I. Project Context

Country Context

OHADA – Organization for the Harmonization of Business Law in Africa – was established in 1993 through a Treaty to improve the legal security and predictability of doing business in West and Central Africa. The 16 current member states are: Benin, Burkina Faso, Cameroon, Central African Republic (CAR), Chad, Comoros, Republic of Congo, Côte d’Ivoire, Gabon, Equatorial Guinea, Guinea, Guinea-Bissau, Mali, Niger, Senegal and Togo. The Democratic Republic of Congo (DRC) is becoming the 17th member in 2012. Throughout the document, we refer to 17 member countries.

AFRICA MAP

The estimated population of the 17 member countries is about 200 million—25 percent of Sub Saharan Africa (SSA), with a median GDP per capita of US$363 (US$754 for SSA). GDP per capita growth has been around 7 percent over the last ten years. Gross private capital formation has remained low at 11 percent as compared to 15 percent in rest of SSA and 25 percent in East Asia. The informal sector remains the main source of private sector employment.

OHADA comprises 8 member countries that belong to the Western Africa Economic and Monetary Union (WAEMU) while 6 other belong to the Central Africa Economic and Monetary Community (CEMAC). Both economic blocks represented by the latter institutions use a common currency—the CFA Franc—which is pegged to the Euro.

II. Sectoral and Institutional Context

1. The OHADA governance structure comprises the following institutions: the Conference of Heads of State; the Council of Ministers (Justice and Finance), the Permanent Secretariat and the respective OHADA national commissions for each member country. Two other operational institutions attached to OHADA are: the Joint Court of Justice and Arbitration (CCJA) and the Regional Superior Magistrate School (ERSUMA). Although these structures are in place, they need strengthening to effectively carry out their roles and responsibilities.

2. As mandated under OHADA Treaty, member states have adopted unified legislative norms in commercial law areas that, once adopted, have become domestic law. This unification created a harmonized set of laws and regulations, which is meant to make it easier for the private sector to do business in the member countries. There are 8 OHADA Laws, or Uniform Acts, currently in place, covering 7 key areas of private-sector development: General Commercial Law, Secured Transactions, Company Law, Arbitration, Debt Recovery, Bankruptcy, Accounting, and Transport of Goods by Road. These Acts were adopted in 1998; only two have been revised since.

3. Launched in 2008, an IFC Non-lending Technical Assistance Project—a partnership with the World Bank (Africa Region and Legal Department), the French Government and the Investment Climate Facility—supports the modernization of key OHADA Laws and the Commercial Registry. The assistance was delivered in two phases: 1) diagnosis and drafting, and 2) submission of revised OHADA Acts. During the diagnosis phase, the OHADA Laws were reviewed by experts who suggested revisions for their improvement.

4. During the drafting and submission phase, the OHADA Secretariat commissioned a group of experts to draft amendments to the OHADA Laws based on the diagnosis, and subsequently presented new draft Laws to stakeholders, including the national OHADA Commissions. Once a legal opinion was secured from the CCJA, the OHADA Secretariat submitted the agreed Laws to the Council of Ministers for adoption. Based on this assistance, in December 2010, the OHADA Council of Ministers adopted (i) the revised OHADA General Commercial Law and (2) the revised Secured Transactions Law. The related improvements to the laws include the following: (i) the modernization of a secured transactions regime and computerization of registries for collateral which is expected to greatly facilitate access to credit for the local private sector in the OHADA zone; (2) the streamlining of procedures for business registration and operation; and (3) the establishment of the
status of “entrepreneur” for micro and small businesses that aim at encouraging informal entrepreneurs to join the formal economy.

5. Regarding ongoing and future developments, on that front, it is worth noting that the IFC intends to continue to provide similar assistance with the amended Company Act to be adopted in mid-July 2012 and the Insolvency Act in December 2012. Additionally, a new IFC project is being prepared to support member countries in implementing revised laws at the national level to maximize the impact of the reforms.

6. Despite this progress, the OHADA Laws still need to be modernized further. Six out of the eight OHADA Laws have become outdated, and do not sufficiently help foster private investment in the region. As can be seen in table 1 below, of the 10 lowest-ranked countries in the 2012 Doing Business Report, 7 are OHADA countries. The best performing country within OHADA is Mali, ranked 146th (out of 183). Despite a substantial investment climate reform agenda, Burkina Faso has improved its rating only from 154th in 2010 to 150th in 2012. Since OHADA Laws affect half of the Doing Business indicators—starting a business, getting credit, protecting investors, enforcing a contract and closing a substantial investment climate reform agenda, Burkina Faso has improved its rating only from 154th in 2010 to 150th in 2012. Since OHADA Laws affect half of the Doing Business indicators—starting a business, getting credit, protecting investors, enforcing a contract and closing a business—making significant improvements in the investment climate at the national level requires tackling OHADA-related issues at the regional level. These ratings illustrate the necessity to revise and modernize the OHADA Laws.

Table 1: Ranking of OHADA members in the 2012 Doing Business (out of 183 countries)

<table>
<thead>
<tr>
<th>Countries #</th>
<th>Countries #</th>
<th>Countries #</th>
<th>Countries #</th>
</tr>
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<tbody>
<tr>
<td>Senegal 154</td>
<td>Cameroon 161</td>
<td>Guinea 179</td>
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<tr>
<td>Mali 146</td>
<td>Côte d'Ivoire 167</td>
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<td>Benin 175</td>
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<tr>
<td>Comoros 157</td>
<td>Niger 173</td>
<td>Chad 183</td>
<td></td>
</tr>
<tr>
<td>Togo 162</td>
<td>Guinea Bissau 176</td>
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</tr>
</tbody>
</table>

7. Many of the investment climate hindrances that constrain investment are embedded in the OHADA Uniform Acts, example of which include the high level of minimum capital requirements currently set at US$2,000 which is beyond the means of most entrepreneurs in the region—whereas most countries in the world have set no or low capital requirement minimum as they recognized that a high minimum capital requirement was an hindrance to business formation and was not an effective way to protect creditors. Another example is the criminal record of prospective investors/entrepreneurs required to register a business, although most member countries are not able to issue a criminal record based on a review of information from a database of judicial sanctions. Likewise, the closing of businesses to deploy the assets for more effective use is time-consuming and costly, resulting in an inefficient allocation of resources (human, financial, and material). As a result, a well-designed and implemented reform to strengthen OHADA’s key institutions has the potential to improve key aspects of the investment climate within OHADA.

8. OHADA institutions faced human, financial and material constraints that made it difficult for them to ensure that the existing laws are: (i) known by stakeholders and (2) enforced within the OHADA member countries. Considering the IFC’s emphasis on providing assistance to the carrying out of the legal amendments to the different Uniform Acts, this World Bank-financed project will focus its resources on the strengthening of three key OHADA institutions: the Permanent Secretariat, the CCJA, and the Regional Superior Magistrate School (ERSUMA), without which the dissemination and enforcement of the Uniform Acts would be ineffective.

9. The institutional strengthening of the OHADA Secretariat as a political institution will have spillover benefit effects on its capacity to work with the OHADA national commissions on effective implementation of reforms and to further assist in the implementation of future regional and national projects in the OHADA.

10. The assistance is quite timely, since countries that are actively reforming their investment climate are currently hindered by their membership in OHADA, and strongly demand a modernization of the OHADA operational framework. Burkina Faso and Senegal demonstrated strong leadership and resilience during the revision of the 2 Uniform Acts. The DRC overcame national lobbies to initiate the process of joining OHADA. Burkina Faso is keen on moving forward and removing the main investment constraints, which are embedded in OHADA Laws. Conversely, it is expected that, without the proposed project, countries will not be able to reap all the expected benefits from the creation of OHADA; and, consequently, their investment climates will only improve marginally, as has been the case over the last few years.

11. Given the compliance requirements to OHADA Laws embedded in the Treaty, any revision to the equivalent national laws is not allowed to be undertaken at the national level, but instead require the prior adoption of such revision by all member countries through the OHADA institutions. As such, the proposed project is the best instrument to engage the dialogue for the modernization of the selected Uniform Acts.

12. Addressing the improvement of the investment climate through a regional project is also more effective. The country-by-country approach already initiated by countries, such as Burkina Faso, Mali and Senegal, has not been sufficient to substantially improve the investment climate. This approach has shown to be cost-ineffective, since the exact same reforms that are undertaken by one country have to be replicated in all other OHADA countries. This cost ineffectiveness has a negative impact on resources (human, financial and material) - both at the OHADA member country and the World Bank Group levels.

13. The proposed project will thus leverage and complement the support being provided by existing and future World Bank projects which include OHADA related components. Such projects cover 13 of the 17 OHADA member countries as well as CEMAC and WAEMU, the 2 regional institutions closely related to OHADA (table 2; appendix 1).

Table 2. Coverage of OHADA Member Countries by Related IDA Operations

<table>
<thead>
<tr>
<th>Country</th>
<th>IDA-Funded Projects</th>
<th>OHADA-Related Activities Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>2008 Competitiveness and Integrated Growth Project</td>
<td>Reforming business registration/licensing</td>
</tr>
<tr>
<td></td>
<td>Making laws consistent with OHADA</td>
<td></td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>2003 Competitiveness and Enterprise Development Project</td>
<td></td>
</tr>
</tbody>
</table>
2011 Bagré Growth Pole Project Upgrading business and commercial registry (RCCM) and greffe
Training on OHADA implementation
Strengthening commercial courts
Strengthening arbitration center
Streamlining registration/licensing
Congo Republic 2010 Support to Economic Diversification Project Reforming business registration
Côte d ’Ivoire 2009 SME Revitalization and Governance Upgrading RCCM facilities
Upgrading Abidjan commercial court
Upgrading OHADA information platform
Democratic Republic of Congo 2003 Private Sector Development and Competitiveness Project
Growth Pole Project Training magistrates
Upgrading 7 commercial courts
Upgrading RCCM
Gabon Economic Diversification and Competitiveness Project Upgrading RCCM
Making Doing-Business-related reforms
Guinea-Bissau 2011 Economic Governance Reform Grant III
Private Sector Rehabilitation and Agribusiness Development Project Upgrading RCCM
Reforming business registration/licensing
Making laws consistent with OHADA
Upgrading commercial court
Training judges and lawyers
Mali 2005 Growth Support Project Reforming business registration
Creating new RCCM
Senegal 2003 Private Investment Promotion Project Computerizing business registry
Creating Center for Arbitration
Togo 2011 Private Sector Development Support Project Supporting Centre de Formalité des Entreprises
CEMAC 2006 Regional Institutions Support Project Updating accounting framework for financial institutions
Investment Climate Observatory
WAEMU 2004 Capital Markets Project Designing OHADA accounting system

14. To date, the IFC-led initiative has generated some progress and reform momentum in the OHADA countries. The reform of two Uniform Acts in December 2010 demonstrated the political commitment to undertake the required reforms to improve the effectiveness of OHADA. Moreover, the recent competitive appointment of a new Permanent Secretary for OHADA under a reform agenda further shows that the time is ripe for additional assistance to further improve the investment climate in OHADA. This operation will thus further support the structured consultation mechanism with stakeholders initiated while preparing the reform of the other Uniform Acts. This consultative approach will help strengthen the institutional capacity of the OHADA regional institutions and improve the legal and institutional framework for increased private investment in that zone.

15. Moreover, the development of OHADA capital markets requires credible and reliable financial information to build investor confidence, ensure sound economic and financial management, and increase the attractiveness of OHADA countries investment climate, which facilitates foreign direct investment (FDI) and fosters business development. As professional accounting organizations (PAOs) play a key role in ensuring the production of quality financial information, their proper functioning can help attract FDIs, promote growth and development of the small- and medium-sized entities (SME) Sector, and enhance transparency and accountability in the use of public funds. Recent assessments of the accounting and auditing architecture in OHADA countries highlighted serious weaknesses in the accounting standards, the auditing standards, and the related education and continued professional development systems.

16. Accounting Standards. The accounting standard currently applicable in member countries is the OHADA Accounting System (SYSCOHADA). This standard is set out in an OHADA Uniform Act, which was adopted in March 2000. The SYSCOHADA sets primary requirements for financial reporting of most registered businesses and companies in OHADA countries and indicates the preparation, presentation, and publication of corporate financial statements. One interesting feature of SYSCOHADA is that it has three levels of compliance, depending on the size of the undertaking: (i) the “normal system” which is the highest compliance level and consists of the preparation of a full set of financial statements (that is, balance sheet, a profit and loss statement for the financial year, the financial table of sources and allocation of funds for the year, and notes to the financial statements), (2) the “simplified system” applicable to companies with an annual turnover of less than CAF 100 million (or about US$200,000). This system consists in the preparation of a balance sheet, a profit and loss statement for the year and notes to the financial statements in a simplified version and (3) the “minimal system or cash-basis system” is reserved for very small enterprises (VSE). It is a very simplified accounting standard, suited to VSE, and showing income and expenditure. The SYSCOHADA has not been amended since its adoption in 2000 and presents significant departures from the International Financial Reporting Standards (IFRS). The significant differences between SYSCOHADA and the IFRS standards relate to the architecture, the conceptual framework, the presentation of financial statements, and specific rules of reporting and assessment. As a result of these differences, financial statements prepared in accordance with the provisions of SYSCOHADA provide the users with information that is of substantially lower quality and considerably less useful in comparison to information presented with the IFRS. The proposed project aims to modernize the accounting standards by adopting the IFRS for Public Interest Entities (PIEs) and updating the SYSCOHADA for Small and Medium Enterprises (SMEs). In addition, the Uniform Act relating to Commercial Companies requires public companies to file annual audited financial statements with the Registrar General. However, this requirement is not at the moment strictly enforced. The proposed project will address this challenge by developing a web-enabled, one-stop shop for business and commercial registry (RCCM), thus making financial information of private enterprises available to the national authorities and other interested parties—including potential partners and investors. The RCCM provides information on registered securities but also of the level of indebtedness of the concerned entity. The RCCM is organized on three levels. A local commercial register is to be held by the registry of
each civil or commercial court. Centralization of the data held in each local registry is then to be organized at a national level in each Member State and a regional level at the registry held by the CCJA.

17. Professional Accounting Organizations (PAOs). Several countries in OHADA still do not have PAOs. When they exist, PAOs in OHADA countries often lacked the necessary resources, knowledge, and skills to perform their role of building and maintaining a high-quality accounting profession as recommended by the International Federation of Accountants (IFAC). Table 3 gives an overview of PAOs in OHADA countries. The proposed project will aim at supporting the development of a legal framework for PAOs in OHADA countries and improving their technical and institutional capacity.

Table 3: Overview of Professional Accounting Organizations in OHADA

<table>
<thead>
<tr>
<th>Country</th>
<th>PAOs (Yes/No)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Senegal</td>
<td>Yes</td>
<td>Associate member of IFAC</td>
</tr>
<tr>
<td>Mali</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Gabon</td>
<td>Tbc</td>
<td></td>
</tr>
<tr>
<td>Comoros</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Togo</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>Tbc</td>
<td></td>
</tr>
<tr>
<td>Cameroon</td>
<td>Yes</td>
<td>Full Member of IFAC</td>
</tr>
<tr>
<td>Côte d’Ivoire</td>
<td>Yes</td>
<td>Full Member of IFAC</td>
</tr>
<tr>
<td>Benin</td>
<td>Yes</td>
<td>Associate member of IFAC</td>
</tr>
<tr>
<td>Niger</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Guinea Bissau</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Congo</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Guinea</td>
<td>Yes</td>
<td>Not fully operational</td>
</tr>
<tr>
<td>DRC</td>
<td>Tbc</td>
<td></td>
</tr>
<tr>
<td>CAR</td>
<td>Yes</td>
<td>Not fully operational</td>
</tr>
<tr>
<td>Chad</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

18. Professional Standards and practices. At present, there are no clear auditing standards applicable in OHADA countries. Some countries and firms have mandated the International Standards on Auditing (ISA), but the enactment process is still unclear. Although the code of ethics of IFAC has been adopted by several countries in OHADA, it is yet to be implemented. Furthermore, PAOs do not have any arrangement in place to ensure the compliance with International Standard on Quality Control (ISQ C 1), which is an IFAC internal requirement for practicing members to adhere to standards of Quality Control within their firms.

19. National and regional standard setting bodies. The OHADA Council of Ministers created an accounting standard setting body in December 2008 the National Accounting Council of OHADA (Commission de Normalisation Comptable de l’OHADA, hereafter CNC OHADA). The CNC OHADA is in charge of assisting the Permanent Secretariat in interpreting, harmonizing, and updating accounting standards in member countries. As such, CNC OHADA coordinates and synthesizes theoretical and methodological research on standardization and implementation of accounting rules. At the Permanent Secretariat’s request, the CNC OHADA was also entrusted with developing draft reforms of the accounting rules. However, CNC OHADA’s activities have been limited over the last year due to human, technical, and financial constraints. The proposed project is intended to assist in strengthening the capacity of CNC OHADA by appointing a professional accountant, developing a website, and acquiring software and other IT equipment.

20. Education and continued professional development. This is one of the major challenges facing OHADA countries. There is no active professional qualification scheme at the regional or in individual countries. WAEMU has developed a professional qualification scheme for its member states that is not yet fully operational, having only, in more than 10 years, produced 15 qualified professional accountants. High tuition fees and limited access to the programs are listed as the main constraints. One of the key objectives of the project is the development of a regional professional qualification curriculum that complies with the International Education Standards for Professional Accountants and Other International Accounting Education Standards Board guidance, and increased access to this professional field based on reduced tuition fees for the underlying training and education.

21. As a result of these challenges, only four PAOs (that is, Côte d’Ivoire, Cameroon, Senegal, and Benin) are members of IFAC. PAOs in OHADA countries do not comply with IFAC’s Statements of Membership Obligations (SMOs) that provide clear benchmarks for high quality performance by professional accountants.

Table 4: IFAC’s Membership requirements and obligations

As of April 2012, IFAC is comprised of 167 members and associates in 127 countries and jurisdictions. IFAC members are professional accountancy organizations recognized by law or general consensus within their countries as substantial national organizations. National organizations may apply to become an IFAC associate where the organization is working toward membership. There are three membership status:

(i) Full Members are required to support IFAC’s mission and programs; demonstrate compliance with the Statements of Membership Obligations (SMOs); be financially and operationally viable, and have an appropriate governance structure; make financial contributions; and meet the other criteria described in the Membership Application Process, the IFAC Constitution, and the IFAC Bylaws.

(ii) Associate status is open to professional accountancy organizations that do not yet meet all of the member admission criteria, but demonstrate commitment to meeting such criteria and progressing to membership.

(iii) IFAC also has Affiliates organizations that do not meet the associate admission criteria, but are involved in the development of the accountancy profession.

The foundations of IFAC’s membership program are seven SMOs, ratified by the IFAC Council in 2004 as part of the 2003 IFAC reforms. Five of the Seven SMOs (SMO 2, 3, 4, 5 and 7) cross reference to the five sets of international standards established by the four independent standard-setting boards supported by IFAC and the International Accounting Standards Board (IASB). The other two SMOs (SMO 1 and 6) establish best
practice for Quality Assurance Reviews and Investigation and Disciplinary processes. In accordance with IFAC Constitution and the text of the SMOs, all IFAC members and associates are required to adopt and support implementation of these international standards (that is, international accounting, auditing, ethical, education, and public sector accounting standards) and best practices within their countries, recognizing that in many jurisdictions the mandate to establish standards and practices does not exist within the member but in some other regulatory body. In these instances, member bodies are expected to use their best endeavors to advocate and support the adoption of the standards to those having the relevant mandate. The SMOs are as follows:

- SMO1 requires member bodies to establish and publish quality control standards and guidance requiring firms to implement a system of quality control in accordance with the International Standard on Quality Control (ISQC) 1.
- SMO2 sets out the obligations of member bodies of IFAC in relation to International Education Standards for Professional Accountants (IESs), International Education Practice Statements for Professional Accountants (IEPSs) and International Education Information Papers for Professional Accountants (IEIPs) issued by the International Accounting Education Standards Board (IAESB) of IFAC.
- SMO3 sets out the obligations of member bodies of IFAC in relation to quality control, auditing and assurance standards for its members.
- SMO4 sets out the obligations of member bodies of IFAC in relation to the IFAC Code of Ethics for Professional Accountants (the IFAC Code) and other pronouncements issued by the International Ethics Standards Board for Accountants (IESBA) of IFAC.
- SMO5 sets out the obligations of member bodies of IFAC in relation to International Public Sector Accounting Standards (IPSASs) and other guidance issued by the International Public Sector Accounting Standards Board (IPSASB) of IFAC.
- SMO6 is to be applied by member bodies of IFAC in the investigation and discipline of misconduct, including, but not limited to, breaches of professional standards and rules by their individual members (and, if local laws and practices permit, by their member firms).
- SMO7 sets out the obligations of member bodies of IFAC in relation to International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

22. The operation aims at improving corporate financial reporting in OHADA countries through the use of modernized accounting standards, support for the adoption and implementation of updated auditing standards, the strengthening of the capacity of PAOs, and increased access to and quality of the education and continued professional development curricula. It also will help implement the ROSC recommendations and foster convergence of regional practices toward the international standards.

III. Project Development Objectives
The proposed project development objective is to strengthen OHADA’s institutional capacity to support select aspects of investment climate reforms, including improved corporate financial reporting in member countries.

IV. Project Description
Component Name
Component 1: Institutional Strengthening of the OHADA Secretariat and Project Implementation Support: To strengthen the institutional capacity of the Permanent Secretariat.
Component 2: Institutional Strengthening of the Joint Court of Justice and Arbitration (CCJA) and Regional Superior Magistrate School (ERSUMA).
Component 3: Improving Corporate Financial Reporting: To improve and strengthen corporate financial reporting: accounting standards; professional standards and practices; regional professional qualif

V. Financing (in USD Million)

<table>
<thead>
<tr>
<th>For Loans/Credits/Others</th>
<th>Amount</th>
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<td>BORROWER/RECIPIENT</td>
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<td>IDA Grant</td>
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</tr>
<tr>
<td>Total</td>
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</table>

VI. Implementation
Institutional and Implementation Arrangements

1. The project will be implemented by the OHADA Permanent Secretariat located in Yaoundé, Cameroon. The OHADA Permanent Secretariat has been the key counterpart of the IFC-CIC OHADA project since 2008. It has performed satisfactorily in light of its limited resources. In addition, the Permanent Secretariat is directly managing the support provided by the ICF in support of the CIC OHADA project. As a result the Permanent Secretariat has developed an understanding of development partners’ procedures and some project management. In addition, the proposed project will further strengthen the capacity of the Permanent Secretariat in project management, procurement and financial management through a Project Preparation Advance and throughout implementation.

2. As stated above, no dedicated Project Implementation Unit will be set up. The day-to-day project implementation will be the responsibility of the OHADA Permanent Secretariat. Key development partners have been associated at an early stage of project preparation and have agreed to coordinate closely to ensure that OHADA receives the assistance needed.

Results Monitoring and Evaluation

3. The M&E system will be based on the agreed Results Framework and monitoring arrangements (Annex 1, Results Framework and Monitoring). The M&E function will be carried out by the OHADA Permanent Secretariat. The Permanent Secretariat will be responsible for collecting the data and managing and monitoring the agreed project development outcome indicators.

4. Quarterly monitoring table and progress reports will be prepared by the Permanent Secretariat. These reports will assess overall project implementation progress using the indicators defined in the results framework. All reports will be submitted to the World Bank and shared with other development partners involved in OHADA reforms as needed. Independent operational audits also will provide impact assessments.
and identify ways to improve project management and results. These operational audits will be carried out by mid-term review and project closing.

5. A mid-term review will be carried out to assess results and draw lessons from the Project and provide an opportunity to adopt any corrective action which may be required to ensure that the project meets its development objectives. An Implementation Completion Report also will be prepared, at the end of the project.

Sustainability

6. The project provides financial and technical assistance for institutional reforms for well-defined, time-bound activities that include permanent improvements in the OHADA’s capacity and ability to fulfill its mandate. These changes are, by and large, irreversible and highly unlikely to be reversed in light of the benefit accrued to the OHADA institutions and ultimately all member countries through more effective reforms for an improved investment climate in the region.

7. Project preparation has several features that strengthen the sustainability of the proposed activities. These features include (a) clear commitment from OHADA Permanent Secretary, (b) substantial consensus building, and (c) significant participatory preparation between OHADA, the Association and other development partners.

VII. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
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<td>Natural Habitats OP/BP 4.04</td>
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<td>Forests OP/BP 4.36</td>
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<td>Physical Cultural Resources OP/BP 4.11</td>
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<td>Projects on International Waterways OP/BP 7.50</td>
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<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
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</tbody>
</table>

VIII. Contact point

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