

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



REPUBLIC OF BENIN

PORTFOLIO REVIEW REPORT

COUNTRY OPERATIONS DEPARTMENT WEST REGION

JANUARY 2008

ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
AFD	:	French Development Agency
BOAD	:	West African Development Bank
CAA	:	Autonomous Sinking Fund
CGGC	:	General Credit Management Framework
CNMRP	:	National Procurement Regulatory Board
DNMP	:	National Directorate of Public Procurement
DNPP	:	National Directorate of Planning and Forecasts
FAC	:	French Cooperation Fund
IDB	:	Islamic Development Bank
MFI	:	Micro-Finance Institutions
NTF	:	Nigeria Trust Fund
PBF	:	Fuelwood Project
PIU	:	Project Implementation Unit
PP	:	Problem Project
PPP	:	Potentially Problem Projects
PRSSP	:	Poverty Reduction Strategy Support Programme
SIGFIP	:	Integrated Public Finance Management System
UA	:	Unit of Account
UNDP	:	United Nations Development Programme

ANNEXES

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CURRENCY EQUIVALENTS

(February 2008)

UA 1 = SDR 1
UA 1 = US\$ 1.595.
UA 1 = CFAF 703.717

WEIGHTS AND MEASURES

Metric System

FISCAL YEAR

1 January – 31 December

I. Introduction

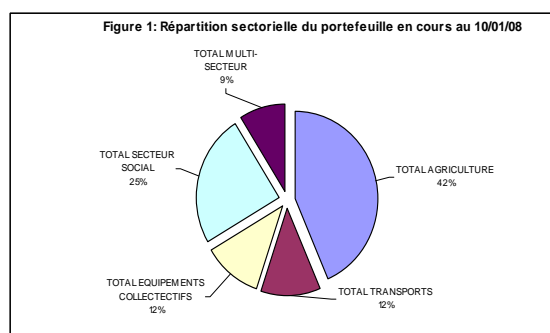
1.1. This report provides information to the Boards of Directors on the status of the Bank's portfolio in Benin and indicates the progress made since the last review carried out in 2004 (ADB/BD/WP/2004/111-ADF/BD/WP/2004/135). It also proposes measures to improve the portfolio quality and performance. It was finalized in December 2007, and takes into account the conclusions and recommendations of the supervision missions conducted up to that date.

1.2. From the start of its activities in Benin in 1972 to 10 January 2008, the Bank Group approved 79 operations, of which 53 have been fully completed. All the approved operations represent a total net commitment of UA 506.7 million, of which 83% are ADF loans, 10.3% ADF grants, 3.2% ADB loans, and 3.5% from the Nigeria Trust Fund. Disbursements for all the portfolio operations amount to UA 326.2 million, representing a rate of 65.97%. Out of these commitments, the Bank financed one project in Benin's private sector for an amount of US\$ 2.08 million.

II. Overview of the Current Portfolio

A. Main Characteristics of Ongoing Projects

2.1. **Compared to the last review, the sector breakdown of net commitments remained stable in 2007.** It was mainly dominated by agriculture, which accounted for close to 42%, and the social sector, 25%. As a result of the progress made in economic reforms, Benin has benefitted from two budget support operations since the last portfolio review; these new approvals put multi-sector operations at 9% of total commitments. Public utilities and transport each represent 12% of net commitments.



2.2. As at 31/12/2007, the portfolio of ongoing operations had 22 operations, corresponding to 18 projects for a total net commitment of UA 198.52 million, including 8 projects in the agriculture sector, 2 in the transport sector, 2 in the public utilities sector, 4 in the social sector, 1 institutional support project, and 1 budget support programme.

Table 1
Ongoing Bank Operations as at 31/12/2007 (Amounts in UA Million)

Sectors	No. of Operations	No. of Projects	ADF	Grant	NTF	Total	Sector %	Dis-bursed	% Disbursed
Agriculture	9	8	70.59	15.76	0	86.35	43%	21.37	25%
Social	5	4	44	4.7	0	48.7	25%	5.67	12%
Transport	3	2	18.91		4	22.91	12%	5.57	24%
Public Utilities	2	2	23.06	0	0	23.06	12%	8.19	36%
Multi-sector	3	2	9.86	7.64	0	17.5	9%	15.02	86%
Total	22	18	166.42	28.1	4	198.52	100%	55.84	28%

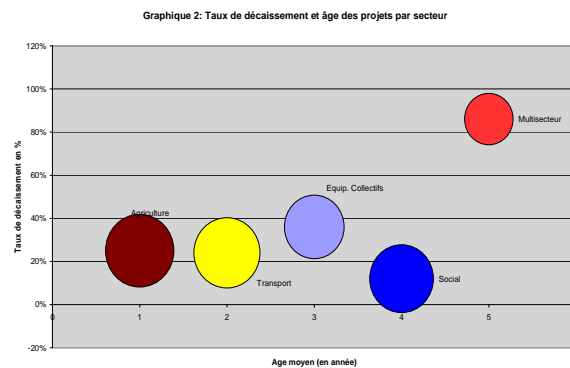
2.3. *Source of Finance:* The Bank's ongoing operations in Benin are financed to the tune of 98% by the ADF window and 2% by the NTF window. Although the grants accounted for less than 2% during the previous portfolio review, they represent nearly 28% of the net commitments of the current portfolio.

B. Assessment of Portfolio Performance

2.4. With an overall rating of 1.96 (on a scale of 0 to 3), the performance of the portfolio is still deemed **unsatisfactory**. There has been no significant improvement compared to the last review for which the overall rating was 1.90.

2.5. It should be noted that during consideration of the last review, CODE highlighted:

(i) the persistent delays in effectiveness and fulfilment of the conditions precedent to first disbursement of loans, essentially because of the very long ratification time frame, (ii) the slow procurement procedures, (iii) the failure to comply with the rules for appointing and changing managers in certain projects, (iv) the delays in the release of the Government's counterpart contributions, and (v) the delays in establishing the micro-credit management framework for 6 agriculture sector and 1 social sector projects. Most of these difficulties are still noted, even though some progress has been made in terms of reducing delays in effectiveness of operations and establishment of the micro-credit management framework.



2.6. **The disbursement rate (28%) for ongoing operations remained low as at 31/12/2007.** Besides the poor performance of the portfolio, this low rate also stemmed from the fact that the portfolio is young (4.2 years) as a result of its renewal by over 40% since the last review in 2004. The lowest disbursement performances were recorded in the social development (12%), transport (24%) and agriculture (25%) sectors. The disbursement rates for multi-sector operations and the public utilities sector were 86% and 36% respectively. The performance of the utilities sector was boosted by the second rural electrification project.

2.7. **The average age of the social (5.6 years), agriculture (5.3 years) and transport (4.3 years) sector projects is higher than the average age of the current portfolio, which is 4.2 years.** The two sectors combined (agriculture and social), which represent close to 68% of the Bank's net commitments in Benin, reduced the portfolio's performance rating. In the short term, the Bank should lay special emphasis on quality at entry of the projects in the portfolio, particularly in the agriculture and social development sectors.

2.8. **Old Projects:** The portfolio in Benin has three old projects, comprising 1 in the social sector (Human Resources Development Project) and 2 in the agriculture sector (Forestry Management Project and Ouémé Rural Development Support Project).

2.9. **Problem or Potentially Problem Projects:** The portfolio does not have any problem project. However, there are 10 potentially problem projects (PPPs), representing 56% of the portfolio; these include 3 in the agriculture sector, 2 in the transport sector, 1 in the public utilities sector, and 4 in the social sector. These PPPs thus make up the projects at risk in the portfolio. The high level of potentially problem projects is mainly due to the time lapse between approval and effectiveness, which exceeded 12 months for 7 out of the 10 potentially problem projects (70% of PPPs), the low disbursement rate, even several years after the effectiveness of operations, the poor performance in fulfilling the conditions precedent to first disbursement, slow procurement of goods and services procedures, and low capacity of PIU's to formulate bidding documents.

Criteria Affecting Potentially Problem Projects (PPP)	Projects Concerned
Performance relating to conditions precedent to effectiveness and to first disbursement is rated (strictly) below 1.5	1. Artisanal Fisheries 2. OUEME Rural Development Support Project (PADRO) 3. Djougou-Ndali Road Rehabilitation Project 4. Pobé-Kétou-Illara Road Rehabilitation Project 5. Project
Performance in procurement is rated strictly below 1.5	1. DWSS Project 2. PDRH
Performance in project management is rated strictly below 1.5	1. NERICA 2. PDRH
Availability of counterpart funds is rated strictly below 1.5	1. Djougou-Ndali Road Rehabilitation Project 2. Pobé-Kétou-Illara Road Rehabilitation Project 3. Project
The time lapse between project approval and effectiveness exceeds 12 months.	1. Artisanal Fisheries Support 2. Oueme Rural Development Support Project (PADRO) 3. Djougou-Ndali Road Rehabilitation Project 4. Pobé-Kétou-Illara Road Rehabilitation Project 5. Project 6. Invasive Aquatic Weeds - Benin 7. Education System Strengthening Project 8. PDRH 9. Project
Less than 10% of loan is disbursed two years after effectiveness or less than 50% of loan is disbursed five years after effectiveness	1. Artisanal Fisheries 2. PADRO, 3. Djougou-Ndali Road Rehabilitation Project 4. Pobé-Kétou-Illara Road Rehabilitation Project 5. Project
The project has not been completed 8 years after the date of approval (five years for grants).	1. PDRH, 2. PAMF, 3. PADRO

2.10. **The common problems for the entire portfolio are found in the areas of public procurement, counterpart contributions, project implementation units, and ratification delays** (see Annex 3). Compared to the previous review in 2004, the portfolio has become much younger with the approval of 10 new operations since 2004. However, the deadlines for final disbursement have been extended for 4 projects. The extension was made thrice for the human resources development project, once for the Djougou-Ndali road project, once for the Ouémé rural development support project, and twice for the forestry management project.

Table 3
Comparison of Portfolio Performance for Benin

Performance Indicators		Trend	
		Previous Review (2004)	Current Review
Implementation and Impact	Average age of projects (years)	4	3.7
	Disbursement rate (%)	36%	28%
	Average size of projects in (UA million)	7.2	11
	Overall assessment of projects (scale 0-3)	1.9	1.96
	Proportion of projects at risk (%) (problem)	40%	56%
Harmonization	% of aid from the programme approach	0%	9%
	Co-financed projects (%)	20%	22%

III. Assessment of Portfolio Management Capacity and Aid Coordination

3.1. **Government Performance:** The capacity of the Government to manage the portfolio was hampered by: (i) the non-inclusion of counterpart funds in the Integrated Public Finance Management System (SIGFIP) of Benin for some projects, (iii) the cumbersome goods and services procurement procedures, (iv) inadequacies use of audit reports or failure to use them, (v) insufficient allocation of Government counterpart contributions, (vi) inadequate number or quality of staff assigned to projects, (vii) inadequacies in the physical and financial monitoring of projects, and (viii) long delays in loan ratification even though some progress has been made in this regard in the last two years.

3.2. However, it should be noted that the Government continued to strengthen the fiduciary framework through implementation of reforms aimed at improving transparency of the public procurement system. In order to build capacity in the implementation of public procurements, the Government also reinforced, with the support of ADF, the training of staff of procurement units and the conduct of public procurement audits. The conduct of regular quarterly reviews of operations, with the Bank's support, should be sustained for more effective monitoring of the portfolio.

3.3. **Bank Performance:** The Bank's response times in the processing of project documents and requests were sometimes too long because of the workload of task managers, even though the Bank has improved the quality of project preparation and its assistance at the start of new projects. The Bank should also increase the duration of supervision missions and reinforce the composition of mission teams, as well as strengthen dialogue with the Government and other development partners. In order to build the capacities of staff of Project Implementation Units, the Bank will organize more training workshops and seminars on its procurement rules and procedures.

3.4. **Monitoring of Operations:** The absence of a country office constitutes an obstacle to the smooth implementation of Bank operations, owing mainly to the relatively large size of the portfolio, which comprises 22 operations. The Bank will pursue efforts towards reducing procurement response times and enhance assistance to projects at the start-up phase, by ensuring that accounting systems and accounting and financial procedures

manuals that meet the Bank's project management requirements are put in place. The Bank will also reinforce the supervision teams for its operations and participate regularly in policy dialogue on education, health and energy, in particular.

3.5. **Aid Coordination:** Aid in Benin is coordinated by the Ministry responsible for Development, Forecasts and Evaluation of Public Action. The recent creation of a General Directorate of Project and Programme Monitoring within this Ministry will promote effective coordination of aid, particularly at the implementation stage. The Government will build the capacities of structures directly responsible for aid control and monitoring. It should be noted that to strengthen partnership with the Government, a Joint Memorandum of Understanding was signed in December 2007 between the Government and all partners providing budget support for the implementation of the PRSP.

3.6. **Co-financed Projects:** During the period under review, the co-financed operations included the Poverty Reduction Strategy Support Programme (PASRPI) and the Control Institutions Support Project (PAIC), with Denmark; the Artisanal Fisheries Development Project, with IFAD; and the Djougou-Ndali Road Project, with BOAD. The performance of the co-financiers for PASRPI, the road project and PAIC was very satisfactory with respect to financing and assistance. The coordination is facilitated by the presence of partners in the field and the periodic reviews of the transport sector programme, which offers a coherent framework for donor interventions and consultations on institutional and strategic issues at the sector level. With respect to budget reform support, the coordination and assistance of partners were sustained and efficient. However, coordination with co-financiers for the other sector projects was generally not well conducted during the Bank's supervision mission, due to the limited size of the country team.

IV. Potential Problems and Lessons for the CSP and Portfolio Management

4.1. Besides the recurrent weaknesses described above, for the efficiency of the Bank's operations in Benin, the main potential problems to focus on are: (i) the low level of utilization of rural credit for the agricultural projects, (ii) delays in the implementation of results-based budget management, (iii) the lax monitoring of the recommendations of quarterly reviews and insufficient allocation of funds for the Government's investment programme.

4.2. With respect to rural credit, the Bank supported the establishment of a general credit management framework for agricultural projects with a micro-economic component. For 4 of the 8 agricultural projects, the Bank made provisions for lines of credit to finance micro-projects. The implementation of these lines of credit, entrusted to the General Credit Management Framework (CGGC), was far behind schedule. Out of the CFAF 5.784 billion mobilized, the disbursement rate by the Bank was 46.9%, but refinancing of the MFIs by the CGGC accounted for only 15% of the funds paid. No micro-project was submitted to the CGGC by Fuelwood Project II, and only 3% of the funds earmarked for PADMOC (CFAF 2.5 billion) were utilized.

4.3. An independent study was conducted in December 2006 to assess the partnership signed in October 2006 with the MFIs for better understanding of the various bottlenecks and problems encountered. The results of this study were discussed during the review, after which a consensus was reached on the need to: (i) reduce the time lapse for approval of documents to enable the MFIs to directly finance projects below CFAF 1 million upon presentation of authorization by the project concerned; and (ii) define the conditions for granting credit for the new agreements to be signed with the MFIs.

4.4. With respect to results-based budget management, pursuance by the Government of ongoing reforms will help to improve the quality at entry of operations and ease public procurement procedures. The Bank's interventions will then make more frequent use of the budget support instrument to support the sector reforms and programmes whose implementation complies with the national rules in force. In this regard, the Government has embarked on a reform of the public procurement code in order to improve the efficiency and transparency of the procurement system, by providing training for those involved in procurement.

4.5. Concerning portfolio management and monitoring, the Bank will pay special attention to the utilization and follow up of the recommendations of the quarterly portfolio reviews. Furthermore, increasing the number of supervision missions, following up on audit findings and strengthening dialogue will help to improve the overall performance of the portfolio in Benin. The Bank will also support the Government's efforts towards more comprehensive recording of expenditures from foreign resources in the SIGFIP. Indeed, there has been very little progress in this recording of expenditures, which was assigned to the Autonomous Sinking Fund (CAA). For the third year running, the CAA will, during the last quarter of the year, update entry into the Integrated Public Finance Management System (SIGFIP) of financial operations from foreign resources since such transactions are not systematically entered by the sector Ministries.

4.6. For future CSPs, the Bank will continue: (i) to enhance the selectivity of intervention sectors, (ii) harmonize its procedures with those of other partners, and (iii) limit the number of projects to be implemented by increasing their size in order to reduce transaction costs and generate economies of scale. The Bank will initiate a study on problems encountered in the utilization of rural credit for agricultural projects. The results of this study will also help to improve the partnership between the General Credit Management Framework, set up for agriculture sector projects, and the Micro-Finance Institutions. These results will also be used for future CSPs.

V. Conclusions and Recommendations

5.1. With an overall rating of 1.96 (on a scale of 0 to 3), the performance of the portfolio is deemed unsatisfactory. There has been no significant improvement over the last review for which the overall rating was 1.9. Measures must be taken to improve the resource absorptive capacity and ensure the efficient management of projects. To that end, the following recommendations are made to the Government and the Bank¹:

5.2. The Government should take the following actions:

- Ensure better follow-up of the recommendations of the quarterly review of the Bank's operations in Benin, and submit the follow-up matrix for the recommendations of the review to the Bank;
- Continue to reduce the time lapse for the fulfilment of the conditions for loan effectiveness;

¹ For more detailed information on the review of each portfolio operation and the specific recommendations for each project, please contact the relevant Regional Department (ORWA).

- Reinforce the training of members of the public procurement units of the various ministries;
- Ensure follow-up of audit recommendations by the Government control organs;
- Continue to regularly ensure Government counterpart funding in projects;
- Strengthen the monitoring-evaluation system for the current budget reform;
- Set up a monitoring committee for the mobilization of resources and integration of foreign resources in order to have a comprehensive view of aid granted by development partners;
- Centralize the signing of grant agreements within a single Ministry in order to ensure their comprehensive monitoring.

5.3. The Bank, on its part, will ensure that the following measures are taken:

- Cancel the undisbursed balance for projects completed after the three-month notice. This concerns mainly the PAEFO and Education III projects;
- Put an end to the practice of draw-downs on the revolving funds disbursed by the Bank for projects;
- Apply loan cancellation rules in case of significant delays in effectiveness, and impose sanctions as provided for in the Bank's rules when project audit reports are not received within the requisite time frame.
- Reduce the time frames for payments and no-objection opinions for documents received;
- Reinforce and improve the composition of supervision missions;
- Increase the size and reinforce the composition of project preparation and appraisal teams;
- Ensure a more regular presence of the Bank in Benin for more effective participation in policy dialogue and monitoring of its operations.

5.4 The Board is invited to take note of the conclusions of the general portfolio review of Benin, and to adopt the above-mentioned recommendations.

ANNEXE 1: Key Information on Ongoing Operations (Updated on 10/01/2008)

Project	Financial Information in UA				Duration		Rating						Status
	FIN	Commitments	Amount Disbursed	%	No. of Extensions	Age (yr)	Compliance with Conditions	Procurement of Goods & Services	Financial Performance	Activities & Works	Impact on Development	Overall Rating	
FUELWOOD PROJECT - PHASE II (PBF II)	ADF	10000000	1962997	20	0	6	1.5	2	1.9	1.7	3	2.0	NPP
FORESTRY MANAGEMENT PROJECT	ADF	10540000	10307055	98	2	8	2	2	1.6	1.8	3	2.1	NPP
Communal Forest Management Support Project (PAGEFCOM)	ADF	19240000	704180	4	0	3	2	2	2	2.5	3	2.3	NPP
Communal Forest Management Support Project (PAGEFCOM)		15760000	513027	3	0	3	2	2	2	2.5	3	2.3	NPP
ARTISANAL FISHERIES SUPPORT PROGRAMME	ADF	7310000	1278781	17	0	6	2	2	2	1.7	3	2.1	PPP
RURAL DEV. SUPPORT PROJECT	ADF	11680000	5413398	46	1	8	1.7	1.8	2	1.6	3	2.0	PPP
MONO & COUFFO RURAL DEV. SUPPORT PROJECT	ADF	9130000	937920	10	0	7	1.7	1.8	1.6	1.7	3	2.0	PPP
NERICA DISSEMINATION PROJECT- BENIN	ADF	1450000	205679	14	0	4	1.7	1.5	1.7	1.7	3	1.9	NPP
Invasive Aquatic Weeds – Benin	ADF	1240000	48149	4	0	3	2	1.5	1.8	1.5	3	2.0	PPP
AGRICULTURE TOTAL		86350000	21371186	25%		5.3	1.8	1.8	1.8	1.9	3.0	2.1	
		43%	38%										
DJOUGOU-NDALI ROAD REHABILITATION	ADF	11110000	1821466	16	1	5	1.7	1.8	1.5	1.5	2.3	1.8	PPP
DJOUGOU-NDALI ROAD REHABILITATION	NTF	4000000	854194	21	1	5	1.7	1.8	1.5	1.5	2.3	1.8	PPP
POBE-KETOU-ILLARA ROAD REHABILITATION PROJ.	ADF	7800000	2899977	37	0	3	1.3	1.5	1.5	1.6	2.7	1.7	PPP
TRANSPORT TOTAL		22910000	5575636.7	24%		4.3	1.6	1.7	1.5	1.5	2.4	1.7	
		12%	10%										
RURAL DWSS PROGRAMME	ADF	10740000	135022	1	0	3	1	2	1.5	1.5	2	1.6	PPP
Second Rural Electrification Project	ADF	12320000	8058181	65	0	4	1.5	2	2.3	2.3	2.3	2.1	NPP
PUBLIC UTILITIES TOTAL		23060000	8193203	36%		3.5	1.25	2	1.9	1.9	2.15	1.8	
		12%	15%										
EDUC. SYSTEM STRENGTHENING PROJECT	ADF	12000000	388444	3	0	5	2	1.5	2	1	2.7	1.8	PPP
HEALTH SYSTEM DEVELOPMENT	ADF	22000000	579269	3	0	3	2.3	2	1.8	1.8	2.3	2.0	PPP
HIV/AIDS CONTROL SUPPORT PROJECT	ADF	2700000	401434	15	0	4	2	1.5	1.8	1.9	3	2.0	PPP
HUMAN RESOURCE DEV. PROGRAMME	ADF	10000000	2704245	27	3	8	1.7	2.3	2.1	2.1	2.3	2.1	PPP
HUMAN RESOURCE DEV. PROGRAMME		2000000	1601603	80	3	8	1.7	2.3	2.1	2.1	2.3	2.1	PPP
SOCIAL SECTOR TOTAL		48700000	5674995.3	12%		5.6	1.94	1.92	1.96	1.78	2.52	2.0	
		25%	10%										
CONTROL INSTITUTIONS SUPPORT	ADF	2500000	151768	6	0	3	1.8	1.8	2.1	1.8	2.3	2.0	NPP
POVERTY REDUCTION STRATEGY SUPPORT PROG.	ADF	9860000	9750330	99	0	2	2	2.3	2.3	2	2.3	2.2	NPP
POVERTY REDUCTION STRATEGY SUPPORT PROG.		5140000	5123713	100	0	2	2	2.3	2.3	2	2.3	2.2	NPP
MULTI-SECTOR TOTAL		17500000	15025811	86%		2.3	1.9	2.1	2.2	1.9	2.3	2.1	
OVERALL TOTAL		198520000	55840832	28%		4.2	1.7	1.9	1.9	1.8	2.5	1.96	

ANNEXE 2: BENIN: PORTFOLIO REVIEW

MATRIX OF CROSSCUTTING ISSUES

MATRIX OF MEASURES TO IMPROVE THE CURRENT PORTFOLIO

PROJECTS	PROBLEMS ENCOUNTERED	ACTION TAKEN	ACTIONS REQUIRED	SCHEDULE/STATUS OF IMPLEMENTATION
Implementation of agreements	Delays in loan agreement effectiveness, owing particularly to lengthy delays in the signing of the agreements	- The Government has implemented measures to reduce delays in the preparation of draft ratification documents	- The Government and the Supreme Court should find a legislative solution to allow for ratification of agreements within a maximum of three months from the time of signing.	Not yet implemented.
Project Management	<p>Audit recommendations not systematically implemented and not always carried out in a timely manner.</p> <p>Inadequate information system on disbursements between the Bank and the country.</p> <p>Delayed and insufficient counterpart funds (agriculture and social projects)</p>	<p>- Circular by the Minister of Finance requesting PIU's to respect legal deadlines for submitting annual audit reports or risk suspension of their funds</p> <p>- Regularly inform the country of disbursements made</p> <p>- MTEFs and capital budgets are comprehensive and make provision for project counterpart funds</p>	<p>Competitive bidding launched by PIU's to recruit audit firms and to opt for multi-annual contracts to simplify the procedure.</p> <p>- The Bank should regularly submit to the CAA information on the disbursements made</p> <p>- Information system on disbursements and fee collection by country to be developed by FFCO and CIMM.</p> <p>Ensure that Bank-financed operations have counterpart funds before presentation of budget to Parliament.</p>	<p>Partially implemented</p> <p>CAA is regularly informed of disbursements made</p> <p>Implemented annually.</p>
Procedures and Regulations	Cumbersome procurement procedures	The Government, with the support of the Bank and other partners, has embarked on the reform of the public procurement system	Adopt the Public Procurement Code, in accordance with the UEMOA directives and build capacity in public procurement	<p>The new Code has been submitted to the Cabinet Meeting</p> <p>Procurement units benefit from training seminars</p>
	<p>Difficulty in recording projects in the new public expenditure (SIGFIP) chain.</p> <p>Control of external financing does not comply with the same procedures as those for national budget expenses.</p>	- A new institutional framework has been established	<p>All operations financed from foreign resources must be recorded in the SIGFIP at the time of budget formulation</p> <p>- Comply with the expenditure chain provided for by the SIGFIP for external financing.</p> <p>- Have a comprehensive view of disbursements made by different partners</p> <p>- the CAA must put in place a comprehensive system</p>	Partially implemented

<p align="center">ANNEXE 2: BENIN: PORTFOLIO REVIEW</p> <p align="center">MATRIX OF CROSSCUTTING ISSUES</p> <p align="center">MATRIX OF MEASURES TO IMPROVE THE CURRENT PORTFOLIO</p>				
PROJECTS	PROBLEMS ENCOUNTERED	ACTION TAKEN	ACTIONS REQUIRED	SCHEDULE/STATUS OF IMPLEMENTATION
Sustainability of Projects	Difficulty in ensuring sustainability of outputs of operations	<ul style="list-style-type: none"> - Training of project managers provided by the Ministry of Finance in the dissemination of the new expenditure system put in place as from 2001. - Cover recurrent costs upon completion of external financing - Participatory approach adopted in project preparation and implementation 	<ul style="list-style-type: none"> - Provide for the required allocations in the budget - Envisage the inclusion of any new project in the MTEF and regularly make provision in the national budget for recurrent costs for the maintenance of infrastructure and facilities put up - Sensitize the population on participation in cost recovery: health, maintenance of rural roads, water points... 	<p>Permanent</p> <p>Permanent</p> <p>Permanent</p>
Aid coordination	Shortcomings observed in the coordination of TFPs for effective implementation of the PRSP	Existence of a donor coordination framework in PRSP implementation.	<ul style="list-style-type: none"> - Joint preparation, with partners, including the Bank, of sector budget reviews and MTEFs, as support to the poverty reduction strategy. Set up a common coordination framework between TFPs and Government - Seek co-financing in priority sectors targeted in the 2005-2009 CSP 	<p>Implemented</p> <p>Done</p> <p>Permanent</p>

ANNEX 3: BENIN: MATRIX OF COMMON PROBLEMS IN THE PORTFOLIO

Common Problems	PADRO	PAGE FCO M	PAMF	PADMOC	FUELWOOD	PDRN	PADPP A	NERIC A	Pobé-Kétou Road	Djogou Ndalli	Rural Electrification	Health	DWSS	HIV/AIDS	Education IV	PDRH	PASRP II	PAIC	TOTAL
Weak administrative capacity							X						X		X				3
Non-compliance with rules					X										X	X			3
Management Problems									X			X		X					3
Poor capacity of PIU							X	X	X		X	X							5
Difficulty in using technical assistance												X							1
Delays in physical implementation	X	X		X	X	X	X			X	X	X	X	X	X				12
Delays in effectiveness	X	X		X	X	X					X		X	X	X	X			10
Activity reports not transmitted															X	X	X	X	4
Audit reports not transmitted						X			X			X		X	X	X			6

ANNEX 4 BENIN: MATRIX OF CROSSCUTTING ISSUES COVERED BY THE PORTFOLIO

Issues	PADRO	PAIMF	PAM F	PADMOC	FUEL WOOD	PGIPA P	PDRN	PADPPA	Djogou NDALLI	Pobé-Ketou Road Study	HIV/AIDS	Health Project III	DWSS	Rural Electrification II	Education IV	PDRH	PASRP II	PAIC
Environment	X	X	X	X	X		X		X									
Gender Issues	X	X	X	X	X	X	X	X				X	X		X	X		
Participatory Approach	X	X	X	X	X	X	X	X			X		X		X	X		
Poverty Reduction	X	X	X	X	X	X	X	X				X	X					
Population						X	X	X			X	X				X		
Micro-Credit	X	X	X	X	X	X	X	X					X					
Regional Integration						X	X		X		X							
Social Issues												X	X		X	X		