

PROGRAMME COMPLETION REPORT (PCR)

A. PROGRAMME DATA AND KEY DATES

I. BASIC INFORMATION

Project Number: P-BJ-KA0-009	Project Name: Growth and Poverty Reduction Strategy Support Programme Phase III (GPRSSP III)	Country: Republic of Benin	
Instruments : GRANT AND LOAN		Sector: Multi-sector	Environmental Classification:3
Original Commitment Amount: UA 22 000 000 GRANT : UA 11 000 000 LOAN : UA 11000 000	Amount Cancelled: 0	Amount Disbursed: UA 22 000 000	Percentage Disbursed: 100%

Tranche Structure: (In UA million)

Tranches	Date	Expected	Actual	Difference
Single Grant Tranche	25/11/09	11.00	11.00	0.00
1 st Loan Tranche	14/7/10	5.50	5.44	- 0.11
2 nd Loan Tranche	22/12/10	5.50	5.50	0.00

Executing Agency: the Programme Executing Agency is the Economic and Financial Programmes Monitoring Unit (CSPEF) within the Ministry of the Economy and Finance. The Unit is assisted by a technical team made up of the Representatives of the Ministry of the Economy and Finance and all administrative structures involved in the implementation of reforms and measures in their field of activity. The CSPEF is responsible for collecting and forwarding to the Bank and to other Technical and Financial Partners, members of the Budget Support Group, through the Minister of the Economy and Finance, data needed for monitoring budget support programmes such as: (i) sector review reports; (ii) GPRSSP III annual progress reports; and (iii) any other document needed for monitoring the implementation of the programme.

Co-financers and other External Partners (in UA million) :

Source of Financing	Expected	Actual	Difference
ADF	22.00	21.89	- 0.11
World Bank	33.50	40.09	+ 6.59
European Union	28.35	67.54	+ 39.19
Netherlands	17.00	15.58	- 1.66
Denmark	3.00	4.020	+ 1.02
Switzerland	1.20	0.93	- 0.27
France	0.00	2.63	+ 2.51
Programme Total	105.05	152.68	+ 47.63

II. KEY DATES

Project Concept Note Cleared by Ops.	Appraisal Report Cleared by Ops.	Board Approval: 29 Avril 2009
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Com.: 15 October 2008	Com.:N/A		
Restructuring(s) : No programme restructuring was noted			
	Original Date	Actual Date	Difference in months [actual date - original date]
EFFECTIVENESS	Grant : May 2009 Loan: June 2009	Grant : 14 May 2009 Loan : 9 June 2009	0 month 0 month
MID-TERM REVIEW	June 2010	NA	-
CLOSING	31 December 2010	31 December 2010	0 month
TRANCHE	Expected Disbursement Date (MM/DD/YY)	Actual Disbursement Date (MM/DD/YY)	Waiver of Conditions
SINGLE GRANT TRANCHE 1st LOAN Tranche: 5 500 000 2nd LOAN Tranche: 5 500 000	June 2009 June 2009 June 2010	13 July 2009 13 July 2009 22 December 2010	No waiver

III. RATINGS SUMMARY

CRITERIA	SUB-CRITERIA	RATING
PROJECT OUTCOME	Achievement of Outputs	2
	Achievement of Outcomes	3
	Timeliness	4
	OVERALL PROJECT OUTCOME	3
BANK PERFORMANCE	Design and Readiness	3
	Supervision	4
	OVERALL BANK PERFORMANCE	4
BORROWER PERFORMANCE	Design and Readiness	3
	Implementation	3
	OVERALL BORROWER PERFORMANCE	3

IV. RESPONSIBLE BANK STAFF

POSITIONS	AT APPROVAL	AT COMPLETION
Regional Director	J.K. LITSE	J.K. LITSE
Sector Director	G. NEGATU	I.N. LOBE
Sector Manager	Mrs M. KANGA	M. S. N'GUESSAN
Task Manager	I. BOUABDALLI	A. COULIBALY
PCR Team Leader		A. COULIBALY
PCR Team Members		M.S. IBRAHIM

B. PROGRAMME CONTEXT

<p>Summarize the programme supported. State:</p> <ul style="list-style-type: none"> - the rationale for using quick disbursement at the macro-economic level, - the reforms on which the programme focuses and its relationship with the PRSP or any other relevant government strategy, - the outputs of previous reform support operations, in particular operations funded under the same programme, where applicable, and - any technical assistance or institutional support project that complemented this operation ; <p>Please site relevant sources. Comment on the strength and coherence of the rationale for Bank assistance. Indicate any change in the programme that positively or negatively affected its outputs.</p> <p>[300 words maximum. Any additional narrative about the programme's origins and history, if needed, must be placed in Annex 6 : Project Narrative]</p>

The GPRSSP III is a general budget support which was expected to contribute to implementing the Growth and Poverty Reduction Strategy and the Action Plan for improving public finance management. This programme is justified by persistent inadequacies and weaknesses in public finance management particularly regarding budget coverage and transparency, predictability and control of budget implementation and external oversight and audit of budget management. It is also justified by the fact that despite the reforms conducted in the area since 2006, there are many persistent barriers and constraints in the business environment. Hence, according to the World Bank's « Doing Business » Report, Benin's ranking dropped from 167th to 169th out of 181 countries. Reforms included in the programme were therefore focused on measures geared towards addressing the inadequacies noted mainly in the quality of internal and external auditing and the public procurement system, on the one hand, and revitalizing the private sector. Hence, the programme is centred on two components, namely : (i) improvement of public finance management and (ii) improvement of the business climate.

C. PROGRAMME OBJECTIVES AND LOGICAL FRAMEWORK

1. State the Programme Development Objective(s) (as set out in the appraisal report)

The main objective of the programme was to contribute to implementing Government's Programme in terms of growth and poverty reduction. It's specific objective was to improve public finance management and the business climate.

2. Describe the major programme components and indicate how each will contribute to achieving the Programme Development Objective(s).

Component A: IMPROVEMENT OF PUBLIC FINANCE MANAGEMENT

The emphasis placed on this component translates the Government's desire to : (i) strengthen the internal and external public finance management audit system and (ii) substantially improve public procurement management.

Component B : IMPROVEMENT OF THE BUSINESS CLIMATE

This component sought to : (i) improve business development conditions and ease access by SMEs to public contracts ; and (ii) ensure that the activities of the National Agricultural Promotion Corporation (SONAPRA) and those of the Cotonou Port Authority (PAC) as well as the Telecommunications Company are partially or fully privatized.

3. Provide a brief assessment (up to two sentences) of the programme objectives along the following three dimensions. Insert a working score, using the scoring scale provided in Appendix I.

PROGRAMME OBJECTIVES DIMENSIONS		ASSESSMENT	WORKING SCORE
RELEVANT	a) Relevant to the country's development priorities	The programme objectives are relevant to the guidelines of the 2007-2009 growth and poverty reduction strategy adopted by the Government to promote good economic and financial governance and the private sector	4
ACHIEVABLE	b) Objectives could in principle be achieved with the project inputs and in the expected timeframe.	Although the specific objectives of the GPRSSP III aimed at improving public finance management could in principle be achieved at the end of the programme, on the contrary, the objective of improving the business climate proved difficult to achieve considering the set timeframe (two years). The proof is that no improvement of the indicators was recorded.	2
CONSISTENT	c) Consistent with the Bank's country or regional strategy	The programme is consistent with the Bank's strategy for Benin (CSP 2005-2009) the achievement of whose objectives is impeded by (i) inadequacies in the business climate and (ii) low rate of expenditure implementation in priority sectors.	4

4. Summarize the log. frame. Please indicate the expected outputs and outcomes of each activity and indicators for measuring progress. Add additional rows if needed.		
OUTPUTS		INDICATORS TO BE MEASURED
Component A : Improvement of Public Finance Management		
Improved internal and external public finance audit system	<ul style="list-style-type: none"> - Efficiency of the internal audit system - Scope, nature and monitoring of external audit (PI-26) - Consideration of the annual Finance Law by the legislative power (PI-27) - Consideration of external audit reports by the legislative power (PI-28) 	
Improved public procurement management	Procurement time lines	
Component B : Improvement of the Business Climate		
Improved business development and ease of access by small-and medium-size enterprises (SMEs) to public contracts	<ul style="list-style-type: none"> - Minimum capital required to set up a company - Time required to set up a company - Ownership transfer time 	
Partial or complete privatization of the activities of : <ul style="list-style-type: none"> - SONAPRA - Cotonou Port - Benin Télécoms 	<ul style="list-style-type: none"> - Issuance of bid solicitations for the privatization of SONAPRA, Cotonou Port and the Telecommunications Company. 	
Expected Outcomes	Indicators to be Measured	
Improved internal and external public finance audit system	<ul style="list-style-type: none"> - IP 21 rating of C+ in 2007 moves up to B in 2010 ; - IP 26 rating of D in 2007 moves up to C in 2010 ; - IP 27 rating of C+ in 2007 moves up to B in 2010 ; - IP 28 rating of D in 2007 moves up to C in 2010 ; 	
Improved public procurement management	Bid solicitation time line is reduced from 8 months in 2006 to 5 months as from 2010.	
Improved business development and ease of access by small-and medium-size enterprises (SMEs) to public contracts	<p>The minimum capital required to start a business is reduced by 10% in 2010 compared to 2008.</p> <p>The time required to set up a company is reduced from 31 days in 2008 to 12 days in 2010</p> <p>Ownership transfer time is reduced to less than 120 days and registration cost is reduced in 2010</p>	
Partial or complete privatization of the activities of : <ul style="list-style-type: none"> - SONAPRA - Cotonou Port - Benin Télécoms 	The privatization of SONAPRA's industrial tool and Benin Telecommunications Company and concession to the private sector of the additional two quays of Cotonou Port are carried out between 2009 and 2010	
5. For each dimension of the log. frame, provide a brief assessment (up to two sentences) of the extent to which the log. frame achieved the following. Insert a working score, using the scoring scale provided in Appendix I. If no log. frame exists, score this section as a 1 (one).		
LOG. FRAME DIMENSIONS	ASSESSMENT	WORKING SCORE

LOGICAL	a) Presents a logical causal chain for achieving the programme development objectives	There is a logical causal chain for achieving the programme development objectives	4
MEASURABLE	b) Expresses objectives and outcomes in a way that is measurable and quantifiable	Programme objectives and outcomes/outputs were, most of the time, expressed in a way that is measurable and quantifiable	3
THOROUGH	c) States the risks and key assumptions	The risks and assumptions were certainly stated but the mitigative measures of the risks mentioned in the report were not reflected in the Logical Framework	3

D. OUTPUTS AND OUTCOMES

I. ACHIEVEMENT OF OUTPUTS

In the table below, assess the achievement of actual vs. expected outputs. Import the expected outputs from the log.frame in Section C. Score the extent to which the expected outputs were achieved. Weighted scores are auto-calculated by the computer. The overall output score must be calculated as the sum of the weighted scores. Override the calculated score if desired, and provide justification.

MAJOR REFORM MEASURES		WORKING SCORE
Expeded Outputs	Actual Outputs	
<u>Component A</u> : Improvement of Public Finance Management		
1- Improved internal audit system, the indicator rating moving up from C+ in 2007 to B in 2010.	1-.A 2009-2010 training plan for IGF senior officers aimed at improving the efficiency of audit organs was adopted and implemented. As a structure in charge of coordinating internal auditing, IGF supported the other audit organs (particularly General Inspectorates of Ministries) in developing technical tools and resources to establish the credibility of the work of the system. However, the level of performance of the indicator cannot be verified because there is no PEFA 2010.	2
2- Improved scope, nature and monitoring of external auditing, the indicator rating moving up from D in 2007 to C in 2010.	2- To catch up on external auditing of accounts, a plan was prepared the implementation of which had to help make up the time no later than 28 June 2011. Hence, the level of performance of the indicator could not be assessed.	2
3- The annual Finance Law is reviewed by the legislative power, the indicator rating moving up from C+ in 2007 to B in 2010.	3- The quality of the review is inadequate because Parliamentarians do not always have all the information enabling them to assess fiscal policies and macro-economic and financial data.	1
4- External audit reports are reviewed by the legislative power.	4- The plan to catch up on the preparation of audited budget laws will, in the long run, help speed up the review of external audit reports by the legislative power.	2
5- Procurement time is reduced from 8 months in 2008 to 5 months in 2010.	5- The average procurement time in 2009 was 54, 62 and 92 days respectively for supplies, services and works compared to 134, 155 and 227 days respectively in 2007 before the adoption of the new Code. There has	3

	been remarkable progress. Performance could be better if the current delay by the High Authority that approves contracts (the Minister's Cabinet) is reduced.
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Component B : Improvement of the Business Climate

6- A 10% reduction in the minimum capital required to start a business	6- The minimum capital required to start a business represents 290.8% of per capita income compared to 144.7% in 2009. The situation has therefore worsened.	1
7- Reduction in the time required to set up a company from 31 days in 2008 to 12 days in 2010.	7- In 2010, the time required to set up a company was still 31 days even though there was some progress compared to 2009 when it was 45 days.	1
8- Ownership transfer time is reduced to less than 120 days and registration cost is reduced in 2010.	8- In 2010, the transfer time was 120 days and registration cost instead increased because it was 11.8% of the transfer value as against 9.9% in 2009.	1
9- Partial or complete privatization of the activities of: - SONAPRA - Cotonou Port - Benin Télécoms	9- <u>SONAPRA</u> : the cotton sector reform focused on the following thrusts : (i) transfer of the industrial tool; (ii) establishment of the Cotton Development Company (SODECO); (iii) establishment of the Agricultural Inputs Purchasing Cooperative; and (iv) the institutional agricultural policy framework. <u>Cotonou Port</u> : A concession agreement for two new container quays was signed with the Bolloré group in September 2009 <u>Benin TELECOMS Plc</u> : the bids received following the bid solicitation issued on 25 August 2010 and the evaluation results were submitted to the Council of Ministers for decision	3

OVERALL OUTPUT SCORE (Score is calculated as the sum of weighted scores)	2
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Check here to override the calculated score

Provide justification for overriding the calculated score

Insert the new score or re-enter the calculated score	2
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II ACHIEVEMENTS OF OUTCOMES

1. Using available monitoring data, assess the achievement of expected outcomes. Import the expected outcomes from the log.frame in Section C. Score the extent to which the expected outcomes were achieved. Weighted scores are auto-calculated by the computer. The overall outcome score must be calculated as an average of the working scores. Override the calculated score, if desired, and provide justification.

OUTCOMES		Working Score
Expected	Actual	

OVERALL PROGRAMME OBJECTIVE		
1)- Annual real GDP growth of 6% from 2010.	1)- The growth rate in 2010 was 3.2% because of the effects of the 2008 and 2009 crisis on the economy.	1
2)- Increase in the share of public sector investments from 13.6% in 2008 to 15.8% between 2009 and 2010.	2)- Private investments stood at 15.2% in 2009 and 15.4% in 2010.	3
3)- Increase in expenditure implementation in priority sectors from more than 80% in 2009 to 100% in 2010.	3)- The rate increased from 60% in 2009 to + 80% in 2010.	3
4)- Reduction in the proportion of people living below the poverty line from 63.4% in 2007 to 60% in 2010.	4)- The proportion which was 33.3% and not 63.4% in 2007 rose to 34.1% in 2010, representing a 2.4% deterioration due to the effects of the 2008 and 2009 crisis on household purchasing power.	1
Component A : Improvement of Public Finance Management		
1)- Adoption of an Action Plan for Improved Public Finance Management	The Plan titled PAAGFP was prepared and validated on 13 March 2009. It covers the 2009-2013 period and is under implementation.	4
2)- Building the capacity of internal and external audit institutions (IGF and CC).	2)- A 2009-2010 training plan for 25 IGF inspectors aimed at improving the efficiency of audit organs was adopted and implemented. The efficiency of the Audit Bench was also improved through the Audit Institutions Support Project funded by the Bank.	4
3)- Presentation of a report on the status of implementation of the action plan for improving public finance management.	3) The Reforms Management Unit (RMU) within the Ministry of the Economy and Finance prepares PAAGFP progress reports, the last being the 2010 second quarter (March to June) report.	4
4)- Presentation of an annual training programme for finance inspectors.	4)- The annual training programme was adopted and submitted to the Bank.	4
5)- Making up for delays in passing the audited budget laws and audits of financial flows from budget support.	5) The reporting schedule is as follows: 2004 management, on 11 May 2009 ; 2005 management, on 3 August 2009 ; 2006 management, on 4 October 2009 ; 2007 management, on 7 December 2009 ; 2008 management, on 3 August 2010 ; and 2009 management initially scheduled for 15 December 2010 has now been postponed to 28 June 2011. The audit of financial flows in 2010 was conducted by the Audit Bench.	4
6)- Completion of the recruitment and installation of the new staff of the Audit Bench at the Cotonou annex of the Supreme Court.	6)- This was done.	4
7)- Adoption of the revised Procurement Code.	7)- The new Procurement Code was adopted by the National Assembly on 26 January and enacted on 7 August 2009.	4
8)- Development of capacity in procurement management, including the harmonization of standard bidding documents and evaluation reports with WAEMU standard documents.	8)- A comprehensive plan for training on public procurement was prepared in April 2010 and should help to ensure the development of capacity in procurement management by stakeholders in the chain.	4
9)- Drafting of the implementing instruments of the new Procurement Code.	9)- The implementing instruments adopted are: (i) decree on the organization, functioning and duties of the Public Procurement Authority ; (ii) decree on the organization and functioning of the National Directorate of Public Procurements ; (iii) decree on public contract award,	4

	control and approval thresholds ; and (iv) decree on the Code of Ethics for Public Procurements.	
10)- Setting up of the organs of all the structures provided for in the new Code.	10)- This measure has not yet been completely implemented. In fact, although the DNMP and ARMP were set up, in Ministries some of the Secretaries General who will play the role in their respective ministerial departments have not yet been appointed.	2
11)- Conduct of a feasibility study of the integrated procurements management system and launching of the installation of the system.	11)- This study was conducted with the financial support of the Embassy of the Kingdom of Denmark and led to the estimation of the cost of the system at CFAF 4 397 200 000.	4
12)- Implementation of strategic and operational plans for the procurement system.	12)- The implementation of the strategic and operational plans for the procurement system has already started.	3
Component B : Improvement of the Business Climate		
13)- Benin TELECOMS Company is privatized in 2010.	13)- The procedure for opening up its capital was effectively launched and the results of opening of bids were submitted to the Council of Ministers for decision.	2
14)- Two quays at Cotonou Port are built and concessioned to the private sector in 2010.	14)- An agreement on the concession of the two new container quays was signed with the Bolloré group in September 2009.	3
15)- Adoption and implementation of an action plan for improving business climate indicators.	15)- Little decisive progress has been made in this respect since year (2009) after year (2010) Benin has been ranked 172 nd out of 185 countries.	1
16)- Cutting of tax rates and simplification of business taxes.	16)- Concerning taxation, significant progress was made in the 2009 Finance Law. Nearly 19 out of 30 proposals for improving taxation made by private sector operators were accepted by the Government and included in the 2009 Finance Law. These new tax measures enabled Benin to return to the average of WAEMU countries regarding corporate taxation.	3
17)- Procedures for transforming occupancy permits into land title deeds are facilitated.	17)-	N.D
18)- Reduction of the time for obtaining building permits.	18)- The time was 410 days in 2010 compared with 260.5 days in 2009. The situation therefore worsened.	1
19)- Adoption of an action plan for implementing the anti-corruption strategy.	19)- The action plan for implementing the anti-corruption strategy was adopted but the results fall short of expectations and the political will expressed by the country's senior authorities. There is need to review the strategy and its action plan in order to effectively implement them.	1
OVERALL OUTCOME SCORE [Score is calculated as an average of the working scores]		3
Check here to override the calculated score.		
Provide justification for overriding the calculated score		
Insert the new score or re-enter the calculated score		3

2. Impact on poverty and the social situation: Comment on the programme's expected and actual outputs regarding poverty, gender, access to public services, integration of disadvantaged groups and any other important social aspect.

The very goal of the programme is to contribute to poverty reduction through increased pro-poor public expenditures as well as improvement of the business environment to boost the development of a private sector that creates jobs and wealth. Although the rate of implementation of expenditure in priority sectors (agriculture, education, health, water and sanitation, rural transport, family and social affairs) increased from 60% in 2009 to more than 80% in 2010, in contrast, the World Bank's Doing Business indicators targeted in the programme made no progress such that the conditions for private sector development are unlikely to be met. On the other hand, the negative impact of the 2008 and 2009 global financial crisis on household purchasing power has offset the expected impact of the implementation of the programme with the result that the poverty prevalence rate in 2009 stood at 34.1% compared to 33.3% in 2007 and the economic growth rate recorded fell short of expectation (3.2% compared to 6% expected in 2010).

3. Risks to sustained achievement of outcomes. State the factors that affect, or could affect, the long-run or sustained achievement of programme outcomes. Describe the macro-economic framework the detailed description of which is found in Annex 3. Indicate if any new activity or operation is recommended to help sustain outcomes.

The risk to sustained achievement of outcomes could stem from renewed political instability where post-electoral disputes resulting from the 13 March 2011 presidential poll leads to a deterioration of the political climate. Even though the sheer abandonment of reforms is not conceivable, the risk of disruption of activities in Ministries in charge of implementing reforms is not to be ruled out. In such a context, the capacity of the new Government to pursue reforms to consolidate the outcomes already achieved would be somewhat weakened.

E. PROGRAMME DESIGN AND READINESS FOR IMPLEMENTATION

1. State the extent to which the Bank and the Borrower ensured the programme was commensurate with the Borrower's capacity to implement by designing the programme appropriately and by putting in place the necessary implementation arrangements. Consider all major design aspects, such as extent to which programme design took into account lessons learned from previous reform support operations in the country (please cite key PCRs) ; whether the programme was informed by robust analytical work (please cite key documents); how well the Bank and Borrower assessed the capacity of the implementing agencies and/or Project Implementation Unit; scope of consultations and partnerships and planned technical assistance activities.
2. [250 words maximum. Any additional narrative about implementation should be included in Annex 6: Programme Narrative]

The programme design was based on analytical studies relating to the Public Expenditure and Financial Accountability Assessment (PEFA 2007), the Private Sector Development Strategic Orientation Paper, Doing Business Report 2009 and the results of the survey on corruption funded jointly by the World Bank and the Bank. It also took into account activities carried out under the World Bank's Competitiveness and Integrated Growth Opportunities Project and ongoing activities under the United States Millennium Challenge Account. Lastly, it was based on lessons learned from previous programmes, namely: (i) the need to reduce the number of measures in future programmes and to formulate specific conditions consistent with the common matrix of TFPs ; (ii) the need to step up dialogue with Government on major budget orientations and key concerns relating to public procurement, combating corruption and compliance with accountability requirements by making up for delays in the adoption of audited budget laws; and (iii) pursuance of capacity building programmes to improve good governance.

For each dimension of project design and readiness for implementation, provide a brief assessment (up to two sentences). Insert a working score, using the scoring scale provided in Appendix 1.

PROJECT DESIGN AND READINESS FOR IMPLEMENTATION DIMENSIONS		ASSESSMENT	WORKING SCORE
REALISM	a) Project complexity is matched with country	The programme is matched with country capacity and political commitment,	

	capacity and political commitment.	as evidenced in the past by the implementation of the macro-economic and structural reforms of previous programmes (PRSSP I and II) financed by the Bank and other multilateral and bilateral donors. It also took into account the institutional support provided to the country to strengthen its technical and operational capacities (see Audit Institutions Support Project financed by the Bank in 2005).	3
RISK ASSESSMENT AND MITIGATION	b) Project design includes adequate risk analysis.	The design did not take into account the analysis of all the risks identified in the Appraisal Report, in particular the financial crisis that erupted seven months before the approval of the programme.	3
USE OF COUNTRY SYSTEMS	c) Project procurement, financial management, monitoring and/or other systems are based on those already in use by government and/or other partners.	The country system has been used within the framework of the programme also financed by the World Bank and the EU.	4

F. IMPLEMENTATION

1. State the major characteristics of Programme implementation with reference to: adherence to disbursement schedules; any waivers of disbursement conditions; effectiveness of Bank supervision; participation of the Bank's field office in sustained supervision/aid coordination/dialogue on reforms; and effectiveness of Borrower oversight. Comment on the justification for any waivers of disbursement conditions.

[300 words maximum]. [Any additional narrative about implementation should be included in Annex 5: Project Narrative]

The programme was implemented within the specified time frame. The first tranche (the total Grant amount and half of the Loan) was disbursed as planned, as the conditions precedent thereto were met without any major difficulty. However, owing to delays in fulfilling its conditions, the second tranche was finally disbursed on 22 December 2010 after many correspondences and even the visit of a Government delegation to Tunis. Furthermore, there was no waiver of the agreed conditions precedent. The Bank carried out three review missions during the two-year period of programme implementation, in line with the set standard.

2. Comment on the role of other partners (e.g. donors, NGOs, contractors, etc.). Assess the effectiveness of co-financing arrangements and of donor coordination, if applicable.

The programme was jointly financed by the World Bank, the European Union, the Bank and other bilateral partners. Each partner honoured its commitments regarding financial contribution to programme implementation. These donors conducted joint review missions during programme implementation.

3. Harmonization. State whether the Bank made explicit efforts to harmonize instruments, systems and/or approaches with other partners.

The Bank endeavoured to harmonize intervention instruments with the other donors most of which participated in Programme financing mainly through budget support grants. The principles of the Paris Declaration on Aid Effectiveness were adhered to, namely: strengthening ownership, consensus on a coordinated accountability framework, alignment with national concerns, choice of conditionalities the number of which did not exceed twenty, conduct of periodic performance reviews in conjunction with other donors concerned. However, it should be noted that the presence of a permanent representative of the ADB on the ground could have helped to further promote dialogue with other donors represented in the country.

1. For each dimension of project implementation, assess the extent to which the project achieved the following. Provide a brief assessment (up to two sentences) and insert a working score, using the scoring scale provided in Appendix 1.

PROJECT IMPLEMENTATION DIMENSIONS		ASSESSMENT		WORKING SCORE
TIMELINESS	(a) Extent of project adherence to the original closing date. If the number on the right is: below 12, "4" is automatically scored between 12.1 to 24, "3" is automatically scored between 24.1 to 36, "2" is automatically scored beyond 36.1, "1" is automatically scored	Difference in months between original closing date and actual closing date or date of 98% disbursement rate	The programme was completed on schedule	4
	b) Bank complied with:			
BANK PERFORMANCE	Environmental Safeguards	Implementation did not give rise to any environmental problem.		4
	Fiduciary Requirements	The programme focused on measures to enhance the efficiency of the internal audit system, external audit oversight conditions, examination of the financial law by the legislative power and reduction of public procurement time lines. All these measures could strengthen the fiduciary requirements governing the financial implementation of the programme.		3
	Project Covenants	Bank performance is satisfactory in terms of the agreements concluded as they did not give rise any specific problem.		4

	c) Bank provided quality supervision in the form of skills mix and practicality of solutions.	The Bank worked as a programme partner with the other TFPs concerned. For its part, the Donee/Borrower remained open to discussions during implementation while complying with supervision mission and joint review recommendations.	3
	d) Bank provided quality management oversight	The Bank provided quality programme implementation oversight through joint review missions with other donors (World Bank, European Union and bilateral partners).	3
BORROWER PERFORMANCE	(e) Borrower complied with:		
	Environmental Safeguards	This type of loan has no specific environmental requirements.	4
	Fiduciary Requirements	The technical and operational capacities of the procurement structures put in place after the adoption of the new Procurement Code were strengthened during training seminars. Internal and external audits were also strengthened through the Audit Institutions Support Project financed by the Bank.	3
	Disbursement Conditions	Conditions precedent to disbursements were met by the Donee/Borrower	4
	e) Borrower was responsive to Bank supervision findings and recommendations	The institutional mechanism established helped to enhance ownership and adherence of the various structures to the reforms recommended. The recommendations and conclusions made during supervision missions were not always implemented on time.	3

	(b) Borrower collected and used monitoring information for decision making	This aspect of the Borrower's role in implementation oversight can be considered satisfactory.	3
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G. COMPLETION

1. IS THE PCR DELIVERED ON A TIMELY BASIS, IN COMPLIANCE WITH BANK POLICY?			
	Date PCR was sent to pcr@afdb.org	Difference in months	WORKING SCORE (auto-calculated) If the difference is 6 months or less, a 4 is scored. If the difference is 6.1 or more, a 1 is scored
	12/22/10		4

Briefly describe the PCR Process. Describe the Borrower's and co-financers' involvement in producing the document. Highlight any major differences of opinion concerning the assessments made in this PCR. Describe the team composition and confirm whether a site visit was undertaken. Mention any major collaboration from other development partners. State the extent of field office involvement in producing the report. Indicate whether comments from Peer Reviewers were received on time (provide names and positions of Peer Reviewers).

[150 words maximum]

The preparation of the completion report began with a Bank mission comprising the Task Manager and a Consultant. This mission helped to collect all documents on programme implementation. The mission also held discussions with the senior officers of the Economic and Financial Programmes Monitoring Unit (CSPEF) of the Ministry of the Economy and Finance and the Public Finance Reforms Management Unit (UGR). On this occasion, the mission noted observations on the conditions of effective implementation of programme measures, particularly difficulties in implementing some structural measures (privatization which, for some enterprises, is not yet complete). The mission also discussed the programme outcomes with key development partners represented in Cotonou, notably the World Bank and the EU.

H. LESSONS LEARNED

Summarize key lessons for the Bank and the Borrower suggested by the programme's outcomes

The key lessons to be drawn from the implementation of the programme are:

1. In view of its realism and relevance to the country's reform concerns and limited number of measures, no major problems were faced in programme implementation;
2. Bank participation in joint programme reviews with other donors starting with GPRSSP II significantly helped to reduce the country's transactions cost as necessary adjustments of reform measures are now being made within a concerted framework involving all donors;
3. Some governance measures (public procurement, the fight against corruption) are difficult to implement. It is therefore necessary to lay more emphasis on them during dialogue with the authorities in future programmes;
4. The existence of a stable and relatively strong institutional base like the Economic and Financial Programmes Monitoring Unit (CSPEF) and a harmonized multi-donor framework were critical for the success of the programme, at least its "Improvement of Public Finance Management" component;
5. It is necessary to carry out an in-depth risk analysis during programme preparation and appraisal to better understand the context in which the programmes will be implemented; and

6. The pace of reforms should be maintained to ensure the sustainability of impacts on poverty reduction.

PROJECT RATINGS SUMMARY		
CRITERIA	SUB-CRITERIA	WORKING SCORE
PROGRAMME OUTCOMES	Achievement of outputs	2
	Achievement of outcomes	3
	Timelines	4
	OVERALL PROGRAMME OUTCOME SCORE	3
BANK PERFORMANCE	Design and Readiness	
	Project objectives were relevant to country development priorities	4
	Project objectives could in principle be achieved with the project inputs and in the expected time frame	2
	Project objectives were consistent with the Bank's country or regional strategy	4
	Project objectives were consistent with the Bank's corporate priorities	4
	The log frame presents a logical causal chain for achieving the project development objectives	3
	The log frame expresses objectives and outcomes in a way that is measurable and quantifiable	3
	The log frame states the risks and key assumptions	4
	Project complexity was matched with country capacity and political commitment	4
	Project design includes adequate risk analysis	4
Project procurement, financial management, monitoring and/or other systems were based on those already in use by government and/or	4	

	other partners. Responsibilities for project implementation were clearly defined.	
	Necessary implementation documents (e.g. specifications, design, procurement documents) were ready at appraisal.	4
	Monitoring indicators and monitoring plan were agreed upon during design.	4
	Baseline data were available or were collected during design.	3
	PROJECT DESIGN AND READINESS SUB-SCORE	3
	Supervision :	
	Bank complied with:	
	Environmental Safeguards	4
	Fiduciary Requirements	3
	Project Covenants	4
	Bank provided quality supervision in the form of skills mix provided and practicality of solutions	3
	Bank provided quality management oversight	3
	The PCR was scheduled for December 2006, resulting in a delay of 36 months	4
	SUPERVISION SUB-SCORE	4
	OVERALL BANK PERFORMANCE SCORE	4
BORROWER PERFORMANCE	Design and Readiness	
	Responsibilities for project implementation are clearly defined.	4
	Necessary implementation documents (e.g. specifications, design, procurement documents) are ready at appraisal.	4
	Monitoring indicators and monitoring plan are agreed upon and baseline data are available or are being collected.	3
	PROJECT DESIGN AND READINESS SCORE	4
	Implementation	
	Borrower complied with:	
	Environmental Safeguards	4

	Fiduciary Requirements	3
	Project Covenants	4
	Borrower was responsive to Bank supervision findings and recommendations.	3
	Borrower collected and used monitoring information for decision-making.	3
	IMPLEMENTATION SUB-SCORE	3
	OVERALL BORROWER PERFORMANCE SCORE	3

J. PROCESSING

STEP	SIGNATURE AND COMMENTS	DATE
Sector Manager Clearance	S. N'GUESSAN	1 April 2011
Regional Director Clearance	J.K. LITSE	3 May 2011
Sector Director Approval	I.N. LOBE	

REPUBLIC OF BENIN
ANNEXES OF THE GPRSSP III COMPLETION REPORT

ANNEX I:

PROGRAMME COST AND FINANCING BY SOURCE

Source of Financing	Actual Amount (in UA million)	Financing Instrument		
ADF	22.00	Grant and Loan		
World Bank	40.09	Budget Support Grant		
European Union	67.54	Reform Support Grant		
Netherlands	15.58	Grant		
Denmark	4.02	Grant		
Switzerland	0.93	Grant		
France	2.63	Grant		
Programme Total	152.68	Grants and Loan		

ANNEX II:

AFRICAN DEVELOPMENT BANK INPUTS

MISSION TYPE	MISSION DATE	TEAM MEMBERS/SPECIALTIES
Preparation	From 14 to 21 February 2008	- I. BOUABDALLI, Principal Economist, OSGE.2
Appraisal	May/June 2008	- I. BOUABDALLI, Principal Economist, OSGE.2
Supervision	From 28 May to 21 June 2009	- I. BOUABDALLI, Principal Economist, OSGE.2 - A. COULIBALY, OSGE.2
Mid-term review	NA	- BOUABDALLI, Principal Economist, OSGE.2
Completion	From 14 to 22 February 2011	- A. COULIBALLY, Principal Governance Expert, OSGE.1 - Mohamed S. IBRAHIM, Consulting Macroeconomist, OSGE.1

ANNEX III:

DEFINITION AND SCORING OF PEFA 2010 INDICATORS

PEFA 2010 review was not carried out.

ANNEX IV:

KEY ECONOMIC AND FINANCIAL INDICATORS 2008-2010

	2008	2009	2010	2011	2012
	2008	2009	2010	2011	2012
Annual percentage change, unless otherwise specified					
National Income and Prices					
GDP at constant prices	5.0	2.7	3.2	4.4	5.5
Consumer prices (annual average)	8.0	2.2	2.1	2.2	2.2
Money and Credit			...		
Net foreign assets	25.5	7.1	3.1	6.0	6.3
Domestic credit	24.3	12.3	3.1	6.0	6.3
Broad money supply	28.8	6.2	5.4	6.8	7.7
External sector					
Exports (in USD)	17.9	-9.1	3.3	7.5	9.2
Imports (in USD)	7.5	1.1	1.1	2.2	7.4
In percent of GDP, unless otherwise specified					
Savings and Investments					
National savings	12.8	16.3	17.2	16.7	17.6
Gross domestic savings	7.5	10.3	11.5	12.2	12.9
Public	1.7	1.7	3.2	2.5	3.3
Private	5.8	8.6	8.3	9.6	9.6
Gross Investment	20.8	24.8	25.1	24.4	24.9
Public	5.8	9.6	9.7	8.8	8.8
Private	14.9	15.2	15.4	15.6	16.1
External Sector			4.2		
Current account balance (excluding grants)	-9.0	-10.8	-9.7	-8.3	-7.9
Overall balance of payments	1.6	-1.6	-0.1	-0.3	0.3
Debt service/export ratio	3.2	4.5	5.9	6.2	5.9
Debt/GDP ratio (after MDRI implementation)	16.7	15.1	16.0	17.4	18.5
Financial operations of the State					
Total revenue	19.4	18.4	20.6	20.5	21.0
Total expenditure	22.9	25.7	26.5	26.1	25.8
Overall budget balance (commit. basis, excl. grants)	-3.5	-7.3	-5.9	-5.6	-4.8
Overall budget balance (cash basis, excl. grants)	-7.4	9.1	-6.4	-6.1	-5.2
For the record:					
Exchange rate (CFAF/ USD average)	445.5	470.0
Nominal GDP (in CFAF billion)	2 992.6	3 136.1	3 305.2	3 529.0	3 802.4
Population (mid-year in millions)	9.1	9.4	9.6	9.9	10.2
Nominal GDP per capita	736.2	711.3	770.1	795.6	829.9

Source: IMF Country Report No. 10/195 of June 2010 for the Republic of Benin

ANNEX V:

LIST OF REFERENCE DOCUMENTS

1. Growth and Poverty Reduction Strategy Support Programme (GPRSSP III)
2. PCR Format for Budget Support and Balance of Payments
3. Growth and Poverty Reduction Strategy Paper II 2007-2009
4. Report on Macro-economic Trends and Status of Reforms in Benin
5. PAAGF Status Report (1 January to 31 March 2010)
6. PAAGF Status Report (1 January to 31 March and April to 30 June 2010)
7. IMF Country Report 10/195 of June 2010 for the Republic of Benin
8. GPRSSP III Bank Supervision Reports