



2006 Survey on Monitoring The Paris Declaration

Country Chapters

BENIN

The 2006 Survey on Monitoring the Paris Declaration was undertaken in 34 countries that receive aid. The results of the survey are presented in two volumes. **Volume 1** provides an overview of key findings across 34 countries. **Volume 2** presents the baseline and key findings in each of the 34 countries that have taken part in the survey. This chapter is based primarily on the data and findings communicated by government and donors to the OECD through the Paris Declaration monitoring process. A more detailed description of this process, how this chapter was drafted and what sources were used is included in Volume 1, Chapter 2.

Both Volume 1 (Overview) and Volume 2 (Country Chapters) of the 2006 Survey on Monitoring the Paris Declaration can be downloaded at the OECD website:

www.oecd.org/dac/effectiveness/monitoring

A second round of monitoring will be organised in the first quarter of 2008 and will be an important contribution to the Accra High-Level Forum on Aid Effectiveness in September 2008.

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BENIN

THE POPULATION OF BENIN, estimated in 2006 at 7.8 million, has a per capita income of about USD 510 (gross national income, 2005). Approximately 33% of the population falls below the national poverty line (2001). Benin has endorsed the Paris Declaration, and both the government and the majority of the donor community endorse the Declaration.

DIMENSIONS	BASELINE	CHALLENGES	PRIORITY ACTIONS
Ownership	Low-Moderate	Overlapping responsibilities within the executive, duplication of effort, poor dissemination of information on poverty alleviation plan among key players.	Clarify government goals and responsibilities towards donors and sectoral/thematic groups. Formulate participatory aid policy. Finalise and improve sectoral strategies. Strengthen Poverty Reduction Strategy system.
Alignment	Moderate	Government lead is still weak. Donor aid is insufficiently captured within the budget.	Follow administrative and institutional reforms as outlined in the Public Expenditure Review. Make technical improvements to aid management system. Donors should give government timely and accurate aid information.
Harmonisation	Moderate	Project aid is sometimes aligned on paper but not in practice.	Consolidate programme-based approach in all sectors. Identify comparative advantages of donors in each sector. Use Poverty Reduction Strategy Paper as a proxy for a joint assistance strategy to reinforce complementarity between donors and national priorities.
Managing for results	Moderate	The current budgetary management system is not functional at all levels and in all sectors.	Implement monitoring and evaluation system by ensuring sufficient resources, clarifying roles and responsibilities, and allocating decision making functions clearly. Donors should put in place necessary procedures so that they can follow national monitoring and evaluation system.
Mutual accountability	Low	There is no aid effectiveness matrix.	Develop and agree a joint annual progress plan. Plan an independent monitoring function.

OVERVIEW
Box 4.1
Challenges and priority actions

Net official development assistance (ODA) to Benin in 2004 was USD 378 million, representing 9.34% of gross national income. The five major external partners, contributing approximately 73% of ODA in 2002-03, are France, the European Union, the World Bank, the United States and Germany. A total of 15

donors responded to the 2006 baseline survey, accounting for approximately 67% of official aid flows to Benin. Notable non-respondents included the United States, whose Millennium Challenge Account (MCA) in February 2006 granted USD 307 million to Benin, a figure that represents 81% of total aid to the country in 2004.

OWNERSHIP

INDICATOR 1

OWNERSHIP IS CRITICAL to achieving development results and is central to the Paris Declaration. It has been defined as a country's ability to exercise effective leadership over its development policies and strategies. Achieving this – especially in countries that rely heavily on aid to finance their development – is not a simple undertaking. Nor, of course, can it be measured by a single indicator. For donors, it means supporting countries' leadership, policies, institutions and systems. This is commonly referred to as "alignment" (see below). Donors are in a better position to do this when governments set out clear priorities and operational strategies (the main focus of Indicator 1 of the Paris Declaration).

According to the World Bank's Aid Effectiveness Review (AER), the government of Benin's efforts to lead overall development assistance are rather limited. The Ministry of Development, Economy and Finance is the locus of government activity, but most work on harmonisation comes from external partners, and some sources have noted an unwillingness on the part of key government officials to take the reins and assert control of their development process in the face of donors. Sectoral working groups originally set up by the government have lost their impetus: for example, during the development of the Poverty Reduction Strategy progress report in 2004, nine government cross-sectoral thematic groups had to be revived in order to provide inputs. Although the UNDP had chaired roundtable meetings to discuss development aid, these meetings have been discontinued. However, the government is planning a second edition of the Poverty Reduction Strategy and this has spurred some action – the government plans to host a workshop to validate the strategy.

Developmental oversight is managed by external partners, and 17 partners meet monthly through 12 sectoral or thematic working groups. At the partners' suggestion, some of these working groups are now chaired by the relevant ministry. Further, as part of the second Poverty Reduction Strategy planning process, a Poverty Reduction Strategy working group has been established to co-ordinate inputs from the thematic groups.

Indicator 1 of the Paris Declaration measures the extent to which a country has an operational development strategy to guide the aid co-ordination effort and the country's overall development. The score for Indicator 1 is based on the World Bank's 2005 Comprehensive Development Framework (CDF) Progress Report. In the CDF's terms, an operational strategy calls for a coherent long-term vision and a medium-term strategy derived from it; specific targets serving a holistic, balanced and well-sequenced development strategy; and capacity and resources for its implementation. Benin is considered to have some of these elements and not others, and is consequently placed, along with 58% of the countries covered, in category C of the CDF descending scale running from A to E. Only countries in categories A or B are considered to have an operational strategy.

Benin is, however, considered to have a coherent long- and medium-term vision and strategy for enacting development policy. The Ministry of Planning developed the long-term vision, entitled Benin 2025: ALAFIA ("Peace and Happiness"). The vision is supplemented by a Government Action Plan for 2001-06 as well as a Poverty Reduction Strategy, the *Document de Stratégie de Réduction de la Pauvreté* (DSRP), for 2003-05 and an interim DSRP Progress Report

(completed December 2004). The DSRP, which contains detailed progress indicators, is considered the principal reference point for development partner activities in Benin. The four DSRP pillars are to:

- strengthen the macroeconomic framework over the medium term;
- develop human capital and environmental management;
- strengthen good governance and institutional capacity; and
- promote employment and strengthen the poor's ability to participate in the decision making and production processes.

The government also prepared a second DSRP or Growth and Poverty Reduction Strategy for 2007-09 in which gender equity is a particular priority. The *Stratégie de Croissance et de Réduction de la Pauvreté* (SCRP) is based on five principles:

- economic growth;
- infrastructure development;
- strengthening of human capital;
- good governance; and
- balanced development of a national framework.

An action programme (based on the SCRP) identifies priority sectors : education, basic health, infrastructure (water and sanitation, energy, telecommunications and transport), rural development, micro-finance and small-medium enterprise development, social protection, justice and law reinforcement, environment, acceleration of administrative reforms and decentralisation. In addition, a National Development Plan will replace the Government Action Plan and will serve as the mandate of the government, which came to office in April 2006.

Additionally, a three-year Mid-Term Evaluation Framework (MTEF), updated annually, was launched in 2001, and will link results targets, policies and expenditures. The latest MTEF for 2005-07 channels spending in line with DSRP goals: the budget allocation for DSRP priority sectors was increased from 10.9% of gross domestic product in 2000-2001 to 12.1% in

2003-2005 (though the PSRP budget target was slightly higher at 12.4%). The MTEF currently under preparation will also reflect SCRП goals.

Operationalisation of the DSRP was at first hampered by a multiplicity of overlapping planning units: responsibility for DSRP formulation was shared between the Ministry of Planning and Development, and the Ministry of Finance and Economy. A new institutional framework was introduced in February 2004, under which a *Commission Nationale pour le Développement et la Lutte contre la Pauvreté* (CNDLP) (National Commission for Development and Fight against Poverty) within the Ministry of Finance and Economy was established to take forward the DSRP, although responsibility for various tasks is still shared among five separate departments.

Although the MTEF helps build the capacity of line ministries to develop their budgets, government budget planning overall is still considered to be weak. The government does not issue a consolidated budget, and the links between poverty reduction objectives and budget allocations are minimal. Monitoring of the budget is fragmented and piecemeal, and capacity at the municipal government level is very low. However, the line ministries are moving towards results-based budgeting, and the central government level is adopting results-based budgeting in its budget execution. The CNDLP now publishes economic performance indicators.

Despite consultations and input from stakeholders (including civil society, municipal governments and the private sector) during DSRP formulation, implementation of the DSRP has been marked by a lack of involvement by key stakeholders. The process has been hampered by poor communication of DSRP goals, as well as a monitoring and evaluation system that is still not fully operational. Weak institutional capacity to implement the DSRP (primarily in the area of staff resources and skills), and poor inter-ministerial co-ordination also hold up progress. The government is to be commended, however, for its efforts to give line ministries greater control and responsibility over key DSRP items.

ALIGNMENT

SINCE 2001, Benin has made considerable strides towards improving its public management framework, and in recent years has had some success in aligning aid with government priorities. Today, however, significant problems remain, which are compounded by lack of communication among line ministries, human resource challenges (in particular, retaining and paying good staff), and donor problems such as mission overlap. This calls for solid commitments for change both by the government and donors.

BUILDING RELIABLE COUNTRY SYSTEMS

INDICATOR 2a The World Bank's Country Policy and Institutional Assessment (CPIA) gives Benin a current score of 4.0 – “moderately strong” – for the quality of budgetary and public financial management. This is slightly above average for International Development Association (IDA) countries. Although at the beginning of the decade, many donors pointed to a lack of leadership and political will of the government that caused them to work at the sectoral or local government level, the government is now aggressively pursuing improvements. A 2004 Public Expenditure Review (PER) found that only two of the monitoring indicators achieved the highest score, while the majority of others achieved low or very low scores. Chief among the problems to be tackled included the lack of: sectoral ministries' access to monies outlined in the national budget, a reliable budget tracking system, public access to information on budget spending, control over use of funds and a system of penalties for those misappropriating funds, and clear lines of responsibility of the Executive to the National Assembly on use of funds.

The PER emphasised the need for budget reforms to be coupled with administrative reforms, and recommended actions that the government has endorsed. These include steps toward greater transparency, decentralised financial management, and a more integrated and electronic financial management system to be adopted by line ministries and regional governments. A new inter-ministerial plan was set up at the end of 2005, and a new minister has been appointed to co-ordinate institutional and administrative reforms. A short- and medium-term strategy for public financial reform called the *Cadre de Réforme de la Gestion Budgétaire Axée sur les Résultats* will no doubt strengthen the public finance system and increase donor confidence.

INDICATOR 2b Procurement is a particular area of concern, although a numerical score for Indicator 2b (an assessment of the quality of the procurement system) is not currently available. Benin ranks 121st out of 163 on Transparency International's Corruptions Perceptions Index. A 2004 Procurement Law calls for better procurement transparency, and the government has begun publishing public tender results. The new government is now preparing an anti-corruption strategy.

ALIGNING AID FLOWS ON NATIONAL PRIORITIES

Benin's Poverty Reduction Strategy (DSRP) provides a basis for external partners to align their support in a general way with the country's policies, although as mentioned, the government does not take the lead in this co-ordination. An external partners' working group has been established to co-ordinate inputs from external partners to the planned second Poverty Reduction Strategy.

The largest donors in Benin are Denmark, the European Commission (EC), France, Germany, Switzerland, the United States and the World Bank, which together represent 69% of all aid to Benin. All of these countries' aid strategies are aligned with the DSRP. The United States' Millennium Challenge Corporation has recently signed a large aid agreement with Benin which broadly reflects DSRP priorities. Partners are exploring the possibility of developing a joint assistance strategy, but no concrete plans have been made. An Aid Harmonization Technical Committee, open to all donors in Benin, is presided over by the government and brings together the EC, Denmark, Holland, Switzerland, UNDP and USAID.

Although some external partners have made preliminary efforts towards greater decentralisation of decision making, more work is needed. The World Bank and French development agency both have Benin-based Country Managers, and 40% of the World Bank's projects are managed from Cotonou. However, technical staff are still mostly based at central offices rather than deployed to Benin, making it difficult for them to participate in sectoral and thematic working groups.

One of the obstacles hindering joint country programming in Benin is the difficulty of reflecting donor financial commitments fully and accurately in the national budget. This is the aspect of alignment measured by Indicator 3 of the baseline survey. As the survey return notes, project support is not accurately reflected in the national budget: while line ministries hold information on projects in their sector, this information is often not passed on to the budget Director General. The general target for this indicator set by the Paris Declaration (85%) calls for a high level of budget realism on the part of the country authorities, accompanied by a high degree of willingness and ability of donors to provide information in a timely fashion and in a suitable form. Some work has already begun on improving the national budget management system and in modifying the programme to track donor aid.

The table provides government's budget estimates of aid flows for fiscal year 2005 (numerator) as a percentage of aid disbursed by donors for the government sector for the same period (denominator). This ratio tells us the degree to which there is a discrepancy between budget estimates and actual disbursements. The discrepancy can be in two directions: indeed budget estimates can be either higher or lower than disbursements. In order to have a single measure of discrepancy that is always less than 100%, the ratio is flipped when budget estimates are higher than disbursements. The baseline value for Indicator 3 in Benin is 47%. Achieving the target agreed in Paris of 74% (halving the gap) for this indicator will require concerted efforts by donors and government.

CO-ORDINATING SUPPORT TO STRENGTHEN CAPACITY

Capacity constraints significantly undermine the ability of country systems to capture and co-ordinate aid flows more effectively. The Paris Declaration commits donors to providing more co-ordinated support to capacity development under country leadership, with a target of 50% provided in this form by 2010. The survey indicates that currently 56% of reported technical assistance is considered co-ordinated in this sense, which would imply that there is no gap to close during the years to 2010.

However, beneath the numbers, there is clearly still significant work to do. For example, though some 25% of Benin's aid comes in the form of training or capacity

Are government budget estimates comprehensive and realistic?

	Government's budget estimates of aid flows for FY05 (USD m) a	Aid disbursed by donors for government sector in FY05 (USD m) b	Baseline ratio* c=a/b (%) c=b/a
African Dev. Bank	30	35	86%
Belgium	0	6	0%
Denmark	4	33	13%
EC	14	48	29%
France	4	12	33%
Germany	3	25	13%
Netherlands	2	12	21%
Switzerland	1	1	95%
United Nations	0	14	0%
World Bank	54	55	98%
Total	112	240	47%

* Baseline ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

INDICATOR 3
Table 4.1

building, the government currently has no overall capacity-building strategy (relying for the most part on external partners to suggest areas of possible technical assistance), and the DSRP does not address the issue of capacity building. No donors have formulated a co-ordinated plan to address capacity building. The government is now developing a national policy on capacity building, which is expected to focus on the division of labour among donors – that is, ensuring that the most technically appropriate donor provides training in each area. It is also expected that one of the second Poverty Reduction Strategy pillars will be capacity building and training. Priority areas will include agriculture, macro-economic policy and development, budget management, local administration and decentralisation, and health, social protection and gender issues.

In terms of the questionnaire and donors' responses to this item, interpretation of the phrase "capacity building" is clearly an important issue. There is no one exhaustive list of capacity-building activities in Benin; hence, donors' responses were not made using the same information.

In practice, capacity building often takes the form of non-coordinated projects. Nonetheless, there are signs of progress. For example, a basket fund was recently set up by Denmark, Switzerland and Germany, to help co-ordinate monitoring and

evaluation training that will enable the government's Social Change Observatory to evaluate the DSRP. Other specific examples of more co-ordinated co-operation include the Ministry of Mines and Energy, whose capacity-building programme is funded by many donors; and the Ministry of Development, Economy and Finance's results-based monitoring programme, jointly funded by the African Development Bank and Denmark.

USING COUNTRY SYSTEMS

Indicator 5a is a measure of the use of three components of country public financial management systems by donors. According to the survey data, 52% of flows make use of all three components in Benin, and the average rate of utilisation of the national procurement system is 64%. All donors included in the survey make at least some use of the country's systems. Since Benin's Country Policy and Institutional Assessment (CPIA) score for public budgetary and financial management is 4.0, the target for 2010 is to reduce by one-third the non-utilisation of country systems.

Budgetary aid, as provided by the World Bank, the Netherlands, Switzerland and France, is the most aligned form of assistance in Benin. There are multiple other projects and programmes that are partially aligned, such as projects of the West African Development Bank, France, Denmark and Germany. The West African Development Bank and France use the government's procurement system but not its public management system. Denmark uses national procedures, but with sectoral variations. Interestingly, there is great variation in take-up rate among the separate aid agencies run by France and Germany. France's AFD, for example, uses more aligned procedures than SCAC; while in Germany, KfW utilises more aligned procedures than GTZ. These variations clearly have less to do with stated government priorities and more to do with the subsidiary aid agency's own management policies.

Fully one-third of aid is not aligned at all with government systems, including the United States (both USAID and the Millennium Challenge Account), Belgium, Japan, Canada, the UNDP

INDICATOR 4
Table 4.2

How much technical assistance is co-ordinated with country programmes?

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	Baseline ratio (%) c=a/b
African Dev. Bank	6	7	86%
Belgium	0	1	0%
Denmark	0	2	20%
European Commission	0	4	11%
France	0	6	0%
Germany	9	9	100%
Netherlands	1	1	96%
Switzerland	3	3	100%
United Nations	1	4	20%
World Bank	--	--	--
Total	20	36	56%

How much aid for the government sectors uses country systems?

INDICATOR 5
Table 4.3

	Aid disbursed by donors for government sector (USD m) a	Public financial management				Procurement	
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	Baseline ratio (%) avg (b,c,d) / a	Procurement systems (USD m) e	Baseline ratio (%) e / a
African Dev. Bank	35	35	35	35	100%	35	100%
Belgium	6	0	0	0	0%	3	50%
Denmark	33	5	4	4	12%	22	66%
European Commission	48	34	34	14	57%	34	71%
France	12	6	6	2	42%	6	55%
Germany	25	12	12	12	47%	12	47%
Netherlands	12	10	10	10	86%	10	86%
Switzerland	1	1	1	1	100%	1	100%
United Nations	14	1	1	1	6%	1	8%
World Bank	55	30	30	30	54%	30	54%
Total	240	134	132	107	52%	154	64%

and China. The Millennium Challenge Account has proposed an entirely separate reporting system for its recent grant allocation of USD 307 million. Reasons given for non-alignment include the need to see better anti-corruption measures in place and better auditing procedures by the Benin government; and also the restrictions placed on the donors themselves by their central offices (as with Japan, Belgium and the EC). Lack of harmonisation, particularly of the Millennium Challenge Account which represents such a huge funding source, is clearly a very important issue.

AVOIDING PARALLEL IMPLEMENTATION STRUCTURES

The Paris Declaration calls for a substantial reduction in the number of project implementation units (PIU) that are parallel, where appointment decisions and accounting relationships involve the donor alone. The current baseline figure for Benin is given as 29 such structures. However, the survey return suggests that this number does not reflect the true extent of parallel PIUs in the country: there may be as many as 70 PIUs in the agricultural and environment sector alone. Other donors use different approaches that function in effect like a parallel implementation structure: Swiss aid money, for example, is given directly in response to proposals from private, non-governmental organisations.

How many PIUs are parallel to country structures?

INDICATOR 6
Table 4.4

	Parallel PIUs (units)
African Dev. Bank	3
Belgium	3
Denmark	4
European Commission	6
France	--
Germany	0
Netherlands	0
Switzerland	2
United Nations	4
World Bank	7
Total	29

There is cause for optimism, though. For example, the PIUs of some of the World Bank's aid projects are now housed within the appropriate line ministries. Most of Benin's largest aid partners are phasing out, or are planning to phase out, parallel PIUs. A significant reduction in PIUs, however, will depend on progress towards public administration reform, and more united rules and regulations among the donors governing their implementation procedures.

INDICATOR 7
Table 4.5

Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in FY05 (USD m)	Aid scheduled by donors for disbursement in FY05 (USD m)	Aid actually disbursed by donors in FY05 (USD m)	Baseline ratio*	
	a	b	FOR REFERENCE ONLY	c=a/b (%)	c=b/a
African Dev. Bank	30	40	35	75%	
Belgium	0	--	6		
Denmark	4	30	33	14%	
European Commission	14	34	48	40%	
France	4	12	12	31%	
Germany	3	21	25	15%	
Netherlands	2	12	12	21%	
Switzerland	1	1	1	95%	
United Nations	0	7	14	0%	
World Bank	54	55	55	98%	
Total	112	212	240	53%	

* Baseline ratio is $c = a / b$ except where disbursements recorded by government are greater than aid scheduled for disbursement ($c = b / a$).

PROVIDING MORE PREDICTABLE AID

Predictability of aid is weak, due mostly to the lack of centralised aid allocation information at the government level. Indicator 7 focuses on the government's ability to record disbursements in its accounting system for the appropriate year, for which 53% is the total recorded value for Benin. This figure, broken down by donor, reveals a high level of both under- and over-accounting of disbursements by the government, with the most significant gaps occurring in the EC and Germany. Even donors' own planned schedules of aid versus aid actually disbursed can vary widely: compare, for example, the African Development Bank and the EC's scheduled versus disbursed aid figures.

Like Indicator 3 (aid on budget) there are two measures for Indicator 7. The first is based on a ratio and provides a good indication as to whether a government disbursement records are less (ratio under 100%) or more (ratio over 100%) than what was initially scheduled by each donor. The second is based on measuring the gap ("the predictability gap").

Indicator 7 on predictability has been designed to encourage progress against both of these angles so as to gradually close the predictability gap by half by 2010. In other words, it seeks to improve not

only the predictability of actual disbursements but also the accuracy of how they are recorded in government systems – an important feature of ownership, accountability and transparency. In Benin, this combined predictability gap amounts to USD 99 million (42% of aid scheduled for disbursement). Closing this predictability gap will require donors and government to work increasingly together on various fronts at the same time. They might work at improving:

- the realism of predictions on volume and timing of expected disbursements;
- the way donors notify their disbursement to government; and
- the comprehensiveness of government's records of disbursements made by donors.

The real objective will be to reduce significantly the spreads in both directions, both between donor plans and disbursements, and between disbursements and their recording by the government. This will not be easy unless the government is able to address weaknesses in the public financial system overall, establish ground rules that mobilise donors to provide aid information in a more timely and accurate manner, and ensure that its own aid

figures are more accurate. Donors must act to streamline the often widely variant rules that they apply to project aid and reform the burdensome nature of donor procedures that bring disbursement lags in their wake. Encouragingly, the EC is helping the government to define a procedure to integrate aid grants into the budget. Across the board, external partners are trying to align aid with the government's annual budget.

HARMONISATION

HARMONISATION of donor practices and procedures can enhance aid effectiveness. Where possible, donors are putting in place joint financing and research plans, using their own comparative advantage when they can. A programme-based approach has been taken in Benin, although of course, definitional obstacles remain. The government has found it challenging to come to a unified definition of harmonisation that fulfils OECD criteria, particularly since each donor seems to have its own definition of "programme-based approach". A series of workshops in March 2006 on the Paris Declaration drove home the need to consolidate the programme-based approach in Benin.

UNTYING AID

Donors are exploring how to increase the percentage of untied aid to Benin. Yet, a larger share of bilateral aid to Benin is coming in the form of budget support, making it unlikely that untied aid will increase. The Millennium Challenge Account's actions in this area will obviously be crucial.

INDICATOR 8

USING COMMON ARRANGEMENTS

Progress has been made towards use of common arrangements in Benin. In fact, some 17 different sectors have now adopted a programme-based approach. Under the Joint Approach Agreement for budget support, the government and external partners share a common monitoring framework to measure structural and sectoral reform programmes. At the sectoral level, stakeholders are working to improve joint sector strategies, programmes and technical assistance. For instance, basket funding is now in use in the water and public financial management systems; and there are basket funds to finance monitoring and evaluation training in support of the new DSRP, as well as for agricultural research. However, no sector-wide approaches are currently planned.

How much aid is programme based?

	Budget support (USD m) a	Other PBAs (USD m) b	Total (USD m) c=a+b	Total disbursed (USD m) d	Baseline ratio (%) e=c/d
African Development Bank	17	18	35	35	100%
Belgium	0	0	0	7	0%
Denmark	5	17	22	34	64%
European Commission	34	0	34	50	68%
France	2	0	2	12	16%
Germany	0	17	17	28	61%
Netherlands	3	8	11	12	90%
Switzerland	1	0	1	7	8%
United Nations	0	4	4	15	24%
World Bank	30	--	30	55	54%
Total	91	64	155	255	61%

INDICATOR 9

Table 4.6

Actual results may be some ways behind the improvements on paper. While a majority of project aid is now considered in theory to be harmonised within line ministries' sectoral programmes, for example, the actual changes needed to make them more aligned (reduction in PIUs, change in the multiple and non-harmonised administrative procedures, separate monitoring undertaken outside of the national monitoring and evaluation structure, etc.) are yet to come in many cases. The donor community

does not place a high priority on dividing up work based on comparative advantage. From sector to sector, implementation of the programme-based approach has been uneven. In certain issue areas and sectors, such as decentralisation and agriculture, the link between programme budget and strategic vision remains fragile. Real programme-based approaches will depend on consolidation of sectoral strategy. The true baseline is therefore somewhere below 61%, and reaching the Paris Declaration target for 2010 (66%) will be correspondingly harder to achieve.

INDICATOR 10a
Table 4.7

	Co-ordinated donor missions (missions) a	Total donor missions (missions) b	Baseline ratio (%) c=a/b
African Dev. Bank	4	5	80%
Belgium	0	3	0%
Denmark	5	15	33%
EC	2	11	18%
France	2	60	3%
Germany	7	8	88%
Netherlands	2	2	100%
Switzerland	0	0	--
United Nations	12	40	30%
World Bank	5	31	16%
Total (discounted*)	25	175	14%

* The total of co-ordinated missions has been adjusted to avoid double counting. A discount factor of 35% has been applied.

INDICATOR 10b
Table 4.8

	Co-ordinated donor analytical work (units) a	Total donor analytical work (units) b	Baseline ratio (%) c=a/b
African Dev. Bank	3	4	75%
Belgium	1	5	20%
Denmark	2	3	67%
EC	2	3	67%
France	1	10	10%
Germany	7	13	54%
Netherlands	1	1	100%
Switzerland	0	5	0%
United Nations	18	27	67%
World Bank	2	3	67%
Total (discounted*)	28	74	38%

* The total of co-ordinated analysis has been adjusted to avoid double counting. A discount factor of 25% has been applied.

CONDUCTING JOINT MISSIONS AND SHARING ANALYSIS

The baseline figure for co-ordination of donor missions is just 14%, considerably below the Paris Declaration target of 40%. However, annual reviews of certain sectors are taken jointly among donors, including water, health and education, where donors develop joint mission schedules. A Harmonisation Action Plan calls upon donors to plan more joint missions. However, the government does not yet have a formal mechanism for co-ordinating missions among different donors, and clearly there is room for much work. For example, in June 2006, in the decentralisation sector alone, six parallel planning missions were undertaken by six different donors (Switzerland, Denmark, the EC, France, Germany and Belgium).

As a positive sign, joint analytical work is becoming more common, and the baseline proportion is 38%. The African Development Bank, the UN system, the World Bank, Denmark, the EC and the Netherlands all conduct joint exercises. There has been joint diagnostic work in the area of public finance. The UN and the World Bank pooled their expertise in a Common Country Assessment in 2002, while in 2004, the World Bank and Denmark completed a joint Public Expenditure Review. Four donors participated in the most recent Country Financial Accountability Assessment. Joint sector reviews are conducted in the areas of health, education, water, and budget support. A country analytical website shared by donors now has 21 documents posted. These encouraging signs aside, the target of 60% joint work by 2010 will be a major leap without renewed efforts on the part of government and donors.

MANAGING FOR RESULTS

THE PARIS DECLARATION urges partner countries and donors to work together to manage resources on the basis of desired results, and to use information to improve decision making. This means both strengthening the capacity to undertake such management and helping to increase the demand for a focus on results. Indicator 11 targets one component of this effort: the establishment of cost-effective results-oriented reporting and assessment systems by the country.

Benin has received a C rating in terms of the quality of its results monitoring system according to the World Bank's CDF Progress Report. This means that Benin ranks among 42% of IDA sample countries that have some but not all of the elements of such a system. This reflects particular strengths and inadequacies in three areas: the quality of the available development information, the degree to which stakeholders have access to it, and the extent of co-ordinated monitoring and evaluation of the country's development efforts.

The AER reports that the availability and quality of poverty-related data are improving. Data for monitoring expenditures and poverty is available, and the government is attempting to strengthen its capacity. The National Statistics Institute collects and analyses data, and the government has launched a Poverty Reduction

Information System (BenInfo) based on the 2003 Core Welfare Indicators Questionnaire and Poverty Assessment. The World Bank commends progress on improving household living standards monitoring and the prevalence of income poverty, which began in March 2004 when the government held a workshop on this subject and developed plans for improving household data collection. The government's data collection system is operational but needs to be revamped.

In terms of country-level monitoring and evaluation, the government and donors are strengthening the system in place, first by helping to clarify the roles of the two departments responsible for evaluation and identifying capacity building needs in a formalised plan. They are also planning a baseline household survey, and a three-year monitoring and evaluation program to be managed by the Social Change Observatory. Monitoring and evaluation units have been established in most DRSP-related line ministries.

Until recently, the DSRP has been distributed informally among stakeholders. After initial delays, it was launched in December 2004 with a more formal communications plan including website publication and public communications of the DSRP. The plan has been translated into English, though not into any local languages.

INDICATOR 11

MUTUAL ACCOUNTABILITY

THE PARIS DECLARATION calls for donors and partner countries to be accountable to each other for the use of development resources, and in a way that strengthens public support for national policies and development assistance. This in turn requires governments to improve country accountability systems and donors to be transparent about their own contributions. Indicator 12 seeks to establish whether there is a country-level mechanism permitting joint assessment of progress in implementing agreed commitments on aid effectiveness, including those in the Declaration itself.

The government of Benin is a signatory of the Paris Declaration on Aid Effectiveness. In 2004, the Harmonization Technical Committee developed a Harmonisation Action Plan, which is being adopted by other donors. However, the government has not prepared a parallel action plan. In March 2005, workshops were held to develop a framework for development effectiveness, at which donors pressed to adopt the Paris Declaration framework and indicators for mutual accountability.

INDICATOR 12

Donors are working to include targets of the Paris Declaration into the second Poverty Reduction Strategy. Additionally, in December 2006, an update was completed on the implementation of the Paris Declaration in Benin. A workshop brought together 60 government and donor partners who agreed to establish a joint government-donor aid effectiveness action plan for 2007. Overall, it is considered that Benin has not achieved the work needed for “mutual evaluation”. Nonetheless, the current initiative of government and donors to establish a joint aid effectiveness action plan is expected to usher in plans for a mutual evaluation system.

BASELINES AND TARGETS

THE TABLE BELOW presents the 2005 baselines and the targets for Benin. The baseline values are taken from the discussion above, which draws on various sources of information. The main source is the baseline survey undertaken in Benin under the aegis of the National Co-ordinator (Rigobert Laourou).

Table 4.9
Baselines
and targets

INDICATORS	2005 BASELINE	2010 TARGET
1 Ownership – Operational PRS	C	B or A
2a Quality of PFM systems	4.0	4.5
2b Quality procurement systems	Not available	Not applicable
3 Aid reported on budget	47%	85%
4 Co-ordinated capacity development	56%	50%
5a Use of country PFM systems (aid flows)	52%	68%
5b Use of country procurement systems (aid flows)	64%	Not applicable
6 Parallel PIUs	29	10
7 In-year predictability	53%	77%
8 Untied aid	79%	More than 79%
9 Use of programme-based approaches	61%	66%
10a Co-ordinated missions	14%	40%
10b Co-ordinated country analytic work	38%	66%
11 Sound performance assessment framework	C	B or A
12 Reviews of mutual accountability	No	Yes

ACRONYMS

AER	Aid Effectiveness Review
CDF	Comprehensive Development Framework
CNDLP	<i>Commission Nationale pour le Développement et la Lutte contre la Pauvreté</i> (National Commission for Development and Fight against Poverty)
CPIA	Country Policy and Institutional Assessment
DSRP	<i>Document de Stratégie de Réduction de la Pauvreté</i> (Poverty Reduction Strategy)
EC	European Commission
IDA	International Development Association
ODA	official development assistance
MCA	Millennium Challenge Account
MTEF	Mid-Term Evaluation Framework
PER	Public Expenditure Review
PIU	project implementation unit
SCRP	<i>Stratégie de Croissance et de Réduction de la Pauvreté</i>