



1. Project Data:		Date Posted : 03/18/2004	
PROJ ID: P037581		Appraisal	Actual
Project Name: Ivc:Export Promotion and	Project Costs (US\$M)	16.4	12.29
Country: Cote d'Ivoire	Loan/Credit (US\$M)	5.83	3.05
Sector(s): Board: RDV - Central government administration (56%), Agricultural marketing and trade (44%)	Cofinancing (US\$M)	7.76	6.8
L/C Number: C2749; CP855			
	Board Approval (FY)		95
Partners involved : CIDA	Closing Date	06/30/2001	06/30/2003
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components			
a. Objectives			
<p>The project's objectives were to diversify and expand private agricultural exports with a view to supporting the Government's export-led growth strategy. The diversification of agricultural exports was intended to reduce the country's dependence on traditional crops such as cocoa, coffee and timber. These objectives were to be achieved through the components listed below.</p>			
b. Components			
(1) Export Promotion and Diversification (US\$5.68 mn):			
<ul style="list-style-type: none"> (i) Market research, customer identification, meeting quality requirements, trial shipments and obtaining pre-export finance and follow up of sales and export shipment. (ii) Product development and quality control via adaptive research. (iii) Establishment of business partnerships for private operators engaging in the production and export of products proven to have an important export potential 			
(2) Support to Producers /Exporters' Organizations (US\$2.59 mn)			
<ul style="list-style-type: none"> (i) Strengthening existing privately-controlled professional organizations (ii) Promoting the creation of new farmer associations (iii) Establishment of an Interprofessional Group of Producers' and Exporters' Associations 			
(3) Upgrading of Export Handling Facilities (US\$3.30 mn)			
(4) Support to Project Management & Project Preparation (US\$2.31 mn)			
<p>Preparation of quarterly and annual progress reports, mid-term review (jointly with Bank), monitoring and evaluation of the project through field visits.</p>			
c. Comments on Project Cost, Financing and Dates			
<p>The credit provided Cote d'Ivoire with US\$3.05 million in IDA financing and US\$6.8 million in co-financing from the Canadian Agency for International Development (CIDA). Expected financing at appraisal of US\$ 3.74 from the European Union did not materialize but the overall project financing was not substantially affected as CIDA</p>			

doubled its original financing commitment. The project was appraised in March 1995, approved by the Board in June 1995, and became effective in April 1996. The delay in effectiveness was due to cumbersome administrative procedures in preparing and signing the implementation agreement between the project unit and the Bank. The project closed in June 2003 (24 months after the original closing date of June 2001).

Project implementation was disrupted by civil and political turmoil in the country contributing to the delay in the project's closing date. Military coup d'etats took place in December 1999 and September 2002 followed by a rebellion and civil war that continues. Counterpart funding reduced significantly after the first coup and Bank disbursements were suspended for almost two years as a result of Cote d'Ivoire's non -accrual status. At the end of the project, Bank disbursements were about 60%. About 1.5 million SDR of the credit (about US\$2.2 million) is expected to be cancelled.

3. Achievement of Relevant Objectives:

The project succeeded in diversifying Cote d'Ivoire's export base, albeit from a low level of non -traditional exports. Increased numbers of private agricultural exporters expanded their production .

(1) Export Promotion and Diversification : Fully achieved. In 4 out of 5 targeted products, non-traditional exports (cashews, mangoes, cut flowers and essential oils), grew significantly and exceeded the established targets. The growth rate of non-traditional exports was especially impressive prior to the civil and political unrest that followed the coup of 1999. Subsequently, project activities in the north (mangoes and cashew nut) have been adversely affected because of the geographic split of the country and country -wide because of a suspension of air freight. Overall, non-traditional exports grew as a share of agricultural exports from 1.8% in 1995 to 5.1% in 2000 before declining in 2003 (in part due to smuggling). The volume of the targeted non-traditional exports grew from 31,210 metric tons at effectiveness to 125,100, exceeding the project's target. 50 partnerships were established with importers worldwide of which almost half led to investment ventures . 30 new packaging materials were developed exceeding the target of 25.

2) Support to Producers /Exporters' Organizations : Fully achieved. The inter-professional group of producers and exporters associations (PROMEXA) was created and it has served as a coordinated voice for its members on policy issues that affect them. Seven commodity-based trade associations were formed as per the SAR target. The project's assistance on packaging and marketing helped to improve the quality of their products as reflected by the number of packaging brands developed and Ivorien labels obtained .

(3) Upgrading of Export Handling Facilities : Partially achieved. Rehabilitation of the fruit wharf in the port of Abidjan was accomplished but not through EU financing in this project . The EU financed a separate project that addressed this. Airport handling and specialized storage facilities were improved . The country's abandoned second (and more central) airport in Yamoussokoro was renovated . Prior to the military coup d'etat, the renovated airport saw between 40-80 charter flights annually transporting commodities to the European market . However the current civil unrest has meant that transit and logistics have become difficult . For example the Yamoussokoro airport served as a military base for French troops following an attack by rebels in 2001 .

The economic rate of return calculated for the first component using the SAR approach exceeded the appraisal estimate (44.4% versus 17%). Taking into account the other components would still suggest a high rate of return for the project.

4. Significant Outcomes/Impacts:

- Expanded production of non-traditional exports by small non-government producers to enable them to take advantage of the improved trading environment offered by the CFA devaluation -- the number of small shareholders reached increased from 6,000 at the beginning of the project to 15,000.
- Establishment of an active and vibrant forum and voice for producers and exporters through PROMEXA . For example, the interprofessional umbrella organization successfully lobbied for other entrants into the airfreight market, breaking an existing duopoly and hence reducing freight costs by between 20-30%.

5. Significant Shortcomings (including non-compliance with safeguard policies):

- Disbursements suspension by the Bank and delays in Ivorian procedures following coup d'etat of 1999.
- Fiscal difficulties in later years of the project meant problems in counterpart financing .
- Slow-down in project implementation following civil and political unrest which, for example, made it physically impossible to visit certain parts of the country .
- Financial sustainability of PROMEXA has not yet been achieved, though there appears to be a clear strategy on

the next steps necessary to move towards that goal .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
Outcome :	Satisfactory	Satisfactory	There are really two patterns to this project's performance. In the pre- coup period, performance indicators were generally on track to meet or exceed the targets established in the SAR. In the post-coup period, significant implementation delays and difficulties occurred (Section 5). Despite these shortcomings, the ERR is high, the project has catalyzed production by a new group of shareholders and created a vibrant mechanism for producers to interact with the authorities on policy issues.
Institutional Dev .:	Substantial	Substantial	
Sustainability :	Likely	Non-evaluable	While the current political environment is uncertain, overall, a number of indicators suggest a cautiously optimistic view . Trade-facilitating infrastructure has been created, the agricultural export base has been diversified and the interprofessional association has a time-bound strategy and model for achieving financial sustainability to complement its established visibility and credibility both nationally and in the sub-region.
Bank Performance :	Satisfactory	Satisfactory	
Borrower Perf .:	Satisfactory	Satisfactory	Borrower performance was highly satisfactory in the preparation and first four years of the project . Despite the decline in implementation performance after 1999, an overall rating of satisfactory is justified given the very difficult policy and political environment.
Quality of ICR :		Satisfactory	

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

- Pilot schemes are a good way to sensitize intended beneficiaries . The project was preceded by a successful pilot phase designed with participation from the intended beneficiaries -- the private agribusiness sector and small farmers.

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

While the ICR was of satisfactory quality, it would have been improved by addressing the following two shortcomings :

- The ICR would have benefitted from a more systematic discussion of outcomes that was based on the comprehensive and useful project performance indicators established in the Staff Appraisal Report . While there is an overlap between the ICR and the SAR performance indicators, the ICR is sometimes selective in the indicators that it reports.
- The ICR takes a narrow approach to assessing the impact of the project . It would have benefitted from more context, notably on the macroeconomic policy framework that prevailed as well as the historic CFA devaluation of 50% in 1994. The absence of this context makes it difficult to fully assess and attribute the growth in non-traditional exports.

In addition, the ICR does not explain the status of the anticipated Japanese co -financing that was noted in the SAR .

