



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
TRADE AND LOGISTICS SERVICES COMPETITIVENESS PROJECT
APPROVED ON MAY 4, 2017
TO
REPUBLIC OF TOGO

FINANCE, COMPETITIVENESS AND INNOVATION
WESTERN AND CENTRAL AFRICA

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ABBREVIATIONS AND ACRONYMS

AEO	Authorized Economic Operator
AWPB	Annual Workplan and budgeting
CITA	International Motor Vehicle Inspection Committee (<i>Comité International de l'Inspection Technique Automobile</i>)
CNE	Cellule Nationale d'Évaluation
DLI	Disbursement-Linked Indicator
DRRT	Directorate of Road and Rail Transport (<i>DTRF – Direction des Transports Routiers et Ferroviaires</i>)
EFI	Equitable Growth, Finance and Institutions
ERA	European Research Area
GP	Global Practice
GUCE	Single Window for Foreign Trade (<i>Guichet Unique du Commerce Electronique</i>)
IRU	International Road Transport Union (<i>Union Internationale des Transports Routiers</i>)
MTR	Mid-term review
NFC	National Francophone Committee (CNF in French for 'Commission Nationale de la Francophonie')
NTFC	National Trade Facilitation Committee (CNFE – Comité National de la Facilitation des Echanges)
OTR	Office Togolais des Recettes
PDO	Project Development Objective
PIU	Project Implementation Unit
TFA	Trade Facilitation Agreement
ToR	Terms of Reference
TRS	Time Release Study
UNOPS	United Nations Office for Project Services
WCO	World Customs Organization
WTO	World Trade Organization



BASIC DATA

Product Information

Project ID P158982	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 04-May-2017	Current Closing Date 30-Jun-2022

Organizations

Borrower Republic of Togo	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The proposed project aims to improve the efficiency of trade logistics services in Togo.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Commitment	Net Disbursed	Undisbursed
IDA-60310	04-May-2017	16-Aug-2017	13-Dec-2017	30-Jun-2022	18.00	16.01	3.11

Policy Waiver(s)

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

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Performance of the Components

1. The project was approved on May 04, 2017 and became effective on December 13, 2017; it was restructured in June 2020, following the mid-term review (MTR) done in November, 2019 and is currently scheduled to close on June 30, 2022. The PDO of the project is to improve the efficiency of trade logistics services in Togo.

2. The mid-term review (MTR) mission conducted an analysis of the Project's relevance and determined that it was still very relevant to the country's priorities and is particularly and directly aligned with the National Development Plan's (2018-2022) strategic pillar 1, to make Togo a logistical hub of excellence and first-rate business center in the sub-region. After the first restructuring, overall project implementation improved significantly as the PIU implemented recommendations of the MTR but later the project faced some implementation challenges mainly due to the impact of covid-19 on key activities. Important delays regarding the procurement of strategic equipment and services through UNOPS have slowed down the completion of the construction and furnishing of the training center and training activities. In particular, the procurement of specialised equipment needed to fully operationalize the Transport Training Center and the Centre de Contrôle Technique were delayed. To date, a number of equipment has been delivered and accepted by the PIU. Installation of the equipment received, and some training have taken place. The 3 construction sites encountered challenges due to liquidity problems faced by the local contractors resulting in a complete stop of activities of one site. In addition, failure to observe safety protocols resulted in the suspension of construction but have since been lifted. Since the last 2 implementation support missions of December 2021 and May 2022, the Project ratings for both the PDO and implementation progress have been maintained to moderately satisfactory.

3. During the May 2022 supervision mission, just a month to project closure, significant progress in the implementation of activities was noted, reflected in particular by the disbursement rate which rose to 79.1% from 74.3% in December 2021 and from 62.7% a year before. This disbursement rate reflects the fact that many activities have been completed under component 2 while others have made good progress. However, key activities for achieving the project objectives are significantly delayed which justifies the need for an extension for the project to be completed in good standing.

4. The first project development objective (PDO) relating to the number of operators in compliance with the new legislative and regulatory framework cannot be achieved by June 30, 2022, due to the delay in the adoption of the Law on Road Transport. Likewise, the delivery of equipment for the Centre de Contrôle technique has been delayed due to procurement processes that were canceled and relaunched in February 2022. This equipment is needed for training activities critical to the achievement of the PDO.

5. The Project status by component is as follows:

Component 1: Strengthening the road transport and logistics services sector

Some of the achievements under this component include:



An exhaustive review of the legal and regulatory framework as well as the formalization and professionalization of the road transport sub-sector delivered by International Road Transport Union (IRU): Diagnostic of the road transport sub-sector, definition of the vision of the actors in 2019; drafting of the Road Transport and Auxiliary Professions Bill in 2020, development of practical guides and popularization and training materials in 2021; development of training modules and reference materials for leaders and managers of transport companies, freight forwarders, freight brokers and professional road drivers in 2021;

Other key activities include the capacity building of officials from the Ministry of Technical and Vocational Education as well as officials from the Ministry of Transport, the training of 22 trainers trained and certified by IRU, 47 transport stakeholders trained including road transport company managers, freight forwarders and freight brokers in 2021 and 2022.

While important progress has been made under this component, some critical activities are yet to be delivered, mainly:

- a) Adoption of the Law on Road Transport is delayed as well as the implementing decrees. This law is essential to enable the compliance of operators, which is one of the determinants of the achievement of the development goal. During the May 2022 mission, the team was informed that the draft Law was being revised along with the guidance received by the Council of Ministers. The Ministry of Transport informed the team that the adoption of the law remained a priority and will be fast-tracked. It was suggested that some of the training could be carried out ahead of the adoption of the Law.
- b) Delivery of Equipment by UNOPS for the improvement and scaling up of vehicle technical control as well as school vehicles for the operationalization of the training center. While delivery has been slowed due to COVID-related constraints in the supply chain, the contract is in progress and some equipment was recently delivered in April and May 2022 and more expected in August 2022. However, the procurement process had to be relaunched by UNOPS for part of the equipment due to a case of misprocurement and irregularities and will not be completed before the current project closure date of June 30, 2022. See annex 1 for the chronogram of delivery of all equipment procured by UNOPS and those pending delivery.
- c) Extension of the Office of the Directorate of Road and Rail Transports (DTRF): The progress rate of the work is around 70% as of December 31, 2021. This activity was unilaterally stopped by the contractor in February 2022 due to cash flow problems. The PIU's attempts to assist the contractor to resolve the issue were unfruitful and they have opted to select another local contractor to complete the rehabilitation works.
- d) Establishment of a national land transport information system: This system has been procured but the deployment of the SNITT platform is not yet completed, the acquisition of additional computer equipment to operationalize the SNITT, the establishment of the road transport register as well as the training of actors on SNITT tools.
- e) Training Center: The construction of the training center for road transport professions was completed in December 2021 but the center is yet to be fully operational due to delays in the delivery of key equipment. Some equipment such as the car driving simulator have been delivered, and the first user training has taken place. The delay in the delivery of school vehicles had a negative impact on the achievement of the development objective indicator relating to the legal and regulatory compliance of road transport companies.



Component 2: Improving trade facilitation

6. The implementation of the activities of this component is focused on the following activities: (i) Support to the national committee for the facilitation of exchanges (CNFE) for the implementation of the measures of the Agreement on the Facilitation of Exchanges (AFE); (ii) Support to the Togolese Revenue Authority; Support for the National Road Transport Facilitation Committee (CNF); (iii) Support for private sector development and the Business Climate Unit. (CCA). This component has made satisfactory progress on the planned activities, namely:

7. Support to the National Trade Facilitation Committee for the implementation of TFA measures: organization quarterly CNFE meetings to monitor the TFA roadmap elaboration and implementation.

8. Support to the National Transport Facilitation Committee: (i) Design of the CNF website; (ii) Development of driver's and traveler's guides (July 2021); (iii) Monitoring mission on the status of transport facilitation along the main axes (September 2021); (iv) Training of members of the Committee on instruments for facilitating transport and inter-State road transit in the ECOWAS/UEMOA region (August 2021).

9. Support to the Togolese Revenue Office: (i) Popularization of the customs code: To date, 1,482 beneficiaries have been trained on the new national customs code, (ii) Deployment of 100 barcode readers for the benefit of the Togolese Revenue Office (OTR) to support the effort to dematerialize customs clearance procedures (September 2021); (iii) training activities are underway, including the training on the status of Authorized Economic Operators (AEO) framework, the training of Economic Operators outside of Lomé on the Privileged Partnership Framework (CPP), the training auditors on customs procedures and related risks and training of approved Customs Brokers on the Single Customs Declaration.

10. Support for the private sector and to the Business Climate Cell (CCA) in the Presidency: (i) Acquisition of computer equipment for selected public institutions: the CCA, the OTR-Office of the Autonomous Port of Lomé (PAL), the Department of Industry, Services Techniques of the Lomé Town Hall, the Bar Association, the Commercial Court; (ii) Training of 60 targeted stakeholders in port and maritime logistics (November 2021); (iii) Diagnostic study of the Approved Management Center (CGA); (iv) update of the Integrated Building Permit Management System (SIGPC); (v) update of the electronic platforms of the Trade and Personal Property Credit Register (RCCM) and the Commercial Court of Lomé with new functionalities; acquisition of legal material for the library of the Commercial Court; provision of internet connection for the commercial court.

11. The following priority activities are ongoing or about to start: (i) Study on the cost of transiting goods through the Port of Lomé; (ii) Digital mapping of State land reserves in the municipalities of Zio 2 and Avé 2; (iii) Establishment of a call center at the Autonomous Port of Lomé for the benefit of the import-export logistics chain and the development of a national investment promotion strategy recently requested by the Ministry of Investment Promotion which will be delivered around March 2023.

12. Other achievements include: (a) training of 500 targeted stakeholders on the new Customs Code between August and October 2019; (b) production of the new Customs Code in July 2019; (c) beginning of a study on the time required for the release of goods (time-release study or TRS) with the support of the experts of the World Customs Organization (WCO) from August 2019; (d) training of the actors on the use of the TRS software; (e) development of customs clearance mapping with the support of the WCO experts in September 2019; (f) capacity building of customs officers on trade facilitation in July 2019; (g) exchange mission to Morocco for the implementation of the WTO's status as Authorized Economic Operator (AEO) in September 2019; and (h) training on trade facilitation at the National Customs School.



13. Component 3: Project Management (US\$ 2.5 million; component disbursement to date US\$1,2 million). Under this component, there is a significant improvement with an increase in the disbursement rate of from 74.2% to 79.1% over the past 6 months, progress has also been made with the four main procurements for the construction of the Training Center, the auto-breaking site, the expansion of vehicle inspection facilities and new offices at the Direction des Transports Routiers et Ferroviaires headquarters (DRTF).

14. The delays in the delivery by UNOPS of part of the contract equipment are significant and could negatively impact a number of activities and overall project performance. The procurement process has been relaunched by UNOPS for the part of the equipment remaining to be delivered, and the delivery of the said equipment will not be completed until May 2023.

15. Delays are also affected the various constructions sites notably: (i) Extension works of the Centre de contrôle technique, (ii) Office of the Road and Rail Transport Department (DTRF) in Lomé and (ii) redevelopment work on the former Togo railway building and its outbuilding to house the offices of the National Road Safety Office in Lomé, awarded to In Matrap. The May 2022 mission recommended that particular attention be paid to the monitoring and management of these various contracts, including the application of late payment penalties, if necessary, in accordance with the contractual clauses.

16. On aspects related to environmental and social safeguards, the recent mission observed overall improvements and efforts in complying with occupational health and safety measures and the use of Personal Protective Equipment (PPE) on construction sites. A number of training were organized by the Bank in December 2021, January 2022, and April 2022 for all teams working on these sites. The suspension of construction was lifted on the DTRF site in February 2022 on the condition that the scaffolding be resumed to the standards required by AGC and SIAR with the support of the DTRF and the PCU.

17. The mission encouraged the project team and the contractors to continue these efforts, mainly with regard to the reporting of accidents and incidents as well as complaints and environmental and social monitoring on the site, including aspects of health and safety. The Bank team organized a number of training targeting the PIU, the contractors, and their staff on all sites on aspects related to Health and Safety on the worksites (December 2021 and January 2022) and training on the management of fires on construction sites (April 2022). Specific safeguards instruments for the conduct of rehabilitation work on the building of the National Road Safety Observatory (ONSR) have been developed by the company INMATRAP.

Rationale for Restructuring

18. The recent supervision missions, which took place in December 2021 and May 2022, identified critical activities at risk of not being achieved before project closure and recommended a 12-month extension of the closing date with a work plan to finalize the following key activities:



- adoption of the framework law on road transport and related implementing texts: a review of the draft law and related implementation decrees is underway by an external consultant recruited by the Ministry of Transport. Discussions with key Government officials including the WB Governor, the Prime Minister, and the Minister of Transport indicated that the adoption of the law remains a priority and the process is ongoing. The team estimates that this process may be completed early in the next calendar year subject to the draft revised Law being submitted to the cabinet by end of September 2022.
- The supply of equipment under the UNOPS contract: discussions with the PCU and UNOPS that the last batch of equipment of expected around May 2023 following the cancellation of and relaunching of the procurement process in February 2021, due to irregularities in the procurement process. Significant delays on other equipment procured by UNOPS were also due to external factors such as disruptions of the supply chain and shipping lines during COVID. The delivery date of the remaining 2 Lots of equipment will be beyond the current closing date of the project (see Annex 2). The projected timeline for the process of acquisition, delivery of the remaining equipment for the Centre de contrôle technique as well as fitting and testing is as follows:

Livrables	Phase I : Processus d'appel d'offres*	Phase II: Production et acheminement vers PAFCOM**	Durée totale (Phase I + Phase II)
Lignes fixes (Livrables 1-2-3) - 4 lignes VL pour Lomé, - 7 lignes mixtes pour Lomé et 5 autres localités (Atakpamé, Dapaong, Kara, Kpalimé, Sokodé), - 2 lignes Moto pour Lomé	2 mois	8 mois	10 mois
Lignes mobiles (Livable 4) : - 3 camions de type transversal	2 mois	8 mois	10 mois

19. The Project team (the PIU and the World Bank team) determined that the Project team (PIU) has the capacity to achieve the development objectives of the Project, that is to improve the efficiency of logistics services for trade in Togo provided an extension of the closing date is granted and close supervision is done of the remaining activities.

II. DESCRIPTION OF PROPOSED CHANGES

20. This is the second Level 2 restructuring. The first one was approved on July 6, 2020, and made the following changes to the project, based on the recommendations of the MTR.

A. Component 2: Improvement of trade facilitation – cancellation of activities: - The elimination of workshops, primarily, relating to “best practice” and those designed to identify constraints and study tours

B. Reprogramming of funds: from Component 2 to Component 1 for the preparation of studies and provision of technical assistance which will serve the dual purpose of contributing to the PDO of the transport aspects of the Project and the



preparation of the LON Transport Corridor Project approved in December 2022. The remaining funds in his Component 2 were earmarked to support business climate reforms.

C. Results Framework: Some changes were made to the Results Framework, including the *PDO indicators* by adjusting interim targets will be modified to be more realistic, and more precise in terms of exactly what is being measured. A number of intermediary results indicators were also eliminated or modified to be more exact and reflect the emphasis on the regulations to be impacted as well to explain that it is only road transport sector professionals who will be measured.

21. This second restructuring will introduce the following changes:

- A. Extend the project closing date by 12 months** to allow completion of critical activities of the project to achieve the PDO namely the adoption of the Law on Road Transport and the delivery of equipment for the training center and related activities
- B. Adjust the Results Framework** to operationalize the proposed PDO changes by focusing on results with the control of the Government while introducing indicators to measure the impact of the project interventions

22. Funding allocations will remain unchanged, and the recent mission determined that the remaining funds would be sufficient to cover the extension period. There are neither overdue audits nor IFRs for the project. FY21 audit reports due on June 30th, 2022 have been timely submitted to the Bank, on May 4th, 2022. The external auditors have issued an unqualified opinion, and the audit reports were found acceptable to the Bank.

Results Framework: The following changes will be made to the Results Framework

- 1. *PDO indicators No Change*
- 2. *Intermediate Result indicators. The following indicators are proposed:*
 - (a) “Number of professionals registered in the road transport information registry” is added to capture the number of professionals registered in the road transport information registry
 - (b) “Number of professionals trained in the Vocational Training Centre for Road Transport”, the target has been updated to better capture the number of professionals trained in the Vocational Training Centre for Road Transport
 - (c) Number of National Trade Facilitation Committee (CNFE) members trained on the Trade Facilitation Agreement (TFA) provisions: the target has been updated to better capture number of trained CNFE members.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Disbursement Estimates	✓	



Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-60310	Effective	30-Jun-2022		30-Jun-2023	30-Oct-2023



DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2017	0.00	0.00
2018	1,369,211.49	1,369,211.49
2019	873,658.69	873,658.69
2020	7,888,337.23	7,888,337.23
2021	2,700,000.00	2,984,000,808.75
2022	5,168,792.59	5,168,792.59
2023	0.00	2,275,957.91



Results framework

COUNTRY: Togo

Trade and Logistics Services Competitiveness Project

Project Development Objectives(s)

The proposed project aims to improve the efficiency of trade logistics services in Togo.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improve the efficiency of trade logistics services in Togo								
Number of logistics businesses compliant with the reformed legal and regulatory environment (Number)		0.00	0.00	0.00	0.00	10.00	20.00	20.00
<i>Action: This indicator has been Revised</i>								
Median time lapsed between the issuance of the T1 declaration under the transit regime of the Port of Lome and its clearance at Cinkanse (Days)		8.00	8.00	8.00	6.00	6.00	6.00	6.00
<i>Action: This indicator has been Revised</i>								
Predictability of time lapsed between the issuance of the T1 declaration under the		28.00	28.00	28.00	25.00	25.00	20.00	20.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
transit regime of the Port of Lome and its clearance at Cinkanse (Days)								
<i>Action: This indicator has been Revised</i>								

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Strengthening the road transport and logistics services sector								
“Number of new legal texts adopted in the area of road transport, services, and leasing (Number)		0.00	1.00	2.00	3.00	3.00	3.00	3.00
<i>Action: This indicator has been Revised</i>								
Certification programs for road transport sector professionals established (Yes/No)		No	No	No	No	Yes	Yes	Yes
<i>Action: This indicator has been Revised</i>								
Number of trips per truck per year on Lome-		1.70	1.70	1.70	1.70	6.00	6.00	6.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Ouagadougou corridor (Number)								
Action: This indicator has been Revised								
Number of professionals trained in the Vocational Training Centre for Road Transport Sector (Number)		45.00						250.00
Action: This indicator is New	Rationale: This indicator is aimed to measure the number of transport sector professionals trained at the Vocational Training Centre							
Number of people trained through the certification program established for road transport professionals (Number)		0.00	0.00	0.00	0.00	30.00	100.00	100.00
Action: This indicator has been Revised								
Number of professionals registered in the road transport information registry (Number)		0.00						30.00
Action: This indicator is New								
Improving trade facilitation								
Number of companies officially registered as part		0.00	0.00	5.00	5.00	7.00	8.00	8.00

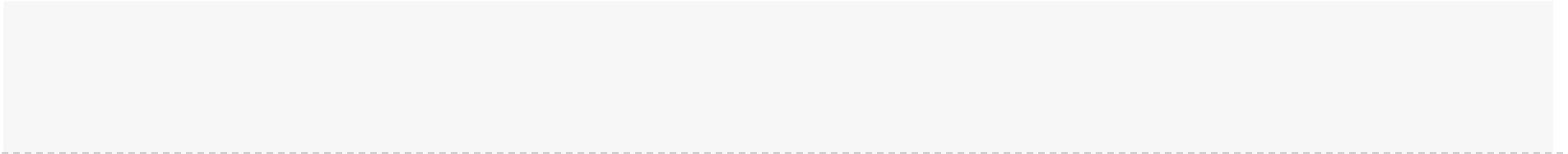


Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
of the "Program of companies worthy of confidence" (Number)								
Action: This indicator has been Revised								
Average time between the completion of offloading of containers in transit and their departure from the port (Days)		14.20	14.00	14.00	14.00	14.00	13.00	13.00
Action: This indicator has been Revised								
Actors in the logistics and transport value chain reporting satisfaction with key aspects of consultation (Percentage)		0.00	0.00	0.00	50.00	50.00	80.00	80.00
Action: This indicator has been Revised								
Number of National Trade Facilitation Committee (CNFE) members trained on the Trade Facilitation Agreement (TFA) provisions (Number)		30.00						50.00
Action: This indicator is New								



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Trade and Logistics Services Competitiveness Project (P158982)





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