

1. CAS Data
Country: Benin

CAS Year: FY04

CAS Period: FY04 – FY06

CASCR Review Period: : FY04 – FY06

Date of this review: February 6, 2009

2. Executive Summary

i. The FY04 CAS sought to help reduce poverty by aligning Bank assistance with the objectives of the Government's 2002 PRSP, which were to: (i) consolidate macroeconomic stability and enable high rates of growth; (ii) strengthen human development; and (iii) improve governance and institutional capacities. Augmenting CAS assistance, Benin received deep debt relief from Heavily Indebted Poor Countries (HIPC) and Multilateral Debt Relief Initiative (MDRI). Between FY04-FY06, IDA commitments totaled US\$217 million, with a quarter of these resources transferred through PRSCs. The CAS was implemented in line with plans and was supported by good quality AAA.

ii. The overall outcome of the Country Assistance Strategy (CAS) is rated *moderately satisfactory*. While progress was registered in sustaining macroeconomic stability, improving access and quality of essential social services, and in strengthening public sector financial management, little progress was registered in fostering structural reform to catalyze private-sector led growth, reforming the civil service, devolving authority to local governments, combating corruption, or advancing judicial reform. Despite a challenging and volatile external environment, positive rates of economic growth were recorded, a potential HIV-AIDS crisis was contained, and Benin is on track to meet several of its key MDG commitments.

iii. The Bank's performance is rated *satisfactory*. Consolidated programmatic lending has helped bolster donor harmonization and strengthen the alignment of the Bank's program to the PRSP; investment operations have made a valuable contribution to provision of essential services to the poor; and ESW has helped underpin the reform process. However, the Bank was overly optimistic regarding the extent to which structural and governance reform could be accomplished; insufficient attention was devoted to capacity-building; there was lack of government commitment in many cases, and while risks to the program were clearly identified, mitigation measures focused on policies and reforms to strengthen incentives and diversify the economy over time, rather than on an infusion of quick-disbursing assistance, which was clearly insufficient to cope with multiple shocks.

iv. A more focused and comprehensive emphasis on agriculture development and improving the enabling environment for private sector development is needed to put the economy on a higher economic growth and poverty reduction trajectory. In addition to policy reform, this will require a long-term commitment to boost public investment in economic infrastructure, good-quality social and economic services, and to develop institutions. Institutional capacity should be carefully assessed, a few strategic activities that can be accomplished within the space of the CAS selected, and a strategic approach to reform and capacity development adopted. As Benin's economy is still very narrowly-based, progress should be carefully tracked, and the Bank should be prepared to revise its program in the face of deteriorating external events. Better systems for tracking progress are urgently required and this should start with generating good quality data and information about poverty status in Benin.

CASCR Reviewed by:	Peer Reviewed by:	CASCR Review Coordinator
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3. CASCR Summary

Overview of CAS Relevance:

1. After an economic collapse and a political crisis in 1989, Benin registered steady progress in restoring positive rates of economic growth and building a pluralistic democratic polity. The government's reform program had been successful in establishing fiscal discipline, opening up the economy, and privatizing a number of state enterprises although reform slowed as the 1990s progressed. Social indicators improved gradually throughout the 1990s but widening inequality and high rates of population growth undermined efforts to reduce poverty. The economy's high degree of dependence on cotton production and transit trade to Nigeria, weak government institutions and infrastructure, a large public debt overhang, low levels of competitiveness, significant gender inequality, and the threat of an impending HIV/AIDS pandemic constituted formidable challenges to the government's poverty reduction effort. To address these challenges and to accelerate reform, the Government of Benin adopted its first Poverty Reduction Strategy Paper (PRSP) in 2002. In March 2003, Benin reached its completion point under the HIPC initiative and was granted debt relief totaling US\$265 million in net present value terms.

2. The FY04-FY06 CAS was anchored in the PRSP, and its objectives mirrored those of the PRSP's first three pillars: (i) strengthen the medium-term macroeconomic framework; (ii) strengthen human resource development and environmental management; and (iii) strengthen governance and institutional capacity. To boost aid effectiveness, the CAS aimed to achieve greater selectivity in lending, foster support for community-driven development linked to decentralization, provide consolidated programmatic assistance, and play a leadership role in capacity-enhancing AAA.

3. The CAS was to be centered on an annual Poverty Reduction Support Credit (PRSC), with two annual investment operations and sector programs in a small number of sectors—i.e. urban development, community-driven development and the power sector. This was to be complemented by ongoing operations in private sector development, health, and public expenditure reform, and regional assistance aimed at combating HIV-AIDs, building institutional capacity and developing regional power networks. An ambitious AAA program was designed to fill knowledge gaps to support the reform process, to underpin lending operations, and to respond to government policy analysis requests. A base-case lending program of \$200 million in IDA credits was set at approximately twice the level of the previous CAS to help take advantage of perceived opportunities for wide-ranging structural reform. The strategy was recognized as inherently risky, with low- and high-case lending triggers and scenarios clearly defined.

4. The strategy defined in the CAS was relevant, well-informed by diagnostic studies and the lessons of ongoing operations, and was consistently reflected in the lending and non-lending assistance proposed. However, given a weak institutional setting and a fragile polity, the CAS was unrealistic regarding the breadth, depth and pace of complex institutional and structural reforms that could be accomplished in so short a period of time. The CAS also over-estimated the likely impacts of structural reform on private investment, growth, service delivery and poverty reduction. Ownership of the structural and public sector reform agenda was decidedly mixed---only late in the implementation of the CAS, with the March 2006 election of Dr. Thomas Boni Yayi to the Presidency, was a firm political commitment to foster private sector development, combat corruption and improve governance secured.

5. The CAS included 14 key monitoring indicators with targeted outcomes for 2006, in line with the PRSP. The majority of those indicators were generally clearly defined and specific, but those for the governance pillar bore little relation to the main reforms envisaged. While the government's PRSP monitoring system improved steadily over the course of the CAS, a lack of reliable poverty statistics and outcome indicators has hampered monitoring and progress reporting.

Overview of CAS Implementation:

6. **Lending.** IDA's commitments during FY04–06 totaled US\$217 million for 7 projects, plus one GEF grant for \$6 million for Forest and Adjacent Land Management (FY06) compared with a planned amount of US\$200 for 7 projects (See Annex Table 1). The CAS envisaged that a series of 3 annual PRSCs would provide 42 percent of total commitments, but the actual share was 24 percent due to a delay in the third PRSC until FY07. While the focus and priorities of the CAS remained intact during implementation, there were slippages of a year in the preparation of the FY04 and FY06 Energy Services Delivery Project APLs, the FY04 National Community Driven Development Project, the FY05 2nd Decentralized Cities Management Project and the FY06 PRSC-III. Actual lending was higher than planned because of the addition of a Malaria Control Booster Program (US\$31 million grant), a GEF Forest and Adjacent Land Management Project (US\$6 million), and a US\$15 million credit under the West Africa Power Pool Facility to facilitate cross-border exchanges of electricity in FY06. Actual lending for FY04–FY06 was closer to the high-case (\$220 million) than to the base-case estimate in the CAS, although triggers for a shift to a high-case lending scenario were not met. In particular, there was no substantial progress registered in rural poverty reduction, in accelerated implementation of the privatization and administrative reform programs, nor in adoption of an anti-corruption strategy, and there were projects with unsatisfactory DO and IP ratings. Providing high-case lending despite very limited progress in structural reform could send the wrong signals to government about the Bank's commitment to policy reform.

7. The IDA portfolio as of June 2008 consists of 6 operations and 2 Global Environmental Facility (GEF) grants for a total commitment of \$278 million, of which \$202 million is undisbursed. The ongoing portfolio supports the consolidation of economic reforms, human development, infrastructure improvements, rural development, decentralization and environment. Budget support, averaging about \$30 million per annum, is excluded from this total, since budget support for PRSC 3 and PRSC 4 of \$70 million were fully disbursed by April 2008. The PRSC program spanned a period of three-and-a-half years from mid-2004 through 2007, and involved many sectors and agencies.

8. Increasing recourse to quick-disbursing budget support contributed to a steady rise in disbursements. During FY04–06, Benin's average disbursement ratio was 30.3 percent, substantially better than Africa Region and Bank-wide averages, and far exceeding the CAS target of 20 percent. Disbursements rose steadily from \$18.9 million in FY04 to \$43.8 million in FY05 and reached \$51.3 million in FY06.

9. After starting the CAS period with just one operation at risk, the portfolio rapidly eroded with 3 operations at risk in FY05, equivalent to 44 percent of commitments. The closing of two at-risk projects in 2006 and 2007 improved portfolio performance, although there were still 2 at-risk projects remaining in 2007, equivalent to 22 percent of total commitments. The four projects at-risk during the CAS period--the Cotton Sector Reform, the GEF Forests, the first MAP HIV/AIDs and the Private Sector Development projects---were hampered by over-ambitious design and flagging political support.

10. Between FY04 and FY07, IEG evaluated 8 closed projects, of which half were assessed as satisfactory or moderately satisfactory and the balance as moderately unsatisfactory or unsatisfactory. The share of projects with satisfactory outcome ratings was lower in Benin than in the African region as a whole, although completed projects were found to have a greater institutional impact and were more likely to be sustained than others in the region (See Annex Table 3).

11. IEG evaluations found that government commitment to the assistance program, and its capacity to implement it, proved critical for success. Factors contributing to weak project performance included excessively complex project design in relation to borrower capacity, overly ambitious time-frames, unequal project ownership, insufficient attention to institutional readiness, and insufficient coordination of community-driven development approaches with support provided by other donors.

With the exception of support in the roads sector, investment project sustainability has been threatened by insufficient operating and maintenance expenditures and a shortage of trained personnel. Critical data constraints and the lack of an effective outcome-oriented M&E system, both for individual operations and for the PRSC, have made it difficult to assess IDA's contribution to project outcomes and to poverty reduction.

12. **Non-lending.** Of the original 12 planned studies in the CAS for FY04–06, three relating to decentralization and governance were dropped, the FY05 DPR was converted into a CEM for FY08, and the 3 sector-related studies for 2006 were deferred to FY08 and FY09 and 1 was dropped. In addition, a total of 10 unplanned studies and policy notes were delivered between FY04–FY06 (See Annex Table 2). The analytic work has boosted the quality and intensity of policy dialogue, has assisted the government in the design of its PRSP and its Private Sector Development Strategy (2006), has informed preparation of the PRSCs, and was a valuable source of new knowledge to Benin's development partners. Analytic work has contributed to the design of social sector expenditure management and financing reforms, to the development of financial sector and micro-policies, and to trade promotion and enterprise deregulation reforms. Analytic work has also contributed directly to the formulation of the Government's Private Sector Development Strategy. Particularly noteworthy analytical work included the Poverty Assessment (FY04), Public Expenditure Review (FY04), Financial Sector Review (FY05), the Diagnostic Trade Integration Study (FY05), the CFAA (FY05) and the Investment Climate Assessment (FY06). QAG has undertaken assessments of 7 AAA reports prepared between 2003 and 2006 and accords high ratings to these, although the quality of dialogue and dissemination was assessed as being less-than-satisfactory in some cases. QAG found that one report, the Poverty Impact Assessment, was hampered by a lack of up-to-date and accurate data.

13. **Other Factors Affecting Implementation.** Program performance was adversely affected by a series of external shocks and unforeseen internal developments. In August 2003, Benin's main trading partner, Nigeria, intensified trade restrictions and strengthened border controls, arguing that Benin was not doing enough to combat cross-border crime, which resulted in a substantial decline in trade and trans-shipment activities. Oil import prices rose by 41 percent in 2004, while export prices of ginned cotton fell by 42 percent in 2005. Adverse commodity price movements dragged down growth and adversely affected living standards of the 40 percent of the population directly involved in cotton production. An additional source of economic uncertainty was the 2006 Presidential elections, with the government focused on political transition and unable to conclude economic reforms.

Overview of Achievement by Objective:

14. Detailed achievements in each area are summarized below and compared with CAS objectives and indicators.

Objective 1: Bolstering the Medium-Term Macroeconomic Framework—Moderately Unsatisfactory

15. The achievement of high growth rates was an important objective to reduce high rates of income poverty. The growth objective had a large agenda, including reinforcing the IMF PRGF macro-stability commitments, improving the investment climate, expanding access to banking services, promoting rural development and improving public finance.

16. **Fostering Macro-Stability.** The government maintained macroeconomic stability by remaining within the IMF's PRGF targets for the fiscal deficit, tax revenues and inflation, although real GDP growth was substantially below the CAS and PRSP target of 6.5 percent per annum, due in part to a series of external shocks. Progress in fiscal consolidation brought the fiscal deficit down to 2.5 percent of GDP in 2006 which was greater than envisaged in the CAS, but was achieved due to expenditure reallocations that accorded more emphasis to cotton farmer subsidies and reduced potentially growth-inducing public investments. In addition to working in close collaboration with the IMF, the Bank

contributed to fostering macro-stability through support provided in the series of PRSCs, the PSD project, the Cotton Sector Reform projects, and the Electricity Services project. Studies of the investment climate, sector performance, trade and poverty status helped inform the reform process. In addition, HIPC and MDRI contributed to a substantial reduction in the public debt burden, from 58 percent of GDP in 2000 to 12 percent of GDP in end-2007, and signaled the Bank's commitment to accelerate delivery of pro-poor services.

17. **Accelerated private-sector-led-growth.** The CAS objectives of improving structural policies to boost private investment registered limited progress. Bank-assisted privatization efforts effectively stalled, and the Privatization Unit's capacity remains weak. While decrees were adopted to create regulatory agencies in the power and transport sectors, it was not until 2007 that the first of these (for telecoms) was established. The CAS objectives of opening the port sector to the private sector were not met and privatization of the cotton parastatal, SONAPRA, was repeatedly blocked. Modest progress was registered in several areas: the telecommunications sector was liberalized, progress was made in boosting access to electricity, and a rural transport strategy was designed and has been partially implemented. While progress in improving the business environment exceeded CAS targets, the enterprise environment continues to be adversely affected by corruption, a weak judiciary, and poor regulation, causing Benin to be ranked 108 out of 131 in the World Economic Forum's 2008 Global Competitiveness Index. IDA's investments in improving the private sector enabling environment were substantial—through the series of PRSCs, the PSD project, the Cotton Sector project, the electricity services project and through studies of the investment climate, cotton sector performance, trade and poverty status—but project outcomes and impacts were insufficient to meaningfully improve the investment climate.

18. **Expanded investments in the banking sector.** Expanding investments in the banking sector was defined as a CAS objective, although no performance targets were set for progress in this area. The CAS supported this objective through assistance for micro- and SME finance through the PSD project, and through a Financial Sector Review that was closely linked to the development of the PRSCs, Private Sector Development project, and the FY08 Competitiveness and Growth project. With IDA assistance, a national micro-finance policy was supported in 2006, financial regulatory oversight through the MOF was strengthened, and a micro-finance NGO (ALAFIA) improved its capabilities to deliver services to its members. Despite this, the SME and micro-finance sector continues to be hampered by high rates of assets-at-risk. Worse yet, the government launched a micro-credit program with a low interest rate, undermining efforts to build sustainable micro-credit organizations. Overall progress in expanding investment in the banking sector was limited, with just 7 percent of the population estimated to have a bank account in 2005, and just 20 percent of the population covered by micro-finance programs.

19. **Fostering poverty reduction.** Poverty reduction failed to meet CAS targets although modest progress was registered. Although the government initially reported an increase in income poverty from 28.5 percent in 2002 to 37.4 percent in 2006, this was revised in 2008 to suggest that income poverty actually fell from 39 to 37 percent between 2003 and 2006. The Bank intended to contribute to improving poverty estimates through a series of poverty assessments, but ultimately there was insufficient progress made in producing reliable data on poverty trends. Irregardless of the actual trends, Benin remains one of the world's poorest countries with a per capita income of US\$540 in 2006 and a UNDP Human Development Index ranking of 163 out of 177 countries in 2007.

20. **Promoting rural development.** Little progress was made in fostering rural development, and the incidence of rural income poverty remained well above the CAS target. In terms of fostering rural growth, no progress was made in improving rural land tenure, just a third of the rural road rehabilitation target was met, while rural electrification rates rose from 0.2 percent to 5.6 percent between 2003-2006, in line with the rather modest CAS target. Cotton production, the mainstay of the rural economy, decreased from 350,000 tons in 2003 to 190,000 tons in 2005 when export prices collapsed, before recovering to levels well-below 2003 production in 2007. While the PRSC supported the provision of cotton producer subsidies, these proved insufficient to shield smallholder incomes from global market

price volatility. CAS targets for tracking the Bank's achievement of rural development objectives (i.e. percentage of satisfied farmers, increased revenues from forest and livestock management, increased crop yields, and increased farm revenue) were neither monitored nor reported on. IDA supported rural development through the PRSCs, the Cotton Sector Reform project, the Electricity Services project and the GEF National Parks Conservation and Management project.

21. **Improved Public Finance Management.** The government has made positive strides in improving its budget process although this has not yet resulted in meaningful improvements in capital spending or service delivery. Under the new Budget Law, delegation of spending authority was granted to line ministries, a rolling Medium Term Expenditure Framework (MTEF) has been prepared, program budgets covering seventeen sectors were integrated into the annual budget, and budget execution processes were enhanced. A new procurement law was passed in 2004, contributing to a 40 percent reduction in the time required for public procurement. Improvements in fiscal discipline and management have not contributed to improvement in the quality of public spending, because of a sharp deterioration of budget execution rates in the priority sectors (Health, Education, Water Resources, Agriculture and Justice budget execution rates have deteriorated from 93.4 percent in 2002 to 73.0 percent in 2006) and a failure to meet public investment targets. In 2006, only 57 percent of domestically funded investments were executed, while public capital investment levels reached just 4.6 percent of 2006 GDP. Budget execution has improved to 81 percent in the priority sectors in 2007. IDA support for reform in public finance management built on the progress made in the Public Expenditure Reform Adjustment Credit (PERAC) and support was subsequently provided to sustain the reform process under the PRSCs, and through high quality ESW, most notably the Public Expenditure Review and the CFAA.

22. An overall rating of **moderately unsatisfactory** is accorded to the achievement of outcomes related to the CAS objective of bolstering the macro-economic framework. Fiscal discipline was maintained, which was admirable in the face of severe external shocks, but this was accomplished at the expense of reducing much-needed public investment. In retrospect, the Bank was over-optimistic that the reforms of the private sector environment would lead to better growth despite the economy being essentially cotton-dependent. So the litany of modest successes – a modest increase in private investment, telecom liberalization, improved power sector performance, and improvement in the business environment -- were overwhelmed by some of the privatization failures, the poor external environment for cotton exports and the disincentives from corruption, weak judiciary and poor regulation.

Objective 2: Strengthening human development and environmental management: Satisfactory

23. Strengthening human development and environmental management was designed to assist Benin reduce non-income poverty and implement measures essential to meeting its Millennium Development Goals by 2015. IDA assistance focused on improving access to education, improving access to health services, improving access to safe water, and strengthening environmental management. Averting a potential HIV/AIDS epidemic was also a central part of the strategy.

24. **Improving Access to Education.** The government made sustained efforts to increase access to education at all levels, especially basic education. The primary education enrollment rate rose from 94.4 percent in 2003 to 95.7 percent in 2005, exceeding the CAS target of 93.6 percent, while the gross enrollment rate for girls rose from 80 to 87 percent. As a result, Benin is on track to meet its MDG-related basic education target. Education quality and internal efficiency has improved; education policies were reformed to improve access and quality, and targeted investments were used to improve access in poor areas and to schooling for girls. Despite considerable progress, access to basic education continues to be hampered by geographic and gender disparities, low service quality, and deteriorating standards of higher education and vocational training. Through the PRSC process, IDA supported school development, girls education, teacher recruitment and direct school financing. It also supported the preparation of the 2003 Sector Action Plan which helped Benin qualify for the Education for All Fast Track Initiative. The CDD project helped poor communities construct and rehabilitate schools, while the Public Expenditure Review, PRSP progress reviews and annual sector reviews helped identify opportunities for reform.

25. **Improving Access to Health Services.** The government has taken steps to promote health services to the poor and improve service delivery quality. CAS targets for health service utilization, child immunization and child mortality were exceeded, and the country is on track to reach its child mortality MDG target. With IDA support, the HIV/AIDS prevalence rate has decreased from 4.1 percent in 2001 to 1.8 percent in 2006 (1.0 percentage point below the CAS target) due to successful implementation of the 2000-2005 national strategic plan. Not all efforts to improve service quality met with equal success—modest steps taken to promote public-private partnerships, improve human resource policy and boost access to health services in remote areas have stalled, and access to quality health care remains hampered by inefficiencies in resource use, low service quality and regional and socio-economic disparities in access to quality care. Through the PRSCs, IDA supported improvement in resource allocation, finance, access and use of the health services. The Multi-sectoral HIV/AIDS Project established national prevention, treatment and awareness programs which have been scaled-up with other partner support, and the Malaria Control Project made important contributions to addressing the nation's leading cause of mortality.

26. **Improving Access to Safe Water.** Progress in increasing access to safe water for the rural population and raising the functionality rate of water supply systems exceeded CAS targets while development of private/public partnerships for managing water systems in small towns has made good progress. As a result, Benin is on-track to meet its MDG target for potable rural water supply. As part of the PRSC process, IDA support was provided for decentralization and community participation in water management.

27. **Strengthening Environmental Management.** No performance indicators were identified in environmental management in the CAS but the GEF-financed National Parks Conservation and Management program provided support for sustainable management of Benin's national parks, while the PRSC and the GEF Forests and Adjacent Lands Management project supported reforms in forestry management. Progress was registered in introducing a system of community co-management of the national parks, establishing some 100 village associations for the management of wildlife reserves, and developing new sources of income for park rangers, although the incomes generated will be insufficient to operate the Parks without continuing donor support. Under the PRSC umbrella, some progress was made in rationalizing taxation of forest products, preparing for the privatization of the timber parastatal and building awareness of the benefits of participatory management of forest resources

28. An overall rating of **satisfactory** is accorded to the achievement of outcomes related to the CAS objective of strengthening human development and environmental management. Despite institutional weaknesses, daunting budget constraints and rising income poverty, substantial improvement has been registered in access and quality of drinking water, basic education, and health services. Benin is on track to achieve the MDGs related to access to basic education, child mortality, HIV-AIDS, and access to clean drinking water. IDA support has made an important contribution to averting an HIV-AIDS epidemic, a particularly difficult challenge in a country with a mobile population and an important transit trade. Some progress has also been made in improving the management of national forests and wildlife reserves, although absent continued donor financing, the sustainability of progress made in these areas is doubtful.

Objective 3: Improved Governance and Institutional Reform—Moderately Unsatisfactory

29. Improving governance and fostering institutional reform was designed to complement the government's ongoing civil service reform and decentralization effort, with assistance to combat corruption, boost distance learning opportunities, and strengthen government accounting and oversight functions. Rule of law was to be strengthened by supporting implementation of the government's ten-year integrated legal and judicial reform program.

30. **Improve governance and reinforce institutional capacities.** In terms of actual implementation, civil service reform has stalled for several years due to strong opposition from trade unions.

With regards to decentralization, a regulatory framework has been established with 10 decrees adopted by the Cabinet, but implementation has been slow due to postponements of local elections, lack of operational modalities for staff transfers and an unclear framework for devolution of fiscal responsibilities. After defining an anti-corruption plan, little progress was made in combating corruption between 2004 and 2006. Modest progress towards improved governance has been made under IDA assisted projects. Decentralized development programs in three municipalities have substantially improved access to local infrastructure and services, although maintenance of community infrastructure—health centers, schools, markets and water points—has proved problematic. IDA's main contribution to governance and institutional reform was provided through the PRSC process, the Second Decentralized City Management project, the Community Driven Development project, the Distance Learning Project, and the PSD project. Contributions to policy dialogue on governance were made through the Financial Sector Review, and the Civil Service Reform stocktaking policy note.

31. **Strengthen the legal and judicial systems.** With IDA assistance, Benin prepared a comprehensive ten-year reform plan in 2001 to modernize the judicial system, but little progress has been realized in implementing judicial reforms, other than establishing a system in which an additional 40 judges and judicial staff would be recruited each year, and mobilizing other sources of financing support. Weak internal capacity, lack of leadership and coordination and chronic insufficiency of funds have hampered implementation of judicial reforms. While substantial improvement in rule-of-law was flagged in the 2006 Investment Climate Assessment, difficulties in identifying progress indicators for Ministry of Justice Performance weakened efforts to link judicial reform to the PRSC process.

32. The progress indicators for improved governance and reinforcing institutional capacities in the 2004 CAS bear little relation to the main CAS objectives in this area. Macro-governance indicators suggest that there has been little progress registered in governance performance—between 2003 and 2007, the CPIA rating slightly improved from 3.5 to 3.6 (compared with an average of 3.2 for the Africa region), while WBI governance indicators recorded modest improvement for regulatory quality and corruption control, and substantial deterioration in the indicators for respect for rule of law and government effectiveness.

33. An overall rating of **moderately unsatisfactory** is accorded to the achievement of outcomes related to the CAS objective of improved governance and institutional reform. Through IDA assisted projects, progress was registered in building capacities for decentralized service delivery. Despite an abundance of plans and policies, very little tangible progress was registered in combating corruption, civil service reform, decentralization and judicial reform.

Achievement of CAS Objectives			
Objectives	CASCR Rating	IEG Rating	Explanation / Comments
Objective I: Bolstering the Macro-economic Framework	<i>Satisfactory</i>	<i>Moderately Unsatisfactory</i>	Macro-economic stability has been maintained but at the expense of much needed public investment. Progress in structural reform, rural development and banking access has substantially lagged CAS targets, while income poverty levels are reported to have increased.
Objective II: Strengthening Human Development and Environmental Management	<i>Moderately Satisfactory</i>	<i>Satisfactory</i>	Substantial improvements in access and quality of drinking water, basic education, and health services have been registered, and an HIV-AIDS epidemic has been averted.

Objective III: Improved Governance and Institutional Reform	<i>Moderately Unsatisfactory</i>	<i>Moderately Unsatisfactory</i>	Very little progress registered in civil service reform, decentralization and judicial reform.
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Comments on Bank Performance:

34. IDA's assistance strategy for Benin was relevant because it addressed key constraints to poverty reduction, and because the shift to consolidated programmatic assistance strengthened the alignment of the Bank's program to the government's priorities and strategies. Complementing annual PRSCs with a small number of investment projects and adjustable program loans to meet PRSP targets in urban development, HIV/AIDs, malaria control, and community-driven development was fully consistent with the IDA strategy. A substantial increase in the AAA effort was appropriate to underpin the shift to programmatic assistance, to inform the broader donor community and to strengthen the Bank's engagement in policy dialogue. As noted above, the Bank's strategy was too optimistic regarding Benin's implementation capacity, the extent of political support for structural reform, and the likely short-term payoffs to long-gestating institutional reforms. Moreover, while risks to program performance were clearly identified, mitigation measures focused on policies and reforms to strengthen incentives and diversify the economy over time, rather than on a possible infusion of quick-disbursing assistance, which was clearly needed to cope with multiple shocks.

35. The CAS formally covered the FY04-FY06 period although it was the de-facto strategy for the period through mid-FY08. Neither a progress report or an interim-CAS was prepared to cover FY07-FY08. This is regrettable because the external shocks (cotton prices, oil prices) which Benin was experiencing warranted a review of CAS objectives.

36. Lending operations built on lessons learned from pilot-operations, and greater use has been made of country systems. The Borgou Pilot Rural Support Project, which closed in 2002, demonstrated that community participation could be effectively mobilized and contribute to successful rural development outcomes. This served as the basis for the national Community Driven Development project. Similarly, the Public Expenditure Reform Adjustment Credit introduced fiscal management reforms whose further dissemination was supported through a series of three PRSCs.

37. Although limited progress was made in improving poverty statistics and monitoring systems, Bank-supported ESW has been tailored to country needs and requirements, was responsive to government demands, and capitalized on windows-of-reform opportunity. Thanks in part to the establishment of a bank presence in country and to increased reliance on programmatic operations, the relatively large number of problem projects were addressed expeditiously.

38. Capacity constraints hampered implementation in several sectors. An IEG review of capacity building over the 1995-2004 period rated Bank support as moderately unsatisfactory due to shortcomings in the diagnosis of needs and constraints and the limited impact of training and technical assistance. While the shift to consolidated programmatic lending in the FY04 CAS anticipated a more concentrated focus on capacity-development, a coherent strategy for building capacity was not articulated, and insufficient attention was accorded to institutional incentives and the reality of frequent staff turnover.

39. The PRSP process appropriately consolidated IDAs support for poverty reform assistance. It has fostered collaboration between the Bank and other development partners, enhanced Benin's ability to mobilize new sources of grant assistance and contributed to growing support for sector-wide approaches (rural water supply) and budget support. PRSC operations and sector-specific performance reviews were undertaken with several partners, and co-financing was mobilized for most

projects launched during the FY04 CAS. IDA also collaborated closely with the IMF on the contents of their respective programs with the PRSC covering structural and social benchmarks while the PRGF covered macroeconomic issues.

40. There have apparently been no safeguard or fiduciary issues.

4. Overall IEG Assessment

Outcome:	<i>Moderately Satisfactory</i>
Bank Performance:	<i>Satisfactory</i>

41. IEG rates the overall outcome of the CAS as moderately satisfactory. The overall outcome rating provided equal weighting to performance in all three CAS objectives. While some progress was registered in sustaining macro-stability, improving access and quality of essential social services, and in strengthening public sector financial management, performance in fostering structural reform to catalyze private-sector led growth lagged expectations, and little progress was registered in reforming the civil service, decentralization or judicial reform. Bearing in mind a difficult external environment, positive rates of economic growth were recorded, fiscal stability was maintained, an HIV-AIDs crisis averted, and progress was made in reducing non-income poverty.

42. IEG rates Bank performance as satisfactory. The move towards consolidated programmatic lending has helped to bolster donor harmonization and strengthen the alignment of the Bank's program to the government's priorities and strategies; investment operations in HIV-AIDs, CDD, electricity services and cities development have made a valuable contribution to boosting provision of essential services to the poor; and a substantial increase in the Bank's ESW helped underpin the reform process and strengthen the Bank's engagement in policy dialogue. However, the Bank was overly-optimistic regarding the extent to which structural and governance reform could be accomplished; insufficient attention was devoted to capacity-building; and risk mitigation measures proved insufficient to address the 2005 commodity price shocks. In addition, the Bank unfortunately did not revise its program in the face of deteriorating external events.

5. Assessment of CAS Completion Report

43. This CASCR is exemplary in many ways. It is clearly written, provides a candid assessment of CAS objectives, and is complete in its coverage of the lending and non-lending assistance program. Although the CAS was not results-based, the CASCR makes an excellent effort to reconstruct the results-logic of the program.

44. The CASCR provides very useful lessons in several areas, and while IEG is in agreement with these lessons, the CASCR would have benefited from a more candid assessment of the feasibility of a program anchored in wide-ranging structural and institutional reforms, given capacity constraints, a challenging political economy, and the economy's vulnerability to external shocks.

45. Other than noting that IFC support was limited, the CASCR did not discuss IDA's contribution to expanding investment in the banking sector, although this was a CAS objective. Progress indicators for rural development, decentralization and adult literacy were not reported. The CASCR noted that poverty data are inconsistent and subject to frequent revision, but paid insufficient attention to measures required to improve availability of accurate poverty measures.

46. The CASCR covered progress made during the FY04-FY06 CAS period, although the CAS continued to guide operations in FY07 and the first half of FY08. The latter years are covered in the discussion of the portfolio, but are not covered sufficiently in the discussion of the strategy and program outcomes.

6. Findings and Lessons

47. A combination of economic and political shocks, a divided polity, and a weak set of institutions frustrated achievement of an overly-ambitious structural reform and poverty reduction agenda. In the future, more emphasis should be placed on boosting per capita incomes if poverty is to be reduced. A more comprehensive emphasis on agriculture development and on improving the enabling environment for private sector development is needed to put the economy on a higher growth and poverty reduction trajectory. In addition to steady progress in policy reform, this will require a long-term commitment to boost public investment in economic infrastructure, good-quality social and economic services, and build institutional capacity.

48. Little is known about how the poor have actually fared over the past five years. Better systems for tracking progress are urgently required and this should start with generating good quality data and information.

49. A key lesson, both in Benin and elsewhere, is that major public sector reforms often take decades to succeed. At the design stage, institutional capacity should be carefully assessed, a few strategic activities that can be accomplished within the space of the CAS selected, and a strategic approach to reform and capacity development adopted. Given an open-economy and an extremely narrow economic base, external shocks are to be expected. Progress should be carefully tracked and the Bank should be prepared to revise its program in the face of deteriorating external events.

Annex Table 1: Actual vs. Planned Lending

Annex Table 2: Analytical and Advisory Work: actual vs planned

Annex Table 3: IEG Project Ratings

Annex Table 4: Portfolio Status Indicators by Year

Annex Table 5: IBRD / IDA Net Disbursements and Charges

Annex Table 6: Net Aid Flows (net or gross, ODA or ODA+OOD, as relevant)

Annex Table 7: Economic and Social Indicators

Annex Table 8: Millennium Development Goals

Annex Table 9: Summary of Achievement of CAS Objectives

Annex Table 1: Actual vs. Planned Lending

	Project ID	Proposed FY	Approved FY	Proposed Amount	Approved Amount
Programmed Projects					
PRSCI	P072003	2004	2004	20.0	20.0
Electricity Services Delivery Project (1)	P079633	2004	2005	30.0	45.0
National CDD Project	P081484	2004	2005	35.0	50.0
PRSCII	P074313	2005	2005	30.0	30.0
Second Decentralized Cities Mgt	P082725	2005	2006	30.0	35.0
PRSC III (2)	P083313	2006	Pipeline	35.0	Deferred to 2007
Electricity Services II		2006	Pipeline	20.0	Pipeline for 2009
Non-Programmed Projects					
BJ-Malaria Cntrl Booster Prgm SIL (FY06)	P096482		2006		31.0
Forest and Adjacent Land Mgt Project (FY06)			2006		6.0
Total FY04-06				200.0	217.0

Source: Benin CAS 2003 and WB Business Warehouse as of July 31, 2008

- (1) Additional financing of \$7 million was approved in FY08, thus the total project is \$52 million including the additional financing
- (2) PRSC-III was approved in FY07 for an amount of \$30 million

Annex Table 2: Analytical and Advisory Work: actual vs planned

Planned FY	Products	Project ID	Delivered to Client FY	Delivery Status
Planned				
FY04	Poverty Note ¹	P078625	Actual	Delivered FY04
	BJ-Financial Sector Review (FY05)	P080363	Actual	Delivered FY05
	Public Expenditure Review ²	P085235	Actual	Delivered FY04
FY05	Assessment of fiscal decentralization		Dropped	
	BJ- Country Financial Accountability Assessment (FY05) ³	P091907	Actual	Delivered FY05
	BJ-Civil Srvc/Admn Stocktaking (FY06)	P097116	Actual	Delivered FY06
	Sources of Growth ⁴	P107500	Actual	Delivered FY08
Additional				
	Investment Climate Assessment	P069081	Actual	FY05
	Diagnosis Trade Integration Study	P084588	Actual	FY05
	Discrimination of Orphans (FY05)	P090775	Actual	FY05
FY06	Benin Health Country Status Report ⁵	P109145	Postponed to FY09	
	Institutional and governance review		Dropped	
	Integration of gender in public policies		Postponed to FY09	
	Benin - Telecom and ICT ⁶	P107127	Postponed to FY08	

Source: Benin CAS 2003 and WB Business Warehouse as of July 31, 2008

Note: Previous product names; ¹Poverty assessment follow-up; ²PER / Incid. analysis of publ.spending; ³CPAR/CFAA update;

⁴DPR / Growth, competitiveness, and agricultural diversification; ⁵Health cost & financing ⁶ Infrastructure sectoral policy notes

Annex Table 3: IEG Project Ratings for Benin, FY04-07

Proj ID	Project Name	Approval FY	Exit FY	IEG Outcome	IEG Sustainability	IEG ID Impact
P035645	Social Fund	1998	2004	MODERATELY SATISFACTORY	LIKELY	SUBSTANTIAL
P067329	BJ Distance Learning Project - LIL	2000	2004	MODERATELY SATISFACTORY	UNLIKELY	NOT RATED
P035648	1ST DECEN.CITY MGMT.	1999	2005	SATISFACTORY	LIKELY	HIGH
P070204	BJ-Labor Force Dev SIL (FY00)	2000	2005	MODERATELY SATISFACTORY	LIKELY	MODEST
P072003	BJ-PRSC 1	2004	2005	NOT RATED	NON-EVALUABLE	NOT RATED
P037580	BJ-GEF Nat Parks Cnsv & Mgmt SIL (FY00)	2000	2006	MODERATELY UNSATISFACTORY	UNLIKELY	SUBSTANTIAL
P073118	BJ-HIV/AIDS Multi-Sec APL (FY02)	2002	2007	MODERATELY UNSATISFACTORY	#	#
P039882	BJ-Private Sector (FY00)	2000	2008	UNSATISFACTORY	#	#

Source: WB Business Warehouse Table 4a.6 as of October 24, 2008

Note: With IEG new methodology for evaluating projects, institutional development impact and sustainability are no long rates separately.

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	Inst Dev Impact % Subst (\$)	Inst Dev Impact % Subst No)	Sustainability % Likely (\$)	Sustainability % Likely (No)
AFR	11,171.1	247	69.9	66.4	56	48.5	72.9	67.8
Benin	92.5	7	65.5	66.7	90	75.0	96.4	60.0
Overall Result	69,178.2	1,0890	86.3	79.2	65	55.7	88.6	81.2

Source: WB Business Warehouse Table 4a.5 as of October 24, 2008

Annex Table 4: Portfolio Status Indicators, FY03-08

Fiscal year	2003	2004	2005	2006	2007	2008
Benin						
# Proj	7.0	6.0	6.0	7.0	8.0	6.0
# Proj At Risk	-	1.0	3.0	-	2.0	1.0
% At Risk	-	16.7	50.0	-	25.0	16.7
Net Comm Amt	120.4	121.9	196.4	232.4	284.4	268.0
Comm At Risk	-	18.0	86.0	-	63.0	1.0
% Commit at Risk	-	14.8	43.8	-	22.2	11.6
Niger						
# Proj	7.0	9.0	9.0	9.0	9.0	10.0
Net Comm Amt	215.7	285.5	260.5	295.1	296.5	311.0
# Prob Proj	1.0	-	2.0	2.0	3.0	-
% At Risk	14.3	-	44.4	33.3	33.3	30.0
Comm At Risk	10.4	-	117.3	82.3	93.7	74.5
% Commit at Risk	4.8	-	45.0	27.9	31.6	24.0
Burkina Faso						
# Proj	12.0	13.0	11.0	14.0	13.0	13.0
Net Comm Amt	469.3	513.3	457.0	598.6	528.9	530.4
# Proj At Risk	2.0	1.0	2.0	2.0	1.0	-
% At Risk	16.7	7.7	18.2	14.3	7.7	-
Comm At Risk	43.6	41.3	42.6	94.4	30.7	-
% Commit at Risk	9.3	8.0	9.3	15.8	5.8	-
Cameroon						
# Proj	9.0	7.0	7.0	9.0	8.0	10.0
Net Comm Amt	504.3	227.8	192.6	249.1	247.6	345.9
# Proj At Risk	3.0	3.0	2.0	1.0	1.0	1.0
% At Risk	33.3	42.9	28.6	11.1	12.5	10.0
Comm At Risk	247.4	76.7	77.7	56.4	18.2	18.2
% Commit at Risk	49.1	33.7	40.4	22.6	7.4	5.3
Guinea						
# Proj	8.0	6.0	7.0	7.0	7.0	8.0
Net Comm Amt	215.6	185.3	222.6	186.8	186.8	189.8
# Prob Proj	2.0	3.0	3.0	2.0	3.0	1.0
% At Risk	37.5	66.7	57.1	42.9	85.7	37.5
Comm At Risk	74.0	147.0	155.3	125.3	166.5	62.5
% Commit at Risk	34.3	79.3	69.8	67.1	89.1	32.9
Africa						
# Proj	343.0	334.0	334.0	351.0	364.0	388.0
# Proj At Risk	65.0	76.0	97.0	77.0	77.0	87.0
% At Risk	19.0	22.8	29.0	21.9	21.2	22.4
Net Comm Amt	15,793.2	16,387.7	16,364.8	18,310.4	20,737.7	22,896.6
Comm At Risk	2,937.3	3,174.5	4,300.9	3,241.0	3,881.6	5,827.3
% Commit at Risk	18.6	19.4	26.3	17.7	18.7	25.5

Source: WB Business Warehouse Table 3.a.4 as of August 10, 2008

Annex Table 5: IBRD / IDA Net Disbursements and Charges (FY04-07)

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Amt.
2004	18.9	11.7	7.2	5.3	0.2	1.7
2005	43.8	14.1	29.7	5.7	0.2	23.7
2006	51.3	15.2	36.1	5.7	0.5	29.8
2007	59.9	0.0	59.9	0.9	0.3	58.7
TOTAL	173.9	41.0	132.8	17.6	1.2	114.0

Source: World Bank Client Connection, Net Disbursements and Charges Report (in USD) as of 21-August-2008

Annex Table 6: Total Net Disbursements of Official Development Assistance & Official Aid

Donor	2000	2001	2002	2003	2004	2005	2006	Total
Austria	0.03	0.19	0.01	0.03	0.05	0.04	0.02	0.37
Belgium	4.63	4.38	9.8	10.56	13.41	13.12	14.23	70.13
Canada	3.32	1.75	2.4	5.59	6.36	10.84	5.96	36.22
Czech Republic			0.05	0.03	0.03	0.01	0.01	0.13
Denmark	19.52	22.93	23.61	21.39	32.2	35.87	32.85	188.37
Finland	0.09	0.14	0.14	0.3	0.04		0.1	0.81
France	74.25	42.52	40.49	36.76	62.86	42.86	73.75	373.49
Germany	21.72	21.87	24.01	31.26	24.45	27.6	26.47	177.38
Greece		0.06	0.03	0.03	0.04	0.18	0.02	0.36
Ireland	0.06	0.06			0.01	0.03	0.11	0.27
Italy	19.07	0.21	2.54	0.02	9.58	0.02	0.11	31.55
Japan	6.16	8.26	4.53	6.27	11.15	17.86	10.06	64.29
Korea	0.01	0.03	0.06	0.07	0.08	0.08	0.21	0.54
Luxembourg	0.78		0.73	1.47	1.42	1.58	5.25	11.23
Netherlands	4.38	8.01	2.4	19.77	10.4	22.7	24.49	92.15
New Zealand		0.06						0.06
Norway		0.1	0.13	0.21	0.22	0.06		0.72
Poland			0	0				0
Portugal			0.02	0.01	0.01			0.04
Spain	0.48	0.59	0.32	1.67	0.31	0.45	2.19	6.01
Sweden	0.18	0.09	0.09	0.22	0.09	1.42	0.23	2.32
Switzerland	6	5.73	5.36	6.98	9.44	8.7	9.99	52.2
Turkey							0.02	0.02
United Kingdom	0.14	0.07	0.06	21.13			2.28	23.68
United States	29.72	27.43	23.38	32.47	27.94	24.41	20.27	185.62
Multilateral Donors								
AfDF (African Dev.Fund)	9.97	22.14	2.85	7.28	31.4	29.99	48.94	152.57
Arab Agencies	-2.91	8.38	13.71	0.36	2.07	1.62	7.3	30.53
Arab Countries	-1.19	1.31	2.24	-1.07	-0.16	-0.62	-0.63	-0.12
EC	2.81	43.41	27.85	51	88.68	37.83	35.12	286.7
GEF	0.04	0.64	1.68	1.74	2.15	0.23	0.11	6.59
Global Fund (GFATM)				2.51	7.42	10.43	7.22	27.58
IDA	30.27	46.28	20.38	23.88	36.7	42.92	24.28	224.71
IFAD	1.7	2.06	2.49	4.83	6.37	6.34	2.82	26.61
Nordic Dev. Fund	0.53	0.78	0.99	1.17	0.58	0.98	5.66	10.69
Other Bilateral Donors	0.07	0.09	0.05	0.02	0.03	0.07	0.02	0.35
SAF+ESAF+PRGF(IMF)	-3.61	-5.3	-9.38	-6.53	-10.62	-7.53	1.29	-41.68
UNDP	2.97	0.86	2.84	5.02	2.25	3.24	2.44	19.62
UNFPA	0.72	1.87	3.58	1.69	2.25	2.65	1.74	14.5
UNHCR	0.77	0.61	1.14	0.75	0.9	1.53	1.59	7.29
UNICEF	1.98	1.84	1.57	1.76	2.09	3.11	4.26	16.61
UNTA	1.87	1.04	2.39	1.8	1.96	2.92	1.43	13.41
WFP	1.9	1.76	1.37	2.5	2.31	2.66	2.52	15.02
All Donors, Total	238.43	272.25	215.91	294.95	386.47	346.2	374.73	2128.94
DAC Countries, Total	190.53	144.45	140.05	196.14	209.98	207.74	228.38	1317.27
DAC EU Members, Total	145.33	101.12	104.25	144.62	154.87	145.87	182.1	978.16
G7, Total	154.38	102.11	97.41	133.5	142.34	123.59	138.9	892.23
Multilateral, Total	49.01	126.37	73.46	99.76	176.51	138.92	146.72	810.75
Non-DAC Countries, Total	-1.11	1.43	2.4	-0.95	-0.02	-0.46	-0.37	0.92

Source: OECD DAC Table 2a as of August 19, 2008

Annex Table 7: Economic and Social Indicators

Series Name	Benin					Ave	Guinea	Niger	Burkina Faso	Cameroon
	2003	2004	2005	2006	Ave					
Growth and Inflation										
GDP growth (annual %)	3.9	3.1	2.9	4.1	3.5	2.5	4.0	6.5	3.4	
GDP per capita growth (annual %)	0.6	(0.2)	(0.3)	0.9	0.2	0.6	0.4	3.2	1.1	
GNI, PPP (current international \$)	9,053.4	9,614.8	10,230.0	10,911.3	9,952.3	1,067.5	595.0	14,188.8	33,803.1	
GNI per capita, Atlas method (current US\$)	370.0	450.0	510.0	530.0	465.0	412.5	232.5	365.0	847.5	
Inflation, consumer prices (annual %)	1.5	0.9	5.4	3.8	2.9		1.6	2.6	2.0	
Composition of GDP										
Agriculture, value added (% of GDP)	32.1	32.1	32.2	..	32.1	17.9	39.9	31.7	20.6	
Industry, value added (% of GDP)	13.7	13.3	13.4	..	13.5	33.5	16.8	20.9	31.5	
Services, etc., value added (% of GDP)	54.2	54.6	54.4	..	54.4	48.6	43.4	40.6	48.0	
Other Macroeconomic Indicators										
Gross fixed capital formation (% of GDP)	18.1	17.5	18.9	..	18.2	9.1	6.8	18.7	18.0	
Gross domestic savings (% of GDP)	6.0	5.5	6.9	..	6.1	12.0	16.2	3.4	17.4	
Official exchange rate (LCU per US\$, period average)	581.2	528.3	527.5	522.9	540.0	2,618.1	540.0	540.0	540.0	
External Accounts										
Exports of goods and services (% of GDP)	13.7	13.3	13.5	..	13.5	25.8	15.9	10.0	22.2	
Imports of goods and services (% of GDP)	26.5	26.1	26.1	..	26.2	28.7	25.4	24.0	23.0	
Current account balance (% of GDP)	(9.3)	(7.1)	(5.3)	..	(7.2)	(4.6)	(8.3)		(4.1)	
Total debt service (% of GNI)	1.7	1.6	1.6	1.8	1.7	4.5	2.2	0.9	3.8	
External debt, total (% of GNI)	52.0	47.8	43.5	17.5	40.2	96.5	55.4	33.9	52.3	
Government Finance										
Tax revenue (% of GDP)	15.7	16.3	15.5	15.8	15.8			11.4	..	
Revenue, excluding grants (% of GDP)	16.6	17.2	16.4	16.7	16.7			12.3	..	
Central government debt, total (% of GDP)	..	..	..	..	..			..	..
Social Indicators										
Health										
Immunization, DPT (% of children ages 12-23 months)	88.0	83.0	93.0	93.0	89.3	59.8	37.8	90.8	76.8	
Improved sanitation facilities (% of population with access)	..	33.0	..	..	33.0	18.0	13.0	13.0	51.0
Improved water source (% of population with access)	..	67.0	..	..	67.0	50.0	46.0	61.0	66.0
Life expectancy at birth, total (years)	..	..	55.7	56.2	56.0	55.3	56.2	51.7	50.2
Mortality rate, infant (per 1,000 live births)	..	..	89.0	87.8	88.4	99.0	149.1	121.1	86.9
Population										
Population growth (annual %)	3.3	3.2	3.2	3.1	3.2	1.9	3.5	3.1	2.2	
Population, total (Million)	8.0	8.2	8.5	8.8	8.4	8.9	13.0	13.7	17.6	
Urban population (% of total)	39.4	39.8	40.1	40.5	39.9	32.8	16.8	18.1	54.1	
Education										
School enrollment, preprimary (% gross)	4.4	4.4	5.4	..	4.7	6.7	1.5	1.9	18.0	
School enrollment, primary (% gross)	94.4	98.4	95.7	..	96.2	84.2	47.8	53.8	106.9	
School enrollment, secondary (% gross)	24.6	26.4	32.5	..	27.8	28.9	9.3	13.2	39.7	
School enrollment, tertiary (% gross)	..	..	..	..	..	2.5	1.0	1.9	5.6

Source: WB DDP as of August 14, 2008

Annex Table 8: Millennium Development Goals

	1990	1995	2000	2006
Goal 1: Eradicate extreme poverty and hunger				
Employment to population ratio, 15+, total (%)	67	66	65	64
Employment to population ratio, ages 15-24, total (%)	55	54	51	49
Income share held by lowest 20%	..	..	..	..
Malnutrition prevalence, weight for age (% of children under 5)	..	..	21.5	..
Poverty gap at \$1 a day (PPP) (%)	..	..	..	..
Poverty headcount ratio at \$1 a day (PPP) (% of population)	..	..	..	..
Poverty headcount ratio at national poverty line (% of population)	..	26.5	29.0	..
Prevalence of undernourishment (% of population)	20	17	..	12
Vulnerable employment, total (% of total employment)	..	..	..	..
Goal 2: Achieve universal primary education				
Literacy rate, youth female (% of females ages 15-24)	27	..	33	..
Literacy rate, youth male (% of males ages 15-24)	55	..	59	..
Persistence to last grade of primary, total (% of cohort)	..	..	75	46
Primary completion rate, total (% of relevant age group)	18	27	35	65
School enrollment, primary (% net)	41	..	52	78
Goal 3: Promote gender equality and empower women				
Proportion of seats held by women in national parliament (%)	3	7	6	7
Ratio of female to male enrollments in tertiary education	15	..	25	..
Ratio of female to male primary enrollment	51	..	69	80
Ratio of female to male secondary enrollment	42	..	46	57
Ratio of young literate females to males (% ages 15-24)	48	..	56	..
Share of women employed in the nonagricultural sector (% of total nonagricultural employment)	46.0	..	..	..
Goal 4: Reduce child mortality				
Immunization, measles (% of children ages 12-23 months)	79	65	68	89
Mortality rate, infant (per 1,000 live births)	111	102	95	88
Mortality rate, under-5 (per 1,000)	185	170	160	148
Goal 5: Improve maternal health				
Adolescent fertility rate (births per 1,000 women ages 15-19)	..	151	142	123
Births attended by skilled health staff (% of total)	..	60	66	79
Contraceptive prevalence (% of women ages 15-49)	..	16	19	17
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	..	840
Pregnant women receiving prenatal care (%)	..	80	81	84
Unmet need for contraception (% of married women ages 15-49)	..	26	27	30
Goal 6: Combat HIV/AIDS, malaria, and other diseases				
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	60	54
Condom use, population ages 15-24, female (% of females ages 15-24)	..	4	8	..
Condom use, population ages 15-24, male (% of males ages 15-24)	..	..	32	..
Incidence of tuberculosis (per 100,000 people)	77	80	85	90
Prevalence of HIV, female (% ages 15-24)	..	..	..	1.1
Prevalence of HIV, total (% of population ages 15-49)	..	..	..	1.8
Tuberculosis cases detected under DOTS (%)	..	83	86	86
Goal 7: Ensure environmental sustainability				
Annual freshwater withdrawals, total (% of internal resources)	..	..	1.3	..
CO2 emissions (kg per PPP \$ of GDP)	0.2	0.2	0.2	0.2
CO2 emissions (metric tons per capita)	0.1	0.2	0.2	0.3
Forest area (% of land area)	30	..	24	21
Improved sanitation facilities (% of population with access)	12	19	26	33
Improved water source (% of population with access)	63	64	65	67
Marine protected areas, (% of surface area)	..	..	..	..
Nationally protected areas (% of total land area)	..	..	..	23.9
Goal 8: Develop a global partnership for development				
Aid per capita (current US\$)	52	45	33	43
Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances)	9.2	7.5	13.8	5.2
Internet users (per 100 people)	..	0.0	0.2	8.0
Mobile phone subscribers (per 100 people)	..	0.0	0.8	12.1
Telephone mainlines (per 100 people)	0.3	0.5	0.7	0.9
Other				
Fertility rate, total (births per woman)	6.7	6.4	6.0	5.5
GNI per capita, Atlas method (current US\$)	330	310	340	530
GNI, Atlas method (current US\$) (billions)	1.7	1.9	2.4	4.7
Gross capital formation (% of GDP)	14.2	19.6	18.9	19.6
Life expectancy at birth, total (years)	53	54	54	56
Literacy rate, adult total (% of people ages 15 and above)	27	..	35	..
Population, total (millions)	5.2	6.2	7.2	8.8
Trade (% of GDP)	40.6	53.2	43.3	39.6

Source: World Development Indicators database

Annex Table 9- Benin: Summary of Achievement of CAS Objectives

Pillar 1: Strengthen the Medium Term Macroeconomic Framework		Actual Results	Comments
Objectives			
1. Fostering Macro-Stability		Good Progress	Macro-stability maintained by remaining within IMF's PRGF targets and progress was registered in fiscal consolidation.
2. Accelerating Private Sector-led Growth		Limited Progress	Private investment levels rose modestly while bank-supported privatization efforts and private sector enabling environment reforms stalled. Modest progress registered in expanding access to reliable power supplies and reducing business start-up costs. Adverse commodity price shocks hampered private investment and contributed to reform delays.
3. Expanding Investments in the banking sector		Limited Progress	Limited progress made in expanding investments in the banking sector.
4. Implementing a Comprehensive Rural Development Strategy		Limited Progress	Incidence of rural poverty remained constant at 59 percent although recent government reports suggest rural poverty may have registered a modest decline; cotton output fell; and little progress registered in diversifying production. No progress registered in improving land tenure and just one third of the rural road rehabilitation target was met.
5. Strengthening Public Financial Management		Some Progress	Spending authority was delegated to line Ministries, a rolling MTEF was prepared and 17 Ministries prepared program budgets. Public procurement delays were reduced and internal audit capacities improved. Weaknesses in budget execution contributed to low levels of public investment and a large divergence between planned and actual public spending.

Major Outcome Measures			
Accelerating Private Sector-led Growth	6.5 percent annual Real GDP growth.	Real GDP growth rate averaged 3.3 percent between 2003-2005. GDP growth recovered to 3.8 percent in 2006 and 4.6 percent in 2007	Limited Progress, due partly to adverse commodity price shocks
	Inflation is to be below 3 percent.	Inflation averaged 2.9 percent over the period 2003-2006. It was 5.4 percent in 2005 and 3.8 percent in 2006 respectively.	Good Progress
	Reduction of fiscal deficit from 5.2 percent of GDP in 2002 to 4.5 percent of GDP in 2005	Fiscal deficit narrowed to 2.5 percent	Some Progress, although due partly to low levels of realized public investment
	Investment rate increases by one-half percentage point per year	Investment rate rose from 12.8 percent of GDP in 2003 to 13.9 percent of GDP in 2007	Limited Progress
	Reduction in the number of days to register a business from 63 in 2003 to 45 in 2005	The number has been reduced to 32 days in 2005	Good Progress
	SBEE and SONAPRA privatized	Limited progress made in ongoing reforms	No progress in privatization and structural reform to improve the private sector enabling environment between 2003 and 2006)
	Access to electricity has increased from 22 percent in 2002 to 24 percent in 2006	Access to electricity was 24.1 percent in 2006	Good progress
Implementing a Comprehensive Rural Development Strategy	80 percent of farmers are satisfied	No data available	No progress (evidence not reported)
	Increased revenue from forest and livestock resource management	No data available	No progress (evidence not reported)
	Increased crop yields	No data available	No progress (available data suggests cotton yields declined)
	Increased farms revenue	No data available	No progress (evidence not reported)
Strengthening Public Financial Management	SIGFIB (budget management computerized system) covers all expenditures	Budget management software is utilized by all Ministries and recourse to special procedure expenditures has been reduced	Some progress. Large disparities between planned and realized public expenditures persist.
Instruments for Pillar I:	Deliverables		Comments
New IDA Lending Support	PRSC I		IEG Rating: Not Rated ICR Rating: Satisfactory
	PRSC II		ICR Rating: Moderately Satisfactory
	PRSC III		ICR Rating: Moderately Satisfactory
	Electricity Services Delivery Project		Replaced by Increased Access to Energy SIL (FY09 project)
	National CDD Project		Latest PDO Rating: Satisfactory
On-going pre-CAS 03 Lending Support	Cotton Sector Reform Project (P072503)		Latest PDO Rating: Unsatisfactory
	Private Sector Development Project (P039882)		Latest PDO rating:

		Moderately Unsatisfactory ICR Rating: Unsatisfactory	
	Electricity Services Project (P079633)	Latest PDO Rating: Satisfactory	
	GEF National Parks Conservation and Management Project (P037580) (closed 12/31/05)	IEG Rating: Moderately Unsatisfactory	
	Public Expenditure Reform Adjustment Credit (P085235)		
Planned AAA	Financial Sector Review	Delivered	
	CFAA	Delivered	
	Sources of Growth	Delivered	
	Public Expenditure Review	Delivered	
Additional AAA	Investment Climate Assessment	Delivered	
	Trade Integration Study	Delivered	
	Financial Sector Review	Delivered	
	Transport Economic Sector Review	Delivered	
	Cotton Sector Reforms: PSIA	Delivered	
Pillar II: Strengthen Human Resource Development and Environment Management			
Objectives			
1. Improve access to Education.	Good progress	Primary enrollment targets were met and education quality and internal efficiency improved	
2. Improve access to health service, including prevention of new HIV/AIDS infections.	Good progress	Substantial progress made in improving health service utilization rates, immunization coverage, reducing malaria-caused mortality and making healthcare affordable for the poor. Service quality remains poor with wide disparities in access across socio-economic groups. HIV-AIDS prevalence is reported to have declined from 4.1 percent in 2001 to 1.8 percent in 2006 and a national prevention campaign was mounted.	
3. Improve access to safe water.	Good progress	Access to safe water in rural areas exceeded CAS targets	
4. Strengthening environmental management	Some progress	Community co-management of the national parks introduced but financial sustainability of park management is uncertain.	
Major Outcome Measures			
Improve access to Education	Primary school enrollment ratio increases from 81 percent in 2001 to 93.6 percent in 2005	Primary school enrollment for 2005 was registered at 95.7 percent or an increase of 2.1 percent	Good progress
	Girls primary school enrollment ratio improved from 42.7 percent in 2001 to 46 percent in 2006	The GER for girls rose to 87 percent	Good progress
	Adult literacy rates increases from	Data not available	No progress

	83.5 percent to 88.1 percent		(evidence not reported)
	Primary completion rates increase from 45 percent in 2001 to 57 percent in 2006	Primary completion rate is 66 percent based on the 2008 PRSP progress report	Good progress
	Drop out rates reduced from 29 percent to 25.2 percent	Estimated at 15 percent in 2006	Good progress
Improve access to health service	Use of health service care increases from 34 percent in 2002 to 38 percent in 2006	The utilization rate of health services improved to 43.9 percent	Good progress
	Infant mortality rate reduced from 89 to 65 per 1000 births	Infant mortality levels reduced to 65.6 percent by 2004	Good progress
	Death rate from malaria reduced from 7.6 per 10,000 to 6.2 per 10,000	Not reported (data not available)	Some progress (according to project reports)
	Measles and DTCP immunization coverage rate remain above 80 percent	Average immunization coverage is 92 percent	Good progress
	Prenatal consultation rate increases from 82 percent to 85 percent	Rate rose to 91 percent in 2006	Good progress
	Use of modern contraceptive methods improves from 8.9 percent in 2001 to 11 percent in 2005	17 percent based from 2006 data	Good progress
Prevention of new HIV/Aids infections	Prevalence of HIV/Aids reduced from 4.1 percent to 2.8 percent	1.8 percent prevalence level in 2006	Good progress (national prevention program mounted, although government funding support below commitments)
Improve access to safe water.	Share of population with access to safe water increases from 66 percent in 2001 to 74 percent in 2006	Access to clean water in rural areas rose from 36 percent in 2003 to 67 percent in 2006. Share of total population with access to clean water not reported for 2006 although reported to be above CAS targets.	Good progress
	Rate of servicing rural population's safe water requirements increases from 49 percent in 2003 to 64.7 percent in 2005	Functionality rate of water supply systems rose from 75 to 85 percent between 2002 to 2005, while share of rural population with access to clean water rose to 44 percent.	Good progress (revised data suggests that CAS baselines were far above actual levels prevailing in 2003)
Strengthening environmental management	No target provided in CAS	Progress made in introducing community-based park management, rationalizing forest product taxation and introducing participatory management of forest resources. Weak financial sustainability of institutional innovations	Limited progress
Instruments for Pillar II:	Deliverables		Comments
New IDA Lending Support	PRSC I		IEG Rating: Not Rated ICR Rating: Satisfactory
	PRSC II		ICR Rating: Moderately Satisfactory
	PRSC III		ICR Rating: Moderately Satisfactory
	National CDD Project		Latest PDO rating: Satisfactory
	Malaria Control Booster Program		Latest PDO rating: Moderately Satisfactory for IP

On-going pre-CAS 03 Lending Support	GEF National Parks Conservation and Management Project	IEG Rating: Moderately Unsatisfactory
	GEF Forests and Adjacent Lands Mgt (P069896) (ongoing)	Latest PDO Rating: Moderately Satisfactory
Planned AAA	Pubic Expenditure Review	Delivered
	Country Status Report	Completed FY08
	Poverty Note	Delivered
	Health Country Status Report	to be Completed FY09
	Integration of gender in public policies	Merged into Health Country Status Report for FY09
Additional AAA	Discrimination against Orphans	Delivered

Pillar III: Strengthen Governance and Institutional Capacities		Actual Results	Comments
Objectives			
1. Improving governance and reinforce institutional capacities		Limited progress	Civil service reform stalled and limited implementation of 10 decrees on decentralization. Little Progress registered in decentralized service delivery in 3 municipalities, developing a multi-sector governance and corruption action plan and delegating human resource management responsibilities for the civil service to the education ministry.
2. Building a Strong Legal and Judiciary System		No Progress	Little progress registered in implementing the 2001 Plan for Judicial reform. Some 40 judges, clerks and other court officials are to be hired and trained every year Judicial reform was not included in PRSC process.
Major Outcome Measures			
Fostering Decentralization	Number of cities meeting specific criteria (decrease in municipal administrative budgets, increase in tax revenues, streamlined structure) has increased from 3 in 2003 to at least 6 in 2005	No data available	No progress (relevance of the indicator to outcomes is questionable and evidence not reported)
	Implementation of National Community Development Plan in 100 pilot communes	No data available	No progress (evidence not reported)
Building a Strong Legal and Judiciary System	Effective monitoring and evaluation framework for the PRSP is operational and credible data on poverty trends are produced on regular basis	PRSP M&E system substantially strengthened between 2003 and 2006, although national poverty data are subject to considerable bias and uncertainty	Some progress
	Improved legal and regulatory framework of the micro-credit institutions	A national micro-finance policy was supported, and MOF financial oversight was strengthened	Limited progress

Implement the multisectoral action plan for the empowerment of women, improved access to credit for women	An action plan is being implemented by the Ministry of Family. Implementation of the government's micro-credit program has improved women's access to credit.	Some progress
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Instruments for Pillar III:	Deliverables	Comments
New IDA Lending Support	PRSC 1	IEG Rating: Not Rated ICR Rating: Satisfactory
	Second Decentralized Cities Management	Latest PDO rating: Satisfactory
	National CDD Project	Latest PDO rating: Satisfactory
On-going pre-CAS 03 Lending Support	Distance Learning Project (P067329)	Latest PDO rating: Satisfactory
Planned AAA	Private Sector Development Project (P039882)	Latest PDO rating: Moderately Unsatisfactory ICR Rating: Unsatisfactory
	Civil Service and Public Administration Stocktaking	Delivered
	Assessment of Fiscal Decentralization	Dropped
	Financial Accountability Assessment	Delivered
	Institutional and Governance Review	Dropped