



1. Project Data:		Date Posted : 08/13/2002	
PROJ ID: P000117		Appraisal	Actual
Project Name: Transport Sector	Project Costs (US\$M)	45.2	35.08
Country: Benin	Loan/Credit (US\$M)	40.5	28.8
Sector(s): Board: TR - Roads and highways (67%), Sub-national government administration (20%), Ports waterways and shipping (13%)	Cofinancing (US\$M)	0	2.7
L/C Number: C2924; CQ012			
	Board Approval (FY)		97
Partners involved :	Closing Date	12/31/2001	12/31/2001
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
The objectives of the project were to:			
<ul style="list-style-type: none"> (a) safeguard the competitiveness of Benin's transport sector and of its transit corridor through open modal competition; (b) improve government's capacity for planning, programming and managing transport sector investments; (c) boost the allocation of resources to infrastructure maintenance; (d) boost the recovery of infrastructure user charges; (e) expand private sector participation in public works and maximize its impact on the creation of jobs for unskilled labor; (f) build capacity in sector institutions and optimize human resource utilization; and (g) protect the environment and improve road safety conditions. 			
b. Components			
The main components of the project were:			
<ol style="list-style-type: none"> 1. Port Operations and Management (US\$ 5.7 million; 12.6% of total project cost); 2. Road Repair, Maintenance, Safety and Network Management (US\$32.1 million; 71% of total project cost) 3. Rural Road Rehabilitation and Management (US\$3.1 million; 6.8% of total project cost). 4. Urban Road Improvements and Traffic Management (US\$4.3 million; 9.5% of total project cost). 5. Technical Assistance for all components. 			
c. Comments on Project Cost, Financing and Dates			
The actual cost of the project is US\$35.08 million compared to an appraisal estimate of US\$45.2 million. About US\$28.8 million of the credit was disbursed at project closing and US\$0.5 million was canceled. The project closed on schedule on December 31, 2001.			
3. Achievement of Relevant Objectives:			
The project largely achieved its stated objectives:			
<ul style="list-style-type: none"> (a) The competitiveness of Benin's transport sector has been improved. Rehabilitation and periodic maintenance on both paved and unpaved roads has substantially improved road conditions. The percentage of road network in bad condition has decreased from 50% in 1996 to 10% in 2001. Maritime transport has been liberalized. (b) The government's capacity for planning and managing transport sector investments has been enhanced. <ul style="list-style-type: none"> • Ministry of Public Works and Transport (MTPT) reorganized some of its departments and introduced an integrated approach for program planning and monitoring. 			

- The project introduced an integrated approach for planning road maintenance expenditure.
 - A community based rural transport strategy was tested, and an evaluation has been carried out on how to improve community participation in poor areas.
- (c) Resources for infrastructure management have been boosted. The Road Fund achieved its revenue target.
- (d) User fees have been increased. During the project, road tax was increased, toll booths were consolidated and collection privatized.
- (e) The project promoted private sector participation in road maintenance.
- Most of the road maintenance works are being contracted out to the private sector. Force account represents only one-third of the total road maintenance works.
 - About 30 contracting firms were established during the project period. However, their capacity is still very weak.
 - Directorate of Public Works Equipment (DMTP) was transformed into an Equipment Leasing Company (SLMTP). However, insufficient working capital and inadequate management have limited its operations.
 - A large amount of additional employment has been generated.
- (f) Capacity has been increased in sector institutions.
- The Roads and Works Department (DROA) has been reorganized and its planning and management enhanced with more effective procedures, incentives, equipment and qualified staff. A new salary structure based on performance based incentive system was introduced.
 - National Council of Rural Roads (CTNPR) was established in 1998 to work with local communities.
 - The Road Fund has been restructured into an autonomous entity with much less staff and with adequate resources for road maintenance. A competent team now manages the Road Fund.
 - The National Shippers Council (CNSR) has been restructured in support of shippers, ceasing its intervention in cargo allocation.
 - Port Authority and a Port Coordination Committee were set up.
- (g) To improve environment, environmental mitigation measures based on the Environmental Action Plan were employed by DROA in road rehabilitation and maintenance. Technical assistance was provided to improve the database on road safety as well as to develop and implement a road safety policy. Nordic Development fund is expected to finance the public awareness campaigns and train the police regarding road safety. Eleven priority intersections were improved, including traffic management and signalization.

4. Significant Outcomes/Impacts:

- The project initiated institutional and policy reforms to improve the planning, implementation and budgeting in the roads sector.
- It increased the focus on road maintenance and supported additional resource mobilization for maintenance.
- Significant progress was made in promoting private sector participation in road maintenance.
- Benin has one of the most competitive roads transport sector in West Africa.
- Improved market access has resulted in a big increase in cotton production.
- The project was also successful in introducing measures to improve traffic safety.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Port component was only partially implemented, only US\$0.99 million was spent compared to appraisal estimate of US\$5.71 million. The port component met resistance on policy changes and was implemented very slowly and the improvement of port management was partly achieved. Port Authority and a Port Coordination Committee were set up. However, the Authority exercises inadequate control and Committee rarely decides on important issues. Software for port management is not operational and private sector has not become involved in port management.
- Implementation was delayed on the road maintenance component and smaller amount of rural roads were rehabilitated than planned. Only about 50% of the planned 300 km of rural roads were rehabilitated before project closing.
- The contractor association lacked the capacity and interest to manage the training program for local contractors.
- Community participation for rural roads did not materialize as expected. Some local communities lacked resources and the interest to participate.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	

Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Likely	
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with "*" don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

Several important lessons are identified by the ICR. Four are repeated here:

1. Comprehensive policy framework and sector-wide institution building are important for obtaining lasting results. However, building political consensus may take time and requires continued donor support.
2. Improved management and privatization can be very difficult to achieve in the face of strong vested interests. Strong persistence and follow-up during supervision can lead to positive results.
3. Training of small roads contractors is important, but difficult to achieve. The original intention of the project was to put the contractors' association in charge of training, but its capacity and interest to do so were not fully assessed. The issue of training private contractors, especially in countries that traditionally lack this expertise, needs to be treated more vigorously from the beginning. Also, only training is not enough, the project needs to ensure that private contractors have access to the necessary capital and equipment.
4. Mobilizing local counterpart funding for rural road rehabilitation is difficult in the poorest areas. Counterpart contributions are likely to be difficult to collect in areas lacking cash crops.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR is satisfactory but for two shortcomings: (i) it does not provide adequate detail on the ERR calculations; and (ii) lack of consistency in the cost figures presented in Annex 2. The actual/latest total project cost in the table on Project Cost by Component adds to US\$32.38 million, whereas according to Project Financing (Bank, Government and Cofinancing) adds to US\$35.08 million. The cost section of the ICR does not discuss the cofinancing for the project.