



**Multi Annual Strategic Plan 2014-2017**

**The Netherlands – Benin**

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In this revised Multi-Annual Strategic Plan (MASP), the principles of the policy paper "A world to gain: a new agenda for aid, trade and investments" have been elaborated. The MASP applies for a period of four years (2014-2017), but interim adjustments are possible: for example, in the case of major political or other changes, or to improve alignment of Dutch initiatives with the EU Joint Programming.

## List of abbreviations

ABMS/PSI	Association Béninoise pour le Marketing Social et la communication pour la santé/Population Services International
ABPF/IPPF	Association Béninoise de Promotion de la Famille/International Planned Parenthood Federation
AFD	Agence Française de Développement
AfDB	African Development Bank
AMAB	Assurance Mutuelle Agricole du Bénin
ANAF	Association of Female Farmers
BAD	Banque Africaine de Développement
MBZ	Bundes Ministerium für Zusammenarbeit
CBI	Centre for the Promotion of Imports from developing Countries
CLTS	Community Led Total Sanitation
CTB	Cooperation Technique Belge
DGEau	Direction/Directeur Général de l'Eau
DGGF	Dutch Good Growth Fund
DGR	Direction/Directeur du Génie Rural
DHAB	Direction/Directeur de l'Hygiène et de l'Assainissement de Base
DHS	Demographic Health Survey
DME	Directie Milieu en Energie
DSO	Directie Sociale Ontwikkeling
ECOWAS	Economic Community Of West African States
EU	European Union
FADeC	Fonds d'Appui au Développement des Communes
FAO	Food and Agriculture Organisation
FECECAM	Fédération des Caisses d'Epargne et de Crédit Agricole du Bénin
FNDA	Fond National de Développement Agricole
FUPRO	National Federation of Farmer's Organisations
GBS	General Budget Support
GIRE	Gestion Intégrée des Ressources en Eau (IWRM)
GIZ	Gesellschaft für Internationale Zusammenarbeit
GoB	Government of Benin
GFATM	Global Fund for Aids, Tuberculosis and Malaria
HTP	Harmful Traditional Practices
IFAD	International Fund for Agricultural Development
IFDC	International Fertilizer Development Company
IGE	Inspecteur/Inspection Générale d'Etat
IMF	International Monetary Fund
IOB	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie
ISB	Inspectie en Evaluatie Bedrijfsvoering
IUCN	International Union for the Conservation of Nature
IWRM	Integrated Water Resources Management (GIRE)
KIT	Koninklijk Instituut voor de Tropen
KfW	Kreditanstalt für Wiederaufbau
LEPI	Liste Electorale Permanente Informatisée
LGTB	Lesbian, Gay, Bi-sexual, Transsexual
MAEP	Ministère d'Agriculture, d'Elevage et de Peche.
MASP	Multi Annual Strategic Plan
MCA/MCC	Millennium Challenge Account/Millennium Challenge Corporation
MDG	Millennium Development Goal
MKB	Midden- en Kleinbedrijf
MMF	Match Making Facility
MoH	Ministry of Health
MT	Management Team
NABC	Netherlands African Business Council
NFP	Netherlands Fellowship Programme
NGO	Non Governmental Organisation
NICHE	Netherlands Initiative for Capacity building in Higher Education
NUFFIC	Nederlandse organisatie voor internationale samenwerking in het hoger onderwijs

NWP	Nederlands Water Partnerschap
ORIO	OntwikkelingsRelevante InfrastructuurOntwikkeling
PFM	Public Finance Management
PNE	Partenariat National de l'Eau
PPEA	Plan Pluriannuel d'appui aux secteurs de l'Eau et de l'Assainissement
PPP	Partenariaat Publiek-Privé
PRSP	Poverty Reduction Strategy Paper
PSI	Private Sector Investment
PSRSA	Plan Stratégique de Relance du Secteur Agricole
PTF	Partenaires Techniques et Financiers
PUM	Programma Uitgezonden Managers
SBOS	Senior Beheersmedewerker OS
SCRP	Stratégie de Croissance pour la Réduction de Pauvreté
SDAGE	Schéma Directeur d'Aménagement et de Gestion des Eaux
SGACA	The Strategic Governance and Corruption Analysis
SME	Small and Medium scale Enterprise
SNV	Netherlands Development Organisation
SONEB	Société Nationale des Eaux du Bénin
SRHR	Sexual and Reproductive Health and Rights
STI	Sexually Transmitted Infection
THP	The Hunger Project
TMT	Tailor Made Training
UNESCO-IHE	UNESCO - Institute for Hydraulic Engineering
UNFPA	United Nations Population Fund
UVW	Unie van Waterschappen
WFP	World Food Programme
WIN	Water Integrity Network
WSP	Water and Sanitation Programme
WUR	Wageningen University and Research Centre

## **1. Executive Summary**

This Multi-Annual Strategic Plan (MASP) 2014-2017 is largely based on (an update from) the MASP 2012-2015. It is on the one hand an actualization (based on a new policy element – Benin transition country- and on experiences thus far) and on the other hand a continuation with the three already selected spearheads (food security, reproductive and sexual health and rights, and water and sanitation). Benin is a country in transition which implies for the government of the Netherlands that sometime in the future the relationship between Benin and the Netherlands will primarily have a commercial base. At present this relationship is mainly based on aid (cooperation). The proposed MASP was discussed with donors on 9 October and with the government on 11 October on board of the navy vessel HNLMS Rotterdam.

Benin is a country that continues to need aid for more than a decade. To give just a few examples, economic growth taken as an average over a long period is not surpassing demographic growth, poverty levels are still high (35% of the population), high levels exist of maternal mortality, high levels of young people (age 15-19) who already have a child, high unemployment rates. These problems persist partly due to governance issues that the central government is still unable to address adequately. Although Benin is set to reach the MDG on access to drinking water, there are still high unmet demands for sanitation services. Benin farmers (women and men) still produce insufficiently for markets, despite the huge potential that exists for trade with Nigeria for example. This is due to lack of knowledge on market systems, but also because of a weakly developed business climate. Benin is ranking very low on the 'Doing Business' index of the World Bank. The commercial and trade relation between Benin and the Netherlands is at a rather low level compared to some other partner countries.

For Benin to prosper, improvement of the business climate is a prerequisite. The embassy proposes a 'transition approach' which contributes to the improvement of the business climate and thus creates trade and commercial opportunities for local enterprises while at the same time stimulating investments of Dutch entrepreneurs and involving Dutch knowledge institutions. These transition aspects will become more on the forefront in each of the three spearheads.

Aid will dominate the relationship during the coming years and the embassy proposes to continue the approach for the three spearheads elaborated in the previous MASP. A sector-wide approach in the water and sanitation sector is aimed for, covering rural and urban drinking water, rural and urban sanitation, integrated water resource management, and strengthening the relation with water and food security. The food security approach will be market driven and has some larger programs dealing with feeder roads, land issues, agro-business services and developing local and regional markets. The Sexual and Reproductive Health and Rights (SRHR) approach will be aimed at reducing maternal and neonatal mortality, reducing HIV, increasing access to modern anti-conceptives with an overall aim to contribute to the reduction of the rapid population growth. Within the three spearheads, governance issues, including domestic accountability and decentralization, will continue to be important elements. The embassy will play an active role in ensuring that centrally funded mechanisms (NICHE, UNICEF, Global sanitation Fund, 2SCALE, DGGF, etc.) are implemented in a complementary manner.

## **2. Results and Lessons Learned 2008 – 2013**

### **2.1 Introduction.**

The MASP 2008-2011 was based on a combination of modalities and themes; General Budget Support (GBS, about 35% of the budget) good governance (10%), water and sanitation (30%), education (15%) and private sector development related to agriculture (10%). The width of these modalities and themes proved to be too ambitious however, and thus some expected results were not achieved. In the MASP 2012-2015 a refocus was introduced; three spearheads (water and sanitation, food security and SRHR), of which two were new (SRHR, and food security), and a refocus on private sector development (with the aim to contribute to the improvement of on the one hand the general business climate in Benin and on the other hand to stimulate trade and investment relations with the Netherlands). In terms of strategy, for all themes more attention was focused on 'achieving results on the ground'.

### **2.2 Results.**

GBS, which was supported by specific projects to improve public sector finance, was provided up to 2010 (when general budget support was ended in most partner countries by a ministerial decision)

but has not been overly successful. Although donors managed, through dialogue, to keep government budget deficits under control, growth of government consumption (increases of wages and premiums for civil servants) at the expense of government investments could not be avoided.

Governance projects related to programs in support to public finance (the ombudsman – *Organe du Médiateur*, the Supreme Audit Institution – *Inspecteur Général d'Etat (IGE)* - were phased out in 2012-2013, while the successful program on domestic accountability, developed by two strong local NGOs (Social Watch and ALCRER) was broadened in 2012 to support the demand side of local domestic accountability. Although the support to LEPI (an automated permanent list of voters; a large project financed by a substantial number of donors) proved to be essential in the elections of 2011, the subsequent handling by the government of this system (thereby endangering the permanence of the list) made many donors reluctant to consider further funding.

In terms of water and sanitation the expected results in the MASP 2008-2011 were surpassed and Netherlands support has resulted in an average annual increase of 115.000 persons with access to safe drinking water. The results in rural areas were much better than in urban areas, while results in basic sanitation were less than expected. Decentralization is an important element of the water and sanitation program and through a multiannual program to support water and sanitation (*Programme Pluriannuel d'appui aux secteurs de l'Eau et de l'Assainissement - PPEA*, which uses national procedures to fund decentralized entities), each year a larger share of funds to construct wells and latrines were managed at local level. A current program (PPEA II) was formulated in 2012, and became effective early 2013, in which lessons learned from the first program were incorporated (more attention to sanitation, attention to transport of drinking water from wells to homes, deepening of the decentralization process).

During the period 2008-2011 a dialogue took place with the ministry of agriculture with regard to the formulation of its agricultural strategy (the total process took six years and resulted in a document with too many priorities not underpinned by a proper budget) and some projects were financed (support to farmer's organization in the cotton sector, a research project to determine the feasibility of small scale jatropha production and subsequent small scale fuel generation). The food security policy formulated and approved mid-2012 took a different approach however, with interventions closer to the ground (e.g. a regional approach aimed at developing local markets) rather than large policy-driven approaches. This implied more projects at local level, an exit from the cotton sector (because too politicized and thus with insufficient possibilities to achieve lasting results) and less time and energy spent on dialogue at central level.

For the new spearhead SRHR in 2012 two larger programs with NGOs became under implementation while projects with the government were being prepared.

### **2.3 Lessons.**

General. Based on the conclusions of the 2007 Strategic Governance and Corruption Analysis (SGACA), one of the strategic aims of the MASP 2008-2011 was to support NGOs with capacity development to allow them to receive core funding after a number of years and to strengthen government institutions related to governance such that they would be supported by the national budget in a number of years. This has proven to be too ambitious and thus from 2012 onwards support was continued albeit in a different framework; phasing out support to government institutions that are not related to the three themes (a process that will be completed by the end of 2013), while project funding continued with existing and new NGOs.

Water. Even though the embassy has invested much time, funding and energy in improving government structures related to water and sanitation, the aim to provide sector budget support has not yet been reached. Government structures are still too weak and government procedures still have numerous problems which can result in considerable delays. External audits and technical assistance are thus still a prerequisite for results. Audits and technical assistance are also used to drive capacity strengthening at government level. The new PPEA II takes these elements into account, while still aiming for sector budget support.

Experience with the first large water and sanitation program (PPEA) shows that more investments are needed in planning, monitoring and quality control systems. Also maintenance and management of infrastructure (water systems and latrines) require more attention.

Moreover, the government of Benin needs to invest more in hygiene, both as a means in itself as in securing impact in the supply of drinking water. Both subsectors should be approached in a more integrated manner and this aspect is one of the core elements of PPEA II.

Agriculture/food security. According to the MASP of 2012-2015, the results of the activities in the agricultural sector up to end of 2011 were rather disappointing, partly due lack of government policies. During the period 2008-2011 the embassy spent much time and energy in policy dialogue to assist the government with the formulation of its new agricultural strategy but this process took too long while the strategy itself lacked proper priorities and funding.

During the second half of 2011 and mid-2012 the embassy was granted time to develop a food security strategy while at the same time the formulation of some larger programs (*approche communale, pistes rurales, foncier rural*) were started. This has proven to be a pragmatic approach which has led to several activities that are already under implementation. Starting programs that require intense government involvement (*foncier rural*, agricultural statistics) proved to take much longer than foreseen.

SRHR. In the MASP 2012-2015 the embassy was allowed to make a controlled start with a new theme Sexual and Reproductive Health and Rights. The main reason was that the embassy had to recruit expertise from end 2011 onwards while the SRHR team would only be complete from mid-2013 onwards. The approach by the embassy (technically supported by DSO) to first start activities with two larger specialized NGOs (ABMS/PSI and ABPF/IPPF), with the aim to achieve quick results, and taking the time to build a relationship with the ministry of health has worked well. Moreover, the embassy has been innovative in reaching out to religious leaders with regard to Family Planning.

Modalities. The possibilities to use basket funds and/or sector budget support are limited. Government structures are often too weak (with commitment for improvement insufficiently available at most levels) and donor coordination is poorly developed (still too many donor specific conditions in terms of reporting, audits, etc.). Nevertheless the embassy will continue to strive for the use of these instruments because, if properly applied, they will drive government capacity to execute its own plans and strategies.

The pragmatic approach to use delegated cooperation where possible has been successful. This was done with Denmark in the area of education, rural road infrastructure and water, with the European Delegation in the area of public finance management, water and rural road infrastructure (the latter two still under preparation) while it is being discussed with USAID in the area of SRHR and with the Millennium Challenge Account (MCA) with regard to *foncier rural*.

During the recent years the embassy is increasingly financing more projects via (local) NGOs. Usually NGOs are preselected on their capacity to deliver results and thus supporting capacity development of these NGOs needs less attention. Providing core financing to NGOs that are able to deliver results is an option that will be considered more actively by the embassy.

Developing larger scale programs and projects is time consuming, especially if an active role of the government is required, while implementation requires an active monitoring role by the embassy. Since budget realizations are usually less than planned, the embassy applies a healthy form of over programming. Moreover up to 2012 a very large share of the available budget was disbursed in the last quarter of the year. In 2012 the embassy has taken steps to rectify this with the result that by mid-2013 more 60% of the budget had already been disbursed.

Decentralization. The decentralization process in Benin started more than a decade ago and is not yet complete. While decentralization is more or less accepted as part of the political landscape (and thus seems irreversible), part of the (central) government of Benin also sends mixed signals on the willingness to drive and complete decentralization. Although the embassy has not funded decentralization per se, the lesson learned is that the willingness at local levels to react to proper incentives are higher than at central levels. Thus in all three spearheads decentralization aspects often plays a central role.

### **3. Country analysis.**

#### **3.1 General**

The most important conclusions for the MASP from the context analysis are:

- Although Benin belongs to the poorest countries, its natural resources and its geographic location combined form a development potential that should allow for higher and more diversified economic growth. Climate, soil and water can be used better and more intensively for agriculture, while with the port of Cotonou and the presence of a large *hinterland* (especially Nigeria and Niger) Benin has a considerable comparative advantage both in terms of transit trade of commodities and in local processing of agricultural products.
- In terms of social development Benin has made progress, but education, health and social services are still insufficient, both qualitative and quantitative. In terms of reaching the MDGs, only for drinking water is Benin on track. The other MDGs will not be achieved in 2015. The high population growth (3.5% per year) is an important constraint. Economic growth is hardly sufficient to match demographic growth. It will be difficult for Benin to reduce poverty if the increasing unmet need for family planning is not addressed seriously by religious and political authorities while at the same time other opportunities such as education and youth employment are not better addressed in order to reap the benefits of a large and productive young population (demographic dividend).
- The slow economic and social development is for a large part related to an ineffective government, even though Benin, as one of the first African countries, has embraced democracy since 1991. Since then there have been five presidential elections during which three times a new president was elected. Government institutions respect each other as well as the formal rules of the democracy. Nevertheless, behind this façade a society exists mainly based on 'clientalism', in which politicians let private and group interests prevail over national interests and where corruption is present at all levels. The latter often scandalized in public, but seldom punished. This has contributed to the weak investment climate in the country.
- A second important constraint is the increasing dependency ratio because of the young and fast growing population. It is important to satisfy the growing demand for family planning services in order to decrease the population growth and with that to increase the achievement of the MDGs, including the post-2015 development goals.
- Other constraints for higher economic growth are bad infrastructure for transport, energy, internet and water, insufficient access to financial services in combination with gender inequality.
- The current president Boni YAYI was a newcomer in 2006 who won the elections promising an effective policy against corruption and impunity. Unfortunately he has not been able to make much progress in improving governance. The resistance of the old political class turned out to be too large. Also within government resistance against reforms mounted often vocalized through strikes. After his re-election in 2011, which he won in one round, Yayi has pledged a continued effort to fight corruption and to implement reforms, but little progress has yet been made.

### **3.2 Transition; From Aid to Trade**

Transition in the recently defined Netherlands context means that somewhere in the future the relationship between the Netherlands and Benin will not be mainly based on development cooperation, but be based primarily on commercial and investment relations with aid being largely phased out. Aid will continue to be important for at least the coming ten years due to the low levels of development while demands for social infrastructure (schools, hospitals and health clinics, water infrastructure) will continue to increase due to population growth. These movements, less aid and more trade, do not work in parallel, but should reinforce and strengthen each other.

Having itself a relatively small domestic market, Benin's economic future probably lies most in trade with its giant neighbour Nigeria. At the moment the country is already active in this area, but so far mainly limited to the service area (logistics) and largely dominated by all kinds of illicit trade, fomented by all sorts of trade barriers against imports installed by Nigeria. Benin's challenge will be to develop gradually a more sustainable position in delivering services and goods to the Nigerian market.

One of the conditions for a strong and healthy commercial relationship is a good business climate in Benin and this is currently lacking. According to the 'Doing Business 2013' ranking of the World Bank, Benin is at the 175th place of 185 countries. This is far below the average of sub Saharan



Africa which ranks at 140th. This low rank shows that numerous efforts have to be made to improve the business climate and to reinforce private sector development in Benin. Reforms are required in the following areas: access to electricity, water and internet, property registration, access to credit, investment protection, and contract enforcement and taxation. In addition, mid-2012 a breach of confidence between the public and the private sector was officially recognized, but this has not yet been resolved. In general therefore, the constraints to do business in Benin are numerous and require endurance, patience and local knowledge. The country needs aid to improve its trading opportunities, both with regard to the general business climate and within the three spearheads,

The commercial and trade relation between Benin and the Netherlands is at a rather low level compared to some other partner countries. Export of second hand cars to Benin is taking place, some larger companies (VLISCO, Heineken, Boskalis, Haskoning, APM) have already a foothold in the country, and only two PSI financed investment (cashew nuts and, aquaculture) were implemented during the recent years. Most generic economic instruments (PSI, PPP-facilities, CBI, etc.) are largely underused, and interested Beninese partners often fail to meet minimum requirements. In contrast, PUM is widely used.

In its current MASP (2012-2015) the embassy already took improvement of the business climate at heart while at the same time commercial relations with the Netherlands were actively stimulated. The embassy chairs the private sector working group and supported a public-private round table to improve the investment climate. It has organized a trade mission and has signed a special contract with NABC, in which NABC identifies interested Dutch entrepreneurs who seek investment opportunities in Benin for which the embassy in turn develops a special program to bring them into contact with local entrepreneurs. In the water and sanitation spearhead the Netherlands-Benin Water Platform (NWP) was established, inter alia with the aim to bring more Dutch enterprises into contact with Benin. This for example resulted in a first ORIO (*OntwikkelingsRelevante InfrastructuurOntwikkeling*)-proposal (support by Brabant Water) being approved by The Hague. In the food security spearhead, market development (with a focus on the Nigerian market) has become the central theme, inter alia laying the ground for external investors. The embassy is supporting AgriHub to reach out to SMEs in the area of agro-processing. The embassy is actively involving the various Dutch Knowledge institutions through the NICHE program (*Netherlands Initiative for Capacity building in Higher Education*) in the three spearheads. The embassy is supporting the Port of Cotonou in their restructuring process. Scope exists for the top sectors: agro-food, horticulture, water logistics and energy. Energy will become a specific sector of attention for the embassy if the search for oil (and gas) by a consortium in which Shell is one of the major partners, turns out to be successful.

### 3.3 Food Security

Mid-2012, a full-fledged strategy for Food Security was adopted and one additional expert was posted at the Embassy in September 2012. One year into its implementation, much of the strategy and the underlying analysis of the sector are still valid, even though some shifts in attention are noticeable in response to changes in the policy environment in the Netherlands and/or Benin.

The focus of the Embassy is **to reach improved food and nutrition security by establishing an environment in which agriculture, agro-businesses and access to quality food can thrive for both men and women.** This environment requires a number of preconditions that need to be improved to move gradually from a subsistence-based model to a market-based model, driven by well-functioning markets in which demand and supply meet, backed by appropriate institutions and investments, while increasing local revenues and decreasing vulnerability.

This strategy starts from an observation that many interventions target agricultural production, but few address the issues that could drive the structural sustainability and profitability thereof. In Benin, the interventions of the government, despite a comprehensive agricultural policy, are in practice driven by one export commodity: cotton. And even in this sub-sector short term concerns (some of which have little bearings with agriculture in the first place) prime over long-term needs to structure the sector as part of a comprehensive approach to agriculture and food security.

Food security is often equated with the Ministry of Agriculture, but the Embassy considers many other partners critical to the success of its interventions. Due to its strong bias towards cotton production, the Ministry of Agriculture (MAEP) has been relatively unsuccessful in implementing a credible policy for food production and food quality. This situation is aggravated by the large

number of donor-funded initiatives in the sector, and a low level of coordination between development partners. The Embassy does not expect strong and comprehensive coordination to emerge from the agricultural sector in the short run, nor from the joint development partners.

The agricultural sector is marked by high levels of vulnerability among producers (farmers) and all through the agricultural chain. Most farmers work on family farms, with little to no means of investment. Depending on the crop, women make up a large to majority share in both farming and processing. The Embassy demands a gender dimension to all its activities. This gets translated into a specific focus on women and vulnerable actors, either as a key to the approach, or as a specific window within the approach.

Regarding a regional perspective, Benin is strongly interrelated with the sub-region (ECOWAS). Benin is the main port and corridor for the hinterland (in particular Niger and Nigeria, and to a lesser extent Burkina Faso, Mali and Chad). The World Food Programme (WFP) sources part of its cereals for the Sahel zone (mainly maize) from Benin. There is much economic traffic between Benin and Nigeria, although much of it informally. Nigeria's trade policy on world market imports of rice, palm oil, frozen chicken and (possibly in the near future) beef lead to large informal trade flows through Benin (i.e. 85% of the frozen chicken imports in Benin are sold onto the Nigerian market). For its agro-inputs (fertilizer, agro-chemicals), Benin is fully dependent on imports, including from the sub-region. There is an obvious need to address food security issues at a regional level (e.g. market development, trade flows, borderless, agro-inputs), even though solutions are likely to be country-specific.

### **3.4 Water and Sanitation**

The on-going water program is a combination of water resources management, drinking water and sanitation. The program is as far as feasible aligned to Benin's procedures and processes for planning, financing and implementation.

In *water resources* a mixed picture exists: there is on average enough water, but due to seasonal and geographical variations, the need for improved management of the resource is big. Apart from these variations, the country also has to deal with high population growth and rapid urbanization. This requires more investment in storage, in flood protection and in erosion prevention. The institutions for materializing these necessary measures are starting to become a reality supported by Dutch cooperation. It has also become clear that the actual implementation of the river basin management plan for the Ouémé or the involvement of such structures as the national water board is not automatic.

*Urban drinking water* is managed in an agreement of delegated responsibility by the national water company, SONEB (*Société Nationale d'Eau au Bénin*). This structure is starting to develop projects on its own, and is likely to transit to different funding forms (loans, mixed grants) in the near future or maybe public private partnerships. Nevertheless, and apart from the fact that a unified water tariff exists that SONEB has to follow, the investments will depend for several more years largely on grants from external partners to secure an impact on the poorer populations in the peripheral zones and smaller towns where water systems are otherwise not yet profitable.

The urban coverage is currently estimated at 63.4% at the end of 2012 close to the MDG target of 64%. As some important investments are on-going and planned for the next years, it is highly likely that the MDGs for access to drinking water will be achieved in urban areas.

*Urban sanitation*: A major problem in urban sanitation exists. If any, the current system is based on household level latrines with some form of sludge evacuation. However, there is no functioning sludge treatment in the country. The sludge is evacuated and dumped. There is one 'treatment' facility between Cotonou and Porto Novo, but the reality is a dumping in the sea. The responsibility for sanitation services is linked to the municipality. SONEB is claiming a delegated responsibility, although its capacity for providing such a service is still extremely modest. After having formulated a national strategy in 2008, the first activities are currently underway through the formulation of sanitation master plans for the 3 principal cities of the country, with financial assistance of the Netherlands and the WSP. The MDGs on sanitation are not likely to be met in 2015.

*Rural drinking water*: The country is on-track for achieving the MDG with an estimated access of 63.7% (end 2012) in the rural part of the country compared to the goal of 63%. Thus, an

increasing percentage of the population has access to clean water at the source. This also means an increasing amount of small water systems that are to be managed. The responsible authority is the municipality. Municipalities have engaged in almost all cases, a commercial operator. At present at least 200 water systems are under contract. The World Bank-WSP project PEA is supporting these private water systems. In addition, provisions are made in PPEA II to support the investment part of this support, to enable a larger amount of connections to rural systems, thus increasing coverage and also increasing the financial viability of these systems.

*Basic sanitation and Hygiene:* There is an extremely high level of open defecation in rural Benin. The awareness of the need for sanitation is very limited. The rural population does not yet understand that this situation is the reason that child mortality and the prevalence of gastro enteric diseases are high. There are serious health risks due to the reinfection of clean drinking water, as was shown in an extensive study implemented by IOB (*Inspectie Ontwikkelingssamenwerking en Beleidsvaluatie*) and the German BMZ (*Bundes Ministerium für Zusammenarbeit*). In a response to these findings, the ministry of health has put behavioural change at the heart of the national sanitation strategy, and a major operation is underway, using Community Led Total Sanitation (CLTS) as a key intervention strategy. At the same time, the investments in public latrines continue as well as maintaining a focus on monitoring the quality of drinking water in both rural and urban situations. With a coverage of 45.8% for excreta removal from household at the end of 2012, with a target of 50.9%, it is likely that the country will not reach the MDG in 2015. Nevertheless recent progress, due to a favourable institutional development and a more visible political engagement, are likely to permit this subsector to reduce its deficit.

The management and use of water and sanitation are the responsibility of a whole series of institutions. The main actors are the ministry of water and energy, the ministry of health and the municipalities, but in addition to these the ministry of finance is a backbone to the process as it is implemented by the government of Benin through the national public finance management system.

### **3.5 Sexual and Reproductive Health and Rights (SRHR) and more specifically 'Women's Rights'**

With fertility at 4.9 children/woman (urban: 4.3; rural: 5.4; Demographic Health Survey - DHS-2011) and a population growth of 3.5% per year, the population of Benin doubled during the last twenty years to reach 10 million in 2013 (provisional census data 2013). Demographic growth is not structurally lower than economic growth, thus hampering poverty reduction and limiting adequate delivery of social services.

Of the population 33% are young people (10-24 years). Below the age of 15 years, 13% of adolescents are sexually active. Of young people between 15-19 years 15 % have a child and 23% of adolescent pregnancies are unwanted resulting in a high number of unsafe abortions (which contributes to high maternal mortality) and in girls dropping out of school (which limits their socio-economic opportunities). Urbanization, lack of (employment) opportunities and exploitation contribute to substance abuse (alcohol, drugs), to unsafe sex and to commercial sex work in young people.

HIV prevalence is 1.2% (15-49 years; women: 1.4%; men 1.0%; DHS 2012). Half of new HIV infections affect young people with adolescent girls being most vulnerable. Prevalence of Sexually Transmitted Infections (STI) is twice as high in urban than in rural youth, and is particularly high in university students. Only 17% of adolescent girls and 31% of boys have comprehensive knowledge of HIV (UNICEF; 2011). There are indications of an increasing HIV prevalence among adolescents.

Violence against women and girls and sexual abuse is still common in Benin. 1.4% of girls aged 2-14 years have been raped (Ministry of Health – MoH - 2011). Wife beating is justified by 47% of adult women (41% adolescents) and 14% of adult men (12% adolescents). Harmful traditional practices {forced marriage, female genital mutilation (13% of women 15-49 years old; DHS 2006)} are common. Child trafficking, 90% girls, for labour or forced marriage is a major problem (about 3-4000 children p.a.). While laws to protect women and children are in place, these are alarming data. Much remains to be done to abolish harmful traditional practices and to fully realize the rights of women, children and young people.

Laws and strategies related to SRHR are relatively well articulated. The use of contraceptives was legalized in 2003. The minimum age for marriage was raised from 15 to 18 years. But still 8% of

girls < 15 years and 34% of girls <18 years are married (UNICEF; 2011). In 2012 a law regarding violence against women was approved and promulgated. No prohibiting legislation exists concerning LGBT (Lesbian, Gay, Bi-sexual and Transsexual) and the exploitation of commercial sex workers. Both are stigmatized in society. Among the priorities in the National Health Policy (2009-2018) are: development of human resources for health, health sector financing (with establishment of a universal health insurance), quality of health care and collaboration between public and private sector. The national multi-sector SRHR strategy for youth and adolescents (2011-2015), approved in 2010, is being implemented with girls' education and youth nutrition as government priorities.

However, effective implementation of (SRHR) laws, strategies and programs is hampered by weak governance of (decentralized) public services, poor inter-sector collaboration, religious and traditional barriers, low status of women and poor donor coordination.

Yet, Benin has made progress in the area of SRHR. Maternal mortality has been reduced from 397 (DHS 2006) to 350/100.000 live births (UNICEF; 2010) ); 87% of births are assisted by skilled health professionals (DHS 2011; 78% DHS 2006); traditional methods of family planning are common but use of modern contraceptives (women 15-49 years) increased from 6% to 7.9% (women 15-19 years: 4%; DHS 2011) with a high unmet need of 32%. For modern family planning the population uses public services (38%) as well as private services and pharmacies (29%).

Only 67% of health facilities provide basic Emergency Obstetric and Neonatal Care. HIV counselling/testing, prevention of HIV transmission from mother to child and anti-retroviral treatment are offered in only resp. 51%, 47% and 14% of health facilities. Of health expenditure 52% is paid by households themselves (of which 76% is spend on medicines).

*Women's rights:* both the constitution (in which the African Charter on Human and People's Rights is integrated) and several subsequent laws guarantee the same rights for women and men (e.g. Employment law, 1998; HIV/AIDS Prevention and treatment, 2006; National Policy on the Promotion of Gender, 2009). The actual President of the '*Haute Cour de la Justice*' is a woman. Benin ratified the Convention on the Elimination of all forms of Discrimination Against Women in 1992 (latest 4-year report submitted in 2011). Implementation of the laws is hampered by socio-cultural values, lack of capacity of law enforcement institutions and by lack of knowledge with the population (also due to non-translation of laws in local languages) as well as the high costs of legal assistance. Laws to protect children from trafficking and sexual exploitation do exist, but not yet for women. In local elections only around 4% women are elected. At national level this is between 10-23% after setting a record of 30% in 2011.

#### **4. Cooperation program: objectives, results, activities and risks**

##### **4.1 Introduction.**

On the basis of the country analysis, the results and lessons learned 2008-2013 and the policy priorities of the government of the Netherlands, the embassy proposes to continue the cooperation program with Benin with regard to the three spearheads (SRHR, food & nutrition security and water and sanitation) and to further intensify its effort regarding private sector development and economic diplomacy. This in the light of Benin being considered a country in transition. While Benin has many broad governance issues to tackle, the cooperation program proposed will only address (transversal) governance, such as domestic accountability, related to the three spearheads.

##### **4.2 Transition; from Aid to Trade**

The transition from a relation dominated by aid to one in which trade prevails is a country specific process. Benin is one of the countries in transition where conditions for a full-fledged commercial relation do not yet exist. Despite the potentials (with for example Nigeria as a hinterland), indicators relating to for instance doing business, competitiveness, and governance show that Benin still has a long road ahead. At the same time Benin is also a poor country that faces huge problems such as high population growth (quadrupling population in 40 years at the present rate), very low levels of contraceptive use, many teenage mothers, high poverty levels, insufficient economic growth, water management issues, climate adaptation issues, low levels of

industrialization, high dependency on cotton as prime export commodity etc. The country analysis of chapter three and the lessons learned (chapter two) show that one has to be realistic in Benin and not be overly ambitious.

Benin is thus a country where aid continues to be important, at least for the next ten years, but where aid can also be used to improve the general business climate on the one hand, and to stimulate the various transitions processes in the three spearheads on the other. *Aid where needed, trade where possible*. This is a strategy that was already started in the MASP 2014-2017 and will now be intensified as demonstrated in the next sections.

### **4.3 Private Sector Development and Commercial Relations (Economic Diplomacy)**

While Benin disposes of several favourable preconditions for accelerated development (climate, soils, water, and geographic location) the private sector faces also several constraints. Compared to other countries, Benin does not have a favourable business climate and government efforts to rectify this have yet to bear fruit. An improved business climate in Benin is also a prerequisite for Dutch investors and traders who wish to establish a foothold in the country. Implementation of reforms is generally a slow process in Benin and thus improving the business climate requires a lot of patience and a longer term vision.

Given the means at its disposal (human resources, budgets, instruments – inter alia the DGGF (Dutch Good Growth Fund), PUM, CBI, FMO, PSI, ORIO -, and the active support by our headquarters), the reputation of Dutch enterprises (such as Boskalis, Haskoning, APM Terminals, Port of Amsterdam), the objective of the embassy is to assist the government of Benin in improving its business climate while actively promoting the potential of Benin for Dutch commerce. Since achievement of these objectives depends very much on actors that can only be influenced by the embassy, the following results, which are not completely under the embassy's control, are proposed. By end 2014 the embassy will have arranged that donors who finance major programs dealing with the business climate (World Bank, EU, MCC) actively cooperate with each other to increase their effectiveness and impact. By end 2014 the embassy will have assured that the instruments available under the DGGF are more tailor-made to the Benin context. By end 2017 five ORIO proposals concerning Benin have been submitted to The Hague of which three are approved and five proposals for financing under the PSI scheme will have been submitted of which three are approved. By end of 2017 the embassy will have facilitated visits of twenty Dutch enterprises who show serious interests in establish business relations with Benin. By end of 2017 a long term support relationship between Port of Cotonou and some Dutch partners will be established. In order to achieve the results the embassy requests a budget of €1 mln for 2014 and 2015 respectively and € 0.5 mln for 2016 and 2017.

In order to contribute to the objective and to achieve the results, the embassy will carry out the following strategy (activities).

The embassy will continue to chair the private sector working group until mid-2014 and will continue to be an active member thereafter. In this respect the embassy, together with other donors, will stimulate the government to take decisive steps to streamline the dialogue between the private sector and the government to restore the confidence that is currently lacking. The embassy will also actively stimulate donors such as World Bank, the EU and MCC to join efforts in their support to improving the business climate in Benin.

If necessary, the embassy will financially support project proposals aimed at specific elements of improving the business climate. In this context the embassy considers to support a project on eRegulation.

The agency providing water to the urban population (SONEB) also plays a role in improving the business climate. The government has decided to create specialized one-stop-windows (*guichets unique*) at water, electricity and telephone companies to ease and streamline procedures for customers. The embassy will stimulate SONEB to create and maintain this one-stop-window.

Benin recognizes the value added that the Netherlands can offer to improve the functioning of the Port of Cotonou. To this end the President of Benin has requested support from Prime Minister Rutte who responded positively. The most pressing problem at present is that one of the quays needs to be replaced in the near future. This is a rather complex operation since it affects not only

the quay itself but also probably entails a restructuring (both technically and institutionally) of the handling area attached to the quay. The embassy proposes to provide support to the Government to prepare this strategic project up to the start of procurement (from developing a longer term vision to the detailed design, seeking available finance – inter alia ORIO - and preparing the procurement dossier).

Based on its strong relations with key players within the government as a result of the aid relation, the embassy will continue to provide active economic diplomacy services to Dutch enterprises already active in Benin such as Boskalis and Stirling Cryogenics. Within the three spearheads the embassy will actively seek opportunities to involve Dutch enterprises including a specific attention for women led enterprises. The embassy will stimulate enterprises to implement corporate social responsibility activities.

A first proposal submitted to ORIO by SONEB (in June 2013 with support from Brabant Water) to rehabilitate a water reservoir near Parakou has been approved. During the visit to Benin by the former state secretary early 2012, an arrangement was signed to strengthen the bilateral relations between the Netherlands and Benin through a joint water platform. The embassy will continue to actively support the implementation of this arrangement (by financing study visits, etc.).

In the food security spearhead market development is also an essential theme. To this end two larger programs have been developed over the last two years and are now being implemented; *approche communale* and the establishment of an agri-business services centre that will assist (local) agro-business entrepreneurs. The embassy co-finances Agri-hub in which Dutch related organizations (a.o. SNV, Agriterre, IFDC – International Fertilizer Development Company) participate and has contracted NABC to identify for the embassy Dutch enterprises that show a serious interest in starting business in Benin and for each of which the embassy subsequently develops a matching program.

As part of the transition efforts, the Government of Benin (GoB) will be encouraged to increase its contribution from nationally raised revenues to the health sector especially for SRHR programs to increase its sustainability. With the Topsector Health and Life Sciences, in collaboration with AgentschapNL, NUFFIC and the Task Force Health Care, possibilities for collaboration (e.g. capacity building, consultancies, e-health) with Benin will be examined.

Implementing the strategy will be affected by two risks. The first is insufficient political commitment by the Beninese government (politicians and civil servants alike) to implement reforms. This is a risk related to the general policy environment that the embassy cannot tackle fully. Nevertheless, the embassy will continuously identify specific actions it can take to influence elements where possible, for example the creation of a one-stop-window at SONEB, and the support to the Port of Cotonou. The second is the establishment of the DGGF. The embassy foresees two elements that might cause problems in the near future. In the first place it is possible that the DGGF will become effective later than expected and that its rules and regulations might give rise to interpretation problems that take considerable time to be resolved. In the second place the embassy foresees the risk that the various elements of the DGGF will be insufficiently suitable for a small country like Benin and need to be further tailor-made. With regard to both elements the embassy will actively engage with headquarters.

#### **4.4 Joint EU Programming and Modalities**

Among the EU-member states the Netherlands, Denmark, Germany, Belgium, France and of course the EU delegation itself have a presence in Benin. Denmark however, will terminate its cooperation efforts in Benin at the end of this year and will close its embassy by mid-2014. Generally donor coordination and cooperation in Benin leaves much to be desired. With regard to EU joint programming it was agreed in October 2013 that a joined analysis would be carried out from mid-2014 onwards and that one would wait until the end of the current PRSP of Benin (this SCRP ends in 2015, with presidential elections in 2016) to start preparing for a joint EU programming. In the meantime, the Delegation is preparing the ground for the 11<sup>th</sup> EDF. The 11<sup>th</sup> EDF covers seven years (2014-2020) but it is proposed by the EU that this period be broken into two. The year 2016 (with presidential elections and the formulation of a new PRSP) would be used for final discussions on joint EU programming for the period 2017-2020. The embassy proposes to support this proposal.

In terms of modalities, the embassy will continue to strive for the use of basket funds and/or sector budget support because, if properly applied, they would lead to better government capacity to execute its own plans and strategies. The pragmatic approach to use delegated cooperation where possible has been successful and will be continued. During the recent years the embassy is increasingly financing more projects via (local) NGOs. Providing core financing to NGOs that are able to deliver results is an option that will be considered more actively by the embassy.

## 4.5 Food Security

### Key areas of intervention

After a year of implementation of the food security strategy approved mid-2012, the key drivers of the Netherlands contribution to food security and nutrition can be summarized as follows:

- The embassy drives structural sustainability and profitability of the agri-food sector by addressing **critical preconditions**;
- The embassy encourages a stronger role for markets and private partners (business, knowledge institutions), including stronger links between partners in The Netherlands and Benin; and
- For the purposes of a division of labour and efficiency, the embassy will focus its interventions on the south-eastern part of Benin (in particular for market development and in relation to water spearhead).
- The embassy does not target primary production per se;
- The embassy does not target cotton;

Food and nutrition security requires a well-functioning web of actors, infrastructure and institutions. All analytical work coincides to the fact that many preconditions are either absent or flawed, and that a concerted effort is needed to make sure that all critical elements of the web are in place. The Embassy has selected four main key areas of intervention (> € 5 million, act. 1-4) and three subsidiary key areas (< € 5 million, act 5-7), based on specific motivations.

1. **Market development at communal level** ("Approche communale"): Development of functioning markets for food products with good nutritional value, with a focus on southern Benin and cross border trade with Nigeria (22 Communes in three Departments). This involves a four-year programme worth € 10 million (2014-2017), comprising value chain improvement, investments in market infrastructure and improved marketing. Executed by platforms of direct and indirect value chain actors (both public and private), coordinated by IFDC (strong link with 2SCALE programme foreseen). The approach contains solid gender conscience per value chain, specific interventions and sex disaggregation of the monitoring system. Selection of food product categories done in consultation with male and female producers, processors and traders.  
*Motivation:* Benin's agricultural potential is kept down due to limited market penetration and low value added. More primary production can only lead to more wealth if it is contingent with demand and marketing chains. The vicinity of Nigeria is often seen as an opportunity for Benin, but only if marketing chains are well structured.  
*Expected results:* 70,000 value chain actors of which 40% women benefit from improved commercial infrastructure and institutions, leading to a 30% increase in traded volume.
2. **Improved rural transport infrastructure** ("Pistes rurales"): Joint donor support to the National and Local governments in line with the National Strategy for Rural Transport 2012-2015. The approach is based on decentralized execution, using high-intensity manual labour (40% women) and a performance-based attribution of funds. Dutch contribution: € 5 million in 2012/13. Contribution 2014/16 € 15-20 million (New three-year arrangement to kick in from 2014).  
*Motivation:* Feeder roads (both roads and waterways) are critical to cutting production and marketing costs and timely evacuation of products. The Netherlands is taking over part of the role of Denmark in this subsector.  
*Expected results:* 2013-2014: 12,622 km of rural infrastructure maintained, 1742 km improved. Targets 2015/16 to be set.
3. **Access to land** ("Foncier"): A combination of institutional and operational support to land rights and land titling in accordance with the new Land Code which was adopted in 2013.

Institutional support through national actors. Operational support through local actors (with appropriate intermediaries). This programme is under preparation. Value to be determined.  
*Motivation:* Land right and titling are considered critical for securing investments in land, both for primary production and for agro-processing.

*Expected results:* 40 (out of 77) municipalities maintain land records and deliver land rights & titles to both male and female land right holders, and central level institutions foreseen by the land law are established. Central level institutions are assisted to deal with issues of inequality between men and women and the monitoring system will be sex disaggregated.

4. **Agro-business development:** Support of a set of initiatives to support private sector initiatives (total value of Dutch contribution ± € 5 million). SNV (Netherlands Development Organisation) will establish the Agro-Business Centre (worth € 3.5 million, 2013-2017). Smaller initiatives are executed by Agri-Hub (AgriProFocus), IFDC (Guaranty fund linked to 2SCALE) and the Benin NGO CIRAPIP (business approach to bio-fuel). The potential for fisheries, agro-mechanisation, climate insurance and the seed sector will be further explored, with an explicit attempt to increase involvement of Dutch partners, and explicitly taking into account the involvement and roles of both women and men.

*Motivation:* Agro-business development has not yet taken off in Benin. The Embassy programme fills the gap between the little used generic instruments (PSI, Match Making Facility –MMF-, CBI, PPP-fund) and the needs of the nascent private sector in the agro-business. Under the Agro-business centre specific gender provisions to support female entrepreneurship and sex disaggregated monitoring are foreseen.

*Expected results:* 2200 enterprises and farmers' organizations receive business-related support, with 573 business plans established and 286 SME funded.

5. **Linking research and innovation** ("valorisation des résultats de la recherche"): Improve access to knowledge and expertise at farm level, and to benefit from existing knowledge at farm level, executed through the national federation of farmer organisations (FUPRO). Total value € 1.2 million for the period 2013-2016. Specific focus on female farmers through the involvement of the National Association of Female Farmers (ANAF), a branch organization of FUPRO.

*Motivation:* Agricultural actors lack access to quality improvements developed by research and by other actors. Active vulgarization is required to increase basic expertise at farm and processing level.

*Expected results:* Selected number (5-10) of locally viable innovations through the linking of research and practitioners. Example: implementation of improvements in soy culture to reach 70-100% yield increases for both male and female producers.

6. **Agro-statistics:** Due to a lack of traction on a multi-year strategy at the Ministry of Agriculture to improve agro-statistics, the embassy will provide support to specific surveys rather than through broad-based support to statistics. Currently, the embassy supports the Food Security and Vulnerability survey 2013 (in partnership with the World Food Programme, the National Institute for Statistics and the Ministry of Agriculture).

*Motivation:* Reliable agro-intelligence (with explicit sex disaggregation) is a critical requirement for improvements in the sector.

*Expected results:* The Food Security and Vulnerability analysis will provide a solid baseline broken down to the level of Communes (report expected in October 2013).

7. **The Hunger Project:** Core funding to the NGO The Hunger Project for the execution of its gender-driven comprehensive approach to addressing food security and nutrition issues, combined to women's empowerment/leadership and maternal health care (the epicentre approach). THP has a solid platform of sponsors and good visibility in the Netherlands, and strong links with the business community. Value of the Dutch contribution is € 2 mln for a 4-year period (2013-2016), under the condition that the Embassy's contribution cannot exceed one-third of the total budget.

*Motivation:* Comprehensive approach at decentralized level provides a learning experience, in particular towards the autonomisation of the so-called epicentres.

*Expected results:* 21 functioning epicentres of which 3 are fully autonomous.

## Coordination and Policy Dialogue

Since most interventions require the coordination with quite some national government partners (e.g. the ministry of SMEs for its agro-business component, the ministries of environment and finance for land reforms), local government NGOs and development partners, we propose to drive



coordination efforts based on a coalition approach focused on specific topics. The embassy will address issues at a level where they can be resolved by concerted and meaningful action. Our reading is that this is most likely to be achieved through smaller, informal structures than through large platforms that in our context tend to lead to more bureaucracy and less efficiency. Some will be at national and others at decentralized levels (e.g. *approche communale*). We will lead several of these groups. Where it comes to integrated water resources management, the use of water and land in the river basin of the Ouémé forms our principal area of intervention. In this area, initial initiatives in applying water management tools to agricultural interventions is included under the second window of the PPEA (see Section Water) and the lessons drawn from these experiences will feed into the wider Delta Plan for the basin. A specific focus on fisheries will be pursued. Where it comes to climate adaptation, our ambition is to link them into the existing programme (i.a. agricultural insurance (climate insurance) and appropriate seed material (i.a. through IFDC 2SCALE). The Embassy has a close relationship with Agri-Hub Bénin, which offers a platform to engage with a large variety of field level agricultural stakeholders. It is our aim to increase coordination with (Dutch) NGOs through this platform as well. The Embassy has established a coordinated approach to linking the food security to the commercial agenda, through a set of agro-business instruments, which will be fully operational by end-2013 (See Section Trade and Private Sector). For tertiary education, we build on the close relationship with NUFFIC/Niche. In terms of regional scope, the Embassy's priority is to address two main issues: making Benin benefit from the proximity of the Nigerian market, and assisting the Port of Cotonou in meeting its growth objectives to cater for increasing trade flows for Benin and its hinterland.

### **Risks and constraints**

Key constraints that may hamper success are:

- The strong bias towards cotton in the agricultural sector despite the more comprehensive agricultural sector strategy of Benin;
- The weak business climate, including the tax environment, lack of infrastructure, lack of skilled labour, and obstruction will hamper the potential and speed with which private sector interventions in the agro-food sector will become successful;
- Weak coordination between development partners both in terms of coordinated policy dialogue and combined instruments, in combination with the first risk, will limit the success of combined interventions in the sector.

### **Transition: Medium-term outlook**

In accordance with the objectives of the policy for Aid and Trade, the longer term outlook assumes a gradual reduction of aid in favour of trade for the spearhead food security. This is an ambitious objective, since the prospects for stronger commercial relations in the agriculture and agro-processing are much less developed in Benin as they are in countries like Ghana and Kenya. Several NGOs like SNV have a longstanding relationship with Benin, but the current presence of Dutch organizations, business and expertise centres is insufficient to drive the transition from aid to trade, even in the medium term. The potential for more Dutch involvement in Food Security and Nutrition remains underexploited, and the embassy is pursuing an active policy to broaden the interaction between the two countries. The embassy is, however, aware of the difficult environment for newcomers (see risks and constraints) and that investing in Benin should never be taken lightly in order to avoid unnecessary failure and deception (see also Section on Private Sector). Therefore, aid will remain an essential ingredient for reaching food security objectives, whether it comes to organizing supply chains, structuring markets, developing lasting commercial relationships, or investing in critical infrastructure. Rather than a substitution of aid by trade, a more realistic outlook is to foresee a lasting support of trade by aid, even in the medium to long term.

## **4.6 Water and Sanitation**

### **Objectives**

The water program supported by the Netherlands bilateral program aims to improve sustainable urban and rural water supply. The program also aims to improve basic sanitation and hygiene in rural and urban areas. The program also seeks to improve the management of water resources in the perspective of increasing pressure on these resources and increasing stress as a consequence of climate change and demands for water as a source for hydro-electricity. In particular the

program seeks to secure the availability of water for agriculture and thus for food security. The entire program is aligned to the extent possible, thus permitting the involved governmental structures to act responsibly, and with maximum autonomy, strengthening all authorities involved in their role and preparing them for a financing based on sector budget support approach.

### **Results/activities**

The water program is based on a contract with the Beninese government, aiming to prepare for an independent and sustainable management of the sector by the authorities involved. As an intermediate goal, a financing based on a sector budget support is aimed for, but no schedule is at this stage foreseen until 2017.

A second contract was signed with a consortium for technical assistance, which provides support to the governmental partners involved in the program.

The program has a number of topics, each with their own results and activities.

*Rural water supply.* The support in this field should lead to an extended delivery of service by the municipalities. There will be construction of new piped systems, construction of simple systems as well as extension of existing rural networks, based on initiatives from the local government and the private operators together. Increasingly the local governments will be responsible for the construction of more complex systems, until now that was a task of central and regional government. The operation of small piped systems by private operators requires a well organised regulation to secure the quality of the product and the quality of the service.

The aim for rural basic sanitation and hygiene is to ensure that throughout the country the population is mobilised to stop open air defecation. CLTS has been introduced in the national policy, and through a concerted effort of all involved in this approach a huge leap forward is taking place. As part of the PPEA2 program, the Ministry of Health has taken the lead in this by mobilising the staff of the ministry and its decentralised offices. The organisation of UNICEF is working to shoulder with the government.

*Urban water supply.* The urban water supply investments have sped up, and are likely to increase. With the foreseen economic development, the SONEB should be increasingly in a position to finance the extension of its systems based on loans, perhaps softened through assistance.

*Urban sanitation.* Urban sanitation is currently based on household level treatment combined with urban sludge management. This system is likely to stay the only possible system for the near future, since the consumption of water does not secure enough volume to operate a sewerage system. Also from an economic point of view and from a managerial point of view this is by far the preferred option, provided that some securities will be built into the regulation of the individual systems and the operation of the collective treatments. The Netherlands assistance will focus on the development of a master plan for several towns, and the subsequent implementation of these plans. The responsible role of the municipality will be secured in all this. It is essential that environmental regulation is enforced, as a condition for success.

*Water resources management.* The institutional development of water resources management is supposed to reach a new milestone through the start of several institutions. The national water board, basin organizations as well as local water boards to secure local level water management should enable a more equitable and climate-proof management of water. The increasing interest of the Benin government in storage and hydropower require a matching capacity to analyse the consequences of such plans. The southern part of the country consists of delta-plains that require a specific management. Therefore, delta-planning is being introduced for the Ouémé basin, to make sure that both the potential and the risk of these plains are properly addressed. The river basin management plan (SDAGE), prepared for the Ouémé with Netherlands support, is a basis for this plan.

Water and food security is a part of the on-going water program. The intention is to assist in the development a more clear strategy to invest in local water storage and to be part of the investments in such small storages. Together with the water resources management part this will be a clear investment in the adaptation to climate change.

*Public Finance.* PPEA is an aligned program, with at its core is a public finance mechanism where the planning starts at municipal level, and funding comes from the ministry of finance. Auditing is

required to establish the efficiency and the legality of the activities. The audit will reveal deviations from procedures, organisational flaws, but also miss-use of funds. The outcome of the audit is a crucial input for the dialogue with the Benin government. The planning process and the justification process are the financial backbone of the program, but also a key element of the institutional development.

*Data.* ; Proper management is only possible if reliable data are available. Whether it is the data on water resources, data on the construction of water systems or the operational data of a water supply: all are needed to enable decision making in the water sector. Through the PPEA II program the government is already investing in improved data on the water resources. Also the municipalities are increasing their grasp of the state of their water and sanitation facilities through the use of the innovative tools such as the AKVO FLOW system. The program will put a serious effort in linking to the International Aid Transparency Initiative (IATI), allowing for a clear overview of the results.

*Knowledge Infrastructure.* The governance of the sector also requires professional analysis and research to support the decisions. For this, a properly equipped water institute was proposed by a group of Benin scientist in 2011. The Netherlands has started to support this initiative, the National Water Institute (INE), with the ambition to motivate other partners in the sector to do their research and studies in collaboration with this same institute. The support is a concerted effort through the NICHE program and the bilateral water program. The concentrated experience in the water sector will enable Benin to be more independent in its policy development in the future, and to perhaps even play a regional role in providing sound, Delta-oriented water management advice. The Water Institute is part of the University of Abomey Calavi, and will provide both research training and applied policy research. Various levels of students will be involved in the program, thus playing an important role in the higher education of Benin while at the same time delivering top class research for direct use by the government.

<b>Component</b>	<b>Expected results (with proposals for key-indicators)</b>
Integrated Water Resources Management (IWRM)	The National Water Board and the basic committees for the Ouémé basin are in place and functioning
	The National Water Institute is in place and functional
	The river basin management plan for the Ouémé as well as the Delta plan for the lower Ouémé are available
	A database for water and environment is completed that is reliable, functional and easy to access for all interested parties.
Water for food security	A strategy for securing water for agriculture at local level, based on experiences in creating and managing small scale storage and other approaches.
	An investment plan for increasing the availability of water for agriculture (including alternative investment strategies).
	Investments based on this plan.
Rural Drinking water	Equitable and sustainable increase of access to drinking water (level of coverage, percentage of non-functioning systems, waiting-time for women)
	Improved capacities of the various actors (increased consumption and improved management of the available funds, reduction of the time for tender-procedures, increased financial responsibility for the local authorities, improved management by the local authorities, a role for the general population and for women in particular in planning, implementation and monitoring of activities, implementation of the Gender Action Plan)
	Successful test of alternative financing in cooperation with the Water Sanitation Platform, Programme Eau et Assainissement –WSP PEA- program
Hygiene and Basic Sanitation	Equitable and sustainable increase of access to sanitation infrastructure and an increase of the part of the population that has permanently adopted good hygienic practices (percentage of coverage, behavioural indicators, hand-washing, use of toilets, water-storage)

Component	Expected results (with proposals for key-indicators)
	Improve the efficiency of the sub-sector and improve the capacities of the actors involved, including the municipalities (increased consumption and improved management of the financial means, level of implementation of the municipal hygiene-promotion plans, a role for the general population and for women in particular in planning, implementation and monitoring of activities, implementation of the Gender Action Plan)
Urban Water Supply and Sanitation	Improved level of access to drinking water and sanitation in urban and peri-urban areas for low-income inhabitants (coverage, number pilot actions on sanitation)
	The quality and the continuity of the service for drinking water and for sanitation in the larger cities and for the secondary centres have been secured (percentage of loss)

### Cross cutting issues:

*Governance.* The program as a whole is aimed at creating a well-functioning governance in the whole of the water sector in Benin. This involves local-, decentralized- and central government, as well as the privatized actors.

*Climate Change.* The Integrated Water Resources Management (IWRM) part of the program and the part on water & food-security (components 1 and 2) are fully linked to climate change adaptation. In addition the aim is to look through the water & food-security-part of the PPEA II program at the potential for developing small-scale storage for agricultural use. The current support to developing a National Water Institute is a crucial contribution to create a national capacity to respond to changes in the water system.

*Gender.* The current program is already putting a serious effort in this field, and this effort will be continued. There are specific performance indicators in the evaluation of results to make sure that women are more recognized in management and decision-making. All other arguments of gender-relevance apply when it comes to sanitation and water supply: proper sanitation facilities reduce the risks for girls and women, and the presence of clean drinking water in the vicinity reduces the time for household work and increases the time for going to school.

*Transition.* The sector is showing some initial signs of transition. The platform on water for Benin and the Netherlands has developed business cases: one on waste-to-energy transformation and a sector study on industrial wastewater treatment. This will be stimulated for developing more opportunities. The National Water Institute has the potential to become a linking pin with Dutch experience and industries as well. A partnership between Brabant Water and SONEB has proven to be a stepping-stone for similar activities: it already resulted in a successful ORIO application. An economic analysis of the water and sanitation sector is considered, to analyse the possibilities of various forms of financing as well as the leverage of the current investments. The collaboration with the WSP program mentioned before is also aimed to strengthen the private sector capacity to invest in the sector, hopefully decreasing gradually the public/donor investment.

### Risks

*External funding.* The availability of capital on the international market, and the potential of the Benin government to access such funding is on the one hand a sign of hope, but it may also introduce serious problems for the future. Non-traditional funders are presenting themselves for investments in infrastructure (hydropower-dams but also drinking water systems). Typically these activities are not (fully) complying with existing (national) planning procedures and/or harmonizing with existing programs.

Lack of willingness to mobilize governmental funds for an adequate human capacity, needed for a proper functioning of the water-sector. With assistance of earlier interventions (NUFFIC programme) a high quality education in the water sector was created. The ministry has not been able to absorb the output of this education; in fact it is losing staff due to retirement, putting the implementing capacity in jeopardy.

Local elections may lead to loss of capacity: the current status of those working at the municipality is insecure, and a new mayor may lead to a loss of capacity at the town-hall. A law for changing

this is currently sent for approval by parliament, giving a much needed different status to personnel working at municipalities.

### **Planning and Evaluation**

The PPEA II program, currently planned for 2013-2015, could be extended to 2017 (or 2018 once clarity is given for the budget of that year). The basis of this extension will be a review during the second half of 2014. This evaluation will look at the efficiency of the implementation of the program, and the progress on the objectives. The review will also look (among others) at the following questions:

- What are the consequences of shifting gradually from 'investing' to supporting operation and management of rural systems?
- What are the possibilities of including small-scale storage for agricultural use in the extended program?
- What are alternative options for financing investments at SONEB?
- What is the optimal way of involving national platform-structures in the program in link with their own institutional development (*Association Nationale des Communes de Benin – ANCB - , Partenariat Nationale Eau –PNE-, Platform NL-BJ*)?
- How are cross-cutting issues (governance, climate change, gender, transition) taking shape in the program?

A new tender will also need to be organised for the technical assistance of the program.

### **4.7. Sexual and Reproductive Health and Rights (SRHR) and more specifically 'Women's Rights'**

The Government of Benin (GoB) underlines in its policy documents the importance to reduce fertility in order to balance population growth and socio-economic development. The Ministry of Health (MoH) prioritizes the improvement of maternal and neonatal health. Implementation of the MoH programs, especially related to SRHR (incl. HIV/AIDS), largely depends on donors such as WHO, UNFPA, UNAIDS, GFATM, AFD, CTB, USAID, Care Benin and IPPF. NGOs such as AMBS/PSI and ABPF/IPPF provide a relatively large share of SRHR services. Donor coordination remains weak and professional knowledge and experience on adolescent and youth SRHR issues is often lacking.

The challenge remains to effectively implement policies and programs through a combination of capacity building, targeting of adolescents/youth and other most vulnerable groups, use of innovative communication strategies, inter-sector collaboration, supporting private sector initiatives, better donor coordination and above all increasing GoB's commitment to ensure a healthier and more productive (young) population.

Through its MASP (2012-2015) the embassy began to support the SRHR program. In the first two years, projects with ABMS/PSI and ABPF/IPPF (aimed at reaching youth and adolescents) were initiated and a third NGO (CERADIS) was supported to run a call centre (*'ligne jaune'*) for persons (often adolescents) who have questions about sexual health issues. The embassy also contributed to the promulgation of the new law regarding domestic violence, and supported a small NGO that represents homosexuals. Support for the MoH's National Adolescents and Youth Reproductive Health Strategy is provided through an ABMS/PSI program aiming at gaining political support from religious leaders (all denominations) for the expansion of modern family planning methods.

The SRHR strategy in the MASP 2014-2017 will be based on the following four dimensions:

1. More sexual knowledge and freedom of choice for young people;
2. Improved access to medicines and contraceptives;
3. Better health care during pregnancy and childbirth (including safe abortion); and
4. More respect for sexual and reproductive rights of groups who are currently denied of these;

Within the framework of the National Health Development Plan (2014-2018) the embassy will aim at contributing to enhancing SRHR, especially for young people. Results to which the embassy support will contribute will mainly be measured through the MoH's information system, UN programs (annual UNDAF evaluations), the DHS 2016 and programme implementation reports. Regional disparities will be monitored. The following impact and outcome indicators will be used

with targets that are harmonized with expected results (**2018**) from the current UNDAF program. (\* disaggregated by sex):

- Reduction of maternal mortality from 350/100.000 to 200/100.000 live births
- Reduction of neonatal mortality from 32% (2010) to td
- Reduction of HIV prevalence from 1.2%,(15-49 years), from 0,6% (15-24 years) and from 20.9% in commercial sex workers to lower levels that still need to be decided by the GoB\*.

Focus will be on contributing to the following health sector results (2018):

- Increase in births attended by skilled health personal from 74% (2013) to > 90 %
- Increase in contraceptive prevalence rate (15-49) from 7.9% (2012) to > 15 %
- Decrease in adolescent birth rate from 21% (2012) to <10%
- Reduction of unmet need for family planning from 32% (2012) to <10%
- Increase in Antenatal care coverage from 58% (2012) to > 70% (4 visits)
- Increase in % of youth (15-24 years) with comprehensive correct knowledge of HIV/AIDS from 75% (2012) to 100% \*
- Increase in % of youth (15-24 years) using a condom at high-risk sex from 44% (2012) to >60% \*
- Increase in % of eligible HIV infected persons treated with ARV's from 70% (2012) to >90% \*
- Increase in% of HIV positive pregnant women receiving ARV's (PMTCT) from 53% (2012) to >95%
- Decrease in % of girls married before 18 years of age from 35% (2006) to a much lower%
- More openness in discussions on sensitive SRHR issues such as youth sexuality, safe abortions and LGBT measured through public statements from leaders (religious, traditional, political) and through responses from (young) people at internet and through 'hotlines';

These objectives will be pursued through a strategic input on political dialogue and through support for targeted activities aimed at a sustainable improvement in availability, access, quality and efficiency of SRH of public and private health care services. Relevant other sectors (education, justice, information, employment) will be engaged to provide information on SRHR and/or to promote an environment conducive for (youth friendly) SRHR. Particular attention will be given to the different social roles of girls/boys and women/men.

The aim of the political dialogue will be to enhance ownership of, and local/internal resource mobilization for SRHR issues, including HIV/AIDS control and the elimination of Harmful Traditional Practices (HTP). Dialogue will aim at a reduction of large disparities that exist between different groups (male/female, urban/rural, north/south, a.o.). This then should also result in the post-2015 agenda to include SRHR promotion, reduction of HTP (especially child marriages) and addressing related challenges faced by adolescents and youth. Society 'ownership' of these changes requires time, hence the need for long-term continuation of support for SRHR programs.

Efficiency and sustainability of results will be pursued by striving for more donor harmonization, improved planning at national and decentralized levels (based on evidence obtained through reliable and timely information systems). This will be reinforced by actively involving both girls/women *and* boys/men in SRHR issues and by integrating gender aspects in all activities. Capacity building of local government, NGO's and private sector (especially in adolescent and youth sexual and reproductive health) will be linked with broader, already on-going efforts in decentralization. Instead of supporting a number of projects, a shift will be made to a programme approach with institutional funding, where possible *jointly* with other donors such as USAID. This entails a geographical expansion of the embassy's support and require an increase in the assigned embassy SRHR budget. Strengthening a *joint* policy dialogue on SRHR between the MoH and Development Partners in which the GFATM/CCM and civil society are also represented will be pursued. With the DEU possibilities for joint programming will be considered for the post-2015 period.

In consultation with DGIS/GSO-GA complementarity and synergy between central funding and embassy funding will be aimed for through dialogue on, and monitoring of, SRHR related programmes of UN agencies, GFATM/CCM, DEU and centrally funded NGO programs. With NUFFIC at least 3 NICHE programs and 5 Tailor Made Training (TMT) projects will be established to build training capacity in SRHR as well as subjects that contribute to efficiency and sustainability (insurance, maintenance, planning/information systems, sex education in schools). Possibilities for regional collaboration (West Africa) will be examined. Over the period of the MASP, 10 NFP

fellowships will be mobilized to contribute to such capacity building. Similarly opportunities for PPP's will be explored and over the MASP period at least 1 ORIO type of project will be developed.

*Transition.* Opportunities for contributions from the top sector 'Life Sciences and Health' in the Netherlands, to improve (financial) access, availability and quality of SRHR, also with non-Dutch government funding, will be examined in collaboration with the embassy's Private Sector Development section and relevant departments/institutions in the Netherlands, incl. non-health, e.g. I(C)T approaches.

For the embassy to have an effective leverage, after having built up the SRHR team in the embassy, a gradually increasing budget for financial support for larger programs, including of the MoH, will be required. This is reflected in the proposed MASP budget: over the period of the MASP the budget will gradually increase from € 3.2/year (2014) to € 7.5/year (2017).

Concerning *women's rights*, the reporting on international conventions such as the CEDAW and ILO conventions will be monitored. Forthcoming issues where needed will be brought up with relevant authorities. Participation of women in the local and parliamentary government elections (2014) and presidential elections (2016) will be encouraged, both as voters and as candidates (target: up to 120 women elected in the elections). SRHR issues related to women's rights are included in the SRHR programme. In this, collaboration with the EU and UN Agencies will be pursued (incl. on reducing child marriages). Promotion of economic rights of women (access to land, credit,) will be included in the embassy's food security programme (e.g. within The Hunger Project). With the embassy's Private Sector Development programme women's right issues will be included in the discussions on Corporate Social Responsibility. For an effective and tangible support to human & women's right a budget of € 100.000/year is required.

The *risks* related specifically to the SRHR subsector are mainly related to a further decrease in GoB contribution to the health sector, to a decreased donor interest for Benin and to international conservative religious forces which could influence Benin's religious leaders. Tension exists between the Paris agenda (harmonization) and current emphasis on donors' national interests and visibility. Effective *joint* donor approaches may therefore be difficult to establish. Promotion of women's rights requires commitment and specific knowledge on legislation which may not be available and for which it may be necessary to recruit additional expertise and funding.

## **5. Other Instruments of Foreign Policy**

### **5.1 Introduction**

Development cooperation used to be the most important reason for having an embassy in Benin, while economic diplomacy was treated as a secondary priority though not ignored at all. With Benin being classified as a country in transition, economic diplomacy becomes much more important and thus it is integrated in chapter four on development cooperation. The current chapter therefore deals with security and human rights and public diplomacy

### **5.2 Security and human rights**

Increased unrest in the region (Mali, Boko Haram, piracy, drugs trade) is a reason of concern. Since these threats have an international character, the answer to it will have to be found within the region and Benin has already taken initiatives with Nigeria, Ghana, Togo and Mali. The embassy will follow the developments closely and, if possible together with other Dutch embassies in the region, will propose joint and concerted actions where possible, if necessary making use of available central funds. The recent stationing of a defence attaché in Abuja will make it possible to extend our network in this area, With the arrival of an expert on SRHR, the embassy can resume its role together with the EU-partners on human rights issues in Benin, paying in particular attention to the rights of children (monitoring van CRC), women en prisoners.

### **5.3 Public diplomacy**

The Netherlands and its interventions are not very well known in Benin. We are easily mixed up by people and authorities with Denmark. We are probably paying the price for an explicit discreet approach in our communication policy. Because of our low profile, we are not always recognized as important actors in our main spheres of interest, which might hamper our influence. On the other hand Benin is not very well known in The Netherlands, which makes it more difficult to attract attention for the country.

The last year the embassy has experimented with social media. A French language Facebook page has been developed, oriented mainly to a Beninese public which now has more than 7000 fans. A twitter account oriented to a Dutch and international public has recently been added.

The embassy feels the need to develop a more elaborated communication strategy (first half of 2014), covering both public diplomacy and a more strategic communication based on the various interventions in Benin to different (levels) of actors in the priority areas of the embassy. We will be explicitly looking for a higher public profile both concerning a broad positive image of the Netherlands in Benin as well as concerning our priority areas. We will continue to be exploring e-diplomacy like twitter to reach and develop an audience in the Netherlands.

**6. Countries of Co-accreditation.**

Since January 2012 Cameroon, Gabon and Equatorial Guinea were accredited to the embassy in Benin. This has already led to an increased workload on consular affairs. Only in Gabon an honorary consul is appointed, while the recruitment process for a candidate in Cameroon is almost completed. The embassy is in close contact with these representatives to provide economic and consular services to Dutch citizens and enterprises. In principle the embassy plans to visit the three countries once or twice a year. It should be noted however, that the embassy’s personnel capacity limits our ambitions strongly.

**7. Financial implications**

Financial ODA implications 2014-2017 in € (budget-code and description of policy area)

Budget 2014-2017		
1.3	Stronger private sector and better investment climate in developing countries	3.000.000
2.1	Improved food security	48.268.000
2.2	Improvements in water management, drinking water and sanitation	73.500.000
3.1	Sexual and reproductive health and rights for all; stopping the spread of HIV/AIDS	18.150.000
4.3	Developing the rule of law, reconstruction, peacebuilding, strengthening the legitimacy of democratic structures and combating corruption	1.386.000
<b>Total</b>		<b>144.304.000</b>





Kingdom of the Netherlands

# Multi-Annual Strategic Plan

2014 - 2017

## Benin

Mali Benin Ghana Ethiopia Horn of Africa South Sudan Kenya Rwanda Burundi Uganda Grote meren Mozambique Palestinian Territory Yemen Afghanistan Bangladesh

