



## DRC: Strengthening PFM and Accountability (P145747)

AFRICA | Congo, Democratic Republic of | Financial Management Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2014 | Seq No: 2 | ARCHIVED on 23-Jun-2015 | ISR19848 |

Implementing Agencies: COREF

## Key Dates

## Key Project Dates

Board Approval date:30-Jan-2014

Effectiveness Date:23-May-2014

Planned Mid Term Review Date:01-Jun-2016

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

## Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The proposed project development objective is to enhance the credibility, transparency, and accountability in the management and use of central government and selected sub-national governments' finances. Considering the complementarity with other donor and Bank-funded programs, the proposed MDTF operation will focus on downstream PFM reforms of the central government and public financial management in selected provinces ( Equator, Kasai Oriental and North Kivu).

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

No

## Components

Name

Component 1- Improving budget execution processes:(Cost \$4.50 M)

Component 2 - Strengthening budget oversight:(Cost \$5.10 M)

Component 3 - Strengthening public financial management systems at provincial level:(Cost \$10.00 M)

Component 4- Project management:(Cost \$2.50 M)

## Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory



Overall Risk Rating

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● Substantial

## Implementation Status and Key Decisions

The Public Financial Management and Accountability Project (PFMAP) has been designed using a basket-funding mechanism by establishing a Multi-Donor Trust Fund (MDTF) for PFM reform, administered by the World Bank while the project is executed by the DRC Government. The initial allocation for the proposed operation is US\$26 million (US\$ 5 million from the World Bank and US\$21 million from DFID). The Belgium Cooperation has recently joined the MDTF with a contribution of 4 million Euros; Canada and EU supporting PFM reforms in DRC are expected to join the MDTF in the course of its implementation. The PFMAP was approved by the WB Board on January 30th, 2014 and became effective on May 23rd 2014. The Project officially launched its activities on June 27, 2014.

After almost one year of implementation; positive progress has been made; providing solid foundation for future project' activities at both central and provincial level.

1. In the area of Budget execution improvement, activities to sensitize line ministries and key stakeholders on the justifications, expected impact, and challenges of the creation of DAFs (Direction Administrative et Financiere) have been completed under the leadership of the Ministry of Civil Service. The draft organization structure of the DAF with key departments and functions has been prepared. However, the ministerial act to officially launch the implementation of DAF in pilot line ministries is still pending at the Ministry of Civil Service level. Also, the selection process of the Consultant who will be in charge of the harmonization of procurement plans, commitment plans and treasury plans, has started. Both of these remain two major constraints identified at sector level that prevent effective use of the budget, which confirms the relevance of the activities planned under this project.

2. On Budget control and citizen participation, good progress has been made to date. The audit report of the Cours des Comptes was sent to the parliament in September 2014; which is a significant progress in the reduction of lead time to audit government financial statements, from 7.5 months in 2012 (PEFA) to 3 months in 2014. The Project is supporting (i) the Cours des Comptes to benefit from technical assistance provided by Regional supreme audit organization (CREFIAP) and (ii) the economic and financial commissions of the National Assembly and Senate to recruit technical assistants to support their analysis of the budget and budget execution, as well as audit reports.

The main activities carried out include the support to consultations with civil society and donors during the initial budget hearings, and support to the civil society workshop on the analysis of the draft Budget Law 2015 by CSOs. The outcome of this event has served as CSOs' contribution to the debate at the Parliament during the examination of the draft Budget Law 2015. This was an historic fact showing that transparency and participation of CSOs in the budget cycle is gaining momentum and need to be consolidated throughout the project implementation. The same support will be provided for the draft Budget Law 2016.

3. At provincial and local levels, the project has supported provinces to improve transparency through the issuance of their budget execution report ( " Reedition des comptes" ). Supports have also been provided to Provincial Revenue Authorities particularly in the Province of Nord Kivu to increase property tax collection with the support of local authorities, CSOs and population of NK.

The scoping study on existing support to mechanisms of citizen participation to local level financial management and budgets, has started and is still ongoing. This study will aim to produce an analysis of the variety of different approaches, their effectiveness and value for money, based on case studies and literature reviews of various evaluations. It will then be complemented by a national forum to bring all stakeholders together, share experiences, and possibly agree on a more coherent approach. This activity is deemed essential to serve as a good starting point for PFMA's support to participatory budgeting.

4. On project and Donors Coordination; COREF has completed the selection process of its fiduciary and provincial staff. A weekly meeting is organized jointly with the Task Team Leader to monitor the implementation of project's activities and address the bottlenecks. Progress has also been excellent in terms of coordination and dialog with the Government. The "Cadre de concertation" is fast becoming one of the most efficient framework for Donors-Government dialog at PFM sector level in DRC. The 6th "Cadre de concertation" was jointly chaired by the Minister of Budget and the Minister of Finance; and received very positive feedback on the relevancy of topics discussed and the level of attendance. The agreement on the Plan d'Action Prioritaire (PAP) has been a positive milestone, which now allows focused, more transparent and informed discussion on progress. Belgium has joined the MDTF with a contribution of 4 millions Euro; which extended the project's coverage to the province of Kinshasa. The Bank is also working with Canada on a proposal of US\$8 million. EU has also expressed interest and is exploring possibilities to join the MDTF.

5. After almost a year of effective implementation of project's activities, the overall disbursement rate of the project is estimated at 19% for IDA and 72% for the Trust Fund. The latter disbursement rate is supposed to change with the additional contributions from Donors. The closing date is scheduled for December 31, 2018.

1. The PFMAP will work closely with the Minister of Civil Service to establish the new organization chart of line ministers including the position of Financial and Administrative Directorate (DAF). This will be an initial strong step towards the devolution of commitment authority to line ministries factored in the country's PFM Law.

2. The momentum gained at central level on transparency and citizen participation to the budget cycle should be secured and disseminated at provincial level, especially in the area of provincial and local revenue collection.

3. The " Cadre de Concertation" should remain the framework of dialog between Donors, Government and Civil Society on critical aspects of PFM reform in DRC. The PAP ( Plan d Action Prioritaire) should be the reference point for all initiatives aiming to support PFM reform in the country under the



leadership of COREF.

4. Attention should also be paid to support provinces to increase their revenue collection while also working on improving transparency and accountability of expenditures.

## Risks

### Systematic Operations Risk-rating Tool

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

## Results

### Project Development Objective Indicators

► PEFA-PI-1: Aggregate expenditure out-turn compared to original approved budget. At least 90% of the aggregate expenditures compared to original approved budget were executed (Text, Custom)



Value	D	--	No data Yet	C
Date	31-Oct-2012	--	--	31-Oct-2017

► PEFA-PI-10: Public access to key fiscal information. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	C	No Data yet	No Data yet	B
Date	31-Oct-2012	--	--	31-Oct-2017

► PEFA-PI.16- Predictability in the availability of funds for commitment of expenditures (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	No data yet	No data yet	C+
Date	31-Oct-2012	--	--	31-Oct-2017

► PEFA- PI-20: Effectiveness of internal controls for non-salary expenditure (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	C	--	--	B
Date	31-Oct-2012	--	--	31-Oct-2017

► PEFA- PI-26: Scope, nature and follow-up of external audit (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D+	--	--	C+
Date	31-Oct-2012	--	--	31-Oct-2017



## ▶ PEFA-PI-28: Legislative oversight of audit report. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	D	--	--	C
Date	31-Oct-2012	--	--	31-Oct-2017

## ▶ SNG PEFA PI-1: Aggregate expenditure out-turns compared to original approved budget. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	C
Date	--	--	--	31-Oct-2017

## ▶ SNG PEFA PI-2: Composition of expenditure out-turn compared to original approved budget (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	C
Date	--	--	--	31-Oct-2017

## ▶ SNG PEFA PI-3: Aggregate revenue out-turn compared to original approved budget (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	--	--	--	C
Date	--	--	--	31-Oct-2017

**Overall Comments**

The final result figures will be obtained with the PEFA 2017 assessment, in the meantime the Government is planning to undertake a self-assessment which will allow to give intermediate result. On the province side, the Local PEFA assessment to be conducted before December 2015, will allow to set up the baseline.

**Intermediate Results Indicators**



► Average lead time of processing the expenditure until the payment in the 5 pilots line ministries (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	37.00	--	--	15.00
Date	31-Oct-2012	--	--	31-Oct-2017

**Overall Comments**

The final result figures will be obtained with the PEFA 2017 assessment, in the meantime the Government is planning to undertake a self-assessment before December 2015; which will allow to give intermediate result.

## Data on Financial Performance

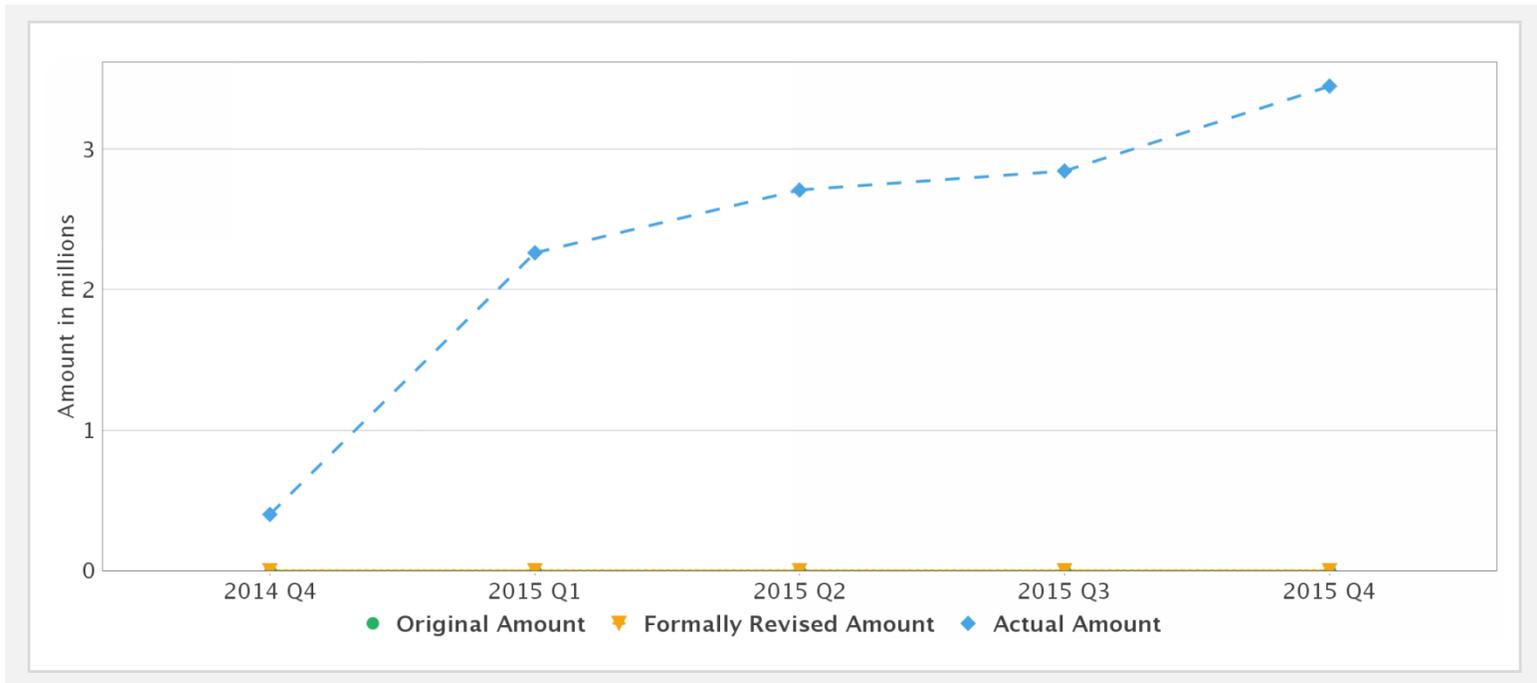
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P145747	IDA-H9070	Effective	USD	5.00	5.00	0.00	0.94	3.78	19%
P145747	TF-17290	Effective	USD	3.50	3.50	0.00	2.51	0.99	72%

### Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P145747	IDA-H9070	Effective	30-Jan-2014	20-Feb-2014	23-May-2014	31-Dec-2018	31-Dec-2018
P145747	TF-17290	Effective	28-May-2014	28-May-2014	28-May-2014	31-Dec-2016	31-Dec-2016

### Cumulative Disbursements



## Restructuring History

There has been no restructuring to date.

## Related Project(s)

There are no related projects.