REPORT NO.: RES35505

DOCUMENT OF THE WORLD BANK

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
IMPROVED INVESTMENT CLIMATE WITHIN THE ORGANIZATION FOR THE HARMONIZATION OF BUSINESS LAWS IN AFRICA (OHADA)
APPROVED ON JUNE 26, 2012
TO
ORGANIZATION FOR THE HARMONIZATION OF BUSINESS LAW IN AFRICA

FINANCE, COMPETITIVENESS AND INNOVATION
AFRICA

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I. BASIC DATA

Product Information

<table>
<thead>
<tr>
<th>Product Information</th>
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<tbody>
<tr>
<td>Project ID</td>
<td>Financing Instrument</td>
</tr>
<tr>
<td>P126663</td>
<td>Investment Project Financing</td>
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<tr>
<td>Original EA Category</td>
<td>Current EA Category</td>
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<td>Approval Date</td>
<td>Current Closing Date</td>
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<td>26-Jun-2012</td>
<td>30-Dec-2022</td>
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Organizations

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<tr>
<td>Borrower</td>
<td>Responsible Agency</td>
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<tr>
<td>Organization for the Harmonization of Business Law in Africa</td>
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Project Development Objective (PDO)

Original PDO

The project development objective is to strengthen OHADA’s institutional capacity to support, in its member countries, selected aspects of investment climate reforms, including improved corporate financial reporting.

Current PDO

To strengthen OHADA’s institutional capacity and sustainability to support, in its member countries, selected aspects of investment climate reforms.

The reason for the change is to include sustainability of the organization as a result of Project activities.

The assumption is that strengthened OHADA institutions with additional capacity to elaborate, adopt and disseminate a new generation of investment climate reform regulations, enforce contracts, and provide fee based services to the private sector will contribute to improved investment climate in OHADA member countries and make the organization more sustainable. The assumption is also that the elaboration of norms, provision of tools and training will contribute to improved corporate financial reporting.

Summary Status of Financing

<table>
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<th>Ln/Cr/Tf</th>
<th>Approval</th>
<th>Signing</th>
<th>Effectiveness</th>
<th>Closing</th>
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The World Bank
Improved Investment Climate within the Organization for the Harmonization of Business Laws in Africa (OHADA) (P126663)
Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?
No

II. SUMMARY OF PROJECT STATUS AND PROPOSED CHANGES

A- Parent Project Status

The parent project progress towards meeting its Development Objective, which is to “strengthen OHADA’s institutional capacity to support, in its member countries, selected aspects of the investment climate reforms, including improving corporate financial report” is deemed satisfactory. OHADA’s capacity has been strengthened, resulting in OHADA becoming a key driver in modernizing and improving the OHADA legal framework, which in turn contributed to the improved investment climate reforms in the 17 member States and a better coordinated and more effective organization. The institution has drafted and obtained the approval of the Council of Ministers for six different Laws, including for corporate financial reporting. The project performance target for new Uniform Acts has been surpassed. Based on the organizational and financial audit commissioned by the Council of Ministers and financed by the project, OHADA’s internal governance has improved, with changes in some senior officials and the establishment of new financial management, procurement and human resources procedures (training, recruitment) in line with the practices in similar international organizations.

The Uniform Acts/Regulations recently adopted have increased the attractiveness of the OHADA jurisdiction as a place to do business. A recent evaluation has concluded that there has been a significant increase in business registration and domestic credit to the private sector, at least partly attributable to new OHADA laws. OHADA’s progress in improving the investment climate is acknowledged independently by the Doing Business Reports for 2016 and 2017.

As a result, new countries (including some outside the sub-Saharan Africa region) have expressed interest to join OHADA, such as Morocco, Tunisia, Ghana, and Cabo Verde. Furthermore, international organizations such as Afreximbank has expressed interest in partnering with OHADA to support the establishment of an enabling environment for private sector development in Africa.

On October 2018, the Bank signed an additional financing with OHADA that aims at scaling up the results achieved under the project.

Overall, Implementation progress is rated satisfactory and progress towards meeting the Project’s development objective, which is to “strengthen OHADA’s institutional capacity to support, in its member countries, selected aspects of the investment climate reforms, including improving corporate financial report” is satisfactory.
The project has no overdue audit report.

B- Proposed Changes

The adoption of the regional accounting curriculum under component 3 of the parent project, initially scheduled Mid-November 2018 in Libreville had to be postponed due to last minute reluctance of the CEMAC commission to sign off the proposed scheme (based on the existing WAEMU curriculum) under discussions for several months between all stakeholders in the OHADA region.

Additional time is needed to win the support of all country members resulting in associated allocated funds (180K) not being used by December 31, 2018, the original closing date.

Following a request from the OHADA Permanent Secretariat, the proposed change is to extend the parent project closing date from December 31, 2018 to May 30, 2019 to provide the time needed to build the consensus around the proposed new accounting curriculum.

The CMU has expressed support for the proposed extension and is willing to facilitate the consensus building about the proposed accounting regional curriculum.

III. DETAILED CHANGES

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