AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND

REPUBLIC OF BENIN

EXTENSION OF RESULT-BASED COUNTRY STRATEGY PAPER 2005-2009 TO 2011

REGIONAL DEPARTMENT WEST I
ORWA

MARCH 2010

CURRENCY EQUIVALENTS
(February 2010)

UA 1 = SDR 1
UA 1 = USD 1.554
UA 1 = EUR 1.112
UA 1 = CFAF 729.975

FISCAL YEAR

1st January – 31st December

ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
BCEAO	:	Central Bank of West African States
BOAD	:	West African Development Bank
CFAF	:	Franc of the African Financial Community
CODE	:	Committee on Operations and Development Effectiveness
ECOWAS	:	Economic Community of West African States
EU	:	European Union
FNRB	:	National Pension Fund of Benin
GDP	:	Gross Domestic Product
GPRS		Growth and Poverty Reduction Strategy
IFC	:	International Finance Corporation
IFIs		International Financial Institutions
IMF	:	International Monetary Fund
INSAE	:	National Institute of Statistics and Economic Analysis
LEPI	:	Permanent Computerized Voters' Register
MDG	:	Millennium Development Goal
PAGEFCOM	:	Communal Forest Management Support Project
PASCRP	:	Growth and Poverty Strategy Support Programme
PIP	:	Public Investment Programme
PRGF	:	Poverty Reduction and Growth Facility
RBCSP	:	Result-Based Country Strategy Paper
RENA	:	Comprehensive National Census
SDO		Strategic Development Orientations
SIGFIP	:	Integrated Public Finance Management System
SODECO	:	Cotton Development Company
SONACOP	:	National Petroleum Products Marketing Company
SONAPRA	:	National Agricultural Production Corporation
TFP	:	Technical and Financial Partner
UA	:	Unit of Account (ADB)
UBA	:	United Bank for Africa
WAEMU	:	West African Economic and Monetary Union
WB	:	World Bank

TABLE OF CONTENTS

ANNEXES

I. INTRODUCTION

1.1 The purpose of this Note is to apprise the Boards of the status of implementation of the 2005-2009 RBCSP (ADF/BD/WP/2005/63) and to request its extension to 2011 in order to align the subsequent RBCSP with the new national poverty reduction strategy currently being prepared.

1.2 The RBCSP mid-term review approved by the Boards in November 2008 (ADB/BD/WP/2008/148 - ADF/BD/WP/2008/97), had recommended that the pillars of the strategy be maintained, namely: (i) production diversification; and (ii) improvement of access to basic social services. During the 2005-2009 period, Bank operations in Benin contributed mainly to improving public finance management and access to education and health services. By the end of the strategy in December 2009, more than 70% of the lending programme agreed with the Government had been launched. It is necessary to pursue that programme in order to not only consolidate the outcomes already obtained but also to address the country's major production diversification challenges. The international financial crisis which had telling consequences on Benin's economic and financial situation in 2009, confirmed the weak results so far obtained in diversifying the country's sources of wealth. It also exposed the fragility of the macro-economic stabilization outcomes achieved.

1.3 Beyond the need to pursue the activities mapped out under the current pillars, the Bank also requires more time to prepare a new strategy that would draw useful lessons from past operations, especially with regard to the choice of areas of intervention. Ongoing reflections, inspired principally by the preliminary results of a portfolio review report being prepared, have to some extent guided the choice of activities that the Bank will undertake in Benin during the two-year extension of RBCSP 2005-2009.

II. RECENT MAJOR DEVELOPMENTS

Socio-political Situation

2.1 The political context in 2009 was dominated by preparations towards the next presidential and legislative elections scheduled for April 2011. On the social front, public administration was disrupted on several occasions by sit-ins and strikes by workers demanding bonuses and allowances.

2.2 On 23 November 2009, the Head of State launched a comprehensive national census (RENA) expected to lead to the preparation of a permanent computerized voters' register (LEPI). The attention of the entire political class has focused on the electoral register. Despite its promulgation by a legislative instrument as far back as 1998, the register has still not been prepared due to lack of consensual commitment by the political class. Its compilation will contribute to consolidating democracy in the country through a more credible and transparent electoral system. Several of Benin's external partners are committed to assisting the country in preparing this democracy-enhancing tool.

2.3 At the social level, disagreements between the Government and trade unions over workers' bonuses and other benefits led to strike actions that paralysed several ministries. To contain the social pressure, the Government in 2008 and 2009 granted incentives to some categories of civil service employees. Subsequently, however, it was compelled to freeze these incentives following their severe impact on the wage bill as well as the resulting wide disparities capable of creating feelings of injustice among workers. Consequently, the Government put in place a committee to review the situation with a view to streamlining the said incentives. However, as the next elections approach, the trade unions are likely to harden their position.

Macro-economic Situation

2.4 In 2009, the country was hard hit by the effects of the global financial crisis. Real growth slowed down considerably to 3% compared to 5.1 % in 2008 and an average of 4.5% in the last three years. The crisis led to the contraction of external trade, particularly re-exports to Nigeria. Furthermore, the decline of cotton production continued in 2009, thereby reducing the volume of cotton exports. At end July 2009, exports had reduced by 13%, compared to their 2008 level. Preliminary estimates by the authorities put the current account deficit at 10% of GDP compared to 8.3% in 2008.

2.5 The good performance of food production and agro-industry helped to offset the slow growth to some extent. The resulting improvement in local food supply contributed to reducing inflation to 4% compared to the record 8% of 2008 in the wake of the food crisis that affected most countries in the sub-region.

2.6 With regard to public finance, the Government's counter-cyclical policy aimed at supporting growth further worsened the budget deficit and misuse of the payment order procedures for expenditures. The reduced revenue from external trade, coupled with the ambitious public investment programme, contributed to widening the overall budget deficit (cash basis) to -10% of the GDP, compared to the projected -5.9%. This was compounded by a higher than expected rise in the wage bill to contain social pressures as well as the rollover of 2008 capital expenditures (CFAF 81 billion) to 2009. According to the IMF, Government overspending on its programme in 2009 amounted to 4% of the GDP.

2.7 Faced with the deteriorating financial situation, the Government in August 2009 adopted a number of measures, notably: (i) the control of bonuses, allowances and other benefits to civil servants; (ii) the regularization of 2006, 2007 and 2008 payment orders and, subsequently, the reduction to the barest minimum of the use of payment order procedures; (iii) the strengthening of budget monitoring with the involvement of the Treasury Committee; (iv) auditing of outstanding payments prior to settlement; and (v) the adoption of an emergency plan to improve tax revenue. Following an IMF mission in September 2009, the Government bolstered public finance recovery measures by deciding to block new commitments and carry over to the 2010 financial year CFAF 50 billion of investment expenditures planned for 2009. It also initiated steps to get the country's financial partners to mobilize supplementary budgetary support to meet the remaining needs of 2009 as well as the 2010 financing gap.

2.8 A moderate 3.5% growth is expected in 2010 with the significant improvement in public finances. However, support from the country's external partners is crucial to closing the financing gap estimated at 8% of GDP. The Government has already begun negotiations with the IMF for the signing of a new PRGF-supported programme. The previous programme, which covered the 2005-2009 period, was completed in August 2009 with a satisfactory rating by the IMF Board. Apart from the excessive use of bank financing to offset the budget deficit, all the quantitative criteria of the programme were met. Although borrowings from the national and sub-regional (WAEMU) banking systems do not, as at now, carry a debt overhang risk for the country, the Government in 2009 adopted a debt strategy designed to maintain the public debt at a sustainable level. It is worth noting that Benin has already benefited from debt relief under the enhanced HIPC and MDRI initiatives in 2003 and 2006, respectively. Since then, it has only resorted to concessional loans with regard to external financing.

Structural Reforms

2.9 For several years, the Beninese authorities have undertaken a series of reforms aimed at improving public finance management and economic recovery. While progress has been made in the former, the situation has been mixed in terms of structural reforms. Several measures pertaining to public finance management were carried out in 2008 and 2009, namely: (i) auditing of the computerized management of public expenditure; (ii) adoption of a medium-term enhanced public finance management strategy and a strategy for improving the financial situation of the National Pension Fund of Benin (FNRB).

2.10 With regard to economic recovery, the Government has for several years embarked on a reform of the cotton sector (the main export commodity), together with all the stakeholders of the industry as well as the development partners. The aim of the reform is to boost cotton production by strengthening the effectiveness of the agricultural input supply system through partial concession of management to the private sector. Thus, after a long process, the Government transferred the industrial tools of SONAPRA, a state-owned enterprise formerly responsible for managing the sub-sector, to a newly created mixed economy company (SODECO) set up in September 2008. In the financial sector, the Government withdrew from Continental Bank-Benin in September 2008 by transferring the parastatal shares valued at CFAF 15 billion, representing 56% of Continental Bank-Benin capital, to “United Bank for Africa (UBA) PLC” of Nigeria.

2.11 With regard to efforts to upgrade port installations to enhance the competitiveness of the Cotonou Port, the Government delayed the implementation of the reforms. It hopes to make up for the lost time in future. Plans are underway to construct two new berths, financed from the Millennium Challenge Account, to receive large capacity container ships. The International Finance Corporation (IFC) has been approached to handle the licensing process. The implementation of the One Stop Shop for Foreign Trade is also a major objective for the Government to render the Cotonou Port more attractive.

III. STATUS OF IMPLEMENTATION OF RBCSP 2005-2009

3.1 In June 2005, the Bank approved the Result-Based Country Strategy Paper (RBCSP) 2005-2009 for Benin with the following pillars**: (i) diversification of production; and (ii) broadening of access to basic social services**. The RBCSP was based on the country’s poverty reduction strategy (PRS) 2003-2005, but has remained in line with the subsequent strategy (GPRS 2007-2009). Through these two pillars, the Bank aimed at assisting the Government to meet four major challenges: (i) reduce the vulnerability of the economy by diversifying production; (ii) reduce slippages in the implementation of the Government’s strategy by improving governance; (iii) curb the low health infrastructure attendance rate; and (iv) improve the use of health services. This strategy was financed with ADF-10 resources to the tune of UA 52.5 million as well as ADF-11 resources whose 2010 allocation to Benin stands at UA 95.4 million. Table 1 provides the details of projects approved under the RBCSP and those programmed for the remaining ADF-11 resources.

3.2 Approved projects, totalling five, are mainly in the agricultural sector and multi-sector. As at 31 December 2009, only one project, namely the Second Poverty Reduction Strategy Support Programme (PRSSP-II), had been completed. As for the other projects, their disbursement varies between 0 and 53%. Annex 3 provides a summary of the status of the active portfolio, with disbursement rates as at 18 March 2010.

Table 1
Bank Operations in Benin under the RBCSP 2005-2009
(In UA million, unless otherwise indicated)

			Approved Projects					Programmed Project	
Sector	**Project**	**Window**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010-2011**	**TOTAL**
Agriculture	Communal Forest Management (PAGEFCOM)	ADF-10	35.0						60.0
	Dairy Cattle Support Project (PAFILAV)	ADF-11				25.0			
Multisector	Project in Support of Control Institutions (PAIC)	ADF-10	2.5						59.9
	Poverty Reduction Strategy Support Programme II (PASRP-II)	ADF-10		15.0					
	Programme in Support of Poverty Reduction III (PASCRP-III)	ADF-11					22.0		
	Institutional Support Project	ADF-11						10.4	
	Supplementary Budgetary Support (*)							10.0	
Infrastructure	Ouidah-Allada & Ndali-Nikki-Chikandou Nigerian Border Road Asphalting Project	ADF-11						33.7	33.7
TOTAL			**37.5**	**15.0**	**0.0**	**25.0**	**22.0**	**54.1**	**153.6**

Source: African Development Bank
(*) Financing will be from resources derived from the portfolio restructuring

3.3 In view of the relatively low implementation rate of these projects, their impact on the country's situation is hard to measure. However, the RBCSP mid-term review at end 2007 shows that, overall, the country's macro-economic and social situation has improved. Notwithstanding, growth has fallen short of expectations and does not contribute significantly to poverty reduction. Besides, the slowness in implementing reforms in key sectors of the economy has hampered production diversification. The economy remains highly centred on cotton industry and external trade activities, particularly re-exports to the big neighbour, Nigeria. Therefore, economic diversification continues to be a major impediment to achieving strong growth that is less vulnerable to external shocks.

3.4 With regard to economic governance, positive results were obtained in organizing internal expenditure control, thanks to the Bank's support to control institutions, especially the State Inspectorate General. Henceforth, efforts should be channelled to external control and public procurements where significant lapses persist. Annexes 1 and 2 relating to the RBCSP mid-term results provide the details of the outcomes at end 2007. Overall, the expected outcomes under Pillar 1 were only partially achieved compared to those of Pillar II, which were fully achieved. Hence, there is need to pursue efforts for greater diversification of the economy.

3.5 Data from the National Institute of Statistics and Economic Analysis (INSAE) indicate that monetary poverty has declined somewhat over the past three years, from 37.4% in 2006 to 33.3 % of the population in 2008. Rural poverty has also fallen, reflecting an improvement in the income of farmers over the period. In the social sectors, it is noted that the health infrastructure attendance rate by the population increased from 44% in 2006 to 45.6% in 2008. Similarly the immunization coverage rate rose from 92% in 2006 to 94.2% in 2008. However, it is worth noting that the slow growth rate observed in 2009 could wipe off these results if vigorous action is not taken to revitalize the economy and strengthen governance.

3.6 The Bank strategy ended in December 2009, as did the National Growth and Poverty Reduction Strategy (GPRS 2007-2009) on which it is based. The RBCSP completion report being prepared will incorporate lessons drawn from the portfolio review. However, the preparation of the new Bank strategy has so far not commenced as a result of delay by the Government in adopting a new national strategy. Initially planned to be available in December 2009, the preparation of the strategy was extended to 2010. The Government decided to take more time in preparing a new strategy that would cover a longer period (five years). Previous national strategies spanned three years only.

3.7 It is worth noting that although the GPRS 2007-2009 has run its course, the core thinking that guided its preparation remains topical. The GPRS 2007-2009 was based on the strategic thrusts contained in the Strategic Development Orientations (SDO) 2006-2011. Adopted in 2006 following the formation of the new Government emanating from the April 2006 presidential elections, the SDO mapped out the key strategic thrusts that should guide the country in all its actions over the 2006-2011 period. The six strategic thrusts focus mainly on: (i) sanitization of the macro-economic framework; (ii) infrastructure development; and (iii) human capital development. Consequently, same as the priorities defined in GPRS 2007-2009, the RBCSP 2005-2009 pillars are in line with the strategic thrusts of SDO 2006-2011.

IV. BANK STRATEGY FOR THE 2010-2011 PERIOD

4.1 The Bank's strategy for the 2010-2011 period is an extension of the RBCSP 2005-2009, namely the pursuit of production diversification and the strengthening of access to basic social services. Several factors have motivated the decision to maintain the RBCSP pillars until 2011, namely: (i) their alignment with the country's Strategic Development Orientations (SDO) which cover the 2006-2011 period; and (ii) the need to pursue and strengthen some actions under the strategy in connection with the country's recent economic and social development. Furthermore, the extension of the strategy to 2011 will help complete all ADF-11 activities, leaving enough time for the preparation of a new RBCSP in line with the country's new priorities, based on a comprehensive diagnosis of the major constraints. Several reports and analytical work aimed at enriching the RBCSP are ongoing (among which the RBCSP 2005-2009 completion report[1], the portfolio review conducted in October 2009 and a number of analytical studies on the key sectors of the economy).

Bank's Strategic Objectives in 2010 and 2011

4.2 During 2010-2011, the Bank will mostly seek to attain the objectives under Pillar I of the RBCSP, namely: (i) reduce economic vulnerability by diversifying production; and (ii) reduce slippages in the implementation of Government strategy by improving governance. The Table in Annex 3 gives details on the outcomes expected from implementing the RBCSP in 2011.

4.3 **Production diversification**: One of the major constraints to production diversification lies in the isolation of some production zones due to the poor quality of the road network. Furthermore, the Cotonou Port - which is one of the main links on the country's economic chain - cannot improve its competitiveness without a road network that meets international standards. The Bank will contribute to lifting that constraint by helping to finance road infrastructure. That is one sector in which the Bank has comparative advantage in Benin. One of the lessons drawn from the ongoing portfolio review is that infrastructure projects financed by the Bank in Benin perform better than projects in other sectors.

4.4 **Economic stabilisation**: As stated in the introduction, the impact of the financial crisis on the country exposed the fragility of its macro-economic and financial situation. The resulting export contraction worsened the external current account deficit in 2009 and generated serious tension on public finances. Despite the recovery measures taken by the Government in 2009 and

[1] The preparation of the completion report was started during the last quarter of 2009, however, its completion will be delayed to cover also the extension of the RBCSP.

strongly encouraged by the IMF, CFAF 50 billion of expenditure scheduled for 2009 was moved to the 2010 fiscal year in order not to accumulate arrears of payment. Based on discussions with the IMF, it was decided that the Government adjust its income and expenditure projections with a view to reducing the budget deficit to 6.5% of GDP, compared to 10% in 2009. This deficit level implies a financing need of at least CFAF 50 billion (UA 68 million) to balance the budget. The Government has sent requests to all the development partners to assist it in filling the financial gap. To consolidate achievements made in recent years in macro-economic stabilisation, the Bank will intensify its support for economic and financial reforms. Based on recent economic developments in the country, the Bank will increase its budgetary assistance, in consultation with the other donors.

4.5 **Governance**: improved economic governance also remains one of the key objectives to reach during the RBCSP extension period. Although actions taken by the Bank in recent years certainly contributed to strengthening the internal control of public expenditure, efforts remain at the external control level. Furthermore, the Government obviously has a crucial need to build capacity in terms of the business climate. Consequently, the Bank will pursue action geared towards building institutional capacity in financial management, including a component on improving the business climate.

Activities Linked with the Strategy

4.6 To attain the objectives of the strategy, the lending programme drawn up in 2008 within the framework of the RBCSP has been slightly modified. All activities retained for the period fall within the ambit of RBCSP Pillar I and are in tune with the Government’s current priorities. Hence, the Rural Electrification Project and the Vocational Centres Construction Project initially planned have been replaced with the Ndali-Nikki-Chicandou-Nigeria Border Road Asphalting Project, which is an extension of the Djougou-Ndali Road Section already financed by the Bank.

4.7 **The Ndali-Nikki-Chicandou-Nigeria Border Road Asphalting Project**: As part of Benin’s strategic roads, this project will contribute to improving traffic flow between Cotonou Port and countries in the hinterland. The project falls squarely within the production diversification framework since it will help to boost the growth and development poles, and improve access to local and regional markets for farm produce. Apart from its priority nature, the studies needed for its implementation were advanced enough to enable its financing by the Bank, contrary to the two other projects that have been postponed. At a total cost of UA 36.85 million, the project will be financed with ADF-11 resources to the tune of UA 33.68 million.

4.8 **Supplementary budget support**: to consolidate the macro-economic framework and support economic and structural reforms, the Bank will grant the country supplementary budget support amounting to UA 10 million. The support will enable the Government to pursue the implementation of reforms scheduled under the Third Growth and Poverty Reduction Strategy Support Programme (PASCRP III) approved by the Bank in April 2009. These reforms aim principally at strengthening financial management and improving the public procurement system and the business climate.

4.9 The additional UA 10 million earmarked by the Bank and contributions from other donors, especially the World Bank, will help to fill the financing gap. The World Bank, which initially planned to provide USD 20 million as budgetary assistance, decided to increase the facility to USD 30 million. Pursuant to the exceptional arrangements made by the Bank for ADF countries in its response to the financial crisis, the financing of this supplementary budget support will be drawn from resources derived from restructuring the Bank’s operations portfolio in Benin. Following a portfolio review mission fielded by the Bank in October 2009, the Government made an official request for the restructuring of three projects that stand little chance of attaining their set objectives. The restructuring will be undertaken after consideration of the portfolio review report by CODE. The Bank's supplementary budget support and World Bank support will be provided only after a new evaluation of the country's economic and financial situation by IMF services. The said evaluation is scheduled for end first quarter of 2010.

4.10 **Institutional support**: Concerning enhanced governance and improvement of the business climate, the Bank will finance a UA 10.4 million Institutional Support Project. To be designed in collaboration with the World Bank and the European Union, the project will engender a number of measures aimed at strengthening organs in charge of public expenditure external control and structures providing support to the private sector.

Other Activities and Risks Related to Implementation of the RBCSP Extension

4.11 Within the framework of preparing the new Bank strategy for the 2011-2015 period, provision has been made to conduct a number of project studies to enrich the pipeline of projects potentially eligible for Bank financing. Hence, a total UA 4.32 million from the ADF-11 allocation for the country will be used to conduct these project studies. The Government has already sent requests to the Bank for financing road infrastructure and urban development studies. As a priority, the Bank will examine studies concerning projects already listed on the country's Public Investment Programme that are likely to be funded under the next CSP.

4.12 The major risk that could undermine the implementation of the strategy in 2010-2011 relates to the socio-political environment at the approach of the next presidential and legislative elections due to start in April 2011. However, this risk is mitigated by the expressed desire of the Government to maintain a viable socio-economic framework during the period. At the social level, that desire is reflected in the strengthened dialogue between the Government and the workers union and, at the economic level, by the progress in negotiations with the IMF to sign a new economic programme in 2010.

V. CONCLUSIONS AND RECOMMENDATIONS

5.1. **Conclusions.** The Government started the preparation of its new poverty reduction strategy paper in July 2009. Its finalization initially set for December 2009 was postponed to the first half of 2010 to make for greater involvement of the population in its design. This situation has delayed the preparation of a new country intervention strategy by the Bank. In order to strengthen the impact of action already undertaken within the RBCSP 2005-2009 framework and have sufficient time to prepare a new strategy aligned with Government priorities, it is proposed that the Bank extend the RBCSP 2005-2009 to 2011.

5.2. **Recommendations.** The Boards are invited to approve the extension of the RBCSP 2005-2009 to 2011.

Annex 1

Implementation of the RBCSP – Outputs under Pillar 1

Long-term Outcomes	Expected CSP Outcomes in 2007	Outcomes Obtained in 2007
1.1. Create a pro-growth business environment	1.1.1. Increase economic growth to 6%.	NOT ACHIEVED- Growth was 4.2% in 2007.
	1.1.2. All cotton ginning enterprises are privatized.	NOT ACHIEVED – The Government intends to undertake discussions on a general reform of the sector in 2008 before resuming the privatization process.
	1.1.3. Dialogue between Government and private sector improves.	ACHIEVED – A Parity Partnership Organ (OPP) was created in July 2005. In June 2006, the OPP published the Health Development Policy and Strategies for the 2006-08 period.
	1.1.4. A private sector promotion plan is formulated.	ACHIEVED - The Government adopted a private sector development policy letter in September 2006. The Government also initiated development programmes for the micro-finance, industry and trade sector.
1.2. Promote good governance and build institutional capacity	1.2.1. Regulatory instruments to improve the public expenditure control system are adopted.	ACHIEVED - The Government promulgated a decree in 2006 on the re-organization of control bodies. The State General Inspectorate (IGE) is operational and has already begun audits resulting in the dismissal on 12 November of the Directors of the Cotonou Ports Authority and of SOGEMA.
	1.2.2. The budget review bills are prepared, scrutinized by the Court of Accounts (Chamber) and submitted to Parliament within the legal timeframe.	PARTIALLY ACHIEVED – The National Assembly (NA) has already passed the 2001 budget review law. The 2002 budget review bill has been forwarded to the NA, but has not yet been passed. The other review bills will be delayed.
1.3. Enhance the competitiveness of the agricultural sector and increase farmers' income	1.3.1 Implement participatory forestry management plans for six classified forests.	ACHIEVED – Participatory management plans have been formulated in six localities and cover 19 classified forests.
	1.3.2 Increase the share of private and public investments in the agricultural sector.	ACHIEVED – The share of public investments in the agricultural sector increased in 2007 and this should continue in 2008.

Annex 2

Implementation of RBCSP – Outcomes under Pillar 2

Long-Term Outcomes	Expected Outcomes in 2007	Outcomes Obtained
2.1. Improved access, quality and use of health interventions that help to reduce child and maternal mortality and ensure management of epidemics.	2.1.1. The health infrastructure coverage rate rises from 83% in 2001 to 90% in selected poor health zones.	**Achieved** – Health coverage rose to 90 % nationwide in 2006. Increased health services attendance rate by the population from 37% in 2005 to about 44% in 2006
2.2. Increased access by the population to quality health services.	2.2.1. Mechanisms for financing pro-poor services are put in place and assessed.	**Achieved** – Establishment in 2005 of a pro-poor fund in 19 health zones in the country. In 2007, the number of zones covered increased to 34.
	2.2.2. Obstetrical coverage increases from 34.6 to 55% in the Bank's intervention areas.	**Achieved** – The rate of births attended by medical and paramedical personnel was estimated at 82% in 2006, far above the 77% target. Ante-natal consultation rate is also in line with the 91% target.

Annex 3

Expected Outcomes in 2011

Bank Strategy		Expected CSP Outcomes in 2010
Promote wealth creation	Create an enabling environment for growth	1.1.1. Increase real GDP growth to 7%;
		1.1.2 Public service enterprises are privatized in line with the new schedule decided by the Government;
		1.1.3. The cost of technical factors of production decreases by 10%;
		1.1.4. Administrative impediments to private investment are reduced in accordance with FIAS recommendations;
		1.1.5. Land certificates are used to mobilize resources.
	Increase competitiveness of the agricultural sector	1.3.3 Increased agricultural services are provided to farmers
		1.3.4 The income of the beneficiary communities increases by an average of 10% in the ADF intervention areas
	Promote good governance	1.2.1. Duration of public expenditure processing reduces by 50%
		1.2.2. All priority sectors have MTEF-backed programme budgets in 2009
Improve access to basic social services	2.1. Improve accessibility, quality and use of health facilities that help to reduce child and maternal mortality and ensure management of epidemics.	2.1.2. Maternal mortality rate decreases from 485 deaths per hundred thousand births in 2001 to less than 388 (reduction by at least 20 %)
		2.1.3. Child mortality rate reduces from 89 per thousand in 2001 to less than 75 per thousand in 2009 (reduction by at least 15%)
	2.2. Increase access by the population to quality health services	2.2.1. From 2002 to 2009, the rate of curative consultation increases from 32% to 60% in Zou Province, and from 30% to 50% in Donga Province
		2.2.2. CPN coverage rate increases from 70% in 2002 to 90% in 2009 in Donga Province

Annex 4

Bank Operations as at 18 March 2010

Project	Source of Financing	Approval Date	Date of Effectiveness	Closing Date	Amount Approved	Amount Disbursed	% of Disbursement
AGRICULTURE					**86,440,000**	**22,243,683**	**25.7%**
MONO AND COUFFO RURAL DEVELOPMENT SUPPORT (PADMOC)	ADF Loan	18.04.2001	30.09.2003	31.12.2010	9,130,000	4,854,079	53.2%
FUEL WOOD PROJECT-PHASE II(PBF II)	ADF Loan	31.10.2001	09.12.2004	30.06.2010	10,000,000	5,775,094	57.8%
ARTISANAL FISHERIES PROGRAMME (PADPPA)	ADF Loan	27.11.2002	10.01.2004	31.12.2011	7,310,000	2,847,752	39.0%
COMMUNAL FOREST MANAGEMENT SUPPORT (PAGEFCOM)	ADF Grant	06.07.2005	18.10.2006	31.12.2012	15,760,000	6,245,590	39.6%
COMMUNAL FOREST MANAGEMENT SUPPORT (PAGEFCOM)	ADF Loan	06.07.2005	18.10.2006	31.12.2012	19,240,000	2,521,168	13.1%
DAIRY-MEAT SECTOR DEVELOPMENT SUPPORT (PAFILAV)	ADF Loan	27.11.2008	20.01.2010	31.12.2015	25,000,000	0	0.0%
TRANSPORT					**22,910,000**	**17,513,115**	**76.4%**
DJOUGOU-NDALI ROAD REHABILITATION PROJECT	ADF Loan	22.07.2003	11.03.2005	30.04.2010	11,110,000	8,776,052	79.0%
DJOUGOU-NDALI ROAD REHABILITATION PROJECT	NTF Loan	22.07.2003	11.03.2005	30.04.2010	4,000,000	3,996,805	99.9%
POBE-KETOU-ILLARA ROAD REHABILITATION PROJECT	ADF Loan	29.09.2004	16.02.2006	30.11.2011	7,800,000	4,740,258	60.8%
SANITATION					**10,740,000**	**2,327,775**	**21.7%**
RURAL WATER SUPPLY AND SANITATION PROGRAMME	ADF Loan	10.11.2004	05.06.2007	31.12.2010	10,740,000	2,327,775	21.7%
ENERGY					**12,320,000**	**10,317,299**	**83.7%**
SECOND RURAL ELECTRIFICATION PROJECT	ADF Loan	29.10.2003	08.12.2004	30.11.2010	12,320,000	10,317,299	83.7%
SOCIAL					**48,700,000**	**17,802,678**	**36.6%**
EDUCATION IV	ADF Loan	04.12.2002	03.10.2005	31.12.2009	12,000,000	1,049,083	8.7%
HEALTH SYSTEM DEVELOPMENT III	ADF Loan	22.04.2005	28.12.2005	31.12.2011	22,000,000	4,700,725	21.4%
HUMAN RESOURCE DEVELOPMENT PROGRAMME	ADF Loan	15.03.2000	17.12.2001	31.12.2009	10,000,000	8,136,570	81.4%
HUMAN RESOURCE DEVELOPMENT PROGRAMME	Don FAD	15.03.2000	06.12.2001	31.12.2009	2,000,000	1,992,391	99.6%
HIV/AIDS CONTROL SUPPORT PROJECT	ADF Loan	23.06.2004	03.10.2005	30.06.2010	2,700,000	1,923,908	71.3%
MULTISECTOR					**24,500,000**	**12,337,535**	**50.4%**
SUPPORT TO CONTROL INSTITUTIONS	ADF Grant	29.06.2005	30.11.2006	30.06.2010	2,500,000	1,337,535	53.5%
SUPPORT TO POVERTY REDUCTION III (PASCRP-III)	ADF Loan	29.04.2009	08.10.2009	31.12.2010	11,000,000	11,000,000	100.0%
SUPPORT TO POVERTY REDUCTION III (PASCRP III)	ADF Loan	29.04.2009		31.12.2010	11,000,000	0	0.0%
TOTAL NATIONAL PROJECTS					**205,610,000**	**82,542,085**	**40.1%**
MULTINATIONAL					**10,690,000**	**1,318,072**	**12.3%**
INTEGRATED INVASIVE AQUATIC PLANTS MANAGEMENT PROJECT	ADF Loan	22.09.2004	28.10.2005	31.12.2011	1,240,000	309,106	24.9%
NERICA BENIN DISSEMINATION PROJECT (PDRN)	ADF Loan	26.09.2003	20.03.2005	31.12.2010	1,450,000	744,129	51.3%
COTTON-TEXTILE INDUSTRY SUPPORT PROJECT	ADF Loan	29.11.2006	27.02.2008	31.12.2013	8,000,000	264,837	3.3%
GRAND TOTAL					**216,300,000**	**83,860,158**	**38.8%**