



Press release – Cotonou, 15 July 2021

Benin has completed its first international bond issuance dedicated to financing projects with a high impact on the achievement of the United Nations Sustainable Development Goals (SDGs), the first for an African Sovereign. The transaction allowed to mobilize €500 million (CFAF 328 billion), to be repaid in 2035.

The funds raised will be exclusively used to finance various social and environmental projects that contribute to Benin's commitments to achieve the United Nations SDGs.

Benin thus reaffirms the highly innovative aspect of its debt management strategy and renews its commitment to the SDGs, becoming the first country in Africa to issue an SDG Eurobond, and one of the first in the world.

To this end, an official delegation from the Republic, led by the Senior Minister in charge of Economy and Finance, Mr. Romuald Wadagni, held bilateral talks with numerous leading international institutional investors on 13 and 14 July. This roadshow was an opportunity for the Minister to remind investors of Benin's objectives and concrete results in terms of achieving the SDG targets, as well as the country's remarkable economic resilience to exogenous shocks, including the Covid-19 crisis.

The success of this operation demonstrates the endorsement by investors of the achievements and social programme of President Patrice Talon's government, in line with his commitment to make the five-year term (2021-2026) a "highly social" one. This Eurobond was issued at a coupon of 4.95%, reflecting investors' confidence in Benin's credit. A negative new issue premium of 0.20 percentage points was reached, reflecting significant investor appetite for this innovative landmark instrument.

The Sustainable Development Goals and the United Nations 2030 Agenda have been at the heart of Benin's strategy since 2016. As such, Benin was selected in 2018 to participate in the joint IMF-UN pilot program on the assessment of financing needs for the achievement of the SDGs, alongside 4 other countries around the world. Only two African countries were selected as part of the initiative.

A comprehensive SDG Framework prepared by the Republic of Benin to organise the management of proceeds was evaluated and validated by a specialised independent institution, Vigéo Eiris (Moody's Group), which awarded it the best possible rating.

This landmark bond offering was particularly well received by investors, with an oversubscription level of almost three times the amount sought. Around 100 investors participated, including several who were first-time investors in a Benin operation.

The Government has also partnered with the United Nations Sustainable Development Solutions Network (SDSN), which will provide regular monitoring and evaluation of progress and efforts to achieve SDGs. The Republic will be able to benefit from the technical expertise of the SDSN to accelerate its progress towards the SDGs, and to communicate transparently with investors on progress made.

A dedicated website (<https://odd.finances.bj/?lang=en>) has also been set up to communicate on Benin's SDGs implementation progress.