

PROJECT PERFORMANCE ASSESSMENT REPORT

BENIN

Ninth and Tenth Poverty Reduction Support Credit

Report No. 160877

JULY 16, 2021



IEG
INDEPENDENT
EVALUATION GROUP

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**NINTH AND TENTH POVERTY REDUCTION SUPPORT CREDIT
(IDA-53890, IDA-55970)**

July 16, 2021

Human Development and Economic Management

Independent Evaluation Group

Abbreviations

ANLC	National Anti-Corruption Authority
CFAF	CFA franc
DPF	development policy financing
FNDA	National Fund for Agricultural Development
GDP	gross domestic product
ICR	Implementation Completion and Results Report
IEG	Independent Evaluation Group
IFC	International Finance Corporation
IMF	International Monetary Fund
INSAE	National Statistics and Economic Analysis Institute
PFM	public financial management
PPP	public-private partnership
PRSC	Poverty Reduction Support Credit

All dollar amounts are US dollars unless otherwise indicated.

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Data

This is a Project Performance Assessment Report by the Independent Evaluation Group of the World Bank Group on a programmatic series of budget support operations that consists of the Ninth (P132786) and Tenth (P146665) Poverty Reduction Support Credit. This instrument and the methodology for this evaluation are discussed in appendix B. Following standard Independent Evaluation Group procedure, the draft Project Performance Assessment Report was shared with relevant government officials for their review and comments. The comments were received and are attached in appendix F..

Ninth Poverty Reduction Support Credit (P132786)

Basic Data

Country	Benin	Financing Source	International Development Association
Global Practice	Macroeconomics, Trade, and Investment Global Practice	World Bank financing commitment	\$20 million
Project name	Ninth Poverty Reduction Support Credit	Actual amount disbursed	\$20.08 million
Project ID	P132786	Programmatic series	Yes
Financing instrument	Development policy loan		

Dates

Event	Original Date	Actual Date
Approval	03/11/2014	03/11/2014
Effectiveness	07/22/2014	07/22/2014
Closing	12/31/2014	12/31/2014

Key Staff Responsible

Management	Appraisal	Completion
Project team Leader	David Cal MacWilliam	David Cal MacWilliam
Practice manager	Miria Pigato	Lars Christian Moller
Sector director or senior Global Practice director	Marcelo Giugale	Marcelo Giugale
Country director	Ousmane Diagana	Pierre Laporte

Tenth Poverty Reduction Support Credit (P146665)

Country	Benin	Financing Source	International Development Association
Global Practice	Macroeconomics, Trade, and Investment Global Practice	World Bank financing commitment	\$20 million
Project name	Tenth Poverty Reduction Support Credit	Actual amount disbursed	\$20.10 million
Project ID	P146665	Programmatic series	Yes
Financing instrument	Development policy loan		

Dates

Event	Original Date	Actual Date
Approval	03/17/2015	03/17/2015
Effectiveness	02/29/2016	02/29/2016
Closing	12/31/2015	06/30/2016

Key Staff Responsible

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Practice manager	Blanca Moreno-Dodson	Lars Christian Moller
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Summary

Background and Description

Benin was a low-income country with a gross domestic product per capita of \$1,291 at the time of preparation of the Poverty Reduction Support Credit (PRSC) 9 and 10 series in 2014. Its economy was driven by agricultural production (of cotton in particular) and reexport and transit trade with Nigeria. As a result, Benin's economy was vulnerable to trade policy changes or economic downturns in Nigeria. The series was designed in a context of political stability after presidential and parliamentary elections in 2011. The government was headed by President Boni Yayi, serving his second and final five-year term. The government's reform program in public financial management, agriculture, and Port of Cotonou was supported by the Seventh Poverty Reduction Support Grant 7 and the PRSC-8, which laid the foundation for the PRSC-9 and PRSC-10 series.

PRSC-9 and PRSC-10, approved by the World Bank Board of Executive Directors on March 11, 2014, and March 17, 2015, respectively, had the following development objectives:

- Promote good governance and high-quality public financial management
- Strengthen private sector competitiveness

The objectives of the series were aligned with the "governance and public sector capacity" and "sustainable growth, competitiveness, and employment" pillars of the World Bank's Country Partnership Strategy (fiscal years 2013–17). The objectives of the series were also aligned with the "promoting good governance" and "accelerating economic growth" pillars of Benin's third Growth for Poverty Reduction Strategy (2011–15).

The first objective, "promote good governance and high-quality public financial management," was supported by prior actions in the following three policy areas:

- Budget execution
- Public procurement
- Governance

The second objective, "strengthen private sector competitiveness," was supported by prior actions in the following three policy areas:

- Business environment
- Agriculture diversification and reforms in the cotton sector
- Improving efficiency at the port and customs reform

Results

The series had mixed results in some policy areas, with no progress on cotton reform despite good progress on the reform of management of Port of Cotonou. But even the port reforms face sustainability challenges, including weaknesses in design, government commitment and ownership, and opposition from vested interests, especially in the cotton sector.

The progress on budget execution was mixed, with improvements in the timely submission of national accounts but limited progress on the unallocated percentage of budget. Evidence from the Independent Evaluation Group's review of the Completion and Learning Review shows improvements on some aspects of budget management in terms of timely submission of national accounts and transfers of funds to municipalities or communes and the publication of communal action plans (to deal with weaknesses identified by audits) but limited or no progress on other aspects of budget management (execution rate of social priority expenditures and unallocated percentage of budget).

Despite the support for effective application of the new procurement code and decentralization of procurement to sector ministries, the average delay in public procurement increased since the closure of the series, indicating that reforms were not sustained. The average public procurement delays reported in the Implementation Completion and Results Report for public works, goods, and services was between 33.5 and 40.4 days. More recently, the Independent Evaluation Group found that the average public procurement delay in Benin in 2020 was about 80 days, significantly greater than the public procurement delays reported in the Implementation Completion and Results Report.

Perceived control of corruption has improved, but governance has worsened in voice and accountability, political stability, and rule of law. Regulatory quality and government effectiveness have not changed significantly, as shown by the Worldwide Governance Indicators. More recently, the Independent Evaluation Group found issue with the asset declaration law because individuals send their asset declarations directly to the Chamber of Accounts, but the National Anti-Corruption Authority does not receive a copy. This authority is in the process of being replaced by a new agency, Higher Authority for Corruption Prevention. Under the Open Data Initiative, the National Statistics and Economic Analysis Institute has made its data publicly available

on its website. However, this institute is still in the process of improving user access to its data, as the national act in Benin does not allow individual access to the data.

High informality, weak tax administration, high tax rates, and insufficient access to finance are among the top five business environment constraints, as shown by the 2016 Enterprise Survey for Benin. Under the Entrepreneur Program, the World Bank Group supported the government in simplifying the tax regime for micro and small enterprises to encourage formalization of firms. Formalization under the Entrepreneur Program was free of charge and took only one business day. However, results from a randomized impact evaluation of the Entrepreneur Program carried out by the World Bank's Department for Economic Research show that formalization is driven not only by registration costs and delays but also by the availability of additional policy incentives to firms (such as business training, counseling, bank support services, tax mediation services, and so on; Benhassine et al. 2015). In the absence of such policy incentives and because the Entrepreneur Program was implemented in only three or four provinces and not rolled out countrywide, and because of the long-standing, large difference between formal and informal profits from trade and vested interests in informal trade in Benin and Nigeria, the majority of the informal sector is likely to remain informal, even after policy reforms. Access to finance is reportedly the biggest obstacle to firms. In addition, lack of processing industries and access to markets impede private sector development.

The reforms on agriculture diversification supported by the PRSC series were replaced by new reforms in the follow-on fiscal reform development policy financing (DPF) series (First Fiscal Reform and Growth Credit [P160700] and Benin Second Fiscal Reform and Growth DPF [P166115]); however, there is limited progress on increases in noncotton exports and credit to the agriculture sector. There was virtually no progress in cotton sector reforms under the PRSCs, despite the sector's economic importance and the role of agriculture in the series. Internal resistance and vested interests stymied implementation of reforms. After the new government came to power in 2016, the zonal system (based on the principle of a zoning plan for cotton basins, which was expected to divide the country into four agroecological zones) for the cotton sector under the PRSC series was not implemented, and the management of the cotton sector returned to pre-2012 arrangements, with the Interprofessional Cotton Association (a consortium of firms closely aligned with government interests controlling a dominant share of the cotton value chain, from input distribution through processing and export) managing the sector together with private sector interests.

The Bank Group and other donor partners have contributed to successful reforms and the achievement of outcomes in the Port of Cotonou and customs; however, sustainability of reforms is a challenge. Other factors outside the PRSC series—including the introduction of a single window, a truck management call and control system, and

new lighting and security systems—also contributed to the observed outcomes. Also, there are political connections and vested interests in the management of a program on import verification at the Port of Cotonou. Sustainability of these reforms is a challenge, as stated in the Benin case study in *Grow with the Flow: An Evaluation of World Bank Group Support to Facilitating Trade 2006–17* (World Bank 2019). First, most interventions are stand-alone. Second, donor financing is seldom followed by other financing or institutionalization. Third, the change in presidential administrations in 2016 led to discontinuity and course changes in some ongoing reforms.

Design and Preparation

Prior actions for the PRSC series were a continuation of reforms supported by Poverty Reduction Support Grant 7 and PRSC-8 and the Bank Group. However, the World Bank did not take on board several of the lessons from past operations. The design of the series was weak and complex. The prior actions for PRSC-9 were not associated with changes that could credibly lead to improvements in developmental outcomes over the time horizon of the operations. Several reforms supported by prior actions in PRSC-10 on governance and the cotton sector were overly optimistic and could not be implemented. They were moved to PRSC-11 and later dropped.

Concerns with weak ownership were raised during the internal review process, and several reviewers advised the team to wait until that path forward became clearer. Nevertheless, the World Bank proceeded with the programmatic series. During the internal review process, it was also pointed out that there were no prior actions covering the cotton sector. This was seen as a major omission, given the importance of the sector. Despite these shortcomings, risks to achieving the objectives of the operation were not discussed adequately in the program documents, and no clear mitigation efforts were undertaken.

After PRSC-9, despite weak interim results, the World Bank proceeded with the second operation. Instead, key triggers and prior actions were pushed to the third operation (which never materialized) to continue to provide budget support, despite increasing evidence of weak reform commitment and further weakening of preagreed reforms.

Implementation and Supervision

World Bank investment projects and International Finance Corporation advisory services supported the government in implementing business environment reforms, particularly in simplifying processes to enable small entrepreneurs to enter the formal sector. An embezzlement scandal involving a Netherlands-funded Water and Sanitation Support Program phase II project contributed to delays in the effectiveness of PRSC-10 because the World Bank and other donors suspended the budget support to Benin until

the issue was clarified after an audit. This, in turn, delayed the preparation of PRSC-11, which was ultimately canceled by the new government that took office in 2016.

There are substantial risks to the sustainability of results under the PRSC series. Benin’s economy has suffered a substantial downgrade in its economic outlook, with growth slowing down from 6.9 percent in 2019 to 2.0 percent in 2020. In addition, the border with Nigeria remains closed, slowing trade and reexport activities considerably (IMF 2021).

Table O.1. IEG Project Ratings for Benin—Ninth (P132786) and Tenth (P146665) Poverty Reduction Support Credits (IDA-53890, IDA-55970)

Indicator	ICR	ICR Review	PPAR
Outcome	Moderately unsatisfactory	Moderately unsatisfactory	Moderately unsatisfactory
Risk to development outcome	Substantial	Substantial	Substantial
Bank performance	Moderately unsatisfactory	Moderately unsatisfactory	Unsatisfactory
Borrower performance	Moderately unsatisfactory	Moderately unsatisfactory	Not rated

Source: World Bank 2018b.

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate Independent Evaluation Group product that seeks to independently validate the findings of the ICR. IDA = International Development Association; PPAR = Project Performance Assessment Report.

The evaluation methodology and evidence sources are described in appendix B.

Lessons

This assessment offers the following lessons:

- Relevant lessons from previous operations need to be taken on board when designing new DPF operations. The design of this PRSC series appears to have not taken on board several important lessons identified by World Bank staff from previous operations. Some of them include (i) the importance of a *targeted reform agenda*, where the development objectives are *clearly defined*, and the *results indicators* are well specified; (ii) the need for a *realistic understanding of political economy and the associated risks* related to high resistance to change within the government and by vested interests; and (iii) the importance of *limiting the scope of the program, given limitations in administrative capacity*.
- Prior actions need to be substantive, that is, be critical to reforms with value added. Prior actions under PRSC-9 were quite “soft,” meaning that they could not be credibly associated with significant contributions to the objectives, and several triggers (for approval of PRSC-10) on governance and cotton sector

reforms were either revised or moved to subsequent operations and later dropped altogether.

- The World Bank should design projects with a clear understanding of the likely “winners and losers;” failure to do this makes it more likely that projects will not be implemented as planned or sustained over time. An understanding of political economy must encompass the private sector and other informal centers of power. If internal decision makers are to take informed risks, the World Bank should be candid in its ex ante assessment of the fundamental forces with direct involvement or interests in the reforms supported.
- Distributional impact analysis from DPF-supported reforms should inform the design of operations. There is a lack of evidence on whether the DPF-supported reforms were pro-poor ex ante and ex post because the series did not conduct distributional impact analysis.

Oscar Calvo-Gonzalez
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Résumé

Contexte et description

Le Bénin était un pays à faible revenu dont le produit intérieur brut par habitant s'élevait à 1 291 dollars au moment de la préparation des séries 9 et 10 du crédit à l'appui de la réduction de la pauvreté (PRSC), en 2014. Son économie reposait sur la production agricole (cotonnière en particulier) et le commerce de réexportation et de transit avec le Nigéria, et était donc vulnérable en cas de changement de politique commerciale ou de ralentissement de l'activité économique dans ce pays. Les séries ont été conçues dans un contexte de stabilité politique, après les élections présidentielles et parlementaires de 2011. Le gouvernement était dirigé par le président Boni Yayi, qui effectuait son deuxième et dernier mandat quinquennal. Le programme de réforme du gouvernement concernant la gestion des finances publiques, l'agriculture et le port de Cotonou a été soutenu par le septième don à l'appui de la réduction de la pauvreté (PRSG-7) et le PRSC-8, qui a jeté les bases des deux séries suivantes.

Ces séries, approuvées par le Conseil des Administrateurs de la Banque mondiale le 11 mars 2014 et le 17 mars 2015, respectivement, avaient les objectifs de développement suivants :

- Promouvoir une bonne gouvernance et une gestion des finances publiques (GFP) de qualité
- Renforcer la compétitivité du secteur privé

Les objectifs de ces séries étaient alignés sur les piliers « Gouvernance et capacité du secteur public » et « Croissance durable, compétitivité et emploi » de la Stratégie de partenariat-pays de la Banque mondiale (exercices 13–17). Ils étaient également alignés sur les piliers « promotion de la bonne gouvernance » et « accélération de la croissance économique » de la troisième Stratégie de croissance pour la réduction de la pauvreté du Bénin (2011–15).

Le premier objectif, « promouvoir une bonne gouvernance et une GFP de qualité », a été soutenu par des mesures préalables dans les trois domaines suivants :

- Exécution du budget
- Marchés publics
- Gouvernance

Le deuxième objectif, « renforcer la compétitivité du secteur privé », a été soutenu par des mesures préalables dans les trois domaines suivants :

- Environnement économique
- Diversification de l'agriculture et réformes du secteur cotonnier
- Amélioration de l'efficacité du port et réforme douanière

Résultats

Les résultats ont été inégaux, avec notamment aucun progrès sur la réforme du secteur cotonnier et des progrès satisfaisants sur la réforme de la gestion du port de Cotonou. Mais même les réformes portuaires se heurtent à des problèmes de viabilité, notamment des faiblesses au niveau de la conception, de l'engagement du gouvernement et de l'appropriation, et à l'opposition des intérêts en place, en particulier dans le secteur cotonnier.

Les progrès en matière d'exécution budgétaire ont été inégaux, avec des améliorations dans la présentation en temps voulu des comptes nationaux, mais des progrès limités en ce qui concerne le pourcentage du budget non alloué. Les données de l'examen de fin d'exécution et des enseignements réalisés par le Groupe indépendant d'évaluation indiquent des améliorations de certains aspects de la gestion budgétaire concernant la présentation en temps voulu des comptes nationaux et les transferts de fonds aux municipalités ou communes et la publication des plans d'action communaux (pour s'attaquer aux faiblesses identifiées par les audits), mais des progrès limités voire nuls sur d'autres aspects de la gestion budgétaire (taux d'exécution des dépenses sociales prioritaires et pourcentage du budget non alloué).

Malgré le soutien apporté à l'application effective du nouveau Code des marchés publics et de la décentralisation de la passation des marchés vers les ministères sectoriels, le retard moyen dans la passation des marchés publics a augmenté depuis la clôture de la série, signe que les réformes se sont essouffées. Les retards moyens dans la passation des marchés publics indiqués dans le rapport de fin d'exécution et de résultats pour les travaux publics, les biens et les services se situaient entre 33,5 et 40,4 jours. Plus récemment, le Groupe indépendant d'évaluation a constaté que le retard moyen de passation des marchés publics au Bénin en 2020 était d'environ 80 jours, soit nettement supérieur aux retards indiqués dans ce rapport.

La perception de la lutte contre la corruption s'est améliorée, mais la gouvernance s'est détériorée en ce qui concerne la voix citoyenne et la responsabilité, la stabilité politique et la primauté du droit. La qualité de la réglementation et l'efficacité du gouvernement n'ont guère changé, comme le montrent les indicateurs de la gouvernance dans le

monde. Plus récemment, le Groupe indépendant d'évaluation a constaté un problème concernant la loi sur la déclaration de patrimoine, car les particuliers envoient leurs déclarations de patrimoine directement à la Chambre des comptes, mais l'Autorité nationale de lutte contre la corruption n'en reçoit pas de copie. Cette autorité sera bientôt remplacée par une nouvelle agence, le Haut commissariat à la prévention de la corruption. Dans le cadre de l'initiative Libre accès aux données, l'Institut national de la statistique et de l'analyse économique a mis ses données à la disposition du public sur son site web. Il doit toutefois continuer d'améliorer l'accès des utilisateurs à ses données, car la loi nationale du Bénin ne permet pas aux particuliers d'y accéder.

Le niveau élevé d'informalité, la faiblesse de l'administration fiscale, les taux d'imposition élevés et l'accès insuffisant au crédit figurent parmi les cinq principales contraintes pesant sur l'environnement économique, comme le montre l'enquête de 2016 sur les entreprises au Bénin. Dans le cadre du programme Entreprenant, le Groupe de la Banque mondiale a aidé le gouvernement à simplifier le régime fiscal des micro et petites entreprises afin d'encourager leur formalisation, qui était gratuite et ne prenait qu'un jour ouvré. Cependant, une évaluation d'impact randomisée (Benhassine et al. 2015) du programme Entreprenant réalisée par le Département de la recherche économique de la Banque mondiale a montré que la formalisation est motivée non seulement par les coûts et les délais d'enregistrement, mais aussi par l'existence d'incitations supplémentaires pour les entreprises (telles que la formation commerciale, le conseil, les services de soutien bancaire, les services de médiation fiscale, etc.). L'absence de telles incitations, la mise en œuvre du programme Entreprenant limitée à trois ou quatre provinces du pays, la différence importante et persistante entre les bénéfices du commerce formel et informel et les intérêts en place dans le commerce informel au Bénin et au Nigéria font que la majorité du secteur informel est susceptible de le rester, même après les réformes d'orientation. L'accès au crédit serait le principal obstacle pour les entreprises. En outre, l'absence d'industries de transformation et d'accès aux marchés entrave le développement du secteur privé.

Les réformes sur la diversification de l'agriculture soutenues par la série du PRSC ont été remplacées par de nouvelles réformes dans la série de financement à l'appui des politiques de développement (DPF) de la réforme budgétaire (Premier crédit pour la réforme fiscale et la croissance-P160700 et Deuxième financement pour la réforme fiscale et la croissance au Bénin-P166115) ; cependant, les progrès sont limités en ce qui concerne l'augmentation des exportations non cotonnières et le crédit au secteur agricole. Les réformes du secteur cotonnier n'ont pratiquement pas progressé dans le cadre des PRSC, malgré l'importance économique du secteur et le rôle de l'agriculture dans la série. La résistance interne et les intérêts en place ont entravé la mise en œuvre des réformes. Après l'arrivée au pouvoir du nouveau gouvernement en 2016, le système

zonal (basé sur le principe d'un plan de zonage des bassins cotonniers, qui devait diviser le pays en quatre zones agroécologiques) pour le secteur cotonnier dans le cadre de la série PRSC n'a pas été mis en œuvre, et la gestion du secteur est revenue aux dispositions antérieures à 2012, l'Association interprofessionnelle du coton (un consortium d'entreprises étroitement alignées sur les intérêts du gouvernement qui contrôle une part dominante de la chaîne de valeur du coton, de la distribution des intrants à la transformation et à l'exportation) gérant le secteur avec les intérêts privés.

Le Groupe de la Banque et d'autres partenaires donateurs ont contribué au succès des réformes et à l'obtention de résultats dans le port de Cotonou et le secteur douanier ; la durabilité des réformes n'est toutefois pas garantie. D'autres facteurs extérieurs à la série PRSC, notamment l'instauration d'un guichet unique, d'un système d'appel et de contrôle pour la gestion des camions, et de nouveaux systèmes d'éclairage et de sécurité, ont également contribué aux résultats observés. La gestion d'un programme de vérification des importations au port de Cotonou dépend également des relations politiques et des intérêts en place. La durabilité de ces réformes est un défi, comme l'indique l'étude de cas du Bénin figurant dans la publication *Croître avec les flux – Évaluation indépendante de l'appui du Groupe de la Banque mondiale à la facilitation des échanges 2006–17* (Banque mondiale 2019). Premièrement, la majorité des interventions sont isolées. Deuxièmement, le financement par les bailleurs de fonds est rarement suivi d'autres financements ou d'une institutionnalisation. Troisièmement, le changement d'administration présidentielle en 2016 a entraîné des interruptions et des changements de cap dans certaines réformes en cours.

Conception et préparation

Les mesures préalables à la série PRSC comprenaient la poursuite des réformes soutenues par le PRSG-7, le PRSC-8 et le Groupe de la Banque. La Banque mondiale n'a toutefois pas tenu compte de plusieurs des enseignements tirés des opérations antérieures. La conception de la série était déficiente et complexe. Les mesures préalables au PRSC-9 n'étaient pas associées à des changements susceptibles d'améliorer les résultats de développement pendant la durée des opérations. Plusieurs réformes soutenues par les mesures préalables du PRSC-10 sur la gouvernance et le secteur cotonnier étaient trop optimistes et n'ont pas pu être mises en œuvre. Elles ont été reportées au PRSC-11 puis abandonnées.

Des inquiétudes concernant le faible niveau d'appropriation ont été soulevées au cours du processus d'examen interne, et plusieurs examinateurs ont conseillé à l'équipe d'attendre que la voie à suivre se précise. La Banque mondiale a toutefois poursuivi ses travaux sur la série. Le processus de révision interne a également souligné qu'aucune mesure préalable ne couvrait le secteur cotonnier. Cette omission a été jugée significative

compte tenu de l'importance du secteur. Malgré ces lacunes, les risques liés à la réalisation des objectifs de l'opération n'ont pas été abordés de manière adéquate dans les documents du programme, et aucun effort d'atténuation manifeste n'a été entrepris.

Après le PRSC-9, la Banque mondiale a entamé la deuxième opération en dépit de la faiblesse des résultats intermédiaires. Les déclencheurs clés et les mesures préalables ont été repoussés à la troisième opération, qui ne s'est jamais concrétisée, pour continuer de fournir un soutien budgétaire, malgré les preuves croissantes d'un faible engagement en faveur des réformes et d'une nouvelle fragilisation des réformes préalablement convenues.

Mise en œuvre et supervision

Les projets d'investissement de la Banque mondiale et les services-conseils de la Société financière internationale ont aidé le gouvernement à mettre en œuvre des réformes de l'environnement économique, notamment en simplifiant les processus pour permettre aux petits entrepreneurs d'entrer dans le secteur formel. Un scandale de détournement de fonds lié à un projet de la phase II du programme pour l'eau et l'assainissement, financé par les Pays-Bas, a contribué à reporter le démarrage du PRSC-10, car la Banque mondiale et d'autres bailleurs de fonds ont suspendu le soutien budgétaire au Bénin jusqu'à ce que la question soit clarifiée après un audit. Ce report a retardé la préparation du PRSC-11, qui a ensuite été annulé par le nouveau gouvernement arrivé au pouvoir en 2016.

D'importants risques pèsent sur la durabilité des résultats obtenus dans le cadre de la série PRSC. Les perspectives économiques du Bénin ont été nettement revues à la baisse, sa croissance ralentissant de 6,9 percent en 2019 à 2,0 percent en 2020. Qui plus est, la frontière avec le Nigéria reste fermée, ce qui ralentit considérablement les échanges et les activités de réexportation (FMI 2021).

Tableau O.1. Notation par l'IEG des projets concernant le Bénin – Neuvième (P132786) et dixième (P146665) crédits à l'appui de la réduction de la pauvreté (IDA-53890, IDA-55970)

Indicateur	RFE	Examen du RFE	RERP
Résultat	Plutôt insatisfaisant	Plutôt insatisfaisant	Plutôt insatisfaisant
Risque pour les résultats au plan du développement	Important	Important	Important
Performance de la Banque	Plutôt insatisfaisant	Plutôt insatisfaisant	Insatisfaisant

Indicateur	RFE	Examen du RFE	RERP
Performance de l'emprunteur	Plutôt insatisfaisant	Plutôt insatisfaisant	Projets non notés

Source :

Remarque : Le rapport de fin d'exécution et de résultats (RFE) est une autoévaluation réalisée par le pôle mondial d'expertise concerné. L'examen du RFE est un produit intermédiaire du Groupe indépendant d'évaluation qui vise à valider de manière indépendante les conclusions du RFE. IDA = Association internationale de développement ; RERP = Rapport d'évaluation rétrospective de projet.

La méthodologie d'évaluation et les sources de données sont décrites à l'annexe B.

Enseignements

Cette évaluation permet de tirer les enseignements suivants :

- Les enseignements pertinents tirés des opérations antérieures doivent être pris en compte lors de la conception de nouvelles opérations de financement à l'appui des politiques de développement. Cette série de PRSC semble avoir été conçue sans tenir compte de plusieurs enseignements importants identifiés par le personnel de la Banque mondiale lors d'opérations antérieures. Parmi ceux-ci, citons : (i) l'importance d'un *programme de réforme ciblé*, où les objectifs de développement sont *clairement définis et les indicateurs de résultats dûment spécifiés* ; (ii) la nécessité d'une *compréhension réaliste de l'économie politique et des risques associés* à la forte résistance au changement au sein du gouvernement et par les intérêts en place ; et (iii) l'importance de *limiter la portée du programme, compte tenu des capacités administratives limitées*.
- Les mesures préalables doivent être substantielles, à savoir être indispensables aux réformes et apporter une valeur ajoutée. Les mesures préalables prises dans le cadre du PRSC-9 étaient difficilement quantifiables, c'est-à-dire qu'elles ne pouvaient pas être associées de manière crédible à des contributions importantes à la réalisation des objectifs, et plusieurs déclencheurs (pour approbation par le PRSC-10) sur les réformes de la gouvernance et du secteur cotonnier ont été soit révisés, soit reportés sur des opérations ultérieures, puis complètement abandonnés.
- La Banque mondiale devrait concevoir les projets en ayant une idée claire des « gagnants et des perdants » probables; dans le cas contraire, il est vraisemblable que les projets ne seront pas mis en œuvre comme prévu ou qu'ils seront de courte durée. La compréhension de l'économie politique doit englober le secteur privé et d'autres centres de pouvoir informels. Si les décideurs internes doivent prendre des risques en connaissance de cause, la Banque mondiale doit être honnête dans son évaluation ex ante des acteurs clés ayant des intérêts directs dans les réformes soutenues.

- L'analyse de l'effet distributif des réformes soutenues par les financements à l'appui des politiques de développement devrait éclairer la conception des opérations. Les données manquent pour déterminer si les réformes soutenues par les financements à l'appui des politiques de développement ont été favorables aux pauvres ex ante et ex post, car la série n'a pas effectué d'analyse de l'effet distributif.

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Groupe indépendant d'évaluation

1. Background, Context, and Design

Background and Context

1.1 Benin was a low-income country with a gross domestic product (GDP) per capita of \$1,291 in 2014. Agriculture accounted for more than 30 percent of GDP and 70 percent of employment. Cotton was the primary export commodity, representing 25 to 40 percent of exports. A high degree of informality was an issue and contributed to 75 percent of the total economy. Reexport trade with Nigeria, mostly informal,¹ accounted for 20 percent of GDP and 25 percent of government revenues, leaving the economy vulnerable to trade policy changes or economic downturns in Nigeria. This was mainly due to the country's weak business environment, which created strong incentives to engage in arbitrage with Nigeria rather than pursuing productive, value-added, and employment-generating activities in the domestic economy. Despite a decline in poverty from 61 percent in 2006 to 50 percent in 2015, the number of people living in absolute poverty increased from 5.0 million to 5.3 million during this period, mostly because of the high population growth of 3.2 percent (World Bank 2013, 2014, 2016, 2018b, 2018d, 2018e).²

1.2 Benin's macroeconomic situation was stable at the time of program appraisal; however, it later deteriorated, with the fiscal deficit increasing in 2015 and 2016 (table 1.1). Real GDP growth had increased to 6.4 percent in 2014 compared with 3 percent in 2011. This was mainly due to an increase in cotton production, strong activity at the Port of Cotonou, and rising activities in the telecommunications and transport sectors. Real GDP growth, which was projected to average 5.4 percent between 2014 and 2016, averaged 4 percent because of a slowdown in reexport trade to Nigeria (as Nigeria entered recession) and a decline in agriculture production in 2015. Consequently, Benin's fiscal deficit increased from 2.5 percent in 2014 to 8 percent in 2015 and to 6 percent in 2016. This was due to higher public investment and lower-than-targeted public revenue during the presidential elections in 2016 (World Bank 2013, 2014, 2015, 2018b; table 1.1).

Table 1.1. Key Macroeconomic Indicators, 2011–19

Indicator	Actual							Estimated	
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real GDP growth (percent)	3.0	4.6	6.9	6.4	2.1	4.0	5.8	6.7	6.7
Consumer price index (average)	2.7	6.7	1.0	-1.1	0.3	-0.8	0.1	1.0	1.7
Overall fiscal deficit (commitment basis, excluding grants; percentage of GDP)	-4.0	-2.2	-3.5	-2.8	-8.6	-6.7	-6.9	-4.8	-4.5
Total revenue (percentage of GDP)	16.4	17.4	17.7	16.3	16.7	14.7	17.5	17.8	17.7

Indicator	Actual							Estimated	
	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenditure and net lending (percentage of GDP)	20.5	19.7	21.1	19.1	25.3	21.4	24.5	22.5	22.3
Total government debt (percentage of GDP)	29.9	26.8	25.4	30.5	42.4	49.5	54.3	56.1	54.1
Overall balance of payments (percentage of GDP)	-4.1	-2.6	-0.7	0.9	2.3	-6.4	3.2	3.7	6.4
Population (millions)	9.8	10.1	10.3	10.3	10.6	10.8	11.2	11.5	11.8

Sources: IMF 2015, 2017, 2019.

Note: GDP = gross domestic product

Objective, Design, and Financing

1.3 In line with the government's third Poverty Reduction Strategy Paper for 2011–15,³ the development objectives of the PRSC 9–11 series were to (i) promote good governance and high-quality PFM, and (ii) strengthen private sector competitiveness. Prior actions in budget execution, public procurement, and governance supported the first objective (see appendix C for details on prior actions). Prior actions in business environment, agriculture diversification and reforms in the cotton sector, and improving efficiency at the port and customs reform supported the second objective. PRSC-9 and PRSC-10 were the first and second in a planned series of three operations (PRSCs 9–11). However, PRSC-11 was dropped at the request of the new government that took office in April 2016 (World Bank 2018c). PRSC-9 and PRSC-10, with commitment amounts of \$20 million each, were approved by the Bank Group Board of Executive Directors on March 11, 2014, and March 17, 2015, respectively (table 1.2).

Table 1.2. PRSCs 9-11 Series

Operation	Approval Date	Effectiveness Date	Disbursement	Closing Date
PRSC-9: IDA-53890 (credit)	03/11/2014	07/22/2014	\$20.08 million	12/31/2014
PRSC-10: IDA-55970 (credit)	03/17/2015	02/29/2016	\$20.10 million	06/30/2016
PRSC-11 (credit)	Operation canceled at the request of the new government			

Source: World Bank 2018b.

Note: IDA = International Development Association; PRSC = Poverty Reduction Support Credit.

2. What Worked, What Didn't Work, and Why?

Results

Prior actions for the Budget Execution Policy Pillar (paragraph 2.1) included implementation of measures aimed at making the new organic law on financial legislation effective through adoption of implementation decrees, and approving the transparency code by the National Assembly to improve budget transparency and strengthen executive accountability (PRSC-10).

2.1 Progress on budget execution was mixed, with improvements in the timely submission of national accounts but limited progress on the unallocated percentage of the budget. The six indicators under the PFM objective in the Country Partnership Strategy (fiscal years [FY]13–17) and Performance and Learning Review (that extended the Country Partnership Strategy period to include FY18) showed mixed results, based on the evidence from the Independent Evaluation Group’s (IEG) review of the Bank Group’s Completion and Learning Review. There were improvements on some aspects of budget management in terms of timely submission of national accounts and transfers of funds to municipalities or communes and the publication of communal action plans (to deal with weaknesses identified by audits), but there was limited or no progress on other aspects of budget management (execution rate of social priority expenditures and unallocated percentage of budget). The investment budget execution rate could not be verified (box 2.1). During the virtual mission, IEG verified the effectiveness of the PRSC-9 and PRSC-10 indicators on budget execution with the stakeholders and found that (i) the submission of the national accounts by the national coordinator to the Chamber of Accounts is within six months, and (ii) although the unallocated percentage of budget has improved from 12.4 percent (2012) to 10.4 percent (2017) at the time of preparation of the Implementation Completion and Results Report (ICR) and to 6–7 percent at the time of the IEG virtual mission in 2020, it remains above the target of 5 percent.

Box 2.1. Progress on PFM Indicators as Reported in the Completion and Learning Review

Of the six indicators of public financial management in the Country Partnership Strategy (fiscal years 13–17) and the Performance and Learning Review, three were achieved; one was partially achieved; one, not achieved; and one, not verified.

1. **Execution rate of social priority expenditures.** Not achieved. The target was to increase to more than 90 percent (2016) from 75 percent (2011). The rate first rose to 101 percent in 2013 but declined to 81 percent in 2014, as reported in the Completion and Learning Review, and to 65 percent, as reported in the 2017 International Monetary Fund Article IV Report, which notes underexecution of social priority spending.
2. **Time required to submit national accounts to the Chamber of Accounts.** Achieved. This declined from nine months in 2012 to less than six months by the end of 2016, in line with the target.
3. **Unallocated percentage of budget.** Partially achieved. This was expected to decline from 12.4 percent in 2012 to less than 5 percent by 2017. According to the Implementation Completion and Results Report Review for the PRSC-9 and 10 series, the unallocated share of budget decreased from 12.4 percent (2012) to 10.4 percent (2017). It decreased to 6–7 percent in December 2020.
4. **Investment budget execution rate.** Not verified. The Completion and Learning Review reports that the execution rate was 89.2 percent as of June 2017, but IEG could not verify

this. The Completion and Learning Review also states that data for 2018 will be available only at the end of the first quarter of 2019. This reporting issue should have been considered at the Performance and Learning Review.

5. **Fonds d'Appui au Développement des Communes—transfers to communes (days from the published timetable).** Achieved. The average difference (number of days) fell to 5 by October 2016, surpassing the target of 15.
6. **Communes with audits and published action plans to correct any revealed deficiencies.** Achieved. As of September 2017, 100 percent of the communes with up-to-date financial audits published such action plans to correct any revealed deficiency, against the target of 90 percent.

Sources: IMF 2017; World Bank 2018a.

Prior actions for the Public Procurement Policy Pillar (para. 2.2): Prior actions included publication of procurement manuals; completion and publication of 2008, 2009, and 2010 procurement audits and annual evaluations of the procurement system (PRSC-9); and delegation of procurement authority to line ministries, up to a given threshold, in line with best procurement practices (PRSC-10).

2.2 Despite support for effective application of the new procurement code and decentralization of procurement to sector ministries, the average delay in public procurement increased since the closure of the series, indicating that reforms were not sustained. Procurement manuals were published, and procurement audits and annual evaluations of the procurement system were completed to support effective application of a new procurement code. The dissemination of procurement manuals supported the decentralization of procurement activities because authority to award procurement contracts was delegated to sector ministries. At the time of preparation of the ICR, the average public procurement delay had decreased in several areas: for goods, from 64 days in 2012 to 36.4 days in 2017, exceeding the target of 50 days; for services, from 71 days in 2012 to 40.4 days in 2017, exceeding the target of 60 days; and for public works, from 59 days in 2012 to 33.5 days in 2017, exceeding the target of 60 days. However, during the virtual mission, IEG found that the average public procurement delay in Benin in 2020 was about 80 days, significantly greater than the public procurement delays reported in the ICR (table 2.1). Moreover, the average procurement delays during 2017–20 were greater than the public procurement delays reported by the Ministry of Planning: for goods, 141 days; for services, 201 days; and for public works, 141 days.

Table 2.1. Average Public Procurement Delays

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Validation of the tender and publication of tender approval	21	18	15	10	10	7	7	7	7
Publication of tender notice	30	30	30	30	30	30	30	30	30
Evaluation of offers	30	30	25	20	15	15	15	15	15
CCMP/DNCMP approval	21	20	15	10	10	5	5	5	5
Contract award	27	25	20	20	15	15	15	15	15
Approval	38	35	30	20	15	15	10	10	10
Average delays (days)	167	158	135	110	95	87	82	82	82

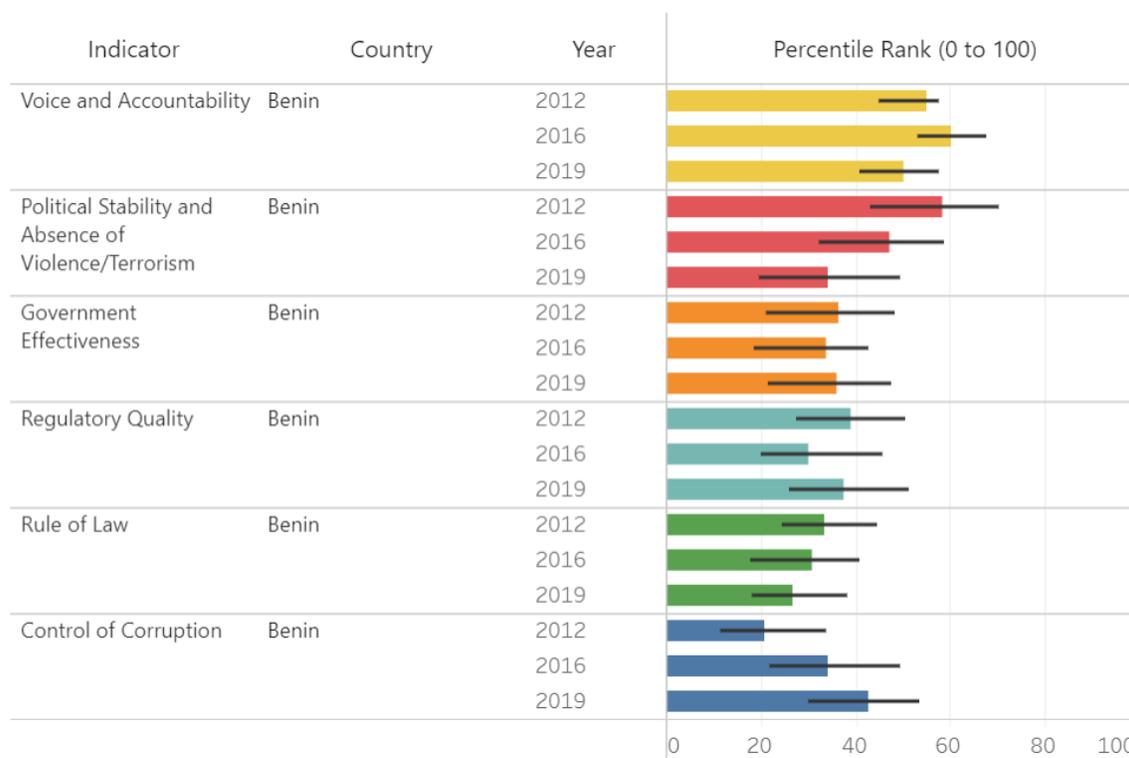
Source: Ministry of Planning during Independent Evaluation Group virtual mission.

Note: CCMP = Public Procurement Control Units; DNCMP = National Directorate for the Control of Public Procurement.

Prior actions for the Governance Policy pillar (paras. 2.3 to 2.5): Prior actions included appointment and installation of all National Anti-Corruption Authority members (PRSC-9) and the formalization of financing mechanisms for the National Anti-Corruption Authority (PRSC-10); filing of asset declarations of serving ministers with the National Anti-Corruption Authority (PRSC-10); the approval and publication of a timetable for implementation of an Open Data Initiative (PRSC-9) and National Data Archive (PRSC-10) to increase transparency, strengthen the demand side in public policy debates, and facilitate increased citizen engagement; and hiring of an additional three inspectors and creation of a specialized internal audit unit of the customs administration (PRSC-10).

2.3 Perceived control of corruption has improved, but governance worsened in voice and accountability, political stability, and rule of law. Regulatory quality and government effectiveness have not changed significantly (figure 2.1). IEG found that 100 percent of the ministers had completed a declaration of assets,⁴ exceeding the target of 95 percent. Of the National Assembly members, 89.15 percent had completed this declaration, against the target of 95 percent. There is also no formal monitoring process for asset declaration because a PRSC-10 trigger on a monitoring and control system for asset declaration was dropped because of a lack of commitment from the government. There are some issues with the asset declaration law because individuals send their asset declarations directly to the Chamber of Accounts, and the National Anti-Corruption Authority (ANLC) has not received any copies.⁵ ANLC is in the process of being replaced by a new agency, the Higher Authority for Corruption Prevention.

Figure 2.1. World Governance Indicators



Source: Worldwide Governance Indicators, <https://info.worldbank.org/governance/wgi/Home/Reports>.

Note: The Worldwide Governance Indicators is a research data set summarizing the views on the quality of governance provided by a large number of enterprises, citizen, and expert survey respondents in industrial and development countries. These data are gathered from a number of survey institutes, think tanks, nongovernmental organizations, international organizations, and private sector firms. The Worldwide Governance Indicators do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent. The Worldwide Governance Indicators are not used by the World Bank Group to allocate resources. Percentile rank indicates the percentage of countries worldwide that rate below Benin. Higher values indicate better governance ratings.

2.4 Under the Open Data Initiative, the National Statistics and Economic Analysis Institute (INSAE) has made its data publicly available on its website, and the major users of its data are academics. Macroeconomic and household survey data are frequently accessed from INSAE’s website. There are 1,467 databases (exceeding the target of 30) organized by 53 business sectors on Benin’s open data site and 30 databases on the National Data Archive site (exceeding the target of 10; for information about open data, see appendix E).⁶ However, INSAE is still in the process of improving user access to its data, as the national act in Benin does not allow individual access to data.

2.5 The PRSC series supported the development of an appropriate institutional framework for implementation of the internal audit function in port and customs. This support was intended to complement efforts to improve the port and customs performance, reduce trade costs, and increase transparency. The target was already met

at the time of the ICR because one external and several internal audits of customs transactions had been undertaken.

Prior actions for the Business Environment Policy Pillar (paragraphs 2.6 to 2.9): Prior actions included centralization of the recording and registration of credit within a single institution (PRSC-9), and the submission to the National Assembly of a public-private partnership bill (PRSC-9) and a Competition Act (PRSC-10), and creation of a public-private partnership unit (PRSC-9); finalizing an agreement between the Certified Management and Accounting Centers (PRSC-9); and inclusion in the 2015 national budget of a measure to simplify the tax regime for small- and micro-sized enterprises (PRSC-10).

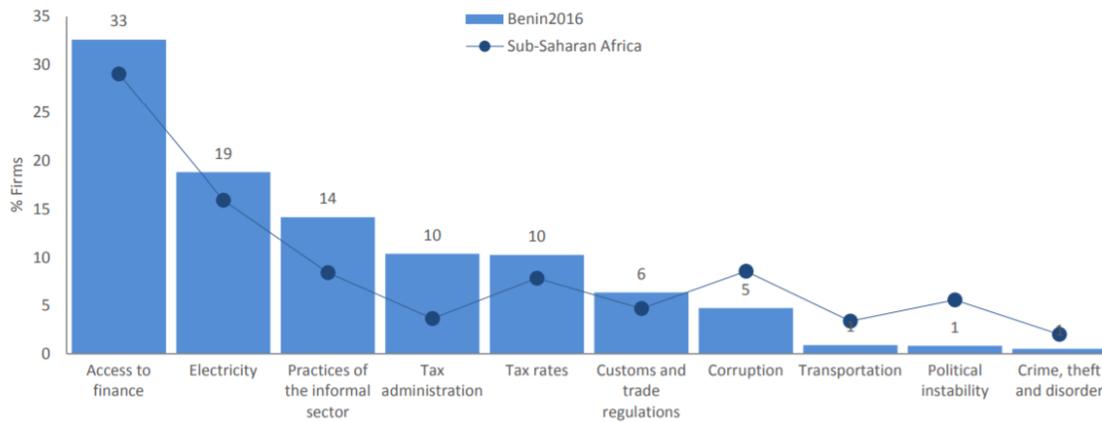
2.6 High informality, weak tax administration, high tax rates, and insufficient access to finance are among the top five business environment constraints (figure 2.2). Under the Entrepreneur Program, the Bank Group supported the government in simplifying the tax regime for micro- and small enterprises to encourage formalization of firms. An agreement between the tax administration and Certified Management and Accounting Center facilitated tax compliance and tax filing for micro, small, and medium enterprises. At the time of the preparation of the ICR, the number of formally registered companies had increased from 29,386 in 2012 to 45,446 in 2017, exceeding the target of 35,000. Formalization under the Entrepreneur Program was free of charge and took only one business day. Benin's ranking on starting a business has improved significantly, from 154 in 2012 to 115 in 2016 and to 65 in 2020. However, results from a randomized impact evaluation of the Entrepreneur Program by the World Bank's Department for Economic Research show that formalization is driven not only by registration costs and delays, but also by the availability of additional policy incentives to firms (such as business training, counseling, bank support services, tax mediation services, and so on; Benhassine et al. 2015). In the absence of such policy incentives and because the Entrepreneur Program was implemented in only three or four provinces in Benin and not rolled out countrywide, and because of the long-standing, large difference between formal and informal profits from trade and vested interests in informal trade in Benin and Nigeria, the majority of the informal sector is likely to remain informal, even after policy reforms (box 2.2). The percentage of the labor force in salaried employment increased from 7 percent total and 3.4 percent female in 2012 to 13 percent total and 6.9 percent female in 2017, exceeding the respective targets at the time of preparation of the ICR. However, this indicator is too broad and cannot be fully attributed to the PRSC series.

2.7 Access to finance is reportedly the biggest obstacle to firms.⁷ Benin's ranking in getting credit declined from 126 in 2012 to 133 in 2016 and to 152 in 2020. Credit registry and credit bureau coverages are 0 percent and 1.3 percent, respectively (below the 2017 target of greater than 20 percent; World Bank 2020). In addition to access to finance, the lack of processing industries and access to markets impedes private sector development.

2.8 There has been limited progress on public-private partnership (PPP) arrangements. The World Bank Competitiveness and Integrated Growth Opportunity Project assisted in preparing a legal and regulatory framework for PPPs that resulted in the National Assembly adopting in October 2016 a law on the legal framework for PPPs.⁸ Evidence from the IEG review of the Completion and Learning Review of the Benin Country Partnership Strategy (FY13–17) and the Performance and Learning Review shows that two PPP arrangements were signed as of December 2016 (below the 2017 target of six PPP contracts; World Bank 2018a). However, other indicators (such as capacity of the PPP units to identify bankable projects, quality of the PPP transactions, long-term financing for PPP transactions, and so on) are also needed to assess PPPs in a country.

2.9 Overall, it is unclear how the business environment reforms described contribute to reducing informal reexport trade with Nigeria.

Figure 2.2. Top 10 Business Environment Constraints



Source: 2016 Enterprise Survey for Benin, <https://microdata.worldbank.org/index.php/catalog/2809>.

Box 2.2. Randomized Impact Evaluation of the Entrepreneur Program

One year after the launch of the Entrepreneur Program, a study carried out by the World Bank assessed the impact of all three versions of the Entrepreneur Program on formalization rates. The impact was 9.1 percentage points in the first treatment group, providing only registration simplification and information, (that is, nine out of 100 informal businesses in this group opted to register); 13 percentage points in the second group, which also provided business training, counseling, and bank support services; and 15.8 percentage points in the third group, which also added the provision of tax mediation services to the previous group's benefits.

Differences among groups were all significant, suggesting that businesses valued the additional policy incentives provided.

The formalization rate in the control group (which did not receive any assistance in formalization) was less than 1 percent, suggesting that in the absence of the program, this type of informal businesses would not usually formalize.

Source: Benhassine et al. 2015.

Prior actions for the Agricultural Diversification and Cotton Reform Policy Pillar

(paragraphs 2.10 to 2.12): Prior actions included establishing an institutional framework for implementation of the Strategic Program for Reform of the Agricultural Sector by adopting a decree describing the organization and operation of the Ministry of Agriculture and its regional decentralized entities (PRSC-9), approving decrees nominating Board members and a director general of an agricultural credit guarantee facility (PRSC-10), and conducting an external audit of the 2012–13 cotton campaign with release of the audit report (PRSC-10).

2.10 The reforms on agriculture diversification supported by the PRSC series were replaced by new reforms in the follow-on fiscal reform DPF series (First Fiscal Reform and Growth Credit and Benin Second Fiscal Reform and Growth DPF); however, there is limited progress on increase in noncotton exports and credit to the agriculture sector. The policy actions under the PRSC series supported (i) reorganization of the Ministry of Agriculture and strengthening of its regional decentralized entities, and (ii) creation of the National Fund for Agricultural Development (FNDA) to reduce perceived risk among commercial financial institutions and increase lending to the agricultural sector.⁹ However, after the new government came to power in 2016, a new reform on agriculture diversification was implemented under the follow-on fiscal reform DPF series. This reform aimed to build an appropriate institutional framework to encourage the development of specific value chains by dividing the country into seven agroecological zones, with their respective strategies and accompanying interventions to increase productivity or competitiveness and exports. However, the Implementation Completion and Results Report Review of the follow-on fiscal reform DPF series rated the efficacy of the “increase agricultural productivity” objective as unsatisfactory. According to the 2019 International Monetary Fund (IMF) Article IV consultation report, diversification and sophistication are relatively low in Benin, with a concentration of exports in

agricultural products like cotton and cashew nuts—for example, more than one-third of Benin’s exports are agriculture products such as these. The current account deficit narrowed from 10 percent of GDP in 2017 to 8.3 percent of GDP in 2018, primarily because of a significant increase in cotton exports and, to a lesser extent, to higher sales of cashew nuts.

2.11 Under the PRSC series, FNDA was created in 2014 to promote access to finance in the agriculture sector, but was inefficient and not fully operational toward the end of the PRSC series. Although FNDA has been operationalized under the follow-on fiscal reform DPF series, it is too early to assess its impacts; also, the outcomes of actions taken under the follow-on fiscal reform DPF series cannot be attributed to PRSC-9 and PRSC-10. As of December 31, 2020, five financial institutions have granted loans to 25 promoters totaling 925.8 million CFA francs (CFAF) under the FNDA guarantee of CFAF 462.9 million (table 2.2). IMF data show that the percentage of total credit extended to agriculture, forestry, and fishing increased slightly from 2.1 percent in 2012 to 3.1 percent in 2019 (IMF 2019).

Table 2.2. Volume of Agricultural Loans Granted under the FNDA Guarantee, as of December 31, 2020 (CFAF, millions)

Financial Institution	Amount of Credit	Guarantee Granted by FNDA
Bank of Africa	60.0	30.0
BSIC	187.5	93.8
Coris Bank	356.3	178.2
COMUBA	145.0	72.5
ALIDé	177.0	88.5
Total	925.8	462.9

Source: National Fund for Agricultural Development.

Note: CFAF = CFA franc; FNDA = National Fund for Agricultural Development.

2.12 There was virtually no progress in cotton sector reforms under the PRSCs, despite the sector’s economic importance and the role of agriculture in the series. Internal resistance and vested interests stymied implementation of reforms as evidenced by reform on the cotton sector road map being moved from PRSC-9 to PRSC-10 and then to PRSC-11, only to be dropped later by the government. After the new government came to power in 2016, the zonal system for the cotton sector (based on a zoning plan for cotton basins, which was expected to divide the country into four agroecological zones) under the PRSC series was not implemented, and the management of the cotton sector returned to pre-2012 arrangements, with the Interprofessional Cotton Association (a consortium of firms closely aligned with government interests controlling a dominant

share of the cotton value chain, from input distribution through to processing and export) managing the sector together with private sector interests (box 2.3).

Box 2.3. The Effect of Political Economy Constraints on Cotton Sector Reforms

In the early 1990s, the cotton sector was under monopoly control of a state-owned company, Société nationale pour la promotion agricole.¹⁰ This government-controlled system succeeded in rapidly expanding cotton production but was plagued by inefficiencies and a lack of transparency. In the mid-1990s, Benin began a reform process that included an institution-building phase, whereby producers became effective partners through the empowerment of their associations, and then a later phase of market reforms. In the early 2000s, the company's monopoly for marketing seed cotton and for supplying inputs was removed, and an interprofession mechanism was created to coordinate sector activities. As part of the Heavily Indebted Poor Countries process in 2003, the government agreed to privatize the company's ginning plants in line with the long-term objective of a competitive cotton sector. In April 2012, just four years after the privatization in 2008, the government reassumed management of the entire cotton value chain. The government dismantled the interprofession mechanism and assumed total responsibility of the cotton sector. The government then decided to create a zoning plan for cotton basins, which was expected to divide the country into four agroecological zones for cotton production, and approved an initial decree to grant a portion of a zone to a private sector entity without following normal procurement processes. After the election in April 2016, these changes were reversed once again to pre-2012 arrangements, with the interprofession mechanism managing the sector together with private sector interests. An audit revealed that management of the cotton sector by the previous government generated an estimated loss of CFAF 125 billion (2.5 percent of 2016 GDP) over the three campaigns: 2013/14, 2014/15 and 2015/16.

Source: World Bank 2018d.

Prior actions for the Port and Customs Reform Policy Pillar (paragraph 2.13): Prior actions included approval of a decree limiting the number of official checkpoints along transport corridors to three (PRSC-9), passing a new customs code to introduce modern practices (PRSC-10), and signing by the Directorate General of Customs and Excise of the convention on migration to the Automated System for Customs Data World system, a new internet-based customs system that would simplify communications with private sector partners and improve systems performance (PRSC-10).

2.13 The Bank Group and other donor partners have contributed to successful reforms and the achievement of outcomes in the Port of Cotonou and customs; however, sustainability of reforms is a challenge. There has been progress, especially in the reduction of the number of road-transport checkpoints and the adoption of a new customs code. Migration to the Automated System for Customs Data World system (from the ++ version) has enabled customs to increase transparency, secure income, and simplify communications with private sector partners. Partially as a result, dwell time at the Port of Cotonou decreased from 27 days in 2012 to 6.2 days in 2017, almost reaching the target of 5 days. The cost of exporting decreased from an average of \$1,079 per

container in 2012 to \$745 in 2017, exceeding the target of a 10 percent reduction. The cost of importing decreased from \$1,549 per container in 2012 to \$1,389 in 2017, also exceeding the target of a 10 percent reduction. The number of checkpoints per corridor (on the Cotonou-Ouagadougou and Cotonou-Niamey corridors), using the West Africa Trade Hub data, decreased from eight in 2012 to three in 2017, meeting the target. The Bank Group and other multilateral and bilateral donor partners (such as the IMF, New Zealand, the United Kingdom, the United States Agency for International Development, and the World Customs Organization) contributed to the achievement of these outcomes, based on the evidence gathered during the IEG virtual mission. Other factors outside the PRSC series, including the introduction of a single window, a truck management call and control system, and new lighting and security systems, also contributed to the observed outcomes. Also, there are political connections and vested interests in the management of the program on import verification at the Port of Cotonou. Sustainability of these reforms is a challenge, as stated in the Benin case study in *Grow with the Flow: An Evaluation of World Bank Group Support to Facilitating Trade 2006–17* (World Bank 2019). First, most interventions are stand-alone. Second, donor financing is seldom followed by other financing or institutionalization. Third, the change in presidential administrations in 2016 led to discontinuity and course changes in some ongoing reforms.

Design and Preparation

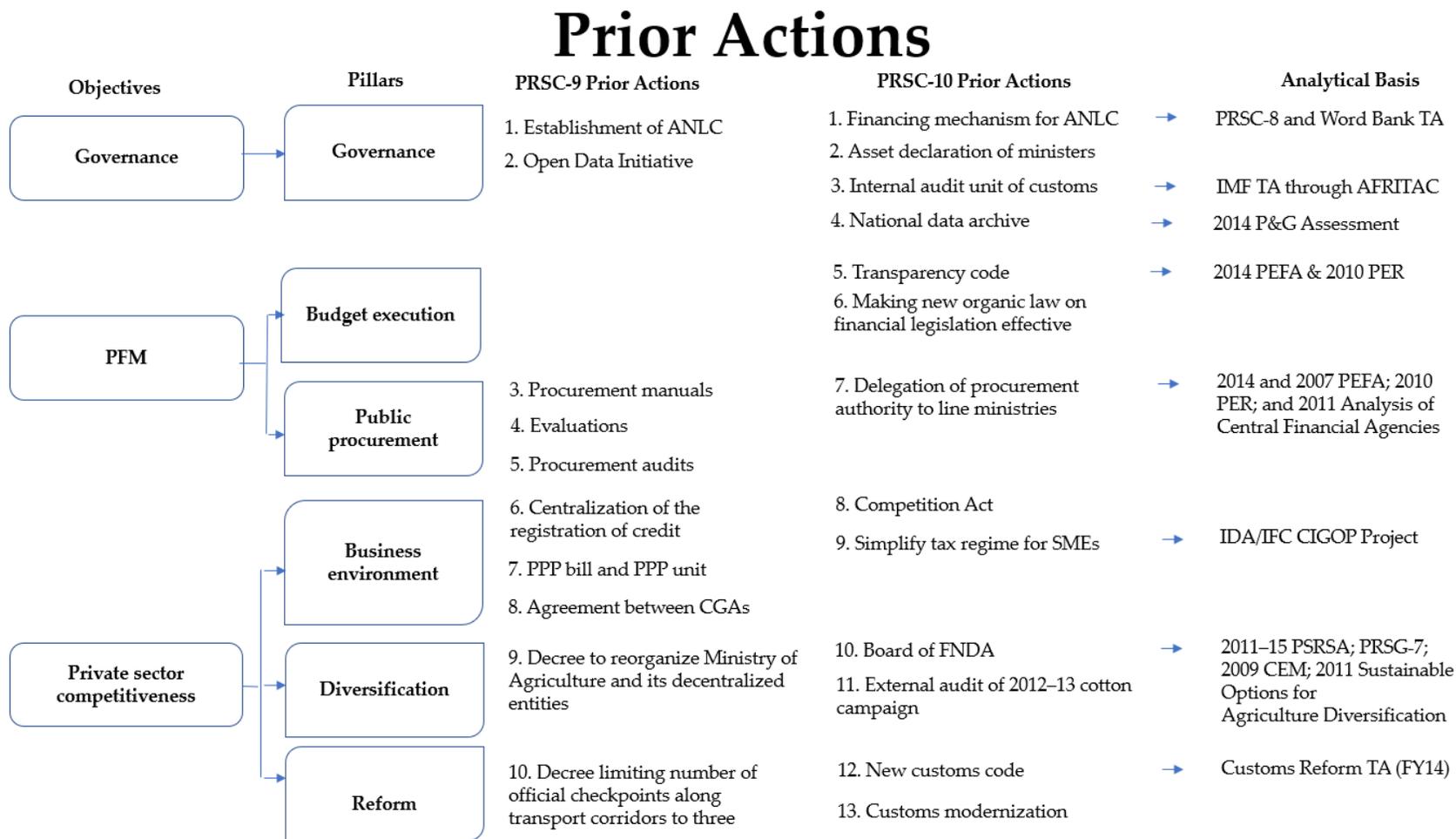
2.14 Prior actions for the PRSC series continued reforms supported by the Seventh Poverty Reduction Support Grant, the PRSC-8, and the Bank Group. The prior actions on the transparency code and the new organic law on financial legislation under the PFM subpillar were based on the findings from the 2014 Public Expenditure and Financial Accountability review and the 2010 Public Expenditure Review (figure 2.3). These reports indicated challenges in (i) improving budget credibility and the quality of public spending, (ii) streamlining budget execution, (iii) improving financial reporting, and (iv) strengthening overall financial accountability and procurement processes. The prior action on the Open Data Initiative was based on findings from the 2014 Poverty and Gender Assessment. The report indicated the need for improved data availability, highlighted several data and methodological issues within INSAE, and included several recommendations for strengthening data collection and analysis.

2.15 The prior action on agriculture diversification under the private sector competitiveness pillar was based on the 2011–15 Strategic Program for Reform of the Agricultural Sector. Approval of this program was a prior action under PRSC-7, and its implementation was supported by the PRSC-9 and PRSC-10 series. The prior action on the Agriculture Credit Guarantee facility was based on findings from the 2009 Country Economic Memorandum, which highlighted the need for credit in the agriculture sector.

2.16 However, the prior actions for PRSC-9 were not associated with changes that could credibly lead to improvements in developmental outcomes over the time horizon of the operations. Several reforms supported by prior actions in PRSC-10 on governance and the cotton sector were overly optimistic and could not be implemented. They were moved to PRSC-11 and later dropped. Comments received in the internal review of PRSC-9 pointed out that no prior actions covered the cotton sector, even though the operation was seeking to support reforms in cotton. The ICR noted that in PRSC-9, a road map for cotton sector reform was a PRSC-10 trigger. However, the government requested that this trigger be moved from PRSC-10 to PRSC-11. This was later abandoned by the government.

2.17 Both the ICR and Implementation Completion and Results Report Review indicated a design flaw of a prior action in PRSC-9 that required the government to submit a draft PPP law to the National Assembly; however, there was no follow-up in subsequent operations (the World Bank does not have control over adoption of laws by parliament). The PRSC-9 prior action required only that the minister of development approve and publish a timetable for implementation of an Open Data Initiative, which had no legal or material consequence. Moreover, the PRSC-10 trigger on full operationalization of the open data system was dropped during the preparation of PRSC-10. The PRSC-10 trigger on establishment of a monitoring, reporting, and evaluation system for monitoring ANLC efforts against corruption and the effectiveness of the anticorruption legislation was removed as a prior action for PRSC-10, became a trigger for PRSC-11, and was later abandoned by the government.

Figure 2.3. Links between Prior Actions and Analytical Underpinnings



Sources: PRSC-9 and PRSC-10 program documents.

Note: AFRITAC = Africa Regional Technical Assistance Center; ANLC = National Anti-Corruption Authority; CEM = Country Economic Memorandum; CGA = Certified Management and Accounting Center; CIGOP = Competitiveness and Integrated Growth Opportunity Project; FNDA = National Fund for Agricultural Development; FY = fiscal year; IDA = International Development Association; IFC = International Finance Corporation; IMF = International Monetary Fund; P&G = poverty and gender; PEFA = Public Expenditure and Financial Accountability; PER = Public Expenditure Review; PFM = public financial management; PPP = public-private partnership; PRSC = Poverty Reduction Support Credit; PRSG = Poverty Reduction Support Grant; PSRSA = Strategic Program for the Reform of the Agricultural Sector; SMEs = small and medium enterprises; TA = technical assistance.

2.18 Concerns raised by reviewers during the internal review process with respect to prior actions in governance and the cotton sector did materialize and ultimately affected the implementation of reforms in these areas. Internal review comments indicated a lack of clarity regarding government plans in the agriculture sector, and for cotton in particular, including demonstrated resistance to and delayed implementation of measures supported by the World Bank, and that this required more thought and consideration by the project team. Internal review comments referred to the PRSC-8 program document, which pointed out significant risks associated with the cotton sector. These recommended that commitment to and development of a programmatic series should await greater clarity on the political consensus regarding cotton and port reforms and greater clarity on the reform path in these important sectors. On the governance pillar, internal review comments indicated a lack of assessment of the overall governance environment, the key challenges in this area, and how these create a constraint to achieving the key objectives of the country's development program. On the Open Data Initiative, internal review comments indicated that there was neither deepening of reforms with successive development policy loans nor a comprehensive approach looking at the demand-side aspects of open data. Internal review comments also raised questions on whether internal information management systems were sufficiently developed to enable an open data platform to become operational in a short time frame. Ultimately, most of the reforms in the cotton sector and governance have been abandoned by the government.

2.19 Lessons from previous operations were not fully taken on board. Despite the weak institutions in Benin, the PRSC-9 and PRSC-10 series had two broad objectives, 6 pillars, 23 prior actions, and 24 results indicators. The statement of objectives related to governance and PFM was broad, and the program documents did not clearly define "good governance" and "high-quality PFM." Resistance to change within the government and by vested interests, and administrative capacity limitations were underestimated, especially in governance and anticorruption, the Open Data Initiative, and cotton sector reforms. This is evident from the fact that reforms were moved from PRSC-10 to PRSC-11 and eventually dropped. Results indicators, especially on private sector competitiveness, did not adequately focus on measures that were directly attributable to policy actions. It was correctly pointed out in the ICR that out of the 14 indicators of private sector competitiveness pillar, only three were directly linked to competitiveness (value of noncotton agricultural exports, cost to export, and cost to import), whereas others were mostly linked to the level of private sector participation in the economy (number of formal registered companies, the percentage of labor force in formal economies, number of non-cotton agricultural commodities having an interprofessional agency, and so on).

2.20 Although program documents identified difficulties regarding sectoral governance reform and in the cotton sector, the risk identification and mitigation measures did not adequately address the political economy constraints in these areas. The World Bank was overly optimistic about the capacity of the government and did not consider the political economy issues regarding governance and the cotton sector. Critical reforms in governance and the cotton sector were not implemented. Box 2.4 describes other examples of weaknesses in identification of risks and mitigation measures.

Box 2.4. Examples of Weaknesses in Identification of Risks and Mitigation Measures

Example 1. The prior action related to public-private partnerships required the submission of a draft law to the National Assembly, but there were no risk mitigation measures related to the adoption and implementation of this law and its contributions to private sector development. The public-private partnership law and competition act are currently being implemented by the government. However, the World Bank is not satisfied with the changes made to the public-private partnership law by the new government.

Example 2. Neither the government nor its ministers have the right to make any decisions related to the declaration of assets in Benin. The mitigation measures of the PRSC series did not adequately address this issue during the design of the prior action related to the National Anti-Corruption Authority. By law, only the Chamber of Account has the legal right on decisions related to the declaration of assets. During the virtual mission, IEG found that individuals send their asset declaration directly to the Chamber of Account, and the National Anti-Corruption Authority has not received any copies.

Source: World Bank 2018a.

Implementation and Supervision

2.21 World Bank investment projects and International Finance Corporation (IFC) advisory services supported the government in implementing business environment reforms, particularly in simplifying processes to enable small entrepreneurs to enter the formal sector. With technical assistance from the Bank Group and other donors, the Organization for the Harmonization of African Business Law in Africa member countries (16 West African countries) adopted a revised general commercial law in December 2010. The commercial law, which applied to all members of this organization, introduced the Entreprenant status, a simplified legal regime designed specifically for small entrepreneurs, which would facilitate the migration of businesses operating in the informal sector into the formal sector. IFC's 2013–16 investment climate advisory services project addressed the informal sector issue by implementing the Entreprenant status in Benin. IFC worked jointly with the World Bank (2008–17 Competitiveness and Integrated Growth Opportunity Project) and the United Nations Conference on Trade and Development to support the government in identifying a package of incentives to

encourage firms' formalization and performance (for example, simplified business registration, tax, credit, and social security benefits). From 2014 to 2016 experts from the Bank Group (including the IFC investment climate project team) carried out a pilot to conduct a randomized impact evaluation of the *Entrepreneur*. The Competitiveness and Integrated Growth Opportunity Project helped the government establish the Investment and Export Promotion Agency, which serves as a one-stop shop for all services related to establishment of businesses in Benin.

2.22 Good collaboration among the World Bank and other development partners reduced duplication of activities among donors. IEG found that the duplication of efforts among donors was reduced after the new government came to power in 2016. The government restructured coordination of donor-funded activities, published decrees on mobilization of resources, and established a national committee chaired by the Ministry of Planning and Development and includes the Ministry of Economy and Finance and the principal adviser to the president. The national committee oversees resource mobilization and coordination with technical and financial development partners, including the World Bank, and takes stock of donor activities to avoid duplication. Each sector in Benin has a donor funding group assigned to it. For example, the World Bank is the leader for the macroeconomic group, and PFM is headed by the European Union. The World Bank and the IMF coordinated and conducted joint missions during the PRSC series; the World Bank collaborated with the Netherlands to implement reforms on decentralization of public procurement in sector ministries; the World Bank, the European Union, and the International Fund for Agricultural Development conducted joint missions to implement reforms in the agriculture sector, and so on. The government also brings the donor community together every year for a week-long review to formulate the recommendations in each sector.

2.23 The Bank Group provided funding and technical assistance to implement reforms in two important areas—governance and the cotton sector, but there was a lack of political commitment to implement reforms. The governance project (Public Investment Management and Governance Support Project) funded ANLC to carry out its mandate of combating corruption.¹ The World Bank also provided technical assistance to ANLC to develop both an anticorruption strategy and an asset and conflict of interest declaration system. However, the government did not provide sufficient resources or support to ANLC to fulfill its mandate, and the monitoring system for asset declaration was not implemented. The World Bank hired experts from Washington, DC and Burkina Faso to support the government in developing a road map for the cotton sector to implement the zonal system similar to the one in Burkina Faso. However, vested interests and internal resistance in the government resulted in reforms on the

road map being moved from PRSC-9 to PRSC-10, then moved to PRSC-11, and later dropped by the government.

2.24 Exogenous factors contributed to delays in the effectiveness of PRSC-10 and, in turn, delayed the preparation of PRSC-11, which was ultimately canceled by the new government that took office in 2016. PRSC-9 closed on schedule on December 31, 2014, whereas PRSC-10 closed on June 30, 2016, six months later than planned. This was due to an embezzlement scandal involving a Netherlands-funded Water and Sanitation Support Program phase II project. Although the scandal did not involve PRSC-9, the World Bank and other donors suspended budget support to Benin until the issue was clarified after an audit. Because of the effectiveness delay of PRSC-10, the preparation of the PRSC-11 did not start until after the presidential election in 2016. PRSC-11 was eventually dropped in favor of preparing a new programmatic series to support the new government's agenda (World Bank 2018b, 2018c).

2.25 The new government took follow-on steps to continue reforms (except in governance and the cotton sector) implemented under the series. The PRSC-11 trigger on operationalization of the FNDA to provide an agricultural credit guarantee facility to commercial banks to lend to the agricultural community was implemented in 2017. FNDA has three windows: the first provides capacity-building and technical assistance to farmers, the second provides grants and subsidies to groups or cooperatives, and the third provides access to loans to farmers. Because of adverse effects during the coronavirus pandemic, the government has increased the allocation of funding to FNDA from CFAF 10 billion to CFAF 100 billion under window 3 to provide loans to farmers. However, it is too early to assess the impacts of FNDA.

2.26 The PRSC-11 trigger on operationalization of a central accredited food security lab has been implemented. The accredited lab analyzes all products exported by Benin. However, it has limited funds to procure equipment to maintain the laboratory standards.

2.27 The PRSC-11 trigger to clarify the role and responsibility of the procurement control entity has been implemented. Previously, ministers had the authority to appoint or terminate the chief procurement control entity in their respective ministries. After the implementation of this PRSC-11 trigger, chief procurement control entities in the sectoral ministries are autonomous and appointed directly by the Ministry of Finance.

3. Lessons

3.1 Relevant lessons from previous operations need to be taken on board in the design of new DPF operations. The design of this PRSC series appears to have not taken

on board several important lessons identified by World Bank staff from previous operations. Some of them include (i) the importance of a *targeted reform agenda*, where the development objectives are *clearly defined and the results indicators* are well specified; (ii) the need for a *realistic understanding of political economy and the associated risks* related to high resistance to change within the government and by vested interests; and (iii) the importance of *limiting the scope of the program, given limitations in administrative capacity*.

3.2 Prior actions need to be substantive, that is, be critical to reforms with value added. Prior actions under PRSC-9 were quite “soft,” meaning that they could not credibly be associated with significant contributions to the objectives, and several triggers (for approval of PRSC-10) on governance and cotton sector reforms were either revised or moved to subsequent operations and later dropped altogether.

3.3 The World Bank should design projects with a clear understanding of the likely “winners and losers;” failure to do this raises the probability that projects are not implemented as planned or sustained over time. An understanding of political economy must encompass the private sector and other informal centers of power. If internal decision makers are to take informed risks, the World Bank should be candid in its ex ante assessment of the fundamental forces with direct involvement or interests in the reforms supported.

3.4 Distributional impact analysis from DPF-supported reforms should inform the design of operations. There is a lack of evidence on whether the DPF-supported reforms were pro-poor ex ante and ex post because the series did not conduct distributional impact analysis.

¹ The trade with Nigeria was mostly arbitrage because commodities that were subject to high tariffs, other taxes, or outright bans on imports in Nigeria were imported into Benin for domestic consumption and then promptly reexported unofficially to Nigeria.

² See also the World Development Indicators at <https://databank.worldbank.org/source/2?series=NY.GDP.PCAP.CD>.

³ The objective of the government’s third poverty reduction strategy paper for 2011–15 was to achieve sustained growth and poverty reduction and to place the country firmly on the path of emerging market status. The poverty reduction strategy paper was organized in relation to the following five strategic pillars: (i) acceleration of economic growth, (ii) development of infrastructure, (iii) strengthening of human capital and social protection, (iv) promotion of good governance, and (v) fostering balanced and sustainable regional development (World Bank 2013, 2014, 2015).

⁴ Under the provisions of Article 5 of Law No. 2011-20 of October 12, 2020 on the fight against corruption and other related offenses in the Republic of Benin, the National Anti-Corruption Authority's (ANLC's) mission is, among other things, to receive and keep copies of the declarations of assets of the personalities mentioned in Article 3 of this law.

⁵ Prior actions on anticorruption under the PRSC-9 and 10 series included appointment and installation of all ANLC members and the formalization of financing mechanisms for the ANLC. The ANLC acts as a resource and knowledge center for the government in the fight against corruption; works with the judiciary to identify, denounce, and bring to the attention of judicial authorities individual or systemic cases of corruption; and processes asset declarations made by public officials.

⁶ See the Benin Data Portal, <https://benin.opendataforafrica.org>, and the Archives des enquetes statistiques du Benin, <http://nada.insae-bj.org>.

⁷ See the 2016 Enterprise Survey for Benin, <https://microdata.worldbank.org/index.php/catalog/2809>.

⁸ The Competitiveness and Integrated Growth Opportunity Project (P104881) was approved by the Board of Executive Directors on April 29, 2008, and closed on December 29, 2017.

⁹ The acronym FNDA has remained the same; however, Agricultural Credit Guarantee Facility has changed to National Fund for Agricultural Development.

¹⁰ The state-owned Société nationale pour la promotion agricole undertook activities including the marketing and ginning of seed cotton; the exporting of fiber and cottonseed; the importing and distribution of inputs; and the provision of services to cotton growers, such as extension services, credit, and transport

¹ The Public Investment Management and Governance Support Project (P147014) was approved by the Board of Executive Directors on June 23, 2016, and is scheduled to close on December 31, 2021.

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Appendix A. Ratings

Republic of Benin—Ninth (P132786) and Tenth (P146665) Poverty Reduction Support Credit (IDA-53890, IDA-55970)

Table A.1. ICR, ICR Review, and PPAR Ratings

Indicator	ICR	ICR Review	PPAR
Outcome	Moderately unsatisfactory	Moderately unsatisfactory	Moderately unsatisfactory
Risk to development outcome	Substantial	Substantial	Substantial
Bank performance	Moderately unsatisfactory	Moderately unsatisfactory	Unsatisfactory
Borrower performance	Moderately unsatisfactory	Moderately unsatisfactory	Not applicable

Source: World Bank 2018a, 2018b.

Note: The Implementation Completion and Results Report (ICR) is a self-evaluation by the responsible Global Practice. The ICR Review is an intermediate IEG product that seeks to independently validate the findings of the ICR. PPAR = Project Performance Assessment Report.

1. Program Objectives and Pillars or Policy Areas

Objectives

The objectives of Poverty Reduction Support Credits (PRSCs) 9 and 10 were as follows:

- Project development objective (PDO) 1: promote good governance and high-quality PFM [public financial management]; policy areas: budget execution; public procurement; and governance)
- PDO 2: Strengthen private sector competitiveness (policy areas: business environment; agriculture diversification and cotton reform; and port and customs reform)

Pillars or Policy Areas

For the purpose of this evaluation, the consolidated pillars or policy areas are as follows:

- Policy area: PFM
 - Prior action 1: approving the transparency code by the National Assembly to improve budget transparency and strengthen executive accountability (PRSC-10).

- Prior action 2: making the new organic law on financial legislation effective through adoption of implementation decrees (PRSC-10).
- Prior action 3: publication of procurement manuals (PRSC-9).
- Prior action 4: the commencement of annual evaluations of the public procurement system (that is, annual performance reports; PRSC-9).
- Prior action 5: the finalization of the 2008, 2009, and 2010 procurement audits and the publication of results (PRSC-9).
- Prior action 6: the adoption of a decree authorizing the delegation of contract signature to sector ministers in line with the thresholds assigned to ministerial procurement units (PRSC-10).
- Policy area: governance
 - Prior action 7: appointed and installed the members of National Anti-Corruption Authority (ANLC; PRSC-9).
 - Prior action 8: adopted a decree specifying financing regulations for the ANLC (PRSC-10).
 - Prior action 9: completed asset declarations for serving ministers have been received by the ANLC, and the ANLC has publicly disclosed the names of all ministers for whom it is not in possession of an asset declaration (PRSC-10).
 - Prior action 10: the Minister of Development approves and publishes a timetable for implementation of an Open Data Initiative (PRSC-9).
 - Prior action 11: as part of National Data Archive (NADA), to have made available, on the National Statistics and Economic Analysis Institute (INSAE) website, the micro and meta data from the following surveys and censuses: Third General Population and Housing Census (RGPH3); the second General Census of Enterprises (RGE2); the Integrated Modular Survey on Household Living Conditions (EMICoV); and the Survey on Transition to Active Life (ETVA; PRSC-10).
 - Prior action 12: strengthen and reinforce internal control within the Customs Administration by hiring an additional three inspectors and creating a specialized internal audit unit within the Inspection Générale des Services (IGS; PRSC-10).

- Policy area: business environment
 - Prior action 13: finalizing an agreement between the Certified Management and Accounting Centers [CGAs] (PRSC-9).
 - Prior action 14: included in the 2015 national budget a simplified turnover-based tax regime for small- and micro-sized enterprises (PRSC-10).
 - Prior action 15: centralization of the recording and registration of credit within a single institution (PRSC-9).
 - Prior action 16: submission to the Supreme Court of a PPP [public-private partnership] bill (PRSC-9).
 - Prior action 17: creation of the Agence Beninoise des Grand Travaux (Agency for National Projects).
 - Prior action 18: submission of a Competition Act to the National Assembly (PRSC-10).
- Policy area: agriculture diversification and cotton reform
 - Prior action 19: establishment of an institutional framework for implementation of the Strategic Program for Reform of the Agriculture Sector (PSRSA) by having (i) reorganized the Ministry of Agriculture through the adoption of a decree describing the powers, organization, and operation of the Ministry of Agriculture; and (ii) adopted a decree describing the powers, organization, and operation of Regional Centers for Rural Development (CARDERS; PRSC-9).
 - Prior action 20: approval of decrees nominating the Board members and Director General of the newly created FNDA [National Fund for Agricultural Development] (PRSC-10).
 - Prior action 21: publication/circulation of the audit report undertaken of the 2012–13 cotton campaign (PRSC-10).
- Policy area: port and customs reform
 - Prior action 22: the approval of a decree limiting, regulating, and consolidating checkpoints on the Cotonou-Ouagadougou and Cotonou-Niamey road corridors (PRSC-9).

- Prior action 23: signing by the Director General of Customs and Excise of the convention on migration to the Automated System for Customs Data (ASYCUDA) World system, a new internet-based customs system that would simplify communications with private sector partners and improve systems performance (PRSC-10).
- Prior action 24: promulgation of the new Customs Code (PRSC-10).

2. Relevance of Design

Relevance of Objectives

The World Bank's Country Partnership Strategy (CPS) for FY13–17 was designed to address a weak governance system, insufficient growth to reduce poverty meaningfully, and low access to basic social services. To address these challenges, the CPS was structured in relation to three pillars. The first was cross-cutting and formed the foundation pillar of the strategy, governance, and public sector capacity. The other two pillars focused on sustainable growth, competitiveness, and employment and access to basic social services and social inclusion. The objectives of the PRSC-9 and 10 series were well aligned with the pillars on governance and public sector capacity; and sustainable growth, competitiveness, and employment of the World Bank's CPS.

Under the governance and public sector capacity pillar, the CPS highlighted the need to address weaknesses in budgeting and planning, financial management and procurement processes, and oversight mechanisms to strengthen the delivery of essential social services and increase value and efficiency in government expenditures. Under the sustainable growth, competitiveness, and employment pillar, the CPS indicated that the World Bank Group would play a leading role in business climate reforms; infrastructure modernization (energy, transport, ICT); agriculture diversification (through identification of new markets and value chains); the promotion of regional integration and trade; and the sustainable use of natural resources. The pillars on business environment and agriculture diversification of the series were aligned with the business climate reforms and agriculture diversification priorities under the sustainable growth, competitiveness, and employment pillar of the CPS.

Benin's third Growth for Poverty Reduction Strategy (2011–15) was organized in relation to five strategic pillars: (i) accelerating economic growth, (ii) infrastructure development, (iii) strengthening human capital and social protection, (iv) promoting good governance, and (v) fostering balanced and sustainable regional development. The objectives of the series were well aligned with the pillars on promoting good governance

and accelerating economic growth of Benin's third Growth for Poverty Reduction Strategy (2011–15).

The series was designed to follow efforts that had been supported under the Seventh Poverty Reduction Support Grant and Eighth Poverty Reduction Support Credit (PRSC-8), primarily in PFM, agriculture, and the Port of Cotonou. Also, Benin's weak business environment was creating strong incentives to engage in arbitrage with Nigeria rather than pursuing productive, value-adding, and employment-generating activities in the domestic economy.

Relevance of Prior Actions to Objectives

Overall, the relevance of prior actions is **moderately satisfactory**.

Pillar 1: PFM and Governance (Rating: Moderately Satisfactory)

Pillar 1.a: PFM (Rating: Satisfactory)

There is a convincing results chain linking the prior actions in the PFM pillar to the achievement of PDO 1, grounded in credible analytical work at the country level. The prior actions in the PFM pillar make a major contribution to achievement of PDO 1.

Prior action 1: Approving the transparency code by the National Assembly to improve budget transparency and strengthen executive accountability (PRSC-10; rating: satisfactory). The transparency code would help hold government agencies more accountable in meeting their obligations and financial responsibilities. It would raise awareness of the government's macroeconomic, fiscal, and PFM policies and promote greater adherence to these policies through stronger oversight. Enacting the transparency code would help ensure legal implementation of the necessary oversight framework, require compliance, and shorten the time required to finalize, submit, and publish annual national accounts. Both the 2007 Public Expenditure and Financial Accountability and 2014 reports noted that internal and external oversight institutions were among the main weaknesses in Benin's PFM system.

Prior action 2: Making the new organic law on financial legislation effective through adoption of implementation decrees (PRSC-10; rating: satisfactory). PRSC-10 supported the approval of decrees concerning public accounting, budget nomenclature, the table of financial operations, and an arrêté on the public accounting plan that were critical to render the new organic law on financial legislation effective and ensure its full implementation. Both the 2014 Public Expenditure and Financial Accountability and the 2010 Public Expenditure Review analytical reports indicated challenges in (i) improving budget credibility and the quality of public spending, (ii) streamlining budget execution, (iii) improving financial reporting, and (iv) strengthening overall financial accountability and procurement processes.

Prior action 3: Publication of procurement manuals (PRSC-9; rating: satisfactory). The publication and dissemination of procurement manuals was important because procurement authority was in the process of becoming more decentralized, with more responsibilities at the level of line ministries. The prior actions (3, 4, and 5) on public procurement originated from the 2007 and 2010 Public Expenditure and Financial Accountability reports, the Public Expenditure Review, and the 2011 Analysis of Central Financial Agencies reports.

Prior action 4: The commencement of annual evaluations of the public procurement system (that is, annual performance reports; PRSC-9; rating: satisfactory). The annual evaluations are annual performance reports. These are comprehensive periodic reviews to identify and address both strengths and weaknesses. Annual evaluations of the procurement system were necessary to update and improve procurement processes.

Prior action 5: The finalization of the 2008, 2009, and 2010 procurement audits and the publication of results (PRSC-9; rating: satisfactory). The completion of procurement audits was critical to ensure the effective application of the new procurement code that was passed in 2009. Procurement audits would help ensure adherence to the new system and highlight areas for further improvement.

Prior action 6: The adoption of a decree authorizing the delegation of contract signature to sector ministers in line with the thresholds assigned to ministerial procurement units (PRSC-10; rating: satisfactory). The prior action follows actions supported under PRSC-9 regarding the publication of procurement manuals, the completion of procurement audits, and the commencement of annual evaluations of the procurement system (prior actions 3, 4, and 5). Initially, contract signature was centralized within the Ministry of Finance, which led to delays in the approval of procurement contracts. With this prior action, the contract signature for procurement (up to a certain threshold) was delegated to sector ministries. It was intended to reduce public procurement delays, increase transparency in decision-making and accountability, and limit opportunities for corruption.

Pillar 1.b: Governance (Rating: Moderately Unsatisfactory)

Prior action 7: Appointed and installed the members of ANLC (PRSC-9; rating: unsatisfactory). Inclusion of anticorruption legislation was a prior action under the Seventh Poverty Reduction Support Grant. The creation of ANLC was supported as a prior action in the PRSC-8; the corresponding prior action in the PRSC-9 was to make this agency operational through the appointment of all its members. However, this prior action, along with prior action 8, did not add value because by law, only the Chamber of Account within the Supreme Court has the legal right on decisions related to the declaration of assets. Neither the government nor ministers have the right to make any

decisions related to the declaration of assets. For prior actions 7 and 8 to effectively contribute to the achievement of PDO 1, the anticorruption legislation should have been amended to clarify responsibilities and provide the ANLC with more responsibility and authority; however, the anticorruption legislation was not amended. As a result, individuals send their asset declarations directly to the Chamber of Accounts, and ANLC has not received any copies.

Prior action 8: Adopted a decree specifying financing regulations for the ANLC (PRSC-10; rating: unsatisfactory). See explanation under prior action 7.

Prior action 9: Completed asset declarations for serving ministers have been received by the ANLC, and the ANLC has publicly disclosed the names of all ministers for whom it is not in possession of an asset declaration (PRSC-10; rating: unsatisfactory). The original trigger for PRSC-10 requiring a fully operational asset declaration system was modified to this less ambitious prior action. This action was only an intermediary step to ensure commitment on the part of the government in implementing their anticorruption legislation while providing the time to fully develop a broader, more extensive, and more effective asset declaration system in line with the new legislation. However, the system for monitoring ANLC efforts against corruption was not implemented because of lack of commitment from the government.

Prior action 10: The Minister of Development approves and publishes a timetable for implementation of an Open Data Initiative (PRSC-9; rating: moderately satisfactory). At the time of appraisal, Benin's INSAE closely guarded its data and had not made its databases available for scrutiny, even among government institutions. Implementing an Open Data Initiative would increase transparency, strengthen the demand side in public policy debates, and facilitate increased engagement by the citizenry. The 2014 Poverty and Gender Assessment indicated the need for improved data availability, and highlighted several data and methodological issues within INSAE and included several recommendations for strengthening data collection and analysis. However, this prior action only required the minister of development to approve and publish a timetable for implementation of an Open Data Initiative that had no legal or material consequence. Although INSAE has made its data publicly available on its website, it is still in the process of improving the user access to its data.

Prior action 11: As part of NADA, to have made available, on the INSAE website, the micro and meta data from the following surveys and censuses: RGPH3, RGE2, EMICoV, and ETVA (PRSC-10; rating: moderately satisfactory). The PRSC-10 trigger on full operationalization of the open data system proved to be too technically ambitious and was replaced by this less ambitious prior action during the preparation of PRSC-10.

Prior action 12: Strengthen and reinforce internal control within the Customs Administration by hiring an additional three inspectors and creating a specialized internal audit unit within the IGS; PRSC-10; rating: satisfactory). The original PRSC-10 trigger on implementation of an internal audit system of customs processes and transactions to reduce corruption was replaced by this prior action. It builds on efforts by the International Monetary Fund and the World Bank to support improved port and customs performance, reduce trade costs, and increase transparency.

Pillar 2: Private Sector Competitiveness (Rating: Moderately Satisfactory)

Pillar 2.a: Business Environment (Rating: Moderately Satisfactory)

Prior action 13: Finalizing an agreement between the Certified Management and Accounting Centers (CGAs; PRSC-9; rating: satisfactory). The CGAs provide accounting services to small and medium enterprises (SMEs) that are often unavailable to these firms. The agreement between the CGAs and the tax administration would allow the latter to accept CGA documentation as accurate and factual for tax purposes. This would facilitate the formalization of SMEs, encourage increased formal sector employment and job creation, make firms eligible for other government services, and increase their access to credit and financial services.

Prior action 14: Included in the 2015 national budget a simplified turnover-based tax regime for small- and micro-sized enterprises (PRSC-10; rating: satisfactory). Simplifying the tax regime for small- and micro-sized enterprises would broaden the tax base and encourage the creation of formal enterprises and the transition of informal enterprises into the formal economy. This prior action was identified through the Competitiveness and Integrated Growth Opportunity Project and builds on the prior action 13.

Prior action 15: Centralization of the recording and registration of credit within a single institution (PRSC-9; rating: satisfactory). The largely informal nature of the economy and the small size of the average business, compounded by the lack of a functioning credit bureau and the absence of borrowers' credit history, greatly limit firms' access to credit. Centralizing the recording and registration of credit and leasing arrangements within a single institution would allow creditors to search loan applicants' financial histories, record collateral arrangements, and verify existing liens more easily.

Prior action 16: Submission to the Supreme Court of a PPP bill (PRSC-9; rating: moderately unsatisfactory). At the time of appraisal of the series, PPPs were established in a somewhat opportunistic fashion, generally on terms proposed by the private sector partner. Several of these arrangements were not favorable to the government or the public interest. Reforms were required to ensure that PPP opportunities are properly identified, follow competitive processes, optimize benefits to the government, consider viable alternatives, and recognize potential contingent liabilities. The introduction of

PPP legislation (prior action 16) and a PPP unit (prior action 17), as prior actions for PRSC-9, were important steps in rationalizing government involvement in PPPs, protecting the public interest, and maximizing both the public and private benefits of such arrangements. However, both the Implementation Completion and Results Report (ICR) and the Implementation Completion and Results Report Review (ICRR) pointed out a design flaw in prior action 17, which required the government only to submit a draft PPP law to the Supreme Court rather than have one fully adopted and implemented (World Bank 2018a, 21, 28; 2018b, 6).

Prior action 17: Creation of the Agence Beninoise des Grand Travaux (Agency for National Projects; rating: moderately unsatisfactory). See explanation under prior action 16.

Prior action 18: Submission of a Competition Act to the National Assembly (PRSC-10; rating: moderately unsatisfactory). A Competition Act would create a regulatory environment conducive to PPPs. However, effectiveness of this prior action was identified as a design issue in the ICR (World Bank 2018a, 21, 28).

Pillar 2.b: Agriculture Diversification and Cotton Reform (Rating: Moderately Satisfactory)

Prior action 19: Establishment of an institutional framework for implementation of the Strategic Program for Reform of the Agriculture Sector (PSRSA) by having (i) reorganized the Ministry of Agriculture through the adoption of a decree describing the powers, organization, and operation of the Ministry of Agriculture; and (ii) adopted a decree describing the powers, organization, and operation of Regional Centers for Rural Development (CARDERS; PRSC-9; rating: satisfactory). The prior action was based on the 2011–15 PSRSA. Approval of the PSRSA was a prior action under PRSC-7, and its implementation was supported by the PRSC-9 and 10 series. Reorganization of the Ministry of Agriculture and strengthening of the CARDERS would reorient government efforts toward agricultural diversification efforts.

Prior action 20: Approval of decrees nominating the board members and director general of the newly created National Fund for Agricultural Development (FNDA; PRSC-10; rating: moderately unsatisfactory). The prior action on the Agriculture Credit Guarantee facility was based on findings from the 2009 Country Economic Memorandum, which highlighted the need for credit in the agriculture sector. However, this prior action by itself was not sufficient to reduce perceived risk among commercial financial institutions lending to the agricultural sector. Other steps such as operationalization of and funding to FNDA were required to contribute to the achievement of PDO 2.

Prior action 21: Publication/circulation of the audit report undertaken of the 2012–13 cotton campaign (PRSC-10; rating: moderately unsatisfactory). With the 2012–13 audit results highlighting government strengths and weaknesses in managing the cotton campaign, and with the report largely recommending eventual return of the value chain to private sector interests, release and consideration of the report’s findings was expected by the World Bank to contribute to the debate regarding the industrial organization of the sector. However, this prior action by itself was not sufficient to contribute to reforms in the cotton sector and achievement of PDO 2.

Pillar 2.c: Port and Customs Reform (Rating: Satisfactory)

Prior action 21: The approval of a decree limiting, regulating, and consolidating checkpoints on the Cotonou-Ouagadougou and Cotonou-Niamey road corridors (PRSC-9; rating: satisfactory). Checkpoint consolidation would reduce opportunities for rent seeking and reduce transport times and costs.

Prior action 22: Signing by the director general of Customs and Excise of the convention on migration to the ASYCUDA World system, a new internet-based customs system that would simplify communications with private sector partners and improve systems performance (PRSC-10; rating: satisfactory). The migration of ASYCUDA++ to ASYCUDA World would simplify communications with private sector partners, improve the performance of customs at various levels through online access to internal and external databases, improve risk management, strengthen the tracking of transactions, improve performance monitoring, and promote better decision-making within the customs administration.

Prior action 23: Promulgation of the new Customs Code (PRSC-10; rating: satisfactory). The new customs code would introduce modern practices to further secure and facilitate global trade and bring the existing technical and legal framework in conformity with international standards and practices: the SAFE Framework of Standards to Secure and Facilitate Global Trade of the World Customs Organization, the Revised Kyoto Convention, and the Trade Facilitation Agreement of the World Trade Organization.

3. Relevance of Results Indicators

Overall, the relevance of results indicators is **moderately satisfactory**.

Pillar 1: Governance and PFM (Rating: Moderately Satisfactory)

Pillar 1.a: PFM (Rating: Moderately Satisfactory)

- **Results Indicator 1.** Unallocated percentage of budget: baseline (2012): 12.4 percent; target (2017): < 5 (rating: satisfactory). Since the transparency code complements the new organic law on financial legislation in harmonizing the

legal, accounting, and statistical frameworks governing public finance, this indicator, along with the results indicator 2, adequately measures the impact of prior actions 1 and 2. Baseline and target values for results indicators 1 and 2 were clearly defined. During the virtual interviews, the Independent Evaluation Group (IEG) verified the values of results indicators 1 and 2. Other potential indicators to measure progress toward the achievement of PDO 1 include execution rate of social priority expenditures, investment budget execution rate, transfers of funds to communes, and so on.

- **Results Indicator 2.** Time required to submit national accounts to the Chamber of Accounts (months): baseline (2012): 9; target (2017): < 6 (rating: satisfactory). Please see information under results indicator 1.
- **Results Indicator 3.** Average public procurement delay—goods (days): baseline (2012): 64; target (2017): < 50 (rating: moderately unsatisfactory). This indicator, along with results indicators 4 and 5, adequately measures the impact of prior actions 3, 4, 5, and 6 because procurement reforms were mainly intended to reduce delays by delegating the procurement contracts to sectoral ministries up to a certain threshold. Baseline and target values for this indicator were clearly defined. However, there are inconsistencies in the public procurement delays reported by the Ministry of Planning and the World Bank’s procurement specialist in Benin.
- **Results Indicator 4.** Average public procurement delay—services (days): baseline (2012): 71; target (2017): < 60 (rating: moderately unsatisfactory). Please see information under results indicator 3.
- **Results Indicator 5.** Average public procurement delay—public works (days): baseline (2012): 59; target (2017): < 60 (rating: moderately unsatisfactory). Please see information under results indicator 3.

Pillar 1.b: Governance (Rating: Moderately Satisfactory)

- **Results Indicator 6.** Percentage of ministers that complete a declaration of assets: baseline (2012): not applicable; target (2017): 95 (rating: moderately satisfactory). This indicator, along with the results indicator 7, is mostly adequate to capture the likely impact of prior action 9 related to ANLC’s efforts on reducing corruption. The target value for this indicator was clearly defined. Prior action 9 clearly defined this indicator, including the associated data source and how it is calculated. During the virtual interviews, IEG verified the value of this indicator. Discussion of other governance indicators (such as voice and accountability, political stability and absence of violence or terrorism, government effectiveness,

regulatory quality, rule of law, control of corruption, and so on) are also required to effectively measure the progress toward the achievement of PDO 1, especially regarding good governance.

- **Results Indicator 7.** Percentage of National Assembly Members that complete a declaration of assets: baseline (2012): not applicable; target (2017): 95 (rating: moderately satisfactory). Please see information under results indicator 6.
- **Results Indicator 8.** Number of databases on Benin's open data site: baseline (2012): 0; target (2017): 20 (rating: moderately satisfactory). This indicator, along with the results indicator 10, is mostly adequate to measure the likely impact of prior actions 10 and 11 related to the Open Data Initiative. Discussion of other indicators are also required to determine whether the databases on Benin's open data site and on the NADA site have contributed to increased transparency, strengthened the demand side in public policy debates, and facilitated increased engagement by the citizenry.
- **Results Indicator 9.** Number of databases on NADA site: baseline (2012): 0; target (2017): 10 (rating: moderately satisfactory). Please see information under results indicator 8.
- **Results Indicator 10.** Internal and external audits of customs transactions undertaken: baseline (2012): no; target (2017): yes (rating: satisfactory). This indicator is mostly adequate to measure the impact of prior action 12 related to strengthening and reinforcing internal control within the customs administration. Baseline and target values for this indicator were clearly defined.

Pillar 2: Private Sector Competitiveness (Rating: Satisfactory)

Pillar 2.a: Business Environment (Rating: Satisfactory)

- **Results Indicator 11.** Number of formal registered companies: baseline (2012): 29,386; target (2017): 35,000 (rating: satisfactory). This indicator adequately measures the impact of prior actions 13 and 14 related to simplification of taxes for SMEs to increase formalization of SMEs and formal sector employment in Benin. Baseline and target values for these indicators were clearly defined.
- **Results Indicator 12.** Percentage of labor force in salaried employment (source: INSAE): baseline (2012): 7.0; target (2017): 9.0 (rating: satisfactory). Please see information under results indicator 11.
- **Results Indicator 13.** Percentage of female labor force in salaried employment (source: INSAE) baseline (2012): 3.4; target (2017): 4.5 (rating: satisfactory). Please see information under results indicator 11.

- **Results Indicator 14.** Credit registry coverage (percent): baseline (2012): 10.9; target (2017): > 20 (rating: moderately satisfactory). This indicator adequately measures the impact of prior action 15 related to a well-functioning credit bureau to record borrower credit history to improve access to finance. Discussion on the depth of credit information index *Doing Business* indicator is also required to effectively measure progress toward the achievement of PDO 2.
- **Results Indicator 15.** Number of PPP arrangements or contracts entered: baseline (2012): 0; target (2017): 6 (rating: moderately satisfactory). This indicator is mostly adequate to measure the impacts of prior actions 16 and 17 of adopting a PPP bill and creation of a PPP unit to enable the government to identify a pipeline of bankable PPP tractions in the country. Baseline and target values for this indicator were clearly defined. Discussion of other indicators (such as capacity of the PPP unit to identify bankable projects, quality of the PPP transactions, long-term financing for PPP transactions, and so on) are also required to assess PPPs in a country.

Pillar 2.b: Agriculture Diversification and Cotton Reform (Rating: Moderately Satisfactory)

- **Results Indicator 16.** Number of specialized agencies operational under new PSRSA: baseline (2012): 0; target (2017): 4 (rating: moderately unsatisfactory). Of the six results indicators (16, 17, 18, 19, 20, and 21) related to agriculture and cotton diversification, only one (results indicator 19) was an outcome indicator that assessed the impact of the reforms on private sector competitiveness (prior actions 19 and 20). The results indicators 16, 17, and 18 were output indicators and not directly linked to private sector competitiveness. There were no indicators to measure prior action 21.
- **Results Indicator 17.** Number of noncotton agricultural commodities having an interprofessional organization: baseline 2012: 0; target (2017): 4 (rating: moderately unsatisfactory). Please see information under results indicator 16.
- **Results Indicator 18.** Percentage of noncotton farmers having access to extension services through CARDERs: baseline 2012: to be determined; target (2017): to be determined (rating: highly unsatisfactory). Baseline and target values for this indicator were not provided in program documents. Please see information under results indicator 16.
- **Results Indicator 19.** Value of noncotton agricultural exports: baseline (2012): CFAF 65 billion; target (2017): CFAF 120 billion (rating: highly satisfactory). Please see information under results indicator 16.

- **Results Indicator 20.** Volume of agricultural credit extended under the guarantee: baseline (2012): 0; target (2017): CFAF 3 billion (rating: satisfactory). This indicator adequately measures the impact of prior action 20 related to reducing perceived risk among commercial financial institutions lending to the agricultural sector.
- **Results Indicator 21.** Percentage of total credit extended to agriculture: baseline (2012): 4; target (2017): 6 (rating: satisfactory). This indicator adequately measures the impact of prior action 20 related to reducing perceived risk among commercial financial institutions lending to the agricultural sector.

Pillar 2.c: Port and Customs Reform (Rating: Highly Satisfactory)

- **Indicator 22.** Number of roadblocks per corridor (West Africa Trade Hub data): baseline (2012): 8; target (2017): 3 (rating: satisfactory). Of the four results indicators (22, 23, 24, and 25) related to port and customs reforms, only two (24 and 25) were outcome indicators that assessed the impact of the reforms on private sector competitiveness (prior actions 22, 23, and 24). The other two (22 and 23) were intermediate outcome indicators.
- **Indicator 23.** Port of Cotonou dwell time (days): baseline (2012): 27; target (2017): 5 (rating: satisfactory). Please see information under results indicator 21.
- **Indicator 24.** Cost to export (dollars per container): baseline (2012): \$1,079; target (2017): 10 percent reduction in real terms (rating: highly satisfactory). Please see information under results indicator 21.
- **Indicator 25.** Cost to import (dollars per container): baseline (2012): \$1,549; target (2017): 10 percent reduction in real terms (rating: highly satisfactory). Please see information under results indicator 21.

4. Efficacy and Achievement of Objectives (Drawing on Results Indicators and Other Evidence)

Overall, the efficacy and achievement of objectives is **moderately unsatisfactory**.

Pillar 1: Governance and PFM (Rating: Moderately Unsatisfactory)

Pillar 1.a: PFM (Rating: Unsatisfactory)

- **Results Indicator 1.** Unallocated percentage of budget: baseline (2012): 12.4 percent; target (2017): < 5; actual in 2017: 10.4; actual in 2020: 6–7 (rating: substantial). Unallocated percentage of budget has improved from 12.4 percent (2012) to 10.4 percent at the time of preparation of the ICR (in 2017) and to 6–

7 percent at the time of the IEG virtual mission (in 2020). However, it is still above the target of 5 percent. Relevance of this indicator is **satisfactory**, and 80 percent of the targeted change in the value of this indicator was realized at the time of the IEG virtual mission (table A.1).

- **Results Indicator 2.** Time required to submit national accounts to the Chamber of Accounts (months): baseline (2012): 9; target (2017): < 6; actual in 2017: < 6; actual in 2020: < 6 (rating: substantial). Relevance of this indicator is **satisfactory**, and the target of this indicator was met at the time of the IEG virtual mission.

Table A.2. Computation to Determine the Efficacy of the Budget Execution Pillar

No.	Results Indicator	Baseline (2012) [A]	Target (2017) [B]	Targeted Change [C] = ABS([A] – [B])	Actual Value in 2017 at ICR [D]	Targeted Change at ICR [E] = ABS([D] – [A])	Targeted Change at ICR [E] as Percentage of Targeted Change [C]	Actual Value in 2020 at PPAR [F]	Targeted Change at PPAR [G] = ABS([A] – [F])	Targeted Change at ICR [E] as Percentage of Targeted Change [C]
1	Unallocated percentage of budget: baseline (2012): 12.4; target (2017): < 5	12.4	5.0	7.4	10.4	2.0	27	6.5	5.9	79.7
2	Time required to submit national accounts to the Chamber of Accounts (months): Baseline (2012): 9; target (2017): < 6	9.0	6.0	3.0	6.0	3.0	100.0	6.0	3.0	100.0

Source: Independent Evaluation Group.

Note: ABS = absolute value; ICR = Implementation Completion and Results Report; PPAR = Project Performance Assessment Report.

- **Results Indicator 3.** Average public procurement delay for goods (days): baseline (2012): 64; target (2017): < 50; actual in 2017: < 36.4 (rating: negligible). During the virtual mission, IEG found that the average public procurement delay in Benin in 2020 was about 80 days, significantly greater than the public procurement delays reported in the ICR. Moreover, based on the data from the World Bank’s procurement specialist in Benin, the average procurement delays for goods during 2017–20 was 141 days, greater than the public procurement delays reported by the Ministry of Planning. Efficacy of this indicator is

- negligible** because the average procurement delay of goods has increased since the closure of the series, indicating lack of sustainability of reforms.
- Results Indicator 4.** Average public procurement delay for services (days): baseline (2012): 71; target (2017): < 60; actual in 2017: < 40.4 (rating: negligible). During the virtual mission, IEG found that the average public procurement delay in Benin in 2020 was about 80 days, significantly greater than the public procurement delays reported in the ICR. Moreover, based on the data from the World Bank’s procurement specialist in Benin, the average procurement delay for services during 2017–20 was 201 days, greater than the public procurement delays reported by the Ministry of Planning. Efficacy of this indicator is **negligible** because the average procurement delay of services has increased since the closure of the series, indicating lack of sustainability of reforms.
 - Results Indicator 5.** Average public procurement delay for public works (days): baseline (2012): 59; target (2017): < 60; actual in 2017: < 33.5 (rating: negligible). During the virtual mission, IEG found that the average public procurement delay in Benin in 2020 was about 80 days, significantly greater than the public procurement delays reported in the ICR. Moreover, based on the data from the World Bank’s procurement specialist in Benin, the average procurement delay for public works during 2017–20 was 141 days, greater than the public procurement delays reported by the Ministry of Planning. Efficacy of this indicator is **negligible** because the average procurement delay of public works has increased since the closure of the series, indicating lack of sustainability of reforms.

Pillar 1.b: Governance (Rating: Moderately Unsatisfactory)

- Results Indicator 6.** Percentage of ministers that complete a declaration of assets: baseline (2012): not applicable; target (2017): 95; actual in 2017: 82; actual in 2020: 95 (rating: modest). During the virtual mission, IEG found that 100 percent of the ministers completed a declaration of assets, exceeding the 2017 target of 95 percent. Also, relevance of this indicator is **moderately satisfactory**. However, there is no formal monitoring process for asset declaration because a PRSC-10 trigger on a monitoring and control system for asset declaration was dropped because of lack of commitment from the government. There are some issues with the asset declaration law because individuals send their asset declarations directly to the Chamber of Accounts, and ANLC has not received any copies. ANLC is in the process of being replaced by a new agency, Higher Authority for Corruption Prevention. Finally, data from the Worldwide Governance Indicators show that the perceived control of corruption has improved, but governance has

worsened in voice and accountability, political stability, and rule of law. Regulatory quality and government effectiveness have not changed significantly.

- **Results Indicator 7.** Percentage of National Assembly members that complete a declaration of assets: baseline (2012): not applicable; target (2017): 95; actual in 2017: 14; actual in 2020: 89.15 (rating: modest). This indicator has improved from 14 percent at the time of preparation of the ICR (in 2017) to 89.15 percent at the time of the IEG virtual mission (in 2021). However, it remains below the target of 95 percent. Eighty-nine percent of the targeted change in the value of this indicator was realized at the time of the IEG virtual mission. Also, the relevance of this indicator is **moderately satisfactory**. However, there is no formal monitoring process for asset declaration because a PRSC-10 trigger on a monitoring and control system for asset declaration was dropped because of lack of commitment from the government. There are some issues with the asset declaration law because individuals send their asset declarations directly to the Chamber of Accounts, and ANLC has not received any copies. ANLC is in the process of being replaced by a new agency, Higher Authority for Corruption Prevention. Finally, data from the Worldwide Governance Indicators show that the perceived control of corruption has improved, but governance has worsened in voice and accountability, political stability, and rule of law. Regulatory quality and government effectiveness have not changed significantly.
- **Results Indicator 8.** Number of databases on Benin’s open data site: baseline (2012): 0; target (2017): 20; actual in 2017: > 20; actual in 2020: 1,467 (rating: modest). Relevance of indicators 8 and 9 are **moderately satisfactory**. There are 1,467 databases (exceeding the target of 30) organized by 53 business sectors on Benin’s open data site (see appendix E) and 30 databases on the NADA site (exceeding the 2017 target of 10). However, INSAE is still in the process of improving the user access to its data and expects the full operationalization of its data center by 2022. The main challenge is in granting access to survey databases since the national act in Benin does not allow access to the data at the level of individuals.
- **Results Indicator 9.** Number of databases on the NADA site: baseline (2012): 0; target (2017): 10; actual in 2017: 4; actual in 2020: 30 (rating: modest). Please see information under results indicator 8.
- **Results Indicator 10.** Internal and external audits of customs transactions undertaken: baseline (2012): no; target (2017): yes; actual in 2017: yes (rating: substantial). Relevance of this indicator is **satisfactory**, and the target of this indicator was met in 2017.

Pillar 2: Private Sector Competitiveness (Rating: Moderately Unsatisfactory)

Pillar 2.a: Business Environment (Rating: Moderately Unsatisfactory)

- **Results Indicator 11.** Number of formal registered companies: baseline (2012): 29,386; target (2017): 35,000; actual in 2017: 45,446 (rating: modest). Relevance of this indicator is **satisfactory**. At the time of preparation of the ICR, the number of formally registered companies had increased from 29,386 in 2012 to 45,446 in 2017, exceeding the target of 35,000. Formalization under the Entrepreneur Program was easy, free of charge, and took only one business day. Benin's ranking on starting a business has improved significantly from 154 in 2012 to 115 in 2016 and to 65 in 2020. However, results from the randomized impact evaluation of the Entrepreneur Program show that formalization is limited not only to registration but to also providing additional policy incentives to firms (such as business training, counseling, bank support services, tax mediation services, and so on). In the absence of such policy incentives and because the Entrepreneur Program was implemented in only three or four provinces in Benin and not rolled out countrywide, and because of the long-standing, large difference between formal and informal profits from trade and vested interests in informal trade in Benin and Nigeria, the majority of the informal sector is likely to remain informal, even after policy reforms.
- **Results Indicator 12.** Percentage of labor force in salaried employment (source: INSAE): baseline (2012): 7.0; target (2017) 9.0; actual in 2017: 13 (rating: substantial). Relevance of this indicator is **satisfactory**. The percentage of the labor force in salaried employment increased from 7 percent in 2012 to 13 percent in 2017, exceeding the target of 9 percent at the time of preparation of the ICR. However, this cannot be fully attributed to the series alone.
- **Results Indicator 13.** Percentage of female labor force in salaried employment (source: INSAE): baseline (2012): 3.4; target (2017): 4.5; actual in 2017: 6.9 (rating: substantial). Relevance of this indicator is **satisfactory**. The percentage of the female labor force in salaried employment increased from 3.4 percent in 2012 to 6.9 percent in 2017, exceeding the target of 4.5 percent at the time of preparation of the ICR. However, this cannot be fully attributed to the series alone.
- **Results Indicator 14.** Credit registry coverage (percent): baseline (2012): 10.9; target (2017): > 20; actual in 2017: data were not available for this indicator at the time of the ICR; actual in 2020: 0 (World Bank 2020; rating: negligible). Relevance of this indicator is **moderately satisfactory**. However, access to finance is reportedly the biggest obstacle to firms. Benin's ranking in the getting credit *Doing Business* indicator has declined from 126 in 2012 to 133 in 2016, and to 152

in 2020. Credit registry and credit bureau coverages are 0 percent and 1.3 percent respectively, below the 2017 target of > 20 percent.

- **Results Indicator 15.** Number of PPP arrangements or contracts entered: baseline (2012): 0; target (2017): 6; actual in 2017: 2 (rating: modest). Relevance of this indicator is **moderately satisfactory**. The World Bank's Competitiveness and Integrated Growth Opportunity Project (P104881) assisted in preparing a legal and regulatory framework, which resulted in the National Assembly adopting in October 2016 a law on the legal framework for PPPs. Evidence from the IEG review of the Completion and Learning Review of the Benin CPS (FY13–17) shows that two PPP arrangements were signed as of December 2016 (below the 2017 target of six PPP contracts). That is, only 31 percent of the targeted change in the value of this indicator was realized at the time of preparation of the ICR.

Pillar 2.b: Agriculture Diversification and Cotton Reform (Rating: Unsatisfactory)

Overall efficacy rating of pillar 2.b is moderately unsatisfactory based on one high rating (results indicator 19), four modest ratings (results indicators 16, 17, 20, and 21), and one negligible rating (results indicator 18). However, IEG downgrades this rating to **unsatisfactory** because there was no results indicator for the prior action 21 on the cotton sector. There was virtually no progress in cotton sector reforms under the PRSCs, despite the sector's economic importance and the role of agriculture in the series. Internal resistance and vested interests stymied implementation of reforms, as evidenced by the moving of reform on the cotton sector road map from PRSC-9 to PRSC-10 and then to PRSC-11, only to be later dropped by the government. After the new government came to power in 2016, the zonal system (based on a zoning plan for cotton basins, which was expected to divide the country into four agroecological zones) for the cotton sector under the PRSC series was not implemented, and the management of the cotton sector returned to pre-2012 arrangements, with the Interprofessional Cotton Association (a consortium of firms closely aligned with government interests controlling a dominant share of the cotton value chain, from input distribution through to processing and export) managing the sector together with private sector interest.

- **Results Indicator 16.** Number of specialized agencies operational under new PSRSA: baseline (2012): 0; target (2017): 4; actual in 2017: 5 (rating: modest). At the time of preparation of the ICR, the number of specialized agencies operational under the new PSRSA increased from zero in 2012 to 5 in 2017, exceeding the target of 4. However, efficacy is downgraded to **modest** because the relevance of this indicator is **moderately unsatisfactory**.

- **Results Indicator 17.** Number of noncotton agricultural commodities having an interprofessional organization: baseline 2012: 0; target (2017): 4; actual in 2017: 3 (rating: modest). At the time of preparation of the ICR, the number of noncotton agricultural commodities having an interprofessional organization increased from zero in 2012 to 3 in 2017, below the target of 4. Seventy-five percent of the targeted change in the value of this indicator was realized at the time of preparation of the ICR. However, efficacy is downgraded to **modest** because the relevance of this indicator is **moderately unsatisfactory**.
- **Results Indicator 18.** Percentage of noncotton farmers having access to extension services through CARDERS: baseline 2012: to be determined; target (2017): to be determined; actual in 2017: 16.9 (rating: negligible). Baseline and target values for this indicator were not provided in program documents.
- **Results Indicator 19.** Value of noncotton agricultural exports: baseline (2012): CFAF 65 billion; target (2017): CFAF 120 billion; actual in 2017: CFAF 162.97 billion (rating: high). At the time of preparation of the ICR, the value of noncotton agricultural exports increased from CFAF 65 billion in 2012 to CFAF 162.97 billion in 2017, exceeding the target of CFAF 120 billion. Also, relevance of this indicator is **highly satisfactory**.
- **Results Indicator 20.** Volume of agricultural credit extended under the guarantee: baseline (2012): 0; target (2017): CFAF 3 billion; actual in 2017: 0; actual in 2020: 0 (rating: modest). FNDA was created in 2014 to promote access to finance in the agriculture sector, but it was inefficient and not fully operational toward the end of the PRSC series. Although FNDA was operationalized in the follow-on fiscal reform development policy financing (DPF) series, it is too early to assess its impacts. As of December 31, 2020, five financial institutions have granted loans to 25 promoters totaling CFAF 925.8 million under the FNDA guarantee, below the 2017 target of CFAF 3 billion. Thirty-one percent of the targeted change in the value of this indicator was realized at the time of the IEG virtual mission.
- **Results Indicator 21.** Percentage of total credit extended to agriculture: baseline (2012): 4; target (2017): 6; actual in 2017: 2.6; actual in 2018: 3.1 (rating: modest). Relevance is rated **satisfactory**. The percentage of total credit extended to agriculture, forestry, and fishing increased slightly from 2.1 percent in 2012 to 3.1 percent in 2019, below the 2017 target of 6 percent. Forty-five percent of the targeted change in the value of this indicator was realized in 2019.

Pillar 2.c: Port and Customs Reform (Rating: Satisfactory)

- **Indicator 22.** Number of roadblocks per corridor (West Africa Trade Hub data): baseline (2012): 8; target (2017): 3; actual in 2017: 3 (rating: substantial). Relevance of this indicator is **satisfactory**, and the indicator met its target in 2017.
- **Indicator 23.** Port of Cotonou dwell time (days): baseline (2012): 27; target (2017): 5; actual in 2017: 6.2 (rating: substantial). Relevance of this indicator is **satisfactory**, and 95 percent of the targeted change in the value of this indicator was realized in 2017.
- **Indicator 24.** Cost to export (dollars per container): baseline (2012): \$1,079; target (2017): 10 percent reduction in real terms; actual in 2017: \$745 (rating: high). Relevance of this indicator is **highly satisfactory**, and this indicator met its target in 2017.
- **Indicator 25.** Cost to import (dollars per container): baseline (2012): \$1,549; target (2017): 10 percent reduction in real terms; actual in 2017: 1,389 (rating: high). Relevance of this indicator is **highly satisfactory**, and this indicator met its target in 2017.

5. Overall Outcome Rating

Overall outcome rating is **moderately unsatisfactory**, given that the relevance of prior actions is **moderately satisfactory**, and efficacy and achievement of objectives is **moderately unsatisfactory**.

6. Discussion of Risks to Development Outcome

The new government that came to power in 2016 took follow-on steps to continue reforms (except in governance and the cotton sector) implemented under the PRSC series. The PRSC-11 trigger on operationalization of the FNDA to provide an agricultural credit guarantee facility to commercial banks to lend to the agricultural community was implemented in 2017. Because of adverse effects from the coronavirus pandemic, the government has increased the allocation of funding to FNDA from CFAF 10 billion to CFAF 100 billion under window 3 to provide loans to farmers. However, it is too early to assess the impacts from FNDA.

The PRSC-11 trigger on operationalization of a central accredited food security lab has been implemented. The accredited lab analyzes all products exported by Benin. However, it has limited funds to procure equipment to maintain the laboratory standards.

The PRSC-11 trigger to clarify the role and responsibility of the procurement control entity in charge of procurement has been implemented. Previously, ministers had the authority to appoint or terminate the chief procurement control entity in their respective ministries. With implementation of the PRSC-11 trigger, chief procurement control entities in the sectoral ministries are autonomous and appointed directly by the Ministry of Finance.

According to the ICRR of the follow-on DPF series (First Fiscal Reform and Growth Credit and Benin Second Fiscal Reform and Growth DPF), agriculture remained a focus of the second objective, though the longer-term aim of increasing competitiveness in agriculture was dropped, retaining only the objective to increase agricultural productivity. Moreover, the ICRR rated the efficacy of the objective to increase agricultural productivity as unsatisfactory.

The coronavirus pandemic has severely affected Benin. The economy has suffered a substantial downgrade in its economic outlook, with growth slowing from 6.9 percent in 2019 to 2 percent in 2020, against an initial projection of 7 percent before the pandemic. In addition, the border with Nigeria remains closed, considerably slowing trade and reexport activities.¹² According to the International Monetary Fund, the size and speed of the recovery will depend on the evolution of the pandemic, the global outlook (including Nigeria's economic outlook), and the reopening of the border with Nigeria (IMF 2021).

Overall, there are **substantial** risks to the sustainability of reforms under the PRSC series.

7. Bank Performance

The World Bank did not take on board the following lessons from the Seventh Poverty Reduction Support Grant and PRSC-8: Resistance to change and administrative capacity limitations should not be underestimated, and the operation's stated objectives and monitored results indicators must be realistic, focused on measures that are directly attributable to supported actions, and consistent over time. The design of the series was weak, complex, and convoluted. Several prior actions in PRSC-10 on governance and the cotton sector were highly optimistic and could not be implemented, given past lessons and known risks. Therefore, they were moved to PRSC-11 and later dropped. The World Bank did not adequately consider the warnings from the internal review process that the program and ownership were weak. Moreover, the World Bank did not conduct a political economy analysis. Also, it did not mitigate known risks regarding governance reforms and in the cotton sector, which materialized.

World Bank investment projects and International Finance Corporation advisory services supported the government in implementing business environment reforms, particularly in simplifying processes to enable small entrepreneurs to enter the formal sector. Good collaboration among the World Bank and other development partners reduced the duplication of activities among donors. The Bank Group provided funding and technical assistance to implement reforms in two important areas—governance and the cotton sector; however, there was a lack of political commitment to continue reforms. Exogenous factors contributed to delays in effectiveness of PRSC-10 and, in turn, delayed the preparation of PRSC-11, which was ultimately canceled by the new government that took office in 2016.

Overall, Bank Performance is rated as **unsatisfactory**.

8. Discussion of Environmental, Poverty, Gender, and Conflict Effects

All actions supported by the series were policy oriented and were considered unlikely to have significant negative environmental effects by PRSC-9 and 10 program documents. The operations were expected to have a favorable long-term impact on poverty reduction and growth with equity, supporting improvements in the business environment and therefore promotion of investment and economic growth, and greater transparency and anticorruption efforts that would limit rent seeking and the influence of elite groups; however, the operations did not achieve planned progress related to PFM, governance, business environment, and agriculture diversification and the cotton reform. There is a lack of evidence on whether the DPF-supported reforms were pro-poor ex ante and ex post because the series did not conduct distributional impact analysis.

¹² “[T]he effects of informal cross-border trade for Benin are mixed. For example, [informal cross-border trade] generates about 20 percent of Benin’s GDP [gross domestic product]. Moreover, gasoline smuggling employs approximately 40,000 people, about as much as the size of the public sector in Benin, while direct and indirect jobs from used car smuggling are estimated at approximately 15,000 and 100,000 people, respectively. On the other hand, the longer-term effects on economic growth and diversification can be negative: [informal cross-border trade] attracts entrepreneurial talent into illegal or semi-legal informal activities instead of potentially more productive sectors. Furthermore, the implication of government officials at all levels of informal activity makes reform much more difficult” (Golub, Mbaye, and Golubski 2019).

References

- Golub, Stephen, Ahmadou Aly Mbaye, and Christina Golubski. 2019. "The Effects of Nigeria's Closed Borders on Informal Trade with Benin." *Africa in Focus* (blog), Brookings Institution, October 29, 2019. <https://www.brookings.edu/blog/africa-in-focus/2019/10/29/the-effects-of-nigerias-closed-borders-on-informal-trade-with-benin/>.
- IMF (International Monetary Fund). 2021. "Requests for Disbursement under the Rapid Credit Facility and Purchase under the Rapid Financing Instrument." IMF Country Report 21/14, International Monetary Fund, Washington, DC.
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Appendix B. Methods and Evidence

Given travel restrictions due to the coronavirus pandemic, IEG conducted this Project Performance Assessment Report without the benefit of visiting the country. The evaluation is based largely on triangulation of evidence from the following three sources:

- **Desk-based review.** First, IEG conducted a detailed desk-based review of the following background documents and evaluative materials:
 - Program documents for PRSC-9, 2014
 - Program documents for PRSC-10, 2015
 - Aide-mémoire, 2016
 - Back to Office Reports, 2013–15
 - Minutes and comments from Concept Note Review meetings of Poverty Reduction Support Credit (PRSC) 9 and 10 series
 - Minutes and comments from Regional Operational Committee meetings of PRSC-9 and PRSC-10 series
 - Implementation Status and Results Reports, 2014
 - ICR, 2018
 - *Doing Business* 2012, 2016, and 2017
 - CPS, fiscal years (FY)13–17
 - Country Partnership Framework, FY19–23
 - Performance and Learning Review for CPS, FY13–17
 - Country Economic Memorandum—Constraints to Growth and Potential for Diversification and Innovation, 2009
 - Systematic Country Diagnostic, 2017
 - IMF Article IV Consultation, 2017 and 2019
 - IMF 2021 requests for disbursement under the rapid credit facility and purchase under the rapid financing instrument

- ICRR, 2018
- Completion and Learning Review, FY13–18
- Benin country case study in *Grow with the Flow: An Evaluation of World Bank Group Support to Facilitating Trade 2006–17, 2019*
- **Interviews with Bank Group.** Second, IEG conducted interviews with the following task team leaders and teams that contributed to the design and implementation of the PRSC-9 & 10 series:
 - David Cal MacWilliam, senior economist (task team lead)
 - Boulel Toure, senior economist (ICR author)
 - Erick Herman Abiassi, senior agriculture economist
 - Magueye Dia, senior private sector specialist
 - Louis Akakpo, private sector specialist
 - Mathias Gogohounga, senior procurement specialist
 - Atou Seck, country manager at the time of preparation of Project Performance Assessment Report
 - Kochikpa Abdou Raman Olodo, operations officer
 - Alexandre Ben-Aziz Kutu Henry, economist
- **Interviews with stakeholders.** Finally, IEG conducted interviews with the following stakeholders to fill the remaining evidence gaps needed to fully respond to the evaluative questions and the relevant sections in the Project Performance Assessment Report.

Chamber of Commerce and Industry

- Arnauld Akakpo, president
- Casimir Migan, vice president
- Raymond Abile, general secretary
- Bello Camarou, chief of institutional and economic partnership department
- Huguette Martin Adahe, private secretary

National Agricultural Development Fund

- Houssou Valère, managing director

National Statistics and Economic Analysis Institute

- Abraham Biaou, technical adviser of the managing director
- Raimi Essessinou, director of statistics and economy

Public Procurement Regulatory Authority

- Eric Maouignon, president

Directorate General of Customs and Excise

- Charles Sacca, Directorate General of Customs and Excise
- Bruno Kerelodjou, directeur du bureau particulier
- Eloise Dossa, receveur national des douanes
- Issa Idrissou, directeur de la législation et relations internationales
- Salihou Sidikou, directeur renseignement enquête douanières

Public Procurement Control Division

- Aminou A. Maman, managing director

Investment and Export Promotion Agency

- Laurent Gangbès, managing director
- Eric Akoute, directeur des études

Ministry of Finance—Budget Support Operations

- Hermann Takou and Mr Elvis Danhoume, coordinator

Ministry of Agriculture, Livestock and Fishery

- Dossa Aguemon, director of programming and planning

National Anti-Corruption Authority

- Etienne Badou, Coordinator of the Activities of the National Authority for the Fight against Corruption

Ministry of Planning and Development

- Ede Victorin, director of development finance

United Nations

- Aristide Djossou

Chamber of Accounts of the Supreme Court

- Ismath Bio Tchane, president

Appendix C. Policy Areas Supported by the PRSC-9 and 10 Programmatic Series

Table C.1. Policy Areas Supported by the PRSC-9 and 10 Programmatic Series

Development		
Objectives	PRSC-9 Prior Actions	PRSC-10 Prior Actions
	Subobjective 1: Promote good governance and high-quality PFM	
Budget execution		<p>Approving the transparency code by the National Assembly to improve budget transparency and strengthen executive accountability</p> <p>Making the new organic law on financial legislation effective through adoption of implementation decrees.</p>
Public procurement	<p>Publication of procurement manuals</p> <p>The commencement of annual evaluations of the public procurement system (that is, annual performance reports).</p> <p>The finalization of the 2008, 2009 and 2010 procurement audits and the publication of results.</p>	<p>The adoption of a decree authorizing the delegation of contract signature to sector ministers in line with the thresholds assigned to ministerial procurement units</p>
Governance	<p>Appointed and installed the members of the National Anti-Corruption Authority (ANLC).</p> <p>The Minister of Development approves and publishes a timetable for implementation of an Open Data Initiative.</p>	<p>Completed asset declarations for serving ministers have been received by the ANLC, and the ANLC has publicly disclosed the names of all ministers for whom it is not in possession of an asset declaration.</p> <p>Adopted a decree specifying financing regulations for the ANLC.</p> <p>Strengthen and reinforce internal control within the Customs Administration by hiring an additional three inspectors and creating a specialized internal audit unit within the IGS.</p> <p>As part of National Data Archive (NADA), to have made available, on the National Statistics and Economic Analysis Institute (INSAE) website, the micro and meta data from the following surveys and censuses: RGPH3; RGE2; EMICoV; and ETVA.</p>

Development Objectives	PRSC-9 Prior Actions	PRSC-10 Prior Actions
	Subobjective 2: Strengthen private sector competitiveness	
Business environment	<p>Centralization of the recording and registration of credit within a single institution</p> <p>Submission to the Supreme Court of a Public-Private Partnership (PPP) bill.</p> <p>Creation of the Agence Beninoise des Grand Travaux (Agency for National Projects).</p> <p>Finalizing an agreement between the Certified Management and Accounting Centers</p>	<p>Submission of a Competition Act to the National Assembly.</p> <p>Included in the 2015 national budget a simplified turnover-based tax regime for small- and micro-sized enterprises.</p>
Agricultural diversification and cotton reform	<p>Establishment of an institutional framework for implementation of the Strategic Program for Reform of the Agriculture Sector (PSRSA) by having:</p> <p>Reorganized the Ministry of Agriculture through the adoption of a decree describing the powers, organization and operation of the Ministry of Agriculture; and</p> <p>Adopted a decree describing the powers, organization and operation of Regional Centers for Rural Development (CARDERS)</p>	<p>Publication/circulation of the audit report undertaken of the 2012–13 cotton campaign.</p> <p>Approval of decrees nominating the Board members and Director General of the newly created National Agricultural Development Fund (FNDA).</p>
Port and customs reform	<p>The approval of a decree limiting, regulating and consolidating checkpoints on the Cotonou-Ouagadougou and Cotonou-Niamey road corridors</p>	<p>Singing by the Director General of Customs and Excise of the convention on migration to the ASYCUDA World system, a new internet-based customs system that would simplify communications with private sector partners and improve systems performance</p> <p>Promulgation of the new Customs Code.</p>

Source: World Bank 2018.

Note: Refer to appendix D for changes in the results indicators during implementation. ASYCUDA = Automated System for Customs Data; PFM = public financial management.

Reference

World Bank. 2018b. "Benin—BJ PRSC 9 Poverty Reduction Support Credit." Implementation Completion and Results Report Review ICRR21139, Independent Evaluation Group, World Bank, Washington, DC.

Appendix D. Original and Revised Indicators

Table D.1. Original and Revised Indicators

PRSC-9 Prior Action	Results Indicator	PRSC-10 Prior Action	Results Indicator
Subobjective 1: Promoting good governance and high-quality PFM			
Budget Execution			
	Average payment delay (days): Baseline (2012): 15 Target (2017): < 15	Approving the transparency code by the National Assembly to improve budget transparency and strengthen executive accountability.	Dropped: Target met and stable.
	Unallocated percentage of budget: Baseline (2012): not defined Target (2017): < 5	Making the new organic law on financial legislation effective through adoption of implementation decrees.	Unallocated percentage of budget: Baseline (2012): 12.4 Target (2017): < 5
	Exceptional payment orders (percentage of total budget): Baseline (2012): 3.18 Target (2017): < 3		Dropped: Target met and stable.
	Time required to submit national accounts to the Chamber of Accounts (months): Baseline (2012): 9 Target (2017): < 6		No change
Public Procurement			
Publication of procurement manuals.	Average public procurement delay (days): Goods Baseline (2012): 64 Target (2017): < 50	The adoption of a decree authorizing the delegation of contract signature to sector ministers in line with the thresholds assigned to ministerial procurement units.	No change
The commencement of annual evaluations of the public procurement system (that is, annual performance reports).	Average public procurement delay (days): Services Baseline (2012): 71 Target (2017): < 60		No change
The finalization of the 2008, 2009 and 2010 procurement audits and the publication of results.	Average public procurement delay (days): Public works Baseline (2012): 59 Target (2017): < 60		

PRSC-9 Prior Action	Results Indicator	PRSC-10 Prior Action	Results Indicator
Governance			
Appointed and installed the members of the National Anti-Corruption Authority (ANLC).	Percentage of required public officials that complete a declaration of assets: Baseline (2012): 0 Target (2017): 95	Completed asset declarations for serving ministers have been received by the ANLC, and the ANLC has publicly disclosed the names of all ministers for whom it is not in possession of an asset declaration.	Indicator disaggregated into two indicators, Differentiating ministers from members of parliament. Percentage of ministers that complete a declaration of assets: Baseline (2012): NA Target (2017): 95
The Minister of Development approves and publishes a timetable for implementation of an Open Data Initiative.		Adopted a decree specifying financing regulations for the ANLC. Strengthen and reinforce internal control within the Customs Administration by hiring an additional three inspectors and creating a specialized internal audit unit within the IGS.	Percentage of National Assembly Members that complete a declaration of assets: Baseline 2 (2012): NA Target (2017): 95
	Percentage of asset declarations verified: Baseline (2012): 0 Target (2017): to be decided		Dropped: No data available for the indicator. The system of verification of asset declaration was not implemented. No indicators selected to fill this place holder because the related prior action had been moved to PRSC-11.
	Further indicators and targets to be selected and tracked from monitoring system to be implemented.		The following two indicators were added partly because of change of prior action:
	Internal and external audits of customs transactions undertaken: Baseline (2012): No Target (2017): Yes		Number of data bases on NADA site: Baseline (2012): 0 Target (2017): 10
			Number of data bases on Benin's open data site: Baseline (2012): 0 Target (2017): 20

PRSC-9 Prior Action	Results Indicator	PRSC-10 Prior Action	Results Indicator
Subobjective 2: Strengthening private sector competitiveness			
Business Environment			
Centralization of the recording and registration of credit within a single institution	Credit registry coverage (percent): Baseline (2012): 10.9 Target (2017): >20 (of which female percentage, if avail.)	Submission of a Competition Act to the National Assembly.	Indicator changed to remove reference to Gender disaggregation due to lack of data.
Submission to the Supreme Court of a Public-Private Partnership (PPP) bill			Credit registry coverage (percent): Baseline (2012): 10.9 Target (2017): >20
Creation of the Agence Beninoise des Grand Travaux (Agency for National Projects)			No change
Finalizing an agreement between the Certified Management and Accounting Centers	Number of PPP arrangements or contracts entered: Baseline (2012): 0 Target (2017): 6		No change
	Number of formal registered companies: Baseline (2012): 29,386 Target (2017): 35,000		
	Percentage of labor force in salaried employment: Baseline (2012) Target (2017) Total: 7.0 Total: 9.0 Urban (male): 24.3 28.0 Urban (female) 8.7 11.0 Urban (youth) 15.0 20.0 Rural (male) 5.1 7.0 Rural (female) 1.3 2.5 Rural (youth) 2.6 4.0		Indicator changed to remove urban/rural and youth disaggregation, but gender disaggregation retained. Percentage of labor force in salaried employment (Source: INSAE): Baseline (2012) Target (2017) Total: 7.0 Total: 9.0 Female: 3.4 4.5
Agriculture Diversification and Cotton Reform			
Establishment of an institutional framework for implementation of the Strategic Program for Reform of the Agriculture Sector (PSRSA) by having:	Number specialized agencies operational under new PSRSA: Baseline (2012): 0 Target (2017): 4	Publication/circulation of the audit report undertaken of the 2012–13 cotton campaign.	No change

PRSC-9 Prior Action	Results Indicator	PRSC-10 Prior Action	Results Indicator
Reorganized the Ministry of Agriculture through the adoption of a decree describing the powers, organization and operation of the Ministry of Agriculture; and Adopted a decree describing the powers, organization and operation of CARDERs	<p>Number of noncotton agricultural commodities having an interprofessional organization: Baseline 2012: 0 Target (2017): 4</p> <p>Percentage of noncotton farmers having access to extension services through CARDERs: Baseline 2012: to be decided Target (2017): to be decided</p> <p>Agriculture credit result to be introduced</p>	Approval of decrees nominating the Board members and Director General of the newly created National Agricultural Development Fund (FNDA).	<p>No change</p> <p>No change</p> <p>Following three indicators were added to replace place holder indicator: Volume of agricultural credit extended under the guarantee: Baseline (2012): 0 Target (2017): CFAF 3 billion</p> <p>Percentage of total credit extended to agriculture: Baseline (2012): 4 Target (2017): 6</p> <p>Value of noncotton agricultural exports: Baseline (2012): CFAF 65 billion Target (2017): CFAF 120 billion</p>
Port and Customs Reform			
The approval of a decree limiting, regulating and consolidating checkpoints on the Cotonou-Ouagadougou and Cotonou-Niamey road corridors	<p>Port of Cotonou dwell time (days): Baseline (2012): 27 Target (2017): 5</p> <p>Cost to export (\$ per container): Baseline (2012): 1,079 Target (2017): 10 percent reduction in real terms</p>	Singing by the Director General of Customs and Excise of the convention on migration to the ASYCUDA World system, a new internet-based customs system that would simplify communications with private sector partners and improve systems performance.	<p>No change</p> <p>No change</p>

PRSC-9 Prior Action	Results Indicator	PRSC-10 Prior Action	Results Indicator
	Cost to import (\$ per container): Baseline (2012): 1,549 Target (2017): 10 percent reduction in real terms		No change
	Number of roadblocks per corridor (West Africa Trade Hub data): Baseline (2012): 8 Target (2017): 3		No change

Source: World Bank 2018.

Note: ASYCUDA = Automated System for Customs Data.

References

World Bank. 2018a. "Benin—Ninth and Tenth Poverty Reduction Support Credit Project." Implementation Completion and Results Report ICR4406, World Bank, Washington, DC. <https://documents1.worldbank.org/curated/en/949451518803349913/pdf/Benin-PRSC-9-10-ICRR-00004406-12Feb2018-02132018.pdf>.

Appendix E. Databases on Benin's Open Data Site

Table E.1. Databases on Benin's Open Data Site

Sector, Theme, Survey, or Census	Data Sets (no.)
Agriculture	13
AGVSA_Analyse Globale de la Vulnérabilité et de la Sécurité Alimentaire	31
Alphabétisation	3
Assainissement	9
Climatologie	4
Commerce	15
Coopération internationale	4
Culture Artisanat et Tourisme	21
Eau	16
Economie	12
EDS_Enquête Démographique et de Santé	174
EET_Enquête Emploi du Temps	35
Elevage	4
EMICoV_Enquête Modulaire Intégrée sur les Conditions de Vie des ménages	23
Emploi et Travail	57
Energie	10
Enseignement maternel	7
Enseignement Primaire	17
Enseignement Secondaire	18
Enseignement supérieur	16
Entreprise	144
Environnement	5
ERI-ESI_Enquête Régionale Intégrée sur l'Emploi et le Secteur Informel	1
Etat civil	13
ETVA_Enquête sur la Transition vers la Vie Active	39
Finances locales	1
Fonction publique	3
Genre	34
Gestion du temps	31
Gouvernance locale	2
Habitat	4
Industrie	5
Inégalités Sociales	11
Justice	3
Microfinance	7
MICS_Enquête par Grappes à Indicateurs Multiples	131
Mines	3

Sector, Theme, Survey, or Census	Data Sets (no.)
Nutrition	35
Pauvreté	23
Pêche	2
Population et démographie	57
Prix	4
Protection Sociale	33
RGE_Recensement Général des Entreprises	115
RGPH_Recensement Général de la Population et de l'Habitation	5
Santé	143
Sécurité Alimentaire	21
Sécurité publique	5
Sécurité routière	13
Sports et Loisirs	4
Technologie de l'Information et de la Communication	14
Transport et Travaux Publics	19
VIH/SIDA	48

Source: National Statistics and Economic Analysis Institute during Independent Evaluation Group virtual mission.

Appendix F. Borrower Comment

Commentaires de l'ANLC sur le rapport provisoire des neuvième et dixième Crédits d'Appui à la Réduction de la Pauvreté (IDA 53890 & IDA 55970)

1. Dans la lettre de transmission du Rapport

Au nombre des personnes mises en copie, écrire "Etienne Badou, Coordonnateur des Activités de l'Autorité Nationale de Lutte contre la Corruption". Supprimer Agence et remplacer par Autorité.

2. Dans le Rapport, à la Page 5:

- le taux de déclaration des députés est exactement de 89,15 pourcent en décembre 2020 et non 80 pourcent ainsi que mentionné dans le Rapport
- Aux termes des dispositions de l'article 5 de la loi n° 2011-20 du 12 octobre 2020 portant lutte contre la corruption et autres infractions connexes en République du Bénin, l'ANLC a, entre autres pour mission de « recevoir et conserver copies des déclarations de patrimoine des personnalités citées à l'article 3 de la présente loi ».

Dans la pratique, l'ANLC n'a reçu aucune copie des déclarations de patrimoine déposées par les personnes astreintes à l'ex Chambre des Comptes de la Cour Suprême, actuelle Cour des Comptes. Donc, la mention rarement (pour indiquer qu'elle a reçu des déclarations de patrimoine) devra être revue aussi bien à la page 5 qu'aux pages 15, 27 et 38.

Sur demande, l'ANLC reçoit la liste des personnes ayant déclaré tant à l'entrée qu'à la sortie des fonctions leur patrimoine et élabore un rapport trimestriel subséquent.