

REPUBLIC OF BENIN

**NATIONAL COMMITTEE FOR DEVELOPMENT AND
FIGHT AGAINST POVERTY**

**BENIN
POVERTY REDUCTION
STRATEGY PAPER
2003-2005**

Translated from French

December 2002

TABLE OF CONTENTS

List of abbreviations and acronyms	iii
List of boxes	v
INTRODUCTION	1
I. PARTICIPATORY MECHANISM USED FOR PREPARATION OF BENIN'S PRSP	5
1.1. CONSULTATION AT THE LOCAL LEVEL	6
1.2. CONSULTATION AT THE CENTRAL LEVEL	7
II. DIAGNOSIS OF THE ECONOMY AND POVERTY IN BENIN	8
2.1. ECONOMIC DEVELOPMENTS IN BENIN OVER THE LAST FIVE YEARS	8
2.2. STRUCTURAL STRENGTHS AND WEAKNESSES OF BENIN'S ECONOMY	8
2.3. IMPACT ON POVERTY OF BENIN'S ECONOMIC AND SOCIAL POLICIES	10
2.4. POVERTY IN BENIN: THE DIAGNOSIS	11
2.4.1. MONETARY POVERTY IN BENIN : RURAL POVERTY AND URBAN POVERTY	11
2.4.2. NON-MONETARY POVERTY	13
2.4.3. CAUSES AND DETERMINANTS OF POVERTY IN BENIN	15
2.4.4. SHORT-TERM WORK PROGRAM TO IMPROVE THE PRSP	17
III. MAJOR ISSUES AND PRIORITIES OF THE POVERTY REDUCTION STRATEGY FOR 2003-2005	18
3.1. STRENGTHENING THE MACROECONOMIC FRAMEWORK OVER THE MEDIUM TERM	20
3.1.1. CONSOLIDATING MACROECONOMIC STABILITY	20
3.1.2. CONSOLIDATION OF THE SOURCES OF GROWTH	22
3.1.3. STRENGTHENING BASIC INFRASTRUCTURE TO MAKE PRODUCTION FACTORS AVAILABLE AT REDUCED COST	36
3.2. DEVELOPMENT OF HUMAN CAPITAL AND ENVIRONMENTAL MANAGEMENT	39
3.2.1. EDUCATION	40
3.2.2. LITERACY	44
3.2.3. HEALTH	45
3.2.4. DRINKING WATER	48
3.2.5. HOUSING	50
3.2.6. ENVIRONMENT AND SANITATION	51
3.2.7. RURAL ELECTRIFICATION	53
3.2.8. DEVELOPMENT OF RURAL FEEDER ROADS	53
3.2.9. NUTRITION AND FOOD SECURITY	54

3.3.	STRENGTHENING OF GOOD GOVERNANCE AND OF INSTITUTIONAL CAPACITIES	55
3.3.1.	FIGHTING CORRUPTION AND STRENGTHENING OF CAPACITIES FOR MANAGEMENT AND ABSORPTION OF PUBLIC FUNDS	56
3.3.2.	ACCELERATION OF ADMINISTRATIVE REFORM	59
3.3.3.	ACCELERATION OF DEVOLUTION	63
3.3.4.	STRENGTHENING OF THE LEGAL AND JUDICIAL SYSTEMS	64
3.3.5.	CONSOLIDATION OF DEMOCRACY AND OF THE INTERNAL SOCIAL DIALOGUE	64
3.4.	PROMOTION OF SUSTAINABLE EMPLOYMENT AND PARTICIPATION OF THE POOR IN THE DECISION AND PRODUCTION PROCESS	66
3.4.1.	PROMOTION OF COMMUNITY DEVELOPMENT	67
3.4.2.	PROMOTION OF SUSTAINABLE EMPLOYMENT AND INCOME-GENERATING ACTIVITIES	68
3.4.3.	SOCIAL PROTECTION AND GENDER PROMOTION	70
3.4.4.	DEVELOPMENT OF MICROFINANCE	73
3.4.5.	MAKING VULNERABLE ZONES SECURE	73
3.4.6.	PROMOTION OF DEVELOPMENT HUBS	74
IV.	MEDIUM-TERM EXPENDITURE FRAMEWORK OF THE PRSP	75
4.1.	SCENARIO 1 – BASELINE	76
4.1.1.	MACROECONOMIC FRAMEWORK	76
4.1.2.	SECTORAL ARBITRAGE	77
4.1.3.	INTRASECTORAL ARBITRAGE	77
4.2.	SCENARIO 2 (PRSP)	79
V.	MECHANISM FOR MONITORING AND EVALUATING PRSP IMPLEMENTATION	80
5.1.	INSTITUTIONAL FRAMEWORK	80
5.2.	TECHNICAL MONITORING OF PRSP IMPLEMENTATION: THE SOCIAL CHANGE OBSERVATORY (OCS)	83
ANNEXES		86

ABBREVIATIONS AND ACRONYMS

BOT	Build, Operate, Transfer
CAS	Country Assistance Strategy
MTEF	Medium-Term Expenditure Framework
ECOWAS	Economic Community of West African States
CNERTP	National Public Works Test and Research Center (<i>Centre National d'Essais et de Recherches des Travaux Publics</i>)
CNLS	National HIV/AIDS Committee (<i>Comité National de Lutte contre le Sida</i>)
COGES	Community Management Committee (<i>Comité de Gestion des Centres de Santé</i>)
DH	Directorate of Water (<i>Direction de l'Hydraulique</i>)
DMTP	Directorate of Public Works (<i>Direction du Matériel des Travaux Publics</i>)
DPDR	Declaration of Rural Development Policy (<i>Déclaration de Politique de Développement Rural</i>)
DROA	Directorate of Roads and Structures (<i>Direction des Routes et Ouvrages d'Art</i>)
PRSP	Poverty Reduction Strategy Paper
ECVRs	Rural household surveys (<i>Etudes sur les Conditions de Vie des Ménages en Milieu Rural</i>)
ELAM	Urban household surveys (<i>Enquêtes Légères Auprès des Ménages</i>)
FNRB	Civil Service Pension Fund (<i>Fonds National de Retraites du Bénin</i>)
UNFPA	United Nations Population Fund
GIRE	Integrated Water Resources Management (<i>Gestion Intégrée des Ressources en Eau</i>)
HAAC	High Authority for Audio-Visual Media and Communications (<i>Haute Autorité de l'Audio-Visuel et de la Communication</i>)
IDA	International Development Association
IEC	Information-Education-Communication
INSAE	National Institute of Statistics and Economic Analysis (<i>Institut National de la Statistique et de l'Analyse Economique</i>)
STI/HIV/ AIDS	Sexually Transmitted Infection/Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
LPDR	Letter of Rural Development Policy (<i>Lettre de Politique de Développement Rural</i>)
MFPSS	Ministry of the Family, Social Protection, and Solidarity (<i>Ministère de la Famille, de la Protection Sociale et de la Solidarité</i>)
MJLDH	Ministry of Justice, Legislative Affairs, and Human Rights (<i>Ministère de la Justice, de la Législation et des Droits de l'Homme</i>)
MPH	Ministry of Public Health
STD	Sexually Transmitted Diseases
NTIC	New technologies of information and communication
ICAO	International Civil Aviation Organization
OCS	Social Change Observatory (<i>Observatoire du Changement Social</i>)
OHADA	Organization for the Harmonization of Business Law in Africa
WTO	World Trade Organization
NGOs	Nongovernmental organizations

UNAIDS	Joint United Nations Programme on HIV/AIDS
OP	Farmers' organizations (<i>Organisations Paysannes</i>)
OPT	Post and Telecommunications Office (<i>Office des Postes et Télécommunications</i>)
PADSP	Private Sector Development Support Program (Programme d'Appui au Développement du Secteur Privé)
SAP	Structural Adjustment Program
PBC	Community-based program (<i>Programme à Base Communautaire</i>)
PDFE	Danish project for the training of entrepreneurs (<i>Projet Danois de Formation des Entrepreneurs</i>)
PERAC	Public Expenditure Reform Adjustment Credit
PEV	Expanded Vaccination Program (<i>Programme Elargi de Vaccination</i>)
PGUD	Decentralized Urban Management Program (<i>Programme de Gestion Urbaine Décentralisée</i>)
GDP	Gross domestic product
PIP	Public Investment Program
SMEs/SMIs	Small and medium-sized enterprises/small and medium-sized industries
PPLS	Population and AIDS Control Project (<i>Programme Plurisectoriel de Lutte contre le Sida</i>)
PNAAL	National Adult Literacy Policy (<i>Politique Nationale d'Alphabétisation des Adultes</i>)
PNGE	National Environmental Management Program (<i>Programme National de Gestion de l'Environnement</i>)
PNLS	National AIDS Program (<i>Programme National de Lutte contre le Sida</i>)
PNLT	National Tuberculosis Control Program (<i>Programme National de Lutte contre la Tuberculose</i>)
PNPF	National Program for the Promotion of Women (<i>Programme National de Promotion de la Femme</i>)
POSAT	Policy and strategies for regional development (<i>Politique et Stratégies d'Aménagement du Territoire</i>)
PWA	Persons living with HIV/AIDS
RGPH	General Housing and Population Census (<i>Recensement Général de la Population et de l'Habitat</i>)
SFD	Decentralized financing structure (<i>Structure de Financement Décentralisée</i>)
SIGFIP	Integrated Public Finance Management System (<i>Système Intégré de Gestion des Finances Publiques</i>)
SPA	Food component of the poverty line (<i>Seuil de Pauvreté Alimentaire</i>)
SPG	Overall poverty line (<i>Seuil de Pauvreté Global</i>)
SPNA	Non-food component of the poverty line (<i>Seuil de Pauvreté Non-Alimentaire</i>)
SRH	Regional water services (<i>Services Régionaux de l'Hydraulique</i>)
GER	Gross enrollment rate
UCD	Community Development Unit (<i>Unité Communautaire de Développement</i>)
WAEMU	West African Economic and Monetary Union
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome

LIST OF BOXES

Box 1	Objectives of the population policy declaration (DEPOLIPO)	4
Box 1 Bis	Strategic vision for Benin in 2025	5
Box 2	Use of per capita thresholds for calculating poverty indicators	12
Box 2 Bis	Methodology of calculating the human poverty index	14
Box 3	Poverty reduction goals for the year 2015	19
Box 4	Constraints on the development of Beninese agriculture	24
Box 5	The Government and the Beninese private sector's role in the agricultural sector	25
Box 6	Rural sector development strategy	26
Box 7	Reform of the cotton sector	28
Box 8	Program for management of forests and adjacent land (PGFTR)	32
Box 9	National HIV/AIDS control strategic framework: objectives, strategies and priority actions	49
Box 10	Mechanisms by which corruption impedes growth and exacerbates poverty	57
Box 11	PERAC – support budget reform	60
Box 12	The integrated public finances management system	62
Box 13	Reform of the judicial sector	65
Box 14	Efforts to disseminate information about the PRSP	81
Box 15	General data dissemination system	85

INTRODUCTION

1. On the eve of the signing of the first Structural Adjustment Program in June 1989, the economic situation in Benin was characterized by a decline in production, a general disequilibrium attributable mostly to unsustainable budget and external current account deficits, and a failing banking system. The major consequence of this situation was a national production system facing serious difficulties, the inability of the Government to guarantee payment of civil servants' wages or to meet its commitments to suppliers or other providers, and hence to ensure its own functioning, the accumulation of external payments arrears, and basic social services in disarray. In these conditions, in 1989 Benin embarked on its first Structural Adjustment Program and a Country Assistance Strategy (CAS) with the International Monetary Fund and the World Bank.

2. From 1989 to the present, there have been three three-year programs and assistance strategies in succession, and the fourth three-year program is now under way. While the first two programs were focused largely on stabilization and rehabilitation, with the social dimension beginning to be taken into account, the subsequent programs, while continuing to emphasize ongoing adjustment, have been more oriented toward creating the conditions required for strong economic growth. With the implementation of these various programs and strategies, the economic, financial, and social situation in Benin has improved and the major equilibria restored in conjunction with the various reforms undertaken in both the macroeconomic and the sectoral areas.

3. While this overall favorable development helped in reducing urban poverty, it had no impact on the situation in rural areas, where poverty and income disparities paradoxically became worse. The inadequacy and poor synergy of the economic and social policies, and particularly of those targeting the rural population, the ineffectiveness of the measures to equitably redistribute the benefits of growth owing to problems with transmitting such measures to the target populations, and the infrequent use of performance and impact indicators, go far toward explaining this paradoxical development. Indeed, a number of programs or projects with a socio-economic focus carried out over the period proved to be nonviable or of little usefulness, as the rural population intended to benefit from them did not participate extensively in their preparation and monitoring. Finally, while the social dimension was taken into account in the programs, it was not accorded a high priority.

4. A stock-taking over a decade of adjustment in Benin has shown that, notwithstanding the restoration of the major economic equilibria and the progress made in the social area, poverty persists and is worsening in rural areas.

5. Benin's Poverty Reduction Strategy Paper (PRSP) has been prepared drawing on the lessons learnt from this situation. As a consequence, it represents, on the one hand, an overall strategy for combating poverty which, instead of focusing solely on economic growth or exclusively on social services, integrates all the dimensions of development and poverty reduction. On the other hand, this strategy, without neglecting to take poverty in urban or adjacent areas into account, places greater emphasis on rural

development. Moreover, the PRSP has been prepared with the participation of the targeted population groups.

6. The Government of Benin is convinced that while economic growth alone will not suffice to reduce poverty, it nonetheless remains essential and constitutes the best means of, or an intermediate objective for, efficiently achieving the ultimate aim of reducing poverty. In the Government's view, in the absence of strong and sustained economic growth, there can not be any significant reduction in poverty. Accordingly, Benin's poverty reduction strategy is predicated on medium-term macroeconomic stability sustained by an acceleration and judicious redistribution of growth, in particular in favor of the rural population. This growth is sustained by policies which enable the poor to participate in the production process and derive income from it. At the same time, the strategy, whose explicit aim is to reduce poverty, responds appropriately to the basic social demands of the population as expressed in terms of education, health, safe drinking water, housing and sanitation, access to markets, food security, sustainable employment, and social protection, as well as environmental issues and promotion of the role of women.

7. On the operational level, and as indicated in the interim PRSP, the Government will pursue this twofold objective of achieving macroeconomic stability and appropriately responding to social demands:

- on the one hand, by strengthening macroeconomic policies, accelerating structural and institutional reforms, improving governance, and promoting private investment;
- on the other hand, by according greater priority to the social sectors by (i) allocating more of the proceeds from growth and from external assistance to them; (ii) implementing social policies developed with participation by the people; and (iii) strengthening resource management, absorptive, and monitoring capacities in the social sectors at central and local levels.

8. Achieving the appropriate match between the objectives of accelerating growth and poverty reduction on the one hand, and a sustainable budgetary framework and stable macroeconomic framework on the other, has been ensured by means of an iterative process of aligning objectives and constraints. However, the strategy has been developed during a period characterized by falling world market prices for cotton (virtually the only source of export proceeds for Benin) and the anticipated slowdown in economic activity and demand worldwide. Accordingly, the growth forecasts have been revised downward, which has had a negative impact on the macroeconomic framework.

9. In 1996, Benin adopted a Population Policy Declaration (DEPOLIPO) covering a 15-year period, which addresses population problems in general and capacity building in particular (*see Box 1*). In addition, studies were conducted on Benin's long-term development prospects, involving extensive consultations with the various social groups in the country, and led to the development of a national strategic vision for Benin in 2025 (*see Box 1bis*). This Declaration and this forward-looking vision enabled the Government to draw up an Action Plan to be implemented during the President's five-year term of office (2001-2006). The major focuses of this Action Plan relate to: (i)

consolidating democracy and good governance; (ii) strengthening the material foundations of the economy; (iii) enhancing the competitiveness of Benin's economy; (iv) managing the economy and controlling public finances; (v) land-use planning and balanced development; (vi) strengthening the fight against poverty; (vii) taking youth and the gender aspects into account in development issues; (viii) strengthening national unity and the management of solidarity; and (ix) promoting Benin's international presence and African integration. The Poverty Reduction Strategy Paper for the period 2003-2005 is inspired in part by the Population Policy Declaration, the Benin 2025 national vision, and the Government's Action Plan now being carried out. Hence the second, third, and fourth years of the Government's Action Plan are consistent with the Poverty Reduction Strategy Paper.

10. Benin has a solid tradition of national consultation. As an outgrowth of the traditional "arbres à palabres," Benin has held in succession the National Conference of Civil Service (1979), the Conference of Vital Forces of the Nation (1990), the National Economic Conference (1996), the Symposium on Common Minimum Social Services (1998), and the National Long-Term Perspective Studies on Benin in 2025 (1997/1998), which stand as successful experiences with the participatory process in the country. To build on these experiences and ensure ownership of the strategy by the people, the Government engaged in a broad range of consultations before preparing the PRSP. These meetings involved civil society, local Governments, NGOs, the private sector, members of Parliament, and development partners.

11. In assigning the roles to be played by the various stakeholders in economic and social life, the Government considers that the institutions of the Republic must continue to function in accordance with the Constitution. Through devolution, the beneficiary population groups will participate in local development and exercise their power of control over local elected officials. The private sector will continue to be the engine of growth. As for the Government, it will continue to divest from public enterprises to the private sector, which it will promote, and will devote itself more to regulating, promoting, and accommodating growth. In this framework, the Government will ensure a sufficiently sound, secure, and attractive socio-political, macroeconomic, regulatory, and legal environment. Specifically, the Government will boost public investment in public goods and basic socio-economic infrastructure in order, on the one hand, to meet the fundamental and basic needs of the population and, on the other, to make the major production factors available at reduced costs. In addition, as people themselves are the principal agents and beneficiaries of development, the Government will place particular emphasis on the development of human resources in general and the improvement of human capital in particular.

12. This Poverty Reduction Strategy Paper is structured around the issues and logic described below. After **explaining the participatory process used for preparing the PRSP**, the paper provides a **diagnosis of the economy and poverty in Benin**, and then goes on to present **the major focuses and priorities of the strategy for the period 2003-2005**. Throughout the PRSP, emphasis has been placed on the priorities and major pillars of the strategy which primarily address the problems identified by the economic and poverty diagnosis. These priorities and major pillars are consistent with the long-

term vision defined by the DEPOLIPO and the strategic vision for 2025, and will make it possible to achieve the medium-term (2005) objectives in line with the objectives for poverty reduction by 2015. The paper also presents the **Medium-Term Macroeconomic Framework** of which the strategy is a part. Finally, the PRSP discusses the **monitoring/evaluation mechanism** for implementing of the strategy. The overall cost of the strategy is presented in a **Medium-Term Expenditure Framework** included in Volume 2 of the PRSP, which also recapitulates the various actions planned over the next three years.

13. The Government considers this Poverty Reduction Strategy Paper covering the period 2003-2005, which will be updated annually and renewed every three years, to be the sole reference point for focusing national policies and the activities of all of Benin's development partners in respect of the poverty reduction objective.

BOX 1: OBJECTIVES OF THE POPULATION POLICY DECLARATION (DEPOLIPO)

- Guarantee a quality education to all citizens of Benin;
- Find a far-reaching and lasting solution to the problems of vocational training and employment;
- Increase life expectancy at birth from 54 years in 1992 to 65 years by 2016;
- Promote responsible reproduction;
- Improve the distribution of the population throughout the country;
- Take international migrations into account in the development process;
- Guarantee to all, at all times and in all places, nutrition security;
- Promote safe housing and the protection of and respect for the environment;
- Create conditions conducive to full participation by women in the development process and growth benefits;
- Create the conditions for tapping the potential of youth to the fullest;
- Ensure social security for the elderly;
- Bring the handicapped into the development process;
- Adapt the implementation of population policy to local conditions;
- Include population policy aspects in development plans and programs;
- Mobilize the people of Benin around the country's socio-economic and demographic problems;
- Enhance socio-economic and demographic knowledge in Benin.

BOX 1bis: STRATEGIC VISION FOR BENIN IN 2025

In the search for lasting solutions to its development problems, Benin has, via a consultative process allowing for the participation of the various socio-professional groups in the country, defined a long-term strategic vision. It is expressed as follows:

“Benin is, in 2025, a model country, a country that is well governed, united, and at peace, with a prosperous and competitive economy, a vibrant culture, and social well-being.”

Three conditions, which are also strategic focuses, must be met for this vision to be realized, however.

Democracy entrenched in a country characterized by good governance. In this connection, it will be necessary to:

- promote the rule of law, democratic freedoms, and good governance;
- manage solidarity and strengthen national unity and peace;
- promote a high-performance, decentralized, and transparent administration.

An economy with strong, sound, and lasting growth. For this to occur, the various economic policies must make it possible to:

- build a prosperous and competitive economy driven by the private sector;
- modernize the national productive base;
- promote regional poles of development;
- increase Benin’s role in regional integration and international cooperation.

Finally, *social demands must be addressed in a satisfactory manner.* The Government must create conditions which make it possible to:

- guarantee and increase the common minimum social services available to the population (defined as the minimum demand in terms of health, education, safe drinking water, housing, and food security);
- promote the emergence of a culture of development;
- consolidate family and community solidarity.

See: Long-Term Prospective Studies on Benin in 2025.

I. PARTICIPATORY MECHANISM USED FOR PREPARATION OF BENIN’S PRSP

14. To ensure the people’s “ownership” of the poverty reduction strategy, the PRSP preparation process was supported by a consultative and participatory process involving local governments, civil society organizations or representatives, NGOs, the private sector, and development partners. On their own initiative, the civil society organizations and government-supported NGOs, and development partners worked as a confederation in the PRSP process, and made individual contributions as well. It was thus possible to achieve consensus as to the strategy, which should increase the likelihood of its successful implementation.

15. To formalize the participatory mechanism, the Government established an institutional framework: the National Commission for Development and the Fight Against Poverty (CNDLP). This Commission includes representatives of the

Government, as well as specialized structures and civil society, including NGOs. The development partners are also included. It has three working units: the Plenary Assembly, the Technical Committee, and the Permanent Secretariat. The entire process of preparing the PRSP (*see Annex 1*) was carried out within this institutional framework. The Government also engaged in consultations at the local and central levels.

1.1. CONSULTATION AT THE LOCAL LEVEL

16. Two series of consultations, the results of which drove the diagnosis and strategic **orientations**, were carried out in the regional departments of Benin. The first series made it possible to prepare the preliminary draft PRSP, and the second gave the people the opportunity to ascertain that their major concerns had been reflected in the Paper. The participatory process was based on terms of reference approved by the Technical Committee and Chair of the CNDLP, and by the Council of Ministers. On this basis, the Permanent Secretariat conducted the entire departmental consultation process. The bulk of the participants in these consultations were local representatives of CNDLP member structures. The results of these consultations were validated by the CNDLP Technical Committee.

17. **Preparation of the departmental consultations.** A preparatory round was held in the Departments, to establish contacts and to disseminate information on the **PRSP** approach. This round was addressed to the Prefectures, Regional Directorates, NGOs, women's associations, and socio-professional groups, and helped to identify the civil society organizations to be invited. Invitations to participants were accompanied by a questionnaire that participants could use to discuss poverty related issues with their membership organizations represented at the associations before participating in departmental consultations. These questionnaires covered issues such as identifying local poverty pockets, targeting of poor social groups, the manifestations of poverty, and local initiatives to reduce poverty (*see Annex 2, Preparation for Departmental Consultations*).

18. **Selection of participants for departmental consultations.** The civil society participants in these consultations were the local representatives of the CNDLP. They comprised representatives of NGOs, Local Development Associations, Community Development Units, Women's Associations, Local Producers Unions, Youth Associations, Artisans, Parent/Teacher Associations, the Handicapped, Management Committee of health centers, traditional and religious authorities, and the Chamber of Commerce. The Government used these existing, organized structures to identify the people's perspective. The selection of the (1 to 3) representatives of each organization was left to the discretion of the entities themselves, the emphasis being that the individuals chosen be able to express the concerns of their organization. The desire to fully cover all departments and to have better representation of women was also taken into account. For this reason, apart from the women's associations, the other institutions were asked to make a special effort to designate female representatives for the consultations. Also participating in the consultations were representatives of local government and of the decentralized and central government agencies. Interested

development partners, international NGOs, and members of Parliament were also involved.

19. **Consultation process.** The departmental consultations lasted three days in each Department. These consultations provided an opportunity to explain to participants the reasons why it appeared necessary to prepare a PRSP, the contents and objectives of this Paper, the difference between the new approach and previous approaches, and what was expected from the consultation process. The consultations also made it possible, through various workshops, to: (i) learn about the people's perception of poverty in their respective communities (*see Annex 2, TGO*); and (ii) to submit the sectoral strategies or documents to critical review by the public as they were being prepared (*see Annex 2, TGI*). Finally, above all, these meetings gave the participants the opportunity to express, in each sector, their major concerns, to propose steps toward addressing these concerns with the desired level of government involvement, and to indicate their priorities with respect to these concerns (*see Annex 2, TG2*). A final evaluation of these consultations, which were deemed successful (*see Annex 2, Final Evaluation*), was provided by the civil society participants.

1.2. CONSULTATION AT THE CENTRAL LEVEL

20. As part of these consultations, three topical forums were organized at the national level. These forums were on the acceleration of economic growth, the reform of the water and electricity sectors, and government reform. These meetings involved the active **participation** of civil society and the private sector, NGOs, and development partners. Furthermore, other types of consultations were held at the central level, involving both the government and civil society, development partners, and people representative institutions.

21. **Consultations within the Government.** These took the form of a Government seminar gathering together all the government ministers, a meeting with all the leadership administration-personnel (territorial and local), and meetings with the senior staffs of the ministries. The primary focus of these meetings was to inform participants on the PRSP approach and process.

22. **Consultations with civil society.** Here, three seminars were held with women's associations, the private and public staffs of health services and COGES, student parents' associations, and the private and public sector teachers. These were preparatory meetings intended to heighten the participants' awareness of the PRSP approach and process. Furthermore, with a view to involving civil society and complementing Government approach, a civil society organization supported by development partners was authorized to bring the NGOs or other civil society structures together around the PRSP process. At the conclusion of an internal participatory process, these civil society organizations offered proposals, of which the most relevant were, to the extent possible, taken into account by the Government.

23. **Consultations with development partners.** The development partners participated in the departmental consultations and the three topical forums, but also,

during the preparation of the PRSP and its preliminary draft, received copies of the documents for their comments and proposed amendments. Meetings were also organized with the development partners at every step of preparation process, making it possible to exchange views on progress status and on the options, strategies, policies, measures, and actions set forth therein. The bulk of their comments were taken into account.

24. **Consultations with institutions representative of the people.** In this connection, the preliminary draft PRSP was presented to and discussed with the institutions of the Republic, namely the Economic and Social Council and the National Assembly.

25. The results of these various consultations have contributed to the diagnosis of poverty in Benin, as well as to the definition of the major pillars and priorities of the poverty reduction strategy.

II. DIAGNOSIS OF THE ECONOMY AND POVERTY IN BENIN

2.1. ECONOMIC DEVELOPMENTS IN BENIN OVER THE LAST FIVE YEARS

26. Overall, the economic situation in Benin has developed favorably over the last five years. During the period 1997-2001, the real growth rate averaged 5.2 percent, while the average inflation rate measured by the consumer price index was 3.8 percent. This growth was driven by an investment ratio averaging 17.8 percent, which the low level of national saving, representing 11.2 percent of GDP, was not sufficient to finance. As a consequence, over the period, the external current account deficit averaged 6.6 percent of GDP. At the same time, significant progress was made in the area of public finances, as the fiscal deficit (payment order basis) as a percentage of GDP was kept to an average of 2.9 percent, while domestic payments arrears were significantly reduced by about 2 percent of GDP (*see Annex 3*). These relatively significant results were obtained thanks to rigorous fiscal consolidation measures, as well as structural reforms. However, with an average annual population growth rate of 3.2 percent over the past decade, it will be necessary to consolidate economic performance, as it has been determined that significant and lasting poverty reduction will require equitably and judiciously distributed real growth of at least 7 percent.

2.2. STRUCTURAL STRENGTHS AND WEAKNESSES OF BENIN'S ECONOMY

27. Benin has a number of **strengths and areas of potential** on which the Government has decided to build its strategy for accelerating growth and reducing poverty. First among these strengths are the respect for the rules of democracy and human rights, and socio-political and macroeconomic stability. The Government intends to consolidate these strengths in order to enhance the credibility and attractiveness of the country, which is necessary to increase private investment and ensure that strong growth is sustainable.

28. Benin's second strength is its advantageous location. Owing to its geographical position, characterized by a 125-kilometer coastline with a deep water port, some 700 kilometers of common border with Nigeria (a market with more than 105 million potential consumers), and borders with the landlocked countries of the interior, Benin is well positioned for trade and trans-shipment in West Africa. Benin's participation in integrated economic and monetary regional zones is also an undeniable strength.

29. Benin's third strength is its immense agricultural potential (4.8 million hectares of arable land, of which scarcely 1 million are under cultivation), mining potential, and insufficiently developed tourism potential. Finally, a fourth strength that cannot be overlooked is the youth and dynamism of its population, and the skill of the local labor force.

30. The **structural weaknesses** of Benin's economy relate to the rigidity of the productive apparatus and structure, the low level of investment, and the lack of export diversification.

31. **Rigidity of the productive apparatus.** This rigidity affects the primary sector in particular, via the specialization of production, the low level of microfinancing, and the obsolescence of tools, infrastructures, and production methods. Moreover, the productive sectors are insufficiently integrated with one another. Indeed, the industrial sector makes use of very few locally produced goods as inputs. Generally speaking, the productive sectors have much closer ties with the outside world than with the various components of the national economy. These traits, combined with the scant diversification of the processing industry, result in weak relations between industry and the agricultural sector, reducing the contribution of both to the growth of GDP.

32. **Rigidity of the production structure - structurally rigid composition of gross domestic product.** This production structure is characterized by the predominance of the tertiary and primary sectors and a virtually embryonic secondary sector. Indeed, since the 1990s when growth resumed in the Beninese economy, the secondary and primary sectors have on average represented about 50 percent and 36 percent of GDP, respectively, as compared to 14 percent for the secondary sector. When this production structure is considered in light of Benin's sizable agricultural potential, its geographic location, and the aptitude and/or propensity of its economic stakeholders for commercial activities, it is seen primarily as a reflection of the low level of medium- and long-term productive investment.

Structure of GDP, 1995-2000 (in percent)

	1995	1996	1997	1998	1999	2000
Primary Sector	34.0	37.7	38.4	38.6	38.3	37.2
Secondary Sector	14.6	13.7	13.9	13.5	13.9	13.7
Tertiary Sector	51.4	48.6	47.7	47.9	47.8	49.1

Source: DGAE, MFE.

33. **Low level of investment.** Notwithstanding an improvement in the investment ratio, which increased from 15.8 percent in 1994 to 19.4 percent in 2001, the level of investment is still too low to achieve strong and sustainable growth. The private investment ratio has hardly changed, amounting to 11.4 percent in 2001 as against 9.3 percent in 1994. By way of comparison, the level of investment in Benin remains well below the rates observed in the developing countries of Asia (28 percent on average) and Latin America (22 percent on average), which achieved strong growth over the period. This weakness of investment, notwithstanding Benin's strengths and areas of potential, is explained by a number of factors, including: (i) the low level of national saving; (ii) the low public investment execution rate; (iii) the behavior of local economic agents who are attracted primarily by activities that rapidly turn a profit; (iv) inadequate communication of the strengths of and opportunities available in the Beninese economy; (v) administrative red tape and incidental expenses; (vi) the absence of efficient infrastructure for assisting and accommodating investors; and (vii) production factors (water, electricity, telephone, real estate, transport) that are difficult to access and relatively costly, thereby eroding the competitiveness of the Beninese economy.

34. **Benin's lack of export diversification.** Benin has a single dominant cash crop: cotton, which accounts for 81 percent of its exports. This makes the country all the more vulnerable to external shocks.

2.3. IMPACT ON POVERTY OF BENIN'S ECONOMIC AND SOCIAL POLICIES

35. The implementation of various economic policies and measures over the past ten years has been at the root of the resumption of economic growth. However, these policies have not always sufficed to reduce poverty, particularly in rural areas. This could be explained by the unequal distributional impact of growth, the difficulties experienced by the rural population in maximizing return on their productive activities while other sectors in the production and marketing system are garnering sizable profit margins, the unequal distribution of economic infrastructure throughout the national territory, and governance weaknesses in public affairs.

36. As regards social policies, while major indicators, in particular those reflecting the supply of social services, have improved overall, those reflecting real access, or the level of use of such services by the population, have generally remained low. Moreover, for the most part, the improvements noted have tended to be slight and insufficient to permit any elimination of existing lags or gaps. This situation could be explained by a lack of initial consultations with the population groups targeted by these projects, inadequacies in project management, and particularly by the lack of synergy between the various sectoral programs carried out by the various ministries. For example, it is not evident that the decision to build one health center in a particular location took into account the distance between the center and residential areas, and the need to build access roads to the center, to place water supply points nearby, or to ensure the availability of sufficient medical personal or low-cost medications at the center of adequate health care staff and low-cost drugs at the center.

37. Finally, implementation of most of the social policies resulted in outcomes that, while insufficient, were positive in each individual area, but failed to trigger benefits in other areas so as to produce a genuine poverty-reducing effect. This is a fundamental lesson to be drawn as to the effectiveness of sectoral programs, in terms of both their design and their implementation: the absence of synergy between the effects of different projects, owing to shortcomings of management, integration, and coordination of the programs themselves.

2.4. POVERTY IN BENIN: THE DIAGNOSIS

38. Poverty is a multidimensional phenomenon that is difficult to measure. There are a multitude of definitions in the literature. For purposes of developing a national poverty reduction strategy, what is needed is an operational definition that is likely to point toward ways of addressing the phenomenon. From this perspective, it is worthwhile to recall the perception emerging from the work at the World Summit for Social Development held in Copenhagen in March 1995, which found that: “poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; unsafe environments; and social discrimination and exclusion.” This definition, which takes the multidimensional nature of poverty into account, has the advantage of already highlighting the various areas on which a national poverty reduction strategy could be based. It also makes it clear that the income aspect of poverty merits special attention. In Benin, furthermore, it appeared relevant to distinguish between the diagnosis of rural poverty and that of urban poverty, given, on the one hand, the lack of comparable data owing to the current lack of a national poverty survey using uniform periods and methodologies, and, on the other hand, owing to the sizable geographical disparities characterizing the poverty phenomenon across Benin.

2.4.1. Monetary poverty in Benin: rural poverty and urban poverty

39. Benin is based on two types of studies: the property profile for ELAMs, which study the poverty phenomenon in urban areas, and the ECVRs, which assess poverty in rural areas. A poor household is defined as one for which the annual expenditure per adult equivalent falls below the poverty line. Any person living in a poor household is considered to be a poor individual. The data used as the basis for this analysis are from ELAMs 5 bis and 6 of 1995-1996, ELAM 9 of 1999, ECVR 1 of 1994-1995, and ECVR 2 of 1999-2000. These data have been adjusted to address different methodological biases. Effectively, the calculation of the nonfood poverty line has been revised using the median approach. In addition, the various poverty lines have been determined on the basis of per capita expenditure (*see Box 2*).

40. The SPG (overall poverty line), which incorporates the SPA (food poverty line) and the SPNA (nonfood poverty line), is defined as the minimum annual expenditure needed by an individual or a household to be able to purchase the quantity of goods (both food and nonfood) deemed necessary for a balanced and essential diet by the community in which he or she lives. Three poverty indexes have been calculated in order to

determine the poverty profile: the incidence of poverty, which indicates the proportion of the population that is poor (P0), the poverty depth indicator, which measures the intensity of the poverty phenomenon (P1), and the poverty severity indicator, used to assess the scope of inequality among the poor (P2).

BOX 2: USE OF PER CAPITA THRESHOLDS FOR CALCULATING POVERTY INDICATORS

Monetary poverty was measured on the basis of an indicator of living standards, namely the overall expenditure per capita of the household, including the value of self-consumption. An overall poverty line was determined, and is broken down into food and nonfood poverty lines. The population is classified in socio-economic categories on the basis of these poverty lines.

The food poverty line has been calculated on the basis of the valuation of a basket of goods. This basket reflects the proportions of the various food products consumed by the members of the household in this environment and meets the minimum nutritional standards for a balanced diet. These needs have been calculated on a minimum daily per capita energy standard of 2,400 calories.

In the absence of absolute standards to define a basket of nonfood goods or services deemed essential (housing, clothing, health, education, etc.) and the minimum amount that an individual must devote to satisfying these needs, the nonfood poverty line is determined by the difference between the overall poverty line (SPG) and the food poverty line (SPA). The SPG has been determined by the ratio of SPA to the share of total expenditure on food in the total expenditure of households below the median for total expenditure.

41. In **rural areas**, the overall poverty line (SPG), which was set at CFAF 42,075 per person per year in 1994-1995, rose to CFAF 51,413 in 1999-2000, or an increase of 22 percent. On the basis of these poverty lines, the incidence of poverty, that is, the proportion of individuals whose average expenditure falls below these lines, increased from 25.2 percent in 1994-1995 to 33 percent in 1999-2000, thus reflecting a statistically significant increase ($t = 6.12$). The depth and severity of poverty also increased between the two periods, increasing from 6.3 percent to 9.4 percent, and from 2.4 percent to 3.9 percent, respectively (*see Annex 4*).

42. In **urban areas**, the SPG increased from CFAF 48,629 to CFAF 91,705 during the period from 1995 to 1999, or an increase of 88 percent. This sharp rise may be attributed to the importance and costs of meeting nonfood needs (education, health, housing). Despite the increase in this line, the incidence of poverty declined from 28.5 percent in 1996 to 23.3 percent in 1999. There has thus been a significant decrease in the level of poverty. Poverty also decreased from the standpoint of its depth and severity (*see Annex 4 bis*).

43. As regards the **geographical distribution of poverty**, for rural areas it appears that all the departments in the North (Borgou, Alibori, Atacora, Donga) and, to a lesser degree, the Atlantique and Couffo departments, have poverty levels that are considerably above average. The poorest urban areas are in the departments of Couffo, Atacora, and Ouémé, and, to a lesser extent, the Atlantique, Borgou, and Donga departments. **From the gender standpoint**, the studies conducted on the determinants of female poverty in

Benin¹ on the basis of the ECVR and ELAM surveys have found that overall, the proportion of poor men exceeds that of poor women, but that the poverty of the latter group is more severe than male poverty. The fact that poverty disproportionately affects women is more readily apparent when considering non-monetary poverty.

2.4.2. Non-monetary poverty²

44. It is important to examine not only the income aspects of poverty, but also the evolution of non-monetary poverty, which reflects the inability to satisfy basic needs such as education, health services, access to safe drinking water, nutrition, life expectancy, the power to make decisions about events affecting an individual's personal existence, etc. This is usually measured by the Human Poverty Index (HPI) developed by the UNDP (*see Box 2 bis*), a composite indicator that quantifies the deprivations in four dimensions of human life, namely: longevity, education, standard of living, and social inclusion.

45. As calculation of the HPI is difficult in Benin owing to the lack of updated data, and given the need for a reliable measure of human poverty, a different indicator has been proposed to approximate the HPI. This is the non-monetary poverty index (IPNM), which is based on the following five social indicators:

- the probability of death between ages 1 and 4 (P1 in percent);
- the illiteracy rate for those aged 6 and above (P2 in percent);
- the lack of access to health services, as measured by services located more than 5 kilometers away (P3.1 in percent);
- the lack of access to safe drinking water (P3.2 in percent);
- the percentage of children under age 3 that are underweight (P3.3).

46. Based on data from the 1996 and 2001 Population and Health Surveys of Benin, the incidence of non-monetary poverty increased from 43.4 percent in 1996 to 49.0 percent in 2001 (*see Annex 4 ter*). Thus nearly half of Benin's population continues to be unable to satisfy a number of basic needs. This development corroborates the earlier finding that, owing to the lack of initial consultations with the people and the absence of synergy in the actions taken, increases in the supply of social services have not really benefited these population groups.

47. In 2001, the department most severely affected by this form of poverty is Atacora (former administrative subdivision), with an incidence of 60 percent. Borgou is in second place, with a rate of non-monetary poverty of 57.9 percent. Also of note is a sizable disparity between urban areas, where the incidence is 34.7 percent, and rural areas

¹ See Marie Odile ATTANASSO, "*Analyse des déterminants de la pauvreté féminine au Bénin, Genre et Pauvreté au Bénin*" [Analysis of the determinants of female poverty in Benin: Gender and poverty in Benin].

² Comments and figures from the Human Development Report 2001 on Benin and a contribution from the UNDP.

where it was 59.0 percent in 2001. Hence rural poverty is more pronounced in all its dimensions than urban poverty.

48. From a sectoral point of view, the level of basic needs satisfaction (health, life expectancy, safe drinking water, nutrition, etc.) remains low notwithstanding the progress made. Over the period 1996-2001, for example, while the probability of death between the ages of 1 and 4 and the percentage of children suffering from malnutrition declined from 9 percent to 7.5 percent and from 29.2 percent to 23 percent, respectively, the lack of access to health services and safe drinking water worsened, from 39 percent to 48.6 percent and from 28.3 percent to 38.4 percent, respectively. The illiteracy rate of individuals age 6 and over increased from 59.5 percent to 67.2 percent.

BOX 2 Bis: METHODOLOGY OF CALCULATING THE HUMAN POVERTY INDEX

The Human Poverty Index (HPI) focuses on three essential aspects of human life that are also taken into account by the HDI, namely longevity, education, and decent living conditions, but envisages these aspects in terms of shortfalls:

- shortfall in life expectancy, measured by the percentage of individuals running the risk of death before the age of 40 (P1);
- lack of education, measured by the adult illiteracy rate (P2);
- lack of decent living conditions (P3), measured by the arithmetic mean of the following three variables:
 - the percentage of individuals without access to safe drinking water (P31);
 - the percentage of individuals without access to health services (P32);
 - the percentage of children under the age of 5 suffering from malnutrition (P33).

The HPI is then given by the harmonic mean of the subindicators P1, P2, P3, or:

$$HPI = [1/3 (P1^3 + P2^3 + P3^3)]^{1/3}$$

49. With regard to education, while the gross enrollment ratio is on the upswing (from 67 percent in 1995 to 80 percent in 2000), there are sizable disparities from department to department and between genders. In Atacora and Borgou, for example, the ratios are 63.1 percent and 52.4 percent, respectively, as against the national average of 81 percent. The ratio is 83 percent in Mono, 86.8 percent in Ouémé, 74 percent in Zou, and over 100 percent in Atlantique. Analysis of the data by gender reveals sizable gaps in favor of boys. In 2000, for example, the average access rate to the CI level was 97 percent for boys and 76 percent for girls, a gap of 21 points. The gross enrollment ratio is 94.4 percent for boys, as compared to 65.2 percent for girls. The school completion rate for primary education is estimated at 53 percent for boys compared to only 36 percent for girls. Hence fewer girls attend primary school, and of those who do, the dropout rate is much higher than for boys. Among the reasons explaining this early departure from the school system by girls are early marriage, household chores fetching water, preparing meals, and learning how to run a household, and work in the fields. In 1999, the adult literacy rate was 57 percent for men and 34 percent for women.

50. Despite the progress made in the area of primary health care, malaria remains the predominant cause of death in Benin. Maternal mortality also remains a source of

concern, with a rate of 498 deaths per 100,000 live births. This high level of maternal mortality is attributable to early or late pregnancies, frequent pregnancies in close succession, and clandestine abortions following unwanted pregnancies. Moreover, the available data on HIV/AIDS show that the people of Benin are being contaminated at an earlier age, particularly women between the ages of 20 and 29, despite the fact that about 2 men for every woman become infected.

51. An analysis of the phenomenon of poverty by the **socio-economic characteristics of households**, namely household size and the age, gender, and level of education of the head of household, also yields interesting results. It appears, for example, that the poverty of households increases proportionally with their size. Households of more than 6 persons have a poverty incidence twice that of households of less than 3 in both urban and rural areas. However, the impact of household size on the incidence of poverty would appear to be more pronounced in urban areas, where the poverty rate of households of over 6 is four times that of households of less than 3. In addition, the poorest households are those headed by an individual aged 35 or over. The incidence of poverty rises with the age of the head of household. The same trends may be observed as well with regard to the depth and the intensity of poverty.

52. The incidence of poverty is relatively lower in households headed by women. However, the difference between the two genders is not sufficiently significant statistically to point to a masculinization of poverty. Furthermore, households headed by individuals with some degree of education are generally less poor than those headed by individuals with none. By way of illustration, the poverty incidence of households headed by persons having completed no level of instruction is 31.1 percent, while it is 20 percent for those headed by persons who have received secondary education or more. The same trends may be observed in both urban and rural areas.

2.4.3. Causes and determinants of poverty in Benin

53. Analyzing the poverty phenomenon in terms of its causes and determinants may provide information of great value for targeting the efforts aimed at improving the status of the poorest. While economic performance over the past five years has helped reduce urban poverty, poverty in rural areas has increased considerably and remains pronounced. There is thus a dichotomy in poverty trends between rural areas and urban areas which mandates that the PRSP place emphasis on strategies to benefit rural areas.

54. As indicated above, this situation is largely explained by poorly adapted economic and social policies, which resulted in the inadequate distribution of the benefits of growth, and the consequent weakness of incomes in rural areas in a context marked by rising prices of food and nonfood products. On the one hand, inadequacy of the policies stemmed from the fact that the distribution of income and allocation of economic and social investments between the two areas benefited the urban areas more than rural areas. The cities hence have better services than rural areas in terms of communications, transport, market infrastructure, basic education, primary health care services, the supply

of safe drinking water, sanitation, etc.³ Moreover, there are no real regional development policies to correct the disparities, and the policies carried out in favor of the rural areas have proven highly ineffective, principally owing to problems with governance and lack of synergy, the scant participation of rural populations in the design, implementation, and monitoring and evaluation of the projects benefiting them, and the contrary effects and slow implementation of rural sector reforms. Accordingly, the Government plans to conduct a study on the impact of the reforms in the agricultural sector (cotton in particular) on rural incomes, and to incorporate its findings in the 2003 PRSP Update.

55. As regards the pattern of urban poverty, preliminary studies conducted on the basis of the available data have found that from the standpoint of economic activity, the incidence of poverty is greater in the primary sector (agriculture, livestock, fisheries) than in the secondary and tertiary sectors (crafts, trade, processing, and services): 37.9 percent as against 23.1 percent. Moreover, independent nonfarm employers and wage-earners are relatively less poor than the other professional groups. Further work on these studies, whose results will be incorporated into the second year of the PRSP, will pinpoint the socio-professional categories more accurately and determine the proportion of the population that has genuinely benefited from the fruits of the sustained economic growth during the period. The persistence of poverty incidence despite the sustained economic growth registered over the period would tend to suggest the existence of income disparities. Inequality indexes calculated on the basis of data from the ECVR 2 and ELAM 9 surveys show that such disparity does in fact exist and is more pronounced in rural areas. The Gini indexes calculated for the urban and rural areas were 0.263 and 0.503, respectively.

56. As regards gender issues, an analysis of the relationship between the economic activity carried out by a woman (largely in the informal sector) and her social standing has shown that to bring about a significant reduction in the level and severity of female poverty, the priority apart from policies to promote income-generating activities, is to educate girls and teach women to read and write. As a consequence, they will be more and more active outside the informal sector.

57. The various consultations in the departments also enabled the people themselves to identify the main causes and determinants of poverty in their localities. These may be summarized as follows:

- the lack of financial resources and difficult access to micro-finance;
- the limited number of income-generating activities;
- land tenure problems, more pronounced in the departments in the South;
- lack of market access ;
- inappropriate agricultural and fisheries tools and techniques;
- socio-cultural impediments;
- difficult access to safe drinking water and primary health care;

³ See "Common Country Assessment," United Nations Office in Benin, January 2002.

- silting and deterioration of waterways;
- the emigration of boys and girls;
- illiteracy and school drop out;
- poor organization and equipment of rural populations;
- environmental deterioration (drought, decline in soil fertility, overgrazing, floods, coastal erosion);
- inadequate employment programs for the handicapped and caring for the elderly or those suffering from AIDS and malaria;
- poor management of development projects and community funds.

58. Finally, the departmental consultations identified the groups most affected by poverty. These include rural women and craftsmen, farmers without land and the inhabitants of areas without market access, children and girls in difficult social situations (orphans, abandoned children, unmarried mothers, the uneducated, domestic servants), uneducated or unemployed youth, and the handicapped or elderly with no means of support. Particular attention has been devoted to these social groups in the poverty reduction strategy. These efforts will be strengthened when the PRSP is updated for the second and third years. In addition, technical studies will be carried out in the medium term to improve the identification of the poorest groups.

59. Overall, poverty in Benin is more pronounced in rural areas than in urban centers. Over the past five years, it has declined in urban areas even as it worsened in rural areas. Poverty affects women more than men from the standpoint of depth and severity, and has an unequal impact among the various regional and social groups. Analysis in terms of the socio-economic characteristics of households has further revealed strong correlations between the incidence of poverty and household size and the age, gender, and level of education of the head of household. Despite some improvements, the extent to which social needs are met remains low overall. Analysis of the causes and determinants of the phenomenon revealed that the poverty situation in Benin basically calls into question the policies carried out over the period and calls for a strategy that is more focused on the development of rural areas and women.

2.4.4. Short-term work program to improve the PRSP

60. Conscious of the need to improve the PRSP, the Government will continue its work and incorporate the results thereof into the Paper for the second and third years of implementation of the strategy. The proposed studies will refine the diagnosis of poverty and improve surveys' methodology and the quality of the data used. This additional work should improve the quality of the document (*see Annex 13*).

III. MAJOR ISSUES AND PRIORITIES OF THE POVERTY REDUCTION STRATEGY FOR 2003-2005

61. Building on the goals of the national population policy, the studies on Benin's long term development prospects by the year 2025, the PRSP's poverty reduction goals set for 2015 (*see Box 3*), the 2001–2006 Government Action Plan, and the results of the economic and poverty diagnostic, the Government has defined an overall poverty reduction strategy based on these four pillars:

- Strengthening the macroeconomic framework over the medium term.
- Developing human capital and environmental management.
- Strengthening good governance and institutional capacity.
- Promoting employment and strengthening the ability of the poor to participate in decision-making and production processes.

62. The Government priorities contained in each of these four strategic pillars are:

- Consolidating Benin's macroeconomic stability.
- Improving access to basic education, literacy, basic health care and safe drinking water, and increasing efforts to combat HIV/AIDS and malaria.
- Fighting corruption, consolidating democracy and decentralization.
- Promoting employment and strengthening the ability of the poor to participate in revenue-producing activities and developing a sound land management policy.

63. These priorities emerge from the diagnosis of economic and poverty situation in Benin. They constitute the sectoral objectives and actions that the Government considers are essential for achieving the poverty reduction goals. These measures and actions have been given priority in budget formulation and resource allocation. Alongside these are other goals that also fall under the main pillars of the strategy, and while not receiving priority, are no less important for reducing poverty.

64. Implementing this strategy should facilitate meeting the poverty reduction goals listed in the following table.

Table: Quantitative Quality Reduction Goals

Main Indicators	African Average 2001-02	2001	2002	2003	2004	2005	2015
Growth rate of real GDP (%)		5.0	5.3	5.8	6.8	7.0	>7.0
Inflation (CPI) (%)		4.0	<3.3	<3.0	<3.0	<3.0	<3.0
Real per capita income growth rate (%)		2.8	3.0	3.2	3.5	3.8	-
Percent of Beninese population living below the poverty line %							
Rural areas		33.0	31.4	29.9	28.4	27.1	16.5
Urban areas		23.3	22.2	21.1	20.1	19.1	11.7
Life expectancy at birth (years)	52	52.3	52.3	52.4	52.4	52.5	65
Infant/child mortality rate (per 1000 live births, 0-1 year)	174	89.0	82.3	76.1	70.3	65.0	29.7
Access to safe water		66.4	69.5	72.7	76.1	79.7	100
Gross primary school enrollment rate (%)	70	81	84	88	91	94	99
Incidence of HIV/AIDS (%)		<6	<6	<6	<6	<6	<6

BOX 3: POVERTY REDUCTION GOALS FOR THE YEAR 2015

Building on its population policy statement and the main poverty reduction goals chosen at the summits in Copenhagen, Cairo, Beijing, and Rio de Janeiro, and reaffirmed at the meeting in Libreville, the Government has defined the following quantitative poverty reduction goals for the year 2015:

- Reduce the percentage of Beninese people living below the poverty line by 50 percent. This will mean reducing the poverty rate from 30 percent in 2000 to 15 percent by 2015.
- Increase life expectancy at birth from 54 years in 2000 to 65 years by 2015.
- Reduce the infant/child mortality rate from 165 per thousand in 1998 to 90 per thousand by 2015.
- Reduce the maternal mortality rate from 500 per 100,000 live births in 1998 to 390 per 100,000 by 2015.
- Reduce the number of people suffering from malnutrition by 50 percent of current levels by the year 2015.
- Assure universal primary education by increasing the gross enrollment rate from 81 percent in 2000 to 99 percent by 2015.
- Assure access to reproductive health services through a system of basic health care for all individuals of reproductive age by 2015.
- Reduce the prevalence of AIDS and STD.

3.1. STRENGTHENING THE MACROECONOMIC FRAMEWORK OVER THE MEDIUM TERM

3.1.1. Consolidating macroeconomic stability

65. An analysis of the Beninese economy has revealed that if poverty is to be reduced in a significant and sustained manner, accelerated and better distributed economic growth are imperative. It has also revealed structural weaknesses, particularly in medium- and long-term productive investments in the Beninese economy. **The Government's strategic choice is therefore to attain this accelerated growth through major increases in private investment, both domestic and foreign.** A national forum on accelerating economic growth, organized by the Government in May 2001, identified the following conditions for investment to increase enhanced confidence of investors that they would receive a return on their investments, strengthened competitiveness of the Beninese economy and a more efficient use of production factors. To meet these three interrelated requirements, the Government will implement the appropriate economic policies.

66. With a view to rapidly reach this strong and sustainable growth target, the Government has identified four economic activities that will receive special attention in the economic policies. Other sectors would not be neglected, however. The Government's aim is to significantly increase private sector involvement in these areas of activity, and make them the basis for economic growth. These sectors are **agribusiness, tourism and the hotel industry, new information and communications technologies, and transit activities.**

67. In the view of the Government, addressing constraints to accelerated growth and poverty reduction will initially call for increased public spending on basic economic infrastructure and social sectors. It remains convinced, however, that this strategy must be accompanied by a stable macroeconomic framework over the medium term. **Accordingly, the priority of this first pillar of the Poverty Reduction Strategy is to consolidate Benin's macroeconomic stability.** This will require strong and sustained economic growth within a context of price stability, sustainable budget and foreign trade deficits, and controlled growth in money supply. The main medium-term macroeconomic objectives of the strategy are stated in *Annex 3*.

68. **Strong growth in production.** Various studies have shown that a significant reduction in poverty requires a real economic growth rate of about 7 percent over an extended period. The Government's objective is to implement the appropriate economic policies and take the steps needed to attain this rate as quickly as possible. In the medium term, the economy needs to achieve real growth rates of 5.3 percent in 2002, 5.8 percent in 2003, 6.8 percent in 2004 and 7.0 percent in 2005. Taking into account projected demographic growth rates for the period, real per capita income needs to grow by 3.0 percent, 3.2 percent, 3.5 percent and 3.8 percent in 2002, 2003, 2004 and 2005, respectively. These growth objectives are contingent on strong economic performance in the areas of construction and public works, trade and transport, as well as on

diversification and increased production of primary sector. Growth will be equally sustained by rising rates of investment, from 19.2 percent of GDP in 2001 to 21.5 percent, 20.9 percent, 21.4 percent and 20.7 percent in 2002, 2003, 2004 and 2005. On average, public investment expenditures will represent 9.5 percent of GDP for the period, while the rate of private investment should be approximately 11.1 percent.

69. **Price stability.** Despite growth in domestic demand fueled primarily by growth in public spending to finance basic socio-economic infrastructure, domestic prices should be kept stable over the period, as long as there are no external shocks. Price increases should effectively stay below a ceiling of 3 percent, the standard set by the WAEMU. This result will be obtained through strong growth in production and an effective monetary policy.

70. **Consolidated public finances.** The Government is considering two medium-term expenditure framework (MTEF) scenarios. The first is the updated version of the budget framework in line with the program supported by the Poverty Reduction and Growth Facility (PRGF) with budget deficits representing 4.7 percent of GDP in 2003, 4.2 percent in 2004 and 4.0 percent in 2005 (*see Annex 5*). The Government has agreed with the International Monetary Fund to alter this framework once the PRSP is finalized and the additional external financing is made available to finance additional spending. The Government regards the second scenario as more appropriate to implement the Poverty Reduction Strategy and intends to follow this scenario to the extent it obtains adequate funding for it. It presents budget deficits of 6.1 percent of GDP in 2003, 5.7 percent in 2004 and 4.5 percent in 2005 (*see Annex 5 Bis*). The increase in the budget deficit will come essentially from changes in investment expenditures. Total spending will increase from 21.8 percent of GDP in 2002 to 23.2 percent in 2003, 22.7 percent in 2004 and 21.5 percent in 2005. These expenditures will be partially financed with domestic revenues, which should stabilize at about 17.0 percent of GDP for the period. Public saving itself has been held at 3.9 percent of GDP over the period, reflecting the medium-term consolidation of public finance. **Based on these revenue and spending levels, identified domestic and foreign financing and expected debt relief, the country's residual financing gaps would amount to CFA francs 29.5 billion, 50.4 billion and 38.4 billion in 2003, 2004 and 2005, respectively.** [These financing gaps are covered by bilateral and multilateral financial assistance.]

71. Fiscal policy will continue to be rigorous. Likewise, the use of program-budgets and Medium-Term Expenditure Frameworks (MTEFs) will improve budget formulation and execution. Furthermore, with a suitable and flexible fiscal policy, and through improved spending allocations and targeted transfers, the Government will ensure a better redistribution of growth. Lastly, the Government will ensure Benin's active participation in the harmonization of fiscal policies within the WAEMU.

72. **A sustainable deficit in foreign payments.** Despite an increase in exports, the current account is expected to register an average deficit in the range of 7.2 percent of GDP over the period, essentially due to a rise in imports of capital goods and the low level of domestic saving.

73. **Money supply management.** Domestic liquidity should increase by 7.8 percent, 6.8 percent and 9.2 percent in 2002, 2003 and 2004, in line with overall nominal GDP growth for the period. As in the past, along with the other WAEMU countries, Benin will pursue a monetary policy that will primarily aim at stabilizing prices. Likewise, credit policy will continue to be prudent, with special emphasis on the quality of loans. Monetary policy will be based primarily on interest rates regulation.

74. To attain these results, the Government will implement policies aiming at:

- stability of the macroeconomic framework;
- control of inflation, relative prices and real effective exchange rates;
- availability and affordability of production factors by strengthening basic economic infrastructure (water, electricity, petroleum products, telephone, transport, land);
- acceleration of structural and sectoral reforms (liberalization and improved functioning of markets operation, withdrawal of the State from competitive sectors);
- flexible legal framework, particularly regarding labor market (wage increases should reflect increases in labor productivity, better qualified staff, as a result of improved professional and technical training);
- strengthened financial system (strengthening of banking surveillance and adherence to prudential policies, diversification of financial services and reduced costs, encouraging the introduction of new private banks);
- improvement of the legal, regulatory and judicial environment, a more efficient public administration, respect for the rules of competition, the eradication of corruption, information and assistance for investors, progressive liberalization of capital account transactions after the effective liberalization of current account transactions;
- increasing trade openness (promotion of foreign investment, adherence to WTO rules and policy of economic integration policies).

75. More specifically, the Government has chosen to attract private investment by **increasing the quality and quantity of basic economic infrastructure** and by accelerating structural reforms liberalizing and increasing the competitiveness of the Beninese economy aimed at further accelerating economic growth.

3.1.2. Consolidation of the sources of growth

76. The poverty reduction strategy relies primarily on accelerating economic growth. As such, the Government will implement measures to promote the various sectors that contribute to growth. After strengthening basic economic infrastructure, the Government will focus on creating a favorable institutional environment, and regulatory framework necessary to attract private investment in these sectors. **Among these sectors, agribusiness, tourism and hotel industry, new information and communications technologies, and transit activities constitute the core entry points for the government private sector development strategy. The strategy is also aimed at promoting the participation of the poor in the production process, by assisting them to secure micro-credits, training and land.**

3.1.2.1. Diversified and enhanced farming and developed handicrafts in which women and the poor can take part

77. Benin's economic potential relies largely on farming, with large amounts of land suitable for cultivation and grazing (4.8 million hectares, with only one million currently being cultivated) and large livestock and fishery resources that have not been fully exploited. The rural sector, which accounts for 70 percent of the active population, contributes roughly 36 percent to GDP, earns roughly 88 percent of the country's export receipts and provides some 15 percent of the Government revenue. Agriculture plays an essential role in economic and social development process.

78. There is sufficient agricultural production (food crops, livestock, timber and fisheries) the country food security, despite pockets of food insecurity in a few localities. The dominant cash crops are cotton, representing about 81 percent of Benin's exports, followed by palm oil, cashew nuts and pineapple, which together constitute some 7 percent of exports.

79. In the past few years, significant reforms have been implemented in the context of the Government's economic liberalization policies. Of particular importance are those reforms that led to withdrawal from production and trade operations. As a consequence, agricultural services have been restructured, with the unintended side effect of a weakening of technical support services to producers largely due to the drastic reduction of support personnel and lower allocations of financial and material resources for this purpose. This process has, however, also led to the emergence and empowerment of new actors (farmers' organizations, handy crafts and industrial entrepreneurs) in such areas as seed production, transport, credit and processing. Despite the progress achieved with these reforms, Beninese agriculture is currently confronting major development constraints (*see Box 4*).

80. The Government's strategy aims to lift these constraints to enable (i) a growing contribution by the farming sector to GDP, (ii) diversification of agriculture and an increased supply of agricultural inputs to local industries, (iii) higher income for farmers by promoting their participation in rural production, and (iv) nutrition and food security. These objectives arose as a result of the 1991 Letter of Rural Development Policy (*Lettre de Politique de Développement Rural*, LPDR), the Rural Sector Round Table of 1995, the departmental consultations that took place in April 2001 and the July 2001 Declaration of Rural Development Policy (DPDR), which also defined the Government's role in the agricultural sector (*see Box 5*). A series of projects and programs have been developed to support this strategy, which are included in the Medium-Term Expenditure Framework (MTEF). The DPDR and its Strategic Operational Plan are available and constitute the sectoral strategic framework for implementing the rural development strategy (*see Box 6*).

BOX 4: CONSTRAINTS ON THE DEVELOPMENT OF BENINESE AGRICULTURE

In the general context:

- Agriculture remains heavily dependent on rainfall; irrigation for farming and grazing remains an issue.
- The relatively rapid pace of the Government's withdrawal from knowledge transfer functions has created a workforce that is insufficiently trained. This is particularly evident from the management problems encountered by the producer organizations and the lack of cooperation between these organizations and the agricultural services.
- Mechanization in agriculture is still scarce and the use of animals for cultivation is prevalent only in some parts.
- Inputs remain costly and access to land is difficult in some areas.
- Women's needs (e.g., access to credit and land) continue to be neglected, despite the importance of their roles in society and economy, particularly in the areas of processing, preservation and marketing of agricultural products.
- The sector remains highly dependent on cotton, the only organized sector.
- The increase in production of food crops has resulted from an increase in the acreage of sown fields, rather than from an increase in productivity, which generally remains low in the agricultural sector.
- Despite overall self-sufficiency in grains, isolated problems remain in some seasons and locations, where pockets of food and nutrition insecurity are observed.
- Current practices (over-exploitation in the South, slash and burn cultivation and extensive farming in the North) continue to subject the environment to significant pressure (reduction of forest cover, erosion, decreased soil fertility).
- Access to credit remains scarce (limited amounts, difficult access to institutions, high cost for processing applications, limited availability of medium-term credits ...), especially for women and youth.
- The rural population is characterized by a high rate of illiteracy, limited basic vocational training and limited access to equipment.

At the administrative level:

- The severe cutback in government human resources has led to quantitative and qualitative gaps in supervisory staff, which are no longer able to effectively provide technical support.

81. **Agriculture.** The farming sector, with about 400,000 holdings, is characterized by a predominance of small farms with an average size of 0.50 ha in the south and 2 ha in the north. The Government aims at improving agricultural output, increasing cotton production and promoting the cultivation of oil-palms, cassava, cashew nuts, pineapple and peanuts. Grain production will also be supported to ensure sufficient food supply and to participate in subregional trade. Partnerships between administration, farmers' organizations and other players in the sector also needs to be enhanced.

82. To meet these objectives, the Government will accelerate the implementation of the following measures and actions, which will be carried out through various projects and subprograms contained in the MTEF. A total of five (5) major programs have been identified for the agricultural sector:

- support for increasing agricultural productivity;
- rural infrastructure;
- sustainable natural resource management;
- support for the development of agricultural markets;

- administration and services management.

BOX 5: THE GOVERNMENT AND THE BENINESE PRIVATE SECTOR'S ROLE IN THE AGRICULTURAL SECTOR

Tasks exclusive to the Government

- Steering the sector's development strategy, which involves follow-up and monitoring of the policy implementation and information dissemination.
- The establishment of an incentive framework for implementing the strategy.
- Sector regulation and quality control of agricultural inputs.
- Coordination of foreign aid and management of public goods.
- The establishment of safety nets to protect vulnerable groups and ensure favorable conditions for their development.

Tasks that are non-exclusive or that will be shared by the Government

- Agricultural research and extension, training and skills development.
- Support for producers, particularly for farmers' organizations.
- Sector analysis through an effective information system.
- Forecasting risk assessment and developing new or alternative scenarios.
- Monitoring and evaluating project outcomes and policy measures.

Role of the Private Sector

- The private sector is constituted by a diverse group of actors that will need to perform various functions in the areas of input supply, production, marketing, processing and agricultural services.

83. Among the main actions to be carried out through the programs are:

▪ **Support for increasing agricultural productivity.** Items falling under this heading include:

- the organization of training and literacy programs for producers;
- production and multiplication of foundation and breeder seed stock at research centers;
- production of certified seeds by growers;
- promote the use of animals for cultivation and farm mechanization;
- the organization of vaccination campaigns;
- development of new cultivation, preservation and processing techniques and technologies;
- support for the creation of infrastructure for livestock and fishery production (reservoirs, fish ponds, plots that provide fodder, pastoral wells, etc.);
- control of felling operations and the exploitation of water bodies,

▪ **Rural infrastructure.** Actions in this area include:

- support for irrigation schemes;
- support for the completion of land development projects and small irrigation areas;

- support for the construction of community infrastructure;
- organization of rural road construction and maintenance;
- support for construction of wells, boreholes and reservoirs, fish ponds, etc.

BOX 6: RURAL SECTOR DEVELOPMENT STRATEGY

Taking into account the Government's policy shift since 1991, the opening to foreign trade, the regional integration and the domestic economy liberalization, the Ministry of Agriculture, Livestock, and Fisheries has, since early 1999, launched the preparation of the rural sector development strategy. The Ministry has drafted a series of documents laying out step by step guidelines starting from a policy statement through the operational stage:

- **The Rural Development Policy Statement** (*Déclaration de Politique de Développement Rural, DPDR*) adopted in July 2001, presents the strategic choices the Government has made for the coming years;
- **The Master Plan for Rural and Agricultural Development** (*Schéma Directeur de Développement Agricole et Rural, SDDR*), approved in April 2000, presents a synthesis of numerous studies conducted on sectoral and cross-sector problems;
- **The Strategic Operational Plan** (*Plan Stratégique Opérationnel, PSO*), approved in August 2000, summarizes the SDDR and operationalizes its various dimensions. It breaks down the overall strategy into actions for implementing the national rural development policy. It lists 14 action subsector and cross-sectoral action plans, as follows:

- . support to farmers' organizations
- . institutional strengthening of the Ministry of Agriculture, Livestock, and Fisheries
- . diversification of agricultural production
- . preservation processing and marketing of farm products
- . livestock breeding
- . fishing
- . rural financing
- . rural legislation and farm product
- . soil fertility and natural resource management
- . rural infrastructure
- . gender and development
- . rural information and communications
- . follow up and evaluation
- . extension and training.

Added to these 14 action-plans is a master plan on Beninese agriculture research that has been finalized and is in the course of being implemented. A reorganization of the action-plans is underway to better prepare and present an agricultural investment program (*programme d'investissement agricole, PIA*) that is in line with the five programs selected for the program budget of the Ministry of Agriculture, Livestock, and Fisheries, namely: (i) enhancement of agricultural productivity, (ii) rural infrastructure, (iii) sustainable natural resource management, (iv) support for the development of agricultural markets, and (v) administration and management of services.

- **Sustainable natural resource management.** Actions under this heading will include:
 - information, sensitization and training for forest users on the participatory development planning (*programme d'aménagement participatif, PAP*);
 - organization of forest and water users in legal entities;
 - organization of reforestation programs;
 - promoting the planting of soil enriching and wind breaking;

- inventory of forestry resources;
- creation and implementation of rural land tenure plans, water resource management plans and land management programs;
- monitoring of degradation of protected areas;
- promoting the installation of fire screens;
- training of producers in soil fertilization techniques (acacia stress, mucuna stress, fallows, anti-erosion devices).

▪ **Support for the development of agricultural markets.** Actions in this area include:

- training of producers and marketers in food stock management techniques;
- support for the construction of storage and warehousing infrastructure;
- support for processing of farm products (training, equipment, etc.);
- organization of the creation of buffer stocks of food crops;
- promoting the construction of processing infrastructure (butcher shops, killing floors, threshing floors, drying beds, refrigerated rooms, etc.);
- organization of feeder roads construction;
- support for improving quality of farm products;
- targeted interventions in food insecurity areas, through nutritional training actions

▪ **Administration and management of services.** The institutional reform of the sector focuses on the completion of the reform in the cotton sector (*see Box 7*), in particular the privatization of the SONAPRA's industrial units no later than end 2002, along with the strengthening of agricultural promotion activities, and support for strengthening the institutional environment of other cash crops. This should foster an environment conducive to private investment in the sector. Other actions involve:

- support for the development of the fourteen (14) action plans for the effective implementation of the agricultural investment program (PIA);
- development and implementation of the national program for rural support;
- staff recruitment;
- staff training;
- preparation of procedure budget guidelines for management and program monitoring;
- performance audits;
- construction of reception infrastructure;
- organization of studies and seminars;
- monitoring and evaluation of programs and policies.

BOX. 7: REFORM OF THE COTTON SECTOR

The cotton sector reform in Benin essentially aims at (i) liberalizing the sector and promoting competition, while at the same time, protecting farmers, (ii) withdrawing the Government from the sector, assigning it instead the role of regulator and enforcer of rules, and (iii) increasing production and farmers' incomes, as well as the responsibilities and skills of cotton producers' organizations.

Measures and actions have already been taken and include the following:

- opening of the cotton ginning sector to private operators;
- opening of the inputs subsector to private operators;
- transfer of responsibility for procuring inputs to the private sector;
- lifting of SONAPRA's monopoly on primary marketing of seed cotton;
- initiation of the privatization process of SONAPRA's industrial units;
- support for the creation of private institutions for managing the sector, such as the Cotton Industry Association (*Association Interprofessionnelles du Coton, AIC*), and a clearing house for payment of seed cotton by ginners to producers (*Centrale de Sécurisation des Paiements du recouvrement, CSPR*).

The privatization of SONAPRA is one of the measures yet to be undertaken. Similarly, to improve sector performance, the management capacity of allocations of the sector needs to be strengthened.

This means developing the AIC and CSPR technical and financial capacity and strengthening the institutional and technical capacities of the Agricultural Producers Organization (*Organisation de Producteurs Agricoles, OPA*).

In this framework, the Government has just negotiated with the World Bank a project to support the cotton sector reform (*Projet d'Appui à la Réforme de la Filière Coton*), which will provide assistance through four channels, namely:

- support to the AIC through technical assistance aimed at ensuring an appropriate performance. The technical secretariat of this association will receive technical advice and support services, such as training and appropriate equipment;
- support to the CSPR through the provision of technical advice, training and appropriate equipment;
- support to FUPRO and its affiliated bodies to strengthen their technical and marketing capabilities in order for them to better assume their new responsibilities in the sector;
- support for the implementation of sectoral technical service programs, by private sector organizations (agricultural services and other technical support functions that were previously handled by SONAPRA);
- support to the privatization of SONAPRA's ginning units, by assisting the Government in implementing the privatization strategy.

Given the possible reduction of jobs in connection with the reform, the project will provide assistance to the Government on appropriate handling of the social impact.

84. **The issue of land property.** Among the many constraints to expansion of agriculture is the critical issue of the difficult land access. Overall, Benin has significant land resources for agriculture. However, this natural endowment of land at the countrywide level conceals many disparities from one department to another and within the departments. In the northern departments, there is still enormous land potential, with the exception of some of the districts in Atacora and Donga where the critical threshold

of agro-demographic land use has been exceeded. In the department of Zou, nearly all districts have exceeded the critical threshold of agro-demographic land use. The situation is somewhat less alarming in the department of Collines. In the south, the critical threshold has been reached and even exceeded in all departments, except in the districts of Kétou and Aplahoué. In the southern departments where there is an acute shortage, there are large properties which remain undeveloped and belong to third parties who use them for speculation. At the same time, landless farmers live in misery and have become farm workers. Added to these circumstances are problems related to:

- the high population density in the south of Benin;
- the migratory movements of farmers from areas with a scarcity of land to areas where land is still potentially available (land colonization in the department of Collines by migrants arriving from Atacora and Zou);
- the fact that not all rural land transactions take place according to modern legal and regulatory laws, but are rather based on traditional practices that, among other things, exclude women and girls from inheriting land;
- the modalities of access to land, determined, particularly in rural areas, by inheritance, donation, purchase, sale, sharecropping, tenancy, pledging and loans. While the first three methods provide permanent access to the land, the others only allow for a rather precarious use of the land resources.

85. The rural sector development will not really be possible or provide for the reduction of poverty until the land-related problems have been addressed. The Government is aware of this and has initiated the preparation of a Rural and Development Plan with the rural population, a process that would need to be accelerated.

86. **Livestock production.** The Government intends to promote development and diversification of livestock breeding (cattle, sheep, goats and swine), which constitutes the second most important rural activity, involving mainly the people of the country's northern regions. Actions to be undertaken under this heading include strengthening sanitary monitoring, in particular, the fight against animal epidemics, research to improve the performance of local breeds, the development of fodder crops and the water point construction. Emphasis will be placed on actions promoting small flocks, notably poultry, by strengthening the immunization program at the village level. Such action will help improve income for the most disadvantaged producers, who generally engage in raising poultry, but who lose many specimens through the Newcastle disease.

87. **Fishing.** This is the main economic activity in the departments of Mono and Atlantique. The fishery sector has essentially remained a small-scale activity in Benin. It suffers from the clogging of waterways and a reduction in fishery resources resulting from the growing use of banned instruments or techniques, due to the lack of strict regulations and controls. The Government's objective is to promote the emergence of industrial fishing and sustainable development of artisanal fishing, which brings substantial income to people with access to waterways. Different actions planned for this purpose involve drafting and implementation of a fishing code, sensitizing the populations to use appropriate fishing techniques and instruments, strengthening controls

and penalties for offenders, removing of sludge from waterways, and promoting fish farming.

88. **Forestry.** Forestry resources play a fundamental role in the ecological balance of Benin (regulation of rainfall, water balance of rivers, soil protection). They also provide an important source of food and income. It is hard to get a precise idea of the extent of different forest covers, as there is no general forest inventory. The rapidly increasing need for land and firewood, due to demographic growth, has led to increasing stress on the forests: 100,000 ha are being destroyed every year by activities related to agriculture, livestock raising, indiscriminate, logging and burning practices. In addition, the plant cover has also been progressively degraded.

89. The main constraints to sustainable development of these forest resources are (i) the limited knowledge of forest resources, their uneven distribution throughout the territory and their distance from the urban centers, (ii) the limited ability of the Department of Forests and Natural Resources to intervene (lack of human, material and financial resources) and the lack of coordination between environmental and development policies, and (iii) the persisting rural poverty and the insufficient participation of rural population in the management of resources.

90. To tackle these problems and to ensure best possible management of forest resources, the policy choices being made by the Government aim at:

- taking stock of resources and draft land use maps as a basis for developing an overall rural development plan;
- strengthening the capacity of the Department of Forests and Natural Resources and its decentralized structures to intervene (mobilization of resources, training, definition and restructuring of the administration, creation and promotion of a framework for cooperation between the various actors);
- promoting people's participation in the management of forest resources, while giving people the means to provide for their needs: promotion of reforestation and agro-forestry;
- promoting alternative solutions to forest clearing, particularly in fragile zones: conversion to other income-producing activities, development of alternative energy sources and extension.

91. To make this policy work, the Government has set up, with support from the World Bank, a program for management of Forests and Adjacent Lands (*Programme de Gestion des Forêts et Territoires Riverains*, PGFTR) (*see Box 8*). This is designed to contribute to the sustainable and rational management of the country's renewable natural resources, by enhancing the capacity of the Directorate of Forests and Natural Resources (*Direction des Forêts et des Ressources Naturelles*, DFRN). It will cover forest reserves, river zones in forest reserves, as well as protected state forests and some areas of reforestation. It covers the period from 2000–2005 and is intended to strengthen the encouraging results of the preceding natural resource management project (*Projet de Gestion des Ressources Naturelles*, PGRN).

92. **Handicrafts.** The handicrafts sector plays a significant role in the socio-economic activities of Benin. According to the most recent estimates, this sector employs about 13 percent of the active population and is essentially composed of poor and vulnerable people. It produces more than five percent of GDP, it holds third place in terms of microenterprise and job creation, after agriculture and commerce. Despite the sector's broad-based potential, various problems have obstructed its development, among them: difficult access to microfinancing for equipment and tools, a lack of education and training, weak organization of the sector, difficulties in obtaining raw materials and in marketing their output, and lack of a regulatory framework. The Government's aim is to increase the contribution of artisans to GDP with greater participation of the poor in the employment and income generated by the sector. To this end, public action will focus on four major pillars, these being: (i) improving of the institutional and regulatory framework, (ii) promoting the institutional and regulatory framework, (iii) support for professional development of operators, and (iv) promotion of microfinancing.

93. **Small-scale processing.** Similarly to handicrafts, small-scale processing is a job-creating and income-generating activity for poor and vulnerable people, particularly women. These activities suffer from the lack of access to microcredit for acquiring small equipment and tools. For the Government, the fight against poverty requires promotion of financing for this type of activity. Accordingly, it plans to:

- set up support centers for processing and preservation of farm products. One support center has been built and fully equipped for processing cassava in Ouesse. Another is currently being built in Ketou. There are plans to bring the number of centers to 5 in 2002 and 16 in 2004, in line with the objectives of the national program for rural employment and the needs of the textile and pharmaceutical industries;
- set up community-based processing units with a view to participatory technological development. This action responds to the demands of communities to have small tools suitable for small-scale processing.

BOX 8: PROGRAM FOR MANAGEMENT OF FORESTS AND ADJACENT LAND (PGFTR)

The Program for Management of Forests and Adjacent Lands (*Programme de gestion des forêts et terroirs Riverains*, PGFTR) is intended to revitalize and support institutions and sectoral development programs in the area of forest resource management; it falls within the overall objectives of Benin's forest policies, which intend to "contribute to the improvement of living conditions by promoting sustainable development and the rational management of natural resources and Benin's forestry potential."

The development objective of the PGFTR is to promote viable natural resource and land management by communities, through a strengthened institutional framework.

It aims to:

- Generate jobs and income through sustainable resource management by rural communities and those living close to forest areas, along with other benefits (increase in carbon sequestration and biodiversity protection).
- Build an institutional framework and appropriate skills for the protection and sustainable use of the country's forestry resources.

The program has three components:

An "institutional strengthening" component, with the main objective of strengthening the institutional, technical and financial capacity of the forest administration to enhance the sub-sector's performance in terms of rational and sustainable management of renewable natural resources. This objective will be attained through:

- A restructuring of the DFRN and its decentralized services.
- The transfer of forest management to the communes and rural communities in partnership and cooperation with the forest administration.
- Staffing the forest administration with an adequate number of qualified people.
- Sustainable financing of the sub-sector through the creation of a National Forestry Fund.

The "participatory development of forests and adjacent lands" component, which will allow for viable long-term management of forest resources through the joint creation and implementation by village communities and the forest administration of a contractual participatory development program for various types of forests, with a view to ensuring sustainable protection of the forests and an improvement in living conditions for these populations. The expected results are:

- Creation and/or updating, implementation, monitoring and evaluation of the participatory development programs for reserved forests and adjacent lands by village communities, under the technical guidance of the forest administration, private actors and NGOs in the forestry sub-sector.
- The land management plans in the protected areas covered by the program include rural planning managed by village, cross-village or communal structures.
- Acquisition of organizational and managerial skills by rural communities and communes in the areas covered by the program, for implementing the Participatory Forest Development Program.
- Improvement to the living environment and the surroundings for the people in the towns of Abomey, Djougou, Natitingou and Parakou through the management of the four reforestation areas located in those urban centers.
- Elaboration of a strategy to disseminate the acquired knowledge in terms of approach, methods and techniques.

The "sustainable firewood management" component which aims to ensure viable forest resource management so as to provide sustainable firewood to urban centers and to improve the population's living conditions. The expected results of this component are:

- Modernization and improvement of the regulatory and fiscal framework applicable to firewood.
- Information and training for people involved in the firewood sector.
- Optimization and improved management of the overall supply of firewood to the urban centers.
- Meeting urban demand for diverse domestic energy sources and promoting their rational use.
- Modernizing production and marketing of firewood handled by professional organizations.
- Conducting studies on alternative energy sources.

Lastly, the monitoring of the program will be conducted at the local level with the communities at the departmental level, through the Departments of Forestry and Natural Resource Protection, and at the national level, through the DFRN. Eight (8) overall performance indicators and two (2) outcome and impact indicators have been chosen for monitoring the program.

3.1.2.2. A High Performance and Diversified Service Sector

94. The service sector is currently the most important source of growth in the Beninese economy, with an average contribution amounting to some 50 percent of GDP. However, this sector remains dominated by trade activities, mainly resale of imported products, which does not lead to a strengthening of the economy's productive basis for sustainable growth. With respect to its goal of accelerating growth, the development of service subsectors with high value added is a priority for the Government, such as tourism, new information and communications technologies, and transit activities.

95. **Tourism.** Beninese tourism sector remains largely underdeveloped given the extent and diversity of the touristic potential of the country. On a national level, tourism holds second place among economic activities that generate foreign exchange, after cotton, despite major difficulties. In fact, with just a few rare exceptions, the existing facilities do not provide the quality level that is needed to attract the targeted clientele, nor do the main tourists sites meet the quality standard expected by an international clientele, in terms of layout and organization. The absence of a strong partnership between administration and private sector, and the failure to abide by the laws governing the sector have also been constraints. The Government's objective is to encourage the development of tourism, in order to increase its future contribution to GDP. The main actions identified for this purpose involve (i) improving the sector's institutional and regulatory framework and operationalizing an action plan for tourism; (ii) promoting private investment in the sector; (iii) rehabilitating site and upgrading of tourist resources; (iv) promoting Benin as a travel destination; and (v) strengthening the capacities in the sector. To encourage the private sector to invest in construction of hotel infrastructure, the Government will also implement a policy for the development of tourist areas. Following the example of industrial zones, touristic areas (*la route des pêches*) will be developed through installation of basic infrastructure such as water, electricity, telephones and by paving access roads and bridges.

96. **New information and communication technologies (NTIC).** The Government also intends to promote the development of new information and communications technologies to benefit from their economic and social potential. These technologies will spur economic growth by better integrating the Beninese economy within the global economic and trade systems, as well as by creating new economic activities and jobs. The development of NTICs and their use in the health and education sectors will lead to a noticeable improvement in quality and a greater range of services offered to poor people and thereby contribute to poverty reduction. The planned actions involve the drafting of a national development strategy for NTIC, support for the dissemination of NTICs and their introduction in the health and education sectors, arrangement to exempt imports of computer equipment from duties and taxes, and the extension of these measures to consumers. Acceleration of the reform of the telecommunications sector and the privatization of Telecommunications branch of OPT will also contribute to the development of NTIC, since they will expand the supply of telecommunication services with competitive costs of local and international communication services.

97. **Promotion of transit activities.** Benin's geographic position calls for the implementation of a strategy aimed at strengthening its role as a transit corridor to Nigeria and the countries of the hinterland. This strategy should include promotion of transit-related activities. The Government will finance a specific study on this issue by the first quarter of 2003. This study will address various problems such as entry taxation, in line with WAEMU rules, the competitiveness of the Cotonou Port and customs operations, transport infrastructure, and road safety in Benin.

3.1.2.3. An industrial sector developed through increased domestic and foreign private investment

98. Benin's industrial sector consists of a few large enterprises most of them founded between 1974–1985 as the result of significant public investment. Most of these enterprises were taken over by private operators in the economic liberalization process undertaken by Benin in the 1990s. These companies included cement factories, textile plants and a few agriculture and food industries. These industries coexist with small-scale processing units (food, beverage, paper items, bakery shops, wood treatment, etc.) that by and large, are not very competitive. More than 90 percent of these production units are located in the coastal department of Cotonou, leaving a resulting imbalance in the distribution of the country's development capacities.

99. Different studies conducted on the sector point out numerous constraints to Benin's industrial development. These constraints mainly concern the unfavorable institutional and regulatory environment, the weakness of material bases for investment (absence of physical sites adapted to attract investments, for example), the high cost of production factors, the invasion of the domestic market by products from Nigeria, and the low level of managerial and technical skills. This situation is not conducive to private investment in the industrial sector, particularly for direct foreign investment. The new industrial development strategy developed and adopted by the major actors has identified the main direction, goals, strategies and actions that should enable industrial development in Benin.

100. **Industrial Policy.** The Government hopes to turn the industrial sector into the principal vehicle for economic development of Benin. Taking into account the strong international competition that exists for industrial goods, Benin can become industrialized only if it meets the challenge of finding markets for its products, particularly since its domestic market is quite small. Its geographical position as the immediate neighbor of Nigeria and as gateway to the countries of the hinterland, as well as its membership in regional economic agreements (WAEMU, ECOWAS), offer it a significant competitive advantage that should favor industrialization. Consequently, the main objective sought by the Government is to create conditions that are conducive to improving the performance of existing industrial enterprises while at the same time facilitating the creation and development of new competitive enterprises, particularly SMEs/SMIs. In regard to this objective, the chosen strategy and the subsequent reforms focus on the promotion of private investment, particularly foreign direct investment in the industrial sector. This strategy rests on the following major pillars: (i) improvement of the environment for industrial enterprises, particularly SMEs/SMIs; (ii) strengthening of

assistance, and institutional arrangements for dialogue and regulation of the sector; (iii) strengthening the material bases for investment; (iv) strengthening managerial and technical capacities, particularly for SMEs/SMIs; (v) increasing the use of local resources; and (vi) improving the performance of business support services. To support this strategy, the main actions listed below will be implemented in the course of the next three years.

101. **Promotion of the private sector.** Since the Government has chosen to make the private sector the engine for growth in Benin, it needs to ensure its promotion. A national program has therefore been elaborated, including policies, guidelines, strategies and actions to be implemented for the progressive and harmonious promotion and development of the private sector.

102. This program, which initially aims at revitalizing the private sector, has been extended in scope by the Private Sector Development Support Program (Projet d'Appui au Développement du Secteur Privé, PADSP).

103. Actions planned under this program include:

- improvements to the business environment; this involves support to reform and privatization programmes, supervision of privatized enterprises, and strengthening of the Center for Business Support and its local branches (*Centre de Formalités des Entreprises et de ses Antennes Départementales*);
- strengthening of competitiveness and the diversification of exports (support for the creation of an Export Development Association, implementation of strategies and actions for developing industries with strong export potential, creation of a Trade Information Center, creation and management of a Shared Expense Support Fund (*Fonds d'Appui à Frais Partagés*);
- facilitating access to credit (support for microfinance institutions);
- implementing the Entrepreneurs Training Project, to create capacities for promoting business;
- arrangement of trailer parking and storage facilities;
- implementing a Private Sector Environment Ombudsman;
- setting in place an Insurance Body;
- supporting business creation, rehabilitation and strengthening;
- strengthening the management framework of the Private Sector Revitalization Program.

104. Other actions have also been planned that involve (i) adoption of a law on competition and revision of Statute no. 90-005 of 1990 on trade activities; (ii) implementation of a special program for promoting SMEs/SMIs; (iii) reactivation and/or creation of supportive structures or incubators for foreign investments; (iv) implementation of a program for promoting the use of local construction materials; and (v) local development planning, particularly by supporting industrial estate development

where production factors such as water, electricity, telephones and structures will be available.

105. In implementing these actions, the role of the main actors is defined as follows:

- The Government will withdraw from direct interventions in productive sector and create an environment that is favorable to the development of economic activities;
- Private operators will be the main players in the industrial development and must be made aware of this.

3.1.3. Strengthening basic infrastructure to make production factors available at reduced cost

106. By means of structural reforms aimed at deregulation and the State's withdrawal from public enterprises, as well as land use management, the Government intends to ensure the access of investors to production factors at competitive rates, including electricity, water, telecommunications, transport infrastructure and real estate.

3.1.3.1. Energy, Water and Mines

107. The Government has initiated the reform of the water and power sectors. This reform provides in particular for a revision of the legal, institutional, and regulatory framework for these activities, a splitting of the public water and power utility into two sectors; it currently embodies creation of a regulatory body and granting of a power concession by no later than March 2003. In addition, an entity will be set up to manage the water sector.

108. **Energy.** The Government's strategy aims to increase the capacity for electricity generation while reducing its costs, mainly by providing incentives to private operators to become involved in production, in building grids between CEB (Benin-Togo) – NEPA (Nigeria) and North Togo – North Benin, and in constructing the Dyodyonga hydroelectric dam. There are also plans to improve knowledge of the composition of the coastal sedimentary basin, in order to identify possible deposits of hydrocarbons.

109. **Water.** The Government's objective is to ensure sufficient and continuous water supply as a production factor, particularly for industrial production, animal herding and fish farming. For these purposes, water supply will be enhanced through the construction or rehabilitation of retaining reservoirs and miniature dams and irrigation schemes in Adjarala.

110. **Mines.** The Government's policy intends to promote and improve the management of mineral resources. The following actions will be carried out under this heading: (i) improvement of the geological and mineralogical data on the auriferous and titaniferous zones in the departments of Atacora, Borgou and Zou; (ii) production of a Mineral Map, a synthesized geological and metallogenic map of Benin and establishment of a Geomineral Information Center; (iii) inventory and promotion of decorative stone and marble deposits, as well as efforts to uncover sand sites other than the coast; and (iv)

promotion of the use of local construction materials and the development of useful substances. There are also plans to conduct an assessment of the mining sector, to restore mining sites in the departments of Couffo and Mono, and for community development of mineral handicrafts in the departments of Collines. **Beyond the fact that the development of this sub-sector overlaps with the development of industry and the diversification of Beninese exports, a large number of these actions involve highly labor-intensive activities that therefore will generate income for the population.**

3.1.3.2. Post and Telecommunications

111. Benin intends to fully benefit from the spread of global telecommunications networks and new technologies that facilitate the rapid growth of this sector. It has launched reform of the post and telecommunications sector with the aim of promoting its development through private investments. By attracting private investors, this reform aims to increase the supply of postal and telecommunications infrastructure and services, and to reduce their cost. In addition, it aims to support the development of New Information and Telecommunications Technologies, which is one of the Government's priorities. The ultimate objective is to increase the sector's direct and indirect contribution to the acceleration of economic growth. The main aspects of the reform are as follows: (i) separation of the telecommunications sector from the postal service through the creation of two different public companies; (ii) ensuring the long term viability of the postal sector through the integration of financial and postal services; (iii) deregulation of the postal and telecommunications sector through implementation of a new legal and regulatory framework; and (iv) privatization of the public telecommunications company by March 2003.

3.1.3.3. Transport Infrastructure

112. Due to natural potential and geographic position, Benin's economy is essentially focused on agriculture, trade and transit to the countries on its borders. To exploit these advantages, it needs to have a competitive transport sector. Transport contributes significantly to economic growth. By offering a developed and well maintained network of infrastructure and high-performance and competitive transport services, this sector can bring about -cost reductions, job creation, sufficient market supplies and the development of economic activities, access to resources, production tools and opportunities. From a social standpoint, transport infrastructure of adequate standard facilitates access to basic services. In urban centers, it provides service to poor and underserved neighborhoods. In rural areas, it links isolated zones to a main network, enabling the access of those zones to basic services (schools, health centers, markets, water supply points, etc). The main objective being sought by the Government is to allow this sector to play its role efficiently as a support for economic activities and access to basic services. To this end, the Government will develop basic transport infrastructure and will continue to implement the ongoing reforms designed to promote private investment. A list of the physical work planned is presented in the MTEF.

113. **Road and rail transportation.** The specific objectives over the next three years can be summarized as follows:

- ensure maintenance and preservation of existing roads through regular and continuing maintenance of the road network using job-creating modalities;
- ensure the expansion of the road network through the construction of new priority routes that will result in economic and social returns on the required investments. These should improve service provision, reduced transport cost and increase the competitiveness of the transport corridor through Benin;
- improve the circulation of people and goods by streamlining road checks and roadblocks, by fighting highway robberies and strengthening road safety;
- develop routes linking the rural towns with production areas, maintain them, and reduce the isolation of populations through the extension and maintenance of feeder roads;
- strengthen rail transport capacity and continuing rehabilitation of railway lines, particularly in the area of LAMA;
- place the railroad company (OCBN) under concession.

114. To meet these objectives effectively, the Government will accelerate the ongoing reforms and following actions: continued implementation of the Transport Sector Project, maintain the policy of rehabilitation of existing roads, revision of the bylaws and staff restructuring at the Road Fund, opening the road maintenance sector to SMEs, reorganization of the Directorate of Roads and Structures (*Direction des Routes et Ouvrages d'Art*, DROA), transformation of the Directorate of Public Works (*Direction du Matériel des Travaux Publics*, DMTP) into a semi-public equipment leasing company for public works, restructuring the National Public Works Test and Research Center (*Centre National d'Essais et de Recherches des Travaux Publics*, CNERTP), and placing the railway network under concession.

115. **Ports and maritime transportation.** Given the important role played by the Port of Cotonou in the Beninese economy, the Government attaches major importance to preserving this facility, and increasing its competitiveness. To this end, it will pursue institutional reforms aimed at:

- involving the private sector in the management of the Cotonou Port by the end of 2003;
- adapting procedures for managing traffic rights to the new sub-regional and international agreements by eliminating the issuance of certificates of reserved cargo space, and amending the bylaws of the National Board of Shippers of Benin;
- liberalization of container handling at the Port of Cotonou.

116. Along with these reforms, the Government will implement or promote actions aimed at:

- strengthening the capacity and the regional role of the Port of Cotonou ;
- strengthening safety at the port platform and improving service quality and flow ;
- continuing the program for rehabilitating port facilities; complete the study for port expansion and draft a new Maritime Code for Benin ;

- connect all services to the port management software and expand the computerization of port operations to reduce delays and costs for removal;
- construction of a second port by the private sector through BOT.

117. **Air transportation.** The strategy essentially aims to modernize, expand and strengthen safety at the Cotonou international airport, to transform gradually the secondary airfields in Parakou and Natitingou into airports that meet international ICAO standards, and to have the private sector build a second airport through BOT. On the institutional front, a private and independent company will be set up to manage the Cotonou Airport.

3.2. DEVELOPMENT OF HUMAN CAPITAL AND ENVIRONMENTAL MANAGEMENT

118. The second pillar of the poverty reduction strategy is the development of human capital and environmental management. The overall size, structure and demographic growth of the population determines not just the active population, but also the extent and nature of health, education, housing and employment needs. The PRSP has therefore developed a series of reforms and actions aimed at promoting responsible reproduction and meeting the basic needs of the population. Improved management of the environment has also become imperative for sustainable poverty reduction. **Among the main causes of poverty identified in Benin, the difficult access to basic education and literacy, to primary health care and to safe drinking water have been chosen to receive special attention over the next three years. The improved availability, use and quality of these social services, and more specifically, the fight against HIV/AIDS and malaria, constitute the priorities of this pillar of the strategy.**

Table: Percentage Breakdown of the Population by Age and Sex⁴

Age Group	Year 1992		
	Male	Female	Total
0 – 14 years	25.05	23.54	48.59
15 – 54 years	19.97	23.99	43.96
55 – 64 years	1.55	1.76	3.31
65 and over	2.07	2.08	4.14
TOTAL	48.63	51.37	100.00

Source: INSAE (RGPH2) - National Institute of Statistics and Economic Analysis (*Institut National de la Statistique et de l'Analyse Economique*) / General Housing and Population Census (*Recensement Général de la Population et de l'Habitat*)

119. The Government believes that large-scale public and private investment in these sectors will have two effects: a short-term effect, through rapid response to demands for basic social services, and a long-term effect, through the development and enhancement of human capital. For this reason, the Government will develop an action plan for

⁴ Preliminary results of the latest population census in Benin from February 2002 gauge the size of the population at 6.75 million inhabitants.

implementing the National Population Policy. Given the existing consensus regarding the strong elasticity of production in relation to human capital, it is expected that the development of this factor of production will contribute to bring Benin in a virtuous growth cycle. Likewise, the Government has made the prevention and treatment of malaria and HIV/AIDS a national priority. This is due to the high incidence and the number of deaths due to malaria and the devastating economic and social consequences of HIV/AIDS. The prevalence rate of HIV/AIDS (4.1 percent in 2001), while not truly alarming on a national scale, is nonetheless concerning in some Departments (14 percent), as is the rate at which it is spreading in Benin.

3.2.1. Education

120. Since the 1990 National Conference, numerous steps have been taken to reform Benin's educational system, the most important of these being the National Forum on Education (October 1990), the adoption of the Education Policy Framework Paper (January 1991) and the Round Table on Education Policy Framework Paper (May 1997). These consultations and the results of additional consultations held in the context of the PRSP preparation led to the elaboration of the main points in Benin's education policy.

121. A review of education statistics over the past ten years shows that, in general, progress has been made at all levels. In primary education, the Gross Enrollment Rate (GER), which was at about 59.5 percent in 1990, was estimated at 80 percent in 1999. In secondary education, progress has also been achieved, with GER at about 12 percent in 1992, reaching 19 percent in 1999 with 26 percent in the first cycle and 8 percent in the second. With regard to higher education, there were 200 students per 100,000 inhabitants in 1992, with that figure rising to 350 in 1999. The students/class ratio has also shown recent improvement, dropping from 51 percent in 1997 to 48 percent in 2000. However, the student/teacher ratio has deteriorated, going from 53 percent to 56 percent in the period from 1997–2000.

122. However, much still remains to be done to improve sector performance. Out of 100 children starting school at CI grade, only 45 make it to the CM2 grade; 16 go on to the 3rd level of general secondary education and 7 make it to the final grade. These data also show the weak retention rates in primary and secondary school. Along with the dropout rate, the high repetition rate leads to a low efficiency rate of public spending in education, whose share of public expenditures rose from 13.1 percent in 1996 to an average of about 14.8 percent for the period from 1996–2000.

123. These changes (generally positive) in the quantitative coverage of education services result from both the progress in the public education sector as well as remarkable development of the private sector at all levels of the system, from nursery school through higher education. The role played by the private sector should be seen as an indicator of both supply constraints in the public sector (in both quality and quantity), as well as the existence of a sustained demand for education.

124. Access to primary education is more or less universal in urban areas, but in rural zones, the rate of access ranges from about 86 percent for boys to only 64 percent for

girls. Differences in access and in retention rates in the primary cycle, lead to a large diversity between different groups in completion rates for primary education, which range from 70 percent among urban boys to 47 percent for urban girls, 39 percent for rural boys and 14 percent for rural girls. As such, significant efforts still need to be made to achieve universal primary school enrollment and equal access among girls and boys.

125. In the course of PRSP consultations, people have generally criticized the degradation in the quality of learning and student supervision, the disparity between the education system and employment needs in the marketplace, the lack of school infrastructure and equipment, and the lack of an education law.

126. To correct the weaknesses in the national education system that were examined above, the major pillars of the education policy focus on six basic quality objectives: **equal student opportunity for all, strengthening of the quality of education, strengthening of the institutional framework, training for self-employment, regulation of flows rates at all levels and control of the cost of education.** These objectives will be met through various programs implemented at the different school levels, namely primary, secondary, technical, vocational and higher education. Without underestimating the importance of higher levels of education, the Government considers that basic education, defined as including primary school and the first cycle of secondary education, is the first priority in the education sector. Accordingly, basic education has been given special attention in resource allocation.

127. **Primary education.** The Government's policy aims at increasing, between 2002–2004: (i) the gross enrollment rate from 84 percent to 91 percent; (ii) the access rate to CI from 93 percent to 96 percent, with 48 percent of new enrollees being girls; (iii) the primary school completion rate from 52 percent to 57 percent; (iv) the access rate to CM2 in the learning-age population from 49 percent to 56 percent; (v) decreasing the repetition rate from 19 percent to 13 percent; and (vi) reducing the number of students per teacher from 53 to 52. Reducing the gender and regional disparities is also a significant objective of the Government's policy.

128. Under the scheduled actions, universal access to education will be guaranteed by:

- continued subsidies for free enrollment in public primary schools and the promotion of education for girls;
- the acceleration of teachers' recruitment, and construction, maintenance of classrooms and their equipment with tables and chairs on a need basis;
- expansion and improvement of school cafeterias;
- preparation of school maps and achieving an equitable geographic distribution of schools and teachers;
- support to communities for student enrollment and continued attendance, particularly for girls.

129. The quality of education will be improved by strengthening teacher initial and on the job training, purchasing and/or producing text books, activity notebooks and

instructional materials, ensuring regular payment of teacher salaries, isolated post and travel allowances, continuing experimentation with new programs and progressively extending them, revising the student grading system, and strengthening teacher monitoring, oversight and inspection. Lastly, the level and quality of community participation in educational development will be improved by empowering of parent associations and local governments.

130. **Secondary education.** The Government's objectives for the 2003–2005 period are to increase (i) gross enrollment rates in the 1st and 2nd cycles from 29 percent and 8 percent to 33 percent and 9 percent, respectively, (ii) the access rate to the 3rd and final grades from 17 percent and 6 percent to 20 percent and 7 percent, respectively, (iii) retention rates in the 1st and 2nd cycles from 54 percent and 73 percent to 58 percent and 75 percent, and (iv) to reduce the number of students per teacher in the 1st and 2nd cycles from 48 and 23 to 47 and 22. Following the example of primary education, a balanced geographical distribution of school infrastructure, as well as a reduction in gender disparities are objectives also being pursued at the level of secondary education.

131. To attain these objectives, the priority actions planned include:

- continuing support (transfer of resources) to parents associations to recruit teachers, in the context of management decentralization in the education sector;
- rehabilitation and/or construction of classrooms, provision of tables and chairs; construction and furnishing of a high school for gifted students and of laboratories;
- creation and reinforcement of school cafeterias, equitable spatial distribution of high schools and teachers;
- a continued policy of building residential centers for young girls. At least six residential centers for young girls (at a rate of two per year) will be built and put into operation between 2003–2005;
- strengthened initial and on the job training of teachers and an introduction of computers to schools;
- acquisition and/or distribution of text books and instructional materials;
- improvements to the living and working conditions of teachers;
- review, experimentation and extension of curricula.

132. **Technical education and vocational training (TEVT).** The main objective is to enhance human capital as regards technical and professional skills that meet the labor market demand. TEVT is considered the second priority of the Beninese education system, after basic education. The main activities planned for the 2003–2005 period involve TEVT reform, increased access, and improvements in quality and institutional framework.

133. In addition to actions affecting traditional and formal technical education, the **TEVT reform** will reach out to the development of technical and professional skills in non-formal education. This will primarily affect the traditional apprenticeship system, which will be formalized and streamlined through a training strategy based on the current

dual system of learning. This will be done through the construction of vocational training and vocational schools. This approach is targeted to young people that for various reasons do not have access to the educational system.

134. **Access to TEVT** will be increased by enhancing the existing infrastructure in the sector and by strengthening pre-vocational training at all levels of the educational system. The proposed measures include professionalization of traditional higher education through the introduction of specialized degree programs, continuing the experimentation with dual learning and extending it, increasing the availability of on the job training, developing new programs consistent with labor market demand, integrating women into traditionally male occupations by promoting women's access to technical education and vocational training, and by rehabilitating and /or constructing and equipping TEVT schools. **The quality of TEVT** will be increased by introducing teachers to new training methods, recruiting teaching staff, training supervisory and monitoring staff, and developing partnerships with the private sector. **Institutional reforms** will include improved planning, organization and management of the system, the creation of an equitable school map, and the finalization of the ten-year program.

135. **Higher education.** The Government's policy primarily aims at improving working conditions and student living conditions, strengthening the quality of higher education and research, and at ensuring a functional institutional framework.

136. The main actions planned for this purpose involve:

- strengthening campus administrative and pedagogical infrastructure;
- improving student health and living conditions;
- strengthening teacher skills and laboratory equipment and library resources;
- improving the living and working conditions of teachers and administrative staff;
- deepening research programs and promoting international exchanges;
- strengthening monitoring and evaluation mechanisms, for the quality of training and research results;
- implementing the higher education development plan.

137. The sector strategy also aims at improving the higher education capacity to meet labor market demand while promoting equal opportunities. Higher education will adapt to changing economic needs by:

- strengthening tertiary education and promoting research;
- introducing undergraduate degree programs and short and more relevant professional education programs;
- implementing policy for science development that provides mechanisms for encouraging better use of the scientific and technical potential of higher education establishments (advanced training internships, joint research programs, consulting service, on the job training, etc.).

138. Equal opportunity will be obtained by implementing strategies that will increase the level of representation of women, students from low-income families and other underprivileged groups (lack of resources or low level of instruction) in the higher education system.

3.2.2. Literacy

139. The Beninese population is characterized by a high rate of illiteracy. In 1998, only 37.7 percent of the adult population was literate. Since illiteracy is a significant cause of poverty, Benin has just adopted a National Literacy and Adult Education Policy (Politique Nationale d'Alphabétisation et d'Education des Adultes, PNAEA). It is based on positive experiences made in Benin over the last three decades and is part of a worldwide movement to promote political, economic and social rights for citizens. This policy serves as a reference for the elaboration and implementation of various educational programs that respond to the needs, concerns and aspirations of both actors and beneficiaries.

140. The overall long-term objective of the PNAEA is to eradicate illiteracy in Benin. The specific objectives are:

- to reduce the rate of illiteracy from 68 percent in 2001 to 59 percent in 2005 and to 50 percent by the year 2010 within age group from 15 to 49 years;
- to promote the emergence of a literate environment;
- to reduce the rate of illiteracy among women and young girls from 79.65 percent in 2001 to 60 percent in 2005 and to 40 percent by 2010;
- to intensify research in applied linguistics for national languages;
- to ensure an effective approach for implementing literacy and adult education programs, as well as for developing an integrated post-literacy program;
- to introduce institutional reforms in relation to the needs of the PNAEA and to ensure development of integrated learning methods and strategies.

141. For effective implementation, this policy requires a number of innovative actions that can bring new momentum to the literacy policy. This will involve redefining the role of adult education in the development process, redefining the roles of different players, including public agencies, development partners and representatives of civil society, decentralizing literacy services in the framework of the devolution policy promoting a literate environment by developing a culture of writing in national languages among the newly francophone literates and mobilizing the needed resources.

142. Actions to be undertaken over the next three (3) years (2003 – 2005) include:

- constructing and equipping training centers, and producing teaching and reading materials;
- training teachers as well as supervisory beneficiaries;
- defining a promotion and management strategy;
- monitoring and evaluation.

3.2.3. Health

143. The health situation in Benin is characterized by a varied tropical pathology with a predominance of endemo-epidemic disease (40 percent). These diseases are dominated by malaria, diarrhea and gastroenteritis, respiratory infections, and cyclical outbreaks of meningitis and typhoid fever.

144. **Malaria** alone represented 36 percent of infectious and parasitic disease in 1999; the incidence of simple malaria is 120 per 1,000 within the general population, while it is 437 per 1,000 among infants 0–11 months of age and 219 per 1,000 among children aged 1 to 4 years. These are alarming statistics that justify the priority given to fighting this disease.

145. **Diarrhea and gastroenteritis** linked to the danger of feces-contaminated water and poor hygiene constitute one of the main causes of death in Benin, especially among children aged 0 to 4 years; the incidence of diarrheal disease (cholera, bacillary dysentery and other forms of diarrhea) went from 105 per 1,000 in 1995 to 121 per 1,000 in 1999 among children under 5 years of age, and from 46 to 54 per 1,000 for the population in general. **Acute respiratory infection**, with 15.4 percent of reported pathology in 1999, ranks second as reason for doctor's visits and third for hospitalization.

146. Apart from these illnesses, which continue to keep a large part of the Beninese population in a situation of precarious health, other major challenges have arisen from the following pathologies:

- **EPI targeted diseases** (Expanded Program on Immunization) (measles, poliomyelitis, tetanus, diphtheria, whooping cough, tuberculosis and meningitis), which are already part of a specific program, which also includes yellow fever and hepatitis B in the context of immunological independence;
- **Tuberculosis**, with the number of cases continuing to grow since 1997. According to the National Tuberculosis Control Program (PNLT), the current incidence of tuberculosis is about 40 per 100,000 inhabitants. The growth of this pathology is linked to the spread of HIV/AIDS;
- **Buruli's ulcer**, which appeared in 1997 and which is frequently found among underprivileged people, particularly affects children between 5 and 15 years. Its treatment requires major surgery, leading to impoverishment of households and death among poor populations unable to undergo this treatment;
- **Malnutrition**, notably among children aged 0 to 5 years. In rural areas, the phenomenon is more acute and affects 36 percent of children under the age of 5 years. The most highly affected agro-ecological zones are found in the far north, the cotton-producing area in north Benin, and the depressed areas due to agro-ecological conditions, cultivation systems and infant feeding methods;
- **HIV/AIDS**. The National AIDS Program (PNLS) assessed the prevalence of HIV/AIDS in the general population at 4.1 percent in 1999 as compared to 2.1 percent in 1995 and 3.15 percent in 1996. These rates conceal significant

disparities, with some departments being more exposed and affected than others. Infection from HIV/AIDS continues to grow at an alarming rate within the population, despite campaigns geared towards sensitization and social mobilization. It is estimated that 200,000 persons are currently living with HIV/AIDS; but this figure appears to be an underestimation, due to limited means of monitoring and a lack of voluntary screening.

147. Apart from these diseases, the major problems in the health sector encountered by the population as expressed in a number of consultations are: (i) the lack and poor distribution of qualified personnel; (ii) poor management and parallel or illicit sales of essential drug; (iii) the high cost of health care and difficult access to otherwise underequipped health infrastructure; and (iv) a lack of facilities to take charge of persons suffering from AIDS.

148. The health situation in Benin is also characterized by low use of health services. The overall rate of doctor's visits is less than 0.4 per person per year. This rate has stagnated, despite improvements in the coverage of health infrastructure. Moreover, health needs will begin to grow very rapidly in the coming years, due to (i) demographic growth; (ii) the need to improve health services coverage; and (iii) increasing demand for health facilities, availability and quality of health care services. As regards resources allocated to the sector, the share of public health spending in public expenditures rose from 5.5 percent in 1996 to an average of about 7 percent for the period from 1996–2000.

149. With regard to the health situation, as described above, the concerns expressed by the population and actions already undertaken, the overall objectives in the health sector for the 2003–2005 period are an improvement in; (i) the quality and accessibility of health care and services, including reproductive health; (ii) community participation and use of health services; and (iii) care for poor and indigent populations. More specifically, significant improvements are expected in the areas of health services coverage and structuring of the health sector pyramid, management of sector resources, as well as quality of care and treatment of major illnesses. These actions should translate into an increase in life expectancy at birth of 52.3 years in 2001 to 52.5 years in 2005, a reduction in the infant and child mortality rate from 118.9 per 1,000 in 2001 to 109.1 per 1,000 in 2005, a drop in the maternal mortality rate from 495 per 100,000 births in 2001 to 475 in 2005, and keeping the HIV/AIDS rate below 6 percent in 2005.

150. To attain these objectives, five pillars of intervention have been chosen with corresponding indicators (*see Annex 8*) to monitor progress. These include: (i) **Restructuring of the base of the health pyramid and strengthening of health services coverage** by increased decentralization of the pyramid, introduction of health zones, development of public-private partnerships, the strengthening of community participation and the collaboration with local authorities; (ii) **Financing, mobilization and improvement of resource management** in the sector through human resources development, increased financing to the sector, reform in budget management, strengthening of planning and coordination capacities, and the maintenance of infrastructure and equipment; (iii) **Disease prevention and control and improvement in the quality of care** (apart from STI/AIDS, malaria and tuberculosis) through disease

control (transmissible and non-transmissible), strengthening of pharmaceuticals and diagnosis, strengthening of the hospital system and the promotion of traditional medicine, and handling of emergencies; (iv) **Prevention and control of priority diseases**, including malaria, STI/AIDS and tuberculosis; and (v) **Promotion of family health**, by promoting reproductive health, integrated treatment of childhood diseases, the prevention and treatment of genital pathologies and breast disease among the elderly, monitoring of childhood nutrition, and improvement in the quality and in the access of vulnerable groups to health care and nutrition services.

151. These pillars of intervention are underlined by various strategies that are broken down into programs and actions that will be systemically implemented and targeted to priority areas. Priority areas include those departments where poverty incidence is above average. These include the rural departments of Borgou/Alibori, Atacora/Donga, Atlantique and Couffo and the urban departments of Couffo, Atacora and Ouémé.

152. By way of example, below are some of the main actions that have been chosen for implementation during the 2003–2005 period:

- the development of medical missions, strengthening of recruitment and training of health personnel at the central level, and continued transfers of resources to COGES/COGEC for recruitment of medical personnel in the local health centers;
- construction and equipping of [45] Neighborhood Health Centers, [5] District Health Centers and 3 Area Hospitals, mainly in the most disadvantaged areas, taking into account existing facilities and the needs of the population;
- improvement in the quality of health care and services, including reproductive health;
- support for Information, Education and Communication activities carried out by NGOs;
- continued assistance to indigent people and the development of a policy for purchasing drugs for them;
- development of the pharmaceutical and traditional medicine sectors;
- strengthening of financial and accounting services in the health sector, and promotion of health care financing schemes, as well as people's involvement in the management of health centers;
- the promotion of hygiene and sanitation;
- the availability of vaccines for the Expanded Program of Immunization (EPI) and against meningitis and yellow fever;
- the acquisition of antimalarial medicine, as well as mosquito nets and insecticides;
- the continued decentralization of health services;
- continued fights against illicit sales of drugs.

153. Given the large number of people involved in the health sector (NGOs, public sector, private sector, sectarian sector, foreign partners, local government representatives, decentralized administration) and the plethora of actions undertaken improving the effectiveness of interventions will require greater coordination and a monitoring and

evaluation mechanism of the health sector performance. For this reason, these actions will all be supported by a coordination, monitoring and evaluation mechanism based on specific program indicators. This mechanism will include a focus point for each main projects, programs and Directorate.

154. Regarding HIV/AIDS, the Government has drafted a national strategy for fighting this pandemic (*see Box 9*).

3.2.4. Drinking water

155. Among the measures adopted by the Government in the context of poverty reduction, ensuring access to safe drinking water is a priority. The different consultations conducted have confirmed that the issue of water is a major problem for the people. The concerns voiced emphasize the difficult access to drinking water and the poor management of water points, the often inappropriate characteristics of the wells, the difficulties encountered in persuading users to pay their share of the cost of developing and managing water points, and the high cost of connections to water supply.

156. The national drinking-water policy aims to address these concerns and to bring about a lasting improvement in the welfare and health of the population, in particular, control, demand-based provision, sound and rational management of the country's water resources.

157. In **urban and sub-urban areas**, the national water-supply policy aims at: (i) protect water system network; (ii) increasing the capacity of water-supply systems; (iii) improving the connection rates to the supply network; (iv) applying an appropriate tariff policy through, among other things, resumption of social connections; and (v) expanding the drinking-water supply system to serve all neighborhoods of the urban and sub-urban centers.

158. In **rural areas**, the policy is based on the following fundamental principles:

- decentralization of the decision process;
- financial participation of communities in capital costs and management of water points and sanitation facilities;
- strengthening of the local private sector in construction and operating activities;
- inclusion of hygiene requirements in all activities;
- efforts to reduce the construction and maintenance costs of the facilities;
- rational management of water resources.

159. The specific objectives over the period 2003-2005 of the water-supply and water-resource management program drawn up by the Government are to: (i) provide 878,500 persons living in rural areas with access to water points managed in accordance with the strategy; (ii) improve the management of Benin's water resources towards use that is sustainable and shared among the different users; and (iii) increase the efficiency of the Directorate of Water Supply (DH) and the Regional Water-Supply Services (SRHs) and their planning capacity.

BOX 9: NATIONAL HIV/AIDS CONTROL STRATEGIC FRAMEWORK: OBJECTIVES, STRATEGIES AND PRIORITY ACTIONS

The National HIV/AIDS Control Strategic Framework defines the general objectives, strategies and priority actions for the period 2000-2005 (cf. doc. Benin, MPH). As regards quantitative objective, the implementation of this strategic framework aims at maintaining the present HIV/AIDS prevalence rate, which is relatively underestimated at 4.1 percent, at below 6 percent in 2004.

The Strategic Framework contains the following 14 general objectives:

- create an institutional framework favorable to the multisectoral nature of the campaign against STI and HIV/AIDS, and better management and monitoring of the National AIDS and STI Control Program in Benin;
- promote by means of communication, awareness and appropriation of the campaign against STI/HIV/AIDS on the part of the community;
- reduce the prevalence of sexually transmitted diseases in Benin;
- increase the rate of condom use;
- ensure 100 percent transfusion security with respect to HIV and minimize HIV transmission during any other invasive procedures;
- reduce the prevalence of HIV/AIDS infection among young people aged 10 to 24 years;
- strengthen the capability of women in rural and urban areas to become involved in the campaign against STI/HIV/AIDS;
- reduce mother-child HIV transmission to below 15 percent;
- significantly reduce the prevalence of STI/HIV/AIDS among the mobile population groups: seasonal workers, truck drivers, haulers, traders, refugees, displaced persons, tourists, sex workers, military personnel;
- lessen the prevalence of STI and HIV/AIDS among sex workers and their clients;
- ensure proper treatment of all persons with HIV/AIDS in Benin;
- optimize the reliability of the epidemiologic surveillance of HIV/AIDS in Benin;
- monitor the trends of the behaviors of the target populations with regard to STI/HIV/AIDS;
- promote biomedical research on STI/HIV/AIDS.

The implementation of the National Strategic Framework for the Campaign against AIDS has been strongly supported by the UNAIDS thematic group expanded to include bilateral partners. A committee known as the National HIV/AIDS Committee (CNLS) has been formed and serves as the national decision and policy-making agency with respect to HIV/AIDS. It has a Permanent Secretariat and its membership consists of both government and NGO representatives, together with representatives of religious groups, unions and women's associations. It was reorganized in 2001 to fully take into account the multisectoral dimension introduced into the strategy through the multisectoral Population and AIDS Control Project (PPLS) supported by the World Bank.

The essential objective of the PPLS is to contribute to reduction or stabilization of the rate of prevalence of HIV/AIDS and the easing of its impact on the persons infected or affected. The project will support the implementation of a multisectoral response that is collectively sustained by all strata of society, involving all public and private players, NGOs, and civil-society associations, together with grassroots initiatives for combating the epidemic. The project will help the Government of Benin both to meet the immediate needs and to progressively develop capabilities for intervention and preparing a response at the national level in order to prevent new infections and minimize the impact of the epidemic. To effectively combat the epidemic, in addition to the funds that will be earmarked by the ministries involved IDA funds will have to be used to finance eligible activities carried out by civil-society associations, including NGOs, rural and urban communities, village associations, professional organizations, associations of persons living with HIV and other affiliated networks.

The PPLS takes into account the fact that the different interventions of the development partners were certainly important, but: (i) the activities were often not efficiently coordinated; (ii) the management of information in general, and epidemiologic surveillance in particular leaves something to be desired; and (iii) the multisectoral approach is not yet the preferred methodology. The PPLS will correct this situation in order to contribute effectively to the implementation of the national strategic framework for the campaign against HIV/AIDS/STI.

The PPLS accordingly proposes to achieve its objectives through three principal components, namely: (i) support for the responses of civil society; (ii) support for the responses of the public sector and institutions including the health sector; and (iii) coordination, management, monitoring and evaluation.

Over the period 2002-2004, the main actions envisaged for combating HIV/AIDS will be: (i) subsidization of care for persons with the virus; (ii) supplies for public laboratories for quick AIDS screening; (iii) support for the blood transfusion services; (iv) epidemiologic surveillance of the infection; (v) performance of the IEC activities and support for community organizations that take over the work; and (v) equipment and operation of the PPLS facilities.

160. The accomplishment of these objectives will be measured by the following indicators:

- the coverage of the rural population's drinking-water needs rises from 49 percent in 2002 to 60.0 percent in 2004 and 64.7 percent by the end of 2005;
- between 2003 and 2005, the construction of 2,200 water points and 600 latrines, together with rehabilitation of 1,314 old facilities;
- the database is officially presented to all the sector partners in 2003;
- the consultative body for integrated water-resource management is set up and its rules are adopted by the end of 2004, and it is operational at the beginning of 2005;
- 75 percent of the contracts are prepared, awarded and signed by the decentralized bodies (SRHs, Prefecture and Head of local governments) by the end of 2003.

161. To achieve these objectives, the main activities to be carried out in the period 2003-2005 will be the following:

- diligent performance of all activities connected with informing and mobilizing the population, procurement and supervision of the contracts, and control works for the construction of water points;
- promotion of water hygiene (collecting, transportation, and storage) through various communication media;
- training/retraining of communities and establishment of a mechanism for maintenance and replacement of equipment;
- support the NGOs in performing the initial and detailed IEC work in all the beneficiary localities;
- setting up of a functional nationwide hydrometric and piezometric network and of a database;
- finalization of the water resource management strategy;
- establishment of an operational national consultative body and support for the institutional development of integrated water-resource management;
- identification and training of the DH/SRH personnel and devising a motivation system for personnel in the interests of the effectiveness of the new decentralization organization;
- elaboration and/or confirmation of project-implementation procedures;
- establishment of a system for monitoring water points and the activities of the DH/SRHs, of an internal information system and a quarterly information bulletin;
- establishment of a data-collecting system;
- development of the database and training of personnel in charged of managing it.

3.2.5. Housing

162. The second Population and Housing Census (RGPH2) counted 832,256 housing units in Benin, comprising essentially concessions (34.7 percent), row houses (24.3 percent) and single houses (21.6 percent). It was also found that traditional housing still predominates. Moreover, 35 percent of households occupy two-room units whereas the average household size is six persons. There are different type of housing arrangements. For socio-logical and cultural reasons, Beninese have a strong preference for living in

homes of their own: 60 percent of the housing units are owner-occupied. The strong desire to live in a home of one's own despite generally low incomes and available resources prompt many Beninese to build houses in unhealthy locations.

163. The housing situation in Benin is also characterized by the absence of any real government policy, unplanned construction in the cities without any building permits, overcrowding in the cities, limited access to mortgage credit, which is moreover excessively costly, the high cost of building materials plus a lack of interest in those produced locally, speculation and strong competition to purchase private properties, etc.

164. Since the link between the absence of decent and healthy housing and poverty is evident, the Government will take the necessary steps to improve access to subsidized housing for the largest possible number of Beninese, thereby contributing to improving their welfare. To achieve this, incentives will have to be created to mobilize the private sector and encourage it to take greater interest in the promotion of low-cost housing in the country.

165. The strategy will consist in:

- interventions in the housing sector to promote the development of home building by private operators for all segments of the market: real-estate development and installation of services, sites connected to services, planned housing, turnkey operations, facilitation of housing financing, self-help, reduction of real-estate taxation (elimination of taxes and fees on mortgage transactions for the banks and promoters);
- accelerating land reform;
- simplifying the procedures for subdivision and marketing of land and movables while maintaining essential regulation (documentation of ownership and secure title, building permits, title deeds);
- promotion of programs aimed at improving the homes of the rural and urban poor;
- formulating, adopting and disseminating a national housing policy;
- promoting the use of local materials;
- facilitating the financing of housing by support for the establishment of a housing bank;
- improvement of urban transportation.

3.2.6. Environment and Sanitation

166. **Environment.** While it is recognized that the environment is part of the world heritage and that its management (efforts to reverse the depletion of the ozone layer, global warming, rising sea levels and desertification) calls for cooperation on a worldwide scale, it is equally true that at the national level, Governments and their citizens have a great interest in ensuring conservation on a day-to-day basis. The obligation to ensure environmental protection is necessary in view of the negative impacts of environmental degradation on human welfare and sustainable development. In Benin, specific environmental concerns include the continuous and alarming degradation of plant cover, the continuous decline in ecosystem productivity,

deforestation and desertification, coastal erosion and the clogging of watercourses, as well as air and noise pollution. It must be stressed that the population bears a large share of responsibility in the degradation or conservation of their environment by virtue of how they go about producing goods and services or their life styles.

167. With the aim of conserving the environment and working to prevent its degradation, Benin has been deploying tireless efforts in both the national and international arenas for many years. To reinforce these efforts some new initiatives have been launched, particularly in the context of the National Environmental Management Program (*Programme National de Gestion de l'Environnement – PNGE*). The PNGE will contribute to the sustainable development of Benin through rational management of national environmental resources. The objective of this program will also contribute to: (i) reducing the costs of environmental degradation; (ii) creating employment creation induced by the promotion of better management and production practices; and (iii) improving the population's living conditions.

168. Moreover, the negative effects (discomfort, exposure to hazards, loss of time, pollution) of the poor conditions of transport of people and goods in Benin's cities are experienced most severely by the poorest segments of the population. Construction or rehabilitation of road infrastructure, promotion of a system of public transportation accessible to a large number of people and control of air quality will help to reduce poverty in urban and sub-urban areas.

169. Specifically, implementation of the PNGE will include:

- integrate the environment in all development policies, plans, programs and projects and in decision processes;
- contribute to protection of the environment through application of international conventions;
- offer the population a healthy environment while creating employment opportunities;
- strengthen the management capacities of the future local governments while promoting activities that generate sustainable employment;
- reduce the pressures on and threats to the coastal region with a view to improving the quality of life of the ecosystems and the local population;
- ensure that the population acquires the knowledge, values, behaviors and practical skills necessary for managing the environment;
- develop a national environmental information management capacity of high quality for decisionmaking that is accessible to all the players;
- provide homogeneous and reliable basic geographic information to the users;
- reduce the economic and health impacts of air pollution on the population of large urban centers.

170. **Sanitation.** The second environmental component is sanitation, especially in urban areas. The objective is to improve the environment in which the local population lives and thereby help to reduce poverty. Under the devolution policy substantial authority regarding sanitation will be transferred to local governments. The main actions

envisaged in this are: (i) construction and rehabilitation of the sanitation and road systems in targeted cities; (ii) preparation and updating of urban development and sanitation plans and master plans for the chief towns of the local governments; (iii) pursuit of the implementation of the Second Urban Project through three components, namely the PGUD, the PDVS and the PARFU; (iv) installation of utilities in areas already built up or to be built up; and (v) the identification and protection of areas unsuitable for construction.

3.2.7. Rural electrification

171. To improve the quality of life for rural communities, the Government has also decided to expand rural electrification, including the utilization of potential energy sources (new and renewable sources). In this connection, the following measures or actions will be carried out:

- completion and implementation of the rural electrification master plan;
- creation of a rural electrification and energy control agency;
- promotion of solar power and biomass for electrification purposes;
- electrification of border localities and of large community-administered villages;
- electrification of 51 rural localities;
- development of Benin's hydroelectric potential;
- multipurpose electrification;
- support for the inter-state gas pipeline project.

172. The imminent liberalization of the sector and implementation of the devolution policy will open the sector to private sector, local authorities, NGOs and the grassroots communities, providing them with the opportunity to make wider use of new and renewable energy sources.

3.2.8. Development of rural feeder roads

173. Feeder roads are roads built by the Government, the local population or other actors to provide access to remote localities and improve the movement of people, goods and services. In an essentially agricultural country like Benin, these roads are used to haul agricultural products to marketing, processing or consumption facilities. They link previously isolated areas to a system of main roads, thereby facilitating access of residents of such areas to basic services (education, health centers, markets, water points, etc.). This is why development of rural feeder roads is a concern not just for the people living in isolated or presently inaccessible localities, but also for the Government. Development of these roads plays an important role in the poverty reduction strategy.

174. In the context of the reforms underway in this sector, the Government will gradually transfer the management of rural feeder roads to the users. This policy is based on the following principles:

- the State will participate in financing the rehabilitation and maintenance of road networks that are of demonstrated economic and social interest while local partners

provide the required counterpart financing and cover the cost of routine manual maintenance;

- a mechanism for regular and periodic inventory will be put in place in close consultation with the beneficiaries with a view to establish a databank on the rural feeder road system. Up to date knowledge of this system from technical, economic and social standpoints will facilitate multi-year programming;
- efforts will be continued to reduce the currently high unit costs of investment by providing for each road or section of road, the appropriate level of service in relation to its use. A design and implementation manual for rural feeder roads will accordingly be prepared. Increasing use will also be made of small and medium enterprises;
- the National Technical Council for Feeder Roads set up in the context of the Transportation Sector Project with World Bank support will be reactivated, together with its departmental services and committees;
- programming and management of the network will be handled by local partners with verification of the network's eligibility.

175. The objectives are to increase the access of remote areas, facilitate the movement of people and goods, and help reduce poverty by lowering transportation costs to and from rural areas. The main actions to be undertaken over the next three years relate to regular maintenance of the network of existing rural feeder roads, construction of about 900 km of rural feeder roads and works designed to connect previously inaccessible areas.

3.2.9. Nutrition and food security

176. **Nutrition.** In Benin, as in the majority of developing countries, malnutrition remains a major concern. Protein-energy malnutrition is the most severe form observed throughout the country. The population and health survey conducted in 1996 revealed that on the basis of their weight/age ratio, 29 percent of children under age three suffer from malnutrition and 25 percent of these same children show retarded growth. By 1999, the situation had not improved much. According to the food and nutrition survey in the areas covered by the Local Interventions Project for Food Security (PILSA), the average weight deficiency ranged from 20 percent to 35 percent among children aged from 0 to 5 years. There is a marked disparity between age groups and by region. As regards vitamin A deficiency, most of Benin's departments are at risk according to the vitamin A deficiency report produced in 2000. Children aged 0 to 3 years are particularly vulnerable. Moreover, the surveys conducted in 19 subprefectures by the PILSA in 1998-1999 revealed that more than half of the children suffered from anemia. The prevalence rate of anemia reaches up to 100 percent, depending on the age group and region concerned.

177. The causes of these nutrition problems are: undernourishment and malnutrition of pregnant women, insufficient and inappropriate information, hostile environment and inadequate preventive measures, overworked mothers, inadequate foodstuffs and resources, unsuitable eating habits, the low coverage of child-growth monitoring and lack of income security (limited access to financial resources).

178. To address this nutrition situation, the Government of Benin, acting in accordance with the International Nutrition Conference's recommendations, will implement a strategy over the next few years focusing on:

- incorporating nutrition-related objectives in the development policies and programs;
- improving food security for households;
- evaluating, analyzing and monitoring nutrition status;
- improving the quality and healthiness of foodstuffs;
- preventing and treating infectious and parasitic diseases;
- promoting breast-feeding;
- assuming responsibility, as regards nutrition, for the underprivileged social groups;
- preventing specific trace-element deficiencies;
- promoting appropriate diets and healthy life styles.

179. **Food security.** Benin is a country that is self-sufficient in food in overall terms. To further improve food security, the following strategies will be developed:

- promotion of food production through the establishment of appropriate financing schemes, together with producer training;
- strengthening of rural infrastructure (roads, water points, etc.) and development of lowlands
- support for processing activities through the establishment of appropriate financing schemes, provision of working capital and management training;
- support for the preservation and marketing of foodstuffs through appropriate assistance for the traders and their organizations;
- development of an appropriate system for communication with all the program partners.

180. The principal actions to be undertaken are:

- development of a system for forming buffer stocks and regular recording and publication of food prices;
- continuation of the Support Program for Development of the Agriculture Sector (PADSA);
- establishment of a food-poisoning early warning system;
- advisory services for ONASA regarding marketing strategy;
- support for the communities for improving the food and nutrition situation in Benin.

3.3. STRENGTHENING OF GOOD GOVERNANCE AND OF INSTITUTIONAL CAPACITIES

181. The Government is convinced that without good governance and strong institutional capacities the objectives of speeding growth and reducing poverty could not be achieved, regardless of the quality of the various policies followed and the reforms implemented. It will therefore pursue strategies designed to consolidate sound governance and institutional capacities. These strategies will include combating corruption and strengthening of government resource management capacity,

administrative reform, devolution, strengthening of the legal and judicial systems, and consolidation of democracy and of internal social dialogue. Through the implementation of these strategies the Government will seek to achieve sound management of public affairs in a context in which transparency, responsibility and accountability, citizen participation, as well as legality and the rule of law will be assured. **The Government's priorities deriving from this third pillar of the strategy are to fight corruption, consolidate democracy and accelerate devolution.**

182. Sound public sector management in a state characterized by the rule of law and social peace in which individual rights and freedoms are guaranteed, and people can participate directly in local development - all these elements are conducive to the acceleration of growth and poverty reduction. In addition, the diagnosis of the Beninese economy revealed both that the deficiencies in economic governance have had a negative impact on poverty in Benin, and that democracy and respect for the human rights, together with socio-political stability are major assets of Benin that need to be consolidated.

3.3.1. Fighting corruption and strengthening of capacities for management and absorption of public funds

183. **Fighting corruption.** The Government has made fighting corruption an important part of its poverty reduction strategy, since the consequences of corruption are so devastating for growth and poverty (*see Box 10*). Civil Society and the Government have developed several initiatives to put an end to corruption in Benin in recent years. The Government has established an Anti-corruption Agency that reports directly to the President of the Republic and whose effectiveness is increasingly acknowledged.

184. Apart from these initiatives, Benin has adopted a comprehensive anti-corruption strategy elaborated by the administration and civil society following a consultation process with different actors of Benin's society (cf. Anti-Corruption Strategy Paper). This plan, which has been disseminated among civil society, now serves as frame of reference for all actions to root out corruption in Benin. It is based on the following strategies: (i) affirmation of the Government's political will; (ii) acceleration of the administrative and institutional reforms; (iii) establishment of an effective legal framework for fighting corruption; (iv) pursuit of public finance restructuring; (v) consolidation of the rule of law and reinforcement of the engagement of civil society; and (vi) enhancement of public officials' ethics and improvement of their incomes.

BOX 10: MECHANISMS BY WHICH CORRUPTION IMPEDES GROWTH AND EXACERBATES POVERTY

The consequences of corruption are varied but are particularly negative for growth and poverty reduction.

In a market economy, prices reflect an equilibrium between supply and demand, in accordance with which consumers, producers, merchants, and investors adjust their behavior. As soon as corruption interferes in this relationship, this equilibrium is distorted and the economic players make decisions that are out of line with economic reality. For example, if businesses pay bribes, let themselves be held to ransom, or voluntarily or under duress participate in the covert financing of a political party, they will incorporate these additional costs in the prices they charge for their businesses. It is therefore ultimately the consumer who pays a high and unjustified price against his will.

When corruption undermines public contracts, it distorts the process of calling for bids, the purpose of which is to select the best bid in terms of the price/quality ratio. If the selection process is skewed by a bribe, the State is no longer in a position to offer citizens the best deal. This results in poorly constructed infrastructure (buildings, roads, schools, dispensaries, etc.) built with second-rate materials, failure to observe the pertinent technical standards, defective or unsuitable equipment, or services that do not function as they should. It is in fact the citizens and in particular the underprivileged groups who are penalized because they do not receive the quality public services from the state that they are entitled to.

Finally, if there is corruption in public revenue collection, whether at the level of domestic taxation or customs, the State's resources will diminish and its capacity to contribute to the country's development reduced: hospitals, schools and water points will not be constructed, doctor and teacher positions will not be funded or basic economic infrastructure will not be established or improved.

The victims of corruption are therefore the consumers who pay high and unjustified prices; the citizens and especially the poor, who are deprived of the social services they are entitled to ; and honest taxpayers, who are faced with higher tax bills to offset the resource losses caused by corruption on the part of officials.

Moreover, corruption discourages potential investors and, consequently, impacts the country's productive base and undermines growth.

Source: *Lutter contre la corruption, Abdoulaye BIO TCHANE, l'Harmattan, Le Flamboyant, August 2000.*

185. The Government intends to ensure the effective implementation of this plan. Effective prevention of corruption, its detection and punishment of its perpetrators underpin the specific actions to be undertaken, namely:

- adoption of an anticorruption law that will address illicit enrichment and economic crimes;
- revitalization of the internal and external control systems;
- promotion of administrative and institutional reforms;
- abolition of discretionary powers in the administration;
- de-politicization of the administration;
- general use of procedure manuals and user's guides;
- accountability of officials;
- education of the population and organization of anticorruption campaigns;
- strengthening of the independence of justice and of the capacities of the judicial authorities;
- formation of a national coalition against corruption;
- strengthening of civil society's capacities;

- creation of an environment hostile to corruption.

186. Strengthening of management absorptive capacity of public funds. This is essential for good governance, in as much as the actions envisaged in the poverty reduction strategy cannot be implemented efficiently in a context of inefficient public-resource management and low execution rates of public expenditure in socio-economic infrastructure. The analysis of public expenditure over the past five years showed that programmed public investments were implemented at relatively low levels, resulting in low coverage of needs in terms of basic socio-economic infrastructure even though financial resources had been made available for the purpose.

187. To remedy this situation, the Government will deepen the budget management reform launched in 1999 with the aim of increasing the effectiveness of public expenditures within a context of transparent management. This reform (*see Box 11*) focuses on: (i) use of the program-budget approach for optimum resource allocation; (ii) establishment of new expenditure procedures and modernization of control; (iii) accountability of spending ministries and the obligation to report; and (iv) use of performance indicators. With the increased recourse to performance indicators it will be possible to accurately measure the impact of public expenditure, and especially social spending, on the targeted population. This budget management reform will accordingly provide the Government with the means to assess and improve the impact of its programs on the reduction of poverty.

188. The deepening of budget reform over the next three years will concentrate particularly on extending the program-budget approach throughout the administration, building capacity for preparing, executing, establishing indicators and monitoring program budgets. The system of internal a priori and a posteriori control will also be rationalized to increase its efficiency and consistency. External controls and audits, for their part, will be strengthened by, in particular, with the conversion of the *Chambre des Comptes* into an autonomous *Cour des Comptes* with adequate material and human resources. The Staff of the *Cour des Comptes* will be trained in modern management and performance audit techniques. **Finally, the Government wishes that all external development partners subscribed to the budget support approach, which by definition consists of non-targeted financial assistance.**

189. With regard to the budget-preparation process, and to correct the lack of synergy and coordination noted in the economic diagnostic, the intention is to work in stages (*see Annex 9*) in order to ensure intersectoral consistency and the consistency of all the sector strategies with Benin's development objectives and priorities. Using of the program-budget approach will also address the need for synergy among the different programs within the same sector. In addition, at the institutional level, one ministry will ensure the coordination of the Government's programs and actions.

190. In support of this budget reform, the Government has computerized the expenditure procedures through introduction of an Integrated Public Finance Management System (SIGFIP) (*see Box 12*) that will increase the speed of budget operations, ensure better circulation, reliability and transparency of budgetary and

accounting information, and enhance budget management. Over the coming three years the Government will ensure that this system becomes fully operational; computer interfaces will be installed in all the ministries and they will be interconnected.

191. In addition, within the finance administration, the Government will pursue the modernization of the information system through computerization of financial agencies and improvement and dissemination of procedures. Management capacities within the administration as a whole will also be strengthened through training, an important components of the reform program. More targeted training courses and courses on preparation, implementation and monitoring and evaluation of the program budgets will be offered. Furthermore, the Government will ensure the systematic inclusion of training and capacity building components in all programs or projects funded by its external partners.

192. As far as improvement of the implementation rate for public investment is concerned, the deepening of the budget reform, full functioning of SIGFIP and the implementation of the devolution policy will be significant factors. However, at a more fundamental level, the Government intends to improve the rate of implementation of public infrastructure expenditures by promoting the establishment of new contractual management agencies in addition to the existing agencies. A new legal framework has been adopted that will govern the contractual management agencies. After a detailed feasibility study, the Government also intends to set up a body that will be assigned contracting authority for infrastructure projects included in the Public Investment Program (PIP). This body, which will be allocated the necessary material and human resources, will be responsible for the organization of consultations for the awarding of public infrastructure contracts and the monitoring of the physical and financial implementation of these projects. These consultations will be opened to contract management agencies. As a result, the implementation of infrastructure projects included in the PIP would no longer be the responsibility of the sector ministries but of this new body. The procedures, actions and operations of this body will be transparent and would be the subject of quarterly outside audits. Lastly, the Government will draw its development partners' attention to the need for quick disbursement procedures. In the meanwhile, the implementation of all infrastructure projects will be contracted out to the contract management agencies.

3.3.2. Acceleration of administrative reform

193. The general objective of administrative reform in Benin is to modernize and to professionalize public administration to enable it not only to ensure the continuity of the State but also to act as efficient development agent for the country in a cost-effective manner. The following specific objectives have been set to operationalize this general objective: (i) clarify the mandate of the State; (ii) rationalize and stabilize the administrative organization; (iii) promote New Information and Communication Technologies (NICT) in the administration; (iv) promote and develop human resources; (v) move ahead with implementation of the devolution and decentralization policy; and (vi) promote good governance through transparency and by fighting corruption in the administration.

BOX 11: PERAC-SUPPORT BUDGET REFORM

PERAC is a lending instrument used by IDA and the AfDB. It provides budget support for countries with satisfactory macroeconomic management on the basis of a public expenditure program consistent with the development strategy and financial constraints of the State. This requires a fundamental change over time which consists of a conversion of all external assistance into budgetary aid.

The budget reform implemented in Benin is based primarily on a program-budget approach. It aims to increase the efficiency of public expenditure and the strategic, efficient and equitable use of public funds, independent of their source. This approach advocates a budget designed a unified budget that integrates all State expenditures (recurrent and investment). Each sector ministry is required to decide on its objectives and to define the strategies and identify the means for accomplishing those objectives. The most innovative feature of this new budget system is the performance concept. Performance indicators are the cornerstone of the system. They have to be defined in relation to the expenditure programs, the sector objectives and strategies, and the incentive system for the managers whose performance will be measured by these indicators.

This reform will gradually provide Benin with an efficient budget system, by moving from a means-based system to a system based on results. In the context, the expenditure process will also be reformed, leading to a redefinition of the competences and responsibilities of each actor in the expenditure chain (the credit manager, the credit administrator and the authorizing officer, the financial controller and the public accountant). A computerized system, the Integrated Public Finances Management System (SIGFiP), has been introduced to improve the management of the expenditures of the general budget and of the special accounts of the Treasury.

The impact already being experienced and still expected from this reform can be summarized as follows:

1. At the level of the preparation of the State budget:

An improvement through the increasingly systematic use of program budgets in the context of medium-term expenditures and of monitoring indicators of the implementation of these program budgets as well as performance budgets. The improvements already noted include better definition of the objectives and strategies of the sector ministries, the consistency ensured between the objectives defined in the program budgets and the overall strategy for the 2001 budget, and the provision of adequate budget allocations for strengthening the ministries' institutional capacity to effectively implement their program budgets and to undertake the required monitoring and evaluation.

2. At the budget-performance level:

a) The assignment of responsibility to the sector ministries by the Government, by means of a performance contract that will increase their autonomy and the assurance that their budget allocations will be available, with an obligation to furnish execution reports on the basis of agreed performance indicators. The sector ministries are authorized to commit, clear, and authorize their expenditures under the supervision of the Budget Directorate General, after approval by the authorized representative of the Financial Controller.

b) The establishment of an efficient monitoring and evaluation system based on indicators for measuring the use of time, management, results and impact.

c) The improvement and dissemination of procedures, in particular a new public procurement code that offers scope for increased transparency.

3. At the budget-control level:

The strengthening of control through the improvement of internal and external audit arrangements (strengthening of Financial Control, the DIVIs, the Inspectorate General of Finance and the *Chambre des Comptes* plus recourse to other outside auditors). Steps are being taken to convert the *Chambre des Comptes* into a *Cour des Comptes* and to strengthen its human and financial resources to enable it to fully play its role.

The success of this reform will depend on the ongoing progressive implementation of a comprehensive program designed to strengthen administrative and institutional capacities. Acceptance of the approach by the largest possible number of donors is also essential for its success. At the present time, the World Bank, which initiated and has supported the entire reform process, the AfDB, the European Union, and bilateral partners such as Denmark, the Netherlands and Switzerland are favorably disposed toward it.

194. To achieve these objectives, the following main measures or actions will be implemented over the period 2003-2005:

- end the automatic promotion system and introduce a new career and remuneration system for government employees that establishes an effective link between salary increases and productivity improvements in the public service;
- identify state functions to be retained, shared or transferred;
- involve all socio-economic actors in the process;
- adopt the legislative and regulatory texts required;
- implement measures designed to ensure the continuity and political neutrality of the public service;
- conduct an inventory, update and evaluate the legislative and regulatory framework;
- develop contract-based employment in the public service;
- ensure effective dissemination of information between the administrative services, on the one hand, and the administration and users on the other;
- implement an integrated management system for government employees and ensure forward-looking management of staffing;
- formulate and implement a national policy for continuing professional training for the public sector;
- make the control and inspection bodies functional and effectively apply the legislation and regulations governing the public service.

BOX 12: THE INTEGRATED PUBLIC FINANCES MANAGEMENT SYSTEM

The Integrated Public Finances Management System is a computerized system designed to the forecasts and implementation of all revenues and management expenditures of the budget and Treasury special accounts. It is an essential component in of the budget management reform currently underway in Benin. It takes into account all the functions required for the management of the public finances, namely commitment or earmarking of funds, notification of orders to suppliers, payment authorization and orders and settlement.

In this stage of its implementation, the following categories of players are involved in the new expenditure chain:

for the administrative phase

- the financial managers of the sector ministries and State institutions, i.e. the Directors of Administration, the Directors of Financial Resources, and the Administrative and Financial directors who act as deputy authorizing officers;
- the Financial Controller or his deputies in the ministries, public institutions and departments.

for the accounting phase

- the Collector General of Finance, chief Government accountant, and the Collector of debt financing at the Caisse Autonome d'Amortissement.

Expenditure execution involves a succession of operations, from data entry to verification and validation, which make it possible to automatically generate the supporting documentation required for actual payment of the beneficiary's claim by the Treasury.

These operations can be carried out by a normal procedure incorporating all the above stages. They can also be performed using one of the special or simplified procedures, which are:

- payment order (payment without prior authorization followed by regularization) for payment of advances of administrators of advance funds and urgent payments;
- combined commitment and authorization in the case of expenditures for which the vouchers are already in hand;
- delegation of resources so that funds can be made available to de-concentrated institutional bodies.

The benefits of SIGFiP implementation include:

- centralization of all accounts in respect of public expenditures;
- quick performance of operations;
- transparency in the management of public finances;
- security of the operations and of access to budget lines thanks to the use of a secret code personalized for each user. This security means that the initiator of any account or document put into the system can be readily identified;
- impossibility of conducting transactions for a budget item if insufficient funds are available;
- impossibility of payments to suppliers not included in the INSAE;
- possibility of recourse to an observer module for authorized managers;
- the location of a particular file in the system is known at all times;
- automatic generation of different sets of statistical data or other documents providing data in real time.

In this stage of the reform the SIGFiP does not, however, include all the modules necessary for managing public revenues, budget preparation or the management of public contracts. Moreover, the nonavailability of an interface between the SIGFiP, the balance-management software (SDL 7) and the W/Money software that manages the entering of accounts at the Treasury level is a weakness that needs to be addressed.

The setting up of SIGFiP units in the ministries and institutions should also make it possible to facilitate the management of operations at their level and to shorten expenditure implementation times.

3.3.3. Acceleration of devolution

195. Benin has begun a devolution process designed to have local communities assume responsibility in governing their localities, thereby contributing to the consolidation of grassroots democracy and promotion of sustainable local development. The Government aims to make devolution an effective tool for poverty reduction because it fosters a new way of taking people into account. In this new way people are no longer perceived just as beneficiaries of services, which are designed without their involvement, but as active players who take action and decide by themselves what is best for their welfare and exercise close control over their elected representatives. The main goal sought through devolution is therefore creation of conditions favorable to the exercise of local governance for purposes of effective reduction of poverty. The Government also intends to strengthen management capacity in the communes, support local development plans and strengthen the information and communication policy regarding local development.

196. The main actions to be undertaken during the 2003-2005 period are the following:

- Organization of the municipal elections and installation of the future local governments (*communes*) in 2002;
- Effective transfer to the communes of the duties, competences and activities devolved to them under the legislative and regulatory texts on devolution;
- Design and finalization of all management tools for the local elected representatives as soon as they take office;
- Organization and holding of the round table to elicit development partners' support for the Commune's development;
- Support for the preparation of Commune development plans;
- Continuation of the Decentralized Urban Management Program (PGUD) and implementation of the Support Project for Decentralization and Urban Management;
- Support for commune administrations and the bodies responsible for implementing the devolution policy;
- Strengthening of local governments and consolidation and dissemination of the existing management tools;
- Setting up a mechanism for information and communication in the Communes.

3.3.4. Strengthening of the legal and judicial systems

197. Strengthening of "good governance by the establishment of a legal, regulatory and institutional environment conducive to promotion of better management of public affairs and of development of economic activities" has been made one of the Government's main strategic thrusts in the creating economic and social conditions for combating poverty and consolidating economic growth in the years ahead. In light of the increasingly strong acknowledgement of people's right to development that respects human rights and is compatible with the demands of market globalization, it has become

evident that an in-depth reform of the public institutions and more particularly of its legal and judicial systems is necessary.

198. The Constitution of December 11, 1990, adopted following the 1990 National Conference, reaffirmed the will of the Beninese people to create a constitutional state in which the fundamental human rights, freedom and dignity as well as justice are guaranteed, protected and promoted as prerequisites for the genuine and harmonious personal development of each Beninese citizen. Thus, a state functioning under the rule of law cannot exist without an independent and efficient justice system that promotes an environment of legal and judicial security.

199. Wishing to respond to expectations of people and legal professionals, the Government, with the support of the development partners, organized a consultation on justice on November 4-7, 1996, which identified the shortcomings of the Beninese justice system and proposed corrective measures.

200. Since then only a few steps have been taken. This is why the Government, considering the necessary synergy of these actions, has developed its vision and strategy for the coming ten years through an integrated program for strengthening the legal and judicial systems (*see Box 13*). This program, based on a broad consensus reached with the various groups consulted, was prepared on the basis of “an assessment of the justice sector to determine the priority needs for the next ten years, as regards particular infrastructure, personnel, training, and review and dissemination of laws, and which takes into account the past and future actions.”

3.3.5. Consolidation of democracy and of the internal social dialogue

201. Since the success of the Conference on the “*Forces Vives de la Nation*” held in 1990, Benin has resolutely embarked on a democratic process the quality of which is recognized by the entire international community and which it intends to consolidate in the interests of accelerated growth and effective poverty reduction. The Government will promote the constitutional State and individual freedoms through: (i) respect for the laws and rules of the Republic by the State and all citizens; (ii) the guarantee of the security of property, people and individual and collective freedom; (iii) the modernization of its defense and public security staff; and (iv) the independence and the proper functioning of the institutions of the Republic, namely Parliament, the Constitutional Court, the Supreme Court and the courts, and the HAAC (High Authority for Audio-Visual Media and Communications).

202. Similarly, with a view to preserving a climate of social peace which is essential for the success of the poverty reduction strategy, the Government will continue to place special emphasis on internal social dialogue with all population groups and the social partners by developing platforms for consultation and social mobilization. This focus on democracy and social peace will facilitate the development of private enterprise and, by ensuring the participation of the people in decision making processes, will foster a better chance of success for the poverty reduction strategies.

BOX 13: REFORM OF THE JUDICIAL SECTOR

The integrated program for the strengthening of the legal and judicial systems will contribute in particular to the consolidation of democracy, protection of human rights, economic development and the consolidation of national unity. The program aims in particular to establish "justice of quality, efficient, credible and accessible to those needing its services, which will contribute to social peace and to the development of Benin."

The reform of the justice sector focuses mainly on the following areas: (i) strengthening of the judicial branch of the state; (ii) decentralization of the judicial machinery by the creation of new courts and appeal courts; (iii) deconcentration of the administration of justice; (iv) promotion and protection of the rights of the individual, and (v) the political will to establish a reliable and credible justice system.

The strategies for implementing the program focus on eight major components within which a number of actions are planned:

- *Strengthening of the central administration of justice (the MJLDH).*

This strategy concentrates on actions targeting management processes and practices, and on the expertise of the personnel, improvement of working conditions and the means provided (infrastructure and equipment), limitation of staff movements and the raising of the retirement age for magistrates from 55 to 60 years of age.

- *Strengthening of the organization and effective functioning of the courts.* This will be achieved through revising the law organizing the judiciary system, in particular the assignment, recruitment and initial and continuing training of staff, and the implementation of a computerization plan for the jurisdictions. Other actions are also planned, which will involve rehabilitation and the construction of properly equipped facilities, in-depth reform of the registries, computerization of judicial records and strengthening of the capacity of the conciliation courts.

- *Enhancing of the status of the magistrature.* The aim here will be to strengthen the Conseil Supérieur de la Magistrature (High Council of the Judiciary) and adopt new legal status for the magistrature. It is also intended to formulate a magistrate recruitment policy and to increase their salaries and improve their working conditions.

- *Accountability and protection of justice personnel.* The actions envisaged in this area relate to the review and application of the status of justice professionals, the drafting and application of rules of ethics and principles for professionals corps and also training, retraining and advanced training for these professionals. Establishment of a corps of prison superintendents is also planned.

- *Strengthening of the capacity of training institutions for justice professionals.* The emphasis will be on analysis of the needs and review, preparation and implementation of training programs. A National Training Center for Judicial personnel will be set up to ensure proper training of magistrates, registrars and other justice personnel.

- *Modernization of the legal framework and harmonization of legislation* through actions in support of the National Legislation and Codification Commission, together with efforts to bring national legislation into conformity with international legal instruments, and creation of Juridical Documentation and Information Centers in each jurisdiction.

- *Modernization of the penitentiary system* through preparation of an action plan on reform of the system, rehabilitation and construction of infrastructure, supply of equipment and the setting up of Apprenticeship and Reintegration Centers.

- *Raising of awareness on the reform program among justice personnel and the population, in conjunction with provision of information and education regarding the program.* In this context, the intention is to implement a set of actions to: (i) strengthen the capacities of the NGOs working in the justice sector; (ii) establish platforms for consultation between the Government and civil society; and (iii) raise the population's awareness of their rights and responsibilities and inform and educate them in this regard.

3.4. PROMOTION OF SUSTAINABLE EMPLOYMENT AND PARTICIPATION OF THE POOR IN THE DECISION AND PRODUCTION PROCESS

203. Beyond the sectoral aspects of poverty reduction, the issues devised by the Government also addresses specific cross-cutting issues that relate to efforts to improve the living conditions of the poor or vulnerable groups. These issues include promotion of community development, employment and income-generating activities; promotion of women; development of micro-financing; social protection and risk management in vulnerable areas. **Strengthening of the income-generating capabilities of the poor and sound regional development are priorities of the Government in this fourth component of the strategy.**

204. Given the poverty diagnostic in Benin that revealed a high income poverty incidence, efforts to increase the incomes of the poor or vulnerable groups are therefore viewed as essential and natural. Moreover, since poverty is more of a rural phenomenon in Benin, support for development of economic activities in rural areas is a fundamental element of the poverty reduction strategy. Increasing the real incomes of these groups, their purchasing power, will be achieved by fostering their participation in the production process through improved access to microcredit, the securing of vulnerable areas, community development and the creation of development hubs. Appropriate payment for their products and control of inflation are expected to consolidate real incomes of the poor and vulnerable groups.

205. The Government has also made local development planning a priority, because it is a powerful instrument for addressing the problems raised in the economic diagnosis of poverty in Benin, namely: a low investment level and a rudimentary secondary sector, rising rural poverty and geographical distribution of economic and social investments unfavorable to the rural areas, absence of a local development planning policy, pronounced poverty of those living in inaccessible areas (in terms of location or production), difficult access to water points and primary health-care infrastructure, land problems, and the need for income-generating activities. The Government is therefore convinced that sound local development planning will have a favorable impact on accelerating growth and reducing poverty. Local development or infrastructure works carried out in a rational framework will encourage private investment, the creation of regional development hubs, increased agricultural and industrial production and promote of tourism. This will also meet basic needs in terms of health, education, sanitation, drinking water and environmental conservation. The implementation of basic socio-economic infrastructure projects will facilitate the development of small businesses and highly labor-intensive construction works. The Government has formulated a regional development policy that is in process of adoption. The development of basic infrastructure will henceforth be an important component of the poverty reduction strategy.

3.4.1. Promotion of community development

206. For more than forty years Benin has been experimenting with various approaches for improving, however modest, the living conditions of underprivileged groups. As such one might wonder if this multiplicity of concepts leads to a wide range of different views or strategies with respect to the day-to-day reality of the life of the target populations. However, among all the ideas and viewpoints, the community development approach represents the preferred choice for Benin in the present context characterized by the devolution legislation.

207. A number of experiments are currently underway to support community development in Benin, employing a broad diversity of approaches, mechanisms and means. For the most part, they derive from projects/programs implemented by various bodies and organizations (ministries, NGOs, projects and other partners).

208. The experiments underway include:

- the Support Program for 100 Community Units (UCD);
- the Community Development Support Program;
- the Village Water-Supply Programs;
- the National Community Development Program Support Project (PNDC);
- the Local Development Support Project (PADEL);
- the Food Security Project (PILSA);
- the Support Project for Income-Generating Activities (PAGER);
- the Borgou Pilot Rural Support Project (PAMR); etc.

209. The diversity of the actions undertaken at the community level to promote basic development is evident. Much has certainly been accomplished, but much more remains to be done to achieve sustainable community development. By way of accomplishments, all the experiments listed above have contributed in one way or another to the resolution, even if only provisionally, of the problems facing grassroots communities. Building on these accomplishments will facilitate elaborating comprehensive diagnoses and proposals for new intervention strategies.

210. However, poverty still persists in communities that are becoming increasingly skeptical about new experiments that are proposed to them. Moreover, an attitude of permanent aid-dependency has developed in communities which have benefited in the past from certain generous interventions, to the extent that programs designed to help such groups to assume responsibility, therefore their own future, are not very well received in certain localities. In light of these findings, the community development policy needs to be refocused to enable it to achieve the results expected.

211. In all cases, community development as a poverty reduction strategy cuts across sector boundaries rather than being sector-focused and involves the production, employment, security, health, education and financial sectors.

212. For poverty reduction to be effective, the majority of the members of the community concerned must share the same vision of development and identify leaders among them who are capable of bringing change.

213. To achieve the objective set for community development and improvement of the welfare of underprivileged communities, the main activities identified for the period 2003-2005 focus on:

- the organization of a National Community Development Forum;
- the drafting and validation of a national community development policy document;
- the organization and restitution of the study on national policy with respect to community development;
- the dissemination of the National Community Development Policy documents;
- support for the creation, in villages in poor regions, of Locally Managed Development Units (*Structures Villageoises de Gestion Endogène de Développement*, SVGEDs);
- the training of SVEGD members in the preparation and management of village development plans;
- support for the preparation of village development plans in Benin's poor areas;
- support for the implementation of village development plans in the poor areas;
- support for community development initiatives;
- the establishment and operationalization of a National Community Development Agency and of 12 Departmental Community Development Agencies.

3.4.2. Promotion of sustainable employment and income-generating activities

214. The preparation of the PRSP confirmed the soundness and effectiveness of what might be considered a self-evident approach, namely that the best way to reduce poverty is to provide people with the opportunity to earn incomes through participation in the production process. The issue of employment is therefore a major social concern beyond its economic dimension, and has been taken into account in the poverty reduction strategy.

215. The analysis of the employment situation in Benin revealed that agricultural employment and more generally rural employment is predominant. However, the constraints facing agriculture are not favorable to the productivity of rural employment, a factor that increases the tendency of rural dwellers to move into the cities. At the same time, underemployment is high in both the rural and the formal sectors. Informal employment, for its part, has assumed considerable significance in the urban areas but it suffers from problems such as lack of professionalism and of permanent prospects. Finally, the mismatch between training offered and employment available is striking and young people remain the group hardest hit by employment problems.

216. In response to these concerns, the Government has formulated a national employment policy. The objective of this policy is to create favorable and sustainable conditions for the achievement of full employment in both the urban and sub-urban areas and the rural areas. In this connection, three sub-objectives have been chosen:

- **Reduction of unemployment and underemployment** through support for small producers, assistance to local communities in identifying and developing employment and income-generating activities, and pursuing and strengthening the implementation of employment programs. The experience gained with the latter program has shown the necessity of continuing it and expanding it by two new programs, one specifically targeting employment in rural areas and the other focusing on urban areas. In addition, the training programs are still too general. The dynamism of the economic sectors and the rapid introduction of new technologies very quickly make them obsolete. Job-seekers need to receive training that will increase their ability to adjust to the employment market.

- **Improvement of the information system on the labor market.** The present shortage of information on the job market makes it difficult to assess employment situation in Benin. The authorities have accordingly resolved to make an accurate count of all job-seekers nationwide, and to conduct and to publish the findings of specific studies on the labor market.

- **Strengthening of the bodies responsible for promoting employment and developing synergy among them.** Several bodies have been established recently for the purpose of promoting employment. Most of them are plagued by a lack of resources and an inappropriate institutional environment. In this context, the short-term objective will be to improve the existing system (Employment and Training Observatory, the National Employment Solidarity Fund and the Directorate of Training and Employment Promotion) through de-concentration, decentralization and devolution and various other institutional reorganizations. For the medium term, the intention is to evaluate the existing bodies and to set up an Employment Promotion Agency.

217. More specifically, and with reference to the promotion of small income-generating activities, two major concerns voiced by the people during the consultations were: (i) the insufficiency of, and difficulty of access to, microcredit for purchase of raw materials or other inputs and minor equipment items and tools, and (ii) the inadequacy of the extension and training services. In response to these forcefully expressed concerns, the Government will put in place repayable lines of credit for women, craftsmen, small farmers and other small trades through existing decentralized financing services recognized for their good performance and sound management. The conditions governing the granting of these loans will be eased to take into account the difficulties faced by women and other target groups in meeting the usual guarantee requirements and paying the associated costs. The Government will also ensure the promotion of extension services and of the training and advanced training centers for the activities concerned. The decision to grant microcredits will also be tied to the beneficiary's proven capabilities regarding the trade in question.

3.4.3. Social protection and gender promotion

218. Social protection comprises all systems and measures that provide social assistance and various social services to the different social and professional groups. In Benin, considerable effort has been made to ensure physical, mental and social and economic welfare of all strata of society: children, men, women, the elderly, and handicapped, marginalized and indigent persons.

219. In the same way, to reduce poverty, gender will be taken into account throughout the strategy and will be considered a cross-cutting development tool. Ongoing efforts made will be pursued and strengthened over the period 2003-2005, with a gender-based approach and special emphasis for the promotion of women. In particular, the Government will support the effective mainstreaming of gender issues into sectoral policies. The results of this work will be incorporated in future updates of the PRSP.

220. **Social protection.** Government aims to eliminate the deficit of the national civil service pension system (FNRB) and ensure its sustainability as well as to conduct studies aimed at extending social security to all social and professional groups of society, while strengthening the social inclusion of the handicapped and the protection of children and the elderly. To achieve these objectives, it has decided on the following main measures or actions: (i) reform of the FNRB through adoption of an action plan to eliminate its deficit and ensuring its financial viability in the medium term; (ii) construction and equipment of three schools for the blind and partially sighted, three orphanages and three special centers for the elderly; (iii) expansion of the community-based program (PBC) for the rehabilitation of disabled people; (iv) increased provision for the indigent and the abandoned elderly people; (v) strengthening of the PBC for nutritional monitoring of mothers and children; (vi) creation and strengthening of capacities of the local committees for combating trafficking in children; and (vii) the setting up of social-security systems for all social-professional groups.

221. Moreover, to better perform its duty of social protection and promotion of solidarity, the Government has started preparations for a Social Protection Policy and Strategy Paper (SPPSP), through a participatory approach. This paper, which will define the broad strategic thrusts for strengthening social protection in Benin for the next ten years, will serve as a framework for orientation and intervention in this sector. Pertinent actions for its implementation will be identified through an action plan, that will be incorporated in the second or third year PRSP update.

222. **Gender promotion.** In this area, the objectives focus on reducing the inequalities between men and women of all ages and all sectors of development. This is an harmonization process that will address the inequalities observed and lead to their correction by specific actions in favor of vulnerable groups like women. These actions relate to education of women and girls, the campaign against female genital mutilation, support for women's groups and for women in general, promotion of the rights of women and girls, and institutional development for promoting the role of women. The most fundamental action remains, however, the formulation, validation, adoption in 2000 and the launching of the national policy for the promotion of women (PNPF), which is a

development instrument. The action plan of this document has been prepared and will be implemented after its adoption by the Government, which is expected to take place in the first quarter of 2002 (*cf. document presenting the multisectoral action plan for the implementation of the PNPf (National Policy for the Promotion of Women), MFPS, October 2001*). The primary objective of the PNPf in Benin is to improve the living conditions of women by strengthening their capability to perform in the economic, social, cultural and legal domains.

223. The improvement and strengthening of the various envisaged actions will be accomplished via the achievement of the following sub-objectives:

- promotion of equal access for women and girls to education and training;
- fostering of greater economic independence for Beninese women in the economic domain ;
- improving the nutrition and health status of Beninese women for sustainable development;
- improvement and consolidation of the level of awareness and enforcement of the legal and social status of Beninese women;
- improving and assigning greater value to the work of Beninese women;
- greater respect for traditional cultures and practices favorable to the promotion and development of Beninese women.

224. To achieve these objectives, the main strategies envisaged are: (i) gender-based planning; (ii) coordination of multisectoral action plans and programs relating to equality and equity between the two sexes; (iii) strengthening of female human resources; (iv) integration of the programs of NGOs and associations; and (v) monitoring of the actions.

225. For the period 2003-2005, the main activities to be carried out are:

- implementation of the multisectoral action plan of the PNPf, monitoring and evaluation of the Beijing program of action;
- improvement of access to credit for women;
- improvement of the support for women's associations involved in income-generating activities;
- strengthening of vocational training for women craft workers;
- introduction of measures to encourage girls enrollment and keeping them in school;
- support for the Training Center for girls without formal education;
- support for re-education of practitioners of female genital mutilation;
- training of women's groups in the processing and preservation of foodstuffs.

226. **Promotion of the gender-based approach in rural activities.** Despite the increasingly acknowledged important role played by women in the different fields of activity of the rural sector, their full and effective participation in the socio-economic development of their communities has not yet gained the necessary legitimacy. The various projects and programs carried out to date have not succeeded in changing this state of affairs and have not made it possible to set in motion a real process of promotion

of women in rural Benin. The commonly accepted assessment for this stresses the following factors:

- a social status perpetuated over the centuries which keeps women in a situation of permanent cultural and socio-economic dependence on men;
- this situation induces a lack of self-confidence in women that prevents them from taking appropriate initiative to modify this dominant mind-set;
- in general, women have greater difficulty than men in obtaining access to literacy and formal instruction, information, training and technological expertise;
- women also have little access to productive resources (land, credit, etc.), which constitutes a significant obstacle to the taking of initiatives.

227. To remove these constraints and ensure promotion of the participation of women in the production process, the main thrusts of the Government's policy over the next three years will focus on:

- **Permanent access for women to resources and employment opportunities.** In this connection, the Government's policy aims at:
 - improving access for women to land (preparation of a rural land code that facilitates access to land for women, with emphasis on leasing systems and introduction of long-term using rights applicable to the fields of women's groups and/or women's personal fields, and legislative measures to grant women land rights);
 - making labor available: research on and dissemination of adapted technologies and tools;
 - promoting diversification of income-generating activities, with appropriate accompanying measures; and
 - developing a general rural credit policy while utilizing and strengthening the microcredit institutions to foster income-generating activities in accordance with their needs for credit and support and advisory services.
- **Strengthening the ability of rural women to utilize resources.** In this respect, the actions envisaged by the Government are designed to:
 - promote women's access to information on resources and types of assistance available, as well as on various other opportunities that can be effectively tapped through different channels and methodologies;
 - contribute to the strengthening of basic education programs (literacy, training);
 - in partnership with the various bodies concerned, develop a system for disseminating innovations as regards methods and techniques specific to the productive and domestic activities of rural women with the aim of lightening their workload;
 - improve the training of rural women through participatory preparation, execution and evaluation of training topics that enable them to strengthen their capacities and qualifications, in the field of production, marketing, management, and organization of rural micro-enterprises;
 - work toward lasting improvement of production conditions, through support for farmers' organizations and more specifically for rural women's organizations, to enable them to better handle the upstream and downstream components of the main

agricultural production sub-sectors (improvements and infrastructure, organization of marketing channels).

- **Ensuring the participation of rural women in the decision process.** Here the intention will be to:
 - strengthen cooperation between organized farmers' associations to promote the emergence of more women leaders and a more concrete involvement of rural women in decision-making;
 - promote the establishment on a case-by-case basis of institutional arrangements to ensure effective representation of women in decision-making bodies at various levels;
 - promote sustainable economic activities for rural women and develop their organizational and negotiating skills with a view to progressively strengthening their power in the decision-making bodies.

3.4.4. Development of microfinance

228. Strengthening the ability of poor or vulnerable groups to generate income for themselves through participation in the production process requires the development of Decentralized Financing Institutions (SFD). Although microfinance has proved to be an effective means for combating poverty through the services it provides, the actual number of persons benefiting from the loans granted, while not negligible, remains relatively small. Accordingly, the Government's objective is to promote development of such locally available financing.

229. The main actions to be undertaken to achieve this objective are: (i) improvement of the legal and regulatory framework governing microcredit institutions; (ii) ensuring that these institutions comply with registration rules and assisting them in keeping with the requirements of the PARMEC Law; (iii) strengthening of the capacities of the Microfinance and improvement of the governance of the Unit/SFD; (iv) establishment of a SFD Support Fund to increase their outreach; and (v) support for the creation of the Regional Solidarity Bank and of its local Beninese branch.

3.4.5. Making vulnerable zones secure

230. According to the findings of the specific studies on poverty in Benin, poverty affects all the agro-ecological zones but in varying degrees. Zones 5, 1, 6 and 2 can be considered the poorest. In fact, the incidence of poverty from the overall standpoint in these zones is well above the national average, with levels of 47 percent, 43 percent, 38 percent and 37.4 percent respectively.

231. To help these four vulnerable zones to gradually remove poverty, the general objective for the next three years is to promote income-generating activities in these areas and to improve the population's access to basic social services. The objectives, policies and actions to be adopted will be specific to these zones and complementary to the actions proposed at the sector level. On the basis of the assets and constraints of these

four zones, their development priorities could be grouped around the following main areas:

- modernization of agriculture and facilitation of access to microcredit;
- improvement of the population's access to basic social services;
- increasing the accessibility of the zones through the development of rural feeder roads;
- prevention and resolution of the problems caused by trans-humance.

These actions will be further assessed by in-depth studies and a specific implementation program.

3.4.6. Promotion of development hubs

232. In the context of strengthening of the material and human bases for sustainable development, it is essential to organize the use of the national territory rationally, to enable development beyond the large development centers, and to create conditions favorable to the interventions of civil society in the context of the devolution policy. Promotion of regional development hubs will enable reduction of the spatial and socio-economic disparities, control of urban growth and rural population emigration, development of the different regions on the basis of their specific characteristics and strengths, a notable improvement of the population's standard of living, and prevention of ecological disasters.

233. The identification and promotion of regional development hubs will be based on a set of regional development plans and measures designed to promote enhanced regional specialization reflecting the comparative advantages of the different regions, an appropriate match between the distribution of the population and that of the available natural resources, and a better distribution of facilities and infrastructure.

234. To achieve these goals, the following strategic options have been made:

- acceleration of the process of formulation, adoption and implementation of the Policy and Strategies for Regional Development (POSAT);
- participatory management of the environment and improvement of land tenure management;
- development of human and physical potential at the regional and local levels;
- promotion of environmentally friendly techniques for production, processing and preservation of products;
- control of urbanization and city management and promoting a balanced urban development;
- preservation, reconstitution and promotion of natural resources;
- development of the Abomey-Calavi plateau, the coastal zone, and the Parakou, Lokossa, Natitingou, Abomey, Djougou and Porto-Novo regions.

IV. MEDIUM TERM EXPENDITURE FRAMEWORK OF THE PRSP

235. The budgetary framework supporting Benin's poverty reduction strategy is a Medium-Term Expenditure Framework (MTEF) covering the period 2003-2005, consistent with the macroeconomic framework contained in the PRSP and with the three-year program supported by the IMF's PRGF. The MTEF includes two scenarios: Scenario 1 (baseline) and Scenario 2 (PRSP).

236. Scenario 2 (PRSP) highlights the difference in the level of expenditure required, in the Government's view, to achieve the poverty reduction targets; this is tantamount to identifying a financing gap.

237. It should be stressed that the MTEF does not have the same coverage as the Government financial operation table (TOFE). It excludes expenditure relating to:

- debt service and interest payments;
- expenditure from prior fiscal years;
- other government administrative bodies, namely the FNRB (national retirement fund of Benin), the CAA (debt amortization fund), and the Road Fund.

238. Furthermore, capital expenditure is included in the TOFE with an execution rate projected to be less than 100 percent, contrary to the forecasts in the MTEF.

239. As the objective is to achieve a rational allocation of the available resources on the basis of the overall expenditures level that is consistent with the macroeconomic framework and the TOFE, indicative sectoral ceilings have been allocated to each ministry.

240. Those ministries that prepare program budgets have used these indicative sectoral ceilings to adjust their program budgets. The other ministries and institutions, using a logical framework, were able to draw up simplified program budgets.

241. The expenditures identified from the TOFE thus totaled CFAF 394.8 billion, CFAF 398.7 billion, CFAF 439.5 billion, and CFAF 465.7 billion for 2002, 2003, 2004, and 2005, respectively, broken down as follows:

In billions of CFA francs

	2002*	2003	2004	2005
Current expenditure	221.8	225.6	247.1	257.1
Capital expenditure (including related goods and services)	173.0	173.1	192.4	208.2

* Reference is to the budget as adopted by ordinance.

242. The budgetary impact of the poverty reduction strategy stems from the emphasis placed on the following actions:

- improvements in access to basic education, literacy, primary health care, and safe drinking water, as well as in the fight against HIV/AIDS and malaria;
- combating corruption, and consolidating democracy and devolution;
- promoting long-term employment, building the capacity of the poor to engage in income-generating activities, and sound national land-use planning.

243. Consequently, the expenditure forecasts in the Medium-Term Expenditure Framework are shown by ministry, taking into account the functions or activities of each that fall within the context of the Government's strategies and priorities as set forth in the PRSP.

4.1. SCENARIO 1 (BASELINE)

4.1.1. Macro economic framework

244. Over the period 1996-2001, budgetary resources estimated at 15.7 percent of GDP on average were devoted to current expenditure, representing 9.6 percent of GDP, and capital expenditure, accounting for 6.5 percent of GDP. The wage bill represented 4.7 percent of GDP. Because consolidation of the macroeconomic framework is the first strategic focus, the allocation of budgetary expenditure for the period 2002-2005 has emphasized activities and nonwage types of current expenditure that will enhance the effectiveness of public expenditure, thereby improving government performance. For this reason, the projected wage bill for the same period is 4.6 percent of GDP while other nonwage current expenditure increased slightly, to 6.8 percent of GDP on average. At the same time, the projected budgetary resources for the period 2002-2005 represent 17 percent of GDP on average.

245. In addition, the slight deterioration of the primary balance reflects the Government's objective to increase the use of domestic resources to finance investments expected to contribute to reducing poverty. Indeed, in absolute terms this balance, which amounted to CFAF 47 billion on average from 1996 to 2001, is declining, falling to CFAF 25.3 billion on average for the period 2002-2005. This also is a reflection of an objective to change the public investment financing source, with a greater focus on domestic resources. Consequently, while investment for 1996-2001 amounted to 6.5 percent of GDP on average, of which 1.5 percentage points were financed by domestic resources, investment for 2002-2005 increases to 8.7 percent of GDP, of which 3.4 percentage points are domestically financed. (*See Annexes 6 and 6 bis*).

4.1.2. Sectoral Arbitrage

246. The arbitrage between sectors was based on:

- the basic mandate of the ministries, which generally correspond to the strategic focuses and priorities of the PRSP, though the latter may sometimes be spanned by several ministries;
- the capacity that ministries have developed for preparing program budgets;
- these ministries' absorptive capacity demonstrated over the preceding three years, the projection for the end of the current year, and the desirability of or need for new expenditure for poverty reduction;
- the maturity of the activities and projects included.

247. Consequently, budgetary expenditure forecasts have been prepared drawing a distinction between two categories of beneficiary structures, namely:

- priority ministries; and
- other ministries and institutions.

4.1.2.1. Priority ministries

248. The priority ministries include all ministries that prepare program budgets and those whose activities cover more than 75 percent of the strategic focuses and priorities of the poverty reduction strategy.

249. The budgetary expenditure of these ministries came to CFAF 136.35 billion on average, or 9.45 percent of GDP, over the period 1996 to 2001, and increases to CFAF 245.83 billion on average, or 11.6 percent of GDP, from 2002 to 2005.

4.1.2.2. Other ministries and institutions

250. For MTEF purposes, these ministries prepared simplified program budgets on the basis of a logical framework. Their responsibilities cover about 25 percent of the strategic focuses and priorities of the poverty reduction strategy, as well as national sovereignty activities. For 2002-2005, 42.2 percent of expenditure has been assigned to them, as against 41 percent from 1996 to 2001, equivalent to 8.4 percent of GDP as compared to 6.7 percent.

251. All things considered, the inclusion of the expenditure that falls within the strategic focuses and priorities of the PRSP but is classified in the "other ministries and institutions" category owing to its nature (about CFAF 54 billion over the period 2002-2005) brings priority expenditures to approximately 61.5 percent of the total for the period, as compared to 59 percent in 1996-2001.

4.1.3. Intrasectoral arbitrage

252. As indicated above, as expenditure programming was based on program budgets and simplified program budgets, the intrasectoral arbitrage that occurred was tributary to

this process. The strategic focuses and priorities of the PRSP contained in the program budgets received particular attention as they were more developed, making it easier to draw connections between the budget allocations and their objectives in terms of tangible results. In keeping with this logic, increases may be noted in the expenditure to improve access to basic education, literacy, primary health care, and safe drinking water, as well as the fight against HIV/AIDS and malaria. Likewise, in view of the already substantial levels of investment in the road, energy, and water infrastructures, larger and adequate operating appropriations were accorded to the ministries concerned with a view to promoting the control, monitoring, and even the evaluation of investments and the maintenance of infrastructures already in place.

253. In primary education, for example, in order to guarantee that all school-age children have a chance to access education, strengthen supply of education services, streamline public participation, and ensure an optimum use of resources, the amounts appropriated have increased by 20 percent from CFAF 30 billion in 2001 to CFAF 35.9 billion in 2005: this should, among other things, make it possible to increase the gross enrollment ratio from 81 percent to 86 percent and the number of classrooms constructed from 210 to 480.

254. In the health area, the overall aim is, on the basis of a reorganization of the basis the health-care pyramid and an enhancement of coverage, to strengthen the prevention of and fight against disease in general and priority diseases in particular, while ensuring the quality of care and promoting family health. This will be accompanied by improvements in resource management in the sector.

255. In the context of improving the economic and regulatory environment with a view to attracting investors, significant amounts have been allocated to strengthening the legal and judicial systems and to the development of microfinance. Related budgetary allocations rise from CFAF 34.8 billion in 2001 to CFAF 39.4 billion in 2003 and CFAF 42.9 billion in 2005, or an average increase of 11 percent.

256. Activities aimed at consolidating the sources of growth include, among others, programs relating to:

- improving agricultural production and rural infrastructures;
- the sustainable management of natural resources and the development of markets.

257. Related expenditures rise on average by 11.75 percent, to CFAF 28.56 billion, CFAF 33.91 billion, and CFAF 35.54 billion in 2003, 2004, and 2005, respectively.

258. To improve access to safe drinking water, emphasis has been placed on village-level water supplies. To ensure the drilling of 800 new wells and the rehabilitation of 500, the projected appropriations increase from CFAF 4.75 billion in 2001 to CFAF 8.1 billion in 2005, following a peak of CFAF 8.8 billion in 2004.

4.2. SCENARIO 2 (PRSP)

259. The Government is cognizant of the fact that successful implementation of its poverty reduction strategy must be based above all on accelerating economic growth, and accordingly intends to put in place the measures necessary to promote the various sectors that constitute sources of growth.

260. Therefore, and without the state taking the place of the private sector, the Government will endeavor to strengthen the basic infrastructure, create the institutional environment, and ensure the supervision and regulation necessary for private investment. For this reason it has drawn up another macroeconomic framework that would enable it, while strengthening macroeconomic stability, to free additional domestic and external resources in order to cover the supplementary expenditures needed to achieve the poverty reduction objectives by, among other things, increasing the extent to which social demands are met. In this connection, resource allocations and expenditure forecasts have been prepared for the period 2003-2005 taking into account the same criteria used in Scenario 1. However, it should be stressed that the fundamental difference with Scenario 1 pertains to capital expenditure, so as to reflect Government's objective of accelerating growth. Indeed, the expenditure increases relate to investments (*see Annexes 7 and 7 bis*).

261. Furthermore, with a view to extending the preparation of program budgets to all ministries, there has been a change in composition of the financing of public investments. Domestic financing has been programmed at a higher level in the hope that a good deal of external financing will come in the form of budgetary support. Domestically financed capital expenditure for the period 2003-2005 represents 54.1 percent of public investment, as compared to 37.1 percent in the baseline scenario.

262. The total amount of additional expenditure identified amounts to CFAF 35.6 billion, CFAF 44.6 billion, and CFAF 24.7 billion in 2003, 2004, and 2005, respectively. In terms of the GDP of Scenario 1 (baseline), they represent 1.8 percent, 2.0 percent, and 1.0 percent.

263. Consequently:

- expenditure by the priority ministries rises by CFAF 24 billion on average over the period, an increase of 9.4 percent from the baseline scenario;
- expenditure by the other ministries and institutions rises by CFAF 11.0 billion, an increase of 6.2 percent from the baseline scenario.

264. Over the period, additional expenditure averages about CFAF 35 billion, including:

- CFAF 8.1 billion for the education sectors;
- CFAF 5.0 billion for health;
- CFAF 3.1 billion for road infrastructure;

- CFAF 4.7 billion for the environment and for the support of urban management.

so as to bolster the basic allocations for the priority actions set forth in the programs affected by the intrasectoral arbitrage.

265. Overall, in terms of intersectoral arbitrage, a detailed matrix is available which correlates the tangible results sought and expenditures, in particular as regards the program budgets of the priority sectors.

V. MECHANISM FOR MONITORING AND EVALUATING PRSP IMPLEMENTATION (*Institutional framework and implementation modalities*)

266. The introduction of a reporting system on poverty reduction is a precondition for the success of the programs that will be implemented under this strategy. Indeed, the lack of mechanisms for monitoring and assessing the implementation of the various development programs goes a long way toward explaining, if not the failures, at least the limitations of many of those programs. Consultations with the people also shed light on the importance they attach to monitoring and evaluating implementation of the poverty reduction strategy. The various aspects of the strategy will be implemented by the administrative structures responsible for the sectors concerned, with coordination provided by the Minister of State in charge of the Coordination of Government Action, Development, and Forecasting, who serves as Chair of the National Commission for Development and the Fight Against Poverty.

267. It will further entail the effective participation of all other stakeholders in national life, principally the beneficiary population groups, the local and regional governments, community and nongovernmental organizations, and the private sector. This assumes a distribution of functions based on the fundamental principles of good governance, namely: (i) accountability; (ii) participation; (iii) reporting requirements; and (iv) transparency. Thus the entire system for monitoring and evaluating PRSP implementation is built upon a participatory mechanism supported by a technical entity known as the Social Change Observatory. For purposes of implementing the monitoring/evaluation activities relating to the poverty reduction strategy, the Government intends to build the capacities of the various parties involved, be they part of the government or part of civil society.

268. The Government has also developed a plan for disseminating information about the PRSP to the people, to local governments, to NGOs, to the public administration as a whole, and to development partners (*see Box 14*).

5.1. INSTITUTIONAL FRAMEWORK

269. Implementation of the actions and programs making up the strategy will be the task of the various ministries, departments, or local or regional governments concerned. However, to ensure improved synergy among these multiple activities, coordination of all the parties involved and a system of monitoring and evaluation will be provided via an institutional framework. This approach will also enable the government to obtain

feedback from the people at the grassroots level on the efficiency and effectiveness of the public expenditure benefiting them. The people will thus be able to appraise the policies and performance relating to the public services they receive. This three-level mechanism starts at the municipal level and extends to the departmental and then central levels.

BOX 14: EFFORTS TO DISSEMINATE INFORMATION ABOUT THE PRSP

Efficient implementation of the PRSP is contingent on a number of requirements being met. One essential requirement is that it be fully understood and “owned” by all the stakeholders identified in the Paper, namely the people, the regional and local governments, the NGOs, the private sector, the government, and the development partners. Such ownership requires in particular that the stakeholders who participated in the process of preparing the PRSP remain fully abreast of the objectives, strategies, programs, and anticipated results. As a consequence, it has been deemed necessary to establish a plan for disseminating information about the PRSP.

The results expected from such a dissemination policy are:

- to ensure that, in full familiarity with the contents of the strategy, decisions on combating poverty are taken at the lowest possible level, by involving both the beneficiaries and the specialists on the issue (NGOs, professional associations, administration);
- to alter the attitudes of officials at all levels, so that they will be disposed to encourage the effective participation of grassroots communities in decision making, exchanges of information, conflict resolution, the setting of objectives, and analysis of outcomes.

This will require that the following steps be taken:

1. At the national level

- conduct of a government information seminar on the responsibilities of each ministry for the success of the PRSP;
- holding a series of workshops with the Programming and Forecasting Directorates, civil society organizations, business leaders, and development partners: topics will include the roles of each stakeholder, the institutional framework, information systems, and performance indicators;
- holding a series of sectoral seminars, in which each ministry will disseminate through its own units the programs relating to its own sector, their objectives, the anticipated results, and the implications for each unit;
- radio and television discussions on specific topics (introduction to the PRSP, the institutional framework, monitoring and evaluation, etc.);
- special broadcasts explaining the PRSP and its components; and
- advertising spots.

2. At the departmental and municipal levels

A series of information workshops on the programs, their objectives, and the responsibilities befalling departmental structures. The target groups of particular relevance are departmental government units, producers’ associations, NGOs, local elected officials, women, etc.

Other efforts considered to be relevant could also be undertaken to mobilize as many as possible in pursuit of the PRSP objectives.

270. **At the local government level**, a Municipal Monitoring Committee (CCS) chaired by the Mayor will be established. This committee, for which secretariat services will be provided by the unit responsible for Rural Development, will meet twice each quarter to take stock of and gather information on the activities carried out to combat local poverty. At the end of each session, a written record will be conveyed to the Departmental Prefect. The Committee will comprise:

- two members of the municipal council;
- two representatives of NGOs active in the municipality;
- the Chief Physician of the Health Center;
- the government staff in charge of Rural Development;
- the head of the local school district.

271. **At the departmental level**, a Departmental Monitoring Committee (CDS) will be established in each department. Each CDS will comprise:

- the members of the Departmental Consultation and Coordination Council (CDCC), made up of the Departmental Prefect, the Mayors of the Communes concerned and their deputies, a representative of the Departmental Producers' Union, a representative of the Departmental Consular Chamber, and a representative of the Departmental Federation of Student Parents Associations;
- the Directors of decentralized government services in the Department;
- a representative of civil society from each municipality.

272. The Departmental Monitoring Committees, to be co-chaired by the Departmental Prefect and a civil society representative, and whose secretariat services will be provided by the Regional Directorate of the Ministry of Planning (DDDP), will provide local monitoring of the implementation of departmental action programs. In this connection, they will be called upon to evaluate the public policies and actions taken to combat poverty in the department. Availing themselves of the decentralized government services, the CDSs will also gather and conduct preliminary analysis of the Department's sectoral statistical data. These monitoring indicators, which will periodically assess the poverty situation in each Department, will then be forwarded to the technical level, namely the Social Change Observatory. The CDSs will meet once each quarter, and the minutes of each of their sessions, as well as a quarterly report on implementation of the strategy in the Department, will be conveyed to the Chair of the National Commission for Development and the Fight Against Poverty.

273. **At the national level**, the institutional framework for monitoring/evaluating the implementation of the PRSP is the National Commission for Development and the Fight Against Poverty (CNDLP) established by Decree No. 2000-535 of November 2, 2000, and placed under the auspices of the Minister of State responsible for Coordination of Government Action, Development, and Forecasting. The responsibilities of this Commission include:

- coordinating the work of the Social Change Observatory and monitoring and analyzing the social indicators;
- evaluating the impact of social programs, and of PRSP programs and projects in particular, by publishing an annual report on the macroeconomic and social situation of the country;
- mobilizing the social and institutional partners (both national and external) in support of the preparation and implementation of programs and projects relating to the poverty reduction strategy;
- preparing, and submitting to the government, a report on the implementation of PRSP measures. This report will be based in particular on the CDS reports and the activity reports of the Social Change Observatory, and will be accompanied by a status report on the matrix of measures and activities set forth in *Annex 10*;
- organizing an annual review of the PRSP.

274. To accomplish these tasks, the CNDLP will rely on the Plenary Assembly, the Technical Committee, and the Permanent Secretariat. **The Plenary Assembly**, made up of members of the government and representatives of national institutions and civil society, will meet once each quarter. It will be chaired by the Chair or Vice Chair of the CNDLP, will hear the quarterly report on implementation of the Poverty Reduction Strategy, and make recommendations and provide guidance as necessary. **The Technical Committee**, made up of technical experts and resource persons, is responsible for ensuring that the approaches proposed by the Plenary Assembly effectively becomes operational. It will meet once a month and be chaired by the Chair or Vice Chair, or the representative thereof. **The Permanent Secretariat** is responsible for ensuring the coordination and day-to-day management of the tasks of the National Commission for Development and the Fight Against Poverty.

5.2. TECHNICAL MONITORING OF PRSP IMPLEMENTATION: THE SOCIAL CHANGE OBSERVATORY (OCS)

275. The Social Change Observatory (*see instrument establishing the Social Change Observatory*) is a permanent mechanism for the gathering and analysis of data, in particular on poverty and household living conditions. It is a national mechanism organized as a network of data and information producing units in the area of macroeconomic and social development. The chief objective of the OCS is to provide information about household living conditions and poverty. To achieve this objective, the OCS will establish a reference framework, that is, will periodically update the poverty profile and analyze all its dimensions (both monetary and nonmonetary) by: (i) monitoring execution of the activities initiated; (ii) reviewing the household survey mechanism; (iii) assessing the results obtained and their impact on target groups; and (iv) taking the corrective measures deemed necessary.

276. The OCS will provide public and private decision makers with valuable information on poverty trends and for taking decisions on poverty reduction policies. This will give them a better understanding of the linkages between the macroeconomic environment, the budgetary resources it generates, and sectoral policies for poverty reduction. The institutional framework for coordinating the analytical and centralizing

work of the various systems covered by the Social Change Observatory is the National Commission for Development and the Fight Against Poverty, through its Permanent Secretariat. In these efforts, the Permanent Secretariat will be supported by the PIB-TOFE Committee. The diagram shown in *Annex 9* illustrates the linkages between the various systems and the Secretariat. The OCS has four major monitoring and evaluation components. A quarterly report on OCS activities will be submitted to the Chair of the CNDLP.

- **A System for Gathering and Analyzing Aggregate Indicators (SCAIA)**, so as to inform decision makers on the linkages between the macroeconomic framework and the budget allocation and poverty reduction options. By extending the MOSARE macrofinancial model and building a detailed spreadsheet on the cost of poverty reduction interventions, this system will make it possible, on the one hand, to perform analyses of the budgetary latitude available to public decision makers for their interventions, and, on the other hand, to analyze the macroeconomic conditions required to achieve various poverty reduction objectives.
- **A Household Survey System (SEM)** to monitor and analyze changes in household living conditions, the dynamics of poverty, and its causes, in both rural and urban areas. This survey system will rely upon the experience gained through the conduct of the Household Surveys (ELAMSS) in urban areas and the Surveys on Rural Living Conditions (ECVRs). The survey program calls for review of the surveying methodologies and for conducting a national poverty survey (covering both urban and rural areas) so as to better target poor population groups and the factors behind inequality on the one hand, and to provide uniform data and a more reliable national poverty profile on the other. It is also planned to strengthen data archiving and the dissemination of findings.
- **An Execution Monitoring System (SSE)** as part of the public expenditure management reform (PERAC), so as to build the capacity to link allocations of budgetary resources specific programs, particularly those aimed at the poorest, with outcome and performance indicators. This system is a component of the public expenditure reform process.
- **An Impact Evaluation System (SEI)** to measure the effectiveness and impact of the programs and policies implemented in the context of the national poverty reduction strategy. This mechanism, involving surveys and impact analysis conducted by public or quasi-public entities, will make it possible to assess the impact of the policies and programs implemented under the PRSP and to make the necessary corrections.

277. The Government intends to organize the OCS in such a way as to ensure that it produces indicators on the various dimensions of poverty as well as the millennium goals. Accordingly, emphasis will be placed on incomes and on access to essential social services, in particular education, health, access to safe drinking water, social protection, nutrition, the environment, housing, and sanitation. To complement the data on these important issues, additional indicators on gender and governance issues and on vulnerable or disadvantaged groups will be produced. Moreover, the 20/20 Initiative and the related indicators will be monitored and evaluated by the OCS.

278. To ensure effectiveness, it is essential to use indicators that are relevant, readily calculable and verifiable, and based upon sectoral diagnoses of poverty. Consultations have been held about these indicators, the definition thereof, and the methods of gathering the data required for their calculation. In addition, a work plan aimed at improving them will be drawn up and implemented. A consultative group will also meet quarterly to exchange views on all of the Observatory's activities, in particular on improvements in generating information, the consolidation and strengthening of surveys and studies already underway, and the conduct of new surveys and studies designed to enhance knowledge about priority and supplementary aspects of the PRSP, etc.

279. The information on each of the indicators selected (*see Annex 12*) will be obtained using the various information sources already available, namely the various surveys and studies as well as government sources. The indicators will be updated annually as part of the PRSP evaluation, taking the program budgets and priority sectors into account.

280. Moreover, Benin's subscription to the IMF's General Data Dissemination System (GDDS) in September 2001 (*see Box 15*) will make it possible, on the basis of macroeconomic, sectoral, social, demographic, and environmental statistics that will be updated regularly, to monitor the impact of various policies on poverty trends in Benin.

BOX 15: GENERAL DATA DISSEMINATION SYSTEM

The IMF's GDDS is an instrument designed to assist countries in improving the quality of their statistical systems. This objective is achieved by instruments which facilitate the identification of changes that should be made in statistical systems. The aims of the GDDS in this process are to (i) develop statistical systems that produce comprehensive financial and socio-demographic data with a periodicity and dissemination lag that are consistent with the needs of the user community; and (ii) disseminate these data.

Improving the quality of data has a greater priority than their dissemination, but improving dissemination practices is nonetheless an important objective.

A country's participation in the GDDS entails: (i) its commitment to use the GDDS as the framework for developing the national statistical systems used to produce and disseminate economic and financial data; (ii) the designation of a national coordinator responsible for relations with the IMF; and (iii) the preparation of descriptions, for dissemination by the IMF, of current practices relating to the production and dissemination of statistics, and efforts to bring about improvements in the short term and long term.

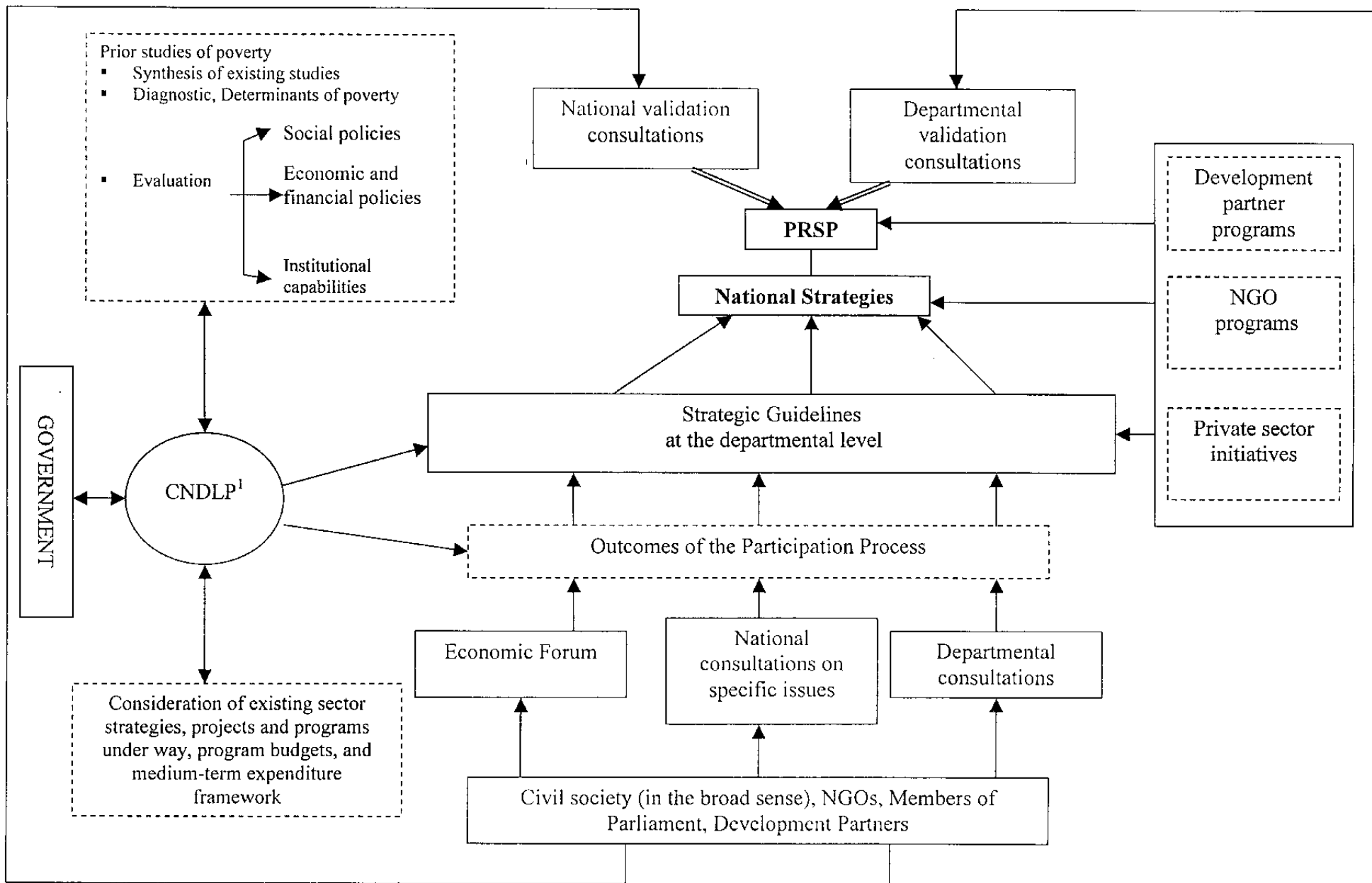
Benin fulfills all these conditions, and is thus an active participant in the system. Its metadata may be consulted on the IMF's public website.

Statistical information will be prepared by national agencies and forwarded to the Statistics Department of the IMF through the INSAE, the National Coordinator for the System.

LIST OF ANNEXES

- ANNEX 1:** Snapshot of PRSP's Implementation Process
- ANNEX 2:** Implementation of the Participation Process
- ANNEX 3:** Principal Economic Indicators, 2000-2005
- ANNEX 4:** Poverty Indicators for Rural Areas Based on the Per Capita Poverty Line in 1999
- ANNEX 4 BIS:** Urban Poverty Indicators Based on the Per Capita Poverty Line in 1999
- ANNEX 4 TER:** Components of the Non-Monetary Poverty Indicator by Department and at the National Level in 1996
- ANNEX 5:** Consolidated Government Operations, 2000-2005
- ANNEX 5 BIS:** Consolidated Government Operations, 2000-2005
- ANNEX 6:** Changes in Major and in Priority Sector Public Expenditure Items
- ANNEX 6 BIS:** Changes in Major and in Priority Sector Public Expenditure Items
- ANNEX 7:** Changes in Major and in Priority Sector Expenditures Items
- ANNEX 7 BIS:** Changes in Major and in Priority Sector Expenditures Items
- ANNEX 8:** Health Sector Performance Indicators
- ANNEX 9:** Formulation Process: Table of Synergies between the Different Programs included in the Budget
- ANNEX 10:** Matrix and Schedule of the Principal PRSP Measures and Actions
- ANNEX 11:** The Social Change Observatory System in Benin
- ANNEX 12:** Benin PRSP Monitoring and Evaluation Indicators
- ANNEX 13:** Short-Term Plan of Actions to Improve the PRSP

Snapshot of PRSP Implementation Process Information flows



¹National Committee for Development and the Fight against Poverty

Implementation of the Participation Process

Preparation of departmental consultations

TASKS PENDING

To ensure meaningful results during the regional consultations on the PRSP, participants and the organizations they represent are requested to reflect on and address the following issues/questions:

1. Note the areas (see Sub-prefectures) of poverty in your departments. Substantiate your replies by specifying the particular features of those areas with regard to:

- Health;
- Education (enrollment);
- Literacy;
- Access to water; and
- Access to employment.

2. Indicate which social groups are most affected (bearing gender in mind).

3. State the main reasons for the poverty found in those areas and highlight local initiatives or responses designed to combat it (see the strategies of the population groups).

4. In your opinion, what are the principal problems facing the local population in the following areas, despite the efforts of the Government and development partners:

- Health;
- Education (enrollment), literacy campaigns;
- Waterworks;
- Rural roads and transport;
- Environment, environmental health and sanitation, housing
- Agriculture, livestock, small-scale agro-industrial processing;
- Small and medium-sized enterprises;
- Advancement of women.

5. In what areas is existing potential under-exploited or not tapped at all?

6. For each problem detected, suggest appropriate solutions and ways in which the population can participate.

**PRSP
TASKS OF GROUP N° 0**

TGO

TASKS PENDING

Based on information you have received about the PRSP, poverty, and development issues in your departments and your own knowledge of local areas of poverty:

1. Note the poverty indicators in the areas (see Sub-prefectures) that you have been asked to analyze, especially the (qualitative and quantitative) social services indicators regarding: health, education (enrollment), literacy, access to water, and access to employment;
2. Indicate which social groups are most affected (bearing gender in mind);
3. Analyze poverty issues in the area (or Subprefectures) by examining the following factors:
 - Principal activities
 - Principal causes of poverty
 - Internal and external determinants, including institutional and organizational aspects
 - Local initiatives and opportunities/potential;
4. What are the main differences you have noted between the two areas (Sub-prefectures) you were asked to analyze (in terms of the capacity of the local population to take steps and develop endogenous strategies to combat poverty in the area.

**PRSP
TASKS OF GROUP N° 1**

TG 1

CONSTITUTION OF WORKING GROUPS

Four working groups will be formed, to address different subjects:

- Group 1: Rural development, transport, small and medium-sized enterprises;
- Group 2: Health, environmental health and sanitation, social protection, and the advancement of women;
- Group 3: Housing, city planning, waterworks and power supplies, the environment;
- Group 4: Education and literacy campaigns.

Participants are assigned to the various groups on the basis of their experience and their competence in aforementioned fields. Each group will also contain representatives of

- civil society organizations (based on their origins); and
- civil servants.

TASKS PENDING

1. Brief presentation by the Diagnostic, Determinants of Poverty (DPP) of sector strategies, actions undertaken or currently under way, and objectives chosen in the departments of Atlantique and Littoral;
2. Organization of internal discussions of each presentation, focusing on the following:
 - What contributions do the sectoral strategies make to improving the living standards of the poor?
 - Factors hindering or enhancing the effectiveness of current strategies and achievement of expected outcomes (benchmarks: execution capacities of the state and private institutions involved; participation by target groups; targeting of activities; etc.);
3. Description of the major sectoral problems based on all of the above and on the experience acquired by participants in their own areas (including organizational problems);
4. Pinpointing and analysis of existing potential by nationals;
5. Listing of local initiatives encouraging participation by the poor in the productive process.

Note: Only Group N° 1 will address item 5

**PRSP
TASKS OF GROUP N° 2**

TG 2

I. TASKS PENDING

Based on the results of the work of Group N° 1 (TG1):

1. Re-examine and confirm the list of major problems;
2. List those validated in order of priority;
3. Propose specific strategies for dealing with the confirmed major problems;
4. For each specific strategy, suggest how the local population can take part in implementation.

II. WHY RE-EXAMINE AND VALIDATE THE MAJOR PROBLEMS AND HOW TO DO SO ?

All the problems listed and presented by the different Groups at the end of TG1 are real; they refer to situations experienced by population groups at one level or another. Nevertheless, not all of them can be considered major in connection with the formulation of specific strategies; because some are manifestations of a deeper underlying problem, others give rise to a truly major problem, and some are just components of more global or wider-reaching problems. Hence it will be necessary to re-examine and validate the problems listed.

To discern the real major problems, it is necessary to:

1. Go through the whole inventory of problems and identify redundancies, related problems, affiliations, and similarities;
2. Regroup the redundant, related, affiliated, or similar problems;
3. Make sure that all the problems are assigned to a set. It is possible that a problem may be left on its own. If it is a fundamental problem, keep it in a category of its own.
4. Within each set of problems, find one that encompasses all the others; or else, find a new denominator which covers all the concerns contained in the elementary problems;
5. Rank the remaining major problems in an order of priority based on their weighting in the sector, their impact on finding solutions to other problems, and, finally, according to short, medium, and long-term feasibility criteria.

III. HOW TO DEVISE SPECIFIC STRATEGIES?

Specific strategies should be capable of solving major problems. Devising such strategies requires:

1. Definition of a strategic objective for each major problem;
2. Definition, for each strategy chosen, of a mechanism for involving the local population and the state in its implementation.

N.B.: The arguments substantiating each strategy will address the elementary problems that were reclassified to underscore the major problem underlying said strategy.

FINAL EVALUATION

1. Evaluation of objectives

Objectives	Attainment of objectives (%)						
	Atlantique Littoral	Ouémé Plateau	Zou Collines	Mono Couffo	Borgou Alibori	Atacora Donga	Moyenne Générale
Ensure participation in preparation of the PRSP	77.6	79.46	84.15	80.46	82.96	83.12	81.27
Highlight departmental peculiarities	74.7	80.35	76.86	78.51	81.55	79.85	78.63
Evaluate sectoral strategies in relation to the peculiarities of each department	72.9	75.43	71.78	75.39	78.62	76.35	75.07
Set poverty reduction priorities	71.7	76.07	76.07	76.17	80.35	78.25	76.40

2. Evaluation of other aspects regarding the workshop and organization and execution of the work

N°	Aspects evaluated	Very good	Good	Average	Mediocre	Comments
1	Grasp of the PRSP and actual poverty analysis	24	44	6	1	
2	DPP communications	25	40	7	2	
3	Group work	26	41	6		
4	Plenary discussions	17	40	15	1	
5	Steering of the discussions by the Chair	23	45	6	1	
6	Working methods (outreach tools, tables, graphics...)	19	42	11	2	
7	Teaching aids distributed	15	41	15	2	
8	Management of speaking times	12	41	18	3	
9	Time management	10	37	25	4	
10	Exchanges of views among participants	20	46	7	2	
11	Configuration of participants	15	39	17	3	
12	Catering	9	25	30	10	
13	Organization of the meetings	16	41	14	1	

Table I. Benin: Main Economic Indicators, 2000-05

	2000	2001	2002 Prog.	2003		2004		2005	
				Proj.		Proj.		Proj.	
				Scen. 1	Scen. 2	Scen. 1	Scen. 2	Scen. 1	Scen. 2
(Percentage annual change; unless otherwise indicated)									
National income and prices									
GDP at current prices	9.2	8.3	7.4	8.2	8.7	9.1	10.0	9.1	10.2
GDP at constant prices	5.8	5.0	5.3	5.6	5.8	6.5	6.8	6.5	7.0
Consumer price index (average)	4.2	4.0	3.3	2.4	2.7	2.5	3.0	2.5	3.0
(As a percentage of GDP, unless otherwise indicated)									
Central government finance									
Total revenue	16.6	16.2	16.6	17.0	17.0	17.0	17.0	17.0	17.0
Expenditure and net lending	20.1	20.3	21.8	21.7	23.2	21.2	22.7	20.9	21.5
Primary balance (narrow definition) 1/	2.8	1.3	0.6	0.9	-0.5	1.5	-0.7	1.6	0.0
Primary balance	-2.6	-3.3	-4.3	-3.8	-5.3	-3.5	-5.0	-3.4	-3.9
Overall fiscal deficit (payment order basis)	-3.5	-4.2	-5.2	-4.7	-6.1	-4.2	-5.7	-4.0	-4.5
Overall fiscal deficit (cash basis)	-5.5	-4.1	-5.8	-4.7	-6.1	-4.2	-5.7	-4.0	-4.5
Debt service 2/	13.3	11.0	10.7	10.2	10.2	10.2	10.2	9.0	9.0
External sector									
Current account balance (- deficit)	-8.0	-6.7	-8.3	-7.3	-8.5	-6.6	-8.7	-6.3	-7.8
Overall balance of payments (- deficit)	3.2	5.6	-0.7	-0.2	-1.5	-0.2	-2.3	-0.3	-1.8
Debt-service ratio before debt relief 3/	18.3	15.7	16.0	14.6	14.6	12.9	13.1	11.7	12.1
Debt-service ratio after relief 3/	15.9	9.8	8.6	6.2	6.2	5.5	5.7	5.8	6.2
Debt-to-GDP ratio (after debt relief)	58.3	58.5	40.4	41.1	41.6	39.1	40.3	37.1	38.6
Basic ratios									
Gross investment	18.9	19.2	19.3	19.7	20.9	19.7	21.4	19.9	20.7
Government investment	7.6	7.3	8.1	8.7	9.9	8.7	10.4	8.6	9.4
Private sector investment	11.3	11.4	11.2	11.0	11.0	11.0	11.0	11.3	11.3
Gross domestic saving	6.0	6.5	6.8	8.8	8.9	9.7	10.4	10.3	10.7
Government saving	4.9	4.4	3.7	4.5	4.5	5.1	5.2	5.2	5.5
Nongovernment saving	1.1	2.1	3.1	4.3	4.4	4.6	5.2	5.1	5.2
Gross national saving	10.9	12.5	11.0	12.4	12.4	13.1	12.7	13.6	12.9
Nominal GDP (in billions of CFA francs)	1605.4	1738.6	1866.7	2028.5	2036.9	2212.0	2240.6	2415.9	2469.4

1 Total revenue minus total expenditure excluding investments financed with external resources and interest on debt.

2 External debt service as a percentage of total revenue

3 As a percentage of exports of goods and nonfactor services

Table 1 : Poverty Indicators For Rural Areas Based On The Per Capita Poverty Line In 1999

Departments	Rural areas		
	P0	P1	P2
Alibori	0.4409 0.0254	0.1065 0.0158	0.037 0.0097
Atacora	0.4358 0.0336	0.1021 0.0205	0.0324 0.012
Atlantique	0.399 0.0348	0.0932 0.0207	0.0327 0.0126
Borgou	0.4722 0.0372	0.1789 0.0286	0.0878 0.0211
Collines	0.2774 0.036	0.0909 0.0231	0.0395 0.0156
Couffo	0.3742 0.0389	0.1132 0.0255	0.0524 0.0179
Donga	0.4227 0.0502	0.1085 0.0316	0.0363 0.019
Mono	0.1442 0.0345	0.0294 0.0166	0.0087 0.0091
Ouémé	0.2457 0.0325	0.0644 0.0186	0.023 0.0113
Plateau	0.3162 0.0399	0.0853 0.024	0.0338 0.0155
Zou	0.1345 0.0228	0.0226 0.01	0.0058 0.0051
All rural areas 1999	0.3296 0.0345	0.0938 0.0218	0.0386 0.0145

Table 2 : Poverty indicators for rural areas based on the per capita poverty line in 1996

Departments	Rural areas		
	P0	P1	P2
Atacora-Donga	0.4820 0.0424	0.1506 0.0303	0.0644 0.0208
Atlantique	0.2022 0.0426	0.0642 0.0260	0.0286 0.0177
Borgou-Alibori	0.2161 0.0292	0.0551 0.0162	0.0216 0.0103
Mono-Couffo	0.3105 0.0336	0.0746 0.0191	0.0247 0.0113
Ouémé-Plateau	0.1650 0.0262	0.0348 0.0130	0.0115 0.0075
Zou-Collines	0.2074 0.0275	0.0428 0.0137	0.0147 0.0082
All rural areas	0.2522 0.0316	0.0631 0.0183	0.0236 0.0116

Table 3 : Urban Poverty Indicators Based On The Per Capita Poverty Line In 1999

Departments	Towns/cities	P0	P1	P2
Littoral	Cotonou	0.199	0.048	0.017
		0.021	0.011	0.007
Ouémé	Porto-Novo	0.321	0.116	0.060
		0.024	0.016	0.012
Borgou	Parakou	0.254	0.083	0.038
		0.016	0.010	0.007
Zou	Abomey-Bohicon	0.145	0.030	0.010
		0.018	0.009	0.005
Mono	Lokossa	0.154	0.026	0.006
		0.027	0.012	0.006
Donga	Djougou	0.253	0.100	0.053
		0.031	0.021	0.016
Atacora	Natitingou	0.340	0.110	0.052
		0.034	0.022	0.016
Alibori	Kandi	0.218	0.073	0.032
		0.029	0.019	0.013
Atlantique	Ouidah	0.273	0.111	0.059
		0.032	0.022	0.017
Couffo	Aplahoué	0.379	0.094	0.035
		0.035	0.021	0.013
All urban areas 1999		0.233	0.069	0.030
		0.020	0.012	0.008

Table 4 : Urban Poverty Indicators Based On The Per Capita Poverty Line In 1996

Towns/cities	P0	P1	P2
Cotonou	0.2970	0.1028	0.0488
	0.0196	0.0084	0.0050
Porto-Novo	0.2805	0.0768	0.0296
	0.0239	0.0082	0.0041
Parakou	0.2535	0.0719	0.0309
	0.0231	0.0085	0.0047
Abomey-Bohicon	0.2541	0.0611	0.0231
	0.0229	0.0073	0.0036
All urban areas	0.2850	0.0906	0.0408
	0.0212	0.0083	0.0047

Table 1 : Components of the non-monetary poverty indicator by department and at the national level in 1996

Classification according to the 1996 HDI	Risk of death between 1 and 4 years	Literacy rate	Lack of access to potable water	Lack of access to health services	% under-nourished children	NMPI (in %)	Ranking according to NMPI
Atlantique	9.92	37.3	11.3	19.4	24.3	27.0	1st
Ouémé	8.68	54.6	34.6	33.1	27.8	40.3	2 nd
Mono	9.49	63.5	36.3	41.5	26.2	46.3	4th
Borgou	6.32	73.8	40.9	47.6	34.9	54.0	6th
Atacora	9.21	69.5	46.3	67.6	32.3	53.0	5th
Zou	11.13	60.6	22.2	22.6	28.1	43.0	3rd
BENIN	8.97	59.5	28.3	39.0	29.2	43.4	

Sources : Demographic and Health Survey (EDSB). 1996. except access to potable water. taken from the General Housing and Population Census (RGPH). 1992

Note : Departments ranked in ascending order of NMPI (%).

Table 1 : Components of the non-monetary poverty indicator by department and at the national level in 2001

Classification according to the 2001 HDI	Risk of death between 1 and 4 years	Literacy rate	Lack of access to potable water	Lack of access to health services	% under-nourished children	NMPI (in %)	Ranking according to NMPI
Atlantique	4.83	47	25.4	34.1	17.8	34.3	1st
Ouémé	7.83	64.4	45.1	25.2	22.4	46.3	2 nd
Mono	7.44	75.5	41.2	72.6	19.8	55.7	4th
Borgou	9.77	78.6	47.9	60.4	29	57.9	5th
Atacora	6.9	82.2	45.1	63.5	26.3	60.0	6th
Zou	7.92	72.5	34.6	55.5	23.7	52.6	3rd
BENIN	7.5	67.2	38.4	48.6	22.9	49.0	
Rural	7.93	80.2	48	66	25.4	59.0	
Urban	6.55	48.6	24.1	23.2	17.9	34.7	

Sources : Demographic and Health Survey (EDSB). 2001. including access to potable water.

Note : Departments ranked in ascending order of NMPI (%).

Table 2. Benin: Consolidated Government Operations 2000-05

Annex V
Scenario 1

	2000	2001	2002 Prog.	2003	2004 Prnj.	2005
Total Revenue	266.2	281.0	310.3	346.0	375.1	410.5
Tax revenue	234.1	247.1	273.6	312.4	335.5	367.1
Tax on international trade	126.7	133.2	145.2	170.3	181.2	198.3
Direct and indirect taxes	107.4	113.9	128.4	142.1	154.3	168.8
Nontax revenue	32.1	33.9	36.7	33.6	39.6	43.4
Total expenditure	322.5	353.2	407.4	440.0	467.5	505.9
Primary expenditure	220.7	257.8	298.7	326.5	342.0	371.9
Wages	74.8	80.7	89.5	96.7	101.2	107.3
Pensions and scholarships	19.3	20.5	22.4	24.4	24.7	24.7
Other current expenditure and transfers	91.5	101.1	126.7	130.3	135.7	151.5
- Transfers	26.8	41.5	67.2	54.0	61.0	66.2
of which: subsidy to the cotton sector			18.0	0.0	0.0	0.0
- Other expenditure	64.7	59.6	59.5	76.3	74.7	85.3
Budgetary contribution to investment	35.0	55.4	60.1	75.1	80.4	88.4
Primary balance (narrow definition)	45.5	23.2	11.6	19.4	33.1	38.6
Externally financed investment	87.4	79.8	91.0	96.3	112.0	119.8
Net lending (minus - reimbursement)	0.3	0.4	1.8	0.0	-0.9	0.0
Primary balance (broad definition)	-42.2	-57.0	-81.2	-76.9	-78.0	-81.2
Interest	14.1	15.2	15.9	17.2	14.4	14.2
Internal debt	1.6	1.8	1.3	2.6	0.8	0.7
External debt	12.4	13.5	14.6	14.6	13.6	13.5
Overall balance (payment order basis)	-56.3	-72.3	-97.1	-94.0	-92.4	-95.4
Change in arrears	-30.6	-6.7	-0.3	-1.2	0.0	0.0
External debt (principal and interest payments)	-14.8	0.0	0.0	0.0	0.0	0.0
Domestic debt	-15.8	-6.7	-0.3	-1.2	0.0	0.0
Payments during complementary period/float	-0.6	8.4	-10.5	0.0	0.0	0.0
Overall balance (cash basis)	-87.5	-70.6	-107.9	-95.2	-92.4	-95.4
Financing	87.5	70.6	107.8	73.6	71.3	76.3
Domestic financing	13.9	-49.0	-2.7	-13.2	-20.3	-21.1
Bank financing	1.2	-47.8	8.8	-1.7	-12.8	-15.1
Net use of Fund resources	-2.5	-3.0	-3.0	-4.8	-6.0	-4.9
Disbursements	6.3	7.5	7.5	5.6	1.1	0.0
Repayments	-8.9	-10.5	-10.4	-10.4	-7.1	-4.9
Other	3.8	-44.7	11.8	3.1	-6.9	-10.2
Nonbank financing and sale of assets	12.6	-1.3	-11.5	-11.5	-7.5	-6.0
Nonbank financing	10.3	0.0	-1.5	-1.5	-1.5	0.0
Privatization	0.9	0.04	0.0	0.0	0.0	0.0
Restructuring	1.4	-1.3	-10.0	-10.0	-6.0	-6.0
External financing	73.7	119.6	110.5	86.8	91.6	97.4
Project financing	74.4	79.8	91.0	96.3	112.0	119.8
Grants	25.3	24.5	44.2	46.7	54.4	59.8
Loans	49.1	55.3	46.8	49.6	57.6	60.0
Amortization due	-22.9	-17.5	-18.6	-20.7	-20.4	-22.4
Program aid	1.7	41.6	18.2	11.3	0.0	0.0
Grants	1.7	21.5	10.9	4.7	0.0	0.0
Loans	0.0	20.1	7.3	6.6	0.0	0.0
Debt relief obtained	20.5	15.7	19.9	0.0	0.0	0.0
Financing gap (- surplus)	0.0	0.0	0.0	21.6	21.2	19.1
Possible HIPC assistance	0.0	0.0	0.0	21.6	21.2	19.1
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0
Residual financing gap	0.0	0.0	0.0	0.0	0.0	0.0
Memorandum items (in percentage of GDP)						
Total revenue and grants	18.3	18.8	19.6	19.6	19.4	19.5
Grants	1.7	2.6	3.0	2.5	2.5	2.5
Total revenue	16.6	16.2	16.6	17.1	17.0	17.0
Tax revenue	14.6	14.2	14.7	15.4	15.2	15.2
Nontax revenue	2.0	1.9	2.0	1.7	1.8	1.8
Total expenditure	20.1	20.3	21.8	21.7	21.1	20.9
Primary expenditure	13.7	14.8	16.0	16.1	15.5	15.4
Wages	4.7	4.6	4.8	4.8	4.6	4.4
Public investment	7.6	7.8	8.1	8.5	8.7	8.6
Budgetary contribution to investment	2.2	3.2	3.2	3.7	3.6	3.7
Primary balance (narrow definition)	2.8	1.3	0.6	1.0	1.5	1.6
Primary balance (broad definition)	-2.6	-3.3	-4.3	-3.8	-3.5	-3.4
Overall balance (payment order, incl. grants)	-1.8	-1.5	-2.2	-2.1	-1.7	-1.5
Overall balance (payment order basis, excl. grants)	-3.5	-4.2	-5.2	-4.6	-4.2	-4.0
GDP (in billions of CFA francs)	1605.4	1738.6	1866.7	2028.5	2212.5	2415.8

Table 3. Benin: Consolidated Government Operations 2000-05

Annex V bis
SCENARIO 2

	2000	2001	2002 Prog	2003	2004 Proj.	2005
Total Revenue	266.2	281.0	310.3	347.4	380.1	419.9
Tax revenue	234.1	247.1	273.6	313.8	340.4	375.8
Tax on international trade	126.7	133.2	145.2	170.7	185.3	204.8
Direct and indirect taxes	107.4	113.9	128.4	143.1	155.2	171.0
Nontax revenue	32.1	33.9	36.7	33.6	39.6	44.1
Total expenditure	322.5	353.2	407.4	470.8	508.4	530.9
Primary expenditure	220.7	257.8	298.7	357.1	396.8	419.2
Wages	74.8	80.7	89.5	96.3	101.2	107.3
Pensions and scholarships	19.3	20.5	22.4	24.4	24.7	24.7
Other current expenditure and transfers	91.5	101.1	126.7	130.6	135.7	152.0
- Transfers	26.8	41.5	67.2	54.0	61.0	66.2
of which: subsidy to the cotton sector			18.0	0.0	0.0	
- Other expenditure	64.7	59.6	59.5	76.6	74.7	85.8
Budgetary contribution to investment	35.0	55.4	60.1	105.8	135.2	135.2
of which <i>BESA</i>	6.1	8.7	8.9			
Primary balance (narrow definition)	45.5	23.2	11.6	-9.7	-16.7	0.7
Externally financed investment	87.4	79.8	91.0	96.3	96.9	96.9
Net lending (minus - reimbursement)	0.3	0.4	1.8	0.0	-0.9	0.0
Primary balance (broad definition)	-42.2	-57.0	-81.2	-106.0	-112.7	-96.2
Interest	14.1	15.2	15.9	17.4	15.5	14.8
Internal debt	1.6	1.8	1.3	2.6	0.8	0.7
External debt	12.4	13.5	14.6	14.8	14.7	14.1
Overall balance (payment order basis)	-56.3	-72.3	-97.1	-123.4	-128.3	-111.0
Change in arrears	-30.6	-6.7	-0.3	-1.2	0.0	0.0
External debt (principal and interest payments)	-14.8	0.0	0.0	0.0	0.0	0.0
Domestic debt	-15.8	-6.7	-0.3	-1.2	0.0	0.0
Payments during complementary period/float	-0.6	8.4	-10.5	0.0	0.0	0.0
Overall balance (cash basis)	-87.5	-70.6	-107.9	-124.6	-128.3	-111.0
Financing	87.5	70.6	107.8	73.6	56.2	53.4
Domestic financing	13.9	-49.0	-2.7	-13.2	-20.3	-21.1
Bank financing	1.2	-47.8	8.8	-1.7	-12.8	-15.1
Net use of Fund resources	-2.5	-3.0	-3.0	-4.8	-6.0	-4.9
Disbursements	6.3	7.5	7.5	5.6	1.1	0.0
Repayments	-8.9	-10.5	-10.4	-10.4	-7.1	-4.9
Other	3.8	-44.7	11.8	3.1	-6.9	-10.2
Nonbank financing and sale of assets	12.6	-1.3	-11.5	-11.5	-7.5	-6.0
Nonbank financing	10.3	0.0	-1.5	-1.5	-1.5	0.0
Privatization	0.9	0.04	0.0	0.0	0.0	0.0
Restructuring	1.4	-1.3	-10.0	-10.0	-6.0	-6.0
External financing	73.7	119.6	110.5	86.8	76.5	74.5
Project financing	74.4	79.8	91.0	96.3	96.9	96.9
Grants	25.3	24.5	44.2	46.7	54.4	59.8
Loans	49.1	55.3	46.8	49.6	42.5	37.1
Amortization due	-22.9	-17.5	-18.6	-20.7	-20.4	-22.4
Program aid	1.7	41.6	18.2	11.3	0.0	0.0
Grants	1.7	21.5	10.9	4.7	0.0	0.0
Loans	0.0	20.1	7.3	6.6	0.0	0.0
Debt relief obtained	20.5	15.7	19.9	0.0	0.0	0.0
Financing gap (- surplus)	0.0	0.0	0.0	50.9	72.0	57.6
Possible HIPC assistance	0.0	0.0	0.0	21.6	21.2	19.1
Residual financing gap	0.0	0.0	0.0	29.4	50.9	38.5
Memorandum items (in percentage of GDP)						
Total revenue and grants	18.3	18.8	19.6	19.6	19.4	19.4
Grants	1.7	2.6	3.0	2.5	2.4	2.4
Total revenue	16.6	16.2	16.6	17.1	17.0	17.0
Tax revenue	14.6	14.2	14.7	15.4	15.2	15.2
Nontax revenue	2.0	1.9	2.0	1.6	1.8	1.8
Total expenditure	20.1	20.3	21.8	23.1	22.7	21.5
Primary expenditure	13.7	14.8	16.0	17.5	17.7	17.0
Wages	4.7	4.6	4.8	4.7	4.5	4.3
Public investment	7.6	7.8	8.1	9.9	10.4	9.4
Budgetary contribution to investment	2.2	3.2	3.2	5.2	6.0	5.5
Primary balance (narrow definition)	2.8	1.3	0.6	-0.5	-0.7	0.0
Primary balance (broad definition)	-2.6	-3.3	-4.3	-5.2	-5.0	-3.9
Overall balance (payment order, incl. grants)	-1.8	-1.5	-2.2	-3.5	-3.3	-2.1
Overall balance (payment order basis, excl. grants)	-3.5	-4.2	-5.2	-6.1	-5.7	-4.5
GDP (in billions of CFA francs)	1605.4	1738.6	1866.7	2036.9	2240.6	2469.4

Benin Main Items of Public Expenditure and Priority Sector Public Expenditure
(Excluding public debt, in billions of CFA francs)

	1996	1997	1998	1999	2000	Est. 2001	Budget 2002	Proj.		
								2003	2004	2005
Current outlays	104.1	113.0	118.4	138.2	162.1	200.5	221.8	221.0	247.1	257.1
Personnel	38.2	62.0	64.6	66.3	72.7	76.2	83.4	89.5	98.1	98.1
Nonpersonnel	45.9	51.0	53.8	71.9	89.5	124.2	138.4	131.5	148.9	159.0
Total investment	71.6	74.0	75.1	88.2	113.8	141.1	173.0	173.1	186.8	208.2
Domestically financed	9.1	9.9	14.9	22.0	26.4	48.3	71.8	66.3	70.5	74.7
Financed from abroad	62.5	64.1	60.2	66.2	87.4	92.8	101.1	106.7	116.4	133.5
Total	175.7	187.1	193.5	226.4	276.0	341.5	394.7	394.0	433.9	465.4
EDUCATIONAL SECTORS										
Current outlays	28.4	32.6	34.8	38.3	45.8	49.0	54.2	56.8	62.6	64.5
Personnel	22.2	25.2	25.5	27.0	32.1	31.8	28.8	31.0	34.0	34.0
Nonpersonnel	6.2	7.4	9.3	11.3	13.7	17.2	25.4	25.9	28.6	30.5
Total investment	4.8	6.2	4.6	6.6	10.1	17.3	23.4	25.9	28.2	32.5
Domestically financed	0.4	0.6	1.0	2.2	3.0	9.2	11.5	13.2	14.4	15.3
Financed from abroad	4.4	5.6	3.6	4.5	7.1	8.1	11.9	12.7	13.8	17.2
Total	33.2	38.8	39.4	44.9	55.9	66.3	77.6	82.7	90.8	96.9
MTPT										
Current outlays	1.3	1.6	1.7	1.8	1.7	1.1	2.0	2.6	3.5	4.2
Personnel	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.8	0.8
Nonpersonnel	0.8	1.0	1.2	1.2	1.1	0.5	1.4	2.0	2.7	3.4
Total investment	19.3	19.3	19.5	23.3	37.1	44.3	38.2	39.4	43.1	45.7
Domestically financed	0.9	0.4	0.9	2.2	1.4	4.7	10.0	9.3	10.3	10.9
Financed from abroad	18.4	18.9	18.6	21.1	35.7	39.6	28.2	30.1	32.8	34.8
Total	20.6	20.9	21.2	25.0	38.8	45.3	40.2	42.0	46.6	49.9
MSP										
Current outlays	8.7	9.8	11.1	13.2	13.5	12.9	18.1	19.3	21.8	23.3
Personnel	4.0	3.3	3.7	5.0	6.2	1.0	4.0	4.3	4.7	4.7
Nonpersonnel	4.7	6.6	7.4	8.2	7.3	11.9	14.1	15.0	17.0	18.6
Total investment	6.9	5.1	6.7	12.5	14.8	16.8	17.5	16.0	16.8	18.8
Domestically financed	0.8	0.7	1.2	2.1	2.1	6.3	9.5	8.6	8.7	9.2
Financed from abroad	6.1	4.5	5.5	10.3	12.7	10.5	8.0	7.4	8.1	9.6
Total	15.6	15.0	17.8	25.7	28.3	29.7	35.6	35.3	38.6	42.2
MMEH										
Current outlays	0.4	0.5	0.6	0.5	0.7	0.4	1.3	1.8	2.0	3.1
Personnel	0.4	0.4	0.4	0.4	0.5	0.2	0.4	0.4	0.5	0.5
Nonpersonnel	0.1	0.1	0.2	0.1	0.2	0.3	0.9	1.4	1.5	2.6
Total investment	7.1	8.2	9.8	6.0	7.6	3.2	9.0	8.7	9.4	12.5
Domestically financed	0.9	0.7	1.1	0.8	0.9	1.3	3.3	2.7	2.9	3.1
Financed from abroad	6.1	7.5	8.7	5.2	6.7	1.9	5.6	6.0	6.5	9.4
Total	7.5	8.7	10.3	6.5	8.4	3.7	10.2	10.5	11.4	15.5
MAEP										
Current outlays	4.9	4.8	4.8	4.8	5.6	6.0	7.1	7.9	8.6	9.7
Personnel	4.6	4.5	4.3	4.2	4.3	2.8	4.1	4.5	4.9	4.9
Nonpersonnel	0.3	0.3	0.6	0.6	1.3	3.2	3.0	3.4	3.7	4.8
Total investment	11.6	12.6	15.0	13.4	15.9	9.4	20.6	22.4	25.3	27.8
Domestically financed	1.2	1.2	1.0	1.7	1.4	2.4	2.9	3.5	4.7	4.9
Financed from abroad	10.4	11.4	14.1	11.7	12.5	7.0	17.7	18.9	20.6	22.9
Total	16.5	17.4	19.9	18.2	19.4	15.4	27.8	30.4	33.9	37.6
MEHI										
Current outlays	0.4	0.4	0.4	0.5	3.7	2.7	1.4	1.5	1.7	1.7
Personnel	0.3	0.2	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.4
Nonpersonnel	0.1	0.2	0.2	0.2	3.3	2.4	1.1	1.2	1.2	1.3
Total investment	12.9	11.0	6.3	8.4	6.2	22.0	25.2	24.1	25.8	27.3
Domestically financed	1.0	0.9	1.2	2.5	2.6	9.1	11.2	9.3	9.5	10.1
Financed from abroad	12.0	10.1	5.0	5.8	3.6	12.8	14.0	14.9	16.2	17.2
Total	13.3	11.4	6.7	8.9	9.9	24.6	26.6	25.7	27.4	29.0
MJLDL										
Current outlays	1.0	1.2	1.0	1.3	1.4	1.5	1.9	2.0	2.2	3.3
Personnel	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.9	0.9
Nonpersonnel	0.4	0.6	0.3	0.7	0.8	0.9	1.2	1.2	1.4	2.4
Total investment	0.2	0.0	0.3	0.3	0.6	0.2	1.5	1.6	1.8	4.9
Domestically financed	0.0	0.0	0.3	0.2	0.6	0.2	0.8	0.8	1.0	1.0
Financed from abroad	0.2	0.0	0.0	0.1	0.0	0.0	0.7	0.7	0.8	3.9
Total	1.2	1.2	1.2	1.6	2.0	1.7	3.4	3.6	4.0	8.2
Summary										
	1996	1997	1998	1999	2000	Est. 2001	Budget 2002	Proj.		
								2003	2004	2005
PRIORITY SECTORS										
Current outlays	45.0	50.8	54.4	60.5	72.4	73.6	86.0	92.1	102.3	109.7
Personnel	32.4	34.7	35.2	38.2	44.7	37.1	39.0	42.1	46.1	46.1
Nonpersonnel	12.6	16.1	19.1	22.3	27.8	36.5	47.0	50.0	56.2	63.6
Total investment	62.8	62.6	62.1	70.4	90.3	113.2	135.3	138.0	150.3	169.5
Domestically financed	5.3	4.5	6.7	11.8	12.0	33.3	49.2	47.3	51.4	54.6
Financed from abroad	57.5	58.1	55.5	58.6	78.3	79.9	86.1	90.7	98.9	115.0
Total	107.8	113.4	116.5	130.9	162.7	186.8	221.3	230.1	252.7	279.2
NONPRIORITY SECTORS										
Current outlays	59.1	62.2	64.0	77.7	89.7	126.9	135.7	128.9	144.8	147.4
Personnel	25.7	27.3	29.3	28.1	28.0	39.1	44.3	47.4	52.0	52.0
Nonpersonnel	33.4	34.9	34.7	49.5	61.7	87.8	91.4	81.5	92.7	95.4
Total investment	8.8	11.5	12.9	17.8	23.5	27.9	37.7	35.0	36.5	38.7
Domestically financed	3.8	5.5	8.2	10.2	14.3	15.0	22.6	19.0	19.0	20.2
Financed from abroad	4.9	6.0	4.7	7.6	9.2	12.9	15.0	16.0	17.5	18.5
Total	67.9	73.7	76.9	95.5	113.2	154.7	173.4	163.9	181.2	186.2

Source: Beninese authorities

Benin Main Items of Public Expenditure and priority sector public expenditure
(excluding public debt, in percentage of GDP)

	1996	1997	1998	1999	2000	Est.	Budget	Proj.			
						2001	2002	2003	2004	2005	
ALL SECTORS											
Current outlays	9.2	9.0	8.6	9.4	10.1	11.5	11.9	10.9	11.2	10.6	
Personnel	5.1	4.9	4.7	4.5	4.5	4.4	4.5	4.4	4.4	4.1	
Nonpersonnel	4.0	4.1	3.9	4.9	5.6	7.1	7.4	6.5	6.7	6.6	
Total investment	6.3	5.9	5.4	6.0	7.1	8.1	9.3	8.5	8.4	8.6	
Domestically financed	0.8	0.8	1.1	1.3	1.6	2.8	3.8	3.3	3.2	3.1	
Financed from abroad	5.5	5.1	4.4	4.5	5.4	5.3	5.4	5.3	5.3	5.5	
Total	15.4	14.9	14.0	15.4	17.2	19.6	21.1	19.4	19.6	19.3	
EDUCATIONAL SECTORS											
Current outlays	2.5	2.6	2.5	2.6	2.9	2.8	2.9	2.8	2.8	2.7	
Personnel	1.9	2.0	1.9	1.8	2.0	1.8	1.9	1.5	1.5	1.4	
Nonpersonnel	0.5	0.6	0.7	0.8	0.9	1.0	1.4	1.3	1.3	1.3	
Total investment	0.4	0.5	0.3	0.5	0.6	1.0	1.3	1.3	1.3	1.3	
Domestically financed	0.0	0.0	0.1	0.1	0.2	0.5	0.6	0.6	0.6	0.6	
Financed from abroad	0.4	0.4	0.3	0.3	0.4	0.5	0.6	0.6	0.6	0.7	
Total	2.9	3.1	2.9	3.1	3.5	3.8	4.2	4.1	4.1	4.0	
MTPT (Min. Pub. Works & Transp)											
Current outlays	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nonpersonnel	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Total investment	1.7	1.5	1.4	1.6	2.3	2.5	2.0	1.9	1.9	1.9	
Domestically financed	0.1	0.0	0.1	0.1	0.1	0.3	0.5	0.5	0.5	0.5	
Financed from abroad	1.6	1.5	1.3	1.4	2.2	2.3	1.5	1.5	1.5	1.4	
Total	1.8	1.7	1.5	1.7	2.4	2.6	2.2	2.1	2.1	2.1	
MSP (Ministry of Public Health)											
Current outlays	0.8	0.8	0.8	0.9	0.8	0.7	1.0	1.0	1.0	1.0	
Personnel	0.3	0.3	0.3	0.3	0.4	0.1	0.2	0.2	0.2	0.2	
Nonpersonnel	0.4	0.5	0.5	0.6	0.5	0.7	0.8	0.7	0.8	0.8	
Total investment	0.6	0.4	0.5	0.8	0.9	1.0	0.9	0.8	0.8	0.8	
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.4	0.5	0.4	0.4	0.4	
Financed from abroad	0.5	0.4	0.4	0.7	0.8	0.6	0.4	0.4	0.4	0.4	
Total	1.4	1.2	1.3	1.7	1.8	1.7	1.9	1.7	1.7	1.7	
MMEH (M. of Energy, Mining, and Water Resources)											
Current outlays	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nonpersonnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	
Total investment	0.6	0.7	0.7	0.4	0.5	0.2	0.5	0.4	0.4	0.5	
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Financed from abroad	0.5	0.6	0.6	0.4	0.4	0.1	0.3	0.3	0.3	0.4	
Total	0.7	0.7	0.8	0.4	0.5	0.2	0.5	0.5	0.5	0.6	
MAEP (M. of Agr. Livest. Fisheries)											
Current outlays	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.4	0.4	0.4	
Personnel	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	
Nonpersonnel	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2	0.2	
Total investment	1.0	1.0	1.1	0.9	0.9	0.5	1.1	1.1	1.1	1.2	
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	
Financed from abroad	0.9	0.9	1.0	0.8	0.8	0.4	0.9	0.9	0.9	0.9	
Total	1.4	1.4	1.4	1.2	1.2	0.9	1.5	1.5	1.5	1.6	
MEHU (M. Of Environ., Housing and City Planning)											
Current outlays	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.1	0.1	
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nonpersonnel	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1	
Total investment	1.1	0.9	0.5	0.6	0.4	1.3	1.3	1.2	1.2	1.1	
Domestically financed	0.1	0.1	0.1	0.2	0.2	0.5	0.6	0.5	0.4	0.4	
Financed from abroad	1.1	0.8	0.4	0.4	0.2	0.7	0.7	0.7	0.7	0.7	
Total	1.2	0.9	0.5	0.6	0.6	1.4	1.4	1.3	1.2	1.2	
MJLDL (M. of Justice, Legist. Affairs, and Hum. Rights)											
Current outlays	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Personnel	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Nonpersonnel	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	
Total investment	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	
Domestically financed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Financed from abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	
Total	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	
Summary											
	1996	1997	1998	1999	2000	Est. 2001	Budget 2002	Proj. 2003 2004 2005			
PRIORITY SECTORS											
Current outlays	4.0	4.0	3.9	4.1	4.5	4.2	4.6	4.5	4.6	4.5	
Personnel	2.9	2.8	2.6	2.6	2.8	2.1	2.1	2.1	2.1	1.9	
Nonpersonnel	1.1	1.3	1.4	1.5	1.7	2.1	2.5	2.5	2.5	2.6	
Total investment	5.5	5.0	4.5	4.8	5.6	6.5	7.2	6.8	6.8	7.0	
Domestically financed	0.5	0.4	0.5	0.8	0.8	1.9	2.6	2.3	2.3	2.3	
Financed from abroad	5.1	4.6	4.0	4.0	4.9	4.6	4.6	4.5	4.5	4.8	
Total	9.5	9.0	8.5	8.9	10.1	10.7	11.9	11.3	11.4	11.6	
NONPRIORITY SECTORS											
Current outlays	5.2	4.9	4.6	5.3	5.6	7.3	7.3	6.4	6.5	6.1	
Personnel	2.3	2.2	2.1	1.9	1.7	2.3	2.4	2.3	2.4	2.2	
Nonpersonnel	2.9	2.8	2.5	3.4	3.8	5.0	4.9	4.0	4.2	4.0	
Total investment	0.8	0.9	0.9	1.2	1.5	1.6	2.0	1.7	1.6	1.6	
Domestically financed	0.3	0.4	0.6	0.7	0.9	0.9	1.2	0.9	0.9	0.8	
Financed from abroad	0.4	0.5	0.3	0.5	0.6	0.7	0.8	0.8	0.8	0.8	
Total	6.0	5.9	5.6	6.5	7.1	8.9	9.3	8.1	8.2	7.7	

Benin. Main Items of Public Expenditure and priority sector public expenditure
(excluding public debt, in billions of CFA francs)

						Est.		Budget			Proj.	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
ALL SECTORS												
Current outlays	104.1	113.0	118.4	138.2	162.1	200.4	221.8	229.7	247.1	258.6		
Personnel	58.2	62.0	64.6	66.3	72.7	76.2	83.4	89.5	98.1	98.1		
Nonpersonnel	45.9	51.0	53.8	71.9	89.5	124.2	138.4	140.2	148.9	160.5		
Total investment	71.6	74.0	75.1	88.2	113.8	113.8	141.1	173.0	199.9	231.5		
Domestically financed	9.1	9.9	14.9	22.0	26.4	48.3	71.8	99.8	129.5	129.5		
Financed from abroad	62.5	64.1	60.2	66.2	87.4	65.5	69.3	73.2	70.4	102.0		
Total	175.7	187.1	193.5	226.4	276.0	314.2	362.9	379.6	447.0	490.1		
EDUCATIONAL SECTORS												
Current outlays	28.4	32.6	34.8	38.3	45.8	49.0	54.2	58.9	62.6	64.6		
Personnel	22.2	25.2	25.5	27.0	32.1	31.8	28.8	31.0	34.0	34.0		
Nonpersonnel	6.2	7.4	9.3	11.3	13.7	17.2	25.4	27.9	28.6	30.6		
Total investment	4.8	6.2	4.6	6.6	10.1	17.3	23.4	31.7	38.5	38.5		
Domestically financed	0.1	0.6	1.0	2.2	3.0	9.2	11.5	19.8	26.4	26.4		
Financed from abroad	4.4	5.6	3.6	4.5	7.1	8.1	11.9	11.9	12.1	12.1		
Total	33.2	38.8	39.4	44.9	55.9	66.3	77.6	90.6	101.2	103.1		
MTPT												
Current outlays	1.3	1.6	1.7	1.8	1.7	1.0	2.0	3.4	3.5	4.1		
Personnel	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.8	0.8		
Nonpersonnel	0.8	1.0	1.2	1.2	1.1	0.5	1.4	2.7	2.7	3.3		
Total investment	19.3	19.3	19.5	23.3	37.1	44.3	38.2	42.2	47.7	47.7		
Domestically financed	0.9	0.4	0.9	2.2	1.4	4.7	10.0	14.0	19.0	19.0		
Financed from abroad	18.4	18.9	18.6	21.1	35.7	39.6	28.2	28.2	28.7	28.7		
Total	20.6	20.9	21.2	25.0	38.8	45.3	40.2	45.6	51.2	51.7		
MSP												
Current outlays	8.7	9.8	11.1	13.2	13.5	12.9	18.1	20.8	21.8	23.7		
Personnel	4.0	3.3	3.7	5.0	6.2	1.0	4.0	4.3	4.7	4.7		
Nonpersonnel	4.7	6.6	7.4	8.2	7.3	11.9	14.1	16.5	17.0	19.0		
Total investment	6.9	5.1	6.7	12.5	14.8	16.8	17.5	19.8	23.1	23.1		
Domestically financed	0.8	0.7	1.2	2.1	2.1	6.3	9.5	12.9	16.0	16.0		
Financed from abroad	6.1	4.5	5.5	10.3	12.7	10.5	8.0	7.0	7.1	7.1		
Total	15.6	15.0	17.8	25.7	28.3	29.7	35.6	40.6	44.9	46.8		
MMEII												
Current outlays	0.4	0.5	0.6	0.5	0.7	0.5	1.3	3.3	2.0	3.5		
Personnel	0.4	0.4	0.4	0.4	0.5	0.2	0.4	0.4	0.5	0.5		
Nonpersonnel	0.1	0.1	0.2	0.1	0.2	0.3	0.9	2.9	1.5	3.0		
Total investment	7.1	8.2	9.8	6.0	7.6	3.2	9.0	9.6	11.0	11.0		
Domestically financed	0.9	0.7	1.1	0.8	0.9	1.3	3.3	4.0	5.3	5.3		
Financed from abroad	6.1	7.5	8.7	5.2	6.7	1.9	5.6	5.6	5.7	5.7		
Total	7.5	8.7	10.3	6.5	8.4	3.7	10.2	13.0	13.0	14.5		
MAEP												
Current outlays	4.9	4.8	4.8	4.8	5.6	6.0	7.1	9.4	8.6	10.1		
Personnel	4.6	4.5	4.3	4.2	4.3	2.8	4.1	4.5	4.9	4.9		
Nonpersonnel	0.3	0.3	0.6	0.6	1.3	3.2	3.0	4.9	3.7	5.2		
Total investment	11.6	12.6	15.0	13.4	13.9	9.4	20.6	23.1	26.6	26.6		
Domestically financed	1.2	1.2	1.0	1.7	1.4	2.4	2.9	5.3	8.5	8.5		
Financed from abroad	10.4	11.4	14.1	11.7	12.5	7.0	17.7	17.7	18.1	18.1		
Total	16.5	17.4	19.9	18.2	19.4	15.4	27.8	32.5	35.3	36.7		
MEHU												
Current outlays	0.4	0.4	0.4	0.5	3.7	2.7	1.4	1.6	1.7	1.7		
Personnel	0.3	0.2	0.3	0.3	0.4	0.3	0.4	0.4	0.4	0.4		
Nonpersonnel	0.1	0.2	0.2	0.2	3.3	2.4	1.1	1.2	1.2	1.2		
Total investment	12.9	11.0	6.3	8.4	6.2	22.0	25.2	27.9	31.7	31.7		
Domestically financed	1.0	0.9	1.2	2.5	2.6	9.1	11.2	13.9	17.5	17.5		
Financed from abroad	12.0	10.1	5.0	5.8	3.6	12.8	14.0	14.0	14.2	14.2		
Total	13.3	11.4	6.7	8.9	9.9	24.7	26.6	29.5	33.4	33.4		
MJL/DL												
Current outlays	1.0	1.2	1.0	1.3	1.4	1.5	1.9	3.5	2.2	4.3		
Personnel	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.8	0.9	0.9		
Nonpersonnel	0.4	0.6	0.3	0.7	0.8	0.9	1.2	2.7	1.4	3.4		
Total investment	0.2	0.0	0.3	0.3	0.6	0.2	1.5	2.0	2.5	2.5		
Domestically financed	0.0	0.0	0.3	0.2	0.6	0.2	0.8	1.3	1.8	1.8		
Financed from abroad	0.2	0.0	0.0	0.1	0.0	0.0	0.7	0.7	0.7	0.7		
Total	1.2	1.2	1.2	1.6	2.0	1.7	3.4	5.4	4.7	6.7		
Summary												
						Est.		Budget			Proj.	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
PRIORITY SECTORS												
Current outlays	45.0	50.8	54.4	60.5	72.4	73.6	86.0	100.9	102.3	111.9		
Personnel	32.4	34.7	35.2	38.2	44.7	37.2	39.0	42.1	46.1	46.1		
Nonpersonnel	12.6	16.1	19.1	22.3	27.8	36.4	47.0	58.8	56.2	65.7		
Total investment	62.8	62.6	62.1	70.4	90.3	113.2	135.3	156.3	181.2	181.2		
Domestically financed	5.3	4.3	6.7	11.8	12.0	33.3	49.2	71.2	94.5	94.5		
Financed from abroad	57.5	58.1	55.5	58.6	78.3	79.9	86.1	85.1	86.7	86.7		
Total	107.8	113.4	116.5	130.9	162.7	186.8	221.4	257.2	283.5	293.1		
NONPRIORITY SECTORS												
Current outlays	59.1	62.2	64.0	77.7	89.7	126.8	135.7	128.8	144.8	146.8		
Personnel	25.7	27.3	29.3	28.1	28.0	39.0	44.4	47.4	52.0	52.0		
Nonpersonnel	33.4	34.9	34.7	49.5	61.7	87.8	91.4	81.4	92.7	94.8		
Total investment	8.8	11.5	12.9	17.8	23.5	27.9	37.7	43.6	50.3	50.3		
Domestically financed	3.8	3.5	8.2	10.2	14.3	15.0	22.6	28.6	35.0	35.0		
Financed from abroad	4.9	6.0	4.7	7.6	9.2	12.9	15.0	15.0	15.3	15.3		
Total	67.9	73.7	76.9	95.5	113.2	154.6	173.4	172.4	195.0	197.0		

Source: Beninese authorities

ANNEX VII bis
Scenario 2

Bum Main Items of Public Expenditure and priority sector public expenditure
(excluding public debt, in percentage of GDP)

						Est.		Budget			Proj.	
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
ALL SECTORS												
Current outlays	9.2	9.0	8.6	9.4	10.1	11.5	11.9	11.3	11.0	10.5		
Personnel	5.1	4.9	4.7	4.5	4.5	4.4	4.5	4.4	4.4	4.0		
Nonpersonnel	4.1	4.1	3.9	4.9	5.6	7.1	7.4	6.9	6.6	6.5		
Total investment	6.3	5.9	5.4	6.0	7.1	8.1	9.3	9.8	10.3	9.4		
Domestically financed	0.8	0.8	1.1	1.5	1.6	2.8	3.8	4.9	5.8	5.2		
Financed from abroad	5.5	5.1	4.4	4.5	5.4	5.3	5.4	4.9	4.6	4.1		
Total	15.4	14.9	14.0	15.4	17.2	19.6	21.1	21.1	21.4	19.8		
EDUCATIONAL SECTORS												
Current outlays	2.5	2.6	2.5	2.6	2.9	2.8	2.9	2.9	2.8	2.6		
Personnel	1.9	2.0	1.9	1.8	2.0	1.8	1.5	1.5	1.5	1.4		
Nonpersonnel	0.5	0.6	0.7	0.8	0.9	1.0	1.4	1.4	1.3	1.2		
Total investment	0.4	0.5	0.3	0.5	0.6	1.0	1.3	1.6	1.7	1.6		
Domestically financed	0.0	0.0	0.1	0.1	0.2	0.5	0.6	1.0	1.2	1.1		
Financed from abroad	0.4	0.4	0.3	0.3	0.4	0.5	0.6	0.6	0.5	0.5		
Total	2.9	3.1	2.9	3.1	3.5	3.8	4.2	4.4	4.5	4.2		
MTPT												
Current outlays	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2		
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Nonpersonnel	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1		
Total investment	1.7	1.5	1.4	1.6	2.1	2.5	2.0	2.1	2.1	1.9		
Domestically financed	0.1	0.0	0.1	0.1	0.1	0.3	0.5	0.7	0.8	0.8		
Financed from abroad	1.6	1.5	1.3	1.4	2.2	2.3	1.5	1.4	1.3	1.2		
Total	1.8	1.7	1.5	1.7	2.4	2.6	2.2	2.2	2.3	2.1		
MSP												
Current outlays	0.8	0.8	0.8	0.9	0.8	0.7	1.0	1.0	1.0	1.0		
Personnel	0.3	0.3	0.3	0.3	0.4	0.1	0.2	0.2	0.2	0.2		
Nonpersonnel	0.4	0.5	0.5	0.6	0.5	0.7	0.8	0.8	0.8	0.8		
Total investment	0.5	0.4	0.5	0.8	0.9	1.0	0.9	1.0	1.0	0.9		
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.4	0.5	0.6	0.7	0.6		
Financed from abroad	0.3	0.4	0.4	0.7	0.8	0.6	0.4	0.3	0.3	0.3		
Total	1.4	1.2	1.3	1.7	1.8	1.7	1.9	2.0	2.0	1.9		
MMEH												
Current outlays	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.1	0.1		
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Nonpersonnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1		
Total investment	0.6	0.7	0.7	0.4	0.5	0.2	0.5	0.5	0.5	0.4		
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2		
Financed from abroad	0.5	0.6	0.6	0.4	0.4	0.1	0.3	0.3	0.3	0.2		
Total	0.7	0.7	0.8	0.4	0.5	0.2	0.5	0.6	0.6	0.6		
MAEP												
Current outlays	0.4	0.4	0.4	0.3	0.3	0.3	0.4	0.5	0.4	0.4		
Personnel	0.4	0.4	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2		
Nonpersonnel	0.0	0.0	0.0	0.0	0.0	0.1	0.2	0.2	0.2	0.2		
Total investment	1.0	1.0	1.1	0.9	0.9	0.5	1.1	1.1	1.2	1.1		
Domestically financed	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.4	0.3		
Financed from abroad	0.9	0.9	1.0	0.8	0.8	0.4	0.9	0.9	0.8	0.7		
Total	1.4	1.4	1.4	1.2	1.2	0.9	1.5	1.6	1.6	1.5		
MEHV												
Current outlays	0.0	0.0	0.0	0.0	0.2	0.2	0.1	0.1	0.1	0.1		
Personnel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Nonpersonnel	0.0	0.0	0.0	0.0	0.2	0.1	0.1	0.1	0.1	0.1		
Total investment	1.1	0.9	0.5	0.6	0.4	1.3	1.3	1.4	1.4	1.3		
Domestically financed	0.1	0.1	0.1	0.2	0.2	0.5	0.6	0.7	0.8	0.7		
Financed from abroad	1.1	0.8	0.4	0.4	0.2	0.7	0.7	0.7	0.6	0.6		
Total	1.2	0.9	0.5	0.6	0.6	1.4	1.4	1.4	1.5	1.4		
MILDJ												
Current outlays	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.2		
Personnel	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Nonpersonnel	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1		
Total investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1		
Domestically financed	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1		
Financed from abroad	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Total	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.2	0.3		
Summary												
						Est.	Budget	Proj.				
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005		
PRIORITY SECTORS												
Current outlays	4.0	4.0	3.9	4.1	4.5	4.2	4.6	5.0	4.6	4.5		
Personnel	2.9	2.8	2.6	2.6	2.6	2.1	2.1	2.1	2.1	1.9		
Nonpersonnel	1.1	1.3	1.4	1.5	1.7	2.1	2.5	2.9	2.5	2.7		
Total investment	5.5	5.0	4.5	4.8	5.6	6.5	7.2	7.7	8.1	7.9		
Domestically financed	0.5	0.4	0.5	0.8	0.8	1.9	2.6	3.5	4.2	3.8		
Financed from abroad	5.1	4.6	4.0	4.0	4.9	4.6	4.6	4.2	3.9	3.5		
Total	9.5	9.0	8.5	8.9	10.1	10.7	11.9	12.6	12.7	11.9		
NONPRIORITY SECTORS												
Current outlays	5.2	4.9	4.6	5.3	5.6	7.3	7.3	6.3	6.5	5.9		
Personnel	2.1	2.2	2.1	1.9	1.7	2.2	2.4	2.3	2.3	2.1		
Nonpersonnel	2.9	2.8	2.5	3.4	3.8	5.0	4.9	4.0	4.1	3.8		
Total investment	0.8	0.9	0.9	1.2	1.5	1.6	2.0	2.1	2.2	2.0		
Domestically financed	0.3	0.4	0.6	0.7	0.9	0.9	1.2	1.4	1.6	1.4		
Financed from abroad	0.4	0.5	0.3	0.5	0.6	0.7	0.8	0.7	0.7	0.6		
Total	6.0	5.9	5.6	6.5	7.1	8.9	9.3	8.5	8.7	8.0		

Source: Japanese authorities

Health Sector Performance Indicators

INDICATORS FOR PROGRAM 1 : Reorganization of the health pyramid and strengthening of health coverage

INDICATORS	2000	2001	2002	2003	2004	2005
Health care use (percent)	34	34	35	35	36	37

INDICATORS FOR PROGRAM 3 : Efforts to eradicate major diseases and improve the quality of health care

SP 31. Efforts to eradicate transmissible diseases

INDICATORS	2000	2001	2002	2003	2004	2005	2006
Vaccination coverage (Expanded Vaccination Program-EVP) (DTCP3) (percent)	>80	>80	>80	>80	>80	>80	<80
Vaccination coverage (EVP) (VAR) (percent)	>=80	>=80	>=80	>=80	>=80	>=80	>=80

INDICATORS FOR PROGRAM 4 : Prevention and control of priority diseases

SP 41. Prevention and control of STD/AIDS

INDICATORS	1999	2000	2001	2002	2003	2004	2005
Prevalence of HIV seropositivity among prenatal care patients in Benin (percent)	4.1	-	<6	<6	<6	<6	<6
Contraceptive prevalence (percent)	-	-	50	50	50	50	50

SP 42. Prevention and control of malaria

INDICATORS	1998	1999	2000	2001	2002	2003	2004	2005
Percentage of population sleeping in impregnated mosquito nets	-	13	25	30	40	50	50	50
Deaths from malaria per 10 000 inhabitants	10.74	9.42	8.5	7.6	6.8	6.2	6.2	6.2

SP 43. Prevention and control of tuberculosis

INDICATORS	2000	2001	2002	2003	2004	2005
Tuberculosis cure rate (percent)	57	57	57	57	57	58

INDICATORS FOR PROGRAM 5 : Family health

SP 51. Promotion of reproductive health

INDICATORS	2000	2001	2002	2003	2004	2005
Assisted births rate (percent)	74	74	74	74	75	75
Prenatal consultations rate (percent)	82	82	82	83	84	84
Prevalence of modern contraceptive methods	8.7	8.9	9.5	10	10	11

Formulation Process: Table of Synergies between the Different Programs Included in the Budget

Tasks	Bodies Involved	Leader
1. Broad outline, priorities, and overall medium-term development objectives and annual targets.	Ministry for Coordination of Government Action, Planning, Development (MCCAG-PD)- Ministry of Economy and Finance (MFE)	MCCAG-PD
2. Medium-term expenditure framework (CDMT) <ul style="list-style-type: none"> • Annual sector targets and actions • Overall compatibility with development goals and priorities, and inter-sectoral consistency • Budget framework (framework, allocations) 	MFE, MCCAG-PD, Sector ministries Sector ministries MCCAG-PD MFE	MFE
3. Annual budget <ul style="list-style-type: none"> • Annual overall development objectives and priorities • Guideline regarding the annual overall development objectives and priorities • Comments and views on the guideline • Submission of the guideline to the Council of Ministers • Budget framework specifying the amounts allocated for each sector. • Sector ministries submit standard budgets and program budgets to the MFE and to the MCCAG-PD 	MFE, MCCAG-PD, Sector ministries MCCAG-PD-MFE MFE MCCAG-PD MFE MFE MFE, MCCAG-PD, Sector ministries	MFE MCCAG-PD

<ul style="list-style-type: none"> • Verification of overall compatibility of sectoral budgets with development goals and priorities and inter-sectoral consistency • Consolidation of sectoral (operating and investment) budgets and preparation by the Office of the Director General of the Budget (DGB) of the government budget (combined operating and investment budget) • Review of budgets by the ST-PAS, CTE, DGB, DGAE, DNPP, DCRE.. 	<p>MCCAG-PD</p> <p>MFE</p> <p>MFE, MCCAG-PD, Sector ministries</p>	<p>MFE</p>
<p>4. Budgetary arbitration</p>	<p>MFE, Sector ministries</p>	<p>MFE</p>
<p>5. Sector ministries submit their adjusted budgets to the MCCAG-PD and the MFE</p>	<p>Sector ministries</p>	
<p>6. Verification by the MCCAG-PD of the compatibility of the adjusted budgets with development objectives and priorities and forwarding of any comments that might be made to the MFE</p>	<p>MCCAG-PD</p>	
<p>7. Preliminary draft budget for submission to the Council of Ministers</p>	<p>MFE</p>	
<p>8. Draft budget to be submitted to the Council of Ministers</p>	<p>MFE</p>	
<p>9. Budget for presentation to the National Assembly</p>	<p>MFE</p>	
<p>10. Notification of budget appropriations</p>	<p>MFE</p>	

Principal Measures Included in the Poverty Reduction Strategy Paper, 2003-2005

MEASURES	DATE	IMPLEMENTATION STATUS
1. STRENGTHENING OF THE MEDIUM-TERM ECONOMIC FRAMEWORK 1.1. Consolidation of the sources of growth <i>a) Agriculture, Livestock, Fishing, and Craft Industry</i>		
Agriculture		
<ul style="list-style-type: none"> • Complete reform of the cotton sector - Privatization of the industrial units of SONAPRA • Promote and organize new subsectors • Prepare and implement the program designed to boost the CARDER, and strengthen extension services for farmers • Conduct agricultural research and create the conditions needed to ensure that seeds, plants, and other farm inputs are available and at more affordable prices. • Boost the capacity of microfinance institutions and enhance access to micro-credit (cf. paragraph 229) • Introduce modern farming methods (rehabilitation of low-lying areas, development of irrigation systems and cultivation using draught animals. 	<p>December 2004 May 2003 December 2004 December 2004 2003-2004 2003-2004 2003-2005</p>	
Land Tenure		
<ul style="list-style-type: none"> • Expedite preparation of the rural land tenure plan 	<p>December 2005</p>	
Livestock		
<ul style="list-style-type: none"> • Conduct research on improving local breeds' performance 	<p>April 2004</p>	
Fisheries		
<ul style="list-style-type: none"> • Prepare and implement the fisheries code 	<p>June 2004</p>	
Craft industry		
<ul style="list-style-type: none"> • Update the institutional and regulatory framework • Take steps to promote local crafts • Promote microfinance (cf. paragraph 229 of the PRSP) 	<p>September 2004 2003-2004 2003-2004</p>	
Small-scale processing		
<ul style="list-style-type: none"> • Establish relatively simple processing units with a view to encouraging participatory development of technology • Establish relatively simple processing units with a view to encouraging participatory technological development 	<p>December 2005 December 2005</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
<i>b) Services sector</i>		
Tourism		
<ul style="list-style-type: none"> • Update the institutional and regulatory framework for the sector and develop a feasible plan of action for tourism • Prepare and implement a plan of action of tourism development 	<p style="text-align: center;">May 2004</p> <p style="text-align: center;">June 2005</p>	
New information and communication technologies (NICT)		
<ul style="list-style-type: none"> • Draw up a national NICT development strategy 	<p style="text-align: center;">June 2003</p>	
Promotion of transit activities		
<ul style="list-style-type: none"> • Conduct a special study of this branch of activity 	<p style="text-align: center;">August 2003</p>	
<i>c) Manufacturing</i>		
<ul style="list-style-type: none"> • Update the legal and regulatory framework for SME/SMI • Pass a law on competition and update Law 90-005 on commercial activities • Put in place a special program to promote SME/SMI • Rehabilitate and/or create supportive structures or incubators for foreign investment • Introduce a program to encourage the use of local construction materials 	<p style="text-align: center;">December 2004</p> <p style="text-align: center;">June 2004</p> <p style="text-align: center;">December 2004</p> <p style="text-align: center;">2003-2004</p> <p style="text-align: center;">September 2003</p>	
<p>1.2. Strengthening of basic infrastructure for low-cost and readily available production factors</p> <p><i>a) Energy, Water and Mines</i></p>		
Energy		
<ul style="list-style-type: none"> • Revise the institutional and regulatory framework • Establish a regulatory body • Privatize the electricity sector (concessions) • Build the CEB, NEPA and North Togo interconnections 	<p style="text-align: center;">December 2004</p> <p style="text-align: center;">June 2003</p> <p style="text-align: center;">April 2003</p> <p style="text-align: center;">2003-2004</p>	
Water		
<ul style="list-style-type: none"> • Establish a body to manage the water sector • Build and/or rehabilitate reservoirs and micro-dams, and develop irrigated farmlands in Adjarala 	<p style="text-align: center;">December 2003</p> <p style="text-align: center;">2003-2004</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
Mining		
<ul style="list-style-type: none"> • Update geological and mineralogical data for the gold and titanium deposits in the departments of Atacora, Borgou and Zou • Draw up the minerals map and summary geological and metals-mining chart of Benin, and set up a geological/mining information center • Make an inventory of marble and gemstone deposits and continue the search for offshore sand banks. • Restore the mining areas in the departments of Couffo and Mono and develop mineral-based crafts in Collines. 	<p>September 2004</p> <p>June 2004</p> <p>December 2005</p> <p>October 2004</p>	
<i>b) Post Office and Telecommunications</i>		
<ul style="list-style-type: none"> • Implement the strategy for maintaining postal services by combining them with financial services • Privatize the telecommunications provider 	<p>December 2004</p> <p>July 2003</p>	
<i>c) Transportation infrastructure</i>		
Road and Rail Transport		
<ul style="list-style-type: none"> • Continue transportation sector project activities • Continue the policy of rehabilitating existing roads • Transform the Directorate of Equipment and Public Works into a semipublic company leasing public works equipment • Restructure the National Public Works Test and Research Center 	<p>2003-2005</p> <p>2003-2005</p> <p>December 2004</p> <p>December 2004</p>	
Maritime Transportation and the Ports		
<ul style="list-style-type: none"> • Involve the private sector in the management of the Cotonou port <ul style="list-style-type: none"> - Feasibility study - Selection of operators and effective implementation of the new management system. • Adapt shipping fee management procedures in line with the new subregional and international arrangements 	<p>June 2003</p> <p>August 2004</p> <p>December 2004</p>	
Air Transportation		
<ul style="list-style-type: none"> • Modernize, extend, and strengthen security at Cotonou international airport • Gradually transform the secondary Parakou and Natitingou airfields into airports meeting ICAO standards <ul style="list-style-type: none"> - Feasibility studies - Decision-making • Have the private sector build a second airport on a Build, Operate, and Transfer (BOT) basis <ul style="list-style-type: none"> - Feasibility studies - Decision-making • Establish an autonomous, private management company to run Cotonou airport 	<p>September 2004</p> <p>December 2003</p> <p>June 2005</p> <p>August 2003</p> <p>January 2004</p> <p>December 2004</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
2. HUMAN RESOURCES DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT <i>a) Education</i>		
Primary education		
<ul style="list-style-type: none"> • Prepare maps of schools and draw up a geographically equitable plan for the distribution of state-run schools and teachers • Continue the community support program for the enrolment and retention of pupils, especially girls 	<p style="text-align: center;">December 2005</p> <p style="text-align: center;">2003-2005</p>	
Secondary education		
<ul style="list-style-type: none"> • Refurbish and/or build classrooms, a magnet school (<i>lycée d'excellence</i>), and laboratories, and provide equipment and furnishings for them 	<p style="text-align: center;">2003-2005</p>	
Technical education and vocational training		
<ul style="list-style-type: none"> • Vocationalize traditional higher education by introducing degrees for specialized fields of study in the faculties • Draw up an equitable distribution plan for these institutions 	<p style="text-align: center;">December 2005</p> <p style="text-align: center;">April 2004</p>	
Higher education		
<ul style="list-style-type: none"> • Strengthen educational and administrative infrastructure on campus • Prepare research programs and promote international exchanges • Update the mechanisms for evaluation and quality control of the education and research findings. • Implement a scientific policy designed to encourage better use of the scientific and technical potential of the institutes of higher education. (Cf. paragraph 137 of the PRSP) 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">September 2005</p> <p style="text-align: center;">December 2004</p> <p style="text-align: center;">December 2005</p>	
<i>b) Literacy campaign</i>		
<ul style="list-style-type: none"> • Update the adult education strategy in the development process • Build and equip training centers and produce teaching and reading materials. 	<p style="text-align: center;">June 2004</p> <p style="text-align: center;">2003-2005</p>	
<i>c) Health</i>		
<ul style="list-style-type: none"> • Reorganize the base of the health pyramid and strengthen health care coverage • Prevent and combat diseases and improve the quality of health care (apart from STD/AIDS) • Prevent and combat priority diseases • Promote family health 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
<i>d) Drinking water</i>		
<ul style="list-style-type: none"> • Have NGOs organize initial and advanced Information-Education-Communication (IEC) sessions in all places benefiting from safe water projects. • Complete the resource management strategy paper • Establish a national operational consultation body and support institutional development for Integrated Water Resources Management (GIRE). 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">June 2003</p> <p style="text-align: center;">December 2004</p>	
<i>e) Housing</i>		
<ul style="list-style-type: none"> • Promote private sector housing construction for all segments of the market • Simplify procedures for subdividing and marketing land and furniture by adopting a pragmatic, realistic approach • Prepare programs designed to improve housing for the rural and urban poor • Draft, adopt, and disseminate housing policy • Facilitate home financing by supporting the creation of a housing bank <ul style="list-style-type: none"> - Feasibility study - Decision-making 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">December 2003</p> <p style="text-align: center;">January 2004</p>	
<i>f) Environment and Sanitation</i>		
Environment		
<ul style="list-style-type: none"> • Continue implementing the National Environmental Management Program • Build and rehabilitate sanitation and road infrastructure • Introduction of a transportation system for as many people as possible • Control air quality 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">December 2004</p> <p style="text-align: center;">2003-2005</p>	
Sanitation		
<ul style="list-style-type: none"> • Construct and rehabilitate sanitation and sewerage systems in selected towns • Prepare and update the urban development and sanitation plans and master plans for the chief towns of the communes and municipalities; • Continue implementation of the Second Urban Project • Install utilities in the areas already built up or to be built up • Identify and protect areas unsuitable for construction. 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p>	
<i>g) Rural electrification</i>		
<ul style="list-style-type: none"> ▪ Complete and implement the rural electrification master plan • Create a rural electrification and energy control agency 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">June 2004</p>	

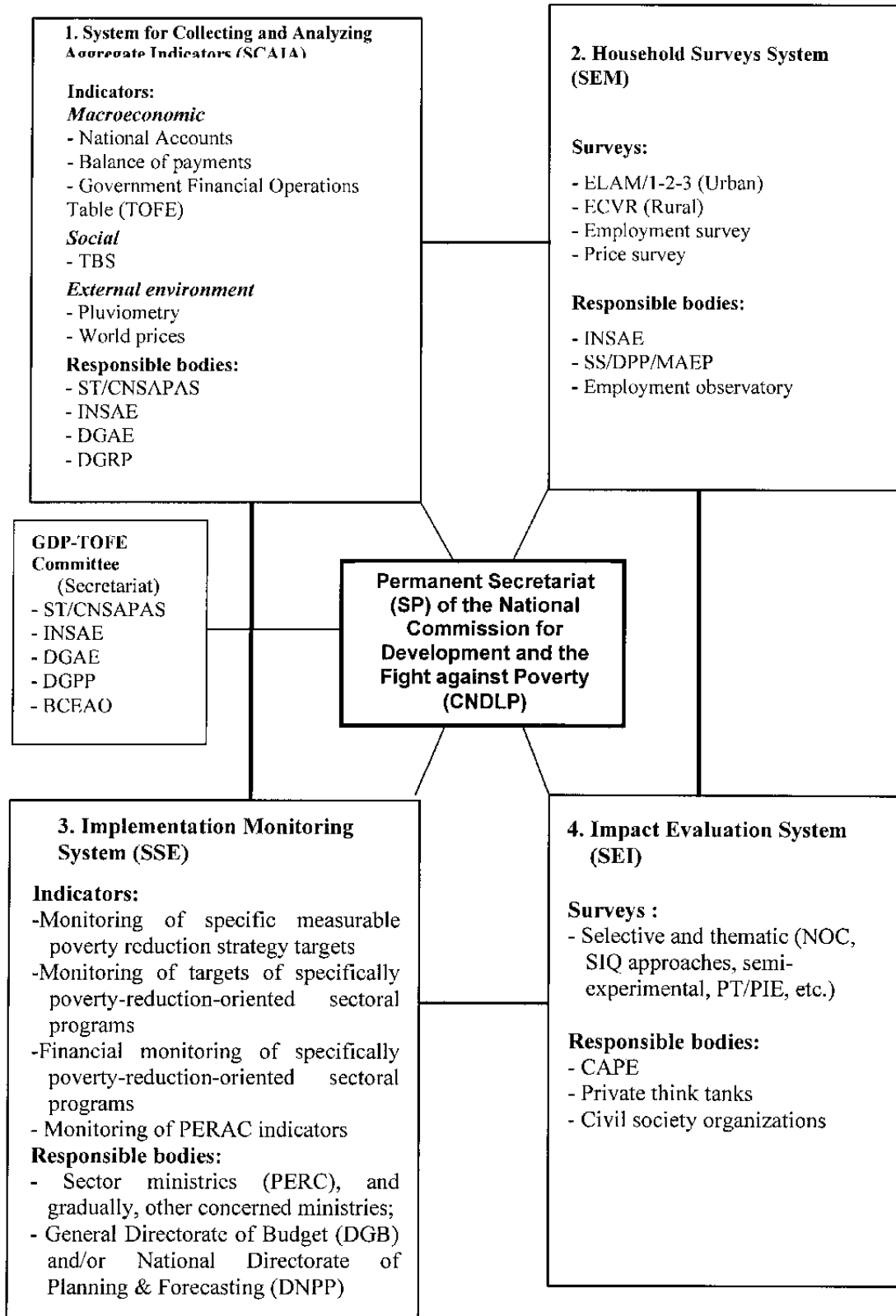
MEASURES	DATE	IMPLEMENTATION STATUS
<i>i) Development of rural feeder roads</i>		
<ul style="list-style-type: none"> • Ensure routine and periodic maintenance of the network of existing rural feeder roads 	2003-2005	
<ul style="list-style-type: none"> • Construct approximately 900 km of rural feeder roads and works designed to open up remote areas 	2003-2005	
<i>j) Nutrition and Food Security</i>		
<ul style="list-style-type: none"> • Develop the system for forming buffer stocks and regular recording, and publish food prices 	2003-2005	
3. STRENGTHENING OF GOOD GOVERNANCE AND OF INSTITUTIONAL CAPACITIES		
<i>a) The combating of corruption and strengthening of capacities for management and absorption of public funds</i>		
<ul style="list-style-type: none"> • Establishment of an anti-corruption observatory • Adoption of an anticorruption law that will cover illicit enrichment and the imprescriptibility of economic crimes • Conduct a governance and corruption survey • Promote administrative and institutional reforms • Educate the population and organize anticorruption campaigns • Introduce the program-budget approach throughout the administration • Rationalize the a priori et a posteriori internal control system • Strengthen external controls and audits by converting the Chamber of Accounts (Chambre des Comptes) into a National Audit Office (Cour des Comptes) endowed with sufficient resources • Establishment two new Contract Management Agencies (<i>Agences de Maîtrise d'Ouvrage Délégée</i>) • After a detailed study of the question, set up a body that will be assigned contracting authority for infrastructure projects included in the Public Investment Program 	<p>June 2004</p> <p>September 2004</p> <p>December 2003</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p>	
<i>b) Acceleration of administrative reform</i>		
<ul style="list-style-type: none"> ▪ Update the automatic promotion system by introducing a new career and remuneration system for government employees that establishes a link between salary increases and productivity improvements in the civil service ▪ Develop contract-based employment in the public service ▪ Organize good circulation of information between the administrative services and users ▪ Implement an integrated management system for government employees and ensure forward-looking management of staffing ▪ Formulate and implement a national continuing professional training policy for the public sector ▪ Make the control and inspection bodies functional and effectively apply the legislation and regulations governing public service 	<p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>December 2005</p> <p>May 2005</p> <p>June 2005</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
<i>c) Acceleration of decentralization</i>		
<ul style="list-style-type: none"> ▪ Organize the municipal and local elections and installation of the future communes ▪ Transfer to the communes the prerogatives, spheres of competence, and activities devolved to them under the legislative and regulatory texts on decentralization ▪ Design and finalize all management tools for the future local representatives as soon as they take office ▪ Support for commune administrations and the bodies responsible for implementing decentralization ▪ Strengthening of commune staffs, and consolidation and dissemination of the existing management tools; ▪ Setting up a mechanism for information and communication in the communes. 	<p>January 2003</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p>	
4. MANAGEMENT OF SOCIAL TIES AND STRENGTHENING THE CAPACITY OF THE POOR TO PARTICIPATE IN THE DECISION-MAKING AND PRODUCTION PROCESS		
<i>a) Promotion of community development</i>		
<ul style="list-style-type: none"> • Operationalize the National Community Development Program covering 300 villages due to be given local master plans or development plans • Implement the development plans of 100 pilot Community Development Units (UCD) for which a monograph has already been drafted. • Support income-generating activities in 100 pilot UCDs 	<p>December 2003</p> <p>2003-2005</p> <p>2003-2005</p>	
<i>b) Promotion of employment and income-generating activities</i>		
<ul style="list-style-type: none"> • Reduction of unemployment and underemployment <ul style="list-style-type: none"> - Support small producers - Continue and strengthen implementation of the program for finding jobs for the unemployed • Improve the system of information on the employment market <ul style="list-style-type: none"> - Conduct a census of job-seekers - Conduct and publish specific job market studies • Strengthen the bodies tasked with promoting employment and develop synergy among them <ul style="list-style-type: none"> - Evaluate the existing bodies and set up an Employment Promotion Agency 	<p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>2003-2005</p> <p>December 2004</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
c) Social protection and gender promotion		
Social Protection		
<ul style="list-style-type: none"> • Implement the reform of the Civil Service Pension Fund (FNRB) through adoption of a strategy enabling absorption of its deficit and ensuring its equilibrium in the medium term • Expand coverage of the Community-based Program (CBP) for rehabilitation of the handicapped • Create and strengthen the capacities of the local committees for combating trafficking in children 	<p style="text-align: center;">December 2003</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p>	
Gender Promotion and the Advancement of Women		
<ul style="list-style-type: none"> ▪ Implement the multisectoral action plan of the National Policy for the Promotion of Women (PNPF) ▪ Monitor and evaluate the Beijing action program ▪ Improve access to credit for women ▪ Enhance support for women's groups involved in income-generating activities ▪ Strengthening vocational training for women craft workers ▪ Introduce measures to encourage sending girls to school and keeping them in school ▪ Support the Training Center for girls without formal education ▪ Support the re-education of practitioners of female genital mutilation ▪ Train women's groups in the processing and preservation of foodstuffs. 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">December 2003</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p>	
Promotion of the gender-based approach in rural activities		
d) Development of microfinance		
<ul style="list-style-type: none"> • Improve the legal and regulatory framework of the microcredit institutions • Ensure that these institutions are aware that they need to be registered and abide by the requirements of the PARMEC Law • Strengthen the capacities of the Microfinance Unit and improve the governance of the DFIs • Set up of a DFI Support Fund to increase their intervention capability • Support the creation of the Regional Solidarity Bank and of its local Beninese branch. 	<p style="text-align: center;">June 2004</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">December 2004</p> <p style="text-align: center;">June 2004</p> <p style="text-align: center;">2003-2005</p>	

MEASURES	DATE	IMPLEMENTATION STATUS
<i>e) Making vulnerable zones secure</i>		
<ul style="list-style-type: none"> ▪ Gradually modernize agriculture and facilitate access to microcredit ▪ Improve the population's access to the essential social services ▪ Open up remote areas by building rural feeder roads ▪ Prevent and solve the problems caused by seasonal migration of livestock (transhumance) 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p>	
<i>f) Promotion of development hubs</i>		
<ul style="list-style-type: none"> ▪ Accelerate the process of formulation, adoption, and implementation of the Regional Development Policy and Strategies (<i>Politique et Stratégies d'Aménagement du Territoire – POSAT</i>) ▪ Control urbanization and city management and strengthen the urban framework ▪ Preservation, reconstitution, and promotion of natural resources ▪ Develop the Abomey-Calavi plateau, the coastal zone, and the Parakou, Lokossa, Natitingou, Abomey, Djougou and Porto-Novo regions. 	<p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">2003-2005</p> <p style="text-align: center;">December -2005</p>	

The Social Change Observatory System in Benin



Benin: PRSP Monitoring and Evaluation Indicators

Areas	Indicators	Source of information	Ref. year 2001 (initial value)	2003	2004	2005
STRENGTHENING OF THE MEDIUM-TERM MACROECONOMIC FRAMEWORK						
Macro-economic	Rate of economic growth (real) (percent)	TBS	5.0	5.8	6.8	7.0
	Rate of inflation (CPI) (percent)	TBS	3.8	<3	<3	<3
	Rate of growth of GDP per capita (percent)	TBS	2.8	3.2	3.5	3.8
HUMAN RESOURCES DEVELOPMENT AND ENVIRONMENTAL MANAGEMENT						
	Incidence of urban poverty (percent)	ECVR ELAM	23.3	21.1	20.1	19.1
	Incidence of rural poverty (percent)	ECVR ELAM	33	29.9	28.4	27.1
	Human development indicator	RNDH		0.492	0.506	0.520
Health	Use of health care services (percent)	MPH	34	35	36	37
	Prevalence of HIV/AIDS (percent)	MPH	4.1	3.4	3.1	2.8
	Infant mortality rate (per 1,000 births; 0-1 year; o/oo)	MPH	89	76.1	70.3	65.0
	EVP immunization coverage (DTCP3) (percent)	MPH	>80	>80	>80	>80
	EVP immunization coverage (VAR) (percent)	MPH	>=80	>=80	>=80	>=80
	Condom prevalence (percent)	MPH	50	65	65	65
	Death rate from malaria per 10.000 inhabitants (percent)	MPH	7.6	6.2	6.2	6.2
	Tuberculosis cure rate (percent)	MPH	57	57	57	58
	Assisted birth rate (percent)	MPH	74	74	75	75
	Prenatal consultations rate (percent)	MPH	82	83	84	84
	Use of modern contraceptive methods (percent)	MPH	8.9	10	10	11
	Infant mortality rate (per 1,000 births; 0-5 years; o/oo)	MPH	160	136.8	126.5	116.9
Education	Literacy rate (percent)	TBS	-	83.5	85.83	88.11
	Literacy rate for women and girls (percent)	TBS	79.65	73.1	68.65	60
	Drop out rate (primary) (percent)	TBS	29.0	27.01	26.44	25.23
	Gross enrollment ratio (percent)	TBS	81	88.18	90.87	93.56
	Pupil/teacher ratio (percent)	TBS	53	52.86	52.13	51.38
	Percentage of girls at CI (percent)	MEPS	42.7	44.0	45.0	46.0

	Percentage staying on from CI to CM ² (percent)	MEPS	45.0	50	54.0	57
Safe water	Proportion of the population with access to safe water (percent)	TBS	66.4	70.3	72.3	74.4
	Rate of servicing of rural population's safe water requirements (percent)	TBS	-	49	60	64.7
Nutrition	Percentage of under-weight children	TBS	23.0	21.0	20.0	19.1
Housing	Percentage of urban households hooked up to electric power	TBS	21.9	28.7	43.37	55.8
Sanitation	Percentage of households with latrines	MEHU	32.2	45.5	57.19	67.0
SOCIAL SOLIDARITY AND PARTICIPATION BY THE POOR IN THE PRODUCTION PROCESS						
Vulnerable groups	Gender-specific development indicator (percent)	RNDH		0.448	0.453	0.458
Rural electrification	Number of households with an electricity connection (percent)	RNDH		10.69	15.41	19.98

Short-Term Action Plan to Improve the PRSP

Areas	Activities	Units responsible	Date
Diagnostic assessment of poverty	- Carrying out of a national survey of poverty and revision of the household survey, in order to achieve full integration of both geographical settings (rural and urban);	INSAE MAEP	2003
	- Construction of a full, integrated map of socio-economic infrastructure in Benin (at the departmental and commune levels);	INSAE	2004
	- Detailed studies of the description of poverty by social and occupational category in order to obtain a better grasp of the poorest social categories, as well as of the strata and proportion of the population that have really benefited from the sustained economic growth recorded in that period;	INSAE MAEP	2003-2004
	- Carrying out of an integrated employment, household consumption, and informal sector survey;	INSAE MAEP	2003
	- Carrying out of the QUIBB survey;	INSAE	2003-2004
	- Listing of prices for the published price indices;	INSAE	2003-2004
	- More in-depth analysis of the demographic and health survey;	INSAE	2003
	- Study evaluating the impact of the reforms in the agricultural sector (and especially the cotton sector) on farmers' incomes;	SP/CNDLP	2003

Monitoring and evaluation indicators	- Establish a set of PRSP monitoring and evaluation indicators;	SP/CNDLP	2003
	- Support for establishment of a single, national social, demographic, and economic data base to strengthen PRSP monitoring and evaluation;	SP/CNDLP INSAE	2003
	- Carrying out of primary surveys to document selected performance indicators;	MEHU MMEH MTPT MFPS	2003
	- Study evaluating the impact of the tax system and of governance on poverty in Benin;	SP/CNDLP	2003-2004
	- Carrying out of a survey on governance and corruption;	Anti-corruption observatory	Jan.2003
	- Activation of the monitoring and evaluation units in the PERAC ministries	DGB	2003-2004
Monitoring and Evaluation System	- Establish the monitoring and evaluation program of the Social Change Observatory for each of the bodies involved.	SP/CNDLP	2003
	- Establish the program for strengthening the capacities of the SCO and of the data-producing entities	SP/CNDLP	2003
	- Extend the consultation process to include the communes by involving the departmental administrations and making them accountable	SP/CNDLP	2004
	- Conduct participatory analyses of poverty jointly with poor segments of the population in their usual environment with respect to their situation and their perception of problems/solutions (and arrange for local follow-up).	SP/CNDLP	2003-2004
		SP/CNDLP	

Participatory process	- Establish departmental poverty profiles based on participatory analyses and grassroots consultations, involving social scientists in the analysis in order to enrich the diagnostic assessment of poverty.	SP/CNDLP	2003-2004
	- Proceed to strengthen consultation and dialogue capabilities		2003-2005
	- Improvement of the procedure for drafting the medium-term expenditure plan in order to highlight its links with PRSP strategies and priorities	ST/PAS DGB DGAE	2003-2005
Medium-term expenditure plan	- Proceed to strengthen coordination and synthesizing skills in relation to the drafting of the PERAC ministries' program-budgets	ST/PAS DGB DGAE	2003-2005
Institutional framework	- Thought is currently being given to an updating of the institutional framework.	SP/CNDLP	2003
Poverty reduction strategy			
Growth strategy	- Carrying out of a study of competitiveness in the Beninese economy	SP/CNDLP DGAE	2003
Private sector development strategy	- Carrying out of a study to identify areas for strengthening private sector capabilities	SP/CNDLP	2003