

Benin: Experience with Results Based Management -The Case of the Ministry of the Environment, Habitat, and Urbanism

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- Benin, country facing severe resource constraints, has nevertheless been able to use Results Based Management (RBM) for several years, specifically in the Ministry of Environment, Habitat, and Urbanism (MEHU). MEHU works closely with the Ministry of Finance and reports to it on budget execution and progress.
- RBM was adopted with the goal of allowing Benin's various ministries to become directly involved in the preparation, implementation, execution, and monitoring and evaluation of program budgets in a framework focused on results.
- The MEHU faced obstacles, was able to overcome them, and has demonstrated strong progress in developing its results tracking systems in towns and villages.

Introduction:

Benin adopted the Performance-Based Management (PBM) reform in 1999 following a government seminar. The primary objective of the reform is to initiate a process of gradual transition from resource-based budget management to budget management focused on objectives. This transition will be achieved through (i) increased accountability of spending in ministries in the preparation, execution, and monitoring and evaluation of their Program Budgets (PBs) in the context of performance-based management; and (ii) the strategic, efficient, and equitable use of all public resources with a view to promoting growth and improving the living conditions of the people, and thereby reducing poverty in Benin. To enhance the likelihood of successful reform, a pilot phase was conducted involving the Ministry of National Education (MEN), the Ministry of Public Works and Transportation (MTPT),

the Ministry of Public Health (MSP), the Ministry of Rural Development (MDR), and the Ministry of Environment, Housing, and Urban Planning (MEHU).

The MEHU voluntarily embraced this reform at the time of the government seminar for a number of reasons. Ever since its creation in July 1991, despite the efforts put forward by the government, the MEHU had experienced serious problems with advancing its various priorities. For instance, more than 86 percent of Benin's arable land was degraded. Studies in air quality revealed that the cost of pollution in Cotonou had reached 1.2 percent of Benin's GNP. Urban areas tended to see a greater increase in poverty, and in Benin more than 40 percent of the population was living in urban areas (which is projected to rise to 50 percent by 2010). Furthermore, there was a need for 6,000 housing units per year in the five largest cities in Benin. Benin also experienced a significant production of solid waste (342,000 metric tons in 1998, 60 percent from Cotonou alone). Finally, the MEHU felt it had a poor capacity for budget preparation to address these growing problems.

Application:

Implementation of budget reform began in 1999 with the preparation of the Program Budget (PB). This budget tool makes it possible to establish logical links between the sectoral objectives, actions, and program outcomes that need to be defined. Performance indicators play a key role in this approach, both as a monitoring and evaluation (M&E) tool and as information to be taken into account for resource allocation purposes.

The first experience with the preparation of the PB considered the Effectiveness Outcomes and Performance Indicators as tools for the preparation and monitoring and evaluation of the budget. The **strengths** of this initial experience were (i) the MEHU's ability to define a program structure that reflects the connections between its

activities and the specific objectives defined; and (ii) the presentation for each program of a logical framework interlinking the objectives, projects, activities, and indicators. The **weaknesses** included (i) the problem of ensuring consistency between existing policies and strategies, objectives, and resources for implementation; and (ii) the unreliability of the program expenditure framework (which spanned a one year time frame) setting projections for technical and financial activities.

Problem Solving:

To address these weaknesses, in 2002-2003, the PB was used to develop a Five-Year Strategic Plan (2002-2006), serving as a frame of reference for (i) enhancing the reliability of the forthcoming PB preparation exercises; (ii) providing MEHU with a solid basis for short, medium and long-term actions so as to better steer and enhance the effectiveness of government intervention on the ground; and (iii) consolidating the existing sub-sectoral policies and harmonizing the sectoral strategy with the National Long-Term Perspective Studies (NLTPS-Benin 2025), the Government Action Program (PAG), and the Poverty Reduction Strategy Paper (PRSP). Consequently, the policy objectives are broken down into actions in the PBs, which are now prepared every three years on the basis of the Strategic Plan and contain a program of actions used as the basis for selecting the activities to be executed.

At the same time, a study was launched on the organizational and institutional audit of the MEHU to address all the reforms initiated in the country (budget reform, administrative reforms, and decentralization/deconcentration). The findings of this study were taken into account in the preparation of the PB.

The PB preparation process was strengthened by the introduction of the Medium-Term Expenditure Framework (MTEF) used as budgetary support for the PRSP, which first occurred in the PB for 2002-2004. It serves as the frame of reference for the programming

of budget expenditure. Subsequently, the budget allowance has been made available to the MEHU, which serves as the payment authorizing entity under the auspices of a Delegate of the Financial Comptroller in the Ministry of Finance.

In addition, a number of associated measures were taken, not solely to strengthen the PB preparation exercise, but also to strengthen all the mechanisms put in place in the context of the budget reform. To make it operational, the annual tranche for the PB is broken down into an Annual Work Plan (PTA), an Appropriation Consumption Plan (PCC), and a Procurement Plan (PPM) (see Annex).

To meet the requirements of the budget reform, the MEHU strengthened its programming and M&E system by the creation of (i) special units, namely Monitoring and Evaluation Units (CSEs), Procurement Units (CPMs), and Communication Units (CCOMs), staffed exclusively by qualified professionals and provided with the necessary material and financial resources; (ii) sub-units within the technical structures, devoted to programming and M&E and headed by focal points recruited or designated for the purpose; and (iii) the naming of one Supervisor per program as part of the Council of the Office of the Minister (see organization chart).

The tools necessary for the system to function are prepared on the basis of the PB, and primarily include:

- **The Annual Work Plan (PTA) or Annual Operationalization Plan**, a technical reference paper for implementation and monitoring and evaluation, which includes the activities and tasks, their timetable and *weighting*, the parties responsible, and the *modes of execution*;
- **The projected Appropriation Consumption Plan (PCC)** outlining the monthly disbursements to be made for each project or action;

- **The Procurement Plan (PPM)** setting forth the planning for all contracts to be awarded in connection with executing the various projects listed for the year;
- **The mission letters** sent by the Minister to the heads of all structures (whether or not they manage appropriations) and to all the structure supervisors (members of the Minister's Office) to identify the mission assigned for the year and the criteria for assessing its implementation;
- **The monthly and quarterly PTA execution report statements;**
- **The assessment letters**, from the Minister to each structure head, in which a qualitative and quantitative assessment of the missions assigned to that head for the year is provided (see annex); and
- **The mid-year report on monitoring and evaluation of the PB** examining the level of physical and financial execution of the various programs and the performance achieved during a half-year period.

Furthermore, additional measures were taken through the implementation of a Capacity Building Program financed with budgetary support, which focused on (i) personnel recruitment and redeployment; (ii) equipment; (iii) the organization of various training modules; (iv) the conduct of targeted studies and surveys (for example, a budget management procedures manual and establishment of a statistical data collection, analysis, treatment, and publication system); and (v) computerization/networking/training (for example, there was a 537 percent increase in the installed base of computers and the Intranet network, with an increase from 30 microcomputers in 1999 to 161 in 2003(71 are connected to the Intranet network that has been functional since 2001)).

To ensure efficient management of the system, the following concerted action frameworks have been established:

- The Council of the Office of the Minister, which meets every Monday and conducts a monthly review of the MEHU's PTA;
- Quarterly reviews of the execution of the PTA *chaired by the Minister in person*;
- Management Committees, which meet every Thursday within each structure (weekly review of the PTA);
- The Board of Directors, which meets every two weeks;
- Monthly meetings of superintendents; and
- Quarterly meetings of the Investment Programming and Monitoring Committee (CPSI) of the MEHU.

All of these concerted action frameworks are subject to reports that identify tasks and instructions as well as deadlines for improving the performance achieved or modifying the approach. The DIVI and the Chamber of Accounts also conduct audits of the mid-year and annual PB execution reports and make recommendations that must be implemented. The implementation of the MEHU M&E system presented is possible because of the institutional framework for monitoring and evaluation described above, which is composed of the Monitoring and Evaluation Units and Sub-units and the procurement unit under the attentive supervision of the Office of the Minister.

Results achieved over a five-year period (2000-2004):

Administration

- The budget tripled between 1999 and 2004 to over CFAF 29 billion in 2004;
- MEHU's Priority Investment Plan (PIP) for 2004 represents 14.51 percent of the national PIP (as compared to 3.9 percent in 1999);
- A sectoral guide or "KIT" on partnership with the communes has been prepared, which clearly indicates and outlines the

types of partnerships that should exist between the communes and the MEHU;

- The update of the Strategic Plan 2002-2006 has taken place to reflect ongoing changes (decentralization, deconcentration, budget reforms, and PRSC);
- There has been a 537 percent increase in the installed base of computers and the Intranet network, with an increase from 30 microcomputers in 1999 to 161 in 2003, (71 are connected to the Intranet network that has been functional since 2001);
- Strategic management and the adoption of management by objectives at all levels of Ministry structures have been introduced;
- The services rendered to the people have been improved through the creation and operationalization of a users' bureau;
- Productivity (PIP executed per staff member) improved from CFAF 43.6 million in 1999 to CFAF 70.5 million in 2003; and
- MEHU's FY 2003 Budget was more than 95 percent executed as of December 31, 2003.

Environment/Territorial Development

- Framework law translated into seven national languages (Fon, Baatonu, Adja, Yoruba, Ditamari, Dendi, and Peulh);
- Environmental education in primary and secondary schools and experimentation with an instructional package in six pilot secondary schools since October 2002;
- Environmental impact assessments (EIAs) for all new projects (78 cases assessed and 61 impact assessments validated with certificates of environmental conformity from 1997 to 2002);
- Audits of certain industrial sub-sectors and/or facilities (over 25 factories audited from 1997 to 2002);

- Construction of two sub-units for the waste sludge treatment plant at Parakou;
- Creation, installation, and outfitting of environmental units in the ministries, with the basic mission of ensuring the inclusion of environmental dimensions in development policies, plans, programs, and projects (units in place in five ministries [Transport, Energy; Finance, Commerce, Security; Planning]);
- Validation of 77 environmental impact assessments;
- Monitoring of ten environmental management plans;
- Monitoring and auditing of ten industrial units; and
- Training of 172 persons in environmental assessment.

Environmental Police:

- 12 new officers sworn in on August 26, 2002;
- 2,664 inspections in 2001 (222 inspections per month);
- 622 inspections from January to June 2002 (103 inspections per month);
- Organization of Monthly Environmental Health Days (JMESs) beginning in March 2000; and
- Adoption of the Strategy to Combat Atmospheric Pollution in August 2000.

Regulation:

- Decrees & Interministerial Orders passed that established air quality standards in the Republic of Benin; regulated the import, marketing, and distribution of used materials and capital goods; established the accepted percentage of motor oil in the fuel of two-wheeled vehicles (six percent); regulated the import of substances that deplete the ozone layer and devices and equipment that use such substances;

- Training of 292 automobile and motorcycle mechanics in the departments of Benin;
- Inspection of 4,658 motor vehicles in 44 sessions from June 2003 to December 2003;
- Decline in the percentage of four-wheeled vehicles with higher polluting levels from 62 percent to 37 percent (72 percent to 43 percent for two-wheeled vehicles) from 2002 to 2003;
- Construction and observation of 87 second order geodesic markers to enhance the density of the network of first order markers;
- Implementation of the Green Corridor Project in the ten Urban Districts (CUs) of Benin;
- Reforestation efforts resulting in one million plantings from 1998 to 2001; and
- Municipal Environmental Action Plan (PMAE) implemented in 24 secondary cities from 1997 to 2001 (including 19 cities starting in 1999) together with 1,326 micro-projects (217 of which are priority projects implemented to benefit grassroots populations).

Urban Planning/Sanitation

- **Roads and sanitation:**
 - Roads and sanitation works have been completed in 29 cities: Kouandé, Bassila, Ouaké, Banikoara, Djougou, Kandi, Savè, Savalou, Glazoué, Aplahoué, Azovè, Comé, Dogbo, Grand-Popo, Bopa, Pobè, Avrankou, Adjohoun, Kétou, Sakété, Dassa-Zoumè, Sakété, Ouidah, Allada, Cotonou, Dassa-Zoumè, Abomey, Parakou, and Porto-Novo. These works concern the paving and drainage of about **80.404 km of roadways**, the construction of **83.267 km** of gutters and **19.28 km** of collector sewers, drainage and resurfacing of **5.623 km** of roadways, and the paving of **10.672 km** (Parakou).

▪ **Real estate promotion:**

- Improvement of peri-urban land at Abomey Calavi (50 hectares) and Agblangandan on the former firing range (105 hectares) for the construction of low-cost housing (with water and electricity connections, telephone, and primary and secondary roads) for a total cost of about CFAF six billion;
- Two real estate promoters selected by competitive bidding engaged in housing programs in Abomey Calavi: (i) the BETSAEEL BUILDING Group (GBB) S.A., SPI1 and SPI 2 (1,100 housing units planned; 169 units started and 28 completed); and (ii) the BENIN KASHER Group (BK) S.A.R.L., SPI3 (600 housing units planned; 75 units started and 4 completed);
- 2,000 housing units planned in Agblangandan: four separate lots awarded to two real estate promoters through a competitive bid (3,803 housing units committed in total); and
- Completion of studies on the project to build the administrative tower in Cotonou and the headquarters of various institutions (National Assembly, High Audiovisual and Communications Authority, Economic and Social Council, Constitutional Court, High Chancellery, MCRI-SCBE and High Court of Justice) as part of the Special Program for Rehabilitation of the City of Porto-Novo.

Stakeholders

- **The Minister of the Environment, Habitat and Urbanism** provides supervision, acts as the Chair of Budget Arbitration in the Ministry, and Chair of quarterly monitoring meetings;
- **The Members of the Office of the Minister (Chief of Staff, Deputy Chief of Staff, technical advisors)**, designated as program supervisors under the PB, are responsible for approval, facilitation, and monitoring;

- **The Secretary-General of the MEHU** acts as the Coordinator of the Performance-Based Management Reform and prepares and implements the Procurement Plan (PPM);
- **The Director of Programming and Forecasting (DPP)** focuses on programming and M&E, coordination of the preparation of the PB and the PTA, and preparation of the PB Performance Reports;
- **The Members of the Monitoring and Evaluation Unit** (directly reporting to the DPP and headed by a team of three qualified specialists) monitor the PTA execution and are responsible for field visits to inspect physical achievements;
- **The Chief of the Statistical Office** contributes to preparing the performance indicators and measuring them by means of targeted socioeconomic surveys;
- **The Central Directors and Deconcentrated Directors** produce their respective program budgets, PTAs, and PPMs with assistance from their **Focal Points** (economic planners or statisticians), who are correspondents with the DPP and the Monitoring and Evaluation Unit;
- **The Development Project and Program Coordinators, or Technical Directors**, report monthly to the DPP on the progress of their respective projects using monitoring sheets;
- **The Director of Internal Inspection and Audit (DIVI)** conducts an internal audit of the PB performance report of the MEHU as prepared by the DPP;
- **The Auditors of the Supreme Court's Chamber of Accounts** receive the Performance Report and perform an external audit thereof for final approval or possible corrections; and
- **The Chief of the Ministry's Communications Unit** publicizes the achievements of the MEHU and conducts opinion surveys used to improve performance.

Conclusion:

This program has obtained results gradually, and its success is attributable to unfailing support at the highest level of the MEHU (the Minister himself). To ensure the sustainability of the system, it is important to avoid inconsistency, which might jeopardize the participation of the main implementation stakeholders. The Secretary-General of the Ministry, generally serving a five-year term of service, should be given sufficient accountability to serve as the operational linchpin in the system so as to avoid any damage in the event of a change in Minister. The implementation of the budget reform enabled the MEHU to build its capacities by permitting it to transition gradually from a resource-based budget to a performance-based budget. The M&E system made an enormous contribution to MEHU's success in this program, as it is a powerful tool for assessing program and decision-making performance in regards to the operationalization of ministry structures. The development of such a Program Budget system is an essential precondition for success in performance-based management.