Report Number : ICRR0020784

1. Project Data

Project ID	Project Name	
P107355	CI-Governance and Institutional Dev.	
Country	**Practice Area(Lead)**	**Additional Financing**
Cote d'Ivoire	Governance	P147016

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-55010,IDA-H4010	15-Dec-2012	13,000,000.00
Bank Approval Date	**Closing Date (Actual)**	
12-Jun-2008	30-Nov-2016	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	13,000,000.00	0.00
Revised Commitment	18,000,000.00	0.00
Actual	16,858,295.48	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (p. 5), the project's original objectives were "to assist the Recipient in: (i) enhancing efficiency and transparency in the use of public resources; (ii) managing the development of its hydrocarbon resources in an environmentally and socially sound and sustainable manner; and (iii) fostering governance and efficiency in the cocoa sector."

At a June 2014 Additional Financing (AF), the project's objectives were revised to: "achieve enhanced transparency and efficiency in the management of public finances and improved governance and efficiency in the cocoa sector." At the time of this restructuring, 100% of the original credit (68% of total Bank financing) had been disbursed.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
Yes

Date of Board Approval
09-Jun-2014

c. Will a split evaluation be undertaken?
Yes

d. Components
The original project contained four components:

1. Strengthening public financial management (PFM) (appraisal: US$ 4.5 million; AF US$ 3.5 million; actual US$ 7.8 million). This component aimed to improve the efficiency and transparency of public resource management through enhanced procedures for budget planning, execution, and control, and development of capacity for the management of these functions; harmonization of the PFM legal and regulatory framework with the West African Economic and Monetary Union (WAEMU) and international norms; and improvement in the generation and dissemination of economic and financial information. Specific interventions were to include improved capacity for budget preparation through enhancing public investment planning and setting up a Medium-Term Expenditure Framework (MTEF); improving budget classification and nomenclature by reviewing the current nomenclature in accordance with WAEMU and international norms; improving budget execution through the preparation of an institutional audit and development of a manpower plan for strengthening capacity of the Ministry of Economy and Finance (MEF); developing an interface between the budget execution system, procurement system, treasury accounting, and payroll, as well as decentralization of the budget execution system to the country's 23 regions; improving the MEF's production and dissemination of economic and financial information; strengthening audit and control functions; and enhancing transparency and efficiency of public procurement.

2. Strengthening capacity to manage the upstream petroleum sector (appraisal: US$ 2.9 million; AF, 0; actual US$ 2.3 million). This component was to strengthen the government's capacity to manage the development of oil resources in a social and environmentally sound and sustainable manner. It was to contain measures to improve the transparency of petroleum revenue and maximize its generation over time, including by attracting new investors, and develop policy and operational responses to support its institutional and technical capacity to manage social and environmental impacts of increased exploration and production activities. Planned actions included reviews of existing legal, contractual, fiscal, and regulatory frameworks, and capacity-building for revenue forecasting, negotiation and supervision of contracts, and monitoring and implementation of environmental management plans.

3. Setting up of an adequate institutional and regulatory framework for the cocoa sector (appraisal: US$ 2.0 million; AF, US$ 1.0 million; actual US$ 2.6 million). This component was intended to foster governance and efficiency in the cocoa sector by helping the government to establish an adequate policy and regulatory framework, and by increasing the accountability of entities entrusted with management and regulation of the sector. Activities were to include the design and implementation of a strategy to reform the sector, with a key focus on its governance structure and accountability mechanisms; an audit of the census of cocoa growers; and an institutional, technical, and financial audit of the entities overseeing the sector and their associated funds.

4. Project management and communication (appraisal: US$ 2.5 million; AF, 0.5 million; actual US$ 5.3 million). This component was to support the project coordination unit (PCU) and project technical committee; monitor and evaluate implementation of project activities; and finance project audits. It was also to finance communication outreach, intended to inform the public and build demand for governance and transparency reforms.

At the AF, the project removed some activities and added others. The component on the upstream petroleum sector was dropped; the Emergency Project Paper for the AF and the ICR (p. 6) state that its activities were incorporated into government programs, and the ICR (p. 1) additionally explains that the petroleum objective/component were dropped due to "lack of political commitment." The first component, which had completed 97% of planned activities under the original project, added activities on revenue management, budget preparation, and budget execution; local PFM; management of public enterprises; and performance of control units. The third component, which had completed 100% of planned activities under the original project, added activities involving training sessions for farmers' cooperatives, support for the registration of these cooperatives at court offices, and support for the professionalization of cocoa producers. The fourth component continued support for the PCU, including technical and financial audits, implementation of monitoring and evaluation activities, and implementation of communication and information initiatives.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project cost: Total cost at appraisal was US$ 13 million. The ICR's cost tables (pp. 29-30) provide contradictory data on costs and financing. "Project Costs by Expenditure Category" (p. 29) indicates that total cost was US$ 26.1 million, but "Financing" (p. 29) indicates that US$ 29.88 million was actually provided in total from all funding sources, and "Amount Spent over Time" (pp. 29-30) states that a total of US$ 30.1 million was spent. Actual spending on project management was considerably higher than anticipated.

Financing: The original project was financed by a US$ 13 million Grant from the International Development Association. In June 2014, after 100% of the original Grant had been disbursed, the Bank approved an additional Credit of US$ 5 million. The Project Paper for the AF does not list parallel cofinancing, but the ICR (p. 29) indicates that there was US$ 10.35 million planned at the AF and US$ 10.1 million actually provided in budget support through parallel cofinancing, and that US$ 8.4 million in complementary budget support was provided by the Bank between 2012 and 2015 for repairs required to

fix damage caused by civil unrest in 2010-2011. The ICR (pp. 36-39) also lists activities provided under complementary budget support.

Borrower contribution: Although the Emergency Project Paper does not indicate any government contribution, the ICR (p. 29) lists a planned government contribution to the original project of US$ 1.42 million and actual contribution of US$ 1.78 million.

Dates: The original project was approved on June 12, 2008 and became effective on October 22, 2008. A mid-term review was held in November 2010. The closing date of the original project was extended twice, on September 25, 2012 (from December 15, 2012 to September 25, 2013) and July 8, 2013 (to November 30, 2014), to allow for completion of activities. The government requested AF in 2013, but there was a lag in response due to a lack of lending resources available for the country. The AF was approved on June 9, 2014, with a new closing date of November 30, 2016. The project closed as scheduled at the AF, on November 30, 2016.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The original objectives were highly relevant to country conditions at appraisal. As the country emerged from a period of extended conflict, and due to large-scale corruption and extra-budgetary expenditures, a rapid and visible improvement in the governance and transparency of public financial management was critical to sustaining the ongoing peace process and recovery of the economy. Particular attention was warranted for the cocoa and energy sectors, the country's two main export and public revenue sources. The objectives were also in line with the government's post-conflict program, detailed in its March 2008 Letter of Development Policy; two of the four program elements were restoring fiscal and debt sustainability, and sustaining an incipient economic recovery through structural reforms in the key energy, cocoa, and financial sectors. The Bank's Interim Strategy note of April 2008 clearly states, as one of its three priorities, assisting economic recovery and reform by focusing on economic governance and fostering demand for accountability and supporting sustainable economic growth. This project's objectives were highly responsive to that focus. The project was appropriately prepared under OP 8.00, as were all Bank projects in the country during FY 2008, to facilitate rapid response in a fragile post-conflict situation.

The revised objectives responded to continued PFM weaknesses (despite progress under the initial project), and to the government's goal of achieving emerging economy status by 2020 (as outlined in its National Development Plan for 2012-2015). A key element for strengthening governance and efficiency in the economically pivotal cocoa sector was achievement of conformity with the new Organization for the Harmonization in Africa of Commercial Law (OHADA) Uniform Act by all cooperatives operating in the sector; the continuation of the cocoa sector objective was relevant to supporting the professionalization of producers and the development of well-managed cooperatives. The revised objectives were highly relevant to the 2010-2014 Country Partnership Strategy's first pillar on "Strengthening Governance and Institutions," which sought

to set up more efficient and transparent management of public financial resources and increase transparency and efficiency in governance in key economic sectors. The original and revised objectives were also strongly relevant to Bank and government strategy at closing. The Bank's 2016-2019 Country Partnership Framework identifies governance as a cross-cutting priority. Strengthened PFM is a focus area, and the cocoa sector is an important priority under another focus area to accelerate sustainable private sector-led growth. The country's National Development Plan for 2016-2020 has augmented the "Strengthening Governance and Institutions" pillar with a specific focus on modernizing and improving public administration.

The dropping of the hydrocarbon resources objective at the AF, however, reduced the objectives' relevance to country and Bank strategy. The oil industry remains an important economic sector with potentially negative impact on the environment. The Project Paper for the restructuring and the ICR provide two possibly contradictory rationales for the dropping of the objective: that the country was covering oil industry-related activities with its own resources, and that government commitment to the objective and related activities was lacking. The project team confirmed that both of these explanations are valid. To the extent that the latter was a major factor, the objectives became less relevant at the restructuring.

Rating	Revised Rating
High	Substantial

b. Relevance of Design

The planned activities under the original project were plausibly and logically linked to achievement of the objectives. It was reasonable to argue that the efficiency of public resource management would be enhanced through improved procedures for budget planning, execution, and control, and development of capacity to manage those functions, as well as harmonization of the PFM legal and regulatory framework with WAEMU and international norms. Transparency of public resource management would be increased through better generation and dissemination of economic and financial information, and through measures to improve transparency of public procurement. Improvements in the socially and environmentally sound management of the hydrocarbon sector would be expected through the project's planned activities involving enhanced transparency surrounding petroleum revenue (which would in turn attract new investors), and the development of policy and operational responses specifically aimed at social and environmental impacts of increased exploration and production activities. Governance and efficiency in the cocoa sector were to be achieved through the development of institutional and regulatory frameworks, which would logically lead to increased accountability of the entities entrusted with management of the sector. As the ICR (p. 27) observes, the objectives and components were quite independent from one another, but in a complex environment, this level of simplicity, not insisting on sophisticated synergies, was appropriate; it allowed for flexibility later when challenges materialized under the hydrocarbon objective.

An AF was considered to be the best option to scale up the original project while minimizing disruption. Activities added to support revenue management, local PFM, management of public enterprises, and performance of control units were logical "next steps" beyond those completed under the original project toward the desired outcomes of improved efficiency and transparency of public resource management. Similarly, the added activities -- to support cocoa producers in organization, training, registration,

professionalization, and transparency to comply with continent-wide organizational and legal provisions (specifically, the OHADA Uniform Act) -- were foundational toward continued improvements in governance and efficiency of the sector.

Rating	Revised Rating
Substantial	Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Enhance efficiency in the use of public resources/finances

Rationale

The theory of change underlying achievement of this objective was sound. Activities related to better budget planning, preparation, and execution, revenue management, and public procurement were completed largely as expected. These included the deconcentration of the Integrated Public Finance Management System (SIGFIP) to 15 localities (fewer than the 23 planned because necessary rehabilitation and construction at the site were not eligible under the Grant) and three institutions, and of the Integrated System for the Management of Decentralized Authorities (SIGESCOD) to 12 locations; interface of SIGFIP with the Treasury Service Database (and that database's deconcentration to five localities); domestic and international training on PFM, including analysis and forecasting of monetary statistics; development of a National System for Programming and M&E; operationalization of the Chamber of Accounts and National Authority for the Regulation of Public Procurement and related staff training; overall capacity building in PFM, including support for two Public Expenditure Management and Financial Accountability Reviews (PEMFARs, 2008 and 2012); and additional broad support for audit and control functions, including trainings/workshops and purchases of information and communication technology (ICT) for several entities. However, some Treasury systems were not interlinked (with the Tax and Customs Directorates) as planned.

As a result, intermediate outcomes were largely achieved. The number of sites connected to the SIGFIP increased from 23 in 2012 to 60 by project closure, achieving the target. The percentage of budget expenditures captured by SIGFIP increased from zero in 2008 to 95% in 2013, achieving the target. The rate of transposition of WAEMU guidelines and international standards in the national procurement regulatory framework increased from 80% in 2008 to 100% in 2012, meeting the target. Average decentralized budget execution through SIGESCOD increased from zero in 2014 to 100% in 2016, achieving the target. The Public Expenditure and Financial Accountability (PEFA) score for competition, value for money, and controls in procurement improved from C in 2008 to B+ in 2012 (based on a self-assessment), exceeding the target of B. However, because of the shortcomings in implementing systems interlinkage, the average transfer time for Tax Directorate and Customs Directorate documents received at their respective registries to reach the Treasury remained at three days, not achieving the target of one day set at the AF.

Outcomes related to this objective were initially to be monitored through a single PEFA indicator: the composition of real expenditure according to the original approved budget, with a 2008 baseline of D and a target of C. That indicator was dropped at the AF, as a C+ score was achieved in 2013. It was replaced by two new PEFA indicators, the effectiveness of internal controls for non-salary expenditure, with a 2013 baseline of D+ and a target of C+; and the effectiveness of internal audit, with a 2013 baseline of C+ and a target of B. As a PEFA scoring was not timed to coincide with project completion, a project monitoring and evaluation expert followed PEFA methodology in 2016 and assigned a score of C for the effectiveness of internal controls for non-salary expenditure, and a score of B for the effectiveness of internal audit. The ICR (p. 18) acknowledges that the project's self-assessment does not carry the weight of an official PEFA scoring.

Overall, the project largely met targets for its formal outcome indicators, and given the logical progression from outputs to intermediate outcomes to outcomes, these indicators are reasonable measures of achievement of the objective to enhance efficiency in the use of public resources. The interface of the PFM systems has led to tangible efficiency improvements in the areas of budget preparation and execution. Capacity and efficiency of public procurement has increased. The ICR (p. 48) reports that in 2013 alone, the establishment of integrated systems led to savings of more than CFAF 10 billion just on salaries for civil servants. Achievement is therefore rated Substantial.

Rating
Substantial

Objective 2
Objective
Enhance transparency in the use of public resources/finances

Rationale
The theory of change underlying achievement of this objective was also sound. Planned activities were completed as expected. In addition to those outlined under the first objective, relevant activities included support for the operationalization of an Anti-Corruption Brigade within the General Inspectorate of Finance; realization of the National Authority for the Regulation of Public Procurement (ANRMP), allowing for separation of the control (Directorate of Public Procurement) and regulation (ANRMP) functions; training of the Directorate of Public Procurement in global electronic governance; support for the centralization of the Information System Network for the Integrated Accounting of State-Owned Entities (RICI-EPN), including the interconnection of five National Public Institutions; ICT equipment and support for the Commission for Access to Information and Public Documents; and extensive support for media entities (National Radio and Television Broadcast, economic journalists, other press conferences and public debates, and the publication of an official gazette for public procurement). As a result, intermediate outcomes were largely achieved. Integrity and transparency of the procurement process, measured according to Organization for Economic Co-operation and Development/Development Assistance Committee methodology (Pillar IV), increased from

24% in 2008 to 100% in 2013, exceeding the target of 60%. The ICR (p. 47) reports that more than 90% of public procurements have become traceable since 2012. The MEF website was updated and made operational, achieving the target. The share of government transfers to National Public Institutions and internally generated funds executed through RICI-EPN increased from zero in 2014 to 100% in 2016, achieving the target. The PEFA score for an organized and participatory process of budget preparation improved from D in 2008 to C in 2013, achieving the target (again, this result is derived from an end-of-project self-assessment, not an official PEFA scoring).

This objective was initially to be monitored through a single PEFA indicator: the access of the public to principal budget information, with a 2008 baseline of C and a target of B. This indicator was retained, with the same target, at the AF, and a score of B was achieved in 2013. The country moved from 151st in Transparency International's Corruption Perception Index in 2008 to 108th in 2016.

Overall, the project met the target for its formal outcome indicator, and given the logical progression from outputs to intermediate outcomes to outcomes, this indicator is a reasonable measure of achievement of the objective to enhance transparency in the use of public resources. The strengthening of audit and control functions has led to increased transparency and accountability of PFM. Transparency of public procurement has increased. Journalists have become better equipped to cover economic topics. The Transparency International score independently confirms the country's progress. Achievement is therefore rated Substantial.

Rating
Substantial

Objective 3
Objective
Manage the development of hydrocarbon resources in an environmentally and social sound and sustainable manner

Rationale
Implemented activities toward achievement of this objective included support to the negotiation and monitoring of petroleum contracts, to the renegotiation of gas contracts, to the promotion of the sedimentary basin, and to the implementation of monitoring, controls, and audits in the petroleum sector; support for obtaining Extractive Industry Transparency Initiative (EITI) compliance, including accounting audits of the sector and validation of sector accounts; and support for environmental and social management of the sector, including development of a Strategic Social and Environmental Study, an Environmental and Social Development Plan, and amendments to the regulation on environmental standards. Achievement of intermediate outcomes was mixed. The Environmental Management Plan was adopted, but a planned Environmental Management Information System was not put in place. A new legal, regulatory, and contractual framework was revised and updated, and a new fiscal system for the sector was adopted. Planned new tools for petroleum revenue forecasting and variance analysis were not put in place.

This objective was initially to be monitored through two outcome indicators: that new contracts would be subject to the terms and conditions of a new regulatory framework, and that the country would obtain EITI validation. These indicators were dropped at the AF, as the objective was no longer part of the project. EITI compliant status was achieved on May 22, 2013, and EITI reports are produced and validated on regular basis. The hydrocarbon code was revised, but these revisions -- encompassing the legal, regulatory, and contractual framework -- were not based on the draft new code supported by the project; instead, the existing code was amended and improved, but left room for single sourcing and limited competition. According to the ICR (pp. 2, 17), the gas and petroleum sector continues to suffer from "severe deviance" in terms of management and governance, requiring an audit and strong remedial measures in 2016 after project support had been discontinued. Achievement of this objective across the project's lifetime is therefore rated Modest.

Rating
Modest

Objective 4
Objective
Foster/improve governance and efficiency in the cocoa sector

Rationale
The theory of change underlying this objective was sound. Planned activities were implemented, including support for the institutional, technical, and financial audit of cocoa sector entities; for a technical audit and registration of producers in the coffee and cocoa sectors; for a cost update and evaluation of operating costs in new sector structures; for a study on pricing in the sector; and for a value-based taxation study. The recommendations of these audits and studies enabled the establishment of the Coffee and Cocoa Committee (CCC). Extensive awareness and training workshops were held for producers on the new provisions of the OHADA Uniform Act. Intermediate outcome targets were achieved as planned. The value of parafiscal levies (taxes on production and export levied by quasi-official agencies) in the cocoa sector decreased from CFAF 46.46/kg in 2008 to CFAF 9.75/kg, far exceeding the target of CFAF 41.46/kg. Remuneration of producers has increased to at least 60% of the price on international markets. The standard deviation of data provided by the One-Stop Shop, the Bourse du Café et du Cacao (BCC), and Customs decreased from CFAF 20 billion in 2008 to less than CFAF one billion in 2014, achieving the targets; the ICR does not explain the project's role in supporting these entities; the project team explained that the indicator was intended to verify consistency between export declarations on coffee-cocoa recorded at BCC and actual figures from the Customs.

This objective was initially to be monitored through a single outcome indicator: the percentage of parafiscal levies executed in the official government budget, with a 2008 baseline of 0% and a target of 100%. This indicator was dropped at the AF, as the target was achieved in 2012. It was replaced by two new indicators: the number of cocoa cooperatives registered with the CCC that published their accounts, with a baseline of 0

and target of 600; and the number of cocoa cooperatives registered with the CCC that obtained a buyer or selling certificate from the CCC, also with a baseline of 0 and target of 600. By project closure, 2,038 cooperatives had registered with the CCC, and of those, 1,836 had published their accounts and obtained a buyer or selling certificate, far exceeding targets. The AF also set a new target for 60,000 total direct beneficiaries of the cocoa sector activities, 30% of whom were to be female. The actual number of direct beneficiaries was 183,600, of whom 14% were female. The ICR (p. 19) notes that the 30% target was set without clear data from which to project the participation of women in the cooperatives.

Registration of cooperatives and publication of accounts have improved sector governance. The reduction of parafiscal levies and improved data availability are indications of improved sector efficiency. Achievement of this objective is therefore rated Substantial.

Rating
Substantial

5. Efficiency

The Emergency Project Paper (p. 14) states that, while project costs were quantifiable, benefits were indirect, ultimately seen in better performance of public administration and improved service delivery. The initial economic justification of the project was "its contribution to a better functioning government through improved PFM and improvement in the governance and management of the energy and cocoa sectors" (Emergency Project Paper, p, 14). No detailed economic analysis was performed. The Project Paper for the AF (p. 10) provided some additional qualitative information, arguing that "considerable" efficiency gains in PFM were to be expected through reduced processing delays and data mistakes, timely and accurate accounts reconciliation and consolidation, and faster analysis and decision making through timely production and availability of financial data. Significant economic benefits for cocoa producers were to accrue through improved organization and professionalization in a new type of cooperative structure.

The ICR's analysis finds an economic rate of return of roughly 7% (and about 56% for the cocoa sector activities), based on the assumptions that each beneficiary has gained at least US$ 10 as a direct result of project financing, and that there were efficiency gains of about 15% annually. These efficiency gains are said to have resulted from lower parafiscal levies and productivity gains in the cocoa sector, as well as increased transparency and efficiency as a result of modernized PFM processes. The assumptions (US$ 10 gain per beneficiary, and 15% efficiency gains) are not explained or justified, but instead merely asserted as hypotheticals (ICR, p. 64).

The early years of project implementation featured continued delays stemming from "political uncertainties and the nascent state of the government after a long period of conflicts" (ICR, p. 1). The project took 8.5 years to achieve full implementation, more than twice as long as initially planned. Six months of this extension is

attributable to a halt in implementation following political crisis and deadly civil unrest after the November 2010 presidential elections. During this period, the premises of the PCU were looted, with losses of the server hosting project data, paperwork, and the computer that was used for accounting. Momentum was regained after about one year. Overall, there were efficiency implications to the adjustment of the PCU's role over time: initially, it was envisioned as playing a coordinating role with activities primarily driven by the beneficiaries, but after line ministerial focal points largely did not succeed in providing terms of reference, writing reports, and managing activities on time, the PCU took the initiative for active management of the project. These lengthy early implementation delays, caused by both internal (ministerial focal point shortcomings) and exogenous (political instability and looting) factors, were significant impediments to administrative efficiency.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐Not Applicable
ICR Estimate	✓	7.00	100.00 ☐Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Under the original objectives, relevance of objectives is rated high due to strong alignment with country conditions, government strategy, and Bank strategy. Relevance of design is rated substantial, as there was a clear and plausible connection between planned activities and intended outcomes. Achievement of the objectives to increase efficiency and transparency in the use of public resources is rated Substantial, as is the objective to improve governance and efficiency in the cocoa sector. Achievement of the objective to manage the development of hydrocarbon resources in an environmentally and socially sound and sustainable manner is rated Modest, due to the government's adoption of a less far-reaching hydrocarbon code than that developed under the project. Efficiency is rated Modest due to extensive delays and inadequate justification of the assumptions underpinning the ICR's economic analysis. Taken together, these ratings indicate moderate shortcomings in the operation's preparation and implementation. Outcome under the original objectives is therefore rated Moderately Satisfactory.

The relevance of the revised objectives is rated Substantial (rather than High) due to the dropping of the petroleum sector objective, which was still very much aligned with Bank and government strategy. The ICR indicates that lack of government commitment was, at least in part, responsible for the decision to omit that objective at the AF. Relevance of design remains Substantial, as the linkage between activities that were added at the AF and the project's remaining objectives was logical and plausible. Achievement of each of the three objectives is rated Substantial, and efficiency was Modest. Taken together, these ratings also indicate moderate shortcomings in the operation's preparation and implementation. Outcome under the revised objectives is therefore rated Moderately Satisfactory.

In line with outcome under the original and revised objectives, overall Outcome is rated Moderately Satisfactory.

a. Outcome Rating

Moderately Satisfactory

7. Rationale for Risk to Development Outcome Rating

A follow-on Bank-financed project, Public Financial Management Modernization and Accountability (P159842), was under preparation at the time of the ICR to build on this project's activities; according to the project team, it has evolved into a new Program-for-Results operation. Other than the objective and outcomes related to the upstream petroleum sector, government commitment has deepened over the course of the project's lifetime, and the government has adopted structural reforms to help improve the macroeconomic situation and set the stage for growth. Governance-related risks have declined. Petroleum sector-related risks, however, are assessed in the ICR as high (p. 22), though supporting information is not provided (the ICR refers only to unspecified risks highlighted by the Country Management Unit in the project's final Implementation Status Report).

Technical risks are moderate. ICT systems put in place by the project will require maintenance, and although the ICR anticipates that required financing for this task will be available, it is not clear whether it will come from the national budget or donor funds. Although there was considerable training of officials and other stakeholders under the project, high fluctuation in human resources remains a challenge. Stakeholders consulted during the ICR mission listed mobility of human resources and budget constraints related to equipment maintenance as potential obstacles to sustaining achieved outcomes (ICR, p. 22).

a. Risk to Development Outcome Rating

Modest

8. Assessment of Bank Performance

a. Quality-at-Entry

The project's design built on a May 2008 PEMFAR, carried out jointly by the Bank, the International Monetary Fund, the African Development Bank, and the European Commission. This Review identified critical PFM shortcomings and related recommendations for policy reforms and institutional development in the areas of budget comprehensiveness and transparency, budget preparation and execution, dissemination, controls, and procurement, as well as related human resource capacity weaknesses. The project financed critical parts of the action plan outlined in the Review, taking into account ongoing or planned involvement of other donors. The project's energy-related activities built on three audits commissioned by the government in 2007 and financed by the Bank, in the areas of oil refining, oil and gas exploration, development, and production, and electricity. These audits provided the basis for developing a strategy and action plan to strengthen the efficiency and management of the energy sector at large, and to improve the transparency of related physical and financial flows; the project's planned interventions emerged directly from this action plan. Activities related to the cocoa sector were based on clear needs for improving the functioning and governance of existing agencies in the sector, with enhanced transparency in the collection and use of funds and financial management having been identified as clear priorities (Emergency Project Paper, pp. 8-9).

The Emergency Project Paper's risk assessment (pp. 20-23) identified substantial or high risks related to peace and security, implementation capacity, and institutional, governance, and fiduciary concerns. Mitigation measures included reliance on other Bank-financed projects (specifically, the Post-Conflict Assistance Project, US$ 120 million, to address security risks), the simplicity of institutional arrangements and financing mechanisms, and planned intensive attention from the international community to address the potential for interference by vested interests in the cocoa and energy sectors.

However, there were shortcomings. Preparation involved consultations with a wide range of government stakeholders, but there is no evidence of consultations with civil society prior to project approval (ICR, p. 10). The launch of activities and related disbursements experienced delays because preparation did not actively involve some state agencies that would be centrally involved with implementation, and because focal points at line ministries were not engaged in a timely manner. The PCU was put in place late. Overall, readiness for implementation was overestimated.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

Delays early in the implementation period were addressed by the Bank team through mini-Country Portfolio Performance Reviews (on a quarterly basis) that helped identify bottlenecks and make decisions on interventions. Appropriate support was directed toward the PCU and line ministry focal points. Task team leadership was transferred smoothly and only once, and the team was based in-country, enabling continuous interaction with the PCU. Overall, the Bank team worked diligently to regain momentum after the late 2010-early 2011 suspension of activity, and throughout implementation to track progress and to identify and address challenges.

The Bank appropriately added AF in 2014 to respond to government needs and build on earlier progress, in line with the results of a second PEMFAR in 2013. PEMFAR II recommended focus on improvements in efficiency and transparency in budget preparation and execution, as well as sharing of information; strengthening of the interface between the budget execution information system, the procurement information system, treasury accounting, and payroll; extension of the government's financial management information system to local governments throughout the country; monitoring the implementation of a global MTEF; improvements in external auditing mechanisms and in internal auditing systems and procedures; implementation of WAEMU guidelines; strengthening of public procurement practices; and fighting corruption. The Project Paper for the restructuring (p. 5) also contains a detailed rationale for the project's continued support for reform of the cocoa sector, focusing on promoting the professionalism of producers and institutionalization of stronger cooperatives. The Project Paper (p. 8) briefly explains that the upstream petroleum sector objective was dropped because these activities and outcomes had been taken up by the government's own programs; however, the ICR also states that the petroleum sector reforms were not a priority for the government. Overall risk for the AF was rated moderate; the performance experience of the original project was thought to highlight the effectiveness of the original mitigation measures to contain corruption, governance, and capacity risks (Project Paper, p. 11). However, the Bank team did not take advantage of the opportunity provided by the AF to modify the results framework with outcome indicators beyond PEFA scoring that would have enabled more timely measurement of progress.

The ICR (p. 24) notes that, while country-based implementation support was continuous, there were only 13 official implementation support missions over the project's 8.5-year period. The 16 Implementation Status Reports (ISRs) submitted over the project's lifetime frequently contained errors in the documentation of results and did not provide adequate detail on ongoing developments; at times, ISRs were updated just before missions to comply with the six-month requirement, and mission results were then captured in aides-memoire but not reflected in an ISR until the next ISR was due six months later. While actual implementation support was strong, and the AF well conceived and timed, the deficiencies related to project documentation in ISRs constitute a moderate shortcoming.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

Government commitment was high throughout preparation and implementation for the activities related to PFM and the cocoa sector; however, commitment toward transparency and competitiveness in the petroleum sector was weaker. During the first year of project implementation, the government was preoccupied with other priorities (arrangements with the International Monetary Fund and other Bank-financed efforts, finalizing the full Poverty Reduction Strategy paper, and achievement of the Highly Indebted Poor Countries Decision Point), diverting its attention and resources. The new hydrocarbon code

drafted with project support was not adopted; instead, the government opted for revisions to the existing code that were less far-reaching than the Bank would have preferred. Ultimately, the petroleum sector objective had to be dropped from the project altogether, at least in part due to government disinterest. Central government support for the PCU and key staff was strong; however, readiness, capacity, and support among beneficiary ministries caused delays and required the PCU ultimately to shift into an implementation (in addition to coordination) role.

Government Performance Rating

Moderately Unsatisfactory

b. Implementing Agency Performance

As identified at appraisal, implementation arrangements were to be kept simple under three pillars (PAD, p. 17): a Monitoring and Steering Committee (overall oversight and ministerial coordination), the PCU and its Project Technical Committee, and relevant ministerial focal points. These institutional arrangements were continued through the AF. The focal points did not fulfill their responsibilities through most of the project period, forcing the PCU into the role of active project management. Eventually, the PCU established focal cells to increase the capacity of relevant line institutions and worked directly with them to move implementation forward. Overall, the PCU exhibited a high level of ownership and strong commitment to project activities and to achievement of intended outcomes throughout the project's lifetime, adjusting to its more active implementation role with dedication and skill. Implementation challenges, including those related to financial management and fiduciary issues, were addressed and resolved in a timely manner.

Implementing Agency Performance Rating

Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The Emergency Project Paper (pp. 35-36) contains a clear set of results and intermediate results indicators tied to each objective, though there is not a narrative linking these indicators to the project's theory of change. The use of PEFA indicators was problematic, as they are multidimensional and do not fulfill the needs and timing of regular assessments. The Emergency Project Paper does not explain whether or why other indicators were considered and rejected. Some of the intermediate outcome indicators did not have clear arrangements for data collection (and turned out to be inoperable due to lack of data). Responsibility for M&E was assigned to the PCU, and a dedicated M&E specialist was hired.

b. M&E Implementation

At the AF, some results indicators were added and others dropped, in line with the revised objectives and activities. However, the continued use of PEFA indicators translated into continued limited utility for monitoring and adjusting implementation; the periodicity of PEFA assessments was not synchronized with project needs (ICR, p. 13). This meant that scoring at project closing had to rely on the project's M&E specialist implementing PEFA methodology, rather than on actual PEFA assessment. According to the ICR, "weight and rigor" were sacrificed as a result; however, the project is to be commended for having undertaken this independent assessment in order to ensure, as rigorously as possible under the circumstances, the measurement of project outcomes. The indicators selected at the AF to measure progress in achieving the cocoa sector objective, however, were suitable. Implementation and intermediate outcome data were collected and reported on a regular basis, with enhancements to the monitoring plan added at the AF.

c. M&E Utilization

The ICR (p. 14) states that project indicators were actively used in communication efforts of the PCU, especially when demonstrating results and outcomes. The target audiences for these communication efforts are not specified, nor is the use of M&E data and analysis for adjusting project implementation.

M&E Quality Rating

Substantial

11. Other Issues

a. Safeguards

The project did not plan to finance activities that would trigger safeguard policies. Because of policy development in the upstream petroleum sector, however, there were potential environmental implications, and therefore the project was classified as Environmental Assessment Category B and triggered OP/BP/GP 4.01, Environmental Assessment. Under the energy component, the project was to finance a Social and Environmental Assessment to identify regulatory, procedural, and institutional improvements for the prevention and management of potential social and environmental impacts of petroleum operation. Also, as required under OP 8.00, the Bank prepared an Environmental and Social Screening Assessment Framework outlining the approach to be taken during implementation. The AF dropped the upstream petroleum sector component and activities. The AF was therefore classified as Environmental Category C and did not trigger any safeguard policies. The ICR does not state whether there was compliance with Bank safeguard policies. The project team confirmed that there was full compliance.

b. Fiduciary Compliance

According to the ICR (p. 14), financial management and procurement arrangements were consistently rated

Satisfactory throughout both phases of the project. Issues identified during implementation support missions were addressed "promptly and efficiently to a very large extent." No further information is provided.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

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12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Efficiency is rated Modest due to extensive delays and inadequate justification of the assumptions underpinning the ICR's economic analysis.
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Satisfactory	Moderately Satisfactory	The petroleum sector objective was dropped from the project at least in part due to government disinterest. Also, readiness, capacity, and support among beneficiary ministries caused delays and required the PCU ultimately to shift into an implementation (in addition to coordination) role.
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.

13. Lessons

The ICR (pp. 26-28) offers a number of insightful and broadly applicable lessons, including:

When commitment from all parties is secured, assistance to conflict-affected communities can be effective. In this case, the Bank committed to continuous engagement even in a high-risk environment, taking advantage of opportunity and actively managing risks rather than avoiding risk and disengaging.

Commitment and communications capacity is important at all levels, including beneficiary institutions. In this case, beneficiary ministries were not adequately staffed and did not buy in at all stages of reform, forcing the PCU to assume the implementation role in the early stages of project implementation.

Gender inclusion requires adequate analysis up front and targeted action in line with the results of that analysis. In this case, the AF's target for outreach to female beneficiaries in the cocoa sector was based on an inaccurate estimate (whose source appears to be unknown) of women participating in cocoa cooperatives. Regardless of the realism of the target, reaching it would have required deliberate effort to include and support women, which appears not to have been the case.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR is clear, for the most part, and follows ICR guidelines except for the methodology of the split rating (where it rates achievement of objectives separately for the original project and AF, instead of providing a single rating and rationale for objectives that remained in effect over the project's entire lifetime). It harnesses data from a number of sources, including outcome data that were derived by a project M&E specialist according to PEFA methodology in cases where updated PEFA scores were not available. Its lessons are comprehensive and potentially quite useful to other fragile contexts, although several of them draw from challenges not discussed in the main ICR text (possibly raising questions about overall candor). In addition, the explanation of outcomes in the main text does not comprehensively connect outputs to intermediate outcomes and results; even within the space constraints of the ICR's format, a more effective presentation would have represented the overall results chain more systematically without need to reference multiple annexes in order to "connect the dots" between the project's various elements and achievements.

a. Quality of ICR Rating

Substantial