Benin:
Executive Summary

May 2022
Executive Summary

Introduction

This summary report presents the main findings, lessons and recommendations of the evaluation of African Development Bank Group (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 nine approved before 2012, but closed during the period under review), for a total of UA 688.13 million (USD 980.08 million in August 2021). 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 (NDP 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 Sub-transmission and Distribution System Restructuring and Extension Project (PRESREDI) of the Benin Electricity Corporation (SBEE) 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, nine projects approved before 2012, nine out of 11 projects approved under CSP 2012–2016 and only three 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 (LEauCal) 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 Progress 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

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* 1 Franc CFA (CFA) = 0.00173 United States Dollars (USD) in December 2021
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 (ERA) 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 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 the country office. 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 has contributed to improving collaboration between TFPs.
Recommendations

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

**Recommendation 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.

**Recommendation 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.

**Recommendation 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.

**Recommendation 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.

**Recommendation 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.
About this evaluation

This report summarizes the findings of an independent evaluation of the African Development Bank Group’s (AfDB or “the Bank”) Country Strategy and Program in Benin over the period 2012–2021. It covers two Country Strategy Papers (CSPs), comprising of 31 approved projects, including nine projects approved before 2012 but completed during the evaluation period, for a total amount of USD 980.08 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 primary purpose of the evaluation was to analyze the performance of the Bank operation in Benin, their contributions to national development outcomes, and to draw lessons that will inform and improve the design of the AfDB’s next CSP for Benin (2022–2026).

The evaluation concluded that the AfDB’s interventions were aligned with the development challenges and priorities of the country as well as those of the Bank at the institutional level. However, the coordination between the interventions has only been effective between the energy and governance sectors. The effectiveness of AfDB’s support was rated satisfactory for transport, water and sanitation, agriculture, and governance sector operations, but partly unsatisfactory for the energy sector. While program efficiency was rated partly unsatisfactory for all sectors, there are performance disparities between sectors regarding sustainability. The Bank’s interventions did not meet the expected results due to serious implementation delays and other limiting factors such as Benin’s institutional capacity challenges, delays in the national counterpart funding, and the COVID-19 pandemic, to a lesser extent.

The evaluation recommended to the Bank to improve the sustainability of the outcomes of Bank operations, strengthen development results-based management, improve the quality of operations at entry, strengthen the Bank’s capacity to engage in permanent policy dialogue and strengthen support for private sector development and public-private partnerships.