Macroeconomic advice for poverty reduction in the context of the Agenda 2030 (ACMERP 2030)

Supporting high-level public finance policy advice

Our challenge: ensuring effective steering and policy coherence in the implementation of the government programme to reduce poverty a part of the implementation of the Agenda 2030.

Benin is one of the world’s poorest and least-developed countries. Its National Institute of Statistics and Economic Analysis (INSAE) has calculated that 40% of the country’s 10,600,000 people live below the poverty line. According to the Multidimensional Poverty Index used by the United Nations Development Programme (UNDP), 64% of Benin’s population is poor and 71% of people over the age of 14 are illiterate.

Given the kinds of challenges that the country’s development policy must address, the Government of Benin’s main goal is poverty reduction. Over the coming years, poverty reduction will also feature prominently in the implementation of the 2030 Agenda, which Benin has signed up to. The 2018–25 National Development Plan will, for example, take account of the Sustainable Development Goals (SDGs). The present challenge is to coordinate macroeconomic advice for the implementation of the Agenda 2030.

Our approach

The primary objective is to work with the main players shaping economic policy and public finances in Benin in order to strengthen their capacity to drive forward poverty reduction as part of the implementation of the Agenda 2030.

The project’s three aims are to:

1. Strengthen the partner institutions’ public financial and statistical expertise in conducting analyses, forecasts and performing ex-ante/ex-post evaluations of the impact of the policies;
2. Improve the organisational and process management of amongst general directorates within the ministry of finance, ministry of planning and the National Statistical Authority;
3. Promote the transfer of lessons learned at international and regional level regarding sound public finances in the context of the Agenda 2030.

Achieved outcomes

The project has made it possible to support the creation and evaluation of a mechanism that gathers information on 40% of the Sustainable Development Goal indicators for which information is lacking;
tackle the delays in drawing up national accounts that have occurred since 2000. To achieve this, 10 workshops were held on providing an overview of accounts, which were attended by 15 national accountants on average;

conduct nine studies to improve knowledge of the economic environment;

introduce each tool to evaluate project costs and improve public investments;

ensuring the cross-cutting issue of gender is at the core of budgetary processes in six sector ministries a part of the ‘gender sensitive budgeting’ initiative;

improve budgetary transparency, for example, by publishing the budget – a move that has increased Benin’s Open Budget Index score from 1 out of 100 in 2012 to 45 out of 100 in 2015;

support the implementation of the West African Economic and Monetary Union (WAEMU) harmonised public finance framework;

contribute to drafting of various plans and economic development planning documents, such as the Framework Plan for Sustainable Development (PC2D).

Success factors

ACMERP 2030 has been assigned to support key positions that are involved in Benin’s planning and economic growth policy (MEF and MPD). The project is therefore able to support processes that are central to the design and the implementation of reforms. This potential is enhanced by the MEF’s and MPD’s strong appropriation of the German cooperation process.

The offices are located at these two ministries, allowing them to work closely together, communicate and share information.

The project has been under way since 2007 and is now in its fourth phase. ACMERP has succeeded in building a relationship of trust with our partners, which has allowed us to act in sometimes sensitive areas.

Practical examples of project activities

The project supports:

the Management Unit for the Reform of Public Finances (UGR), by training those involved in the monitoring and evaluation system to reform public finances;

the Directorate-General of Economic Affairs (DGAE), by updating its model for analysing economic policies and, in doing so, improving economic forecasting;

the revision of the Model for Simulating and Analysing Economic Reforms (MOSARE), by updating the methods used for calculation, factoring in the employment data gathered in the most recent Integrated Modular Survey on Household Living Standards in Benin (EMICoV), etc. This can improve the budgetary process and the ability to simulate the impact of various policies on certain sectors of the economy.