



## 1. Project Data

<b>Project ID</b> P160377	<b>Project Name</b> TG-Energy Sector Support	
<b>Country</b> Togo	<b>Practice Area(Lead)</b> Energy & Extractives	
<b>L/C/TF Number(s)</b> IDA-61680	<b>Closing Date (Original)</b> 30-Nov-2022	<b>Total Project Cost (USD)</b> 33,998,600.38
<b>Bank Approval Date</b> 20-Dec-2017	<b>Closing Date (Actual)</b> 31-Aug-2023	
	<b>IBRD/IDA (USD)</b>	<b>Grants (USD)</b>
Original Commitment	35,000,000.00	0.00
Revised Commitment	34,858,696.53	0.00
Actual	33,998,600.38	0.00

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## 2. Project Objectives and Components

### a. Objectives

The Project's development objective (PDO) as stated in the Financing Agreement and Project Appraisal Document (PAD) dated December 21, 2017 and November 29, 2017, respectively was "... to improve the operational performance of the power sector and increase access to electricity in the capital city, Lomé.

For this ICRR the PDO is analyzed in two parts as follows: (i) to improve the operational performance of the power sector; and (ii) to increase access to electricity in the capital city, Lomé.



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

No

**c. Will a split evaluation be undertaken?**

No

**d. Components**

**Component 1: Power Distribution Improvement and Expansion** (Estimated cost at appraisal – US\$27 million of which International Development Association (IDA) financing – US\$26 million and Government of Togo (GoT) financing – US\$1 million, Actual cost was IDA – US\$26 million and GoT US\$0 million).

The objective of the component was to finance priority rehabilitation and reinforcement of the medium voltage (MV) and low voltage (LV) distribution network in Lomé and extension of the LV network to connect new consumers. The component had three subcomponents as follows:

- a. Sub-component 1.1 comprised: (i) rehabilitation of Lomé A, Lomé B, and Lomé Siege substations, 71 kilometers (kms) of underground MV cables, and 41 MV/LV transformer stations; and (ii) construction of 10 MT/BT transformer stations.
- b. Subcomponent 1.2 consisted of the reinforcement of the MV network in Lomé by constructing 39 kms of underground and 49 kms of overground MV cables, 9 MVar capacitor banks and two switching stations. These reinforcements were to enable the network to sustain future growth in demand and to reduce technical losses.
- c. Subcomponent 1.3 financed construction of 225 kms of LV lines and 5 MV/LV transformer stations on the outskirts of Lomé to connect an additional 20,000 new consumers.

**Component 2: Power Sector Reform** (Estimated cost at appraisal – US\$6 million of which IDA financing – US\$6 million and GoT financing – US\$0 million, Actual cost was IDA – US\$6.4 million and GoT US\$0 million). The design of this component was organized around the following four activity areas:

- a. A reform of the Campagnie Energie Electrique du Togo (CEET, the state-owned utility responsible for power distribution in Togo) and its relationship with the GoT to be supported by developing and implementing a Management Improvement Plan (MIP, an assessment and enhancement of the 2016 revenue protection program (RPP) targeted at large customers and payment of GoT electricity bills).
- b. Development of a least-cost generation and transmission plan and an electricity supply master plan and strengthening of planning capacity at Togo's key sector institutions, including Ministry of Mines and Energy (MME) and CEET.
- c. A financial viability assessment and financial model to underpin a 5-year financial viability plan.
- d. Legal and regulatory review, including changes needed in the Electricity law to facilitate development of renewables, increased access, operation of the National Authority for the Regulation of the Electricity Sector (ARSE) as well as a review of the Togo-Benin electricity code and a diagnostic review of the Communauté Electrique du Benin (CEB – a power generation and transmission company jointly owned by Togo and Benin).



**Component 3: Project Management and Capacity Building** (Estimated cost at appraisal – US\$2.4 million of which IDA financing – US\$2.4 million and GoT financing – US\$0 million, Actual cost was IDA – US\$2.4 million and GoT US\$0 million). The design of this component was organized around the following three activity areas: (a) engineering consulting services to provide technical, procurement and contract management support to CEET – the project implementing agency (IA); (b) financing of project management operating costs, external audits and costs of safeguards oversight activities by the IA; and (c) capacity building activities, including training related to utility and project management, especially in the areas of procurement, financial management, and monitoring and evaluation.

### **Revised Project Components**

There were no revisions to the project components.

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

Total project cost at completion was US\$34.86 million (Implementation Completion and Results Report (ICR), p. 10 and Annex 3) compared to US\$36 million estimated at appraisal (PAD, p. 18). The estimated and actual financing plan presented in the ICR does not include the Borrower's contribution which was estimated at US\$1 million at appraisal. There is also a discrepancy of US\$87,000 due to exchange rate variations between the total cost of US\$34.86 million and the amount of US\$33.99 million shown as disbursed by IDA in the ICR data sheet.

**Dates.** The project was approved on December 20, 2017, and became effective on March 12, 2018. A mid-term review was conducted on November 9, 2020, and the project was restructured once on September 16, 2022, to extend the closing date from November 30, 2022, to August 31, 2023, and to amend the results framework and the implementation schedule. The closing date was extended to allow enough time for completion of power sector activities (especially, installation of smart meters for CEET's RPP, and geographic information system (GIS) mapping of CEET's power distribution infrastructure) whose implementation had been delayed by procurement and supply chain problems arising from the impacts of the Covid-19 pandemic and the Russia-Ukraine war. The results framework was amended to revise the baseline values and project-end targets for the PDO indicator– "Distribution system loss for the areas affected by the Lomé A, Lomé B and Lomé Siege substations" as well as to remove the sub-indicators for technical and non-technical losses for which CEET had no data measurement system in operation at the time of project appraisal. The targeted reduction in distribution system loss within Lomé areas shifted from an initial 20 percent to a more ambitious 15.6 percent. Finally, the restructuring included a revision of the implementation schedule to the new closing date of August 31, 2023.

### **3. Relevance of Objectives**

#### **Rationale**

#### **Alignment with country and sector context**

The Project was designed to support country and sector strategies to which it remained aligned throughout the implementation period up to closure. Between 1991 and 2006 Togo experienced a prolonged period of



political tension that was accompanied by a suspension or curtailment of financial support by most donors because of concerns about the country's governance. In 2002, the Bank also suspended financial support after Togo had fallen into debt service arrears. These developments increased the country's difficulties in delivering public investments and services. In 2006, the Government reached a Global Political Accord (GPA) with the opposition and legislative elections were held in 2007. With a resumption of donors' support Togo entered a new period of growth. However, unresolved political issues and difficulties in advancing some of the GPA reforms meant that perceptions of country risk remained and tempered the appetite of private sector investors, including in electricity generation.

At Project Appraisal in 2016, the Project Objectives were relevant to the country conditions because they were aimed at addressing the key issues facing the sector and the project design was aligned with the PDOs. The electricity sector faced the following key issues: (i) limited access to electricity services; (ii) inadequate security and reliability of supply; and (iii) low efficiency of the power system.

Access to electricity was about 29.2 percent compared to Ghana's 76 percent, Cote d'Ivoire's 59 percent, and the Sub-Saharan Africa (SSA) regional average of 37 percent. A huge disparity also existed between the urban electrification rate of 56.5 percent and the rural electrification rate of 5.5 percent (the latter compared to an average of about 15 percent for the SSA region). Security of supply was low due to unreliable imports and lack of adequate domestic sources which contributed to rampant power cuts. Installed generation capacity was only 205 MW in 2015, of which about 50 percent was privately-owned and electricity imported from the West Africa Power Pool countries accounted for about 90 percent of electricity consumed in the country. Inadequate investment in the distribution system and in its maintenance resulted in power interruptions and voltage drops (reliability) and high technical losses (efficiency). Total distribution system losses were high – at Appraisal, the losses were estimated at 24 percent which was incorrect as subsequently discovered in 2017 and revised to 15.6 percent. The average cost of electricity services was estimated at US\$0.29/kWh and debt service accounted for 25 percent of revenues. The power cuts, system inefficiencies and high cost of debt contributed to serious financial imbalances for the sector.

The Project was designed to address some of the sector's key issues by: (i) rehabilitating MV/LV distribution lines and transformer stations; (ii) constructing MV/LV lines, MV/LV transformer stations, switching stations and capacity banks stations, to reduce power outages and technical losses; (iii) extending distribution lines to the outskirts of Lomé to connect 20,000 households and increase access; (iv) preparation of a least-cost power development plan for an Electricity Supply Master Plan, and strengthening of capacity for planning in key Togolese institutions to improve power system planning and provide a favorable environment for private sector participation in power generation; and (v) extending the existing revenue protection program (RPP) to additional large consumers to increase revenue collection through use of smart metering technology and to reduce non-technical losses.

At Project closure on August 31, 2023, the project remained aligned with the GoT's objective of achieving universal access by 2030 and the roadmap 2025. The latter designates "continuation of electrification policy for all and "Increase in electricity production, transmission and distribution capacity" as the key instruments for achieving the Government's sector objectives. The Project was relevant to the roadmap by supporting the roadmap through the implementation of measures to address sector issues as summarized above.

### **Alignment with the World Bank's Strategy**

The Project remained closely aligned with the World Bank Group Country Partnership Strategy for Togo for FY2017-2020. The Project was consistent with objective 1.3 – "to strengthen energy, ICT and logistics



services” under Focus Area 1 on “private sector performance and job creation”. The energy sector continued to be supported by the FY 2025-2029 (Report No. dated P185419-TG, May 23, 2024) CPF’s High Level Outcome1 on “Increasing Quality Employment in the Private Sector,” Objective 3 - “Increase access to reliable and sustainable energy.” Objective 3 aims at “...closing the current access gap and opening the pathway to achieving universal affordable access through private sector participation...”. In addition, this current CPF includes a proposed follow-up project – “Inclusive Development through Electricity (IDEA, P176769)” to advance progress towards universal sustainable energy for all. Hence the Project is rated **High** for relevance of the PDO.

## Rating

High

## 4. Achievement of Objectives (Efficacy)

### OBJECTIVE 1

#### Objective

"..to improve the operational efficiency of the power sector."

#### Rationale

The ICR (pp. 7 and 8) presents a theory of change (TOC) based on the results matrix in the PAD. The ToC describes the transformation cycle from activities to outputs/intermediate outcome indicators, and the expected outcomes of improved operational performance of the power sector at project completion as measured by: PDO indicator #1 – “Distribution system loss reduction in areas of Lomé A, Lomé B, and Lomé Siege substations”; and (b) PDPO indicator #2 – “Increased collections from targeted high-consuming customers.”

The distribution system loss indicator comprised technical and non-technical losses and was to be supported :(a) for technical losses by construction and rehabilitation of 159 kms of MV distribution lines and 51 transformers stations in the Lomé project areas; and (b) for non-technical losses by implementation of the MIP, of which the most relevant aspect for the PDO indicator was the RPP, including installation of smart meters for large MV consumers. The indicator had two parts for technical and non-technical losses on the assumption that it would be possible to disaggregate and track these two components separately. However, there was no reliable baseline data on technical and non-technical losses, and a lack of modelling tools to simulate the impact of planned investments on technical losses.

PDO indicator #2 was to be achieved by installing smart meters for large MV consumers under the RPP (industrial customers). The indicator was intended to measure increased collections with collections defined as revenues collected as a percentage of billed revenues. The challenge for this indicator was that improved collections would also require increased customer awareness of the capabilities of the RPP for CEET to implement service disconnections for delayed payments which would take time to achieve. The RPP was not



only intended to support increased revenue collections, but also to contribute to distribution loss reduction, i.e., to contribute to PDO indicator #1.

The intermediate indicators and final outcomes are listed below together with the expected targets and actual achievements at the intermediate and outcome stages of the transformation cycle.

### **Outputs/intermediate outcomes**

- A least-cost power development plan was prepared and approved.
- An Electricity Supply Master Plan was prepared and approved.
- Planning capacity strengthening for the Ministry of Mines and Energy (MME) and for CEET
- A financial viability assessment and a financial model for the power sector were prepared and approved.
- An MIP for CEET was prepared and implemented.
- 135 kms of MV cables were constructed or rehabilitated compared to the target of 159 kms (*85 percent achieved*)
- 68 transformer stations were constructed /rehabilitated compared with a target of 51 percent (*133 percent achieved*)

### **Outcomes**

- Distribution system losses for the areas affected by Lomé A, Lomé B and Lomé Siege substations were reduced from a revised baseline of 15.6 percent in 2017 to 14.79 percent in 2023 instead of the target of 13.60 percent.
- Electricity consumption from targeted high value consumers were increased by 4.72 percent compared to the target increase of 4.0 percent in revenues (118 percent).

PDO indicator #1 was substantially achieved with distribution system losses reduced from 15.6 percent to 14.79 instead of the target of 13.60 percent. The ICR attributes the lower-than-expected reduction in system losses to: (a) the scope of the investment which is assessed to have been inadequate for a 4 percent reduction in losses; (b) the considerable growth in customers between 2017 and 2021; (c) incorrect baseline and the problem of desegregating technical and non-technical losses; (d) the aged condition of the infrastructure; and (e) the lack of distribution modeling tools to simulate, amongst other variables, the impact of investments on technical losses. Since the distribution system losses are defined as the sum of technical and non-technical losses as a percentage of net generation injected into the distribution system the failure to fully achieve the revised target reflects shortfalls on both technical and non-technical losses.

As defined in the results framework PDO indicator #2 was intended to measure increases in revenue collection because of implementation of the RPP for large MV customers. Since the RPP was not fully implemented at Project closure the assessment of its impact was based on increased consumption (not revenue) by the customers covered by the RPP to date. The consumption increases of 4.72 percent compared to a target of 4.0 percent also suggests a potential contribution to non-technical system loss reduction by the RPP. Thus, PDO indicator #2 is assessed in the ICR by measuring increased consumption instead of revenues. This is the most practical proxy for this PDO indicator given that increased revenues will only be assessable after completion of the RPP.





Considering the substantial achievement of both PDO indicators the efficacy rating for PDO#1 is **Substantial**.

### Rating

Substantial

## OBJECTIVE 2

### Objective

to "...increase access to electricity in the capital city, Lomé."

### Rationale

The ToC for PDO # 2 describes the transformation cycle from the implementation of Component 1 activities (Power Distribution Improvement and Expansion) to physical outputs/intermediate outcome indicators, and the expected outcome of increased access in the capital city, Lomé. The causal relationships are measurable, straightforward, and so is the PDO indicator #3 – the number of people provided with access to electricity (of which 40,000 were estimated to be female).

The construction of 225 kms of LV distribution lines and 5 substation transformers, and the installation of prepaid meters for connection of 20,000 households were expected to result in increased access to electricity in the capital, Lomé. It is noteworthy that the Power Distribution Improvement and Expansion Component's rehabilitation and construction activities also contributed to PDO#2 because efficiency gains through reduction of technical and non-technical losses enabled more electricity to be available given the existing generation constraints.

The intermediate and final outcomes are listed below together with the expected targets and actual achievements at the intermediate and final outcome stages of the transformation cycle.

### Outputs/intermediate outcomes

- 135 kms of MV cables were constructed or rehabilitated compared to the target of 159 kms (*85 percent achieved*)
- 210 kms of LV lines were constructed to the outskirts of Lome compared with a target of 225kms (*93 percent achieved*)
- 73 transformer stations were constructed /rehabilitated compared with a target of 56 (*130 percent achieved*)
- 20,000 household grid connections compared to a target of 20,000 (*100 percent achieved*)

### Outcomes

- 80,000 people were provided with access to electricity under the Project by household connections (grid or off-grid) compared to a target of 80,000. The sub-indicator of the number of female beneficiaries was achieved (40,000, p.15, ICR).



PDO # 2 is rated **Substantial** for efficacy because the target number of people provided with electricity (PDO indicator #3) under the Project by household connections was fully achieved although there were some moderate shortfalls in the physical output/intermediate outcome targets.

**Rating**  
Substantial

## OVERALL EFFICACY

### Rationale

The Project is rated **Substantial** for efficacy based on substantial ratings for both PDO #1 and PDO #2 as described above. PDO#1 was rated **Substantial** because both PDO indicators for distribution losses and increased collections from large customers were achieved with moderate shortcomings. PDO #2 is rated **Substantial** for efficacy because the target number of people (80,000) provided with electricity (PDO indicator #3) by household connections under the Project was fully achieved.

### Overall Efficacy Rating

Substantial

## 5. Efficiency

At appraisal, an economic and financial analysis was conducted to assess the Project's efficiency. At completion, an analysis of the Project's administrative/implementation efficiency was carried out in addition to the ex-post economic and financial analysis.

**Economic analysis.** The economic analysis was conducted using a cost benefit approach at both appraisal and at completion and was done for the Power Distribution Improvement and Expansion component – the only one that involved physical investments. Project benefits were assumed to be derived from the consumption of electricity by new users, growth in demand due to expansion of the network and reductions in technical and non-technical losses due to the Project. The value of consumption was based on the average electricity tariff or a willingness to pay figure of US\$0.25/kWh. The costs included the cost of distribution network expansion, connection, and prepayment meters fees, and distribution system operation and maintenance costs.

At appraisal, the economic analysis was handicapped by the lack of data such as the absence of household energy expenditure surveys. Therefore, at ICR stage the economic analysis as at appraisal was revised. The updated results showed an economic internal rate of return (EIRR) of 1.8 percent and a net present value (NPV) of US\$ -9.8 million, compared to original estimates of 24.1 percent and US\$145.9 million for the EIRR and NPV respectively, before environmental benefits.





Ex-post analysis at Project closure showed an EIRR of 3.9 percent and a NPV of US\$ -3.9 million before environmental benefits. Based on data available from the economic analysis of the Inclusive Development through Electricity Access Project (IDEA, 176769, approved in May 2023), the NPV after incorporating environmental benefits was estimated at US\$9.2 million and US\$22.3 million for the low carbon and high carbon price, respectively.

The rating for economic efficiency is **Substantial** because the economic returns before environmental benefits are higher than those at appraisal (3.9 percent for the EIRR and a negative NPV of US\$3.9).

**Administrative & Operational Efficiency.** Implementation of the Project faced some significant hurdles, including the impact of Covid-19 and the Russia-Ukraine war on procurement activities and lengthening of supply chains. In addition, since this was the first project in the sector since the 1990s there was limited institutional and staffing capacity for implementation of World Bank financed projects, especially in the areas of procurement and financial management. In addition, there were significant data constraints, especially regarding system losses as described previously. Despite these challenges, with a strong commitment to the Project and the Bank’s support, the client was able complete the project within 68 months, just nine months (one closing date extension) more than the original implementation schedule of 59 months from Board approval and within budget. Thus, the Project is rated **Substantial** for administrative and operational efficiency.

Overall, the efficiency rating for the project is **Substantial** based on substantial ratings for both economic and administrative efficiency.

## Efficiency Rating

Substantial

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	✓	1.80	75.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	3.90	74.60 <input type="checkbox"/> Not Applicable

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

## 6. Outcome

The relevance of the PDO is rated High as described above. Efficacy is rated Substantial because: (a) PDO #1 – “to improve the operational performance of the power sector” was rated Substantial with moderate shortcomings; and (b) PDO # 2 was fully achieved with 80, 000 people provided with new or improved electricity service as targeted. The efficiency of the Project is rated Substantial because both economic efficiency and administrative efficiency objectives were substantially achieved. The Project’s overall outcome rating based on a



High rating for relevance, Substantial for Efficacy and Substantial for Efficiency and in accordance with the Bank's Guidelines for ICRs is **Satisfactory**.

**a. Outcome Rating**  
Satisfactory

## 7. Risk to Development Outcome

The achievements of the Project included: (a) electricity access extension to an additional 80,000 persons; (b) a reduction in total distribution losses of about 0.81 percent (from 15.60 in 2017 to about 14.79 percent at Project closure); and (c) increase in electricity consumption of about 4.72 percent from large customers. In addition to these PDO outcomes, other outcomes were completion and approval of several sector plans (least-cost generation and transmission plan and an electricity supply master plan, financial viability assessment and financial model, management improvement plan for CEET). Institutional and staff capacity improvements were made at the MME and CEET. The risks for sustainability of these achievements are availability of adequate financing for maintenance of the established network and for full utilization of the strengthened distribution network to further expand access expansion by connecting more customers. This risk will be managed by continued implementation of the operational, financial, MIP, tariff, and planning measures to improve the sector's efficiency and financial viability. In addition, implementation of the least-cost and power master plans will make the sector more attractive for private sector investment in generation, thus increasing the availability and cost efficiency of energy supply. Continued collaboration with the Bank and donors, such as that under the ongoing Inclusive Development Through Electricity Access Project (P 176769), will enable Togo to continue mobilizing resources for efficient distribution sector expansion.

## 8. Assessment of Bank Performance

**a. Quality-at-Entry**

Preparation of the Power Distribution Improvement and Expansion Component was based on a sound technical basis – an EU-financed technical study of the whole Lomé distribution network, which identified a list of projects for a total cost of US\$75 million. The Project represented a portion of the investment priorities identified in that study. The other half was to be financed by the AFD under a separate parallel project.

The Power sector reform component was based on in-depth consultations with the GoT and other development partners on key constraints to the development of the electricity sector. These were identified as: lack of private sector investment in generation; operational and financial performance of CEET; limited institutional capacity for system planning at the main sector institutions; lack of least-cost generation and transmission plans; and absence of an electricity master plan. The power sector reform, therefore, aimed at supporting the GoT in addressing these constraints to sector development. In addition, the Project was complemented by the Fiscal Management and Infrastructure Reform Project, P159884 - a development policy operation (DPO) that was prepared in parallel with this project - with



prior actions focused on the arrears-clearing between the Government, CEET and CEB and the establishment of a payment discipline of the public administration's electricity bills.

The PDOs were simple and clear. The transformation cycle from activities through outputs/intermediate indicators to outcomes represented credible, causal relationships, but an important shortcoming was the absence of verifiable baseline data on distribution losses and a system for measuring and disaggregating technical and non-technical losses. Despite this shortcoming, which was understandable given that there had been meagre donor support to the sector for many years, the overall quality at entry was **Satisfactory**.

### **Quality-at-Entry Rating** Satisfactory

#### **b. Quality of supervision**

Project supervision was strong, involving field-based staff at regular intervals, preparation of eleven Implementation Status and Results Reports (ISRs), on average twice a year, field visits and a midterm review on November 9, 2020. The supervision missions enabled the Task Team to maintain close monitoring of the Project activities and to support the GoT's requests for revisions to the results framework and extension of the Closing date by nine months to August 31, 2023. In addition, the Bank Team's proactivity helped to facilitate communications between different institutions within the GoT, especially by encouraging CEET to improve planning for approvals of procurement activities by the DNCMP.

One shortcoming was the delayed amendment of the PDO indicator for the reduction of distribution losses and its associated target which was done about two months before the original closing date and about 11 months before the revised closing date. That was almost five years after approval of the financing during which period monitoring of the indicator should have triggered a restructuring of the Project.

### **Quality of Supervision Rating** Satisfactory

### **Overall Bank Performance Rating** Satisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

CEET's Project Implementation Unit (PIU) was responsible for M&E of the Project under the oversight of a Project Steering Committee (PSC) chaired by the Minister of MME. The PSC comprised representatives of CEET, MME, Ministry of Economy and Finance, and ARSE. The PSC was responsible for approving annual work plans and budgets; monitoring overall progress towards achievement of the project objectives; ensuring inter-ministerial coordination and helping to resolve any problems encountered during



implementation. The M&E data was compiled in annual progress reports by the PIU with the support of CEET's Engineer and inputs from MME, CEB and other participating agencies. The report covered the status of implementation of the various project activities, key issues and recommendations, and progress towards the achievement of the Project's key results. The design of the M&E also required CEET to: (a) submit a quarterly Safeguards Report to the Bank and to integrate the safeguards findings in the annual progress report; and (b) conduct a survey of customer satisfaction and to publish the findings on its website.

## **b. M&E Implementation**

Annual progress reports were submitted to the Bank on a regular basis. The M&E was amended during the Project restructuring to incorporate changes in the distribution system loss indicator baseline and targets which had been estimated during appraisal without the benefits of accurate data as CEET had no accurate information systems for data collection. Thus, the distinction between technical and non-technical losses was removed, a baseline of 15.60 percent in 2017 replaced the original estimate of 24 percent. An aggregate target of 13.6 percent replaced the original targets of 11 and 9 percent for technical and non-technical losses, respectively. Quarterly and annual progress reports were submitted to the Bank, although not always on a consistent basis. However, CEET did not conduct a customer survey as expected at appraisal.

## **c. M&E Utilization**

Both the Bank and the Borrower productively used the annual progress reports to track the Project's implementation performance and progress towards achievement of the PDOs. The reports provided a basis for discussion of important issues during the Bank's supervision mission and for the preparation of ISRs by the Bank team through which Bank management was kept informed of the Project's progress. The progress report also informed the restructuring of the Project in 2022 which included an extension of the closing date and changes to the results framework. There were no significant issues surfaced by the quarterly safeguards reports which were not addressed.

Overall, M&E is rated **Substantial** since the M&E design, implementation and utilization were credible with moderate shortcomings.

### **M&E Quality Rating**

Substantial

## **10. Other Issues**

### **a. Safeguards**

The Project was expected to have positive impacts through reductions of GHG emissions as power supply improved and customers switched from diesel-based generation to grid-based electricity. In addition, the



increased availability and reliability of power was expected to positively affect the security situation in the served areas. Adverse impacts were expected to be minor, localized, and reversible.

Three Safeguards policies were triggered as follows: OP/BP 4.01 on Environmental Assessment; OP/BP 4.11 on Physical Cultural Resources; and OP/BP 4.12 on Involuntary Resettlement. Given the minor E&S impacts the Project was classified as B for safeguards. An Environmental and Social Management Framework (ESMF) was prepared outlining an environmental and social screening process and the institutional responsibilities for screening, review, and clearance and for implementation and monitoring of mitigation plans. The ESMF was consulted upon and disclosed in Togo and at the World Bank on October 5 and 6 2017, respectively. The Financing Agreement contained a clause requiring the GoT to prepare all ESIA and ESMPs required in accordance with the ESMF and to obtain approval of the documents prior to commencing any related works.

The ESIA and ESMPs were prepared in accordance with the provisions of the Financing Agreements. However, there were some delays in the preparation of the reports which caused moderate delays in the implementation of some activities. CEET engaged the local communities in consultations and communications regarding the Project and actively implemented the Project's Grievance Redress Mechanism (GRM). The GRM received complaints on a wide spectrum of issues. The dominant ones were destruction of goods, claims for compensation, restriction of access to business premises, lack of information before the start-up of works, and delays in repairs. However, all the 52 complaints received during the implementation period were satisfactorily resolved. The GRM was integrated with CEET's complaints handling system which will allow any grievances related to the project sites to be managed after the closure of the Project.

All the work was completed without accidents. There were no significant outstanding issues regarding safeguards and, hence, the rating was **Satisfactory** in the last ISR prepared after closure (December 2023).

## **b. Fiduciary Compliance**

### **Procurement**

At project closure all procurement had been completed and all activities implemented. There were, however, several procurement and contract management issues which delayed implementation of some components, resulting in a Procurement rating of **Moderately Satisfactory** at Project closure. The ISRs indicate the following issues that arose: CEET's delayed updating of information and documents in the Bank's Systematic Tracking of Exchanges in Procurement System (STEPS); delayed approvals of contract amendments by the Direction Nationale de Controle Marche Public (DNCMP); lack of adequate monitoring of contracts execution by CEET; and delayed GOT decision on financing of the GIS and the long time taken to complete the bid evaluation. In addition, the failure of the highest-ranked contractor to provide smart meters had to be resolved by awarding the contract to the second ranked bidder, resulting in some delays for the RPP activities.

### **Financial Management**



At appraisal, the financial management assessment revealed strengths and weaknesses at CEET. The strengths were the existence of well-qualified FM staff and a solid FM system. The weaknesses were: CEET’s lack of familiarity with the World Bank’s financial management policies and procedures, and an outdated accounting software and financial management manual. Recommendations for improvements included: (a) hiring of a short-term qualified FM specialist to support CEET; (b) dedication of one accountant to manage the Project’s accounting and disbursement needs; (c) comprehensive updating of CEET’s financial and accounting manual; (d) updating of the accounting software; (e) hiring of an external auditor; and (f) training of FM staff.

The financial management system was updated successfully. The submission of audited statements was carried out regularly, except the 2021 reports, which were submitted after a delay of three months, leading to a downgrading of the FM rating to Moderately Satisfactory. At project closure there were no outstanding audit reports and FM rating was Satisfactory.

**c. Unintended impacts (Positive or Negative)**

None

**d. Other**

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**11. Ratings**

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

**12. Lessons**

IEG has derived the following important lessons from the ICR, pertaining to the project’s preparation and implementation experience:

**A coordinated donor approach on resuming financing support in countries emerging from difficult economic and social conditions is critical for sharing information and experiences to improve the design of new projects.** As Togo was emerging from a prolonged period of political and economic crisis, the Bank had limited knowledge of the energy sector conditions and benefited from collaboration with the European Union which had undertaken more recent analytical work in the





sector. This enabled the Bank to put together an important Project which provided the fundamentals on which subsequent and more ambitious initiatives such as IDEA were built on.

**Decisions to defer some aspects of project preparation to the implementation phase to deliver benefits more speedily requires a high degree of commitment from the Borrower and a continuous focus by the Bank on both preparation and implementation activities after financing approvals.** The preparation of ESIA's and ESMPs for individual subprojects during project implementation was to be guided by the ESMF which was prepared, consulted, and disclosed prior to project appraisal. There were delays, however, in the preparation of these instruments and implementation of actions required prior to the start of implementation (such as compensation payments) which in turn delayed implementation of the physical works.

**Accountability for results of capacity building components (other than project implementation technical assistance) is difficult to establish without requiring such components to contribute to the results framework, at least at the output/intermediate indicators level, at the minimum.** While the ICR included "the number of trained staff in the energy utility/PIU" in the ToC, there were no numbers provided in either the PAD results framework or the ICR. Reporting on the nature and amount of training provided is important for tracking capacity building efforts and for establishing accountability for these types of components.

**For project contexts in which availability of data for M&E is a difficult challenge, constant follow-up by the Bank Teams and the PIUs is crucial to improve data availability for tracking results and enabling course correction.** The Bank Team and the PIU's commitment to the Project facilitated the coordination of different institutions participating in the Project under difficult conditions.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

The ICR was well written, substantive, and consistent with the OPC Guidelines for preparing ICRs. It does a good job of presenting the overall context of a country and sector emerging from a prolonged period of limited engagement with donors, which impacted data availability and quality and the capacity of key sector institutions. Further, the report is candid regarding the quality of data and notes that baseline losses at project preparation and the impact of investments on losses throughout project implementation were based on best estimates.

The ICR could, however, have benefited by avoiding generalizations and being specific in several areas. For example, procurement impact on project implementation could have been explained by using examples of specific contracts whose award was delayed and the specific stages at which they were delayed. The participation of other donors in distribution is not clear, especially that of the AFD, which was supposed to implement the balance of the activities listed in the EU study.



The ICR did not report on the implementation of OP/BP4.12 on Involuntary Resettlement which was shown as triggered (PAD p.6 and 30).

**a. Quality of ICR Rating**  
Substantial