

Document of
The World Bank

Report No: ICR00003967

IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA-45290, IDA-H4340)

ON A

CREDIT IN THE AMOUNT OF SDR 20.4 MILLION
(US\$32 MILLION EQUIVALENT)

AND

GRANT IN THE AMOUNT OF SDR 11.5 MILLION
(US\$18 MILLION EQUIVALENT)

TO THE

CENTRAL AFRICAN STATES BANK

FOR A

ECONOMIC & MONETARY COMMUNITY OF CENTRAL AFRICA FINANCIAL
INSTITUTIONS PROJECT

March 29, 2017

Finance and Markets Global Practice
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective 3/28/2017)

Currency Unit	=	C.F.A. Francs BEAC
604.346 CFAF	=	US\$1
1.36589 US\$	=	SDR 1

FISCAL YEAR
January 1- December 31

ABBREVIATIONS AND ACRONYMS

AML	Anti-Money Laundering
BCEAO	West African Central Bank (Banque Centrale des Etats de l’Afrique de l’Ouest)
BDEAC	Regional Development Bank, Bank of Central African States (<i>Banque de Développement des Etats de l’Afrique Centrale</i>)
BEAC	Bank of Central African States (<i>Banque des États de l’Afrique Central</i>)
CAS	Country Assistance Strategy
CEMAC	Central African Economic and Monetary Community (<i>Communauté Economique et Monétaire des Etats de l’afrique Centrale</i>)
CFT	Combating the Financing of Terrorism
COBAC	Central African Banking Supervision Agency, <i>Commission Bancaire de l’Afrique Centrale</i>
COSUMAC	<i>Commission de Surveillance du Marché Financier de l’Afrique Centrale</i>
CPS	Country Partnership Strategy
FATF	Financial Action Task Force
FSAP	Financial Sector Assessment Program
FSSA	Financial System Stability Assessment
GABAC	<i>Groupe d’Action Contre le Blanchiment d’Argent en Afrique Centrale</i>
GDP	Gross Domestic Product
IAS	International Accounting Standards
ICR	Implementation Completion and Results Report
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
ISR	Implementation Status and Results Report
IT	Information Technology
M&E	Monitoring and Evaluation
MFI	Microfinance Institution
PAD	Project Appraisal Document
PDO	Project Development Objective
PIU	Project Implementation Unit

RIAS	Regional Integration Assistance Strategy
TOR	Terms of Reference
TTL	Task Team Leader
UGRIF	<i>Unité de Gestion des Reformes des Institutions Financières</i>

Senior Global Practice Director: Ceyla Pazarbasioglu

Sector Manager: Alejandro Alvarez de la Campa

Project Team Leader: Gilberto do Barros

ICR Team Leader: Jean Michel Lobet

COUNTRY
CEMAC Regional Institutions Support Project

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MAP

Data sheet

A. Basic Information			
Country:	Africa	Project Name:	Economic & Monetary Community of Central Africa Financial Institutions
Project ID:	P099833	L/C/TF Number(s):	IDA-45290,IDA-H4340
ICR Date:	03/22/2017	ICR Type:	Core ICR
Lending Instrument:	SIL	Borrower:	BEAC
Original Total Commitment:	XDR 31.90M	Disbursed Amount:	XDR 26.62M
Revised Amount:	XDR 31.90M		
Environmental Category: C			
Implementing Agencies: PIU - UGRIF			
Cofinanciers and Other External Partners:			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	06/12/2006	Effectiveness:	04/27/2009	04/27/2009
Appraisal:	09/15/2008	Restructuring(s):		
Approval:	12/04/2008	Mid-term Review:	09/25/2015	
		Closing:	06/30/2014	02/29/2016

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Moderately Unsatisfactory
Risk to Development Outcome:	Moderate
Bank Performance:	Moderately Unsatisfactory
Borrower Performance:	Moderately Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Moderately Unsatisfactory	Government:	Moderately Satisfactory
Quality of Supervision:	Moderately Unsatisfactory	Implementing Agency/Agencies:	Moderately Satisfactory
Overall Bank Performance:	Moderately Unsatisfactory	Overall Borrower Performance:	Moderately Satisfactory

C.3 Quality at Entry and Implementation Performance Indicators			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	Yes	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Moderately Satisfactory		

D. Sector and Theme Codes		
	Original	Actual
Major Sector/Sector		
Public Administration		
Public administration - Financial Sector	30	30
Financial Sector		
General finance sector	32	32
Payments, settlements, and remittance systems	8	8
Banking Institutions	30	30
Major Theme/Theme/Sub Theme		
Economic Policy		
Fiscal Policy	3	3
Fiscal sustainability	3	3
Public Expenditure Policy	3	3
Tax policy	3	3
Macro-financial policies	3	3
External Finance	3	3
Macroeconomic Resilience	3	3
Monetary and Credit Policies	3	3
Trade	6	6
Trade Facilitation	6	6
Trade Logistics	6	6
Trade Policy	6	6
Finance		
Financial Stability	15	15
Financial Sector oversight and policy/banking regulation & restructuring	15	15
Private Sector Development		
Business Enabling Environment	10	10
Regulation and Competition Policy	10	10

Regional Integration	41	41
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E. Bank Staff		
Positions	At ICR	At Approval
Vice President:	Makhtar Diop	Obiageli Katryn Ezekwesili
Country Director:	Elisabeth Huybens	Mark D. Tomlinson
Practice Manager/Manager:	Alejandro Alvarez de la Campa	Iradj A. Alikhani
Project Team Leader:	Gilberto de Barros	Andres D. Jaime
ICR Team Leader:	Jean Michel Lobet	
ICR Primary Author:	Jean Michel Lobet	

F. Results Framework Analysis

Project Development Objectives (from Project Appraisal Document)

The project aims to strengthen Central African regional institutions so that they can fulfill their mandates to encourage an expanded, better governed regional market, and a more transparent, better regulated and more competitive financial system. This will facilitate the re-utilization of oil revenues for investment in Central Africa. The project supports programs approved by the member governments designed to improve the efficiency of regional institutions. This will be accomplished by strengthening regional institutions. Project outcome indicators are given in Annex 3 and include increases in the percentage of foreign reserves managed regionally by BEAC, growth of investment in regional projects (primarily infrastructure investments), and increases in the percentage of banks meeting key prudential norms.

Revised Project Development Objectives (as approved by original approving authority)

(a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Increase in percentage of foreign reserves managed regionally by BEAC (Percentage, Custom)			
Value quantitative or Qualitative)	35	50		50
Date achieved	12/04/2008	06/30/2014		02/28/2016
Comments (incl. % achievement)	The achievement cannot be attributed to the project. The indicator was achieved before the effective implementation of the activities.			

Indicator 2 :	Growth of BDEAC financing of regional projects. (Number, Custom)			
Value quantitative or Qualitative)	8.20	15		19
Date achieved	12/04/2008	06/30/2014		02/28/2016
Comments (incl. % achievement)	The achievement cannot be attributed to the project. The indicator was achieved before the effective implementation of the activities.			
Indicator 3 :	Banks accounting for percentage increase of sector assets complying with agreed prudential norms by end of project. (Percentage, Custom)			
Value quantitative or Qualitative)	35	80		70
Date achieved	12/04/2008	06/30/2014		02/28/2016
Comments (incl. % achievement)	Indicator was incorrectly drafted based on information provided in ISRs. The objective of the indicator was to measure "percentage of banks complying with prudential norms" Indicator not achieved. Throughout the life of the project, ISRs mention that COBAC does not collect this type of data. Only in 2014, data is provided but no justification on the sources of the data.			

(b) Intermediate Outcome Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
Indicator 1 :	Monetary programming conducted at regional level by Y4 (Text, Custom)			
Value (quantitative or Qualitative)	At regional level	At regional (CEMAC level))		Computer model has been completed, training of staff done. Testing is underway.
Date achieved	12/04/2008	12/05/2012		02/28/2016
Comments (incl. % achievement)	Not achieved. Expert on monetary policy was not available to support the BEAC with the reform of the monetary programming.			
Indicator 2 :	Central Bank/Government paper issued by Y3 (none issued now) (Text, Custom)			
Value (quantitative or Qualitative)	None issued now	Central Bank/Government paper issued by Y3.		Cameroon, Gabon and Chad have all successfully issued paper.

Date achieved	12/04/2008	12/04/2011		02/28/2016
Comments (incl. % achievement)	Achieved. However, the indicator is not relevant since no support was provided through the project to the country authorities on bond issuance			
Indicator 3 :	Cross-border electronic payments transactions in wholesale and retail systems (SYGMA and SYSTAC) cumulative increase of 33% by Y3 and 61% by Y5. (Text, Custom)			
Value (quantitative or Qualitative)	(SYGMA and SYSTAC) cumulative increase of 33% by Y3	(SYGMA and SYSTAC) cumulative increase of 61% by Y5		Cross-border payments are said to have increased by over 70%.
Date achieved	12/04/2008	12/04/2011		02/28/2016
Comments (incl. % achievement)	Achieved according to ISRs; however, the sources of data are unreliable. Furthermore, the project did not have components associated with this indicator.			
Indicator 4 :	Revised and applied BDEAC's policies, procedures and internal controls by Y3 (Text, Custom)			
Value (quantitative or Qualitative)	Outdated policies and procedures	Revised and applied by Y3		Procedures are being developed
Date achieved	12/04/2008	12/04/2011		02/28/2016
Comments (incl. % achievement)	Not achieved. Procedures were developed but are not yet implemented			
Indicator 5 :	All projects evaluated by BDEAC according to new policies by Y3. (Text, Custom)			
Value (quantitative or Qualitative)	Non-standard policies	All projects evaluated		The new policy is being finalized. New BDEAC management is keen to using it.
Date achieved	12/04/2008	12/04/2011		02/28/2016
Comments (incl. % achievement)	Achieved at project closure according to BDEAC authorities. However, no supervision mission was conducted prior to project closure (last ISR was filed 5 months before project closure).			
Indicator 6 :	Improved portfolio performance of BDEAC, as measured by increased ratio of annual disbursements/commitments in the preceding year from 43% in 2007 to 70% by Y3 (Text, Custom)			
Value (quantitative or Qualitative)	43% in 2007	70% by y4		60%

Date achieved	12/04/2007	12/15/2012		02/28/2016
Comments (incl. % achievement)	Not achieved			
Indicator 7 :	New BDEAC's MIS, including accounting system, substantially in place by mid-term and generating financial reports in line with international standards by Y5 (Text, Custom)			
Value (quantitative or Qualitative)	Lack of MIS	In place by midterm and generating financial reports in line with international standards by Y5		Part of the system is in place and should be completed by Project's end.
Date achieved	12/04/2008	04/27/2011		02/28/2016
Comments (incl. % achievement)	Achieved at project closure according to BDEAC authorities. However, no supervision mission was conducted prior to project closure (last ISR was filed 5 months before project closure). Furthermore, many of the systems are still in pilot phase.			
Indicator 8 :	Updated accounting plan for banks in place and used by banks by Y3 (Text, Custom)			
Value (quantitative or Qualitative)	Outdated accounting plan	In place and used by banks by Y3		New accounting for cross border and consolidated financial statements in place
Date achieved	12/04/2008	12/04/2012		02/28/2016
Comments (incl. % achievement)	Achieved after the Y3 deadline but before project closure.			
Indicator 9 :	Plan for application of microfinance regulatory framework and supervision system in place and applied by mid-term review (Text, Custom)			
Value (quantitative or Qualitative)	Not applied	In place and applied by midterm review		Plan is in place
Date achieved	12/04/2008	04/20/2011		02/28/2016
Comments (incl. % achievement)	Achieved after the Y3 deadline but before project closure			

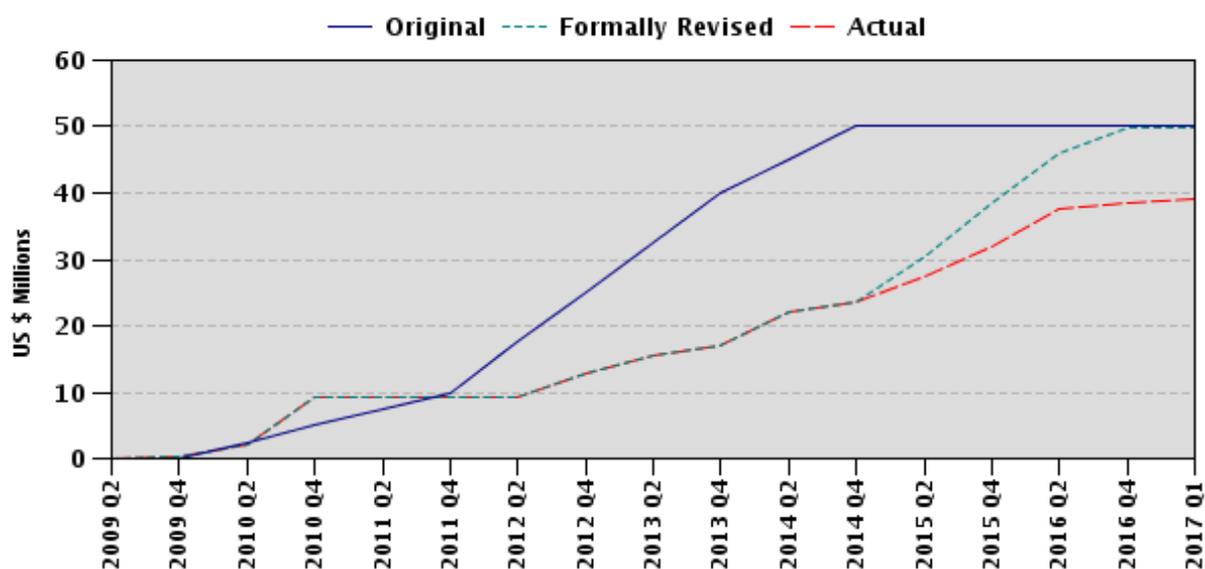
G. Ratings of Project Performance in ISRs

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	06/28/2009	Satisfactory	Satisfactory	0.31
2	12/28/2009	Satisfactory	Satisfactory	2.08
3	06/29/2010	Moderately Satisfactory	Moderately Satisfactory	9.28
4	03/27/2011	Moderately Satisfactory	Moderately Satisfactory	9.28
5	12/10/2011	Moderately Unsatisfactory	Moderately Unsatisfactory	9.28
6	07/10/2012	Moderately Satisfactory	Moderately Satisfactory	12.81
7	01/27/2013	Moderately Satisfactory	Moderately Satisfactory	15.52
8	06/20/2013	Moderately Satisfactory	Moderately Satisfactory	16.90
9	12/27/2013	Moderately Satisfactory	Moderately Satisfactory	22.08
10	07/26/2014	Moderately Satisfactory	Moderately Satisfactory	23.55
11	03/27/2015	Moderately Satisfactory	Satisfactory	29.05
12	10/01/2015	Moderately Satisfactory	Satisfactory	35.10

H. Restructuring (if any)

Not Applicable

I. Disbursement Profile



1. Project Context, Development Objectives and Design

1.1 Context at Appraisal

Regional Context

1. **The Central African Economic and Monetary Community (*Communauté Economique et Monétaire des Etats de l'Afrique Centrale*, CEMAC) is one of the oldest regional blocs in Africa.** The CEMAC has its roots in the colonial era when member countries other than Cameroon and Equatorial Guinea were organized as a federation with a common currency, the CFA (*Cooperation Financiere en Afrique Centrale*). The CEMAC comprises Cameroon, the Central African Republic, Chad, the Republic of Congo, Equatorial Guinea, and Gabon. The region is the smallest of African regional arrangements with a population of about 31 million; countries are contiguous, but forests, few natural trade routes and poor infrastructure make communications and trade difficult. The CEMAC institutions although competently run face important challenges in terms of political interference and limited financial resources. The governance of the CEMAC institutions remains complex (legal framework and country representation) and reform processes can be lengthy.

2. **The CEMAC Region Financial Sector Assessment Program (FSAP) prepared by the World Bank and the International Monetary Fund (IMF) in 2006 noted that the regional financial system was rudimentary, and access to financial services were among the lowest in the world.** The financial system consisted of one central bank (the Bank of Central African States [*Banque des États de l'Afrique Centrale*, BEAC]), 33 commercial banks, one development bank, 16 nonbank financial institutions, more than 1,000 microfinance institutions (MFIs) most of which were grouped into two large federations and networks, and 36 very small insurance companies. The banking sector was shallow, its sources of funding poorly diversified, and lending opportunities limited. Banks' total assets amounted to only 16 percent of the gross domestic product (GDP), and lending to the private sector represented only 7 percent of the GDP (15 percent for Sub-Saharan Africa). Furthermore, there were only 1 million bank accounts and 780,000 customers of MFIs, with penetration rates of only 3 percent and 2.2 percent of the population, respectively.

3. **The macroeconomic situation of the CEMAC region was dominated by the fluctuations of oil prices which posed challenges to the BEAC and the banking sector.** As the regional Central Bank, the BEAC is in charge of conducting monetary policy in the CEMAC region. Monetary policy in the CEMAC region is done in the context of a fixed exchange rate against the Euro.¹ Inadequate cash management practices by governments and the lack of an efficient monetary policy implementation framework limited the ability of the BEAC to tackle effectively the liquidity surpluses resulting from the increase of oil prices. This situation contributed to a strong increase of government deposits in banks (up nearly by 25 percent in 2005) and the settlement of government arrears. Given the weak demand for credit, the surplus bank liquidity on the books of the BEAC rose sharply to around CFAF 750 billion, to which the banks' long positions in foreign exchange must be added, equivalent to some CFAF 400 billion. This situation brought to the forefront the need for the BEAC to develop a coherent monetary policy that addresses the liquidity issue. Furthermore, the BEAC lacked the

¹ As its operational framework, the BEAC formulates common monetary policy targets with the view to meeting the foreign exchange cover ratio established in the monetary cooperation agreement with France (i.e. Operations account with the French Treasury)

framework to assess the adequacy of international reserves to deal with oil sector shocks and determine a corresponding level of government savings.

4. **The prudential framework for the banking system was not fully in line with global good practices, compliance with prudential norms was low and the effectiveness of the regional banking supervisor was limited.** In 2005, nearly one-fourth of the banks were in violation of the minimum capital adequacy ratio and nearly three-fourths did not comply with the limits on large exposures. The effectiveness of the *Commission Bancaire de l'Afrique Centrale* (COBAC), the Central African Banking Supervision Agency, the regional banking sector regulator, was undermined by lack of staff (four staff for off-site inspections and eleven for on-site inspections) and independence (because of role of the finance ministries on the issuance of new licenses and commissioners who are officials from the member country's ministry of finances). Furthermore, since 2002, COBAC was given the mandate to supervise MFIs. This posed new challenges to COBAC as most of the cooperative networks or federations were not able to consolidate or even aggregate the balance sheets of their members, or to supervise them adequately. COBAC did not have the means to effectively conduct the oversight of more than 1,000 MFIs.

5. **Anti-money laundering regulations and supervision at the regional level were embryonic.** The Anti-Money Laundering /Combating the Financing of Terrorism (AML/CFT) framework remained largely ignored outside of the banking sector. The predominance of cash-based transactions in the region made it important to foster the implementation of obligations outside of the financial sector. The *Groupe d'Action Contre le Blanchiment d'Argent en Afrique Centrale* (GABAC) was created in December 2000 to coordinate the development and implementation of the AML/CFT legislation at the regional level. However, it did not have international recognition by the Financial Action Task Force (FATF).

6. **The CEMAC had a regional development bank (*Banque de Développement des Etats de l'Afrique Centrale*, BDEAC), which was not fulfilling its core mandate of promotion of regional integration.** The BDEAC faced serious financial difficulties starting in the mid-80s, principally because of widespread defaults by member countries as oil prices, government revenues, and economic activity declined. In spite of its regional mandate, at the end of May 2006, only about one-third of the BDEAC's portfolio was in regional projects. The portfolio was heavily concentrated in Cameroon and Chad, with commitments in these countries accounting for 65 percent of total commitments net of cancellations.

7. **The region had also two capital markets two regulators²—one national in Douala (Cameroon) and one regional in Libreville (Gabon)—which were underdeveloped and competing ineffectively against each other.** The parallel development of two competing markets raised a number of legal questions, and there was no business case for two exchanges given the relatively high fixed costs and limited number of potential issuers and investors in the region. From the regulatory perspective, a regional capital market regulator, the *Commission de Surveillance du Marché Financier de l'Afrique Centrale* (COSUMAF), was

² There were also multiple custodians.

created but it lacked the recognition, legal foundations, infrastructure, and human resources to effectively fulfill its mandate.

Rationale for Bank Assistance

8. **The World Bank developed multiple regional strategies in the 2000s.** A World Bank Group assistance strategy for the CEMAC region was outlined in a Regional Integration Assistance Strategy (RIAS) of January 2003 (Report No. 25328). The strategy aimed at strengthening the ongoing integration in the community and was based on the premise that regional integration and cooperation could reduce poverty by strengthening the links among the poorer, landlocked countries and their more prosperous coastal neighbors and more generally by helping to establish the basis for faster economic growth. Priority areas in regional integration were macroeconomic policies, trade policies, financial sector integration, and the business environment. A 2006 report which assessed the strategy noted that the large oil windfalls that have resulted from the increase in oil prices suggested that more emphasis needs to be placed on the management of these resources and their use for generating growth within CEMAC. A RIAS of 2008 (Report No. 43022) recognized as one of the key pillars the strengthening of institutional cooperation, focusing, among others, on developing regional financial markets and related institutions, and established capacity development of regional institutions as a crosscutting objective.

9. **In addition to the regional strategy, the Country Assistance Strategies (CASs) of the CEMAC member countries recognized the importance of integration and the need to efficiently recycle oil revenues.** The Cameroon CAS was explicit in noting the importance of improving transit corridors and other infrastructure investments. The Republic of Congo's Interim Strategy Note stressed the role of regional economic management while the Gabon CAS emphasized the need for Gabon to exercise its leadership and honor its commitments to the sub-region. The Chad CAS emphasized trade and transport facilitation and focused on a Diagnostic Trade Integration Study to identify obstacles to regional integration, while the Central African Republic Interim Strategy Note advocated for a regional transport program.

10. **The World Bank was also increasingly focusing on a regional approach to member countries' development in the 2000s.** The World Bank Group already had experience on financing projects at the regional level. Three other projects related to the financial sector were implemented or were in the process of being implemented during the development phase of the CEMAC regional project: Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Regional Payment Systems, CEMAC Regional Payment Systems, and West Africa Economic and Monetary Union Capital Markets Development Project. However, it was the first time that the World Bank Group will finance a regional project with such a broad scope and six different beneficiary institutions.

1.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)

11. The project aimed to strengthen the Central African regional institutions so that they can fulfill their mandates to encourage an expanded, better governed regional market, and a more transparent, better regulated, and more competitive financial system. This will facilitate the reutilization of oil revenues for investment in Central Africa. The project supports programs approved by the member governments that are designed to improve the efficiency of regional institutions. This will be accomplished by strengthening the regional institutions. Project outcome indicators are (a) increase in the percentage of foreign reserves managed regionally

by the BEAC; (b) growth of investment in regional projects (primarily infrastructure investments); and (c) increases in the percentage of banks meeting key prudential norms.

1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and reasons/justification

12. The PDO and key indicators were not revised during the project implementation.

1.4 Main Beneficiaries

13. The main beneficiaries of the project were the six CEMAC institutions including the BEAC, COBAC, BDEAC, COSUMAF, GABAC (AML/CFT authority), and the CEMAC Commission. Furthermore, the assistance provided under the project was of the nature of a public good, benefiting the member economies at large. The reforms envisaged were supposed to facilitate economic and trade relations in the sub-region and strengthen regional integration, benefiting particularly the population in the poorer, landlocked countries. Furthermore, work envisaged under the project on microfinance was particularly important in protecting the savings of the most vulnerable populations and promoting financial inclusion.

1.5 Original Components (as approved)

14. The project supported programs designed to improve the effectiveness of the six regional institutions. IDA-financed advisory services, training, equipment, software, hardware, and materials and supplies are required to carry out the activities described in each of the components.

Component 1: Strengthening the Central Bank - BEAC (IDA financing US\$14.5 million credit)

15. The project will support the implementation of the Strategic Plan of the BEAC which was approved in 2008 and covers four strategic themes: increasing the effectiveness of monetary policy; modernizing the BEAC's operations; improving the BEAC's governance and its policies and procedures; and enhancing the BEAC's role in the region. The strategic plan aims to improve the effectiveness of the BEAC in carrying out its core missions, namely the definition and implementation of monetary policy and the management of foreign exchange reserves and the payments system. It also seeks to strengthen support activities such as the BEAC's training programs and telecommunications/information systems. The strategic plan is in line with the recommendations of the 2005 Regional FSAP and will entail reforms both at the headquarters in Yaoundé and in the BEAC offices in each of the member countries.

16. The project will support actions to increase the effectiveness of the monetary policy by adapting it to address the system's current excess liquidity, improving the research function and statistical base, and by putting in place new policy instruments (government paper) which will also help develop regional securities markets. Activities envisaged, include among others, (a) refining monetary programming by updating the methodology and introducing it at the regional level; (b) strengthening the statistical base for policy making; and (c) introducing government paper. In addition, work launched on a credit registry (*Centrale des Risques*) and a system consolidating financial statements for key enterprises (*Centrale des Bilans*) will be completed.

17. The project will also support BEAC actions to improve reserve management through measures to optimize the return on investments and consolidate management of monetary reserves and gold stocks. Activities include analytical work to determine an appropriate asset allocation of reserves and to expand the range of investment instruments used. The establishment of a specialized documentation center is also envisaged.

18. In addition, the project will also support measures to encourage the use of the regional payments system to expand access to financial services through banks and MFIs. Activities include the study and implementation of measures to (a) simplify access to the system; (b) encourage the use of the systems by MFIs; (c) discourage paper-based transactions and encourage electronic means of payment; and (d) introduce a system to track 'incidents' of payments.

19. The project will also support improvements in support activities, notably human resources management, telecommunication/information systems development, and its external relations function. Key elements include (a) developing training and human resource development systems; (b) improving telecommunications network and information systems, including definition of an information master plan; and (c) strengthening competencies in the department/units dealing with internal controls.

Component 2: Encouraging Regional Investment Financing (IDA financing US\$15 million credit)

Subcomponent A: BDEAC (IDA financing US\$9 million credit)

20. The project aims to support the BDEAC and implement its business plan for the next five years. The BDEAC has been designated by member governments as the main vehicle channel in investment financing in the region and is being restructured. The objective of the BDEAC's business plan is to modernize and strengthen the institution so that it better performs its functions of promoting economic development and regional integration. The program aims to improve governance, project evaluation, and portfolio management; financial management; and support activities. The following will be carried out, among others: (a) strengthening policies, procedures, and internal controls (lending, portfolio management, safeguards, and financial auditing); (b) strengthening project evaluation and portfolio management by implementing new policies and procedures and improving staff competencies; (c) putting in place new policies on investments, asset-liability management, treasury operations, and risk assessment of financial intermediaries; (d) definition of a strategy for resource mobilization; (e) establish guidelines for auditors in line with international practices; (f) improving management tools and designing and implementing a medium-term information systems plan; and (g) preparing and putting in place a comprehensive training program to upgrade staff skills.

Subcomponent B: Feasibility and Pre-investment Study Fund (IDA financing US\$6 million credit)

21. Investments in regional projects, particularly infrastructure, are central to integration and growth in the CEMAC region, but have been slow to materialize, in part because of their size, but also because of the risk factors associated with the region which is still perceived as a 'high-risk, high transactions cost' area by the private sector in spite of the substantial reforms over the past decade. The project would support a fund that will help finance feasibility and pre-investment studies. The fund would be managed by the BDEAC which does not have appropriate resources to finance the studies. The studies would be carried out at the request of

an investor operating in the region under a public-private partnership, a member government, a regional organization, or a local government in the region. If projects translate into BDEAC financing, the cost of the study would be refinanced under the BDEAC loan. If this is not the case, the portion of the cost of the study financed by the credit would be absorbed by the BDEAC. The feasibility work to be carried out under the project is a necessary prior step for the adequate implementation of a regional investment financing program. The proposed study fund is not a line of credit; the criteria under OP/BP 8.30 do not apply.

Component 3: Improving Regional Economic Policy Coordination, Financial Sector Supervision, and Financial Integrity (IDA financing US\$14 million grant)

Subcomponent A: CEMAC Commission (IDA financing US\$3 million grant)

22. The project aims to strengthen the CEMAC Commission (*Commission de la Communauté Economique et Monétaire de l'Afrique Centrale*) so that it is able to fulfill its mandate. Specifically, the project will support activities that aim to facilitate policy convergence and trade and financing in the region, improve information to facilitate policy making and investment, and facilitate infrastructure development. The project will finance advisory services, materials, supplies, training, and hardware to support the following activities: (a) harmonization of procedures for the elaboration of economic statistics; (b) implementation of an analytical tool to assess practices in transport corridors; (c) establishment of a database for CEMAC ensuring cooperation with the BEAC and BDEAC; and (d) implementation of a training program to upgrade the CEMAC Commission staff's skills.

Subcomponent B: Supervision of Financial Institutions (IDA financing US\$7 million grant)

23. The project aims to help strengthen COBAC so that it can perform its functions of ensuring the stability of banking and nonbanking financial institutions and protecting depositors. COBAC has prepared an action plan which is anchored on the recommendations of the Regional FSAP. The project will focus on upgrading the regulatory framework and the supervision of banks and MFIs. The following activities will be carried out: (a) revision of banking prudential regulations; (b) upgrading the banking supervision system; (c) improvements in the regulation and designing and putting in place a system for supervision of MFIs; (d) putting in place a management information system adapted to COBAC's requirements; (e) carrying out studies promoting banking sector integration and development; and (f) implementing a staff training program. Preparatory work under this component, including the definition of microfinance accounting was financed under the Project Preparation Facility. The IMF and the Government of France provided assistance in the initial organization of COBAC and staff training.

Subcomponent C: Supervision of Financial Markets (IDA financing US\$2 million grant)

24. The COSUMAF, the regulatory agency charged with supervision of the financial market, has begun preparation of regulations to govern the exchanges and has developed an ambitious business plan covering the period 2007–12. However, given the lack of proven viability of the two parallel markets, it is not evident if the project should support the development of the COSUMAF under the current institutional framework. Therefore, it is proposed that, for the time being, IDA financing be limited to a study on the feasibility of the financial market, targeting harmonization of the legal and regulatory frameworks and the technical interconnections between the existing exchanges. Additional IDA financing would

be subject to agreement on the restructuring of the markets, in accordance with the recommendations of the study.

Subcomponent D: Financial Integrity (IDA financing US\$2 million grant)

25. The project will support GABAC which has elaborated an action plan during project preparation. The project will support GABAC to carry out the following activities in its action plan: (a) a regional public information campaign on money laundering and financing of terrorism to make stakeholders, including senior government officials, aware of the policy issues, existing legislation, and national requirements; (b) updating, as needed, the legislation and regulations applicable to money laundering combating financing of terrorism; and (c) strengthening the regulatory framework by GABAC's General Secretary by, among others, establishing appropriate evaluation methodology and operational procedures, carrying out staff training, development of information systems, and necessary communications facilities with national AML/CFT authorities.

Component 4: Support for Project Implementation (IDA financing US\$3 million grant)

26. The project will support the regional coordination team in the BEAC as well as technical assistance as required for project implementation.

1.6 Revised Components

27. Component 3, Subcomponent B (Supervision of Financial Markets) was revised to broaden the assistance to the COSUMAF. Originally, the support to this institution was limited to a feasibility study on the potential harmonization of the two stock markets. During implementation, the team realized that such a study was already in the process of being carried out by the African Development Bank. Activities carried out included (a) acquisition of equipment (information technology [IT] and electricity generators); (b) technical assistance (study on the depth of the regional capital market and development of an internal operations manual); (c) capacity-building activities (IT and securities-related trainings); (d) dissemination activities (workshops and trainings); and (e) support the International Organization of Securities Commissions (IOSCO) application process (including administrative application fees). Close to US\$1,348,248.69 were used for these activities.

1.7 Other Significant Changes

28. **The project went through a Level 2 restructuring since the closure's deadline was extended from June 30, 2014 to February 29, 2016, and some of the proceeds of the project were reallocated among different components.** The extension of the project was required because of the slow start of the project. The Project Implementation Unit (PIU) and the project coordinators of the relevant institutions were only appointed 12–18 months after the beginning of the project. Furthermore, the Task Team Leader (TTL) of the project was changed four times in two years, which also created delays, particularly as it relates to the approval of no-objection requests (a backlog of close to 30 no-objection requests). Furthermore, the project was suspended for approximately six months by the disbursement department because of governance concerns at the BEAC and without effective internal and external coordination which delayed the implementation of the project even more. The extension of the closing date and reallocation of funds were required to ensure the project meets its development objectives. Furthermore, some of the proceeds of the project were reallocated (see Annex 9)

29. **An additional extension request was submitted but it was denied by the World Bank Group.** The BEAC submitted a request to extend the project for an additional year to give more time to the BDEAC to use the US\$6 million funding allocation for feasibility studies and to ensure the smooth implementation of other components that were implemented just before the end of the project. However, the request was not approved by the World Bank Group on the grounds that the other beneficiary entities will complete the implementation of their respective activities and there was no business case to extend the project closure for one institution only.

2. Key Factors Affecting Implementation and Outcomes

30. The credit of US\$32 million and the grant of US\$18 million were approved by the Board of Executive Directors on December 4, 2008. The project became effective on April 27, 2009. Article 5 of the Legal Agreement set a few covenants for the effectiveness of the agreement. Particularly, Article 5 of the agreement provided a set of legal covenants to be implemented within 90 days after the signature of the agreement. These conditions of effectiveness were (a) adoption of a project operations manual; (b) creation of a steering committee comprising the governor of the BEAC and the heads of the different beneficiary institutions; and (c) creation of a monitoring committee chaired by the Director General for Studies, Finance, and International Relations and composed of the heads of the different beneficiary units. Furthermore, Schedule 2 of the agreement required that a Financial Institutions Reform Management Unit, the PIU, be created and be composed of key staff including financial management, accountant, procurement, IT, and monitoring and evaluation (M&E) specialists. The staff were supposed to be recruited within 2–4 months after the signature of the agreement. Finally, each recipient entity must have appointed, within a month after the effectiveness of the agreement, qualified project coordinators. Many of these conditions were not met way beyond the required deadlines as it will be explained in the following paragraphs.

2.1 Project Preparation, Design and Quality at Entry

31. **The project design was heavily inspired by the findings and recommendations of the CEMAC FSAP of 2006.** The project team designed the project based on the key recommendations of the 2006 FSAP (a) shortcomings of the BEAC in the area of monetary policy; (b) deficiencies of COBAC with regard to prudential regulation development and effective supervision of the financial sector; (c) obstacles preventing the development of capital markets (that is, existence of competing stock exchanges); (d) access to finance and financial inclusion as it relates to the microfinance sector; and (e) AML/CFT.

32. **The design of the project was in line with the challenges of the region at the time.** During the project design phase, the region was experiencing a high level of liquidity surpluses because of the rise of oil prices (more than US\$100 per barrel). This situation created important challenges for the BEAC with regard to management of the excess of liquidity and foreign reserves (most of the reserves in foreign currency were generated by oil exports). Furthermore, higher level of liquidity in the banking sector, particularly in oil rich economies such as Cameroon, Gabon, Chad, and Equatorial Guinea increased the pressure on COBAC to enhance its supervisory capabilities for prudent management of the deposits by the banks. This macroeconomic context was a good opportunity for the region to effectively manage these surpluses and channel them effectively to productive projects and investments. However, all the CEMAC institutions were facing several challenges including lack of proper IT infrastructure, human resources, unclear or conflicting mandates, and weak governance making

it very difficult to effectively tackle these challenges. It was therefore key for the World Bank Group to provide through this project the necessary tools for these institutions to effectively fulfill their mandate and to allow effective management of the liquidity surpluses generated by the high hydrocarbon products prices.

33. **The lending instrument selected for this operation was adequate according to the structure and objectives of the project.** The project was financed by a Specific Investment Loan (SIL). The project was financed with IDA financing in the total amount of SDR 31.9 million (US\$50 million equivalent in the form of a Credit in the amount of SDR 20.4 million (US\$32 million equivalent) and a Grant in the amount of SDR 11.5 million (US\$ 18 million equivalent). This was the most appropriate instrument to finance the advisory services, training and equipment, materials and supplies required in support of the reforms of CEMAC institutions. Only BEAC and BDEAC had the financial capacity to obtain and repay a credit from the World Bank Group. The other beneficiaries have budgetary limitations that will not allow them to obtain a credit. Therefore, the grant instrument was adequate to finance the activities of these institutions.

34. **Regional programs with multiple regional counterparts were rare at the time of the development of this operation; however, the team tried to incorporate as many lessons learned from previous operations.** During the design of this operation, involvement of the World Bank in regional operations with regional counterparts (particularly in the financial sector) was limited to a few projects. Regional projects with national counterparts were more prevalent (i.e. infrastructure and agriculture projects). The team took on board the lessons learned from the BCEAO payment systems project (IDA-34240) which encouraged TTLs from other regional projects to build programs that are flexible to deal with unexpected developments such as new study results, technology changes, or higher costs. However, at that time, other regional projects were either under preparation and/or under implementation and not many lessons learned were available to draw upon.

35. **The composition of the team at the design phase was not adequate taking into consideration the ambitious scope of the project.** The project was very ambitious in its thematic coverage because it touched upon a broad range of institutions and technical issues affecting the financial sector, including monetary policy, foreign reserves management, banking supervision, capital markets development and supervision, AML/CFT, regional financial integration, regional financial investments, IT infrastructure, and human resources management. The team composition during the design phase (see page 79 of Project Appraisal Document [PAD]) shows that no global experts from central/anchor teams (now called Global Practices) contributed to the design of the project. Senior experts only provided observations during the Concept Note of the project. The technicality of the topics, particularly as it regards to monetary policy or banking supervision, would have required the full-time presence of global experts during the identification, design, and preparation phases to ensure that the design of the project was adequate and implementation actions were technically sound, realistic, and aligned with local realities. The lack of global experts on the team had implications on the choices of the indicators (PDO and intermediary indicators) used to measure the successful implementation of the program.

36. **The selection of indicators to measure the performance of the project were too high level and presented attribution problems.** The indicators to measure progress toward the PDO, although relevant, were not adequate to measure the impact of the operation taking into consideration the expected outputs. Although at the end of the project two of the three development indicators were met and surpassed, it is very difficult to attribute these results to

the implementation of the project. Two of the three PDO indicators were achieved before the effective implementation of the activities. Two of the six beneficiary institutions did not have performance indicators. For a detailed discussion on the performance indicators, see section 3.2.

37. The engagement process with key counterparts and the donor community appeared to be limited. The main language of communication in the CEMAC region is French. However, none of the project documents including the PAD were translated into French before the approval of the project by the Board. In fact, the PAD was only translated into French two years after the approval of the project. It is very difficult to understand how the authorities endorsed the specifics of the program taking into consideration that the main project document, the PAD, was not available in French. Interviews with project counterparts confirmed this issue. The fourth TTL had to spend a significant amount of time with project counterparts during the project implementation phase explaining the main components of the project to generate a sense of ownership of the program by the client. Furthermore, the work with other donors was not properly coordinated. For example, during the implementation phase, it was discovered that the only deliverable assigned in the project for the COSUMAF was in the process of being completed by another donor, the African Development Bank.

38. The implementation arrangements of the project were not carefully thought through before the approval of the project. The PAD mentions that a PIU was supposed to be created within the BEAC to facilitate the administrative coordination of the project. In addition, every beneficiary entity was supposed to be accountable for the implementation of their respective project components. However, the PIU was only operational after 18 months and project coordinators were nominated unevenly, in some cases two years after the entry into effectiveness of the agreement. Taking into consideration the complexity of the project and lessons learned from previous projects (the BCEAO and the CEMAC payment systems) where coordination challenges affected the smooth implementation of the projects, the World Bank Group should have made sure that the PIU was operational (that is, fully staffed, trained in the World Bank Group's procurement methodologies, with an operations manual and a procurement plan for the first year of operations) and the nomination of project coordinators were a prerequisite for the signature of the agreement (that is, like a prior action in a Development Policy Operation). If the counterpart was not able to implement these actions because of financial constraints, retro-financing options could have been explored. Furthermore, procurement capacity at the PIU and the beneficiary entity levels were not sufficiently developed in the preparation phase of the project. Therefore, when the PIU started operations, according to the Implementation Status and Results Reports (ISRs), many procurement requests were rejected because they were not in line with the World Bank Group standards.

39. The project was too ambitious in its coverage and lacked a strategic approach and selectiveness compared with the beneficiary institutions. Six institutions were selected as the main beneficiaries of the project without proper assessment of their internal political economy, strategic relevance, and implementation capabilities. A more focused approach on the selection of the beneficiaries and areas of intervention would have made the implementation of the project more effective and more impactful.

40. A demand assessment was not conducted for the second component of the BDEAC program which resulted in the lack of use of US\$6 million of financing. One of the subcomponents of the assistance provided to the BDEAC was about making available funds for feasibility studies for regional investment projects. Although the original idea of providing

funding to conduct feasibility studies for the BDEAC to finance regional projects was very innovative, a demand assessment could have been conducted to better understand the needs and real costs of such studies. The funding for feasibility studies was capped at US\$700,000 per project. According to the project's counterpart, this amount was not sufficient to finance such studies. However, from the World Bank Group's perspective, the lack of use of the funds was the result of governance issues at the BDEAC during the implementation phase.

41. The risk parameters identified in the PAD were sometimes underestimated. Critical risks from component to outputs and outputs to objectives were identified including the lack of commitment of the institutions, political problems or disruptions, implementation challenges because of multiplicity of counterparts located in different countries, lack of internal capacity, authority of the implementing units, and retention of skilled staff and disagreements on the location of the regional stock exchange. All the risks were ranked moderate or low. During the life of the project, many of the risks materialized and the lack of appropriate mitigation measures delayed the implementation of the project such as in the following examples:

- The risk on coordination of the work of multiple agencies was underestimated. This risk was rated as moderate but should have been ranked as high as poor coordination delayed the project by almost 2.5 years.
- The risk on political disruptions on a specific country also materialized. The CEMAC Commission was relocated from Bangui to Malabo because of the civil conflict in the Central African Republic. The relocation of the CEMAC Commission was not conducted in effectively and, today, this entity operates on an ad hoc basis only. The staff of CEMAC left Malabo and moved back to their country of origins for a while. Only in December 2016, an official decision was taken to fully operationalize the CEMAC Commission's new headquarters in Malabo. As a result, investments of the project on the CEMAC and GABAC components in IT infrastructure (computers, databases, and telecom materials) were vandalized and destroyed during the political unrest in the Central African Republic. This risk was rated as moderate; however, it should have been rated high taking into consideration the volatility of the region.
- A risk that was not identified was the sustainability challenges of the achievements of the project because of the difficult financial situation of certain beneficiary institutions. The financial performance of the beneficiary institutions is very uneven. Certain institutions such as the BEAC or the BDEAC have significant budgets to maintain the equipment that were procured during the implementation of the project. However, other institutions such as GABAC, the COSUMAF, and COBAC have financial limitations that may result in lack of proper maintenance of the equipment acquired through the life of the project and software renewal licenses.

2.2 Implementation

42. The project had a very slow start due to the late establishment of the PIU which resulted in significant delays of the implementation of the activities. The project was signed in December 2008 and became effective in April 2009. During the 90 days after the signature of the project, a PIU was supposed to be created and operationalized, and project coordinators per beneficiary institution were supposed to be nominated. However, the PIU became operational only 18 months after the agreement entered into force. Furthermore, the nomination of project coordinators was delayed in multiple occasions. As a result, close to 20 months after

the effectiveness of the agreement, the project was officially initiated. In addition, a high-level steering committee to monitor the effectiveness of the implementation of the program was supposed to meet regularly to monitor the smooth implementation of the project. However, this committee only met two times during the life of the project.

43. **In parallel to the slow start of the PIU, the project also suffered from multiple TTL changes.** During the life of the project, there were four TTLs for the project. All these changes happened during the first 2.5 years of the project. The lack of an effective and permanent TTL at the beginning of the implementation phase resulted in an important backlog of no-objection requests, approvals, and lack of proper supervision. According to the ISRs, there were close to 30 no-objection requests that were pending for more than six months. The lack of an effective and permanent TTL probably contributed to the slow operationalization of the PIU because of lack of proper follow-up. With the appointment of the fourth and last TTL until project closure, the operation moved to effective implementation and disbursement.

44. **The project was also suspended by the Disbursement Department in 2010-2011.** The Disbursement Department of the World Bank Group suspended the project because of governance concerns at the BEAC. The World Bank Group was not the only donor that suspended its operations with the BEAC. The IMF also suspended its projects with the BEAC in 2010. Fiduciary reports conducted during the supervision missions, however, never highlighted any mismanagement of the money by the PIU or by the project beneficiary entities. Beyond the validity of the suspension decision, the World Bank Group performed poorly internally because the suspension of the project was not communicated to and coordinated with the TTL, and the client counterparts were not officially informed. The TTL learned that the project was suspended in 2012 when the counterpart submitted a disbursement request and it was rejected on the grounds of the project's suspension. Ultimately, the suspension was lifted after proactive follow-up and coordination by the project's TTL with support from Legal vice presidency.

45. **With almost three years of delay and very low levels of disbursements, the project did not go through an official midterm review process.** The project did not undergo a midterm review in 2012. The government counterparts requested not to organize the midterm review as the amount of work required to conduct it will distract the beneficiary entities that were finally implementing the project without major delays. However, a midterm review would have provided critical inputs for bringing the project back on track after such a complex launch and key issues could have been rethought (i.e. M&E framework or Component 2 Subcomponent B of the project).

46. **During 2012, discussions between the World Bank Group and the counterparts took place to explore the possibility of a Level 1 project restructuring.** ISR reports show that the indicators used to measure progress toward implementation of the PDO were not relevant and that no data was available to track the progress in some instances. In addition, ISRs flagged that certain design-related issues of the project were not allowing the disbursement of the allocated funds. For example, the COSUMAF component (Component 3, Subcomponent B) of the program was supposed to deliver a feasibility study for the merger of the two stock exchanges. However, because of lack of coordination during the design phase with donors, a similar exercise was being carried out by the African Development Bank. Therefore, this component was dormant. In addition, the BDEAC's project Subcomponent B was not disbursing at all. The BDEAC explained that the monetary criteria used for the project was not sufficient to finance studies. Despite the adequacy of the selection of the performance indicators, project design flaws, and implementation delays, it was decided mutually by the

World Bank Group and the counterparts to keep the project as it is and not to go through an official Level 1 restructuring process. The ISR reports mention that a project restructuring would be very lengthy and complex and would have further aggravated the implementation of the program, taking into consideration the multiplicity of counterparts. Although a Level 1 restructuring procedure could be very lengthy, a Level 2 restructuring beyond the extension of the deadline of the project would have allowed proper recalibration of the project and modification of the performance indicators.

47. **Toward the second half of the life of the project (2012-2013), the implementation and disbursement pace of the project improved dramatically.** The World Bank Group worked proactively to create a good implementation dynamic and knowledge sharing between the different beneficiary institutions. For example, during the supervision missions, the WBG ensured that all project coordinators met in the same city to present the progress of their different projects and share implementation experiences among them. This knowledge sharing was particularly effective in the area of implementation of IT projects. Project performance with regard to disbursement and implementation of activities improved; therefore, project implementation ratings were upgraded from Moderately Unsatisfactory to Moderately Satisfactory. This rating remained unchanged until the last ISR of October 2015 when the implementation progress was rated Satisfactory.

48. **Work programs were decided annually based on the guidance provided in the PAD and priorities set by the different beneficiary entities.** The PAD set the main areas of intervention to be carried out in the context of the project by each of the six beneficiary institutions. Then, this high level areas of intervention were translated into activities and projects according to the priorities set out by the beneficiary institutions. Subsequently, these work plans were approved by the beneficiary institution and by the PIU. At last, the work plans (including procurement plans) were validated by the World Bank Group.

49. **Involvement of staff from the Global Practices facilitated the implementation pace and improved the quality of supervision.** As explained before, the project design did not benefit from the global expertise of the Global Practices teams despite its technical complexity. However, the TTL of the program changed that approach and involved several experts from the Global Practices in addition to senior consultants to supervise the quality of the delivery of the projects. Experts on microfinance, banking supervision, AML/CFT, capital markets, accounting, and IT were deployed to support the implementation and quality control of the project.

50. **Because the project had important delays, the counterpart requested a one-year extension of the project to ensure the completion of the program.** The project went through a Level 2 restructuring, and therefore, was extended one time for an additional period of 1.5 years with a new closing date of February 29, 2016. Five out of the six institutions managed to implement most of the agreed activities at project closure. However, despite the project's extension, the BDEAC did not manage to implement the second component (Component 2, Subcomponent B) of its program resulting in the non-disbursement of 12 percent of the allocated financing (US\$6 million). Furthermore, the activities at the BEAC level on monetary programming were not delivered because of the lack of availability of experts in this topic. It is important to remember that the project entered into its implementation phase during the global financial crisis. Many public tender procedures to hire experts on the topic were unsuccessful. In one instance, when an expert was identified, he declined the offer because he had another offer to work in a European jurisdiction. Also, despite the CEMAC Commission being one of the most effective implementers of this project, their emergency relocation from

Bangui to Malabo left many of the implemented projects (for example, *observatoire du climat des affaires*) unused.

2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization

51. **The M&E framework was not carefully thought through as many of the selected indicators (both PDO and intermediate) had attribution problems and data was sometimes not available to keep track of progress.** According to the beneficiary entities and the PIU, because the indicators presented attribution problems and sometimes it was not possible to keep track of the indicators, both the World Bank Group and the beneficiary entities did not effectively keep track of these indicators and focused more on the implementation of operation. A significant number of ISRs mention the inadequacy of the indicators; however, no actions were taken by the WBG to replace them with more relevant and measurable indicators. To this point, the PIU did not have a full-time M&E specialist. According to the discussions with the PIU, only a short-term consultant was hired at the beginning of the project to help with the M&E; however, this person left and was never replaced. For a more detailed discussion about the indicators, see section 3.2.

2.4 Safeguard and Fiduciary Compliance

Safeguards

52. Because of the nature of the program, no specific safeguard policies were required.

Financial Management

53. **The financial management of the project was Satisfactory.** The financial management of the project was monitored periodically by the financial management team. Based on all the aide memoires of the supervision missions and the ISRs, the financial management performance of the project was rated Moderately Satisfactory at the beginning of the project and updated to Satisfactory in 2013. Other than minor delays on the submission of interim and annual financial statements at the beginning of the project, in some cases, no major issues were flagged during the supervision process.

Procurement

54. **The overall performance of procurement was Satisfactory.** The project required procurement of a significant amount of supply and installation of information systems and consultancy services. Procurement performance started at a slow pace because the project counterparts were not familiar with the World Bank Group procurement procedures at project entry. In addition, the procurement capabilities of the six different beneficiary entities were uneven. Procurement specialists became more comfortable with the World Bank Group procedures with time, allowing for a more efficient procurement pace. Procurement of the BDEAC component suffered from management interference causing delays in the implementation of the activities of this component. The World Bank procurement team provided significant support to ensure that the Project met its PDO, including (i) hand on advise to the beneficiaries; (ii) fast review for operational effectiveness and (iii) advocacy role to ensure that World Bank procurement guidelines were adhered to, particularly at BDEAC. During the whole life of the project procurement was always rated as Satisfactory.

2.5 Post-completion Operation/Next Phase

55. **There is no specific plan in place to ensure sustainability and maintenance of all the equipment purchased through the operation.** Two of the six beneficiary institutions, the BEAC and the BDEAC, benefit from a more solid financial health which will potentially allow proper maintenance of the equipment. However, the rest of the beneficiary institutions have financial limitations which makes sustainability of the IT investment an important challenge for the future, particularly, as it relates to the purchase of new licenses and updates of the implemented IT systems. Although, during the Implementation Completion and Results Report (ICR) mission all the representatives of the different beneficiary institutions mentioned that their operation budgets for IT have increased dramatically, it remains uncertain that funds will be effectively available to maintain these equipments. So far, none of the institutions have prepared actions plans to ensure sustainability of the IT infrastructure invested during the implementation of the project.

56. **Another sustainability shortcoming relates to the maintenance and sharing of the knowledge acquired through the life of the project.** The project invested heavily on the participation staff of beneficiary institutions in global and regional seminars, study tours, and thematic trainings. As explained in an earlier paragraph, the financial performance of the six beneficiary institutions is uneven, making the retention of talented staff sometimes challenging. No measures have been put in place to ensure that the knowledge acquired through the capacity building components of this operation was preserved and shared among new recruits or junior staff of the beneficiary institutions (for example, training for prospective trainers).

57. **The World Bank Group stands ready to work with the BEAC and other CEMAC's authorities in the development of a follow up project.** After the official closure of the above-referenced project, the World Bank Group will work closely with the relevant CEMAC's authorities in order to develop jointly a follow up operation. The new operation will strengthen previous achievements and address new financial sector challenges in the region. The lessons learned of the previous operation will guide the development of the new project.

3. Assessment of Outcomes

3.1 Relevance of Objectives, Design and Implementation

Relevance of Objectives

58. **Regional integration through the financial sector has remained an important priority for the World Bank Group over the last 15 years.** The project design took into consideration the priorities of the 2003 Central Africa RIAs of 2003 (Report No. 25328). This strategy identified regional financial integration as one of the key priorities for CEMAC. Furthermore, the second pillar of the Sub-Saharan RIAs of 2008³ identified regional financial sector integration as a key area for assistance. The RIAs also highlighted the high dependence on oil of the region and the importance of managing these resources effectively to generate

³ <http://siteresources.worldbank.org/INTAFRREGINICOO/Resources/1587517-1271810608103/RIAS-Paper-Final-Approved-Oct2010.pdf>.

economic growth (paragraph 28). Furthermore, the 2011 progress report⁴ of the 2008 RIAs confirmed that regional business and financial sector reforms can facilitate the development of competitive value chains to reach optimal economic scale and spatial distribution across borders (paragraph 58).

59. **Country strategies developed after the approval of the project by the Board have also stressed the potential catalytic role of a stable financial sector to contribute to economic growth in the member countries and the region as a whole.** The Cameroon Country Partnership Strategy (CPS) of 2010 highlights the importance of developing regional capital markets. The Gabon CPS of 2012 mentions that regional integration remains a key priority that supports economic growth. The financial sector agenda including money laundering remained a key priority for the World Bank Group in Gabon. The Republic of Congo CPS' of 2012 identified financial sector development as a key area of growth particularly in the regional context.

Relevance of Design

60. **The design of the operation remains relevant today.** Despite the design shortcomings of the operation, the key themes remain extremely relevant for the CEMAC region today. The dramatic macroeconomic developments in the region that are taking place because of the drop in oil prices and its potential implications on the financial sector reinforce the importance of developing the capabilities of the regional institutions. The CEMAC region requires well governed institutions to conduct effective monetary policy and implement countercyclical policies to stimulate the economy and conduct strong banking supervision to ensure the stability of the financial sector. Furthermore, the region has seen a surge of terrorist groups related to Boko Haram over the last four years that requires strong AML/CFT supervision of the financial sector to prevent the financing of terrorism. The two capital markets still exist today and their contribution to the financing of the economy remains limited. Actions are required to merge them once and for all to create alternative finance instruments to contribute to the development of the private sector. The BDEAC could play a fundamental role in financing key regional projects (that is, infrastructure) together with the private sector to facilitate the effective integration of the countries and also contribute to the creation of jobs.

61. **The CEMAC 2016 Financial System Stability Assessment (FSSA)⁵ confirmed the need to continue improving the effectiveness of the CEMAC institutions.** Despite intensive technical assistance provided by the World Bank Group and the International Monetary Fund, progress has been slow and uneven. Financial intermediation remains weak, prudential regulation has important shortcomings (particularly as it relates to related lending, governance, licensing, concentration risk, liquidity management, capital adequacy, risk management, and financial transparency and reporting). Although the FSSA acknowledged some progress compared to 2005, it also highlighted the need to continue implementing reforms to improve the effectiveness of the regional institutions at all levels. The FSSA stressed the point that the shallowness of the CEMAC financial sector limits its contribution to economic activity and poverty reduction. The report also encouraged the pursuit of more aggressive reforms to

⁴ http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2011/03/24/000333037_20110324060711/Rendered/PDF/603870CASP0P101OFFICIAL0USE0ONLY191.pdf.

⁵ CEMAC FSSA April 2016: <https://www.imf.org/external/pubs/ft/scr/2016/cr16106.pdf>

respond to the complex macroeconomic environment conditions and its potential implications in the financial stability of the region.

Relevance of Implementation

62. **Despite the slow start of the project because of the lack of proper implementation and coordination structures and lack of continuity of project TTLs, the World Bank Group's implementation support was relevant.** The World Bank Group provided continuous implementation support to ensure the effective implementation of the project. The World Bank Group team remained flexible and adapted its strategy based on the challenges faced during implementation. For example, an important portion of the funds of the project were destined to finance the acquisition of new IT systems both with regard to hardware and software for all the beneficiary institutions. The implementation of new IT systems was very challenging for beneficiary entities (development of terms of reference [TORs] and quality control); therefore, the World Bank Group facilitated the recruitment of consultants to support the beneficiary institutions to support them on the TOR development process and also to oversee the implementation of the IT solutions.

3.2 Achievement of Project Development Objectives

63. **The achievement of the PDO is rated Moderately Unsatisfactory.** The ICR rating weighed heavily on the selection of indicators to measure progress, relevance, and achievement of the stated objectives, in addition to the time required to implement project objectives.

64. **According to the last ISR of October 2015, two of the three PDO indicators were achieved:** Increase in percentage of foreign reserves managed by the BEAC (baseline, 35 percent - end target, 50 percent - current, 50 percent) and Growth of the BDEAC financing of regional projects (baseline, 8.20 percent - end target, 15 percent - current 19 percent). The third indicator on percentage of banks complying with prudential norms was not met by project closure (baseline, 35 percent - end target, 80 percent – current, 70 percent).

Analysis of Development Outcome Indicators

65. **As mentioned earlier, the indicators used to measure the development objective of the program were very high level and presented attribution problems.** The early achievement of these indicators cannot be attributed to the implementation of the project, as shown in the following examples:

- **Indicator 1: Increase in percentage of foreign reserves managed by the BEAC.** The achievement of the first indicator, which is related to the management of foreign reserves, cannot be attributed to the project because this specific aspect is governed by an agreement between the BEAC and the French Treasury. According to the agreement, the BEAC has the obligation to deposit 50 percent of the reserves in an operations account at the French Treasury to ensure the exchange rate between CFA franc and the Euro (that is, *Convention de Compte d'Opérations BEAC - Trésor*). The remaining amount of foreign reserves managed regionally was effectively increased from 35 percent to 50 percent not because of the project, but because of a political decision of the BEAC. The management of the foreign reserves at the regional level is also artificial because the 2010 staff of the trading room of the BEAC are not allowed to invest in securities and activities are insignificant. This indicator was achieved by December 2012, very early before the

completion of the BEAC-related activities. Furthermore, the reliability of the foreign reserves data of the BEAC remains questionable due to the inability of the institution to force the repatriation of foreign reserves of some member states (notably Equatorial Guinea).⁶

- **Indicator 2: Growth of BDEAC financing of regional projects.** The achievement of this project development indicator cannot be attributed to the implementation of the project. This indicator was achieved in March 2011, way before the implementation of the project. When this indicator was achieved, the project had only initiated a few of its scheduled activities such as acquisition of vehicles, acquisition of videoconferencing materials, and hiring of consultants to support the implementation of the program. Additionally, bank lending depends highly on the internal capacity of the institution, the macroeconomic context, risk profile of clients, political context, and in some instances, political interventions (in the context of development banks).
- **Indicator 3: Percentage of banks complying with prudential norms.** This indicator could have been a relevant indicator, as a measure of the capacity of COBAC to develop and monitor implementation of prudential norms in the banks operating in the region as a result of the assistance delivered by the project. However, as stated in the majority of ISRs from 2011 to 2014, COBAC had no means to measure the compliance of the CEMAC region's banks with prudential indicators. Toward the later ISRs (2014), certain measure of achievement of this indicator was included provided but no justification on the sources of the data.

66. **Furthermore, nine intermediate outcome indicators were selected to measure progress.** None of the intermediate results indicators was met by the original timeframe because of the important delays at the beginning of the project. Only two of the nine intermediate indicators were achieved by the last ISR before the end of the project (that is, updated accounting plan and updated system for supervision of MFIs):

- **Indicator 1: Monetary Programming at the regional level by Year 4.** Not achieved. Expert on monetary policy was not available to support the BEAC with the reform of the monetary programming.
- **Indicator 2: Central Bank/Government paper issued by Year 3.** Achieved; but not attributable to the project as no technical assistance was provided to countries for bond issuance.
- **Indicator 3: Cross-border electronic payments transactions in wholesale and retail systems (SYGMA and SYSTAC) cumulative increase of 33 percent by Year 3 and 61 percent by Year 5.** Achieved; however, the indicator presents attribution problems as no assistance was provided on this topic.

⁶ IMF Country Report 13/322.

- **Indicator 4: Revised and applied BDEAC's policies, procedures, and internal controls by Year 3.** Not achieved. Procedures were developed but are not yet implemented.
- **Indicator 5: All projects evaluated by BDEAC according to new policies by Year 3.** Not achieved.
- **Indicator 6: Improved portfolio performance of BDEAC, as measured by increased ratio of annual disbursements/commitments in the preceding year from 43 percent in 2007 to 70 percent by Year 3.** Achieved at project closure according to BDEAC authorities. However, no supervision mission was conducted prior to project closure (last ISR was filed 5 months before project closure).
- **Indicator 7: New BDEAC's MIS, including accounting system, substantially in place by midterm and generating financial reports in line with international standards by Year 5.** Achieved at project closure according to BDEAC authorities. However, no supervision mission was conducted prior to project closure (last ISR was filed 5 months before project closure). Furthermore, many of the systems are still in pilot phase.
- **Indicator 8: Updated accounting plan for banks in place and used by banks by Year 3.** Achieved after the Y3 deadline but before project closure.
- **Indicator 9: Plan for application of microfinance regulatory framework and supervision system in place and applied by midterm review.** Achieved after the Y3 deadline but before project closure.

Project Outputs Related to PDO

67. **Despite the negative data provided by the performance indicators, broadly the majority of the outputs of the program were delivered and contributed in practical terms to the development objectives of the project.** Although in many instances, these outcomes were not measured by the M&E framework, the ICR proposes a review of the outputs and its broader contribution to the achievement of the PDO. A more detailed inventory of the outputs can be found in annex 2.

BEAC

68. **The BEAC was the second beneficiary of the project with regard to funds with US\$14.5 million dollars financing credit.** The project provided a mixture of technical assistance, capacity building, and acquisition of IT software and hardware solutions to allow the BEAC to better fulfill its mandate. With regard to technical assistance, the project supported the BEAC with key issues including monetary policy and management of foreign reserves. In addition, IT solutions were provided to develop databases to compile information on the balance of payments and another one on economic, financial, and monetary issues. Furthermore, a registry of payment incidents was established with the support of the program. Internally, the institution benefited from multiple projects that improved the administrative management of the institution including improvement of internal audit systems, human resources management (that is, introduction of payroll systems, career management systems, and training programs), implementation support of a new accounting system, and development of IT and accounting plans. The internal audit technical assistance was very timely for the BEAC taking into

consideration the governance crisis that took place in the Paris office in 2010.⁷ In addition, the financial situation of the BEAC improved dramatically during the 2011-2013 period due to the high oil prices. The availability of funds allowed the BEAC to finance (or co-finance) complementary activities that were not covered by the project such as hiring more staff, organize capacity building activities or finance additional IT equipment. These activities will certainly contribute to the improvement of the way the BEAC does business, particularly, as it relates to its statistical generation capacity. Unfortunately, many of the initiatives (particularly the databases) were just developed before the end of the project and many of these are not yet operational.

69. **With regard to achievement of indicators, the BEAC component was assigned one project development indicator (indicator 1) and three intermediate results indicators (intermediate indicators 1, 2, and 3).** As explained in the earlier paragraphs, these indicators were not achieved and if they were achieved, they presented attribution problems.

BDEAC

70. **The BDEAC was the largest beneficiary of the project with regard to funds (US\$15 million of IDA financing credit).** Like in the BEAC component, a mixture of technical assistance, capacity building, and acquisition of IT hardware and software solutions were provided by the project. In addition, the project provided four vehicles for the BDEAC's country offices. Also, the telecommunication infrastructure was purchased through the project. The project supported key initiatives to upgrade the aging IT infrastructure of the BDEAC including the implementation of core banking information systems (financial, administrative accounting, payroll, career, and recruitment management) and provided connectivity to the regional payment systems, SYSTAC and SYGMA, including connection to the SWIFT system. With regard to technical assistance, the project provided support to the BDEAC on the improvement of credit underwriting procedures including environmental safeguards plans, AML analysis tools, and cost-benefits study methodologies. Finally, the project supported the implementation of the human resources strategy of the BDEAC. In addition, the staff of the BDEAC benefited from multiple capacity-building opportunities during the course of the project. From the US\$15 million financing, US\$6 million were allocated for financing feasibility studies for regional projects. However, this part of the financing was not utilized by the beneficiary entity because the allocated cap of US\$700,000 per study was not sufficient to finance such studies. Furthermore, as the BDEAC was the last institution which started the implementation of the project, many of the key IT projects were purchased and implemented just before the end of the project and its efficacy has not been yet tested.

71. **The BDEAC was allocated one project development indicator (PDO indicator 2) and four intermediate indicators (intermediate indicators 4, 5, 6, and 7).** As explained in the previous paragraphs, these indicators were not achieved and if they were achieved, they presented attribution problems.

⁷ Strengthening of the internal audit function and accounting systems were key initiatives to enhance the governance of the BEAC. These actions were highly relevant, particularly in the context of 2010 governance crisis when IMF and World Bank suspended all disbursements to the BEAC. Mismanagement at the Paris bureau cost the BEAC approximately 40 million Euros according to IMF reports (Staff Report 10/21 January 2010).

CEMAC

72. **The CEMAC Commission was allocated a US\$3 million financing grant.** As for the previous projects, this component also provided a mixture of technical assistance, IT hardware and software solutions, and capacity building. With regard to IT hardware and software solutions, an information system to cover administrative, financial, and accounting matters was implemented. Furthermore, telecom solutions were provided to the CEMAC Commission. With regard to technical assistance, the project supported CEMAC with the development of economic policy convergence reports, macroeconomic framework modeling, and the creation of an investment climate observatory. With regard to capacity building, staff from the CEMAC benefited from the multiple training opportunities including results-based management and methods for GDP calculations.

73. **CEMAC was not allocated performance or intermediate indicators.** However, it was the most efficient beneficiary entity with regard to the implementation and disbursements. Most of the activities were completed by 2014. Unfortunately, as a result of the political turmoil affecting the Central African Republic during the implementation phase of the project, the CEMAC offices were temporarily relocated from Bangui (Central African Republic) to Malabo (Equatorial Guinea). Most of the investments with regard to hardware procured through this project were left behind and vandalized during the civil unrest. The systems and tools developed through the project were left behind and are not currently being used.

COBAC

74. **COBAC was allocated a US\$7 million financing grant.** As with the previous components, COBAC benefited from a mixture of technical assistance, IT hardware and software solutions, and capacity building. The project focused on two fronts: supervisory framework of MFIs and banks. The project contributed to the enhancement of the legal and supervisory framework of MFIs. Regarding MFIs, the project financed technical assistance support in the areas of microfinance regulation and supervision and designed an accounting plan for these institutions. In addition, with regard to IT hardware and software solutions, the project financed the creation of a system that manages the reporting requirements of MFIs (ESESAME). With the new system, the filing of financial reports can be done online now. The system has been very successful and is used by 70 percent of MFIs in the CEMAC region. The remaining 30 percent of MFIs have not been able to benefit from the system because of poor internet connectivity. Although coverage is not perfect, the most important and systemic MFIs are using the system actively.

75. **The project contributed to the enhancement of the legal and supervisory framework applicable to banks.** Regarding the supervision of banking institutions, the project supported the development of an IT master plan. The key achievement of the implementation of this IT plan is the implementation of an IT system that allows COBAC to supervise, in real time, all the banks operating in the CEMAC region. The system provides scorecards and allows the regulator to monitor, in real time, all the banks and allows to take corrective actions as needed. Furthermore, with regard to technical assistance, a diagnostic of the compliance of COBAC with Basel II requirements was conducted and an action plan was developed. The staff of COBAC also benefited from multiple capacity-building opportunities including accounting, consolidated supervision, stress tests, International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), and internal audit. It is important to note that before this project, COBAC did not even have licensed software or computers with similar programs to conduct its activities.

76. **With regard to performance indicators, COBAC was given one project development indicator (PDO indicator 3) and two intermediate indicators (intermediary indicators 8 and 9).** The PDO indicator was not achieved and the two intermediate indicators were achieved.

COSUMAF

77. **The COSUMAF was allocated a US\$2 million financing grant.** The project was key to provide the COSUMAF with international recognition as a securities regulator. With regard to technical assistance, the project supported a study of the depth of the capital markets. Furthermore, technical assistance support was provided to handhold the COSUMAF during the IOSCO accession process. Owing to this support, the COSUMAF was accepted as a full member of this institution. In addition, the project facilitated the organization of multiple dissemination events including Undertakings for Collective Investment in Transferable Securities, Central African Capital Markets workshop to attract investors, and capacity-building workshops to train stakeholders. Finally, the IT equipment was purchased to modernize the IT infrastructure of the COSUMAF. It is important to note that before this project, the COSUMAF did not even have licensed software or computers with similar programs to conduct its activities.

78. **This component had no performance indicator.** The project contributed to the achievement of the PDO. The COSUMAF now has international recognition as a regulator of capital markets which means that the institution is compliant with the basic foundational requirements for securities regulators. However, all this progress is shadowed by the coexistence of two stock markets in the region. As opportunities for development of this regional market are limited, the existence of two markets hampers the viability and potential growth of the regional capital markets.

GABAC

79. **GABAC was allocated a US\$2 million financing grant.** GABAC benefited from technical assistance, capacity building, and IT hardware and software materials. With regard to technical assistance, the project supported the development and dissemination of AML/CFT campaigns. The project also provided technical assistance to update the legal and regulatory environment, develop a manual to conduct mutual evaluations between countries, and develop an internal administrative, accounting, and financial manual. The project also supported the implementation of an action plan to prepare GABAC to access the Financial Action Task Force (FATF) as a regional member. The project provided capacity-building opportunities for 24 evaluators from CEMAC members countries and also supported the organization of typology reports for Chad and the Republic of Congo. Finally, IT equipment was procured to upgrade the IT capabilities of GABAC. It is important to note that before this project, GABAC did not even have licensed software or computers with similar programs to conduct its activities. All these activities resulted in positive outcomes for GABAC because toward the end of the project, the institution was admitted as an observer member of the FATAF. However, as for the CEMAC Commission, GABAC had to evacuate the Central African Republic. Its procured IT equipment was also vandalized and destroyed.

3.3 Efficiency

80. **Because of the nature of the project design, which mostly focuses on capacity building, technical assistance, and purchase of consultancy services and movable**

property, it was not possible to quantify all benefits of the project during the appraisal phase. Therefore, instead of using standard economic metrics and analysis, the appraisal document included a set of high-level potential actions that could be linked with the effective implementation of the project. These objectives included improved monetary policy and foreign reserves management, increase of cross-border flows, improved financial supervision which will translate into more financial stability of monetary reserves, and improved access to finance for companies and households. A quick look at the key financial indicators and financial sector assessments of the region conducted by the World Bank and the IMF provide a quick overview of the impact of the project.

81. **According to the main findings of the recent FSAP, progress has been limited in the CEMAC region.** The ratio of credit to GDP stands only at 15 percent in 2013 compared to 9 percent in 2004 as do the small and medium enterprise, housing, and more generally, long-term finance sectors. Credit to private sector has modestly improved over the years from 5 percent of the GDP to close to 11 percent. The financial inclusion rate is 12 percent in the region and remains low compared to Western African rates of 24 percent.

82. **With regard to monetary policy and management of foreign reserves, results are also not encouraging.** Despite a prosperous period of high level of liquidity, external shocks and high levels of dependency to oil prices have showed the weaknesses of the monetary policy conducted by the BEAC. Growth contracted to 1.8 percent in 2016, down from 4.9 percent in 2014. Growth is expected to stay below 2 percent in 2016, as oil production and public investment are projected to decline further. Because of these pressures, the BEAC reversed its previous policy of gradual elimination of statutory advances (that is, central bank lending to member states) in August 2015 and reinstated standard country-specific ceilings—this resulted in a CEMAC-wide 52 percent increase in statutory advances.⁸ This significant expansion in monetary financing undermines the BEAC's efforts to pursue market-based monetary policy. Regarding the management of foreign reserves, despite the BEAC's agreement to centralize 50 percent of its foreign reserves in an account at the French Treasury, the level of reserves remain inadequate according to the IMF⁹ in case of financial difficulties, taking into consideration the high level of correlation between the BEAC's reserves and the price of oil. Furthermore, these vulnerabilities are accentuated in the context where the BEAC cannot require its member countries to repatriate their foreign reserves.

83. **New IT tools provided through the project to COBAC to exercise its supervisory activities have improved the supervision of banks and MFIs.** Taking into consideration the geographical connectivity challenges of the CEMAC region and also the human resource limitations of COBAC, the implementation of IT solutions tremendously facilitates its supervisory activity by allowing it to monitor banks more effectively. The system provides information to COBAC in real time about the financial situation of all banks in the region allowing it to then allocate its supervisor in a more effective manner. In the past, on-site visits by COBAC supervisors used to take six weeks, now they take three. In the area of microfinance, close to 70 percent of the MFIs are filing their financial statements online. All systemic MFIs are using the system. The remaining ones cannot use it because of internet connectivity issues.

⁸ The ceilings are set at 20 percent of the previous calendar year's fiscal revenues.

⁹ IMF Country Report 16/290. <https://www.imf.org/external/pubs/ft/scr/2016/cr16290.pdf>

84. **The Basel Core Principles Assessment conducted in the context of the FSAP in 2014 shows that the regulatory framework issued by the COBAC has still room for improvement to comply with global good practices.**¹⁰ Loans to related parties, compliance with minimum capital requirements, transparency, risk management and cross boarder supervision remain problematic in the region. The BCP assessment also highlighted the governance challenges of the COBAC including institutional impotence. Board members of the COBAC are still servants and are not recruited in the basis of their skills (i.e. banking sector regulation or finance). Progress on these key issues that were already highlighted in 2006 remains limited.

85. **As indicated in Annex 1, actual costs at project closure amounted to US\$37.51 which compares favorably with estimated costs at appraisal of US\$64.30, while achieving most of planned activities with the exception of the US\$6 million allocated to the BDEAC.** Furthermore, the client benefited from a favorable exchange rate (XDR/CFA) which contributed to the reduction of the costs.

86. Total bank administrative costs for the project supervision over 9 years was US\$1.37 million (ICR included) or an average amount of 117 thousand per year.

87. Despite the completion of the majority of the activities at the end of the project, the efficiency of the project was compromised by the time needed to achieve the results.

3.4 Justification of Overall Outcome Rating

Rating: Moderately Unsatisfactory.

88. **Despite the important contribution of the project to strengthen the capacity of the CEMAC institutions, the outcomes of the project with regard to impact remain very difficult to measure.** The project modernized the IT functions of all the CEMAC institutions. The project also provided international recognition to smaller regional institutions such as the COSUMAF and GABAC. Staff of all the institutions benefited from multiple capacity-building activities and participated in multiple workshops helping them improve their skills. Despite the potential transformational impact of the project, the design phase of the project was not properly managed which had significant consequences at implementation. The project had significant design problems which affected on-time implementation. The selection of indicators to measure progress toward achieving the PDO was not adequate making the assessment of the real impact of the project very difficult. Despite multiple warnings by the project team explaining that the project development indicators were not adequate to effectively measure the project achievements, the World Bank Group decided not to restructure the project. It is also worth mentioning that since the PIU did not have an M&E expert, most of the data on achievements of indicators comes directly from the institutions (when available) without a systematic and independent method to verify it. Finally, because the project invested heavily on IT infrastructure for the different CEMAC institutions and capacity-building activities for the staff, very little measures were taken to make all these investments sustainable over time, after the closure of the project.

¹⁰ BCP Assessment: (<https://www.imf.org/external/pubs/ft/scr/2016/cr16106.pdf>)

3.5 Overarching Themes, Other Outcomes and Impacts

(a) Poverty Impacts, Gender Aspects, and Social Development

89. Not applicable.

(b) Institutional Change/Strengthening

90. **The main objective of the project was to support the institutional strengthening of the CEMAC regional institutions to better fulfill their mandate.** As explained in earlier paragraphs, the project significantly improved the IT infrastructure of the six CEMAC institutions. The project also supported the implementation of human resources strategies and actions plans at the institutional level, provided TORs for the first time to the staff of these institutions, and provided IT systems to improve management of administrative, financial, accounting, and human resources-related issues. Also, new cost-benefit analysis procedures and environmental safeguards were developed for the BDEAC which significantly improved its credit underwriting procedures and standards. Internal control and accounting procedures were developed for the BEAC, which improved the financial management of the institutions. Databases were developed to allow different institutions to better understand key macroeconomic issues. In addition, the project provided the staff of the beneficiary institutions with several capacity-building opportunities. Many staff of the beneficiary institutions travelled to different locations (Africa, Europe, and North America) to participate in seminars and trainings and also in study tours to learn from the reform experiences of other countries.

(c) Other Unintended Outcomes and Impacts (positive or negative)

91. **The project allowed the creation of stronger links between regional institutions.** This was a very complex project that required high amount of coordination among six different institutions. The strong coordination skills of the TTL and the PIU allowed the creation of interesting work dynamics between all the institutions. During supervision missions, representatives from the six institutions used to meet to share the progress of their respective programs. During these meetings, project coordinators provided feedback to the other institutions and more importantly, shared their reform experiences with other beneficiary institutions. Similar dynamics were witnessed by the author of the ICR report. This created a peer-to-peer learning dynamic which was critical on the implementation of key activities, particularly, as it relates to IT systems.

3.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops

92. No beneficiary survey or workshop was conducted.

4. Assessment of Risk to Development Outcome

Rating: moderate

93. **The risk of reversal of the improvements is moderate; however, maintenance of the IT infrastructure remains a key challenge.** Since most of the assistance was focused on the acquisition of equipment and providing technical assistance and capacity building to the six beneficiary institutions, there is always a risk that no proper budget allocation will be provided to maintain the systems. This issue is particularly critical in institutions which have lower operating budgets such as COBAC, the COSUMAF, and GABAC. There is also the risk

of all the knowledge acquired by the staff over the years through all the capacity-building opportunities provided by the project being lost because of staff turnover.

94. **Technical knowledge provided to the PIU, the *Unité de Gestion des Réformes des Institutions Financières* (UGRIF), to support project implementation will remain in the project after project closure.** The staff of the UGRIF are part of the BEAC's payroll. This unit has learned how to work with the World Bank Group effectively, and, therefore, this operational knowledge will contribute greatly to future operations.

5. Assessment of Bank and Borrower Performance

5.1 Bank Performance

(a) Bank Performance in Ensuring Quality at Entry

Rating: Moderately Unsatisfactory

95. **The PDO was consistent with the priorities of CEMAC, key recommendations of the CEMAC FSAP conducted in 2006, and the World Bank Group country and regional strategies.** However, the project was very complex and it had multiple counterparts with different levels of implementation capacity. The risks were not properly identified and mitigation measures were not always effective. Furthermore, the level of engagement with country counterparts was very limited and key documentation of the project was provided in local language only two years after the approval of the project.

96. **The project suffered from multiple technical and administrative shortcomings that affected its effective implementation.** First, for such a complex project, the PAD was very limited with regard to description of potential activities. Although the PAD clearly mentions that the design of the operation was intentionally kept flexible to allow for rapid adaptation in case of sudden changes in the operating environment, this created an important risk for the operation. Broad description of outputs in a low-capacity environment can pose several problems including misuse of the funds, lack of accountability, and lack of clear deliverables. The PAD also did not provide an economic and financial analysis. Second, the selection of the project development indicators was not adequate. All these issues are probably the result of the limited involvement of global experts from the Global Practices during the design phase of the project. This made the evaluation of the effectiveness and impact of the project very challenging. Third, there was lack of proper assessment for the feasibility studies facility for the BDEAC (Component 2, Subcomponent B). This component was never used and represented 12 percent of the total amount of the loan amount. Fourth, the lack of a PIU for almost two years. Taking into consideration the complexity of the project, the team must have envisioned that a strong coordinating unit will be key to achieve all the goals of the project. The abovementioned shortcomings of the design phase affected the implementation phase of the project.

97. **For the abovementioned reasons, quality at entry is rated Moderately Unsatisfactory.**

(b) Quality of Supervision

Rating: Moderately Unsatisfactory

98. **Bank performance with regard to supervision during the life of the project is mixed.** Supervision and internal coordination was very poor during the first two years of the

project. However, TTL arrangements became more stable, supervision improved substantially and became more effective.

99. **Supervision suffered significantly during the first two years of the project.** There were four TTLs during the first two years of the project. The lack of stable TTL arrangements affected the project at the beginning of the implementation phase (after the PIU became operational). No ISRs were filed until March 2011, two years after the project's board approval. When the fourth TTL took over, there were close to 30 no-objection requests that had not been reviewed/approved for more than six months.

100. **After TTL arrangements become more stable in 2011, the project started its effective implementation phase.** The delayed no-objection requests were approved diligently by the World Bank Group. Furthermore, translation of the operation-related documents was commissioned and multiple missions to reengage with the six counterparts were arranged to ensure that the project was well understood and to define an action plan to bring the project back on track. This reengagement effort was key in reestablishing a relationship with the client which was slowly degrading because of the inactivity of the project. During the missions, the World Bank Group team also spent a lot of time working with the Procurement Specialist to ensure that the World Bank Group procurement rules were well understood to avoid further delays. In addition, the composition of the supervision team was strengthened since global experts from different disciplines were brought on board to ensure higher levels of quality during the supervision phase.

101. **The project suffered another setback when the Disbursement Department suspended the project.** Beyond the reasons of the suspension of the project, the World Bank Group performed poorly with regard to coordination. The suspension was a unilateral decision by the Disbursement Department. Furthermore, this decision was not coordinated or even communicated to the TTL or the project counterparts. The suspension was decided in 2010 and only discovered in 2012 when the project counterpart submitted a disbursement request. Only when the disbursement request was rejected, both the World Bank Group project team and the project counterparts learned that the project was suspended. The suspension decision took the project team by surprise because during previous supervision missions, the fiduciary team did not find any problems with regard to improper use of the funds by the beneficiary institutions. The suspension lasted for several months further delaying the implementation of the project. The project team had to proactively engage with multiple World Bank Group units including Legal vice presidency to lift the suspension.

102. **Despite the flaws of the project design and M&E framework, the World Bank Group decided not to restructure the project or to conduct a midterm review.** The project did not have a midterm review. This issue was brought to the management's attention in various ISRs and discussion about a potential restructuring of the program took place. At the end, it was decided in agreement with the project counterparts to keep the project as it is and not to restructure it. This exercise would have required an important amount of resources with regard to negotiations to build consensus among the six beneficiary institutions on a restructured program including reallocation of funds that could have been politically difficult to enact. In addition, restructuring of projects those days was not streamlined and it was a very complicated undertaking. On the other hand, it left the project without effective key performance indicators to evaluate its impact. Instead of a Level 1 restructuring, at least a level 2 restructuring could have been conducted to improve the M&E framework.

103. **Toward the second half of the life of the project, the implementation of the activities and the disbursement ratios improved dramatically.** As a result, at the end of the project with the exception of the feasibility study component (Component 2 Subcomponent B), all activities were implemented and disbursed. However, because an important number of the activities were implemented during the last 18 months before the project's closure, implementation quality suffered. For example, representatives from COBAC explained that the IT system on banking supervision was implemented just a few weeks before the project closure. Today, they feel that more training is needed to maximize the use of the IT tools and the IT software also requires more fine tuning. At the BEAC, the accounting reform is not yet completed and the payment incidents, balance of payments and financial statistics databases are not operational.

104. **The ISRs and regular supervision missions started only in 2011, two years after the signature of the project.** After 2011, the ISRs were filed periodically and supervision missions were conducted twice a year. However, no final ISR was filed at project closure. The last ISR was filed on October 2015.

105. **The ISR ratings were in many instances too optimistic, both at the beginning and at the end of the project.** The first ISR ratings were too optimistic and could have been rated as Unsatisfactory because the project was not progressing at the expected pace. Additionally, the risk rating could have been increased to Substantial. In 2011, the ratings were downgraded to Moderately Unsatisfactory, and in 2013, the ratings were upgraded to Moderately Satisfactory. The last ISR, which was filed four months before the closure of the project, upgraded the implementation progress from Moderately Satisfactory to Satisfactory. World Bank Group management complained in the ISR that the upgrade of ratings was only justified by the strong disbursement rate and not the achievement of the PDO. In addition, management flagged that many of the M&E data points needed to be updated in the next ISR. However, the team did not file any other ISR. The last rating was too optimistic because, despite the important improvement with regard to implementation and disbursement toward the end of the project, a whole component of the project which represented 12 percent of the financing was not disbursed until project closure.

106. **For the abovementioned reasons, quality of supervision is rated Moderately Unsatisfactory.**

(c) Justification of Rating for Overall Bank Performance

Rating: Moderately Unsatisfactory

107. **The project had several design problems as it was overly ambitious and its M&E framework was not rigorous enough to measure the impact of the project after implementation.** Administratively, the World Bank did not ensure that a PIU with a clear work plan for the next 12 months after the approval of the project was in place to ensure the effective commencement of operations. Change of TTLs and poor internal coordination during the suspension of the project affected the relationship with the counterparts. The fourth TTL performed very well and probably saved the project from early closure. ISRs were not filed for the two first years of the project. The project closure ISR was also missing. All the above mentioned issues seriously affected the implementation of the program. The World Bank Group could have addressed the design shortcoming during the implementation phase through a Level 1 or 2 project restructuring as it was public knowledge that the project had design shortcomings that will affect the effective implementation and impact. Despite multiple calls by the project team that the project required restructuring, it was decided to keep the project as

it is. Proactive work of the project team allowed the project to disburse at almost 88 percent with only an extension of 1.5 years. However, the real impact of the project is not clear because of the suboptimal selection of performance indicators.

5.2 Borrower Performance

(a) Government Performance

Rating: Moderately Satisfactory

108. **The senior management of the six CEMAC institutions was supportive of the project and very committed during the implementation phase.** However, the borrower contributed to the delay of the project by not operationalizing a PIU during the first three months after the signature of the project as required by the Legal Agreement. Furthermore, the steering committee in charge of the high-level oversight of the project did not meet regularly. In fact, the steering committee only met two times during the life of the project. The project coordinators at the beneficiary institution level were also not always appointed on time or were not available to effectively contribute to the implementation of the project.

(b) Implementing Agency or Agencies Performance

Rating: Moderately Satisfactory

109. **A PIU, the UGRIF, was created to coordinate the implementation of the project; however, each beneficiary entity was accountable for implementing their own programs.** The PIU performed its tasks very effectively when it became operational two years after the approval of the project by the Board. Financial management, project management, and procurement were always rated Moderately Satisfactory or Satisfactory. The PIU had a very challenging mandate as it had to coordinate the implementation of a significant number of projects within six institutions. However, the technical implementation was managed by each beneficiary institution. To justify the rating, the table 1 provides a short overview of the performance of each beneficiary institution.

Table 1: Rating per Beneficiary Entity

Beneficiary Institution	Rating	Justification
BEAC	Moderately Satisfactory	The BEAC successfully implemented the majority of its projects according to its TOR. One activity (monetary programming at the regional level) was not implemented. The original timeline for implementation was not followed forcing the rushed implementation of the last activities toward the end of the project.
BDEAC	Moderately Unsatisfactory	The implementation of the activities did not start until 2011. The BDEAC successfully implemented the first component of the project but only toward the end of the project. However, a complete component representing US\$6 million was not implemented.
CEMAC	Satisfactory	CEMAC implemented all the activities before the end of the project and was the entity with the highest disbursement ratios.
COBAC	Satisfactory	COBAC implemented all the activities by the end of the project. The implementation of the activities has changed the way the COBAC operates. Supervision of the financial sector is more effective thanks to state of the art IT systems. However, the original timeline was not followed forcing the rushed implementation of the last activities toward the end of the project
COSUMAF	Satisfactory	The COSUMAF implemented all the activities and went beyond the original TOR. Furthermore, owing to the project, the COSUMAF was accepted as a full-time member of the IOSCO.
GABAC	Satisfactory	GABAC implemented all the activities and went beyond the original TOR. Furthermore, owing to the project, GABAC was accepted as an associate member of the FATF.
UGRIF	Satisfactory	The UGRIF effectively coordinated the implementation of the project. However, the recruitment of the M&E specialist was delayed for a significant amount of time. The M&E expert was only recruited on a part time basis and later he left the project without being replaced. At the beginning of the project, the UGRIF faced substantial procurement problems which with time were overcome as it learned to work with the World Bank Group.
Overall	Moderately Satisfactory	

(c) Justification of Rating for Overall Borrower Performance

Rating: Moderately Satisfactory

110. **Despite a two-year delay for the implementation of the project, the six beneficiary entities worked proactively to implement a large number of activities.** The borrower and the implementing agencies contributed to the delay of the program by not operationalizing the UGRIF soon after the signature of the agreement. In some instances, the beneficiary entities took a long time to nominate project coordinators furthering delays with the implementation

phase of the project. Finally, one activity was not completed by the BEAC and a whole subcomponent (Component 2 Subcomponent B) representing 12 percent of the financing was never used/implemented by the BDEAC.

111. **For the abovementioned reasons, a rating of Moderately Satisfactory has been given to the borrower.**

6. Lessons Learned

- **Activities in a project need to be linked to measurable outcomes.** It is very difficult to measure the impact of projects that focus only on technical assistance, capacity building, and purchase of services and goods. In general terms, these type of projects, if implemented rigorously, will have a general positive impact in the long term. However, it is key for the project TTLs to make sure that despite the nature of the program, SMART indicators (Specific, Measurable, Achievable, Relevant, and Time-Bound) are selected to allow the effective monitoring of the project and evaluation of the impact. The CEMAC Regional Institutions Support Project selected very high-level indicators that caused attribution challenges. Regional projects must be very focused and in this kind of project indicators must be selected very carefully.
- **Implementation arrangements of regional projects should not be underestimated and should be a precondition to take the project to the Board regardless of the type of financing instrument used.** Implementation arrangements should be operational before taking the project to the Board. The PIU and project beneficiary coordinators of the CEMAC Regional Institutions Support Project were not operational on time despite this being a covenant in the Legal Agreement. This caused more than two years of delays for the project. Furthermore, a detailed work plan and procurement plan for the first year should also be prepared before the Board's approval to ensure that the project can hit the ground running from day one. In addition, the staff of the PIU should be fully trained and familiar with all procurement procedures before implementation. If the counterpart does not have the means to finance upfront the establishment and operationalization of a PIU, retroactive financing options or project preparation advance should be explored.
- **The complex nature of regional projects requires focus and selectivity with regard to activities and beneficiaries to ensure effective implementation.** The CEMAC Regional Institutions Support Project was too ambitious in its design. It had six beneficiaries which were in charge of the implementation and a PIU in charge of coordinating the work and managing the financials and procurement activities of the project. However, the implementation capacity of all these institutions was uneven making its implementation more challenging. In addition, the scope of the project was very broad requiring a very wide set of skills at the World Bank Group team level to ensure quality at design and at implementation, making it more complicated to manage internally. For future regional projects, the World Bank Group must focus on impactful thematic projects and not on institutions.
- **Early in the design phase, TTLs must involve both regional and central expertise from the Global Practices to ensure quality of the project at entry.**

The CEMAC Regional Institutions Support Project was very broad and ambitious with regard to coverage of financial sector issues. However, the team during the design phase did not engage effectively with global experts to ensure that every component was technically sound and realistically implementable and its impact measurable.

- **Even if the loan instrument is a grant, linking disbursements to specific targets or indicators may strengthen project results.** Although the Investment Project Financing is probably the most adapted instrument for financing regional transactions, it comes at the expense of results obligations being less visible. Therefore, in countries where implementation of projects can be challenging, IDA credits and grants could have DLIs-based disbursement targets to ensure more effective implementation of the project, commitment from project counterparts and higher development impact. This results based approach will also ensure that projects are not supply driven and respond to specific development challenges of client counterparts.
- **If financing is going to be used for sponsoring feasibility studies, proper project demand analysis must be conducted to set adequate eligibility criteria.** Although the concept of financing through the project feasibility studies to encourage the BDEAC to finance regional projects was very innovative, it is important to conduct proper demand assessments to ensure its effectivity. This type of work could have been more effective in the context of a separate operation in the form of a credit line.
- **Coordination with donors is key particularly in countries and regions that are recipients of high amounts of donor financing/activities.** Although the PAD mentions that the team conducted extensive consultations with other donors, the only deliverable associated with the COSUMAF component of the project (that is, the feasibility study of the merger of the two stock markets) was also in the agenda of deliverables of another donor. As a result, the COSUMAF component remained dormant for a few years before the project was informally restructured to allow the institution to benefit from the project.
- **Regional operations due to their broader geographical coverage can present ownership and coordination challenges within the World Bank Group.** Since regional projects cover multiple countries and, usually, fall under the span of control of different Country Directors and Practice Managers in the World Bank Group, it is very difficult for project teams to obtain coordinated direction during implementation supervision. This makes implementation supervision very challenging for project teams. The lack of ownership can also present accountability issues. The World Bank Group as a whole has to be accountable for these projects and not shift all the responsibility to the TTLs.
- **Facilitate exchange of experiences between institutions in regional projects.** One of the positive outcomes of this operation is that it improved collaboration between regional institutions. Project coordinators used to meet periodically to present the status of their projects. These meetings provided the opportunity to project coordinators to also present the lessons learned from the implementation of their projects and provide feedback and ideas to peer institutions. Sharing these

experiences created a dynamic of peer learning between institutions and allowed the opportunity to learn from the reform experience of sister institutions. This dynamic was particularly useful in the procurement and implementation of IT systems.

7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners

(a) Borrower/implementing agencies

Not applicable.

(b) Cofinanciers

Not applicable.

(c) Other partners and stakeholders

Not applicable.

Annex 1. Project Costs and Financing

(a) Project Cost by Component (US\$, millions equivalent)

Components	Appraisal Estimate (US\$, millions)	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal
Component 1	14.5	14.6	100.68
Component 2 subcomponent A	9.00	7.71	85.6
Component 2 subcomponent B	6.00	0.00	0
Component 3 Subcomponent A	3.00	3.8	126.6667
Component 3 Subcomponent B	7.00	6.09	87
Component 3 Subcomponent C	2.00	1.31	65.5
Component 3 Subcomponent D	2.00	1.3	65
Component 4	3.00	2.70	90
Total Baseline Costs	64.30	37.51	80.60
Total Financing Required	64.30	37.51	80.60

(b) Financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$, millions)	Actual/Latest Estimate (US\$, millions)	Percentage of Appraisal
Borrower		12.30	12.30	100
International Development Association (IDA)		32.00	23.07	72.09
IDA Grant		18.00	16.07	89.27
Bilateral Agencies (unidentified)		0.00	0.00	.00
Foreign Multilateral Institutions (unidentified)		2.00	0.00	.00

Annex 2. Outputs by Component

Component	Output	Status
Component 1 (BEAC) US\$14.5 million	(a) Monetary programming <ul style="list-style-type: none"> Capacity building: activities (study tours and trainings in macroeconomic modeling and macroeconomic programming) Recruitment of a consultant to support the BEAC with the development of macroeconomic programming tools 	<ul style="list-style-type: none"> Completed Not completed
	(b) Payment incidents database <ul style="list-style-type: none"> Implementation of IT solutions Development of regulation for protection of personal data 	<ul style="list-style-type: none"> Completed but not operational Completed
	(c) Foreign reserves management <ul style="list-style-type: none"> Capacity building (Bloomberg database, study tour) for BEAC staff Recruitment of resident consultant for 1 year to train staff of the trading room 	<ul style="list-style-type: none"> Completed Completed
	(d) Economic, monetary, and financial database <ul style="list-style-type: none"> Procurement and implementation of hardware and software solutions 	<ul style="list-style-type: none"> Completed but not operational
	(e) Balance of payments database <ul style="list-style-type: none"> Procurement and implementation of hardware and software solutions Capacity building for the BEAC staff 	<ul style="list-style-type: none"> Completed but not operational Completed but not operational
	(f) Human Resources Masterplan <ul style="list-style-type: none"> Procurement and implementation of IT management system Capacity building 	<ul style="list-style-type: none"> Completed Completed but not operational
	(g) Internal controls strengthening <ul style="list-style-type: none"> Capacity building trainings for BEAC staff 	<ul style="list-style-type: none"> Completed
	(h) Development of new accounting system for BEAC <ul style="list-style-type: none"> Development and implementation of new accounting rules 	<ul style="list-style-type: none"> Completed but not operational¹¹
	(i) Design of training plan for BEAC staff <ul style="list-style-type: none"> Development of training strategy for BEAC staff masterplan 	<ul style="list-style-type: none"> Completed but not operational
		(a) Improve internal Governance of BDEAC

¹¹ The IFRS transition process was dropped and another consultant has been hired to start the process all over again.

Component 2, Subcomponent A (BDEAC) US\$9 million	<ul style="list-style-type: none"> • Development of social and environmental safeguard policies for the BDEAC • Development of AML/CFT policies for the BDEAC • Strengthening of the capacity of the legal department of the BDEAC through training • Implementation of core banking IT solutions 	<ul style="list-style-type: none"> • Completed • Completed • Completed but not operational
	(b) Modernization of the Human Resources management of the BDEAC <ul style="list-style-type: none"> • Development of a new human resources strategy with the support of a consulting firm 	<ul style="list-style-type: none"> • Completed
	(c) Modernization of the BDEAC <ul style="list-style-type: none"> • Connection to regional and global payment systems: SYSTAC/SYGMA/SWIFT 	<ul style="list-style-type: none"> • Completed
	(d) Modernization of the BDEAC information system <ul style="list-style-type: none"> • Implementation of management, human resources, and communication systems 	<ul style="list-style-type: none"> • Completed
	(e) IT and transportation <ul style="list-style-type: none"> • Purchase of four vehicles for local representations • Purchase of videoconferencing facilities for country representations 	<ul style="list-style-type: none"> • Completed • Completed
Component 2, Subcomponent B (BDEAC) US\$6 million	Feasibility Studies facility	<ul style="list-style-type: none"> • Unused
Component 3, Subcomponent A (CEMAC Commission) US\$3 million + 90DTS	<ul style="list-style-type: none"> • Procurement of an IT solution to monitor impact of local economic policies at the regional level. • Procurement of an IT tool to improve statistical data collection of national accounts • Creation of the investment climate observatory • Regional Public Procurement Portal • Capacity building for staff of the CEMAC Commission (public finances, management, strategic planning) • Procurement of computers and telecom systems • IT solutions to improve internal management of CEMAC (accounting, financial, and human resources) 	<ul style="list-style-type: none"> • Completed but not operational • Completed but not operational • Completed but not operational • Not completed • Completed • Completed¹² • Completed
Component 3, Subcomponent B (COBAC) US\$7 million	<ul style="list-style-type: none"> • Implementation of four IT systems (integrated production system, management system, communication system, decision-making system) • Implementation of IT reporting system for MFIs (SESAME) • Development of new accounting system for banks • Basel II compliance assessment and action plan • Capacity building (IFRS, stress test, consolidated supervision) 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed • Completed

¹² Most of the equipment was lost destroyed the Central African Republic Civil Conflict.

Component 3, Subcomponent C (COSUMAF) US\$2 million	<ul style="list-style-type: none"> • Acquisition of computers, telecom equipment, and development of internal procedures manuals • Study on the potential of capital markets • Dissemination activities (two seminars on capital markets) • Capacity building for staff • Accession to the IOSCO 	<ul style="list-style-type: none"> • Completed • Completed • Completed • Completed • Completed
Component 3, Subcomponent D (GABAC) US\$2 million	<ul style="list-style-type: none"> • Dissemination campaign on AML/CFT • Support development legal framework AML/CFT • Strengthening internal management of GABAC (Procedures manual and procurement of computers and telecom systems) • Typology studies (two countries) • Operations manual for mutual evaluations • Training for two evaluators • Support to join the FATF 	<ul style="list-style-type: none"> • Completed • Completed • Completed¹³ • Completed • Completed • Completed • Completed

¹³ Most of the equipment (computer and telecom) was destroyed during the Central African Republic Civil Conflict.

Annex 3. Economic and Financial Analysis

The project did not have financial or economic analysis.

Annex 4. Bank Lending and Implementation Support/Supervision Processes

(a) Task Team members

Names	Title	Unit	Responsibility/ Specialty
Lending			
Andres D. Jaime	Senior Financial Specialist and TTL	ECSF2 - HIS	
Kouami Hounsinou Messan	Senior Procurement Specialist	GG007	
Herminia Martinez	E.T. Consultant		
Ann Christine Rennie	E. T. Consultant		
Eric Haythorne	E. T. Consultant		
Fabrice Houdart	Country Officer	MNCA1	
Faustin Ange Koyasse			
Djibrilla Issa	Country Manager	AFMCG	
Adja Dahourou	Senior Private Sector Specialist	GTC07	
Nestor Coffi	Country Manager	AFMBI	
Andrea Vasquez-Sanchez	Senior Program Assistant	GFM01	
Supervision/ICR			
Andres D. Jaime	Senior Financial Specialist	ECSF2 - HIS	
Guillemette Jaffrin	Lead Private Sector Specialist	GTC07	
Andre Ryba	E.T. Consultant		
Ann Christine Rennie	E.T. Consultant		
Herminia Martinez	E.T. Consultant		
Aminata Ndiaye	Young Professional	GFM05	
Sekou Keita	E T Consultant	AFTME - HIS	
Fadwa Bennani	Senior Financial Sector Specialist	GFM05	
Marilyne Pereira Goncalves	Senior Financial Sector Specialist	GFM07	
Michel Noel	Head	GFM3A	
Charlie Garrigues	E.T. Consultant		
Isabelle Huynh			
Gilberto de Barros	Senior Private Sector Specialist	GTC07	
Lina Sawaqed	Consultant	GTCIC	
Magueye Dia	Senior Private Sector Specialist	GTC07	
Taye Mengistae	Senior Economist	GTC13	
Philippe Marie Aguera	Senior Financial Sector Specialist	GFM07	
Cedric Mousset	Lead Financial Sector Specialist	GFM07	
Hippolyte Fofack	Senior Economist	GGCGDR	
Alain Traore	Senior Private Sector Specialist	GTCA2	
Dolele Sylla	IT Analyst	ITSCR	
Alphonsus Achomuma	Senior Financial Sector Specialist	GFM07	
Irene Nmomo	Program Assistant	GTC07	
Jean Michel Lobet	Senior Financial Sector Specialist	GFM05	
Faustin-Ange Koyasse	Senior Economist	GMFDR	

Kouami Hounsinou Messan	Senior Procurement Specialist	GGO07	
Andrea Vasquez-Sanchez	Senior Program Assistant	GFM01	

(b) Staff Time and Cost

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of Staff Weeks	US\$, thousands (including travel and consultant costs)
Lending		
FY06	6.8	122.21
FY07	23.06	159.14
FY08	10.204	89.39
FY09	18.06	123.80
Total:	58.124	494.54
Supervision/ICR		
FY09	4.99	39.72
FY10	20.27	102.82
FY11	29.77	129.62
FY12	20.20	91.75
FY13	26.74	188.04
FY14	18.18	138.69
FY15	20.86	133.20
FY16	34.07	169.21
FY17	7.8	44.45
Total:	182.88	1037.5

Annex 5. Beneficiary Survey Results

Not applicable

Annex 6. Stakeholder Workshop Report and Results

(if any)

Not applicable.

Annex 7. Summary of Borrower's ICR and/or Comments on Draft ICR (extract)

N° 009 PRCIRC/UGRIF/2017

Objet : Observations sur le rapport de clôture du Projet de Renforcement des Capacités des Institutions Régionales de la CEMAC

Monsieur le Chef de Mission,

Faisant suite à nos différents échanges relatifs au rapport de clôture du Projet de Renforcement des Capacités des Institutions Régionales de la CEMAC, nous avons l'honneur de vous informer que suite à l'examen de votre rapport par les représentants des institutions bénéficiaires, nous considérons que les conclusions qui y ressortent, sont globalement conformes à notre appréciation du déroulement de la mise en œuvre de ce projet et des résultats auxquels il a abouti.

En effet, en dehors de la facilité pour la préparation des études des projets régionaux qui n'avait pas été utilisée pour des raisons que nous avons partagées avec vous, le Projet a réalisé toutes les composantes de renforcement des capacités, comme en témoigne les réalisations listées dans l'annexe 2 de votre rapport. Ceci s'est traduit par une nette amélioration du fonctionnement des institutions bénéficiaires et, par conséquent, une efficacité dans la conduite des missions respectives qui leur sont dévolues. Par ailleurs, pour un projet de cette envergure et vu le contexte dans lequel il avait été implémenté, il nous semble nécessaire de souligner les résultats de la gestion fiduciaire.

Fort de ces performances, nous pensons qu'il ne serait pas démerité de nous attribuer la note « Satisfaisant ».

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Nous voudrions aussi donner notre appréciation de la façon dont ce projet avait été supervisé par les équipes de la Banque mondiale. En effet, nous sommes d'accord avec vous que ce projet avait été mal préparé et que le cadre des résultats n'était pas cohérent avec les activités à financer. Les indicateurs de performance n'étaient non plus bien ciblés et ne couvraient qu'une partie des composantes. Par ailleurs, l'instabilité des TTL pendant les deux premières années n'avaient pas facilité un démarrage effectif des activités de ce projet. Mais, passé cette période de latence, la supervision du projet par la Banque mondiale s'est nettement améliorée. Les résultats relatés par votre rapport ont été obtenus grâce notamment à cette supervision mise en place par Monsieur Gilberto De Barros que nous remercions et félicitons au passage.

Enfin, nous voudrions vous préciser que des observations de forme et quelques précisions ont été directement intégrées dans le rapport.

En espérant que les leçons tirées de ce projet serviront à renforcer davantage la coopération entre la Banque mondiale et les institutions de la CEMAC, nous vous prions d'agrèer, **Monsieur le Chef de Mission**, notre parfaite considération. MS

P.J. : Projet de rapport de clôture

Le Coordonnateur du Projet
ADOUM MAHAMAT SARWAL



I. Introduction

Démarré en septembre 2009, le Projet de Renforcement des Capacités des Institutions Régionales de la CEMAC a clôturé ses activités le 29 février 2016. Le présent rapport préparé par la Cellule de Coordination du Projet (UGRIF) présente les réalisations faites par ledit Projet au cours des six (6) années de mise en œuvre. Après une brève description de l'organisation institutionnelle, de la structure du financement et des objectifs assignés à chacune des composantes, ce rapport rend compte de l'état d'exécution et les progrès réalisés pour chaque institution participante. Il fournit également des informations sur la gestion financière, les principaux indicateurs de réalisation et la passation des marchés.

Le Projet a démarré effectivement ses activités avec environ 18 mois de retard dû essentiellement à la mise en place tardive des structures de gestion et à l'instabilité des points focaux, d'une part, et d'autre part, aux changements fréquents du chargé de projet (TTL) par la Banque Mondiale (4 TTL ont été désignés dans un intervalle de 2 ans), entraînant des délais de 6 à 12 mois dans la délivrance des avis de non-objection.

A partir de 2011, le Projet a commencé à enregistrer des avancées sensibles dans la mise en œuvre de ses activités. Ces performances se sont traduites, au terme de la période de mise en œuvre, par la réalisation de toutes les réformes majeures devant concourir à l'atteinte de la majorité des objectifs du Projet, et un décaissement de la quasi-totalité des ressources mises à sa disposition. En effet, le taux d'exécution technique est estimé à 95 % et le taux de décaissement à la date de clôture des activités s'est établi en moyenne à 84% dont 77% pour le Crédit et 96 % pour le Don.

Pour rappel, le Financement de l'IDA accordé dans le cadre de ce Projet est entré en vigueur en avril 2009. Sa date de clôture prévue initialement au 30 juin 2014, a été reportée au 29 février 2016, soit 20 mois supplémentaires. Les institutions régionales bénéficiaires de ce financement sont la BEAC, la Commission de la CEMAC, la BDEAC, la COBAC, la COSUMAF et le GABAC ; l'UGRIF assurant la Coordination du Projet.

II. EVALUATION DES RESULTATS

Le Projet a démarré de manière effective ses activités en janvier 2011. Les deux premières années ont été marquées par un faible niveau d'exécution des activités éligibles, en raison notamment de : (i) la non-maîtrise des procédures du Projet par les institutions bénéficiaires, avec comme corollaire des faibles capacités d'absorption ; (ii) l'instabilité des points focaux; et (iii) des retards importants enregistrés, au cours de cette période, dans l'obtention des avis de non-objection de la Banque Mondiale ainsi que le changement, à plusieurs reprises, du Responsable (TTL) que cette Institution met à la tête du Projet.

Toutefois, au 29 février 2016, date de clôture, les résultats enregistrés par chacune des composantes, portant le taux d'exécution technique de ces activités à environ 95 %, hors mis la facilité de financement des études des projets intégrateurs, et un taux de décaissement à 84%. Ces avancées se sont traduites par un renforcement significatif des capacités humaines et matérielles des institutions participantes et une amélioration de leur fonctionnement de manière générale grâce aux réformes qu'elles ont mises en œuvre dans ce cadre. A ce stade, l'on peut considérer que la plupart des objectifs fixés par le Projet sont atteints.

La situation par institution est synthétisée dans le tableau en annexe. Mais, il convient de retenir globalement ce qui suit :

i) Pour la BEAC

L'objectif de « **Renforcement de la politique monétaire** » basé sur les indicateurs de « réforme de la programmation monétaire » et de « lancement effectif des émissions des titres publics » a été globalement atteint. En effet, depuis son lancement en 2011, l'émission des titres publics à souscription libre a été développée par l'ensemble des pays membres de la CEMAC pour financer leurs budgets. Les montants de ces émissions se sont considérablement accrus au fil des années, limitant le recours au financement monétaire des budgets. Quant à la révision de l'exercice de la programmation monétaire, elle a été engagée par des actions importantes visant à définir les fondements de cette réforme. Toutefois, cette révision n'a pas pu être achevée en raison des difficultés rencontrées dans le recrutement d'une expertise externe pour assister la BEAC dans ce

domaine. Il reste notamment à faire rédiger par cet expert un cahier des charges qui va proposer des améliorations à apporter à cet exercice ainsi que le choix d'un outil informatique pour automatiser les calculs à réaliser dans ce cadre.

Parallèlement, la BEAC a entrepris en interne une réforme des instruments de sa politique monétaire pour mieux les adapter à l'évolution économique et financière dans la sous-région. Les travaux engagés dans ce cadre se trouvent à un stade avancé.

Par ailleurs, le renforcement de la politique monétaire s'appuiera respectivement sur (i) l'optimisation du système d'information comptable, et (ii) la mise en place d'une base des données économiques, monétaires et financières (BDEMF) et (iii) du nouveau dispositif de compilation et de diffusion des statistiques de balance des paiements. En effet, ces outils permettront de disposer des données disponibles et fiables sur plusieurs années pour des études à mener pour mieux cibler les décisions de politique monétaire.

Globalement, la politique monétaire de la BEAC, en cours de modernisation, est devenue plus réactive aux évolutions enregistrées au niveau sous régional et international.

Pour ce qui est du «**Renforcement de la gestion des réserves de change**», les actions de formation financées par le Projet au profit de l'équipe de la Salle des Marchés, conjuguées avec l'assistance apportée par un consultant recruté pour appuyer cette Salle, ont créé les conditions d'une gestion optimale de la part des réserves de change que la BEAC gère en dehors du compte d'opérations ouvert auprès du Trésor français. Cette part dépasse depuis quelques années 50% du montant total des réserves. Aussi, le taux de rendement qu'elle génère, a atteint en moyenne 2,3 % sur la période 2008-2014, malgré l'évolution erratique des marchés financiers internationaux, témoignant du renforcement des capacités des services de la BEAC dans ce domaine.

En matière de «**Développement des systèmes et moyens de paiements**», le montant des paiements électroniques à travers le système de paiement de gros (SYGMA), a augmenté de plus de 3885 % entre 2008 et août 2015, dépassant largement l'objectif fixé par le Projet. Ces performances seront davantage améliorées par la mise en place de la « Centrale des Incidents des Paiements – CIP », opérationnelle depuis février 2016.

Le Projet a prévu la «**réforme de la gestion des ressources humaines**» de la BEAC pour l'aligner aux standards internationaux et la mettre en cohérence avec ses objectifs stratégiques. Le Plan Directeur des Ressources Humaines (PDRH) élaboré dans ce cadre, en cours de déploiement, a défini des nouvelles politiques et procédures en matière de recrutement, d'évaluation et de gestion de carrières. Ce dispositif est adossé à une solution informatique moderne (SIRH). Il est complété par un Plan Pluriannuel de Formation (PPF) dont l'objectif est de rationner la politique de formation de la Banque et de disposer d'une programmation triennale de renforcement des capacités des ressources humaines.

En matière de «**Contrôle interne**», le Projet a financé un programme de formation des capacités des auditeurs internes de la BEAC (environ une trentaine de personnes) afin qu'ils prennent en main les nouvelles activités à haut degré de technicité et leur permettre de se familiariser avec les

nouvelles méthodes d'audit. Ce programme de formation ouvre également à ces auditeurs la voie à la certification internationale.

Globalement, pour la BEAC, les objectifs assignés par le Projet (améliorer le politique monétaire, améliorer la gestion des réserves de change, développer le marché des titres publics et améliorer les paiements) sont atteints.

ii) Pour la BDEAC

La BDEAC bénéficie d'un financement destiné au renforcement de ses capacités (sous-financement A) et à la réalisation des études de faisabilités des projets régionaux d'infrastructures (sous-financement B).

Les résultats enregistrés par les indicateurs retenus pour cette composante « **Financement des projets régionaux** », « **Ratio décaissements/engagements** » et « **Niveau des créances douteuses datant de plus de 3 mois (NPL)** », sont mitigés. Toutefois, des progrès importants ont été réalisés dans (i) l'amélioration de la gouvernance de l'institution avec la création d'un Comité d'audit et la désignation des Administrateurs indépendants, (ii) l'élaboration des nouvelles politiques et procédures de gestion et d'évaluation des projets, (iii) la gestion de risques qui y sont associés, et (iv) le renforcement du contrôle interne.

Les activités financées par le sous-financement A (Mise en place d'une structure de mobilisation des ressources concessionnelles, adoption des nouvelles procédures d'analyse coûts/bénéfices des projets, mise en place des nouvelles normes environnementales et sociales, amélioration du cadre juridique, mise en place d'un système de conformité et des procédures/outils LAB/FT) qui viennent de s'achever, auront au final un impact important sur la mobilisation des ressources par cette institution, d'une part, et d'autre part, sur la gestion et l'évaluation des projets qu'elle finance.

Le Projet a financé également la mise en place d'une série de systèmes d'information (Progiciel Bancaire Intégré, Système gestion et Système de communication) qui ont donné à cette institution les outils nécessaires pour renforcer la gestion des projets et des risques associés ainsi que sa gestion administrative, financière et comptable.

Par ailleurs, comme pour la BEAC, la BDEAC a engagé une réforme de sa gestion des ressources humaines dans le but de créer des expertises qui contribueront à la réalisation de ses objectifs stratégiques à court et à moyen termes. Les recommandations de l'étude menées dans ce cadre ont été prises en compte par la Banque dans sa nouvelle politique de recrutement, d'évaluation et de gestion des carrières.

Ainsi, les objectifs fixés pour le sous-financement A « Renforcement des capacités de la BDEAC » ont globalement été atteints. L'impact des activités financées par le Projet sera plus significatif après l'appropriation et l'opérationnalisation de tous les outils et procédures dont certains ont été livrés juste à la veille de la clôture du Projet.

En revanche, le sous-financement B n'a pas été utilisé et, par conséquent, les études de faisabilité prévues dans ce cadre n'ont pas été menées. Cette situation s'explique essentiellement par la conditionnalité assortie à l'utilisation de ces ressources et, dans une certaine mesure, à la faiblesse

de la capacité d'absorption de la BDEAC dans un contexte marqué par plusieurs réformes engagées sur financement de l'IDA et des autres partenaires (BAD, AFD, BERD). Le plan de réallocation du sous-financement B initié par la BDEAC pour palier ce blocage, n'a pas pu être concrétisé à cause de la date de clôture du Projet.

iii) Pour la Commission de la CEMAC

Le Projet a financé l'élaboration et la mise en place de deux outils, à savoir « **Le Modèle de cadrage macroéconomique** » et « **l'Observatoire du climat des investissements** », ainsi qu'une réforme du dispositif de surveillance multilatérale. Ces outils doivent contribuer, à terme, à améliorer sensiblement la convergence des économies des pays membres et le développement du commerce intra-CEMAC, et par conséquent, renforcer l'intégration économique sous régionale. En effet, ces outils permettront notamment à la CEMAC l'élaboration dans les délais du rapport semestriel de surveillance multilatérale, tandis que l'Observatoire sera alimenté par des données collectées lors des tournées-pays envisagées dans les semaines à venir, afin de préparer un deuxième rapport basé sur les nouveaux indicateurs et, par conséquent, servira de référence pour corriger les entraves au développement du commerce à l'intérieur de la Zone.

La convergence des économies de la CEMAC devrait être également renforcée par le nouveau mode de calcul harmonisé du PIB (même année de base, utilisation ERETES et passage à la SCN 2008), ainsi que par la réforme des finances publiques à travers les six (6) directives relatives à l'harmonisation de la gestion des finances publiques dans les Etats membres, à savoir : ((i) le Code de Transparence et de bonne gouvernance, (ii) les Lois de Finances, (iii) le Règlement Général sur la Comptabilité Publique, (iv) la Nomenclature Budgétaire de l'Etat, (v) le Plan Comptable de l'Etat et (vi) le Tableau des Opérations Financières de l'Etat), la directive moderne sur les marchés publics. Les autres activités ont concerné notamment le renforcement des capacités humaines, avec 16 cadres formés dans la gestion axée sur les résultats, et matérielles avec l'acquisition des équipements informatiques et logiciels ainsi qu'un kit VSAT pour améliorer le système de communication de la Commission et lui permettre de rationner ses dépenses dans ce domaine.

iv) Pour la COBAC

Les faiblesses constatées dans la réglementation et la supervision bancaires communes aux pays de la CEMAC, lors du FSAP 2006, ont dans leur majorité été corrigées, grâce à l'adoption des nouveaux textes qui ont porté respectivement sur la supervision sur base consolidée et transfrontière, le traitement des établissements en difficulté, le capital minimum et la couverture des risques. Par ailleurs, les effectifs de la COBAC ont été plus que doublés permettant ainsi de renforcer la supervision préventive et de réduire la fréquence des contrôles sur place. La COBAC a également fait adopter un nouveau plan comptable sur la base duquel les assujettis publient leurs états financiers. Toutes ces actions ont amélioré sensiblement le respect des normes prudentielles par les banques.

S'agissant du secteur de la micro finance, un dispositif complet de supervision comprenant un plan comptable, des états déclaratifs et une application informatique SESAME, a été mis en place, permettant à plus de 700 établissements agréés de faire des déclarations régulières sur leurs activités. Le défi reste le contrôle sur place qui fait l'objet de concertation entre la COBAC, la BEAC et les Etats membres, en vue d'un éventuel partage des rôles dans ce domaine.

Le projet a financé également un programme de renforcement des capacités humaines (36 cadres supérieurs et moyens formés) et matérielles avec notamment l'acquisition des quatre (4) systèmes d'information (Système intégré de production, système de gestion, système de communication et système décisionnel) ainsi que des équipements informatiques et réseaux.

Globalement, l'on peut conclure que la participation du Projet au financement des activités de la COBAC a contribué, au cours de ces cinq (5) dernières années, à un renforcement significatif de la réglementation et la supervision des banques et leur conformité aux standards internationaux.

v) Pour la COSUMAF

La COSUMAF bénéficie de deux sous-financements : le sous-financement A destiné au rapprochement des marchés financiers coexistant dans la sous-région et le sous-financement B pour le renforcement des capacités de la COSUMAF et des autres acteurs en charge de la surveillance des marchés financiers.

Le rapprochement des deux bourses n'a pas pu être réalisé en raison de la persistance du statu quo politique. Les différentes initiatives prises dans ce cadre (réunion des acteurs, étude de la BAD et travaux du Comité de pilotage présidé par le Gouverneur de la BEAC) n'ont pour le moment pas permis d'aboutir au rapprochement escompté.

S'agissant du sous-financement B, il a été utilisé pour le renforcement des capacités humaines (formations en contrôle interne, opérations financières et informatiques) et matérielles (équipements informatiques et logiciels) de la COSUMAF, l'élaboration des procédures internes et fonctionnelles pour cette institution, la vulgarisation de la culture boursière, la préparation et la vulgarisation de certains textes, ainsi qu'à la conduite d'une étude pour évaluer le potentiel du marché sous-régional en vue de mener des actions pour favoriser son développement. Ce financement a servi également à prendre en charge les frais exposés par la COSUMAF dans sa démarche pour adhérer à l'OICV dans un proche avenir.

Globalement, le renforcement des capacités de la COSUMAF et l'amélioration de l'environnement financier sous-régional ont été réalisés. Ces performances ont permis à cette institution d'être admise comme membre à part entière de l'OICV. En revanche, le rapprochement des deux places boursières risque de prendre de temps et, par conséquent, retarder l'émergence d'un marché financier intégré offrant des opportunités suffisantes pour le financement des économies de la CEMAC.

vi) Pour le GABAC

Grâce au financement du Projet, des campagnes de sensibilisation du public ont été organisées dans tous les pays membres. Ces campagnes ont été accompagnées des exercices de typologie pour étudier les canaux utilisés par les blanchisseurs, et la conduite des évaluations mutuelles des dispositifs LAB/FT de certains pays membres afin de s'assurer de leur efficacité pour mener la lutte anti-blanchiment des capitaux. Des nouveaux textes sont également été adoptés renforçant le dispositif juridique et réglementaire de la lutte anti-blanchiment dans la CEMAC. Aussi, tous les pays membres ont mis en place des ANIFs lesquelles sont opérationnelles. Un cadre de

concertation a été institué entre ces ANIFs, le Secrétariat Permanent du GABAC et les partenaires qui apportent un appui dans ce domaine, pour un échange d'expériences.

Toutes ces avancées ont permis au GABAC d'accéder au statut d'Organisme Régional de Type GAFI (ORTG) qui constitue une reconnaissance des capacités dont il dispose pour coordonner efficacement la lutte anti-blanchiment dans l'espace CEMAC.

Au total, les activités financées par les ressources de l'IDA ont permis aux institutions bénéficiaires d'améliorer leur fonctionnement et de mener les réformes nécessaires pour accomplir efficacement leurs missions. Les résultats obtenus sont dans l'ensemble satisfaisants. Toutefois, pour une meilleure appropriation des outils et des procédures développés dans ce cadre, il serait nécessaire que les acquis de ces institutions soient consolidés à travers un renforcement complémentaire de leurs capacités.

III. CONSTATS GENERAUX ET ENSEIGNEMENTS

Au terme de la mise en œuvre du projet, l'on peut retenir les enseignements ci-après :

- L'évaluation à la base du Projet a été approximative.
- La définition des indicateurs de suivi n'a pas été rigoureuse ; certaines composantes ne disposent d'aucun indicateur.
- une synergie et une solidarité se sont développées entre les différents acteurs du Projet pour l'atteinte de l'objectif général visé qui est " l'intégration régionale". En effet, la quasi-totalité des indicateurs de résultats a été atteinte pour toutes les composantes.
- Des étapes décisives ont été franchies tant sur le plan organisationnelle que sur le plan de mise en œuvre des activités à partir de la troisième année du Projet grâce à un suivi rapproché impliquant tous les acteurs. Par ailleurs, les actions de proximité que l'UGRIF a menées durant toute la vie du Projet conjuguées avec l'entière disponibilité des points focaux ont constitué un task force au sein du Projet qui a rendu facile les prises de décisions nécessaires pour l'exécution des activités conformément aux objectifs stratégiques du Projet.
- Cette expérience de management pour ce Projet permet d'affirmer que l'exécution des projets sous-régionaux est complexe d'où la nécessité de faire preuve de flexibilité, d'initiative et d'adaptation aux réalités de chaque institution.
- Pour consolider les principaux acquis du Projet, des actions supplémentaires de renforcement des capacités au profit de ces institutions s'avèrent nécessaires.

Ainsi, grâce à ce Projet, on peut dire que :

La BDEAC est en train de franchir un pas décisif dans la consolidation des principes de son organisation et sa gestion et ce, dans tous les compartiments de gestion de l'Institution.

La COSUMAF est désormais membre de l'OICV et dispose des outils modernes de gestion et une visibilité sur le potentiel du marché régionale, gages de redynamisation du Marché Financier de l'Afrique Centrale.

La COBAC est totalement arrimée au tout informatique/numérique pour l'ensemble de ses opérations avec des règles et textes liftés et un personnel formé.

Le GABAC est reconnu ORTG et admis comme membre associé du GAFI après avoir satisfait à toutes les conditionnalités posées par ses partenaires (GAFI, Groupe EDMOND...) et ce, grâce aux actions de renforcement des capacités réalisées sur financement de ce Projet (exercices de typologies ; renforcement du pool des évaluateurs ; évaluations mutuelles ; tenue des plénières des ANIF ; mise en place d'un nouveau manuel des procédures et l'outil de gestion ERP...).

La Commission de la CEMAC a développé des outils adéquats pour un meilleur suivi de la conjoncture économique sous-régionale et une surveillance multilatérale assise sur des critères adaptés ; le tout appuyé par des équipes techniquement renforcées au niveau de la Commission que des Etats.

Pour la BEAC, son management des ressources humaines a été complètement modernisé et se rapproche des meilleures pratiques internationales. Sa capacité de gestion des réserves de change s'est accrue et le fonctionnement des systèmes de paiement et de règlement s'est renforcé tout comme la conduite de la politique monétaire, 3 éléments clés pour la réussite de sa mission statutaire. En outre, en dotant la communauté d'une BDEMF et d'une BDP, elle donne à l'ensemble des décideurs de la sous-région, ainsi qu'aux partenaires étrangers des outils importants d'aide à la prise de décision.

Annex 8. Comments of Cofinanciers and Other Partners/Stakeholders

Not applicable.

Annex 9: Reallocation of proceeds during restructuring level 2

Category	Amount of the Grant Allocated (in SDR)	Amount of the Credit Allocated (in SDR)	Revised Amount of the Grant Allocated (in SDR)	Revised Amount of the Credit Allocated (in SDR)	Percentage of Expenditures to be Financed
1) Goods, consultant services (including audits, Training, and Operating Cost for:					100
a) Part1 of the Project	0	9,200,000	0	10,900,000	
b) Part 4 of the Project	1,900,000	0	2,000,000		
2) Part 2 of the project;					100
a) Goods, consultants' services, and training for sub part a	0	5,700,000	0	5,700,000	
b) Study sub financing for sub part b	0	3,800,000	0	3,800,000	
(3) Goods, consultants' services, and training for part 3 a) of the project	1,900,000	0	2,850,000	0	100
(4) Goods, consultants' services, and training for part 3 b) of the project	4,500,000	0	4,500,000	0	100
(5) Goods, consultants' services, and	200,000	0	65,000	0	100

training for part 3 c) of the project a) sub-part i) b) Subpart ii)	1,100,000	0	900,000	0	
6) Goods, consultants' services, and training for part 3 d) of the project	1,300,000	0	1,025,000	0	100
7) Refund of project preparation	400,000	0	160,000	0	Amount payable pursuant to Section 2.07 of the General Conditions
Unallocated	200,000	1,700,000	0	0	
Total amount	11,500,000	20,400,000	11,500,000	20,400,000	

Source: WB imagebank

Annex 9. List of Supporting Documents

- Credit Agreement
- ISRs (2011–15)
- Missions Aide Memoires and Management Letters
- Project Documents (imagebank and World Bank documents)
- World Bank, PAD, CEMAC Regional Institutions Project, November 2008
- UGRIF's (PIU) Completion Report
- On-site interviews with beneficiary institutions conducted on the week of December 12-16, 2016.