Report Number : ICRR0020831

1. Project Data

Country
Burundi

Practice Area(Lead)
Macroeconomics, Trade and Investment

Programmatic DPL
Planned Operations: 3
Approved Operations: 3

Operation ID
P127080

Operation Name
BI-ERSG VI

L/C/TF Number(s)
IDA-H8090

Closing Date (Original)
31-Dec-2013

Total Financing (USD)
25,000,000.00

Bank Approval Date
23-Oct-2012

Closing Date (Actual)
31-Dec-2013

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	25,000,000.00	0.00
Revised Commitment	25,000,000.00	0.00
Actual	25,015,980.00	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
Malathi S. Jayawickrama	Robert Mark Lacey	Lourdes N. Pagaran	IEGEC (Unit 1)

Operation ID
P144612

Operation Name
BI-ERSG VII (P144612)

L/C/TF Number(s)	Closing Date (Original)	Total Financing (USD)
IDA-H8090,IDA-H8910	31-Dec-2014	26,000,000.00
Bank Approval Date	**Closing Date (Actual)**	
27-Nov-2013	31-Dec-2014	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	26,000,000.00	0.00
Revised Commitment	26,000,000.00	0.00
Actual	26,128,320.00	0.00

Operation ID	Operation Name
P150941	BI Eight Economic Reform Support Grant (P150941)

L/C/TF Number(s)	Closing Date (Original)	Total Financing (USD)
IDA-D0250,IDA-H8090	31-Dec-2015	25,000,000.00
Bank Approval Date	**Closing Date (Actual)**	
13-Jan-2015	31-Dec-2015	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	25,000,000.00	0.00
Revised Commitment	25,000,000.00	0.00
Actual	23,802,516.00	0.00

2. Program Objectives and Policy Areas

a. Objectives

The original Program Development Objectives (PDOs) specified in the Economic Reform Support Grant

(ERSG) VI were: (i) promote greater efficiency and transparency in public spending; (ii) improve conditions for private investment and promote greater private participation and market access in the export and services sectors; and (iii) decrease vulnerability of households to shocks through an improved social protection system (ERSG VI, Project Document (PD), p. vi).

ERSG VII and VIII changed the wording of the PDO, although these changes were not substantive: (i) strengthening public finance management (PFM) and budget transparency; (ii) promoting private sector development (PSD) and economic diversification; and (iii) improving protection of vulnerable groups (ERSG VII, PD, p. vi). PRSG VIII further revised the third part of the PDO as follows: (iii) strengthening safety nets systems (ERSG VIII, PD, p. v).

This Review is based on the statement of objectives under ERSG VIII: (i) **strengthening PFM and budget transparency**; (ii) **promoting PSD and economic diversification**; and (iii) **strengthening safety nets systems**.

b. Pillars/Policy Areas

There were three policy areas:
1. Strengthening PFM and budget transparency. This policy aimed at: (a) improving the budget process; (b) enhancing transparency of spending and procurement; and (c) streamlining the management of the civil service. ERSG VII and VIII added reducing/streamlining tax reductions.
2. Promoting private sector development (PSD) and economic diversification. This policy aimed at: (a) improving the legal and regulatory framework for private sector investment; (b) improving agriculture productivity and restructuring the export and services sectors; and (c) promoting the development of the mining sector.
3. Strengthening social protection. This policy aimed at: (a) developing safety nets systems and institutions; and (b) improving targeting for social services delivery. ERSG VII emphasized the need for a national social protection strategy, and ERSG VIII focused on the need for provincial and local institutional mechanisms.

c. Comments on Program Cost, Financing, and Dates

The series consisted of three IDA grants of US$25 million each. ERSG VI was approved by the Board on October 23, 2012, and became effective on November 12, 2012. It closed on schedule on December 31, 2013. ERSG VII was approved by the Board on November 27, 2013, and became effective on December 16, 2013. It closed on schedule on December 31, 2014. ERSG VIII was approved by the Board on January 13, 2015, and became effective on March 3, 2015. It closed on schedule on December 31, 2015. The three grants were fully disbursed. There was a small variation in the actual disbursement of ERSG VI due to exchange rate fluctuations.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The program's objectives were relevant to the World Bank Group's (WBG's) priorities for Burundi, as reflected in the Country Assistance Strategy (CAS) for the period FY13-16, the two strategic goals of which were to: (i) improve competitiveness by establishing an enabling environment for inclusive growth and poverty reduction; and (ii) increase resilience by consolidating social stability. Strengthening governance was a key element of the CAS.

The objectives were also relevant to the priorities of the Government of Burundi's development strategy, outlined in the second Poverty Reduction Strategy Paper (PRSP II) of February 2012, which had four strategic pillars: (a) strengthening the rule of law, consolidating good governance and promoting gender equality; (b) transforming Burundi's economy to generate sustainable and job-creating growth; (c) improving access to, and quality of, basic social services, and strengthening social safety nets; and (d) promoting development through sustainable environmental and spatial management.

Relevance to country conditions is less clear. Burundi remains one of the poorest countries in the world, following a decade-long virtual civil war. Given this context, the program was highly ambitious in its scope. A more gradual approach over a longer period might have been more consistent with the weaknesses of the country's institutions, exacerbated by many years of conflict. Such an approach could have reflected a more in-depth consideration of the political factors that were to play an important role in undermining several of the program's early achievements.

Rating

Substantial

b. Relevance of Design

Although the program had a clear statement of development objectives, and there was, in principle, a. logical causal chain between the prior actions supported by the series and the intended outcomes, design paid insufficient attention to the institutional weaknesses and constraints inherent in Burundi's situation. The planned public financial management (PFM) and budget transparency reforms were complex and would require a persistent effort to cultivate ownership within the public administration. Their success would depend upon a reasonably stable political background. While the profound crisis that affected Burundi in 2015 would have been difficult to foresee at the design stage, a more in-depth analysis of the political economy of PFM might have shed some light on the vulnerability of the reforms and identified the likely degree of opposition. Technical and institutional weaknesses at the level of most line ministries were not fully addressed. Regarding the promotion of private sector development and economic diversification, the program envisaged the creation of a robust legal and regulatory framework for private sector-led growth. Other measures supported by the series aimed to stimulate Burundi's under-performing sectors, especially export crops and mining. Once again, however, and with hindsight, more attention could have been paid to institutional and other constraints. For example, the expectations that the coffee privatization program would be completed in one year, and that new tea and sugar sector strategies would be developed in the next two years, were unrealistic. There was insufficient consultation with coffee growers, and hence a lack of awareness of their desire to own and operate washing stations. In the mining sector, more consideration could have been given to the necessary political, institutional and other preconditions for moving beyond the preparation of a new Mining Code and its presentation to Parliament, to stimulating private investment and negotiating adherence to the Extractive Industries Transparency Initiative (EITI). From the Program Documents, it appears that little provision was made to address chronic institutional weaknesses, including through technical assistance provided by the Bank or by other partners.

Burundi's macroeconomic framework was satisfactory at the time of preparation of ERSG VI. GDP growth had increased to an estimated 4.2 percent in 2012, having decelerated in 2011. The IMF Article IV Consultations noted that the Burundian authorities had made progress in implementing their Fund-supported economic program in a difficult post-conflict environment. The Consultations emphasized the importance of continued progress in implementing revenue reforms, considering the decline in donor assistance, pursuing PFM reforms to foster greater transparency and accountability, and strengthening institutional capacity. They also noted that, despite improvements in the budget framework, significant gaps remained in debt management (IMF Article IV Consultations, July 2012).

Rating
Modest

4. Achievement of Objectives (Efficacy)

Objective 1
Objective
Strengthening Public Financial Management (PFM) and Budget Transparency

Rationale
PFM reforms supported by the series were intended to consolidate the link between strategic policy objectives and budget allocations. The two main areas of focus were: (i) strengthening strategic and budget planning to improve the quality of public spending (including getting a better grip on the public-sector wage bill and improving human resource management); and (ii); reinforcing transparency, and stimulating the demand for good governance.

Strengthening PFM. A prior action (issuing the MTEF and submitting it to Parliament along with the budget framework letter for the 2013 budget) aimed to institutionalize the MTEF process. Following this action, all ministries prepared sector MTEFs. This process laid the basis for the practice of pre-budget debates in Parliament following the submission, and before the review of the draft budget law.

The structure of public spending, and the allocation of expenditures to priority sectors improved. The share of priority economic and social sectors in budget allocations increased from 38.7 percent in 2008 to 43.7

percent in 2010 and 47.2 percent in 2014. The combination of higher allocations and better execution performance led to a significant increase in the share of priority sectors in actual spending: from 38.8 percent in 2008 to 46.4 percent in 2010 and to 47.7 percent in 2014. This enhanced prioritization was made possible in part by curbing the relative growth of the public-sector wage bill. This in in turn was a result of prior actions taken under all three operations (i.e. validating the civil service data base with updated information on staff turnover since 2007 (ERSG VI), completing an audit of the payroll and human resource system, and identifying civil servants with no biometric information (ERSG VII and VIII). The share of civil servants with updated profiles in the new management system rose from 46% to 52% at program closure, although this fell short of the target of 76%. Partly because of these measures, the public-sector wage bill, which had risen from 6.9% of GDP in 2006 to 9.4% in 2011, fell to 6.7% in 2015.
Strengthening budget transparency. The relevant prior actions were (I) publishing on the government website an itemized list of tax exemptions, detailed budget information and actual expenditures, and (ii) independent audit reports of public procurement contracts.
There were five outcome targets associated with this sub-objective:

- The gap between MTEF and executed budget in education, health and agriculture (in percentage of budget), which had a baseline value of 17.3% of the budget) was reduced to 12%. The target was 10%.
- The time gap between effective budget presentation to Parliament and delay, which was two months at the start of the series was reduced to one month. The target was zero.
- The PEFA indicator on public procurement information was to rise from 'D' to 'B'. However, no progress was made in providing the public with access to procurement information, and the PEFA indicator remained at 'D.'
- The share of public procurement contracts (value) awarded on sole source basis in previous year was not to exceed 10%. The baseline was 5% and the achievement was 6.14%, according to an audit in 2014.
- The percentage of communes where budget information tables (*budgets-citoyen*) were available was to rise from a baseline of 26.5% to a target of 50%; actual achievement was 100%. The publication of the tables reportedly resulted in regular “animated” discussion between central government staff and local community representatives at the provincial level (ICR, p. 16).

In addition, quarterly public expenditure execution reports were published on the Ministry of Finance (MoF) website, and the review and audit of government accounts by the Court of Accounts. Government accounts were published and reviewed by Parliament.
The program also supported several measures that were intended to decrease the value of tax exemptions. For example, prior actions under DPO 3 included the following: “The Recipient has published, on the official government website, the itemized list of tax exemptions granted in 2013 and the first semester of 2014, and has eliminated, under the 2014 revised budget law, the value-added tax exemptions on imports and tax credits.” The estimated value of tax exemptions decreased from 23.8 percent to 17 percent of total tax revenue between 2012 and 2015 (the target was 15%).

However, in the wake of the political crisis in 2015. PFM reforms were suspended, and several of the measures supported by the series were reversed. Sector ministries were no longer empowered, and, sector MTEFs had no influence on public expenditures. Budget laws continue to give a high priority to economic and social sectors, but the scarcity and unpredictability of available resources means that most of the budget execution decisions are centrally managed and are not based on the budgets. Transparency also suffered following the crisis. Government websites no longer published public expenditures, and although the Citizen Budget initiative continued, it was based on budget laws of diminished practical relevance for PFM.

Rating
Modest

Objective 2
Objective
Promoting Private Sector Development and Economic Diversification

Rationale
Actions supported under the program focused on (i) reducing the time needed to register a business and obtain a construction permit; (ii) improving the performance of the traditional agricultural export crops (notably coffee and tea); and (iii) tapping more effectively the potential of Burundi's mining sector.

Reducing the time to start a business. As prior actions, a one-stop-shop was established for registration of businesses and for obtaining construction permits. These helped to reduce the number of days required to register an enterprise from 32 in 2011 to five in 2015, and the number of days to deliver a construction permit from 137 to 99 over the same period. The number of businesses registered annually more than tripled from less than 700 in 2010 to 2,184 in 2014. Burundi was regarded as one of the top performers in Africa in "Doing Business" reports.

Promoting economic diversification (Improving the Performance of Agricultural Export Crops). Prior actions were focused on developing a strategy for the reform of the tea sector, increasing the budget allocation for feeder roads and irrigation (under ERSG VI), designing and validating a program to increase coffee sector productivity (under ERSG VII), and launching the privatization of all remaining state-owned coffee washing stations (under ERSG VII).

Evidence of outcomes is limited. The ICR reported on three outcome targets to measure achievements in this area. These are all essentially outputs. There was some achievement related to one target, i.e. the budget allocated to the maintenance of feeder roads and small irrigation schemes rose from a baseline of 2.2% to 2.9% at the end of the program, just short of the target of 3%. The planned sale of a tea-processing factory (second target) did not take place. None of the 26 coffee washing stations was privatized (third target). Between 2009 and 2012, 41 stations had been sold (although not under this series), and according to the program documents, growers reaped identifiable positive benefits from these privatizations. This was expected to facilitate the sale of the remaining 26. However, this did not take place, as coffee growers desired to own the stations themselves rather than to have them sold to a third party. The growers had previously not been consulted on the matter. Hence, the original outcome target was dropped, and ERSG VIII included a prior action to develop a more inclusive privatization strategy that would be acceptable to the growers. The ICR (p. 18) reports that by program closure, the share of coffee growers in the 26 stations had risen to 18%.

In 2014, there were negotiations with social impact investors to assist in financing coffee growers' shares in 30 washing stations. At the same time, an international coffee exporting company was considering establishing a branch in Burundi to absorb the output of the washing stations. The political crisis of 2015 brought these negotiations to a halt.

<u>Economic diversification through tapping Burundi's Mining Potential</u>. Burundi possesses large mineral deposits (nickel, coltan and cobalt) that have not been exploited commercially. The operation supported an overhaul of the legal and regulatory framework governing the mining sector to try to tap this potential. As prior actions, the Council of Ministers submitted a new Mining Code to Parliament consistent with best international practices, and adopted a decision to comply with the Extractive Industries Transparency Initiative (EITI). Mining contracts awarded since the adoption of the new Mining Code in October 2013 were also published as a prior action under ERSG VIII. However, no outcomes resulted from these efforts. There was no progress in negotiations for membership of EITI. The outcome indicator target was the meeting of nine benchmarks for membership by the end of 2015. None was met.

Rating
Modest

Objective 3
Objective
Strengthening Social Safety Nets

Rationale
The series focused on developing strategies to enhance social protection for the sections of society most vulnerable to trade, climate and conflict-related shocks. As prior actions, a task force was set up to oversee the development of strategies, operationalize provincial committees to improve the targeting of social safety net (SSN) programs, and increase the budget allocation for social protection in 2014 compared to 2013. The task force completed a social safety nets assessment, and a household expenditure survey and a National Poverty Map (all three triggers for ERSG VII). A national vulnerability assessment and a safety nets action plan with proposed financing were triggers for ERSG VIII.

The main outcome targets for this objective were: (i) the percentage of extremely poor households covered by at least one of the main SSN programs; and (ii) the availability of poverty data and detailed poverty map based on new household consumption survey. The first indicator increased from 28% (average for 2010-12) to 35-50% (average for 2013-14, reported in 2015). An institutional framework was established, with all provinces creating social protection committees involving a high participation by women. The baseline poverty rate (in the 2006 CWIQ survey) was 68.7% and the extreme poverty rate was 46%. These improved in the 2013-14 updated survey to 64.9% and 38.7% respectively. The ICR notes that the crisis reportedly did not have a negative impact on this objective. However, the needs of the very poor increased.

Rating
Substantial

5. Outcome

Although substantially relevant to the Bank and government strategies, the program was over-ambitious for a country in Burundi's circumstances, and design took insufficient account of institutional weaknesses and political economy realities. Many of the program-supported enhancements to PFM and budget transparency were reversed following the political crisis of 2015. Although there was a reduction in the time required to establish a business and obtain construction permits, there was almost no progress in reforming the coffee and tea sectors, and the country's mining potential remains untapped. Efficacy of the first and second objectives is therefore rated modest. A strategy and institutional framework for social protection were established, and the target on the percentage of extremely poor households covered by at least one SSN was achieved. Efficacy of the third objective is hence rated substantial. The shortcomings are considered significant, and outcome is assessed as moderately unsatisfactory.

a. Outcome Rating
Moderately Unsatisfactory

6. Rationale for Risk to Development Outcome Rating

The crisis had a significant negative impact on the outcomes achieved in PFM. Most of the risks identified in the PD (political, macroeconomic, institutional capacity and exogenous factors) materialized. It is unclear when PFM reforms will be restarted. Budget support from external partners was also suspended following the crisis. There is persistent uncertainty in the PSD environment. The risks to development outcome are considered high.

a. Risk to Development Outcome Rating
High

7. Assessment of Bank Performance

a. Quality-at-Entry

The Bank worked closely with the government in preparing the ERSG series, which builds directly on the previous ERSG series and lessons learned from similar operations in fragile countries. The team incorporated specific lessons derived from ERSG 4-5. These include: maintaining flexibility through each phase of the programmatic series implemented incrementally, allowing mid-course corrections, and sustaining engagement in fragile states including through budget support to close the fiscal gap and to maintain reform efforts. However, some specific lessons from the previous DPO series – such as calibrating the ambitiousness of the objectives to local capacity, and adjusting expectations to the realities of the political and socio-economic context - were not fully applied. In particular, greater attention could have been paid to addressing the severe institutional shortcomings, especially at the sector and line ministry levels. The staff of the sector agencies had neither the relevant expertise nor institutional incentives to adopt the new instruments stemming from the reforms – such as medium-term expenditure plans - as their own. Yet little provision seems to have been made for changing these incentives or inculcating the necessary expertise. The Bank team incorporated critical findings from analytical work, including the need to expand the MTEF beyond the pilot sectors, streamlining procedures to reduce the public wage bill (Public Expenditure Management and Financial Accountability Review, PEMFAR, 2008), focusing on the launch of a one-stop shop (ICA, 2008), adopting a new mining code, and developing a comprehensive social safety nets strategy and improving targeting (Policy Note Series, 2011-12). ERSG policy reforms were also supported by the key donors operating in Burundi, including USAID, the European Commission, Belgium, France and Canada. The Bank team worked closely with these donors and with the IMF. M&E design was largely appropriate (see Section 9a below). However, program vulnerability to political change, and the resistance of some parties affected by the reforms (for example, that of coffee growers to private third-party ownership of the washing stations) suggests that the program would have benefited from wider and more in-depth political economy analysis and consultation at the preparation stage.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank team demonstrated flexibility in agreeing to the revision of several policy measures when faced with implementation difficulties. Outcome targets and indicators were adjusted as necessary, for example, with the addition of streamlined tax reductions under ERSG VII and VIII, and the dropping of the tea sector reform. Adjustments were also made to the anticipated coffee sector privatizations in order to address the concerns and ambitions of coffee growers. Emphasis under the third objective was shifted from the originally proposed creation of central institutions under ERSG VI to developing a social protection strategy relaying on provincial and local institutional mechanisms under ERSG VIII.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

8. Assessment of Borrower Performance

a. Government Performance

The government ‘s performance was satisfactory from 2012-14 and unsatisfactory thereafter. The government took key actions to improve PFM, including launching the sector MTEF mechanism, issuing the rules for budget discipline and transparency, presenting the public with systematic information on social sector allocations and publishing the Citizens' Budget. The government also revised the coffee sector strategy, as desired, and strengthened the social safety nets systems. However, the authorities suspended implementation of PFM reforms following the 2015 crisis, including the major efforts that had been made to reinforce transparency, such as the publication of budget execution reports, and audits of government accounts and procurement contracts.

Government Performance Rating

Moderately Unsatisfactory

b. Implementing Agency Performance

The program was implemented by the government as a whole, and there is no separate implementing agency assessment.

Implementing Agency Performance Rating

Not Rated

Overall Borrower Performance Rating

Moderately Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The government relied on the same institutions that had monitored the previous ERSG series to implement the M&E program—mainly the Ministry of Finance and Economic Development Planning (MFEDP). The aim was also to strengthen government capacity and institutions to deliver regular M&E. The existing technical units in the relevant sector ministries and agencies remained the primary interlocutors for the follow up of the reform program. These units (working on specific dimensions of the reform program) were to provide information to the Technical Support Unit (*cellule d’appui*) within MFEDP, which included a representative from the Permanent Secretariat for Economic and Social Reforms. The main institution in charge of M&E was MFEDP.

The series’ results framework was clear, and identified the prior actions, proposed triggers and planned results, with baseline data and post-program targets. As noted above, several indicators were modified to take into consideration stakeholder input, such as in export crop reforms. Although the staff of MFEDP were familiar with monitoring indicators and performance, the staff in the sectors had a lower grasp of the purpose of indicators.

b. M&E Implementation

Despite design intentions, there was little practical involvement in M&E on the part of the sector ministries. This was partly because MFEDP had designed and controlled the monitoring instruments and there had not been systematic involvement of sector staff at the preparation stage. However, there are also issues of technical capacity. During ERSG VII and VIII, efforts were made to encourage sector ministries to play a more important role in strategy development and implementation, including the monitoring of results. Medium Term Expenditure Frameworks were prepared at sector level by trained specialists. Nevertheless, the ministries did not possess the capacity to use these instruments effectively.

c. M&E Utilization

As part of its coordination of frequent missions by external partners, MFEDP used the M&E system not only to monitor progress, but also to identify future externally financed programs. However, after the 2015 crisis, the implementation of reforms and associated monitoring lost their priority.

M&E Quality Rating

Modest

10. Other Issues

a. Environmental and Social Effects

The policy areas and prior actions supported by the operation were not considered likely to cause significant effects on the environment, forests, and other natural resources. The new mining code included much more stringent environmental regulations and safeguards. The coffee/tea sector reform components of the program targeted productivity and efficiency gains. No significant environmental impact was foreseen through any increase in coffee output. A detailed and comprehensive analysis of potential environmental impacts and mitigation options recently undertaken through a “strategic environmental assessment” (RSEA) of the coffee sector in Burundi confirmed the limited environment impact of coffee reform (PD, ERSG VI, p. 44). The ICR does not report on any environmental or social effects.

Policy actions under the third objective of strengthening social safety nets were expected to have positive social and poverty effects, with better coordination of these programs and improved targeting. Gender issues were addressed under this objective to ensure adequate representation of women in local committees responsible for implementation.

b. Fiduciary Compliance

The ICR does not report on fiduciary compliance issues.

c. Unintended impacts (Positive or Negative)

None

d. Other

None

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Unsatisfactory	The program was over-ambitious given the country context. Modest outcomes were achieved under two of the three objectives.
Risk to Development Outcome	Substantial	High	The ICR rates this risk as 'high'. There is no disconnect. This is a system error.
Bank Performance	Satisfactory	Moderately Satisfactory	There were moderate shortcomings in Quality at Entry, including lack of full attention to institutional weaknesses and insufficient consultation with affected parties.
Borrower Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Quality of ICR		Substantial	---

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

12. Lessons

In addition to the lessons presented in the ICR, IEG draws four main lessons from the experience of designing and implementing this series:

- **Effective ownership of the program by sector ministries and agencies requires systematic capacity building**. In this case, the risks attached to Ministry of Finance control and ownership of the design, implementation and monitoring of the reform program were recognized, and attempts were made from the outset to involve the sector agencies in the discussion. Later they were assisted by specialists who designed medium term expenditure programs for the sector agencies. However, little use was made of these instruments, since the staff of the sector agencies had neither the relevant expertise nor institutional incentives to adopt the instruments as their own.
- **For reforms involving privatization, extensive and in-depth consultation with all major stakeholders can help design a program that is acceptable to, and consistent with the ambitions of, affected parties**. In this case, the previously successful privatization of a number of coffee washing stations led to the assumption that the privatization of the remainder would also succeed. This, however, did not take account of the changing perceptions and developing ambitions of the coffee growers.
- **Pursuit of reforms that do not have the necessary degree of political backing is unlikely to be successful**. Although the series supported the development of a new Mining Code and the establishment of a commission to guide the country towards membership of the EITI, the lack of progress in negotiations with the international body, together with the fact that not one of nine benchmarks for membership was achieved, suggests that political buy-in for the necessary degree of transparency in the mining sector was not strong enough.
- **A modest and incremental approach towards assisting the very poor and vulnerable can pay dividends, especially in a fragile country context**. Careful data building efforts, combined with flexibility in terms of the institutional framework and attention to local voices, can result in an important increase in the percentage of the very poor covered by at least one social safety net.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well written. The report presents a clear account of the three original and revised policy areas supported by the program, and describes how prior actions and triggers evolved over time based on implementation experience under the three operations. This is appreciated as it makes it easy to follow achievements and bottlenecks under each operation, and how the Bank team responded to each. The ICR’s rating of overall Bank performance is inconsistent with harmonized guidelines.

a. Quality of ICR Rating
Substantial