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PROGRAMME PLANNING
COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS
FOURTH COUNTRY PROGRAMME FOR BENIN

Note by the Administrator

I. PROGRAMMING PROCESS

1. Preparation of the fourth country programme for Benin began in April 1986 with the mid-term review of the third programme (DP/CP/BEN/3). This was followed by a further review in May 1987. At the same time, an orientation note on assistance by the United Nations system to Benin was written in March 1987, followed in July 1987 by the note by the Resident Representative. The latter was accepted by the Government in August 1987 and served as a basis for active consultations between the United Nations Development Programme (UNDP) and the Ministry of Planning and Statistics.

2. The note by the Resident Representative observed that, in general, satisfactory results had been achieved during the third programme. The joint reviews emphasized that the objectives of the third programme remained valid and did not require any major reorientation at either the global or the sectoral level. On the other hand, the third programme marked a major turning-point in the orientation of UNDP assistance, with a far more decentralized approach being adopted than in the past. This enabled projects to be redirected towards outlying areas and rural development activities.

3. In drawing up the fourth programme (1988–1992), the UNDP Office at Cotonou worked with the External Assistance Co-ordination Department of the Ministry of Planning and Statistics, which co-ordinates technical assistance. Exchanges of views and informal consultations with other agencies (multilateral and bilateral)
also took place. The programming process benefited, in particular, from the assistance of needs assessment missions of the various agencies of the United Nations system and from all the work and consultations carried out since the holding of the Benin external assistance round table (1983). More intensive consultations were held to ensure maximum complementarity between the UNDP programme and the activities of the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), the United Nations Fund for Population Activities (UNFPA), the World Health Organization (WHO) and the Food and Agriculture Organization of the United Nations (FAO).

II. THE FOURTH COUNTRY PROGRAMME

4. The economic situation of the People's Republic of Benin deteriorated steadily in 1985, 1986 and the first half of 1987, despite positive results in the area of agricultural production. The economic situation is characterized by a massive budget deficit, stagnation of the gross domestic product (GDP) in real terms since 1984, deterioration of the balance-of-payments situation and a disturbing increase in the global external debt.

5. The Government of Benin has devoted its efforts to redefining strategies and targets which are commensurate with the means available but at the same time likely to have a decisive impact on economic and financial recovery. It has also held negotiations with the International Monetary Fund (IMF) concerning financial stabilization, and with the World Bank concerning structural adjustment.

6. The preparatory work for the Third State Plan is also well advanced and will be submitted to the country's senior political bodies for approval in 1988.

7. The development strategy and priorities underlying the Third State Plan take into account the requirements of adjustment and also the need, after a period of stabilization, to achieve sustained economic growth towards the end of the period covered by the Plan. This involves taking into account the following three fundamental concerns:

(a) The need to increase output quantitatively and/or qualitatively, giving priority to rural development;

(b) The need to choose investments in terms of their beneficial impact on the balance of payments;

(c) The need to give priority to initiatives which will give rise to as few recurring costs as possible for the State budget, or to those capable of generating their own self-sustaining resources.

8. In view of the acute crisis confronting Benin and the courageous policy reorientations that are taking shape, the Administrator believes that co-operation activities must be designed to not only effectively assist the Government of Benin in its short-term recovery effort but also contribute to solving the underlying problems which require a more long-term commitment.
9. Accordingly, the fourth programme will focus on the following four major areas:

(a) Rural development to improve living conditions in the countryside and ensure food self-sufficiency and the production of marketable, exportable surpluses of food and cash crops;

(b) Improved management of the national economy;

(c) Protection of vulnerable target groups in order to maintain the minimum requirements of long-term social development;

(d) Job creation through promotion of the private sector and support for the reintegration into economic life of public employees made redundant by structural adjustment policies.

10. Projects contributing to the priority objective of rural development and the food security strategy will absorb 51 per cent of indicative planning figure (IPF) resources. They include projects aimed at diversifying and optimizing agriculture and projects to develop agricultural exports (food cash crops).

11. Enhancement of economic management capacities, accounting for 23 per cent of IPF resources, is intended to improve national capacities for planning the economy, co-ordinating aid and putting into effect the reforms and programmes to be implemented as part of the structural adjustment process.

12. Protection of target groups and maintenance of the minimum requirements for long-term social development will receive 6 per cent of IPF resources. This will permit completion of ongoing projects and the launching of a new and innovative health development project, as well as the launching of an experimental project in which a co-operative clinic will be built for roughly 50 medical graduates, who will have to operate it at a profit.

13. Job creation, with 12 per cent of IPF resources, will make it possible to fund programmes for promoting the private sector (small- and medium-sized enterprises) and encouraging individual initiative (informal sector), and to support the retraining of civil servants and State employees facing redundancy so that they can work in the private sector. The Administrator hopes to see joint or parallel financing by the largest possible number of donors for the project for retraining unemployed persons and reintegrating them into active life, which will mitigate the adverse social effects of structural readjustment only if adequate funding is allocated to this objective.

14. The programme contains programme reserves of $5 million. These programme reserves are intended to cover the cost of projects identified in the course of the programme but also and above all to take into account the conclusions of the financial stabilization and structural adjustment negotiations with IMF and the World Bank. Moreover, an unprogrammed reserve of $1,562,000 has been set up to meet emergency priority needs identified during the programme period.
15. The Administrator believes that the ongoing technical co-operation evaluation process launched by the National Technical Co-operation Assessment and Programmes (NatCAP) mission in March 1987 will help the Government to formulate and implement reforms enabling it to make better use of the contribution of technical co-operation in general, and UNDP co-operation in particular, under the fourth programme.

III. IMPLEMENTATION OF THE PROGRAMME

16. The Administrator notes with satisfaction that following the joint review of the third programme held in 1987, management of the fourth programme will involve specific measures in the area of project preparation and selection in order to avoid the uncertainties and difficulties encountered in implementing the third programme. These measures include: careful choice of the project's institutional framework; prior analysis of the main project components in order to encourage the use of national capacities and avoid an increase in recurring costs and a heavy concentration of external technical assistance; an approach encouraging recipients' voluntary participation in projects in rural areas; and prior definition of the anticipated results and impact.

17. In evaluating projects, particular attention will be paid to improving women's living and working conditions (particularly in the area of rural development). The procedures for implementing UNDP projects will be reviewed in order to identify and apply those most appropriate to the situation in Benin, for instance, South-South co-operation and participation by non-governmental organizations. The Administrator draws the attention of the Governing Council to UNDP's innovative activities in the area of support for grass-roots initiatives in rural areas, in association with national and international non-governmental organizations.

18. Annual reviews are planned to consider trends in the economic situation, determine project needs and adjust the programme accordingly. A mid-term review in 1990 and an evaluation once 75 per cent of the programme has been implemented are also planned.

19. The holding of the general round table (1988) and of sectoral meetings, as well as the analyses and recommendations of NatCAP missions, will, during the fourth programme, provide valuable input into this ongoing evaluation of UNDP assistance.

IV. RECOMMENDATION OF THE ADMINISTRATOR

20. The Administrator recommends that the Governing Council approve the fourth country programme for Benin.