

Evaluation of the Implementation of the Paris Declaration

Country Evaluation

BENIN

Executive Summary

Paris Declaration in context: The way Official Development Assistance has evolved in Benin was influenced by factors associated with policy priorities and various reforms, the country's economic situation, natural disasters, etc.

In terms of policy priorities and the various reforms, Benin is characterised by a climate of peace associated with a good practice of democracy since 1990.

In terms of the economy, Benin has been engaged in the implementation of each generation of the Poverty Reduction Strategy Papers (PRSP) since 2000. These documents, which have served as the frame of reference for economic policy for each political regime, are also the preferred and only framework for dialogue between government and partners.

As regards social measures, a factor that has a significant influence on aid flows, the Benin government resolutely included the areas of education, health and access to drinking water in its priorities, in keeping with the Millennium Development Goals (MDGs). This particular focus on these various sectors and the encouraging results observed in these areas have had a great impact on aid to the country and continue to be the concern of donors and development partners.

Unlike these factors that have had or continue to have a positive impact on aid to Benin, there are also internal and external facts and elements that have not fostered or that do not have a positive impact on aid. Internally, these include successive approvals of finance laws by executive decree between 2007 and 2009. By undermining credibility in the way public

funds are managed, this situation would significantly curb the fulfilment of commitments by donors. Externally, they concern, in particular, the international economic environment, marked by relatively stable growth in most zones between 2005 and 2007, which should help increase aid to Developing Countries in this period. However, the Benin economy was not spared the effects of the global economic and financial crisis that came in the following period.

Processes and intermediate results

Ownership: In terms of ownership of the national development process, the evaluation revealed the existence of a national development strategy with a long- and medium-term focus but with a few consistency issues with regard to sectoral strategies. As well, at the sectoral level, there are sometimes programme budgets, that is sectoral programmes without any associated strategies. This observation is linked to the delayed updating of strategies in certain sectors, which temporarily reveals this gap in consistency between sectoral strategies and the sectoral programmes aimed at ensuring their operationalisation.

Alignment: The results of the investigations showed that more and more, aid is aligned with national priorities, even though obstacles resulting from the mandate given to the Technical and Financial Partners (TFPs) and a priority deficit in the operationalisation of the Growth Strategy for Poverty Reduction (GSPR) were noted by all parties. This alignment has translated into relatively high budgetary supports starting in 2005 and consideration for the government priorities set out in the

Growth Strategy for Poverty Reduction and in the Strategic Development Orientations of donors' assistance strategies. It is the case of the World Bank's Country Assistance Strategy and of the European Union's Indicative Programme.

The results in the management of public funds and government contracts between 2006 and 2007 support the government's commitment to bring national systems up to current standards. But since that time, efforts to clean up the country's finances have slackened, severely strained as a result of the global economic and financial crisis that prevailed between 2007 and 2008. The country's economy is still showing the effects of that crisis.

Harmonisation: Notable advances have been made with regard to the efficient and optimal use of common arrangements and procedures to reduce or eliminate overlaps and reduce transaction costs. Most TFPs working in Benin are stakeholders in shared cooperation initiatives involving multiple donors: (i) Budgetary Support, (ii) Common Education Fund, (iii) Water, (iv) Health. In addition, as part of the reform of United Nations System agencies, "One UN – Uni dans l'action," a joint action programme is planned that does not, however, hamper their autonomy.

Results-based management: The establishment of programme budgets – made possible with the support of a new loan mechanism from the World Bank – led to the creation of the Public Expenditure Reform Adjustment Credit. The introduction of programme budgets in Benin made it possible to introduce the evaluation of performance. Follow-up/evaluation units were established in government departments within the Planning and Prospective Directorate. These units are tasked with producing an annual performance report, which must include a performance evaluation for each programme based on indicators and comparing results against objectives. In terms of policy, the government has undertaken the systemisation and legalisation of the results-based management approach. To this end, the draft Organic Law on Finance Laws was finalised and validated in February 2009. It was aligned with the new directives of the West African Economic and Monetary Union adopted in June 2009. This new version will be validated in 2010, then transmitted to the government for approval before the National Assembly convenes for its adoption. Most of the progress made is at the institutional level. Conversely, the results-based management approach has trouble finding root in the day-to-day practice of the public administration, which means that results are associated with spending credits.

Mutual accountability: The government has deployed considerable efforts to involve parliamentarians and non-government players in the development and evaluation of development strategies. But missing from this approach are (i) the effective participation by members of parliament, often represented by the Assembly's evaluation units; and (ii) the involvement of umbrella organisations of Civil Society Organisations at the local level. Donors still do not provide informa-

tion on the aid granted in a timely manner, which makes it more difficult to track aid in Benin. As regards both parties, major progress has been made in government-TFP dialogue, joint evaluations, the joint drafting of fact books, etc. However, schedules still need to be reorganised to make the dialogue less restrictive for the government, and conditions for budgetary support to Benin still need to be lessened.

Development results: The implementation of the Paris Declaration contributed to making aid more effective by further reinforcing the harmonisation of procedures and the use of joint arrangements between TFPs. For example, the poverty rate dropped 3.9%, and the Gini index of inequality was decreased by 0.06 between 2006 and 2007. In addition, the growth rate rose from 3.8% in 2006 to 4.8% in 2007, and then to 5.0% in 2008. However, this growth was slowed in 2009 due to the rebound effects of the global financial crisis (drop in exports and consumption) and the measures taken by Nigeria in response to the food crisis. Thus, the growth rate for 2009 fell back down to 2.7%. Laudable efforts were made by the government with technical and financial support in the large-scale collection of data, providing development results in favour of women, men and excluded groups. The Integrated Survey on Household Living Conditions of 2006 and 2007 illustrates this perfectly.

Key lessons on common issues

Processes and intermediate results

Ownership: Beyond the institutional framework, proper aid coordination presupposes the existence of a reliable aid information system and the proper clarification of the roles and responsibilities of each player. Moreover, data on public development aid are not centralised, despite the existence of a dedicated structure intended for that very purpose.¹ The data tracked at the national level often do not correspond with those collected directly from donors by the OECD Development Assistance Committee. The data on budgetary support seem to be the best tracked by the government.

Alignment: All of the partners with whom we met deemed the national public financial administration and contracting system rather ineffective and susceptible to corruption. This state of affairs would, in fact, explain the weakness of certain levels of budgetary support and the conditions that TFPs impose on some of their support. It is accordingly important that initiatives taken by the government and supported by TFPs to reverse this trend – the implementation of the Public Financial Management Reform Programme and the adoption of enforcement decrees for the new government contracting code – are completed.

Harmonisation: Work remains to be done to internalise donor comparative benefits as part of aid partnerships. In the long run, this should make it possible to develop strategies to improve and optimise donor complementarity and lead to

¹ Outside the capacity issues facing this structure (DGIFD), the database devoted to this aspect is obsolete.

greater effectiveness by reprogramming aid based on the relative capacities of donors. As a result, complementarity between donors was not much developed, as mentioned by the OECD. It was mostly limited to coordination efforts. Another key limitation cited to justify this low level of complementarity between donors is the non-harmonisation of their funding planning activities. To this end, it would be important to revisit the pending national aid policy by building in the comparative advantage of donors. It would be equally important that donors work to coordinate their funding planning mechanisms.

Results-based management: At the organisational level, the necessary strengthening of the results culture requires a series of internal reforms, and in particular the development of human resources, the development of the capacities of partner countries (including with respect to statistics), the strengthening of the evaluation process, the strengthening of the links between results and the planning and budgeting process, and, above all, the promotion of leadership and accountability.

Mutual accountability: The government should get members of parliament directly involved through parliamentary commissions that could take stock of the situation and propose measures to be taken into account in the development of national development strategies. Furthermore, the aid information system should be completely reorganised. Finally, it is important that both parties agree on the schedules for missions to make them more manageable by the government, as well as on the relaxation of the conditions attached to budgetary support.

Key recommendations

As regards the general overview of the implementation of the five principles of the Paris Declaration at the national level, recommendations need to be made to all development players, particularly the government, non-government players and donors. The following is accordingly recommended:

To the Government of Benin

- Designate, through an administrative act, the Lead Minister in charge of Development Assistance Coordination
- Update decrees relating to the operation and responsibilities of aid chain structures
- Integrate strategies to improve and optimise donor complementarity in the National Policy on Development Aid document
- Improve administrative governance to strengthen the institutional mechanism for the management and coordination of development aid
- Identify priority actions that should benefit from outside resources in local communities and non-government

players with a view to achieving the Millennium Development Goals by 2015

- Take administrative and institutional measures to encourage parliamentarians to vote on finance and regulatory legislation in a timely manner to improve the administration of public funds
- Establish enforcement decrees for the new public contracting code
- Revitalise public-private partnerships
- Step up the transfer of skills and resources to local communities
- Strengthen the relation between results and the planning and budgeting process
- Consolidate the links between Communal Development Plans, Sectoral Strategies and National Development Strategies
- Develop and implement a plan to build capacities and develop the human resources of the structures responsible for coordinating aid

To the Technical and Financial Partners

- Expand the establishment of common procedures and arrangements to reduce or eliminate overlaps
- Harmonise funding planning mechanisms taking into account various comparative advantages and the sound occupancy of the national area
- Unify operational programmes and plans between agencies
- Reduce the volume of operations not using national procedures
- Ensure greater predictability regarding time and volume in the granting of aid
- Strengthen the capacities of local offices and make them more autonomous
- Ensure better consideration for national development strategies in the development and implementation of country assistance strategies
- Encourage emerging donors and Chinese/Arabic funds to adopt the Paris Declaration process

To parliamentarians and non-government players

- Increase the involvement of Civil Society Organisations in the establishment of development policies and in citizen control
- Step up the regulatory legislation voting process in the National Assembly
- Step up the voting process for laws and other legislative texts aiming to bring public funding and contracting channels up to current standards
- Strengthen parliamentary control through the creation of control commissions and the questioning of government