



Public Sector Strengthening Project (P150827)

AFRICA | Guinea-Bissau | Governance Global Practice |
IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 3 | ARCHIVED on 17-May-2016 | ISR23200 |

Implementing Agencies: Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date:24-Mar-2015

Effectiveness Date:22-Jun-2015

Planned Mid Term Review Date:22-Mar-2017

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2018

Revised Closing Date:31-Dec-2018

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to assist the Government to re-establish basic systems for public financial management.

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

No

Components

Name

Performance, Control and Transparency of the Public Revenues:(Cost \$2.40 M)

Expenditure Control, Procurement, Accounting and Reporting:(Cost \$1.10 M)

Public Financial Management Reform Coordination and Project Management:(Cost \$1.50 M)

Overall Ratings

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

Implementation Status and Key Decisions



The implementation rate is still too low. The Bank disbursement and fiduciary team have helped the Reform Coordination Unit (RCU) to: (i) regularize authorized signatures, after the elimination of the use of a Token; (ii) providing training in Bank disbursements procedures; (iii) facilitating the submission of the first withdrawal request, with full documentation of expenses realized under the Credit; (iii) helping with the first Direct Payment under the Grant and the first advance request under the Grant; (iv) drafting and reviewing of Technical Assistance Terms of Reference (TORs);(v) assisting the RCU for updating the Project Operations Manual. The team is optimistic that some project rating might be able to be upgraded during 2016. The Main TORs for the long term technical assistance are now prepared. RCU is now processing some procurement activities to hire consultants, e.g. training for more than 100 government officials at the Tax Administration Directorate, technical assistance coordinated with the International Monetary Fund (IMF) on tax administration; procuring goods and refurbishing some customs offices.

We have requested the Minister of Finance to lead the reform process by calling regularly Public Financial Management Reforms Steering Committee (RSC or *Comité de Pilotagem*) meetings. It is important to know that RSC has been established but has not started functioning yet.

Finally, we recommended hiring a Deputy Coordinator to facilitate implementation of activities. The Project Coordinator has other advisory positions within the administration and he might not be able to have all the time needed to deal with day to day operational issues.





Risks

Systematic Operations Risk-rating Tool

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

Results

Project Development Objective Indicators



► Proportion of extra budgetary expenditures (DNT) in relation to total budgetary expenditures (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	--	24.00	15.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Increase in level of consolidation of cash balances as measured by the proportion of total revenues managed through the Treasury Single Account (TSA) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	--	50.00	70.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Timely reporting of budget execution (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	48.00	--	12.00	6.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

Overall Comments

The new administration has taken control of the budget process. The Budget as a key tool to control expenditures and record revenues is clearly helping to regular the country financial situation. Timely reporting on budget execution is also providing more transparency and accountability.

Intermediate Results Indicators

► The tax and customs revenue increase by 30% (baseline in XOF billion nominal) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	38.16	--	40.00	49.66
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018



► Tax arrears collection improvement (Percentage of recuperated arrears over total arrears) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	--	0.00	50.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

Comments

Information about arrears in customs and tax agencies were partially provided. The government team explained that customs do not accumulate arrears but the tax agency might have some arrears to be collected but were unavailable to quantify yet. This is an area in which we will request further clarifications and focus during our next supervision mission.

► Customs arrears collection improvement (Percentage of recuperated arrears over total arrears) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	--	0.00	60.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Number of bank accounts in commercial banks reduced (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	100.00	--	0.00	60.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Bank reconciliations are performed on a regular basis (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	60.00	--	15.00	7.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018



► The budget is executed with less than 20% deviations (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25.00	--	24.00	20.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Reduction of payment arrears as % of GDP (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.70	--	0.60	0.30
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Quarterly then monthly budget execution statements are published out of SIGFIP (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.00	--	3.00	1.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

► Reform focal points in place in the Tax, Customs, Budget and Treasury Directorates (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	3.00	4.00
Date	16-Dec-2015	--	06-Apr-2016	31-Dec-2018

Overall Comments

The project team is discussing the validity of some of the intermediate indicators. In particular, tax and customs arrears. No improvement was observed on the reduction number of bank accounts in commercial banks. These intermediate indicators might be reviewed (amended or replaced) once the Long term consultant are hired.



Data on Financial Performance

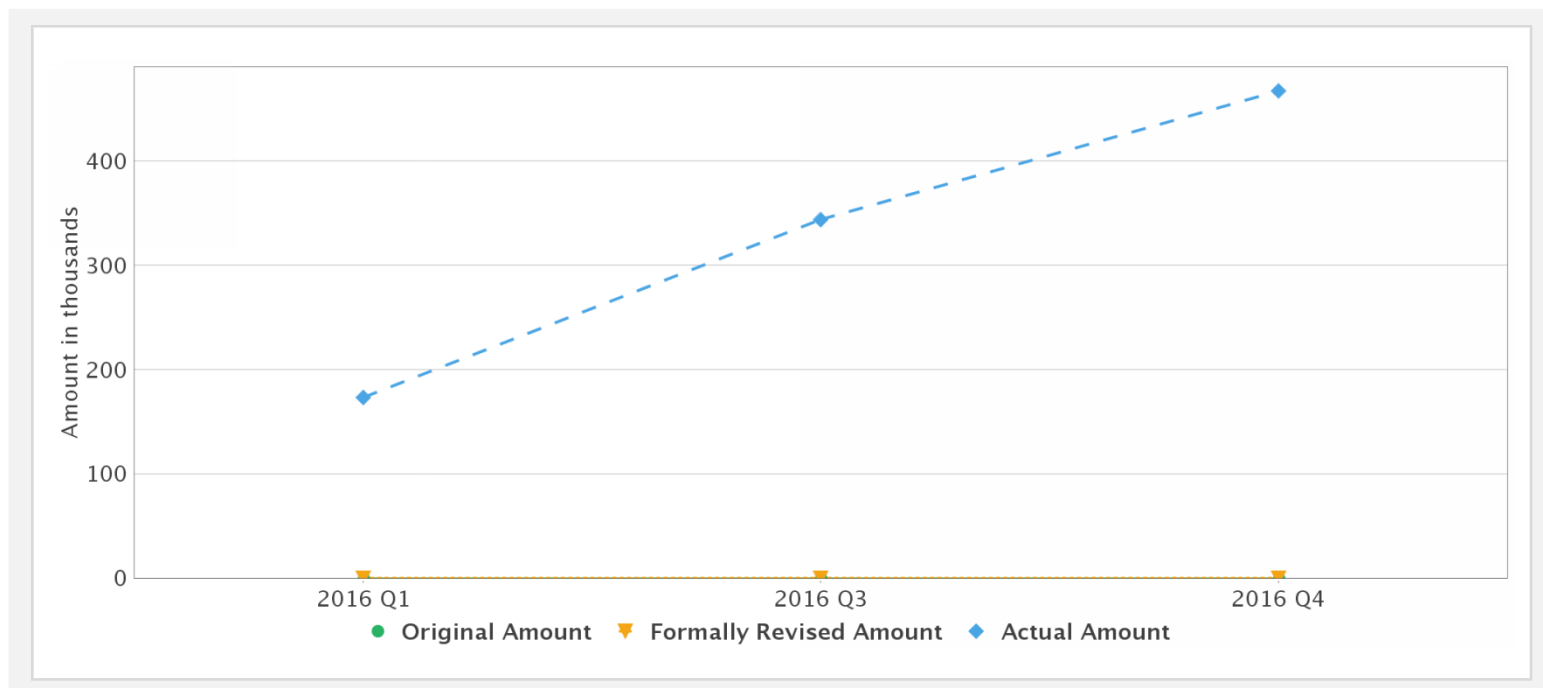
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P150827	IDA-55950	Effective	XDR	1.90	1.90	0.00	0.17	1.73	9%
P150827	IDA-D0310	Effective	XDR	1.60	1.60	0.00	0.29	1.31	18%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P150827	IDA-55950	Effective	24-Mar-2015	18-May-2015	22-Jun-2015	31-Dec-2018	31-Dec-2018
P150827	IDA-D0310	Effective	24-Mar-2015	18-May-2015	22-Jun-2015	31-Dec-2018	31-Dec-2018

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.



Related Project(s)

There are no related projects.
