



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
DRC: STRENGTHENING PFM AND ACCOUNTABILITY
APPROVED ON JANUARY 30, 2014
TO
MINISTRY OF FINANCE

GOVERNANCE

AFRICA EAST

Regional Vice President:	Hafez M. H. Ghanem
Country Director:	Jean-Christophe Carret
Regional Director:	Asad Alam
Practice Manager/Manager:	Omowunmi Ladipo
Task Team Leader(s):	Mamadou Lamarane Deme



The World Bank

DRC: Strengthening PFM and Accountability (P145747)



BASIC DATA

Product Information

Project ID P145747	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 30-Jan-2014	Current Closing Date 31-Dec-2021

Organizations

Borrower Ministry of Finance	Responsible Agency COREF,COREF
---------------------------------	-----------------------------------

Project Development Objective (PDO)

Original PDO

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).

Current PDO

The project development objective (PDO) is to improve domestic revenue mobilization, public expenditure management, and accountability, at central level and in selected provinces.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D1650	14-Feb-2017	03-Mar-2017	14-Aug-2017	31-Dec-2021	50.00	46.22	5.83
IDA-H9070	30-Jan-2014	20-Feb-2014	23-May-2014	31-Dec-2018	4.64	4.33	0



TF-17290 28-May-2014 28-May-2014 28-May-2014 31-Dec-2018 17.00 17.00 0

Policy Waiver(s)

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

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

- 1. Progress toward PDO targets and implementation are rated satisfactory reflected in the achievement of most of the project targets, and completion of several activities. However, from 2020, project implementation was severely impacted by COVID19 which delayed most of the activities related to technical assistance (travel restrictions), as well as to workshops and training (travel restrictions, social distancing, etc.). As a result, the allocated grant totaling 37 million will not be used up.
2. With the project nearing its closing date, the government is seeking to ensure that the anticipated undisbursed balance of SDR4 million will still be available to DRC IDA allocation. The proposed restructuring is warranted in response to a request from the DRC Ministry of Finance, reference #2021/2288 dated December 1st, 2021, for the cancellation of the projected undisbursed balance to contribute to the funding of other Bank projects.

II. DESCRIPTION OF PROPOSED CHANGES

- 3. As indicated above, the proposed change is related to the cancellation of the undisbursed balance which is anticipated to be SDR4 million (from Grant D1650) at project closing. As a result, the total grant amount would be reduced from US\$72 million equivalent to US\$65.5 million equivalent and the cancellation and reallocation between components, and categories are reflected in tables below (see section IV-Detailed Changes).
4. The proposed Level Two restructuring would not involve any other change. This project restructuring does not imply any modification to the PDO, components, procurement and FM arrangements and closing date, nor it has any impact on the safeguards category or policies triggered under the project. The implementation arrangements would also remain unchanged. The Financing Agreements will be amended as needed to reflect the cancellations and reallocation of funds between disbursement categories.

III. SUMMARY OF CHANGES

Table with 3 columns: Component, Changed, Not Changed. Rows include Components and Cost, Cancellations Proposed, and Reallocation between Disbursement Categories, all marked as Changed with a checkmark.



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)
Component 1- Supporting Domestic Revenue Mobilization and Expenditures Management	23.00	Revised	Component 1- Supporting Domestic Revenue Mobilization and Expenditures Management	20.00



Component 2 - Strengthening Budget Oversight and Improving Transparency	7.40	Revised	Component 2 - Strengthening Budget Oversight and Improving Transparency	7.00
Component 3 - Establishing PFM Systems at the Provincial Level	33.20	Revised	Component 3 - Establishing PFM Systems at the Provincial Level	30.00
Component 4- Project Management	8.50	No Change	Component 4- Project Management	8.50
TOTAL	72.10			65.50

CANCELLATIONS

Ln/Cr/Tf	Status	Currency	Current Amount	Cancellation Amount	Value Date of Cancellation	New Amount	Reason for Cancellation
IDA-D1650-001	Disbursing	XDR	37,000,000.00	4,000,000.00	01-Dec-2021	33,000,000.00	UNDISBURSED BALANCE AT CLOSING
IDA-H9070-001	Fully Disbursed	XDR	3,041,539.92	0.00		3,041,539.92	
TF-17290-001	Fully Disbursed	USD	16,999,512.38	0.00		16,999,512.38	

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed
IDA-D1650-001 Currency: XDR				
iLap Category Sequence No: 1	Current Expenditure Category: GD, WRK, CS, NCS, OC, WRKSHOP, TR			
37,000,000.00	31,928,970.42	33,000,000.00	100.00	100.00
iLap Category Sequence No: CANCELLE	Current Expenditure Category: GD, WRK, CS, NCS, OC, WRKSHOP, TR			
0.00	0.00	0.00		100



The World Bank

DRC: Strengthening PFM and Accountability (P145747)

Total	37,000,000.00	31,928,970.42	33,000,000.00
--------------	----------------------	----------------------	----------------------
