Report Number: ICRR0024175

1. Operation Information

Operation ID	Operation Name
P169828	Côte d'Ivoire DPO1
Country	**Practice Area (Lead)**
Cote d'Ivoire	Macroeconomics, Trade and Investment

Non-Programmatic DPF

L/C/TF Number(s)	Closing Date (Original)	Total Financing (USD)
IDA-65800,IDA-65810	30-Jun-2023	196,733,483.09
Bank Approval Date	**Closing Date (Actual)**	
31-Mar-2020	30-Jun-2023	

	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	200,000,000.00	0.00
Revised Commitment	200,000,000.00	0.00
Actual	196,733,483.09	0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

According to the Program Document (PD) (pg. 3), the Program Development Objective (PDO) of the Cote d'Ivoire First Sustainable and Inclusive Growth Development Policy Financing was to: "(i) establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency; and (ii) boost domestic resource mobilization and strengthen the targeting of pro-poor programs."

This ICR Review evaluates the operation using the following objectives:

- **PDO1:** To establish the policy and regulatory framework for environmentally sustainable investments in agroforestry, cocoa, renewable energy, and energy efficiency.
- **PDO2:** To boost domestic resource mobilization (DRM).
- **PDO3:** To strengthen the targeting of pro-poor programs.

b. Pillars/Policy Areas

The program had two pillars.

Sustainable Growth supported policy reforms to: (a) reduce deforestation by authorizing the creation of agroforests under a new Forest Code; (b) promote sustainable cocoa production by adopting the standards for deforestation-free cocoa; (c) integrate variable renewable energy into the national grid; and (d) promote energy conservation through the activation of the National Fund for Energy Efficiency (FONAME) and the adoption of energy efficiency labeling. The reforms would help unlock sustainable private investment in two of the main sectors responsible for greenhouse gas emissions in the country -- the agricultural sector and the energy sector -- and help the country deliver its Nationally Determined Contribution to the Paris Agreement.

Fiscal Management supported policy reforms to: (a) boost DRM by digitizing tax payments at the local government level; and (b) strengthen the targeting of pro-poor programs by improving the targeting of the poor for inclusion in social programs and developing the foundational elements of safety net delivery systems.

c. Comments on Program Cost, Financing and Dates

Program Cost and Financing. The operation was estimated to amount to Euro (EUR) 181.3 million (US$200 million equivalent) at appraisal. It was financed by an International Development Association (IDA) credit of EUR 54.4 million (US$60 million equivalent) and an IDA Scale-Up Facility credit of EUR 126.9 million (US$140 million equivalent). Both credits were fully disbursed (US$196.7 million equivalent).

Dates. The operation was approved on March 31, 2020, became effective on April 21, 2020, and closed as scheduled on June 30, 2023. A second operation (the original design was for a programmatic series of two) was dropped and replaced by a separate standalone Cote d'Ivoire COVID-19 Emergency Response and Recovery Development Policy Financing, approved on February 16, 2021, in response to the pandemic.

3. Relevance of Design

a. Relevance of Objectives

Binding Constraints to Development. Aiming to achieve emerging market status by 2030 after posting robust growth in the past decade -- 8.2 percent average real gross domestic product (GDP) growth and 5.2

percent average real GDP per capita growth over 2011-2019 -- Cote d'Ivoire faced binding constraints in its drive for a more socially and environmentally sustainable growth path.

- The world's largest producer of cocoa beans since 1978, Cote d'Ivoire produced more than half of global output in the crop year 2020-2021. However, cocoa farming exacted a huge environmental cost. The country lost more than 60 percent of its forest cover between 1990 and 2020, with 80 percent of forest loss due to agricultural activity over the period 1960 to 2015 attributable to cocoa farming. Moreover, productivity in cocoa production was declining owing to structural problems. The stock of cocoa trees was old and vulnerable to disease; fertilizer use had declined with rising fertilizer costs; and climate conditions had become more adverse. Meanwhile, the European Union (EU) launched the Sustainable Cocoa Initiative in 2020, advocating a constructive dialogue among member states and the world's largest cocoa producers to ensure a decent living income for cocoa farmers, advance the elimination of child labor and trafficking in cocoa supply chains, and strengthen forest protection and restoration in cocoa-producing regions. The EU also considered two legislative proposals to reduce the negative environmental and social impacts of its supply chains: the *Regulation on Deforestation-Free Products* would prohibit the sale of cocoa and other commodities that were linked to deforestation in their country of origin after 2024, and the *Corporate Sustainability Due Diligence Directive* would require large EU companies to perform environmental and human rights due diligence in their supply chains.
- Cote d'Ivoire was also West Africa's leader in electricity production, with installed power capacity of around 2,230 MW in 2020. The country fully met domestic demand (with 94 percent of the population connected to the grid) and exported 1275 gigawatt hours (GWh), or 10 percent of its electricity generation surplus, to neighboring countries (750 GWh to Mali and 500 GWh to Burkina Faso) in 2020. Seventy-five percent of electricity was powered by thermal energy and the remainder by hydroelectric dams.
- A member of the West African Economic and Monetary Union (WAEMU) (with a tax revenue-to-nominal GDP convergence criteria of a minimum 20 percent in 2015-2019, and an overall fiscal balance-to-nominal GDP convergence criteria of greater than minus 3 percent), Cote d'Ivoire had just completed two three-year arrangements under the Extended Credit Facility and the Extended Fund Facility with the International Monetary Fund (IMF) in 2020. Program performance was satisfactory, but Cote d'Ivoire needed to implement "a much more ambitious strategy for DRM."

This reform program would help address the foregoing binding constraints to the country's medium-term development ambitions.

Country Priorities. The program objectives spanned two national development plans, the first at appraisal and the second at closing. The program objective to establish the policy and regulatory framework for environmentally sustainable investments in agroforestry, cocoa, renewable energy, and energy efficiency supported the third and fourth pillars of the National Development Plan 2016-2020 (*Plan National de Developpement 2016-2020*) and the first, third, and fifth pillars of the National Development Plan 2021-2025 (*Plan National de Developpement 2021-2025*). The program objective to boost DRM and strengthen the targeting of pro-poor programs supported the second pillar of of the National Development Plan 2016-2020 and the second and fourth pillars of the the National Development Plan 2021-2025.

World Bank Group Strategy. Similarly, the program objectives were aligned with the World Bank (WB) country strategy at appraisal and at closing.

- The Country Partnership Framework (CPF) for the Republic of Cote d'Ivoire FY16-FY19 committed to support the country's development program and was organized around three focus areas: (a) accelerating sustainable private sector-led growth; (b) building human capital for economic development and social cohesion; and (c) strengthening public financial management and accountability. The program objective to establish the policy and regulatory framework for environmentally sustainable investments in agroforestry, cocoa, renewable energy, and energy efficiency supported the first CPF focus area, specifically Objective 1 - Improve productivity in agriculture and agribusiness value chains, Objective 2 - Strengthen the economic infrastructure, and Objective 4 - Formalize and enhance access to land for business and agriculture. The program objective to boost DRM and strengthen the targeting of pro-poor programs supported the third CPF focus area, specifically Objective 8 - Improve allocative efficiency and quality of expenditures and Objective 9 - Increase domestic revenues and maintain debt sustainability, as well as the second CPF focus area, specifically Objective 6 - Expand affordable social protection system.
- The CPF for the Republic of Cote d'Ivoire FY23-FY27 was organized around three high-level outcomes: (a) improved human capital; (b) reduced spatial disparities and strengthened resilience; and (c) jobs created through private sector led growth. The program objective to establish the policy and regulatory framework for environmentally sustainable investments in agroforestry, cocoa, renewable energy, and energy efficiency supported the second CPF high-level outcome, specifically Objective 5 - Improve sustainable management of natural capital, and the third CPF high-level outcome, specifically Objective 7 -Improve access to secured land for private sector development and social cohesion and Objective 8 - Support development of sustainable and competitive agricultural and manufacturing value chains. The program objective to boost DRM and strengthen the targeting of pro-poor programs supported the first CPF high-level outcome, specifically Objective 1 - Strengthen public financial and debt management and accountability and Objective 3 - Strengthen productive social protection systems.

b. Relevance of Prior Actions

Rationale

The operation supported eight prior actions (PAs) and eight indicative triggers (ITs), which would have been adapted to become PAs for a planned second operation in a programmatic series. However, the second operation was dropped following the onset of the COVID-19 pandemic (see Section 2.E). Those indicative triggers that would have been relevant to the relevance and effectiveness of the PAs are cited in this section.

Table 1: Prior Actions (PAs) of the Cote d'Ivoire Sustainable and Inclusive Growth DPF1

PDO1: To establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency.
PA1: To reduce deforestation, the Parliament has adopted the Forest Code and the Ministry of Water and Forests passed implementing regulations which define the legal modalities for establishing, managing, and monitoring "agroforests" and "agroforestry concessions within classified forests."
PA2: To facilitate the implementation of the Forest Code, the Ministries of Water and Forests and of Environment and Sustainable Development have published their data on the spatial limits of national parks, reserves, and classified forests on an open digital platform.

PA3: To promote sustainable cocoa production, the Ministry of Agriculture and Rural Development and the Ministry of Water and Forests have adopted an inter-ministerial arrete to establish a system of standards for sustainable cocoa production.
PA4: To facilitate the integration of variable renewable energy (VRE) into the national grid and reduce barriers to private investments for renewable energy development, the Ministry of Petroleum, Energy and Renewable Energies has: (i) completed a study which establishes an objective of VRE integration by 2030; (ii) adopted an arrete establishing, operationalizing and defining the functions of the commission responsible for authorizing and approving self-generation and independent production from renewable energy sources; and (iii) published targets for the licensing of solar independent power producers, taking into account the network's ability to integrate solar energy.
PA5: To promote energy conservation, the Ministry of Petroleum, Energy and Renewable Energies, Ministry of Economy and Finance, and the Ministry of Budget have appointed an inter-ministerial arrete to appoint the management team for FONAME, and the Ministry of Petroleum, Energy, and Renewable Energies has designed the structure responsible for the preparation and monitoring of the execution of decisions submitted to the FONAME management team.
PDO2: To boost domestic resource mobilization.
PA6: To increase local domestic resource mobilization, the President of the Recipient has adopted a decree to establish the legal framework for an electronic tax payment system.
PDO3: To strengthen the targeting of pro-poor programs.
PA7: To improve targeting of pro-poor programs, the Council of Ministers has adopted a decree defining the methodology for identifying households eligible for preferential treatment under the Universal Medical Coverage (CMU).
PA8: To improve the targeting of pro-poor programs, the Council of Ministers has adopted a decree to institutionalize the Social Registry (RSU) as a central tool of the social protection system.

PDO1 - To establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency.

Forestry: Cote d'Ivoire suffered from substantial deforestation and forest degradation driven by agricultural activity, mainly cocoa farming. The country had lost 60 percent of its forest cover in the last 30 years. Over 1960-2015, cocoa production caused 80 percent of the forest loss that was due to agriculture. Deforestation, which led to soil erosion and nutrient depletion, in turn, harmed productivity in cocoa farming.

PA1 would create the legal and regulatory framework to reduce forest loss and degradation while fostering environmentally sustainable cocoa production by introducing a new category of forest: the agroforest, where tree cultivation and conservation and crop production would coexist and be integrated. Parliament would adopt a new Forest Code, and the Ministry of Water and Forests would issue the implementing regulations to set the system for the establishment, management, and monitoring of agroforests and agroforestry concessions within classified forests. Agroforests were classified forests that had lost more than 75 percent of their original forest cover. In these zones, farming would now be permitted, and farmers would be allowed to grow cocoa but under tightened rules for agroforestry, reforestation, and the organization of cooperatives. By legalizing existing production in agroforests, the new law would eliminate the threats of eviction that current cultivators faced while strengthening the incentives for afforestation. Agroforestry was part of the government's new Forestry Policy, which also sought to promote public-private partnerships for forest management. Planned as part of the cancelled the second operation, the follow-on action -- the definition by the Ministry of Water and Forests of the ways in which the property rights for trees planted would be recognized (IT1) -- was actually implemented with the issuance by the Ministry of Water and Forests of Decret No. 2022-782 in May 2022 (Article 27 covered these property rights). Relevance of PA1: **Highly Satisfactory (HS)**.

PA2 required the Ministry of Water and Forests and the Ministry of Environment and Sustainable Development to publish government data on the spatial limits of national parks, reserves, and classified forests on an open data platform. With the new Forest Code defining different forest zones and setting different land use rules for different zones, it was important for farmers to know where (i.e., which zone) each piece of land belonged to. The transparency would: (a) guide the ensuing reclassification of land; (b) ensure that land use rules were enforceable; (c) protect property rights; (d) prevent conflicts; and (e) create incentives for private investment. Planned as part of the cancelled second operation, the follow-on action -- the issuance by the Ministry of Water and Forests and the Ministry of Environment and Sustainable Development of an inter-ministerial decree revising and updating the spatial limits (following the reclassification of land under the new Forest Code) and the publication of the information (IT2) -- was dropped with the cancellation of the second operation. The construction of the open data platform was slow, precluding any progress with this follow-on action. Meanwhile, an Executive Secretariat and a National Committee were created (after program closing) for data validation, analysis, and operations; their work would likely affect spatial data updates and revisions. Relevance of PA2: **Satisfactory (S)**.

Cocoa: The cocoa industry was of paramount value to the economy, but it faced daunting challenges, apart from driving deforestation. Cote d'Ivoire was the world's largest cocoa producer, producing 2.2 million metric tons of cocoa beans in crop-year 2020-21, more than one half of global output. At US$5.2 billion, cocoa and cocoa products accounted for 42 percent of exports in 2020. The sector employed over one million smallholder farmers and provided the main source of income for about five million people (twenty percent of the population). Yet, over half of cocoa producers lived below the national poverty line. Moreover, some one million children aged 10-17 years worked in cocoa fields, including children trafficked from neighboring countries. Overall, the industry faced declining productivity and diminishing "forest rent."

PA3 supported the adoption by the Ministry of Agriculture and Rural Development and the Ministry of Water and Forests of standards for sustainable cocoa production. The framework for sustainable cocoa production would advance the following key initiatives: (a) promote and support the organization of cocoa producers; (b) improve producers' incomes; (c) advocate for traceability -- the process of tracking cocoa beans from the farm to the warehouse to the final product in the market -- to help ensure transparency, accountability, and quality control at every stage of production and to help address ethical concerns and sustainability issues; (d) combat the worst forms of child labor; and (e) fight against deforestation and climate change. In the context of wide-ranging problems plaguing the industry, the relevance of PA3 is rated satisfactory. Planned as part of the cancelled second operation, the follow-on action -- the operationalization by the Ministry of Agriculture and Rural Development and the Ministry of Water and Forests of a system for tracking and verifying compliance with sustainable cocoa production standards (IT3) -- was partially achieved when the the Coffee and Cocoa Council (the governmental body created in 2011 to regulate, stabilize, and develop the coffee and cocoa industries) created a structure to manage the traceability and the quality systems . Relevance of PA3: **Satisfactory (S)**.

Renewable energy: Significant volumes of variable renewable energy -- wind power, solar power, small hydro, and biomass, in which the energy source is non-dispatchable because of its fluctuating nature -- are required for Cote d'Ivoire to meet its Nationally Determined Contribution (to the Paris Agreement, the legally binding international treaty on climate change) by 2030. Having given the highest priority to climate mitigation in the power sector and committing to reduce emissions from electricity production by 7.8 percent (conditional plus scenario) from the business-as-usual projection, Cote d'Ivoire liberalized its energy sector early in 2000 but struggled to attract private sector investment in renewable energy. Natural gas (1,282 MW, or 59 percent of installed capacity) and hydropower (879 MW, or 41 percent of installed capacity) dominated energy generation in 2018. The country planned to double installed capacity to 4,663 MW by 2030 to meet economic growth objectives. To reduce greenhouse gas emissions by 7.8 percent, Cote d'Ivoire would need to shift its energy mix toward renewable sources -- hydropower, at 31 percent, and variable renewable energy, at 16 percent -- while reducing natural gas to 38 percent and pegging coal (if imports were available) at 15 percent.

PA4 supported three measures to reduce barriers to private investment in renewable energy and to facilitate the integration of variable renewable energy into the national grid: (a) the Ministry of Petroleum, Energy, and Renewable Energy would complete a study with the objective of achieving integration by 2030; (b) a commission would be established (and operationalized) to authorize and approve self-generation and independent production from renewable energy sources; and (c) the Ministry of Petroleum, Energy, and Renewable Energy would publish targets for the licensing of solar independent power producers (IPPs). These measures would lay the groundwork for the integration of variable renewable energy into the grid, a difficult task because the grid needed to have the capacity to absorb intermittency to stabilize voltage and frequency (i.e., grids with over ten percent variable renewable energy required well planned and sophisticated energy dispatching to manage intermittency). The integration study would be crucial to this effort. Cote d'Ivoire Energies, which operated state-owned electricity power plants, prepared a solar energy integration study. In addition to activating the commission, the government had prepared the implementing regulations for mini-grids and off-grid systems (with technical assistance from the European Union) that would be connected to the national grid. It was expected that these preparatory measures would be followed by the adoption of a grid code to govern the integration and connection procedures. Planned as part of the cancelled second operation, the follow-on action -- the adoption by the Ministry of Petroleum, Energy, and Renewable Energies of the grid code (IT4) -- was met with the issuance of Arrete No. 074 MPER/MBPE/MCI in September 2020. (The grid code is the set of rules that define the technical requirements, regulations, and behavior for connecting a renewable energy plant to the electricity grid.) The achievement of IT4 strengthened the impact of PA4. Relevance of PA4: **Highly Satisfactory (HS)**.

Energy efficiency: Beyond power generation, the government had created FONAME in 2016 to support private investment in energy efficiency. The fund would address credit constraints faced by consumers in implementing energy efficiency measures. By 2020, the fund had yet to become operational.

PA5 supported the operationalization of FONAME*,* with the Ministry of Petroleum, Energy, and Renewable Energy, the Ministry of Economy and Finance, and the Ministry of the Budget appointing the management team. FONAME would be tasked with: (a) analyzing policies and practices that lead to the inefficient use of energy; (b) requiring large consumers to submit energy audits; and (c) adopting labeling standards for appliances, cooling, and refrigeration, consistent with the approach recommended by the eight member-state WAEMU. Energy labeling had resulted in significant improvements in energy efficiency in controlled experiments and in some markets, according to the literature (e.g., Newell and Siikammki, 2014, *Nudging Energy Efficiency Behavior,* Journal of the Association of Environmental and Resource Economists, 1(4), 555-598), and it was expected that the same impact could be achieved in Cote d'Ivoire. Altogether, the measures appeared credible except that the activation plan for FONAME lacked essential details, including an explicit program of action for energy efficiency in the near to medium term. Planned as part of the cancelled second operation, the follow-on action -- the adoption by the Ministry of Petroleum, Energy, and Renewable Energies of the framework for energy efficiencies (IT5) -- was met. Relevance of PA5: **Moderately Satisfactory (MS)**.

PDO2 - To boost domestic resource mobilization (DRM).

Revenue mobilization: Local government lacked tax revenues to deliver quality public services, including for social protection. Local tax revenues amounted to only 0.8 percent of GDP in 2017, with property taxes at 0.4 percent of GDP. Transfers from the central government to local governments totaled 0.1 percent of GDP in 2018. Weak tax administration was a key factor in poor revenue performance. Tax payments were almost exclusively paper-based; cash transactions were rife with losses, including due to corruption; and treasury operations took a week to make funds available to municipalities. While Cote d'Ivoire had made strides with the digitization of tax payments at the central level beginning in 2014, the innovation had yet to reach the local level.

PA6 would, by a Presidential decree, create the legal and institutional framework for an electronic tax payment system at the local level: (a) a nationwide electronic payment system would digitize the payment of taxes (the property tax and public road network tax) and fees (water and sanitation fees) using e-money, mobile and handheld devices, and digital payment kiosks, reducing transactions costs (relative to the paper-based manual system); (b) electronic payments would require the systematic identification and registration of taxpayers, helping enlarge the tax base; (c) the system would allow real-time tracking of payments by local authorities and the Treasury, improving traceability and compliance; and (d) implementation would be informed by an ongoing pilot in eight communes and autonomous districts (six had so far collected tax revenues 10-100 percent higher than projected). Following the completion of the PA, the Ministry of Finance would create dedicated treasury accounts in each of 201 local authorities and autonomous districts into which collections would be deposited (IT6). This follow-on action, planned as part of the cancelled second operation, was partially met by program closing. Relevance of PA6: **Highly Satisfactory (HS)**.

PDO3 - To strengthen the targeting of pro-poor programs.

Social protection services: A large part of Cote d'Ivoire's social protection services failed to reach the poorest households. Pro-poor spending had been stable at 40-44 percent of total public spending and 9.1-9.5 percent of GDP over 2014-2016. However, 94 percent of social protection and labor spending in 2017 consisted of pension payments, benefiting a limited number, often in the richest quintile. "Pro-poor social spending," including the Productive Cash Transfer Program (PTMP), the "vulnerable scheme" under the universal medical coverage, and in-kind social assistance, amounted to only 0.7 percent of total public expenditures, and "other poverty-fighting spending," including the youth program, 0.2 percent. Targeting strategies were inefficient, focusing on categories (widows, disabled, children) or labeled as universal (subsidies), meaning that a high proportion of resources leaked to non-poor households.

PA7 required the Council of Ministers to define a methodology for identifying households eligible for preferential treatment under the Universal Medical Coverage Program (*Couverture Maladie Universelle*). The government had endeavored since 2016 to identify the poorest households in 880 villages for inclusion in the PTMP; the methodology was a proxy-means tested formula originally developed for the PTMP. The effort had yielded a database for the Social Registry (*Registre Social Unique*) used for the social protection program. This prior action would apply the same methodology to identify poor households for preferential treatment under the Universal Medical Coverage Program; the Health Insurance Plan (*Regime Assurance Maladie*) provided free access for the poor. The exercise would help build up the Social Registry, enabling a more efficient social protection system that better targeted poor households. Planned as part of the cancelled second operation, the follow-on action -- the rollout of the identification of households for pro-poor programs to at least 51 percent of sub-prefectures across the country (IT7) -- was met, reinforcing the impact of the PA. Relevance of PA7: **Highly Satisfactory (HS)**.

PA8 followed PA7 and required the Council of Ministers to institutionalize the Social Registry as a central tool of the national social protection system. The measure would: (a) consolidate all existing information about poor households; (b) develop a centralized and comprehensive database that could be used by various social programs, including the PTMP and the Universal Medical Coverage Program; and (c) significantly enhance targeting accuracy and spending efficiency. As with other ITs that were planned as part of the cancelled second operation, the follow-on action -- the restructuring of the roles and responsibilities of Social Centers (IT8) -- was met with the issuance by the Ministry of Employment and Social Protection of Arrete No. 2020-120 in February 2020, defining the role, organization, and operation of Social Centers. Additional reform measures pertaining to Social Center resources and coordination with other agencies were ongoing. Overall, the unification of beneficiary rolls in the Social Registry would significantly strengthen the targeting of pro-poor programs. Relevance of PA8: **Highly Satisfactory (HS)**.

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

Table 2: Results Indicators (RIs) by Objective and PAs; baseline and target values; status and achievement

Results Indicator	Associated Prior Action	Relevance Rating	Baseline	Target	Actual Value	Actual Change in Results Indicator Relative to Targeted Change, in Percent	Achievement Rating
PDO1 - To establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency.							
RI1 - Hectares of forest loss in natural forest per year	PA1 PA2	Satisfactory	302,000 (2018)	271,800 (2021)	166,000 (2021)	450	High
RI2 - Percentage of cocoa	PA3	Moderately Satisfactory	0 (2019)	10 (2021)	0 (2021)	0	Negligible

produced following the standards for sustainable cocoa production							
RI3 - Variable Renewable Energy capacity, in megawatts	PA4	Satisfactory	0 (2019)	100 (2021)	37.5 (2023)	37.5	Modest
RI4 - Labeling standards for energy efficiency, number	PA5	Satisfactory	0 (2019)	4 (2021)	4 (2021)	100	High
PDO2 - To boost domestic resource mobilization (DRM)							
RI5 - Tax revenue collected at the local level, in percent of GDP	PA6	Moderately Satisfactory	0.8 (2019)	1.0 (2021)	0.8 (2021)	0	Negligible
PDO3 - To strengthen the targeting of pro-poor programs.							
RI6 - Number of households registered in the Social Registry	PA7	Satisfactory	0 (2018)	800,000 (2021)	800,000 (2021) 1,266,000 (2024)	100 (2021) 158 (2024)	High
RI7 - Number of social programs using the RSU to identify their beneficiaries	PA8	Satisfactory	0 (2019)	4 (2021)	0 (2024)	0	Negligible

*Note: (a) Ratings in [ ] reflect an MS or lower Relevance rating and are downgraded in the assessment of the Overall Efficacy rating; (b) Ratings with an * reflect additional information have been considered and discussed in the Overall Efficacy rating.*

PDO1 - To establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency.

RI1: A reduction in the number of hectares of forest loss in natural forest per year would signify progress with efforts to reduce deforestation following the legal recognition of agroforests and agroforestry concessions (PA1) and the public disclosure of the spatial limits of parks, reserves, and classified forests (PA2). The original indicator "hectares of forest loss per year," used by the PD, was clarified to mean "hectares of forest loss *in natural forest* per year" by the ICR to conform with the definition used by Global Forest Watch -- which provides annual estimates of the loss of natural forest using satellite technology -- consistent with the use of the term by the United Nations Food and Agriculture Organization. The use of Global Forest Watch data derived from satellite imagery solved an inherent measurability problem with this indicator (i.e., otherwise deforestation would have to be measured by field surveys). Relevance of RI1: **Satisfactory (S)**.

RI2: The percentage of cocoa produced that conformed to the standards for sustainable production would be an ideal measure of the impact of adopting a system of standards for sustainable cocoa production (PA3) if the causation from sustainability standards to sustainable production could be assured. However, sustainable production requires more than just legal reform: (a) the commercial arrangements between foreign buyers and domestic farmers for the production and export of "deforestation-free" cocoa would have to be firmly established; (b) institutional development would be required to form producer organizations; and (c) technical and financial support would be warranted for producers to pursue both cocoa farming and tree cultivation and conservation in agroforest concessions. None of these could be assured in the short two-year period from 2019 to 2021, and it would take several more years for agroforests to yield discernible sustainable cocoa production. Relevance of RI2: **Moderately Satisfactory (MS)**.

RI3: The installed capacity for variable renewable energy, measured in megawatts, would measure the impact of integrating variable renewable energy into the national grid (PA4). Relevance of RI3: **Satisfactory (S)**.

RI4: The number of labeling standards issued for energy efficiency would measure the impact of the operationalization of FONAME (PA5), one of whose functions was to adopt labeling standards for appliances, cooling, and refrigeration, consistent with the recommendations of WAEMU. Because of the early focus on labeling and because of the credible association between labeling and energy efficiency, the indicator is a credible measure of the impact of the reform measure. There could be other indicators to measure the impact of the operationalization of FONAME, but in the absence of an explicit energy efficiency program of action in the near term (2019-2021), few are readily available. Relevance of RI4: **Satisfactory (S)**.

PDO2 - To boost domestic resource mobilization (DRM).

RI5 - An increase in tax revenue collected at the local level, as a percentage of GDP, would arise from improvements in tax administration through the digitization of tax payments (PA6). However, the result could also stem from a range of other factors including, among others, a rise in property values, raising property tax revenues; an increase in vehicle ownership, raising motor vehicle tax revenues and public road network tax revenues; and/or an expansion in small business activity, raising business license fee receipts. Because of the attribution problem, the relevance of RI5 is rated moderately satisfactory. Relevance of RI5: **Moderately Satisfactory (MS)**.

PDO3 - To strengthen the targeting of pro-poor programs.

RI6: The number of households registered in the Social Registry was adequate to measure the impact of applying the methodology used in the PTMP to identify households eligible for preferential treatment under Universal Medical Coverage (PA7). The resulting roll would constitute the Social Registry of poor households. The rollout of the identification drive nationwide and the application of the same proxy means-tested formula to other social programs would expand the Social Registry, enabling the government to achieve the objective to better target pro-poor programs. Relevance of RI6: **Satisfactory (S)**.

RI7: The number of social programs using the Social Registry to identify their beneficiaries would measure the impact of institutionalizing the Social Registry (PA8). An increase in the number of social programs using the Social Registry -- credibly focused on poor households -- would signify that the registry was serving its purpose as the instrument to implement the National Strategy for Social Protection. Relevance of RI6: **Satisfactory (S)**.

Rating

Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency.

Rationale

RI1: The number of hectares of forest loss in the natural forest was reduced from 302,000 hectares in 2018 to 166,000 hectares in 2021, exceeding the target reduction to 271,000 hectares. The data were provided by Global Forest Watch, an initiative of the World Resources Institute, the U.S. Agency for International Development, and other partners that monitors global forests in real time. Achievement rating: **High**.

RI2: The percentage of cocoa produced following the standards for sustainable cocoa production remained at zero percent in 2021 as in 2019, failing to achieve the target of 10 percent. Although the national standards for sustainable production and the national system for traceability were adopted, actual results would not be realized until 2025, according to the ICR, when potentially half of cocoa output (based on forecasts by the Coffee-Cocoa Council) could be certified and validated as having been produced following the sustainability standards. It would take longer than the two-year duration of this operation for farms and newly formed agroforest concessions to adopt the environmental and social sustainability standards in the field, let alone for the administrative system to certify and validate the results. Achievement rating: **Negligible**.

RI3: Variable renewable energy capacity reached 37.5 MW in 2021, from zero MW in 2019, partially achieving the target increase to 100 MW. The government signed several conventions with the private sector to create independent power producers using variable renewable energy. Implementation, however, was slow because of financing difficulties and economic uncertainties triggered by the COVID-19 pandemic. The Boundiali Solar Power Station, a 37.5 MW solar power plant with a solar photovoltaic farm spanning 36 hectares and using 68,000 solar panels in the Bagoué Region, was the sole exception. Developed by the government at a cost of Euro (EUR) 40 million, with funding from Germany's KfW Development Bank (*Kreditanstalt fuer Wiederaufbau Entwicklungsbank*) and the European Union, the Boundiali Solar Power Station started operations in June 2023. Connected to the grid of the state-owned CI-Energies (*Côte d'Ivoire Énergies*), the plant is capable of powering 70,000 homes while reducing emissions by 60,000 tons of carbon dioxide equivalent per year. The future buildup of renewable energy capacity will depend on private investment decisions by IPPs or by state-owned enterprises, enabled by the policy, regulatory, and operational framework integrating variable renewable energy to the national grid (PA4 and the associated follow-on action). Achievement rating: **Modest**.

RI4: The number of labelling standards issued for energy efficiency reached four in 2021, from none in 2019, meeting the target of four: (a) Arrêté No. 134 MPEER/MCLU (November 18, 2020) -- "Energy efficiency measures in buildings, their scope of application, as well as the conformity assessment methods"; (b) Arrêté No. 140 MPEER/MCI/MBPE (November 27, 2020) -- "Energy labeling modalities for electric lamps, air conditioners, refrigerators, freezers, and new refrigerator-freezer combinations"; (c) Arrêté No. 135 MPEER/MINEDD/MCI/MCLU/MT (November 25, 2020) -- "Conditions for subjecting energy-consuming establishments to mandatory and periodic energy audits, the terms of its implementation, as well as the conditions of exercising the activity of energy auditors"; and (d) draft Arrêté No. 135 MPEER/MINEDD/MCI/MCLU/MT. The ICR added that state financing of CFAF150 million per year was authorized for FONAME for 2021-2024. Achievement rating: **High**.

With achievement of at least half of RI targets rated modest or above, and fewer than one-third of RI targets rated negligible, the achievement of this objective is rated Moderately Satisfactory.

Rating

Moderately Satisfactory

OBJECTIVE 2

Objective

To boost domestic resource mobilization (DRM).

Rationale

RI5: Tax revenue collected at the local level remained at 0.8 percent of GDP in 2021 as in 2019, failing to achieve the target increase to 1.0 percent of GDP. Despite a successful pilot, local tax revenue collection did not improve for several reasons: (a) the deployment of the digital platform was slow -- the TrésorPay had yet to be deployed at the local level; and (b) jurisdictions over local tax collections remained divided between the local authorities (using the Treasury system) -- for business license fees, the motor vehicle tax, and the public road network tax, and the Directorate General of Taxes (*Direction Générale des Impôts*) -- for the property tax and the synthetic tax for small taxpayers. Moreover, local governments under the supervision of the Ministry of the Interior have tried to introduce a third tax collection system (supported by an African Development Bank project); this operation primarily focused on taxes collected by local authorities using the Treasury system to the exclusion of the remainder. Prior to the digitization drive, an application NET-Collect Services had been deployed for taxpayer identification, with a pilot NET Collect Electronic Platform introduced in one region and 22 municipalities in 2017-2018. Achievement rating: **Negligible**.

With the achievement of all RI targets (sole RI target) rated negligible, the achievement of this objective is rated Highly Unsatisfactory.

Rating

Highly Unsatisfactory

OBJECTIVE 3

Objective

To strengthen the targeting of pro-poor programs.

Rationale

RI6: The number of households registered in the Social Registry reached 800,000 in 2021, from zero in 2019, meeting the target of 800,000 households. The Social Registry (*Registre Social Unique*) was created by decree in 2019 as an instrument for the National Strategy for Social Protection (*Stratégie Nationale de la Protection Social*). The dataset of 800,000 poor households was drawn from the rolls of the PTMP and the Universal Medical Coverage (C*ouvertture Maladie Universelle*), the latter using the questionnaire and the means-tested formula originally developed for the PTMP. A Management Information System (*Système d'Information de Gestion*) for the Social Registry, completed in December 2023, facilitated integration of the household data into the registry. According to the ICR, an additional 466,000 households were added to the PTMP in 2024, the data for which would be added to the Social Registry. Achievement rating: **High**.

RI7: The number of social programs using the Social Registry to identify beneficiaries remained zero in 2021, as in 2019, failing to meet the target of four social programs. Several shortcomings derailed progress with this target: (a) the Management Information System for the Social Registry was only delivered in December 2023, and tests of the robustness of the information technology infrastructure were ongoing at program closing; (b) the Social Registry was managed by the Ministry of Employment and Social Protection in 2019 but transferred to the Ministry of National Cohesion, Solidarity, and the Fight against Poverty in 2020. According to the ICR, the Ministry of National Cohesion, Solidarity, and the Fight against Poverty plans to expand the coverage of the Social Registry to about two million over 2021-2025. By then, some 30 social and anti-poverty programs could be using the Social Registry. Achievement rating: **Negligible**.

With achievement of one RI targets rated High, and one RI target rated negligible, the achievement of this objective is rated Moderately Satisfactory.

Rating

Moderately Satisfactory

Overall Achievement of Objectives (Efficacy)
Rationale

Achievement of the first objective to establish the policy and regulatory framework for environmentally sustainable investments in cocoa, agroforestry, renewable energy, and energy efficiency is rated Moderately Satisfactory. Achievement of the second objective to boost domestic resource mobilization is rated Highly Unsatisfactory. Achievement of the third objective to strengthen the targeting of pro-poor programs is rated Moderately Satisfactory. Overall efficacy is rated **Moderately Unsatisfactory**.

Overall Efficacy Rating

Moderately Unsatisfactory

6. Outcome

Rationale

The relevance of PAs is rated Satisfactory. Efficacy is rated Moderately Unsatisfactory. Outcome is rated **Moderately Unsatisfactory.**

a. Rating

Moderately Unsatisfactory

7. Risk to Development Outcome

The development outcomes achieved by this operation face various risks, although risk mitigation measures are available.

Agroforestry cultivation and sustainable cocoa production will require a long series of related legal and regulatory issuances, following the enactment of the new Forest Code; institutional capacity building for farmer organizations at the community level; financial resources to support joint tree cultivation and cocoa production in agroforests; economic incentives to encourage sustainable cocoa production; social assistance to aid displaced farmers in classified forest areas; and enforcement capacity to administer child labor laws. Gaps in any of these support systems would weaken the early gains made with improving the policy and regulatory framework for environmentally sustainable investments in agroforestry and cocoa.

The private domestic financial system offered little to support variable renewable energy, with the sole photovoltaic solar farm and solar plant launched under this program financed by a loan from Germany's KfW Development Bank, a grant from the European Union, and equity from the government. The availability of foreign financing will compensate for the lack of participation by local financial institutions in renewable energy financing and will help with renewable energy expansion plans (e.g., the expansion of the Boundiali Solar Power Station to 80 MW). Changing relative energy prices, however, may inject uncertainty into the country's renewable energy drive. Moreover, higher oil production by Eni Cote d'Ivoire from the Baleine field (from 15,000 barrels of oil per day in 2023 to 50,000 barrels per day beginning in 2024, and from 25 million standard cubic feet per day of associated gas in 2023 to 70 million standard cubic feet per day beginning in 2024) and the recent discovery of new oil, gas, and condensate offshore -- the Calao find with up to 1.5 billion barrels of oil equivalent of potential resources -- may blunt the motivation for energy diversification.

Risks to the sustainability of Improvements in tax administration will be mitigated with the ongoing implementation of the Extended Fund Facility and the Extended Facility arrangement (2023-2026), and the Resilience and Sustainability Facility arrangement (2024-2026) with the IMF. The IMF programs aim to improve DRM by widening the tax base, reducing tax exemptions, increasing the formalization of the economy to generate more direct taxation, and digitalizing tax administrative processes, and to strengthen the efficiency of public spending by limiting growth in the public-sector wage bill, reducing subsidies to state-owned enterprises, and focusing on means-tested transfers.

Efforts to strengthen social protection will be sustained with the expansion of the Social Registry and with new WB assistance, through the Cote d'Ivoire Investment for Growth Development Policy Financing, to expand equitable access to health (the national health insurance scheme under the Universal Medical Coverage Program) and education services.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

Analytic Underpinning. The PAs supported by this operation were informed by analytical work produced by the WB, other international development agencies, and the government.

- PA1 - National Office of Technical Studies and Development (*Bureau National d'Études Techniques et de Developpement*), 2015, "*Gestion Durable des Ressources Forestieres. Rapport pour les Etats Généraux de la Forêt, de la Faune et des Ressources en Eau";* Ministry of Water and Forests, 2018, "Forest Preservation, Rehabilitation, and Expansion - National Policy"; World Bank, 2018, "Current State of Forest Resources". Technical Note.
- PA2 - United Nations Development Programme, Mondelez International, Ministry of Environmental Sanitation and Sustainable Development, and REDD+ Cote d'Ivoire, 2017, "Forest-Friendly Cocoa in Côte d'Ivoire."
- PA3 - United Nations Development Programme, Mondelez International, Ministry of Environmental Sanitation and Sustainable Development, and REDD+ Cote d'Ivoire, 2017, "Forest-Friendly Cocoa in Côte d'Ivoire;" World Bank, 2019, "For the Development of the National Standard "Forest Friendly Cocoa" and A Guide to Agroforestry Cocoa."
- PA4 - International Finance Corporation, 2018, *Unlocking Private Investment – A Roadmap to Achieve Côte d'Ivoire's 42 Percent Renewable Energy Target by 2030*; United Nations Industrial

Development Organization, 2017, “The importance of the National Regulatory Framework in Côte d’Ivoire” in *Renewable Energy-Based Mini Grids - The UNIDO Experience;* U.S. Agency for International Development, 2017, “Côte d’Ivoire Energy Sector Investment and Enabling Environment."

- PA5 - ECOWAS Centre for Renewable Energy and Energy Efficiency, 2018, “*Rapport de Progress sur les Energies Rénouvelables, l’Efficacité Energétique et l’Accès à l’Energie dans la Region de la Region de la CEDEAO – Année de Suivi 2016*."
- PA6 - World Bank, 2019, *Côte d’Ivoire: Relever le Défi de la Mobilisation Fiscale*.
- PA7 - World Bank, 2019, *Cote d'Ivoire: Modernizing Social Protection and Labor Policies for Inclusive Growth*; World Bank, 2018, "Assessment of the *Registre Social Unique* and the Management Information System in Côte d’Ivoire."

Links with Related WB Operations. This operation continued with reforms supported by a previous programmatic series: (a) the Côte d’Ivoire First Fiscal Management, Education and Energy Reforms Development Policy Financing (2016-2019) aimed to enhance tax revenue and public procurement, strengthen efficiency and equity in the education sector, and improve the performance of the electricity sector by enabling private sector participation; and (b) the Second (2017-2020) and Third (2018-2020) Côte d’Ivoire Fiscal Management, Education, Energy, and Cocoa Reforms Development Policy Financing aimed to consolidate transparency in the management of the cocoa sector, in addition to the objectives carried over from the first operation.

The PAs supported by this operation also complement reforms advanced by related investment project financing operations: (a) PA1 and PA2 complemented the Readiness Program for Reducing Emissions from Deforestation and Forest Degradation (REDD+) Cote d'Ivoire Readiness Preparation (2014-2021), which aimed to lay the foundation for a collective integrated ecosystem management system of forests and adjacent lands; (b) PA1 and PA2 also complemented the Cote d'Ivoire Forest Investment Project (2018-2023), which aimed to conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones; and (c) PA7 complemented the Productive Social Safety Net project (2015-2023), which aimed to improve access to cash transfers and earnings opportunities among poor households and develop a social protection delivery system.

Collaboration with Development Partners. The WB collaborated closely with development partners, especially the German government -- the Federal Ministry for Economic Cooperation and Development, German Investment and Development Bank, and German Technical Cooperation Agency -- which helped prepare the first program component and approved a US$67 million loan to support the renewable energy and energy efficiency reforms in this operation.

Operational Risk and Mitigation Measures. Although the WB assessed the overall risk to be moderate, it considered three risk categories to be substantial. The mitigation measures were appropriate.

- Security and political risk were substantial. The PD highlighted the presidential elections of November 2020, considering the post-election violence of 2010 and the army mutiny of 2017. Any political instability could compromise ongoing policy and structural reform initiatives, including those supported by this operation and the ongoing fiscal consolidation supported by the IMF. The WB recommended close monitoring by all development partners of the security situation and political developments in the country.

- Extensive technical assistance and advisory services by the WB and other development partners across a wide range of sectors, including in agriculture, energy, and social protection, would help mitigate institutional capacity risk, which was considered substantial.
- Social risk was expected to be substantial in the reclassification of forest and agricultural land under the new Forest Code, which could displace farmers illegally settled in classified forests. The PD recommended a wide range of mitigation measures, including: (a) a fully consultative planning process among government, private parties, civil society, and development partners; (b) partnerships with non-governmental organizations, especially community-based organizations; (c) remediation, financial assistance, and in-kind assistance to help affected communities to recover and turn to alternative livelihoods; (d) agricultural technology packages, vocational training, and income-generating activities for affected farmers; (e) community participation in enforcing child labor laws; and (f) support for children rescued from child labor, including schooling. These measures could be drawn from various ongoing and upcoming WB and other development partner operations in the country.

Program Design and Adaptation to a Crisis. The reform program supported by this operation was well designed as a programmatic series. However, the outbreak of the COVID-19 pandemic in March 2020 rendered the preparation and implementation of the second operation difficult. Moreover, the resulting economic downturn and social dislocation required a rapid emergency response -- the WB and the Government prepared the US$300 million COVID-19 Emergency DPO to replace the second operation. Two subsequent developments reinforced the credibility of the underlying reform program: (a) many ITs that would have been PAs for the cancelled second operation were implemented anyway (see Section 3.B), advancing the reform objectives; and (b) the WB and the Government launched a three-operation programmatic series in 2022 -- the Investment for Growth Development Policy Financing -- to return the Cote d'Ivoire to the medium-term structural and policy reform agenda, picking up from reform measures covered by this operation, including cocoa sector development, agroforestry, environment, DRM, and more broadly, social spending for the poor and for equitable development.

Shortcomings at Entry. Several aspects of program design suffered from shortcomings.

- While creating the technical, organizational, and operational framework for sustainable cocoa production (PA3) would lay the groundwork and eventually lead to a greater proportion of cocoa output being produced on an environmentally and socially sustainable basis (RI2), achieving the target would take longer than the time set at program design (two years from the adoption of the sustainability standards) (see Section 4).
- Building renewable energy capacity required substantial financing that was not readily available domestically, given the limitations of the domestic banking system and capital markets (see Section 5 - Objective 1).
- Local tax collection faced jurisdictional issues among local authorities, the Directorate General of Taxes, and the Treasury, which the proposed local electronic tax payment system (PA6) could not easily bridge by itself (see Section 5 - Objective 2).
- The Management Information System for the Social Registry needed to be available at the onset of the social protection reform program but was not. Moreover, the institutional responsibility for the Social Registry was not settled at program design (see Section 5 - Objective 2).
- The large DRM reform effort involving the establishment of the legal framework for an electronic payment system (PA6) had only one RI -- the tax revenue collected at the local level, as a percent

of GDP (RI5). The choice was weak and risky and turned out to be one aspect that pulled down the achievement of the DRM PDO.

Rating

Moderately Satisfactory

b. Bank Performance – Implementation

Rationale

Monitoring. The WB provided regular and close monitoring of the operation, notwithstanding the difficulties triggered by the COVID-19 pandemic, which struck at the time of program approval in March 2020.

Adaptation. Following its initial response to the pandemic -- the Cote d'Ivoire COVID-19 Emergency Response and Recovery Development Policy Financing, approved in 2021 -- the WB faced two options with the planned successor to this operation: (a) continue with the second operation, but adapt the policy reform program to the new environment (e.g., consider supporting private investment in a post-COVID context), potentially extending the series to include a third operation, or (b) close the series (i.e., end with the first operation) and start a new programmatic series altogether. The WB chose the second option (see Section 2.E), designing a three-operation programmatic series -- the Cote d'Ivoire Investment for Growth Development Financing -- geared to more ambitious medium-term reform program, while picking up key areas from this operation: agroforestry, cocoa, environment, domestic resource mobilization, and social spending (more broadly).

Rating

Satisfactory

c. Overall Bank Performance

Rationale

With performance at design rated moderately satisfactory, and during implementation, satisfactory, overall WB performance is rated moderately satisfactory.

Overall Bank Performance Rating

Moderately Satisfactory

9. Other Impacts

a. Social and Poverty

The PD explained that this operation would have positive poverty and social effects. The use of means testing to identify households eligible for pro-poor programs (PA7) and the adoption of the Social Registry for the national social protection system (PA8) would improve the targeting of social programs, benefiting the poor. Agroforestry (PA1 and PA2) and sustainable cocoa production (PA3) would help lift productivity in cocoa production, benefitting cocoa farmers, half of whom lived below the national poverty line.

The ICR did not assess the actual social and poverty impact of this operation.

b. Environmental

The PD argued that reforms supported by this operation would have significant positive effects on the country's environment, forests, and other natural resources. Efforts to reduce deforestation (PA1 and PA2) and initiatives to promote sustainable cocoa production (PA3) would slow the depletion of natural capital and promote green growth. Similarly, the use of variable renewable energy in the national grid (PA4) would reduce greenhouse gas emissions.

The ICR did not systematically assess the actual environmental impact of this program, other than to add that forest loss in natural forests (RI1) was reduced further to 159,000 hectares in 2022.

c. Gender

Not applicable.

d. Other

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10. Quality of ICR

Rationale

The ICR is consistent with OPCS guidelines on ICRs for development financing operations and includes sections on the relevance of PAs and the relevance of RIs. Although the relevance of indicative triggers is not normally assessed, the cancellation of the second operation in this original two-part programmatic series raises questions about whether the effectiveness of the PAs would have been affected by status of the indicative triggers that were dropped. The ICR discusses the indicative triggers, including any follow-through action, permitting sound analysis of the relevance of the PAs. The ICR's account of the program's performance is well informed, and the efficacy assessment is outcome oriented. The ICR presents ample evidence to support its assessment of the WB's performance at design and during implementation. The record of the analytic underpinnings of the operation, the connection with other WB operations in Cote d'Ivoire, and the implementation risks that were apparent at appraisal are detailed. The ICR draws lessons that would be valuable to DPOs focused on reforms to achieve sustainable and inclusive growth in middle-income economies.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Moderately Unsatisfactory	Moderately Unsatisfactory	
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	
Relevance of Results Indicators	---	Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

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

Result targets should consider that reform programs may take longer to yield outcomes than the short lifetime of a DPO. This operation aimed to facilitate the integration of variable renewable energy into the national grid and to reduce the barriers to private investment in renewable energy, the outcome of which would be 100 megawatts of variable renewable energy capacity installed by 2021. However, as the sole variable renewable energy project commissioned before closing showed, the project cycle for renewable energy is lengthy. It took time to develop the project, to secure financing from a lender and a grantor (the German government first announced a loan in October 2018), and to complete construction and start commissioning (construction began in July 2022 and commissioning in July 2023). Even then, only one project (the Boundiali Solar Power Station) and a third of the target (37.5 MW) could be delivered, and two years after the target date.

Complicated reform measures require technical assistance that complement policy reforms supported by the DPO. In this operation, the digitization of payments of local taxes proved complicated in many aspects. The range of local fees and taxes varied, ranging from the business license fee to the public road network tax to the property tax. Three administrative bodies collected local taxes: the Treasury, the Directorate General of Taxes, and local governments. The creation and operationalization of a digital platform required many steps, including development, installation, interconnection, user training, and a public campaign. The inability of the program to raise local tax revenues beyond the baseline suggests that a program of extensive technical assistance in many areas -- tax administration, management systems design, technology, and public awareness -- will be needed to move the reform measure forward.

13. Project Performance Assessment Report (PPAR) Recommended?

No