



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
TRANSPORT SECTOR MODERNIZATION AND CORRIDOR TRADE FACILITATION PROJECT
APPROVED ON JULY 5, 2016
TO
REPUBLIC OF CÔTE D'IVOIRE

TRANSPORT
AFRICA WEST

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ABBREVIATIONS AND ACRONYMS

DPO	Development Policy Operation
GoCI	Government of Cote d'Ivoire
IDA	International Development Association
IFC	International Finance Corporation
IP	Implementation Progress
OSER	Office de la Sécurité Routière (Road Safety Agency)
PAMOSSET	Transport Sector Modernization and Corridor Trade Facilitation Project in Ivory Coast
PDO	Project Development Objective
RTFCC	Regional Trade Facilitation and Competitiveness Credit
UNCTAD	United Nations Conference on Trade and Development



BASIC DATA

Product Information

Project ID P156900	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 05-Jul-2016	Current Closing Date 31-Dec-2021

Organizations

Borrower Ministry of Finance	Responsible Agency PRICI- PIU
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Project Development Objective (PDO)

Original PDO

The objective of the proposed project is to improve the efficiency and safety of transport services on the Ivoirian section of the Abidjan (Ivory Coast) – Ouagadougou (Burkina Faso) road transport corridor.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
IDA-58700	05-Jul-2016	14-Sep-2016	14-Dec-2016	31-Dec-2021	30.00	10.48	20.16

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Transport Sector Modernization and Corridor Trade Facilitation Project in Ivory Coast (PAMOSET) along the Abidjan - Ouagadougou Corridor supports the objectives of the Regional Trade Facilitation and Competitiveness Credit (RTFCC) Development Policy Operation (DPO), together with a similar project in Burkina Faso. The project's development objective is to improve the efficiency and safety of transport services on the Ivorian section of the Abidjan (Ivory Coast) - Ouagadougou (Burkina Faso) road transport corridor. The US\$45 million PAMOSET project is financed through an IDA Credit 58700 of US\$30 million and counterpart funding of US\$15 million. As of mid-November 2021, the project registered a disbursement rate of 34.22 percent of the IDA funds.
2. Two months to project closing, the progress towards achievement of the Project Development Objective (PDO) is considered Moderately Unsatisfactory, while the Overall Implementation Progress (IP) is considered Moderately Satisfactory. The delays in the setup of the truck fleet renewal guarantee mechanism with International Finance Corporation (IFC) through a complex Level 2 project restructuring led to a downgrade in the rating of the progress towards achieving the PDO. Regarding the IP progress, despite the non-implementation of the truck fleet renewal mechanism, many tangible results were achieved as described in the paragraphs below.
3. Key activities under *Component 1 - Institutional strengthening and capacity building support for public and private sector participants in the transport* were finalized. The pilot for the training program of the transport sector actors (drivers and managers) which started in September 2018, with a target to train 3500 drivers and 1500 transport operators in the sector during the project lifetime, was successful and at project closing reached its objectives (with 3,602 drivers and 1,541 managers trained with the support of the project). Other key achievements included support for the reform of the driving license exam (software package and equipment), as well as preparation of the regulatory text on the freight exchange (currently awaiting adoption by the authorities).
4. The *Component 2 - Development of a Heavy Cargo Truck renewal scheme*, which held two tiers of the project's budget (including all the counterpart funds) was on track from a conceptual/design perspective. The studies to identify optimum fleet renewal scheme were completed in 2019 and a manual of operational procedures was developed and validated by the Ministry of Transport. Also, a site was selected for vehicle dismantling and scrapping for which a declaration of public utility was approved by Decree in the Council of Ministers on September 26, 2018. The Environmental and Social Impact Assessment of the site incurred delays but are expected to be finalized by December 2021. The completion of the required environmental and social studies is a prerequisite for the start of the construction and operation of the vehicle dismantling process. The recruitment of an international operator for the vehicle dismantling is ongoing and expected to be finalized by December 2021. This restructuring to set up of the truck fleet renewal guarantee mechanism with IFC, which had been planned following a request from the Government in March 2019, incurred delays of almost two years and was eventually dropped in June 2021 and led to approximately US\$ 15 million in uncommitted IDA funds. Considering that the truck fleet renewal could not be operationalized by project closing date and the importance of this agenda for the transport sector, the Government of Cote d'Ivoire (GoCI) is exploring options to transfer these activities under other World Bank projects in the transport portfolio in the country.
5. Although the customs interconnectivity financed by the *Component 3 - Support to customs modernization and trade facilitation* on the Ivorian section of the Corridor had incurred delays in throughout the project lifetime, the activities were successfully implemented. The key activity under this component, namely the interconnection between Cote d'Ivoire and Burkina Faso has been operational since March 2019, allowing a time saving in transit



procedures. The training of CI-BF technical teams took place in Lomé, as part of the technical assistance contract with United Nations Conference on Trade and Development (UNCTAD).

6. Key activities financed under the *Component 4 - Road safety on the Ivorian section of the Corridor* were successfully implemented. The operational capacity of the OSER in terms of accident prevention and data collection have been strengthened through the modernization of the accident data collection and analysis system (for which Driver open-source software was developed in 2020 and is pending implementation). The road safety audit and inspection on the Abidjan-Ouagadougou corridor has been completed, the training on the techniques of road safety audit took place in September 2018, and the equipment for Office de la Sécurité Routière (OSER) capacity building has been acquired.

7. On November 8, 2021, the GoCI has requested the cancellation of EURO 15 010 556. These funds correspond to resources which will not be disbursed in relation to the activities undertaken and which could not reasonably be committed and implemented before the project closing date. Specifically, this refers to funds linked with the set-up of the guarantee mechanism with IFC as part of the truck fleet renewal mechanism under Component 2 (approximately US\$ 15 million), as well as available funds not engaged linked to Component 3 (approximately US\$ 1.02 million), and Component 4 (approximately US\$ 1.04 million).

II. DESCRIPTION OF PROPOSED CHANGES

8. This restructuring paper seeks approval to cancel undisbursed funds on the PAMOSET and reallocate them to the Cote d'Ivoire envelope to finance other activities. Considering the above, the only change proposed is the cancellation of EURO 15 010 556 from the IDA credit 58700. Specifically, they are linked with the Category 1 and Category 2 of the Financing agreement and are summarized in the tables below. The reallocation has been triggered to materialize the cancellation of funds.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Components and Cost	✓	
Cancellations Proposed	✓	
Reallocation between Disbursement Categories	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Loan Closing Date(s)		✓
Disbursements Arrangements		✓



Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Institutional strengthening and capacity building support for public and private sector participants in the transport sector	5.80	No Change	Institutional strengthening and capacity building support for public and private sector participants in the transport sector	5.80
Development of a heavy cargo truck renewal scheme	30.75	Revised	Development of a heavy cargo truck renewal scheme	15.69
Support to customs modernization and trade facilitation on the Ivoirian section of the Corridor	3.45	Revised	Support to customs modernization and trade facilitation on the Ivoirian section of the Corridor	2.42
Road safety on the Ivoirian section of the Corridor	3.25	Revised	Road safety on the Ivoirian section of the Corridor	2.21



Project management, monitoring and evaluation	1.75	No Change	Project management, monitoring and evaluation	1.75
TOTAL	45.00			27.87

CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-58700-001	Disbursing&Repaying	EUR	26,400,000.00	15,010,556.00	08-Nov-2021	11,389,444.00	BORROWER'S REQUEST FOR COUNTRY REASONS

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

	Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
				Current	Proposed
IDA-58700-001 Currency: EUR					
iLap Category Sequence No: 1		Current Expenditure Category: GD,NCS,CS,AUD,TR &OC Pt1,2b,c,3,4,5			
	13,200,000.00	7,187,233.20	11,389,444.00	100.00	100.00
iLap Category Sequence No: 2		Current Expenditure Category: GD,NCS,CS,AUD,TR &OC for 50% Pt 2a			
	13,200,000.00	0.00	0.00	100.00	0
Total	26,400,000.00	7,187,233.20	11,389,444.00		