

SU/20/101

May 15, 2020

**The Acting Chair's Summing Up  
Benin—Sixth Review Under the Three-Year Extended Credit Facility  
Arrangement and Request for Augmentation of Access  
Executive Board Meeting 20/60  
May 15, 2020**

Executive Directors agreed with the thrust of the staff appraisal. They noted that the COVID-19 pandemic has halted Benin's strong growth momentum and that the outlook was subject to a high degree of uncertainty. Directors commended the authorities for their ambitious plan to respond to the health and economic crisis by raising healthcare spending, granting cash transfers to vulnerable households and providing support to impacted businesses. They also highlighted Benin's strong performance under the Fund-supported program which has helped consolidate public finances, lift the growth potential and support credibility with international investors.

Directors considered the increase in the 2020 fiscal deficit as appropriate to accommodate the new spending measures and the expected revenue shortfall. They also welcomed the authorities' decision to reallocate spending from less urgent projects towards the new priorities.

Directors urged the authorities to adopt sound and transparent public finance management practices when implementing the response plan and reprioritizing their budget. They emphasized that careful monitoring and ex-post audit of the execution of the plan will strengthen accountability and ensure that the additional funds are spent as intended. Directors welcomed the commitment to publish next year's audit of the response plan as well as the procurement documents for the main projects.

Directors welcomed the commitment to revert to a medium-term fiscal consolidation path once the shocks wear off by maintaining the deficit below the regional ceiling to ensure sustainability. On economic reforms, Directors encouraged the authorities to pursue efforts to modernize the Beninese economy, with special emphasis on the diversification of the economic structure, the improvement of the business environment, and the strengthening of the banking sector. Continued improvements in the anti-corruption and AML/CFT frameworks are also needed.