Report Number: ICRR0023163

1. Project Data

Project ID	Project Name
P147014	BJ-Public Investment Management and Gov
Country	**Practice Area(Lead)**
Benin	Governance

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-58570	31-Dec-2021	19,708,230.17
Bank Approval Date	**Closing Date (Actual)**	
23-Jun-2016	31-Dec-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	30,000,000.00	0.00
Revised Commitment	20,072,207.14	0.00
Actual	19,708,230.17	0.00

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2. Project Objectives and Components

a. Objectives

The project development objective was to improve efficiency in public investment management and enhance the performance of selected institutions of accountability in Benin. A split evaluation will not be undertaken, due to substantial achievements under the project's first objective related to improvements in public investment management.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project consisted of four components:

1. Enhancing Efficiency and Effectiveness in the Public Investment Management Expenditure Cycle (Appraisal: US$9 million, Actual: US$6.9 million). The first project component was to provide technical assistance (TA) to enhance efficiency and effectiveness in the public investment management (PIM) expenditure cycle. The component primarily aimed at improving the planning surrounding public investment projects (including the identification, preparation, implementation, monitoring, and evaluation of such projects). The intended direct beneficiaries were the Ministry of Finance (MOF), the Ministry of Planning and Development (MPD), and the line ministries responsible for managing public investments in the energy, water, and justice sectors. Under this component, the project originally aimed to: (a) improve the coordination and preparation of public investments; (b) strengthen existing public investment selection mechanisms and budgeting procedures; (c) improve the timely and effective execution of public investments; (d) build capacity to evaluate public investment results against expected objectives, facilitate learning for better design of future public investments, and ensure compliance with fiduciary procedures; and (e) build capacity to improve appraisal, selection, implementation, and evaluation of public-private partnerships (PPPs).

A first restructuring (approved in September 2018) maintained this component, while re-designing some activities and aligning them with the government's public investment strategy. As PPP support was to be undertaken under a complementary Public Private Infrastructure Advisory Facility (PPIAF) funded project, activities planned to address challenges associated with managing PPPs were scaled down. At the same time, the following activities were added: (a) strengthening government capacity for investment project preparation and prioritization; (b) improving the government’s procurement management capacity and procurement transparency; (c) strengthening the capacity of key control and verification entities; (d) introducing digital tools to plan and monitor public investments; and (e) improving the performance of MPD through TA services and the implementation of staff performance management systems.

2. Strengthening Good Governance and Accountability (Appraisal: US $3.5 million, Actual: US$1.7 million). This component aimed to (a) establish, on a pilot basis, administrative chambers in selected First Instance Tribunals and Appeals Courts and build capacity for their operationalization; (b) carry out a targeted case backlog reduction program for administrative cases; (c) contribute to the implementation of a strategy and an operational plan for the National Anti-Corruption Authority (Agence nationale de lutte contre la corruption, ANLC); and (d) support social accountability by implementing a system of citizen report cards (CRCs) to identify and address service delivery bottlenecks in the sectors of justice, electricity, and water.

The 2018 restructuring introduced the following additional activities: (a) creation of an electronic platform for asset declarations ; (b) strengthening mechanisms to report corruption to the ANLC; (c) strengthening civil society capacity to implement CRCs; and (d) building capacity for investment monitoring and reporting by civil society organizations (CSOs).

3. Results-Based Financing (RBF) in the Electricity, Water and Justice Sectors (Appraisal: US$15

million, Actual: US$7.5 million). This component was included to incentivize the efficient coordination and timely processing of financial flows that would result in higher budget execution rates, as well as timely physical implementation of six selected projects provide RBF in the three selected sectors of electricity, water, and justice. Through the RBF Component, the project aimed to fund training and operating costs of teams working on planning, budgeting, procurement and M&E in the selected ministries to improve PIM. RBF was linked to the following government programs : (a) Electricity: (i) promotion and development of electricity distribution in urban and semi-urban areas and (ii) rural areas' electrification; (b) Water: (i) provision of drinking water derived from surface water sources and (ii) provision of drinking water in rural and semi-rural areas; and (c) Justice: (i) operationalization of administrative chambers and (ii) modernization of judicial services. The component supported the implementation of an Eligible Expenditure Program that was planned to deal with training and operating costs budgeted and incurred by the ministries in charge of electricity, water, and justice.

The component was originally structured around six public performance-based conditions (PBCs). In the electricity sector, the following PBCs were selected: the average capital budget execution rate for selected electricity public investments (PBC1); and the average annual project implementation rate for selected electricity public investments (PBC2). In the water sector, PBCs included the average capital budget execution rate for selected water and sanitation public investments (PBC3), and the average annual project implementation rate for selected water and sanitation public investments (PBC4). In the justice sector, the PBCs included the average capital budget execution rate for selected justice public investments (PBC5), and the clearance rate of administrative cases (PBC6).

Following the 2018 restructuring, PBC1, PBC2, and PBC5 were revised to incentivize the timely allocation of the budget required to execute priority projects. PBC2 and PBC4 were redefined as the share of the overall project completed relative to the scope of the approved project . PBC6 was revised to assess the efficiency of dispatch of both new and backlogged administrative cases.

Following a second restructuring in October 2020, all PBCs were dropped except for PBC3, since funds were reallocated toward the government's COVID-19 response. Also, an outcome indicator focused on the reduction of case backlog was dropped because Bank staff considered that the resized project with cancelled amounts could no longer support these activities. As a result of the 2020 restructuring, 50 percent of the originally allocated total amount of US$15 million to the RBF component was reduced, and US$7.5 million was disbursed, with US$2.0 million disbursed to the electricity sector (compared to a planned disbursement of US$5 million), US$4.0 million disbursed to the water sector (planned disbursement of US$5 million), and US$1.5 million disbursed to the justice sector (planned disbursement of $US5 million).

4. Support for Project Implementation (Appraisal: US$2.5 million, Actual: US $3.3 million). This component was to finance the project's coordination, planning, fiduciary, monitoring, and verification arrangements.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The project was approved on June 23, 2016 in the amount of US$30 million and became effective on May 7, 2017, almost a year after its approval and seven months after signing the Financing Agreement. Delays were primarily due to the time taken to set up a Steering Committee and Project Coordination Unit (PCU).

The project was restructured twice to meet the evolving government strategy and priorities, and to address the COVID-19 pandemic.

- A first restructuring was approved on September 10, 2018, after delays in the implementation of key activities and failure to achieve a planned disbursement rate of 35 percent. At the time, less than nine percent of the total financing amount of US$30 million had been disbursed (with 90 percent of the disbursed amount being spent on project management). The purpose of the first restructuring was therefore to speed up project implementation, and to introduce revisions to the components' scope and cost. PBCs were re-aligned with the new investment program of the government, and the disbursement mechanism under the RBF component was streamlined.
- A midterm review (MTR) was conducted in December 2020, leading to a re-allocation of funds to additional activities. The results of the MTR were made available in March 2021.
- A second and final restructuring was approved on October 7, 2020, as part of an omnibus World Bank portfolio reallocation. Its main objective was to adjust the scope of project activities. A partial project financing cancellation of US$10 million of the original financing was conducted to redirect funds in support the government's COVID-19 response program.

The project closed on December 31, 2021. Actual project cost was US$19.71 million.

3. Relevance of Objectives

Rationale

Country Context: At project appraisal in 2015, Benin was experiencing low economic growth to achieve meaningful poverty reduction. From 2010 to 2015, the annual gross domestic product (GDP) growth rate averaged 4.6 percent (1.8 percent in terms of GDP per capita). Benin’s overall investment rate (both public and private) was below its peers in the West African Economic Monetary Union (Benin’s total investment rate was 20.3 percent of GDP, compared to 22.7 percent for WAEMU, and its public investment rate was 4.3 percent of GDP, compared to 7.0 percent for WAEMU). In June 2014, the government adopted a Public Investment Program (PIP) geared toward agricultural mechanization and diversification, construction and rehabilitation of infrastructure in support of health and education systems, provision of drinking water, provision of reliable and affordable sources of electricity, and building of water and sanitation infrastructure.

The government recognized there was an urgent need to improve public sector governance, especially PIM, in order to ensure successful implementation of the PIP. Public investment projects suffered from poor selection criteria, inefficient procurement, implementation delays, and cost overruns (ICR, p. 1). PIM performance was especially poor in the energy and water and sanitation sectors, which were identified by the government as critical to achieving the government’s goals of reducing poverty and increasing economic growth. Poor PIM resulted in poor delivery of essential services. Benin faced significant governance challenges, receiving relatively low scores on public sector and governance indicators (such as the Transparency International Corruption Perception Index, Worldwide Governance Indicators, and the Mo Ibrahim Index of African Governance). Corruption was particularly significant in government procurement. Citizens had limited access to the court system to challenge government decisions or actions, and there had been several recent corruption scandals involving high-level public officers in critical PIPs.

Increasing public investment and addressing PIM accountability challenges were therefore seen as critical to more effective and efficient PIM and contributing to Benin's longer-term socio-economic success.

World Bank Strategy: The government's PIM and accountability reforms were aligned with the World Bank supported Country Partnership Strategy (CPS) at appraisal (FY2013–17). The project directly supported the foundation pillar to strengthen governance and public sector capacity, as well as Results Area 1.1 on improved transparency and efficiency in public financial management . The project remained relevant to Benin's Country Partnership Framework at closing (CPF, FY2019-23), directly supporting the CPF's third objective on improving governance in management of public finances, by targeting the GoB's capacity to manage PIM as well as its planned activities to increase citizen participation for improved accountability.

Government Strategy: The project was directly linked to the 2016–2021 Government Action Program (Programme d'Actions du Gouvernement, PAG). Improvement of PIM and accountability in the public sector were identified as key objectives that would contribute directly to the first and second pillars of the PAG, aimed at (1) strengthening democracy, governance, and the rule of law, and (2) the structural transformation of the country's economy.

Rating
High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1
Objective
Improve efficiency in public investment management

Rationale
Theory of Change

The PAD did not include an explicit theory of change, but one was reconstructed in the ICR presenting a credible results chain between project activities, outputs, and outcomes. Project activities were to focus on process improvements, training, and better inter-ministerial coordination across all four phases of the public investment cycle (planning, allocation, implementation, and monitoring and evaluation (M&E)), leading to the development of fiscal principles and reference frameworks (for example, the PIM Manual), and strengthened selection criteria for projects. These, in turn, would lead to an overall improvement in PIM efficiency (as measured and evidenced by improved budget execution, reduced cost overruns and reduced time overruns). A critical assumption underlying the theory of change was that the government would have adequate capacity to improve inter-institutional coordination across the public investment cycle.

TA and PBCs were to combine to make capital investments more productive and efficient, i.e., better placed to contribute more to economic growth and poverty reduction (ICR, p. 19). The project was to provide TA across all four phases of the public investment cycle to the MOF, MPD, and line ministries responsible for managing public investments in the energy, water, and justice sectors. The energy and water sectors were chosen due to of their potential to increase economic growth and improve social outcomes (ICR p. 20). The ICR notes that increased public investment in these poverty-sensitive sectors also had the potential to build a more attractive environment for private investment, provide the population with basic infrastructure and better access to basic social services (ICR, p. 19-20). . The justice sector, more specifically ANLC, First Instance Courts, and Appeals Courts, were chosen because of their capacity to hold institutions of public administration accountable, which, in turn, was expected to improve accountability throughout the PIM expenditure cycle. To this end, the project was to integrate an RBF component that would facilitate high budget execution rates and the implementation of six selected projects in the three selected sectors.

Outputs

- **Output 1 (improved budget control and allocation)**: The project provided TA to strengthen budget processes and procedures, and to support the timely and effective execution of investment projects.
- **Output 2 (improved project planning, selection, and costing):** The project supported the development of feasibility studies and a PIM manual that includes guidelines on the preparation of feasibility studies and project concept notes, appraisal, supervision, and contract management. The manual also includes guidelines for cost-benefit analysis and independent review of MPD. Since 2020, all projects included in the PIP are systematically subject to prior feasibility studies that assessed whether objective criteria are being used for appraising and selecting projects.
- **Output 3 (procurement):** Activities under the project supported the activities effective execution of procurement plans to reduce delays and inefficiencies in procurement processes. It provided tools to line ministries to prepare Procurement Plans, Annual Work Plans (AWPs), and Credit Consumption Plans. Moreover, the project supported the professionalization of public procurement specialists (including the formal accreditation of staff responsible for public procurement functions) and capacity building through seminars and training of key actors involved in the procurement system. (ICR, p. 9).
- **Output 4 (public-private partnerships**): The project initially sought to address challenges associated with establishing and managing PPPs. Challenges arose due to the need to improve the government's procurement management capacity and procurement transparency. Furthermore, there was a need strengthen the capacity of key control and verification entities involved in the PPP process, introduce

digital tools to plan and monitor public investments, and improve the performance of the ministry in charge of planning (through technical advisory services and the implementation of staff performance management systems). These activities were scaled down as the PPIAF was established.

- **Output 5 (oversight, and implementation of public investment monitoring processes and tools):** The project sought to strengthen the capacity of selected line ministries to implement performance budgeting tools, including multi-year expenditure programming papers, annual performance reports, and authorization of multiyear liabilities. Additionally, a centralized public investment dashboard was established for monitoring public investments.

Outcomes

- Investment budget execution rate (%): The investment budget execution rate for FY2021 was 89 percent, compared to the baseline scenario of 68 percent in 2016, and nine percentage points higher than the end-of-project target of 80 percent. In FY2020, the investment budget execution rate reached 127 percent due to the implementation of the government's COVID-19 Response Program, which included the acquisition of health equipment and setting up hospitalization sites. During 2018 to 2021, public investment execution rates reached 84.3 percent on average. This contributed to a cumulative increase of public investment of CFAF 372.68 billion (US$212 million) over the period, compared to what the public investment amount would have been over the period if the execution rate had remained at 68 percent. In 2017, the public investment execution rate was 44 percent. The ICR notes that the public investment execution rate in that year was low, mainly due to the election of a new Government in 2016, which completely reversed its predecessors' investment strategy and portfolio of public investments (ICR, p. 10).
- Release of budgets: The average time taken for the release of budgets to credit managers for investment projects selected for the year declined from 3.0 months (baseline in 2016) to 0.23 months by 2021, exceeding the target of 0.5 months.
- Feasibility studies: The ICR introduced a target of 100 percent for investment projects being subject to feasibility studies, which was met in 2021.
- Percentage of new projects appraised in accordance with PIM Manual: The following targets were set for the percent of projects to be appraised in line with the PIM Manual: 20 percent (2017), 40 percent (2018), 60 percent (2019), 75 percent (2020) and 85 percent (2021). These targets were consistently exceeded, with 30 percent of projects being appraised in line with the PIM appraisal guidelines manual in 2017, 45 percent (2018), 80 percent (2019), 100 percent (2020), and 100 percent (2021).
- Average execution rate of public procurement commitment plans: As a result of project-related activities, the average execution rate of public procurement commitment plans in selected line ministries increased from 50 percent (2016, baseline) to 89 percent in 2021, exceeding the target of 85 percent. The number of accredited persons who are formally assigned to perform procurement functions increased to 243 by 2021 (from a baseline of 0 in 2018), exceeding the target of 100.
- Number of PPP transactions: As a result of initial project interventions, the number of PPP transactions increased from 0 in 2016 to 4 in 2021 (against an original target of 5). The end target for this indicator was subsequently lowered from 5 to 4 during the restructuring of October 2020. Activities relating to this indicator were dropped at the second restructuring, as PPP transactions were to be handled at level of the Presidency and no longer fell within the scope of the project.

- Budget execution and project implementation rates: Although the overall value of public investments increased, the project did not meet expected budget execution and project implementation rates for selected public investment projects in the electricity and justice sectors:
    - The average annual budget execution rate of the two selected projects in the electricity sector increased from 10 percent in 2018 to 28 percent in 2020, not reaching the target of 70 percent budget execution. The cumulative execution rate for these projects increased from 15 percent in 2018 to 46 percent in 2020, not reaching the target of 80 percent. The low performance was mostly due to pre-COVID-19 projects no longer being publicly funded in FY2019. Financing of projects was interrupted to allocate funds to the GoB's COVID-19 response.
    - The average annual budget execution rate of the two selected projects in the justice sector increased from 10 percent in 2018 to 14 percent in 2020, not reaching the target of 70 percent budget execution. The average cumulative clearance rate of administrative cases by the courts increased from 3 percent in 2018 to 7 percent in 2020, not reaching the target of 30 percent. Financing of the PBC was interrupted to allocate funds to the GoB's COVID-19 response.
    - The average annual budget execution rate of the two selected projects in the water sector increased from 10 percent in 2018 to 73 percent in 2020, exceeding the target of 70 percent. The cumulative physical project execution rate for these projects increased from 15 percent in 2018 to 72 percent in 2020, short of the target of 80 percent. Financing was interrupted to allocate funds to the GoB's COVID-19 response.
- Average variance between planned and actual costs and duration for projects included in the PIP: The reported average variance between planned and actual duration of projects decreased from a baseline of 50 percent in 2016 to 18 percent in 2021, exceeding the target of 25 percent. The average variation between planned and actual costs decreased from a baseline of 50 percent in 2016 to 15 percent in 2021, exceeding the target of 35 percent. The ICR (p. 23) notes that "an undocumented methodology" was used to assess cost and time overruns of investment projects, and data sources were not defined in the PAD or the M&E manual . According to the ICR, there are "issues around the accuracy and suitability of the data used," and results were not subjected to a rigorous validation process. These results are therefore not considered valid for assessing project performance.

Overall, the achievement of this objective is considered substantial, subject to caveats. Project activities reduced shortcomings in in budget execution and project planning, and contributed to strengthening the capacity of the government to implement public investments projects more effectively and efficiently. The project highlighted the importance of more strategic budget planning and implementation. It helped strengthen and modernize budgeting processes, and improved the timely and effective execution of these projects. Nonetheless, although the government was able to improve its overall budget execution and project planning processes, planned budget execution and project implementation rates in the electricity and water sectors were not achieved. As noted in the ICR report, "cutting half of PBC's allocated amounts did not help meet expected budget executive and project implementation rates of the selected public investment projects in the electricity and justice sectors." (ICR, p. 23). Following the 2020 restructuring, key activities were canceled. Moreover, data and methodology issues leave gaps in the assessment of cost and time overruns for projects included in the PIP.

Rating

Substantial

OBJECTIVE 2

Objective

Enhance the performance of selected institutions of accountability

Rationale

Theory of Change

The ICR presents again a credible results chain linking project activities, outputs, and outcomes. Owing to corruption and impunity, effective implementation of PIPs was significantly reduced. The project supported measures to improve the prevention and sanctioning of corruption in PIP s. Major project activities were focused on capacity building of selected anticorruption and judicial institutions, which was expected to result in an increase in the clearance rate of administrative cases, identified as a key output, and enhanced performance of the institutions, identified as a key outcome. These outcomes and outputs were linked to the higher-level objective of improving PIM. TA would be provided to prevent, investigate, and sanction corruption through the ANLC, and to strengthen the functioning of the First Instance Tribunals and Appeals Courts. These measures, in turn, would encourage the government to better allocate and monitor its public expenditures. The theory of change proceeded from the critical assumption that the government would increase its financial support to the judiciary and anticorruption bodies to address deep-seated governance challenges stemming from corruption and impunity; and thereby address the lack of effective systems for upholding accountability, together with high levels of corruption, which had a direct impact upon PIM.

Outputs

- **Output 1 (strengthening institutional capacity of the judiciary to effectively adjudicate administrative cases):** The project supported the implementation of a targeted backlog reduction program for administrative cases. The First Instance Courts, and Appeals Courts were chosen as project beneficiaries because of their mandate to hold the public administration accountable, which, in turn, would enhance accountability throughout the PIM expenditure cycle. Relevant project activities were: (a) operationalization of administrative chambers of First Instance Tribunals and Appeals Courts; (b) training of 330 judicial actors on administrative litigation; (c) progressive transfer of administrative litigation files from the Supreme Court to the lower jurisdictions; and (d) support for the creation of a website for the publication of administrative jurisprudence at the level of the Supreme Court (https://coursupreme.bj/jurisadmin/accueil).
- **Output 2 (prevention, investigation and sanctioning of corruption):** Activities included the training of members and staff of the ANLC on investigative techniques and complaint handling (and thereby improve its sanctioning capacity), and also the organization of National Anti-Corruption Days, in order to raise general awareness about corruption.
- **Output 3 (citizen engagement)**: The project created platforms for citizen participation (www.evaluation-citoyenne.bj) and carried out of two rounds of surveys: the Citizen Evaluation of Service Delivery surveys, and the publication of a CRC score. The goal of the surveys was to provide a clearer picture of beneficiaries' assessment of government delivery of services, and ultimately improve the quality of public services through better citizen monitoring and inclusive and participatory

dialogue between stakeholders (ICR, p. 16). A consortium of CSOs undertook quantitative and qualitative surveys to analyze client satisfaction, providing an opportunity for citizens to express their views on the availability, accessibility, and acceptability of public services offered.

- **Output 4 (control of asset declarations and risk-based auditing):** The project improved the quality of internal audit through its support to the General Inspection of Finance (IGF), Sectorial General Inspections, and the Supreme Audit Institution on risk-based auditing, control of asset declarations, and investigation techniques. The following activities were funded through the project: (i) training of 100 inspectors on fraud detection; (ii) training of 360 inspectors and public servants from seven ministries on risk-based auditing; and (iii) purchase of information technology equipment for the IGF and 23 Sectorial General Inspections.

Outcomes

- Reduction of case backlog: The second objective was primarily tied to the achievement of one outcome: a reduction in the backlog of administrative cases. This outcome was tenuously and indirectly linked to the ultimate project objective of improving PIM. The reduction was to be measured by the number of administrative cases resolved as a percentage of the total number of backlogged administrative cases plus new administrative cases filed and existing throughout the court system. The project targeted a reduction in the backlog of cases by 35 percent. Achievements in this area, however, were negligible. The backlog of cases had been lowered by only 7 percent by 2020, and at the 2020 restructuring, key activities contributing to the outcome and the related PDO and intermediate indicators were dropped (rather than revised). The ICR argues that, at project appraisal, the target had been based on an assumption that it would take only 4 months to clear an administrative case in court. (ICR, p. 15). The basis for this assumption, however, is unclear and not explained in the ICR report. The ICR asserts that an extended time frame of 14 months would have been a more realistic estimate, given the significant efforts that would be required from the Supreme Court, as well as high levels of co-ordination needed between the Supreme Court and the selected First Instance Tribunals and Appeals Courts to transfer cases to lower jurisdictions. Target setting also did not account for increased access to the court system through the creation of the new administrative chambers, increasing the number of administrative cases filed, or the substantial foundational support needed to operationalize and strengthen the capacity of administrative chambers to deal with case backlogs. The speed of case resolution also failed to improve due to: (a) delays in the transmission of cases from the Supreme Court to lower jurisdictions; (b) enrollment issues in the courts, (c) challenges with identification of plaintiffs; and (d) coordination difficulties at different institutional levels. The ICR (p. 16) notes that "these factors made clearing 35 percent of old and new cases nearly impossible to achieve."
- Submission of corruption cases to ANLC: As a result of project interventions, three cases were submitted by the ANLC and acted on by the prosecutor in 2017, not reaching the target of five cases. In 2018 and 2019, no cases were submitted, and the target was dropped. The ANLC was disbanded in March 2020 and replaced by the Haut Commissariat à la Prévention de la Corruption (HCPC) in April 2020.
- Aggregate CRC Scores: Survey results indicate that the population remains underserved, with an aggregate CRC score of 2 out of 5 in June 2020 for the three participating sectors, and no improvement in December 2020 (date of release of second-round results). A planned third round was not conducted due to the COVID-19 pandemic. Overall, there is insufficient information to measure progress in citizen satisfaction between the start of the project in 2016 and the closing date in 2021.

- Asset Declaration: The project made significant progress in increasing the asset declaration compliance rate, which increased from a baseline of 60 percent in 2016 to 95 percent at project closure, meeting the target.

Overall achievements under this objective were modest. The ANLC was disbanded. The project failed to meet the PDO indicator relating to the reduction of backlog in administrative cases, and target setting did not account for revisions to project funding and scope. Important indicators were dropped. The 2020 restructuring negatively affected the project performance. As the ICR report notes, "in practice the restructuring cancelled one-third of the initial project funding and discontinued all activities contributing [towards the project's objective of improving the effectiveness of accountability institutions] " whilst not revising the PDO. (ICR, p. 21). At the same time, the project made some strides in operationalizing and strengthening the capacity of the Administrative Chambers of First Instance Tribunals and Appeals Courts, and contributed to capacity building related to internal risk-based auditing and investigation techniques in several ministries. The results framework, however, provided no evidence of the impact of the latter activities. Finally, the link between the second project objective and PIM was not properly articulated, justified or explained in the ICR report, presenting a serious flaw in project design.

The project team later added that the project contributed to enhancing the capacity of the *Autorité de régulation des marchés publics* (ARMP) to investigate procurement requests and take sanctions against misprocurement acts. As a result, ARMP has published on its website a list of persons and companies excluded from public procurement in Benin for ten years (https://armp.bii/des-agents-publics-exclus-de-la-commande-publique-en-republique-du-benin/).

Furthermore, the project team later added that the project improved the quality of internal audit through its support to the IGF and to Sectoral General Inspections. As a result, IGF has increased implementation of its Annal Audit Work Program, with rates of 74 percent in 2018, 93 percent in 2019, and 123 percent in 2020 (53 audit missions conducted out of 43 planned missions), as demonstrated in annual reports (www. igflfinances.bi). Seven ministries have developed their own risk mapping, and the process is ongoing in the remaining ministries. Internal controls have been strengthened in these seven ministries, and the quality and timely submission of internal audit reports have improved overall.

Lastly, the project team later highlighted that the project contributed to curbing corruption, as measured by the World Governance Indicators. During the project period, the "Control of Corruption" indicator for Benin improved from 34.62 in 2017 to 54.81 and 50.48 respectively in 2020 and 2021, on a scale of 0 to 100.

Rating
Modest

OVERALL EFFICACY

Rationale

The project contributed to improved efficiency in public investment management through modernized budgeting processes, enhanced quality of projects included in the PIP, and improved timeliness of processes, though there were shortcomings in the data and results related to some of the targeted sectors. Achievement of results related to accountability was modest. On balance, efficacy is rated Modest.

Overall Efficacy Rating	**Primary Reason**
Modest	Low achievement

5. Efficiency

The PAD provided an economic analysis but did not calculate an economic rate of return or internal rate of return (IRR). At project appraisal, it was estimated that the project would contribute 0.5 to 0.7 percentage points on average to annual GDP growth, based on reasonable assumptions regarding the expected increase in public investment execution rates and the marginal productivity of investments in Benin at the time. Re-estimates at completion found that the project added 0.26 percentage points to annual GDP growth over its lifespan (ICR, Annex 4). The net present value was calculated at US$127.7 million, and the IRR was 149 percent, when the project's first year was excluded from the analysis (2017 was considered a "lost year" because of a change of government and related delays in launching the project). Including 2017 in the calculations produces a reduced but still positive impact, with an IRR of 16 percent and NPV of US$41.27 million (ICR, p. 39). The economic analysis in the ICR is based on the assumption that the project was *solely* responsible for all of the improvements observed in the public investment execution rate since 2016. While the project has contributed to improvements, sufficient information was not provided about trends prior to 2016 and other activity in the sector to justify attributing *all* of the observed progress to the project in the economic analysis. The ICR (p. 19) states that the project spent less than planned in many areas, especially procurable activities, and that CFAF400 million in savings was reallocated to "additional activities contributing to the PDO"; it does not elaborate on what these activities were.

Project effectiveness was significantly delayed due to slow set-up of the Steering Committee and the PCU. The newly elected government transition team within the MPD, in charge of recruiting key project staff, was slow to implement planned activities in the first year. The departure of the first project coordinator in 2017 further delayed the early stages of implementation. Changes to the government's public investment strategy and to the RBF component led to a restructuring after only 18 months.

Given these shortcomings, efficiency is rated Modest.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate	✓	16.00	100.00 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The project's objectives were relevant to country context, government strategy, and Bank strategy from appraisal through completion. The objective to improve the efficiency of public investment management was substantially achieved, though there were shortcomings in improving budget execution and project implementation rates for specific projects in targeted sectors. Furthermore, the judicial component was not well-linked to the project objective of improving PIM. Improvements in accountability, which were in key ways a prerequisite for meaningful improvements in PIM, were modest. Project efficiency was modest, with important shortcomings in implementation efficiency and data limitations in the ICR's economic analysis. These ratings are indicative of significant shortcomings in the project's preparation, implementation, and achievement, producing an Outcome rating of Moderately Unsatisfactory.

a. Outcome Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The government has signaled its commitment to continuing with the PIM reform agenda, with future actions including: (1) implementing computerized systems for public management, such as e-procurement and systems for human resource management; (2) strengthening transparency and accountability in the management of public resources by building the capacity of the Court of Accounts, the National Assembly, and the Finance Inspection; and (3) preparing a Program for Results (PforR) operation in this area. The PforR is expected to become effective during FY2023.

Nevertheless, crucial reforms relating to improvements in judicial institutional capacity, transparency, and anti-corruption efforts remain under-addressed. This puts development outcomes at risk, especially since "the lack of effective systems for upholding accountability, together with high levels of corruption, had a direct impact upon PIM in Benin" (ICR, p. 2). The ICR also notes that "corruption was also particularly significant in government procurement." (ICR, p. 2). Although the ANLC has been dismissed in March 2020, and replaced by a new body (the HCPC) in April 2020, it will be essential to ensure that the HCPC operates efficiently and effectively in future, with corruption cases being submitted to the new body and acted on by the state prosecutor. Improvements in the justice sector and anti-corruption reporting and adjudication mechanisms, as well as related reforms (such as improving the efficiency and effectiveness of courts to resolve case backlogs) are foundational to progress on the overall PIM reform agenda.

The project team later added that the new PforR operation will contribute to consolidating the project's achievement by addressing remaining economic governance challenge in Benin, including in the areas of PFM/PIM, statistics capacity, digitalization of services and payments, civil service reform, and impact on service delivery.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project targeted various dimensions of PIM, which were insufficiently explained or defined in the ICR report. Project design was largely appropriate for achieving the first project objective; however, improvements would have been desirable for outcomes related to the second project objective.

The underlying studies and data required to support the design of the accountability objective was unfocussed and based on an insufficient understanding of the underlying challenges, reflected in overly ambitious targets. Indeed, the design of accountability-related activities was mainly based on a 2013 study carried out by the European Union, which provided general recommendations on how to effectively set up Administrative Chambers in the First Instance and Appeals jurisdictions. This study, however, suffered from various limitations. Indeed, “since 2013 there had not been concrete progress, nor a clear implementation strategy of the key recommendations” (ICR, p. 20). Moreover, “there were also no significant studies carried out during project implementation to identify the bottlenecks in the implementation of judicial, anti-corruption and accountability reforms that would have helped the Task Team redesign activities, identify adequate indicators and baselines, and set realistic targets.” (ICR, p. 20).

Additionally, the flow of funds of the RBF component weakened its impact on improving the clearance rate of administrative cases. This contributed to poor results in reducing the backlog of administrative cases. Disbursements were initially made to the central government without any condition for timely and/or additional transfer of funds to the judicial branch. This issue was resolved only with the subsequent introduction of a PBC tied to the timely transfer of funds to the Supreme Court and the selected First Instance Tribunals and Appeals Courts.

In the result, the PBCs were poorly designed and not adequate to incentivize progress toward achievement of project objectives. For improving the efficiency of PIM, the PBCs were intended to incentivize the efficient coordination and timely processing of financial flows in the electricity and water sectors. However, the scope of the PBCs was most likely too narrow, as the PBCs were limited to only 6 projects representing less than 5 percent of the annual investment budget. Eventually, the PBCs' allocated amounts were substantially cut and the PBCs subsequently cancelled .

Furthermore, and as stated previously, there were shortcomings in the methodology used to assess time and cost overruns of investment projects. The ICR (p. 23) notes that "neither the PAD nor the M&E manual explicitly defined the source of data or methodology" for time and cost overrun estimates."

Quality-at-Entry Rating
Unsatisfactory

b. Quality of supervision

Supervision and implementation support missions were conducted regularly. Task team leaders (TTLs) were based in the region (Côte d'Ivoire, Togo), and some team members were based in Cotonou to facilitate day-to-day implementation support. The project was restructured twice in order to align it with evolving government priorities (first restructuring) and mobilize funding to address the COVID-19 pandemic (second restructuring). The second restructuring effectively halted project efforts to enhance accountability in PIM, but the PDO was not revised, and implementation progress rating in Implementation Status and Results Reports (ISRs) remained Satisfactory (from February 2019 to project closing) even though no progress was being recorded toward lowering case backlogs.

Quality of Supervision Rating
Moderately Unsatisfactory

Overall Bank Performance Rating
Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

M&E arrangements included standard processes, requiring implementation progress reports (such as quarterly implementation reports, intermediate financial reports, and annual financial statements), providing data on the project's inputs, use of funds, activities implemented, and outputs. The government was also to report on intermediate and PDO indicators, recruiting an M&E specialist to strengthen its capacities in this regard. The costs of M&E were budgeted within the fourth project component. The government set up a Steering Committee composed of representatives of all ministries and agencies involved in project implementation to assist with reporting on M&E. This Committee was to approve AWPs, assess implementation progress, and issue strategic recommendations and corrective measures to improve project performance.

The choice of several indicators did not adequately reflect a credible TOC. Moreover, the project's results framework had significant shortcomings. First, it assessed only the performance of projects that were included in the 2016–2018 PIP. While PIPs were developed on a three-year rolling basis, the government's annual review of its PIP performance was performed independently of the year in which the project was first added to the PIP. Accordingly, the project could not use official data from the PIP Annual Progress Reports to measure some outcome indicators. The project's M&E specialist therefore consulted the database of the Directorate General of Budget and reworked the data to limit its scope only to projects approved in the 2016-2018 PIP.

Second, as noted earlier, there were shortcomings in the methodology used to assess time and cost overruns of investment projects. The ICR (p. 23) notes that "neither the PAD nor the M&E manual explicitly defined the source of data or methodology" for time and cost overrun estimates. Given issues with accuracy and suitability of data, some reported outcomes cannot be accepted.

Third, the effect of prematurely closed projects or closed projects with low physical execution rates was not fully explained and reported.

Fourth, there were shortcomings in the measurement of the outcome on enhancing the performance of selected institutions of accountability. Finally, results pertaining to operationalizing and strengthening the capacity of Administrative Chambers of First Instance Tribunals and Appeals Courts, and the quality of internal audit in key ministries were not captured in the results framework.

b. M&E Implementation

The PCU was primarily responsible for reporting on project results and liaising with ministries and agencies involved in the project to collect data. An M&E manual was drafted and implemented but not revised to reflect changes to the results framework. PBC verification through independent agencies followed a sound PBC verification protocol. An M&E specialist was engaged throughout project implementation. Progress and annual reports were issued on time, though the project could not use the official data from PIP Annual Progress Reports (as described above). From February 2019 until project closing, the ISR ratings of progress toward achievement of PDOs and overall implementation progress remained Satisfactory even though no progress was being recorded in the reduction of administrative backlogs (ICR, p. 25).

c. M&E Utilization

According to the ICR (p. 24), the project used M&E data on performance and results progress to inform project management and decision-making. An MTR was carried out and completed in March 2021, providing relevant recommendations to improve project performance. However, due to delays in conducting the MTR, M&E issues were identified late in the project cycle, yielding limited benefits for the restructuring process, or for revising the results framework and M&E arrangements.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was rated Category C and did not trigger an environment assessment, as it primarily focused on supporting institutional and capacity building. There were no major environmental issues associated with the project.

b. Fiduciary Compliance

CFAF30 million of ineligible expenditures were identified in the use of the Project Preparation Advance. The government reimbursed the full total to the Bank. There were no other fiduciary non-compliance issues. Provisions for procurement, financial management, and safeguards were adequate. The implementation support team included procurement and financial management specialists.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment

Outcome	Moderately Satisfactory	Moderately Unsatisfactory	Modest efficacy due to modest achievement of the objective to improve the performance of accountability institutions, and some shortcomings in achievement of the objective to improve efficiency in public investment management. Modest efficiency due to implementation inefficiencies and data limitations in the economic analysis.
Bank Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

12. Lessons

IEG agrees with the lessons and recommendations identified in the ICR (pp. 26-27, drawing attention especially to the following:

- **Operational flexibility and responsiveness, where needed to address broader extenuating country circumstances, should be weighed carefully against intended project outcomes.** Although the Bank worked successfully with the government to reprioritize the project to focus on activities focused on mitigating the economic and social shocks of the COVID-19 pandemic, this led to key activities critical to achieving this project's objectives being dropped. A more balanced reprioritization may have had fewer impacts on the project's original theory of change.
- **Feedback from citizen evaluation surveys can be a useful and credible tool to measure achievements towards accountability and performance, provided that appropriate timing and frequency of surveys are chosen.** The timing of citizen evaluation surveys is crucial for the surveys to yield credible results. Several rounds of surveys may be necessary throughout a project cycle: a first round should be carried out early during project implementation to develop a credible baseline (that can possibly be integrated into project M&E); a second round may be required midway through project implementation to capture progress and identify requisite corrective measures; and lastly, prior to project closure, surveys are desirable to assess overall project success and performance. Importantly, this ensures citizen and beneficiary involvement throughout the reform process and project cycle and can catalyze the government's continuing commitment to the reform process.
- **Flexibility in changing environments should be accompanied with proper and rigorous adjustments to project M&E.** The re-direction of funds to finance the COVID-19 response resulted in the discontinuation of activities (and related performance indicators including at the PDO level) contributing to the project's second outcome. Nevertheless, the

original PDO was still maintained. A proper results chain analysis would have helped ensure that activities being implemented were relevant to achieve all the intended outcomes.

IEG adds the following lessons:

- **Data collection methods to be used for primary data collection and data sources need to be clearly articulated for each project component to ensure that the data produced are robust, timely, and relevant.** This project highlighted a number of issues concerning data sources, methodology for data collection, analysis, and validation, and reporting mechanisms.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well-written, well-structured, and clear. It covers pertinent thematic issues and situates the rationale for the operation within the context of Bank and government strategy, providing a comprehensive and broad description of project activities and achievements. It includes an excellent executive summary and reconstructs a credible theory of change, including the assumptions that underpinned the operation's logic. It is candid in its assessment of key shortcomings in the project's design and implementation, pointing to issues with data analysis methodology, M&E design, and M&E implementation although the relevance and design of the judicial component could have been assessed more critically. However, the ICR's lessons and recommendations could have better addressed some of the key lessons and findings that emerge from these methodological issues. In addition, some key information to support the ratings was not in the ICR and had to be provided later by the project team.

a. Quality of ICR Rating

Substantial