

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPPEMENT**



REPUBLIC OF BENIN
COUNTRY PORTFOLIO REPORT

**COUNTRY DEPARTMENT
WEST REGION OUEST**

SEPTEMBER 2004

TABLE OF CONTENTS

	<u>Page</u>
ACRONYMS AND ABBREVIATIONS	
EXECUTIVE SUMMARY	(i-iv)
I. INTRODUCTION	1
1.1 Objective of the Report	1
1.2 Scope and Composition of the Portfolio	1
II. REVIEW OF ONGOING OPERATIONS	2
2.1 Review of Operations by Sector	2
2.2 Ageing and Problem Projects	26
2.3 Evaluation of the Frequency and Quality of Supervisions	27
2.4 Cross-cutting Issues	27
2.5 Overall Assessment	29
2.6 Disbursements	30
III. ASSESSMENT OF PROJECT MANAGEMENT AND IMPLEMENTATION CAPACITIES	30
3.1 Government Performance	30
3.2 Bank Group Performance	31
IV. COORDINATION WITH OTHER DONORS	32
4.1 Assessment of Government's Coordination Capacity	32
4.2 Assessment of Bank's Coordination with Donors	32
4.3 Assessment of Co-financiers	32
V. REPAYMENT OF LOANS	33
VI. PROACTIVE MANAGEMENT OF PORTFOLIO	33
6.1 Potential Problems and Solutions	33
6.2 Plan of Action	33
6.3 Lessons for CSPs and Future Portfolio Reviews	33
VII. CONCLUSIONS AND RECOMMENDATIONS	34
7.1 Conclusions	34
7.2 Recommendations	34
ANNEX I:	Matrix of Measures to Improve the Current Portfolio
ANNEX II:	Bank Group Commitments
ANNEX III:	Ongoing Bank Group Operations
ANNEX IV:	Summary of Assessment of Project Performance
ANNEX V:	Principal Portfolio Indicators
ANNEX VI:	Matrix of Common Problems in the Portfolio
ANNEX VII:	Matrix of Crosscutting Issues Covered the Portfolio

ACRONYMS AND ABBREVIATIONS

AFD	:	Agence française de développement (French Development Agency)
VLPA	:	Village-level Participatory Approach
ADB	:	African Development Bank
ISDB	:	Islamic Development Bank
WADB	:	West African Development Bank
CAA	:	Caisse autonome d'amortissement (Sinking Fund)
CARDER	:	Centre d'action régionale pour le développement rural (Regional Action Centre for Rural Development)
PIU	:	Project Implementation Unit
CREP	:	Caisse rurale d'épargne et de prêt (Rural Savings and Loan Association)
DNPP	:	Direction nationale du plan et de la prospective (National Directorate of Planning and Forecasting)
FAC	:	Fonds d'aide et de coopération (French Aid and Cooperation Fund)
ADF	:	African Development Fund
TAF	:	Technical Assistance Fund
FECECAM	:	Fédération des caisses d'épargne et de crédit agricole mutual (Federation of Agricultural Savings and Loan Cooperatives)
EDF	:	European Development Fund
NTF	:	Nigeria Trust Fund
EIG	:	Economic interest group
IGF	:	Inspection générale des finances (General Inspectorate of Finance)
INSAE	:	Institut national des statistiques et d'analyses économiques (National Institute of Statistics and Economic Analysis)
IRSP	:	Institut régional de santé publique (Regional Institute of Public Health)
KFW	:	German Development Bank
OCBN	:	Organisation du chemin de fer Bénin-Niger (Benin-Niger railway company)
NGO	:	Non governmental organization
LDP	:	Livestock Development Project)
IRDP	:	Integrated Rural Development Project
PIP	:	Public Investment Programme
SME	:	Small and medium-sized entreprise
UNDP	:	United Nations Development Programme
TSP	:	Transport Sector Programme
SBEE	:	Société béninoise d'eau et d'électricité (Benin water and electricity company)
PW	:	Public Works
UA	:	ADB Unit of Account

EXECUTIVE SUMMARY

1. This report was prepared following the Bank portfolio review mission to Benin in October 2002, and on the basis of the conclusions of other supervision and dialogue missions fielded in 2003 and in the first half of 2004. It provides the Boards with information on the status of the portfolio, with an update on progress made since the last review carried out in 1999 and sets out the measures envisaged to improve portfolio quality and performance.
2. Since the start-up of its activities in Benin in 1972 until 31 July 2004, Bank Group commitments in Benin have amounted to about UA 397.45 million and disbursements to UA 265.13 million, equivalent to a rate of 67%. Of these commitments, the Bank has financed a US \$ 2.08 million private-sector project for refined cotton seed oil production, which started in 2000.
3. Since the last review in 1999, Benin's portfolio has been renewed by about 60% with the entry of nine (9) new operations approved by the ADF between 2000 and 2004. In spite of this renewal, the portfolio comprises five operations that are more than five years old. The average age of the portfolio, which now stands at four years, should fall below four years by the end of 2004, with the completion of two old projects.
4. The persistence of some institutional constraints continues to affect the country's absorptive capacity for foreign resources and project implementation performance. These constraints stem mainly from (i) slippage on effectiveness and fulfilment of the conditions precedent to first disbursement, essentially because of the very long ratification time frame; (ii) slow procurement procedures; (iii) nonobservance of the rules for appointing and changing managers in certain projects, resulting in inefficient project implementation units; and (iv) delays in establishing a new micro credit management framework, one of the main causes of the low disbursement rates in agricultural projects comprising a micro credit component and in one of the social projects, the 'Oueme PAEF' (Forest Entrepreneurship Support Project). It must be emphasized that relocating the Bank has not helped the adoption of this new framework, which will be effective by the end of 2004. Of these constraints, those related to slow ratification and procurement procedures are being resolved gradually with Bank support, since 2003.
5. Apart from the projects approved but not yet effective, there are fifteen (15) active operations representing a total amount of UA 107.42 million of financing. In spite of the progress observed in the implementation of ongoing projects, the general disbursement rate of the current portfolio, which stands at 36%, is still relatively low. The agricultural sector has the lowest disbursement rate (20%) and consumes over 52% of the resources allocated by the Bank for ongoing projects, and 26% of the resources for all operations approved since the Bank became involved in Benin. Transportation is the sector with the highest disbursement level (74%).
6. As a result of this review, every effort is being made to speed up the delayed audits and to carry out the 2003 audits before the end of 2004 under project management and monitoring. The projects that have been delayed (for 2002 audits) are Livestock III and Education III. In the case of the other projects in the portfolio, the 2003 audits are expected to be completed by the end of 2004.

7. Since 2000, the government has initiated budget reform with a view to improving implementation performance of public investment programs and their impact on the country's socio-economic development. This reform was implemented with support from the main donors, including the ADB, and basically seeks to build the absorptive and management capacities of sectoral ministries. The measures taken under this reform represent major progress in effective public resource management. Since 2001, budgetary trade-offs within and between sectors have been based on the implementation performance of the various programs and on the improvement of absorptive and monitoring/evaluation capacities in each sectoral ministry. The implementation, since 2001, of the new integrated public finance management system has helped improve the consumption rate of the resources provided in the national budget.

8. In addition, in 2003, the government launched a reform of the public procurement code to improve the efficiency and transparency of public contracts. A training program on public procurement procedures for project managers and purchasing units in ministries will be pursued in 2004 as part of the reform. Finally, the measures taken to improve project control and monitoring on the technical and financial fronts have had a generally positive impact on the transmission of activity reports and audits.

9. Absorptive capacity for resources will also improve thanks to better control of loan effectiveness timeframes (13 months on average currently) and more systematic observance of appointment rules in executing agencies. In the same vein, in 2002 Benin adopted legislation to promote delegated contracting agencies in order to build its capacity to implement national programs, especially in social sectors. The government has approved the establishment of a mechanism to monitor, on a quarterly basis, the implementation status of projects financed by the Bank.

10. During the period under review, the Bank improved the quality of project preparation and its assistance to the launching of new projects. The pace of supervision reached an annual rate of 1.5 per active project, in line with the standard set by the Bank. However, delays in the Bank's response to project submissions and requests--due to task managers' workload and to the problems encountered with the SAP system during the start-up phase-- have sometimes been prejudicial. The Bank will pursue its efforts with a view to reducing procurement response times and enhancing project support in the start-up phase, emphasizing the establishment of an accounting system as well as an accounting and financial procedures manual, in accordance with Bank requirements in the area of project management. The Bank will also improve disbursement information and will gradually catch up with the normal payment schedule.

11. There was coordination between the Bank and other donors in the context of sectoral identification and project appraisal missions in Benin. During the 2002-2003 period, specific projects were identified in priority sectors and will be cofinanced with IFAD (Artisanal Fisheries Development) and WADB (Djougou-Ndali road, CEB-NEPA 'multinational' electricity power interconnection). Since 2001, there has also been coordination in the context of budget reform to support the programme budget approach adopted in the main public sectors: agriculture, education, health, transport, environment. This coordination has been reinforced as part of the preparation and appraisal of the programme to support the poverty reduction strategy financed mainly by the IDA and the ADF. This program was approved by the ADF in December 2003.

12. During the period under review, co-financed operations were limited to the Cotonou-Porto Novo road project, the Artisanal Fisheries Project and human resource development project. Only the performance of the first project's co-financing agencies has been deemed highly satisfactory in terms of funding and assistance. The World Bank has regularly requested the Bank to participate in missions to assist and review programs as well as the medium-term expenditure framework.

13. The Bank will maintain dialogue with the government with a view to pooling efforts to continue improving portfolio quality and performance. As a result of this review, recommendations have been made and will be monitored in 2004.

14. Conclusions and recommendations. Portfolio performance in Benin is hampered by the persistence of some institutional constraints that continue to affect absorptive capacity for foreign resources and the implementation of projects. By and large, these constraints are attributable to: (i) delays in effectiveness and the fulfillment of conditions precedent to first disbursement of the loan, mainly because of very long "PADMOC, PBF II" ratification timeframes; (ii) slow procurement procedures; (iii) nonobservance of the rules for appointing and changing managers in certain projects, such as " Education III"; and (iv) delays in establishing a new micro finance management framework, "PAEF-Ouémé" agricultural projects. With the exception of old projects, two of which will be closed in 2004, the performance of the current portfolio is generally satisfactory with a 1.8 rating, slightly lower than the 1.9 given during the last review in 1999. Furthermore, the general level of disbursement in the current portfolio, which stands at 36%, is higher than in the last review, but is still relatively low.

15. The government has made efforts in the context of project management and monitoring. In general, activity and audit reports have been produced and transmitted regularly to the Bank, with the exception of two projects whose account audits have not yet been received by the Bank: Education III and Livestock III. Audits of 2003 accounts are expected for all projects by December 31, 2004. As recommended by the Bank, the government has also established, since April 2004, a quarterly review framework for current operations. Reports on these reviews are regularly sent to the Bank for action. Monitoring the implementation of recommendations will help improve the level of resource disbursement as well as the implementation of portfolio projects and the overall performance of the portfolio.

16. **Recommendations:** Since portfolio performance is an ADF IX resource allocation criterion, measures must be taken to improve absorptive capacity for resources and efficient management of projects. To this end, the following recommendations are addressed to the government and to the Bank:

The government should take the following actions:

General measures

- a) Reduce delays in the fulfilment of loan effectiveness conditions through awareness raising and capacity building among parliamentarians. In this regard, the government has already submitted to the Bank a request to support Parliament;

- b) Pursue efforts to reduce procurement time frames in accordance with the action plan provided in the new public procurement code designed with Bank and IDA support;
- c) Produce project account audits within the deadline (six months after the end of the fiscal year) and have government control structures monitor the implementation of audit recommendations;
- d) Continue to ensure the government's financial counterpart in projects;
- e) Strengthen the monitoring/evaluation system in relation to the current budget reform. This recommendation will be implemented as part of the budget support provided to Benin by the Bank and IDA;
- f) Establish a mechanism to monitor Bank-financed operations on a quarterly basis. In this perspective, the government has been holding regular quarterly meetings to monitor the implementation of the Bank's operations since April 2004. These meetings have been organized on a regular basis as a result of a dialogue mission fielded by the Bank in March 2004.

Specific measures

- a) Accelerate the fulfilment of conditions precedent to first disbursement for the firewood project (PBF-II);
- b) Confirm to ADF that the PIU team has been maintained after the Government changes the institution responsible for the PAEFO project;
- c) Speed up the implementation of the rural electrification project for 17 centers and of the human resources development project; and
- d) Complete the establishment of the micro finance management framework to make it operational in the second half of 2004.

The Bank will see to the implementation of the following measures:

- Cancel the balance on projects completed after the three-month notice;
- Apply loan cancellation rules in case of significant delays in effectiveness; and impose the sanctions provided for in Bank rules when project audit reports are not received within the requisite timeframe.
- Improve timeframes for payments and non-objection notices on submissions received.
- Accelerate production of disbursement information and make it accessible to clients (countries) on the Web.

The Boards are invited to note the conclusions of the general portfolio review in Benin and to adopt the above recommendations.

I. INTRODUCTION

1.1 Objectives of the Report

The current review of the Bank's portfolio in Benin occurs after the last review carried out in 1999, document (ADB/BD/WP/2000/78 - ADF/BD/WP/2000/105) considered by the CODE in October 2000. This review was the subject of a multisector mission that visited Benin in October 2002. Since the relocation of the Bank to Tunis, this review has been enriched with reports of supervision missions fielded between April 2003 and July 2004. The present report reflects the results of this review and of other supervision missions conducted by the Bank during 2003 and the first half of 2004.

1.2 Scope and Composition of the Portfolio

a) Overview

1.2.1 From the beginning of its activities in Benin in 1972 to July 31, 2004, the Bank Group has approved 68 operations, representing UA 397.45 million in total commitments, including UA 13.3 million (3%) in grants. In terms of net commitments, the sectoral breakdown of the portfolio is as follows: rural development (27%), social sector (19%), transport (21%), public utilities (15%), industry and banking (1%), and finally, capacity building and reform support (17%). This breakdown shows a more favourable trend for operations in the rural development, transport and social sectors. Reform support was also maintained over the 2001-2003 period. The overall disbursement rate of the portfolio at the end of July 2004 is 67%.

Table 1
Sectoral distribution of commitments (07/31/2004)

Sector	Number of Operations	Net Commitment	Distribution	Amount disbursed	% disbursed
Agriculture	14	108,446,310	27%	63,239,471	58%
Industry and banking	3	5,193,946	1%	5,193,946	100%
Transport	18	81,417,711	21%	61,959,250	76%
Public utilities	13	60,669,560	15%	45,659,027	75%
Social sector	14	74,988,321	19%	46,633,606	62%
Multisector	6	66,738,508	17%	42,448,508	64%
TOTAL	68	397454357	100%	265133807	67%

1.2.2 To date, forty-six (46) operations have been completed, and two multinational energy projects have been implemented. In addition, the Bank has financed a US \$2.08 million private-sector project that has been producing refined cotton seed oil since 2000.

b) Overview of ongoing operations

1.2.3 As at July 31, 2004, the approved Bank portfolio in Benin comprises twenty-two (22) operations that are financed through the ADF and NTF windows, either with loans and/or with grants. The total amount of net commitments for these approved operations is UA 119.42 million. Among these operations, 15 are being implemented and seven are not yet effective. Operations that have been approved but are not yet effective include the following: (i) the two operations of the project to rehabilitate the Djougou-Ndali Road; (ii) the second rural electrification project; (iii) the HIV/AIDS Control Support Project; (iv) the two operations of the program to support the poverty reduction strategy and the Education IV project.

1.2.4 The fifteen (15) operations being implemented comprise twelve (12) projects and one (1) study. Of the (12) projects, one is co-financed by the ADF and NTF windows (emergency project to rehabilitate Cotonou Porto-Novo) and one is a social sector project with a grant component. Net commitments on these 15 operations amount to UA 107.42 million and disbursements to UA 38.819 million, a disbursement rate of 36%. Even though it represents a slight increase of about 8% in comparison to the situation of the portfolio during the last review, this rate remains low. Table 2 below shows the sectoral distribution of these operations.

Table 2
Ongoing Bank operations as at July 31, 2004(in UA millions)

Sector	Number of operations	ADF	Grant	NTF	Total	% Sector	Disbursed	% disbursed
Agriculture	6	56,66	0	0	56,660	47	11,45	20
Social	5	27,370	20	0	29,370	35	13,015	44
Transport	3	1059		60	1659	14	12,241	74
Public utilities	1	480	0	0	48	4	2,109	44
Multisector	0	0	0	0	0	000		
Total	15	99,420	2,00	60	107,420	100	38,81	36

II. REVIEW OF ONGOING OPERATIONS

This revue presents the projects being implemented as at end of July 2004 and indicates the problems identified as well as the measures recommended to improve the general quality and performance of the Bank's portfolio in Benin. It also examines the institutional and management issues limiting Benin's absorptive capacity for external resources. Finally, it draws up a list of the balances of completed loans and grants that must be cancelled by the end of the third quarter of 2004. A summary of the conclusions of the main points discussed is presented below.

2.1 Review of Operations by Sector

This revue covers the fifteen (15) active operations in the portfolio, which correspond to twelve (12) projects and one (1) study. In addition to the conclusions of the mission organized for the present review and to the supervision reports collected until July 31, 2004, this report is also based on the main issues identified during the last portfolio review in 1999, essentially related to long delays in the ratification of loan agreements, weak capacities of executing agencies, slow procurement procedures, and nonobservance of the rules related to the appointment and change of managers in some projects. During the last review, these problems were found to reduce the country's absorptive capacity for the resources at its disposal and the overall performance of the portfolio.

A. AGRICULTURAL SECTOR

2.1.1 Overview: In the agricultural sector, there are six (6) ongoing operations that are financed by the Bank for a total amount of UA 56.66 million, or 47% of the current Bank portfolio in Benin. As at July 31, 2004, the total amount disbursed for these operations was only UA 11.45 million, a disbursement rate of 20%. This low disbursement rate is due mainly to delays in project start up and to deficiencies in the micro credit distribution system in rural areas. The following two projects, which have just become effective, have recently started up activities: the Artisanal Fisheries Support Programme and phase II of the firewood project (PBF II).

A.1 Livestock development project (Phase III)

Initial loan amount: UA 8.00 million Amount cancelled: 0	Total cost: UA 11.19 million Sources: ADF: UA 8.00 million Gov. + Benef.: UA 3.19 million	Amount disbursed: 6.42 (80 %)
Approval date: 12/15/1997	Date of signature: February 5, 1998	Date of effectiveness: August 5, 1999
Closing date: 12/2004 Date of latest supervision mission: September 2002	Executing agency: management unit within the Livestock Directorate in the Ministry of Agriculture, Livestock and Fisheries (MAEP)	
Accounts audit: 1998-1999: done; 2000-2001: done, 2002-2003: bidding documents for audit prepared	2002 status reports have been submitted to the Fund. 2003 reports are being drafted.	
<p><u>Objectives and description:</u> The project seeks to strengthen food security, improve the general living standards of cattle breeders and mixed farmers and reduce poverty through better resource development and gradual integration of cattle breeding and agriculture. It aims to increase animal production by enhancing the performance of local breeds, improving traditional poultry farming and integrating agriculture and animal breeding. Its main components are the following: (i) animal breeding development; (ii) agro-pastoral development; (iii) research and development; (iv) training, extension and organization of producers; (v) planning and management of agro-pastoral space; and (vi) project-management.</p>		

2.1.2 **Compliance with conditions precedent/undertakings:** The loan agreement became effective on August 5, 1999, 18 months after it was signed. This delay did not have a major impact on the start-up of the project, which occurred in 1998 with national budget financing to ensure continuity of activities from the first phase of the project. With regard to the other conditions, regular activity reports are submitted to the Bank every six months. Project accounts have been audited for the 2000 and 2001 fiscal years. The process to select audit firms for 2002 and 2003 is underway.

2.1.3 **Procurement performance:** The project has issued a series of invitations to bid for vehicles, equipment and the recruitment of consulting firms as well as for infrastructure construction and development. The average procurement timeframe, which is about 12 months, reflects slow procedures and affects the project implementation rate. This delay is due mainly to cumbersome procurement procedures. The bidding initiated to acquire equipment and to recruit consulting firms were in line with the Bank's rules of procedures.

2.1.4 **Financial performance:** As at July 31, 2004, loan disbursements stood at UA 6.17, or 77% of the loan amount. Disbursements were made in all categories, excluding the "credit" component, which was dependent on the implementation of the *Cadre Général du Crédit Agricole (Agricultural Credit Framework)*. Because of the delay in implementing the *Cadre Général du Crédit Agricole*, the government disbursed a counterpart amount of CFAF 1.0 6 billion, or 40% of the government's share in the project.

2.1.5 **Activities and outputs:** After a slow start up, the project has now reached maximum output. In July, the overall implementation rate was estimated at 70%. The following activities have been implemented: about 900 head of breeding cattle, 650 draught animals and 350 sheep were transferred to private producers to improve the productivity of their farms. At the same time, 430 ha of pastures were developed (fodder grasses) and are consumed by project cattle (about 4,000 cattle and 1,000 sheep). The project has trained: (i) 143 farmers in animal traction techniques, (ii)

50 agents in various fields (experimental statistical methods, farm management, etc.), (iii) 140 village poultry vaccinators, (iv) 163 mixed farmers in basic animal health and breeding techniques, (v) another 87 mixed farmers in management, and (vi) 778 villagers were taught to read and write (including 45 % women). "Research and development" activities (genetic characterization, artificial insemination, adaptation of animal traction techniques to local breeds, design of manure spreaders, etc.). In the areas of extension and animation, the project has provided consulting advice to 480 farms, 1900 women poultry farmers, 200 OPA and 100 villages. Two new dams are being built and five are being rehabilitated. Agro-pastoral development has started, and 900 ha, out of 3,000 ha, have already been developed. In spite of these achievements, the implementation rate could be improved on right from the start of the credit component.

2.1.6 Impact on Development: The participatory approach used by the project for the dissemination of technical packages and OPA and village animation has made it possible to involve beneficiaries satisfactorily, as shown by the high number of actions carried out by the latter (henhouses, sheepfolds, pigsties, market gardening, animal breeding, new OPA, etc.). The same goes for cattle health (vaccinations and various treatments), which is well covered. Socio-economic infrastructures (such as dams) are also well used and managed by the beneficiaries. As a result, the positive impact on farmers' incomes and on the living conditions of the population in the project zones is real. However, the impact will be all the more important because micro credit will be efficiently distributed and managed from 2004 onwards.

2.1.7 Overall assessment of performance: The project became effective 18 months after approval. However, its use of the resources made available to it by the Government and the Bank is satisfactory. In spite of the delay, project output since its start up is deemed satisfactory. Auditing of fiscal years 2002 and 2003 accounts is currently underway. All project funds have been disbursed except for those related to the micro credit component. To this end, the Bank must agree to an amendment of the loan agreement so that Benin can establish a mechanism to manage the micro-credit component.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.6	2	2.2	2	2	1.96

2.1.8 Problems and actions proposed:

Problems	Actions proposed	Timeframe
1. Procurement delays	- The borrower shall make every effort to minimize procurement delays	Permanent
2. Audits 2002 and 2003	- Carry out audits for 2002 and 2003	November 2004
3. Micro credit	- The Bank should agree to the amendment of the loan agreement. The borrower should establish the credit mechanism, appoint staff and make available the guarantee fund and the emergency fund	September 2004. Ongoing

A.2 Participatory Development of Artisanal Fisheries Project

Amount of initial loan: UA 7.31 million Amount cancelled: 0	Total cost: UA 17.93 million Sources: - ADF: UA 7.31 million - IFAD: UA 7.85 million - GOVT: UA 2.19 million - BNF: UA 0.58 million	- Amount disbursed: UA 0.20 million (3%) UA 0.20 million (3%) UA 0.08 million (4%)
Date of approval: 11/27/2002	Date of signature: 12/23/2002	Date of effectiveness: 01/10/2004
Date of closure: 12/31/2009	Executing agency: <i>Unité de Coordination du Projet</i> B.P. 0837 CTP Cotonou	
Accounts audit for fiscal year 2004 will be available in June 2005. The Bank has already approved the letter of invitation for the recruitment of a firm to conduct the audit for 2004	Since the effectiveness of the loan in January 2004, no quarterly activity report has yet been submitted to the Bank.	
<u>Objectives and description:</u> The sector goal of the project is to fight poverty and improve living conditions of the populations who depend mainly on fishing. The project aims specifically to restore, on sustainable basis, fish resources in water bodies, to build capacities of the target communities, and diversify their means of subsistence with a view to reducing fishing activity in water bodies. The main components of the project are the following: (i) Institutional capacity building; (ii) rehabilitation of water bodies; (iii) streamlining of fishing activity; and (iv) program coordination and management.		

2.1.9 Compliance with conditions precedent/undertakings: The loan agreement became effective on January 10, 2004, about 14 months after project approval. This delay is attributable to the time taken to ratify the loan agreement and to fulfill the conditions precedent to first disbursement. The other conditions related to the implementation of the recommendations of the mid-term review, planned for July 2006, and the signing of conventions with the delegated contracting agencies have not yet been fulfilled.

2.1.10 Procurement Performance: With respect to the procurement of goods and services, six (6) contracts have been signed as at July 30, 2004. One has been the subject of local shopping and five (5) contracts have been signed following limited shopping. Bank rules and procedures for the procurement of goods, services and works have been complied with. Procurement performance is generally satisfactory.

2.1.11 Financial performance: As at July 31, 2004, 3% of the loan had been disbursed, representing UA 0.20 million out of a net amount of UA 7.31 million. The government's contribution to project financing is 12%. For the years 2003 and 2004, the amounts disbursed to the project were CFAF 50 million and 40 million, respectively. CFAF 61 million is yet to be disbursed to the project for the year 2004. On the financial front, the level of the national counterpart is satisfactory for a project that is still in its initial phase.

2.1.12 Project activity and output performance: As the start-up year, 2003 was mainly used to establish the various structures of the project and to prepare the different invitations to bid. No activity has really started in the field.

2.1.13 Impact on development: The actions envisaged in the project are important and their successful implementation may have a positive impact on targeted beneficiaries and may help attain project objectives.

2.1.14 Overall performance assessment: In spite of a delayed start-up, the project is progressing normally. However, the current pace of activity to implementation must be accelerated to allow completion of all activities before the closing of the loan expected at the end of December 2009.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.2	1.8	1.75	1.62	2	1.6

2.1.15 Problems and actions proposed

<u>PROBLEM</u>	<u>ACTION PROPOSED</u>
<ul style="list-style-type: none"> - Construction work for project headquarters has not yet begun; - Beneficiary awareness campaigns have been delayed; - Account audits for fiscal years 2003 and 2004 have not yet been completed. 	<ul style="list-style-type: none"> - Make arrangements to recruit consulting engineer and start construction work on project headquarters. - Make arrangements to recruit NGOs and launch beneficiary awareness campaigns; - Conduct account audits for fiscal years 2003 and 2004

A.3 Firewood project – Phase II (PBF-II)

Amount of initial loan: UA 10.00 million Amount cancelled: 0	Total cost: UA 11.75 million Sources: ADF : UA 10.00 million Gvt. : UA 1.75 million Benef.: UA 0.43 million	Amount disbursed: 0
Date of approval: 10/31/2001	Date of signature: 12/21/2001	Date of effectiveness: 12/31/2002
Date of closure: 12/31/2008 Date of last supervision mission: -	Executing agency: <i>Unité de gestion du projet (UGP)</i> in the <i>Direction des Forêts et des Ressources Naturelles (DFRN)</i> du <i>Ministère de l'Agriculture, de l'Élevage et la Pêche (MAEP)</i>	
Accounts audit: -	Status reports: -	
<p><u>Objectives and description</u>: The sector goal of the project is to reduce poverty through sustainable management of forest resources. The specific objective is to improve the supply/demand balance of fuelwood and the promotion of alternative energy sources. The main outputs of the project are the following: (i) the national forest survey allowing the design of energy wood supply master plans for the 8 biggest cities in the country; (ii) the creation of 50 rural markets; (iii) the management of 5,000 ha of state forests and 5,000 ha of private forests; (iv) the creation of 3,000 ha of private forests and development (enrichment) of 50,000 ha of natural protected forests; (v) the organisation of wood energy sector; (vi) the promotion of women's activities in the management and development of forest resources; (vii) supporting the private sector for the substitution of energy wood as well as the production and dissemination of improved stoves; (viii) the establishment of a database in the creation and organization of a Project management unit. The main components of the project are the following: (i) sustainable development of production, (ii) promotion of alternative energy sources and energy savings, (iii) support measures, and (iv) project management.</p>		

2.1.16 The loan became effective on 12/21/2002, with a two-year delay due to recurring constraints resulting from Parliament's slowness in authorizing credit ratification. However, not all the conditions precedent to first disbursement have been fulfilled. They will have to be fulfilled by the borrower. The Fund was notified of the appointment of the project director and approved it in October 2002.

2.1.17 Procurement performance: Project management has started to prepare bidding documents related to the different procurements, including prequalification documents for the national forestry survey. Bidding documents will be finalized so that invitations to bid can be issued by the second half of 2004

2.1.18 Financial performance: not applicable.

2.1.19 Activities and outputs: not applicable.

2.1.20 Impact on development: not applicable.

2.1.21 Overall performance assessment: Project activities have not been started up.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1	N/A	N/A	N/A	N/A	N/A

The project became effective with significant delays. No disbursement has been released nearly two years after the project became effective. This operation can be described as a problem project

2.1.22 Problems and actions proposed:

Problem	Action proposed	Timetable
1. Conditions precedent to first disbursement	- The borrower should send to the Fund documents indicating fulfilment of the following conditions: I) creation of a project management unit; ii) creation of COS; iv) assignment of project management staff; v) opening of 04 accounts; vi) Credit relending agreement.	July 2004
2. Other conditions	- The borrower should send fulfilment documents to the Bank.	July 2004
3. Acquisition of vehicles and project headquarters	- The borrower will have to make a quick decision on the acquisition of the 07 vehicles and on the availability of the premises that will house the project management unit. The funds in the "blocked account" of the PBF-I can be used.	July 2004

A.3 Mono and Couffo Rural Development Support Project (PADMOC)

Amount of initial loan: UA 9.13 million Amount cancelled: -	Total cost: UA 10.55 million Sources: ADF: UA 9.13 million Gvt : UA 1.,09 million Benef.; UA 0.33 million	Amount disbursed: UA 389.9 thousand (4.3%)
Date of approval: 04/18/2001	Date of signature: 05/30/2001	Date of effectiveness: 10/2002
Date of closure: 12/31/2009 25/01 to 4/022004	Executing agency: Project management unit within CARDER Mono-Couffo in the Ministry of Agriculture, Livestock and Fisheries (MAEP)	
Accounts audit: 2003 accounts are expected	Biannual status reports: not transmitted	
<u>Objectives and description:</u> The project seeks to strengthen food security in the country through the diversification and increase of agricultural production. The main project outputs are related to: (i) construction of 78 km of rural roads, (ii) rehabilitation and improvement of 70 km of rural roads, (iii) development of 300 ha of bottomlands, (iv) construction of 30 drillings and 28 community latrines, (v) rehabilitation of one hatchery and construction of two new ones, (vi) construction of a fishing center and of a fish smoking plant, and (vii) support the structuring of the rural world. The main project components are the following: (i) strengthening rural infrastructures, (ii) supporting the rural world, and (iii) managing the project.		

2.1.23 Compliance with conditions precedent/undertakings: Documents related to the fulfillment of the general conditions and conditions precedent to first disbursement were sent to the Fund with considerable delays. The project became effective in October 2002, 17 months after the signature of the loan agreement because of Parliament's delay in authorizing credit ratification. Slow project implementation prevented the fulfillment of the other conditions.

2.1.24 Procurement Performance: Bidding documents related to the recruitment of the TA and the acquisition of transport equipment were transmitted to the Fund in November 2001 and August 2002, respectively. On the borrower side, bidding was launched for the procurement of furniture and office equipment, and the recruitment notice for survey conductors was published. With respect to vehicle procurement, the Bank received the bid evaluation report on 01/06/04. Physical outputs of the project were mainly related to the few procurements made with counterpart resources.

2.1.25 Financial performance: A UA 389,000 disbursement was made in respect of the revolving fund. In 2001/2002, the borrower disbursed CFAF 85,000 for contractual staff salaries and other operating expenses.

2.1.26 Activities and outputs: No major activities have been carried out in the field, except for the drafting of bidding documents. Implementation of the other activities depends in part on the start-up of the "credit" component. Implementation of the "credit" component is contingent on the adoption of the General Framework for Agricultural Credit by the Bank and the government. This adoption is planned for July 2004 at the latest.

2.1.27 Impact on development: The concrete benefits of the project result from the increase in agricultural and piscicultural production. Infrastructure, training, and advice to beneficiaries are some of the non-measurable benefits in terms of improvement of the socio-economic environment for farmers and families, who are the main beneficiaries of the project.

2.1.28 Overall performance assessment: Slow administrative procedures and delays in the implementation of the credit component have prevented the project from becoming effective in the requisite timeframe and have caused a low implementation rate of project activities. However,

measures are being taken by the borrower and the Bank so that operations can start in the field upon adoption of the General Framework for Agricultural Credit.

Indicator	Status	Procurement performance, goods and services	Financial Performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.3	2.1	1.75	1.4	2	1.7

2.1.29 Problems and actions proposed:

Problem	Action proposed	Timetable
Credit	- The Borrower should establish the credit mechanism, appoint personnel and make available resources for the guarantee fund and the emergency fund.	June / July 2004

A.4. Oueme Rural Development Support Project (PADRO)

Amount of initial loan: UA 11.68 million Amount cancelled: 0	Total cost: UA 14.64 million Sources: ADF: UA 11.68 million Gvt : UA 2.96 million	Amount disbursed: UA 1.47 million (13%)
Date of approval: 10/07/1999	Date of signature: 1/01/32000	Date of effectiveness: 01/01/2002
Date of closure: 12/31/2006 Date of last supervision: Aug./Sept. 2004 Project start: August 2002	Executing agency: project management unit within CARDER-Ouémé in the Ministry of Agriculture, livestock and fisheries (MAEP).	
Accounts audit: bidding was initiated in February 2004	Status reports: one report has been sent	
Objective and description: The project seeks to strengthen food security and to improve the standards of living of local populations through market access and increased competitiveness of farmers in Benin. It also seeks to stimulate the institutional framework of the OPA and of the rural credit system; and boost the production, processing and marketing capacities of the rural sector in the Ouémé and Plateau districts. The main project components are to: (i) support rural development, (ii) improve basic equipment, and (iii) support CARDER Ouémé and project management.		

2.1.30 Compliance with condition precedent/undertakings: The effectiveness date of the loan was postponed mainly because of the difficulty to fulfill the condition regarding relending of credit funds, and the loan agreement was amended accordingly. Relending is linked to the implementation of the General Framework for Agricultural Credit.

2.1.31 Procurement Performance: The project has initiated and issued invitations to bid for: office and transport equipment; CPR rehabilitation and construction works; detailed preliminary designs and bidding documents on road works; acquisition of motorcycles; recruitment of technical assistance expert in monitoring/evaluation (the contract has been signed); recruitment of an accounting firm and drafting of a manual of procedures; procurement of eight vehicles (the contract has been executed in full); procurement of computer equipment and copiers.

2.1.32 Financial performance: As at 31/07/2004, the disbursement rate of the loan was 13%. Disbursement was made on the first revolving fund that was used for the operation of the project. Two disbursement requests amounting to CFAF 241,640,000 were approved by the Bank. With respect to counterpart funds, in 2001, the government took responsibility for the procurement of office furniture and equipment and consumables, in addition to the salaries of the staff assigned to the project (148 employees). In total, the government disbursed CFAF 70 million in 2001 and 2002. The disbursement rate for this project is low.

2.1.33 Activities and outputs: After a slow start in activities due to start up delays, the project carried out the following activities: (i) signing of contract with the *Association Française des Volontaires du Progrès* and start of service provision by the latter on January 4, 2003; (ii) recruitment of technical assistance; (iii) redeployment of 41 versatile extension agents; (ii) identification and categorization of 94 VLPA villages (villages involved in the participatory approach); (iii) 65 agents trained and retrained in the participatory approach; (iv) recruitment and training of 08 survey conductors and 01 supervisor; (v) information and sensitization of about 800 beneficiaries in the 08 agricultural zones of the project on different components of the project (roads, support to OPA, development of rural promotion centers—CPR); (vi) 01 orientation workshop on training programs in CPRs; (vii) recruitment of 30 trainees (including 16 girls) for training in agricultural production and processing techniques; (viii) formulation of selection criteria for 200 pilot farms; (ix) launching of different bidding processes, and (x) procurement of 08 vehicles. The start of the credit component is delayed pending the establishment of the General Framework for Agricultural Credit.

2.1.34 Impact on development: The project has started all of its activities except those related to credit, the start-up of which is subject to the establishment of a new credit management framework in Benin. Activities to promote peasant organizations, led by the international NGO called *Association Française des Volontaires du Progrès*, started in December 2002 and are proceeding normally. With respect to rural water supply, a convention with the Water Directorate has been signed. Finally, national shopping has been initiated for the procurement of computer equipment, copiers and faxes. Bid evaluation is underway.

2.1.35 Overall performance assessment: It took about two years for the loan to become effective. The project is not yet at maximum output. The loan disbursement rate is still very low. The drafting of audit reports for 2002 and 2003 is ongoing.

Indicator	Status	Procurement performance, goods and services	Financial Performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.5	1.5	1.75	2.25	2	1.85

2.1.36 Problems and actions proposed:

Problem	Proposed action	Timeframe
1. Credit	- The Borrower should establish a credit mechanism	June 30, 2004

A.5 Agoua, Monts Kouffé and Wari-Maró Forest Management Project (PAMF)

Amount of initial loan: UA 10.54 M Amount cancelled: 0	Total cost: UA 17.56 M Sources: ADF: UA 10.54 M ABEDA: UA 5.55 M Gvt + Benef.: UA 1.47 M	ADB amount disbursed: UA 2.97 M (28 %) ABEDA amount disbursed: (0 %)
Date of approval of ADF loan: 01/20/2000	ADF date of signature: 03/24/2000 ABEDA date of signature: 04/27/2000	ADF date of effectiveness: 04/18/2001 ABEDA date of effectiveness: 06/11/2001

ADF date of closing: 12/31/2005 ABEDA date of closing: 06/30/2006 Date of last supervision: 2003	Executing agency: Management unit within the Directorate of Forests and Natural Resources (DFRN) in the Ministry of Agriculture, Livestock, and Fisheries (MAEP)
Accounts audit: 2002 audit submitted; and 2003 audit underway	Status reports are regularly submitted
Objectives and description: The project seeks to ensure the preservation and sustainable management of the country's natural ecosystems; in particular, the preservation of the potential of the forest ecosystem and of biodiversity in its current state, at least through integrated management of the Agoua, Monts Kouffé and Wari-Maró forests, the implementation of management plans involving sustainable management of ecosystems, with the participation of the riparian populations. The project's major outputs are: (i) management of natural resources on 370,000 ha, fertilization of 28,000 ha, reforestation of 1,000 ha, 500 ha in agroforestry, 25 nurseries, 56,000 ha preserved, 1,171 km of road, (ii) rural development activities (pisciculture, marsh development, etc.), (iii) support for development measures, support measures (awareness raising, self-managed micro-credit association, ecological center, etc.), (iv) construction of various infrastructure (housing, buildings, boreholes, etc.). Major project components are: (A) Management of natural resources; (B) support measures, and (C) project management.	

2.1.37 Compliance with conditions precedent/undertakings: It took about 13 months for the project to become effective because of late ratification by Parliament. The preparation of simple forest management plans, which is "another condition", is in process because of delays in the recruitment of technical professionals. Also, with respect to the other conditions, project status and implementation reports were submitted late to the Bank.

2.1.38 Procurement Performance: The project has issued 8 invitations to bid, 04 of which are on the ADF loan. They deal with: (i) the recruitment of TA; (ii) accounts audit; (iii) the recruitment of project staff and design of procedures manual; (iv) procurement of 25 motorcycles. The average deadline for these procurements is about 12 months, which is not satisfactory. The procurements planned under ABEDA funding (procurement of vehicles, generators, computer and copying equipment, and aerial photographs) have been delayed because the national procurement commission (*Commission Nationale des Marchés Publics*) did not comply with the donor's procedures. General procurement performance is not satisfactory.

2.1.39 Financial performance: As at 31/07/2004, disbursements on the ADF loan amount to UA 2.97 million, or 20% of the loan amount. Payments were made for the first rural development fund that was used for operations, personnel expenditures and the financing of three studies. With respect to the ABEDA loan, no disbursement has been made. As for counterpart funds, the government disbursed about CFAF 351 million in 2001 and 2002 as opposed to the 466 million programmed for the same period.

2.1.40 Activities and outputs: Management staff was recruited in July 2002; technical assistance is also in place. In spite of the delay in actually starting on the project, the following activities were carried out: (i) sensitizing and informing political and administrative authorities as well as beneficiary populations, (ii) conduct of studies necessary to formulate simple management plans (iii) recruitment of staff, (iv) formulation of strategic and operational plans (v) installation of coordinators and staff of field offices (vi) 03 thematic meetings (beekeeping, wildlife management and institutional development, (vii) design of operation strategies (viii) training of project staff in dialogue and team training (ix) design of a monitoring/evaluation framework. Also, together with beneficiaries, the project has identified the sites to install field offices, nurseries, etc. Similarly, the following studies have been conducted: (i) operational training (strategic plans), (ii) sociological reference study, (iii) gender study, (iv) drafting of the monitoring/evaluation manual, and of the roadmap, and (v) study of village agro-systems. These reports and studies will be sent to the Fund for comment. As part of the ongoing decentralization process, the project will support the design

and implementation of communal development plans. In spite of delays in starting up the operations, the overall project implementation rate is deemed satisfactory.

2.1.41 Impact on development: The population's acceptance of the objectives and implementation of project will be facilitated thanks to the participatory approach which has been used in the preparation and which will be followed during implementation. The project generates real interest among local elected representatives, traditional chiefs, peasant organizations and women's groups. These partners consider the project as a great opportunity to develop their communities.

2.1.42 Overall performance assessment: It took about 13 months for the project to become effective. In spite of the delay in starting it up, operational performance is satisfactory overall, judging from the activities that are already underway. The 2002 audit report has been completed and that of 2003 is being drafted.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1	1.9	1.9	2	2	1.76

2.1.43 Problems and proposed actions:

Problem	Proposed Actions	Timeframe
1. Procurement delays and nonobservance of procedures	- The Borrower should make every effort to reduce procurement timeframes and implement donor's procedures.	Permanent

B. TRANSPORT SECTOR

2.1.44 General overview: Since 1972 the Bank has financed eighteen (18) operations in the transport sector in Benin, comprising 13 projects and five studies, for a total commitment amount of UA 81.417 million. Transport is thus the Bank's second intervention sector in Benin, after agriculture and rural development. From February 1997, when the second sectoral roundtable on transportation strategy was organized, Bank interventions in the sector were part of the Transport Sector Program (TSP) for the period 1997-2001. The Bank is currently involved in the TSP through three operations: (i) the project to create access and crossing roads in Cotonou (lot A: Akossombo-Etoile rouge-Sobréba); (ii) the project to rehabilitate the Cotonou-Porto Novo road; and (iii) the study of the Pobé-Kétou-Illara road. Apart from the rehabilitation project for the Cotonou-Porto Novo road and the study of the Pobé-Kétou-Illara road, approved during the ADF VII period, all Bank operations have been completed and completion reports have been written for some of them. The review will deal with the Cotonou-Porto Novo road rehabilitation project and the Pobé-Kétou-Illara road study.

B.1 Cotonou-Porto Novo road rehabilitation project

Amount of loan: - ADF: UA 10.00 MUC - NTF: UA 6.00 MUC Amount cancelled: 0	Total cost: 61.01 MUC Sources: - ADF/NTF: UA 16.00 M (26.3%) - Gvt : UA 2.10 M (3.4%) - WADB : UA 6.61 M (10.8%) - KFW : UA 18.97 M 31.1%) - EDF : UA 17.34 M (28.4%)	Amount disbursed: - ADF: UA 7.66 M (77%) - NTF: UA 4.32 M (72%)
Date of approval: 04/09/1996	Date of signature: 09/23/1996	Date of effectiveness: /02/25/1998
Date of closure: 30.09.2004 Date of last supervision: 18-03/30/2002	Executing agency: <i>Direction des grands travaux routiers (DGTR)</i>	
Accounts Audit: 2001 and 2002 audits transmitted to the Bank. The latest audit report is underway.	Status reports are regularly submitted .	
<u>Objectives and description:</u> The objective of the project is to improve traffic flow on the Cotonou-Porto Novo main road to Nigeria, reduce the duration of the trip, maintenance costs and the cost for users and increase road security and comfort for users. The project consists of the following components: (i) road work subdivided into three bid packages financed by KFW (lot A), ADF, NTF, WADB and the Government (lot B) and the EDF (lot C); (ii) monitoring and surveillance of works on all the bids financed by KFW and; (iii) auditing of the project financed by the ADF.		

2.1.45 Compliance with conditions precedent/undertakings: ADF and NTF loans became effective 17 months after the signing of the agreements. This long time lapse was due to delays in the ratification of agreements and in legal consultations. Of the six other conditions, the following two were fulfilled late: (i) allocate the net annual toll income of the road project to regular road maintenance, especially on the Cotonou-Porto Novo road, and (ii) establish, by December 31, 1998 latest, the management company for the toll/weigh station on the project road. These conditions have been fulfilled since 2003. Quarterly status reports are produced and transmitted regularly to the Bank. With regard to the audit financed by the ADF, 2001 and 2002 reports have been established and transmitted to the Bank. The last audit report will be prepared in 2004 and will cover 2003.

2.1.46 Procurement Performance: The component financed by the Bank deals with road works in lot B, which were contracted through international competitive bidding in accordance with Bank rules. The procurement process lasted 15 months because of the time needed by the government to produce the justifications requested by the Bank on the government's adjudication proposal. The "toll/weigh station equipment" subcomponent was seriously delayed because of: (i) late launching of the call for bids and of the selection of the successful bidder; (ii) late submission of the performance bond; and (iii) late formulation of a rider to the basic ASCOM-SEIB contract. The call for bids for the recruitment of the concession holder was launched again on 08/22/2002 because of non conformity of the documents submitted by the bidders, and the bids were submitted on 10/07/2002. The option to start with the manual operation was maintained and occurred in February 2004.

2.1.47 Financial performance: The resources made available to the project by donors are sufficient. Similarly, the government has provided for a CFAF 1.5 billion contribution, of which 164 million were disbursed in 1999, 500 million in 2000, and 500 million in 2001. Payments are made on time as agreed by the Bank and the borrower. As at 07/31/2004, disbursements on ADF and NTF loans had reached 77% and 72%, respectively. Other donors' disbursements are proceeding normally depending on project status.

2.1.48 Performance of Activities and Outputs: General completion rates, which stood at 99% at end 1999 for the Bank's lot B, 100% for lot A (KFW), and 100% for lot C, is generally satisfactory and in conformity with the forecasting plan. However, the works subcomponent of lot B (basic contract plus rider No. 1), some finishing works (low walls, damages, signals), and additional repairs on a damaged area of about 12,000 m² are yet to be completed. Horizontal signals will only be implemented when the ongoing resurfacing works are completed. Activities relating to the "toll/weigh station equipment" will soon be completed.

2.1.49 Project management by the government as well as works control and supervision are proceeding well. The coordination of tasks and quality of the works executed are satisfactory and in line with the estimated schedule.

2.1.50 Impact on development: The project should improve the mobility and access of goods and people to the capital and reduce the overall cost of transportation. Besides, thanks especially to the toll/weigh station, the project will produce additional resources for the road maintenance fund, thus helping to ensure the sustainability of road investments. Also, by building SME capacities using a multi-year contract formula with commitments in terms of public works equipment, the project will contribute to the better absorption of road fund resources.

2.1.51 Environmental impacts: With respect to the compensation of land owners whose land is located in the right-of-way of the toll/weigh station, settlement proposals approved by all parties have been transmitted to the Ministry of Finance and Economy for settlement. Compensation will be in cash or in kind, depending on the choice of the people concerned.

2.1.52 Overall performance assessment: The project took about 17 months to become effective. In spite of delays in the start-up and the procurement procedure (15 months) operational performance is, by and large, satisfactory based on the activities already undertaken. All activities envisaged in the project have been implemented. The loan balance is expected to be cancelled according to the procedures in force.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	2.5	2.6	2.6	2.6	2.7	2.6

2.1.53 Problems and Proposed Actions

PROBLEM	PROPOSED ACTION
The company still has to repair 12 000 m ² of surface course on package B	ADB: Closely monitor the repair work and works acceptance. Government: (i) Ascertain the quality of the surface course work and closely monitor the performance of the road under traffic (ii) take action to curb overloading of heavy vehicles while waiting for the weighing station to become operational.
Delay in the installation of toll /weigh station equipment and in the designation of a concessionaire	ADB: Closely monitor installations and equipment Government: (i) Closely monitor the project and enforce penalty clauses for delays as stipulated in the contract for cases of non observance of contractual timeframes ; (ii) maintain the option of launching manual operations as soon as a concessionaire is designated (iii) speed up the procedure for designating the concessionaire

B.2 Pobé-Kétou-Illara road study

Amount of loan: - ADF/TAF: UA 0.59 M	Total cost: UA 0.64 M Sources: - ADF/TAF: UA 0,59 M - (Gvt: : UA 0,05 M	Amount disbursed: ADF: UA 0.25 M (43%)
Approval date: 10/07/1999	Date of signature: 13/01/2000	Date of effectiveness: 04/21/2000
Closure date: 12/15/2004 Date of last supervision: May 2004	Executing agency: <i>Direction des grands travaux routiers (DGTR)</i>	
Audits: not applicable	Status report submitted regularly.	
Objectives and description: The sector goal of the study is to improve transportation efficiency, and the specific objective is to identify and review an optimal solution for rehabilitating the Pobé-Ketou section and developing the Ketou-Illara section to facilitate the search for funding.		

2.1.54 Compliance with conditions precedent/undertakings: The ADF/TAF grant became effective on April 21, 2000, three months after the signature of the protocol agreement.

2.1.55 Procurement Performance: The acquisition of consulting services for the conduct of the study was in line with the Bank's rules of procedure. The study began in August 2001.

2.1.56 Financial performance: The other conditions were fulfilled. The resources made available to the study by the TAF are adequate. The government's contribution has also been mobilized. Only 43% of the grant has been disbursed.

2.1.57 Activities and outputs: Studies started in December 2001. The study was carried out in three homogeneous sections. The final report of the feasibility study was presented on July 7, 2003. The interim report of the detailed engineering design and the draft bidding document were submitted on September 25, 2003. However, because the asphaltting option of the Kétou-Illara section of the road was not economically viable, the government asked the consultant to consider a modern earth road option. Additional studies are underway. On the financial front, payments related to services provided by the consulting firm amount to CFAF 180 million. A CFAF 60 million deduction is being processed, for a total of about 240 million representing 80% of the contract amount.

2.1.58 Impact on development: The study will cover cross-cutting issues dealing with gender and the environment, as well as population mobility and accessibility issues, by taking into account related rural roads and the analysis of intermediary means of transport. Awareness raising seminars with the participation of different stakeholders will be organized at a later date, and the Bank will participate.

2.1.59 Overall performance assessment: The project took about three months to become effective, which is an exception in Benin. Operational performance is satisfactory overall based on the activities already undertaken.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Evaluation	2.9	2.8	2.50	2.9	2.8	2.8

Most of the studies planned have been carried out. This situation has translated into resource savings, which explains the current disbursement level.

2.1.60 Problems and Proposed Actions

<u>PROBLEM</u>	<u>PROPOSED ACTION</u>
Choice of technical solution to adopt: Non-profitability of option to asphalt the Kétou-Illara section of the road	Complete the study of the modern earth road option for Kétou-Illara section
Awareness-raising seminars	Ensure that awareness-raising seminars will be held and that the Bank will participate.

C. PUBLIC UTILITIES SECTOR

2.1.61 General overview: To date, the Bank has financed thirteen (13) operations in the area of public utilities, including nine (9) projects and four (4) studies for a total commitment amount of UA 60.669 million. These operations, eleven (11) of which have been completed, have made it possible to improve basic infrastructure in electricity, water and telecommunications. An operation was approved in December 2002, but has not yet become effective. The only operation being implemented in this area was approved in June 2002 with a UA 4.8 million Bank loan. It is the rural electrification project for 17 centers. The present revue deals with this project.

C.1 Electrification project for 17 rural centers

Amount of loan: UA 4.80 million Amount cancelled: 0	Total cost: UA 6.49 million Sources: - ADF: UA 4.80 million - SBEE: UA 1.59 million - Gvt : UA 0.0 million	- Amount disbursed: UA 2.109 million (44%)
Approval date: 06/28/2000	Date of signature: 26/07/2000	Date of effectiveness: 09/01/2001
Closure date: 31/12/2004 Date of last supervision: April 2004	Executing agency: <i>Société béninoise d'eau et d'électricité (SBEE)</i>	
Accounts auditing: 2002-2003 ongoing	Quarterly activity report regularly transmitted	
<u>Objectives and description</u> : The project focuses on the rural electrification of 17 centers. It is being implemented by the SBEE and is expected to last four years. The sector goal of the project is to improve the living conditions of rural populations as well as the electrification rate of the country. Its specific objectives are to provide electricity to nearly 7,000 households by 2005, as well as to promote and develop economic activities in rural areas.		

2.1.62 Compliance with conditions precedent/undertakings: The project became effective on September 1, 2001, 13 months after signing. This slippage is due mainly to: (i) delays in establishing the project monitoring unit; (ii) payment of consumption arrears of public enterprises such as ORTB and CNHU; (iii) the creation of the national rural electrification agency; and (iv) the adoption of a new tariff structure. Other conditions include the establishment of the government's counterpart, which has just become effective.

2.1.63 Procurement Performance: After launching a competitive bidding on the basis of a shortlist for the recruitment of the consulting engineer on October 10, 2001, the German firm Decon was selected. The service contract amounts to €12, 838, or CFAF 139,612,575.97 or UA 147,271. It took a lot of time to analyse the bids and award the contract. Only on July 23, 2003 did the Bank approve the award of the works contract to the German company RMT for a total amount of CFAF 3,054,093,452. It is expected that the work will be executed in thirteen (13) consecutive months. Probable completion date is November 2004.

2.1.64 Financial performance: The government's contribution has also been mobilized (conduct of detailed preliminary designs, manufacturing of concrete posts and transportation of the posts to the project sites). 44% of the loan has been disbursed. Besides, with regard to the recruitment of the external auditor, the Bank gave its notice of non objection in June 2004.

2.1.65 Activities and outputs: Actual work started on-site on 11/18/2003 with topographic surveys and studies of MV lines as well as equipment supply. The expected duration of the works is 13 months, meaning that they will probably be completed by the end of December 2004. Only the computer component still poses problems. The last supervision mission had recommended the enthusiastic involvement and better collaboration of computer services in project implementation, mainly by preparing the technical specifications as fast as possible to allow launching of the call for bids and to build human capacities in these services. To date, no Bank disbursement has been made on this component. SBEE has already manufactured 1335 posts in the Lokossa plant, and production is proceeding at the pace of nine posts a day. Computer equipment for the management of SBEE clients has been installed in all administrative districts in Benin except Zou.

2.1.66 Impact on development: A program to sensitize the population is being implemented by SBEE to encourage beneficiaries to pay their participation in the cost of community-related connections.

2.1.67 Overall performance assessment: The project took about 13 months to become effective. There was some delay in the recruitment of the firm because the bidding document had to be redone. Operational performance is just satisfactory.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Evaluation	1.8	1.75	2	1.7	2.0	1.65

2.1.68 Problem and actions proposed

<u>PROBLEM</u>	<u>ACTIONS PROPOSED</u>
Production of posts	SBEE: Continue producing posts at the rate of 9 posts per day.
Delay in designating company responsible for work.	Speed up the contract award process
The recruitment of the consulting firm that will prepare the 2001/2002 audit reports is underway.	Transmit short list of firms and consultation project documents to the Bank.
Sensitizing beneficiary populations	Continue to sensitize beneficiary populations by encouraging them to pay their contribution corresponding to the cost of community connections.

D. SOCIAL SECTOR

2.1.69 General overview: Since the beginning of its involvement in Benin in 1972, the Bank has financed 14 operations, of which seven (7) are completed, six (6) are being implemented, and one (1) was approved in June 2004, but is not yet effective. Of the six operations being implemented, two (2) projects are in the education sector, one (1) in the health sector, one (1) in women's promotion, and one human resources development program.

D.1 Education III Project

Initial loan amount: UA 8.00 million Amount cancelled: 0	Total cost: UA 9.00 million Sources: - ADF: UA 8.,00 million - Gvt : UA 1.00 million	Amount disbursed: UA 5.34 million (67%)
Approval date: 12/15/1997	Date of signature: 02/05/1998	Date of effectiveness: 06/30/1999
Closure date: June 30, 2005 Date of last supervision: 11/9/2003	Executing agency: Project Implementation Unit, B.P. 386 Porto Novo	
Accounts (1998 to 2001) were audited. Bidding for the recruitment of a firm to conduct 2002 and 2003 audits is ongoing	Quarterly activity reports regularly submitted. The last report transmitted covers the period from July to September 2003.	
<u>Objectives and description:</u> The project seeks to achieve the following specific objectives: (i) make primary education more efficient, (ii) promote science education in secondary school, (iii) increase the capability of agricultural and industrial education, and (iv) raise women's level of education. The main components of the project are to: (i) improve the quality of primary education and the teaching of science at the secondary level in general; (ii) Promote technical, agricultural and industrial education; (iii) Reinforce the education of women; and (iv) Project implementation unit .		

2.1.70 Compliance with conditions precedent/undertakings: The loan agreement became effective on June 30, 1999, 18 months after project approval. This slippage is due to the time taken to ratify the loan agreement and to the government's non-compliance with loan conditions regarding renewal of the management team of the previous project (Education II). The other conditions regarding the collection of information on progress achieved in the schooling of girls and the establishment of a funding mechanism for primary school books have been fulfilled. Quarterly activity reports are received regularly. However, audit reports for fiscal year 2003 have not yet been transmitted to the Bank. Bidding for the recruitment of a firm are underway. With respect to the other conditions for 2004, the Bank has drawn the government's attention to the fact that the report on progress achieved in the schooling of girls needs to be sent on a regular basis. It also recommends that measures be taken so that counterpart funds for 2004 can be actually disbursed to the project in fulfillment of the third condition of the project loan agreement.

2.1.71 Procurement Performance: In this area, twenty-nine (29) contracts have been signed as at June 16, 2004. Fourteen (14) have been the subject of international competitive bidding, thirteen (13) have been signed after national competitive bidding, and two (02) have been signed by direct agreement, with Bank approval. The Bank's procurement rules and procedures were followed. However, it is worth noting that loan disbursements were suspended in January 2002 because of the government's non-compliance with the clauses of the loan agreement (section 4.01) stipulating, among other things, that any change of PIU structure must be subject to prior consultations between the government and the ADF. This issue was raised after the restructuring of the education sector, which was split into three ministries in 2001. Therefore, the government deemed it fit to change the supervision and composition of the project team, without requesting the opinion of the Bank. The situation has been resolved in accordance with the Bank's recommendations, and disbursements have resumed. Procurement performance is by and large satisfactory.

2.1.72 Financial performance: As at 31/07/2004, 67% of the loan was disbursed, representing UA 5.34 million out of a net amount of UA 8 million. The government's contribution to project financing is 11.11%. Bearing in mind some additional activities implemented, the overall amount of expenditure effected by the government of Benin is CFAF 1,718,836,972, for an initial forecast of CFAF 815,907,000. This government contribution brings the completion cost of the project to CFAF 8,243,269,972, compared to the CFAF 7,340,340,000 initial forecast. For 2003, the amount disbursed to the project is CFAF 408,001,499. To date, an amount of CFAF 291,998,501 is yet to be

made available to the project. Financially, performance in terms of national counterpart is satisfactory. However, ADF loan disbursement performance is low for a project whose closing date has been postponed to June 30, 2005 to allow completion of the agricultural high school, literacy centers and scientific laboratories.

2.1.73 Performance of Activities and outputs: Overall implementation performance of the project is 58.57%, after five years of implementation. With respect to the first component, "improvement in the quality of primary indication," the implementation rate is 96.50%. Text books (410,000 of them) and collective teaching materials have been delivered and 4810 agents (teachers, counsellors and inspectors) have been retrained in their areas of expertise. The training of inspectors is yet to be done. As for the second component, "improvement in the quality of science teaching in secondary schools", the overall implementation rate is 49.35%. The retraining of 152 agents (teachers, lab technicians) has also been done. With respect to the third component, "development of agricultural and industrial technical education", the implementation rate is 39%. With the exception of the construction of the agricultural technical high school, all other activities (laboratory and annexes of the Coulibaly technical high school) have started and the revision of the first cycle programs of technical and professional education has also been conducted. Furthermore, the training of seven (7) inspectors in this sub sector of education is in process. With regard to component IV, "reinforcing women's education", 48% of activities have been implemented. The 45 literacy centers were implemented at 58%. The analysis of bids for the construction of the 55 other centers is ongoing. Between 1999 and 2003, over 5000 women out of a total of 8800 were taught to read and write.

2.1.74 Impact on development: Taking into account the activities implemented, which are already significant, there is a strong possibility that the objectives of the project have been reached. The project contributes to the efficiency of primary education by way of qualitative and quantitative improvement of teaching staff and the number of students. It has also helped promote access and retention of girls in the educational system. Besides, the project will contribute to educational development in Benin, and especially to improving the quality of general and technical secondary education.

2.1.75 Overall assessment: In spite of the delayed start-up, the project is proceeding normally. However, the current pace of implementation must be accelerated to allow completion of all activities before loan closing slated for the end of June 2005.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.16	1.5	1.9	1.87	2.0	1.68

2.1.76 Problems and proposed actions

<u>PROBLEM</u>	<u>PROPOSED ACTIONS</u>
<ul style="list-style-type: none"> - Construction of the technical agricultural high school (lycée technique agricole) has not yet begun; - Delay in the training of primary school inspectors, technical and vocational training; - Construction of laboratories and literacy centers has not yet begun; - Fiscal year 2002 accounts have not yet been audited. 	<ul style="list-style-type: none"> - Take action to start construction of the technical agricultural high school; - Accelerate training of primary school inspectors, technical and vocational training; - Speed up construction of laboratories and literacy centers; - Audit fiscal year 2002 and 2003 accounts.

D.3 Health Project II – Development of Health System

Amount of loan: UA 7.37 million	Total cost: UA 8,60 million ADF: UA 7.37 million - Gvt : UA 1.23 million	- Amount disbursed: UA 5.7 million (77.%)
Amount cancelled: 0	Date of approval: 08/31/1993	Date de signature: 20/01/1994
Date of approval: 08/31/1993	Date of last supervision: 9 November 2003	Effectiveness date: 01/27/1995
Closure date: 31/12/2004 Date of last supervision: 9 November 2003	Executing agency: <i>Bureau d'exécution du projet (BEP)</i> within the Ministère de la Santé Publique	
Auditing of accounts: 1995, 1996, 1997, 1998, 1999 and 2001 have been sent to the Bank.	Activity reports were not transmitted regularly in the past judging from the total number of reports transmitted (28). The last report transmitted is dated March 2002.	
Objectives and description: the objective of the project is to contribute to the health of the Beninois population in general, in particular the target rural populations that include children under five and women of child-bearing age. The project consists of the following main components: (i) Rehabilitation of health infrastructure in Borgou; (ii) Strengthening the Ministry of health; (iii) Creation of a departmental unit for infrastructure and equipment maintenance; (iv) Project implementation office.		

2.1.77 Compliance with conditions precedent/undertakings: The project loan agreement became effective almost 12 months after signing. Activity reports are not submitted to the Bank on a regular basis (three reports per year on average) and the last report transmitted covered the first quarter of 2002. As for the other conditions, thirty-three (33) quarterly activity reports were produced, from project start-up to October 31, 2003. Project account audits for 1995, 1996 and 1997, 1998, 1999 and 2000 were conducted by *Cabinet Bénin Expertise*. The draft audit report for 2001 and 2002 has just been submitted to the project by the firm CAAC. This firm has tabled the 2001 audit report and issued recommendations for the 2002 audit. The same firm has been entrusted with the audit of the first quarter of 2003. Compliance with conditions is unsatisfactory, but it should be noted that audit execution has improved.

2.1.78 Procurement Performance: In this area, 42 contracts were signed, twenty-six (26) were the subject of international competitive bidding, fourteen (14) were concluded after a national competitive bidding, two were concluded by negotiated contract. Overall, Bank rules and procedures were respected. Furthermore, there were fewer delays in the signing of contracts and the quality of procurement documents improved. Goods and services procurement performance has been satisfactory in the last few years.

2.1.79 Financial performance: As at 07/31/2004, the loan disbursement rate is 77.9% and 115.8% of the government's contribution, which amounts to UA 0.23 million, has been disbursed because of additional activities deemed necessary by the government and, thus, self financed. Financial performance has greatly improved, especially in comparison with the disbursement of counterpart funds.

2.1.80 Performance of Activities and Outputs: The overall implementation status of the project is about 99%. Component I, "infrastructure rehabilitation in Borgou": the implementation rate for the rehabilitation of 14 health structures in Borgou is 100%. Works implementation has suffered from the weak financial capacities of SMEs. Water towers and boreholes have all been completed. All essential drugs have been acquired and delivered to health centers. Contracts for biomedical equipment are being delivered. However, additional equipment financed by the 2003 government budget will be delivered and installed by the end of December 2003. They are the incinerator, the video endoscopes and mortuary equipment for the CHD. Component II, "strengthening of the Ministry of public health": the overall implementation rate is 99%. 99% of the equipment support to the Ministry of health has been achieved and training activities, whose management has been entrusted to the WHO, has been delivered. All in all, 20 agents of the Ministry have benefited from long and short training sessions in various health areas. A balance of the funds allocated to the WHO will be used to finance local seminars. Component III, "support to the district unit in charge of maintaining infrastructure and equipment": this component has been fully implemented. As a matter of fact, the regional maintenance unit in Borgou is operational and entirely equipped by the project. Component IV "establishment of a project implementation unit": an implementation unit has been established in Cotonou, with a regional office in Parakou. Project operation has suffered from the mobility and poor performance of the successive coordinators assigned to the office until 2001.

2.1.81 Impact on development: The project has helped improve primary health care in the country, especially in the project zone. Notable improvements in the health of the population (about 1,104,495 inhabitants in the Borgou area) have translated into increased primary health care coverage by rehabilitated, commissioned and operational health centers. Furthermore, 210,759 children under five years of age and 234,938 women of child bearing age are benefiting directly from project activities. Moreover, training activities have reinforced institutional capacities in the Ministry of health through training of a critical mass of staff

2.1.82 Overall assessment: In spite of the delay in starting the project, there has been a major improvement in the quality and rate of implementation of activities. Nearly all project activities have been implemented. Overall performance of the project is deemed unsatisfactory.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1,6	2	1,5	1,75	2,0	1,7

2.1.83 Problems and proposed actions

<u>PROBLEMS</u>	<u>ACTIONS PROPOSED</u>
ii) Planned training not provided by the WHO	i) Re-contact the WHO to: i) obtain a complete report on its training programmes, ii) use the balance of funds allocated for training to pay for short term seminars for selected candidates, and whose budget has already been sent to the WHO, and iii) return the amount used for candidates not selected by the project;
ii) Project material taken by staff at the end of their fixed term contracts.	ii) Take action to repossess material taken by staff whose contracts ended at the end of the project.

D.4 Project to promote women's economic activities in the Oueme district

Amount of loan: UA 2.00 million Amount cancelled: 0	Total cost: UA 2.22 M - ADF: UA 2.00 M - Gvt : UA 0.22 M	- Amount disbursed: UA 0.48 M (24%)
Date of approval: 12/12/1996	Date of signature: 07/02/1997	Effectiveness date: 10/01/1998
Closing date: 31/12/2004 Date of last supervision: 9 November 2003	Executing agency: Project Implementation Unit(PIU) located in Porto- Novo under the direct control of the ministry of planning	
Auditing of accounts: reports for 1998,1999 and 2002 were prepared and sent to the Bank	A total of 19 activity reports have been prepared and submitted to the Bank. These reports were prepared in accordance with the guidelines for Bank-Group financed projects.	
<u>Objectives and description:</u> The specific objectives of the project are to: (i) promote income-generating activities for women in the Oueme area and (2) raise their level of education. The project consists of the following main components: (i) Promotion of economic activities for women; (ii) Programmes for IEC, functional literacy, post-literacy, and development of programme skills; (iii) Audit of project implementation unit.		

2.1.84 Compliance with conditions precedent/undertakings: The loan agreement became effective 20 months after signing. This slippage can be explained by the high number of conditions, delays in the ratification of the loan agreement and the recruitment of staff, and the difficulty fulfilling the condition related to the extension of the Carder-Oueme mission to urban and peri-urban areas. With respect to the conditions, the regularity in preparing and submitting activity reports has been appreciated. Annual audits of the project were conducted from 1998 to 2002, and the accounts were certified. For 2003 and 2004, the contract was signed on June 14, 2004 by the Minister of finance and economy. The analysis and review of these reports show that financial management of the project is satisfactory

2.1.85 Procurement Performance: By and large, Bank procedures were followed in the procurement of goods, services and works. Since the launching of the project, 14 basic contracts have been signed, of which four (05) were the subject of international competitive bidding, six (06) were signed following competitive bidding on the basis of shortlists, and three (03) were awarded following direct negotiations with Bank approval. In spite of delays in procurement, it was noted that the PIU has a better grasp of the procedures.

2.1.86 Financial performance: As at 07/31/04, 24.4% of the loan had been disbursed, and the government's contribution, which amounts to UA 222,510, has been disbursed by 80%. Because 100% of operating costs must be borne by the counterpart, the operation of the unit is hampered by lack of resources.

2.1.87 Performance of Activities and Outputs: Currently, project implementation performance is less than 30% because the credit component which represents more than 60% has not yet started, the general management framework being non operational. The implementation rate component on the promotion of women's economic activities is 37%. All sensitization activities have been implemented. However, micro finance activities have still not started. The structure initially envisaged to implement the credit component has not met Bank requirements regarding justification of previous projects, and the convention signed by the said structure (FECECAM) was terminated in July 2001. Thus, to establish the credit fund, the Bank proposed, in January 2002, another General framework for credit management for its projects being implemented in Benin and involving a micro credit activity; this framework was adopted by the government in April 2002. However, it is not operational because conditions for its application have not been fulfilled. Indeed, the following activities must be implemented: i) amend the loan agreement, ii) create all the structures envisaged (National Coordination, Orientation and Monitoring Committee, coordination unit, Commission to select decentralized financial institutions, Committee and Permanent Secretariat responsible for managing the guarantee fund and the contingency fund, guarantee fund, Central risk of recording service, and iii) prepare the convention to be signed between the coordination unit and the management structures of the projects, and the relending agreements to be signed with financial institutions. As for the second component, "IEC program, literacy, and capacity building", the execution rate is 70%. IEC, literacy, and capacity building activities are being implemented. Since the beginning of literacy activities in November 2000, 533 centers, including 312 initial literacy centers and 221 post-literacy centers, were created, and 98 literacy instructors have been trained. The total number of people trained by the project is 13,862, including 11,542 women and 2,320 men distributed as follows: 7,392 people in initial literacy, including 6,088 women and 1,304 men; 6,460 people in post-literacy, including 5,454 women and 1,016 men. In the area of capacity building, 410 people have been trained as opposed to the 1240 initially expected. The third component, "project management unit", based in Porto Novo, has the necessary staff and operational facilities.

2.1.88 Impact on development: The project may not reach its main objective of promoting women's economic activities in the Oueme district if the micro credit component is not implemented as expected. However, the project has helped increase women's educational level and their participation in socio-economic development. Indeed, literacy activities have allowed beneficiaries to improve and assert themselves and to manage income generating activities that they have initiated and financed with their own resources as they wait for the project's credit funds to become available. Moreover, based on the discussions that the mission had with project staff, awareness raising sessions on health, AIDS control and sanitation activities have led to positive change in people's behaviour.

2.1.89 Overall assessment: All project activities planned have been implemented, except for the credit component, which can only start after the establishment of the General framework for credit management. The implementation rate for all activities is 60%. This level of performance after six years of activity can be explained by the fact that the credit component of the project has not yet started because of the difficulties encountered by FECECAM, an organization initially designated to administer credit, and by the nonoperation of the credit management framework proposed by the Bank and the Government in 2002. The deployment of the resources anticipated and the amendment of three loan agreements (for the three Bank projects involved in micro credit) will make it possible to start distributing credit. Delays in the implementation of the credit component may undermine the anticipated results of the project with respect to improving women's incomes in the Oueme region. All other activities are proceeding in a satisfactory manner. Loan disbursement performance will improve with the start of the credit component.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	1.8	1	1.8	1.7	2.0	1.6

Persistent delays in the implementation of the credit component qualifies the operation as "potentially problematic".

2.1.90 Problems and proposed actions

<u>PROBLEM</u>	<u>PROPOSED ACTIONS</u>
Micro credit activities, whose funds represent 60% of project resources, have not yet started up.	Establish and operate as soon as possible the structures of the General framework for credit management, especially the coordination unit, the national coordination, orientation and monitoring committee, and the guarantee fund.

D.4 Human resources development programme (PDRH)

Amount of loan: UA 10.00 million Amount of grant: UA 2.00 million Amount cancelled: 0	Total cost: UA 18.25 million Sources: - ADF : UA 10.00 million - TAF Grant: UA 2.00 million - OPEC : UA 437 million - Gvt : UA 0.22 million	- ADF amount disbursed: UA 0.949 million (10%) - ADF grant amount disbursed: UA 0.49 million (25%)
Date of approval: 03/15/2000	Date of signature: 07/11/2000	Date of effectiveness: 12/26/2001
Closing date: 12/31/2004 Date of last supervision: 9 November 2003	Executing agency: Project Implementation Unit(PIU) related to the Human Resources Directorate	
Auditing of accounts: Audits were conducted up to 2002 and the reports produced were transmitted to the ADB within the required timeframe.	Activity reports are regularly produced. The report on the third quarter of 2003 was submitted to the Bank.	
<u>Objectives and description:</u> The sector goal of the programme is to contribute to poverty reduction through the development of human capital. Its specific objectives are to: build the capacities of ministerial structures responsible for human resources; and ii) give populations, in particular rural populations, greater access to basic services. Project components are as follows: institution building, improvement of rural population's access to basic services, and programme implementation		

2.1.91 Compliance with conditions precedent/undertakings: It took 15 months to fulfill the preconditions for loan effectiveness after the signature of the agreement. However, the other conditions (to provide the ADF, two years at the latest after effectiveness of the agreement and the grant protocol agreement, proof of adoption of the "*Code des Personnes et de la Famille*" by the National Assembly, a law voted in 2002; to submit to the ADF for approval, four months at the latest after effectiveness of the agreement and the grant protocol agreement, the draft convention between the CAA and the structures retained to manage the integration fund) are being fulfilled. Project activities have just started, but the audit for 2002 has been completed. Activity reports are produced on a regular basis. All in all, five reports have been written for fiscal year 2002, including four quarterly reports and one annual status report on the activities implemented during the year. The activity report for the first quarter of 2003 is being drafted and will be transmitted to the Bank.

2.1.92 Procurement Performance: In general, Bank procedures are respected when it comes to goods and services procurement. To date, 17 procurements have been initiated, of which: eleven (11) through competitive bidding on the basis of a shortlist; one (1) through international competitive bidding; one (1) through national competitive bidding; and four (4) by direct agreement with training centers, in accordance with the loan agreement.

2.1.93. Financial performance: As at July 31, 2004, a UA 0.949 million amount (10%) has been disbursed on the ADF loan, and UA 0.49 million on the grant (25%), and no disbursement has been made on OPEC resources. With respect to counterpart funds, out of an amount of CFAF 175 million, CFAF 75 million have been disbursed (UA 85,324), or 4.5% of the government's participation (UA 1.88 million). Financial performance is satisfactory.

2.1.94. Performance of Activities and outputs: implementation of project activities has just started. In the "institution building" component, technical assistance needed to plan the activities of the Ministry responsible for family, women and children as well as activities related to collection, processing and dissemination of social statistics by gender has been in place since October 6, 2003. Training activities have also begun. As for **education**, technical assistance for the design of the master plan has not started and the Ministry of technical education and vocational training is striving to establish the terms of reference prepared in accordance with Bank recommendations. In the **health sector**, technical assistance has been hired with a view to implementing activity design, planning, monitoring, evaluation and coordination; engineering designs and architectural studies are ongoing, as is the training of 24 DPP agents in the areas of activity programming, budgeting, management, monitoring/evaluation, and coordination.

With regard to the "improving population access to basic services" component, and within the purview of **community development**, engineering designs and architectural studies for community infrastructures have been underway since August 2003 and the training of traditional midwives should take place in the first quarter of 2004. As for Gender and development, engineering designs and architectural studies have been launched for the construction of 8 CPS. Community relays (241) for all 12 administrative districts are being trained, and the bidding documents for the retraining of 30 social workers, the training of 30 women instructors in home and social economics, hygiene, mother and child health, as well as sensitization campaigns for women in the areas of mother and child health, hygiene, family planning, and in the personal and family code, have been submitted to the Bank for consideration. Regarding **employment and vocational training**, architectural studies and engineering designs for the construction and equipment of two learning centers in Nikki and Pahou are also underway, and bidding has been initiated for the conduct of the prospective study on employment. In the **education** sector, architectural studies and engineering designs for the construction of 150 classrooms, four secondary schools and one activity center for girls are being prepared. In the **health** sector, architectural studies and engineering designs for the construction of health centers are also underway and the training of paramedics, health officers, lab technicians, nursing aids and AOMPACES center managers has started.

2.1.95 Impact on development: The project will make it possible to build capacities in ministerial departments responsible for human resources and to provide the population with greater access to basic services, especially in rural areas.

2.1.96 Overall assessment: Overall, the project is still in the start-up phase, and has not yet reached maximum output.

Indicators	Status	Procurement performance, goods and services	Financial performance	Activities and outputs	Impact on development	Overall assessment
Rating	2	2	2	1	2.0	1.92

Because of disbursement delays, there is no other choice but to describe the project as potentially problematic.

2.1.97 Problems and proposed actions

PROBLEM	ACTIONS PROPOSED
i) The convention between the CAA and the micro-finance operator responsible for managing the integration fund has not been signed.	i) Transmit to the Bank the draft convention between the CAA and the micro-finance operator responsible for managing the integration fund by November 2004
ii) The ETFP sub-sector guidelines were not submitted to the Bank for consideration	ii) Transmit to the Bank the file on the preparation of the ETFP sub-sector guidelines August 2004

2.2 Ageing and Problem Projects

2.2.1 At the end of July 2004, there were five operations¹ aged 5 years or more, representing over 32% of current portfolio operations. Among these projects, one is ageing according to Bank criteria, i.e. the "Health II" Project, which is nine years old. Two of them are nearing completion and are expected to be closed before the end of August 2004, i.e. the Cotonou-Porto Novo Road and the "Health II" Project. However, the outlook for one problem project identified during the last review in 1999 (PAEF-Oueme), which is over five years old, is now brighter with the expected adoption of the new agricultural credit management framework at the end of 2004.

2.2.2 Indeed, there is still slippage on the implementation of the PAEF-Ouémé owing to the slow use of the micro credit line because of FECECAM's difficulties. The "credit" component being the main part of the project, its non implementation will undermine the objective of promoting women's economic activities in the project zone. The problem will only be resolved when the credit management mechanism redesigned with the Bank is implemented by the government. In the meantime, the project will have to be monitored more closely by the Bank with respect to the measures recommended by the latest supervision missions. These measures are presented in the matrix of actions in Annex 1.

2.2.3 There are five potentially problematic projects: (i) the Firewood Phase II Project, whose effectiveness was delayed for 12 months, and for which no disbursement has yet been made; (ii) the project to support rural development in Mono and Couffo, which was delayed for nearly 15 months and whose activities have been hampered by the non start-up of the credit component; (iii) the project to promote women's economic activities in the Oueme district, whose operation has been handicapped by the late start-up of the credit component; (iv) the project to support rural development in the Ouémé district, one component of which has not started up ; and (v) the human resources development project, which became effective 15 months after the signature of the credit agreement.

¹ These are: the Livestock Project III; the Cotonou-Porto Novo Road rehabilitation project (ADF and NTF); and the Project to promote women's economic activities in Ouémé.

2.2.4 However, it is worth emphasizing once again that the number of problem projects is compounded by the delay in adopting the general framework for agricultural credit. Responsibility for this delay is shared by the government and the Bank (this is due, among other causes, to the temporary relocation of the Bank). The expected implementation of this framework by the end of 2004 will go a long way towards improving the execution of the operations and will boost disbursement rates.

2.2.5 The persistence of these constraints should encourage the design of an action plan to improve the implementation of operations in Benin, and a greater involvement of the Bank in the country.

2.3 Evaluation of the Frequency and Quality of Supervisions

2.3.1 From 2002 to the middle of 2004, the average annual supervision rate was close to the 1.5 objective, taking into account the missions fielded to launch new projects and the general review conducted in October 2002. However, performance was insufficient regarding the supervision of several agricultural projects. This insufficiency has been compounded by delays in adopting the general framework for agricultural credit. The quality of project supervision has improved with the reinforcement of mission teams, especially in the social and infrastructure sectors in 2004. This has helped to reinforce the sectoral approach in constraints analysis and to propose solutions to micro credit management issues, which have long undermined the outcomes of income-generating projects.

2.4 Cross-cutting Issues

2.4.1 The Bank's operations in Benin were designed mainly to improve the living conditions of the population, especially rural women, to develop human resources, to preserve natural resources and the environment, and to promote regional integration. In the last few years, the Bank has mainstreamed the participatory approach in project design and implementation. This should translate into a better impact of Bank operations on poverty reduction and development in Benin as shown in the following analysis of cost-cutting issues (see Annex VII).

2.4.2 Environment: Ongoing projects have generally respected environmental standards. In the agricultural sector (environmental category 2), the facilities and infrastructures implemented or envisaged should not cause any noticeable environmental nuisance. On the contrary, there has been a true awareness of certain techniques to improve and protect the productive environment, such as mineral and organic restitution to compensate the loss of fertility related to the introduction of new cropping techniques. In the new forestry project (PAMF), reforestation makes it possible to fight erosion, regulate water levels, protect underground water and create microclimates that are favorable to agriculture. Also, by ensuring rational management of natural resources, actions implemented in the Firewood Project II will help preserve ecological balance. Rural sector projects entrust the environmental monitoring of their activities to Benin's environmental agency (Agence Béninoise pour l'Environnement—ABE), a government body with the requisite experience and competence to carry out this mission in accordance with the legislation in force. In the social sector, education and health facilities are implemented in compliance with the requisite hygiene and sanitation standards. In the transport sector, especially as part of the Cotonou-Porto Novo Road project (environmental category 2), the negative environmental impacts resulting from project activities (expropriation, limitation of pedestrian crossings, deforestation) will be gradually mitigated (compensation activities have been completed) while improving access for riparian owners and pedestrian crossings. A plan to replant trees and develop green spaces has been included in the project, in addition to a considerable improvement of sanitation infrastructure in the zone.

2.4.3 Gender issues: In its recent interventions, the Bank has emphasized support to vulnerable groups, especially women, who represent nearly 52% of Benin's total population. At least three projects in the social sector have specific objectives with respect to improving women's incomes in rural areas through micro credit, adult literacy, girl education and increased access to primary health care, mainly in the area of mother and child protection. These actions seek to facilitate women's participation in the development process, and are implemented mainly within the project to promote women's activities in the Ouémé district and the education and health projects. They aim to teach about 170,000 women to read and write, build the competencies of 620 women and 620 girls in rural areas, raise enrollment rates among girls, which should increase from 66% in 2002 to 90% by 2008, reduce unequal access to technical secondary schools by allowing the training of young people with no schooling, and promote the education of girls in agricultural and industrial disciplines. Besides, the new health infrastructure created in rural areas and the awareness raising campaigns on family planning and the prevention of communicable diseases should help improve the health situation of the population and boost the well being of the family and the children.

2.4.4 Participatory approach: This approach is increasingly used in the preparation and implementation of projects financed by the Bank. It was used in the preparation of projects approved as part of ADF VIII (1999-2001) in the areas of rural development, education, and PRS preparation. The participation of grass-roots associations, economic interest groups (EIGs), traditional chiefdoms and NGOs has contributed to the choice of objectives and implementation methods of the programs identified in the sectors and zones concerned. Grass-roots organizations are henceforth associated with the management and monitoring of project activities. The implementation of new projects is therefore facilitated because rural populations adhere to the identified objectives and means. This approach will have to be consolidated through greater cooperation with the NGOs established in the field, because of the role that they play in sensitizing and organizing the population for environmental protection and AIDS control.

2.4.5 Poverty Reduction: Ongoing operations are in keeping with the objective of reducing poverty, in line with the Bank's operations strategy in Benin, adopted under ADF VII and VIII. These operations emphasize improvement of the economic environment and access to basic social services for rural populations, especially women, using the support provided by rural (4) and social (3) development projects being implemented. These priorities will be maintained in the 2002/2004-loan program as part of the PRS.

2.4.6 Micro credit: With a view to promoting economic activities in rural areas, the "credit" component is offered to peasants and women as part of ongoing agricultural projects and of the project to promote women's economic activities in Oueme. However, the use of credit funds has been hampered since 1999 by problems relating to the management of FECECAM, the main micro credit distribution network in Benin, and by the difficulty to access credit (high interest rates). To allow efficient resource management, the Bank has agreed to extend intermediation to banks and IFDs fulfilling the selection criteria on a professional basis. Therefore, the government will establish a general framework for credit management by the end of 2004.

2.4.7 Population issues: Many actions in ongoing projects aim to improve social indicators. Implementing these projects helps raise literacy rates among the adult population, especially women, enrollment rates mainly among girls in rural areas, and also helps protect mother and child health. The progress expected in these areas will have the medium-term and long-term consequence of controlling population growth as well as a better impact on income distribution and poverty reduction.

2.4.8 **Regional integration:** The improvement of the road transport network, particularly in the Cotonou-Porto Novo section financed by the Bank, responds to the need to increase trade traffic with Nigeria and reinforces regional economic integration. In the electricity sector, in addition to the Togo—Benin hydroelectric power dispatching project, completed in 1998, a new NEPA-Benin-Togo multinational interconnection project was approved by the Bank in 2002 to meet increasing electricity needs in both countries. With respect to reforms, Bank intervention in terms of budgetary support in 2001 fostered the adoption of a single budget and the application of WAEMU's budget nomenclature.

2.5 Overall Assessment

2.5.1 Portfolio performance is generally satisfactory. The overall rating given, based on supervisions and on the general portfolio review, is 1.8 (Annex 3) on a scale of 0 to 3. This situation reflects a deterioration of 0.1 point in comparison to the last review conducted in 1999. One of the main factors affecting portfolio implementation is the delay in adopting the general framework for agricultural credit. Indeed, because of FECECAM's difficulties as the main micro-finance network in Benin, micro credit distribution within ongoing projects has been totally suspended. The establishment of a new rural credit management mechanism with Bank support will make it possible, from September 2004 onwards, to improve credit distribution and the general performance of these projects. Lifting of this constraint will help in particular to improve the performance of agricultural projects and of the PAEF-Oueme project, which is considered problematic due to the importance of the credit component of this project, which especially seeks to support women's economic activities.

2.5.2 However, it is worth emphasizing the progress that the government and the Bank have made to reduce project start-up delays and to reach maximum output faster according to established objectives. This progress can be seen in: (i) improving procurement and payment timeframes thanks to the expertise acquired and reinforced by executing agencies in the major sectors, and thanks to better control of signing procedures by the Minister of finance; (ii) making counterpart funds available in a Treasury advance account provisioned with a quarter (1/4) of the annual credit amount and renewed after justification; (iii) transmitting activity and audit reports to the Bank on a more regular basis. Furthermore, the 1.5 supervision standard per active project has been respected in 2001/2002. As a result, at least two aged projects have been closed and have been the subject of completion reports in 2002; another ageing project has been closed in 2004 (PRS), whereas two other (Health II, Cotonou- Porto Novo Road) should be closed by the end of September 2004.

2.5.3 The number of potentially problematic projects rose from 2 to 5 between the last two reviews and represent nearly 31% of current portfolio. However, this risk will be considerably mitigated with the adoption of the general framework for agricultural credit. Older projects (Health II, Cotonou- Porto Novo Road) are almost completed and will be totally closed by the end of 2004. Four projects approved in 2003 are not yet effective, and the government is striving to fulfill the related conditions before the end of August 2004.

Projects at risk

Project	Annual Review 2001	Current Review
Number of problem projects	1	1
As a % of the current portfolio amount	2%	1%
Number of potentially problematic projects	2	5
As a % of the current portfolio amount	15.1%	31%
Projects at risk	3	6

2.6 Disbursements

2.6.1 The Bank's disbursements in Benin totalled UA 265,133 million as at 31 July 2004, or 67 % of overall net commitments, excluding the private sector, which was only funded to the tune of US\$ 2.08 million, and disbursed at a rate of 100%. The disbursement rate of the current portfolio is 36%, an 8-point increase compared to the status of the portfolio at the last review in 1999.

2.6.2 The general performance of portfolio disbursements is still affected by the persistence of some administrative and institutional constraints (because of delays in effectiveness and in procurement) undermining the projects' absorptive capacity for resources. These constraints prevent the projects from gaining full speed and translate into low disbursement performance during the first three years of life of the project. Disbursements of credit funds on four projects (three agricultural and one social) have been suspended since 1999 because of problems with FECECAM, pending the creation of a new credit management framework for public funds by the Ministry of Finance.

2.6.3 Finally, delays in payment and in the transmission of disbursement records have been reported by the client. These problems are due in part to difficulties with the launching of SAP, difficulties which were gradually resolved during 2002. The Bank plans to improve the disbursement information system by creating a Web site that is accessible to clients.

III. ASSESSMENT OF PROJECT MANAGEMENT AND IMPLEMENTATION CAPACITIES

3.1 Government Performance

3.1.1 In spite of the progress noted in project implementation, the measures taken by the Government to improve the performance of Bank group projects remain inadequate. At 36%, the overall portfolio disbursement rate is still relatively low. The persistence of some institutional constraints continues to affect the absorptive capacity for external resources as well as project implementation performance. These constraints stem primarily from: (i) delays in adopting and fulfilling conditions precedent to first loan disbursements, essentially because of the very long ratification time frame for " PADMOC, PBF II "; (ii) slow procurement procedures, even if there has been some improvement since 2003; (iii) nonobservance of rules for appointing and changing managers in some Education III projects; (iii) delays in establishing a new micro finance management framework, one of the main causes of low disbursement rates in agricultural projects comprising a micro credit component and in one of the social projects, 'PAEF-Ouémé'. The overall disbursement rate of the portfolio, which stands at 36%, is still relatively low.

3.1.2 With respect to project management and monitoring, the mission noted delays in the auditing of two projects: Education III (2001/2002) and Livestock III (livestock development) (2001/2002). In this regard, the mission made reference to Bank regulations governing project auditing and implementation of the clause suspending disbursements for projects where audits have been delayed for more than one year. The projects are making every effort to prepare 2003 auditing accounts.

3.1.3 The mission also reviewed the balances on completed projects which will be cancelled by the Bank following three-month's notice. This concerns the Health II (health) project.

3.1.4 Since 2000, the Government has embarked upon budgetary reform with a view to improving the implementation performance of public investment programmes and their impact on the social and economic development of the country. This reform was implemented with the

support of the principal donors, including the Bank, and seeks essentially to strengthen the absorptive capacity and resource management capacity of sector ministries. The measures undertaken in the context of this reform represent significant progress in the efficient management of public resources. Since 2001, intra- and inter-sectoral budgetary review has been underpinned by the implementation performance of the different programmes and on the improvement of absorptive capacity and of monitoring and evaluation in each sector ministry. The implementation, since 2001, of the new integrated public finance management system has helped improve the consumption rate of the resources provided in the national budget.

3.1.5 In addition, the Government undertook a reform of the procurement code in 2003, with support from the Bank and the IDA, with a view to improving procurement efficiency and transparency. Training on public procurement procedures, intended for project and procurement unit managers in ministries, will be offered in 2004 within the context of the programme to support the poverty reduction strategy. Finally, measures implemented to improve project monitoring and evaluation from a technical and financial perspective have generally had a positive impact on the submission of activity and audit reports.

3.1.6 Absorptive capacity for resources will also improve as a result of better management of loan effectiveness deadlines (current average delays are 13 months instead of 20 months) and more systematic observance of regulations governing appointments in executing agencies. In the same light, in 2002, Benin passed legislation to develop delegated contracting agencies with a view to strengthening capacity to implement national programmes, in particular in the social sectors.

3.1.7 The Government has adopted the principle of instituting a quarterly review of Bank-supported operations in Benin. This mechanism was launched in April 2004 at the first quarterly meeting to review Bank operations. Proceedings of these meetings will be regularly transmitted to the Bank. This mechanism will help improve project implementation and monitoring.

3.2 Bank Group Performance

3.2.1 During the period under review (2000-2003), the Bank made improvements in the quality of project preparation and in its assistance for the launching of new projects. The frequency of supervision was an annual average of 1.5 for each active project, in line with Bank standards. However, there were prejudicial delays in the Bank's processing of project documents and requests because of the workload of task managers and lack of experience with the SAP application during its launching phase. Another obstacle to project implementation was the Bank's delay in adopting the new agricultural credit framework designed to guide the implementation of the micro-credit aspects of its operations in Benin. This new framework has been finalized from the Government's perspective as well as from the Bank's; the Board is expected to adopt it during the last quarter of 2004.

3.2.2 The Bank will pursue its efforts to reduce procurement response times and to strengthen assistance provided to projects during the launching phase, by focusing on the implementation of an accounting system and a manual of accounting and financial procedures that meets Bank project management requirements. The Bank will also improve information on disbursements (Web site to be launched) and will gradually return to the execution of payment requests on schedule with better knowledge of SAP.

3.2.3 Finally, during the Bank's last dialogue mission to Benin in March 2004, the Bank recommended that the Government set up a quarterly framework to monitor portfolio operations.

This recommendation was adopted and implemented in April 2004 in the form of quarterly review meetings presided over by the *Caisse Autonome d'Amortissement*. The proceedings of these quarterly reviews, in which the Bank participates during its mission to Cotonou, are transmitted to the Bank for review. During this same dialogue mission, the Bank, in response to a request from the Government indicated it would support Parliament in order to promote better understanding of draft documents submitted for its review and to strengthen the capacities of parliamentarians. This support to Parliament also helps reduce delays in ratifying Bank operations.

IV. COORDINATION OF AID IN BENIN

4.1 Assessment of the Government's Coordination Capacity

4.1.1 Aid in Benin is coordinated essentially by the Ministère chargé du Plan (DGCRE) and the Caisse autonome d'amortissement (CAA). However, there is no formal consultation mechanism between the two structures, resulting in inefficient coordination of aid, particularly during the execution phase. As well as jurisdiction conflict, the structures directly responsible for monitoring and evaluating aid, the DGCRE as well as at the CAA, lack adequate human resource or logistic capacity to successfully play their role. However, the program budget approach adopted in priority sectors have provided an efficient aid coordination framework in the form of budgetary support provided by the major partners

4.2 Assessment of Bank Coordination with other Donors

4.2.1 Bank coordination with other donors occurred in the context of sectoral identification and project evaluation missions in Benin. During the 2002-2003 period, specific projects were identified in priority sectors and will be cofinanced with IFAD (artisanal fisheries development) and WADB (Djougou-Ndali road, CEB-NEPA 'multinational' electricity exchange). Since 2001, there has also been coordination in the context of budget reform to support the program budget approach adopted in the main public sectors: agriculture, education, health, transport, environment. This coordination will be strengthened from 2004 onwards in the context of concerted support from the major PRSP partners.

4.3 Assessment of Co-financiers

4.3.1 During the period under review, co financed operations were limited to the Cotonou-Porto Novo road project, the artisanal fisheries project and human resource development project. Only the performance of the first project's co-financing agencies was deemed very satisfactory with respect to funding and assistance. A budget support operation, which has not yet been implemented, will also be co financed with IDA. The performance of the co-financiers of the first project was deemed very satisfactory with respect to financing and assistance. The components financed by EDF, KFW, and WADB were completed within a reasonable timeframe and costs. Coordination with these co-financiers was, in general, satisfactory during the Bank's supervision missions. This coordination is made easier by the presence of partners in the field and the periodic reviews of the transportation sector programme, which offers a cohesive framework for interventions and consultations between the donors' institutional and strategic issues at the sector level. With respect to support for budget reform, coordination and assistance of partners was consistent and efficient. The World Bank has frequently invited the Bank to participate in programme review and assistance missions and in the short-term expenditure framework (CDMT). This cooperation will be pursued during the implementation, in 2004, of the programme to support poverty reduction (PASRP).

V. REPAYMENT OF LOANS

Benin makes regular payments towards its debt service with the Bank Group. Benin qualified for debt relief under the HIPC Initiative and its completion point was reached in 2003. Benin is still pursuing a prudent debt policy, which, in the long term, ensures the sustainability of its debt.

VI. PROACTIVE MANAGEMENT OF THE PORTFOLIO

6.1 Potential Problems and Solutions

6.1.1 In spite of efforts made in recent years to improve the portfolio, the persistence of the generic problems described in paragraphs 3.1 and 3.2 affect the performance of operations. The measures described below should lead to a gradual resolution of these problems with a view to improving the implementation rate of the public investment budget and macro-economic performance in Benin.

6.1.2 The measures seek to accelerate the launching of projects and to ensure continuation in the implementation of projects. In this regard, the government will take the necessary measures to reduce delays in loan effectiveness to less than 12 months from the date of approval, and to ensure stability of key personnel in projects. In addition, the implementation of the credit management framework in rural areas should become effective from 2004. The Bank contributed to the definition of this framework with the Government and continues to closely monitor the establishment of operating structures and mechanisms.

6.2 Plan of Action

6.2.1 An up-to-date action plan and an implementation schedule have been prepared for each ongoing operation that has undergone a review. Implementing the specific measures envisaged in Annex 2, systematically launching missions as well as maintaining a satisfactory supervision level in 2004 will help improve project implementation rates and the portfolio disbursement rate, which should reach at least 40% by the end of 2004.

6.3 Lessons for CSPs and Future Portfolio Reviews

6.3.1 The performance of the Bank's portfolio in Benin in coming years will benefit from measures that seek to improve the quality of operations at entry and to liberalize public procurement procedures. Bank support for budget reform helps strengthen the capacity of the ministries that have adopted the programme budget approach-- which represent the Bank's main areas of intervention. The Bank will assess the capacities and procedures utilized in programme-budgets so as to gradually move towards a more coherent programme-approach, like its other partners (World Bank, European Union, Denmark, Netherlands). Bank actions would then be able to use the budget support instrument to support sectoral reforms and programmes, which are executed in conformity with national regulations. In this regard, the Government has initiated a reform of the procurement code with a view to improving efficiency and transparency of the procurement systems by providing the necessary training to those involved in procurement.

VII. CONCLUSIONS AND RECOMMENDATIONS

7.1 Conclusions

7.1.1 Portfolio performance in Benin is hampered by the persistence of certain institutional constraints that continue to affect absorptive capacity for foreign resources and the implementation of projects. By and large, these constraints are attributable to: (i) slippage on effectiveness and on the fulfilment of the conditions precedent to first disbursement of loans, mainly because of very long "PADMOC, PBF II" ratification timeframes; (ii) slow procurement procedures; (iii) disregard of the rules for appointing and changing managers in certain projects, such as " Education III"; and (iv) delays in establishing a new micro finance management framework, "PAEF-Ouémé" agricultural projects. With the exception of old projects, two of which will be closed in 2004, the performance of the current portfolio is generally satisfactory as a whole with a 1.8 rating, slightly lower than the 1.9 given during the last review in 1999. Furthermore, the general level of disbursement in the current portfolio, which stands at 36%, is higher than in the last review, but is still relatively low. The performance of the portfolio will improve significantly with (1) continued efforts to reduce delays in ratifying as a result of the institutional support that the Bank will provide to Parliament, (ii) adoption by the Board of the cadre général du crédit agricole by the end of 2004, and (iii) the implementation of the recommendations made in the quarterly review of Bank operations organized regularly by the Government.

7.1.2. With respect to project management and monitoring, activity and audit reports have been produced and transmitted regularly to the Bank, with the exception of two projects whose account audits have not yet been received by the Bank: Education III and Livestock III. Audits of 2003 accounts are expected for all projects by December 31, 2004.

7.2 Recommendations

7.2.1 Since portfolio performance is an ADF IX resource allocation criterion, measures must be taken to improve resource absorption capacity and efficient management of projects. To this end, the following recommendations are addressed to the government and to the Bank:

7.2.2 The Government should take the following actions:

General measures

- Reduce the time needed to fulfill loan effectiveness conditions through awareness raising and capacity building among parliamentarians. In this regard, the government has already submitted to the Bank a request to support Parliament;
- Pursue efforts to reduce procurement time frames in accordance with the action plan stemming from the new public procurement code designed with Bank and IDA support;
- Produce project account audits within the deadline (six months after the end of the fiscal year) and have government control structures monitor the implementation of audit recommendations;
- Continue to ensure the government's financial counterpart in projects;
- Strengthen the monitoring/evaluation system in relation to the current budget reform. This recommendation will be implemented as part of the budget support provided to Benin by the Bank and IDA;

- Establish a mechanism to monitor Bank-financed operations on a quarterly basis. In this perspective, the government has been holding regular quarterly meetings to monitor the implementation of the Bank's operations since April 2004. These meetings have been organized on a regular basis as a result of a dialogue mission fielded by the Bank in March 2004.

Specific Measures

- Accelerate the fulfilment of conditions precedent to first disbursement of the firewood project (PBF-II);
- Confirm to the Bank that problems related to supervision and composition of personnel at the PIU of the Education III project have been resolved;
- Confirm to the Bank that the PIU team's contract has been extended after the change in supervision proposed by the Government with regard to the PAEFO project;
- Take all necessary measures to complete the remaining activities on the IRSP and Health II projects;
- Speed up the implementation of the rural electrification project for 17 centers and of the human resources development project;
- Complete the establishment of the micro finance management framework with a view to making it operational in 2004.

7.2.3 The Bank will ensure that the following measures are taken:

- Cancel the balance on projects completed after the 3-month notice;
- Apply loan cancellation rules in case of significant slippage on effectiveness; and impose the sanctions provided for in Bank rules when project audit reports are not received within the requisite timeframe.
- Improve timeframes for payments and non-objection notices on submissions received;
- Accelerate production of disbursement information and make it accessible to clients (countries) on the Web.

7.2.4 The Boards are invited to note the conclusions of the general portfolio review in Benin and to adopt the above recommendations.

BENIN: PORFOLIO REVIEW
MATRIX OF MEASURES TO IMPROVE THE CURRENT PORTFOLIO

NAME OF PROJECT	PROBLEMS ENCOUNTERED	ACTIONS TAKEN	ACTIONS REQUIRED	DEADLINE TIMETABLE/STATUS
I. Generic Problems				
Project preparation	Construction sites not identified, delay in land allocation decisions, and delay in engineering designs and architectural studies	- Identification of sites and allocation of land imposed as a pre-requisite FOR new projects.	- Accelerate the study phase to better manage costs and project implementation schedules, using PPF.	PPF not used.
Implementation of agreements	Delay in loan agreement effectiveness, in particular because of long delays in the signing of the agreements	- Participatory approach is used in new projects. - The Government has implemented measures to reduce delays in the preparation of draft ratification documents to be submitted to the National Assembly.	- Systematically adopt the participatory approach in project preparation. - The Government should pass legislation to allow the ratification of agreements within a maximum of three months from signing.	Executed. Partially executed.
Project management	Audits not always carried out within the timeframe, and recommendations are not systematically implemented by the regulatory bodies (IGF, CAA). The balances of completed projects and studies are not systematically cancelled.	- The Minister of Finance has prepared a circular inviting those responsible for projects to respect the legal deadlines for submitting annual audits or risk suspension of their funds. - Completion reports and final reports on studies are prepared, allowing the determination of the exact amount of unused balance.	- Plan over time for executing agencies to launch bidding to recruit auditing firms and opt for multi-year contracts to simplify the procedure. Apply sanctions. - Operationalize the system for monitoring audit recommendations by Government regulatory agencies, in collaboration with the Bank during supervision missions. - Cancellation by the Bank of balances after sending a 90-day notice to the Government.	Partially executed Assess progress made with CAA and IGF. May - June 2004

NAME OF PROJECT	PROBLEMS ENCOUNTERED	ACTIONS TAKEN	ACTIONS REQUIRED	DEADLINE TIMETABLE/STATUS
Procedures and regulations	<p>Inadequate information system on disbursements between the Bank and the country.</p> <p>Delays and inadequate counterpart contributions (agricultural and social projects)</p> <p>Cumbersome procurement procedures</p> <p>Difficulty including projects in the new public expenditure (SIGFIB) chain. Control of external financing does not yet conform to the same procedures as those for national budget expenses.</p>	<ul style="list-style-type: none"> - Improvements are expected with SAP - New manual of procurement procedures adopted in 2000 - Project managers trained by the Ministry of Finance under the new expenditure system set up in 2001. Extension framework for the new expenditure table. 	<ul style="list-style-type: none"> - Development by FFCO and CIMM of Information system on disbursements and on recovery. - Ensure the necessary allocations in the budget - Organise, in November 2002, a joint seminar with the WB/ADB on procurement procedures, within the context of public expenditure. - Conform to the expenditure system circuit planned by the SIGFIB for external financing. 	<p>Permanent</p> <p>From 2003</p> <p>Done - November 2002</p>
Sustainability of project		<p>Participatory approach adopted for project preparation and implementation in rural and social development projects.</p>	<ul style="list-style-type: none"> - Regularly include in the national budget, recurrent costs for maintenance of infrastructure and works - Raise awareness of population to participate in cost recovery: health, maintenance of rural roads, water points ... 	<p>From 2003 Budget</p> <p>Permanent</p> <p>Permanent</p> <p>June 2004</p> <p>Permanent</p>
Coordination of aid		<p>Coordination of donors within under PRSP implementation.</p>	<ul style="list-style-type: none"> - Establishment of the general framework for micro-credit management. - Ensure sustainability of micro-credit system by professional sing IFD. 	<p>From 2003</p> <p>Done in September 2003</p>

NAME OF PROJECT	PROBLEMS ENCOUNTERED	ACTIONS TAKEN	ACTIONS REQUIRED	DEADLINE TIMETABLE/STATUS
			<ul style="list-style-type: none"> - Indicators of impact on gender and on the environment - Joint preparation of PRSC with the World Bank under support for poverty reduction strategy. - Seek co financing for priority sectors targeted in the 2002-2004 CSP. 	2002-2004
<p>II. Specific action plans</p> <p><i>RURAL Development Sector</i></p> <p>1.Livestock development project III</p>	<p>Disbursement rate:</p> <p>Auditing of accounts for the 2000 and 2001 fiscal years is underway</p> <p>Credit: the general micro-credit management framework has not yet been implemented</p>	<ul style="list-style-type: none"> - Audit 2000 review results sent to Bank and approved by the Bank. - The Bank has approved the bid documents for auditing 2001 accounts - Proposed loan agreement amendment submitted to the Bank 	<ul style="list-style-type: none"> - The Bank has approved competitive bidding to select a consultant to audit 2000 accounts - The Bank has approved competitive bidding to select a consultant to audit 2001 accounts - The Bank should give its opinion about amending the loan agreement - The Borrower should set up the credit mechanism, appoint staff and make available guarantee funds (600 millions CFA) and the contingency fund (300 millions CFA) 	<p>Done in October 2002</p> <p>Done in October 2002</p> <p>June 2004</p> <p>June 2004</p>

<p>3. Agoua, Monts Kouffé and Wari-Maró (PAMF) Forest management Project</p>	<p>No fiscal 04 ABEDA consultation was concluded because of poor knowledge of regulations.</p> <p>2001 Audit</p>	<ul style="list-style-type: none"> - Relaunch the bidding documents - The strategic and operational plans have just been completed - Auditor notified to commence work 	<ul style="list-style-type: none"> - Respect the donor's regulations and conduct a mission to Khartoum - Transmit plans to the Bank for review - Transmit results to the Bank 	<p>Done- October 2002</p> <p>Done - December 2002</p>
<p>4. Fuelwood Project, phase II</p>	<p>Active loan; conditions precedent to first disbursement have not been fulfilled.</p>	<ul style="list-style-type: none"> - Management has sent the ADB all the bidding documents as well as the prequalification documents for the national forestry inventory project 	<ul style="list-style-type: none"> - The Borrower should send the general conditions to the Bank - The bidding documents have been sent to the Bank for review 	<p>March 2004</p> <p>March 2004</p>
<p>6. Mono-Couffo (PADMOC) Rural Development Support Project I</p>	<p>Condition iii. (conditions of contract) have not yet been met</p> <p>Credit: the General Framework for Micro-credit Management has not yet been set up</p>	<ul style="list-style-type: none"> - Bidding documents for the recruitment of the TA and the procurement of transport equipment have already been received by the Bank. - The Borrower has launched bidding for the procurement of furniture and office equipment 	<ul style="list-style-type: none"> - Send the contract conditions to the Bank to fulfill the last condition - The Borrower should set up the credit mechanism, appoint personnel and make available guarantee funds (600 millions CFA) and the contingency fund (300 millions CFA) - The Bank has to approve the bidding documents - Communicate the outcome to the Fund 	<p>Done</p> <p>Done</p> <p>Done</p> <p>Done</p>

<p><i>SOCIAL SECTOR</i></p> <p>5. Construction of the Regional Institute of Public health (Institut Régional de la Santé Publique (IRSP))</p>	<p>Investments were completed in 2002 with significant delays. No resources are available for the maintenance of infrastructure and IRSP equipment</p> <p>UA 562 607.80 still has to be cancelled.</p>	<p>The PCR is being drafted</p> <p>The project completion mission of March 2002 made recommendations to the Government</p>	<p>The Government should allocate in the IRSP biennial budget, an appropriate amount for ongoing maintenance of infrastructure built equipment</p> <p>Transmit cancellation letter to Government</p>	<p>Government agreement</p> <p>Effective measure</p> <p>Done</p>
<p>6. Education III</p>	<p>Construction of the technical agricultural high school (lycée technique agricole) has not yet begun;</p> <p>ii) Delay in the training of primary school inspectors, technical and vocational training;</p> <p>ii) Construction of laboratories and literacy centers has not yet begun;</p> <p>iv) Fiscal year 2002 accounts have not yet been audited.</p>	<p>The Bank has suggested to the Government how to solve the problem.</p>	<p>Take action to start construction of the technical agricultural high school;</p> <p>ii) Accelerate training of primary school inspectors, technical and vocational training;</p> <p>ii) Speed up construction of laboratories and literacy centers;</p> <p>ii) Audit fiscal year 2002 accounts.</p>	<p>Heavy construction work is underway</p> <p>Done</p> <p>Done</p> <p>Construction has begun</p> <p>Done - 2003 is ongoing</p>
<p>7. Strengthening the health system</p>	<p>i)Planned training not provided by the WHO</p> <p>ii) Staff takes project material at the end of their fixed term contracts.</p>	<p>The November 2003 supervision mission made appropriate recommendations</p>	<p>i) Re-contact the WHO to: i) obtain a complete report on its training programmes, ii) use the balance of funds allocated for training to pay for short term seminars for selected candidates, and whose budget has already been sent to the WHO, and iii) return the amount used for candidates not selected by the project;</p> <p>ii) Take action to repossess material taken by personnel whose contracts ended at the end of the project.</p>	<p>Done</p> <p>March 2003</p> <p>December 2002</p>

<p>8. Support for Women's activities in the Ouémé district</p>	<p>The credit component has not yet been implemented.</p>		<p>Put in place and operate, as soon as possible, credit management framework structures, in particular, the Coordination unit, the national coordination, orientation and monitoring committee, and the guarantee fund;</p>	<p>June 2004</p>
<p>9. Human resource development programme</p>	<p>i) The convention between the CAA and the micro-finance operator responsible for managing the integration fund has not been signed.</p>	<p>The November 2003 supervision mission discussed the issue with the Government.</p>	<p>Conclude discussions with all concerned parties and ensure the signing of the convention with the micro-finance operator responsible for managing the integration fund</p>	<p>Done</p>
<p><i>TRANSPORTATION SECTOR</i> 1. Cotonou-Porto Novo Road development</p>	<p>ii) The ETFPn sub-sector guidelines were not submitted to the Bank for review</p>	<ul style="list-style-type: none"> - Based on the Consultant's technical report and following a mission by the firm's insurance company, it was agreed that all the noted problem areas would be resealed. - Maintain launch of manual operations - Recruitment of firm 	<ul style="list-style-type: none"> - ADB: Closely monitor reparation work and the certification of works - Government: (i) Ensure quality of reparatory resealing works and monitor the performance of the road during traffic circulation (ii) take measures to fight against overloading of heavy trucks while waiting for weighing stations to become operational. - ADB: Monitor the equipment installations - Government: (i) Monitor and enforce penalties for delay as stipulated in the contract for cases of nonobservance of contractual timeframes (ii) maintain the option of launching manual operations from the outset - Only put to use after repaving has been done. 	<ul style="list-style-type: none"> Done Done Done Done Completed August 2004

		<p>*(i) large groupings projects that may interest large companies; (ii) study underway for attribution of railway line concessions</p>	<ul style="list-style-type: none"> - Submit a request to the ADB and present an amending agreement project for approval. - Strengthen the capacity of SMEs through, for example, a multi-year contract formula with an obligation to acquire PW equipment - Accelerate the implementation of reforms in the said sub-sectors, especially the concession of some of the OCBN activities and the plan to restructure the air transport sub-section 	<p>Ongoing</p> <p>Ongoing</p>
2.- Pobe-Ketou-Illara road study	The Consultant has presented his draft report on phase 1. The technical solution proposed for the clay is to use geomembranes	The Government should make a final decision about the option to implement and the Bank should give its approval to allow the consultant to undertake the second phase of the study.	<ul style="list-style-type: none"> - Prepare a cost estimate 	Done
<i>Public Utilities</i> 1. Electrification of 17 centers	<p>Production of posts by the SBEE</p> <p>Delay in designating company responsible for work</p> <p>The firm that will prepare the audit report for 2001/2002 has not yet been recruited</p>	<ul style="list-style-type: none"> - Production is underway. 1335 posts have already been produced - Call for tenders launched on 08/31/2002 - Short list and consultation documents under preparation 	<ul style="list-style-type: none"> - SBEE: Continue with the production of posts at a rate of 9 posts per day - Closely monitor date for submitting bids and accelerate contract award process - Submit the short list and consultation documents to the Bank 	<p>Ongoing</p> <p>March 2004</p> <p>Done</p>

BENIN: BANK GROUP COMMITMENTS AS AT 31/07/2004

	SECTOR/PROJECT/STUDY	Source	Date of approval	Date of signature	Deadline last disbursement	Effectiveness date	Amount approved	Amount disbursed	Net amount	Rate of disburse	Status
AGRICULTURE AND RURAL DEVELOPMENT											
1	OUEME VALLEY IRRIGATION	ADB	10/19/1972	04/24/1973	12/31/1973	11/20/1973	310,000	310,000	310,000	100	COMP
2	DEVELPT.PRODUCTION-ANIMAL	ADF	06/29/1978	07/29/1978	12/31/1985	07/04/1979	4,144,734	4,144,734	4,144,734	100	COMP
3	PLANTATIONS BOIS DE CHAUFFAGE SUD BENIN	ADF	08/27/1982	05/12/1983	12/31/1998	06/04/1984	11,052,624	10,961,626	10,961,626	100	TERM
4	OUEME RURAL INTEGRATED DEVELOPMENT	ADF	06/17/1985	08/16/1985	12/31/1998	09/09/1986	8,123,679	8,055,750	8,055,750	100	COMP
5	SADEVO II	ADF	09/19/1975	11/25/1975	12/31/1982	06/01/1976	3,223,682	3,080,370	3,080,370	100	COMP
6	MONO PROVINCE RURAL INTEGRATED DEVELOPMENT	ADF	04/28/1988	12/28/1989	06/30/1999	12/20/1991	11,973,676	11,267,676	11,267,676	100	TERM
7	PROJET D'AMENAGEMENT DES MASSIFS FORESTIERS	ADF	01/20/2000	03/24/2000	12/31/2005	04/18/2001	10,540,000	2,975,214	10,540,000	28	Onto
8	OUEME RURAL DEVELOPMENT PROJECT (PHASE II	ADF	10/07/1999	01/13/2000	12/31/2006	01/01/2002	11,680,000	1,470,943	11,680,000	13	Onto
9	LIVESTOCK DEVELOPMENT III	ADF	12/15/1997	02/05/1998	12/30/2004	11/26/1999	8,000,000	6,421,591	8,000,000	80	Onto
10	SUPPORT FOR RURAL DEVEL. IN MONO AND DU COUFFO (PADMOC)	ADF	04/18/2001	05/30/2001	12/31/2009	29/12/1998	9,130,000	389,912	9,130,000	4	Onto
11	LIVESTOCK DEVELOPMENT PHASE 2	ADF	10/26/1987	12/04/1987	12/31/1996	10/31/1989	12,894,728	12,893,845	12,893,845	100	COMP
12	FIREWOOD PROJECT - PHASE II (PBF II)	ADF	10/31/2001	12/21/2001	06/30/2008	31/12/2002	10,000,000	0	10,000,000	0	Onto
13	PROGRAMME TO SUPPORT TRADITIONAL FISHING	ADF	11/27/2002	12/23/2002	12/31/2009	01/10/2004	7,310,000	195,501	7,310,000	3	Onto
14	STUDY AND DEV. OF WATERWAYS IN THE SOUTH OF BENIM	ADF	07/16/1997	10/24/1997	06/30/2001	04/16/1999	1,085,000	1,072,309	1,072,309	100	COMP
	Sub total						109,468,123	63,239,471	108,446,310	0.58	
	Percentage						26%	24%	27%		
TRANSPORT											
15	BRIDGE AND DAM - COTONOU LAGOON	ADB	01/17/1975	06/06/1975	09/30/1979	07/08/1976	4,000,000	3,852,452	3,852,452	100	COMP
16	DEVELOPMENT SAVE-PARAKOU ROAD	ADF	11/20/1985				6,550,000	0	0	0	COMP
17	DOGBO-AZOVE-ABOMEY ROAD CONSTRUCTION (UPEETR)	ADF	12/03/1981				8,000,000	0	0	0	COMP
18	ABOMEY-BOHICON-KETOU-ILLARA- ROAD STUDY	ADF	11/19/1984	11/30/1984	06/30/1994	04/03/1986	874,999	1,046,201	1,046,201	100	COMP
19	CONSTRUCTION OF DOGBO-AZOVE ROAD	ADF	11/23/1977	12/21/1977	06/30/1982	08/06/1979	7,368,416	7,150,725	7,150,725	100	COMP
20	CONSTRUCTION OF POBE-KETOU ROAD	ADF	11/27/1980	12/11/1980	12/31/1984	04/22/1982	7,368,416	7,376,502	7,376,502	100	COMP
21	CONSTRUCTION OF PARAKOU-SAVE ROAD	ADF	11/20/1985	12/17/1985	12/30/1996	07/28/1986	7,368,416	7,332,137	7,332,137	100	COMP
22	DOGBO-AZOVE ROAD STUDY	ADF	03/22/1974	11/13/1974	12/31/1975	10/12/1976	147,368	147,368	147,368	100	COMP
23	COTONOU ACCESS AND CROSSING PROJECT	ADF	04/21/1992	10/08/1992	12/31/1999	11/22/1994	11,973,676	11,710,342	11,710,342	100	COMP
24	COTONOU-PORTO NOVO EMERGENCY ROAD REHABILI. PROJECT	ADF	09/11/1996	09/23/1996	09/30/2004	03/03/1999	10,000,000	7,664,920	10,000,000	77	Onto
25	PORTO-NOVO-POBE TOAD REHABILITATION	ADF	10/26/1987	02/26/1988	12/31/1996	06/05/1990	7,230,258	7,110,069	7,110,069	100	COMP
26	" COTONOU ACCESS AND CROSSING STUDY	ADF	08/19/1987	10/07/1987	06/30/1994	07/25/1989	709,210	710,307	710,307	100	COMP
27	POBE-KETOU-ILLARA ROAD STUDY	ADF	10/07/1999	01/13/2000	12/15/2004	04/21/2000	590,000	252,723	590,000	43	Onto
28	PARAKOU-NIKKI-SEGBANA TOAD REHABILITATION	ADF	08/28/1991	05/12/1992	06/30/1997	10/25/1993	1,381,578	872,110	872,110	100	COMP
29	COTONOU PORT CONSTRUCTION	ADF	10/17/1978	10/31/1978	12/31/1983	01/02/1980	2,420,000	2,409,499	2,409,499	100	COMP
30	COTONOU-PORTO NOVO ROAD EMERGENCY REHABILI. PROJECT	NTF	09/04/1996	09/23/1996	09/30/2004	03/29/1999	6,000,000	4,323,895	6,000,000	72	Onto
31	DJOUGOU-NDALI ROAD REHABILITATION PROJECT	NTF	07/22/2003	01/12/2004	01/12/2007		4,000,000	0	4,000,000	0	APVD
32	DJOUGOU-NDALI ROAD REHABILITATION PROJECT	ADF	07/22/2003	01/12/2004	12/31/2007		11,110,000	0	11,110,000	0	APVD
	Sub total						97,092,337	61,959,250	81,417,711	0.76	
	Percentage						23%	23%	20%		

PUBLIC UTILITIES											
33	COTONOU - PORTO N. SANITATION (GRANT)	ADF	10/30/1991	05/12/1992	06/30/1998	12/03/1993	1,289,473	1,169,785	1,169,785	100	COMP
34	TELECOMMUNICATIONS DEVELOPMENT PROJECT	ADF	04/18/1990	11/30/1990	06/30/1998	10/13/1992	6,926,311	6,426,187	6,426,187	100	COMP
35	MAINTENANCE OF TELECOMMUNICATIONS NETWORK	ADF	10/26/1987	02/26/1988	03/31/1999	01/22/1990	10,721,045	10,636,396	10,636,396	100	COMP
36	RURAL TELECOMMUNICATION NETWORK	ADF	05/09/1993	08/05/1993	12/31/1997	12/19/1994	690,789	482,406	482,406	100	COMP
37	TELECOMMUNICATIONS DEVELOPPEMENT	NTF	04/18/1990	05/30/1990	06/30/1998	02/24/1993	7,000,000	6,716,557	6,716,557	100	COMP
38	WATER SUPPLY AND ELECTRICITY PROJECT	ADF	03/22/1979	05/17/1979	12/31/1992	05/05/1982	691,710	662,125	662,125	100	COMP
39	ELECTRICITY (ADDITIONAL LOAN)	ADB	12/20/1976	03/10/1977	12/31/1977	01/31/1978	1,900,000	1,900,000	1,900,000	100	COMP
40	ELECTRIFICATION OF A CIMENT COMPANY	ADB	10/17/1978	10/31/1978	12/31/1982	12/31/1979	5,000,000	4,999,999	4,999,999	100	COMP
41	ELECTRICITY (INITIAL LOAN)	ADB	04/05/1974	08/16/1974	04/30/1978	12/11/1975	1,600,000	1,600,000	1,600,000	100	COMP
42	WATER SUPPLY AND ELECTRICITY IN 9 DISTRICTS	ADF	03/18/1982	01/06/1983	06/30/1994	09/19/1983	8,289,468	8,289,468	8,289,468	100	COMP
43	RURAL ELECTRIFICATION PROGRAMME	ADF	06/28/2000	07/26/2000	12/31/2004		4,800,000	2,109,467	4,800,000	44	Onto
44	SECOND RURAL ELECTRIFICATION PROGRAMME	ADF	10/29/2003	01/12/2004	12/31/2008		12,320,000	0	12,320,000	0	APVD
45	RURAL ELECTRIFICATION PROGRAMME STUDY	ADF	11/12/1997	01/13/1998	06/30/2002	10/22/1999	700,000	666,638	666,638	100	TERM
	Sub total						61,928,796	45,659,027	60,669,560	0.75	
	Percentage						15%	17%	15%		
SOCIAL											
46	HUMAN RESOURCE DEVELOPMENT PROGRAMME	ADF	03/15/2000	07/11/2000	12/31/2005		10,000,000	949,913	10,000,000	10	Onto
47	HEALTH PROJECT II	ADF	08/31/1993	01/20/1994	21/12/2004	06/13/1995	7,370,000	5,743,979	7,370,000	78	Onto
48	CONST. OF COTONOU REGIONAL HEALTH INSTITUTE	ADF	05/02/1991	05/09/1991	03/30/2003	05/20/1994	9,210,520	8,647,912	8,647,912	100	COMP
49	EDUCATION IV	ADF	12/04/2002	12/23/2002	12/31/2008		12,000,000	0	12,000,000	0	APVD
50	DEVELOPMENT OF TECHNICAL – VOCATIONAL EDUCATION (GRANT)	ADF	08/29/1990	10/20/1990	03/31/1999	11/25/1992	2,785,261	2,721,800	2,721,800	100	COMP
51	HUMAN RESOURCE DEVELOPMENT PROGRAMME	ADF	03/15/2000	07/11/2000	12/31/2005	12/06/2001	2,000,000	496,064	2,000,000	25	Onto
52	HEALTH SECTOR STUDY	ADF	10/24/1985	12/17/1985	06/30/1994	10/29/1987	419,079	345,685	345,685	100	COMP
53	HEALTH SECTOR CAPACITY BUILDING STUDY	ADF	10/24/1985	12/17/1985	06/30/1994	09/14/1987	676,052	603,212	603,212	100	COMP
54	POLYTECHNIQUE COMPLEX	ADF	04/26/1979	05/17/1979	06/30/1991	05/19/1983	7,368,416	7,368,416	7,368,416	100	COMP
55	DEVELOPMENT OF MEDICO-HEALTH SERVICES	ADF	06/27/1977	07/29/1977	12/31/1981	04/22/1983	4,605,260	4,605,260	4,605,260	100	COMP
56	PROMOTION OF WOMENT'S ECONOMIC ACTIVITES IN OUEME	ADF	12/12/1996	02/07/1997	12/31/2004	12/07/1998	2,000,000	487,848	2,000,000	24	Onto
57	EDUCATION III PROJECT	ADF	12/15/1997	02/05/1998	06/30/2005	02/03/2000	8,000,000	5,337,482	8,000,000	67	Onto
58	DEVELOPMENT OF TECHNICAL – VOCATIONAL EDUCATION	ADF	08/29/1990	11/30/1990	03/31/1999	10/30/1992	9,477,625	9,326,036	9,326,036	100	COMP
59	PROJECT TO SUPPORT THE FIGHT AGAINST HIV/AIDS	ADF	06/23/2004				2,700,000	0	0	0	APVD
	Sub-total						78,612,213	46,633,606	74,988,321	0.62	
	Percentage						19%	18%	19%		
BANK AND INDUSTRY											
60	LINE OF CREDIT I (BBD)	ADB	07/16/1976	03/10/1977	12/31/1979	11/30/1977	1,000,000	1,000,000	1,000,000	100	COMP
61	LINE OF CREDIT II	ADB	03/30/1981	05/11/1981	12/31/1984	05/05/1983	2,500,000	2,110,946	2,110,946	100	COMP
62	FLUDOR BENIN S.A.	ADB	12/08/1997	03/13/1998	12/31/1999	05/04/1999	1,428,905	2,083,000	2,083,000	100	COMP
	Sub total						4,928,905	5,193,946	5,193,946	1.00	
	Percentage						1%	2%	1%		

	MULTISECTOR										
	INSTITUTIONAL SUPPORT- MINISTERIES OF FINANCE -										
63	PLANNING	ADF	05/25/1992	10/08/1992	12/31/2003	11/14/1995	3,592,103	3,591,926	3,591,926	100	COMP
64	STRUCTURAL ADJUSTMENT PROGRAMME II	ADF	11/25/1991	12/27/1991	12/31/1995	04/14/1993	13,815,780	13,815,780	13,815,780	100	COMP
65	PAS STRUCTURAL ADJUSTMENT PROGRAMME II	ADF	03/14/1990	04/03/1990	06/30/1994	08/28/1990	11,052,624	11,052,634	11,052,634	100	COMP
66	SUPPORT FOR POVERTY REDUCTION STRATEGY	ADF	12/10/2003	01/12/2004	12/31/2006		23,290,000	0	23,290,000	0	APVD
67	SUPPORT FOR POVERTY REDUCTION STRATEGY	ADF	12/10/2003	01/12/2004	12/31/2006		1,000,000	0	1,000,000	0	APVD
68	PROG. SUPPORT BUDGET FOR POVERTY REDUCTION	ADF	05/09/2001	05/30/2001	12/30/2003	11/15/2001	14,000,000	13,988,168	13,988,168	100	COMP
	Sub total						66,750,507	42,448,508	66,738,508	0.64	
	Percentage						16%	16%	17%		
	GENERAL TOTAL						418,780,881	265,133,807	397,454,357	0.67	

ANNEX III BENIN: ONGOING BANK GROUP PROJECTS AT 07/31/2004 IN UA

	SECTOR/PROJECT/STUDY	Source	Date of approval	Date of signature	Deadline last disbursement	Effectiveness date	Amount approved	Amount disbursed	Net amount	Disbursement rate
1	FOREST AREAS DEVELOPMENT PROJECT	ADF	01/20/2000	03/24/2000	12/31/2005	04/18/2001	10,540,000	2,975,214	10,540,000	28
2	OUEME RURAL DEVELOPMENT PROJECT (PHASE II)	ADF	10/07/1999	01/13/2000	12/31/2006	01/01/2002	11,680,000	1,470,943	11,680,000	13
3	LIVESTOCK PROJECT III	ADF	12/15/1997	02/05/1998	12/30/2004	11/26/1999	8,000,000	6,421,591	8,000,000	80
4	SUPPORT FOR RURAL DEVELOPMENT IN MONO AND COUFFO (PADMOC)	ADF	04/18/2001	05/30/2001	12/31/2009	29/10/2002	9,130,000	389,912	9,130,000	4
5	FIREWOOD PROJECT - PHASE II (PBF II)	ADF	10/31/2001	12/21/2001	06/30/2008	31/12/2002	10,000,000	0	10,000,000	0
6	SUPPORT FOR TRADITIONAL FISHING PROJECT	ADF	11/27/2002	12/23/2002	12/31/2009	01/10/2004	7,310,000	195,501	7,310,000	3
	Sub total						56,660,000	11,453,160	56,660,000	0.20
	TRANSPORT									
7	COTONOU-PORTO NOVO ROAD EMERGENCY REHABILI. PROJECT	ADF	09/11/1996	09/23/1996	09/30/2004	03/03/1999	10,000,000	7,664,920	10,000,000	77
7	COTONOU-PORTO NOVO ROAD EMERGENCY REHABILI. PROJECT	NTF	09/04/1996	09/23/1996	09/30/2004	03/29/1999	6,000,000	4,323,895	6,000,000	72
8	POBE-KETOU-ILLARA ROAD STUDY	ADF	10/07/1999	01/13/2000	12/15/2004	04/21/2000	590,000	252,723	590,000	43
	SB total						16,590,000	12,241,539	16,590,000	0.74
	PUBLIC UTILITIES									
9	RURAL ELECTRIFICATION PROGRAMME	ADF	06/28/2000	07/26/2000	12/31/2004		4,800,000	2,109,467	4,800,000	44
	Sub total						4,800,000	2,109,467	4,800,000	0.44
	SOCIAL									
10	HUMAN RESOURCES DEVELOPMENT PROGRAMME	ADF	03/15/2000	07/11/2000	12/31/2005	01/26/2001	10,000,000	949,913	10,000,000	10
10	HUMAN RESOURCES DEVELOPMENT PROGRAMME	ADF	03/15/2000	07/11/2000	12/31/2005	12/06/2001	2,000,000	496,064	2,000,000	25
11	HEALTH PROJECT II	ADF	08/31/1993	01/20/1994	12/31/2004	06/13/1995	7,370,000	5,743,979	7,370,000	78
12	DEVELOPMENT OF WOMEN'S ECONOMIC ACTIVITIES -OUEME	ADF	12/12/1996	02/07/1997	12/31/2004	12/07/1998	2,000,000	487,848	2,000,000	24
13	EDUCATION PROJECT III	ADF	12/15/1997	02/05/1998	06/30/2005	02/03/2000	8,000,000	5,337,482	8,000,000	67
	Sub total						29,370,000	13,015,285	29,370,000	0.44
	GENERAL TOTAL						107,420,000	38,819,450	107,420,000	0.36

ANNEX IV: PERFORMANCE OF LIVESTOCK DEVELOPMENT PROJECT- PHASE III (PDE-III)			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>	1.3	1.5
	1.Compliance with Conditions Precedent to Entry into Force	1	1
	2.Compliance with General Conditions	1	1
	3. Compliance with Other Conditions	2	2.7
B.	<u>Procurement Performance</u>	2	2
	1.Procurement of Consultancy Services	-	2
	2.Procurement of Goods and Works	2	2
C.	<u>Financial Performance</u>	2	2.2
	1. Availability of Foreign Exchange	2	2
	2. Availability of Local Currency	3	3
	3. Disbursement Flows	1	1.8
	4. Cost Management	2	2
	5. Performance of Co-financiers	N.A.	N.A.
D.	<u>Activities and Outputs</u>	2	2
	1. Adherence to Implementation Schedule	2	2
	2. Performance of Consultants or Technical Assistants	-	N.A.
	3. Performance of Contractors	-	2
	4. Performance of Project Management	2	2
E.	<u>Impact on Development</u>	2	2
	1. Likelihood of Achieving Projective Objectives	2	2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project	2	2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity	2	2
	4. Expected Rate of Return	2	2
F.	<u>Overall Assessment</u>		
	1. At present—current	1.9	1.96
	2. Trend Over Time	2	2.8
	Code :	3: Highly satisfactory	
		2: Satisfactory	
		1: Unsatisfactory	
		0: Highly unsatisfactory	

ANNEX IV: PERFORMANCE OF SUPPORT FOR ARTISANAL FISHERIES PROJECT			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>		1.2
	1.Compliance with Conditions Precedent to Entry into Force		1.3
	2.Compliance with General Conditions		1.3
	3. Compliance with Other Conditions		1
B.	<u>Procurement Performance</u>		1.8
	1.Procurement of Consultancy Services		1.8
	2.Procurement of Goods and Works		1.8
C.	<u>Financial Performance</u>		1.75
	1. Availability of Foreign Exchange		2
	2. Availability of Local Currency		2
	3. Disbursement Flows		1
	4. Cost Management		2
	5. Performance of Co-financiers		N.A.
D.	<u>Activities and Outputs</u>		1.62
	1. Adherence to Implementation Schedule		1
	2. Performance of Consultants or Technical Assistants		2
	3. Performance of Contractors		1.5
	4. Performance of Project Management		2
E.	<u>Impact on Development</u>		2
	1. Likelihood of Achieving Projective Objectives		2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project		2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity		2
	4. Expected Rate of Return		2
F.	<u>Overall Assessment</u>		
	1. At present—current		1.67
	2. Trend Over Time		2.5
Code :		3: Highly satisfactory	
		2: Satisfactory	
		1: Unsatisfactory	
		0: Highly unsatisfactory	

ANNEX IV: PERFORMANCE OF OUEME RURAL DEVELOPMENT PROJECT (PADRO)			
INDICATEURS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>	-	1.5
	1.Compliance with Conditions Precedent to Entry into Force	-	1
	2.Compliance with General Conditions	-	2
	3. Compliance with Other Conditions	-	1.5
B.	<u>Procurement Performance</u>	-	1.5
	1.Procurement of Consultancy Services	-	2
	2.Procurement of Goods and Works	-	1
C.	<u>Financial Performance</u>	-	1.75
	1. Availability of Foreign Exchange	-	2
	2. Availability of Local Currency	-	2
	3. Disbursement Flows	-	1
	4. Cost Management	-	2
	5. Performance of Co-financiers	-	NA
D.	<u>Activities and Outputs</u>	-	2.25
	1. Adherence to Implementation Schedule	-	2
	2. Performance of Consultants or Technical Assistants	-	3
	3. Performance of Contractors	-	2
	4. Performance of Project Management	-	2
E.	<u>Impact on Development</u>	-	2.
	1. Likelihood of Achieving Projective Objectives	-	2.
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project	-	Na
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity	-	2
	4. Expected Rate of Return	-	2
F.	<u>Overall Assessment</u>	-	
	1. At present—current	-	1.85
	2. Trend Over Time	-	2
Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory 0: Highly unsatisfactory			

ANNEX IV: PERFORMANCE OF DEVELOPMENT OF AGOUA, MOUNTS KOUFFE AND WARI-MARO FOREST AREAS (PAMF)			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>	-	1
	1.Compliance with Conditions Precedent to Entry into Force	-	1
	2.Compliance with General Conditions	-	1
	3. Compliance with Other Conditions	-	1
B.	<u>Procurement Performance</u>	-	1.9
	1.Procurement of Consultancy Services	-	1.9
	2.Procurement of Goods and Works	-	1.9
C.	<u>Financial Performance</u>	-	1.9
	1. Availability of Foreign Exchange	-	2
	2. Availability of Local Currency	-	3
	3. Disbursement Flows	-	1.5
	4. Cost Management	-	2
	5. Performance of Co-financiers	-	1
D.	<u>Activities and Outputs</u>	-	2
	1. Adherence to Implementation Schedule	-	2
	2. Performance of Consultants or Technical Assistants	-	2
	3. Performance of Contractors	-	N.A.
	4. Performance of Project Management	-	2
E.	<u>Impact on Development</u>	-	2
	1. Likelihood of Achieving Projective Objectives	-	2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project	-	2.
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity	-	2
	4. Expected Rate of Return	-	N.A.
F.	<u>Overall Assessment</u>		
	1. At present—current	-	1.76
	2. Trend Over Time	-	2
Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory 0: Highly unsatisfactory			

ANNEX IV: PERFORMANCE OF SUPPORT FOR RURAL DEVELOPMENT IN MONO AND COUFFO (PADMOC)			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>	-	1.3
	1.Compliance with Conditions Precedent to Entry into Force	-	1
	2.Compliance with General Conditions	-	2
	3. Compliance with Other Conditions	-	1
B.	<u>Procurement Performance</u>	-	2.1
	1.Procurement of Consultancy Services	-	2.2
	2.Procurement of Goods and Works	-	2
C.	<u>Financial Performance</u>	-	1.75
	1. Availability of Foreign Exchange	-	2
	2. Availability of Local Currency	-	2
	3. Disbursement Flows	-	1
	4. Cost Management	-	2
	5. Performance of Co-financiers	-	NA
D.	<u>Activities and Outputs</u>	-	1.7
	1. Adherence to Implementation Schedule	-	1.6
	2. Performance of Consultants or Technical Assistants	-	1.6
	3. Performance of Contractors	-	1.8
	4. Performance of Project Management	-	1.8
E.	<u>Impact on Development</u>	-	2.
	1. Likelihood of Achieving Projective Objectives	-	2.
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project	-	NA
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity	-	2
	4. Expected Rate of Return	-	N/A
F.	<u>Overall Assessment</u>		N.A.
	1. At present—current	-	1.7
	2. Trend Over Time	-	2
Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory 0: Highly unsatisfactory			

ANNEX IV: PERFORMANCE OF FIREWOOD PROJECT- PHASE II (PBF-II)			
INDICATORS		RATING	
		Previous Review	Present Review
A.	<u>Project Status</u>	-	1
	1.Compliance with Conditions Precedent to Entry into Force	-	1
	2.Compliance with General Conditions	-	1
	3. Compliance with Other Conditions	-	1
B.	<u>Procurement Performance</u>	-	N.A.
	1.Procurement of Consultancy Services	-	N.A.
	2.Procurement of Goods and Works	-	N.A.
C.	<u>Financial Performance</u>	-	N.A.
	1. Availability of Foreign Exchange	-	N.A.
	2. Availability of Local Currency	-	N.A.
	3. Disbursement Flows	-	N.A.
	4. Cost Management	-	N.A.
	5. Performance of Co-financiers	-	N.A.
D.	<u>Activities and Outputs</u>	-	N.A.
	1. Adherence to Implementation Schedule	-	N.A.
	2. Performance of Consultants or Technical Assistants	-	N.A.
	3. Performance of Contractors	-	N.A.
	4. Performance of Project Management	-	N.A.
E.	<u>Impact on Development</u>	-	N.A.
	1. Likelihood of Achieving Projective Objectives	-	N.A.
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project	-	N.A.
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity	-	N.A.
	4. Expected Rate of Return	-	N.A.
F.	<u>Overall Assessment</u>		N.A.
	1. At present—current	-	N.A.
	2. Trend Over Time	-	N.A.
Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory 0: Highly unsatisfactory			

ANNEX IV: PERFORMANCE OF COTONOU-PORTO NOVO ROAD DEVELOPMENT PROJECT(4)			
INDICATORS		RATING	
		Previous review 1999	Current review
A.	<u>Project Status</u>	1.3	2.7
	1.Compliance with Conditions Precedent to Entry into Force	1	3
	2.Compliance with General Conditions	1.5	3
	3. Compliance with Other Conditions	1.5	2
B.	<u>Procurement Performance</u>	1.5	2.6
	1.Procurement of Consultancy Services	NA	2.4
	2.Procurement of Goods and Works	1.5	2.7
C.	<u>Financial Performance</u>	2.6	2.6
	1. Availability of Foreign Exchange	3	3
	2. Availability of Local Currency	3	3
	3. Disbursement Flows	2	2
	4. Cost Management	2	2
	5. Performance of Co-financiers	3	3
D.	<u>Activities and Outputs</u>	2.3	2.6
	1. Adherence to Implementation Schedule	2	2.2
	2. Performance of Consultants or Technical Assistants	2.5	2.8
	3. Performance of Contractors	2.5	2.6
	4. Performance of Project Management	2	2.8
E.	<u>Impact on Development</u>	2.3	2.7
	1. Likelihood of Achieving Projective Objectives	2.5	2.7
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the	2.5	2.7
	3. Likely Contribution of the Project Toward the Strengthening of Institutional y	2	2.7
	4. Expected Rate of Return	2	2.7
F.	<u>Overall Assessment</u>		
	1. At present—current	2.0	2.6
	2. Trend Over Time	2.5	2.9
Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory 0: Highly unsatisfactory			

ANNEX IV: PERFORMANCE OF THE POBE-KETOU-ILLARA (5) ROAD STUDY			
INDICATORS		RATING	
		Previous review 1999	Current review
A.	<u>Project Status</u>	N.E	2.9
	1.Compliance with Conditions Precedent to Entry into Force		2.9
	2.Compliance with General Conditions		NA
	3. Compliance with Other Conditions		NA
B.	<u>Procurement Performance</u>		2.8
	1.Procurement of Consultancy Services		2.8
	2.Procurement of Goods and Works		NA
C.	<u>Financial Performance</u>		2.50
	1. Availability of Foreign Exchange		3
	2. Availability of Local Currency		3
	3. Disbursement Flows		1.5
	4. Cost Management		2.5
	5. Performance of Co-financiers		NA
D.	<u>Activities and Outputs</u>		2.8
	1. Adherence to Implementation Schedule		2.8
	2. Performance of Consultants or Technical Assistants		2.85
	3. Performance of Contractors		NA
	4. Performance of Project Management		2.85
E.	<u>Impact on Development</u>		2.8
	1. Likelihood of Achieving Projective Objectives		2.8
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the		NA
	3. Likely Contribution of the Project Toward the Strengthening of Institutional y		2.8
	4. Expected Rate of Return		NA
F.	<u>Overall Assessment</u>		
	1. At present—current		2.8
	2. Trend Over Time		2.8
Code : 3 : Highly satisfactory 2 : Satisfactory. 1 : Unsatisfactory. 0 : Highly unsatisfactory. N.A. = Not applicable			
N.E.: Not assessed			

ANNEX IV: PERFORMANCE OF RURAL ELECTRIFICATION OF 17 CENTERS PROGRAMME (6)			
INDICATORS		RATING	
		Previous Review 1999	Present Review
A.	<u>Project Status</u>	N.E	1.7
	1.Compliance with Conditions Precedent to Entry into Force		1.5
	2.Compliance with General Conditions		1.9
	3. Compliance with Other Conditions		1.9
B.	<u>Procurement Performance</u>		1.7
	1.Procurement of Consultancy Services		1.8
	2.Procurement of Goods and Works		1.7
C.	<u>Financial Performance</u>		2
	1. Availability of Foreign Exchange		2
	2. Availability of Local Currency		2
	3. Disbursement Flows		2
	4. Cost Management		2
	5. Performance of Co-financiers		NA
D.	<u>Activities and Outputs</u>		1.7
	1. Adherence to Implementation Schedule		1.7
	2. Performance of Consultants or Technical Assistants		NA
	3. Performance of Contractors		1.8
	4. Performance of Project Management		1.6
E.	<u>Impact on Development</u>		2.0
	1. Likelihood of Achieving Projective Objectives		2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the Project		2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional Capacity		2
	4. Expected Rate of Return		NA
F.	<u>Overall Assessment</u>		
	1. At present—current		1.65
	2. Trend Over Time		2.00
<p>Code : 3: Highly satisfactory 2: Satisfactory 1: Unsatisfactory. 0: Highly Unsatisfactory. N.A. = Not applicable</p>			
N.E.: not assessed			

ANNEX IV: PERFORMANCE OF EDUCATION III PROJECT (8)			
INDICATORS		NOTES	
		Previous Review 1999	Present Review
A.	<u>Project Status</u>	1.2	1.16
	1.Compliance with Conditions Precedent to Entry into Force	1	1
	2.Compliance with General Conditions	1.5	1.5
	3. Compliance with Other Conditions	1	1
B.	<u>Procurement Performance</u>	2	1.5
	1.Procurement of Consultancy Services	2	2
	2.Procurement of Goods and Works	2	1
C.	<u>Financial Performance</u>	1.7	2
	1. Availability of Foreign Exchange	2	2
	2. Availability of Local Currency	2	2
	3. Disbursement Flows	1	2
	4. Cost Management	NA	NA
	5. Performance of Co-financiers	NA	NA
D.	<u>Activities and Outputs</u>	1.5	1.875
	1. Adherence to Implementation Schedule	1	2
	2. Performance of Consultants or Technical Assistants	NA	2
	3. Performance of Contractors	NA	2
	4. Performance of Project Management	2	1,5
E.	<u>Impact on Development</u>	2	2
	1. Likelihood of Achieving Projective Objectives	2	2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the	2	2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional y	2	2
	4. Expected Rate of Return	NA	NA
F.	<u>Overall Assessment</u>		
	1. At present—current	1.7	1.68
	2. Trend Over Time	2	2
Code : 3: Highly satisfactory 2: Satisfactory. 1: Unsatisfactory. 0: Highly unsatisfactory.			

ANNEX IV: PERFORMANCE OF HEALTH SYSTEM DEVELOPMENT PROJECT (9)			
INDICATORS		RATING	
		Previous Review 1999	Present Review
A.	<u>Project Status</u>	1.5	1.6
	1.Compliance with Conditions Precedent to Entry into Force	2	2
	2.Compliance with General Conditions	1	1
	3. Compliance with Other Conditions	1.5	2
B.	<u>Procurement Performance</u>	1.5	2
	1.Procurement of Consultancy Services	2	2
	2.Procurement of Goods and Works	1	2
C.	<u>Financial Performance</u>	1.7	1.5
	1. Availability of Foreign Exchange	2	1.5
	2. Availability of Local Currency	2	1.5
	3. Disbursement Flows	1	1.5
	4. Cost Management	NA	NA
	5. Performance of Co-financiers	NA	NA
D.	<u>Activities and Outputs</u>	1.5	1.75
	1. Adherence to Implementation Schedule	1	1
	2. Performance of Consultants or Technical Assistants	2	2
	3. Performance of Contractors	2	2
	4. Performance of Project Management	1	2
E.	<u>Impact on Development</u>	2	2
	1. Likelihood of Achieving Projective Objectives	2	2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the	2	2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional y	2	2
	4. Expected Rate of Return	NA	NA
F.	<u>Overall Assessment</u>		
	1. At present—current	1.6	1.7
	2. Trend Over Time	2	2
<p>Code : 3 : Highly satisfactory 2 : Satisfactory 1 : Unsatisfactory. 0 : Highly unsatisfactory.</p>			

ANNEX IV: PERFORMANCE OF PROJECT TO PROMOTE WOMEN'S ACTIVITIES IN OUEME (10)			
INDICATORS		RATING	
		Previous Review 1999	Present Review
A.	<u>Project Status</u>	1.5	1.8
	1.Compliance with Conditions Precedent to Entry into Force	2	2
	2.Compliance with General Conditions	1.5	1.5
	3. Compliance with Other Conditions	1	1.9
B.	<u>Procurement Performance</u>	1	1
	1.Procurement of Consultancy Services	1	1
	2.Procurement of Goods and Works	1	1
C.	<u>Financial Performance</u>	1.3	1.8
	1. Availability of Foreign Exchange	2	2
	2. Availability of Local Currency	2	2
	3. Disbursement Flows	1	1.5
	4. Cost Management	NA	NA
	5. Performance of Co-financiers	NA	NA
D.	<u>Activities and Outputs</u>	2	1.7
	1. Adherence to Implementation Schedule	2	1
	2. Performance of Consultants or Technical Assistants	2	2
	3. Performance of Contractors	2	2
	4. Performance of Project Management	2	2
E.	<u>Impact on Development</u>	2	2
	1. Likelihood of Achieving Projective Objectives	2	2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the	2	2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional y	2	2
	4. Expected Rate of Return	N.A	N.A
F.	<u>Overall Assessment</u>		
	1. At present—current	1.6	1.6
	2. Trend Over Time	2	2
Code : 3 : Highly satisfactory 2 : Satisfactory 1 : Unsatisfactory. 0 : Highly unsatisfactory.			

ANNEX IV: PERFORMANCE HUMAN RESOURCES DEVELOPMENT PROGRAMME (PDRH) (11)			
INDICATORS		RATING	
		Previous Review 1999	Present Review
A.	<u>Project Status</u>	N.E	2
	1.Compliance with Conditions Precedent to Entry into Force		2
	2.Compliance with General Conditions		2
	3. Compliance with Other Conditions		2
B.	<u>Procurement Performance</u>		2
	1.Procurement of Consultancy Services		2
	2.Procurement of Goods and Works		2
C.	<u>Financial Performance</u>		2
	1. Availability of Foreign Exchange		2
	2. Availability of Local Currency		2
	3. Disbursement Flows		1
	4. Cost Management		NA
	5. Performance of Co-financiers		NA
D.	<u>Activities and Outputs</u>		
	1. Adherence to Implementation Schedule		1
	2. Performance of Consultants or Technical Assistants		NA
	3. Performance of Contractors		NA
	4. Performance of Project Management		2
E.	<u>Impact on Development</u>		2
	1. Likelihood of Achieving Projective Objectives		2
	2. Likelihood that Benefits will be Sustained Beyond the Investment Phase of the		2
	3. Likely Contribution of the Project Toward the Strengthening of Institutional		2
	y		
	4. Expected Rate of Return		Na
F.	<u>Overall Assessment</u>		
	1. At present—current		1.92
	2. Trend Over Time		2
Code :		3 :	Highly Satisfactory
		2 :	Satisfactory.
		1 :	Unsatisfactory.
		0 :	Highly Unsatisfactory.
N.E.: Not assessed			

ANNEX V

INDICATORS	1999	2000	2001	August 2004	2005 (Forecasts)
PERFORMANCE					
Number of Projects	47	50	51	68	71
ADF Commitment (Including TAF)	236.1	262.0	276	360.4	402.9
ADF Disbursements	186.7	202.4	231.5	233.8	282
ADF Disbursement rate	79.0	77.2	83.8	65	70
ADB Commitments	17.8	17.8	17.8	17.8	17.8
ADB disbursements	17.8	17.8	17.8	15.77	15.77
ADB Disbursement rate	100	100	100	100	100
NTF Commitments	15.41	15.12	15.12	19.12	23.12
NTF Disbursements	11.41	12.5	13.0	13.42	19.12
NTF rate of disbursement.	73.9	82.6	85.9	70	82
Number of problem projects	2	2	2	3	1
% of potentially problematic projects	18.2	14.2	7.7	1	5
% of projects at risk	2	2	1	4	6
MANAGEMENT					
Average supervision (h/week) headquarters + field	3H/W	3H/W	3H/W	3H/W	3H/W
Number of active projects	11	14	13	13	15
Number of supervised projects	8	11	10	11	12
Number of projects rated S or HS	8	12	11	10	11
Number of projects rated U or HU	3	2	2	2	2
Number of restructured projects	0	0	0	0	0
Number of mid-term reviews	0	0	0	0	0
Number of projects with cancellations (total or part)	3	0	2	2	3
Number of projects with more than two-year extensions	4	4	2	2	2
INDICATORS					

ANNEX VI

BENIN: MATRIX OF COMMON PROBLEMS IN THE PORTFOLIO

Common Problems	Livestock III	Ouémé II	PAMF	PADMOC	Firewood	Cotonou-Porto Novo Road	Pobé-Kétou road study	Electrification of 17 centers	Health II	Women in Ouémé project	Education III	PDRH
Weak administrative capacity												
Non compliance with rules											X	
Management Problems									X	X		
Low cap of EA									X			
Difficulty using technical assistance												
Delay in physical implementation						X		X	X	X	X	
Delay in effectiveness	X	X		X	X	X				X	X	X
Non-transmitted activity reports												
Non-submitted audit reports	2002/2003	2003 ongoing	2003 ongoing	2003 ongoing	N.A	2003 ongoing	N.A	2003 ongoing	2002 and 2003 ongoing	2003 ongoing	2002 and 2003 ongoing	2003 ongoing

ANNEX VII

BENIN: MATRIX OF CROSS-CUTTING ISSUES COVERED BY THE PORTFOLIO

Issues	Livestock Project III	Ouémé II	PAM F	PADMO C	FIREWOOD	Cotonou-Porto Novo Road	Pobé-Ketou Road Study	Health Project II	Women in Ouémé project	Education III	PDRH
Environment	X	X	X	X	X	X					
Gender Issues	X	X	X	X	X			X	X	X	X
Participatory Approach	X	X	X	X	X				X	X	X
Poverty Reduction	X	X	X	X	X			X	X		
Population								X			X
Micro-credit	X	X	X	X	X				X		
Regional Integration						X					
Social Issues								X	X	X	X