



# INTEGRATED SDG INSIGHTS

## BENIN

This initiative supports the articulation of national commitments to SDG transformation, towards accelerated SDG action in the second half of the 2030 Agenda.



# HOW TO READ THIS REPORT



Integrated SDG Insights provides an overview of a country's economic growth trajectory, highlighting potential conflicts between growth, environmental concerns, and societal well-being (referred to as the **SDG Moment**).



It builds from the foundation of national SDG progress through the lens of the 5Ps and uses machine learning to analyse national development ambition with an SDG lens (**SDG Trends & Priorities**).



Combined, these insights are mapped against SDG interlinkages to define policy choices that accelerate SDG progress, tailored to national context (**SDG Interlinkages**).



These policy choices are made against fiscal constraints and opportunities for stimulus to ensure choices translate to development impact and leave no one behind (**Finance & Stimulus**).

# SDG MOMENT: BENIN

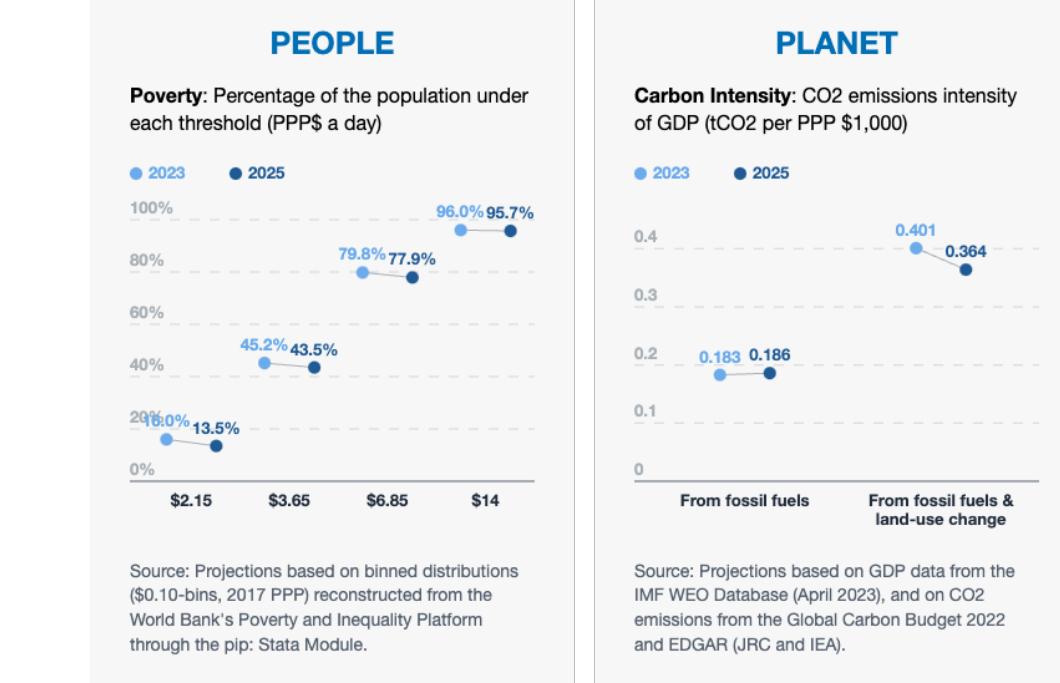
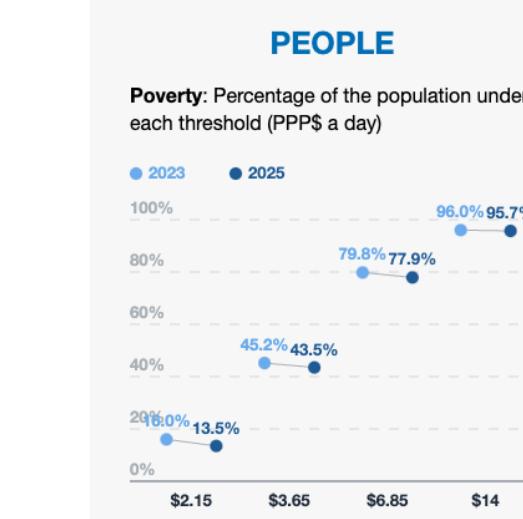
While economic growth is a key element in achieving the SDGs, many countries are intent on moving beyond growth as a yardstick for progress. In the short run, growth enables the SDGs; but in the long run, the SDGs aim to transform the pattern of growth itself.

Benin's growth trajectory during the 2023-2025 cycle is in acceleration, projected to be twice the world's average rate of growth. Although the COVID-19 pandemic and the war in Ukraine have disrupted the sound momentum of structural transformation initiated over the past ten years, the proper management of these crises enabled Benin's growth to gradually align itself to its pre-crisis projections<sup>1</sup>.

As part of the Government's Action Programme (PAG) 2021-2026, the national authorities are placing good governance, socio-economic transformation and improving the well-being and the living environment of populations at the heart of public development policies. This is reflected in both the projected reduction of poverty and in the favourable land-use change. Yet there are still some challenges in the fight against poverty, especially when using more stringent poverty thresholds, whereas Benin's carbon emissions intensity of GDP is expected to slightly increase at an annual rate of 1% due to fossil fuel usage.<sup>2</sup>

<sup>1</sup> The economic cycle is determined by adjusting the country's current GDP growth forecasts (April 2023) by their gap relative to the forecasts made before the pandemic and subsequent crises (October 2019). If the adjusted rates (not shown) are below 2%, the economy is considered in mitigation; it is coping if the adjusted rates range between 2%-4%, and it is in acceleration if they are above 4%.

<sup>2</sup> CO2 emissions intensity of GDP is computed as tonnes of CO2 per \$1,000 (2017 PPP).



# SDG TRENDS

Understanding how Benin performs against the SDG targets provides a baseline landscape against which to build integrated SDG pathways. SDG progress tracking follows [UN Stats](#) standards and [methodology](#), and is aligned with country profiles.



# SDG PRIORITIES

Benin's national priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents. This analysis uses a custom-built model for SDG classification. It considers 100k+ terms, including phrases and expressions.



## Key documents for analysis:

1. National Development Plan 2018-2025
2. Action Programme of the Government 2021-2026 Synthesis
3. Action Programme of the Government 2021-2026 Strengthening democracy, the rule of law and good governance
4. Action Programme of the Government 2021-2026 Structural Transformation of the Economy
5. Action Programme of the Government 2021-2026 Improvement of the Social Well-being of Populations

# SDG INTERLINKAGES

SDG interlinkages reveal how actions directed towards one SDG can impact others. Uncovering and understanding these interactions can help Benin to achieve the 2030 Agenda for Sustainable Development and to navigate trade-offs.

Based on a global framework for interlinkages, Benin's SDG progress is colour-coded at the target level.

Building from national trends and priorities, the following integrated SDG pathways reflect policy choices with the most potential to accelerate the SDGs for Benin:

- Target 8.5: Full employment and decent work with equal pay
- Target 9.2: Promote inclusive and sustainable industrialization
- Target 16.6: Develop effective, accountable and transparent institutions at all levels

Note that the guidance for Member States is to identify a set of priority areas for investment and policy change that will help secure maximum progress across the SDGs. The three targets provide a basis with mutually reinforcing initiatives such as setting a national benchmark for reducing poverty and inequality, and a common framework to track planned adjustments in national planning and institutional frameworks.



## ACCELERATION PATHWAYS

SYNERGIES

TRADE-OFFS

# SDG INTERLINKAGES

**8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.**

In Benin, labour productivity is very low and the country is not yet benefiting from the demographic dividend, with the majority of workers holding low-wage jobs. Economic growth is a prerequisite for increasing productive employment; it is the combined result of increases in employment and labour productivity.

Productive employment being a priority for the Government, a national action plan has been drawn up and its implementation is underway.

The action plan reinforces several of the key interlinkages across SDGs, addressing skills upgrading (Target 8.2), empowering young people through entrepreneurship (Target 4.4).

It is also underpinned by the provision of services, particularly in the field of social protection (Target 1.3), the application of regulations and the collection of public revenues to finance the supply of public goods.

● ON TRACK      ● FOR REVIEW      ● OFF TRACK      ● TRENDS NA



Explore the interlinkages at:

<https://data.undp.org/sdg-push-diagnostic/BEN/synergies-and-tradeoffs>

# SDG INTERLINKAGES

**9.2: Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.**

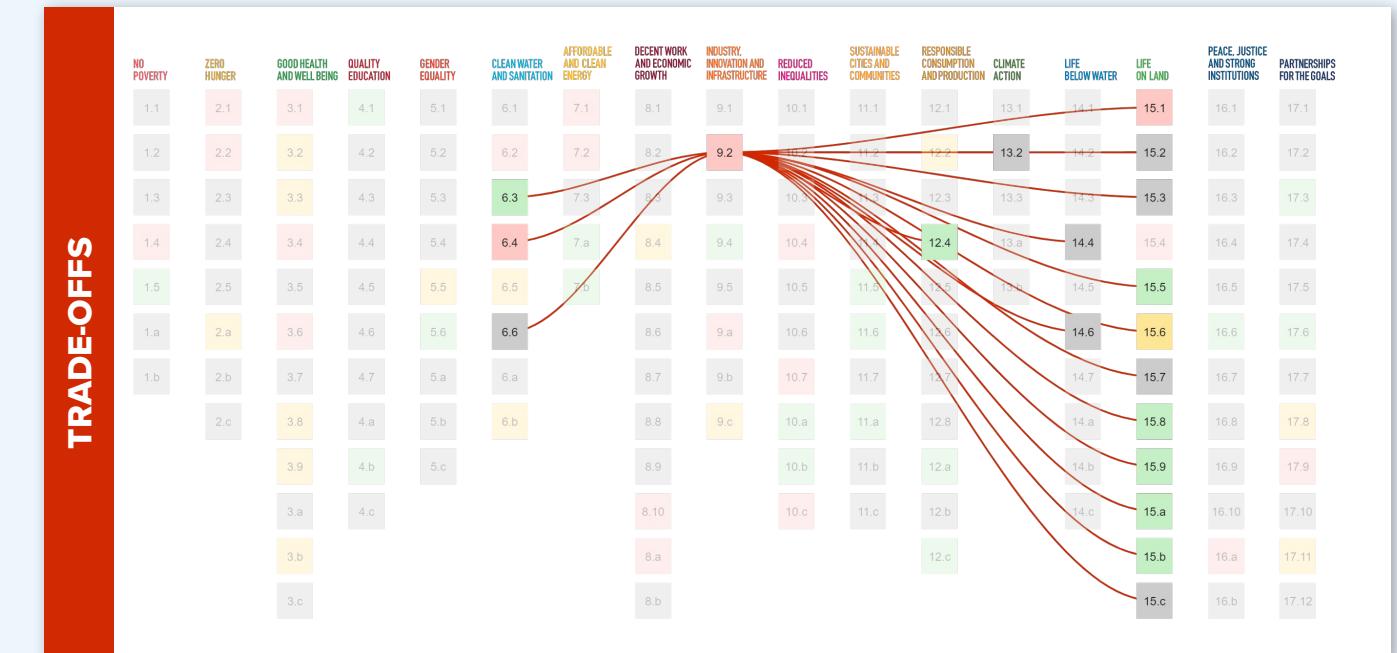
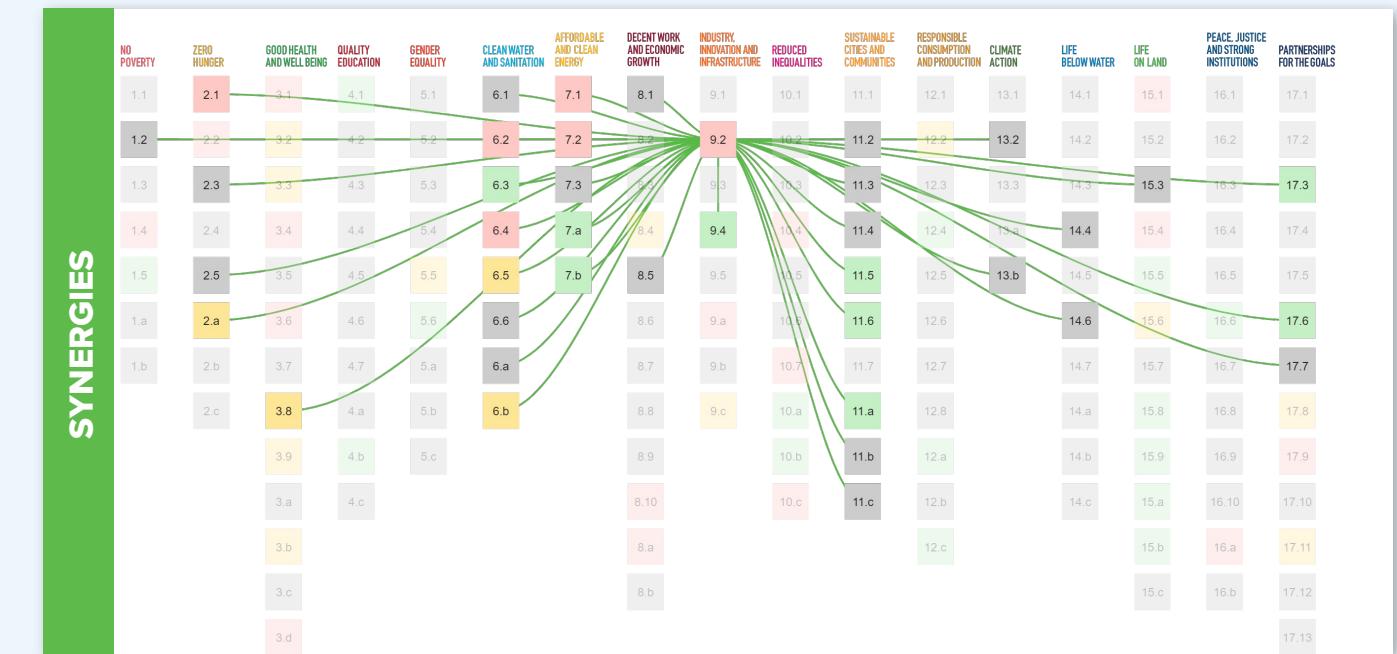
Benin suffers from the lack of industrial infrastructure likely to promote its development. In addition, the Beninese research and innovation sector faces problems and requires renewed investment. The prevalence of the informal sector is a particular challenge in promoting the emergence of competitiveness.

The vector of real structural transformation, the contribution of target 9.2 to the increase in GDP and employment, particularly in agro-industry, manufacturing, textiles, mines and hydrocarbons oil, is beneficial and the harbinger of the economic emergence of Benin.

The Beninese economy, dominated by agriculture, is not very diversified and focuses mainly on 2 export products (cotton, cashew). The secondary sector contributes slightly (less than 20%) to GDP. Moreover, manufacturing industries remain largely undiversified despite the various policies and strategies implemented for the development of the sector since independence.

To this end, the Government has adopted the National Development Plan 2018-2025 which, in its application, has set itself the objective, among other things, of "Promoting sustainable industrialization that benefits everyone and, by 2030, significantly increases the contribution of 'industry to employment and the creation of wealth".

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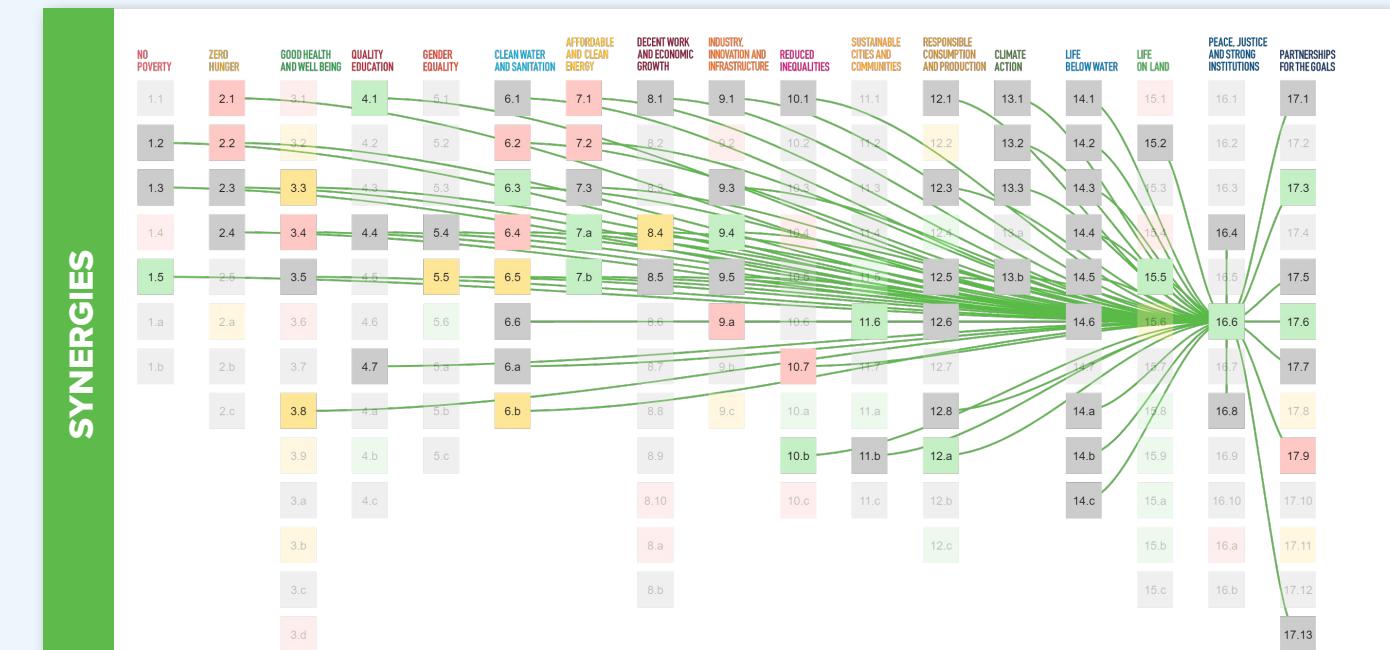
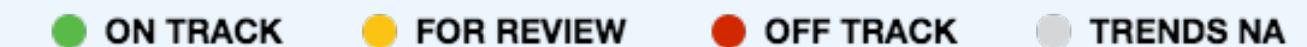
# SDG INTERLINKAGES

## **16.6: Develop effective, accountable and transparent institutions at all levels.**

The implementation of institutional reforms through the establishment of effective public institutions, and the improvement of transparency and accountability have been the driving forces behind the transformative dynamic initiated by Benin since 2016. The Governance Diagnosis carried out by the IMF in 2022 highlighted very positive developments linked to recent or ongoing reforms. Main areas of improvement are as follows: Public finance in terms of results-based management, tax policy in term of domestic tax collection and the rule of law in terms of the accessibility of legislation.

However, room for improvement remains, particularly through reinforced investments in legal and institutional framework to prevent corruption, and skills and capacity gaps that require special focus.

In a spirit of continuity in terms of public sector performance, the Government has made the strengthening of public governance and the participation of the populations one of its major pillars of public action between now and 2030 – this has a direct positive impact in driving progress in the other primary interlinkages identified in this report.



***Explore the interlinkages at:***

<https://data.undp.org/sdq-push-diagnostic/BEN/synergies-and-tradeoffs>

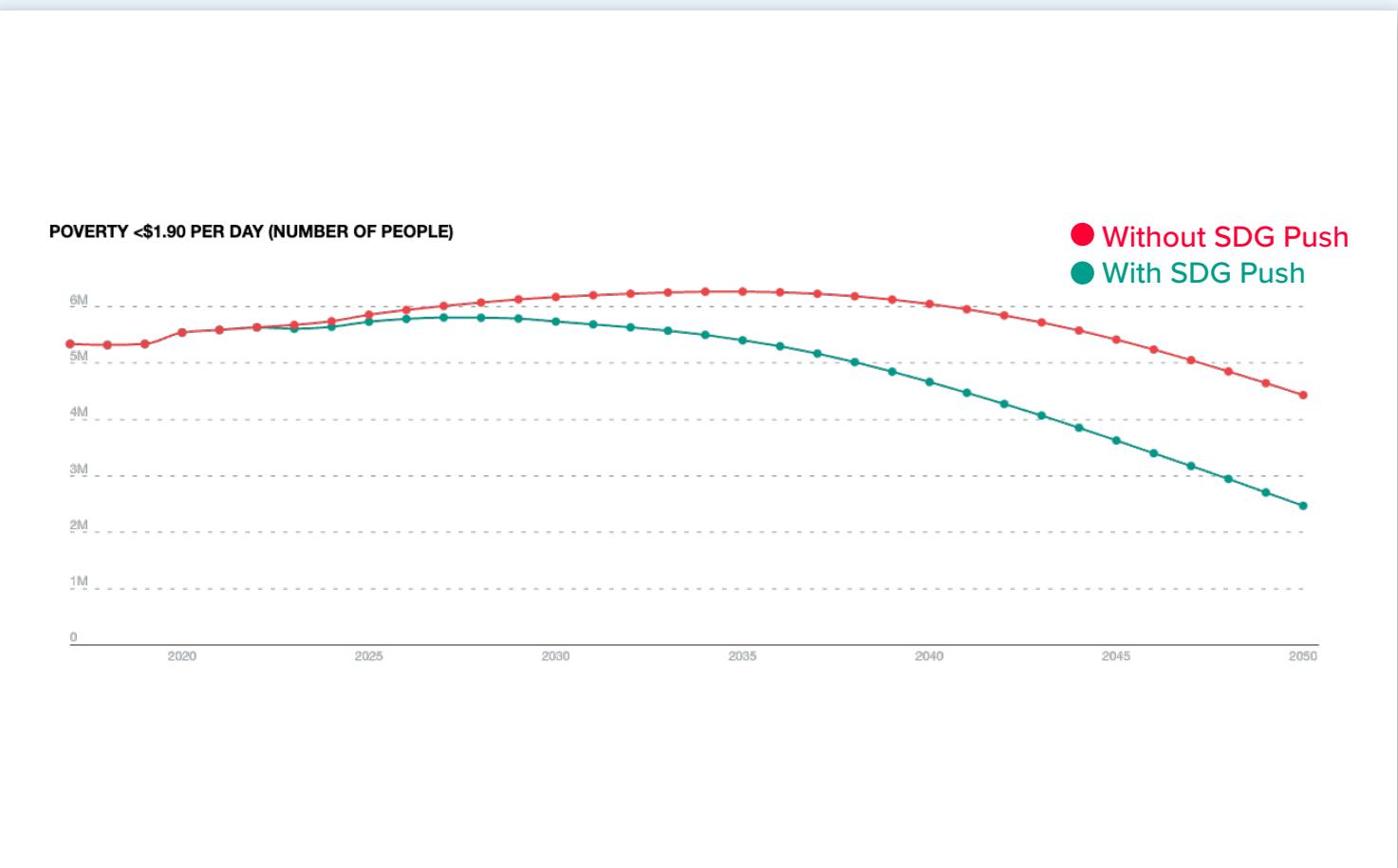
# FUTURES SCENARIOS

Achieving the SDGs is possible.

The ‘SDG Push’ is a futures scenario based on 48 integrated accelerators in the areas of Governance, Social Protection, Green Economy and Digital Disruption. It uses national data to explore the impact on human development by 2030 and by 2050 across key SDG indicators.

Incorporating ‘SDG Push’ accelerators into development interventions in Benin can reduce the number of people living in poverty over time.

People living in poverty	By 2030	By 2050
Without the SDG Push	6.2M	4.4M
With the SDG Push	5.7M	2.5M



Explore SDG Futures Scenarios at:

<https://data.undp.org/sdg-push-diagnostic/BEN/future-scenarios>

# FINANCE & STIMULUS

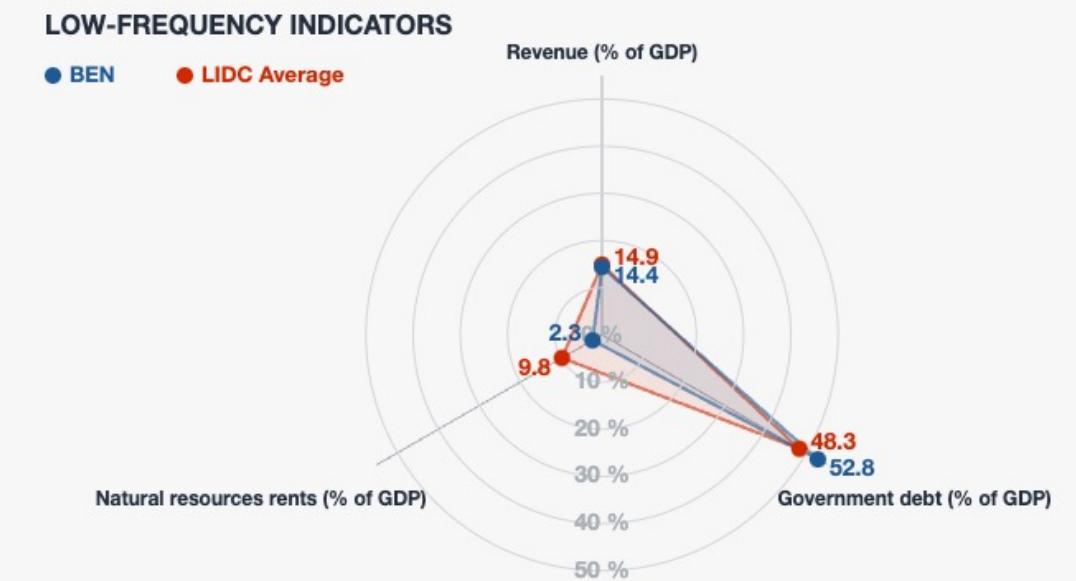
Many countries are facing reduced fiscal space, high debt levels, rising interest rates and downgrades on credit ratings. Fiscal and financial constraints tend to slow or even reverse SDG progress.

The radar diagram shows low frequency data points linked to government revenue, debt and natural resources rents as a proportion of GDP. The financial indicator graphs show external debt servicing relative to revenue, the sovereign credit rating and the country's latest Debt Sustainability Assessment risk rating.

Benin's gross government debt, projected at 52.8% of GDP in 2023, is 4.5 percentage points (pp) above the low-income developing countries (LIDC) group of 48.3%. The country is expected to collect 14.4% of GDP in revenue this year, thus close to the LIDC group's 14.9%.

Benin's external debt servicing this year is expected to be as high as 26.4% of revenue compared to 14.1% for the LIDC average. The country's credit rating is in the 'highly speculative' category and slightly above the LIDC average. Due to limited ability to absorb export-related and commodity price shocks and its susceptibility to natural disasters, Benin's latest World Bank and IMF Debt Sustainability Assessment from May 2023 rates the country 'in moderate risk of debt distress'.

Consequently, Benin faces a challenge in mobilizing a stable and predictable financial resource base, which can largely only be achieved through domestic resource mobilization. Hence, there is an urgent need to intensify activities related to tax reforms in general and to the country's tax transition in particular.



**Notes:** External debt covers public and publicly guaranteed debt. The credit rating shows the numerical average of S&P's, Moody's, and FITCH's ratings, expressed in S&P's scale in brackets.

**Sources:** WDI (natural resources rents, data from 2021), IMF WEO April 2023 (debt and revenue, forecasts for 2023), IDS (external debt, data from 2023), S&P, Moody's and FITCH (credit ratings, data from 2023), IMF/World Bank (DSA Rating as of 31 May 2023).

# SDG STIMULUS

The UN Secretary General's SDG Stimulus Plan lays out a blueprint for action within the existing financial architecture. It includes:

- Providing liquidity to support recovery in the near term
- Enhancing debt relief for vulnerable countries
- Expanding development financing by MDBs
- Aligning financial flows with the SDGs and the Paris Agreement, according to country-level priorities and needs, for example through the roll-out of the UN Integrated National Financing Framework (INFFs).

Given the projected fiscal and financial constraints faced by Benin, possible funding options for the investments derived from the identified interlinkages are as follows:

- Tax and revenue reform
- Debt for SDGs
- Climate finance
- Blended and public-private finance
- SDG-aligned business environment and investment
- Accessing financial markets and insurance
- Remittances, philanthropy and faith-based financing

## United Nations Secretary-General's SDG Stimulus to Deliver Agenda 2030

FEBRUARY 2023



# METHODOLOGY

Click [here](#) to view the Methodological Note for the Integrated SDG Insights



## SDG MOMENT

### Methodology

Assesses challenges and opportunities in national growth trajectories with insights on environmental sustainability and inclusiveness.

### Data Sources

Future trajectories to 2025 are based on IMF-WEO GDP projections, distributions of per capita income or consumption from the World Bank, and CO<sub>2</sub> emissions from the Global Carbon Budget 2022 and EDGAR (JRC and IEA).



## TRENDS & PRIORITIES

### Methodology

SDG trends tracks progress from 2015 to date for the 231 indicators. National priorities are analysed using machine learning to reveal the most prominent SDGs referenced in national policy documents.

### Data Source

Trends utilizes official [UN statistics](#) to assess [SDG progress](#), supplemented with national data when available. Priorities uses a custom-built model for SDG classification. The policy documents analyses are provided by Governments.



## INTERLINKAGES

### Methodology

Global target-level interlinkages are drawn from the [KnowSDGs Platform by European Commission](#). SDG interlinkages were retrieved through a structured literature review in Scopus and Google Scholar to tap both grey literature and peer-reviewed publications as a source of information.

### Data Source

The exercise globally considered a total of 454 documents published from 2015 to August 2022. ([Miola et al., 2019](#) updated in [2021-2022](#))



## FINANCE & STIMULUS

### Methodology

Provides insight into indicators of fiscal and financial stress with options (INFF) for stimulus and other means to accelerate progress.

### Data Source

Most recent resource data from UNU-WIDER GRD (between 2018 and 2021), debt and revenue from IMF WEO (between 2020 and forecasts for 2023), external debt from IDS (2023), yields from Haver Analytics (8 June 2023), credit ratings from S&P, Moodys and FITCH (2023), and DSA ratings from World Bank/IMF (31 May 2023).