



Chad Value Chain Support Project (P133021)

AFRICA | Chad | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 8 | ARCHIVED on 23-May-2018 | ISR31997 |

Implementing Agencies: Ministry of Economy and Development Planning, Ministry of Livestock

Key Dates

Key Project Dates

Bank Approval Date:22-May-2014

Effectiveness Date:18-Sep-2014

Planned Mid Term Review Date:15-Nov-2017

Actual Mid-Term Review Date:13-Nov-2017

Original Closing Date:30-Sep-2019

Revised Closing Date:30-Sep-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective is to improve: (i) targeted aspects of the business environment; and (ii) the performance of agro-pastoral value chains in the Republic of Chad.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1: Improving the business environment:(Cost \$1.50 M)

Component 2: Support to the meat and dairy value chains:(Cost \$6.40 M)

Component 3: Project Management:(Cost \$2.00 M)

Contingencies:(Cost \$0.30 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|-----------------------------|-----------------------------|
| Progress towards achievement of PDO | ● Moderately Unsatisfactory | ● Moderately Unsatisfactory |
| Overall Implementation Progress (IP) | ● Moderately Unsatisfactory | ● Moderately Unsatisfactory |
| Overall Risk Rating | ● Substantial | ● Substantial |



Implementation Status and Key Decisions

This ISR covers the Midterm Review (MTR) and restructuring mission organized in November 2017, as well as a follow up mission in February 2018.

Value Chain Project

Summary of Project Performance to date:

Overall, the Chad Value Chain Support Project did not perform well since inception and was classified as a problem project. It is rated Moderately Unsatisfactory on both progress toward achieving the Project Development Objective (PDO) and implementation progress in February 2017. Disbursement is low as reflected by: (a) the overall 37 percent disbursement rate at midterm review (November 2017); (b) a disbursement gap of about US\$3 million compared to the original disbursement projections; and (c) weaknesses in the implementation of the project's activities due to poor management and the current social and political context in the country.

In addition, the project poor performance and low disbursement rate are partly due to: (a) inadequacies in the project design with the budget of some activities being underestimated thereby delaying the upgrading of activities related to the slaughterhouse and the sacrifice areas' infrastructures due to insufficient funding; (b) the need for proper environmental and social (E&S) assessment; (c) poor project management due to the inadequate capacity of the coordination unit; and (d) long procurement delays.

While Components 1 (Improving the business environment) and 3 (Project management) are performing in terms of disbursement (both rated moderately satisfactory), Component 2 (Support to the meat and dairy value chains), the main component of the project with direct impact on the PDO, is poorly performing due to the issues described above.

Given the issues highlighted earlier, the team, together with the key Government counterparts, Ministry of Livestock, and in consultation with the private sector beneficiaries involved in the targeted chains considered, agreed to restructure the project by: (a) specifying and confirming/redesigning activities that can be undertaken in the limit of the available budget; (b) strengthening project management; (c) improving the existing monitoring and evaluation (M&E) system and the Results Framework; and (d) accelerating implementation and disbursement through improving the procedures and strengthening the Project Implementation Unit (PIU) operational capacities.

Recent progress of the project has contributed to improve the project's performance. The disbursement rate slightly increased from 37% to 45% and will continue to be boosted with the implementation of the post-restructuring action plan which targets a 70% disbursement rate by September 2018.

Project Achievements So Far

With regards to achievements under the different components, the project achieved the following results:

- The project contributed to simplify business registration procedures and to facilitate the setting up of about 1900 new businesses in Chad.
- The project provided veterinary services and feed complementation for about 1000 dairy cows of 21 cooperatives of milk producers including women in the project zone. Beneficiaries interviewed confirmed that this support has resulted into a decrease in the risk of animal diseases and significant increase in the daily quantities of milk produced from about 2 liters to 4 liters per cow per day.
- Two refrigerated vehicles acquired by the project are being used by the slaughterhouse of Farcha for meat transportation and distribution in the city to guarantee its quality.
- The matching grant program provided support to 21 micro projects for a contribution estimated at US\$ 222,000
- Capacity building activities were organized by the project for the benefit of the PIU staff, the focal points, the key stakeholders of the projects, butchers, CECOQDA's personnel, customs inspectors, Ministry of commerce's staff, milk producers, Ministry of livestock's inspectors on various topics specific to each group.
- **Risks**
- Environmental and Social risk: The assessment of the potential E&S adverse impacts identified the risk of groundwater pollution, if the liquid wastes were not adequately managed, particularly at Walia (slaughter area).

Mitigation: The MTR suggested to drop the slaughter area of Walia and focus only on the Diguel one.

- Implementation Risk: There is a risk of the PIU not being able to implement the project efficiently within the remaining time frame due to capacity issues.

Mitigation: External consultants will be hired to help the PIU accelerate the implementation of the various aspects of the project (Matching Grant, M&E, E&S, Financial).

- Social risk: Risk of disruption of commercial activities carried out in or around the sites that will house works of rehabilitation and modernization of the slaughter area of North Diguel. Many commercial activities are performed around the Slaughter area of North Diguel (transport commercialization of meat by women, and other foodstuffs). These activities can be temporarily disrupted or compromised (with loss of revenues) if the project decides to totally close the site for the rehabilitation work. Mitigation: The MTR mission suggested not to close the site completely during the rehabilitation but to plan to start one part of the site while the other side is still operational to preserve activities in and around the site.

Detailed Progress by Component

Component 1: Improving the business-related environment



Under the subcomponent 1.1, the project provided technical assistance to the Government of Chad to implement key reforms in the business entry area: (i) Rehabilitation of the ANIE's Web site; (ii) Online publication of the legal announcements of the companies (formal announcement through proclaiming the existence of the company); (iii) the merging of the registration of company deeds and articles with the business registration process of the single window.

Under the subcomponent 1.2. The project funded the training needs of 39 inspectors, controllers and other customs officers, and acquired equipment for the Customs Administration. Given that the resources are insufficient to continue this activity, the mid-term review mission suggested to suspend activities related to Sub-component.

Component 2: Support to the value chains (meat and dairy)

Subcomponent 2.1: Upgrade existing infrastructure facilities

Under Subcomponent 2.1, the project implemented the following activities:

Meat value chain:

- The project organized training sessions for the slaughterhouse and the slaughter areas' staffs and butchers on the environmental and social risks related to the slaughtering activities. Milk value chain:
- The project provided veterinary services and feed complementation for about 1000 dairy cows of 21 cooperatives of milk producers including women in the project zone. Beneficiaries interviewed confirmed that this support has resulted into a decrease in the risk of animal diseases and significant increase in the daily quantities of milk produced from about 2 liters to 4 liters per cow per day.
- Training sessions were organized on animal-health monitoring and technics to produce and preserve animal feeds and hay. Subcomponent 2.2: Support to select value chains Matching Grant Program:
- The matching grant program provided supported to 21 micro projects for a total amount of US\$222,000. Quality management in the targeted value chains
- The project provided kits for lab tests for the microbiology and the physico-chemical test of the meat. Based on a deep assessment of the activities of this component, the Mid-Term Review mission suggested the restructuring of the project. Component 3: Project management The MTR assessed the weakness of the monitoring and evaluation system. To better measure the project's impacts, and to redefine appropriate indicators, a monitoring and evaluation specialist will be recruited, by May 2018. **Institutional arrangements** The MTR agreed on new institutional arrangements: - new technical committee; -PIU strengthening with experienced consultants to accelerate implementation; communication and outreach to emphasis; quality control activities to be under Ministry's responsibility; matching grant expert to be hired.

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance | -- | ● Moderate | ● Moderate |
| Macroeconomic | -- | ● Low | ● Low |
| Sector Strategies and Policies | -- | ● Low | ● Low |
| Technical Design of Project or Program | -- | ● Moderate | ● Moderate |
| Institutional Capacity for Implementation and Sustainability | -- | ● Substantial | ● Substantial |
| Fiduciary | -- | ● Substantial | ● Substantial |
| Environment and Social | -- | ● Moderate | ● Moderate |
| Stakeholders | -- | ● Moderate | ● Moderate |
| Other | -- | -- | -- |
| Overall | -- | ● Substantial | ● Substantial |



Results

Project Development Objective Indicators

► Time it takes to register a business is reduced by at least 10% by the end of the project (Days, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 62.00 | 60.00 | 60.00 | 54.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

The target is 111% achieved

► Volume of meat produced in slaughterhouses/slaughter areas in target zones by end of project (Tones/year, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 18,542.00 | 17,000.00 | 17,000.00 | 19,500.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Oct-2019 |

Comments

The target is at 87 percent achieved.

► Number of Direct project beneficiaries (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 202.00 | 350.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

Target is 57 percent completed, and achieved at 130 percent for women .



▲ Female beneficiaries (Percentage, Custom Supplement)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|----------|-------------------|------------------|------------|
| Value | 0.00 | 0.00 | 26.00 | 20.00 |

► Contribution of the private sector through the matching grant scheme (Amount(USD), Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|--------------|
| Value | 0.00 | 0.00 | 496,897.00 | 1,450,000.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

Target is 34.2 percent completed.

Overall Comments

Intermediate Results Indicators



► Number of companies newly registered in the Single Window / ANIE (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 3,000.00 | 4,898.00 | 13,213.00 | 6,000.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

The target is achieved at 220.2 percent at MTR

► Number of Guichet Unique's employees trained to improve efficiency. (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 18.00 | 20.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

The target is achieved at 90 percent

► Communication plan prepared and implemented annually (Yes/No, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | N | Y | Y | Y |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

Achieved at 100%



► Number of customs officers and inspectors trained in areas such as customs valuation, rules of origin, and risk management (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 39.00 | 39.00 | 39.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

The target is 100 percent achieved.

► Number of slaughter houses equipped /open slaughter areas rehabilitated and milk collection centers constructed (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 0.00 | 3.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

► Number of workers (butcheries, veterinarians, cooperatives, and other organizations) active in the value chain having received training to improve their performance/product quality (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 6.00 | 77.00 | 200.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments

Target is achieved at 39 percent at MTR

Target for women is achieved at 45 percent.



▲ Of which women (Percentage, Custom Supplement)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|----------|-------------------|------------------|------------|
| Value | 0.00 | 0.00 | 9.00 | 20.00 |

▶ Number of SMEs in the meat value chain and dairy subsector supported through the matching grant program (Number, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|-------------|
| Value | 0.00 | 0.00 | 30.00 | 50.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments
Target is 60 percent achieved

▶ Volume of matching grant disbursed (Amount(USD), Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|--------------|
| Value | 0.00 | 0.00 | 75,993.00 | 1,000,000.00 |
| Date | 11-Mar-2014 | 31-May-2016 | 18-Apr-2018 | 30-Sep-2019 |

Comments
Target is achieved at 7.6 percent.



▶ Volume of the milk produced and sold in targeted zones (Liter, Custom)

| | Baseline | Actual (Previous) | Actual (Current) | End Target |
|-------|-------------|-------------------|------------------|--------------|
| Value | 540,000.00 | 540,000.00 | 540,000.00 | 1,080,000.00 |
| Date | 16-Aug-2017 | 16-Aug-2017 | 18-Apr-2018 | 30-Sep-2019 |


Comments

Target is 50 percent achieved.

Overall Comments

Data on Financial Performance

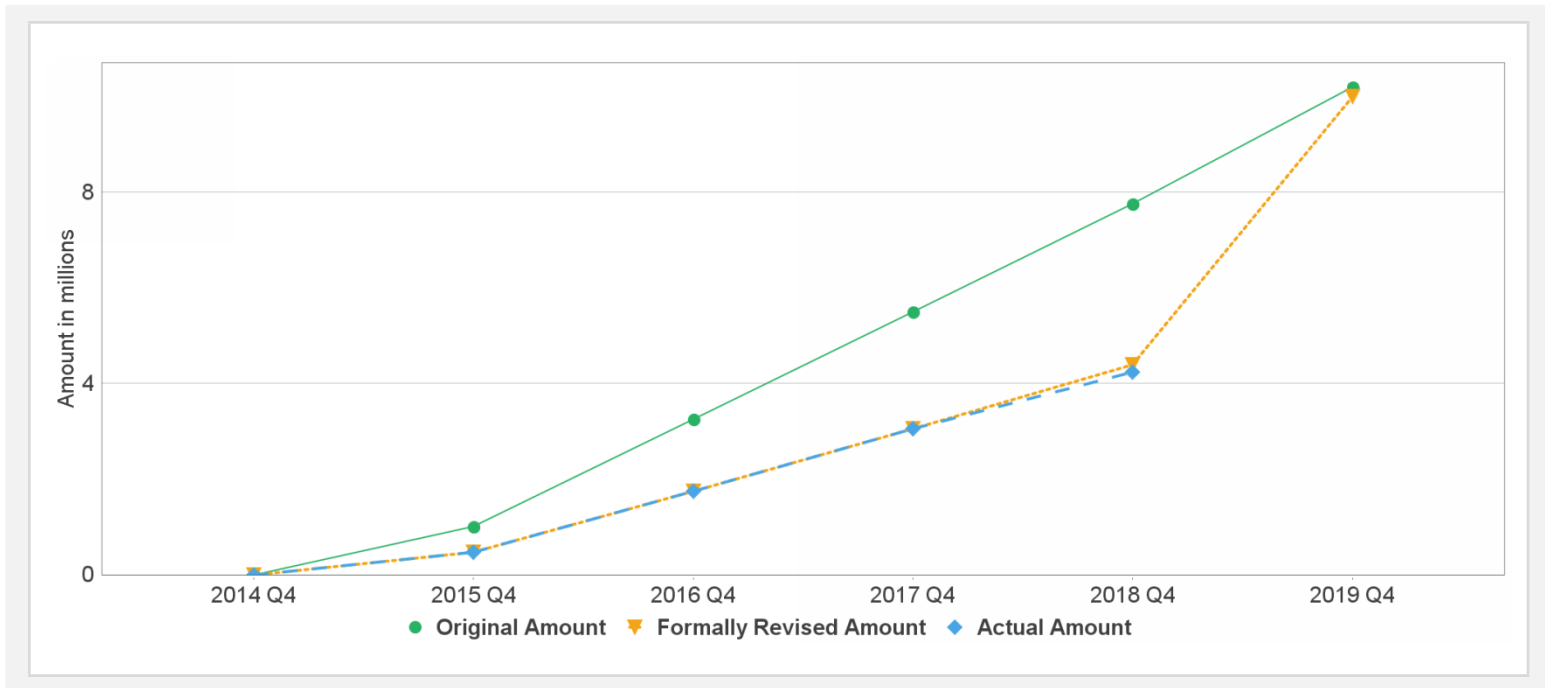
Disbursements (by loan)

| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|---|
| P133021 | IDA-H9550 | Effective | USD | 10.20 | 10.20 | 0.00 | 4.24 | 5.16 |  45% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P133021 | IDA-H9550 | Effective | 22-May-2014 | 20-Jun-2014 | 18-Sep-2014 | 30-Sep-2019 | 30-Sep-2019 |

Cumulative Disbursements



Restructuring History

Level 2 Approved on 03-Apr-2018

Related Project(s)

P164606-Chad Value Chain Support AF