



Financial Sector Development & Regionalization Project I (FSDRP I) (P121611)

AFRICA EAST | Eastern Africa | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2011 | Seq No: 17 | ARCHIVED on 12-Aug-2020 | ISR40706 |

Implementing Agencies: EAC Secretariat, EAC Secretariat, East African Community, East African Community

Key Dates**Key Project Dates**

Bank Approval Date: 31-Jan-2011

Effectiveness Date: 20-Jun-2011

Planned Mid Term Review Date: 30-Nov-2012

Actual Mid-Term Review Date: 22-Oct-2012

Original Closing Date: 30-Mar-2014

Revised Closing Date: 31-Dec-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To establish the foundation for financial sector integration among EAC Partner States.

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

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

To establish the foundation for financial sector integration among EAC Partner States. For the purposes of this additional financing the "foundation of financial sector integration" refers to formulating a regional approach to financial inclusion, furthering legal and regulatory harmonization and building institutional capacity to manage the increasingly integrated financial sector in the EAC.

Components Table

Name

Financial inclusion and strengthening of market participants:(Cost \$4.30 M)

Harmonization of financial laws and regulations:(Cost \$4.23 M)

Mutual recognition of supervisory agencies:(Cost \$0.70 M)

Integration of market infrastructure:(Cost \$3.75 M)

Development of regional bond market

Institution Building:(Cost \$12.10 M)

Project Management:(Cost \$1.10 M)

Overall Ratings

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

Implementation Status and Key Decisions



Given the uncertainty and emerging risks related to the COVID-19 disruption, the ratings for progress towards PDO and Implementation Progress were maintained at “Moderately Satisfactory”. Total project disbursement and commitments between February 2020 to May 31, 2020 totaled \$1,289,700. The total Additional Financing project funds disbursed amount to \$9,409,013 as of June 2, 2020, indicating a disbursement ratio of about 90% for the AF. Overall, the Original and Additional financing was about 95% as of June 2, 2020. Prior to the COVID-19 disruption, the Project Administration Team (PAT) maintained a good pace of implementation on activities under each AF component. The PAT submitted a progress report detailing 16 project activities completed between February and mid-March 2020. The project results matrix shows that the project is close to achieving its PDO. Of the three PDO indicators: one has exceeded the estimated project target while the other is very close to meeting the estimated project target. Of the eight intermediate results indicators, five have already exceeded or met the project target while three are on track to meet the target by the revised project closing date (December 31, 2020). The FY 2021 work-plan is at an advanced stage of preparation and was reviewed by the WB task team during the ISM. The ensuing discussion noted that project activities are on track for completion by early December or before. The process of completing of activities also includes the development of handover mechanisms to ensure the smooth transfer of activities to the EAC Secretariat departments that will continue the EAC financial sector integration agenda after the project closes. Although the good progress registered during the last Implementation Support Mission (ISM) continued, the COVID-19 pandemic disrupted project implementation in mid-March 2020. Project activities have continued using virtual means, where possible, but progress slowed down considerably. Given this unexpected disruption, the EAC Secretariat requested a six month extension of the project closing date and the WB granted a no-cost extension, effectively changing the project closing date to December 31, 2020.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Macroeconomic	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Sector Strategies and Policies	--	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Technical Design of Project or Program	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Institutional Capacity for Implementation and Sustainability	--	<input type="checkbox"/> Substantial	<input type="checkbox"/> Substantial
Fiduciary	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Environment and Social	--	<input type="checkbox"/> Low	<input type="checkbox"/> Low
Stakeholders	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate
Other	--	--	--
Overall	--	<input type="checkbox"/> Moderate	<input type="checkbox"/> Moderate

Results

PDO Indicators by Objectives / Outcomes

Project Development Objective: To establish the Foundation for Financial Sector Integration

► Number of accounts within regulated institutions (Banks and deposit-taking MFIs) (Number (Thousand), Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	57,370.00	93,800.00	93,800.00	75,000.00
Date	31-Oct-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020
Comments:	<i>The figure is as of January 2020 as updated data for June 2020 was not available at the time of the ISM.</i>			
► Number of Markets successfully linked to the EAC CMI IT platform (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	4.00
Date	31-Oct-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020
► Number of legal instruments relating to financial sector harmonization in the EAC (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	14.00	22.00	24.00	25.00
Date	31-Oct-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020
Comments:	<i>This indicator includes 20 Securities Council Directives and 5 Bills and Acts (Financial Services Commission Bill, EAC Insurance Bill, EAC Microfinance Service Provider Bill s, Bill on the establishment of Burundi Capital Market Authority and Burundi Securities Market Act)</i>			

Intermediate Results Indicators by Components

Component 1: Financial Inclusion and Strengthening of Market Participants				
► Development of implementation strategies for certification programs (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	3.00
Date	21-Jul-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020
► Development of training programs for each of the financial sub sector (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	10.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020
► Development of a Regional Road Map and five other National Road Maps for universal switches on Retail Payments (Number, Custom)				



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5.00	5.00	6.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020

Component 2: Harmonization of financial laws and regulation

► Number of finalized EAC policies and implementation strategies (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	3.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020

► Development of the Regulations and guidelines to harmonise legal and regulatory framework (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	11.00	20.00	37.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020

Component 3: Institution Building

► Number of policy papers prepared by the PAT (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.00	13.00	13.00	10.00
Date	21-Jul-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020

► Establishment of Securities Market (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020

► Development of a Road Map for establishing a centralized database for capturing cross border financial flows (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	1.00
Date	30-Sep-2016	02-Dec-2019	19-Jun-2020	31-Dec-2020



Performance-Based Conditions

Data on Financial Performance

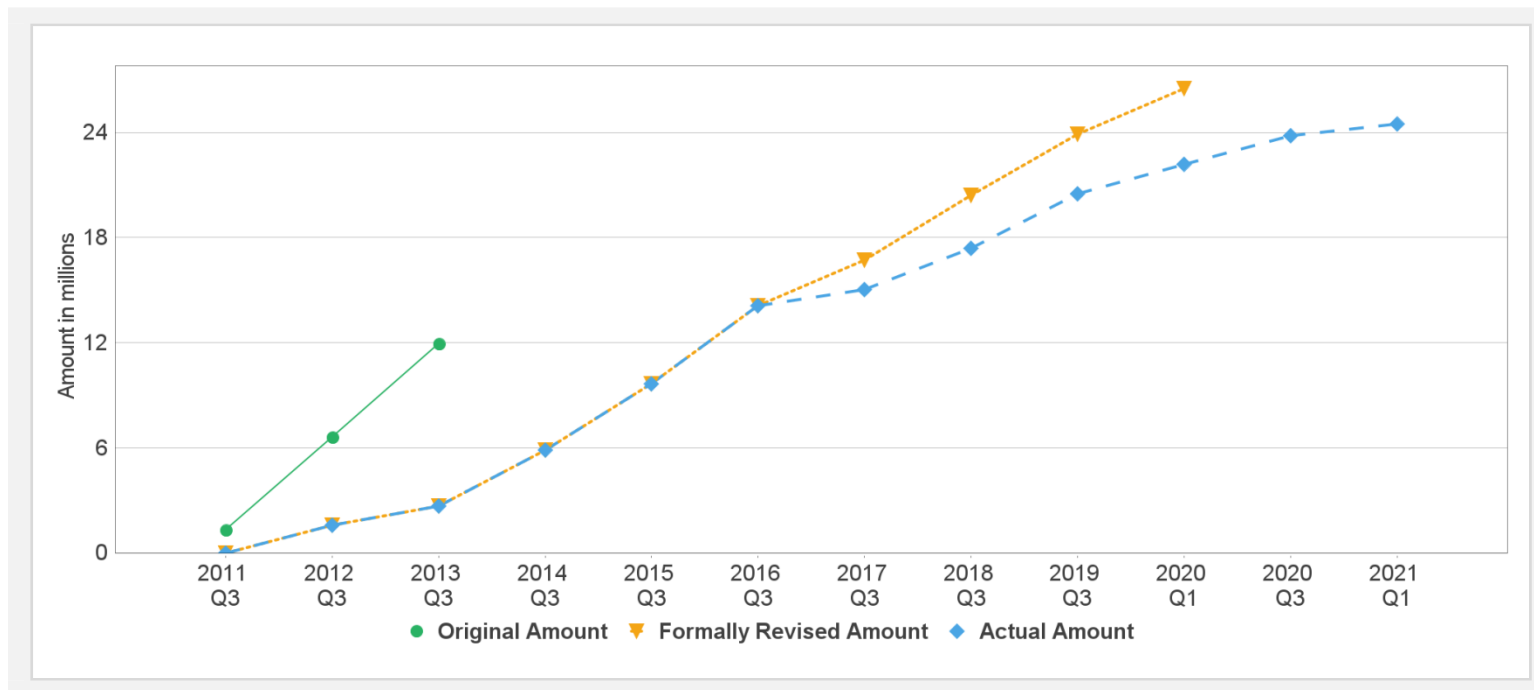
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P121611	IDA-D1410	Effective	USD	10.50	10.50	0.00	9.57	1.05	90%
P121611	IDA-H6410	Closed	USD	16.00	15.48	0.52	14.91	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P121611	IDA-D1410	Effective	30-Sep-2016	11-Nov-2016	15-Feb-2017	30-Sep-2019	31-Dec-2020
P121611	IDA-H6410	Closed	31-Jan-2011	14-Feb-2011	20-Jun-2011	30-Mar-2014	30-Nov-2016

Cumulative Disbursements





PBC Disbursement

PBC ID	PBC Type	Description	Coc	PBC Amount	Achievement Status	Disbursed amount in Coc	Disbursement % for PBC
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Restructuring History

Level 2 Approved on 28-Feb-2014 ,Level 2 Approved on 18-Jun-2015 ,Level 2 Approved on 25-Feb-2016 ,Level 2 Approved on 28-Sep-2016 ,Level 2 Approved on 02-Aug-2019 ,Level Approved on 29-May-2020 ,Level 2 Approved on 02-Jun-2020

Related Project(s)

P160770-EAC Financial Sector Development and Regionalization Project I: AF
