



Investing in rural people

**Benin**

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**Rural Development Support Programme**

**Project Completion Report Digest**

Document Date: 23-Sep 2014  
Project No. 1250  
West and Central Africa Division  
Programme Management Department



## Benin - Rural Development Support Programme

Item	Assessment Remarks	Ratings
<b>Country &amp; Project Name</b>	<b>Benin - Rural Development Support Programme</b>	<b>Ratings</b>
Loan No.:	676-BJ	
Project Id.	1250	
Board Date	13 December 2005	
Entry into Force	09 March 2007	
Completion Date	22 June 2012	
Final Closing Date	30 September 2012	
Total Project Cost US\$(M)	14.79	
IFAD loan& Grant US\$(M)	10.01	
Cofinanciers (if any)	Government: US\$1.90; Beneficiaries: US\$2.88	
Cooperating Institution	IFAD/IFAD	
Implementing Agency	Ministry of Agriculture, Livestock and Fisheries	
Principal Components	Four components will be carried out over a period of five years: (a) support to rural IGA groups and MBs; (b) access to rural microfinance; (c) support to village-level institutions; and (d) coordination and strategic partnerships. These components will be implemented as part of a framework programme incorporating the activities of PDRT and PADPPA and in partnership with other interventions wherever possible. Field work will be carried out by implementing agencies under contract. OPAs with the required expertise may be eligible (e.g. for training, access to information, marketing)	
<b>Project Performance</b>		
Relevance	The programme was designed to consolidate the achievements of two predecessor projects, PAGER (income generation) and PROMIC (microfinance and marketing) by providing support to IGAs, rural microenterprises, FSAs and other rural entities entrusted with community development. By doing so, it responded to the most urgent needs of the rural poor (access to means of production, markets, job creation for women and the youth, support to the economic and social independence of women and the youth, income increase and diversification, literacy). It was fully aligned with Government's second Action Plan (PAG 2), its PRSP, its sector policies (decentralization, gender, youth, education), its rural and agricultural development approaches and strategies, and all relevant IFAD strategies (COSOP, Regional Strategy, Gender, Microenterprise Development, Microfinance, etc.). It also takes into account the recommendations of the Country Portfolio Evaluation of 2005. Relevance of the programme's goal and objective was confirmed by the MTR.	6
Effectiveness	Programme effectiveness reached mixed results. PADER'S performance was weaker than expected, making it necessary to reduce its physical targets, refocus interventions and concentrate efforts on the more performing elements among the beneficiaries in order to maximize the chances of success. Such drastic measures were necessary because the PCU was charged with the implementation of 3 additional activities, which were given priority over PADER activities (as mandated by the Government of Benin): (i) consolidate the achievements of PDRT (roots and tuber); (ii) facilitate the implementation of the food security emergency support programme (PUASA); and (iii) implement the certified rice seeds and cassava cuttings programme financed under the EU Food Facility. <b>Objective A</b> to support the further development of IGAs and micro-enterprises was weakly met (achievement rate of 43%). Support was provided to 429 IGA groups and 154 microenterprises but they lacked access to medium-term credit, which would have enabled them to make their respective businesses grow and develop. Technical training was insufficient too. <b>Objective B</b> to support the consolidation and expansion of the FSA network was partially met. Activities of the FSA could be revitalized (all indicators improved), but many FSA are still fragile and product diversification failed, in particular provision of medium-term credits. <b>Objective C</b> to build the capacities of village level institutions was partly met. The programme has contributed to the implementation of the decentralization strategy and to clarification of the relationship between villages/communities and municipalities. The Village development associations are recognized in their status, but 63% are still considered weak. Finally, <b>Objective D</b> to participate in policy dialogue and strategic partnerships was partly met. Coordination between IFAD interventions was weak. On the other hand, the programme established a large number of strategic partnerships, including PPPs. The objective of <b>PUASA</b> that was to boost the production of rice, maize and vegetables, was fully met, in particular in the case of rice. This was done by concentrating efforts on the production of improved seeds. Consolidation of the achievements of <b>PDRT</b> was not always satisfactory, in particular with regard to training of beneficiaries. The availability of quality cuttings enabled, however a quick start of the EU grant. The grant provided under the <b>EU Food Facility</b> , by contrast, was highly effective. The objective to improve the living conditions of smallholders by giving them access to improved seeds and cuttings was fully met. Physical targets were largely surpassed (186% for rice seeds and 191% for cassava cuttings). Finally, the relative	4

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	success of PADER enabled it to become a framework programme for the implementation of all ongoing and future IFAD interventions in Benin. In 2010, it launched the implementation of the Economic Growth Programme.	
Efficiency	The programme was completed with a disbursement rate of 91% but the achievement rate reached 59% only, for various reasons: (i) Resources were partly diverted towards the implementation of other activities (consolidation of PDRT activities, PUASA, EU grant); (ii) Inadequacy of its support to the development of IGA groups and microenterprise. The resources invested have not led to corresponding results. This concerns in particular the failure to provide access to medium-term credits to facilitate the purchase of necessary equipment; (iii) Implementation through operating partners turned out to be more costly and less efficient than expected (lack of expertise, payment delays, staff turnover, etc.); (iv) A cumbersome national budget approval process combined with delays in processing WAs and payments on IFAD's side have led to repeated disruptions in the flow of funds. These have resulted in serious cash flow problems which have affected the implementation of activities and the credibility of the programme vis a vis its partners; and (v) The large number and multiplicity of the activities to be carried out by the programme while its implementation capacities and budget remained unchanged. In addition, funds were reallocated in order to meet the changing needs of the programme (Comp A and B decreased by 36 and 44%, while component D (coordination and partnerships) rose by 54%. The IRR of return reached only 12% compared to an appraisal target of 14.9%. Other factors that point at an average efficiency include: an effectiveness lag of 15 months was slightly higher than the national and regional average. This list of factors that have negatively impacted on programme efficiency is long, but the PCU can be praised for having successfully managed the implementation of 4 projects without increasing its staff. In that sense, PADER has been highly efficient as it produced a far larger output than expected with the same amount of resources.	4
Project Performance		4
Partner Performance		
IFAD	IFAD's performance was satisfactory. Supervision frequency under the DS scheme was adequate (one 2-week mission every 6 months). IFAD produced good quality reports. Continuity in the use of consultants for the supervision missions was appreciated, but it appears that apart from the MTR, none of the missions benefited from the participation of a rural finance expert, which was critical for the advancement of the RF sub-component. IFAD's performance has also slightly suffered from its lack of experience with the fiduciary aspects of loan administration. The implementation budget was underestimated. Finally, IFAD has been overambitious in adding the implementation of 3 more projects/activities to the responsibility of the PCU without increasing its staff. This caused the original activities of PADER to be neglected. It also resulted in cash flow problems and tensions between the PCU and implementation partners. On the other hand, PADER and IFAD in general gained visibility in particular through the implementation of PUASA and the EU food grant. IFAD has persistently and closely involved Government counterparts during its supervision missions. It has been responsive to Government's requests to simplify the procurement procedures and introduce needed changes to the loan agreement (reallocation of funds, size of the special account) to facilitate a smooth implementation of the programme. Above all, it has responded positively to Government's request for support during the food price crisis of 2008. IFAD has also been very supportive to the overall implementation of the country programme by hiring an interim country programme officer in 2011. On the more negative side, IFAD's performance has slightly suffered during the last 3 years due to the frequent change of CPMs since 2009 (3 CPMs between 2009 and 2013).	5
Cooperating Institution		
Government	Government has actively participated in the design and start-up missions. It has also contributed to all supervision missions, with the exception of the MTR and the completion mission. It has respected the conditions of the loan agreement and has made an effort to implement the recommendations of the supervision missions in a timely manner. Regional steering committee meetings and national orientation meetings were held regularly and have helped giving directions to the programme. Government has further provided support to the implementation and sustainability of the operations through the adoption of the national rural finance policy. It has also strongly support the proposed arrangements to ensure sustainability and ownership of the infrastructure provided (workshop outcome). A very positive initiative has been the creation of a specialized procurement commission which has greatly facilitated the implementation of the AWP&B and which has accelerated programme disbursement. This experience could be replicated in future programmes. On the less positive side, it has been noted that Government released only 43% of its contribution. Project start-up and implementation have further suffered from slow administrative procedures (lengthy loan ratification process, cumbersome procurement procedures, slow implementation of the integrated public finance management system). The PCU (1 national and 3 light regional implementation units)	4

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	was highly efficient and was commended for its dynamism, professionalism and dedication. Most of its staff was taken over from former IFAD projects. Nevertheless, it would have benefited from some training/up-grading of skills, which never occurred for lack of time and budget. Staff remained stable, despite tensions that arose due to budget constraints.	
NGO/Other	14 multipurpose and 9 specialized implementation partners carried out the field operations ("faire-faire"). This modus operandi was highly appreciated by the beneficiaries. However, they did not always perform adequately, due to the lack of skills and delays in the payment of their services. These weaknesses were partially compensated through partnerships with the regional/municipal centers for ag. promotion and other capacity strengthening activities. Partnerships with MFIs other than FSA did not materialize. Partnerships with research institutions on seed production were very efficient. In contrast, constructions firms were somewhat slow in the delivery of their works.	4
Cofinancier(s)		
<b>Combined Partner Performance</b>	Altogether, they collaborated well, despite some tensions between the PCU and the implementation partners of the programme, who did not get their payments on time due to budget constraints.	
<b>Rural Poverty Impact</b>		
Household Income and Net Assets	Through its own activities, PADER has not contributed significantly to the incomes of the target populations. However, in combination with the other activities under its responsibility, it has contributed to improving the living conditions of the households who mention: increased assets (50%); higher incomes (27%); diversification of economic activities (65%), increased area under cultivation (42%), increased livestock ownership (37%), stronger participation in mutual credit activities (tontines) (80%). Other aspects include improved access to health, education, consumer goods, means of transportation (from 16% to 75%), communication (from 24% to 38%), radio (70%) and motorbikes (59%). Housing conditions have improved too. In terms of financial assets, FSA revitalization and development has given the poor access to credit. However, it appears that the activities of the programme have had only a very limited impact on the economic situation of microenterprises and IGA groups. The lack of access to medium term credit, equipment and technical training has set limits to their possibilities to increase productivity and profitability of their activities. The profits generated by the IGA groups are too small to enable them to engage into a process of growth and expansion. The situation is different with regard to microenterprises. Their net margins could increase by 51% for vegetable production, 88% for grass cutter and 193% for rabbit rising. These increases were less significant for the processing of rice and cassava (only 3% and 5% respectively). Net margins were very high for the production of certified seeds (CFA 805 000/ha or CFA 220 000-515 000/beneficiary/ha/year for rainfed rice and up to CFA 1 million/beneficiary/ha/year for irrigated rice). However, it was pointed out that income increases are not always significant and not sustainable, due to the absence of appropriate downstream support (e.g. marketing for seed producers).	4
Food Security	Impact on food security gives a mixed picture. Implementation of the programme was marked by the food price crisis of 2008. The PUASA and EU grant could be effectively used to boost food crop production, first by increasing the production of rice, maize and vegetables and then, by providing support to seed production. This has enhanced the availability of food crops and food security nationwide. In 2012, 73% of the populations were satisfied with the number of daily meals compared to only 43% in 2008. 89% mention having at least 3 meals a day compared to only 71% in 2008. The impact on child malnutrition was the most significant. The percentage of households having an undernourished child has decreased from 44% in 2008 to 7% in 2012, but the percentage of undernourished children has increased from 14% at the beginning of the project to 22% in 2012. The latter could hint at an impoverishment of the poorest households following the food (price) crisis of 2008. Chronic malnutrition among children could be reduced from 44.7% in 2006 (national statistical data) to 25% in 2012. The proportion of children underweight has remained largely unchanged while acute malnutrition has slightly increased from 8.4% to 14.3%. This seems to indicate that despite an overall improvement of household living conditions, their resilience against external shock could not be improved. Also, despite these improvements, 55% of the households mention still experiencing a food shortage period of an average 3.7 months. The daily consumption of meat and fish has only very slightly increased. The same applies to the percentage of the households being able to stock up with food reserves.	4
Ag. Productivity	Access to farm equipment and infrastructure (forages, wells, pumps, seed wheels, storage facilities, etc.), inputs (seeds, cuttings, fertilizers, pesticides), farming techniques and processing technologies have contributed to boosting the production of food crops, in particular rice, maize, cassava and vegetables. Productivity of certified seeds could be increased from 2.8 t/ha to 4 t/h for rainfed agriculture and 4t/h to 6/h in irrigated. Yields could be improved: from 2 to 4.5 t/ha for rice and from 1 to 2 t/ha for maize, but support will be needed to ensure continuous supply of certified seeds and	5

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	cuttings. Training on production techniques has been somewhat weak. Support will also be needed to ensure operation and maintenance of the infrastructure and equipment provided. The programme has helped implement 6 processing chains and 2 microenterprises for cassava processing, contributing to a substantial quality improvement of the produce. The PUASA and the EU grant have been the main contributing mechanisms.	
<b>Agricultural Productivity and Food Security</b>		5
Natural Resources and Environment	The design document did not foresee any activities in view of improving NRM and protection. The programme had a neutral or positive impact on the environment. The promotion of IGAs and microenterprises aims at the diversification of incomes sources, and thus, at reducing the pressure on the environment through intensified agricultural production. It also promoted the use of improved ovens, reducing the use of firewood during processing activities (e.g. gari and chea butter production). Also, the construction of adequate irrigation infrastructure has improved water resource management while enabling farmers to expand the land under cultivation. On the other hand, the introduction of motor pumps has increased the risk of soil pollution. Particular attention still needs to be given to the adequate management and maintenance of the pumps. Soil fertility is maintained or improved through the promotion of fallow techniques. The programme has promoted a rational use of fertilizers and pesticides and the use of automatic tillers instead of tractors in order to reduce the impact on soil structure. Organic production and the use of natural pesticides have further been promoted. Nevertheless, 80% of the households still use fuel wood for cooking.	4
Human, Social Capital and Empowerment	The contribution of the programme to the overall increase of the literacy rate was rather weak. Thanks to Government's effort to boost the literacy rate with its initiative "education for all", the literacy rate could be lifted from 1.18% in 2008 to 33.6% in 2012. However, PADER has provided literacy training to only 851 individuals. Technical capacity strengthening (production and processing) was weak as well, due to the lack of funds. It appears that the financial resources available were used to strengthen the capacities of partner operators, and to provide organizational support to village development associations and FSAs. The workload of women could be reduced with the construction of wells and the availability of small processing equipment. Increased incomes have usually been used to access health care, education (children) and to improve housing conditions. In 2012, 64% of the households live in a house with a concrete floor, 57% have more than 3 rooms and 73% have access to safe water (compared to only 51% in 2008), 89% have access to sanitation and 36% to toilets (compared to 8% in 2008). Altogether, the programme had a greater impact on social capital than on human capital.	4
Inst. & Policies	The programme (PADER + PDRT + PUASA and EU grant) has had a significant impact on the reactivation of the seed sub-sector and hence, on agricultural production and food security in a situation of crisis. Moreover, the PCU has actively participated in the policy dialogue on decentralization, microfinance and seed production where it has established itself as a knowledgeable partner. It has played a critical role in advocating the needs and interests of the beneficiaries when dealing with Government partners. Their needs are now better understood and taken into consideration at national level. The programme has further contributed to the effective implementation of the national decentralization policy and poverty reduction strategy by providing support to the development of decentralized services through FSAs, the national FSA union, the village development associations, seed multipliers and local literacy trainers. The village development association model has been well received by Government, which has promoted the country-wide replication to offer a variety of services in support of the rural communities. A discussion about their role and legal status vis a vis the municipalities has been initiated by the programme (PCU). Furthermore, the programme has directly contributed to the design of the new national microfinance strategy. It has also initiated consultations at national level about the sustainable management of the infrastructure provided by the programme and the role of the village development associations in managing this infrastructure in the context of decentralization. Finally, PADER has contributed indirectly, together with other similar interventions, to the reform process of the Ministry of agriculture, livestock and fisheries by giving concrete responsibilities to the different departments and agencies, and thus by shaping their respective roles.	5
Markets	The programme has had only a moderate impact on markets. On the positive side, is to be noted the successful collection and dissemination of prices of 23 agricultural products and the participation of beneficiaries in sub-regional fairs in Niger and Burkina Faso. On the less positive side, it is to be noted that the provision of marketing infrastructure, the number of market studies conducted and the support given to training and organization of beneficiaries to improve their marketing capacities has been insufficient. This also concerns seed producers who were not assisted in developing their outlets. The management of the marketing infrastructure has not always been given sufficient	3

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	attention and has created conflicts between villages and municipalities over the use of funds (sharing of the benefits).	
<b>Project Impact</b>	An impact assessment carried out in 2012 compares results with the benchmark study of 2008. This assessment is not fully in line with the RIMS requirements, but provides a sufficient amount of data to assess changes after 5 years of implementation. Some results are however inconsistent and need to be considered with caution. For others, there is no reference figure to compare with. Despite positive impact results in the various areas, the PCR concludes that the programme has had only a modest impact on rural poverty alleviation. The beneficiaries are still vulnerable to external shocks and improvements can only be achieved with a more systematic and sustained strengthening of their production capacities, negotiating skills, ability to deal with outside partners and access to markets.	<b>4</b>
<b>Overarching Factors</b>		
Innovation	PADER together with its subprojects has introduced several innovations such as: (i) modification of the FSA approach and creation of the National FSA Union; (ii) pilot training units; (iii) collective marketing of ag. products; (iv) reactivation of the seed production industry; (v) role of village development associations in rural development; (vi) creation of a special interministerial procurement commission to speed up loan disbursement. These innovations are more conceptual than practical, and would require further testing before being replicated or scaled up.	4
Replicability and Scaling-up	Some of the above mentioned innovations have a good potential for replication and scaling up, but need further testing.	4
<b>Innovation, Replicability and Scaling-up</b>		<b>4</b>
Sustainability and Ownership	Prospects for sustainability are mixed. Chances are high that activities carried out by partners such as research centers and universities will continue, provided their budget remains unchanged. By contrast, other activities may stop at programme closure, unless taken over by another donor. These include literacy training activities, operation of 5 pilot training units and production of cassava cuttings without visible marketing possibilities. For most activities, chances for sustainability are average: (i) certified rice seed production which still faces marketing constraints, (ii) continued participation of the village development associations in the rural development process; (iii) FSA development and diversification of services, which depends on the quality of its portfolio and the approval of the national FSA union; (iv) support provided by the regional and municipal centers for agricultural promotion, which operate with limited means; (v) operation and maintenance of the rural infrastructure provided by the programme; (vi) female-led IEC sessions to the benefit of the rural communities, which will need to operate without financial support. Finally, some infrastructure works that could not be completed will be transferred to the new PACER programme (Rural Economic Growth Programme)	4
Targeting	The targeting strategy was based on the consolidation of the achievements of the two predecessor projects PAGER and PROMIC, which had established the first promising FSAs, IGAs, microenterprises and village development committees and associations. As such, the approach was mainly geographical. The required refinement of the approach, by analysing the needs of various target groups, did not take place.	4
Gender	Gender aspects were not explicitly analysed in the PCR. The appraisal document assumes that the programme would automatically target women and the youth through the focus of its interventions (support to IGAs and microenterprise development, typically run by women and the youth). The PCR points out that a more specific approach would have been helpful to target the neediest amongst them (see targeting).	4
<b>Overall Performance</b>		<b>4</b>
Estimated number of beneficiaries	Of 56 000 initially targeted, only 22376 beneficiaries were reached (40%)	
<b>PCR Quality</b>		
Scope	Guidelines were respected but most annexes are missing (draft document)	5
Quality	Well written, good analysis substantiated with relevant data and yet succinct. Good cause effect analysis.	5
Lessons	Relevant lessons for stronger impact, better sustainability and improved project performance, also from a financial and administrative point of view.	6
Candour	Objective and analytical	5