



1. Operation Information

Operation ID P174155	Operation Name Mauritania COVID-19 Emergency DPO
Country Mauritania	Practice Area (Lead) Macroeconomics, Trade and Investment

Non-Programmatic DPF

L/C/TF Number(s) IDA-D6950	Closing Date (Original) 31-Jul-2021	Total Financing (USD) 72,098,523.32
Bank Approval Date 31-Jul-2020	Closing Date (Actual) 31-Jul-2021	
	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	70,000,000.00	0.00
Revised Commitment	70,000,000.00	0.00
Actual	72,098,523.32	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The Program Document defined the Program Development Objectives (PDOs) as (i) strengthen the response to the COVID-19 pandemic, (ii) help protect the poor and most vulnerable, and (iii) lay the foundations for recovery by supporting SMEs and improving debt transparency. The Financing Agreement did not state the objectives.



The objectives of the operation for the purposes of this ICRR (and against which outcomes will be assessed) are as follows:

1. Strengthen the response to the COVID-19 pandemic
2. Protect the poor and most vulnerable
3. Support SMEs and
4. Improve debt transparency

b. Pillars/Policy Areas

The program had three pillars loosely aligned with the three PDOs:

- Pillar 1 supports reforms to protect lives.
- Pillar 2 supports reforms to protect livelihoods.
- Pillar 3 supports reforms to strengthen foundations for economic recovery.

c. Comments on Program Cost, Financing and Dates

The financing of this operation consists of an IDA grant in the amount of SDR 51.1 million (US\$70 million equivalent). The grant was approved on July 31, 2020 and became effective on August 4, 2020. Actual disbursement was US\$72,098,523. The three percent discrepancy was the result of exchange rate fluctuation. The program closed on July 31, 2021 as planned.

3. Relevance of Design

a. Relevance of Objectives

The DPO was aligned with the government's Multisectoral Response Plan to COVID-19 and the National Strategy for Accelerated Growth and Shared Prosperity (SCAPP) 2016-2030, which emphasized strong, inclusive, and sustainable growth, human capital development and access to basic social services, and good governance. The objectives were also aligned with the 2016 Country Partnership Framework, especially Objective 2.1: Increase coverage of the social safety net system and Objective 3.1: Strengthen fiscal management.

The objectives were critical at a time of crisis. Indeed, this operation complemented other World Bank and partner interventions to fill a financing gap in 2020 to mitigate the socioeconomic impact of Covid-19 (Table 5: Unanticipated Financing Needs and Sources in 2020 due to the COVID-19 Crisis, Program Document).

b. Relevance of Prior Actions

Rationale



Objective 1: Strengthen the response to the COVID-19 pandemic
PA1: To help prepare for and prevent infectious diseases, the Recipient’s Prime Minister has adopted an arrêté setting up a multisectoral framework for the management of public health emergencies based on the “One Health” approach.
PA2: To facilitate access and reduce the cost of importing medical supplies and essential food items, the Recipient has promulgated the 2020 Revised Budget law which reduces all customs duties and taxes on medical supplies linked to COVID–19 and basic food imports.
Objective 2: Protect the poor and most vulnerable
PA3: To strengthen transparency and oversight of COVID-19 response expenditures, the Recipient’s Minister of Finance has adopted an arrêté establishing the governance mechanism for the Special Fund of Social Solidarity and Fight against coronavirus.
PA4: To ensure an efficient social protection response to the COVID-19 crisis, the Recipient’s Taazour General Delegation has adopted an arrêté that defines the institutional mechanisms of social safety net interventions, which include the use of the Social Registry to target beneficiaries, a management information system to support monitoring, and a grievance redress mechanism to address claims.
Objective 3: Support SMEs
PA5: To mitigate immediate and medium-term liquidity challenges faced by SMEs due to COVID-19, the Recipient has created a Credit Guarantee Fund for SMEs.
Objective 4: Improve Debt Transparency
PA6: To enhance debt transparency, the Recipient’s Minister of Finance has adopted a decision note to publish annually a public debt bulletin, which contains information on loan details (interest, maturity, and amount), debt service profile, and exchange rate fluctuations, and risk indicators.

Objective 1: Strengthen the response to the COVID-19 pandemic

PA1 (Satisfactory): The COVID-19 pandemic exposed serious gaps in the Government’s capacity to respond to public health emergencies, which the World Health Organization had identified through a Joint External Evaluation in 2017 (p.19, Program Document). PA1 supported moving from an ad-hoc and poorly coordinated to an institutionalized approach to deal with health crisis. The One Health approach, which was recommended by the World Health Organization for improved surveillance and reduced disease spread, would be managed by an inter-ministerial committee in Mauritania to ensure coordinated strategies, surveillance, and policies on infectious diseases. PA1 was a key action along the results chain to more coordinated management of health crisis.

PA2 (Highly Satisfactory): Mauritania relies almost exclusively on imports to meet its demand of medical equipment and supplies, including those needed for the prevention and treatment of COVID-19, and of essential food products (e.g., sugar, wheat, and milk) consumed by households, particularly the poor. PA2 would reduce the costs to consumers of these critical imports at a time when they were most needed to combat the disease and to cushion the impact of rising international food prices. It would contribute significantly to Objective 1 of strengthened response to the COVID-19 pandemic, as well as Objective 2 of protection the poor and vulnerable.

Objective 2: Protect the poor and most vulnerable

PA3 (Moderately Satisfactory): The Government created the Solidarity Fund (*Fonds Spécial de Solidarité et de lutte contre le Coronavirus*, FSSLCC) as the main vehicle to finance COVID-19 expenditures. The fund was



financed by an initial Government contribution and open to private contributions through a dedicated account at the central bank. PA3 put in place a governance mechanism for the fund, whereby all contributions to the fund entered the budget as revenues with a special code and were then allocated as an expenditure to a specific COVID-19 program. The mechanism included an external audit at the end of 2020, reports by all beneficiaries on how the funds had been used, and publication of information on public procurement contracts. These actions would strengthen oversight of COVID-19 spending by ensuring that the expenditures were on-budget, traceable, and accountable. Their link to the objective of protecting the poor and vulnerable was indirect. Among the PAs under this DPO, this PA had the weakest analytical underpinning. It could belong to Objective 1 instead.

PA4 (Satisfactory): The Government's COVID-19 response plan included a temporary, nation-wide cash transfer intervention to 200,000 households in both urban and rural areas to help mitigate the impact of the pandemic. PA4 supported a critical step toward enhancing the efficiency of this intervention by fostering a systemic approach. A key component of the approach was to use the nascent social registry, which included 170,000 poor households selected through a robust and transparent methodology with World Bank assistance, to select beneficiaries for the cash transfer. The remaining 30,000 households would be selected based on beneficiary lists of previous social programs, especially those implemented by the Ministry of Social Affairs. There were no details about the management information system for monitoring and the grievance mechanism for accountability supported under this PA. By improving the targeting of social safety nets, PA4 would contribute to protecting the poor and most vulnerable.

Objective 3: Support SMEs

PA5 (Satisfactory): Various studies (e.g., the Enterprise Survey in 2014, the Executive Opinion Survey for 2014-2018, and the 2019 Global Competitiveness Index) highlighted access to finance as a key constraint for doing business in Mauritania. The MSME Finance Gap data (by SME Finance Forum) indicated that the problem was acute for SMEs, for which the banks' collateral requirements were insurmountable. The situation was accentuated by COVID-19 due to an increase in non-performing loans, a reduction in deposits, and demands for credit restructuring. PA5 supported the creation of a Credit Guarantee Fund for SMEs following the principles established by the World Bank Group in 2015 and by the Organisation for Economic Co-operation and Development (OECD) regarding corporate governance in state-owned financial institutions. It would help lenders mitigate credit risks of SMEs, increase their access to finance, and contribute to their survival and growth.

Objective 4: Improve debt transparency

PA6 (Moderately Satisfactory): The joint World Bank - IMF Debt Sustainability Analysis (DSA) concluded that Mauritania was at high risk of debt distress. To participate in the G20 Debt Service Suspension Initiative (DSSI), which would free important resources to address the Covid-19 crisis, the government must, inter alia, disclose all public sector financial commitments. With World bank support, the authorities had made significant efforts to strengthen fiscal and debt transparency (e.g., finalizing a study on the status of SOEs for 2017 and publishing the financial statements of major SOEs by the Directorate of Financial Supervision, and publishing audited fiscal reports from 2007 to 2018 by the Court of Audit), PA6 supported a government decision to adopt a decision note to publish annually a public debt bulletin, which contains information on loan details (interest, maturity, and amount), debt service profile, and exchange rate fluctuations, and risk indicators. A rating of Satisfactory would require evidence that the absence of such a public debt bulletin (rather than the availability, quality or coverage of debt data) was a major factor underpinning debt transparency. The ICR, however,



points to differences of view with the government on definitions of debt and coverage of reporting as major factors undermining debt transparency.

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

The DPO defined seven indicators to measure results. All the indicators were clearly defined and measurable with baselines and targets. There was a straightforward, credible results linking the PAs to the outcomes measured by the RIs to the objectives, although in some cases the RIs did not fully capture the PAs. The Program Document identified the agencies responsible for monitoring each indicator.

Indicators under Objective 1: Strengthen the response to the COVID-19 pandemic

RI1 (Satisfactory) was a score assessed by the Ministry of Health on multisectoral health coordination. The scores were aligned to WHO Voluntary Joint External Evaluation Guide 2005 and WHO Benchmarks for international Health Regulations 2019. and provided an aggregate measure of a country's capacity to manage health outbreaks in 48 sub-technical fields (p19 of Program Document). The RI would capture the impact of PA1 and measure progress toward strengthened institutional framework for responding to current and future health crisis.

RI2 (Moderately Satisfactory) and RI3 (Moderately Satisfactory) measured the differences between international and domestic prices of COVID-19 medical products and basic food products, respectively. They captured one aspect of PA2 on reducing the cost of these critical imports, but provided no information on whether access were facilitated. Additional indicators such as increased imports and/or consumption of the targeted medical and food products would have been useful.

Indicators under Objective 2: Protect the poor and most vulnerable

RI4 (Moderately Unsatisfactory) captured one of several aspects of PA3 (the ICR lists eight, p.16) for establishing a governance mechanism for the COVID-19 Fund. While it was appropriate for measuring progress in improving accountability and transparency of fund management (through external audits), there were no other indicators to measure advances in other aspects of the governance mechanism (e.g., including all contributions as budgetary revenue, treating all expenditures as on-budget, publishing public procurement contracts, and creating an oversight committee with representatives from government, civil society, the press, the diaspora, and opposition parties). As such, the indicator provided partial information on the impact of the PA toward protecting the poor and most vulnerable (by ensuring that the expenditures were used for the poor).

RI5 (Moderately Satisfactory) captured one of three aspects of PA4. While it measured progress in using the social registry for a better targeting of COVID-19 beneficiaries, which was arguably the most critical component of the actions for increasing the efficiency of social safety nets to target the most vulnerable



households, there was no indicator to measure progress in using a grievance mechanism for better accountability or using a management information system for better monitoring. Consequently, the indicator provided important but partial information on the impact of the supported actions toward helping protect the poor and vulnerable.

Indicators under Objective 3: Support SMEs

RI6 (Highly Satisfactory) adequately captured the impact of PA5. Increasing the number of credit guarantees granted to SMEs was the primary goal for creating a Credit Guarantee Fund for SMEs and help them mitigate the immediate and medium-term liquidity challenges due to COVID-19.

Indicators under Objective 4: Improve debt transparency

RI7 (Moderately Unsatisfactory) captured a small part of PA6. The usefulness of online publication was limited as it conveyed no information on external debt and the definition and coverage of domestic debt was not agreed with the government. It was also the only RI for which the Program Document did not clearly identify the responsible monitoring agency.

Results Indicator	Associate d PA	RI Relevanc e	Baselin e	Target	Actual Value	Actual / Targeted Change	RI Achieve- ment Rating
Objective 1: Strengthen the response to the COVID-19 pandemic							
RI1: Score on multisectoral coordination following a One Health approach	PA1	S	1/5 (2019)	3/5 (2021)	3/5 (2021)	100%	Substanti al
RI2: For COVID-19 medical products, the average difference between the international price (CIF import price at the port of arrival) and domestic price (landed duty-paid price)	PA2	MS	29.4% (2019)	13 % (2020)	7.3% (2020)	135%	High
RI3: For basic food products, the average difference between the international price (CIF import price at the port of arrival) and domestic price (landed duty-paid price)	PA2	MS	24.6% (2019)	11 % (2020)	6.2% (2020)	135%	High
Objective 2: Protect the poor and most vulnerable							
RI4: Percentage of expenditures of the Special Fund of Social Solidarity and Fight against coronavirus devoted to COVID-19	PA3	MU	0% (2019)	90% (2020)	100% (2020)	111%	Substanti al



mitigation measures audited by the court of accounts

RI5: Share of households benefitting from the COVID-19 safety net response that have been identified from the Social Registry	PA4	MS	0% (2019)	75% (2020)	83% (2020)	111%	Substantial	
Objective 3: Support SMEs								
RI6: Cumulative number of credit guarantees granted to small and medium-sized enterprises by the Guarantee Fund	PA5	HS	0 (2019)	100 (2021)	0 (2021)	0%	Negligible	
Objective 4: Improve Debt Transparency								
RI7: Percentage of domestic debt of the general government which is in public domain	PA6	MU	24.6% (2019)	90% (2020)	28.5% (2020)	6%	Negligible	

Rating

Moderately Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Strengthen the response to the COVID-19 pandemic

Rationale

The prior actions under this objective supported a multisectoral framework for managing public health emergencies based on the One Health approach and reducing all customs duties and taxes on COVID-19 related medical supplies and basic food imports. The ICR reports that establishing the multisectoral framework proved to be a just in time solution for the government to mobilize different actors to respond to COVID-19 collaboratively, leading to a functional structure and logistics for organizing and responding to emerging diseases. The ICR provides additional information on the aggregate score (RI1) to measure government capacity to respond to health emergencies, with links to One Health activities and approved budget 2022, and on how the gaps between domestic and international prices for key medical supplies and food products (RI2 and RI3) were calculated and the tariffs temporarily exempted to reduce the domestic prices of the key products. The DPO met or exceeded all targeted changes.

Rating

Satisfactory



OBJECTIVE 2

Objective

Protect the poor and most vulnerable

Rationale

The prior actions under this objective supported the governance mechanism for the COVID-19 emergency fund and the institutional mechanisms of social safety net interventions. The intended outcomes included enhanced transparency and oversight of COVID-19 expenditures and improved efficiency in social safety net. The two outcome indicators only partially captured the scope of the associated PAs, although what they did capture were the most important aspects of the support. The DPO exceeded the targeted changes for both indicators. The ICR provides further evidence on the use of the audit results to promote transparency and to inform policy makers of issues that require attention (e.g., irregularities, anomalies, and poor management of funds). It also informs on the use of the Social Registry to target COVID-19 beneficiaries, with details on how the beneficiaries were selected. Nevertheless, there lacks information on achievement of other aspects of the prior actions (e.g., an oversight committee for the COVID-19 emergency fund, a grievance mechanism for social safety nets) since there were no indicators for these.

Rating

Satisfactory

OBJECTIVE 3

Objective

Support SMEs

Rationale

The prior actions under this objective supported creating a Credit Guarantee Fund for SMEs. The DPO expected that the Guarantee Fund would be operational within a year after its creation, leading to an increase in credit guarantees granted to SMEs through the fund. The ICR reports that, despite many preparatory works, including pre-selection of a top-notch fund manager, the government has not been able to provide public funding to operationalize the fund. Consequently, there was no credit guarantees granted to SMEs.

Rating

Highly Unsatisfactory

OBJECTIVE 4

Objective

Improve debt transparency

Rationale

The prior actions under this objective supported publishing annually a comprehensive public debt bulletin. The indicator on public debt transparency captured only domestic debt, and over the operation the indicator achieved only six percent of the expected improvement. Only 6 percent of the targeted change was achieved



by the target date. However, the ICR presents additional evidence that suggests some progress in improving debt transparency. It notes the decision of the Government to regularize BCM debt, which was not previously reported as part of government debt. Thus, for the first time since 2018, the 2021 debt report recognized the conventional BCM debt of US\$427 million, indicating some progress toward debt transparency.

Rating

Moderately Satisfactory

Overall Achievement of Objectives (Efficacy)

Rationale

The DPO achieved uneven results (with only modest or negligible progress in supporting SMEs), but the operation was successful in the areas of reform targeting the immediate response to the COVID-19 pandemic (Objectives 1 and 2). Given that the main thrust of the operation was addressing the immediate critical needs from COVID-19, IEG has assigned greater weight to objectives 1 and 2 in the overall efficacy rating. The overall efficacy rating is therefore assessed as **moderately satisfactory**.

Overall Efficacy Rating

Moderately Satisfactory

6. Outcome

Rationale

The DPO supported relevant COVID-19 response actions. Of the six prior actions, one is rated highly satisfactory, three satisfactory, and two moderately satisfactory. The DPO achieved satisfactory results in strengthening the response to the COVID-19 pandemic. It contributed significantly to improving the institutional capacity and inter-agency coordination for dealing with current and future health crisis, as well as to reducing the prices of key imports of critical medical supplies and basic food products. The DPO also satisfactorily achieved the objective of protecting the poor and most vulnerable by enhancing the transparency and oversight of the COVID-19 emergency fund to ensure that the funds were used for the intended purposes and by improving the efficiency of the social safety nets through better targeting. The impact of support to SMEs was negligible, and there was some progress in improving public debt transparency.

With the efficacy of the operation assessed as moderately satisfactory and the relevance of prior actions assessed as satisfactory, the overall outcome rating is assessed as moderately satisfactory.

a. Rating



Moderately Satisfactory

7. Risk to Development Outcome

There were several risks to sustaining the development outcomes achieved. The temporary exemption of all customs duties and taxes on critical medical and food imports was meant to be a short-term measure to fight the COVID-19 outbreak. Long-term reduction of these duties and taxes was not in the plan and as the ICR points out, would pose significant fiscal risk. Similarly, the governance mechanism for the COVID-19 fund was an emergency structure and not expected to perpetuate. On the other hand, the institutional improvements in terms of the One Health approach to public health and the use of the Social Registry for social safety net interventions are structural and supported by other Bank engagements to ensure their sustainability. As for the missed results in credit guarantees for SMEs, there were limited outcomes to sustain. The ICR notes institutional capacity as the principle risk to sustaining all outcomes achieved.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

Design of the DPO incorporated lessons from the previous DPF series on the importance of strong monitoring and evaluation, strong ownership from the government, and supporting reforms with existing TA or Bank projects. Most results indicators were clearly defined, each with a responsible entity for its monitoring, a central DPO implementation committee oversaw inter-departmental coordination, and complementary World Bank projects and TA supported each component of the program. However there were shortcomings in the results indicator used to measure debt transparency.

Work from the WHO, the government, academia, and the World Bank provided the analytical underpinnings for the PAs and RIs, which was adequate for the most part. The exception was PA3, where the only analytical work cited was the National Multisectoral Plan for COVID-19 Response, which provided a weak theory of change between the supported actions (creating a governance mechanism for COVID-19 fund), the expected outcomes (increased audit of the fund), and the objective (protecting the poor). Most indicators were appropriate, although some only partially captured the scope of the PAs.

The Program Document provided an in-depth and realistic discussion of the main risks, which it assessed to be substantial overall. The mitigation measures were coherent and relevant. At the same time, the Program Document acknowledged that some risks could not be fully mitigated, including spillovers from regional instability and the government's ability to manage political pressures. However, as the ICR notes, the Bank overlooked the coordination challenges to operationalize the Credit Guarantee Fund, which was linked to the political economy rivalry between the Central Bank and the Ministry of Finance, leading to the most significant failure of the operation.



The Program Document noted that the Bank prepared the DPO with inputs from an extensive consultative process as part of the government's multisectoral response plan to COVID-19 and in close collaboration with multiple UN agencies, the IMF and the AfDB.

Rating

Moderately Satisfactory

b. Bank Performance – Implementation

Rationale

With four of the six PAs closely aligned with other Bank projects, the implementation of the DPO benefited from the longer-term support structure from those projects. The ICR provides limited insight on what the Bank did to monitor progress toward achievement of the targets or its efforts to identify and mitigate new risks to the achievement of the objectives. It refers to an Aide Memoire from the Bank mission in November 2021, but the discussion focuses on how the Bank used this DPO to broaden and deepen its policy dialogue with the government on structural reforms. It reports that after this DPO closed in July 2021, the Bank continued to work with the government on the Credit Guarantee Fund, with the goal to operationalize the fund by mid-2022. These activities suggest that the Bank actively engaged during the implementation of the DPO to support results achievement and sustainability.

Rating

Satisfactory

c. Overall Bank Performance

Rationale

Despite some weakness in the design of the DPO, notably underestimation of rivalry between two key government agencies and the need for additional indicators to capture the impact of the prior actions, the Bank designed and implemented a sound emergency support program, particularly in its efforts to address the impact of COVID and protect the poor. It incorporated relevant lessons from past DPOs, underpinned the prior actions in analytical work by the Bank and others, anchored the standalone operation within other Bank lending and TA support, identified the main risks, used the Bank's and other partners' interventions to mitigate the risks, and continuously engaged throughout program implementation and after program closing to support results achievement.

Overall Bank Performance Rating



Moderately Satisfactory

9. Other Impacts

a. Social and Poverty

The ICR reports a reduction in the number of people in extreme poverty between 2020-2021. It does not attempt to attribute this outcome to the DPO.

b. Environmental

The ICR does not report on the environmental impact of the DPO.

c. Gender

The ICR reports that the success of the Social Registry reform indicates a positive effect on women.

d. Other

NA

10. Quality of ICR

Rationale

The ICR presents an adequate base to support the achievement reported. It cites credible sources for the evidence, provides ample background information to allow proper understanding of the context and progress, and offers candid assessment of both the program's achievements and its failings. It draws six salient lessons, all supported by the evidence and findings of the ICR, operationally relevant, and anchored in the experience of the DPO. It offers valuable insights on how better results could be achieved by learning from the experiences and lessons from this operation.

a. Rating

High



11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Moderately Satisfactory	Moderately Satisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Relevance of Results Indicators	---	Moderately Satisfactory	
Quality of ICR	---	High	

12. Lessons

IEG concurs with the six lessons in the ICR and wishes to highlight the following two points.

First, crises offer opportunities to address development constraints, which governments can exploit by adding structural reforms to emergency measures. This is consistent with the findings of IEG evaluations of Bank Group crisis responses (e.g., *Crisis Response and Resilience to Systemic Shocks: Lessons from IEG Evaluations (2017)* and *Addressing Country-Level Fiscal and Financial Sector Vulnerabilities (2021)*). Taking into account that financial and human resources may be particularly stretched at such a time, the Bank and the governments could carefully select the structural reforms and take incremental steps toward long-term reforms.

Second, the importance of complementary support cannot be over-emphasized, especially for standalone emergency operations that also pursue a longer-term reform agenda. The related support not only increases the likelihood of success of the crisis responses by providing more breadth and depth, but also offers a mechanism to continue the dialogue and complete the reform agenda that cannot be completed quickly.

13. Project Performance Assessment Report (PPAR) Recommended?

No