



Strengthening the Capacity of Regional Financial Institutions in the CEMAC Region (P161368)

WESTERN AND CENTRAL AFRICA | Western and Central Africa | Finance, Competitiveness and Innovation Global Practice | IBRD/IDA | Investment Project Financing | FY 2018 | Seq No: 8 | ARCHIVED on 05-Aug-2022 | ISR52466 |

Implementing Agencies: Banque des Etats de l'Afrique Centrale (BEAC), Commission Bancaire de l'Afrique Centrale - COBAC, Groupe d' Action contre le Blanchiment d' Argent en Afrique Centrale (GABAC)

Key Dates**Key Project Dates**

Bank Approval Date: 04-May-2018

Effectiveness Date: 24-Oct-2018

Planned Mid Term Review Date: 15-Jul-2021

Actual Mid-Term Review Date: 18-Oct-2021

Original Closing Date: 04-Jul-2023

Revised Closing Date: 04-Jul-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to strengthen the capacity of selected CEMAC regional financial institutions to implement their mandates in the areas of financial stability, inclusion and integrity.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name

Component 1: Strengthening the Capacity of BEAC and COBAC to Implement their Financial Stability

Mandate:(Cost \$12.00 M)

Component 2: Strengthening the Capacity of BEAC and COBAC to implement their Financial Inclusion

Mandate:(Cost \$14.00 M)

Component 3: Strengthening Capacity of GABAC to Implement its Financial Integrity Mandate:(Cost \$4.00 M)

Component 4: Supporting Selected Reforms through Results Based Financing:(Cost \$2.00 M)

Component 5: Project Implementation:(Cost \$3.00 M)

Overall Ratings

| Name | Previous Rating | Current Rating |
|--------------------------------------|--|--|
| Progress towards achievement of PDO | <input type="checkbox"/> Satisfactory | <input type="checkbox"/> Satisfactory |
| Overall Implementation Progress (IP) | <input type="checkbox"/> Moderately Satisfactory | <input type="checkbox"/> Moderately Satisfactory |
| Overall Risk Rating | <input type="checkbox"/> Substantial | <input type="checkbox"/> Substantial |

Implementation Status and Key Decisions

Progress towards achievement of the PDO remain satisfactory and overall implementation remains contingent to the COVID-19 global pandemic which has impacted some activities. Activities which were highlighted during the last supervision mission as delayed due to the global Covid-19 crisis have now resumed. In terms of the M&E framework one of the four PDO indicators has been achieved and the remaining three are on track to materialize towards the second half of 2022. Five of the eleven Intermediate indicators have been met or exceeded. All the legal



covenants have also been met. The PIU has been working tirelessly with the beneficiary entities taking advantage of the loosening of COVID-related restrictions.

Component 1. Strengthening the Capacity of BEAC and COBAC to Implement their Financial Stability Mandate. Over the last three years the Program has focused on the roll out of crisis and economic reactivation- related activities in light of COVID 19 (FOGADAC, stress testing, credit registry and credit bureau), Since June 2020, the BEAC publishes its financial statements in compliance with IFRS standards. Thanks to the loosening of COVID-19 restrictions, data collection for the development of the statistical component. Modernization of the IT supervisory infrastructure at COBAC is ongoing.

Component 2: Strengthening the Capacity of BEAC and COBAC to implement their Financial Inclusion Mandate. This component is progressing well. Diagnostic work on legal, supervisory and infrastructure of payment systems has been completed and new SYSTAC 2 and SYGMA are expected to become operational by March 2023. The preparation of the regional financial inclusion strategy has reached important milestones and expected to be completed in September 2022.

Component 3: Strengthening Capacity of GABAC to Implement its Financial Integrity Mandate. The National Risk Assessments (NRA) of Cameroon and Congo Rep. have been completed. The NRAs of the remaining countries have been launched and expected to before July 2023. The Mutual Evaluation for Cameroon and Congo Rep have been completed. Gabon, Chad, and CAR evaluations are ongoing. Equatorial Guinea evaluation is expected to be launched in July-August 2022.

Risks

Systematic Operations Risk-rating Tool

| Risk Category | Rating at Approval | Previous Rating | Current Rating |
|--|--------------------|-----------------|----------------|
| Political and Governance | Substantial | Moderate | Moderate |
| Macroeconomic | High | Moderate | Moderate |
| Sector Strategies and Policies | Low | Low | Low |
| Technical Design of Project or Program | Moderate | Moderate | Moderate |
| Institutional Capacity for Implementation and Sustainability | Substantial | Substantial | Substantial |
| Fiduciary | Substantial | Substantial | Substantial |
| Environment and Social | Low | Low | Low |
| Stakeholders | Moderate | Low | Moderate |
| Other | -- | Moderate | Moderate |
| Overall | Substantial | Substantial | Substantial |

Results

PDO Indicators by Objectives / Outcomes

Increase the capacity of CEMAC regional financial institutions

► Increased capacity of COBAC to supervise banks under new risk based supervision framework. (Percentage, Custom)

| Baseline | Actual (Previous) | Actual (Current) | End Target |
|----------|-------------------|------------------|------------|
|----------|-------------------|------------------|------------|



| | | | | |
|--|-------------------|-------------------|-------------------|--|
| Value | 0.00 | 0.00 | 0.00 | 100.00 |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ▶ Increased capacity of BEAC to produce reliable financial, monetary and economic statistics on a monthly basis. (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No data published | No data published | No data published | Data updated and published every month |
| Date | 02-Apr-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ▶ Increased capacity of BEAC to expand the population coverage of the regional credit registry. (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 15.00 |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| □ Increased capacity of BEAC to expand the female population's coverage of the regional credit registry. (Percentage, Custom Supplement) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 12.00 |
| ▶ Increased capacity of GABAC to comply with the FATF membership requirements. (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | Yes | Yes | Yes | Yes |
| Date | 02-Jul-2018 | 30-Nov-2021 | 30-Nov-2021 | 03-Jul-2023 |

Intermediate Results Indicators by Components

| | | | | |
|--|-------------------|-------------------|-------------------------------|--|
| Component 1. Strengthening the Capacity of BEAC and COBAC to Implement their Financial Stability Mandate | | | | |
| ▶ The Composite Index of Economic Activity is computed based on data from 6 countries and published on a quarterly basis. (Text, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No data published | No data | data compiled for 4 countries | CIEA is compiled with data from 6 countries and published on a quarterly basis |
| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |



| | | | | |
|--|-------------|-------------------|------------------|-------------|
| ► BEAC to prepare financial statements in compliance with IFRS standards by year 2 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Adoption of an operations manual outlining FOGADAC's key responsibilities, procedures and relevant documentation for the rapid an effective resolution of a failing bank by year 3 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Implement risk based supervision for MFIs by Year 3 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| □ Migrate MFI data from SESAME to CERBER system by year 2 (Yes/No, Custom Breakdown) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| □ Develop methodologies, procedures and systems to conduct risk based supervision by year 2 (Yes/No, Custom Breakdown) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| □ Produce reports and dashboards with KPI on MFI performance by year 3 (Yes/No, Custom Supplement) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| ► Assess MFIs financial conditions under the new risk based framework (Percentage, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 100.00 |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |



| Component 2: Strengthening the Capacity of BEAC and COBAC to implement their Financial Inclusion Mandate | | | | |
|---|-------------|-------------------|------------------|-------------|
| ► Updated regulations for issuing and processing emoney by year 2 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Regional financial inclusion task force created by year 2 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Financial inclusion indicators produced and published by year 3 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Conduct at least 2 innovative pilots in selected economies (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 2.00 |
| Date | 03-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| □ Percentage of women amongst the new financial services users reached through innovative pilots in selected countries (Percentage, Custom Supplement) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 0.00 | 0.00 | 50.00 |

| Component 3: Strengthening Capacity of GABAC to Implement its Financial Integrity Mandate | | | | |
|---|----------|-------------------|------------------|------------|
| ► Number of staff trained to carry out mutual evaluations by year 2 (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 20.00 | 20.00 | 15.00 |



| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
|---|-------------|-------------------|------------------|-------------|
| ► Number of Mutual Evaluations carried out in CEMAC member countries using the revised FATF methodology (Number, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | 0.00 | 2.00 | 3.00 | 6.00 |
| Date | 02-Jul-2018 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |

| Component 4: Supporting selected reforms through results based financing | | | | |
|---|-------------|-------------------|------------------|-------------|
| ► Adopt credit bureau law by year 2 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | Yes | Yes | Yes |
| Date | 15-Mar-2019 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |
| ► Private credit bureau operator selected by year 4 (Yes/No, Custom) | | | | |
| | Baseline | Actual (Previous) | Actual (Current) | End Target |
| Value | No | No | No | Yes |
| Date | 15-Mar-2019 | 30-Nov-2021 | 15-Jul-2022 | 03-Jul-2023 |

Performance-Based Conditions

Data on Financial Performance

Disbursements (by loan)

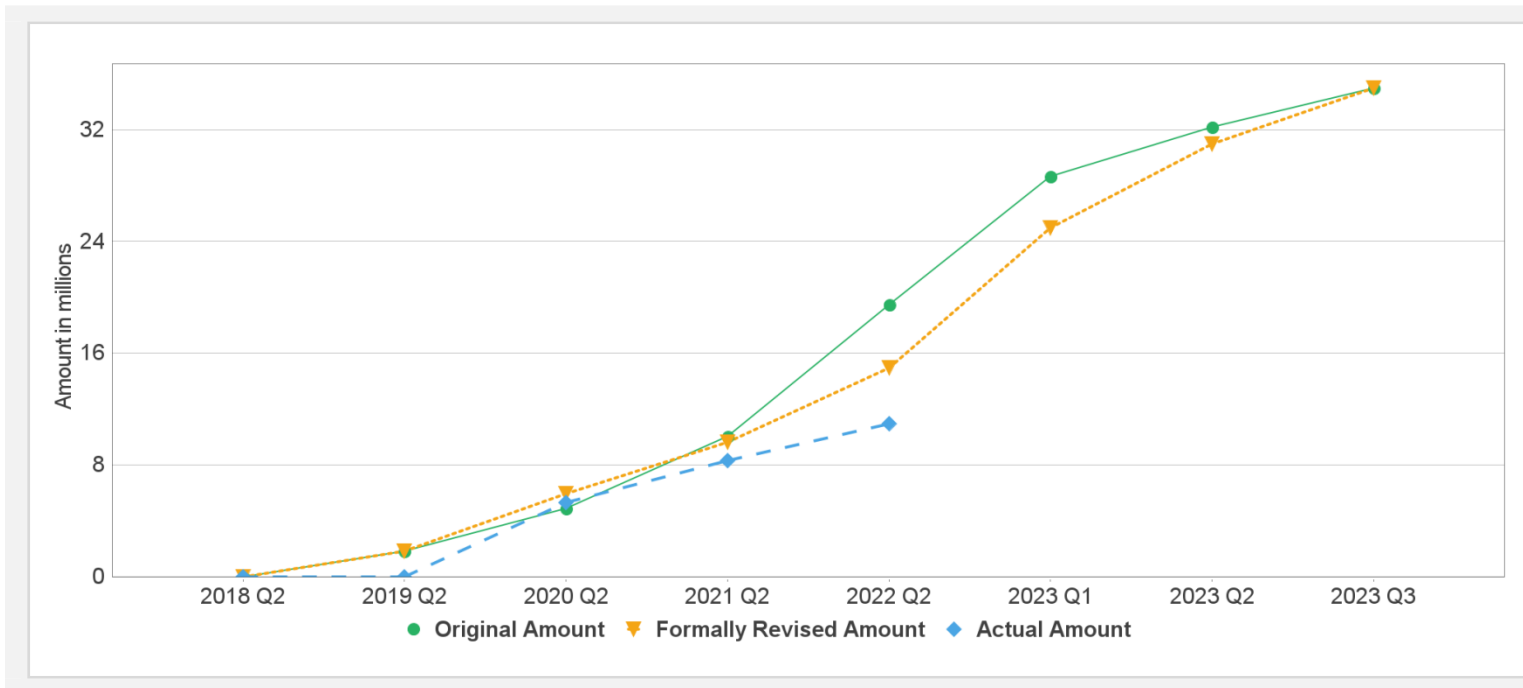
| Project | Loan/Credit/TF | Status | Currency | Original | Revised | Cancelled | Disbursed | Undisbursed | % Disbursed |
|---------|----------------|-----------|----------|----------|---------|-----------|-----------|-------------|-------------|
| P161368 | IDA-62290 | Effective | USD | 25.00 | 25.00 | 0.00 | 10.68 | 13.31 | 45% |
| P161368 | IDA-D3030 | Effective | USD | 10.00 | 10.00 | 0.00 | 6.10 | 3.62 | 63% |

Key Dates (by loan)

| Project | Loan/Credit/TF | Status | Approval Date | Signing Date | Effectiveness Date | Orig. Closing Date | Rev. Closing Date |
|---------|----------------|-----------|---------------|--------------|--------------------|--------------------|-------------------|
| P161368 | IDA-62290 | Effective | 04-May-2018 | 26-Jul-2018 | 24-Oct-2018 | 04-Jul-2023 | 04-Jul-2023 |
| P161368 | IDA-D3030 | Effective | 04-May-2018 | 26-Jul-2018 | 24-Oct-2018 | 04-Jul-2023 | 04-Jul-2023 |



Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.