 Build the state's capacity in the effective use of taxation system as a means of redistribution	1.1.1 Decentralisation consolidation, especially in the area of resources transfer (in the short term)	Resources transfer to town councils is effective	Resources are transferred to town councils/communes	Documents Survey	MDGLAAT MF	TFPs	Ministries of finance and development	2008-2009	250,000
	1.1.2 Improvement of the fiscal administration's performances (in the short term)	Benin applies a development taxation system	Taxations rates Satisfaction level	Documents Survey	MF DGID	TFPs		2008-2009	1,500,000
1.2 Improve the effectiveness and transparency of the tax administration	1.2.1 Updating of laws and procedures governing taxation 1.2.2 Effective application of sanctions against offenders	More efficient fiscal policy	Laws and procedures governing taxation are updated and available Increased fiscal arrears recovery rate Texts and procedures governing taxation are updated and available Increased tax arrears collection rate		DGID	CCIB Employers' Association	Department of fiscal checking of the Ministry of Finance	2008-2010	200,000

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
1.3 Build the state's capacity to use taxation effectively as a means of income redistribution	1.3.1 Enhancing of decentralisation, especially in the area of resources transfer (in the short term)	Transfer of resources to town councils is effective	Resources are transferred to the town councils	Document Survey	MDGLAAT MF	TFPs		2008-2009	250,000
	1.3.2 Improvement of the taxation administration's performance (in the short term)	Benin applies development taxation system	Taxation rates	Documents Survey	MF DGID	TFPs		2008-2009	1,500,000
	Satisfaction level								
Subtotal 1									3,700,000

OBJECTIVE 2: IMPLEMENT JUSTICE AND SECURITY PROMOTION POLICIES

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
2.1 Improve the effectiveness of the security service and fight organised crime	2.1.1 Construction of, and equipment for, services	Security services are efficient	Quality of security service provisions	Number of infrastructures built Reception minutes Availability act	MDN MISP MEF	TFPs	DPP DRH DGPN DG GN	2008-2010	650,000
	2.1.2 Staff capacity building		Level of satisfaction of civil authorities and users/clients/populations	Satisfaction survey					
Subtotal 2									650,000

OBJECTIVE 3: PROMOTE SOCIAL JUSTICE POLICIES

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.1 Reduce economic inequalities	3.1.1 Improvement of equalisation at the level of convenience-goods selling price (oil, cement, pharmaceutical products, etc.) (in the short term)	Equalisation at the level of the price of first-commodity products is reinforced	Products' price in different regions of Benin	Prices check Interview Satisfaction survey	MICPME Ministry of Finance MMEE	Partners Private sector	DCI	2008-2009	1,650,000
	3.1.2 Creation of a regional development pole (in the midterm)	There are regional development poles	Number of regional poles created Percentage of persons satisfied with regional poles services	Counting Surveys	MICPME CCIB	Partners Businesspeople Foreign investors	DPI	2008-2010	
3.2 Ensure the basic needs of every citizen (food, clothing, housing, health care and education)	3.2.1 Drafting a development programme that is progressively achievable	A development programme ensuring established rights	Drop in percentage of citizens in search for such rights	Surveys Price list	MJLDH MEF	TFPs Civil society		2008-2011	500,000
			Reduction of the cost of social public services, especially in the rural environment						
3.3 Devise sector or microeconomic policies conducive to growth	3.3.1 Improvement of access to basic education and literacy	Capacity building of the poor to conduct income-generating activities	Schooling and literacy rates on the increase		Literacy Department	NGO		2008-2013	200,000
						Ministry of Literacy			

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
3.3 Devise sector or microeconomic policies conducive to growth (continued)	3.3.2 Creation of links between banks and MFIs in order to facilitate their 're-financing'	Credit access improvement	Increase in the number of beneficiaries of micro-finance		MFIs Banks BCEAO Alafia Consortium	Micro-finance Unit Ministry of Micro-finance		2008-2009	100,000
	3.3.3 Credit offer, diversification and reduction of services costs		Outstanding arrears payment rates on the decrease		Assistance bodies				
	3.3.4 Micro-finance capacity building in terms of risks, analysis and control								
Subtotal 3									2,450,000

OBJECTIVE 4: PROMOTE AN EFFICIENT AND CREDIBLE JUSTICE SYSTEM

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
4.1 Improve citizens' trust in the justice system	4.1.1 Guarantee the independence of the judiciary in relation to the Executive (in the midterm)	40 judges recruited every year 11 courts to be built in 5 years Judicial reforms are implemented	Number of judges Number of courts Index of satisfaction of persons subject to trial and improvement of the image of the justice system Number of courts equipped	Opinion poll Recruitment document Reception minutes/report	Ministry of Justice MTFP MRAI MEF	TFPs Civil society	TFPs DPP	2008-2013	1,300,000
	4.1.2 Requirement of quality service provision to the judiciary (in the short term)								
	4.1.3 Institution of a performance measurement mechanism that includes surveys on the satisfaction level of persons subject to trial (in the short term)								
Subtotal 4									1,300,000

OBJECTIVE 5: PROMOTE A DEVELOPMENT-ORIENTED ADMINISTRATION

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
5.1 Improve efficiency and transparency in the public administration	5.1.1 Administrative procedures made simple through the use of an intranet	Simplified administrative procedures A development-oriented administration	Share of the information conveyed via the intranet between administrative units (as compared to the total amount of information to be circulated)	Data bank		SGM DPP of sector ministries	Administrative Reform Department	2008-2012	20,000,000
	5.1.2 Activation of an administrative reform plan in order to ensure true results-based management and an improvement of administrative effectiveness and efficiency	Administrative reform plan is operational and public administration is more efficient	Number of records dealt with compared to the total number of records Number of users satisfied with the services provided by the administration	Data bank Surveys	MRAI MTFP MDGLAAT	All the other ministries	Structures in charge of administration and human resources in the ministries		
5.2 Improve the performance of the public administration	5.2.1 Adoption of a framework law for performance improvement in public administration (in the short term)	Efficiency, transparency and ethics are reinforced in the public administration	Number of independent audits carried out at the level of governmental institutions	Counting	MTFP MRAI MF Specialised agencies	TFPs	MRAI MTFP	2008-2010	2,500,000
			Users are satisfied with the services provided by the administration	Surveys			MRAI MTFP		

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SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
5.3 Depoliticise the public administration	5.3.1 Purification of political customs, including the choice of political and administrative leaders (in the midterm)	Equity, transparency and impartiality prevail in public administration	Quality of promoted executive/ managerial staff Measurement of the contribution of these methods as compared with the administration's performance	Statistics Reference study	MTFP MRAI	TFPs	Institutions of the republic	2008-2011	200,000
Subtotal 5									22,700,000

OBJECTIVE 6: IMPROVE THE FIGHT AGAINST CORRUPTION

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
6.1 Fight more efficiently against corruption	6.1.1 Passing of the law relating to the fight against corruption in Benin	There is a regulation repressing corruption in Benin, and it is applied	Number and quality of laws repressing corruption	Counting Opinion poll	Parliament MCRI	CSOs	MCRI MJLDH	2008-2011	1,500,000
	6.1.2 Enhancement of material and human means of the IGE and the OLC	Bodies established by the state have material and human means to better carry out their missions	Quantity and quality of means made available		MF	Partners	High Court of Justice		
	6.1.3 Upgrading of civil servants' salaries in accordance with the real cost of living		Laws on corruption and unlawful enrichment are passed	Corruption rate	DPP of all ministries	Ministry of Administrative Reform	MRAI MTEP		
Subtotal 6									1,500,000

GENERAL OBJECTIVE 7: IMPROVE THE BUSINESS ENVIRONMENT

SPECIFIC OBJECTIVES	ACTIONS	EXPECTED OUTCOMES	OBJECTIVELY VERIFIABLE INDICATORS	VERIFICATION MEANS	IMPLEMENTATION BODIES	OTHER STAKEHOLDERS	MONITORING AND EVALUATION AGENCY	IMPLEMENTATION SCHEDULE	ESTIMATED COSTS US\$
7.1 Enhance the implementation framework of policies aiming at improving the business environment	7.1.1 Implementation of a tax policy conducive to investment	Business environment improvement	Elaborated and operational taxation policy document	Documentary research	DGID	CCIB DGDDI Employers' Association	Ministry of Finance	2008-2010	100,000
	7.1.2 Judiciary and judicial framework improvement		Laws aiming at protecting property rights are applied Number of judgments passed as far as the economy and finance are concerned is on the rise	Documentary research	Supreme Court	Parliament Courts Judges' Association Bar Association CCIB Employers' Association	Ministry of Justice	2008-2010	400,000
Subtotal 7									500,000
GRAND TOTAL OF CROSSCUTTING ACTIVITIES									32,800,000

NB: The total implementation cost of the programme of action of Benin for the APRM is estimated at US\$ 2,388,890,000. This amount is broken down as follows:

Nature of activities	Total cost estimated in US dollars	Percentage
Specific activities	2,356,090,000	98,6%
Crosscutting activities	32,800,000	1,4%
Total of activities	2,388,890,000	100%
National budget share earmarked for plan funding	23,888,900	1%

APPENDIX II

APRM

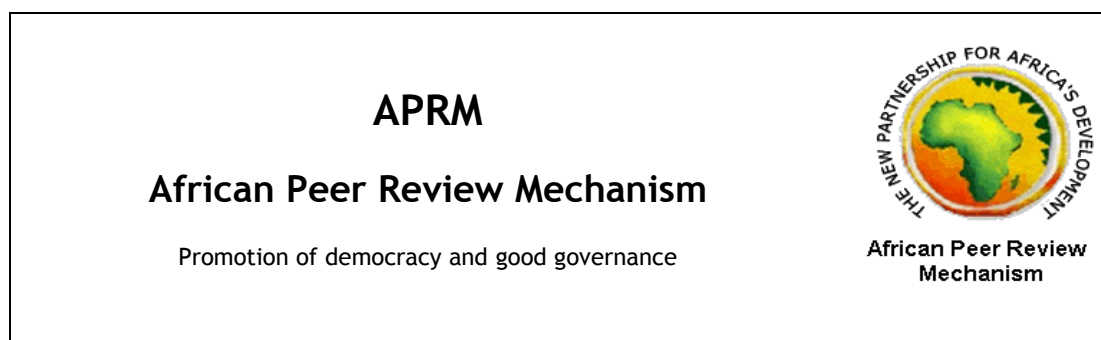
African Peer Review Mechanism

Promotion of democracy and good governance



**African Peer Review
Mechanism**

BENINESE GOVERNMENT COMMENTS



REPUBLIC OF BENIN

AFRICAN PEER REVIEW MECHANISM

COMMENTS AND CORRIGENDA BY THE GOVERNMENT OF BENIN ON THE REPORT OF THE APR PANEL OF EMINENT PERSONS OF THE AFRICAN PEER REVIEW MECHANISM (APRM) ON THE EVALUATION OF THE REPUBLIC OF BENIN

INTRODUCTION

The government of the Republic of Benin read with keen interest the Country Review Report, prepared by the Country Review Mission (CRM) that visited Benin between 16 July and 8 August 2007, and between 3 and 13 October 2007.

The government of the Republic of Benin greatly appreciates the efforts made by the Country Assessment Team (CAT), as well as the quality of the report – in terms of its content, the reliability of its sources of information, and the analyses, observations and recommendations formulated by the CAT.

The government also appreciates, at its true value, the spirit of abnegation, sacrifice and, especially, consultation and dialogue shown by the CAT in its interactions with the Beninese authorities at all levels, and with all the other stakeholders in the APRM process.

The government wishes to express its profound gratitude to the CAT, which was composed of high-level African experts. This team, which visited all the departments of Benin, worked relentlessly, with devotion and competence, under the direction of Mrs Marie-Angélique Savané, member of the APR Panel of Eminent Persons.

The Country Review Report of the Republic of Benin is in line with the principles contained in the Declaration on Democracy, Political, Economic and Corporate Governance, adopted by the heads of state and government of the African Union (AU) member countries on 8 July 2002 in Durban, South Africa. In this regard it represents, in its substance and scope, and for the government and other stakeholders, an extra source of inspiration in the creation of appropriate conditions in making Benin an emerging country with a view to a shared prosperity.

Nevertheless, some of the considerations, analyses and comments contained in the Country Review Report on Benin need to be improved on, or even qualified and corrected, in order to reflect the current realities in Benin.

Furthermore, some factual elements need to be reviewed in the light of the current political and socioeconomic situation in Benin.

1. COUNTRY REVIEW REPORT ON THE REPUBLIC OF BENIN

The Country Review Report on Benin rightly underlines, in paragraph 1.5 on page 2, the great particularity of the report, which “does not really focus on the state of governance in Benin during the current administration’s mandate. This administration has a relatively free hand in that the process provides it with a review of Benin’s state of governance at the time of assuming power. All those who take up the reins of power are thus encouraged to get a clear idea of the state’s condition and the stakes and challenges of governance before they enter office.”

The diagnosis made by the CRM, which reflects the situation at the time of the swearing in of the newly elected head of state, Dr Boni Yayi, on 6 April 2006, concerns major assets such as the satisfactory development of the democratic process in Benin since the National and Sovereign Conference of the Bone and Sinew of the Nation held in February 1990. The conference has brought about peace and stability, and the improvement of individual and collective liberties, but also major challenges – notably in the economic, corporate management and socioeconomic development fields.

To meet these challenges, the government has developed a vision and defined strategies to enable it to create conditions favourable to accelerating economic growth and social development.

1.1 Governance and economic management

To attain the objectives set, the government, in view of an estimated population growth of about 3.2%, is banking on a sustained growth of over 7% in the short term and on two-digit growth in the medium term.

The attainment of this should be supported by significant achievements at the financial and economic levels, as well as at the international level, notably within the

framework of global governance and the policy of subregional and regional integration.

To succeed in this endeavour, the government is working on eliminating a number of external and internal constraints.

As concerns external constraints, Benin, like other countries in the subregion and all developing countries, is seriously affected by the persistent fall in the value of the dollar, the prices of raw materials – notably agricultural crops such as cotton – and the staggering rise in the price of oil.

These combined factors have meant that Benin is finding it difficult to find its place in the world economy, suffering as it has from the full force of the repercussions of these external shocks.

As concerns internal constraints, the government is striving to deal with inefficiency in public administration from the point of view of:

- reduced staff strength, due to the ageing of personnel following the freezing of recruitment imposed by the Bretton Woods Institutions in the 1980s;
- weak professional capacities; and
- professional ethics, notably poor governance, corruption, a weak system for evaluating the permanent state agents, and poor circulation of information among administrative structures.

The government is also striving to:

- create appropriate conditions to strengthen the capacity of the human and institutional resources in the execution of the state budget;
- enhance the efficiency of the justice system in order to ensure equality for all in the face of the law;
- improve the level of quality of the press, in order to make it a more professional press able to play a role in development and in the intensification of democracy; and
- promote dialogue with social partners.

Concerning communication, the government's ambition is to promote and popularise the new information and communication technologies, and more particularly the *e-gouvernement* project aimed at promoting concerted governance. Thanks to the government's efforts, the landing point for Benin's submarine cable has been freshly promoted, with a view to making Benin one of the 'digital districts of Africa'. Indeed, by virtue of its geographical position and its achievements, Benin, to be useful in the subregion, intends to become a hub in the area of telecommunications – a hope based on the actions that have been initiated.

In addition, one of the government's concerns is to rationalise and systematise the state's intervention, by defining its role as well as the mechanisms through which it is called upon to intervene. This is a new approach, based on the principles of transparency, justice and good governance.

The state is being invited to withdraw gradually from the trade sector and refocus its mission on state sovereignty functions and regulatory activities.

Within the framework of the acceleration of economic growth, the government has reflected on ways of making it possible to identify clusters of high-potential sectors likely to constitute growth and development poles. These include, notably:

- transport, logistics and trade: this key pole comprises all transport services; financial, banking and health services; education services; telecommunications services; etc.;
- agro-industry (food and bio-energy);
- tourism, culture and the cottage industry;
- buildings, public works and construction materials; and
- textile (notably cotton): given the importance of cotton in Benin's economy, the government plans to create a stabilisation fund capable of dealing with cotton price fluctuations on the international market.

In addition, the development of sectoral strategies and the delineation of strategic positions are under way. Three have already been completed and concern the agriculture, energy and education sectors.

Concerning the last-mentioned sector, the government has decided to offer free education at the nursery and primary school levels, in terms of the basic right of access to knowledge enshrined in the constitution of 11 December 1990. This decision implies taking up the major challenge of rapidly constructing school infrastructure, meeting the numerous needs for pedagogical and teaching materials, and recruiting and training more teachers.

In the area of macroeconomic forecasting, actions are under way to update the economic simulation and forecasting models as part of the improvement of the national statistical system.

As regards the creation of the Tribunal of Accounts, recommended by the West African Economic and Monetary Union (WAEMU), this calls for the prior amendment of the constitution of 11 December 1990.

1.2 Corporate governance

The Country Review Report focuses on the need for an entrepreneurial and partnership-based culture capable of reviving the business sector in Benin, taking into account the planned economic traditions inherited from French colonialism and the experience of years of Marxist-Leninist ideology.

This will be achieved by improving the business climate; modernising the economic and social infrastructures; developing and implementing a development-oriented tax system; restructuring and establishing a new style of governance in the cotton sector; and controlling the informal sector.

The government is aware of the need to improve corporate governance. Consequently, it intends to pay serious attention to strengthening this sector in order to make it a wealth producing sector within the framework of constructing an

emerging Benin, through the promotion of a new partnership-based and entrepreneurial culture.

This approach calls for the development and establishment, in relation to the priority development poles, of a development-oriented tax system, indispensable to the promotion of productive investments.

The government is also examining the possibility of intensifying:

- the intervention of banking institutions in favour of corporate funding;
- the managerial capacity of businesspeople;
- the adaptation of the legislative and regulatory framework in the area of labour law; and
- state institutional support, with a view to making up for the shortage of qualified staff to deal with corporate governance issues.

This last aspect is in line with the objectives of the Integrated Programme to Support the Judicial and Judiciary System (PIRSJ), which constitutes the plan for enhancing the independence and responsibility of magistrates.

This adopted plan will be implemented at the beginning of 2008.

Besides this, under a win-win partnership agreement, the state has set up the Presidential Investment Council (CPI) to promote dialogue between the public sector and the private sector. This structure has been functioning since February 2007.

Benin has, moreover, instituted a Charter on Small and Medium Enterprises/Small and Medium Industries (SMEs/SMIs) that specifies, notably, incentives in favour of SMEs/SMIs through the putting in place of an appropriate fiscal policy.

In addition, the government is promoting the creation of business incubators to train young pupils and students in entrepreneurship.

The informal sector plays a very important role in Benin's economy. Taking into account this reality and the specificities of the said sector, the government has decided to support it by simplifying the fiscal system, through the different fixed charge systems.

However, since economic emergence requires, on the one hand, organisation and method to increase productivity and, on the other hand, productive investments to accelerate growth, the government feels that it is an illusion to rely – in the more or less long term – on the dynamism of this sector to initiate development and ensure the improvement of the business climate.

1.3 Political governance and democracy

Multiparty politics, press freedom, the consolidation of individual and collective liberties, and the exercise of citizenship constitute the basis of democracy and of the rule of law.

The constitution of 11 December 1990 acknowledges the right of Beninese citizens to enjoy these basic rights, including (notably) the rights to move freely, to vote, to set up trade, to open a bank account, etc. However, the lack of a civil status or identity document for the citizens constitutes an obstacle to the enjoyment of these rights.

Aware of this fact, the government implemented a policy on the issue of these documents during the mobile courts organised within the framework of the Civil Status Census (RAVEC) project.

These operations will be intensified in order to put an end to the legal insecurity in which some Beninese find themselves.

Also, in its concern to protect vulnerable population groups, notably children, the government is waging a relentless war on child trafficking and child labour.

The consolidation of good governance and democracy also depends on the right of the individual to a healthy environment. To that end, Benin has put in place a National Charter on Environmental Governance, based on the common but differentiated responsibility of the actors involved. It is concerned with institutional and regulatory provisions, and aims (notably) to address the environmental aspect of development policies and programmes. The aim is to make Benin a reference centre for environmental impact assessment.

It is also worth mentioning that there is an ongoing dialogue on climate change among member countries of the Economic Community of West African States (ECOWAS), in which Benin is participating actively.

In the framework of the establishment of a republican administration geared towards development, the government has adopted a policy of reforms, notably on the following issues:

- clarification of the tasks of the state;
- rationalisation and stabilisation of structures and administrative organisation;
- the promotion and development of human resources; and
- decentralisation/deconcentration with a view to promoting local development, and the principle of subsidiarity and grass-roots democracy.

Concerning the improvement of democracy, Benin has adopted a Charter of Political Parties, dedicated to the promotion of full multiparty politics, which is being implemented very efficiently. Discussions are under way, at the appropriate level, to define the status of the opposition.

Concerning transparency in the actions of the public service, it should be underlined that efforts are being made to ensure transparency in the recruitment, appointment and promotion of public servants.

In respect of achievements, the following may be noted at the level of structures in charge of this sector:

- the development of procedures manuals;
- the establishment of standards, values and ethics; and
- the definition of high-level public jobs.

The Beninese authorities have a constant desire to make Benin a free, safe and peaceful country, and a national strategy for intensifying security is being developed to that end.

The favourable social climate helps to consolidate peace both internally and externally, through a constant search for consultation frameworks to settle differences with neighbouring countries and promote good neighbourliness – one of the essential pillars of Benin's policy in the area of integration.

Its peaceful situation gives Benin the opportunity to be present at all crisis scenes within and outside Africa, in order to participate in efforts aimed at restoring peace and stability in these regions.

Benin is one of the countries in the subregion with the largest military contingents abroad, as it has a republican army that contributes to peace and development.

This is the rationale behind the military service of national interest, intended to inculcate in young Beninese citizens the love of the motherland and gradually correct the deviations associated with lack of patriotism.

Moreover, as part of the concern to supervise the realisation of the vision of an emerging Benin and affirm the necessary leadership for conducting it, the following structures have been created or planned:

- the High Commission for Concerted Governance;
- the National Ethics and Transparency Council;
- the Supreme Defence Council;
- the authority for implementing the structural reforms and dialogue with development partners; and
- the Presidential Mediation Body (OPM), established as part of the prevention strategy for the peaceful resolution of conflicts.

Furthermore, the government has just set up a committee, comprising 25 persons, charged with the responsibility of reflecting on the issue of the modernisation of the institutions of the republic, and of the fundamental regulations of the republic.

1.4 Socioeconomic development

The Country Review Report underlines the major gap between the quality of policy documents, strategies and programmes, and their application on the ground.

The phenomenon of poverty persists and is gaining ground, notably in the rural areas. In this regard, the ambition of the government is to achieve, in the short term, a growth rate of over 7% and, in the medium term, a two-digit growth rate, which will help to:

- integrate the vulnerable population groups into the production network;
- improve policies, mechanisms and results in the key areas of education and health (this is indispensable to the provision of sustainable support for the development process); and
- ensure that citizens in rural areas have access to water, electricity, housing, land, etc., thereby making it possible for all social segments to participate in the development process.

In the area of protection of (rural and urban) lands, efforts are under way to facilitate the access of the poor to land. In this regard, a law on rural land has been voted on and is being promulgated.

However, despite the major roles played by civil society organisations in the elaboration of development policies and strategies, the state has to play its regulation and redistribution role.

The government deems it necessary to ensure coherence between development actions initiated at the local level and those initiated by Technical and Financial Partners (TFPs).

The development of the agricultural sector – which is particularly relevant to the rural population – will facilitate the creation and development of new income-generating activities in the areas of processing, conservation and marketing of agricultural produce.

The government has also put in place a micro-finance programme that aims to make the most vulnerable population groups (notably women) economically active, and to fight against poverty. The total cost of this programme will be 20 billion CFA franc in the form of credit in 2007 and 2008.

In the health sector, the government is examining the modalities of implementing the policy on free medical care for the most vulnerable population groups, notably pregnant women and children aged 0-5 years.

Each year, the government – through the National Fund for the Needy – puts substantial financial resources at the disposal of hospitals for the offering of care and support to needy people.

Mention should also be made of the gradual implementation of mutual health insurance schemes in the informal sector.

1.5 Subregional integration

Benin sets great store by the promotion of West African integration and the effective application of community regulations. Hence, community provisions relating to value-added tax (VAT) are respected on the whole, apart from a few exemptions on milk, agricultural inputs and four-stroke engines. The regulation on anti-competitive practices within WAEMU, adopted in May 2002, was the subject of a national training seminar and of a regional sensitisation seminar organised by WAEMU in November 2006 in Cotonou. Provisions will be made in future for the organisation of departmental popularisation workshops.

Benin respects all the regulations on the taxation of intra-WAEMU and intra-ECOWAS exports. However, there was a specific problem with vegetable oils from Togo. A delegation from Benin will visit Togo – if the Togolese authorities agree to it – to examine the obstacles impeding the flow of this trade between the two countries.

As far as corporate taxation is concerned, the relevant regulations are being harmonised.

In Benin, two categories of rules on competition are to be applied: community rules and national rules.

The direct and immediate application of community rules entered into force on 1 January 2003. These rules cover the following anti-competitive practices:

- agreements;
- dominant position abuses; and
- public interventions resulting in distortion in competition.

These standards are applied concurrently by community authorities and national competitive structures. In this regard, the tasks of the national structures are those of surveillance and surveys.

Concerning the national rules, all individual practices restrictive of competition (the sale of bonuses, below-cost pricing, selective sales and misleading advertising) are covered by the Bill on Competitiveness in Benin, which is being discussed in the Supreme Court. The said bill provides for the creation of a National Council on Competitiveness.

The functioning of the market is governed by rules on competitiveness, consumption and intellectual property rights (IPRs).

1.6 Crosscutting issues

1.6.1 The issue of gender and gender equality

Benin has ratified regional and international political instruments so as to promote gender equality and integrate the gender approach into development policies and programmes in favour of women, who represent about 52% of the population of Benin.

Apart from the appropriate institutional framework that is being established, the government is striving to create an environment that will enable women to be actors in, and beneficiaries of, development. This can be achieved by strengthening their capacity through (notably) education, health measures and equitable access to employment and other sources of wealth.

It should be noted that at the level of regulatory provisions, access to public space is not discriminatory. Rather, the inequality observed is the result of the low level of education of girls and training of women. To these are added socio-cultural sluggishness, and the image most women have of themselves.

The statistics on the education of girls have improved and the prospects are encouraging.

Six of the 26 ministers in the government are women.

Moreover, the structures of the justice, family and child sectors are actively striving, through several workshops and seminars organised in partnership with nongovernmental organisations (NGOs), to ensure wide dissemination of the Individual and Family Code, with a view to ensuring its appropriation in order to facilitate its application.

1.6.2 Training and integration of the youth

Benin has a very young population, with 46.8% of young people aged below 15 years.

This characteristic presents opportunities as well as risks, and can constitute a major stake in social peace and political stability, since the majority (72%) of registered unemployed people are under 35 years of age.

In the face of this situation, the government has made considerable efforts, notably in the area of technical and professional training, through the construction of the appropriate infrastructure in each department of the country.

It is also important to note the impending installation of the National Education Council, a supervisory body in charge of improving the educational system.

Measures are also being taken to improve youth employment. The revitalisation of the National Employment Agency (ANPE) is part of the vision to intensify the promotion of self-employment among the youth, with support from the National Youth Employment Fund.

Moreover, it is necessary to recall the positive effects expected from the institution of the general interest military service.

1.6.3 Local governance

Turning to the institutional framework of decentralisation, the Country Review Report mentions the statutory ambiguity around local administrative units, i.e. the communes, which are alleged to be structures without legal personality or financial autonomy.

With regard to the observation that decentralisation has been made complex because of an excessive increase in legislation and regulations, the government feels that a crosscutting issue such as decentralisation cannot be efficiently managed without a legal arsenal that specifies the competences and roles of the different actors.

As for the decentralised territorial authorities, they do have a legal personality and enjoy financial autonomy. In more concrete terms, for almost five years now, they have been voting on and executing their budget in a completely autonomous manner.

Concerning the recommendation about attaching the least populated communes to the bigger communes, this cannot be applied in the sociopolitical context of Benin, because the various populations opposed the idea during the development of the decentralisation project.

Generally, the government considers decentralisation a major issue, attached to which are considerable stakes to do with town development, the reduction of social and economic disparities, territorial contributions to development, and participative democracy.

The issue of inequalities between the different regions of the country is being given special attention by the public authorities, through specific programmes in favour of the regional capitals in particular, including Porto-Novo and Abomey.

The affirmed policy of rotating the celebration of the anniversary of independence is in line with this perspective.

This approach aims to turn decentralised entities into real development actors, the added value of which is both local and national.

Moreover, the issue of linking traditional authorities with decentralisation mechanisms is currently being examined at the level of the civil society and decentralisation forum.

1.6.4 The fight against corruption

The Country Review Report highlights the importance of the fight against corruption for good political and economic governance, corporate governance and socioeconomic development.

It focuses on the magnitude of the phenomenon, which affects all sectors of political and social life in Benin.

Aware of the perverse effects of corruption on the establishment of the rule of law and on development, the government has included the problem of corruption among the priority threats to be dealt with.

Since political will is an essential factor in any process, and especially as regards the fight against corruption, the government – contrary to what is mentioned in the Country Review Report – has signed, ratified and deposited the ratification instruments of the African Union Convention on Preventing and Combating Corruption, which was adopted in Maputo, Mozambique, in 2003.

Moreover, from 2000 to 2003, Benin participated actively in the negotiations, under the aegis of the United Nations (UN), on the United Nations Convention on Corruption and the United Nations Convention on Organised Transnational Crime, which also deals with corruption. It has already ratified both.

Internally, the ‘green march’ against corruption of the head of state in July 2007 marks a decisive stage in the Beninese authorities’ determination to eradicate this scourge.

Within the framework of the pedagogy of example and virtue in the top structures of the state and at all levels, in terms of ethics and republican morality, the government has adopted an operational charter to which each minister subscribes on his or her assumption of duty. This charter prescribes incorruptibility and the good governance of public affairs. The constitution contains provisions on the declaration of property by ministers when they assume office and at the end of their ministerial function.

Structures put in place to fight corruption include (notably) the National Organisations Front for the Fight against Corruption (FONAC) and the Observatory on the Fight against Corruption (OLC).

A National Anti-corruption Day has been instituted by the government, which plans to introduce civic education into the school programme.

Audits have been conducted in all ministries, as well as in major public enterprises. Some of those responsible for misappropriating funds have been sanctioned, while others are awaiting trial.

The creation of the General State Inspectorate (IGE) constitutes progress in the establishment of a mechanism for controlling the management of public funds. It has already had perceptible effects on the psychology of state agents.

1.6.5 The fight against money laundering

As part of the fight against money laundering, the legal framework in force is in conformity with the harmonised legal and regulatory environment envisaged by the WAEMU countries. In fact, Uniform Law 2006-14, relating to the fight against money laundering, was approved by the National Assembly and promulgated by the president of the republic on 31 October 2006. It provides, notably, for the establishment of the Financial Information Processing Unit (CENTIF), which is

tasked with collecting and processing financial information as well as furthering international cooperation in this field. CENTIF was created by means of Decree 2006-752 of 31 December 2006. In order to make it operational, the appointment of its members is taking place on a continuous basis.

CONCLUSION

The Country Review Report, prepared by the APR Panel and covering the four thematic areas of the APRM, makes a pertinent diagnosis of the assets of, and major challenges to be met by, the Republic of Benin.

Thanks to the government's determination, reaffirmed each day, and to its foresightedness, as evidenced by the pertinence of its political, economic and social choices, the progress towards the realisation of an emerging Benin is being confirmed.

The objective is to restore a climate of confidence and public-private partnerships conducive to development, in order to involve all those economic and social actors able to play, with determination, their part in meeting the challenges of the third millennium.

Aware of all the issues at stake, the government is devoting itself to promoting good and concerted governance, social peace, political stability and harmony among institutions of the republic, guarantor of sustainable development.

The programme of action in Appendix I shows the immensity of the tasks to be accomplished. These tasks measure up to the ambitions nourished by the government for the development of Benin.

These tasks are also within the scope of a country that has resolutely chosen the path of harmonious development, with a view to putting in place the appropriate conditions for the creation of wealth for a shared prosperity.

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