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Rapid Evaluation of the Mechanism for Allocating Fadec-Agriculture Resources to Communes



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RAPID EVALUATION OF THE MECHANISM FOR ALLOCATING FADEC-AGRICULTURE RESOURCES TO COMMUNES

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SUMMARY

FADeC-Agriculture is a mechanism for allocating resources to Benin's communes, set up in 2015 and identified in 2019 as the main tool for financing the Decentralization and Deconcentration Plan (P2D) for the agricultural sector. Despite central government efforts to make it operational, it suffers from a number of dysfunctions that undermine its performance. All in all, the central administration must take the appropriate measures to enable this fund to play its role to the full.

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ACRONYMS AND ABBREVIATIONS

ANCB	National Association of Municipalities of Benin
ATDA	Territorial Agricultural Development Agency
BTR	Revenue Transfer Slip
Ccc	Head of Communal Cell
ICC	Intersectoral Consultation Framework
CCoS	Communal Monitoring Committee
CAD	Tender documents offer
DDAEP	Departmental Directorate of Agriculture, Livestock and Fisheries
DGAE	General Directorate of Economic Analysis
DGTCP	Directorate General of the Treasury and Public Accounting
DPM	Marketplace Right
DST	Technical Services Department
EPCI	Establishment for Intermunicipal Cooperation
FADeC	Municipal Development Support Fund
FNDA	National Agricultural Development Fund
IAS	Structuring Agricultural Infrastructure
IGAA	General Inspectorate of Administrative Affairs
IGF	General Inspectorate of Finance
INSAE	National Institute of Statistics and Economic Analysis
APRM	Ministry of Agriculture, Livestock and Fisheries
MDGL	Ministry of Decentralization and Local Governance
NGO	Non-Governmental Organization
Takeover bid	Agricultural Professional Organization
PAG	Government Action Program
IAP	Annual Investment Plan
PCDA	Municipal Agricultural Development Plan
PDAs	Agricultural Development Pole
PDC	Communal Development Plan
GDP	Gross domestic product
PNIASAN	National Plan for Agricultural Investment and Food and Nutritional Security
PONADEC	National Decentralization and Deconcentration Policy
PPDI	Multi-Year Development and Investment Plan
PSDSA	Strategic Plan for the Development of the Agricultural Sector
PSRSA	Strategic Plan for the Recovery of the Agricultural Sector
TFP	Technical and Financial Partner
NHDR	Human Development Report
FAS	Financial Affairs Department
SG	General Secretariat
SGPR	General Secretariat of the Presidency of the Republic
SP/CONAFIL	Permanent Secretariat/National Commission for Local Finance
SPDL	Planning and Local Development Department
TDL	Local Development Tax
TOR	Terms of reference
EFT	Financial Execution Rate.

Policy note

The FADeC-Agriculture is a mechanism for allocating resources to municipalities in Benin set up in 2015 and identified in 2019 as the main tool for financing the Decentralization and Deconcentration Plan (P2D) for the agricultural sector. Despite the efforts made at the level of the central administration to make it operational, it suffers from a certain number of dysfunctions which undermine its performance. A rapid assessment made it possible to make the following observations:

(i) **FADeC-Agriculture is relevant to the context . However, the resource allocation process seems to be of little relevance.** The mechanism could have been improved by defining priorities. This would make it possible to allocate substantial resources for the construction of structuring agricultural infrastructures according to the priority groups selected.

(ii) **FADeC-Agriculture is coherent against industry goals. However, the budgetary allocations are not consistent with the request of the beneficiaries .** When the structural investment needs of municipalities in the agricultural sector amounted to tens of billions of CFA francs per year, the annual allocations of FADeC-Agriculture rarely reached two billion CFA francs. Under these conditions, it will not be possible to satisfy each municipality up to its expectations.

(iii) **The efficiency of municipalities in relation to project proposals to be submitted for financing still needs to be improved .** The ATDAs should be more involved in putting together the dossiers that the municipalities will submit. The efficiency of the notification mechanism for the transfer of resources should also be improved in order to reduce the asymmetry of information at the level of the technical staff of the communes.

(iv) **Significant efforts still need to be made to improve the efficiency of the mechanism .** The level of ownership of the mechanism is low. The other weaknesses noted that influence the efficiency of FADeC-Agriculture are: weak synergy of action between actors at the municipal level, institutional framework for managing the mechanism that is not very operational, mode of distribution of FADeC-Agriculture unrealistic, methods of making available unrealistic resources and low capacity of human resources at the level of technical services.

(iv) Moreover, **the mechanism has an institutional anchoring which guarantees its existence for a long time .** This institutional anchoring also ensures the programming of budgetary allocations each year. But technical sustainability will only be guaranteed if the capacity building of municipal actors is made annually to take into account the mobility of the staff of these structures.

All in all, the central administration must take the appropriate measures to allow this fund to fully play its role .

Executive summary

The FADeC-Agriculture mechanism was set up in 2015 and identified in 2019 as the main tool for financing P2D subject to EU budget support conditions. It is a financial endowment intended for the realization of municipal agricultural investments (IAC) of support and accompaniment of the agricultural sectors. Specifically, it is intended to finance activities for the improvement of:

- *agricultural productivity;*
- *the processing of agricultural products;*
- *marketing of agricultural products;*
- *the nutritional quality of agricultural products.*

Despite the efforts made within the framework of the operationalization of FADeC-Agriculture, certain dysfunctions persist, including the low consumption of FADeC-Agriculture resources made available to municipalities since 2015. These structural dysfunctions do not allow municipalities to Properly build the infrastructure essential for agricultural development. It is therefore imperative to evaluate its implementation in order to draw lessons for a better allocation and efficient use of resources by municipalities. The urgency of such an evaluation is motivated by a context of budgetary restrictions. The 2021 budget is down 26% compared to 2020.

The general objective of the evaluation is to analyze the performance of the FADEC/Agriculture resource allocation mechanism to municipalities. Specifically, these are:

- *measure the effectiveness of the implementation of the FADeC-Agriculture mechanism, including its executing bodies;*
- *identify any shortcomings of the FADeC-Agriculture mechanism;*
- *compare the financial resource endowment of the FADeC-Agriculture mechanism with the needs of municipalities in structuring agricultural investments;*
- *make relevant recommendations along with an operational plan.*

Relevance.

FADeC-Agriculture is relevant to the context in which it was implemented. This context was marked by a low level of structural investment, namely irrigation schemes, livestock and fishing infrastructure , agricultural equipment, etc. By choosing to finance structuring agricultural infrastructure, the FADeC-Agriculture contributes to the resolution of the problems identified and which undermine the sector. The FADeC-Agriculture has remained relevant despite the changing context marked by the implementation of the PAG and the strategic plan for the development of the agricultural sector (PSDSA) with its action plan, the PNIASA. Indeed, the problems that justified its implementation have not yet been resolved despite the efforts made. The FADeC-Agriculture is also relevant in relation to the choice of beneficiaries. Indeed, by targeting municipalities as beneficiaries of FADeC-Agriculture, the texts of decentralization are respected in the sense that the development of the local economy is one of the specific competences of municipalities.

However, the allocation mechanism seems to be of little relevance in the sense that the needs for structuring agricultural infrastructure are not the same from one municipality to another or from one year to another. From this point of view, the mechanism could have been improved by taking into account the real needs of these communes thanks to a preliminary analysis of the natural endowments in factors of production. This would make it possible to allocate substantial resources for the construction of structuring agricultural infrastructures.

Consistency

The objectives of FADeC-Agriculture read through the investments to be financed are consistent with most of the strategic axes of the strategic plans for the development of the agricultural sector. However, the budgetary allocations are not consistent with the request of the beneficiaries. When the structural investment needs of municipalities in the agricultural sector amounted to tens of billions of CFA francs per year, the annual allocations of FADeC-Agriculture rarely reached two billion CFA francs. Under these conditions, it will not be possible to satisfy each municipality up to its expectations.

Efficiency

The FADeC -Agriculture is generally effective because it has made it possible to finance more than 80% of the IAS submitted for its financing. It helped fund 81% of the cost of the completed IAS. The municipalities only made a co-financing effort of 19% over the period studied. However, not everything that is planned is covered by FADeC allocations. Agriculture. Barely 49% of the agricultural investment forecast in the PAI is covered by allocations from this fund.

The effectiveness of project proposals to be financed by FADeC- Agriculture remains to be improved. The ongoing reforms which involve the technical services of the ATDAs more in the assembly of the files that the municipalities will submit deserve to be encouraged. The efficiency of the resource transfer notification mechanism should also be improved in order to reduce information asymmetry.

Efficiency.

Significant efforts remain to be made to improve the efficiency of the mechanism. The municipalities did not have the necessary financial resources to implement their PAI. The FADeC-Agriculture barely covered 19% of the needs expressed in the PAI. Similarly, the level of ownership of the mechanism is low. Most of the staff of the specialized services of the town halls, namely the SPDLs and the DSTs have some knowledge of the FADeC-Agriculture mechanism, but not particularly in depth, the updated manual. This may partly explain the low levels of consumption of FADeC-Agriculture allocations. The other points of attention to be addressed to improve the efficiency of this mechanism are the synergy of action between actors at the municipal level, the institutional framework for managing the mechanism, the mode of distribution of FADeC-Agriculture, the methods of provision of resources and strengthening of human resources at the level of technical services.

Sustainability

The mechanism has an institutional anchoring which guarantees its existence for a long time. This institutional anchoring also ensures the programming of budgetary allocations each year. But technical sustainability will only be guaranteed if the capacity building of municipal actors is made annually to take into account the mobility of the staff of these structures.

Recommendations

The following recommendations resulting from the observations made can improve the implementation performance of FADeC Agriculture if they are taken into account in the decisions to be taken:

- ***At the APRM***
 - *maintain or even further improve the annual allocations transferred to municipalities;*
 - *ask the ATDAs to formally instruct their respective Communal Unit Heads, so that the latter, within the framework of advisory assistance to the communes, propose to the Mayors projects that can be eligible for FADeC -Agriculture funding based on the diagnoses already carried out or in progress on the priority sectors;*
 - *improve the MAEP's advisory support mechanism to municipalities to show them that the local development of agricultural municipalities should be centered on agriculture;*
 - *continue the capacity building actions of actors in the assembly line of IAC project files to be submitted for funding from FADeC -Agriculture;*
 - *set up a monitoring system for the implementation of the FADeC -Agriculture based on indicators that provide information on the planning of the IAS, the request for FADeC -Agriculture allocations, the consumption of FADeC Agriculture allocations.*

- ***At MDGL***
 - *continue through CONAFIL, the strengthening of its partnership with the DPP/MAEP for speedy support to be provided to municipalities to improve the level of consumption of allocations and the rate of implementation of TSIs*
 - *instruct the municipalities, major beneficiaries of the various FADeCs , including FADeC -Agriculture, to agree to be accompanied by the various actions contributing to the realization of the IACs of their priority;*
 - *inform and sensitize municipalities to avoid political calculations as much as possible and show greater availability to accommodate the various strategies contributing to the improvement of the rate of consumption of the allocations received and the level of achievement of the TSIs.*

- ***At the MEF***
 - *instruct the DGTCP to act expeditiously in notifying FADeC-Agriculture allocations to both tax collectors and beneficiary municipalities;*
 - *instruct the tax collectors at municipal level for more flexibility in procurement procedures while respecting the public procurement code in force.*

all , it is important to review the FADeC-Agriculture mechanism to make it efficient and sustainable. To achieve this, the recommendations resulting from this evaluation must be implemented.

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1. Introduction

1.1. Economic context

Between 2016 and 2019, the growth rate of the Beninese economy increased steadily from 3.3% in 2016 to 6.4% in 2019, i.e. an average growth of 5.5% per year over the period and a GDP per capita growth rate of 3.5% (DGAE, 2020; World Bank, 2020). This growth was driven by agriculture, linked to strong cotton production. Cotton production increased from 450,000 tonnes in 2016 (historic record never recorded before 2016) to 678,000 tonnes in 2018 (DGAE, op. cit.). This placed Benin at the forefront of African cotton producers in 2018. Non-cotton production was also dynamic thanks to the implementation of reforms through which Benin opted for territorial governance of the agricultural sector. In other words, Benin has opted for the construction of a close relationship between agricultural activity and the characteristics of the territory, in connection with the other activities present. This option attempts to highlight the link between decentralization and development.

1.2. Decentralization and local development

The link between decentralization and development was highlighted through the areas in which local authorities have a definite comparative advantage. These include the promotion of local development and food security.

Economic development is essential to generate resources and jobs that will support social progress. Local authorities are in the best position to identify under-exploited or even untapped economic development potential that should generate resources and jobs for the community. They are also central to the design and implementation of local economic development strategies. They are particularly useful when it comes to identifying the best mix of resources needed to exploit the potential of their territory and to adapt public expenditure to particular situations and priorities. They can join forces with key actors and form public/private partnerships that are often essential to promote local development. Finally, they can serve as an interface between the central state and citizens, and determine preferences in terms of development choices; which involves trade-offs in terms of objectives and use of resources.

Local governments are uniquely placed to: (i) promote integrated **food security actions**, i.e., provide the basic infrastructure that explains food production and distribution (including roads, wells, dams, markets, etc.); (ii) addressing land disputes; (iii) provide a forum for community groups (particularly agricultural cooperatives); (iv) monitoring local food security; (v) mediate trade-offs between agricultural productivity and environmental sustainability. It is also the level of government most directly in contact with small farmers who are a crucial link for the implementation of food security policies. Finally, the local level is also the level of government best able to understand the local conditions influencing food security, in particular climatic patterns and agricultural cycles, local trade flows and the causes of chronic or transitory food insecurity. .

1.3. Agriculture, decentralization and development

It is clear that agriculture is central to the relationship between decentralization and development. The agricultural sector constitutes the base of the national economy in the sense that its contribution to the GDP is very important. It contributes nearly 23% to the Gross Domestic Product (INSAE, 2019). It is the sector that creates the most jobs in the sense that 70% of the economically active population works there (RNDH, 2015). It provides about 75% of export earnings and 15% of state revenue. It is dominated by small producers who essentially practice subsistence farming and provide 95% of agricultural production. Agriculture contributes considerably to national economic growth and provides raw materials for the secondary and tertiary sectors.

The agricultural sector also plays an important role in the economic transformation of the country. Structural transformation is a process by which a country can change what it produces and how it produces it in order to ensure its future growth. The structural transformation that helps diversify the export basket is associated with changes in the available factors of production that result from the accumulation of human, physical and institutional capital. It requires more productivity and value addition in production and exports from the perspective of local economies and the economy as a whole. Agriculture can play a big role in this process, especially in export diversification. It can also play a major role in industrialization by ensuring the supply of raw materials. Thus, efficient agriculture can contribute greatly to the economic transformation of a nation. But for an agriculture to be efficient enough to play an important role in structural transformation, it must be well financed.

From this point of view, any policy aimed at improving the performance of this sector undoubtedly contributes to improving the living conditions of a good part of the population and to improving the performance of the national economy. Similarly, any exogenous shock that disrupts the sector also disrupts the economy as a whole . It is also right that the Government Action Program (PAG 2016 – 2021) has made this sector the main lever for economic, social and environmental development.

This is the case of FADeC-Agriculture, a funding mechanism for structuring investments in the agricultural sector, the effective implementation of which should contribute to improving agricultural productivity, processing, marketing and quality. nutrition of agricultural products. Operational since 2015, this mechanism is experiencing some dysfunctions that prevent the realization of structuring agricultural infrastructure by the municipalities. Among other dysfunctions, a low consumption rate of the funds made available was noted . It is therefore necessary to identify the factors that explain these dysfunctions in order to take the necessary decisions.

1.4. Evaluation objectives

The general objective of the evaluation is to analyze the performance of the FADEC-Agriculture resource allocation mechanism to municipalities. More specifically, these are:

- measure the effectiveness of the implementation of the FADEC -Agriculture mechanism , including its executing bodies;
- identify any shortcomings of the FADEC -Agriculture mechanism ;
- compare the financial resource endowment of the FADEC -Agriculture mechanism with the needs of municipalities in structuring agricultural investments;
- formulate relevant recommendations accompanied by an operational plan.

2. Evaluation methodology

2.1. Global approach

The methodology is based on a participatory, inclusive and iterative approach, and built around the important points mentioned in the ToRs. It is results-oriented and makes it possible to reconstitute the theory of change of the FADEC-Agriculture allocation mechanism and to assess its performance using the standard criteria which are: relevance, coherence, effectiveness, efficiency , sustainability and impact. The participatory nature of the approach is essential and makes it possible to associate all the stakeholders, to have their contribution at each stage of the process. The inclusive nature of the approach reassures that no actor is left out. Finally, the iterative nature guarantees the possibility of questioning certain points during the implementation of the methodology.

2.2. Specific approach: Data collection and analysis

The data used come from several sources: documentary review, collection of data from the specialized services of town halls and collection of information from key informants.

The **documentary review** made it possible to identify all the information useful for the evaluation found in the documents of the monitoring and evaluation units of the two ministries, MAEP and MDGL. Similarly, the documents of specialized structures such as CONAFIL were used.

Data collection . The data was collected in two stages. The first step consisted in collecting data on the budgets of the municipalities using an electronic medium sent to all the planning and local development services of the town halls. This ensures coverage of the 77 municipalities in the country. Once filled, these supports are returned by the same route. A total of eight municipalities returned completed forms, i.e. 10.39% of the total expected forms. This low rate could be explained by several reasons: (i) the strong solicitation of the planning and local development department of town halls at the end of the year, by various partners to prepare their end-of-year report; (ii) insufficient competent human resources to perform all the

administrative and technical tasks of the town hall, especially at the level of the local planning and development department; (iii) the non-existence of a database at the municipal level capable of generating all the information for monitoring and evaluating the implementation of the PDC.

The second stage was that of interviews with identified key informants. A total of 20 municipalities were visited on this occasion and qualitative information was collected to assess and explain the results of the implementation of the FADeC Agriculture mechanism.

Data analysis. The data collected was analyzed using descriptive statistics techniques.

3. Description of FADeC -Agriculture

In general, the Municipal Development Support Fund (FADeC) is a mechanism for allocating State budgetary resources to municipalities created by Decree No. 2008-276 of May 19, 2008 and which aims to:

- mobilize resources for the development of municipalities and inter-municipal structures;
- transfer additional resources needed by municipalities to exercise their powers;
- contribute to the correction of imbalances between municipalities through an equalization system;
- finance municipal institutional strengthening actions;
- harmonize municipal funding procedures.

It is fed by national resources and external resources made available by the Technical and Financial Partners on the basis of agreements signed either with the municipalities, or with the inter-municipal structures or with the central State . (Cf. Articles 3 and 5 of Decree No. 2008-276). These resources are entered in the General State Budget on very distinct and non-fungible budget lines to finance the investments and the functioning of the communes: salaries and other current charges, routine upkeep, maintenance and repairs.

There are two types of FADeC : the unassigned FADeC and the assigned FADeC . The first is provided by the ministry in charge of decentralization and the second is provided by the other sectoral ministries to support the expenses related to the transferred competences which fall within their attributions.

The Support Fund for the Development of Communes allocated to agriculture (FADeC-A) falls into the second category and, from this point of view, is intended to finance the realization of communal agricultural investments in support and accompaniment of agricultural sectors. More specifically, it is intended to finance activities that contribute to improving agricultural productivity, the processing of agricultural products, the marketing of agricultural products and the nutritional quality of agricultural products (MAEP & MDGL, 2019) ¹.

¹Support and monitoring guide for the management of municipal agricultural investments and FADeC-Agriculture, April 2019, p. 11

3.1. Intervention Theory of Change

The reconstituted FADeC -Agriculture theory of change aims to describe how this mechanism is supposed to work to produce the desired results under given assumptions (SGPR, 2018, p.41).

In order to ensure the management of expenses related to the transfer of skills and agricultural resources to municipalities, the Support Fund for the Development of Municipalities allocated to agriculture (FADeC -Agriculture) was created by Decree No. °2008-276 of May 19, 2008.

The implementation of the FADeC -Agriculture should lead to an increase in agricultural productivity in the short term, which will in turn lead to an increase in agricultural production. This increase in agricultural production will promote the improvement of the communes' own revenue, which presupposes the establishment by the latter of efficient tax collection systems. The observation of these immediate effects is, moreover, a good indicator that the management performance of municipalities is improving.

The combination of these immediate effects will generate, in the medium term, the permanent availability and accessibility of good quality food products, promoting the improvement of household food security, and, under the condition of the existence of food markets, sale of agricultural products, increase in household income from agriculture.

In the long term, improving household food security will lead to improved nutritional security, provided they adopt good food utilization practices. The nutritional security of households, combined with the increase in their income from agriculture, assuming adequate use, is a guarantee of improving the well-being of populations.

To bring about these various changes in the short, medium and long term, the resources and efforts to be made will revolve around financial, human, organizational and informational means . A partnership dynamic will be promoted, promoting synergy between actors, as well as ownership and compliance with the procedures of the FADeC -Agriculture mechanism by the latter. To this end, actions will be defined and implemented according to the six components below:

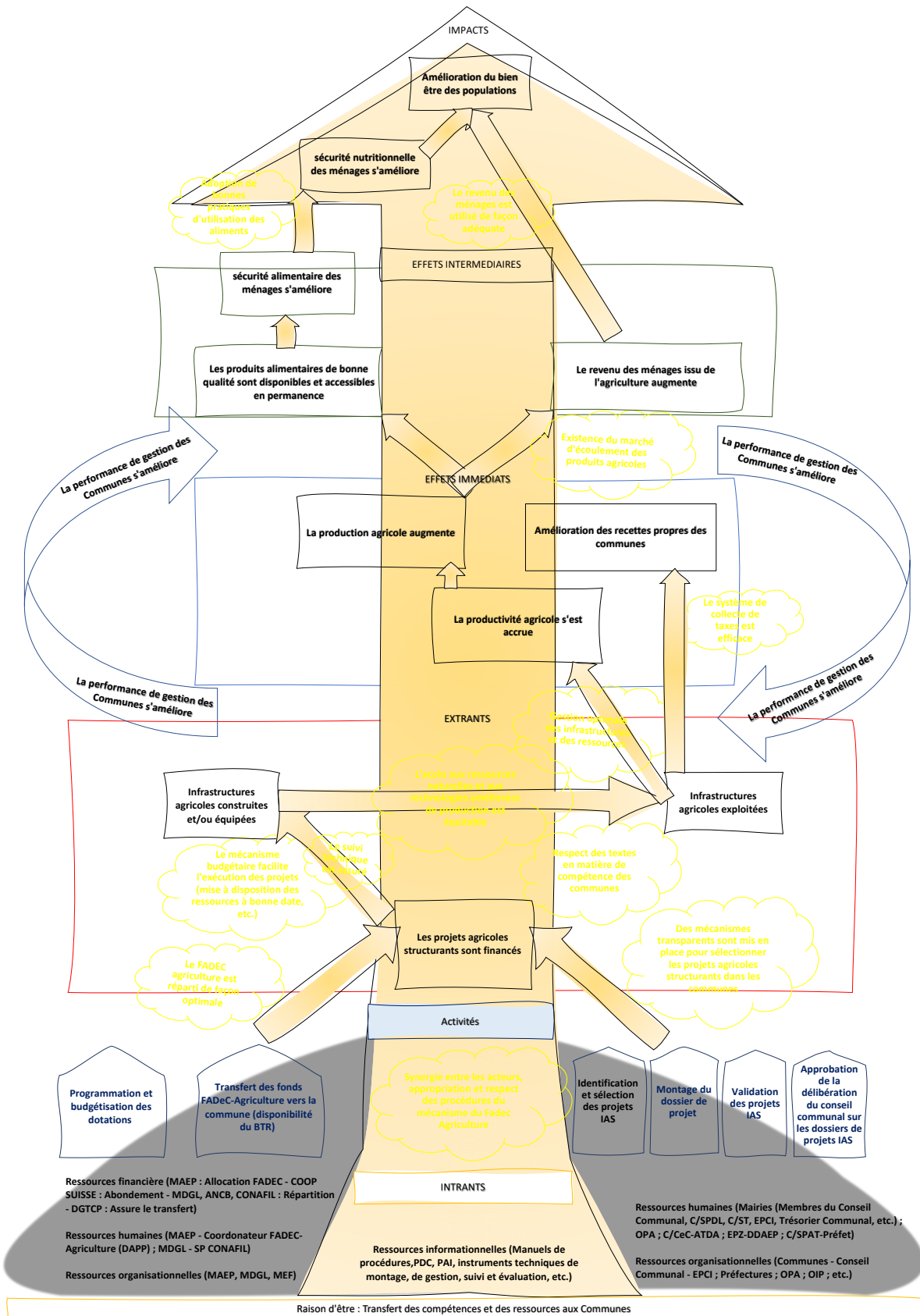
- At the level of central administration actors:
 - 1) Programming and budgeting of allocations;
 - 2) The transfer of FADeC -Agriculture funds to the municipalities, materialized by the Resource Transfer Slip (BTR);
- At the level of local authorities:
 - 3) Identification and selection of structuring agricultural investment projects (IAS);
 - 4) The assembly of the project file;
 - 5) Validation of IAS projects;
 - 6) Approval of the Municipal Council's deliberation on the IAS project files.

The effective implementation of these six components of activities depends on the synergy between the actors, as well as the appropriation and respect of the procedures of the FADeC -Agriculture mechanism by the latter.

The expected results (outputs) of these six activity components are as follows:

- agricultural projects are financed, assuming an optimal distribution of the FADeC - Agriculture at the level of the central administration, and the establishment of transparent mechanisms for the selection of IAS projects at the level of the communes.
- the agricultural infrastructures are built and/or equipped, provided that the budgetary mechanism facilitates the execution of the projects, and that the technical follow-up is ensured.
- the agricultural infrastructures are exploited, insofar as access to natural resources and improved production technologies is equitable, and that the respect of the texts in matters of competence of the municipalities is effective.

Théorie du changement du FADeC Agriculture



3.2. Presentation of the resource allocation mechanism

3.2.1. Implementing actors and their Mandates

Several actors are involved in the implementation of FADeC-Agriculture: ministries, structures under supervision and local private sector actors.

The ministers.

The ministries involved in the implementation of FADeC-Agriculture are: the ministry in charge of agriculture, the ministry in charge of decentralization, and the ministry in charge of finance. They have a central mission of mobilization, provision, monitoring-evaluation and control of resources. The ministry in charge of agriculture is the President of the Intersectoral Consultation Framework of the FADeC Agriculture whose mandate is defined by an interministerial decree. The ministry in charge of decentralization is the supervisory authority of CONAFIL and a member of the Intersectoral Consultation Framework of FADeC Agriculture. The ministry in charge of finance ensures the inclusion in the national budget of FADeC-Agriculture allocations, manages the provision of FADeC-Agriculture resources by the DGTCP and the transfer to municipalities and participates, through the IGF, in the control of the use of FADeC Agriculture resources.

Structures under supervision

These are: (i) the National Local Finance Commission (CONAFIL); (ii) Territorial Agricultural Development Agencies (ATDA); (iii) the Departmental Directorates of Agriculture, Livestock and Fisheries (DDAEP); and (iv) municipalities. These structures are in charge, in accordance with their attributions, of leading the provision of funds, the execution of the various programs, their follow-up and their control.

In particular, the National Commission for Local Finance:

- ✓ ensures the co -facilitation of the FADeC-Agriculture Intersectoral Consultation Framework;
- ✓ defines the orientations as well as the development prospects of the FADeC;
- ✓ determines the methods of mobilizing the resources of the fund;
- ✓ examines and adopts jointly with the CCI the methods of granting, the mechanisms and the criteria of calculation as well as the amounts of the grants to the municipalities;
- ✓ ensures the proper functioning of FADeC-Agriculture, in particular ensures the rapid availability of funds allocated to municipalities;
- ✓ examines and adopts jointly with the ICC each year the FADeC-Agriculture program;
- ✓ examines , adopts and distributes in collaboration with the CCI the annual activity report of FADeC Agriculture.

The Territorial Agricultural Development Agencies intervene at two levels: at the level of the general management of the ATDA and at the level of its communal cells. The General Directorate of ATDA:

- ✓ ensures , at the level of the Agricultural Development Pole (PDA), the implementation of State policy in the agricultural sector;
- ✓ verifies the adequacy of the agricultural investment files with the Development Plan of the PDA concerned before its validation by the Municipal Council;
- ✓ provides advisory assistance to municipalities through its municipal cells;
- ✓ participates in the monitoring and evaluation of the implementation of agricultural projects;
- ✓ gives the Ministry of Agriculture an update on the implementation of FADeC Agriculture.

The Departmental Directorates of Agriculture, Livestock and Fisheries ensure the quality control of the investments made and play the sovereign role on standards and the environment.

The municipalities are the contracting authorities for investments and agricultural activities. In this capacity, each municipality:

- ✓ ensures , with the assistance of the decentralized structures of the ATDA and the DDAEP, the development of the various documents of the agricultural sector;
- ✓ ensures the participation of all municipal actors (OPA, private companies, PTF, ATDA, DDAEP) in the choice and setting up of projects submitted for financing by FADeC-Agriculture;
- ✓ decides , through the Municipal Council, on the projects to be financed by the FADeC Agriculture, in consultation with the ATDA and the Prefecture concerned;
- ✓ participates in the monitoring and evaluation of projects by providing all the information necessary to monitor the implementation of FADeC-Agriculture;
- ✓ reports to the MAEP, the intercommunality and the ANCB on the implementation of FADeC-Agriculture;
- ✓ Disseminates , within the framework of periodic reports to the populations, the achievements in the implementation of FADeC-Agriculture.

Local private sector actors

These are Professional Agricultural Organizations (OPA), the Departmental Chamber of Agriculture and Civil Society Organizations. The OPAs play a role of coordinator of production actions and a role of (legal) resource person. In their coordinating role, they develop lobbying and advocacy to ensure that producers' needs are met. In their role as a resource person, they:

- ✓ provide assistance to municipal authorities in the various areas of its competence;
- ✓ participates in reflections on the promotion and development of sectors at municipal level;
- ✓ operate and make use of the facilities set up by FADeC-Agriculture;

- ✓ propose projects to be submitted to the FADeC Agriculture.

The Departmental Chamber of Agriculture's mission is to:

- ✓ organize meetings of agricultural actors;
- ✓ assist the Municipal Council in the definition of actions and their implementation as a resource person;
- ✓ propose projects to be submitted to the FADeC Agriculture.

Civil Society Organizations are mandated to:

- ✓ ensure the consistent implementation of projects submitted for FADeC-Agriculture funding;
- ✓ support other actors in pursuing dialogue on the challenges of agricultural policy and economic governance;
- ✓ organize advocacy and lobbying.

3.2.2. Eligible expenses and ineligible expenses

The resources of FADeC-Agriculture are intended to finance activities that fall within the competences transferred by the Ministry of Agriculture, Livestock and Fisheries (MAEP). Thus, certain municipal agricultural investment expenditures are classified as eligible and others not eligible for FADeC-A financing. This rule concerns investments to be made both by the municipalities and by the Public Establishments for Inter-municipal Cooperation.

Eligible **expenses** are classified into two categories: (i) irrigation schemes and agricultural and livestock infrastructure, and (ii) transport and communication equipment and infrastructure. In the first category, we can have projects relating to the following points:

- Realization of Rural Land Plans;
- Hydro-agricultural construction/renovation (lowlands, market garden areas);
- Construction/renovation of water reservoirs, fish ponds, wells/boreholes, dams of community interest;
- Construction/Renovation of waste collection centers and manure pits;
- Realization of vaccination park.

While in the second category, we can have projects that relate to:

- development and periodic maintenance of feeder roads;
- the construction and/or renovation of crossing structures (in conjunction with the Ministry of Public Works and Transport);
- the construction of transhumance corridors for animals.

Ineligible expenditure on FADeC-Agriculture concerns:

- (i) expenses which, by their nature, are likely to be borne by professional agricultural organizations (OPA) or private contractors. These are non-public sector investments;
- (ii) expenses relating to subdivision works;
- (iii) expenditure relating to the construction / repair of buildings of a religious nature, the mayor's residence or other accommodation infrastructure;
- (iv) expenditure relating to the acquisition of rolling stock;
- (v) any investment or acquisition that does not fall within the jurisdiction of the municipality or outside its territorial jurisdiction.

3.2.3. Criteria for the distribution of annual allocations

FADeC-Agriculture resources are allocated according to criteria which make it possible to determine the amount of the different components of the allocations. In terms of components, a distinction is made between a basic allocation, an equalization allocation to take account of socio-economic specificities and a performance and good governance allocation. Apart from the basic grant, which is fixed for all municipalities, the equalization grant and the performance and good governance grant are determined by criteria chosen beforehand. The criteria which determine the equalization allocation are the population, the incidence of monetary poverty and the level of claims (affected or lakeside municipality). The allocation of performance and good governance is determined by criteria based on the yield of the plant sectors selected and the growth of the herd, the speed in the production and transmission of the FADeC-Agriculture implementation report and finally the performance revealed by audits carried out by the General Inspectorate of Finance and/or the General Inspectorate of Administrative Affairs.

The distribution key for the three main allocations, namely the basic allocation, the equalization allocation and the performance and good governance allocation, is validated each year by the Intersectoral Consultation Framework set up within the framework of FADeC Agriculture.

3.2.4. Municipal project selection procedures

The project selection process is well described in the manuals and guides made available to municipalities. It is summarized in four stages here: pre-selection, selection, validation and approval by the Prefect.

Pre -selection of projects

It is carried out during the identification and prioritization sessions of project ideas with the actors of the sectors (including OPAs and private companies). A maximum of five priority project ideas are selected. The five shortlisted projects must meet the following four eligibility criteria:

- ✓ ***The project falls under municipal*** competence: own, shared or delegated competences in the agricultural sector; the project can be initiated by a municipality (municipal or community project) or a group of municipalities;
- ✓ ***The project is registered in the PDC of the municipality or PPDI of the EPCI*** : especially to be the subject of a registration in the PAI of the year N+1;
- ✓ ***The project is agricultural in nature*** and falls within the typology of projects eligible for FADeC-Agriculture;
- ✓ ***The project contributes to solving at least one*** important problem or removing an updated bottleneck in the Development Plan of the PDA.

Selection of projects

This step consists of analyzing the opportunity of the five project ideas in order to prioritize them according to a grid. This analysis is carried out by the services of the Town Hall with the technical support of the ATDA Communal Unit. The Mayor signs the results of the analysis. This analysis grid contains elements which make it possible to assess the expected contribution of the implementation of the investment project to the promotion of priority sectors or agricultural diversification in the Agricultural Development Pole concerned. In other words, the analysis takes into account the added value of the project in terms of production, processing and marketing. Thus, the projects are classified in order of importance both for the sector and for the beneficiaries.

Validation

It is done in the municipal council in the presence of the ATDA. But first, the project files must be put together by a technical committee or by a resource person with the support of the ADTA unit. In other words, the municipal council validates the project files – and not the choice of projects. Some projects may require in-depth feasibility studies (*economic, financial, environmental, etc.*) . For the realization of technical study, the financial contribution of the municipality will be between 10-15% of the cost of realization.

Approval of the Prefect

The project files validated by the municipal council are subject to the approval of the Prefect in accordance with the texts in force.

4. FADeC Agriculture performance analysis

In this part, we analyze the mechanism through the selected criteria: relevance, coherence, effectiveness, efficiency and sustainability. Relevance assesses the extent to which the FADeC-Agriculture, through its objective, corresponds to the needs and challenges determined at the outset. Coherence analyzes synergies between FADeC-Agriculture and sectoral strategies. Effectiveness assesses the degree of achievement of the specific objectives of FADeC-A, as

well as its possible unintended effects (positive or negative effects). It examines the extent to which the outputs lead to the achievement of the specific objectives. Efficiency studies the relationship between the means implemented and their costs, on the one hand, and the achievements financed, on the other.

4.1. Relevance of FADeC -Agriculture

Relevance was analyzed according to the context at the time of its creation and in relation to the evolution of this context, in relation to the targeting of beneficiaries and activities financed and in relation to the resource allocation mechanism. From the analysis, it emerges that:

The FADeC-Agriculture is relevant to the context of the agricultural sector. However, the resource allocation process seems to be of little relevance. The mechanism could have been improved by defining priorities. This would make it possible to allocate substantial resources for the construction of structuring agricultural infrastructures according to the priority groups selected.

4.1.1. Relevance of objectives to context

FADeC-Agriculture was designed and implemented on an experimental basis in a context where the agricultural sector suffered from a low level of structuring investment (development and production infrastructure) intended to support agricultural production. When these facilities exist, they often do not meet environmental conservation standards. Similarly, the agricultural sector also suffered from the lack of water control, the low capacity to adapt to climate variability and extreme climatic phenomena, the absence of a financing policy adapted to the characteristics of the agricultural activity. In addition, the diagnosis also revealed the impoverishment of the soil, especially that of the developed lowlands, the isolation of the production areas, the impassability of a large number of tracks, especially during the rainy season, the absence adequate warehouses, and equipped markets.

The FADeC-Agriculture, by choosing to finance (i) irrigation schemes and agricultural and livestock infrastructure, and (ii) transport and communication equipment and infrastructure, is in line with contributing to the resolution problems identified at this time and which prevent the agricultural sector from playing its role in the local economy. FADeC -Agriculture is therefore relevant to the context in which it was implemented.

4.1.2. Relevance to changing context

The FADeC-Agriculture has remained relevant despite the changing context marked by the implementation of the PAG and the strategic plan for the development of the agricultural sector (PSDSA) with its action plan, the PNIASA. This plan gave pride of place to improving agricultural productivity with all its implications. Indeed, the promotion of hydro-agricultural and pastoral developments and infrastructures for opening up constitute an important

component of axis 1 of the PSDSA and which relates to the improvement of the productivity and production of plant, animal and fishery products from the priority agricultural sectors. Better, the strengthening of the Support Fund for the Development of Communes, agriculture component (FADeC-Agriculture) is a component of axis 5 of the PSDSA. With regard to the PAG, the Government has opted for a massive investment of CFAF 787.4 billion in the agricultural sector to meet the challenges of the sector, including the sustainable management of soil fertility. Among other implementation strategies, the PAG has chosen water control for continuous production. It is clear that the relevance of FADeC-Agriculture has remained unchanged despite the changing context .

4.1.3. Relevance of beneficiary targeting and areas of intervention

The beneficiaries of FADeC-Agriculture are the municipalities. By targeting the communes as beneficiaries of the FADeC-Agriculture, the decentralization texts are respected in the sense that the development of the local economy is one of the specific powers of the communes. However, for essentially agricultural municipalities, the role of agriculture in local development no longer needs to be demonstrated. The FADeC-Agriculture just supplements the financial resources of municipalities to enable them to set up agricultural production infrastructure to improve productivity in the priority sectors of their choice. It should also be emphasized that local authorities are in the best position to identify under-exploited, or even unexploited, agricultural potential which should generate resources and jobs for the municipality. They are particularly useful when it comes to identifying the best mix of resources needed to exploit the potential of their territory and to adapt public expenditure to particular situations and priorities. They can join forces with key actors and form public/private partnerships that are often essential to promote local development. From this point of view, their targeting to benefit from the FADeC-Agriculture is relevant.

The choice of investments to be financed by FADeC-Agriculture is also relevant. Indeed, hydro-agricultural developments are often expensive and are not within the reach of producers – households or private companies. Only public funds are suitable for building these production infrastructures and putting them into operation by the latter. The same is true of feeder roads, the construction, maintenance and/or rehabilitation of which are often the responsibility of the public authorities. From this point of view, targeting is relevant.

4.1.4. Relevance of the allocation mechanism

The allocation mechanism seems to be of little relevance. Indeed, the current mechanism does not favor any municipality. By systematically considering all the communes, including those which are the least agricultural such as Cotonou, Porto-Novo and Parakou, we placed ourselves in a scheme where financial resources are unlimited and the demand of the communes could be satisfied whatever its size. . Moreover, the needs for structuring agricultural infrastructure are not the same from one municipality to another or from one year to another. From this point of view, the mechanism could have been improved by taking into account the real needs of these

communes thanks to a preliminary analysis of the natural endowments in factors of production. A classification of municipalities could have been made on the basis of these allocations. Thus, in a context of scarcity of financial resources for development, the allocations would be more consistent and would correspond more to the demand of the municipalities. This would make it possible to quickly build the identified infrastructures.

4.2. Consistency

Internal consistency and external consistency were analyzed; which made it possible to note that:

The FADeC-Agriculture is coherent against industry goals. However, the budgetary allocations are not consistent with the request of the beneficiaries . When the structural investment needs of municipalities in the agricultural sector amounted to tens of billions of CFA francs per year, the annual allocations of FADeC-Agriculture rarely reached two billion CFA francs. Under these conditions, it will not be possible to satisfy each municipality up to its expectations.

The objectives of FADeC-Agriculture read through the investments to be financed are consistent with most of the strategic axes of the strategic plans for the development of the agricultural sector. In particular, the FADeC-Agriculture is well aligned with axis 4 relating to accessible financing and axis 7 relating to the operational development of the strategic plan for the revival of the agricultural sector. Even with the evolution of the context, the FADeC-Agriculture is still consistent with the PSDSA through its axis 1 relating to productivity and its axis 5 relating to the establishment of a financing mechanism.

However, the budgetary allocations are not consistent with the request of the beneficiaries. When the structural investment needs of municipalities in the agricultural sector amounted to tens of billions of CFA francs per year, the annual allocations of FADeC-Agriculture never exceeded two billion CFA francs. Under these conditions, it will not be possible to satisfy each municipality up to its expectations. The annual allocations of 15 million CFA francs observed are not encouraging and could even justify the lack of enthusiasm for their consumption. There is reason to review the allocation system and think of a more efficient system already used in other contexts such as that of the PSDCC or ACCESS.

4.3. Efficiency

The five dimensions emerging from the evaluative questions were analysed. The findings made it possible to draw the following conclusion:

The efficiency of the municipalities in relation to the project proposals to be submitted for funding still needs to be improved . The ATDAs should be more involved in putting together the dossiers that the municipalities will submit. The efficiency of the notification mechanism for the transfer of resources

should also be improved in order to reduce the asymmetry of information at the level of the technical staff of the communes.

4.3.1. Importance of agriculture in communal planning

One of the objectives of FADeC -Agriculture is to develop the local economy based on agricultural potential. In this perspective, agriculture should be a priority for the communes, and this should be materialized in all the planning documents of the commune, in particular the PDC. The data collected at the commune level does not support this assertion.

Case of medium-term planning . The municipalities that provided the data allocated on average 16.6% of their CDP resources to agriculture. This is not negligible if we refer to the so-called "Maputo" indicator which advocates that at least 10% of available resources must be allocated to agriculture and in a sustained manner before expecting a rate increase in agricultural GDP by 7%, which is necessary to initiate the reduction of monetary poverty. However, for predominantly agricultural municipalities, one would expect a better allocation rate than that. The municipalities of Dassa-Zoumè and Ouaké made the difference by providing 27.5% and 25.5% of the amount of their PDC for agricultural actions. Even though a complete analysis of the cost structure of PDCs does not exist, it is safe to say from these data that the local development policy of the communes is not centered on agriculture.

Case of annual planning. The share of agriculture in the annual investment plans of the municipalities clearly confirms that the municipalities have not placed agriculture at the heart of their development. Barely 9.4% of the investment budget of the communes studied was allocated to agricultural actions. Among them, the one who made the greatest effort reached just under 16%.

Table 1: Importance of agriculture in municipal planning

Year	Share of agriculture in the CDP	Share of agriculture in the PAI	FADeC-Agriculture ratio requested / Agriculture PAI
2015	16.6	6.0	49.7
2016	16.6	7.1	27.3
2017	16.6	7.7	58.9
2018	16.6	12.0	33.4
2019	16.6	14.1	69.9
Total	16.6	9.4	49.7

Source: Calculation made by the authors based on data collected at SPDL level

Municipalities like Savalou and Toucountounan did not even provide the information. We can assume that they have not planned anything specific for agriculture.

Moreover, the municipalities do not consider the FADeC -Agriculture as the only source of financing for agricultural investments. Indeed, about 49.7% of the cost of the planned investments were the subject of a request for financing by the FADeC - Agriculture. This is understandable when we know that the FADeC -Agriculture only funds IAS. Only an in-depth

study of the structure of municipal agricultural expenditure will make it possible to specify the nature of the agricultural expenditure found in the municipal PAIs.

4.3.2. Importance of FADeC - Agriculture in the realization of planned agricultural infrastructure

Table 2: Rate of financial realization and rate of coverage of the initial cost of IAS by FADeC -Agriculture according to the year of start of work

Construction start year	Achievement rate with FADeC - Agriculture base commitment	Achievement rate with FADeC -Agriculture disbursement basis	Rate of coverage of the initial cost by the amount received from FADeC
2015	64.4	64.4	64.4
2016	100.0	100.0	
2017	100.0	100.0	100.0
2018	71.7	43.4	92.9
2019	82.1	88.0	78.6
Total	81.8	83.1	82.6

Source: Calculation made by the authors based on data collected at SPDL level

Overall, FADeC -Agriculture has made it possible to carry out the IAS that the municipalities have submitted for its financing. On average, the financial execution rate (TEF) on a commitment basis is 81.8% and 83.1% on a disbursement basis. The rate of coverage of the initial cost of IAS is 82.6% on average over the same period. Thus, the FADeC -Agriculture has made it possible to finance more than 80% of the IAS submitted for its financing. An analysis by level of achievement (Table 3) shows that the FADeC -agriculture represents about 81% of the cost of the IAS. The municipalities only made a co-financing effort of 19% over the period studied.

Thus, the answer to the evaluative question becomes simple. The municipalities have built agricultural infrastructure planned under FADEC-Agriculture. However, not everything that is planned is covered by FADeC allocations. Barely 49% of the agricultural investment forecast in the PAI is covered by FADeC allocations . Moreover, the contribution of this fund to the achievement of the IAS is 81%.

Table 3: Rate of financial achievement and rate of coverage of the initial cost of IAS by FADeC-Agriculture according to the level of achievement of the works

Indicators	Achievement level	Construction start year				
		2015	2016	2018	2019	Total
Achievement rate with FADeC-Agriculturebase commitment	completed	64.4	100	71.7	85.5	81.2
	Not completed or not started				68.1	68.1
	Total	64.4	100	71.7	82.1	79.8
	completed	64.4	100	43.4	85.0	78.3

Achievement rate with FADeC-Agriculture base disbursement	Not completed or not started				100.0	100.0
	Total	64.4	100	43.4	88.0	81.0
Rate of coverage of the initial cost by the amount received from FADeC	completed	64.4		92.9	79.3	81.3
	Not completed or not started				77.5	77.5
	Total	64.4		92.9	78.6	80.4

Source: Calculation made by the authors based on data collected at SPDL level

4.3.3. Effectiveness in project proposals to be financed by FADeC -Agriculture

Overall, over the period under review, 75.4% of the projects submitted by the municipalities were financed by the FADeC - Agriculture. This rate is 66.7% in 2017, 62.5% in 2018 and 73.3% in 2019.

Board 4: Rate of financing of municipal agricultural activities by the FADeC - Agriculture

Year	2015	2016	2017	2018	2019	Total
%	100	100	66.7	62.5	73.3	75.4

Source: Field data, December 2020

Thus, the capacity building of municipalities has borne fruit. This involves reinforcement through technical assistance offered by ATDA staff to make the process of developing files to be submitted to the Departmental Project Validation Committee more efficient. This is only the implementation of the recommendations.

4.3.4. Effectiveness of the resource transfer notification mechanism

For all municipalities, the transfer notification mechanism is not effective. In the opinion of the FADeC-Agriculture focal points, the order for the distribution of FADeC-Agriculture allocations is available in the municipalities with a long delay. This poses the problem of the effectiveness of the information mechanism put in place. It should also be noted that the Internet connection in the Town Halls is not always reliable and some agents complain that they pay for their own connection " *out of their meager resources* " before being able to work and have access to information through the platforms created through social networks.

The main actors do not receive information on FADeC-Agriculture resource transfers simultaneously. It is the municipal treasurer who informs the mayor by official letter. " *Without the BTRs sent, the town hall is not informed of anything. But today, there is a platform set up by CONAFIL through which they can be informed . There is also a forum for the C/SAF and that of the C/SPDL that we could develop* ". In some municipalities like Tori , it is much more the C/SAF, the SG and the municipal treasurer who are the first to have the information. To remedy this lack of information, which creates an asymmetry of information, CONAFIL could organize itself to inform the focal points, which are the C/SPDLs, of the issuance of BTRs.

4.3.5. Efficiency of the tax collection system relating to agricultural infrastructure

For most of the communes interviewed, the tax collection system relating to agricultural infrastructure is not efficient. Indeed, the tax collection objectives are never achieved for lack of sufficient human and material resources (means of travel) for the collection of said taxes. For the realization of the tracks, the crossing works, the market sheds and the storage warehouses, the levies of the TDL are envisaged each market day, but these infrastructures are not yet fully exploited and others are in the process of being developed. layout. This constraint of insufficient human and material resources creates significant shortfalls for municipalities. For example, in Lokossa the operation of a shed brings in a minimum of 6,000 F per market day every 5 days, ie a minimum of 36,000 F per month and per shed. So, for a market with 10 hangars, the shortfall could reach a minimum of 360,000 F per month.

4.4. Efficiency

The 12 concerns raised by the evaluation questions have been addressed and the following conclusion emerges:

Significant efforts remain to be made to improve the efficiency of the mechanism . The level of ownership of the mechanism is low. The other weaknesses observed that influence the efficiency of FADeC-Agriculture are: weak synergy of action between actors at the municipal level, institutional framework for managing the mechanism that is not very operational, mode of distribution of FADeC-Agriculture unrealistic, methods of making available unrealistic resources and low capacity of human resources at the level of technical services.

Efficiency is analyzed from an institutional point of view. In other words, the analysis focused on the functioning of the institutional framework of the mechanism. The mechanism will work well if a number of conditions are met. These include, for example, the ownership of its implementation by the actors, the existence of synergy between the actors, the transparency of the project selection mechanism, the motivation of the committee for identifying and setting up development projects. IAS, etc.

Prior to this analysis, we sought to answer the following evaluative question on the basis of the data collected: " To what extent do the current allocations allow municipalities to meet their structural agricultural investment needs?" "

4.4.1. FADeC allocations -Agriculture and structuring agricultural investment needs

Current allocations from FADeC - Agriculture do not allow municipalities to meet their agricultural investment needs. The amount of FADeC -Agriculture resources requested represents on average over a period of five years 49.7% of the annual investment plan of the municipalities. Compared to the trend, the years 2017 and 2019 saw the highest values of this indicator. The rate of coverage of demand by supply is of the same order with above-average

values in 2016, 2017 and 2019. In terms of actual mobilization, the amount actually obtained from FADeC -Agriculture is only 19.4% the planned cost.

Table 5: Evolution of some ratios.

Year	FADeC-Agriculture ratio requested / Agriculture PAI	FADeC-Agriculture ratio obtained / Agriculture PAI	Coverage rate demand by FADeC agriculture offer
2015	49.7	27.5	28.7
2016	27.3	16.9	80.0
2017	58.9	21.1	68.5
2018	33.4	15.5	22.4
2019	69.9	13.9	51.2
Total	49.7	19.4	49.7

Source: Calculation made by the authors based on data collected at SPDL level

The municipalities must develop their own strategies to mobilize the rest of the needs, nearly 80% if they really want to go through with the implementation of their agricultural policy. Additional studies are needed to find out what municipalities have been able to do in this direction. Nevertheless, knowing that the latter have not focused their development policy on agriculture, it is easy to deduce that no particular effort has been made by the municipalities in this direction. This state of affairs can be explained by several factors, including those institutional analyzed in the report.

4.4.2. Ownership of the FADeC -Agriculture mechanism

The actors of FADeC-Agriculture have adopted the mechanism in a diversified way. Most of the staff of the specialized services of the town halls, namely the SPDLs and the DSTs have some knowledge of the FADeC-Agriculture mechanism, but not particularly in depth, the updated manual. The same observation is made at the level of the other actors, namely the OPAs, the NGOs and the municipal units of the ATDAs. We note a certain involvement of the specialized services of the Town Hall in the implementation of the mechanism, but it is not sufficient to give good results . Generally, the head of the SPDL, chosen as FADeC-Agriculture Focal Point, finds himself alone on all issues related to FADeC-Agriculture. However, OPAs, NGOs and ATDA communal units have a better knowledge of the mechanism due to their membership of the Communal Orientation and Monitoring Council (CCoS ²) which has benefited from several communications on the FADeC-Agriculture mechanism. The low levels of use of FADeC-Agriculture allocations could therefore be partly explained by the low level of ownership of the procedures described in the updated manual. To correct this state of affairs, capacity building actions are currently taking place in the field for the actors involved in the chain of identification and assembly of project files.

²Body set up in the municipality by the MAEP to address agricultural development issues

4.4.3. Synergy between actors

There is more and more synergy between the players if we want to compare the two periods defined by the old and the new FADeC-Agriculture procedure manual. According to the actors interviewed, during the first period, the projects were chosen without the involvement of all the actors. But currently, the involvement of all actors is a reality. The CCoS meetings seem to be the ideal framework to bring together all these actors on FADeC-Agriculture issues, even if the manual did not explicitly stipulate this. However, the choice of projects carried out sometimes poses difficulties in terms of availability and timely securing of the sites for setting up the TSIs selected in certain municipalities.

4.4.4. Transparency of the project selection mechanism and motivation of the committee for identifying and setting up IAS projects

The project selection mechanism is transparent as it requires all municipal actors to be involved in the selection process. However, the majority of ongoing projects have already been chosen since 2015 or 2016 with little involvement of municipal actors and validated under the old procedure. Regarding new projects, the selection of project ideas is done in the presence of the municipal actors and on the basis of the actions planned in the PDC, the PAI, etc.

With regard to motivation, the texts of FADeC-Agriculture do not provide any motivation for the actors responsible for identifying and setting up projects. However, town halls tend to set up a committee by municipal decree in order to be able to remunerate them out of their own funds. Unfortunately, for the municipalities that were able to set up the committee, the lack of resources did not allow the managers to be motivated. Generally, the work of editing project documents is done more by the CSDPLS and the CCeC before sharing the content with the extended group or even the committee set up by decree.

4.4.5. Optimal distribution of FADeC -Agriculture

The FADeC-Agriculture is designed to be distributed optimally. This is what justifies the use of criteria to determine the amount of grants. However, the actors questioned are not unanimous on the optimal character of the distribution of the Funds. Two trends emerge from their statements. For some, it is a question of keeping the current mode of distribution which guarantees each municipality resources even if they are not consistent. For others, it is necessary to encourage performance by emphasizing performance criteria, especially in terms of proper consumption of FADeC-Agriculture allocations.

This second option seems to be the best way to have good results because the best municipalities would be rewarded according to their performance. Thus, the more the municipality performs, the more financial resources it has. This would facilitate the execution of projects. Logically, this should encourage all municipalities to perform. However, performance limited to credit

consumption is not the right formula because there are several ways to consume credits without making consistent achievements.

Moreover, for some municipalities the criteria of surface area and population are not relevant for judging the staffing needs of each municipality. A small-area municipality with a small agricultural population may need more budgetary allocations to finance its IAS project.

Beyond this analysis based on the opinion of the actors, it must be recognized that there is a need to rethink the mode of distribution of the FADeC-Agriculture to make it more effective. A monitoring report on the implementation of this fund showed that between 2015 and 2018, the municipalities mobilized 86% of the financial allocations from the FADeC-Agriculture, i.e. 4,133,290,717 CFA francs for a cumulative allocation of 4,830 .120,086 FCFA. But, they only really spent 28% ³. This has made it possible to initiate the implementation of 201 municipal agricultural investment projects (IAC), of which only 33% have been fully implemented, 20% in progress and 47% not implemented (Table 2 of the same report, page 17). At first sight, one has the impression that the FADeC-Agriculture favored a scattering of resources which could have been better used. In four years, the capacity offered by this mechanism has not made it possible to carry out an average project per municipality. Under these conditions, why “ *give money* ” to each municipality? It is urgent to define a new FADeC-Agriculture sharing strategy that would take priorities into account. Within each priority class, there will be a well-known number of projects to be completed. Such a strategy would contribute to solving the credit carryover problem noted in many communes; it should also increase the number of projects carried out over a given period.

4.4.6. Availability of resources on time

The FADeC-Agriculture budgetary mechanism does not facilitate the execution of projects. Indeed, the resources transferred, already considered insufficient in relation to the needs, are late. According to the APRM 2019 report cited above, the first tranche is implemented in June or July instead of February. Which undermines all planning based on February. Moreover, they are released in two (2) installments, in accordance with the interministerial decrees on the distribution of FADeC allocations for the fiscal years 2017, 2018 and 2019. Most municipalities believe that the ideal would be to transfer the allocations in a single installment and preferably before the end of the first semester of each year.

4.4.7. Compliance with texts on the jurisdiction of municipalities for the operation of agricultural infrastructure: management mode practices

³ APRM (2019). *National Summary Report of the Mission to Monitor and Locate Municipal Agricultural Investments within the Framework of FADEC-Agriculture, 2015-2018, Period: November 18 to December 08, 2018*, Cotonou

In the operation of infrastructure in general, Law No. 97-029 of January 15, 1999, on the organization of municipalities in the Republic of Benin confers on the latter in its articles 87, 88 and 89, the development, management and maintenance development, infrastructure and equipment that are part of its heritage. This assumes in the case of FADeC-Agriculture, that full project management by the municipality was required in the realization of said facilities/infrastructure. Various practices of management modes exist in the communes.

The **affermage contract** is a management method that makes it possible to exploit developed sites. It is signed between the town hall and the producers involved in the operation of the site. In this case, the town hall receives from the farmers a fee of 50,000 CFA francs per hectare and the TDL paid on the grouped production. This practice is already underway in some communes such as Toviklin and Lokossa. Problems are already arising and are mainly related to the low capacity of the farmers to exploit the site. This is the typical case of Lokossa where the farmer has difficulty acquiring inputs and fuel to operate the pump. The farmer also travels a long distance to reach his home because he lives far from the farm. The ideal would be to have living quarters on the site.

Other town halls have signed **management contracts with the beneficiaries** who pay 100,000 CFA francs per hectare, 50% of which is paid into the coffers of the town hall, 35% to the landowners and 15% to the site management committee. The town hall uses its share for maintenance work on the site and for making other investments. This practice is observed in the commune of Comè . It should be noted that the beneficiaries have never paid and pose serious problems for landowners who are waiting to be paid.

In other municipalities such as Djakotomey , the developed space is exploited by producers organized in cooperatives. The cooperative pays royalties, part of which is paid to the landowners and part for depreciation. In the case of hydro-agricultural developments, the town hall negotiated with a landowner to reach a management delegation contract by a cooperative. Unfortunately, the clauses of this contract are not respected.

Clearly, there are good management practices for sites developed for agricultural production. However, town halls do not yet have the capacity to properly manage management contracts.

4.4.8. Equity in access to natural resources and improved production technologies

In several municipalities in the south of the country, large estates are acquired by civil servants and other financially well off people. These domains are “hoarded” and, therefore, are mostly untapped. This undermines the availability of land for young people who want to start a project. Furthermore, environmentally destructive agricultural practices are still ongoing. This complicates access to land suitable for sustainable agricultural production. In addition, some municipalities (Houéyogbé , Torri-Bossito) reported that they no longer have administrative reserves in terms of land for the installation of young people or the handing over of sites if necessary.

As for access to improved production technologies, the municipalities did not express an opinion. However, recent studies carried out in the sector show that the rate of accessibility to these technologies is low, around 25% for improved seeds and seedlings, 62%, 63% and 39% respectively for chemical fertilizers, chemical herbicides and chemical pesticides. The rate of access to animal traction (animal traction) is 20% against 10% for motorized traction farmers. Crop irrigation is practiced in only 4% of farms in Benin.⁴

4.4.9. Technical monitoring provided for the construction and equipment of infrastructures

In most cases, technical monitoring is provided during the construction and equipment of infrastructure. Several scenarios exist and have already been tested by town halls. In general, CONAFIL required an independent inspection firm for non-standard works. In the other cases, that is to say the case of ordinary works, monitoring and control during the execution of the works are carried out by the DST de la Marie. This is observed for example at the town halls of Djakotomey , Lokossa and Ouidah. Other municipalities such as Aplahoué and Tori-Bossito are planning to go in this direction because of the low amounts of FADeC-A allocations. In other municipalities, a control office has been hired for monitoring and control. It is paid with 5% of the market amount. Sometimes, the town hall asks the ATDA and especially the DDAEP to monitor the compliance of the works (the case of Comè). In other cases, the control is done by experts who are paid from FADeC-Agricultural resources (the case of Toviklin).

4.4.10. Increase in municipal own resources due to the use of IAS

The IAS can contribute to increasing the own resources of the municipalities through the TDL and right of market place (DPM). For example, the repair/construction of tracks and crossing structures can contribute to improving the level of collection of these taxes due to the increase in the flow of vehicle passengers who will use these roads. But what is happening now does not yet satisfy the town halls in terms of collected taxes.

This situation is also justified by a lack of monitoring, "*and when there is regular monitoring and the members of the monitoring committee are motivated, they can put pressure on and that way the resources will come in*" (Comments collected from Tori).

4.4.11. Existence of a market for selling agricultural products

⁴ APRM (2019). Development of the Reference Situation on the Current Conditions of Access of Farmers to Four Key Services in Benin. Analysis report, Cotonou

All the municipalities visited have at least one large market center and other secondary markets facilitating commercial transactions for both agricultural production and other products that are not necessarily agricultural.

4.4.12. Contribution of FADeC -Agriculture to improving the management performance of municipalities (including resource allocation criteria and audits)

Each year, three audits are carried out (IGA (General Administration Inspectorate) on procedures, FADeC-Agriculture and OMIDELTA Audit). The audits that are carried out are always accompanied by recommendations that make it possible to improve the performance of the town halls from year to year. However, the brides wanted the allocations to be consistent to allow the municipalities to make good and real agricultural investments.

4.5. Sustainability

The analysis of sustainability concerns revealed that:

The mechanism has an institutional anchoring which guarantees its existence for a long time . This institutional anchoring also ensures the programming of budgetary allocations each year. But technical sustainability will only be guaranteed if the capacity building of municipal actors is made annually to take into account the mobility of the staff of these structures.

4.5.1. Political and institutional sustainability

The political sustainability of FADeC-Agriculture (meaning development policy) is ensured because this mechanism is aligned with the PSDSA and contributes to its implementation. Institutional sustainability is fully assured in the sense that it is the DPP-MAEP that coordinates the activities of the mechanism. The attributions of the DPP listed in article 1 of the decree on the organization and operation of the DPP show that it is the most suitable structure for sustainably managing the FADeC-Agriculture. The FADeC-Agriculture today represents the flagship instrument for the operationalization of the Decentralization Deconcentration Plan (P2D) for the agricultural sector, a planning document for which the DPP coordinates the implementation and indirectly of the FADeC-Agriculture which is its main contributor. .

From this point of view, the mechanism has an institutional anchoring which guarantees its existence for a long time. This institutional anchoring also ensures the programming of budgetary allocations each year. However, some actors in the agricultural sector would have liked the FNDA to manage this mechanism without mentioning the reasons justifying their proposal. This proposal, if validated, would not respect the texts that govern decentralization.

Indeed, the FADeC-Agriculture is one of the affected components of the FADeC, and from this point of view, should not have interlocutors other than those provided for by the texts.

4.5.2. Technical durability

The MAEP is in the process of carrying out capacity building activities for these deconcentrated and decentralized structures so that the mechanism is well known and that the roles and responsibilities of these structures are played with the necessary performance. This capacity building ensures the technical sustainability of the mechanism. However, it deserves to be annual to take into account the mobility of the staff of these structures.

4.5.3. Financial sustainability

It is ensured in the sense that the share of the national budget is significant in this mechanism. This trend should be maintained, which could encourage development partners to contribute better. This would increase the total amount to be allocated to municipalities.

5. Major findings and recommendations from the evaluation of FADeC -Agriculture

5.1. Major findings

Since the start of the FADeC-Agriculture mechanism in 2015, certain difficulties continue to hinder the proper functioning of the mechanism and can be structured into four (4) categories:

- **Provision of resources**
 - delay in the provision of BTRs. It happens that the BTRs reach the municipalities after the stop of the commitments by the MEF as the case in 2020;
 - insufficient allocations allocated to ensure the financing of structuring projects set up by the municipalities.
- **Assembly phase of agricultural investment files**
 - weak appropriation of the new provisions of the new FADeC procedure manual by the actors;
 - low involvement of OPAs whose needs are often not prioritized at the level of municipalities in the identification of projects;

- the malfunctioning of municipal project drafting committees, which often boil down to the C/SPDL or even C/ CeC ;
 - non- production in time (year n-1) of the files of projects to be financed by the allocation of year n at the level of the communes;
 - insufficient qualified personnel in the planning departments;
 - difficulty in bringing together and ensuring support for the various actors in the system (identification session, prioritization session, etc.);
 - insufficient technical expertise for setting up certain specific projects;
 - difficulty in ensuring the financing of the technical and financial feasibility studies of the projects.
- **Procurement phase**
 - the low level of competence of members of communal procurement bodies;
 - the slowness in public procurement procedures, particularly from the start to the launch of tender documents;
 - poor assessment of contract execution deadlines by municipal officials.
- **Project Execution and Maintenance Phase (Execution)**
 - difficulty in recruiting specialist companies in the agricultural sector;
 - difficulties in commissioning the works carried out;
 - low level of maintenance of infrastructure/works by the beneficiaries;
 - ineffective management of the infrastructure/works put in place;
 - difficulty for the municipality to recover the royalties
 - low managerial level and qualification of local entrepreneurs;
 - insufficient reporting specifically to the agricultural sector;
 - insufficient resources to carry out technical site visits;
 - non-availability of reports on the progress of the implementation of FADeC - Agriculture at the level of the beneficiary communes;

5.2. Recommendations

In view of these difficulties in implementing FADeC-Agriculture and particularly, the consumption of the allocations already put in place and qualified as insufficient in the face of the significant needs of the municipalities, the following recommendations are recommended:

- **At the APRM**
 - maintain or even further improve the annual allocations transferred to municipalities;
 - ask the ATDAs to formally instruct their respective Communal Unit Heads, so that the latter, within the framework of advisory assistance to the communes, propose to the Mayors projects that can be eligible for FADeC -Agriculture funding based on the diagnoses already carried out or in progress on the priority sectors;

- improve the MAEP's advisory support mechanism to municipalities to show them that the local development of agricultural municipalities should be centered on agriculture;
 - continue the capacity building actions of actors in the assembly line of IAC project files to be submitted for funding from FADeC -Agriculture;
 - set up a monitoring system for the implementation of the FADeC -Agriculture based on indicators that provide information on the planning of the IAS, the request for FADeC -Agriculture allocations, the consumption of FADeC Agriculture allocations.
- **At MDGL**
 - continue through CONAFIL, the strengthening of its partnership with the DPP/MAEP for speedy support to be provided to municipalities to improve the level of consumption of allocations and the rate of implementation of TSIs
 - instruct the municipalities, major beneficiaries of the various FADeCs , including FADeC -Agriculture, to agree to be accompanied by the various actions contributing to the realization of the IACs of their priority;
 - inform and sensitize municipalities to avoid political calculations as much as possible and show greater availability to accommodate the various strategies contributing to the improvement of the rate of consumption of the allocations received and the level of achievement of the TSIs.
- **At the MEF**
 - instruct the DGTCP to act expeditiously in notifying FADeC-Agriculture allocations to both tax collectors and beneficiary municipalities;
 - instruct the tax collectors at municipal level for more flexibility in procurement procedures while respecting the public procurement code in force.

With the support of the project

