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UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS
FIRST COUNTRY COOPERATION FRAMEWORK FOR ANGOLA (1997-1999)

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INTRODUCTION

1. The Advisory Note that was discussed earlier with the Government of Angola, donors and United Nations agencies provided the basis for identifying the orientation of the first country cooperation framework (CCF) for Angola. The CCF being submitted by the Government of Angola and UNDP articulates the agreed modus operandi and the areas of focus regarding the use of UNDP-managed resources.

2. Angola's emergence from conflict and the prevailing economic and social conditions, unquestionably underscore the appropriateness of the concept of sustainable human development (SHD) in addressing the Government's development goals. The CCF takes note of the national goals and priorities in the context of the areas of focus of SHD.

3. The CCF has benefited significantly from the round table process and the ongoing assistance to the Government in the area of economic management. The Government has agreed to the preparation of the country strategy note (CSN). The preparation of a national Human Development Report for Angola has been initiated. The CCF will have considerable bearing on these important national documents.

4. Finally, the CCF profited from consultations between UNDP and resident development partners and other stakeholders in Angola's development.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

5. After more than 30 years of continuous conflict, the country is confronted with a critical situation of addressing the peace process, humanitarian issues and the problems of economic and social recovery. The many years of war and disruption have resulted in a marked deterioration of social welfare and of rising unemployment. Access to basic social services such as health, water and education systems have declined considerably while the allocation of resources to these sectors remain marginal. Per capita income fell from US\$ 720 in 1985 to US\$ 360 in 1995, and according to the Human Development Report, Angola's human development index fell from 0.291 in 1995 to 0.283 in 1996.

6. The realities of the post-conflict situation bring to the forefront many critical development problems and challenges which relate to the achievement of the goals of SHD. Therefore, the goals of SHD are undeniably relevant to the current conditions in the country. The Government has clearly indicated through the Programa Economico e Social 1995/1996 and Programa Nova Vida and the recently adopted Programa de Politica Economica e Social do Governo para 1997, that its development strategy is focused on four interrelated goals, namely: (a) maintenance of peace, stability and rehabilitation; (b) revival of the economy and sustainable growth; (c) eradication of poverty; and (d) employment and income generation.

7. Maintenance of peace and stability and rehabilitation. As a result of the past experience of the country, the Government believes that the first preoccupation is to strengthen and build on the peace process to ensure stability. This is a critical prerequisite in creating an enabling environment for development. The Government is placing considerable emphasis on the demobilization and productive reintegration of about 100,000 soldiers into civil society. With the assistance of donors and non-governmental organizations (NGOs), the Government is working to ensure peace-building, humanitarian assistance activities and mine clearance.

8. Economic recovery and sustainable growth. With the exception of the petroleum sector, nearly all economic activities had, in practice, contracted. During 1985-1995, gross domestic product (GDP) grew at less than 1 per cent per annum and with population growing at 3 per cent per capita, income declined from US\$ 720 to US\$ 360 in the same period. The resumption of hostilities in 1992 led to a sharp fall of 24.4 per cent in real GDP. However, there was a recovery of 7.7 per cent and 12 per cent in 1994 and 1995 respectively. Massive budget deficits fuelled spiral and hyper-inflation that ranged between 3,800 per cent and 10,400 per cent per annum. Since the introduction of the Programa Nova Vida in June 1996 there has been a persistent decline in the monthly rates of inflation from 84 per cent in May to 5 per cent in December. Similarly, the extremely rapid variations in the foreign exchange rate has remained relatively stable.

9. Angola's total debt is currently estimated at US\$ 12.5 billion. The debt burden measured by debt/export ratio rose from 225 per cent in 1987 to 432 per cent in 1995. Balance-of-payment deficits were successively financed by running arrears on medium- and long-term debts. Current short-term debt, guaranteed by oil revenues, requires payments of US\$ 1 billion per year. Access to new medium- and long-term loans is limited and has become a major bottleneck to sustainable development.

10. Critical issues delaying the revival of the economy include the lack of macroeconomic policies that address the problems of overvalued foreign exchange rates, budget deficits and inherent subsidies that distort resource allocation, and high and rapid inflation that deter investment and growth.

11. Eradication of poverty. Studies by the Instituto Nacional de Estatística (INE) reveal that 61 per cent of the population live below the poverty level. Provincial estimates show that the incidence of poverty is highest in Cabinda at 70.1 per cent compared to 61 per cent in Luanda, while in Huila and Lubango it is 68.2 per cent. The main causes of poverty are the high rate of unemployment, estimated to be 45 per cent, and the limited access to social services. Public expenditure in the social sector declined from 9 per cent to 7 per cent between 1994 and 1995. The Government is concerned about the extreme conditions of poverty being experienced by the population.

12. The Community Rehabilitation and National Reconciliation Programme, which was presented at the 1995 Round Table Conference, addresses poverty reduction through the creation of employment opportunities, improving access to basic social services and food security for both rural and urban dwellers. It targets female-headed households. An ongoing programme of decentralization is intended

to encourage community participation in evolving poverty reduction strategies. Poverty is both a rural and an urban phenomenon. In the rural areas, the presence of mines, restricted movement of people and the low levels of technology have resulted in low productivity. The Community Rehabilitation Programme could provide skilled training to communities for the promotion of small enterprises, rehabilitation of schools, health centres, feeder roads, water supplies and related activities such as mine awareness.

13. Unemployment and underemployment. The rate of unemployment is estimated to be 45 per cent. The labour market realities in the country indicate that opportunities for employment in the formal sector are extremely limited. About 35 per cent of the labour force is engaged in the informal sector. The rate of unemployment could worsen if the reintegration of 103,000 demobilized soldiers is unsuccessful. Moreover, there is also a backlog of several thousand unemployed youths. The creation of the appropriate environment to promote private sector, small and micro-medium enterprises and the adoption of labour intensive methods could well serve to reduce the large-scale unemployment.

14. Improving subsistence agriculture and food security. Nearly 60 per cent of the population is dependent on subsistence agriculture. There is a need to improve the sector's productivity through the adoption of new techniques and seed varieties, and the provision of appropriate extension services. Improving household food security still remains a major challenge for most provinces. About 3 million people still depend on external food assistance. All agricultural activities are affected by the presence of mines. The millions of active land mines constrain many rural communities.

15. Governance and dynamic civil service system. Full decentralization measures are yet to be adopted to ensure decision-making at the provincial level. Viewed from the perspective of SHD, the decentralization programme is especially important in the management of a post-conflict situation because there are major differences in the developmental needs of the provinces. Administrative reforms can ensure that the civil service system becomes a prominent feature of the economic decision-making process. At present, the morale of civil servants is low due to low wages and poor working conditions. As a result of the war, Angola has not had any consistent programme of building national capacities in economic management and other fields.

II. RESULTS AND LESSONS OF PAST COOPERATION

16. UNDP began to operate in Angola as a donor and initiator of development activities in 1976. This role culminated in the organization of a Round Table Conference in Brussels in 1995. It played an important role in Angola's peace process and helped to mobilize resources to support the country's transition from war through humanitarian needs to sustainable development. However, because of the war, country programme activities for the period 1992-1996 had to be suspended, but UNDP continued to provide ad hoc support including humanitarian assistance. UNDP focused its resources on a few programmes that clearly responded to the priority needs of Angola and its core concerns.

17. These included: (a) capacity-building in aid coordination and the management of the financial system; (b) public sector reforms; (c) support to the democratization process and the elections; (d) mobilization of financial resources through the round table process; and (e) the initiation of community rehabilitation programmes.

18. The national execution modality was also introduced to encourage ownership and active participation in implementing national programmes. The lessons learned are that the national execution modality is proving to be a difficult option due to the weakness of national institutions; these institutions have few qualified staff, and the absence of strong national NGOs and an efficient banking system seem to complicate the situation.

19. Past experience confirms the undeniable necessity of continuing to strengthen the process of capacity-building in key economic management institutions. Trained national staff leave the civil service for the private sector and NGOs because of the extremely low wages, salaries and poor working conditions. Technical advisors are sometimes compelled to take up line functions because counterparts are not readily available. An economic reform programme will address the issue of civil servants' remuneration to ensure the sustainability of all external assistance.

20. The security situation remains a serious concern and the recent formation of a Government of National Unity could permit easy movement of people. Currently, cost-effective technical assistance delivery mechanism could not be introduced because domestic development services personnel, for example, could not work in rural communities.

21. Lessons learned at UNDP level are as follows: (a) there is the need to step up training of nationals to assume increased roles in the management of programmes; (b) the high rate of turnover of UNDP Country Office senior management had a negative effect on the image of the Office in its relations with the Government and donors; (c) the Office lacked a coherent and flexible strategy in the face of emergencies; (d) there is the need to build capacity of the Office to assume an increasing role in the implementation and coordination of reintegration and rehabilitation programmes; and (e) approval of project documents were unduly delayed due to the absence of translation facility within the Office.

III. PROPOSED STRATEGY AND THEMATIC AREAS

22. The Government needs UNDP to cooperate in addressing its development goals by considering the salient elements of SHD that are appropriate to existing realities in the country. The following three key areas are strongly interdependent but are being discussed separately only for the sake of presentation. Therefore, the critical areas for future intervention of UNDP should concentrate in: (a) assistance in post-conflict situation; (b) poverty eradication; and (c) governance.

23. *Area of concentration 1: Cooperation in post-conflict situations.* For the next three years, attention should be paid to the transitional nature of the

cooperation within the context of this programme. Activities undertaken within the programme certainly have an important relationship with the overall economic development process of the country. Therefore, to ensure a successful transitional phase to development, the coordination efforts envisaged by UNDP should take into account the political, social and economic implications. Progress made on the economic front would be critical in accelerating and supporting the transition.

24. *Programme 1.1: Support to the peace process through demobilization.* With the emergence from conflict, the Government sees the link between humanitarian assistance and economic recovery as critical. Over 100,000 soldiers are to be demobilized and reintegrated into civil society. Their efficient and smooth integration into productive activity would reduce the risk of them bearing arms again and threatening the peace and development of the country. It is expected that the majority of the soldiers will have difficulties reintegrating into civilian life because of their lack of and limited education, lack of labour market experience, and also because of their traumatic experiences during the war.

25. Reintegration will be promoted by the building of capacities of the national Institute to Support the Socio-Professional Reintegration of Ex-military Personnel through financial support for the Community Counselling and Referral Service for Demobilized Soldiers. Funds will be established within the national Institute to support ex-soldiers and their families to undertake quick impact projects (QIPs). The QIPs fund operating in the national Institute-Community Counselling and Referral Service institutional structures will serve as a catalyst to overcome various constraints that will hinder the effective integration of the soldiers and their families.

26. The programme will emphasize the community level operations and assist in providing vocational training as well as marketable skills. Since the training will target the soldiers and the families, considerable aspects of the training should be structured to encourage active participation of women.

27. *Programmes 1.2: Mine action programme.* Estimates by the Central Mines Action Office of the United Nations Unit for the Coordination of Humanitarian Assistance (UCAH), indicate that some 3 million active mines were indiscriminately laid during the war. These now constitute a serious environmental threat and continuously take heavy toll on civilians in addition to disrupting economic activities.

28. This situation is delaying the expected return of the population to its communities of origin, and unfortunately perpetuates the country's dependency on external aid, even though there exists a potential for food self-sufficiency and for export. Such a situation is also affecting the success of the demobilization and community rehabilitation programmes.

29. An assessment by the National Institute for the Removal of Explosive Obstacles concludes that due to lack of capacity, the National Institute will not be in a position to take over the complex demining operations in 1997 when United Nations Angola Verification Mission (UNAVEM) and UCAH are phased out as planned. The mine action programme will include institutional capacity-building

of the National Institute to coordinate all demining activities effectively. The programme also involves actual demining as well as a mine awareness strategy.

30. *Programme 1.3: Coordination of the transition.* The contemporary situation in the country is slowly moving from that of a complex emergency and war towards peace and reduced humanitarian needs. Thus, transfer of responsibilities will be required both within the United Nations itself and from the United Nations to the Government.

31. Within the United Nations system there will have to be a deliberate transfer of specific responsibilities from UCAH to UNDP. As the peace process proceeds with the formation of the Government of National Unity, UNDP and other United Nations agencies will have to assume certain duties currently undertaken by UNAVEM. Simultaneously, the Ministry of Social Assistance and Rehabilitation will be expected to take over from UCAH the substantial role of coordinating humanitarian assistance activities and help to build national capacity, particularly among national NGOs, to manage the remaining relief activities.

32. Focus. Attention will focus on establishing a UNDP substantial capacity to take over specific responsibilities from UNAVEM and UCAH in order to ensure long-term support to coordinate interventions. UNDP will support the Ministry of Social Assistance and Rehabilitation in strengthening its capacity and ability to work with national NGOs as partners in the delivery of relief assistance. It is also expected that in complementing the work of the Ministry, specific and concrete activities will be evolved to take into account the social needs of the society. Hence, the population will be assisted in their relocation to their provinces of origin so as to reduce the massive rural-urban exodus that prevailed during the war. The population will be encouraged to undertake agricultural activities with increased productivity, small-scale rural economic activities, including food processing, through the introduction to appropriate technology.

33. Area of concentration 2: Poverty eradication. *Programme 1.1 Community Rehabilitation and National Reconciliation Programme.* The Government acknowledges that the fight against poverty will best be addressed through a strategy of consistent economic recovery and growth. The link between poverty eradication and economic growth is therefore noted. In this regard, the private sector, seen as the engine of growth, will be given appropriate incentives to play a catalytic role in the combat against poverty. The Government has taken steps to ease the constraints faced by the private sector and to further enhance its role in the economy.

34. However, the Government identifies the Community Rehabilitation Programme that was presented in Brussels as the cornerstone in the country's poverty reduction strategy. The main objective of the Programme is to enhance people's involvement to improve their living conditions and basic needs and to have access to income-generating activities.

35. There is a considerable incidence of poverty at all levels of the society. Persons particularly affected are the war-wounded, disabled, refugees and internally-displaced persons. Women have been especially affected since they

are compelled to become the heads of households without the appropriate means and resources. There is serious concern at the highest policy level regarding the incidence of poverty in Angola. *Programa Nova Vida* expressed concern on the declining welfare of the society while the recently adopted *Programa de Politica Economica e Social do Governo Para 1997* equally addresses the poverty question. Due to provincial differences in the incidence of poverty, community-based programmes may be the most effective and sustainable means of reducing poverty.

36. This Programme should be pursued during the forthcoming programming cycle, with the following focus:

(a) rehabilitation of productive capacity in agriculture, livestock, forestry, fisheries and private sector activities;

(b) rehabilitation of social sectors, including basic education, primary health care and assistance to vulnerable groups;

(c) rehabilitation of basic infrastructure, focusing on roads and bridges, water and energy, housing and peri-urban infrastructure; and

(d) strengthening management capacity at national, provincial and local levels.

37. Empowerment of women. Women have been particularly vulnerable to the effects of the war. The majority of households are headed by females whose access to economic resources are extremely limited, hence the incidence of poverty is highest in such households. Efforts are needed to counter the effects of the war and traditional attitudes and practices that hinder the effective participation of women in the economy. In all programmes UNDP will have to stress the gender dimension and will target female-headed households as important beneficiaries. The Programme will address the employment and the working conditions of women, especially in the rural areas, and assist their involvement in small and micro-enterprises with the support of new technology and credits.

38. UNDP collaboration with national institutions such as *INE* must be based on its capacity in the collection and analysis of data and to work with appropriate divisions of the Ministry of Planning to design strategies and measures for alleviating poverty. Work with other United Nations agencies, NGOs, and community-based organizations will be pursued in order to build consensus on poverty eradication initiatives and at the same time facilitate the synergy of efforts. In terms of impact, this intervention will directly benefit the population as a whole, including women. Community-based programmes will be initiated. Success of the Programme will be judged on the basis of concrete measurable criteria such as the reduction in incidence of poverty, active and growing participation of women, increased income in the selected project sites and the sustainability of the programmes.

39. Area of concentration 3: Governance. *Programme 3.1 Institutional reform and administration modernization*. The goal is to support the establishment of mechanisms and structure at the national, provincial and community levels to guarantee the long-term sustainability of the development process and contribute

to building indigenous capacities for policy development and programme management.

40. The Government is aware that there is the need to train nationals to manage and implement programmes to enhance the growth of the country effectively. However, due to rigid administrative structures, low wages and salaries and poor working conditions, the morale and productivity of civil servants remain very low, with considerable absenteeism. At the same time, the civil service system needs to be reformed to achieve greater efficiency.

41. The Programme will focus on: (a) administration modernization as a means of improving the performance of the administration; (b) decentralization, which aims at bringing public services closer to the community by improving the capacities of local administrators; and (c) administration and society in order to ensure the active participation of the civil society in the process of governance.

42. The approach will be to enhance the knowledge and skills of Angolans to be able to formulate and implement the goals of SHD. Capacities will be strengthened throughout Government, within all institutions dealing with economic management, poverty, sustainable livelihoods, gender and environment. Emphasis should be placed on community mobilization and participation for sustainable development planning.

43. *Programme 3.2: Capacity-building in economic management.* The economic problems confronting the country are attributable in part to the severe shortage of trained manpower to formulate and implement prudent economic policies. The result has been the gradual build-up of distortions leading to waste, inefficiency and the lack of equity in the allocation and distribution of resources. The recent effort through the *Programa Nova Vida* was intended to bring about efficient management of the economic resources of the country. In this respect, assistance would be required to manage the new orientation of the economy being designed by the Government.

44. Capacity-building in the economic management programme will focus on the following areas: (a) assistance in the design of medium-term national economic and social development strategies; (b) development of accountable budgeting and management and coordination of foreign aid; (c) technical assistance in investment programming and debt management; (d) support to the effective development of socio-economic statistics; and (e) strengthening the capacity of a team of national economic advisers to formulate and monitor economic programmes.

45. With UNDP comparative advantage in capacity-building, it will collaborate with Sweden, the World Bank and the International Monetary Fund in building national capacity in economic management. Assistance will be directed to the Ministries of Planning, Finance, the National Bank of Angola and INE. It is expected that at the end of the cycle, substantive training has been provided to nationals. Other indicators of success will be a situation whereby donors support policies of the Government in the area of economic management policy formulation, effective utilization and coordination of external resources including joint programming among United Nations agencies.

IV. MANAGEMENT ARRANGEMENTS

46. *Execution and implementation arrangements.* Government has endorsed the use of the national execution modality, hence its use of national execution will be reinforced. UNDP should cooperate in training nationals to ensure the successful execution of programmes under national execution even though there is a shortage of skilled manpower within national institutions entrusted with the responsibility of programme implementation.

47. National NGOs, on which Government could rely to support national execution, are relatively young. They were legalized only in 1991 and as a result are weak and inexperienced. The absence of a banking system with wide provincial coverage presents some difficulties and risks and could present national execution as a difficult modality. Experience shows that the Country Office is often required by necessity to be actively involved in the management of projects. In view of these considerations, national execution may have to be slowly introduced until some basic conditions for its success are ensured.

48. In the meantime, some programmes will have to be under Agency or direct execution modality. This will allow time for training of additional manpower and the personnel of national NGOs. It is also expected that, if economic conditions improve, including the banking system, the Government will be in a position to offer better conditions to its personnel and thus provide a sound basis for successful national execution modalities.

49. The number of United Nations Volunteers (UNVs) specialists in support of field activities in Angola increased from 6 to 50 between May 1995 and December 1996. The expected number is 100. The UNV programme will have additional responsibility and orientation as rural communities resume normal life. With peace, more UNV/Domestic Development Services could be assigned to these communities to support their initiatives and help to tackle their development problems.

50. The Domestic Development Services field workers will possibly be from other African countries, and this will strengthen the receiving communities and give them the opportunity to develop technical cooperation among developing countries, by sharing experiences at the grassroots level.

51. *Monitoring, review and reporting.* UNDP-supported activities will seek to follow the programme approach and will be expected to prepare a three-year rolling resource planning framework to be used to monitor the use of core resources and progress in the mobilization of non-core resources. Jointly with the Government, a yearly review of the Programme will be undertaken to allow close monitoring and timely rectification. There will be a mid-term review.

52. To ensure complementarity and avoid duplication of effort appropriate government officials and relevant representatives of resident United Nations agencies will be encouraged to participate in all reviews. The Local Programme Appraisal Committee will continue to serve as an important mechanism for the appraisal of programmes, monitoring and review. Review reports will be prepared to assess the status of the implementation and to evaluate the needs for

adjustments in the planned activities so as to maintain the overall Programme objectives.

53. Resource mobilization. Resources expected in support to the programming effort will take into consideration resource projections stemming from the Round Table Conference. In this respect, total announced contributions to the UNDP Open Trust Fund for Angola amount to US\$ 23,072,947. This includes contributions that have already been received, as well as those that have been confirmed for the Community Rehabilitation and National Reconciliation Programme, Support to Reintegration of Demobilized Soldiers Programme, and Vocational Training and Micro Enterprise Promotion for Demobilized Soldiers Programme.

54. UNDP core funds from the target for resource assignment from the core (TRAC) 1.1.1 for Angola for the programming period 1997-1999 amount to US\$ 12,364,000. For planning purposes, the forecast of programming requirements will require additional funds that could be made available from TRAC 1.1.2 in the amount of US\$ 8,246,000, or 66.7 per cent of TRAC 1.1.1 for Angola. Funding will be sought from TRAC 1.1.3, in addition to Special Programme Resources from the previous cycle, at an estimated US\$ 8,935,000. In terms of UNDP non-core funds, an amount of US\$ 25,072,000 is envisaged from Trust Fund contributions (US\$ 23,072,000), government cost-sharing (US\$ 1 million) and third-party cost-sharing (US\$ 1 million).

Annex

Resource mobilization target table for Angola (1997-1999)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	(1 351)	
TRAC 1.1.1	12 364	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
TRAC 1.1.3	8 935	Including SPR from previous cycle.
SPPD/STS	591	
Subtotal	20 539 ^a	
NON-CORE FUNDS		
Government cost-sharing	1 000	
Sustainable development funds	-	
Third-party cost-sharing	1 000	Possible contribution from Governments of France and Sweden to the Financial Systems Development project.
Funds, trust funds and other UNDP Open Trust Fund for Angola	23 072	
Subtotal	25 072	
GRAND TOTAL	45 611 ^a	

^a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.



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FIRST COUNTRY COOPERATION FRAMEWORK FOR BENIN (1997-2001)

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INTRODUCTION

1. This cooperation framework is part of the implementation of the political options proclaimed in 1990 by the National Conference of Vital Elements of the Nation [Conférence des forces vives de la Nation]. These options were confirmed by the round-table conference held in April 1992 in Geneva - which provided a basis for the preparation of central development policies and programmes - and by the National Economic Conference held in December 1996. The operational frame of reference for the programmes contained in this cooperation framework is the country strategy note drawn up by the Government in collaboration with the United Nations system, and adopted by the Government in January 1997.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

A. Development policies and results achieved

2. After some two decades under a managed economy, Benin has since 1990 been going through profound changes directed towards the introduction of both economic liberalization and democratic pluralism. Despite continuing structural weaknesses, the reforms undertaken under the three structural adjustment programmes have, since 1991, achieved remarkable results: (a) the gross domestic product (GDP) has grown on average by 4 per cent in real terms; (b) the public finances have been rehabilitated; (c) inflation - which soared to 54 per cent following the devaluation of the CFA franc in 1994 - was kept down to 3.1 per cent in 1995.

3. The positive social results achieved include the following: (a) life expectancy at birth has risen from 48.3 years in 1985 to 55.1 years in 1994; (b) the infant mortality rate has fallen by 30 per cent over the past 20 years and is now 94 per 1,000 live births; (c) the percentage of the population with access to safe water has increased from 50 per cent in 1990 to 58 per cent in 1995; and (d) the net school enrolment rate has gone from 47.2 per cent in 1985 to 38 per cent in 1990 and to 48.8 per cent in 1993.

4. Notwithstanding the encouraging results achieved, the economic reforms have had little effect on the precariousness of the population's living conditions. According to the Human Development Report, 1996, Benin ranks 131st out of 174 countries in terms of real per capita income (\$1,500 worldwide) and 154th in terms of the human development index (0.327).

B. Eradication of poverty: profile and strategies

5. Analysis of the situation shows that poverty is widespread and is on the increase. Income is extremely low. In rural areas more than half of the households live below or very close to the poverty line, whereas in urban areas 31 per cent of households are below the poverty line and 55 per cent are very close to it.

6. In the context of the plan of action on the social dimension of development and of the job creation programme, the Government has opted for grass-roots community capacity-building as one of the strategies for eradicating poverty and supporting the decentralization process.

C. Promotion of productive employment

7. Since systematic recruitment to the civil service was suspended in 1986, the solutions that have been applied to the problem of unemployment have not met the expectations of the jobless. Wage earners constitute only 5.2 per cent of the economically active population of Benin. The agricultural sector, which employs 55.9 per cent of the economically active population and provides 70 per cent of jobs in rural areas, remains the major provider of jobs. However, the level of employment in that sector is growing slowly, the annual average rate being below 1 per cent. At the same time, it is estimated that the economically active population of Benin will increase by 82,000 per annum until 1997 and by 104,200 each year between 1997 and 2002. In order to deal with this situation, many job creation schemes and support programmes have been established to increase the potential for job creation in the various sectors of the economy.

D. Promotion of good governance

8. In spite of the significant advances achieved by Benin in the consolidation of the democratization process that began in 1990, many challenges remain to be met, particularly with respect to the clarification of the role of the State, the operation of institutions to ensure checks and balances and the organization of civil society. The private sector remains very fragile because it is subject to legislative, administrative, fiscal and judicial constraints. The only effects of the reforms undertaken under the structural adjustment programme have been the reduction in the size of the civil service and the restructuring of the direct management services of the macroeconomic stabilization policies. This was why, in 1995, the Government adopted a framework programme on capacity-building in the area of development management.

E. Integration of women's issues in development

9. Women account for 51.4 per cent of the Beninese population and the importance of their contribution to the country's economy is self-evident; 21.3 per cent of all households are headed by women. Women account for 60 per cent of the agricultural population and 32 per cent of the workforce in the agricultural sector. About 44.8 per cent of working women are employed in trade and the food industry (mainly in food preparation), where they represent 91.5 per cent of the working population, and 41.6 per cent of working women are employed in agriculture; these two sectors account for 88 per cent of the gross domestic product of Benin. Unfortunately, although women account for half the population and make a significant contribution to the economy this is not reflected at the administrative and political level, because of the low standard

of education among women and their under-representation in the National Assembly, the Government and the other institutions of the State.

10. Girls comprise only 32.9 per cent of the school population. Only about 30.8 per cent of women in rural areas have received at least a primary schooling, as compared with 42.5 per cent of men. Illiteracy rates among women range from 84.6 per cent in the rural areas to 40 per cent in the towns, whereas, the corresponding rates among men are 69.3 per cent and 13.5 per cent. In addition to these factors, there are: (a) cultural obstacles which are detrimental to women's rights; (b) the lack of any procedures to ensure their participation in the taking of decisions concerning their future; (c) unequal access to the means of production; and (d) the excessive burden of educating children and other domestic obligations which they have to reconcile with income-producing activities.

11. With a view to the gradual elimination of these constraints, the Government has just created an Office of the Status of Women within the Ministry of Health, Social Welfare and the Status of Women. It also plans to revamp the Commission for the Integration of Women in Development, to incorporate women's issues in all its strategies to combat poverty, and to step up ongoing initiatives on behalf of women, both at the national level (Penal Code, Individual and Family Code) and in the context of new resolutions adopted by international conferences convened under United Nations auspices.

F. Environmental protection

12. The main problems identified are: (a) the imbalance between the rate at which national resources are consumed and the rate at which they are renewed; (b) failure to integrate environmental aspects into sectoral policies and strategies; (c) failure to harness rainwater resources; (d) poor management of solid waste and domestic sewage; (e) the lack of any strategy to stem industrial pollution and seashore erosion; (f) the scale of human damage to the environment.

13. In order to combat the deterioration of its environment, Benin has established an Environmental Action Plan and its national Agenda 21 programme. The Government has also established the Beninese Environmental Agency and the Beninese Centre for Sustainable Development which will act as a high-level consultative body for the follow-up of the various initiatives.

G. Future development policies

14. In October 1996, the Government announced its overall vision of the country's future, comprising the following six main points: (a) the promotion of democracy and the rule of law; (b) unity in diversity; (c) solidarity and sharing; (d) the strengthening of economic development and job creation; (e) enhancement of the role of women and young people; (f) the promotion of Benin's influence abroad through judicious exploitation of its comparative advantages and potential. That vision was endorsed by the National Economic Conference.

15. The development policies designed to translate that vision into reality are in keeping with the priorities identified in the country strategy note and are designed to create favourable conditions to enable all grass-roots communities to benefit from a common minimum social standard. In the medium term, round-table meetings will continue to provide political guidance, and long-term development strategies will continue to be defined within the context of the ongoing long-term forward-looking surveys.

II. RESULTS AND LESSONS OF PAST COOPERATION

A. Results, impact and constraints

16. UNDP cooperation with Benin in the context of the fifth programming cycle (1993-1997) focused on two areas: strengthening of financial and economic management ability and improving the population's living conditions. The activities undertaken involved: (a) development of tools for analysing and measuring the scope of poverty; (b) follow-up and evaluation of the employment situation; (c) support for grass-roots communities in improving their living conditions; (d) support for good governance through administrative reform, strengthening of the judicial authorities and implementation of the national programme for revitalizing the private sector.

17. At the operational level, the projects helped to enhance the self-development capacity of rural communities by helping them increase their income and gain greater access to social services. The credit component that was introduced into rural areas in collaboration with the United Nations Capital Development Fund provided the rural population with easier access to credit, led to increased local savings and household incomes, and helped foster a spirit of entrepreneurship.

18. With respect to the preparation of development policies and the mobilization of resources, the Government benefited from the support provided by UNDP; the latter worked with the leading bilateral partners and the multilateral agencies to conduct the round-table process. Lastly, UNDP provided support for national governmental structures and non-governmental organizations (NGO) in connection with Benin's participation in the world summits organized under United Nations auspices and the preparation and/or implementation of the associated national action plans.

19. The difficulties encountered included the following: (a) delays in programme implementation due to the time it took to prepare the sectoral and thematic strategies from which the support programmes were to ensue; and (b) the time needed for completion of the preparatory work during the period of transition from the project approach to the implementation of the programme approach and of the new programming mechanisms approved by the UNDP Executive Board.

B. Lessons learned from cooperation with UNDP

20. The main lessons learned may be summarized as follows: (a) capacity-building is more sustainable when it targets grass-roots community structures rather than local State structures; (b) the very strong local presence of Benin's principal donors limits the possibilities for resource mobilization in the form of parallel financing; (c) resource mobilization in the form of cost-sharing is therefore possible only through high-quality projects and programmes that are likely to interest donors; (d) the promotion of good governance requires an approach that combines administrative reforms, democratization, human rights and decentralization; and (e) to ensure that the round-table mechanism plays a more effective role in development policy formulation, the specialized agencies of the United Nations system should collaborate more closely with the bilateral donors designated as sectoral leaders.

III. PROPOSED STRATEGY AND THEMATIC AREAS

21. In view of the foregoing, the Government's cooperation with UNDP during the period 1997-2001 will reflect a two-tiered approach: (a) consolidating the primary gains of the fifth cycle in terms of building technical capacity to analyse, monitor and assess the situation of poverty in the country and to better define the State's role in anti-poverty efforts; and (b) ensuring that all its actions reflect the principle of responsible participation by the target groups (the poor) and widely disseminating these values and principles to all the other agents of development. In this connection, UNDP will focus its core resources on three national programmes corresponding to two major thematic areas: (a) poverty elimination and (b) promotion of good governance.

A. Poverty elimination

22. Following the round table held in Geneva in 1992, the Government adopted poverty elimination as the primary objective of its development policies and strategies. The framework for implementing these policies and strategies through operational programmes has yet to be built. The current phase consists of the elaboration of a national community development programme by a joint mission of non-governmental organizations and the Government, with support from UNDP.

Programme No. 1: National community development framework programme

23. In general, this programme is aimed at promoting endogenous grass-roots community development through the active participation of the populations concerned in strategic decision-making and in the mobilization of the resources needed to execute programmes of action to combat poverty.

24. UNDP areas of concentration. Initially, the Government obtained UNDP support for the formulation of the national framework programme. Subsequently, the Government plans to focus UNDP support for the programme on initiatives to put communities themselves in charge of poverty eradication efforts. UNDP is

expected to provide a financial package of about \$5.6 million, at least half of which will be earmarked for activities relating to the advancement of women.

25. Expected impact. The programme should help the Government to combat poverty by delegating responsibility for decisions concerning local development priorities and the means of addressing them to grass-roots communities, so that they may take full advantage of the benefits offered by the decentralization law. With UNDP support, the Government also plans to foster a new spirit of self-employment and self-help that will enable populations to organize themselves better and to generate locally the resources needed for their development.

B. Promotion of good governance

26. UNDP support is requested for two national programmes: (a) the framework programme on capacity-building in the area of institutional management and (b) the national programme to revitalize the private sector.

Programme No. 2: Framework programme on capacity-building in the area of institutional management

27. This programme, adopted in December 1995, is aimed at redefining the role of the Government and of the State and contributing to managerial capacity-building, administrative reform and modernization and consolidation of the democratic and decentralization processes. This last objective links up with the community development programme's objectives concerning good governance at the local level.

28. UNDP areas of concentration. The UNDP support programme was approved in November 1996. It revolves around the following areas: (a) rationalization of administrative structures through the establishment of a service performance evaluation system; (b) strengthening of the investment programming system and capacity-building in terms of economic policy impact analysis and forecasting; (c) strengthening of the round-table mechanism; (d) capacity-building in the area of monitoring social change; (e) capacity-building for the administrative bodies of the decentralized entities to be established; and (f) strengthening of the judicial system and of structures and organizations for the defence and promotion of human rights. UNDP assistance will amount to \$5.5 million.

29. Expected impact. The end-of-programme assessment will focus on: (a) the public sector's level of performance, particularly with respect to the provision of services to population groups and, especially, to private-sector actors; (b) the effectiveness of strategic development management; (c) ongoing participation by advisory bodies (Economic and Social Council), legislative bodies and partners of civil society in formulating development strategies; and (d) provision of appropriate technical services and information systems to institutions of the system of checks and balances, to enable them to perform their missions autonomously and independently.

Programme No. 3: National programme to revitalize the private sector

30. This programme's strategy has two orientations: (a) modernization of economic activities by focusing on small and medium-sized enterprises (SMEs), micro-enterprises and cottage industries so as to direct them towards more productive activities and pave the way for future SMEs; and (b) capacity-building in support institutions to promote their autonomous development and to enable them to build a special relationship with private economic operators.

31. UNDP areas of concentration. The UNDP programme to support the national programme was launched at the end of 1995 with a budget of \$3 million. It covers the current programming cycle. It emphasizes (a) reform of the sector's legislative framework and rationalization of procedures for establishing enterprises; (b) strengthening of the Government's investment policy through revision of the investment code; (c) consolidation of the progress made in strengthening dialogue between the Government and the private sector; and (d) promotion of new areas with strong growth potential.

32. Expected impact. Between 1997 and 1999, four codes governing the environment in which the private sector operates will be adopted. The Chambers of Commerce and Agriculture will become credible private-sector institutions capable of initiating and maintaining dialogue between the private sector and the State, and the free zone and the one-stop system will become operational. These results should boost investor confidence and increase the equity capital needed to promote growth in the private sector and partnership between the State and the private sector. This will enable the State to focus more on its essential missions, as defined in the managerial capacity-building programme.

33. In addition to these areas of concentration, UNDP will work with the Government and its development partners in building national capacity in specific areas directly related to its mandate, namely: integration of women in development, particularly in the context of follow-up to the Beijing Platform for Action; support for environmental protection in the context of Agenda 21 and the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification; efforts to combat human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS); disaster management; and coordinated monitoring of the implementation of the conclusions of world conferences organized under the auspices of the United Nations.

IV. MANAGEMENT ARRANGEMENTS

A. Execution and implementation

34. UNDP support programmes will be implemented according to the mechanisms provided for in the country strategy note and the provisions of General Assembly resolution 47/199 on the programme approach and the rationalization of programming and execution procedures. Emphasis will be placed on the execution of programmes by national entities with technical support from UNDP and the specialized agencies of the United Nations system, with a view to building national capacities for programme management, monitoring and assessment.

B. Monitoring and assessment

35. The institutional framework for programme coordination and monitoring is the one contained in the country strategy note. It includes a Coordinating Committee with a Technical Secretariat. The Coordinating Committee is a forum for dialogue chaired by the Minister of Planning. It includes all the technical ministries, the specialized agencies of the United Nations system and representatives of civil society. The Technical Secretariat consists of the ministries involved in development cooperation: namely, the Ministries of Planning, Foreign Affairs and Finance.

36. Detailed monitoring and assessment mechanisms will be defined by each of the three programmes. The cooperation framework will be assessed through annual reports and a biennial mid-term report. The preparation of the biennial report will coincide with the mid-term review of the country strategy note. The biennial report will assess the status of implementation of the strategies, the degree to which the objectives have been met and the level of resource mobilization for programme execution.

C. Resource mobilization

37. Core resources. The amount of UNDP funds allocated for the period 1997-2001 under TRAC 1.1.1 (target for resource assignment from the core) is \$13,024 million. To this amount should be added the fifth-cycle carry-over, estimated at \$4,317 million as at 31 December 1996. Total core programme resources for this period (1997-2001) amount to \$17,995 million.

38. Other resources. The total expected amount from non-UNDP sources of financing is \$8 million. In this context, the United Nations Capital Development Fund (UNCDF) has already committed to an amount of \$6 million in the form of signed project documents in areas related to anti-poverty efforts. In addition to these resources, UNCDF will conduct a programming exercise in 1998.

39. In the area of environment, the commitments of the Global Environment Facility (GEF) for ongoing projects amount to \$1 million. Moreover, efforts are under way, at the level of UNDP representatives, to take advantage of the GEF Small Grants Programme. Other sources to be explored include funds from Special Programme Resources for anti-poverty efforts, Capacity 21 funds to support the national Agenda 21 programme and GEF funds for the elaboration of a biological diversity conservation strategy.

40. Priority will be given to the use of core resources. However, UNDP will continue to support the Government's resource mobilization efforts through the round-table process and through the formulation of high-quality programmes to be co-financed with donors.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR BENIN (1997-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated IPF carry-over	4 317	
TRAC 1.1.1	13 024	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	654	
Subtotal	17 995 ^a	
NON-CORE FUNDS		
Government cost-sharing	-	
Sustainable development funds	2 500	\$500 foreseen as a revision of the project financed by the Government of Japan in the area of strengthening the judiciary. \$2,000 will be sought from other partners to co-finance the community development programme and other rehabilitation activities.
Third-party cost-sharing	1 000	\$700 has been committed from GEF resources. \$300 will be sought from GEF to finance diversity conservation activities.
Funds, trust funds and other	8 000	UNCDF has already assigned and set aside resources.
Subtotal	11 500	
GRAND TOTAL	29 495^a	

^a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; IPF = indicative planning figure; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund.