

Findings

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Benin: Decentralized City Management

The objective of the First Decentralized City Management project – 2000-2004 (credit equivalent of US\$25.5 million) was to provide better quality and more cost-effective basic services to urban residents, especially the poor, of Benin's 3 main cities – Cotonou, Porto- Novo and Parakou. The project was the first phase of a planned 2-phase Adaptable Program Loan (APL) and followed a previously successful project, the Urban Rehabilitation and Management project.

Impact on the Ground

- As a result of the project, the 3 cities have improved their local taxation systems and collect more revenue, dedicate a larger share of these revenues to delivering urban services, and provide more funds to the maintenance of urban services. Total revenue between 1999 and 2004 grew by 148% in Porto-Novo, by 131% in Parakou and by 82% in Cotonou. The percentage of recurrent costs allocated and spent on urban services grew from 39% to 66%, from 52% to 72% and from 65% to 81% respectively. The share of recurrent costs budget allocated and spent on routine maintenance of roads and drainage increased from 9% to 23%, from 1% to 43% and from 22% to 23% respectively.
- A replicable process to develop poor neighborhoods was set in place by institutionalizing community participation through the innovative approach of creating Community Initiative Support Units (CISUs) in the municipalities and transferring part of the neighborhood development decision-making to the Neighborhood Development Committees (NDCs). Poor neighborhoods (Yenawa, Ahouansori, Alaga, Djegan, Daho and Tokpota) were the main beneficiaries of the micro-projects, flood protection, and new roads providing access to the rest of the city. After project closure, the CISUs remain operational and have been duplicated beyond the 3 main cities.
- The 3 municipalities as well as the Ministry of Finance and Economy (MFE), of Environment, Habitat and Urban Affairs (MEHU), and of the Interior, Security and Decentralization (MISD), have more effective management tools and improved technical and financial management capacity. The changes included : (i) implementation of financial/accounting manuals describing the procedures to be followed by Finance Department staff; (ii) rationalization of the tax basis and recovery system for locally and centrally administered urban taxes; and (iii) better tracking of potential tax payers through establishing a database and clear tax recovery procedures. Computerized budget management systems have been installed in all 3 municipalities. Technical Service Units have been established in the 3 municipalities, enabling them to monitor the implementation of public works. Other cities in Benin have become interested in these reforms.

- Seminars and media campaigns contributed to educating urban residents on the rationale for urban taxes, and the relationship between urban taxation and urban service improvement, thereby enhancing the transparency of urban management in the 3 cities.
- The project helped create jobs by contracting out to the private sector during project execution and encouraged the development of small and medium enterprises in public works; it also helped develop national engineering capacity. Fifty small and medium contractors and eight design and supervision consulting firms were involved.
- With the assistance of the NGO hired under this project, 21 groups and women's cooperatives received support from a credit union to initiate income-generating activities. The CISU/NDC structure was also used to educate the population on the use of potable water and on combating HIV/AIDS. The project has improved sanitary conditions and the ability of the Circonscription Urbaine (CU- urban area with a special semi-autonomous status) to respond to neighborhood concerns, improved neighborhood capacity to formulate initiatives using a participatory approach, and developed a real partnership between communities and municipal governments.

Lessons learned

- Strong coordination at the central level can mitigate implementation difficulties. The project steering committee, CISCO, proved to be essential in ensuring timely contribution of counterpart funding from both the central government and the municipalities.
- Capacity building should be integrated with project coordination. Placing the technical secretariat at the central level helps to assure integrated project coordination and capacity building. The central level thus gains not only project knowledge, but also general project management capacity.
- Even small institutions need clearly-defined budgets. The link between the implementation of community micro-projects, beneficiary co-financing and the municipal budgeting process has to be strengthened to ensure equipment and maintenance of works. The lack of this linkage impeded the optimal functioning of the CISUs.
- Implementation of micro-projects requires early and strong involvement of communities and direct beneficiaries. This is particularly significant with regard to operation and maintenance. In this case, maintenance of water kiosks and latrines was lacking. Municipal commitment to community-based participation in the various aspects of project work is also necessary.

This Infobrief was excerpted from Implementation Completion Report No. 31829. For more information, please e-mail Franck Bousquet : fbousquet@worldbank.org

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