

USAID/Benin

Annual Report

FY 2005

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Please Note:

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Benin

Performance:

In a region with notable cases of failed or failing states, Benin established a government that largely respects basic rights and freedoms. It has a recent history of credible elections with a peaceful change of power between opposing political camps. The next presidential elections, scheduled for 2006, are expected to result in the third peaceful turnover of the presidency since the republic was established as a democracy in the early 1990s. After months of speculation in the press and protests from civil society organizations about a possible constitutional amendment which would have allowed either current President Mathieu Kerekou or former President Nicephore Soglo to run for office, all debate on the issue appears to have ended, and Benin is preparing for a new president in 2006. In recognition of Benin's democratic practices, it was declared one of 16 countries eligible to apply for funds under the US Government Millennium Challenge Account (MCA) in FY 2004. The MCA selection is due in large part to Benin's record on such issues as political rights, civil liberties, rule of law, freedom of speech, and accountability. Benin is among the few countries in Africa with a vibrant and varied local media. A multitude of private media outlets, both written and broadcast, have sprung up and function largely without interference from the state.

Over the past decade Benin has engaged in a push for macroeconomic, fiscal and administrative reforms. Real GDP growth averaged about 5% annually from 1993 to 2003. Benin's ability to hold the line on inflation and the external current deficit were among the factors that enabled the country to obtain debt relief amounting to US \$265 million in March 2003 under the Heavily Indebted Poor Countries Initiative. Benin has successfully met performance criteria and structural benchmarks enabling it to draw on the International Monetary Fund through three successive arrangements since 1993.

Benin is one of the least developed countries in the world, ranked 161 among 177 countries on the UNDP human development index. Per capita yearly income for Benin's population of 6.7 million people is \$440. An estimated 33% of the population lives below the national poverty line. Statistics on the status of health and education, although improving over the past decade, reflect a low level of human development. Life expectancy is 53 years. Mortality among children under five years of age is 151 per 1,000. An estimated 23 % of children under five are malnourished. Maternal mortality is estimated at 850 per 100,000 live births. The adult literacy rate, at nearly 40%, is well below the 63% rate for Sub-Saharan Africa. Women are especially disadvantaged in Benin. Adult literacy rates for women aged 15 or older is just over 25%, far below the rate for all of Sub-Saharan Africa.

Challenges:

Among the significant development challenges facing Benin is an increasing perception that the government is falling behind in its ability to govern effectively. Corruption and ineffective management are recognized as significant problems. As the 2006 presidential elections draw closer, succession politics will consume increasing resources, attention, and political energy. This, in turn, is likely to further slow the pace of necessary but unpopular government reforms, such as plans to liberalize the cotton sector, to reform customs administration, to divest publicly-owned companies, and to establish a merit-based promotion system within the civil service.

The economy continues to be vulnerable due to reliance on agriculture and services which account respectively for 36% and 50% of GDP. Toward mid-2004 the government announced that expected revenues had fallen far short of targets for the first half of the fiscal year. Shortfalls in revenues are closely tied to dependence on cotton and trade with Nigeria. Cotton prices are down. Reforms in the cotton sector are not moving forward as planned. Trade with Nigeria is suffering due to its restrictions on imports coming from third countries through Benin. Policies to promote economic diversification are

ineffective.

A final critical challenge to Benin's development prospects will be its ability to invest in the health and education of the Beninese people, and especially of women. At the current population growth rate of 2.5 percent, the population of Benin is expected to reach 9.1 million by 2015. Benin is a country of young people. At present nearly 46% of the population is under the age of 15.

U.S. Interests and Goals:

The United States and Benin have had excellent relations in the years since Benin embraced democracy. The U.S. Government continues to assist Benin with the improvement of living standards that are key to the success of Benin's experiment with democratic government and economic liberalization, and are consistent with U.S. values and national interest in reducing poverty, promoting growth, and promoting regional stability.

Currently, trade between Benin and the United States is small, but interest in American products is growing. The United States wants to promote increased trade with Benin in order to encourage U.S. trade with Benin's neighbors, particularly Nigeria, Niger, and Burkina Faso, which receive large amounts of their own imports through the port of Cotonou. Such trade is facilitated by Benin's membership in the Economic Community of West Africa States (ECOWAS) and in the CFA franc monetary zone. The U.S. Government also works to stimulate American investment in key sectors such as energy, telecommunications, and transportation. Benin is eligible for the African Growth and Opportunities Act but has not yet qualified for the Act's apparel provision, which would allow Benin to export apparel with few restrictions to the U.S. market.

The PL 480 Title II program in Benin is closely linked to USAID's bilateral program. Food and training provided to communities under the school canteen program reinforce activities to promote community participation under the education program. Title II sponsored activities to monitor growth of children under three and educate of mothers on nutrition, health and hygiene complement activities under the integrated family health program. Finally Title II programs include a microfinance component to provide financial products to small entrepreneurs and producers, especially women. This component complements activities under the Governance program to strengthen the quality and availability of microfinance services for the poor. A large share of food is monetized, sold at auction, to raise funds to support these activities. In addition to food provided to the school canteen program, food is also distributed through 87 social assistance centers serving just over 7,300 beneficiaries as part of non-emergency humanitarian assistance to support the most vulnerable people in Benin.

Key Achievements:

The USAID program in Benin made good progress in FY 2004 in its program areas of Basic Education, Family Health and Governance.

1. Support to Basic Education: USAID's education program focuses on improving the quality of basic education and children's access to primary education, in particular girls. Intended results of program activities are: promoting quality teaching and learning; increasing girls' enrollment, retention, and completion of primary education; involving communities in primary education; increasing awareness of students, parents, teachers, and education official of HIV/AIDS; and effective planning and management practices within the Ministry of Primary and Secondary Education. With USAID assistance the Ministry of Primary and Secondary Education is implementing an education reform program within the entire primary education system. This has included writing and producing textbooks along with teacher manuals. Thousands of teachers have received training. The new curriculum has been successively rolled out to each primary school grade throughout the country. During the reporting year significant results were achieved that will assist Benin to improve access to primary education. Gross enrollment rate has increased from 88% in 2001 to 93% in 2004. Girls' enrollment rate increased from 72% in 2001 to 81% in 2004. The new curriculum was introduced in fifth grade of all the primary schools in Benin. A total of 10,462 teachers received training in the use of the new teaching approaches and strategies. More students have access to textbooks. A total of 100,000 math textbooks and 100,000 French textbooks

were printed and distributed.

2. Support for Family Health: The USAID program in health supports achievements made by the Government of Benin over the past decade to improve the health of its people. USAID is working with the Ministry of Health to increase the use of family health services within a supportive policy environment. National interventions focus on improving health policies. Regional activities focus on implementing nationally adopted programs and policies, such as family health standards of care, integrated management of childhood illnesses (IMCI), and emergency obstetrical and neonatal care. USAID also works with the Ministry of Health to effectively implement the Government of Benin's decentralization policy for the health sector. During this year targets for sales of condoms, oral and injectable contraceptives were exceeded. Sales for insecticide treated bed nets and re-treatment kits in the social marketing program fell short of targets due to competition from government subsidized bed nets sold at lower prices. Targets will be revised. New sales campaigns were launched in late 2004. Sales are expected to grow again in 2005.

3. Support for Good Governance: USAID promotes good governance in social and productive sectors by providing training and technical assistance to local governments, non-governmental organizations and community groups. The major focus for USAID interventions include assistance for decentralization working with communities to improve their ability to participate in local development, encouragement of greater transparency and accountability in government management, combating trafficking in children, assistance to producers and traders to improve their productivity, and working with microfinance institutions to improve the services and products they offer to their clients. During the reporting year public officials, including members of local councils in 13 of 26 targeted communes actively sought the involvement of civil society organizations in drafting their development plans. Audits conducted by Inspectors from the Office of the Inspector General of Finance and the Chamber of Accounts of the Supreme Court were instrumental in trials and convictions of 30 judges on charges of misappropriation of funds. Improved access to credit has benefited 1,898 clients in rural areas. Another 1,225 clients are new members of health insurance cooperatives.

Results Framework

680-001 More Children Receive a Quality Basic Education on an Equitable Basis

SO Level Indicator(s):

- Gross Enrollment Rate
- Student Promotion Rate
- Textbook and Workbook student Ratio

- 1** Improved Pedagogical System
- 2** Increased Girls Enrollment in Target Areas
- 3** Improved Environment for Stakeholders
- 4** Improved Management of the Education System (in the context of decentralization)

680-002 Increased use of family health services and preventive measures in a supportive policy environment

SO Level Indicator(s):

- Contraceptive Prevalence Rate (%)
- Couple Year Protection (%)
- Exclusive Breastfeeding in Borgou-Alibori (%)
- Immunization Coverage in Targeted Communities (%)
- Sales of Socially Marketed Products (Units)

- 1** Improved Policy Environment
- 2** Increased Access to Services and Products
- 3** Improved Quality of Services
- 4** Increased Demand for Health Services and Prevention Measures

680-003 Improved governance in productive and social sectors

SO Level Indicator(s):

- Number of public accounts audited annually by Supreme Audit Institutions
- 1** Participation and management capacities of decentralized stakeholders increased.
 - 2** Strengthened mechanisms to promote transparency and accountability
 - 3** Improved environment for private and local initiatives