



1. Project Data

Project ID
P158982

Project Name
Togo Trade and Competitiveness

Country
Togo

Practice Area(Lead)
Finance, Competitiveness and Innovation

L/C/TF Number(s)
IDA-60310

Closing Date (Original)
30-Jun-2022

Total Project Cost (USD)
18,532,719.81

Bank Approval Date
04-May-2017

Closing Date (Actual)
30-Sep-2023

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	18,000,000.00	0.00
Revised Commitment	18,000,000.00	0.00
Actual	19,077,979.73	0.00

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2. Project Objectives and Components

a. Objectives

The project development objective of the Republic of Togo Trade and Logistics Services Competitiveness Project was to improve the efficiency of trade logistics services.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes



Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project had three components.

Strengthening the Road Transport and Logistics Services Sector (US\$10.7 million estimated at appraisal, US\$12.8 million disbursed by closing) supported: (a) improving the legislative and regulatory framework for the transport and logistics services sector; (b) developing the capacity of trade logistics services professionals; and (c) improving conditions to modernize trucks.

Improving Trade Facilitation (US\$4.8 million estimated at appraisal, US\$2.7 million disbursed by closing) supported the: (a) implementation of the World Trade Organization (WTO) Trade Facilitation Agreement provisions for efficiency improvements in customs administration and adoption of performance monitoring tools; (b) implementation of the new Customs Code; (c) improvement of the risk management system; and (d) facilitation of regional dialogue for improved transit.

Project Management (US\$2.5 million estimated at appraisal, US\$2.5 million disbursed by closing) supported the activities of the Project Coordination Unit.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost. The project was estimated to cost Euro 17.0 million (US\$18.0 million equivalent) at appraisal.

Project Financing. The project was financed by an International Development Association (IDA) credit of Euro 17.0 million (US\$18.0 million equivalent) to the Republic of Togo. The IDA credit was fully disbursed, with the final disbursed amount at US\$19.08 million (the differences in the dollar amounts were due to changes in the Euro/US\$ exchange rate).

Dates. The project was approved on May 4, 2017, became effective on December 13, 2017, and closed on September 30, 2023, fifteen months after the original closing date of June 30, 2022.

Restructuring. The project was restructured thrice (all were Level 2 restructurings). The project development objective remained unchanged.

- The first restructuring on July 6, 2020, with US\$10.13 million disbursed (54 percent of the final project cost), changed some project activities, changed the associated project component costs, clarified two outcome indicators, clarified two output indicators, and revised three output indicators (added one, and increased the target for another).
- The second restructuring on June 23, 2022, with US\$16.01 million disbursed (83.9 percent of the final project cost) added three new output indicators and extended the project closing date by 12 months.



- The third restructuring on June 25, 2023, with US\$18.83 million disbursed (98.7 percent of the final project cost) extended the project closing date by another three months.

Split Evaluation. Although the project development objective remained unchanged over three restructuring episodes, the outcome indicators were slightly refined in order to clarify the meaning. The PDO indicator “transit time” had its definition refined from “transit time from Port of Lomé to border crossing at Cinkanssé” to “time lapsed between the issuance of T1 declarations for shipments under the Port of Lomé transit regime and their clearance at Cinkanssé” A similar change was applied to the definition of PDO indicator “transit time predictability”, which is measured as a standard deviation over the same transit time measurements. The targets were not revised. There were some minor cancellation of activities under the second project component while adding technical assistance and studies related to the transport sector to the first project component as well as doing business reforms to the second component. The results framework was adjusted accordingly. Overall, the changes did not lead to a reduction in ambition or outcome targets of the project. So a split evaluation will not be conducted.

3. Relevance of Objectives

Rationale

Strategically located in the coast of West Africa (with the Port of Lomé as the deepest port in the coast), Togo is well positioned to serve as a road transport and logistical services hub to its land-locked neighbors in the Sahel. Despite the natural advantage, Togo's transport and logistics performance -- some 78 percent of total traffic through the Port of Lomé were in-transit shipments -- was hindered by inefficient low-quality services: (a) the freight market was poorly regulated and saddled with pervasive informality; (b) the workforce was low skilled; (c) the truck fleet was aging; and (d) gaps in trade facilitation hindered competitiveness.

Binding Constraints to Development. The project objective to improve the efficiency of trade logistics services was responsive to the binding constraints to development. The *Togo Systematic Country Diagnostic 2016* (SCD) cited "distortions to private activities due to ... poor policy and regulatory performance" and the "lack of infrastructure" as a binding constraint to growth. On transport services (primarily road transport), the SCD asserted that: (a) "there are signs (higher traffic and worse road conditions) that inadequate roads are at least moderately constraining"; and (b) "Togo could take further advantage of its comparative advantage as a transport hub by improving regulation of trucking services, enhancing port efficiency, and reducing unnecessary roadblocks." On logistics services (primarily associated with international trade and including freight transportation, cargo handling, and storage), the SCD found that: (a) "without continual improvement in logistics efficiency, moreover, Togo cannot be guaranteed a competitive advantage as a transport hub for the region"; and (b) "quality of transport and logistics services does not depend only on infrastructure, but also on the efficiency and cost of service at the nation's seaports, air terminals, and land borders, as well as the ease of passage on roads within the country."

Country Priorities. The project objective was consistent with the country's development priorities articulated in the *Plan National de Développement 2018-2022* (PND). The project objective to improve the



efficiency of trade logistics services was consistent with the second PND pillar -- Boost the productivity and competitiveness of growth sectors -- and the third PND pillar -- Strengthen infrastructure to support growth.

Bank Group Strategy. The project development objective was aligned with the Bank Group country strategy in Togo at appraisal and at closing.

- The *Country Partnership Framework for the Republic of Togo for the Period FY17-FY20* (CPF) committed Bank Group support for the country's development strategy organized around three "focus areas": Private Sector Performance and Job Creation, Inclusive Public Service Delivery, and Environmental Sustainability and Resilience. The project objective to improve the efficiency of trade logistics services was aligned with the second CPF focus area, specifically with the CPF objective "to strengthen energy, ICT, and logistics services."
- A new Country Partnership Framework for the Republic of Togo was being prepared at closing to cover the period FY25-FY29. In the absence of a final document, the alignment of the project objective to the new Bank country strategy in Togo can be gleaned from other materials. The *Togo Country Economic Memorandum 2022: Toward Sustainable and Inclusive Growth* makes specific reference to "reducing trade barriers for small scale cross border traders" and "adopting regulations that support greater competition in the logistics sector" as key to boost export growth and economic diversification. The *Country Private Sector Diagnostic - Creating Markets in Togo* (International Finance Corporation, 2023) and the *Infrastructure Sector Assessment (InfraSAP) for Togo* (2023) both underscore the relevance of improving trade and logistics as key to the country's competitiveness as a regional trade hub. The *Systematic Country Diagnostic Update 2023* list two high-level objectives relevant to the project: (a) HLO3 "Increased Access to Quality and Affordable Infrastructure Services" - the project would directly contribute to "establishing conditions for healthy competition in freight management", and (b) HLO4 "Increased Quality Employment in the Private Sector" -- the project would address policy priorities for the transport and logistics sector's competitiveness.

The PDO was pitched at an appropriate level given the country context. Given the PDO is well aligned with the country's development priorities and the Bank country strategy, the relevance of PDO is rated as High.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve the efficiency of trade logistics services.

Rationale



Theory of Change. In the context of regional trade integration efforts in the Economic Community of West African States and to support Togo's national aspiration to serve as a transit hub for its landlocked neighbors in the Sahel, four reform measures would improve the efficiency of trade logistics services in Togo. First, the legal and regulatory framework for road transport and logistic services would be strengthened. Second, the institutional capacity of public agencies and private enterprises and professionals would be upgraded -- technical assistance, professional certification, and industry training would help establish a pool of better-qualified and licensed transport and logistics professionals, truck drivers, freight forwarders, warehouse pickers, and traffic planners, while retraining will assist workers displaced by the reforms. Third, the fleet of trucks would be rationalized (reduced in number) and renewed -- a buyback scheme for old trucks, a leasing scheme for new trucks, and the formation by micro-operators of business associations would result in fewer but more modern and productive trucks. Fourth, trade facilitation would be intensified to reduce port dwell time and transit time, cut truck idle time, and contain trade transaction costs. The sum of these reforms would enable the sector to better serve rising freight volumes, increase the predictability of shipments, enhance the quality of logistics services, and eventually lower the cost of arranging shipments for exports and imports and for transit. The efficiency gains would be evidenced, at the outcome level, by a greater number of logistics enterprises that complied with the Transport Orientation Law, a lower median transit time from the Port of Lomé to the Cinkasee border, and a higher predictability (lower volatility) of this transit time.

Outputs.

- Certification programs for transport sector professionals were established, meeting the target. The programs were for the licensing of transport sector professionals.
- The number of trips per truck per year on Lomé-Ouagadougou Corridor rose from 1.7 in the baseline to 6 by closing, meeting both the original target of 4 and the revised target of 6.
- The number of companies officially registered as part of the "trusted traders program" ("program of companies worthy of confidence") reached 9 by closing, failing to meet the original target of 10 but exceeding the revised target of 8.
- The percentage of transport and logistics businesses reporting satisfaction with key aspects of consultation reached 90 by closing, exceeding the target of 80.
- The number of recommended laws/regulations/amendments/codes enacted, or government policies adopted - the target was four laws/regulations/amendments/codes. The indicator was revised to the number of new legal texts adopted in road transport, services, and leasing and reached 25 by closing, exceeding both the original target of four and the revised target of three. The result consisted of: (a) the framework law on transport -- the Transport Orientation Law; (b) three implementing decrees; (c) the National Customs Code; (d) the Community Customs Code; (e) 19 associated orders; and (f) the Law on Leasing.
- The number of people trained through the certification program established for road transport professionals reached 356 by closing, exceeding the target of 100. The number consisted of: (a) 183 trained as road transport managers, freight forwarders, and freight brokers; (b) 151 as road drivers; (c) 12 as trainers for the Certificate of Professional Capacity for Road Haulers; and (10 as trainers for the Certificate of Qualification for Professional Road Driving.
- The average time between the completion of offloading containers in transit and their departure from the port increased 14.2 days in the baseline to 16.1 days by closing, failing to achieve the target reduction to 13 days.
- The number of trucks scrapped per year - the target was 100 by closing. This indicator was dropped because the scope of Project support to the vehicle scrapping program was limited to diagnostic and



preparatory studies. The actual implementation of such program was left for the subsequent LON Corridor Project.

There was no data to measure the achievement of three new output indicators added at the second restructuring and retained through closing.

- The number of professionals trained in the Vocational Training Center for the Road Transport Sector - that target was 250 by closing, from 45 in the baseline.
- The number of National Trade Facilitation Committee members trained on Trade Facilitation Agreement provisions -- the target was 50 by closing, from 30 in the baseline.
- The number of professionals registered in the Road Transport Information Registry -- the target was 30 by closing.

Outcomes.

- The number of logistics businesses that were compliant with the reformed legal and regulatory environment reached 30 by closing, exceeding the target of 20. The 30 firms received their certificate of compliance with the Transport Orientation Law, which was approved in December 2022
- The median time elapsed between the issuance of T1 declarations for shipments under the Port of Lome transit regime and their clearance at Cinkanse was reduced from 8 days in the baseline to 5 days by closing, exceeding the target reduction to 6 days.
- The predictability of the time elapsed between the issuance of T1 declarations for shipments under the Port of Lome transit regime and their clearance at Cinkanse was reduced from 28 days in the baseline to 3.2 days by closing, exceeding the target reduction to 20 days.

The overall efficacy is rated as Substantial. While the project achieved/exceeded the outcomes, there were minor shortcomings in the achievement of some output indicators (i.e. average time between the completion of offloading containers in transit and their departure from the port) and lack of data on outputs added during the second restructuring.

Rating

Substantial

OVERALL EFFICACY

Rationale

The overall efficacy is rated as Substantial. The project achieved/ exceeded the outcomes and most of the output indicators.

Overall Efficacy Rating



Substantial

5. Efficiency

Economic Efficiency. The Project Appraisal Document estimated the economic rate of return (ERR) of the project, *ex-ante*, at 36 percent over a ten-year horizon. The principal benefits included: (a) shorter time to import and lower logistics costs for exporters in Togo; (b) less logistics uncertainty and lower hedging costs for traders in Togo; and (c) less uncertainty costs for traders in Burkina Faso. Apart from the project investment, the principal costs included: (a) wage losses from lower informal employment owing to changes in the trucking market; and (b) reduced economic activity at the border crossing owing to faster processing times at the border.

Applying the same methodology as at appraisal, the ICR calculated the ERR, *ex-post*, at 19.7 percent. The *ex-post* ERR was lower because the project: (a) failed to achieve the expected transport sector formalization targets, and (b) exacted adverse, albeit small, distributional effects on border merchants and informal drivers.

Operational Efficiency. The project completed all planned activities, as restructured, and fully disbursed the project funds. However, the project closed 15 months later than originally planned. The first extension (for 12 months) compensated for delays in the adoption of the legal texts and slippages with procurement, while the second extension (for three months) allowed for the completion of critical activities.

Efficiency is rated modest because of the lower-than-expected ERR and the implementation delays during the project.

Efficiency Rating

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	36.00	100.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	19.70	100.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome



The relevance of objectives is rated as High. The efficacy is rated as Substantial. The project achieved/exceeded the outcomes though there were minor shortcomings in the achievement of some output indicators. Efficiency is rated as Modest. The outcome of the project is rated moderately satisfactory.

a. Outcome Rating
Moderately Satisfactory

7. Risk to Development Outcome

There are numerous risks to the sustainability of the development outcomes achieved by this project, the severity of which range from moderate to substantial.

Togo's strategy to function as a transit hub for its landlocked neighbors may be derailed if regional integration is reversed and the Sahel countries exit from the Economic Community of West African States (ECOWAS). Togo derives significant economic benefits from serving as a hub for merchandise transit to/from its larger landlocked neighbors -- some 39 percent of non-transshipment traffic through the Port of Lomé consists of freight in transit, of which four-fifths run to/from Burkina Faso and another fifth run to/from Niger. If the recent request (in February 2024) by Burkina Faso and Niger, along with Mali, to withdraw from the ECOWAS results in trade barriers, the competitive advantage enjoyed by Togo from more efficient logistics services in the Lomé-Ouagadougou Corridor will be diluted. Recent harmonization efforts -- such as the customs interconnection initiative funded by the Japan International Cooperation Agency, or the harmonization of transport sector regulations supported by the Lomé-Ouagadougou Corridor Project -- will also be jeopardized.

Any political instability (the Bank considered Togo to be fragile as late as FY2019, with political and governance rated high for this project), if it leads to a high turnover among civil service staff, could place at risk the gains attained by this project in building the institutional capacity of agencies to improve trade logistics services. A loss of trained staff would erode the institutional memory gained by the agencies from numerous technical assistance delivered by this project to the agencies.

The facilities, equipment, and vehicles supplied by this project are continually at risk to damage, obsolescence, and the lack of maintenance. Thin budgetary resources are bound to make maintenance difficult. However, the relevant agencies -- the Directorate of Road and Rail Transport, National Road Safety Office, Vehicle Inspection Center, Business Climate Unit, Togolese Revenue Office -- have committed to the upkeep of these assets, according to the Borrower Completion Report

The policy reforms with the transport sector, customs administration, the business climate, and leasing are likely to endure given their strong alignment with the national aspiration for Togo to serve as a transit hub for trade among its neighbors in the Sahel. Moreover, the implementation of the of the Lomé-Ouagadougou Corridor Project will reinforce this vision and commitment to policy reform.

8. Assessment of Bank Performance



a. Quality-at-Entry

Analytical Underpinning. The project design was informed by numerous analytic work produced by the Bank, other development partners, consultants, and the Government -- the Project Appraisal Document (Annex 7) listed 18 materials. Among them were: *Transport and Logistics Costs on the Lomé-Ouagadougou Corridor* (U.S. Agency for International Development, 2012), *Logistics Cost Study of Transport Corridors in Central and West Africa* (Nathan Associates, 2013), *Study on Customs Procedures and Operations of the Lomé-Ouagadougou Corridor* (Japan International Cooperation Agency, 2014), *Leasing Feasibility Study in Togo* (International Finance Corporation, 2016), and *Trucking Survey in Togo* (World Bank, 2017).

Lessons from Other Bank Operations. The project design incorporated lessons learned from related Bank operations: (a) stakeholder consultation in a reform program must be broad enough, according to the Togo Private Sector Development Support Project ; and (b) traditional financing instruments for fleet renewal typically draw little interest from financial institutions, hence leasing might be the better instrument, according to the Senegal Transport and Urban Mobility Project.

Collaboration with Other Development Partners. The project was designed in close coordination with other development partners who also supported the transport and trade facilitation agenda in Togo: (a) the International Finance Corporation provided technical assistance to automate customs processes, streamline documentation, and improve risk management; (b) the European Union provided technical assistance to improve the governance system for road maintenance, upgrade corridor management, and set up a project preparation fund; (c) the Japan International Cooperation Agency extended technical assistance for corridor mapping, master planning, and interconnecting the customs systems of Togo and Burkina Faso; and (d) the African Development Bank supported and (iv) support the establishment of a joint border post at Cinkansé.

Operational Risk and Mitigation Measures. The Bank assessed the risk to the project to be substantial, overall and in many risk categories. The mitigation measures appeared reasonable. With project design quite complex, technical design risk was substantial. Intra-Bank cooperation -- among the Trade and Competitiveness; Transport, Information and Communications Technology, and Fragility, Conflict and Violence staff -- would help mitigate the risk. Moreover, collaboration with the International Finance Corporation (through an advisory project) would provide support in areas where the Bank could not operate. Institutional capacity risk was substantial. To mitigate the risk, institutional capacity building and technical assistance would be central to the project design. Stakeholder risk was considered substantial since the reforms would affect vulnerable groups, including informal transport operators. The road transporters and the truck drivers unions had expressed support for the proposed reforms but insisted on compensating measures -- a reskilling program would help address this concern. Political and governance risk was rated high, with a Bank assessment indicating that political economy dynamics posed high barriers to reforms that aimed to open the economy and modernize public administration. To mitigate the risk, a consensual reform process would be employed during both preparation and implementation. Macroeconomic risk was rated high because of the vulnerable fiscal condition. The Bank would coordinate with the International Monetary Fund to monitor fiscal management.

Implementation Arrangements. The project implementation arrangements were sound. The Ministry of Planning would act as implementing agency, create a Project Coordination Unit, and cooperate with the Ministry of Commerce and the Ministry of Transports. A Strategic Committee with the Ministers of Planning, Trade, Transports, and Finance, the Secretary General of the President's Office, and the



General Commissioner of the Togolese Revenue Office would be responsible for project oversight. A Project Implementation Manual and Annual Work Plans, in forms and substance acceptable to the Bank, would govern project implementation.

Shortcomings at Entry. According to the ICR (para 64), project design had some shortcomings, but these were minor: (a) the results framework, while defining an outcome indicator to measure the impact of regulatory reform, lacked stronger outcome indicator(s) to measure the contribution of trade facilitation toward the efficiency of trade logistics services; and (b) technical assistance to improve customs administration was uncoordinated; and (c) efforts to support the Togolese Revenue Office overlapped among cooperating development partners (and had to be subsequently restructured).

Based on the foregoing, the quality at entry is rated satisfactory.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

Supervision. The Bank supported and supervised the implementation of the project regularly, including during the COVID-19 pandemic, filing 12 Implementation Status and Results Reports (ISRs) over the five-year life of the project, or over two-a-year, the average for Bank investment project financing operations. According to the ICR (para 65): (a) the Bank fielded a team of skilled experts for implementation support; (b) the course corrections were proactive; (c) the Bank intensified implementation support during the last year of implementation.

Adaptation. The Bank adjusted the relative importance between the two components of the project at the first restructuring. It revised the results framework and the funding allocations accordingly. The Bank also extended the project duration at the second and third restructuring (see Section 2.E). According to the ICR (para 65), the restructuring were essential to completing the project and achieving the project objectives.

Based on the foregoing, the quality of supervision is rated satisfactory.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

9. M&E Design, Implementation, & Utilization



a. M&E Design

The results framework at appraisal defined seven output indicators and three outcome indicators to measure the degree of achievement of the objective to improve the efficiency of trade logistics services. The results indicators were defined, measurable, and time bound. The monitoring and evaluation (M&E) plan also called for the Project Coordination Unit at the Ministry of Planning to perform the project M&E function. The Project Coordination Unit would prepare Project Reports, based on the results indicators, with each report covering a semester, and submit them to the Bank within a month from the end of each reporting period. According to the ICR, the project lacked stronger outcome indicator(s) to measure the contribution of trade facilitation toward the efficiency of trade logistics services.

b. M&E Implementation

The Project Coordination Unit performed the project M&E function adequately. The strengths included: (a) data was collected regularly -- data on transit time, port dwell time, and the number of trips per truck were collected and reported bi-annually by the administrator of the Single Window for Trade (SEGUCE) and by the Ministry of Transport, while data on the number of people trained was collected regularly and reported by the Project Coordination Unit; (b) data analysis was methodical -- studies measured the impact of the project activities on various metrics of road transport and logistics; (c) the M&E function was adequately staffed, headed by a dedicated M&E specialist; (d) the Bank supported M&E well -- technical assistance helped develop monitoring capacities, as reflected by the ready adoption by the customs administration of the time release studies method (TRS) to quantify bottlenecks in the customs clearance and release process; and (e) the results framework was updated as required -- the restructuring added or deleted results indicators to reflect changes in the project components and activities.

c. M&E Utilization

The M&E data (on the pace of project implementation, on disbursement rates, and on progress with the results indicators) informed the decisions by the Bank and the Government to restructure the project (reallocate the funding between project components, update the results framework, and extend the project closing date), according to the ICR (page 27). M&E was rated satisfactory throughout project implementation including in the last ISR of October 2023.

Overall, the M&E quality is rated as Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental Safeguards. The project was classified as an environmental assessment category B project at appraisal ("some type of environmental assessment/review/plan is required, but limited in scope



and flexible in structure, reflecting the limited environmental impacts of the project and the anticipated relatively straightforward mitigation") and triggered safeguards policies OP/BP 4.01 - Environmental Assessment and OP/BP 4.12 - Involuntary Resettlement. The Government prepared and published an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF) for the project and planned to use simplified Environmental and Social Impact Assessments (ESIA) and Environmental and Social Management Plans (ESMP) to manage any adverse impacts from the project activities.

The ICR (page 28) reported that the project: (a) included environmental and social clauses in all tender documents and contracts; (b) outlined safeguards and corrective measures in the mandates for all suppliers and service providers; (c) prepared ESMPs, Special Waste Management and Disposal Plans, Special Safety and Health Protection Plans, and Environmental Insurance Plans for each construction/rehabilitation activity, all of which were acceptable to the Bank; and (d) effectively implemented the ESMPs for the construction of the Vocational Training Center, the construction of the offices of the Directorate of Road and Rail Transport, the rehabilitation of the building for the National Road Safety Office, and the equipping of the vehicle center for technical control.

Social Safeguards. The project established a Grievance Redress Mechanism (GRM) to better manage grievances, claims, and complaints from stakeholders, including workers at construction sites. According to the ICR (page 28), all six complaints and two grievances that were registered with the GRM were addressed adequately.

b. Fiduciary Compliance

Procurement. The contract of the United Nations Office of Project Services (UNOPS) for equipment procurement could have been managed more efficiently, according to the ICR (page 29). Problems with this contract prompted two project closing date extensions. Contract management issues also plagued some construction and rehabilitation works, resulting in lengthy contract extensions or late contract terminations. Procurement was rated moderately satisfactory throughout most of project implementation, albeit satisfactory in the last ISR of October 2023.

Financial Management. Financial management was rated satisfactory beginning in mid-2021 and through closing, including in the last ISR of October 2023, but only moderately satisfactory before then. The project submitted the required interim financial reports (IFRs) and audited annual financial statements to the Bank regularly and on time. The reports and the audits found no significant issues with financial management. The ICR (page 28) cited shortcomings however: (a) a consultant was hired (on a competitive basis) to perform the internal audit functions for the project because the General Inspectorate of Finance failed to perform this duty; and (b) the project lacked a dedicated financial management staff to handle all the financial aspects of the operation.

c. Unintended impacts (Positive or Negative)



d. Other

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Efficacy is rated as Substantial and Efficiency is rated as Modest.
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

Three lessons are drawn from the ICR, with some adaptation.

An inclusive participatory process and a strong emphasis on capacity building involving private stakeholders (and not just government agencies) are vital to the success of a reform program. In this project, it was recognized at the outset that the rationalization of the road transport service industry under the proposed Transport Orientation Law would produce winners and losers. The Government launched an early and extensive consultation with stakeholders, most importantly truck driver unions and carrier associations, to more transparently communicate the net benefits of the project to the stakeholders and to effectively build consensus around the reform measures. To address stakeholder concerns, the project included a comprehensive reskilling program for transport and logistics workers who would be displaced by the reform measures. The reskilling conveyed the Government's commitment to address and mitigate the costs of the project to affected stakeholders.

Complex projects in low-capacity environments may need to draw on the expertise of specialized partners to efficiently implement select project activities. This operation selected the International Road Union (IRU) -- the international association of non-profit organizations in the road and transport sector -- to act as the technical assistance partner for capacity building in the trucking industry. The IRU Academy recommended improvements to the legal and regulatory framework for the transport sector, designed the certification system and the training curriculum, ran the capacity-building program, supported the training center, and helped design and implement the industry formalization plan. This operation also selected the International Motor Vehicle Inspection Committee (CITA) -- the international association of vehicle inspection companies -- to serve as the technical assistance partner for the capacity building activities for vehicle inspection instruments. The CITA collaborated with the Bank-managed Global Road Safety Fund to assess the country's regulatory framework for vehicle inspections, worked with the Ministry of Transport during the start-up phase of the project, ran the capacity-building program, and supported the design and implementation of vehicle inspection schemes and mechanisms. Additionally, the Project Coordination Unit enlisted the support of United Nations



Office of Project Services (UNOPS) to manage the procurement of a large lot of equipment for the project. The participation of the UNOPS enabled the completion of much-delayed project activities before the closing date.

Maintaining a constant policy dialogue with country authorities over several years is critical for ramping-up investment in trade and logistics services. This project, which aimed to improve the efficiency of trade logistics services in Togo, paved the way for the more ambitious Lomé-Ouagadougou-Niamey Corridor Project for Burkina Faso, Niger, and Togo, which aimed to improve regional connectivity and infrastructure along the corridor between the capital cities of Togo, Burkina Faso, Niger, and Togo. The preparation, approval, and implementation of this three-country, five-component regional investment in a most vital transit corridor for the three nations would not have been feasible without the long-running policy dialogue conducted by the Bank with Togo to reform trade and logistics services in the country.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is consistent with OPCS guidelines on ICRs for investment project financing operations. Considering three episodes of changes to the project activities, the output and outcome indicators, the project cost and financing, and the project schedule, the ICR presents a detailed account of the evolution of the project. The efficacy assessment is outcome-oriented and based on the degree of achievement of the results targets. The efficiency assessment is fair. The ICR presents ample evidence to support its assessment of the Bank's performance at design and implementation, including the analytic underpinnings of the project and the extent of collaboration with other development partners. The ICR draws lessons that would be valuable to parallel problems in similar settings.

Overall, the quality of the ICR is rated as Substantial.

a. Quality of ICR Rating

Substantial

