
Summary Report

April 2022
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**Acronyms and Abbreviations**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
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<tr>
<td>ARE</td>
<td>Electricity Regulatory Authority</td>
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<td>iDEV</td>
<td>Independent Development Evaluation</td>
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<tr>
<td>BN-TG PI and PII</td>
<td>Project to Rehabilitate the Lomé-Cotonou Road (Phase I) and Facilitate Transport on the Abidjan-Lagos Corridor (Phase II)</td>
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<tr>
<td>BOAD</td>
<td>West African Development Bank</td>
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<td>CAF</td>
<td>African Financial Community Franc</td>
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<td>COBJ</td>
<td>African Development Bank Country Office in Benin</td>
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<td>CSP</td>
<td>Country Strategy Paper</td>
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<tr>
<td>DWSHS</td>
<td>Drinking Water Supply, Hygiene and Sanitation</td>
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<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>ERR</td>
<td>economic rate of return</td>
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<tr>
<td>ESMP</td>
<td>Environmental and Social Management Plan</td>
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<tr>
<td>GDP</td>
<td>gross domestic product</td>
</tr>
<tr>
<td>GPRS</td>
<td>Growth and Poverty Reduction Strategy</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPR</td>
<td>Implementation Progress and Results</td>
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<tr>
<td>IRR</td>
<td>internal rate of return (return on equity)</td>
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<tr>
<td>LEauCal</td>
<td>Support Project for the Decentralization of Drinking Water, Hygiene and Sanitation Services in Atacora-Donga</td>
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<tr>
<td>PACEB I and II</td>
<td>Benin Economic Competitiveness Support Program (Phases I and II)</td>
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<tr>
<td>PADEFA-ENA</td>
<td>Cashew Nut Sector and Agricultural Entrepreneurship Development Support Project</td>
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<td>PAEPA</td>
<td>Rural Drinking Water Supply and Sanitation Program</td>
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<td>PAF</td>
<td>Cotton Sector Support Project</td>
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<td>PAFILAV</td>
<td>Milk and Meat Sectors Support Project</td>
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<tr>
<td>PAG</td>
<td>Government Action Program 2016-2021</td>
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<td>PAGBVGN</td>
<td>Grand Nokoué Septage Management Improvement Project</td>
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<tr>
<td>PAGEFCOM I and II</td>
<td>Communal Forests Management Support Project</td>
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<td>PAGFPCBAF</td>
<td>Public Finance Management and Business Climate Improvement Support Project</td>
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<td>PAIA-VO</td>
<td>Ouémé Valley Agricultural Infrastructure Support Project</td>
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<td>PAPVIRE-ABC</td>
<td>Project to Support Food Production and Build Resilience in Alibori, Borgou and Collines Departments</td>
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<td>PARC</td>
<td>Cotton Road Development Program</td>
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<td>PAREF</td>
<td>Economic and Financial Reforms Support Program</td>
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<tr>
<td>PASEBE I</td>
<td>Benin Energy Sector Budget Support Program, Phase I</td>
</tr>
<tr>
<td>PERU</td>
<td>Rural Electrification Project</td>
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<tr>
<td>PIDACC</td>
<td>Program for Integrated Development and Adaptation to Climate Change in the Niger Basin</td>
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<tr>
<td>PND</td>
<td>National Development Plan</td>
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<tr>
<td>PRESREDI</td>
<td>SBEE Sub-transmission and Distribution System Restructuring and Extension Project</td>
</tr>
<tr>
<td>PRN</td>
<td>N’Dali-Nikki-Chicandou-Nigeria Border Road Asphalting Project</td>
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<tr>
<td>PRPES</td>
<td>Project for Water Loss Reduction and Performance Improvement of Drinking Water Supply Systems in Cotonou, Porto-Novo and their Suburbs</td>
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<tr>
<td>PTUP</td>
<td>Parakou Urban Transport Project</td>
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<td>RISP</td>
<td>Regional Integration Strategy Paper</td>
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<td>SBE</td>
<td>Benin Electricity Corporation</td>
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<tr>
<td>SME</td>
<td>small and medium-size enterprise</td>
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<tr>
<td>TA</td>
<td>technical assistance</td>
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<tr>
<td>TFP</td>
<td>technical and financial partner</td>
</tr>
<tr>
<td>UA</td>
<td>Unit of Account</td>
</tr>
<tr>
<td>UAM</td>
<td>Million Units of Account</td>
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<tr>
<td>USD</td>
<td>US dollar</td>
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<tr>
<td>WAEMU</td>
<td>West African Economic and Monetary Union</td>
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<td>WB</td>
<td>World Bank</td>
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Executive Summary

Introduction
This summary report presents the main findings, lessons and recommendations of the evaluation of African Development Bank (AfDB or the Bank) country strategies and programs in Benin during the 2012-2021 period. The Bank prepared two country strategy papers (CSPs) during this period, CSP 2012-2016 and CSP 2017-2021. These two CSPs focused on three pillars, namely strengthening of competitiveness and regional integration support infrastructure, promotion of good governance, and development of agricultural and agro-industrial value chains. The Bank’s portfolio in Benin comprised 31 projects (22 of them approved between 2012 and 2021 and 9 approved before 2012, but closed during the period under review), for a total of UA 688.13 million. The portfolio covers the infrastructure sector (transport - 39% of approvals, energy - 19%, and water and sanitation - 13%), as well as the agricultural (19%) and governance (10%) sectors.

The objective of the evaluation was to analyze the performance of Bank operations in Benin and their contribution to national development outcomes and to draw lessons from the Bank’s experience to improve the design and implementation of its future strategies and programs in the country.

Methodology
The evaluation was based on a theory of change that underpinned the Bank’s assistance strategies during the period under review. It applied international evaluation criteria which mainly focus on the relevance, coherence, effectiveness, efficiency and sustainability of Bank operations. A four-point rating scale was used to assess each of these evaluation criteria. Data for the analyses was collected through the following approaches: (i) a desk review of key project and strategy documents; (ii) a portfolio review; (iii) discussions with key stakeholders involved in the design and implementation of Bank strategies and programs in Benin; and (iv) road, agricultural, sanitation and water supply infrastructure project site visits.

Due to COVID-19 travel restrictions, most discussions were held through virtual platforms. The evaluation also faced challenges related to: (i) the changing country context marked by the organization of the 2021 presidential election; (ii) the unavailability and poor quality of data due particularly to Benin’s poor statistical system; (iii) change of government (between the two CSPs) resulting in the loss of institutional memory; and (iv) frequent staff turnover (at the AfDB and in ministries).

Main Findings
Relevance
The relevance of the Bank’s strategies and programs over the period under review was deemed satisfactory. The Bank’s CSPs during the evaluation period were broadly aligned with national policies and strategies, including the “Benin 2025” Vision and its operational strategies which are Benin’s Strategic Development Guidelines (2011-2015), the Growth and Poverty Reduction Strategy (GPRS III 2011-2015), the Government Action Program (PAG 2016-2021), and the National Development Plan (PND 2018-2025). The Bank supported the country’s development priorities and challenges by focusing its operations on the improvement of governance, the strengthening of competitiveness and regional integration support infrastructure, and the development of agricultural and agro-industrial value chains. In addition, the Bank’s sector operations are based on the country’s various sector strategies and policies. Furthermore, consultations with various stakeholders, particularly the Government, the private sector, civil society and development partners confirmed that the Bank’s strategic pillars remained relevant to the country’s needs, development challenges and priorities during the evaluation period. Actions adequately address the needs of target groups as most projects were designed through a participatory approach.

Lastly, the Bank’s operations were also very relevant to its institutional policies and strategies.

Coherence
The coherence of the Bank’s portfolio of activities in Benin between 2012 and 2021 is considered satisfactory. However, coordination of sector operations was only truly effective between the energy and governance sectors due to the inclusion of a strong “energy” dimension in budget support programs.

Although the Government of Benin and the AfDB prioritized private sector development under the CSP 2017-2021, the Bank did not implement any private sector operations. Nevertheless, initiatives (studies and support for the establishment of a suitable legal and regulatory framework) were taken and should be concretized under the next CSP. Benin now has a series of sound private-sector support strategies, policies and action plans. The priority is to support their effective implementation and
ensure the establishment of relatively solid monitoring and evaluation systems.

Regarding the coordination of activities in each of the sectors concerned, there is continuity between programs, reflecting the coherence of current and past AfDB initiatives. In the energy sector, for example, the SBEE Sub-transmission and Distribution System Restructuring and Extension Project (PRESREDI) is a continuation of several rural electrification projects financed by the Bank since the late 1990s (the AfDB financed two rural electrification projects during the 2006-2011 period). Sector operations were coordinated mainly between the governance and energy sectors, due to strong complementarity between Phase I of the Benin Energy Sector Budget Support Program (PASEBE I) and the energy component of the Benin Economic Competitiveness Support Program (PACEB). Despite existing synergies, coordination of operations across other sectors has been insufficient due to the dispersion of the themes addressed and compartmentalization among implementing partners.

Effectiveness

Project effectiveness was mainly evaluated based on the outputs and outcomes achieved by the 21 projects closed or whose implementation has reached an advanced stage; that is, 9 projects approved before 2012; 9 out of 11 projects approved under CSP 2012-2016 and only 3 out of 11 projects approved under CSP 2017-2021. Thus, these outcomes are not comparable with those of the completion reports of the two CSPs under review.

Overall, the Bank’s interventions during the 2012-2021 period helped to satisfactorily strengthen infrastructure in Benin. The effectiveness of transport and water/sanitation sector operations was considered satisfactory, but that of energy sector operations partly unsatisfactory.

In the transport sector, all the road development works envisaged under the projects that have been completed or are nearing completion have been delivered. These include the Lomé-Cotonou road (77.5 kilometers of road with lighting and drainage over 18.75 kilometers), the N’dali-Nikki-Nigeria border road section (77 kilometers), and the highways that cut across the town of Parakou (16.80 kilometers). These roads have contributed to facilitating the movement of people and goods. The completion of the N’dali-Nikki-Nigeria border road section, for example, reduced travel time on the corridor from 5.5 hours in 2009 to 3 hours in 2013 (the initial target was 3 hours in 2013) and 1 hour in 2015. The volume of trade with Niger, Nigeria and Burkina Faso through the Cotonou Port increased from 2.85 million tons to 4.44 million tons between 2009 and 2013 (that is 146% of the target).

The effectiveness of the energy sector is considered partly unsatisfactory due mainly to significant delays in the implementation of ongoing projects (Rural Electrification Project – PERU and SBEE Sub-transmission and Distribution System Restructuring and Extension Project – PRESREDI), whose expected outputs have not yet been achieved. However, significant outcomes have been achieved, although they fall short of the set targets. For example, PACEB helped to: (i) increase the power generation capacity to 59.2% of the target generation level of 354 MW in 2019; (ii) reduce the power deficit which stood at 90 MW in 2016, reaching the target in 2017; and (iii) increase the reserve capacity to 170 MW in 2018, up from the target of 60 MW. Thanks to the implementation of the regional Ghana-Togo-Benin Power Interconnection Project, Ghana’s electricity imports rose from 20 MW to 60 MW between 2007 and 2020, but well below the 755 MW target.

The effectiveness of water and sanitation sector projects is deemed satisfactory as a large number of physical achievements have been made and outcomes achieved in terms of water and sanitation, project ownership and sewage sludge management. The Rural Drinking Water Supply and Sanitation Program (PAEPA) and the Support Project for the Decentralization of Drinking Water, Hygiene and Sanitation Services in Atacora-Donga, L’Eau Cal) have, in most cases, achieved or exceeded their respective output and outcome target values, in contrast to the Grand Nokoué Septage Management Improvement Project (PAGBVGN), which has achieved only part of the expected outputs (36%) and outcomes. However, PAGBVGN represents only 2.5% of the amount allocated to completed projects. PAEPA, for example, helped to achieve rural drinking water access rates of about 80.4% and 52.3% in the Zou and Atlantique departments respectively in 2011, compared with the target rates of 32% and 40%.

Generally, some infrastructure-related outcomes have not been achieved because due to insufficient attention to activities related to the socio-organizational and capacity-building aspects of ancillary infrastructure management and implementation, as well as lack of time to build on the outcomes achieved.

According to the respective implementation and results reports (IPRs), projects in the agricultural
sector that have been completed or are nearing completion have achieved satisfactory levels of tangible outputs (infrastructure, equipment, etc.) with more than 80% of the targets met. The infrastructure developed has helped to significantly increase the production capacity and improve the living conditions of beneficiaries. According to the 2020 IPR report on the Ouémé Valley Agricultural Infrastructure Support Project (PAIA-VO), vegetable production increased from 24,000 tons in 2013 to 32,600 tons in 2019 (101.67% of the target), food production rose from 70,100 tons in 2013 to 77,992 tons in 2019 (35% of the target), women’s incomes derived from vegetable farming leaped from CFAF 62,000 in 2013 to CFAF 383,000 in 2019, and the incomes of rice producers were estimated at CFAF 232,848 (235% of the target), etc. However, outcomes in terms of entrepreneurial development and the setting up of women and young people remain insufficient.

The effectiveness of the Bank’s operations in the governance sector is deemed satisfactory (more than 80% of reforms have been implemented). The Bank’s actions have contributed to strengthening public finance management, public procurement, the business climate and private sector development support policies. More specifically, the Economic and Financial Reforms Support Program (PAREF) facilitated the adoption of the Customs Code Bill, the issuance of an individual taxpayer identification number at border posts, the establishment of a joint tax/customs control brigade in February 2013, the interconnection of customs units, the centralization of the Automated Systems for Customs Data (ASYCUDA++) software package, and the continuation of the export verification program. These reforms have helped to increase Benin’s revenue which largely stems from a 75% increase in direct taxes (from CFAF 350 billion to CFAF 620 billion between 2016 and 2020) and the maintaining of customs revenue at the ceiling of CFAF 370 billion, which was achieved in 2013, despite the closure of the border with Nigeria. Nevertheless, a number of weaknesses and concerns remain, namely: (i) ensuring discipline in the preparation of budget support project reports on a regular basis; (ii) ensuring better coordination among institutional sector stakeholders; and (iii) the issuance of the decree establishing a regulatory fee to finance the Electricity Regulatory Authority (ARE) so as to ensure its full autonomy in the discharge of its missions.

Efficiency

Although the cost-benefit analysis is deemed satisfactory, the efficiency of AfDB operations in Benin during the 2012-2021 period is considered partly unsatisfactory due to project implementation delays attributable, among other things, to start-up delays, unfamiliarity with and cumbersome procurement procedures, weak capacity of project implementation units and, to a lesser extent, the impact of COVID-19.

The evaluation showed that the cost-benefit analyses in various sectors are satisfactory or highly satisfactory because the economic rate of return is greater than the opportunity cost of capital.

The main weakness of the Bank’s portfolio in Benin during the intervention period relates to timeliness. Significant delays (about two years in the transport and energy sectors, for example), often spanning several years, were observed for most projects and across all sectors. Although delays occur throughout the project cycle, the project start-up period is very sensitive. Without overlooking the effect of the COVID-19 crisis, delays are almost always due to poor project quality at entry, particularly: (i) delays in operationalizing project management teams; (ii) the absence of some management tools at project start-up; and (iii) failure to secure land and ensure the release of some infrastructure rights-of-way prior to the start-up of works. Difficulties in mobilizing national counterpart funds within the prescribed timeframe, as well as the weak technical and/or financial capacity of some successful bidders also lead to project implementation delays and, in some cases, contract termination.

Sustainability

The maintenance and long-term operation of AfDB-funded infrastructure and equipment are not guaranteed although they are technically sound and sustainable in terms of partnerships, profitability of activities and environmental impacts. The evaluation showed that sustainability is satisfactory for the water/sanitation and governance sectors, unsatisfactory for the transport sector, and partly unsatisfactory for the energy and agricultural sectors. This is mainly due to lengthy delays which adversely affect efficiency and sustainability. Delays affect the implementation of socio-organizational and institutional activities, jeopardizing the achievement of project outputs and effectiveness and/or sustainability.
Cross-cutting Issues

Besides the environmental aspects discussed above, the evaluation also analyzed gender and social inclusion issues. The Bank mainstreams gender into all its strategies and programs, but lacks a clear global approach to its priorities in combating gender inequality in Benin. Therefore, this dimension is not sufficiently addressed in operations. However, a study on the gender profile and the impact of COVID-19 on women and girls in Benin carried out in 2021 analyzed all AfDB focus areas from a gender perspective. Its implementation should help to close the gender gap.

AfDB strategies for Benin adequately address inclusiveness which is underscored under the agricultural pillar. Both CSPs focused on economically and socially disadvantaged areas with a high agricultural potential. By supporting the development of agricultural value chains, increasing the annual incomes derived from subsistence farming and entrepreneurship by 81%, training 456 out of the 550 young people targeted under the Project to Support Food Production and Build Resilience in Alibori, Borgou and Collines Departments (PAPVIRE-ABC), and strengthening the linkages between production areas and markets, the Bank is supporting efforts to reduce regional and social disparities. However, there is no reliable data to assess whether or not this objective has been achieved.

Bank Performance: Coordination, Dialogue and Results-based Management

CSP 2012-2016 sought to initiate dialogue on regional integration and transition to a green economy. This dialogue has, however, not been effective. In practice, AfDB teams do not have enough time to engage in policy dialogue. The opening of the AfDB Country Office in Benin (COBJ) in February 2017 has helped to foster close ties and strengthen policy dialogue with the national authorities. However, such dialogue is still much too limited. Furthermore, not all sector experts have been assigned to COBJ. This was true for the transport sector before November 2021 and is still true for the energy sector at present.

During the 2012–2021 evaluation period, 11 analytical, advisory and technical assistance (TA) operations were envisaged under the indicative programs of both CSPs. If the studies that were conducted, but not explicitly scheduled, are included, the overall completion rate is 100%. Very few studies have been conducted to enable a comprehensive reflection on a given sector so as to inform policy dialogue and reflection on national strategies.

Although specific processes have been successfully initiated, the evaluation showed that under the CSPs, insufficient attention is paid to the linkages between intervention pillars and expected contributions to the achievement of development goals. The contribution to the achievement of development goals is limited to a qualitative assessment, without further exploration of the clear linkage between expected outputs in priority sectors or an attempt to quantify their contribution to the achievement of development goals. The results framework appended to the CSPs has similar weaknesses. Lastly, monitoring and evaluation is overly focused on physical achievements and lacks a critical analysis of the less tangible dimensions of support (capacity-building, management and maintenance systems, etc.), particularly from a qualitative standpoint. Similarly, it does not examine processes and approaches to the implementation of actions, particularly their effectiveness and efficiency.

The harmonization of operations with other donors is considered satisfactory. Though some mechanisms for fostering dialogue with the Government of Benin and coordination between technical and financial partners (TFPs) have been prioritized, such mechanisms change over time, often lack effectiveness and are highly sector dependent. Examples are the governance, energy, agriculture, and water/sanitation sectors. The Government recently tried to improve coordination by establishing the Analysis and Investigation Office of the Presidency of the Republic. Lastly, the opening of the African Development Bank Country Office in Benin (COBJ) has contributed to improving collaboration between TFPs.

Recommendations

In light of the above findings, the evaluation proposed the following recommendations:

1. **Improve the sustainability of the outcomes of Bank operations.** The Bank should support the establishment of management and maintenance systems for project infrastructure, equipment and services.

2. **Strengthen development results-based management.** To that end, the following actions could be envisaged:
   - Improve the linkage between development goals and the results framework under the
CSP to make it a steering and policy dialogue tool;

- Improve the monitoring and evaluation of outputs, outcomes and impacts in order to support project coordination through sustained dialogue with other stakeholders;
- Develop a realistic implementation plan for the steering of operations; and establish a baseline and monitoring and evaluation system.

3. **Improve the quality of operations at entry.** Capacity-building (particularly in procurement and reporting) and institution-building needs could be assessed before initiating investments. This could entail:

- Ensuring the availability and quality of feasibility studies for project preparation;
- Ensuring land security, particularly by involving beneficiaries and local land tenure institutions in the identification of project implementation sites;
- Ensuring the mobilization of national counterpart funds by the Government of Benin.

4. **Strengthen the Bank’s capacity to engage in permanent policy dialogue.** The Bank should take steps to foster and support policy dialogue by conducting analytical studies in relevant areas of cooperation with Benin, particularly by leveraging its position as a key donor in some sectors and the presence of its Country Office. The Bank should carefully consider the following issues:

- Develop a portfolio of coherent and complementary analytical studies to support policy dialogue;
- Focus on areas where the Bank has significant value added and expertise, and build on the achievements of previous programs;
- Provide and devote targeted resources to policy dialogue.

5. **Strengthen support for private sector development and public-private partnerships.** Specifically, the Bank could:

- Continue the analytical work on conducive conditions to private sector development and assist the Government in removing constraints to such development.
1. **INTRODUCTION**

This summary report presents the main findings, lessons and recommendations of the independent evaluation of African Development Bank (AfDB) country strategies and programs in Benin during the 2012-2021 period. The evaluation is part of the program of activities of the Independent Development Evaluation (IDEV) department which initiated, conducted and supervised it. The evaluation is intended to inform the design of the Bank’s next assistance strategy for Benin (2022-2026) by examining the relevance, coherence, effectiveness, efficiency, and sustainability of all Bank operations in Benin during the period under review. It covers investment projects, program-based operations (PBOs), technical assistance (TA) and analytical works and other advisory services.

Besides this section which presents the objective, scope, methodological approach and limitations of the evaluation, this report includes five other sections that focus on the following themes: Benin’s development context; Bank strategies and programs in Benin between 2012 and 2021; the analysis of the performance of Bank strategies and programs in Benin: program management; and conclusion, lessons and recommendations.

1.1. **Evaluation Objective and Scope**

The main purpose of the evaluation is to inform the design of the next country strategy. The goal has two dimensions: (i) *an accountability dimension* to report on the performance of the Bank’s assistance to Benin during the 2012-2021 period; and (ii) *a prospective and capitalization dimension* to draw lessons from the Bank’s operations and make recommendations to guide and improve the Bank’s future engagement in the country.

The evaluation covered the 2012-2016 and 2017-2021 programming cycles, each based on a Country Strategy Paper (CSP). It focused on the Bank’s portfolio comprising 31 projects for a total commitment of UA 688.13 million. Of the 31 projects, 22 were approved between 2012 and 2021, and 9 other projects, including 3 regional projects worth UA 229.95 million, were approved before 2012 but implemented during the period under review. These projects were evaluated in terms of their long-term outcomes and sustainability (see Technical Annex 5).

1.2. **Evaluation Methodological Approach**

The methodological approach adopted is based on the Theory of Change (see Annex 1) which summarizes the rationale for the Bank’s action in Benin during the 2012–2021 evaluation period and is intended to help improve the living conditions of the Beninese people. The evaluation matrix was based on international evaluation criteria and approaches, particularly relevance, coherence, effectiveness, efficiency and sustainability (see Technical Annex 7). It outlined the evaluation questions that guided the choice of the methods and tools used to collect data, the evaluation criteria used, and the types of analysis carried out to identify key findings, draw lessons and make recommendations for improving future Bank operations in the country.

The evaluation used a pyramid approach allowing for in-depth analysis at the project, sector and country strategy levels in three main phases, namely: inception, data collection and analysis, and reporting. The operations selected are in the following six sectors: (i) transport, (ii) agriculture, (iii) water and sanitation; (iv) energy, (v) governance, and (vi) health/social. Three sector notes on (i) infrastructure (transport, energy, and water/sanitation); (ii) agriculture; and (iii) governance, together with portfolio analysis, were consolidated into a technical report used to prepare this summary report.

1.3. **Evaluation Limitations and Mitigation Measures**

The COVID-19 pandemic seriously disrupted the conduct of the evaluation mission, which was virtual (except for site visits by local consultants). The difficulties faced can be grouped into three main categories:

- **Internal difficulties in Benin**: (i) developments in the national political context of 2021, the year presidential elections were held, followed by a cabinet reshuffle and government reorganization;
(ii) the unavailability and poor quality of data due particularly to Benin’s poor statistical system; (iii) change of government (between the two CSPs) resulting in the loss of institutional memory; and (iv) frequent staff turnover at the AfDB and in ministries, making it difficult to have interlocutors who could provide direct and first-hand information on projects.

- **Bank-related difficulties:** (i) the opening of the Bank’s country office in Cotonou (COBJ) in February 2017 which implies that the experts assigned to COBJ did not always monitor their sector projects from approval to completion, and (ii) the rotation of many projects monitoring staff during the implementation of operations.

- **Exogenous difficulties:** The challenges were exacerbated by the fact that the evaluation mission was conducted remotely, except for site visits by local consultants, due to the COVID-19 crisis which led to travel restrictions.

To address these difficulties, mitigation measures were taken, mainly involving: (i) the triangulation of primary and secondary data collected using a combination of qualitative and quantitative techniques; (ii) the conduct of additional interviews with project implementation officers; (iii) paying special attention to the specific context of each action and conducting in-depth analyses of projects based on their progress and budget size; (v) combining remote data collection and evaluation with additional assistance from local experts operating in Benin to facilitate the conduct of site visits; and (vi) requesting additional data from other technical and financial partners (TFPs).

### 2. COUNTRY CONTEXT

Benin is a French-speaking West African country located on the Gulf of Guinea and overlooking the Atlantic Ocean. It has a surface area of 114,764 square kilometers and a coastline of 121 kilometers. Benin is bounded by Togo to the west, Nigeria to the east, and Burkina Faso and Niger to the north. It shares 2,123 kilometers of land borders with its four neighbors. Benin is a member of the Economic Community of West African States (ECOWAS). It provides access to the sea for landlocked Sahel countries. According to the National Institute of Statistics and Demography (INStaD), Benin’s population was projected at 12.1 million in 2020, 51.2% of them women and more than 50% young people under the age of 18.

#### 2.1. Political Context

Politically, Benin is a multiparty republic with a presidential system of government in which the President, who is elected every five years, serves as both Head of State and Head of Government. The National Assembly is the only house of Parliament whose members are elected every four years. The Supreme Court is the country’s highest judicial body. Despite recent pre- and post-election tensions, the political situation is stable, as evidenced by the incumbent president’s re-election in the April 2021 presidential elections for a second five-year term.

#### 2.2. Economic Context

Benin’s real gross domestic product (GDP) increased by an annual average of 3.5% from 1991 to 2000 and 3.9% from 2001 to 2010, driven by the performance of the agricultural and services sectors. The country recorded an average annual growth rate of 5% between 2010 and 2020 but experienced a decline in 2015 (1.8%) and 2016 (3.3%). It achieved a record growth rate of 8.6% in 2013. Thus, the real GDP growth rate jumped from 3.3% in 2016 to 6.9% in 2019. This led to an increase in GDP per capita from USD 757 in 2010 to USD 1271 in 2019, enabling the country to join the category of lower middle-income countries (MICs) in July 2020. This performance also stemmed from the rebasing of national accounts, which was completed in June 2019. The growth rate slowed to 3.8% in 2020 due to the COVID-19 crisis. Given that the average population growth rate during the same period was 3%, the average annual growth rate of real GDP per capita was 0.5% from 1991 to 2000, 0.9% from 2001 to 2010, and 2.0% from 2011 to 2020.
Men and women continue to have a low representation in decision-making bodies, with 14.2% in the National Assembly, and 4.8% in municipal councils.

Table 1: Benin’s Key Macroeconomic Indicators (2013-2020)

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</thead>
<tbody>
<tr>
<td>Real GDP growth rate (%)</td>
<td>8.6</td>
<td>5.2</td>
<td>1.8</td>
<td>3.3</td>
<td>5.9</td>
<td>6.7</td>
<td>6.9</td>
<td>3.8</td>
</tr>
<tr>
<td>Gross investment rate (% GDP)</td>
<td>28.5</td>
<td>25.0</td>
<td>27.5</td>
<td>28.5</td>
<td>28.4</td>
<td>25.5</td>
<td>26.2</td>
<td>28.3</td>
</tr>
<tr>
<td>Inflation rate (%)</td>
<td>1.1</td>
<td>-1.1</td>
<td>0.3</td>
<td>-0.8</td>
<td>0.1</td>
<td>0.8</td>
<td>-0.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Overall balance of payments</td>
<td>-0.7</td>
<td>1.0</td>
<td>-1.7</td>
<td>-0.6</td>
<td>3.2</td>
<td>6.1</td>
<td>4.3</td>
<td>4.2</td>
</tr>
<tr>
<td>Public debt (% of GDP)</td>
<td>25.4</td>
<td>30.9</td>
<td>35.1</td>
<td>37.0</td>
<td>38.0</td>
<td>39.4</td>
<td>41.4</td>
<td>46.1</td>
</tr>
<tr>
<td>Debt service (% of revenue)</td>
<td>6.1</td>
<td>6.0</td>
<td>10.2</td>
<td>10.4</td>
<td>10.7</td>
<td>11.2</td>
<td>11.4</td>
<td>11.5</td>
</tr>
<tr>
<td>Budget deficit [excluding grants] (% of GDP)</td>
<td>2.5</td>
<td>2.1</td>
<td>6.3</td>
<td>4.9</td>
<td>5.1</td>
<td>3.5</td>
<td>2.0</td>
<td>3.4</td>
</tr>
</tbody>
</table>

**Sources**: AfDB, IMF and Central Bank of West African States (BCEAO).

Benin’s private sector is still underdeveloped and dominated by the informal sector which accounts for 65% of GDP and 90% of employment. It is barely able to play its expected role as the engine and vector of economic diversification. One of the major challenges faced by the country is lack of access to factors of production, particularly financing. The formal sector is very weak. The financial sector remains underdeveloped, despite its rapid expansion in recent years. The private sector debt-to-GDP ratio is low, estimated at 22.5% in 2016, compared with the sub-Saharan African average of 28.8%. Although the rate of non-performing loans dropped from 21.6% at end-2018 to 16.4% in 2020, it remains higher than the West African Economic and Monetary Union (WAEMU) average of 11.5%. As a result, banks prefer to lend to the Government which is more credible than enterprises and involves low risk and a higher interest margin. However, this may result in the crowding out of private-sector credit. This is one of the reasons that prompted the Government to restructure its debt by taking out a loan of EUR 260 million (or 3% of GDP), partially guaranteed by the World Bank, to repay its outstanding loans owed to local banks.

### 2.3. Social Context

Socially, the country has made progress in human development. Its Human Development Index (HDI) rose from 0.47 in 2010 to 0.52 in 2018, but remains low, ranking the country 163rd in the world in 2019 and in 2018, out of 189 countries. Life expectancy at birth increased from 59 years in 2010 to nearly 62 years in 2019. Infant and maternal mortality rates dropped during the same period, from 69 to 61 deaths per 1000 live births and from 458 to 397 deaths per 100,000 live births between 2010 and 2017, respectively. The literacy rate went up from 32.9% in 2012 to 42.4% in 2018, due mainly to a high primary school enrolment (97% in 2017) and an improvement in secondary school enrolment (+10 percentage points between 2016 and 2018). However, primary school dropout rates remain high, with only 64.5% of girls completing primary school compared with 76.2% of boys. Schools and universities have not been closed as a result of COVID-19, but it is feared that more girls will drop out of school due to the impoverishment of families. In Benin, inclusive growth is still a major challenge because growth does not always result in poverty reduction. Poverty has deepened, from 36.2% in 2011 to 38.6% in 2020. In addition, inequality in income distribution has increased slightly. The data collected shows that the GINI index rose from 0.445 in 2002 to 0.465 in 2017, representing a 10.45% increase in inequality. Gender inequalities persist at various levels, including in institutions as well as in access to resources, justice and basic social services. Benin's Gender Inequality Index remains very low. It was 0.611 in 2018 and 0.613 in 2016, ranking it 146th out of 189 countries in the first case and 144th out of 188 countries in the second. Women continue to have a low representation rate in decision-making bodies, with 14.2% in the Government, 8.4% in the National Assembly, and 4.8% in municipal councils.
2.4. Benin’s Main Development Challenges

Despite the reforms implemented, particularly with Bank support, and the achievements made, Benin continues to face numerous development challenges, including: (i) a production support infrastructure (transport, energy, ICT, etc.) gap; (ii) poor governance; (iii) weak structural transformation of the economy to promote competitiveness and productivity; (iv) low resilience and high vulnerability to climatic hazards; and (v) non-inclusive economic growth.

Despite the measures taken by the Government of Benin to contain the effects of the COVID-19 pandemic, the crisis presents new challenges, particularly the need to: (i) strengthen the health system by putting in place a sustainable mechanism for response to health crises; (ii) strengthen social protection and care for the most vulnerable segments of the population; (iii) build private sector resilience; and (iv) mobilize additional financing.

2.5. Benin’s Development Strategies

In 2000, Benin adopted a long-term development vision known as “Benin 2025 Alafia”. Based on the long-term vision, a series of national development and planning strategies were adopted and implemented. During the period under review, four strategic or operational documents were considered in turn. These are:

- The Growth and Poverty Reduction Strategy (GPRS) 2011-2015 which identifies several operational focus areas, namely: (i) sustainable acceleration of growth and transformation of the economy; (ii) infrastructure development; (iii) human capital development; (iv) improving the quality of governance; and (v) balanced and sustainable development of the national space.

- The Government Action Program (PAG) 2016-2021 which builds on three pillars: (i) Consolidating democracy, the rule of law and good governance; (ii) Engaging the structural transformation of the economy; and (iii) Improving the living conditions of the people. It relies on agriculture and tourism, which have been identified as the main potential drivers of growth, while underscoring the importance of the quality of education and the strengthening of basic social services and social protection.

- The National Development Plan (PND) 2018-2025 which is structured around four major themes, namely: (i) human capital and the well-being of the people; (ii) economic growth: productivity and competitiveness; (iii) environment, climate change and territorial development; and (iv) governance.

- Lastly, the response strategy prepared by the Government to mitigate the negative socio-economic impacts of COVID-19.

3. BANK STRATEGIES AND PORTFOLIO

Cooperation between the African Development Bank and Benin dates back to 1972. In 2012, Bank financing to the country was estimated at UA 709 million, or approximately CFAF 550 billion. Bank operations in Benin between 2012 and 2021 were fully consistent with the Ten-Year Strategy 2013-2022 and the five top priorities (High 5s) of the Bank.

3.1. Strategic Framework for Bank Operations in Benin

The Bank’s intervention strategies in Benin during the 2012-2021 period focused on: (i) the development of infrastructure to support productivity and competitiveness; (ii) the promotion of good governance, including the business climate; and (iii) the development of agricultural and agro-industrial value chains. Two Country Strategy Papers (CSPs) guided the Bank’s operations in Benin during the period under review (see Table 2 below). CSP 2012-2016 was designed to remove economic constraints which amount to a huge infrastructure deficit, poor governance and low private sector productivity. All of these factors hinder the full exploitation of the country’s economic assets, particularly its agricultural potential and position as a sub-regional trade corridor. CSP 2012-2016 focused on two pillars, namely: develop
infrastructure to support productivity and competitiveness; and improve governance. The main objective of CSP 2017-2021 was to promote the structural transformation of Benin’s economy in order to create conditions conducive to robust and inclusive growth that could significantly improve the people’s living conditions while assuring the country’s transition to a green economy. It centered on two pillars, namely: (i) develop agricultural and agro-industrial value chains; and (ii) strengthen competitiveness and regional integration support infrastructure.

Table 2: Bank Strategic Pillars and Objectives for Benin

<table>
<thead>
<tr>
<th>CSP 2012-2016</th>
<th>CSP 2017-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pillar 1:</strong> Develop infrastructure to support productivity and competitiveness</td>
<td><strong>Pillar 1:</strong> Develop agricultural and agro-industrial value chains</td>
</tr>
<tr>
<td>1. Build agricultural production infrastructure by developing and improving valleys and rehabilitating rural roads.</td>
<td>1. Strengthen the people’s food and nutritional security, particularly in the most disadvantaged zones.</td>
</tr>
<tr>
<td>2. Strengthen infrastructure to enhance competitiveness and national and regional market integration.</td>
<td>2. Promote the processing of agricultural products, reduce agricultural imports and increase exports.</td>
</tr>
<tr>
<td><strong>Pillar 2:</strong> Promote good governance</td>
<td>3. Create jobs and reduce gender and regional inequalities and, hence, contribute to reducing rural-to-urban migration.</td>
</tr>
<tr>
<td>1. Improve the public revenue collection.</td>
<td><strong>Pillar 2:</strong> Strengthen competitiveness and regional integration support infrastructure</td>
</tr>
<tr>
<td>2. Enhance public expenditure effectiveness by improving the programming and rational allocation of public resources, particularly to priority social sectors.</td>
<td>1. Facilitate the creation of an efficient transport infrastructure network.</td>
</tr>
<tr>
<td>3. Build capacity for the proper implementation of gender equality and climate change adaptation policies.</td>
<td>2. Improve access to electricity.</td>
</tr>
<tr>
<td>4. Improve the business climate.</td>
<td></td>
</tr>
</tbody>
</table>

Sources: AfDB’s CSPs 2012-2016 & 2017-2021 for Benin

Two Regional Integration Strategy Papers (RISPs) covered the evaluation period, namely: (i) WA-RISP 2011-2015, extended to 2020, which focused on two pillars: “Linking regional markets”, and “Building capacity for effective implementation of the regional integration agenda”; and (ii) WA-RISP 2020-2025 whose two broad priority areas are “Enhancing resilient cross-border infrastructure” and “Supporting regional enterprise development”.

3.2. Bank Portfolio in Benin

The evaluation of the Bank’s strategies and programs in Benin during the 2012-2021 period focused on a portfolio comprising 31 operations for a total commitment of UA 688.13 million, that is: (i) 18 national projects approved between 2012 and 2021 for a total of UA 444.13; (ii) 4 regional projects approved between 2012 and 2021 for UA 14.05 million; and (iii) 9 other projects, including three regional projects worth UA 229.95 million approved before 2012, whose implementation continued during the period under review and which will be analyzed based on their long-term outcomes and sustainability (see Technical Annex 7).

During the period under review, the Bank’s overall portfolio in Benin is made up more than 91.5% of loans (UA 406.38 million) and about 8.5% of grants (UA 37.75 million). During the period 2017-2020, approvals accelerated to nearly 70%, in terms of volume, for 10 projects, as against 30% for 8 national projects validated under CSP 2012-2016. This is explained by the country access to ADB resources by the country from 2018. No private sector operations were funded during the period under review, and all national projects fall under the public sector.
The portfolio is largely dominated by infrastructure (71%), especially in the (i) transport sector (39% of national approvals or UA 173.21 million); (ii) energy sector (19% or UA 84.39 million); and (iii) water and sanitation sector (13% or UA 57.73 million). Agriculture is the second-largest sector (19% or a total of UA 84.39 million), with proportions similar to those of energy. Lastly, the governance sector accounted for 10% (UA 44.41 million) of national approvals between 2012 and 2020. The sources of financing used by the Bank in Benin are the AfDB sovereign window (43.64% or UA 193.83 million) and country allocations under the African Development Fund (ADF) (38.88% or UA 172.69 million), 90.2% of which are loans and 9.8% grants. Lastly, despite the importance that the Government of Benin attaches to the private sector as a growth engine, the AfDB portfolio does not include any actions that directly support private sector development.

The regional portfolio, for its part, is worth UA 14.05 million, which is distributed among four multinational projects, three of which were approved under CSP 2012-2016 (UA 6.97 million, representing 49.61%) and the fourth under CSP 2017-2021 (UA 7.08 million, representing 50.39%). Thus, regional approvals concerned the agricultural (51%), governance-finance (35%), and transport (14%) sectors.

To maximize the impact of its operations, the Bank carried out analytical studies to better define future operations and improve their quality at entry assessment. During the 2012-2021 evaluation period, 11 analytical, TA and advisory studies were envisaged under the indicative programs of both CSPs. Strictly speaking (i.e., excluding replacement, adaptation, or ongoing studies), 7 of the 11 studies were effectively completed. In the broadest sense - that is, considering studies carried out but not explicitly scheduled - the overall completion rate is 100%.

4. PERFORMANCE OF BANK STRATEGIES AND PROGRAMS IN BENIN

4.1 Relevance

_In this section, the evaluation examines the relevance of the Bank’s objectives to the country’s challenges and priorities, including the needs of groups targeted, alignment with institutional strategies and policies and selectivity of interventions._

_Alignment with Country Strategies and Policies_

The relevance of Bank strategies and programs over the period under review is deemed satisfactory. All sector operations are aligned with Benin’s development strategies and policies. They are consistent with the country’s priorities and address its development issues. They support the Government’s flagship sectors, address well-targeted development challenges, and meet the people’s priority needs.

_During the evaluation period, Bank operations addressed the country’s and its people’s priority challenges and needs._ The entire AfDB portfolio is consistent with the “Benin 2025” Vision, which aims to make Benin “a leading, well-governed, united and peaceful country, with a prosperous and competitive economy and a cultural and social well-being”. This vision is structured around the growth and expansion of the private sector in order to create a prosperous and competitive economy. Its operational strategies are Benin’s Strategic Development Guidelines (2011-2015) and the Growth and Poverty Reduction Strategy 2011-2015 (GPRS III) as concerns particularly economic diversification through the opening up of production areas, as well as the Government Action Program (PAG) 2016-2021 and the National Development Plan (PND) 2018-2025, one of whose strategic objectives is to “ensure the sustainable management of the quality of life and the environment, and support the emergence of regional development hubs”. Lastly, the evaluation team’s consultations with various stakeholders (the Government, private sector, civil society and development partners) confirmed that the Bank’s strategic pillars remained relevant to the country’s needs, development challenges and priorities.

_Operations under Pillar I of CSP 2012-2016 relating to productivity and competitiveness support infrastructure, as well as operations under Pillar II of CSP 2017-2021 relating to competitiveness and regional integration support infrastructure, were intended to reduce the infrastructure gap in the transport, energy, and drinking water/sanitation sectors._
The Bank approved several operations in the energy and transport sectors, particularly under the Project to Rehabilitate the Lomé-Cotonou Road (Phase I) and Facilitate Transport on the Abidjan-Lagos Corridor (Phase II) (BN-TG PI and PII), the N’dali-Nikki-Chicandou-Nigeria Border Road Asphaltling Project (PRNN), the Parakou Urban Transport Project (PTUP) and the Cotton Road Development Project (PARC), with the primary objective of making Benin a trade and economic hub. For example, the development of roads and improvement of transport conditions along regional corridors (Abidjan-Lagos, Cotonou-Niamey, and Cotonou-Ouagadougou) help to bring Benin closer to Togo, Burkina Faso, Mali, Niger, and the northern part of Nigeria, as well as contribute to further enhancing the integration of the peoples of ECOWAS member countries. Furthermore, cotton roads under the PARC which aims to link cotton production zones to the national and transnational networks will serve three departments that are the country’s main cotton production zones.

The Bank’s energy sector operations were intended to: (i) secure regular and sustainable electricity supply at affordable cost; (ii) strengthen local generation capacity; and (iii) diversify supply sources, particularly through the regional Ghana-Togo-Benin Power Interconnection Project. The Benin Energy Sector Budget Support Program (PASEBE I), for example, was designed to ensure regular power supply and improve sector governance by strengthening the Electricity Regulatory Authority (ARE) and improving the management of the Benin Electricity Corporation (SBEE).

The Bank’s operations in the drinking water supply and sanitation sector are intended to help to increase access to affordable, sustainable and reliable water supply and sanitation services. For example: (i) the Grand Nokoué Septage Management Improvement Project (PAGBVGN) was intended to design and implement effective, affordable and sustainable solutions for septage management so as to improve the management of the sanitation sector and the living conditions of the people; and (ii) the Project to Reduce Water Loss and Improve the Performance of Drinking Water Supply Systems in Cotonou, Porto-Novo and their Suburbs was intended to reduce water losses and increase supply to the people so as to boost the water access rate in urban areas and improve the viability of drinking water systems in the towns involved.

The Bank’s operations under Pillar II of CSP 2012-2016 relating to the promotion of good governance were also fully consistent with the Benin 2025 Alafia Vision and its strategies which underscore the consolidation of democracy, the rule of law and good governance. The three main governance support programs, namely the Economic and Financial Reforms Support Program (PAREF), the Public Finance Management and Business Climate Improvement Support Project (PAGFPACAF), and the Benin Economic Competitiveness Support Program (PACEB) focused on PND and PAG 2016-2021 priority areas, particularly under the second pillar. This pillar focused on three actions, namely: (i) improve the business climate; (ii) strengthen PFM; and (iii) harness Benin’s energy capacity. These programs aimed to consolidate the outcomes achieved in public finance management and to further improve the business climate. They are based on the introduction and generalization of program budgeting, the establishment of the Audit Office, the strengthening of the public procurement system as well as private sector support entities through an appropriate institutional framework for improved management of public-private partnerships and the reinforcement of public investment programming bodies. Lastly, the Bank provided emergency budget assistance to Benin to help address the health, economic and social consequences of the COVID-19 pandemic.

Lastly, concerning the development of agricultural and agro-industrial value chains, the Bank’s operations under Pillar I of CSP 2017-2021 were aligned with the objectives of national or sector strategies and plans aimed at reducing poverty and improving food and nutrition security. These operations include: the Strategic Plan for Agricultural Sector Revival (PSRSA) 2006-2011, the Strategic Plan for Agricultural Sector Development (PSDSA) 2017-2025 and the National Agricultural Investment and Food and Nutrition Security Plan (PNIASAN) 2017-2021. AfDB projects such as the Ouémé Valley Agricultural Infrastructure Support Project (PAIA-VO), the Project to Support Food Production and Build Resilience in Alibori, Borgou and Collines Departments (PAPVIRE-ABC), the Milk and Meat Sectors Support Project (PAFILAV), the Cotton Sector Support Project (PAFC) and the Cashew Nut Sector and Agricultural Entrepreneurship Development Support Project (PADEFA-ENA) are providing support to 5 of the 6 flagship agricultural sub-sectors identified by the PAG. These are 2 of the 3 high-value-added sub-sectors (cashew nut and vegetables) and the 3 conventional sub-sectors (rice, maize and cassava). Only the pineapple sub-sector does not benefit from direct AfDB support. These projects also contribute to developing the agricultural value chains of the sub-sectors targeted under the PSRSA, particularly rice, corn, vegetables and fish. The milk and meat sectors, as well as fish farming, receive support in
terms of alignment with Benin’s strategies in order to offset the country’s growing trade deficit for these products. Lastly, the cotton sector, which is the most important in terms of exports, also enjoys regional support through the PAFC.

Alignment with Target Group Needs

The actions evaluated adequately address the needs of target groups. The majority of projects were designed through a participatory approach involving consultations with stakeholders and beneficiaries once actions were designed to present activities and mainstream the expectations expressed in the energy, transport, water/sanitation, and agricultural sectors. This approach helped to identify ways to meet the needs of target groups. For example, governance sector activities have contributed to improving public resources management and private sector development, thus benefiting the entire population through increased investment and social expenditure. Infrastructure sector activities have helped to increase access to electricity for the entire population, improve access to drinking water and sanitation in urban and rural areas, open up the country’s production zones, and facilitate trade and inter-regional contacts. Agricultural sector activities help to create jobs, generate foreign exchange, and strengthen food security through local production. All three sectors help to improve the business environment and enhance the competitiveness of Benin’s economy. The PARC impact area accounts for more than 45% of cotton production and more than 10% of grain production. The economic impact of opening up access to cotton producing areas will be significant considering the importance of the cotton sector within the economy. It accounts for 45% of tax revenue (excluding customs duties), 13% of national GDP, and 80% of official export revenue, and is the country’s largest employer.

Alignment with Bank Priorities

The operations implemented in all sectors are aligned with the Bank’s general priorities and sector strategies and are consistent with its top five priorities (High 5s) which are “Feed Africa,” “Industrialize Africa,” “Integrate Africa,” “Light up and power Africa,” and “Improve quality of life for the people of Africa.” The transformative priorities selected are fully consistent with the Bank’s Ten-year Strategy 2013-2022 (governance, infrastructure development, private sector development and inclusive growth). Moreover, the pillars of the two CSPs are fully aligned with the two RISPs for West Africa (WA-RISP 2011-2015 extended to 2020 and WA-RISP 2020-2025), which were mainly based on the ECOWAS Integration Program aimed at creating a borderless region.

4.2 Effectiveness

This criterion assesses the extent to which Bank-funded projects have achieved or are likely to achieve set objectives and expected results (outputs and outcomes), as well as their contribution to achieving the country’s development goals.

The evaluation covered not only projects approved during the period under review, but also 9 projects approved before 2012 and implemented and closed between 2012 and 2021. Since the evaluation of effectiveness is based mainly on projects that have been closed or have reached an advanced stage of implementation for assessment of the achievement of outcomes, the comments in this section apply mainly to the outcomes obtained by the 21 projects that were closed or have reached an advanced stage of implementation, namely: 9 projects approved before 2012, 9 out of the 11 projects approved under CSP 2012-2016, and only 3 out of the 11 projects approved during CSP 2017-2021. These outcomes are therefore not comparable with those of the completion reports of the two CSPs under review.

The effectiveness of the Bank’s support to Benin is deemed satisfactory. Overall, the evaluation established that the Bank’s activities in the transport, water/sanitation, agricultural, and governance sectors achieved their expected outputs and outcomes satisfactorily. The Bank’s performance in the energy sector is considered partly unsatisfactory. On the whole, the projects contributed to efforts to develop infrastructure and agriculture, and to improve governance and the business climate. However, some infrastructure-related outcomes were partly achieved due to the little attention paid to socio-organizational activities and to capacity-building aspects of ancillary infrastructure management and implementation, as well as lack of time to build on the outcomes achieved. Lastly, the Bank also responded quickly to mitigate the impact of COVID-19.
Transport, Energy, and Water/Sanitation Infrastructure

Overall, the Bank’s operations during the 2012-2021 period helped to adequately strengthen the transport, energy and water/sanitation sectors. However, it is worth noting that the rate of project implementation is satisfactory in the transport and water/sanitation sectors, and partly unsatisfactory in the energy sector.

Transport Sector

The Bank’s transport sector portfolio comprises five operations, namely: the Project to Rehabilitate the Lomé-Cotonou Road (BN-TG PI) and the N’dali-Nikki-Chicandou-Nigeria Border Road Asphalt Project (PRNN) approved before 2012; the Project to Facilitate Transport on the Abidjan-Lagos Corridor (BN-TG PII) and the Parakou Urban Transport Project (PTUP) approved between 2012 and 2016; and the Cotton Road Development Project (PARC) approved between 2017 and 2021. One project, the PRNN, has been closed and another, the BN-TG PI, is nearing completion. Two projects (PTUP and BN-TG PII) are ongoing and one (PARC) is in the start-up phase.

Overall, the effectiveness of transport sector projects is deemed satisfactory because most of their outputs and outcomes have been achieved. Concerning road development and rehabilitation, all the road development works envisaged under the projects that have been closed or are nearing completion have been completed. These include the Lomé-Cotonou road (77.5 kilometers of road, with lighting and drainage over 18.75 kilometers), the N’dali-Nikki-Nigeria Border road segment (77 kilometers), and the highways that cut across the town of Parakou (16.80 kilometers).

The evaluation showed that Bank-supported transport sector projects have already achieved some major outcomes, particularly the improvement of the movement of people and goods. The completion of the N’dali-Nikki-Nigeria Border road segment, for example, has improved the condition of the road corridor to Nigeria: the portion of the road (part of the Benin corridor) that is in good condition increased from 52% (baseline value in 2009) to 99.54% in 2014, relative to the target of 85% (2013). The vehicle operating costs along the corridor were halved from CFAF 220 per vehicle/km in 2009 to CFAF 111 per vehicle/km in 2015 (the target was CFAF 176 /km in 2013). Travel time along the corridor was also reduced from 5 hours 30 minutes in 2009 to 3 hours in 2013 (the initial target was 3 hours in 2013) and 1 hour in 2015. The volume of trade with Niger, Nigeria and Burkina Faso through the Cotonou Port almost doubled, increasing from 2.85 million tons in 2009 to 4.44 million tons in 2009 and 2013 (146% of the target).

The implementation of transport sector projects also contributed to the construction of ancillary infrastructure and implementation of related activities. The related works carried out within the framework of the Lomé-Cotonou road include the construction of rural roads (107% of the target), the rehabilitation of the fences of socio-community infrastructure (135% of the target), the construction of latrine blocks (100% of the target), and the construction of boreholes equipped with pumps (95% of the target). Sensitization on road safety helped to reduce the number of accidents on the Pahou-Ouidah-Hillacondji road from 237 to 114 (relative to an initial target of 200 accidents/year) between 2011 and 2020. However, transport and commodity prices have not reduced significantly due to inflation throughout the sub-region.

Energy Sector

The Bank’s energy sector portfolio comprises five operations, three of them closed (PASEBE I, PACEB-Energy Component, and the regional Ghana-Togo-Benin Power Interconnection Project) and two at the start-up phase (PRESREDI and PERU). All these projects were approved under CSP 2017-2021.

The effectiveness of the energy sector portfolio is deemed partly unsatisfactory owing to long delays in the implementation of some projects (PERU and PRESREDI) that are yet to achieve their expected outputs. Projects that have been closed, however, achieved acceptable, albeit partial, implementation rates. The regional Ghana-Togo-Benin Power Interconnection Project has achieved only two-thirds of its expected outputs, while PASEBE I has achieved a little below three-quarters. Only the energy component of PACEB has achieved all of its expected outputs as the country implemented nearly all of the agreed reform measures within the required timeframe.
Nonetheless, energy sector portfolio projects have achieved significant outcomes, although they often fell short of expectations. The improvement in the availability and regular supply of electricity is expected to have a very positive impact on economic growth in the medium term. So far, energy sector portfolio projects: (i) increased the generation capacity to 52% of the target (354 MW in 2019); (ii) eliminated the power deficit (90 MW in 2016) in 2017 (100% of the target); and (iii) raised the reserve capacity from a target of 60 MW to 170 MW in 2018 under PACEB. The regional Ghana-Togo-Benin Power Interconnection Project increased Ghana’s electricity imports from 20 MW to 60 MW (but well below the target of 755 MW) between 2007 and 2020. In addition, load shedding has been reduced from 120 hours/month to 40 hours/month (relative to the target of 12 hours/month). Though unsatisfactory, this outcome is also due to other national initiatives, particularly the construction of a 120 MW power plant, which have helped to increase energy supply and to reduce load shedding. As a result, load shedding, which used to last 7 hours per day on average in Benin, has been reduced to 5 minutes (20 hours per year). Load shedding is mainly caused by the poor state of the electricity grid, rather than a lack of energy. The steady supply of electricity has prompted SBEE to revitalize its billing system and implement a new collection drive. The billing timeline has been significantly reduced from three months to one month for low-voltage customers and to 15 days for medium-voltage customers.

Furthermore, the energy sector portfolio has achieved outcomes in terms of energy inclusion, particularly under PACEB. In 2019, 8.48% of rural households had access to electricity, up from the target of 7.5% in 2018. The average cost of a kilowatt-hour (KWh) also dropped significantly to CFAF 110 in 2020, compared with a target of CFAF 150. Other more fragmented data also show an improvement in the electricity access rate. For example, the World Bank (WB) reports that between 2015 and 2017 access to electricity in urban areas increased by 2.5% (from 51.7% to 54.2%). Overall, access to electricity in Benin has increased from 20% to 34%. While this is an appreciable outcome, it is still well below the Bank’s target of 60%. It is worth noting that Benin still has one of the lowest energy access rates relative to the current ECOWAS average of about 40%.

Regarding energy sector governance, PASEBE stimulated dialogue and created a momentum for clearing cross-debts between the State and SBEE. The program also increased ARE’s financial resources and empowered it to fix tariffs. SBEE’s monthly turnover has risen to an average of CFAF 9 billion thanks to the new collection drive. However, a number of weaknesses requiring special attention remain, namely: (i) the need to ensure discipline in the preparation of budget support project reports on a regular basis; (ii) the need to improve coordination between institutional sector actors; (iii) the need to strengthen the sector’s regulatory authority; and (iv) the need to issue a decree instituting a regulatory fee for the sustainable financing of the Electricity Regulatory Authority (ARE) so as to ensure its full autonomy in the discharge of its duties.

Water and Sanitation Sector

Three out of the five “water and sanitation” portfolio projects have been fully completed. These are the Rural Drinking Water Supply and Sanitation Program (PAEPA), the Support Project for the Decentralization of Drinking Water, Hygiene and Sanitation Services in Atacora-Donga (LEauCal) and the Grand Nokoué Septage Management Improvement Project (PAGBVGN). The Project Water Loss Reduction and Performance Improvement of Drinking Water Supply Systems in in Cotonou, Porto-Nov and their Suburbs (PRPES) is being implemented and the Support Project for the Cotonou Stormwater Drainage Program (PAPC) is at the start-up phase. PAEPA was approved before 2012, LEauCal, PAGBVGN and PRPES were approved between 2012 and 2016, and PAPC between 2017 and 2021.

The effectiveness of water and sanitation portfolio projects is deemed satisfactory as a large number of physical achievements have been made and outcomes achieved in terms of drinking water supply, hygiene and sanitation (DWSHS), project ownership and sludge management. PAEPA and LEauCal have, in most cases, achieved or exceeded their respective output and outcome target values, in contrast to PAGBVGN which has achieved only part of the expected outputs (36%) and outcomes. However, PAGBVGN represents only 2.5% of total resources allocated to completed projects.

Under the water and sanitation component, PAEPA has helped to achieve significant results. All facilities envisaged under PAEPA’s drinking water supply component have been built (129% completion rate on the basis of one water point per 250 inhabitants). The evaluation noted the installation of 241 institutional latrines of 3 to 5 cabins (relative to the 240 latrines envisaged), or a total of 976 cabins, in
schools and health centers, and 4345 family latrines. However, major activities that were planned and budgeted for, such as capacity-building for optimal water resource management or some DWSS facilities, could not be implemented, resulting in insufficient sector performance. In terms of outcomes, the drinking water access rate in the Zou and Atlantique rural communities increased to 80.4% and 52.3% in 2011, relative to targets of 32% and 40%, respectively. The sanitation services access rate also increased in the 2 departments (14% to 32% for Atlantique and 25% to 26.58% for Zou) between 2007 and 2011, relative to a target of 25%. These outcomes included access by 271 000 people to drinking water within a radius of 300 meters, 48 800 people to institutional latrines and 26 070 people to household latrines. The combined effects of projects helped to improve hygiene conditions and to reduce water-borne diseases (malaria, diarrhea and vomiting) by about 30%. However, knowledge of groundwater resources is limited. Furthermore, water quality monitoring was carried out, but the system for monitoring the quality and management of facilities is inefficient. The management of water resources through the Geographic Information System (SIG-EAU) of the General Directorate of Water (DG-Eau) was not strengthened and is no longer adapted to the decentralization and deconcentration framework.

Regarding the component on improving the supervision of the DWSHS sector entrusted to municipalities under a decentralization drive, LEauCal has helped to build the capacity of the 13 municipalities in Atacora and Donga departments in the areas of supervision and revenue collection, and also established mechanisms and tools for managing the DWSHS sector at the local level. The drinking water access rate in the area was increased from 63% to 68% in 2020 (that is 100% of the target). The duration of operation for water points was increased from 200 days to 350 days per year, meeting the set objectives. The percentage of DWSHS projects supported by decentralized services increased six-fold, far exceeding expectations (a projected three-fold increase). While six municipalities pooled their DWSHS resources, only 9.7% of the annual investment budgets of the 13 municipalities involved was allocated to the DWSHS sector (less than the initial rate of 5%), relative to a target of 15%. Similarly, the fee collection rate improved from 35% to 50%, relative to a target of 90%.

Regarding septage management, outputs and outcomes fell short of expectations. PAGBVGN achieved only 36% (7 out of 19) of the expected outputs. This project failed because private partners were unable to mobilize the required financing, resulting in the cancellation of planned works for two of the three project phases.

**Agricultural Sector**

The most recent of the eight “agricultural” portfolio projects are either in the start-up phase, like the Cashew Nut Sector and Agricultural Entrepreneurship Development Support Project – PADEFA-ENA (0% disbursement), or not yet advanced such as the Program for Integrated Development and Adaptation to Climate Change in the Niger Basin (PIDACC) and the Communal Forests Management Support Project - Phase II (PAGEFCOM II). This is because their respective preparatory studies are still ongoing and the projects are still at the service contracts award stage.

Conversely, projects that have been closed like PAGEFCOM I, PAFC and the Emergency Assistance Program (PURG) or that have progressed to an advanced stage of implementation (PAPVIRE-ABC and PAIA-VO) have achieved satisfactory levels of tangible outputs (80% of infrastructure and equipment targets etc.) and outcomes. The evaluation indicated the following achievements: irrigation infrastructure (7 agro-pastoral dams rehabilitated by PAPVIRE-ABC, providing a total volume of 600,000 cubic meters of water, or 100% of the target); development of lowlands (according to the latest May 2020 IPR on PAIA-VO, the target of 1,000 hectares is expected to be exceeded); construction of warehouses (9 warehouses built by PAPVIRE-ABC, that is 100% of the target); rehabilitation of rural roads (162 kilometers of roads rehabilitated, representing 100% of the target achieved by PAFILAV); construction of livestock markets (7 markets, that is 100% of the target achieved by PAFILAV); forest management and reforestation (PAGEFCOM I achieved a 121.19% implementation rate) and wildlife management by PAGEFCOM I (100% physical implementation rate however without no tangible outcomes as no wildlife have been introduced, 0.0%).

Shortcomings regarding the achievement of outputs stem from the cancellation of some infrastructure and activities considered “non-essential” due to technical, budgetary or time constraints. In such cases, the resources in terms of budget and time freed up were used to consolidate the most important outcomes. This was the case with PAPVIRE-ABC and PAIA-VO (according to the
2020 IPR, 651 hectares of gravity-fed irrigation areas were developed). Furthermore, not all infrastructure was constructed in accordance with the initial scale (for example, the length of rural roads developed under PAIA-VO). Lastly, in some cases, completed infrastructure was delivered late, preventing the implementation of support and management capacity-building activities over a sufficiently long period to ensure their sustainability.

The construction of infrastructure has helped to increase production capacity and improve the living conditions of beneficiaries. According to the PAIA-VO 2020 IPR, between 2013 and 2019, vegetable production increased from 24,000 to 32,600 tons (101.67% of the target), food production rose from 70,100 to 77,992 tons (35% of the target), women’s incomes derived from vegetable farming soared from CFAF 62,000 to CFAF 383,000, and rice producers’ incomes improved to about CFAF 2332 848 (235% of the target). Concerning ecosystem management, the PAGEFCOM I completion report indicates that 70% to 90% of expected outcomes were attained. These include an increase in the production of timber forest products (100 poles/ha, relative to an initial projection of 20 poles/ha and a target of 110 poles/ha) and non-timber forest products (7 liters of honey/colony and 55 kg/ha of spices and seeds; i.e., more than double the projected values and more than 87% above the target value), as well as a rise in productivity (80,000 m³ of teak wood, that is 20,000 m³ above the initial value and 75% of the target value).

However, the achievement of outcomes regarding entrepreneurship development and the setting up of women and youths remain insufficient. Downstream production components could not be adequately implemented under agricultural projects due to time constraints. Infrastructure and production equipment were not adequately tested during farming seasons to allow for management adjustments. Furthermore, due to time constraints, it was difficult to structure producer organizations and provide them with the tools needed to ensure better infrastructure utilization and sustainable farm management.

**Governance Sector**

The Bank’s governance sector portfolio comprised six projects which were all closed, namely: PAREF, PAGFPACAF, PACEB I and II, the Benin COVID-19 Response Support Program (PAR-COVID-19) and the Regional African Trade Insurance Country Membership Program (ACA RACMP). PAGFPACAF was approved before 2012, ACA RACMP and PAREF between 2012 and 2016, and PACEB I and II and PAR-COVID-19 during the 2017-2021 period.

The effectiveness of the Bank’s governance sector operations is deemed satisfactory (over 80% of reforms implemented). The main intervention of the Bank was aimed at supporting reforms by predating disbursement of the tranches of its two budget support operations on the fulfilment of certain conditions and by monitoring a series of measures through policy dialogue conducted as part of program monitoring. A technical assistance project provided technical support for public finance governance and business climate reforms introduced by the AfDB.

Regarding public finance governance, the Bank continued to provide support through PAREF for the introduction of results-based budgeting in accordance with WAEMU guidelines. At the same time, PAGFPACAF supported this process by providing assistance to the Public Finance Reform Management Unit of the Ministry of the Economy and Finance. After careful planning, the transition will be effective for the 2022 budget, implying that the implementation of program budgeting and management could improve expenditure quality and reinforce the Government’s efforts to address priorities.

Specifically, Bank operations under PAREF have contributed significantly to the improvement of domestic revenue collection through adoption of the bill instituting the Customs Code, the issuance of an individual taxpayer identification number at border posts, the establishment of a joint tax/customs control brigade in February 2013, the interconnection of customs units, the centralization of the Automated Systems for Customs Data (ASYCUDA++) software package, and the continuation of the export verification program. PAGFPACAF provided technical support for the implementation of the customs modernization plan. Lastly, in 2013, the Bank supported the institution of a tax regime for small- and medium-size enterprises (SMEs) and strengthened corporate tax units by procuring and installing the computerized accounting audit software and training inspectors on how to use it. These reforms helped to increase Benin’s tax revenue from 2016 to 2020 (+50% of the total), thus raising total public
expenditure while containing the deficit. The increase in revenue is largely due to a 75% rise in direct taxes (from CFAF 350 billion to CFAF 620 billion between 2016 and 2020) and the maintenance of customs revenue at the 2013 level of CFAF 370 billion, despite closure of the border with Nigeria. This progress stems from measures implemented since 2016 with AfDB assistance, specifically aimed at strengthening taxation services.

With regard to public procurement, the Government issued a series of decrees, with the Bank’s support, establishing the Public Procurement Regulatory Authority (ARMP) and the National Directorate of Public Procurement Control (DNCMP). These two bodies are operational and ensure that public procurement procedures are scrupulously followed. From 2011 to 2017, the AfDB continued to support the ARMP by fostering the systematic conduct and publication of public procurement audits under PACEB. At present, the ARMP is publishing the 2011 to 2014 audit reports on its website. According to the Project Completion Report (PCR), the 2015 to 2017 reports have been validated and published.

The assessment of the business climate and policies to support private sector development and public-private partnerships (PPPs) is positive, but modest. Major reforms have been implemented (the Investment Code, the computerization of land management under the new Land Tenure Code, the SME development strategy, the new legal framework and implementing decrees), but others are still to be implemented (the operationalization of the Court of Appeal, the adoption of the investment policy, the establishment of the pilot special economic zone (SEZ), and issuance of the decrees implementing the Law on competition). Implementation delays are attributable to lack of institutional capacity to handle the numerous reforms underway.

Lastly, despite the importance attached to private-sector development by the Government of Benin (which intends to have more than half of its investment plan financed by the private sector) and the AfDB itself (which intended to assist the sector and support the implementation of PPPs under CSP 2017-2021), the Bank is yet to create the necessary conditions to support private-sector investment. However, regulatory (studies and support for the establishment of an appropriate legal and regulatory framework) and operational initiatives have been taken. Examples include the Maria Glet Independent Power Producer Phase 2, the Cotonou Port Development and Expansion Support Project, and the “Backbone” Project for the integrated development of Benin’s economy which were considered by the Bank but have not yet been realized. Benin now has fairly sound private-sector support strategies, policies and action plans. The priority is to support their effective implementation and ensure the establishment of relatively efficient monitoring and evaluation systems. Specifically, the law on the promotion and development of micro, small- and medium-size enterprises (MSMEs) in Benin was passed in March 2020. It serves as a road map for the national policy of public and local government assistance to micro, small- and medium-size enterprises.

4.3 Efficiency

This criterion analyses the adherence of Bank operations to implementation schedules and resources allocated. It ensures that implementation deadlines have been met and that inputs have been used in accordance with operational standards in terms of economic and financial costs and benefits.

Although the cost-benefit analysis is satisfactory, the efficiency of AfDB operations in Benin during the 2012-2021 period is considered partly unsatisfactory due to project implementation delays (about two years for the transport and energy sectors) attributable, among other things, to start-up delays, unfamiliarity with procurement procedures, and the weak institutional capacity of project implementation units.

Evaluation of the projects showed that the initial cost-benefit analyses for the various sectors concerned are satisfactory, or even highly satisfactory. The economic rate of return of projects remained above the opportunity cost of capital, indicating that they are economically viable. All projects had positive economic rates of return (ERRs) or internal rates of return (IRRs), indicating good economic viability (ERRs of 17% to 29.8% for agricultural sector projects and IRRs of 14% to 32% for transport sector projects, 13% to 17% for water and sanitation projects, and 15% to 17% for the energy sector). However, ERRs and IRRs at project completion are not available for the majority of operations, raising doubts about their actual profitability. Nonetheless, in cases where they are available (PAFC, PAFILAV and PRNN), the ERRs and IRRs recalculated at completion are higher than initial projections,
indicating that the operations have a positive cost-benefit ratio. In the case of the PRNN, the increase was 111 percentage points (32.7%, as against 21.7%), owing to lower-than-expected construction costs and a higher volume of traffic. However, reservations were expressed about the quality and durability of the road works carried out.

The main economic benefit expected from water and sanitation sector projects is a steady increase in the quantity of drinking water supplied to consumers (or access to sanitation); however, the projects are also expected to generate additional indirect benefits that were not quantified. Such benefits include improved health resulting from the increased consumption of drinking water rather than well water, shortening of the time needed to fetch water thereby creating free time that can be reinvested in productive activities, enhanced resilience to climate change through sound water resource management, etc. These additional benefits increase the cost-benefit ratio of sector projects.

The economic rate of return on some activities in the energy sector portfolio has been slightly revised downwards relative to the initial estimates made at appraisal. This disparity is mainly due to the following factors: (i) energy supply is currently lower than expected due to the absence of a Togo-Benin power transmission line; (ii) cost per kWh has not yet been reduced to the desired level; and (iii) industry has not yet fully benefited from an increased and reliable energy supply. However, it is expected that these constraints will be removed over time, making it possible to meet and even exceed the rates of return calculated initially. Lastly, in the energy sector, budget support under PASEBE I created a strong leverage effect, making it possible to write off the debts owed to SBEE by the State in 2017. Furthermore, the replacement of meters in a number of public service entities enabled the Government to reduce its debt owed SBEE.

It is also worth noting that, following the declaration of a state of emergency due to the COVID-19 pandemic, the Bank responded quickly, disbursing the UA 1.5 million single tranche for PARCOVID-19 as early as August 2020. This project was intended to support the Government of Benin’s response to COVID-19 and mitigate the pandemic’s socio-economic and health impacts.

The main weakness of the AfDB projects portfolio in Benin during the period under review concerned timeliness. Most sector projects experienced very lengthy delays, sometimes spanning many years. The average time overrun for all projects is about 24 months. These delays are lengthier in the transport and energy sectors (over 30 months on average). Significant delays are also experienced in the agricultural and water/sanitation sectors, albeit slightly below the average (20 to 21 months on average). Governance support, particularly through program-based support, experiences fewer delays. There is no major difference between sectors or types of support (investment and TA) regarding the causes of time overrun. Delays occur throughout the project cycle, but the project start-up phase seems to be particularly prone to this phenomenon.

The quality at entry of projects is often poor, whereas these operations are generally complex and ambitious. Preparatory studies, whether technical, environmental or social, are hardly ever ready at project start-up. This leads to a significant time overrun from the start-up phase, which is difficult to offset subsequently. In a few rare cases, the quality of studies pertaining to technical aspects or cost estimates is also poor, necessitating contract amendments that cause additional delays. The lack of preparation of implementation teams, which often take several months to become operational, also affects project quality at entry. Furthermore, a number of management tools (procedure manuals, financial management software, baseline scenarios, monitoring and evaluation systems, etc.) are lacking during the project start-up phase and are only provided later during the first year, or sometimes even the second year of the project. Lastly, some infrastructure projects sites are not secure, often resulting in serious complications regarding land management and the release of rights-of-way at the start-up of construction. Some agricultural projects have been delayed for several years due to the lack of documents that clearly attest to their land tenure status.

Several factors specific to the AfDB, the authorities of Benin, or the national context as a whole are to blame for the quasi-systematic time overrun. Delays specific to the Bank are mainly attributable to complex administrative procedures and the time taken to process procurement documents due to the absence of a procurement specialist in Benin. Concerning Benin, the inability to mobilize national counterpart funds is a major source of delays. All operations face this problem to a greater or lesser extent. Another cause of delays is the weak capacity of local partner entities (municipal councils, technical and administrative services, national agencies, producers’ or users’ organizations,
etc.). Most of the stakeholders interviewed highlighted this problem. It is worth noting, however, that LEauCal claims to have mitigated this problem by pooling human resources in some of its partner municipalities. Lastly, the weak technical and/or financial capacity of some contractors impedes contract execution and, in some cases, results in contract termination. Stakeholders consider this last factor as one of the major constraints in this domain.

When project implementation delays exceed a certain threshold considered intolerable, they jeopardize the project’s effectiveness and sustainability. They adversely affect the implementation of social, organizational and institutional activities, as well as water management, energy use, the capitalization of road access, and the downstream work of agricultural value chains, particularly processing and marketing. Neglecting these aspects jeopardizes the achievement of outputs and, hence, project effectiveness and/or sustainability.

4.4 Sustainability

This criterion analyses the sustainability of the benefits of Bank operations after completion. The aim is to examine sustainability from the economic, financial, institutional, social and environmental perspectives, as well as from the perspective of project ownership by stakeholders.

Positive aspects notwithstanding, the sustainability of AfDB portfolio operations in Benin during the 2012-2021 period is deemed to be partly unsatisfactory. Although the evaluation showed that the sustainability of the water/sanitation and governance sectors is satisfactory, that of the transport sector is unsatisfactory, and that of the energy and agricultural sectors is partly unsatisfactory.

The technical soundness of operations in all sectors is deemed satisfactory. The design and construction of transport, water/sanitation, energy and agricultural sector infrastructure are invariably considered to be of high quality. However, significant and recurrent delays result in the neglect of institution-building activities, as evidenced by the lack of a system to manage the infrastructure, equipment and services developed by projects. According to the Ministry of Agriculture, Livestock and Fisheries (MAEP), this is a recurrent problem because “the procurement process is often so lengthy that infrastructure developed is only delivered at the end of the project, leaving no time for capacity-building in infrastructure management.” Although their technical soundness and other aspects of sustainability (particularly partnerships, viability of activities and environmental impact) are satisfactory, the overall sustainability of actions remains weak. On the whole, not enough efforts are made to establish management and maintenance systems. The maintenance and sustainable operation of AfDB-funded infrastructure and equipment are therefore not guaranteed.

Overall, sustainability in the governance sector is considered satisfactory. The programs under review are part of a long-term process. They have contributed to strengthening national systems as well as implementing reforms and public management tools in an institutional environment that is being consolidated, thereby ensuring their sustainability. PACEB has contributed to the long-term consolidation of the private sector promotion policy and to establishing the Single Window for Foreign Trade which has been operational via its website and helps in the dematerialization of foreign trade transactions. This is also true of PAREF which contributed to the implementation of long-term reforms, particularly in the domain of public finance, such as the new Organic Law on Appropriation Acts (LOLF/2013), thereby complying with WAEMU Directives, and the transformation of the Chamber of Accounts into a veritable Audit Office. More than six years after the completion of PAREF, the National Microfinance Fund (FNM) continues to use this system to guide its operational planning. The Audit Office, for its part, has now met the standards set by WAEMU and the International Organization of Supreme Audit Institutions (INTOSAI).

The Bank’s operations, which are a continuation of previous programs, have helped to strengthen budding outcomes as well as the economic and financial viability of the Government’s policies. Institution-building, stakeholder ownership of Bank program components, and participation and involvement in decision-making and monitoring processes by many actors contribute to ensuring the sustainability of the reforms implemented. However, the sustainability of outcomes is not yet fully guaranteed, and the implementation of an institutional capacity-building component should be envisaged in order to ensure the durability of achievements.
The sustainability of transport sector operations is deemed unsatisfactory due to insufficient financing to meet road network maintenance needs, lack of an efficient system for controlling heavy vehicle axle loads and weak institutional capacity. Heavy vehicle overloading and the resulting rapid deterioration of roads are major challenges in Benin, particularly given rising maintenance costs. Despite the various projects implemented in the sector in recent years, Benin’s road network has deteriorated significantly. In 2012, 28% of the country’s road network was considered to be in good condition, 46% in fairly good condition, 22% in poor condition, and 4% was under construction. In 2017, only 16% of the road network was considered to be in good condition, 21% in fairly good condition, 44% in poor condition, and 19% under construction. The deterioration of the road network is mainly due to insufficient road maintenance owing to the steady decrease in Road Fund resources (CFAF 19.5 billion in 2012, as against CFAF 16.2 billion in 2017). In 2017, Benin met 35% of its road maintenance financing needs. The decrease in Road Fund resources is due to a reduction in earmarked resources (which are not transferred in full to the Road Fund by the Treasury) and State subsidies. The ownership of some infrastructure by beneficiaries and stakeholders is not always satisfactory, resulting in the lack of maintenance for related facilities and equipment. For example, rural roads are not maintained and there are no village road maintenance committees, although this aspect was mainstreamed into the project design. Similarly, the various pieces of equipment provided to village communities have broken down, sometimes for many years now. Lastly, in terms of environmental and social sustainability, it should be noted that two projects (PRNN and the Lomé-Cotonou Road Rehabilitation (Phase 2) and Coastal Protection – Benin-Togo Project) have been classified under Environmental Category 2 and two others (PTUP and PARC) under Environmental Category 1 because they have a greater impact in terms of the number of people to be relocated. Despite the existence of detailed project environmental and social management studies and plans (ESMPs), the monitoring of and reporting on the implementation of planned mitigation measures are not carried out in a systematic manner.

Sustainability in the energy sector is deemed partly unsatisfactory despite full stakeholder participation in the implementation of specific activities and measures within their respective areas of competence. This paradox stems from the fact that financing for equipment management and maintenance is not guaranteed as such concerns are not prioritized relative to infrastructure construction during project implementation. Many projects fail to allocate or budget for the resources required to manage and maintain the infrastructure, equipment, or services developed. In contrast, various project appraisal reports included technical, economic, environmental and governance measures to ensure the sustainability of expected project outcomes.

Sustainability in the water and sanitation sector is deemed satisfactory as the strong political will to achieve universal access to drinking water provides an enabling institutional framework for sector projects. Drinking water and sanitation projects have a multiplier effect on social outcomes such as improved health status, saving on time spent to fetch water, economic development and job creation. From an environmental standpoint, the operations promote more efficient water use (reduced waste and pollution) and help to build resilience to climate change. In the specific case of PRPES, sustainability is ensured by replacing leaking pipes that cause water loss. The Benin National Water Company (SONEB) replaced other pipes with many cracks before the start-up of the project to significantly reduce technical losses.

The sustainability of Bank operations in the agricultural sector is considered to be partly unsatisfactory. Although the technical soundness of activities, ownership and sustainability of the partnerships established are satisfactory, lack of economic (in terms of infrastructure maintenance) and environmental viability, as well as weak institutional sustainability result in overall poor sustainability of activities. Besides financing, sustainability rests on the establishment of institutions that can manage the use and maintenance of infrastructure and equipment. The attention paid to the formation and/or strengthening of such institutions (management committees, professional organizations, cooperatives, associations, etc.) has been insufficient. This requires: (i) the strengthening of governance, the training of officials, and the definition of rules and conditions for managing infrastructure, equipment and services; and (ii) the involvement and establishment of partnerships and collaboration agreements with various local, regional or national development actors, development operators, local governments, private enterprises, or other stakeholders.

During project appraisal, environmental risks are always assessed, and impact mitigation measures proposed through ESMPs. According to the MAEP, the AfDB and World Bank are pioneers in the systematic consideration of environmental and social factors. Furthermore, many operations have
specific environmental components, particularly in terms of climate change adaptation or mitigation, as well as the preservation and restoration of natural resources and ecosystems, notably forest ecosystems. However, despite the progress made under the Paris Agreement, Benin’s accession to the Agreement, and the climate change challenges faced by Benin with its Sudanese-type climate, it is surprising that projects make no reference to nationally determined contributions (NDCs) or the Climate Change Adaptation Plan (CCAP). Furthermore, there are doubts about the rigorous implementation of ESMPs. Lastly, there are no indicators that allow for a more thorough consideration of environmental and social impacts.

4.5 Cross-cutting Issues

This section analyses the mainstreaming of cross-cutting issues such as gender, social inclusion, climate and environmental issues, and transition to green growth into the Bank’s strategies and operations in Benin.

Gender Dimension

The evaluation established that the Bank mainstreams the cross-cutting theme of gender into all its strategies and operations in Benin but lacks a clear comprehensive approach with priorities regarding the fight against gender inequalities. Consequently, the gender dimension is gender is insufficiently taken into account in operations. Hence, the operations do not include beneficiaries’ views on the prevailing social relations between men and women, with the result that they are unlikely to have an impact on such relationships.

The second pillar of CSP 2012-2016, which focused on governance, included the clear objective of building capacity to implement gender promotion policies, and further streamlining and professionalizing the microfinance sector to improve access to finance for women and youths. CSP 2017-2021 retained gender promotion and women’s empowerment as one of the priority themes for policy dialogue. However, although this objective was maintained during the CSP mid-term review, it does not appear as though there has been much discussion on the aspect. However, the Bank prepared the country’s gender profile in 2020, but its input should be more prominent in the next CSP.

The Bank’s approach is mainly based on the identification of components, activities and segments concerning women. Some projects emphasize the participatory identification of works and equipment, with the specific involvement of women in various sectors, namely: agriculture (PADEFA-ENA, PAIA-VO, PAPVIRE-ABC, PAGEFCOM II, and PIDACC); energy (PERU); transport (PRNN, Lomé-Cotonou Road Rehabilitation and Coastal Protection – Benin-Togo Project, and PTUP); water and sanitation (PRPES); and governance (PAREF). Some operations have, however, adopted a more proactive approach to the promotion of gender equality, particularly with regard to the AfDB’s consolidated approach under the gender marker system, which has been used since 2018. A good example in this regard is the PIDACC regional program which has designed a gender action plan with a budget of USD 53 million (in 9 countries), representing 31% of the total investments to be made. The expected outcomes include the adoption of quotas to enable women to access reclaimed or developed land, training and awareness-raising, SMEs involved in natural resource management, sub-projects for water efficiency and income diversification, or processing units.

However, a study on the gender profile and the effects of COVID-19 on women and girls in Benin was carried out in 2021. This study examines all AfDB focus areas from a gender perspective. Implementation of the recommendations made to the Government and the Bank would enable the AfDB to implement a more comprehensive gender policy in Benin.

Social Inclusion

The evaluation showed that AfDB strategies in Benin adequately address inclusiveness which is underscored under the agricultural pillar. The two CSPs focused more on economically and socially disadvantaged areas that nevertheless have significant agricultural potential. The Bank’s assistance was aimed at reducing regional and social disparities so as to ensure better distribution of the fruits of growth by supporting the development of agricultural value chains and entrepreneurship, particularly for youths and women in priority sub-sectors, and strengthening the links between production zones, markets, and basic social services in these disadvantaged areas. Based on the poverty analysis by
The Bank's portfolio in Benin did not explicitly target the “social” sector during the review period. The Bank approved a social/health sector project in 2005, namely the Health System Development Support Project (PADS) for a total of UA 22 million, which allowed for the construction and equipping of hospitals, the training of staff and the provision of equipment and drugs. However, the project failed to establish mutual health insurance schemes and ensure compliance with contractual clauses to retain trained staff. Towards the end of the period, the Bank approved an emergency budget support for the Benin COVID-19 Response Support Program, but its scope was rather limited (PAR-COVID-19 totaling UA 5.1 million, included in the governance sector). During the evaluation mission, the Bank was preparing an operation on youth employability and technical education.

Environment and Green Growth

The Bank is an important partner of Benin in the environment and climate change domains, particularly in the forestry sector where it is a key player. Under CSP 2012-2021, the Bank provided assistance to the Government through two focus areas to promote the sustainable development and management of natural resources (forests, arable land, water resources, etc.) and mitigate the effects of climate change on vulnerable communities, particularly in rural areas. Under the first focus area, the Bank prioritized the inclusion of issues related to the environment and resilience to climate change in rural infrastructure projects through the development of valleys (PAIA-VO), adaptation to climate change (PIDACC/BN) and extreme weather events such as floods and/or droughts which weaken rural populations, and through the development of lowlands for irrigation purposes and better control of water resources. Under the second focus area, the Bank supported efforts to strengthen climate risk forecast and early warning systems to ensure food security in fragile agro-ecological zones. The effects of climate change on transhumance, the scarcity of pastoral resources and the risk of conflicts between farmers and stockbreeders have been mitigated through livestock sector operations. The aim is to support the use of agricultural and agro-industrial by-products, introduce and develop fodder crops adapted for animal feed, delimit and mark out corridors for the passage of animals and develop pastoral rangelands. There are plans to implement a large-scale program of natural resource management activities in the forestry sector under phases I and II of PAGEFCOM. These activities will focus on: (i) reforestation, information, awareness-raising and capacity-building; (ii) the promotion of green economy value chains (shea, beekeeping, fish farming, etc.); and (iii) the establishment of an early wildland fire warning system. These mechanisms will inevitably have considerable positive effects and impacts on human and natural environments and contribute to improving the resilience of ecosystems to climate change.

Bank operations in Benin include commitments to ensure environmental sustainability. However, the few concrete elements available do not allow for confirmation of the effective and efficient monitoring of ESMPs and environmental impact mitigation/enhancement measures. In keeping with the Bank's environmental safeguard requirements and Benin's environmental assessment legislation, all projects classified under Environmental Category 1 or 2 were the subject of environmental hazard assessments. Impact mitigation measures, particularly through detailed ESMPs, were defined during the preparation and prior to the implementation of projects. The assessment reports and management plans prepared are generally of high quality and contain useful information on the benefits and adverse effects of the infrastructure, facilities or equipment developed. The Benin Environment Agency (ABE) approves the impact assessments by issuing an environmental compliance certificate for each project. The only exception is PAEPA (approved in 2004 but implemented during the evaluation period) for which the planned environmental and social impact assessment and ESMP were not completed, and no specific environmental preservation measures were adopted.
5. WAYS AND MEANS TO SUPPORT THE ACHIEVEMENT OF DEVELOPMENT GOALS

This section evaluates the Bank’s performance in Benin in terms of design and selectivity, coherence, knowledge management and policy dialogue, and results-based management.

5.1. Design and Selectivity

The Bank’s two country strategies – CSP 2012-2016 and CSP 2017-2021 – are considered relevant in terms of the themes selected as well as the synergies provided by the focus areas. They focused on the key development challenges in Benin and addressed them in an effective manner. As stated in the section on effectiveness, the Bank’s operations implemented during the two CSP periods contributed (or are contributing) to important development outputs and outcomes. Stakeholders were highly satisfied with the CSPs as well as the Bank’s support sectors. However, these strategic documents are sometimes overly ambitious and unrealistic in terms of deadlines and somewhat shallow in their initial diagnoses.

In terms of operation design, most sector projects had clear objectives and rationale. A logical framework based on a clear and quantifiable sequence of activities, outputs, outcomes and impacts was defined, with specific indicators and quantified target values indicating desired improvements in relation to a baseline situation. Beneficiaries were clearly identified, and investments aligned with socio-organizational support, which was highly relevant. Furthermore, although project appraisal reports (PARs) included a section on risk management, it was often inexhaustive. This section appears to be included to comply with standard procedures rather than out of genuine motivation. Consideration of the risks associated with an intervention is therefore often insufficient or too general. Hence, risk mitigation measures were too general and ineffective, such as: attention to the social assessment process, support for endogenous conflict management mechanisms, awareness campaigns, establishment of implementation protocols, the “anticipation” of problems, etc.

**Selectivity of the Bank’s Portfolio**

The selectivity of the AfDB portfolio during the evaluation period was relatively poor, but nonetheless satisfactory insofar as the Bank was able to meet the needs of this partner country. According to the portfolio analysis, Bank operations in Benin during the 2012-2021 period were mainly focused on five sectors, which was a sort of AfDB activity dispersion, particularly as the portfolio also included a health sector support activity and the agricultural sector portfolio included forestry-related activities that are not commensurate with agricultural sector support. Furthermore, in some cases, especially water and sanitation sector operations, the Bank responded to requests from Benin’s national authorities rather than to a genuine CSP logic. In such context, the main selection criterion was often the financial viability of an activity rather than the overall consistency of the country’s program.

5.2. Coherence

This section examines the degree of internal and external coherence of the Bank’s operations in the country. While internal coherence assesses the synergy and linkages between the Bank’s operations, external coherence considers the consistency of the Bank’s operations with those of other development partners.

**Internal Coherence and Synergy**

The coherence of the Bank’s portfolio of activities in Benin is considered satisfactory. However, the coordination of sector operations was only effective between the energy and governance sectors due to the inclusion of a strong “energy” dimension in budget support programs. Despite existing synergies, the coordination of operations across the other sectors was insufficient due to the dispersion of the themes addressed and compartmentalization among implementing partners.

The overall coherence of the Bank’s operations is deemed satisfactory. The improvement of the road network helps to open up agricultural production zones, and improved access to electricity facilitates agricultural product processing initiatives. Public finance management also entails reducing
trade deficits, particularly by increasing local energy generation as well as reducing food imports by increasing livestock, food and export crop production. Furthermore, the improvement of the business climate through governance actions is complemented by increased access to electricity and water, as well as improved road traffic flow. All of these factors facilitate the emergence of SMEs upstream and downstream of agricultural production chains, agricultural product marketing and, to a larger extent, private investment.

Regarding internal coordination in each sector, continuity between programs is satisfactory, reflecting their consistency with previous AIDB initiatives. For example, in the energy sector, PRESREDI is a continuation of partnership with the AIDB that began in the late 1990s (the AIDB financed two rural electrification projects during the 2006-2011 period). PERU is also a continuation of the Bank’s presence in the sector and previous rural electrification operations. The same is true for the Bank’s transport sector projects which are a continuation of previous operations, and which capitalize on the investments already made. Examples include PRNN and the Togo-Benin coastal road on the Abidjan-Lagos corridor which was constructed in two phases.

The coordination of cross-sector operations was effective, particularly between the governance and energy sectors, as illustrated by PASEBE I, an energy sector support program that complements PACEB’s “energy” component. PACEB complements and establishes clear linkages with other efforts made in the energy sector (which aim to increase the power generation capacity). Under PACEB, complementarity and consistency with previous and ongoing programs were strengthened through targeted reform measures. The three budget support programs that were implemented in succession (PAREF, PASEBE and PACEB) supported complementary strategic reforms in the said sectors. This approach helps to strengthen the impact of programs and increase the Bank's value added in the implementation of reforms. It is also necessary to underscore the existence of internal synergies regarding preparations (at the Bank and in ministries) and dialogue between the Bank and the Government of Benin within the framework of PACEB.

External Coherence and Leverage

The harmonization of operations with other donors is barely satisfactory. Except for the governance sector, such harmonization remains limited and carried out on an ad hoc basis, without a stable and structured framework. Although some mechanisms for fostering dialogue with the Government of Benin and coordination between TFPs have been proposed, they are constantly changing, often ineffective, and are highly sector dependent. This is true for the governance, energy, agriculture and water/sanitation sectors. Their goal is to discuss project-related issues and avoid duplication. The Government recently established the Analysis and Investigation Office (BAI) of the Presidency of the Republic in order to improve coordination in the implementation of the PAG and flagship projects. This enables the involvement of top-ranking officials and improves financial monitoring. However, it appears that the mechanism is cumbersome, with only key TFPs in each sector participating in its discussions, which sometimes only focus on bilateral issues. The opening of the Country Office (COBJ), on the other hand, has strengthened collaboration between TFPs, although there is still much room for improvement in this domain.

External harmonization and coordination of operations in the governance, energy and water/sanitation sectors are fairly satisfactory. In the governance sector, for example, coordination is based on structured and frequent dialogue between TFPs (mainly WB, IMF and EU) which provide budget support, as well as on the operation of the monitoring unit in MEF that ensures the consistency of operations during design and implementation in close collaboration with partners. The AIDB, in particular, is a member of the ABC Group which implemented a TFP collaboration protocol in 2007.

The lack of a formal and permanent framework for consultation hinders the coordination of Bank operations with those of other TFPs in the transport sector. Coordination is ensured through consultations with other TFPs during project appraisal or within the framework of national coordination mechanisms. On the whole, however, it is unsatisfactory, despite the numerous co-financing arrangements in place in the transport sector (Togo-Benin Road Project co-financed by IsDB, EU and BOAD; PTUP co-financed by BOAD and GEF; and PARC co-financed by EU and BOAD).

Lastly, it should be noted that there are very few instances where operations funded by other donors have disrupted AIDB operations. This occurred during the implementation of the PRPES and an MCVDD
The high levels of co-financing in the governance, transport and water/sanitation sectors demonstrate the Bank’s leverage effect. This enabled the Bank to mobilize co-financing with other partners to the tune of UA 364.15 million, as against a total of UA 261.88 million approved, from the Bank’s windows, or a leverage effect of 1.4, during the CSP 2017-2021 period. However, these substantial investments require the contribution of each partner. The leverage effect is therefore shared. The leverage effects in the agricultural sector, however, are weak, due, among other things, to the limitations of coordination between TFPs.

5.3. Knowledge Management and Policy Dialogue

During the 2012-2021 evaluation period, 11 analytical, TA and advisory studies were envisaged under the indicative programs of both CSPs. In the strictest sense (excluding replacement, adaptation, or ongoing studies), 7 of the 11 studies were successfully completed. In the broadest sense, that is, including studies carried out but not explicitly scheduled, the overall completion rate is 100%. These studies mainly focused on portfolio definition and the preparation of various operations. Studies conducted to engage in broader reflection on a sector and which could be considered as analytical studies to inform policy dialogue and reflection on national strategies need to be increased. A possible rationale for this could be the limited scope of policy dialogue since analytical studies are often used as a tool for policy dialogue.

CSP 2012-2016 aimed to initiate dialogue on regional integration and transition to a green economy. This dialogue was, however, not effective. In practice, AfDB teams do not have enough time to engage in policy dialogue. The opening of the AfDB Country Office in Benin (COBJ) in February 2017 has helped to foster close ties and strengthen policy dialogue with the national authorities. However, such dialogue is still far too limited and scarcely strategic. Furthermore, the office has not always been assigned a dedicated sector expert. This is especially true for the transport (an expert was appointed to this sector in November 2021) and energy sectors, both of which receive significant AfDB support (in terms of volume and value added). This is clearly a constraint on policy dialogue. In fact, due to a lack of local expertise, the AfDB is not active enough in policy dialogue in the energy sector. Policy dialogue exists in the transport sector but is very limited.

The presence of two experts in the agricultural and water/sanitation sectors does not appear to have significantly fostered dialogue as their work is mainly focused on solving operational problems related to portfolio implementation and performance improvement. Their relatively recent deployment, coupled with the prevailing COVID-19 crisis, has not facilitated the initiation of a more strategic dialogue. In the meantime, the Country Economist and Country Manager in particular are conducting dialogue with the Government.

In the governance sector, the opening of the COBJ has facilitated dialogue between the Government and the Bank to assist the country in transforming its economy. Before its inception, most discussions took place during regular supervision missions. However, given the breadth of issues addressed by the governance sector, the COBJ finds it difficult to pilot well-informed policy and technical dialogue on all these fronts. This is primarily due to lack of technical expertise on specific topics, but also to the fact that, in some cases, responsibility for dialogue still lies with the Bank’s headquarters and not with the Country Office.

5.4. Results-based Management

The evaluation noted that the Bank has put in place mechanisms to monitor outcomes. A mid-term and final review of project and CSP activities is invariably conducted. A mid-term review of CSP 2012-2016 was carried out in 2014 to evaluate the progress made and outcomes achieved and make the necessary adjustments to meet set goals. The Bank’s participation in the joint reviews of the Growth and Poverty Reduction Strategy (GPRS) carried out by TFPs helped to strengthen monitoring of the implementation of the Bank’s strategies and programs in Benin. In 2019, the COBJ oversaw the monitoring and evaluation of the mid-term implementation of CSP 2017-2021 using the results
framework matrix. This monitoring and evaluation system is supplemented by the logical frameworks of the projects implemented and whose targets helped to meet CSP objectives.

**Country portfolio performance reviews were also carried out on a regular basis and in line with the CSP cycle.** They were mainly based on: (i) periodic supervision of work progress; (ii) periodic reviews, particularly quarterly reviews carried out in conjunction with the Government, and annual performance reviews of the portfolio of operations; and (iii) monthly meetings with project implementation units to monitor activities and the implementation of supervision and audit mission recommendations. Annual supervision missions were systematically carried out to assess the achievement of the outcomes listed in the logical framework and the High 5s.

All projects were evaluated based on a logical framework matrix to facilitate their review, implementation, monitoring and evaluation at and upon completion. The indicators selected are specific, measurable, attainable, relevant and time-bound (SMART) and are updated and revised on a regular basis to allow the Bank to maintain a results-based logical framework matrix for each operation. Nonetheless, some development goals were not defined from the outset, making the assessment of achieved outcomes difficult.

However, the evaluation noted that during CSP periods, sufficient attention was not paid to the linkages between intervention pillars and expected contributions to the achievement of development goals. Contribution to the achievement of development goals is limited to qualitative assessment, without further exploration of the clear linkage between expected outputs in priority sectors or trying to quantify their contribution to the achievement of development goals. The results framework appended to the CSPs has similar weaknesses, despite the fact that it was modified to include a strategic alignment matrix and a performance matrix.

Despite the existence of specific processes that were implemented, monitoring and evaluation was overly focused on physical achievements and lacked a critical analysis of the less tangible support aspects (stakeholder capacity building, management system and maintenance), particularly from a qualitative standpoint. In doing so, monitoring and evaluation of AfDB operations places too much emphasis on quantitative aspects of outputs and less emphasis on qualitative aspects and the assessment of broader development outcomes. Similarly, it does not analyze processes and approaches to the implementation of actions, particularly their effectiveness and efficiency. As a result, it does little to promote learning. Lastly, monitoring and evaluation systems are not sufficiently detailed at the start-up of projects. Although a monitoring system must normally be included in PARs, in practice, such a system is often not operational at the time of project approval.

6. CONCLUSION, LESSONS AND RECOMMENDATIONS

6.1. Conclusion

During the 2012-2021 period, the AfDB designed and implemented two Country Strategy Papers for Benin, namely: (i) CSP 2012-2016, which was prepared concurrently with the rollout of the Growth and Poverty Reduction Strategy (GPRS) 2011-2015; and (ii) CSP 2017-2021, which coincided with the implementation of the Government Action Program (GAP) 2016-2021.

Despite overall coherence, alignment with national policy and project relevance, the rationale for operations is not explicit enough, particularly the results chain which is not clear and not sufficiently realistic. The evaluation revealed that the weakness of some of the rationale for operations limits the effectiveness of activities because, despite the achievement of most of the expected outputs, the outcomes obtained are below expectations, and the benefits in terms of growth and improvement in living standards are still vague. Portfolio efficiency is affected by serious delays in many projects. These delays have a negative impact on the sustainability of the operations as they oblige teams to focus on the most tangible operational outputs to the detriment of the social, organizational and institution-building aspects associated with their ownership, management and maintenance. These factors also have a significant impact on the sustainability of achievements. Portfolio outcomes regarding regional integration are considered significant, particularly in the transport and energy sectors, but also in the governance sector
where program-based support operations together with complementary technical support add up, even with limited budgets. The evaluation showed that project risks are not sufficiently analyzed, and mitigation measures are too general. The assessment and rating of the key criteria are summarized in Table 3 based on the criteria used to evaluate AfDB strategies and programs during the 2012-2021 period.

Table 3: Summary of Key Evaluation Criteria Ratings

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Sectors, Criteria and Ratings by Evaluation Criteria</th>
<th>Aggregate Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Transpor t Energy Water &amp; Sanitation Agriculture</td>
<td></td>
</tr>
<tr>
<td>Relevance</td>
<td>3 4 4 4 3</td>
<td>3</td>
</tr>
<tr>
<td>Coherence</td>
<td>3 2 3 3 3</td>
<td>3</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>3 3 2 3 3</td>
<td>3</td>
</tr>
<tr>
<td>Efficiency</td>
<td>2 2 2 2 2</td>
<td>2</td>
</tr>
<tr>
<td>Sustainability</td>
<td>3 1 2 2 2</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: Sector Note Scores and Assessments

6.2. Lessons

The evaluation yielded the following lessons:

1. The Bank’s ability to adapt to changes in strategic direction, vulnerability situations and climate and health shocks has enabled it to effectively meet the country’s needs. However, selectivity through rigorous targeting is necessary to focus Bank operations on a limited number of key sectors.

2. Structured and well sequenced approaches can contribute significantly to the country’s regional integration. This has been the case with the consolidation of a number of regional roads, electricity grid interconnection, and the harmonization of public finance management procedures in keeping with WAEMU criteria.

3. A better understanding of the private sector and especially its structural problems, together with targeted policy dialogue, facilitates the implementation of private sector projects.

4. Long and persistent delays lead to neglect of institution-building activities. This has a negative impact on the systems set up to manage project infrastructure, equipment and services, thus jeopardizing the sustainability of operations.

5. The deployment of sector experts to the Country Office promotes policy dialogue, coordination with other technical and financial partners operating in the country, and the achievement of Bank strategy and program outcomes.

6.3. Recommendations

The evaluation’s findings gave rise to the following 5 recommendations:

1. **Improve the sustainability of the outcomes of Bank operations**: The Bank should help to establish management and maintenance systems for project infrastructure, equipment and services.

2. **Strengthen development results-based management**: To that end, the following actions could be envisaged:
o Improvement of the linkage between development goals and the results framework under the CSP to make it a steering and policy dialogue tool;

o Improvement of the monitoring and evaluation of project outputs, outcomes and impacts to facilitate project coordination through sustained dialogue with other stakeholders;

o Design of a realistic implementation plan to manage operations; establishment of a baseline and a monitoring/evaluation system.

3. Improve the quality of operations at entry: Capacity-building (particularly in procurement and reporting) and institution-building needs could be assessed before initiating investments. This could involve:
   o Ensuring the availability and quality of feasibility studies for project preparation;
   o Ensuring land tenure security, particularly by involving beneficiaries and local institutions in charge of land tenure issues in the identification of project implementation sites;
   o Ensuring the mobilization of national counterpart funds by the Government of Benin.

4. Strengthen the Bank's capacity to engage in permanent policy dialogue: The Bank should take steps to foster and support policy dialogue by conducting analytical studies in relevant areas of cooperation with Benin, particularly by leveraging its position as a key donor in some sectors and the presence of the Country Office. The Bank should carefully consider the following issues:
   o Develop a portfolio of coherent and complementary analytical studies to support policy dialogue;
   o Focus on areas where the Bank has significant value added and expertise, and build on the achievements of previous programs;
   o Provide and devote targeted resources to policy dialogue.

5. Strengthen support for private sector development and public-private partnerships: Specifically, the Bank could:
   o Continue the analytical work on conducive conditions to private sector development and assist the Government in removing constraints to private sector development.
Annex 1: Evaluation Methodology

Overall Evaluation Methodological Framework

The methodological approach addresses two main issues identified by the Bank (development outcomes and operation management), which are further broken down into 10 evaluation criteria and 24 related evaluation issues (see Technical Annex 7), as set out in the Terms of Reference. Most of the criteria and evaluation issues are addressed under each portfolio operation (depending on the level of maturity of the operation), and at the strategic and country levels.

The evaluation’s overall methodological framework is based on an Inception Report produced after a scoping mission conducted from 12 January to 13 April 2021. It defines the scope of the evaluation and outlines a three-phase process that would be followed, namely: inception, data collection and reporting. A Technical Report was prepared at the end of the aforementioned three critical phases, summarizing the descriptive analysis of portfolio projects and programs and the three sector notes prepared on the three priority sectors selected for the evaluation, namely governance, agriculture and infrastructure (energy, transport, and water/sanitation).

Theory of Change Approach

The analysis of AfDB program implementation in Benin is based on the “Theory of Change” approach. This approach focuses on the results achieved and on how and why they were achieved (or not achieved). This is done through a combination of quantitative and qualitative methods, using a variety of data collection tools, including desk research, direct observation and participant observation.

The Theory of Change was used as a framework for the evaluation process. The evaluation is based on the principles of contribution analysis, which makes it possible to assess the existence and significance of the operation’s contribution to observed changes by engaging in rigorous and systematic analysis of a chain of expected outcomes.

Figure A1.1 below presents the fundamentals of the Theory of Change of the Bank’s program in Benin for the 2012-2021 period, namely (i) structural transformation of the economy; (ii) regional integration; (iii) poverty reduction; and (iv) improvement of the living conditions of the people of Benin, and which are all aimed at achieving the overall objective of inclusive, green and job-creating growth.
Figure A1.1: Theory of Change Applied to the AfDB’s Program in Benin During the 2012-2021 Period
Pyramid Approach

The Theory of Change approach is combined with a Pyramid Approach which provides specific inputs at three levels of analysis: strategic (CSP); sector (3 sector notes), and operational (operations and project portfolio analysis). Emphasis is laid on the articulation and coordination between the resulting outputs or deliverables in order to provide an overall analysis and synthesis of the Bank’s support to Benin during the evaluation period. The pyramid approach is based on analysis of the theory of change and of the five key principles, explained in detail below (Figure A1.2): analysis of operations according to their budgetary magnitude, implementation status, rating, aggregation, triangulation and linkage to information sources.

Figure A1.2. Levels of Analysis, Inputs and Deliverables

The aim is to combine both project-level analysis and other levels of analysis applicable to strategies as described in CSPs, sector-wide approaches, evaluative issues on themes that go beyond specific projects (for example, coordination, non-lending operations, policy dialogue, risk management, etc.).

The three levels of analysis in the pyramid approach are the following:

Analysis of the project portfolio based on an assessment grid derived from the evaluation criteria and questions, structured into assessment criteria and indicators. The level of analysis depends on the progress status of each operation.

Analysis of the three core sectors based on the sector notes developed for the governance, agriculture and infrastructure sectors.

Strategic analysis and synthesis based on analysis of the portfolio and the various sectors, and on other information collected by the evaluation team. The team carried out an overall analysis based on the evaluation criteria and related issues and reached conclusions and recommendations that are included in the Technical Report.
Annex 2: Rating

Rating Scale

Each criterion included in the operation assessment matrix is rated. The rating scale has four levels (from 1 "unsatisfactory" to 4 "Highly Satisfactory"). This scale aims to ensure sound qualitative assessments, based on evidence from desk reviews, discussions with stakeholders and even project observations.

Table A2.1 below shows the evaluation criteria and sub-criteria and considers the definitions adapted by the OECD at end-2019, and the IDEV Evaluation Manual updated thereafter.

Table A2.1: Evaluation Criteria, Sub-criteria and Scores

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Sub-criterion</th>
<th>Scores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. RELEVANCE</td>
<td>1.1 Relevance of objectives</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>1.2 Relevance of operation design to achieve objectives</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>1.3 Selectivity <em>(focus on strategic objectives)</em></td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>1.4 Achievements of intended objectives</td>
<td>1. Unsatisfactory</td>
</tr>
<tr>
<td>2. COHERENCE</td>
<td>1. Compatibility with other operations and the extent to which they mutually reinforce or undermine each other.</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>2. Internal consistency (consistency of the operation and links/synergy with other Bank operations) and external consistency (consistency with the operations of other stakeholders).</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>2. Partly unsatisfactory</td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>2. Unsatisfactory</td>
<td>1. Unsatisfactory</td>
</tr>
<tr>
<td>3. EFFECTIVENESS</td>
<td>3.1 Achievement of outputs</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>3.2 Achievement of outcomes</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>3. Partly unsatisfactory</td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>3. Unsatisfactory</td>
<td>1. Unsatisfactory</td>
</tr>
<tr>
<td>4. EFFICIENCY</td>
<td>4.1 Cost-benefit analysis</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>4.2 Timeliness</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>4. Partly unsatisfactory</td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>4. Unsatisfactory</td>
<td>1. Unsatisfactory</td>
</tr>
<tr>
<td>5. SUSTAINABILITY</td>
<td>5.1 Technical sustainability</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>5.2 Financial and economic sustainability</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>5.3 Institutional sustainability and capacity building</td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>5.4 Ownership and sustainability of partnerships</td>
<td>1. Unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>5.5 Social and environmental sustainability</td>
<td></td>
</tr>
<tr>
<td>6. IMPACT</td>
<td>6. Significant generated or expected, positive or negative, intended or unintended, higher-level (potentially transformative, longer-term or wider social, environmental and economic) impacts</td>
<td>4. Highly satisfactory</td>
</tr>
<tr>
<td></td>
<td>6. Partly unsatisfactory</td>
<td>3. Satisfactory</td>
</tr>
<tr>
<td></td>
<td>6. Unsatisfactory</td>
<td>2. Partly unsatisfactory</td>
</tr>
<tr>
<td></td>
<td>6. Unsatisfactory</td>
<td>1. Unsatisfactory</td>
</tr>
</tbody>
</table>

Source: IDEV Evaluation Team.
Table A2.2: Four-point Rating Scale

<table>
<thead>
<tr>
<th>Scale</th>
<th>1 Unsatisfactory</th>
<th>2 Partly Unsatisfactory</th>
<th>3 Satisfactory</th>
<th>4 Highly Satisfactory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td>Very weak, not at all appropriate design and very limited/non-existent alignment.</td>
<td>Weak, improper design and limited alignment/several gaps.</td>
<td>Rather strong and appropriate design, strong alignment.</td>
<td>Very solid and appropriate design, perfect alignment.</td>
</tr>
<tr>
<td>Coherence</td>
<td>Perfect support, synergies and interconnections. Very weak complementarity, harmonization and coordination with other operations.</td>
<td>Perfect support, synergies and interconnections. Very weak complementarity, harmonization and coordination with other operations.</td>
<td>Perfect support, synergies and interconnections. Modest complementarity, harmonization and coordination with other operations.</td>
<td>Very strong support and perfect synergies and interconnections. Very solid complementarity, harmonization and coordination with other operations.</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Expected outputs not achieved in most cases. None or very few of the expected outcomes are achieved.</td>
<td>Expected outcomes achieved with significant gaps. Few targeted outcomes are achieved.</td>
<td>Expected outputs are achieved in most cases. Most of the targeted outcomes are achieved.</td>
<td>Expected outputs are fully achieved. All targeted outcomes are achieved.</td>
</tr>
<tr>
<td>Efficiency</td>
<td>Very significant difference between the ERR and the opportunity cost of capital. Very significant gap between planned and actual implementation schedule.</td>
<td>Significant difference between the ERR and the opportunity cost of capital. Significant gap between planned and actual implementation schedule.</td>
<td>Moderate difference between the ERR and the opportunity cost of capital. Moderate gap between planned and actual implementation schedule.</td>
<td>Little or no difference between the ERR and the opportunity cost of capital. Little or no difference between planned and actual implementation schedule.</td>
</tr>
<tr>
<td>Sustainability</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are not assured.</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are hindered by significant risks.</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are generally assured, with some minor risks.</td>
<td>Mechanisms guaranteeing sustainability (technical, economic, financial, institutional, partnership, environmental and social) are fully ensured.</td>
</tr>
</tbody>
</table>

Source: IDEV Evaluation Team.
References

- African Development Bank (2012), 2012-2016 CSP.
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- Government of Benin (2017), Benin’s First Nationally Determined Contribution (NDC) under the Paris Agreement, Cotonou.
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The four-point ratings are: 1. Unsatisfactory; 2. Partly unsatisfactory; 3. Satisfactory; and 4. Highly satisfactory. For details, see Annex 2.

The exchange rate in December 2021 was UA 1 = CFAF 808.64.

All the criteria used to evaluate operations were assigned ratings using the following four-point rating scale: 1. Unsatisfactory; 2. Partly unsatisfactory; 3. Satisfactory; and 4. Highly satisfactory.

However, this decline is partly driven by the measures taken by the Government to mitigate the social impacts of the COVID-19 pandemic on households.

Much more than the share of the PIDACC budget earmarked for Benin.