

## Benin

*Thomas Bierschenk, Elisabeth Thioléron and Nassirou Bako-Arifari\**

*Under Benin's neo-patrimonial multi-party democracy, political continuity and social peace have been achieved at the cost of political immobilism. Major reform projects have advanced very slowly at best, relying heavily on donor-financed expertise and external pressure. At the same time, poorly co-ordinated and rather clientelistic aid has been a major factor in limiting the coherence of government action. This article suggests that it would be unrealistic and even dangerous, under these conditions, to expect very much very fast from the PRSP approach in Benin. The 'regime change' that is called for will require at least a substantial shift in donor behaviour, co-ordinated progress with stalled public management reforms and a step-change in the politics of reform in the country.*

It has been said that 'Institutionalising the impetus of reform requires a deliberate effort to take the issue of poverty beyond narrow agendas to make it a truly national concern – and a subject of national debate and decision-making. In other words, it means transforming poverty reduction into a non-partisan issue, well beyond the concern of the current government – or, for that matter, of particular donors and their funding modalities' (UNDP, 2001: 6-7). This article assesses to what degree this is happening in Benin. In particular, it analyses whether the new elements introduced into IFI conditionality since the beginning of the Enhanced HIPC process are leading to poverty reduction plans that benefit from country ownership and, therefore, promise to be more effective.

The article is based on two field missions, in November 2000 and June 2001, a report submitted to the Strategic Partnership with Africa (SPA) in September 2001, and an updating of this with information on events up to July 2002. It thus reflects the authors' state of knowledge up to the end of July 2002.

The article contains five substantive sections. The next section sets out the country context, the third explains the scope and limits of the PRSP process in Benin, while the fourth assesses the prospects for the institutionalisation of a new approach to poverty reduction policy in the country. The fifth and sixth sections briefly review the prospects for PRSP monitoring and a new approach to the aid relationship.

---

\* Respectively, Johannes Gutenberg University, Mainz, Germany; ODI Associate, Paris; and National University of Benin, Cotonou.

## Poverty reduction and the policy context

### *Macroeconomic performance and poverty*

Benin is one of the poorest countries in the world, ranking 151st on UNDP's HDI list of 174. The Beninese economy is almost entirely 'informal'. There are virtually no manufacturing industries. Agriculture accounts for approximately 40% of GDP and provides 70% of domestic exports and 75% of all employment. Cotton is the only significant export. The economy remains inherently fragile, because of its dependence on world market prices for cotton and on the overall business environment in Nigeria, to which the Autonomous Port of Cotonou largely caters.

Economic growth has been positive in recent years, averaging 5% between 1995 and 1999, and attaining 5.3% in 2000. A number of signs tend to indicate that growth may be sustained in the coming years, provided there are no external shocks. However, neither good macroeconomic performance nor the various poverty reduction initiatives of the last ten years have succeeded in reducing poverty. The impact of growth has been considerably reduced by high population growth rates during the same period, with average real per capita growth not exceeding 2.3%.

The country is heavily dependent on aid, which financed over 30% of public expenditures and 80% of public investments over the 1992-7 period. Undoubtedly, the country's good democracy and human rights track record since the 1990s has impacted positively on development aid levels. This phenomenon is referred to in Benin as the 'democracy bonus' (*prime de la démocratie*).

Because of administrative and other shortcomings, however, relatively little of this aid is absorbed. According to the most recent *Rapport sur l'état de l'économie nationale* (République du Bénin, 1999), Benin consumes barely one-third of all external aid committed (only 52% of loans and 28% of grants were disbursed in 1999). To increase the efficiency of service delivery the government is increasingly targeting vulnerable groups via decentralised co-operation. This orientation is contributing to the proliferation of national and international NGOs operating in Benin.

External debt stood at US\$1.3 billion in 1999. After submitting an interim PRSP in late 2000, Benin became eligible for the Enhanced HIPC initiative, under which total debt reduction would be US\$460 million over a 20-year period.

### *An incomplete democracy*

Benin is often cited as a model democracy in the African context. The peaceful regime change of 1989/90, referred to locally as the 'democratic renewal', followed a long period of 'Marxist-Leninist' rule starting in 1972. Since 1989, presidential and parliamentary elections have been fair and free. The country enjoys free and lively mass media, and there are no political prisoners. Benin has also been spared major outbursts of ethnic and social violence since 1991. In view of the regional context which is not very enabling in this respect, this must be acknowledged as a major political achievement of the country's political elite.

Despite these achievements, the institutionalisation of a pluralist democracy and the rule of law triggered by the democratic renewal have remained in important respects

incomplete. Both on the national and on the local level, the political system is characterised by a high degree of clientelism, institutional and legal pluralism, politicisation of administration, rampant corruption and weak state regulatory and implementation capacities. The country's heavy dependence on aid is the context for the prevalence of rent-seeking in the closely articulated economic and political spheres.

The type of political system currently in place at the local level could be described as a 'negotiated political order' that is neither democratic nor despotic. Rather, it is based on the principle of participation via clientelist networks dominated by local elites (Bierschenk, 1999; Bierschenk and Olivier de Sardan, 1998). One of the major features of this system is its high degree of institutional and legal pluralism. Local political arenas are multi-centred, with representatives of the central government unable to impose decisions on powerful local players. Local civil societies are barely developed and hardly differentiated from political elite networks.

In this context, development strategies – like the PRSP approach – that assume a clear distinction between the spheres of politics, the economy ('private sector') and civil society seem somewhat naïve, as they do not take account of this peculiar form of local governance. At the national level, democratisation has remained incomplete in important aspects, and administrative and economic governance pose serious problems.

### *Politics and civil society*

To begin with, the national political system is highly biased in favour of the executive, and in particular the President. President Kérékou first held power, following a military coup, between 1972 and 1989. As a result of democratic elections, he has been able to regain and maintain this function from 1996 to the present. Throughout these periods, he has been very skilful in consolidating his position by associating, via clientelist links, a maximum number of segments of local and regional elite networks with the government machinery.

A disadvantage of Benin's 'inclusive' political regime is that it systematically weakens public debate. Opposition is either bought off or isolated. Parliament and its 83 members can easily be bypassed in the legislative and budgetary process. This is compounded by the inability of political parties to organise policy debates. Parties are very light structures built around the personal ambitions of individual politicians (or coalitions of 'big men' in the case of the larger parties) who are as a rule also their main sponsors. MPs and parties are not elected on the basis of a programme, but function as a link between the electorate of a given area and the national centres of power.

Benin has a flourishing associational sector. Some associations such as religious communities have a long history going back to colonial times; some have existed since the revolutionary period (1972-89) but might have benefited from liberalisation after 1990 (for example, community organisations, trade unions, professional associations); others appeared only just before or after the democratic renewal in the early 1990s (for example, NGOs, local development associations, cultural associations, agricultural producers' associations). In 1999, it was estimated that there were more than 5000 NGOs in Benin, more than 3000 of which were officially registered (UNDP, 2000: 66).

The majority of Benin's NGOs, however, exist only on paper, and they are hardly autonomous from the state. Leaders of many so-called civil society organisations (CSOs) have multiple identities and straddle the world of politics and the private sector.

Hence, in the Benin context, the distinction between civil society, the state and the market sector underlying much of the present development discourse needs to be seriously qualified.

The liveliness of Benin's media and the freedom of speech they enjoy are an essential component of the country's image as an African (model) democracy. However, in practice very few of Benin's media could be expected to run an in-depth discussion of PRSP and other policy choices on their own initiative and resources.

### *Implications for anti-poverty programmes*

Under Benin's neo-patrimonial multi-party democracy, political continuity and social peace have been achieved at a cost: political immobilism. Since the successful completion of the 'democratic renewal', all major reform projects have advanced only very slowly or have stalled. In each case, the initiative for these reforms came from outside; the formulation of reform projects relied to a large extent on foreign, and foreign-financed, expertise; and the degree of implementation was directly correlated with the degree of pressure from Benin's foreign donors.

Poorly co-ordinated aid – with each donor pursuing its own agenda, creating its own local clientele within and outside the government administration, working according to different funding cycles, timeframes and procedures – has been a major factor in limiting the coherence of government action. It has reduced even further the government's weak arbitration and regulation capacity. Actions are undertaken not because they are seen as priorities for the development of the country, but because they bring external financing.<sup>1</sup> Furthermore, clientelist politics, which we have identified as a major feature of Benin's political system, are encouraged and stabilised by institutionalised aid dependency.

Nonetheless, Benin has a long history of anti-poverty policies and programmes dating back to the late 1980s, with a rhetoric that, from the mid-1990s onwards, increasingly resembles that of the current PRSP approach. These programmes were initiated in close co-operation with, sometimes by, foreign donors, and they were often formulated following national consultative exercises, a 'National Conference', a 'Round Table' or the like. There are thus important continuities of approach between the PRSP and what came immediately before. In the eyes of local stakeholders, the current approach differs from previous programmes mainly in that the IMF and the World Bank have decided to address poverty issues within the macroeconomic framework. Consequently, the lead for poverty reduction has moved from the Planning Ministry to the Finance and Economics (F and E) Ministry.

### **The PRSP process**

The process for elaborating a poverty reduction strategy in Benin in relation to HIPC Initiatives 1 and 2 has been slow, compared with other countries in Africa and elsewhere. For most of 2000, there was a tug of war between the Finance and Economics Ministry and the Planning Ministry regarding who would conduct the process. Then the March 2001 presidential elections paralysed all political activity for

---

1. This theme is particularly well documented for West Africa. See, for example, Naudet (2000).

months, delaying in particular the setting up of the institutional framework and the consultations with civil society. Only when the results were known and the new government of President Kérékou was in place did the CNDPL (National Commission for Development and the Fight against Poverty) become effective and consultations with civil society finally begin.

In early 2001, the PRSP Technical Secretariat (TS/PRSP) commissioned five preparatory desk studies from national consultants. These studies synthesise existing research on the causes of poverty; identify its structural causes; evaluate major social, economic and financial policy initiatives since 1990 and their impact on poverty (two studies); and propose an institutional framework for the implementation of the Poverty Reduction Strategy. The studies were finalised during the summer of 2001.

### *Participation in the process*

At the same time, a series of consultations were conducted at different levels: ministerial, national with participation of civil society organisations (CSOs), such as the so-called 'National Forum on the Acceleration of Economic Growth', and six departmental seminars also with CSO participation, one for each pair of departments (provinces). These provincial seminars were financed by the German GTZ and organised by one of the major national NGO/consultancy firms with which GTZ has long-standing contacts. This company had to work under enormous pressure.

Each meeting lasted three days. In each case some 65 participants, selected by the organising consulting firm in agreement with local government representatives, were invited: 30 from civil society, 34 from the regional government administration and 1 Member of Parliament. The seminars were conducted entirely in French, with no interpretation into local languages. Bearing in mind that the majority of Benin's population do not speak French, this was a fairly serious limitation. On the other hand, the consultations marked the first occasion since 1989 that high-level technicians from central government had toured the country to explain government policy initiatives to the population.

Participants whom we interviewed (whether from CSOs, Parliament, government or the donor community) regarded the utility of the provincial and national seminars as somewhat limited for two reasons: first, the tight timetable which did not allow serious preparation, and secondly, the impossibility for a meeting of this kind to prioritise problems and needs. In particular, CSO representatives were said to have attended the seminars in a trade unionist kind of spirit, for example to defend their particular interests.

The results were labelled 'shopping lists' by some. In any event, the general feeling was that there were very few new themes, i.e. ones not already dealt with in the voluminous poverty literature. Exceptions would be a number of socio-cultural aspects that would be difficult, however, to address by any policy (for example, cultural reasons for people not using latrines, etc.), and a certain sensitisation of senior officials to the day-to-day problems of implementing government decisions on the ground.

An example was the widespread absenteeism of primary school teachers in rural areas. The problem is, of course, well known to villagers and to any observer who has ever spent some time in rural areas. However, for the technicians from the Technical Secretariat of the *Commission Nationale de Développement et de Lutte contre la*

*Pauvreté* (CNDLP) who participated in these seminars, this was an aspect of the actual functioning of public services of which they may have been unaware up to then.

### *The PRSP and the government's programme*

Throughout the middle months of 2001, the incoming government of President Kérékou was preparing a programme covering its 2001-5 mandate (*Programme d'Action du Gouvernement/PAG*). It seems that this was carried out as a parallel process to the PRSP preparation, with no reciprocal inputs. (It is, however, possible that some of the high-level staff, especially from the F and E Ministry, were also involved in the government programme.) The programme was officially adopted in October 2001, together with the results of the UNDP-sponsored Long-term Perspective Study to which the government programme explicitly refers.

In the meantime, considerable slippage set in in the drafting of the full PRSP. It seems that the full drafting committee never met, some of the key actors systematically sending low-ranking deputies. It should be noted that the drafting of the PAG was co-ordinated by the *Ministre d'État Chargé de la Coordination de L'Action Gouvernementale, de la Prospective et du Développement* (MECCAG/PG), while the drafting of the full PRSP was undertaken by the lead F and E Ministry. In other words, the tug-of-war which had blocked progress on the PRSP in late 2000 and early 2001, resurfaced in late 2001.

Consequently, nothing happened until a small TS/PRSP delegation, including the Technical Secretary and his deputy, visited Washington in February 2002 to consult with the World Bank and the IMF. In March 2002, the draft was sent to other donors. Both groups of interlocutors were quite strongly critical of it, in particular of (i) the restricted (purely monetary) definition of poverty; (ii) the weak diagnosis of the regional incidence of poverty and its structural causes; (iii) the absence of a coherent link between the diagnosis and the strategies proposed; and (iv) the lack of prioritisation and budgeting of the proposed actions. It was also noted that in reality the government was giving the PRSP second priority behind its Five-Year Development Plan and the Long-Term Perspectives Study.

In late April and early May 2002, the draft was also discussed in a second round of departmental consultations that were meant to produce poverty reduction strategies and proposals for a decentralised monitoring and evaluation system (via *Comités départementaux de suivi* (CDS), see below). This time, each *sous-préfecture* was represented at the meetings.

Despite the severe criticism by all major donors (which the TS/PRSP accepts only in part), the government remained optimistic that it would produce a satisfactory draft PRSP by the end of May 2002, which would be endorsed by the joint Boards of the IMF and the World Bank. It was difficult to see how the draft could be dramatically improved in such a short time.<sup>2</sup> However, the government's optimism may have been politically realistic in view of Benin's past record of successfully playing the

---

2. In our view, its quality is not a result of poor analytical capacity in the relevant administrative services as such. Rather, it is the result of an inherently poor capacity for efficient teamwork among high-level civil servants that would need considerable time to correct.

‘democracy bonus’ card. Donors have been under heavy disbursement pressure, as most aid programmes were blocked as a result of the delays in the PRSP process.

### *Stakeholders’ views on the PRSP process*

During the first mission, our interlocutors were already well aware of the conditionality underlying the initiative of the international financial institutions. Staff from the Planning Ministry commented that the PRSP was not much different from the existing DCPE (*Document Cadre de Politique Economique/Policy Framework Paper*), the only difference being the link between participation and debt relief. This finding was confirmed during the second mission. For many people the PRSP simply replaces adjustment programmes, with increased demands on the government.

From the beginning, many donors shared the perception that the government was rushing the PRSP process in order to achieve the HIPC2 Completion Point, without which confirmed debt relief and access to other concessional aid would be delayed. In fact, the government is said to have set the timetable for the elaboration of the PRSP and the consultation process without any pressure from the IFIs. The IMF facility and the subsequent IDA credits and bilateral funding were not dependent on the PRSP process. Benin obtained its Poverty Reduction and Growth Facility loan in November 2001.

The majority of stakeholders interviewed believed that the haste with which it had been prepared had a negative impact on the quality of the participatory process. However, it is difficult to tell whether consultations would have been more meaningful if the organisers had been given more time to prepare.

There were also concerns that capacity to implement the poverty strategy would be inadequate. The capacity problem was seen as the result of a number of factors, including unproductive use of staff time; poorly managed flows of funds and other resources; and weak motivation linked to low staff salaries and high levels of administrative corruption. Many interviewees in all categories were convinced that the PRSP would be used by the public administration as a further opportunity for rent-seeking.

Poor implementation prospects were also seen as a reflection of over-ambitious planning linked to donor pressure to have their own particular interests included in workplans and their diverse procedures and funding cycles used. These problems will remain unresolved unless two things combine: the public administration’s willingness to address, among other things, staff motivation through appropriate incentives, remuneration and sanctions, and willingness on the part of donors to seriously question and change their own working methods.

### *Donor involvement*

When we first conducted interviews in late 2000, we noted that most donors were in a ‘wait and see’ mode. At the same time, they admitted that focusing on poverty was a positive initiative that had arrived at a propitious time. Since then a consensus has emerged among bilateral donors to let the IFIs take the lead in the political and macroeconomic spheres. However, with a few exceptions they are actively involved in

lending support to the PRSP process, at least financially and in terms of providing technical assistance.

The donor community kept a low profile throughout the period of consultations and the drafting of the PRSP. A number of agencies attended at least one of the departmental seminars (in Cotonou) as observers. Reactions were mixed: while the seminars and the forum on economic growth were found to be useful in terms of providing an opportunity for civil society to express itself, some regretted that they did not really tackle poverty in all its dimensions, including the more political ones. For instance, social inequities, female poverty, access to land and wealth redistribution were not discussed at all.

So far, the donor response to the capacity problem linked to the PRSP process has been threefold: to offer short- and long-term technical assistance ('institutional TA' for some of them); to set up parallel implementation units staffed by consultants; and to train technical staff, particularly in computer skills. This could have a high cost for the government in the long run not only in terms of lack of 'ownership' and high transaction costs, but also in terms of nurturing the 'dependency' syndrome. The impact of TA is uncertain and, in any case, it should be evaluated within the context of annual PRSP and sector programme reviews. The alternative would be to rely more on the capacities of better trained local staff, which can only be a medium-term strategy.

For a given agreed policy measure, there is a general tendency for the government to reduce its own contributions to the process every time donors increase their financial engagement. For this reason, we consider that in Benin the PRSP process is over-financed and the risk of duplication of activities linked to the poverty strategy is real if donors fail to use the strategy as an opportunity to rationalise their own approaches and instruments.

## **What difference has the PRSP made?**

The PRSP approach is an attempt to consolidate a number of previously developed approaches and to integrate them into a coherent framework focused on the overall objective of poverty reduction. The four key characteristics of the approach are: comprehensiveness, results-orientation, donor co-ordination and country ownership. Comprehensiveness and results-orientation indicate the need to link poverty reduction strategies to a reform of the budgetary system, with a view to making the link between public expenditures and poverty reduction more visible.

At the same time, comprehensiveness of approach and prioritisation of actions on the part of national governments will not be achieved unless and until donors co-ordinate their policies better. In other words, a fundamental change in the nature of the aid relationship is required. Finally, to be effective, the approach rests on the premise that a poverty reduction strategy should be country-driven, based on widespread consultations and participation and largely 'owned' by key actors at all levels of national societies.

In this section, we deal with the issues of budgetary reform and national ownership.



## Budget reform

Budget reform is intended to improve the visibility, transparency and efficiency of public expenditures, with a view to increasing the impact of public spending on poverty. Apart from giving sector Ministries increased responsibility to define their priorities and elaborate their own budgets based on results, the reform emphasises monitoring. The Finance and Economics Ministry retains overall control of the budget, arbitrates between the different Ministries and conducts negotiations with external partners.

Under the old budget system, the Planning Ministry prepared the investment budget and the F and E Ministry dealt with the operating budget. This arrangement is to be replaced by a unified budget that will be implemented using a number of key instruments:

- a medium-term expenditure framework (MTEF), taking account of both domestic and external (aid) resources, including public debt;
- public expenditure reform and credits (PERC) for sector Ministries (all PERCs will eventually be integrated into the MTEF);
- an integrated computerised system for tracking public expenditures, the SYGFIP;
- a two-pronged system for financial control and monitoring, at the level of the F and E Ministry through the Directorate for Financial Control responsible for the supervision of all budgetary expenditures, and at the level of the Directorates of Inspection and Internal Audit in each Ministry. A new public works code operational since January 2001 is also meant to increase capacities for financial control.

Various fiscal reforms that began in the early 1990s will also be consolidated.<sup>3</sup>

The reform process began in 1999 – that is, prior to the PRSP initiative – when the World Bank introduced PERCs at the level of five Ministries (Public Works, Environment, Rural Development, Health, Education, Social Protection, and Water). Two more Ministries were to be included in 2002 and eventually the PERCs will cover all Ministries and economic and social sectors.

The PERCs require an agreed policy and expenditure plan for each sector using a programme-budgeting approach (*approche budget-programme*) supported by the government and the donors. Since there are no sectoral investment programmes or sector-wide approaches to speak of, the PERCs can be considered to perform a somewhat similar function.

According to our interviews, the reform has already had a number of positive effects. The Planning Units (*Directions de la Programmation et de la Prospective*) in the relevant Ministries interact better than before with the F and E Ministry on objectives and priorities in particular. This is a welcome change compared with the old budget system. However, it appears that increased feedback from the F and E Ministry on the decisions taken would alleviate some of the frustrations felt in sector Ministries.

A number of accompanying measures have been taken, in particular to strengthen the capacity of the internal and external auditing functions. A new integrated and

---

3. Data provided by staff from the F and E Ministry.

computerised system for tracking public expenditures (SYGFIP), though not fully functional, has been put in place since early 2001 with French TA, including training. Guidelines for the new budgetary system have been distributed to staff. The reform has inspired initiatives in favour of Parliament. The UNDP is prepared to assist the Finance Commission by setting up a special unit to scrutinise the budget (*Unité d'Analyse Budgétaire*). The unit is expected to house at least three 'resource persons' over a three-year period.

### *Limits of the financial control apparatus*

A tremendous effort is being put into the budgetary reform in terms of financial and human resources to make it operational as soon as possible. The reform has the potential for bringing about positive improvements in the way the budget system operates and the poverty reduction strategy is being implemented. Historically in Benin, however, there are limits to such initiatives, as illustrated by recent comparative research on the fight against corruption (Bako-Arifari, 2001; Matthieu, 2001). Financial control has been used less as a means to regulate the functioning of the administration than as a political weapon by the Presidency. As a result, the apparatus is rather weak, even compared with neighbouring African countries.

According to Matthieu's study (2001), the instruments installed in Benin by the IMF and World Bank since the mid-1980s to improve public finance management and minimise the risks of embezzlement (such as SYDONIA for customs) have been systematically sidetracked from their original aims. Others may even have increased corruption. They certainly did not stop one of the biggest corruption scandals of the last few years, the privatisation of SONACOP, the state petroleum company. However, the problem is pervasive. Some state internal control mechanisms are considered to have helped to legitimise corrupt practices within the administration in the three countries studied by Matthieu.

We found that few people interviewed were convinced that the new budgetary procedures would substantially modify illegitimate behaviour and result in increased spending for the poor. The prevailing view is that the patronage system, combined with semi-institutionalised corruption, will stand in the way of channelling money to those who need it most.

Undoubtedly, the PRSP initiative has helped to push forward the budget reform which had preceded it. While the decree on the reform of budgetary procedures was promulgated in 1999, it was only put into operation in 2000 and gained momentum in 2001. However, how the PERCs, the MTEF and the PRSP will fit together remains to be seen.<sup>4</sup> The PRSP and the MTEF are being drafted separately, but staff from the PRSP Technical Secretariat are also involved in drafting the MTEF. A number of interlocutors indicated that a more polyvalent team of PRSP drafters could have included social scientists to guarantee that the pro-poor aspects would be better integrated into the strategy.

---

4. Another issue relates to the implications of the PRSP/MTEF/PERCs for budget decentralisation, including learning and feedback from implementation and service delivery levels to the decision-making level. How this is going to take place without effective decentralisation is not resolved.

## *Ownership and participation*

Taking the operationalisation of ownership by Johnson and Wasty (1993, cited in Killick, 1998) as a point of departure, there is, in Benin, high ownership of the PRSP approach in the technocratic dimension, but low ownership on the other three counts.

First, as already mentioned, the PRSP is driven by a small group of high-ranking, highly competent, highly motivated and hard-working civil servants who have internalised the new approach. They have been in constant touch with donors for a long time (some in the context of the structural adjustment programme, some in the context of the Sustainable Development Agreement) and are determined to make the new approach work. Furthermore, they are convinced that the obstacles that they themselves perceive, such as the resistance of lower-level staff within their own ministries, can be overcome.

Secondly, however, it would seem that even within the key Ministries such as Finance and Economics and Planning, detailed knowledge about the PRSP has remained the almost exclusive property of this core group. One might well assume that the situation is no better at the level of the line Ministries (beyond their Planning Units) and certainly much worse at local administrative levels.

Thirdly, the locus of programme initiation is clearly seen as being within the donor community. There is also, in some quarters, a feeling of the Bretton Woods institutions finally coming on board on the matter of poverty reduction. There is certainly strong political support for the PRSP within the two Ministries directly involved (Finance and Economics and Planning). Elsewhere in government, however, the level of information does not seem to go very deep and the PRSP is certainly not seen as the big issue for the incoming team. (Poverty reduction figures as only one among a total of seven priorities in the government's Five-Year Plan, and the government did not wait for the finalisation of the PRSP before adopting this programme.)

One of the achievements of the new approach is that, for the first time since Benin turned to multi-party democracy in 1989/90, a number of high-level technocrats have gone to some lengths to explain the new strategy during the seminars held at the national and provincial levels.<sup>5</sup> This could be seen as a first step in the right direction, foreshadowing significant changes across a broader range of issues if consultations around the PRSP outside the capital Cotonou were eventually to be taken a little further (for example, becoming a regular exercise and reaching the local level). On the other hand, there is a real danger that the seminars have raised expectations which, if they are not fulfilled, will even increase the general cynicism widespread among the population as regards the willingness and capacity of the government to effect fundamental policy reforms.

Some of the deficiencies of the first round of departmental seminars came from the particular approach taken to selecting participants, which was heavily biased towards local interests to the detriment of participants who would be able to defend a national perspective. Specialists in economic policy and poverty reduction strategies, for example from the universities or independent research institutions, were not invited to the regional seminars.

---

5. During the revolutionary period 1972/4-89, intense information campaigns on government policies at grassroots level were very common.

*Parliamentary and public discussion of the PRSP*

Whereas Benin's civil society was only marginally involved in the discussion on the PRSP, the country's political society was even more notable for its absence. Only one Member of Parliament (thus 6 altogether out of a total of 83) was invited to each of the original six departmental seminars. At the time of our June 2001 mission, the PRSP had not been explained to Parliament. As we have said, this conforms to habitual practice: in Benin, there is no tradition for the government to present its programme to Parliament and to organise a debate on it. Therefore, opposition parties within Parliament, including their finance specialists, seem to be on a very uneven level of information.

A parliamentary discussion of the PRSP would set a precedent insofar as the government has never discussed its strategic planning in Parliament. While many Beninese doubt that MPs would be sufficiently prepared to contribute meaningfully to the debate, in the long run this precedent could indicate a larger role for Parliament in the discussion of strategic public policy choices.

As already noted, poverty and development issues are far from dominating the public debate. Media coverage concerns predominantly what in French is called 'politicians' politics' (*la politique policienne*), and in particular political scandals. As far as the PRSP is concerned, few journalists seem to have really grasped the breadth and complexity of the approach.

The PRSP has received limited coverage in the media, with no systematic effort being made to brief journalists. It is undeniable, however, that, since the summer of 2001, poverty as a theme has been increasingly publicised, in public seminars and in the media in general. Increasingly, the government is presenting its activities now under the label of 'poverty reduction', relegating formerly fashionable themes like 'good governance' and 'fight against corruption' to the background. However, this reference to 'poverty reduction' remains rather vague and the PRSP is hardly ever invoked. In other words, we are confronted with a remarkable change in the official rhetoric. Development activities – most of which were planned to be conducted anyhow – are now increasingly presented as part of a general poverty reduction strategy.<sup>6</sup>

To conclude this point, we would like to recall that at present there is very little analytical capacity in Benin outside the central administration to address the major issues of national development that will be raised in the PRSP. Neither Parliament nor the political parties (and certainly not the opposition parties) – nor civil society organisations, nor the media – are in a position to provide serious analytical feedback to the government and to play a meaningful watchdog function. This weak level of organised analytical capacity outside the central administration must seriously limit expectations as to what may realistically be expected from 'popular participation'.

---

6. In 1989/90, after the fall of the Berlin wall, the Beninese political class showed a pronounced capacity for quickly adapting official discourse to changing geopolitical circumstances. Terms stemming from Marxist terminology disappeared from public speeches almost overnight (for example, the widespread use of 'comrade' was replaced by 'monsieur'). See Kohnert and Preuss (1992).

## Monitoring the PRSP: a second chance?

Benin's database for poverty analysis and monitoring is considered to be relatively satisfactory. Abundant literature on the subject already exists: the most recent edition of a regularly updated inventory of bibliographical references lists no fewer than 874 entries (République du Bénin/GTZ, 1998).

For the first twenty years after independence, the government statistical services relied heavily on French technical assistance. After the withdrawal of the French management in the late 1970s and a period of decline during the 1980s, the government undertook to rejuvenate its statistical services in the early 1990s with a strong focus on poverty-related indicators. In 1997, the UNDP sponsored the publication of a Manual of Poverty Analysis, applied to Benin (Aho et al., 1997). In addition, the UNDP-sponsored Long-term Perspective Study (finalised in 2000) contains an important section on poverty. The UNDP has also published the results from the 2000 survey of living conditions in the rural areas prepared for the Rural Development Ministry.

The information produced by the central agency, the *Observatoire de Changement Social* (OCS), and its network of units is largely quantitative. One notable exception is the 1995 study on the perception of poverty by the poor themselves carried out by the Ministry of Rural Development with UNDP assistance. Some of the information produced by other institutions also contains qualitative information, for example the 1994 World Bank poverty assessment.

One major problem with Benin's poverty monitoring database is its low degree of local ownership. Ever since they were established in 1960, the statistical services have been supported by development partners. All the surveys and studies mentioned above were either aid-financed with foreign technical assistance, or were conducted directly by donors such as the World Bank and the UNDP. They were discontinued when donor support was withdrawn.

Another problem concerns the dissemination of findings and access to information, in particular for non-government stakeholders. Major findings of the studies were reported in the media. However, continuous access to the studies is difficult, certainly for the average citizen, but also for journalists, government units not directly involved in data production and even, some time after their production, for the producing units themselves.

Finally, the poverty monitoring system suffers from a multiplicity of institutional arrangements caused by intra-administration conflicts over direct access to aid and competition between donors for leadership, as is the case elsewhere in government. The studies and surveys undertaken under the umbrella of the OCS are located in four different Ministries. Major national research institutions like the *Centre Beninois de Recherche Scientifique et Technique* (CBRST), the *Institut National de Recherche Agricole du Bénin* (INRAB) and the National University of Benin (UNB), are not involved.

This might be justified by the argument that the data should be produced as close to potential users as possible. However, in our view this argument is not convincing for two reasons. First, as noted above, even data produced close to the presumed main user do not seem to have had a discernible impact on the strategic orientation of government policy. Secondly, it reflects a very state-centred and sector-based approach to poverty reduction, implying that the main actor in the area of, say, rural poverty is the Ministry

of Rural Development. This approach to data production and storage sets up barriers to the production of a global and nationally owned poverty agenda to which different stakeholders might contribute over and above the particular Ministry involved.

The draft PRSP contains a two-page section on Monitoring and Evaluation that differentiates technical from participative monitoring. Under the first heading, in substance a revitalisation and extension of the near-defunct *Observatoire du Changement Social* is envisaged. Four types of actions are foreseen: (i) the extension of the existing micro-financial model (MOSARE) to include poverty-related indicators; (ii) two large-scale poverty surveys in 2002 and 2004, based on the model of previous UNDP-supported surveys (*Enquête léger auprès des ménages/ELAM* and *Enquêtes sur les Conditions de Vie en Milieu Rural/ECVR*) and including an improved method of data preservation; (iii) budgetary monitoring in the context of the ongoing reform of budget procedures (PERAC); and (iv) the installation of a system of programme impact evaluation. These measures are to be reinforced by the integration, since September 2001, of Benin into the IMF-sponsored General System of Data Diffusion (*Système Générale de Diffusion de Données/SGDD*).

As for participatory monitoring, committees (*Comités départementaux de suivi*) will be set up in each of the country's twelve departments. They will comprise the *Préfet* who will preside over them, the mayors and vice-mayors of all departmental municipalities, one representative each from the departmental producers' union (representing cash-cropping farmers), the Chamber of Commerce and the Parents' Association, all the departmental directors of the deconcentrated state services as well as a representative of civil society from each municipality. Their role is data collection and monitoring the implementation of the PRSP at the departmental level. It should be noted that this structure can only become operational after the implementation of decentralisation, for example once municipalities have been set up and mayors have been elected.<sup>7</sup>

## Towards a new aid relationship

### *Donor co-ordination*

There is no specific donor forum for dealing with poverty reduction, although donors do seize opportunities at field level to talk to each other individually or in small 'like-minded' groups. The PRSP offers an opportunity for the government to bring donors together around a coherent strategy. It seems that donors would in principle be willing to follow this initiative, provided they find the government's approach convincing.

In our November 2000 report, we had suggested that the Participatory Development and Good Governance (PD/GG) group set up by the OECD/DAC and led by the Swiss might be the appropriate option. In fact, it seems that the PD/GG group now meets regularly '*pour faire le point*' (*Le Monde*, 26 June 2001). Another donor group, made up of senior economists and led by the UNDP, does not seem to have met often and is not considered a proper forum for co-ordinating activities linked to the PRSP.

---

7. Benin's decentralisation laws foresee the replacement of the current 90-odd *sous-préfectures* by municipalities, with elected councils and mayors. Local elections were now held in December 2002/January 2003.

Since the beginning of the PRSP process the World Bank and IMF have maintained some distance with respect to the PRSP preparations, while keeping other donors informed of major developments. The last Public Expenditure Review was conducted in collaboration with other donors (the European Union).<sup>8</sup> Briefings are organised following Bank and IMF missions, and relevant documents and correspondence seem to be shared.

### *Towards a programme approach?*

It is still too early to form an opinion as to how much direct budget or sector support donors will provide once the PRSP becomes operational. So far, the budgetary reform launched by the government, from 2000 onwards, as a mechanism for institutionalising the PRSP, has attracted only a few donors (the World Bank and the European Union), using modalities that seem to be evolving towards a programme approach. Others (Denmark, the Netherlands, Switzerland) have indicated their interest and may join in once they feel confident that the advantages outweigh the risks. A third group, among them two of Benin's most important bilateral donors (France and Germany), are much more hesitant, as the adoption of a programme approach would constitute for them a fundamental shift from established practices, implying a need to change their funding cycles, timeframes and procedures profoundly. Their hesitation also seems to be based on doubts about whether a rapid switch to a programme approach would in fact be appropriate in the existing political and administrative context.

In general, bilateral donors find it difficult to adhere fully to programme and/or sector approaches using government planning and implementation procedures. There are nevertheless increasing examples of a number of donors providing substantial sums via pooled arrangements, while the procurement and disbursement regulations of others are not yet conducive to this kind of practice. The budget reform may in due course help to bring coherence to the various types of aid used in Benin. However, it is likely that the three types (budget support, sector support and project aid) will coexist for some time, until a critical number of donors feel confident about the new system and begin using government procedures.

## **Conclusions**

In our view, it would be unrealistic and even dangerous (in the sense of raising expectations that will not be fulfilled) to expect too much too fast from the PRSP approach in Benin. In the last 40 years, Benin has seen many approaches to solving the problems of underdevelopment and poverty come and go, most of them donor-driven. There is widespread scepticism, if not cynicism, at all levels of Beninese society whenever a new approach is proposed.

Many of our interview partners perceived the PRSP simply as another fad or 'slogan' invented by the development community which politicians are quick to pick up in order to keep the money flowing into the country. In fact, it would announce a revolution in the aid relationship if some day the government were to refuse a

---

8. A Country Assistance Strategy (CAS) is still planned, although the Bank also has it in mind to conduct a regional CAS.

substantial amount of aid offered on the grounds that it did not fit in with its own priorities. On a seemingly more banal, but in fact symbolically highly relevant, level, national ownership of the PRS might be enhanced if the approach were locally renamed in a way that would make it sound less like one of the innumerable labels, acronyms and jargon-words (often highly mysterious to the outsider) that the international development community is so quick to invent.<sup>9</sup>

The PRSP approach is, however, more ambitious than anything the country has experienced since the demise of Marxism-Leninism, since it aims at profoundly changing the nature of Benin's political economy as an aid-dependent patrimonial democracy. In political science terms, nothing less than a regime change is aimed at. Its success will largely depend on the building of mutual trust, as much between donors and the government as between the government and the population.

For this extremely ambitious objective to be realised, at least three conditions have to be fulfilled. First, the success of the PRSP approach depends to a very large degree on changes in donor behaviour. In fact, the focus of the PRSP approach should perhaps be on what is needed for a change in donor practices, rather than primarily on changing the way the government operates. Will the PRSP be the common framework for a real country-donor partnership? In time, the reform could reflect the priorities of the government rather than the unco-ordinated preferences that emerge from the large number of donor projects. However, it should be clearly recognised that a number of bilateral donor agencies may perceive the change in donor-recipient relations as a threat to their established way of doing things and, in some cases, to their very existence. The new approach may also be seen as a threat by some UN agencies, accustomed to acting as intermediaries between the government and other donors. On the other hand, the apparently increasing willingness of donors to co-ordinate their positions vis-à-vis the government, as reflected in the joint statement by the EU and its member states on the draft PRSP, is an encouraging sign in this respect.

Secondly, as regards the government, the poverty reduction strategy must be matched by other reforms, in particular decentralisation, civil service reform and the eradication of corruption. These four policy measures form a 'package' that cannot be disentangled. The fact that the decentralisation programme is finally moving forward is another encouraging sign.

Thirdly, a fundamental change in policy objectives and in the way the political system works cannot be the result of outside pressure alone. (There is, in fact, a kind of double bind in an approach that imposes ownership from the outside.) There must be groups and networks of local reformers with the necessary political weight to carry out the ambitious reform programme. In this context, local alliances of reformers would certainly benefit from outside support. However, while individuals and small groups of local reformers can be identified, they do not seem to be linked up.

A more general implication of this point is that the concept of ownership needs to be seen as a political, and not as a purely technical, term. A political strategy would consist of supporting identified local actors inside and outside the government. This is currently done in one way, as many donors each have their own local sympathisers

---

9. It might be useful to point out that many key terms of the international development jargon – which are all in English – are notoriously difficult to translate into other languages. A case in point is the term 'ownership'.



among government officials and sections, as well as among CSOs. What needs to be developed is the capacity of local reformers to link up among themselves.

Furthermore, in our view, two major trade-offs will need to be addressed in the implementation of the poverty reduction strategy. Again, in both cases, time is a factor.

The first is the trade-off between the ownership and the technical complexity of the process. While the rhetoric emphasises local ownership, the substance of the new approach and the instruments to implement it are quite complex. They call for massive amounts of external technical assistance to fill the gap in local capacity. This is problematic from the ownership point of view. In fact, we are inclined to conclude that the process is too complex for immediate national ownership to be on the agenda.<sup>10</sup>

Another major trade-off is between participation and the (perceived) need to hasten the process for accessing the financial benefits linked to the PRSP. The recent participatory exercises have contained a strong element of window-dressing. The different approaches to participation have not been initiated by the government, nor by Parliament or the CSOs, and are perceived by local actors as conditionalities for access to debt relief.

In any event, advocacy of popular participation and consultation should be freed from an ideological fixation on a 'civil society' that does not exist in Benin, at least not as it is described in the textbooks. As with ownership, participation must be seen as a political issue, not a technical exercise. It is difficult to see how the present neglect of Parliament can be justified, no matter what its weaknesses. If the capacities of Parliament are weak, one should consider raising them. Likewise, free flows of information should be considered a prerequisite for genuine participation.

The setting up of departmental monitoring structures is a positive first step, on condition that they become effective and are complemented by effective local monitoring committees. Here again, no real progress can be expected without decentralisation. The strengthening of independent users' associations, for example in the education and health sectors, and their involvement in evaluations would also be useful.

We have argued that it is unrealistic to expect positive impacts of the poverty reduction strategy in the medium as opposed to the long term, and that the PRS must be seen in the context of other reforms, notably decentralisation, civil service reform and the fight against corruption. These reforms are necessary, if not sufficient, conditions for the success of the strategy. Another necessary, but again not sufficient, condition for success is a profound change in the nature of the aid relationship.

It might be felt that there is a contradiction between the obvious magnitude of the problems requiring a whole array of interlocking reforms and our plea for giving the process more time. To conclude, we should therefore underline that having more time will help only on the basis of clear priorities, including a timetable spelling out the sequence of reform implementation. The PRSP approach provides the government of Benin with an opportunity to move in this direction.

---

10. The problem would be easier to address if the PRSP were the only new initiative that officials were being asked to contend with. As we have seen, it is not.

## References

- Aho, Gilbert; Larivière, Sylvain; and Martin, Frédéric (1997) *Manuel d'analyse de la pauvreté: Applications au Bénin*. Cotonou: Université National du Bénin and UNDP/Québec: Université Laval.
- Bako-Arifari, Nassirou (2001) 'La corruption au Bénin'. Draft research report. Parakou, Bénin (mimeo).
- Bierschenk, Thomas (1999) 'Herrschaft, Verhandlung und Gewalt in einer afrikanischen Mittelstadt' (Domination, Negotiation and Violence in an African Medium-sized Town), *Afrika Spectrum* 34: 321-48.
- Bierschenk, Thomas and Olivier de Sardan, Jean-Pierre (eds) (1998) *La démocratie au village: Le Bénin rural entre démocratisation et décentralisation*. Paris: Karthala.
- Killick, Tony (ed.) (1998) *Aid and the Political Economy of Policy Change*. London: Overseas Development Institute in association with Routledge.
- Kohnert, D. and Preuss, H. J. (1992) 'Vom Camarade zum Monsieur. Strukturanpassung und Demokratisierung in Benin' (From Comrade to Monsieur. Structural Adjustment and Democratisation in Benin), *Peripherie* 46: 47-70.
- Matthieu, Marilou (2001) 'Une approche comparée de la lutte contre la corruption en Afrique subsaharienne (Sénégal, Niger, Bénin)'. Draft research report. Marseille (mimeo).
- Naudet, Jean-David (2000) *Trouver des problèmes aux solutions: Vingt ans d'aide au Sahel*. Paris: OECD.
- République du Bénin (1999) *Rapport sur l'état de l'économie nationale. Développements récents et perspectives à moyen terme*. Cotonou: Cellule macro-économique de la Présidence.
- République du Bénin/GTZ (1998) *Inventaire des études et enquêtes sur la pauvreté au Bénin* (3rd edn). Cotonou: MPRPE.
- UNDP (2000) *Rapport sur le développement humain au Bénin (La gouvernance)*. Cotonou: UNDP.
- UNDP (2001) *Choices for the Poor*. New York: UNDP.