



Sudan Budgeting Capacity Strengthening Project (P148619)

AFRICA | Sudan | Macro Economics & Fiscal Management Global Practice |
 Recipient Executed Activities | Investment Project Financing | FY 2015 | Seq No: 1 | ARCHIVED on 09-Jun-2016 | ISR23831 |

Implementing Agencies: Ministry of Finance and Economic Planning

Key Dates

Key Project Dates

Bank Approval Date:22-Aug-2014

Effectiveness Date:04-Sep-2014

Original Closing Date:30-Mar-2016

Revised Closing Date:31-Dec-2016

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The development objective of the proposed Budget Capacity Strengthening (BCS) project is to improve the recipient's pro-poor spending budgeting and monitoring, strengthen state own revenue budget credibility and increase budget transparency.

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

No

Components

Name

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Satisfactory
Overall Implementation Progress (IP)	--	● Moderately Satisfactory

Implementation Status and Key Decisions

The project was approved by the Board on August 22, 2014 and grant effectiveness was declared on September 04, 2014. The project has disbursed US\$ 2.4568 million of a total recipient-executed grant amount of US\$ 4.995 million (49.2% of grant proceeds) as of March 10, 2016, with further withdrawal applications in the pipeline.

The project consists of four components, which are as follows:

- (a) Component 1: Strengthen pro-poor budgeting
 1. Sub-component 1.1: Support to I-PRSP implementation and a full PRSP preparation



2. Sub-component 1.2: Strengthening the capacity of the Ministry of Finance and National Economy
- (b) Component 2: Strengthen state revenue mobilization in pilot states
- (c) Component 3: Increase budget transparency through strengthening oversight institutions and media
3. Sub-component 3-1: Strengthening National Audit Chamber's oversight capacity
4. Sub-component 3-2: Strengthening the capacity of the National Parliament
5. Sub-component 3-3: Strengthening Sudanese media to promote budget transparency
- (d) Component 4: Technical support to project management and implementation

The project has four main components, each with several sub-components that cover federal level including Ministry of Finance & Economic Planning (MoFEP), the National Audit Chamber, National Parliamentary oversight committee, and media as well as four piloted states (River Nile, North Kordofan, Sinnar, and Kassala).

The last grant supervision conducted January 2016 (covers the period September 04, 2014 to December 31, 2015) confirms that the Project Development Objectives (PDO) – to improve the recipient's pro-poor spending budgeting and monitoring, strengthen state own revenue budget credibility, and increase budget transparency- remains relevant and is likely to be achieved by the project's revised closing date (December 31, 2016). PDO outcome indicators and specific targets included at project preparation were also reviewed and remain relevant/unchanged. Overall progress of the project implementation is on track. The project rated as Satisfactory (S) on meeting the targets of the development objective and as Moderately Satisfactory (MS) on implementation progress. This rating is to account for important progress on several aspects of the project since effectiveness in September 2014 but also to reflect some of the delays experienced across components.

Select implementation milestones are summarized by component below as of December 2015:

Component 1: Strengthen Pro-poor Budgeting

The overall objective is to improve pro-poor budget allocation and execution through providing technical assistance and advisory services to Ministry of Finance & Economic Planning to achieve results in managing the economic transition following the economic shock arising from the secession of South Sudan by promoting fiscal adjustment and diversification of the economy.

This component includes two subcomponents; the specific implementation progress and challenges observed in each-sub component are further detailed below.

6. Sub-component 1.1: Support to I-PRSP Implementation and a Full PRSP Preparation:

Implementation rating: This sub-component is on track

Status: not completed

Planned Output: Definition for pro-poor public spending has been agreed and applied to track budget allocation and performance on sectors and programs that contribute to poverty reduction.

Challenges. The implementation progress of this component faces a number of difficulties, including restructuring of the MoFEP as some of the staff moved to the newly established Ministry of International Cooperation; this included the turnover of the PRSP coordinator in the Ministry.

Actions/recommendations. A revised working plan will carefully reschedule the remaining activities within the project lifetime.

7. Sub-component 1.2: Strengthening Fiscal Capacity of the Ministry of Finance:

Implementation rating: on track.

Status: in advanced stage.

Planned Output: government officers were trained on fiduciary, public planning and related management courses; and senior government officers were trained on intergovernmental fiscal relations, procurement, public finance and project management.

Challenges: the restructuring of Ministry Of Finance and Economic Planning and the start of the national electronic collection system for government taxes and fees in Sudan has influenced the start of the upgrading and rehabilitation of the Ministry's website. Also, a number of targeted staff were engaged in the process of the 2016 Annual Budget preparation.

Component 2: Strengthen State Own Revenue Mobilization:

Implementation rating: on track except for the River Nile State, which is classified as at risk.

Status: in advanced stage

Planned Output: By project-end, this component is expected to yield revenue collection system, process and tools that would help to strengthen state own revenue administration through: (i) improving revenue administration efficiency; (ii) strengthening good governance in the form of increased controls and financial management; and (iii) improving revenue collection database system and human resource capacity. The project is being implemented in four piloted states (River Nile, Kassala, Sinnar and North Kordofan state) to strengthening these states by providing advisory services, training programs and equipment.

Actions/recommendations

8. The Work plan for each State must be updated and reordered and configured so as to give priority to implement the most strategic activities.
9. Replicate some of the activities that are considered beneficial impact and recorded user demand.
10. Conduct the activities across different audience types in a synchronized manner.
11. Increase the communication and coordination between the focal points of the four piloted states and the PIU.
12. Conduct specialized implementation support visit to River Nile state with a team comprising of the Project Coordinator, the Operation Officer and staff of the World Bank to tackle the challenges that face the project implementation in the State.
13. Make sure that the payments that cover the activity cost done within maximum one week after the delivery of the activity completion report and the delivery of the original invoices.
14. Consider the local media coverage when implementing the various components of the project.



15. Prepare time-bound action matrix to determine the period for the implementation of the media component, headed by media coordinator.
16. Conduct (closed) workshop in each pilot state to discuss the draft report that aims to assess the investment climate and the simplification of procedures in targeted states, which conducted by a National consultant.

Component 3: Increase Public Financial Accountability

17. Sub-component 3-1: Strengthening National Audit Chamber's (NAC) oversight capacity.

Implementation rating: Satisfactory

Status: in progress.

Planned Output: By project-end, this component is expected to improve the quality, efficiency and impact of audit work that promote increased accountability and transparency in public resource management and enable the National Parliament and States' legislatures apparatuses to carry out their oversight function efficiently by having access to higher quality audit information.

The remaining activities are in process, including Information Technology Audit and Network Security, and provision of IT equipment.

18. Sub-component 3-2: Strengthening the capacity of the National Parliament:

Implementation rating: at risk.

Status: no activity implemented.

Planned Output: This sub-component is expected to yield a better functioning oversight system of the National Parliament, which exercises external audits and controls mandated by existing financial regulations. This sub-component is expected to provide TA to the parliament which included experts on reports preparation, M&E framework, preparation of study on establishing Parliamentarians training institute, conducting training for parliamentarians, including 5 basic training workshop for 120 new parliamentarians and other five specialized workshops.

Challenges. No progress made so far because of disruption due to the installation of the newly elected National Assembly followed the 2015 General Elections. As the National Assembly is now functioning smoothly, activities under this subcomponent can resume.

19. Sub-component 3-3: Strengthening Sudanese media to promote budget transparency:

Implementation rating: on track

Status: in progress

Planned Output: The result expected by project-end for this sub-component is the Sudan's media become increasingly able to interpret government data and information so as to enhance public dialogue on key economic and social issues. Journalists enrolled in the program would be trained to provide better quality coverage of budget formulation issues, pro-poor spending allocations, etc. thereby contributing to more effective public discussions.

Component 4: Technical Support to the Project Management & Implementation

20. Project Steering Committee PSC formed, chaired by the Undersecretary of the Ministry of Finance & Economic Planning (1st meeting in Dec 2014, 2nd and 3rd in 2015).
21. Project Launching Workshop conducted in El Obeid, North Kordofan State 15 December 2014.
22. Recruitment of Project Coordinator, Media Coordinator, Procurement Specialist and Monitoring and Evaluation specialist, Financial Management Specialist, Operations officer, Administrative officer and Executive Secretary at the PIU. However, the FM stayed for 6 months and resigned, new FM recruited.
23. Project Manual prepared annexed with the project Work Plan and Budget.
24. Focal points assigned at federal and state level to facilitate the activities within project components.
25. A simple, Server base Accounting Information System developed at the PIU composed of Financial, M&E & Procurement sections (Now functioning).
26. Uptodate Financial, Procurement and M&E Data were entered in to the system.



Risks

Overall Risk Rating

Risk Category	Rating at Approval	Previous Rating	Current Rating
Overall	● High	--	● High

Comments

The risks of the project still remains high. Sudan is undergoing a major transition and is still greatly affected by internal tensions and simmering conflict on various fronts, which could alter the working environment for the activities supported in the grant. Thus, this project should be considered a high risk, internal and external shocks could compromise the high level of ownership for the proposed project in government. The turnover of counterpart officials is also a risk that could affect the project.

Results

Project Development Objective Indicators

► Definition of public pro-poor spending has been agreed and applied (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	--	Yes	Yes
Date	04-Sep-2014	--	25-May-2016	30-Dec-2016

► Public access to ket fiscal information improved (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	04-Sep-2014	--	25-May-2016	30-Dec-2016

► State own revenue outturns improved (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70.00	--	75.00	85.00



Date	04-Sep-2014	--	25-May-2016	30-Dec-2016
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►Audits include reports of controls and compliance checking (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	04-Sep-2014	--	25-May-2016	30-Dec-2016

Overall Comments

Intermediate Results Indicators


►Public procurement manual with international standards and standard bidding documents are approved and implemented (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	N	--	Y	Y
Date	04-Sep-2014	--	25-May-2016	30-Dec-2016

Overall Comments

Data on Financial Performance

Disbursements (by loan)

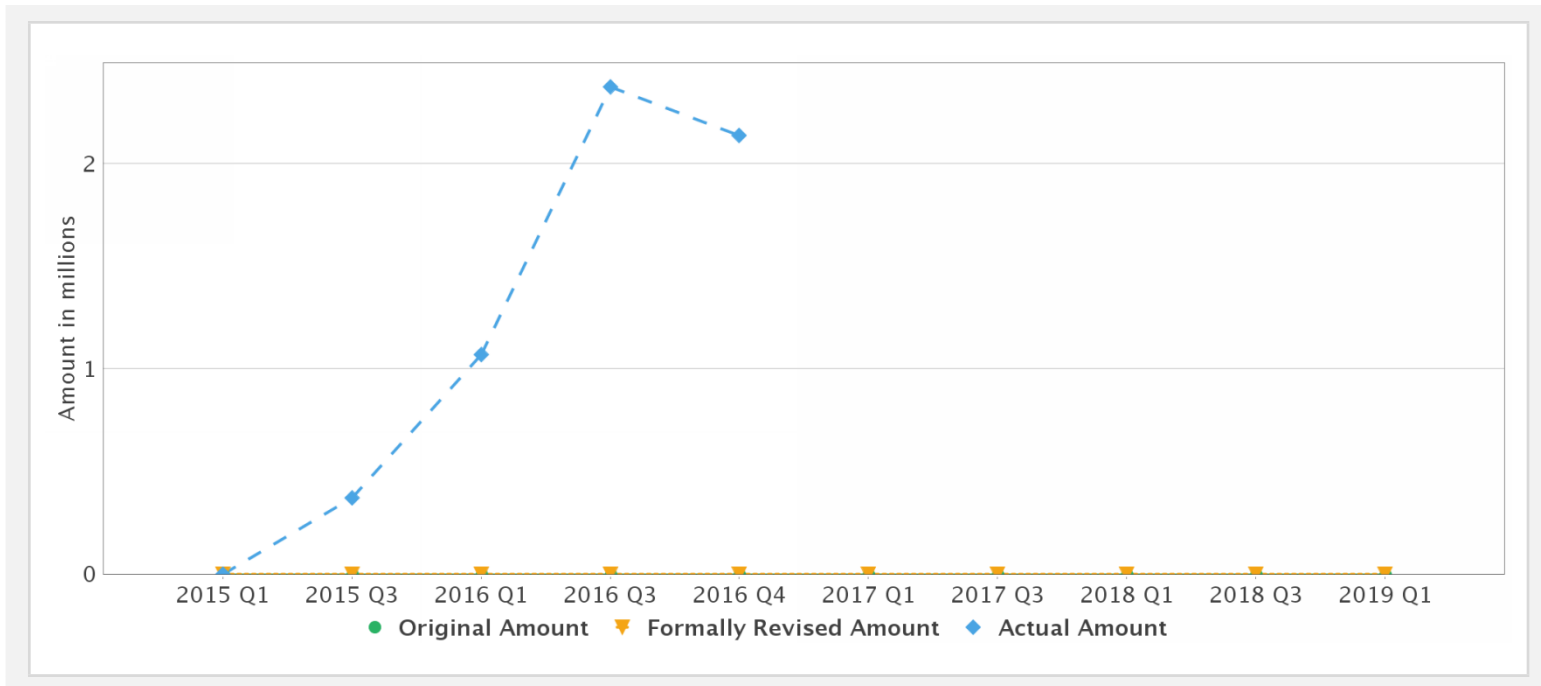
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P148619	TF-18013	Effective	USD	5.00	5.00	0.00	2.14	2.86	 43%

Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P148619	TF-18013	Effective	04-Sep-2014	04-Sep-2014	04-Sep-2014	30-Mar-2016	31-Dec-2016

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.