

# **AFRICAN DEVELOPMENT FUND**



## **ALGERIA**

### **PORTFOLIO REVIEW REPORT**

**COUNTRY OPERATIONS DEPARTMENT  
NORTH, EAST AND SOUTH  
NOVEMBER 2004**

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## CURRENCY EQUIVALENTS

(31 October 2004)

Currency unit	=	the Dinar (DZD)
UA 1	=	Euros 1.17671
UA 1	=	USD 1.49878
UA 1	=	DZD 106.624

## FISCAL YEAR

From 1 January to 31 December

## ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADE	:	«Agence des eaux» (Water Corporation)
ADF	:	African Development Fund
AMU	:	Arab Maghreb Union
ANB	:	National Dams Agency
ARPT	:	Posts and Telecommunications Regulatory Agency
AUDT	:	ADB Audit Department
BalD	:	Algerian Development Bank
CAMEND	:	Centre for the Supply and Maintenance of Teaching Equipment and Aid
CPA	:	Crédit populaire algérien
CSP	:	Country Strategy Paper
DGRFE	:	General Directorate for External Financial Relations
DZD	:	Algerian Dinar
EIB	:	European Investment Bank
EPDEMIA	:	Public Corporation for the Distribution of Grey Water and Industrial Process Water and Sanitation
EPEOR	:	Oran Public Water Corporation (Etablissement public de l'eau d'Oran)
FAO	:	United Nations Food and Agriculture Organization
FDA	:	French Development Agency
FFCO	:	ADB Disbursement Department
GDP	:	Gross Domestic Product
HP	:	High Pressure
IDA	:	Irrigation Development Agency
IGF	:	General Finance Inspectorate
IMF	:	International Monetary Fund
LP	:	Low Pressure
MP	:	Medium Pressure
NA	:	Not Applicable
NHA	:	National Highways Agency
RCC	:	Roller-compacted concrete
RMC	:	ADB Regional Member Countries
SERF	:	Special Emergency Relief Fund
SME	:	Small and Medium-sized Enterprises
SMI	:	Small and Medium-sized Industries
SNTF	:	National Railway Corporation (Société nationale des transports ferroviaires)
SONELGAZ	:	National Electricity and Gas Corporation (Société nationale d'électricité et gaz)
SPE	:	National Electricity Production Corporation (Société de production d'électricité)
UA	:	Unit of Account
UNDP	:	United Nations Development Programme

## Executive Summary

1. The purpose of this report is to inform the Board of Directors on the Bank Group's portfolio performance in Algeria and recommend measures to be taken in order to improve its quality. It is based on information gathered during various supervision missions and the multidisciplinary portfolio review mission undertaken in July 2004.
2. In 33 years of cooperation with Algeria, the Bank Group has financed 34 operations, of which 25 completed, 6 ongoing and 3 cancelled. These operations comprise: 23 projects, 1 study, 4 lines of credit, 1 institutional support, 3 policy-based loans, and 2 emergency assistance operations. The total amount of commitments net of cancellations stands at UA 1,489.36 million, comprising UA 1,488.07 million of ADB funds, UA 0.61 million of ADF funds and UA 0.68 million as SRF. The sector breakdown of these operations highlights the predominance of support to reforms (30% of interventions), followed by public utilities (20.5%), industry and banking (19%), transport (14%), agriculture (12.5%) and social (4%). As at 30 October 2004, the total disbursements amounted to UA 1,276.12 million, i.e. an 85.68% disbursement rate.
3. As at 31 October 2004, the Bank Group's portfolio in Algeria comprised 6 ongoing projects. The total amount of net commitments on ongoing operations stood at UA 436.95 million, with the following sector breakdown: i) public utilities (52%); ii) industry and banking (36%); and iii) transport (12%). Cumulative disbursements on ongoing projects amounted to UA 235.46 million, representing a 53.88% disbursement rate. Of the six ongoing projects, two with a disbursement rate of about 100% will be finalized at the end of 2004. Disbursement is yet to begin on two new projects signed in 2003.
4. The last portfolio review report for Algeria was submitted to the Board in October 2002. That report described the overall performance of the portfolio as satisfactory. The rating of 2.3 reflected the satisfactory management and implementation noted since 2000 by the different supervision and monitoring missions. Apart from the Sidi Ben Taiba Dam Project, all the projects had, according to the report, improved their implementation and were highly likely to attain their objectives.
5. Since 2002, this trend has been confirmed. There has been marked improvement in the management of these projects, thanks to efforts by the Bank and the Government. Accordingly, the Sidi Ben Saida problem-project was cancelled and for the other projects that were ongoing at the time, the objectives have been exceeded. Only the Koudiat Acerdoune Dam Construction Project is facing difficulties owing to landslides that occurred on the site in August 2003. A decision was taken to excavate the mass of shifting earth, but this will require an additional 15 months of work at least. On the whole, for the four projects which were ongoing in 2002, the performance for 2004 stands at 2.5 compared to 2.4 in 2002.
6. However, this good performance contrasts with that of the two new projects which have witnessed major start-up delays. The new executing agencies' unfamiliarity with procurement and disbursement procedures, perhaps even the non-implementation of such procedures for the Highway Project, as well as the Bank's relocation to Tunis (deferred missions, delayed correspondence, etc.) largely account for the slow start-up of the two projects. The performance of both projects stands at 1.7.
7. Consequently, the overall portfolio performance rating stands at 2.3 as in 2002. However, this generally satisfactory performance masks the wide disparities observed in individual project performance, namely 3 highly satisfactory projects (rated above 2.5) and two highly unsatisfactory projects (rated below 2). Each ongoing project received at least one supervision mission in 2003 and 2004. The second line of credit at the BADR and the Koudiat Acerdoune Dam Project were

supervised twice in 2003. Other supervision missions have been scheduled between now and the end of 2004, to permit the observance of the ratio of 1.5 missions per project per year for all projects. The audit report submission rate is good. All ongoing projects are audited, but the audit quality needs to be improved.

8. This review has highlighted the persistence of four generic problems concerning communication, familiarity with Bank procedures, quality of audit reports and technical problems related to the poor quality of feasibility studies. Hence, to further enhance the overall performance of the portfolio, the following recommendations have been made to the two parties.

#### The Bank

- Pursue and step up efforts aimed at improving communication between the Bank, the Ministry of Finance, the Algerian Development Bank and the different executing agencies, through (i) upstream discussions for the scheduling of these missions (the DGRFE for the Algerian party and ONCB for the Bank) and (ii) relying on the Executive Director's Office, where necessary;
- Organize training for IGF staff and systematically formulate terms of reference for the mission of each auditor concerning a project financed by the Bank, ensuring that the IGF is sent a copy first;
- Organize training for the new agencies (ARPT and Algérie Telecom) on the rules of procedure for the procurement of goods and works;

#### The Government

- Further strengthen communication between the Bank, the Ministry of Finance, the Algerian Development Bank and different executing agencies, notably via the e-mail system;
- Ensure the regular submission and improvement of the quality of audit reports;
- Ensure the institution of an accounting system for Bank-financed projects;
- Organize meetings between the Bank and the executing agencies during specific missions in order to build up experience in the procurement of goods and services;
- Ensure adherence to loan disbursement schedules and project activity implementation schedules by executing agencies;
- Improve the quality of engineering studies prior to project implementation, especially for major water works.

## **I. INTRODUCTION**

### **1.1 Objectives, Structure and Coverage of the Report**

1.1.1 The last portfolio review which took place in 2002 concluded that the Bank's overall portfolio performance was satisfactory, with an average rating of 2.3 - an improvement compared to 2000. The purpose of this report is to inform the Board of Directors on the status of implementation of ongoing Bank-financed projects in Algeria and make necessary recommendations for improving overall portfolio performance quality. It was drawn up on the basis of the findings of a multi-discipline portfolio review mission undertaken from 26 June to 1 July 2004, supervision reports and consultations with Algerian authorities and donors operating in Algeria. During the exercise, each operation was thoroughly examined in a bid to identify the major problems and constraints encountered in their implementation and propose an action plan cum schedule for resolving them.

1.1.2 Apart from this introduction, the report is divided into six chapters, namely (ii) review of ongoing projects; (iii) evaluation of project management and implementation capacity; (iv) coordination with other donors; (v) status of loan reimbursements and contribution to the Bank's capital; (vi) initiatives to take to improve portfolio quality; and lastly (vii) conclusions and recommendations.

### **1.2 Size and Composition of the Cumulative Portfolio**

1.2.1 In 33 years of cooperation with Algeria, the Bank Group has financed 34 operations, of which 25 are completed, 6 ongoing and 3 cancelled, for a total of UA 1,489.36 million, net of cancellations. These operations comprise 23 projects, 1 study, 4 lines of credit, 1 institution building, 3 policy-based loans and two emergency humanitarian assistance operations. Two operations, the study and institution building were approved by the ADF, while the technical education strengthening project is co-financed by ADB/ADF. Two emergency grants (assistance to the November 2001 flood victims and emergency humanitarian assistance to victims of the May 2003 earthquake) were approved under the Special Emergency Relief Fund.

1.2.2 Bank Group net commitments by source of financing are as follows: UA 1,488.07 for the ADB, UA 0.61 million for the ADF and UA 0.68 million for the SERF, all of which amount to total net commitments of UA 1,489.36 million. As at 31 October 2004, disbursements totalled UA 1,276.12 million, representing an 85.68% disbursement rate.

1.2.3 The sector breakdown of financing provided, presented on Table 1 below, shows that support to economic reform was predominant (30.02% of the total loan package). Those operations which have now been completed reflect the priority given support to economic reforms during the 1988-1999 period. The public utilities sector, including telecommunications, with 20.39% of the total comes second in terms of financing. It represents the active section of the portfolio, notably with a new project whose loan agreement was signed in 2003 (support to the telecommunications sector), two projects in the water sector and a gas distribution project which will be closed at the end of 2004. The industrial and banking sector represents 19.01% of the envelope and includes three lines of credit, two of which have been completed. The third one, which dates back to 2000, will be finalized at the end of 2004. The transport sector received 13.95% of the total amount and has a new project for which a loan agreement was signed in 2003 (the Constantine Highway By-pass). The social sector accounts for 3.92% of the envelope, with only one education project completed in 2000. Lastly, the emergency assistance granted in 2001, which concentrated on food and medical aid is closed, while the second USD 250 000 tranche of the 2003 assistance largely focused on education (renovation of schools and school supplies) has not yet been disbursed.

**Table 1**  
**Sector Breakdown of Bank Commitments as at 31 October 2004**

<b>Sector</b>	<b>Number of Operations</b>	<b>Net Commitments (in million UA)</b>	<b>Sector Breakdown (%)</b>	<b>Disbursement Rate (%)</b>
Agriculture	7	187.69	12.60	100.00
Transport	8	207.59	13.95	74.75
Public utilities	8	222.95	14.98	72.01
Telecommunications	1	82.06	5.51	0.00
Industries and banks	4	283.05	19.01	98.37
Social	1	58.37	3.93	80.63
Multisector	3	446.97	30.02	100.00
Emergency assistance	2	0.68	0.00	75.00
<b>TOTAL</b>	<b>34</b>	<b>1,489.36</b>	<b>100</b>	<b>85.68</b>

## **II. REVIEW OF ONGOING PROJECTS**

### **2.1 Overview of Ongoing Operations**

2.1.1 In 2002, Bank Group portfolio comprised 10 (ten) ongoing projects. Of these ten projects, 1 (one) was cancelled<sup>1</sup> and 5 (five) were closed. Completion reports were issued on two of them during the first half of 2004, namely: (i) the Electricity IV<sup>2</sup> Project; and (ii) the Air Algérie<sup>3</sup> Maintenance Base Project, while two other completion reports are scheduled for the last quarter of 2004, i.e. (iii) the El Achir Tunnel Project; and (iv) the Sidi Ben Taïba Irrigation Dam. Hence, 4 (four) projects are still in the implementation phase in 2004. Loan agreements on two (2) new projects were signed in 2003, bringing to six (6) the number of ongoing projects in 2004, in addition to the emergency humanitarian assistance for victims of the 21 May 2003 earthquake.

2.1.2 Thus, as at 31 October 2004, Bank Group portfolio in Algeria comprised 6 (six) ongoing projects for a total of UA 436.96 million (ADB window only) and an emergency grant of USD 500,000 from the Special Emergency Relief Fund. Table 2 below gives a sector breakdown of the ongoing loans.

<sup>1</sup> The Koudiat Acerdoune Rock-fill Dam project was cancelled, following a request from the Government to change the type of dam (from a rock-fill dam to a roller-compacted concrete dam).

<sup>2</sup> Concerning the Electricity IV Project, the connection targets were exceeded by 78% and the project helped to improve the country's electrification rate from 92% in 1993 to 96% in 2003. In terms of economic and social development, it helped to check rural exodus thanks to the creation of petty trades and cottage industries, and to develop electricity-consuming activities such as mills, vulcanization workshops and health centers, among others.

<sup>3</sup> Regarding the Air Algérie Air Maintenance Base, the project helped to provide Algeria and the sub-region with a maintenance base of international standard. Many jobs were created during the implementation period, and the number of technicians to be recruited is estimated at 150.

**Table 2**  
**Breakdown of Bank Group's Ongoing Portfolio by Sector as at 31 October 2004**

<b>Sector</b>	<b>Number of Operations</b>	<b>Net Commitments (in UA million)</b>	<b>Sector Breakdown (%)</b>	<b>Amount Disbursed (in UA million)</b>	<b>% disbursed</b>
Transport	1	52.41	12.00	0.00	0.00
Public utilities	3	146.31	33.48	83.90	57.35
Telecommunications	1	82.06	18.78	0.00	0.00
Industry and banks	1	156.17	35.74	151.56	97.05
<b>TOTAL</b>	<b>6</b>	<b>436.95</b>	<b>100.00</b>	<b>235.46</b>	<b>53.88</b>

2.1.3 The sector breakdown of the active portfolio shows the predominance of public utilities (more than half of the portfolio with 52.26% of net commitments), of which 18.78% for the telecommunications sector. The industrial and banking sectors (35.74%) and transport (12.00%) follow. The average disbursement rate of 53.88% reflects the coexistence of nearly completed projects (the Second Line of Credit to BADR and the Gas Distribution Project will be completed at the end of 2004) and new projects (Support to the Telecommunications Sector and the Constantine Highway). The active portfolio is thus characterized by a few but major projects in the country's strategic sectors and in line with the CSP strategy.

## **2.2 Review of Ongoing Projects**

2.2.1 Following the above overview of the active portfolio, the following sections will be devoted to a detailed sector analysis of the performance of each ongoing project.

### **A. TRANSPORT SECTOR**

2.2.2 Since it commenced operations in Algeria, the Bank has financed 8 projects in the transport sector for a total of UA 207.59 million, net of cancellations, i.e. 13.95% of the Bank's net commitments in Algeria as at 31 October 2004. The El Goléa-In Salah Road, the Bank's first operation, is already completed as have six others. Only one operation is ongoing for which the first disbursement has not been made (Constantine II Highway By-pass).

2.2.3 Most of the problems encountered in the implementation of the projects are due to (i) the prevailing insecurity in the project zones, (ii) the time taken by executing agencies to award contracts, (iii) the inadequate appropriations which could constitute a major constraint in the implementation of the Constantine Highway By-pass and (iv) non-compliance with procurement procedures, notably in the application of domestic preference.

## A.1 Constantine II Highway By-pass

### Basic Administrative and Financial Data

Project No.: P-DZ-D00-002

Loan No.: 2000110000013

<u>Loan amount:</u> USD 76.85 million (UA 52.41 million)	<u>Source:</u> <u>ADB:</u> UA 52.41 million <u>Government:</u> 0	<u>Disbursement:</u> 0 <u>Balance:</u> USD 76.85 million (UA 52.41million)
<u>Date approved:</u> 04/12/02	<u>Date signed:</u> 02/06/03	<u>Date of entry into force:</u> 24/11/03
<u>Deadline of final disbursement:</u> 31/12/2007	<u>Executing agency:</u> Government of Algeria, Ministry of Transport	
<u>Audit report:</u> as from 2005	<u>Date of last supervision:</u> May 2004	
<u>Objective and description:</u> The project falls within the framework of the gradual construction of the Algerian portion of the North African Highway and the East/West Highway. As such, its objective is regional integration; it also permits national integration thanks to a better link between the East, the Centre and the West of the country. The specific goal of the project is to ensure better flow of local traffic around the Constantine metropolis by clearing transit traffic and cut vehicle operating costs. The project components are as follows: (i) land acquisition; (ii) road works; and (iii) works monitoring and supervision.		

2.2.4 Loan conditions: The loan was signed on 2/6/2003 and became effective on 24/11/2003. The condition concerning the first disbursement (compensation of the population affected) is in the process of acceptance. The performance is satisfactory.

2.2.5 Procurement performance: An initial bid analysis for works did not obtain the non-objection notice from the Bank owing to the non-application of the national preference clause by the executing agency; the Bank's view (PPRU, GECL, ONIN) was that the clause had to be applied. Thus, the executing agency had to repeat the bid analysis. The report of the second analysis was submitted (1 July 2004) to the Bank. The report indicates that the executing agency took into account the national preference clause, but without applying the modalities in line with the Bank's Rules of Procedure for the Procurement of Goods and Works (January 2000 edition) (Annex III and 3.7.5 to 3.7.8). The Bank has once more rejected the results of the bid analysis for non-compliance with Bank rules. The executing agency tends to favour national procedures over the Bank's. A message has been sent to the executing agency requesting it to repeat the analysis in strict compliance with the Bank's procedure for the procurement of goods and works. At this point, the procurement performance is unsatisfactory.

2.2.6 Financial performance: The disbursements have not yet started. Furthermore, concerns remain over the deadline for the provision of the revaluated appropriations by the Algerian party (budget) for this project. The performance is deemed unsatisfactory.

2.2.7 Activities and output: The works have not yet commenced. The operation is well behind schedule. The performance is unsatisfactory.

2.2.8 Impact on development: The National Highways Agency has the human and organizational capacity to manage the project. Once the works are awarded and the appropriations put in place, every possibility of attaining the initial objectives and having a positive impact on development will remain intact. The performance is deemed satisfactory.

2.2.9 Overall performance: Owing to the delay recorded by the project, the overall performance is unsatisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
Rating	2.5	1	1.3	1.5	2	<b>1.6</b>

## B. PUBLIC UTILITIES SECTOR

### Energy

2.2.10 Algeria's electricity and gas sector in Algeria is currently undergoing restructuring, as a result of which a holding company (SONELGAZ S.P.A.) and seven specialized subsidiaries have been set up. The Gas Transport Network Management subsidiary (GRTG), the Electricity Transmission Management subsidiary (GRTE) and the Electricity Production subsidiary (SPE) have been created and are being put in place. Four other regional subsidiaries (East, Centre, West and Algiers) to distribute electricity and gas will be established by the end of the year.

2.2.11 In the energy sector, the Bank financed four electricity projects which are all completed and a gas project which is nearing completion. Completed projects were implemented and have had a very positive impact on development.

### **B.1 Gas Transportation and Distribution Project**

#### Basic Administrative and Financial Data

Project No.: P-DZ-FD0-001

Loan No.: - B/ALG/SONELGAZ/TRA-DIS/GAZ/98/25 or - 2000120000012

<u>Loan amount</u> : USD 150.61 million (UA 102.72 million)	<u>Source</u> : ADB: UA 38.88 million Government: UA 103.15 million Others: UA 286.70 million	<u>Disbursement</u> : (83.75%) USD47.74 million (UA 32.56 million)
<u>Amount cancelled</u> : USD 93.61 million (UA 63.84 million)		<u>Balance</u> : USD 9.26 million (UA 6.31 million)
<u>Net loan amount</u> : USD 57.00 million (UA 38.88 million)		
<u>Date approved</u> : 08/07/98	<u>Date signed</u> : 14/12/98	<u>Date of entry into force</u> : 07/05/99
<u>Deadline of final disbursement</u> : 31/12/2004		<u>Executing agency</u> : SONELGAZ
<u>Final audit report</u> : 2002 and 2003		<u>Date of final supervision</u> : July 2004
<u>Objective and description</u> : The project objective is to supply natural gas to 123 new towns and localities, and connect 363,000 new low pressure subscribers, 520 medium pressure clients and 2 high pressure cement factories. It aims to improve the operation and supply of gas to clients in terms of service quality and continuity. Its implementation will contribute to increasing the country's natural gas penetration rate from 60% in 1995 to 70% at the end of the project The project comprises the following major components: (i) extension and strengthening of the gas transportation network by laying a 1,178 km high pressure gas pipeline; (ii) construction of 305 gas transportation stations for the supply of gas to new towns and localities and connection of 2 cement factories; (iii) extension and strengthening of gas distribution networks by laying 5,351 km of medium pressure conduits; (iv) construction of 520 delivery and connection stations for medium pressure clients; (v) connection of 363,000 low pressure subscribers; (vi) procurement of computer equipment for subscriber management ; (vi) procurement of operating equipment and resources; (vii) compensations and purchase of land; (viii) training; (ix) Project unit, engineering studies, works supervision and control.		

2.2.12 Fulfilment of loan conditions: The loan and guarantee agreements were signed on 14 December 1998 and the loan became effective on 7 May 1999. The general condition regarding submission of reports to the Bank is fulfilled regularly with regard to half-yearly progress reports and project account audit reports. The loan agreement comprises three other conditions, two of which have been fulfilled. The condition not yet fulfilled but which is on the right track requires that the net claims due should not exceed three months of the turnover. They represented 3.13 months of turnover in 2003. The performance is satisfactory.

2.2.13 Procurement performance: Since the first half of 2001, SONELGAZ has modified its method of procurement of goods and works, which is now done through turnkey-type national competitive bidding, in compliance with the relevant Bank procedures. The Bank finances equipment procurement and personnel training. The purchase of the equipment was covered by 13 international invitations to bid, 11 of which were conclusive and one declared unfruitful ; the last one concerning the extension of the remote operation of the gas transportation and distribution networks was withdrawn from Bank financing and will be financed from SONELGAZ's equity resources. The bid invitations resulted in the award of 42 contracts approved by the Bank (29 for gas transportation networks and 13 for gas distribution networks). The selection of consultants for training is done through consultation on the basis of a short-list. Since the project started, only one consultation has taken place but it was declared unfruitful for non-compliance of the training venue. This consultation will be repeated subsequently and financed from SONELGAZ's equity resources. All these bid invitations were issued in accordance with Bank rules. Equipment not financed by the Bank are procured directly from local manufacturers or through national and international bid invitations. Since the project start-up, these have been covered by 66 supplies contracts, of which 8 for transportation network equipment and 58 for distribution equipment. The works are subject to local and national competitive bidding The project's procurement performance is highly satisfactory.

2.2.14 Financial performance: At the request of SONELGAZ, the Bank in September 2002 cancelled USD 93.61 million of the initial USD 150.61 million loan amount. This cancellation was due to the modification of the method of procurement of gas distribution goods and works, based henceforth on the turnkey principle. The amount of the ADB loan net of cancellations is therefore USD 57 million. Authorized commitments on the Bank loan for the 42 supply contracts are estimated at USD 48.63 million, or 85.32% of the loan amount net of cancellations. As at 10 June 2004, the cumulative disbursements on the loan amounted to USD 47.74 million, or 83.75% of the loan net of cancellations. The project has all the required financial resources both in foreign exchange and in local currency. Compared to the new loan amount, the level of commitments and disbursements on the loan is good and the financial performance of the project satisfactory.

2.2.15 Activities and output: project implementation started in October 1998 with the order of the first equipment for gas distribution networks from SONELGAZ's equity resources. Equipment delivery was completed for 95 contracts, 42 of which were financed by the Bank (29 for transportation networks and 13 for distribution networks) and 57 by SONELGAZ (7 for transportation networks and 50 for distribution networks). The public gas distribution programme covered by the project was reviewed and it currently concerns 242 new localities. The works started in 1999. The works were completed as at 31 May 2004 and the gas distribution networks commissioned in 163 localities; networks have been completed in 22 localities and works are ongoing in 57 other localities. The overall status of project implementation is estimated at 98%. The project permitted the supply of low pressure gas to 613,611 households and medium pressure to 440 SME/SMIs, that is say 169% and 84.6% of project estimates at appraisal, respectively. This performance is attributable to the fact that since 2002, the share of local authorities has been taken over by the Government. Furthermore, as SONELGAZ no longer requires payment of an advance prior to commencement of works, the

programming of bid invitations and works implementation has improved considerably. Performance is satisfactory.

2.2.16 Impact on development: In the light of its output, the project has attained and even exceeded the initially envisaged development objectives. Over 600,000 new households are connected to the low pressure gas network, compared to the 363,000 new subscribers projected at appraisal. Similarly, 440 new clients are already connected to the medium pressure network, of a total of 520 new clients anticipated. The project is thus contributing to increasing the country's natural gas penetration and utilization rate, while meeting the demand for gas by the population and industries. Lastly, the project is helping to cover the country's energy needs through one of the most readily available, cheap and clean forms of energy, thus contributing to better environmental protection. The performance is satisfactory.

2.2.17 Overall performance: The overall project performance is highly satisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Output	Impact on Development	Overall Assessment
Rating	2.3	3	2.5	2.8	3	<b>2.7</b>

### **Water and Sanitation**

2.2.18 Despite the relatively substantial investments by Government, the situation in Algeria's drinking water and sanitation sector remains a cause for concern, owing to the non-satisfaction of demand and the limited performances of local management structures. To cope with this situation, the Algerian government decided at the end of the 80s, to finance a vast project to rehabilitate drinking water supply and sanitation in the country's urban areas, as well as implement major harnessing and regulation works, as part of an integrated water management strategy.

2.2.19 The Bank is supporting the Government in its integrated water management strategy from production / harnessing of the resource to its distribution, by financing two projects: the Koudiat Acerdoune Roller-compacted Concrete Dam Project and the Sidi Bel Abbès Drinking Water Supply Project.

## B.2. Koudiat Acerdoune Roller-compacted Concrete Dam Project

### Basic Administrative and Financial Data

Project No.: P-DZ-EA0-001

Loan No.: BADDZA1990121 or 2000120000015

<u>Loan amount:</u> USD 87.48 million (UA 59.66 million)	<u>Source:</u> <u>ADB:</u> UA 59.66 million <u>Government:</u> UA 18.53 million	<u>Disbursement:</u> (35.57%) USD 31.27 million (UA 21.22 million) <u>Balance:</u> USD56.21 million (UA 38.44 million)
<u>Date approved:</u> 04/10/2000	<u>Date signed:</u> 24/04/2001	<u>Date of entry into force:</u> 01/08/2001
<u>Deadline of final disbursement:</u> 31/12/2005		<u>Executing agency:</u> National Dams Agency (ANB)
<u>Final audit report:</u> 2002 and 2003		<u>Date of final supervision:</u> April 2004

Objective and description: The aim of the project is to ensure continuous supply of drinking water to Algiers and 15 localities situated around the dam in the Willayas of Bouira, Médéa, M'sila and Tizi Ouzou, as well as the irrigation of 19000 hectares of the Mitidja Plain and the Middle Isser schemes. Initially (1993), the project was for the construction of a rock-fill dam. However, a re-appraisal mission was conducted in May 1999, following the Government's request to change the type of dam (from a rock-fill dam to a roller-compacted concrete dam). The project comprises the following components: (i) construction of the RCC dam; (ii) expropriation; (iii) environmental protection; (iv) related works; (v) support to the ANB and the project implementation unit; (vi) engineering study, works supervision and monitoring.

2.2.20 Fulfilment of loan conditions: The loan agreement was signed on 24 April 2001 and became effective three months later on 1 August 2001. Besides the general conditions, the loan comprises two conditions precedent to the first disbursement, namely forwarding to the Bank of a plan to compensate the expropriated population and submission of the CVs of staff of the project implementation unit. Both conditions were fulfilled. The general condition concerning quarterly progress reports and audit reports were also fulfilled since those reports were sent regularly to the Bank. However, the Bank has expressed reservations over the quality of recent quarterly reports received (the portion covering the project financial and accounting management), as well as the content of the audit reports, which falls short of the Bank's requirements. Lastly, the condition concerning the undertaking to commence the putting in place of financing for the irrigated areas and water supply works in 14 secondary towns and 34 centres which should have been met before 31 December 2002, was not fulfilled. It was delayed in 2003, and postponed by the Ministry of Finance in agreement with the Bank, following the landslides that occurred on the project site, in order to take into account the new agreed date of opening the dam. The performance may be considered satisfactory.

2.2.21 Procurement performance: The procurement of equipment and works as well as the recruitment of the consultant in charge of the supervision and control of works was done in accordance with Bank rules of procedure. The works were covered by an international invitation to pre-qualify issued in August 2000 and the proposal on the prequalification of contracting firms was approved by the Bank in April 2001. The consultation of prequalified firms took place in October 2001. For their part, the consultants were invited to bid in October 2001. The contract award proposals were approved by the Bank on 15 March 2002 for the works and on 29 April 2002 for works supervision and control. The contracting firm and consultancy contracts were signed in early July 2002 and were submitted for approval by the national tenders board before transmission to the Bank. Regarding the last component (E) concerning support to the ANB, a proposal for procurement and training to be implemented under this project component will soon be sent to the Bank. The project's procurement performance is satisfactory.

2.2.22 Financial performance: The share of foreign exchange financed by the Bank represents about 92% of the total loan amount. The first disbursement on the loan took place on 10 February 2003. At the end of June 2004, the cumulative disbursements stood at USD 31.27 million, or 35.57% of the total loan amount. The project's disbursement performance is satisfactory.

2.2.23 Activities and Works: initial construction works on the Koudiat Acerdoune RCC dam were based on the detailed sketches which subsequently proved inadequately documented. Indeed, since August 2003, major landslides have been registered on the left bank of the dam. This situation calls for the excavation of the mass of shifting earth, the volume of which is estimated at 2.5 million m<sup>3</sup>, and a review of the detailed sketches, representing an additional time-frame of at least 15 months. Accordingly, the project is considered as one at risk, requiring frequent and thorough supervision to ensure better management of contractual commitments notably in terms of costs and time-frames. The performance is unsatisfactory.

2.2.24 Impact on development: This project is strategic for the country, given that it will provide a steady supply of drinking water to Algiers as well as 14 secondary towns and 34 urban centres located around the dam (a population of about one million inhabitants) for at least 50 years. Furthermore, it will contribute to the irrigation of the Mitidja Plain and the Isser Oued valley (about 19,000 hectares). Once the construction of the dam is completed, the performance will be highly satisfactory.

2.2.25 Overall performance: The overall performance is satisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Output	Impact on Development	Overall Assessment
Rating	2	2	2	1	3	<b>2.0</b>

### B.3 Sidi Bel Abbès Drinking Water Supply Project

#### Basic Administrative and Financial Data

Project No.: P-DZ-EAZ-002

Loan No.: BADDZA1997011 or 2000120000011

<u>Loan amount:</u> USD 70.04 million (UA 47.77 million)	<u>Source:</u> <u>ADB:</u> UA 47.77 million <u>Government:</u> UA 32.26 million	<u>Disbursement:</u> (63.06%) USD 44.16 million (UA 30.12 million) <u>Balance:</u> USD 25.88 million (UA 19.14 million)
<u>Date approved:</u> 09/12/1998	<u>Date signed:</u> 27/05/1999	<u>Date of entry into force:</u> 04/05/2000
<u>Deadline of final disbursement:</u> 31/12/2004	<u>Executing agency:</u> Algeria Water Corporation (Algérienne des Eaux, ADE)	
<u>Final audit report:</u> 2002 and 2003	<u>Date of final supervision:</u> December 2003	
<u>Objective and description:</u> The project seeks to ensure continuous water supply to Sidi Bel Abbès and 7 secondary localities situated along the transmission lines, and additional supply to Greater Oran, the country's second city. In the early years following its completion, it will permit the supply of 22 million m <sup>3</sup> of water to Sidi Bel Abbès, 2 million m <sup>3</sup> to secondary towns and 10 million m <sup>3</sup> to Oran. It comprises the following components: (i) acquisition of the land necessary for the implementation of the project and compensation for harvest losses during the execution of works, (ii) water treatment plant; (iii) five pumping stations of which one raw water pumping station and four stations for pumping treated water; (iv) supply and laying of supply pipes with related equipment; (v) raw and treated water tanks and buffer tanks for pumping and distribution stations; (vi) installation of remote controls and communications; (vii) medium tension connection to the electricity networks; (viii) supervision and control of works; (ix) support to "Algérienne des Eaux" and to the EPDEMI in Sidi Bel Abbès; (x) rehabilitation of the Sidi Bel Abbès drinking water distribution network.		

2.2.26 Fulfilment of loan conditions: The loan agreement was signed on 27 May 1999 and became effective one year later on 4 May 2000. The general loan conditions concerning submission to the Bank of progress reports and audit reports are being fulfilled, but the contents of the reports at times fall short of Bank requirements. The loan agreement has four other conditions which are in the process of being fulfilled. The first condition concerning the compensation of the population is nearing completion: all the assessments have been made and submitted for approval by all the Willayas concerned. What remains is the compensation of certain sections of the population (which will take place before the end of 2004). The second condition regarding the signing of an agreement between EPEOR and the Sidi Bel Abbès EPDEMI has been overtaken by events since Oran will no longer be supplied from the Sidi Abdelli dam. The third condition concerning the reduction of the State's debts is being fulfilled and will be completed before the end of 2004. The last condition concerning sanitation studies in the three centres has been fulfilled for 2 centres; the study on the last centre will be completed before the end of 2004. The performance in terms of compliance with loan conditions may be considered satisfactory.

2.2.27 Procurement performance: The procurement of equipment and works as well as the recruitment of the consultant for works supervision and control were conducted according to Bank rules of procedure. The contracting contracts for the implementation of works and the consulting engineer were signed in February and April 2001, respectively. Bids were invited for the "Sidi Bel Abbès Network Rehabilitation" component. The ADE is in the process of analyzing bids received from contracting firms. Bid invitation in connection with support to the ADE and the Sidi Bel Abbès EPDEMI (Component I of the project) was issued on 31 August 2004 and bids were expected for the end of October 2004. The loan's procurement performance is highly satisfactory. However, ADE will request a one-year extension of the loan term (end of 2005), in order to finalize works on the

rehabilitation of the Sidi Bel Abbès network, and make supplies concerning support to ADE and the Sidi Bel Abbès EPDEMIAs.

2.2.28 Financial performance: The share of foreign exchange financed by the Bank represents 68% of the loan amount. The first disbursement on the loan was made on 19 May 2001. At the end of June 2004, the cumulative disbursements on the loan amounted to USD 44.16 million, or 63.1% of the total loan. The financial performance of the project is satisfactory.

2.2.29 Activities and Works: The implementation of works started in May 2001. The drinking water supply works were completed in April 2004 and at present, Sidi Bel Abbès as well as 7 other towns have steady drinking water supply. However, this project can only be completed in 2005 since Components I and J of the project, namely (i) institutional support (to ADE and the Sidi Bel Abbès EPDEMIAs) and (ii) the Sidi Bel Abbès distribution network rehabilitation works are not yet implemented. Furthermore, the authorities have decided to connect 3 more towns (initially not included in the project) which lie along the Sidi Abdelli – Sidi Bel Abbès corridor. The supply was made possible following the exclusion of the Oran agency, thanks to which a flow 115 l/s was saved. The performance in terms of output is satisfactory.

2.2.30 Impact on development: the project currently provides steady drinking water supply to Sidi Bel Abbès and 7 secondary localities situated along the supply lines, i.e. to a population of about 500,000 inhabitants. Upon completion, it will permit the supply of 3 other town (about 50,000 inhabitants), improvement of the conditions of operating the Sidi Bel Abbès network and reduction of water losses on this network. The performance is highly satisfactory.

2.2.31 Overall performance: The overall performance of the project is satisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Output	Impact on Development	Overall Assessment
Rating	2	3	2.5	2.5	3	<b>2.6</b>

### Telecommunications

2.2.32 Over the last two years, the posts and telecommunications sector in Algeria has undergone restructuring, resulting in the creation of new structures: Algérie Poste for postal and financial services of the Post Office; Algérie Telecom for telecommunications services and the Posts and Telecommunications Regulatory Agency (ARPT) for the regulation of the sector. Such reorganization has also permitted the opening of the sector to competition for certain telecommunications services; new operators are already present in the area of cellular phones, Internet service providers, VSAT etc. Competition in the sector has led to an increase in telephone penetration, lower service charges and access to telephones for a larger segment of the population.

2.2.33 In the telecommunications sector, the Bank is financing a project which essentially seeks to upgrade the telecommunications network, in order to render it ready to compete when the fixed telephone service will be open to competition, on the one hand, while facilitating the opening of the operators' capital to a strategic partner. The project also aims at providing institutional support to the Regulatory Authority (ARPT) which, in its current installation phase, requires operational capacities to ensure effective regulation of the sector.

## B.4 Project to Upgrade and Support the Telecommunications Sector

### Basic Administrative and Financial Data

Project No.: P-DZ-GB0-002

Loan No.: 2000120000097

<u>Loan amount:</u> USD 120.31 million (UA 82.06 million)	<u>Source:</u> <u>ADB:</u> UA 82.06 million <u>Government:</u> UA 25.35 million	<u>Disbursement:</u> 0  <u>Balance:</u> USD 120.31 million (UA 82.06 million)
<u>Date approved:</u> 03/07/2002	<u>Date signed:</u> 03/01/2003	<u>Date of entry into force:</u> 08/07/2003
<u>Deadline of final disbursement:</u> 31/12/2004	<u>Executing agencies:</u> - Algérie Télécom; and - Posts and Telecommunications Regulatory Authority (ARPT)	
<u>Audit report:</u> as from 2005	<u>Date of final supervision:</u> April 2004	
<u>Objective and description:</u> the specific objective of the project is to increase telecommunications services in quantity and quality by increasing teledensity from 5.95 lines per 100 inhabitants in 2001 to 10 lines per 100 inhabitants in 2005. The following output will contribute to attaining the project objective: (i) ARPT institution building; and (ii) upgrading of the national telecommunications network.		

2.2.34 Loan conditions: The loan agreement was signed on 3 January 2003 and became effective on 8 July 2003. The conditions precedent to first disbursement were fulfilled for the Algérie Télécom component and are in the process of being fulfilled for the ARPT. For the latter, what remains is the Bank's approval of the on-lending agreement covering part of the loan, with the Algerian Development Bank. Algérie Télécom fulfilled with a delay of six to twelve months, two of the three "other conditions" that are mandatory; the condition not yet fulfilled concerns the clearing of arrears which will feature in the opening balance sheet. The ARPT has not yet met the only "other condition" requiring it to forward to the Bank on 31 December 2003 at the latest, its staff training plan. It sent a provisional training plan to the Bank; the Bank in turn forwarded its comments to the ARPT on how to improve the final version of the document.

2.2.35 Procurement performance: procurement activities started considerably late owing, among other things, to the relocation of the Bank to Tunis (missions postponed, correspondence delayed) and the unfamiliarity of the two executing agencies with Bank rules of procedure on the procurement of goods, works and services. Algérie Télécom recruited a consulting firm; the contract was signed and sent to the Bank. The ARPT on 30 June 2004 issued an international bid invitation for the supply and installation of a computerized spectrum management system and a radio frequency spectrum control system. A second bid invitation was issued on 16 July 2004 for the procurement and installation of an information management system. The performance is unsatisfactory.

2.2.36 Financial performance: no commitment or disbursement has been made to date. With the award of the first contract (consultant for Algérie Télécom), disbursements will start before the end of 2004. They may be accelerated with the award, during the last quarter of 2004, of contracts resulting from the ARPT bid invitations. The financial performance is satisfactory.

2.2.37 Activities and output: the physical implementation is yet to start. However, it should be pointed out that owing to the urgent nature of certain procurements, Algérie Télécom has already procured certain equipment necessary for interconnection for new operators. The composition of the equipment to be acquired could then be modified, even as it remains compliant with the project's objective of upgrading the network. The performance is unsatisfactory.

2.2.38 Impact on development: the project will help meet major needs in the sector and make available modern and reliable means of communication to economic operators and the population. The environment thus created will permit the country to be competitive. Upon completion of the project, Algérie Télécom will have the technical and human capacities necessary for the development of the country's telecommunications networks and services. The performance may be considered satisfactory.

2.2.39 Overall performance: owing to delays in the project, the overall performance at present is unsatisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Output	Impact on Development	Overall Assessment
Rating	2	1.5	2	1.5	2	<b>1.8</b>

### C. INDUSTRY AND BANKING SECTOR

2.2.40 Since it commenced operations in Algeria, the Bank has financed 3 lines of credit in the industry and banking sector, for a total of UA 283.05 million, net of cancellations, or 19.01% of the Bank's net commitments as at 31 October 2004. The two lines of credit to "Crédit Populaire Algérien" approved respectively in 1988 and 1996 have been completed. A single operation is ongoing, namely the second line of credit at the BADR which will be completed end 2004.

2.2.41 The Bank's line of credit experience is very positive, both with regard to its implementation and impact on development. Accordingly, the possibility of granting new lines of credit was discussed, but the authorities have indicated that State-owned multi-purpose banks may no longer obtain State guarantees. Hence, discussions have been initiated with banks, notably on the possibility of granting loans without the State's guarantee.

## C.1 Second Line of Credit to the Agriculture and Rural Development Bank (BADR)

### Basic Administrative and Financial Data

Project No.: P-DZ-AAZ-003

Loan No.: 2000120000013 and 2000120000014

<u>Initial loan amount:</u> USD 105 million; and Euros 102 million (i.e. UA 156.17 million)	<u>Source:</u> ADB: UA 156.17 million Government: UA 432.06 million	<u>Disbursed amount:</u> (98.66%) USD 98.29 million; and Euros 102 million (i.e. UA 151.56 million) <u>Balance:</u> USD 6.71 million (UA 4.58 million)
<u>Date approved:</u> 07/07/99	<u>Date signed:</u> 06/06/00	<u>Date of entry into force:</u> 24/08/00
<u>Deadline of final disbursement:</u> 31/12/2004	<u>Executing agency:</u> Agriculture and Rural Development Bank (BADR)	
<u>Final audit report:</u> 2002 and 2003	<u>Date of final supervision:</u> October 2003	
<u>Objective and description:</u> The sector goal of this second line of credit is to contribute to private sector development. Part of the loan will permit capacity building in computerized management and the training of BADR staff.		

2.2.42 Fulfilment of loan conditions: the conditions precedent to entry into force were fulfilled on 24/08/2000, i.e. three months after its signature. Project activities commenced in July 2000 (one month following the signature of the loan agreement). All the loan conditions are fulfilled, namely: (i) transmission to the ADB for approval, not later than 31 December of each year, the training programme for the subsequent year; and (ii) transmission to the ADB, not later than 31 March of each year, the status of payments by the Treasury as at 31 December of the previous year, for the settlement of the arrears of restructured or liquidated enterprises. Regarding the general conditions, progress reports and audit reports of the project are regularly transmitted to the Bank. Compliance with the loan conditions is highly satisfactory.

2.2.43 Procurement performance: regarding the line of credit, procurements by sub-project beneficiaries were done in accordance with commercial practices in force in Algeria. Nonetheless, BADR ensured that the eligibility of suppliers and origin of goods complied with Bank rules and procedures. Concerning the institution building component, goods, works and services financed by the Bank are being procured in accordance with Bank rules of procedure. Apart from the first tranche which the Bank refused to reimburse due to non-compliance with procurement procedures, the other tranches met the loan agreement provisions, namely that computer hardware should be procured through international competitive bidding and that procurements conformed with Bank rules. Procurement performance is satisfactory.

2.2.44 Financial performance: the disbursement rate of the line of credit is 97.05%. The loan will be completely disbursed as at 31/12/2004. The sub-projects charged to the line of credit number 157 for an investment volume of about DZD 42.607 billion, or approximately USD 533 million. ADB contribution estimated at DZD 20.619 billion or approximately USD 229 million represents only 48.39% of total investments. Thus, the line of credit has permitted the mobilization of resources exceeding double the loan amount. The funds are from SME/SMI operators whose contributions often approach 50% of investment cost, instead of the 30% envisaged at appraisal. On the basis of the package allocated to sub-project financing estimated at USD 95 million and EUR 102 million (a USD

10 million envelope is reserved for the BADR computer hardware modernization programme ), the level of commitment is 100%. The financial performance is highly satisfactory.

2.2.45 Activities and output: the resources of the line of credit were essentially used for private sector development through the financing of sub-projects (157 in all) in different branches of activity, mainly industry and agro-industry. Furthermore, the line of credit set aside an envelope of about USD 10 million for enhancing the BADR's computer capacity and training. Accordingly, for the upgrading of the computer system, BADR has drawn up an equipment renewal programme in three batches over three years. The first two phases have been completed and will permit the renewal of basic equipment for 204 branches. Phase III is devoted to the renewal of equipment of the last 66 branches, the head office and the central departments. The performance may be considered highly satisfactory.

2.2.46 Impact on development: the BADR lending programme, partially financed from the ADB line of credit has permitted the modernization and increase of the means of production in agriculture, agro-industry and industry. The projects financed from this line of credit have contributed both to private sector development, notably the promotion and revival of SME/SMI, job creation, improvement of the living conditions of rural dwellers and poverty reduction. In terms of sector breakdown, 40% of the resources of the line of credit was used to finance over 80 SME/SMI in the agro-food and agro-industry sectors, while the industrial sector absorbed 58% of the financing. In the agro-food domain, the financing permitted the revival of certain productions such as flour, fats and oils, and packaging. For instance, the financing of some fifteen flour plants resulted in the attainment of self-sufficiency in semolina production (1.2 million tones). Concerning job creation, it should be pointed out that on the basis of the preliminary survey on nearly one hundred SME/SMI, the number of jobs created already exceeds 20,000. On the whole, the performance is highly satisfactory.

2.2.47 Overall performance: the overall project performance is highly satisfactory.

Indicators	Compliance with Loan Conditions	Procurement Performance	Financial Performance	Activities and Output	Impact on Development	Overall Assessment
Rating	3	2	3	3	3	<b>2.8</b>

### 2.3 Aging, Potentially Problematic and Problem Projects

2.3.1 Ageing projects: the average age of ongoing projects in Algeria is 3.33 years. The portfolio comprises no ageing project.

2.3.2 Problem projects or potentially problematic projects: in 2002, the Bank's portfolio in Algeria had one problem project, namely the construction of the Sidi Ben Taïba Irrigation Dam. At present, the project is completed, even if the physical output is not wholly finalized (80%). The final works will be financed from own resources. The opening of the dam is scheduled for the end of 2004.

2.3.3 The portfolio in 2004 comprises one problem project, i.e. the Koudiat Acerdoune Dam Construction Project. Special attention should be given to cost control and time-frames. This problem project represents 13.7% of the amount for ongoing projects.

## 2.4 Assessment of Supervision Frequency and Quality

2.4.1 Since the last portfolio review in 2002, the Bank has applied the directives requiring on average 1.5 supervision missions by project officials per year and per ongoing project, in spite of the large number of projects. The only problem-project (the Koudiat Acerdoune Dam Construction Project) received two supervision missions in May 2003 and September 2004.

2.4.2 The supervision missions enabled the Bank to establish with project officials working relations conducive to a rapid identification of solutions to the problems encountered by projects. Furthermore, over the last two years, the improved security situation has permitted visits to infrastructure project sites, thereby contributing to better supervision quality.

## 2.5 Cross-Cutting Issues

2.5.1 Environmental protection: all ongoing projects have been environmentally classified. . In accordance with the related Bank policy, accommodating measures have been included in the appraisal reports of certain projects. Regularly, especially during supervision missions, executing agencies are sensitized on the need to implement the measures aimed at preserving the environment. Over the past few years, such sensitization has had a favourable response especially as the Government is placing a high premium on environmental issues, with a full Ministry as well as an environmental and sustainable development policy being pursued intensely within the framework of the national plan adopted to that end.

2.5.2 Gender mainstreaming: almost all ongoing projects do not comprise specific aspects concerning gender-related disparity issues, as they are mostly public amenity projects designed to improve the living conditions of the population as a whole. However, certain projects will necessarily have a direct positive impact on the living and working conditions of women. For instance, the Sidi Bel Abbès Drinking Water Supply Project as well as the Gas Transportation and Distribution Project, through their respective impacts, will definitely contribute to significantly ease difficult household chores for certain categories of women.

2.5.3 Poverty reduction: through its 2001-2004 Economic Recovery Support Programme (PSRE), supplemented by the 2004-2009 Recovery Consolidation Plan (RCP), the Government has shown its determination to combat unemployment and poverty. Indeed, the high level of unemployment (the jobless rate is estimated at 28% in 2003 and 23% in 2004) and the transition towards a market economy (liberalization of prices, end of subsidies, European Union agreement) have further worsened the living conditions of the most vulnerable households. Fourteen per cent (14%) of the population live below the lower poverty line (USD 311/year) and there are marked inequalities (20% of the richest consume 43% of production as against 20% of the poorest who consume 8% of the production). Algeria, a middle-income country (USD 1,786 per inhabitant in 2003), ranks 107<sup>th</sup> out of 174 in the UNDP human development index. The projects in the Bank's current portfolio contribute to poverty reduction through jobs (creation of direct and indirect employment), access to basic commodities (water, gas) and development of wealth (support to SME/SMIs).

2.5.4 Regional integration. Algeria is a member of the Maghreb Arab Union. In the current portfolio of ongoing projects, there is no regional project concerning two or more member countries of the Maghreb Arab Union.

## 2.6 General Assessment of Portfolio Performance

2.6.1 The foregoing assessment of portfolio performance by project and by sector shows that the overall average of consolidated performance of the portfolio stands at 2.3. Consequently, in spite of the progress noted by the two parties during the review, the performance is at the 2002 level. Indeed, although the trend of ongoing projects in 2002 was highly satisfactory, delays and the slow start-up of new projects marked the two projects signed in 2003 neither of which has registered the first disbursement.

**Table 3**  
**Trend of Performance of Ongoing Projects**

Projects - Rating	Constantine Highway	Gas Transportation and Distrib.	KA RCC dam	Sidi Bel Abbes DWS	Support to telecoms	2 <sup>nd</sup> line of credit to BADR	2002 Projects average	Overall average
<b>2002</b>	-	2.7	1.8	2.5	-	2.4	2.4	-
<b>2004</b>	1.6	2.7 ↔	2 ↑	2.6 ↑	1.8	2.8 ↑	2.5 ↑	2.3

2.6.2 The 2002 portfolio review report noted an improvement in portfolio performance. However, it pointed out the persistence of some generic problems, namely: (i) the lack of communication between the Bank and the Ministry of Finance, the Algerian Development Bank and various executing agencies; (ii) the inadequate quality of audit reports prepared by the IGF; (iii) the few and irregular quarterly status reports sent; (iv) the difficulty encountered by the borrower in preparing project completion reports on time; (v) the difficulty of communicating through modern electronic means with the different structures involved in the management of Bank-financed projects; and (vi) the systematic non-separation of project accounts. There is an improvement in terms of the regularity of status and audit reports, separation of project accounts and preparation of completion reports. Conversely, the problems of communication and quality of audit reports require further action.

2.6.3 From 2002 to 2003, communication remained difficult, the main reasons being the slow processing of correspondence and the deferred programming of missions owing to the Bank's relocation to Tunis. However, as from the middle of 2003, following the relocation of the Bank to Tunis, communication improved markedly between the two parties and contacts between experts became frequent. The remaining difficulties mainly concern the programming of missions. Following numerous correspondence and a mutual will to work together, it was finally agreed that the dates of missions be discussed with the DGRFE before sending official mail, thanks to which it became easier to program missions. Furthermore, the country team recommended that a high-level mission should visit Algeria, which was done in mid-July 2004. Lastly, with the opening of a country office in Algiers, communication between the Bank and the Algerian party will improve considerably.

2.6.4 The March 2002 seminar in Algiers for IGF auditors and officers in charge of accounting management of ADB projects on "Bank Guidelines for Preparing Financial Reports and Reviewing Project Accounts" had a positive impact on the transmission of audit reports. However, while the reports submission rate is good, the reports do not always follow the format recommended by the Bank<sup>4</sup>. A specific training was requested by the IGF. Furthermore, an important point was raised by the IGF concerning delays in giving accounting information. As audits can only be conducted after the accounts have been closed off, any delay in disbursement notices from the Bank automatically entails delays in audit reports.

<sup>4</sup> The following cases of non-compliance with audit norms were noted in the reports prepared by the IGF: no letter to Management and no date and/or signature in certain reports.

2.6.5 Some improvement has been noted with regard to the problem of few and irregular quarterly progress reports, thanks mainly to the increased presence of the ADB besides executing agencies. The last activity reports received concern the first and second quarters of 2004.

2.6.6 Two completion reports have been drawn up (Electricity IV Project and Air Algérie Maintenance Base) and two others are scheduled for the end of 2004 (Sidi Ben Taïba Irrigation Dam Project and Construction of the EL Achir Tunnel). A standard completion report format was handed out to those concerned during the review mission of July 2004, and the latter undertook to communicate their reports to the Bank on time.

2.6.7 Concerning postal and telephone communication, the solution hinges on the modernization and change of the management method of telecommunications services in Algeria. The project to support the upgrading of the Posts and Telecommunications sector, financed by the Bank, will contribute to resolving this problem. The supervisory staff (Directors) of the Ministry of Finance are already connected to the internet.

2.6.8 The most successful projects of the portfolio are, in descending order, the Second Line of Credit to BADR, the Gas Transportation and Distribution Project and the Sidi Bel Abbès Drinking Water Supply Project. For these three projects, the executing agencies and supervisory ministries have been very satisfied with the output as well as the impact on the economy and the population. It should be recalled here that although these projects faced delays and slow start-up, once such problems were resolved, the projects were fully satisfactory. The contrast with the two new projects which have not yet obtained any disbursement is thus clear. The problem of unfamiliarity with Bank procurement and disbursement procedures by the new executing agencies should therefore be resolved immediately following entry into force of the projects (the agencies consider as insufficient the seminar organized during the launching). Meetings between the different executing agencies should also be planned, in order to build up experience and foster information exchange.

2.6.9 In 2002, the Bank's portfolio in Algeria comprised a problem project, namely the Sidi Ben Taïba Irrigation Dam. Once again, the problem project is a dam. The ANB must make every effort to improve the quality of studies prior to the implementation of major water works.

## **2.7 Disbursements**

2.7.1 As at 31 October 2004, the total amount disbursed stood at UA 1,276.12 million, i.e. 85.68% of commitments net of cancellations, which at the same date amounted to UA 1,489.36 million. The disbursement rate of ongoing projects as at 31 October 2004 was 53.88%. This disbursement rate does not reflect the dichotomy of the portfolio with, on the one hand, very advanced projects with disbursement rates of over 80%, and on the other hand, two new projects for which no disbursements have so far been made .

2.7.2 Delays in payment and transmission of disbursement records were reported by the client. Furthermore, the Algerian Development Bank does not systematically receive such records, whereas it is responsible for following up disbursements for most of the projects. Lastly, the records have been noted to contain errors, in particular entries of contract transactions not concerning the project in question. These have cast doubts as to the reliability of the documents. Such cases have been deplored by the Bank which was able to review the situation and furnish all the information required. The systematic transmission of disbursement records to the Algerian Development Bank will be given sustained attention. It might also be necessary to give the borrower access to the project transaction system.

### **III. ASSESSMENT OF PROJECT MANAGEMENT AND IMPLEMENTATION CAPACITY**

#### **3.1 Performance of the Government and Executing Agencies**

3.1.1 The improvement of implementation and management capacities of ongoing projects during the 2002 portfolio review by executing agencies resulted in better project performance and completion within the prescribed time-frame. Indeed, executing agencies have acquired great expertise in mastering the Bank's procurement and disbursement procedures. Their institutional stability and low turnover of supervisory staff have largely contributed to this.

3.1.2 In contrast, for the new project concerning the telecommunications sector, the inexperience of project officials of the Algerian party and the Bank's problem of having only one telecommunications expert for all the Maghreb countries partly account for the delays that occurred. Specific training on Bank procedures is required and was much requested by the two stakeholders (ARPT and Algérie Télécoms). The Procurement Department has received a request to provide training in Algeria for the two executing agencies. Concerning the Constantine Highway by-pass, the first contract has still not received the "non-objection" notice owing to non-compliance with Bank procedures, especially with regard to domestic preference.

#### **3.2 Bank's Performance**

3.2.1 During the period under review (2002-2004), the Bank stepped up its actions targeted at ageing and problem projects, permitting the completion of two of them at the beginning of 2004. Two other projects will be completed at the end of 2004. For these projects, the interventions are producing positive outcomes both in terms of physical output and socio-economic impact. The intensification of telephone communication with local officials, supervision missions, as well as speedy correspondence and systematic reminders have contributed to these results.

### **IV. COORDINATION OF ASSISTANCE WITH OTHER DONORS**

#### **4.1 Government Capacity to Coordinate External Assistance**

4.1.1 Since 1997, most external assistance is centralized at the General Directorate for External Financial Relations (DGRFE) within the Ministry of Finance, except for cooperation with the European Union which is managed by the Ministry of Foreign Affairs. The DGRFE is a very flexible and active structure, which coordinates and follows up external financing, the implementation and management of projects eligible for external financing. Periodically, the DGRFE organizes meetings with the executing agencies and representatives of their respective supervisory ministries to review project management and implementation, identify and solve pending problems with donors. In the supervisory ministries under which the different executing agencies of financed projects fall, the studies or planning departments are responsible for coordinating and following up projects. The DGRFE has specified the role of the Ministry of Finance in the new cooperation with the Bank and information centralization both with regard to programming of missions and discussions on prospects with sector departments.

4.1.2 In managing relations and actions with international donors, Algeria does not use a formal consultation mechanism such as round-tables or consultative groups. However, donors are sometimes involved as observers in certain national fora seeking to formulate policies on major economic and social issues. Such is the case, for instance, with the migratory locust control. However, such lack of a formal consultation mechanism at Government level does not prevent the different donors operating in

the country from consulting bilaterally and regularly. Such consultations exist between the ADB and the Bretton Woods institutions, the FAO, the UNDP and the European Union. They consist in exchanging views on issues of economic and social development in Algeria, and quantitative and qualitative information exchange. Like the Bank, the EIB and the ADF were informed of the new approach to cooperation with international donors, namely centralization by the Ministry of Finance.

## **4.2 Assessment of the Bank's Coordination with Other Donors**

4.2.1 Co-financing of projects with other donors is a policy instrument which was adopted for the implementation of the 2000-2002 CSP operating strategy. However, in spite of the numerous and fruitful discussions which the Bank held with the other donors represented in Algeria or otherwise, no decision was taken to co-finance new operations. It should be noted that generally speaking, the co-financing of project loans is extremely rare in Algeria.

4.2.2 In mid-2003, the World Bank invited the Bank to collaborate with it in preparing the Public Expenditure Review (PER). As the implementation of this task is subject to approval of the dates by the Algerian authorities, the mission has been postponed several times and is still pending. The EIB has also approached the Bank, and a first contact meeting was held in Algiers in July 2004.

## **4.3 Assessment of Co-financiers**

4.3.1 The Bank's portfolio does not include any co-financed project. In the absence of co-financed projects in Algeria, the other donors are willing to share with the Bank the experience acquired in operations that they finance in the country, just as they place at the Bank's disposal, information and sector studies whose contents contribute to the quality of appraisals of Bank-financed projects.

## **V. LOAN REPAYMENTS AND SUBSCRIPTION TO THE BANK'S CAPITAL**

5.1 Algeria has no outstanding loan repayments or subscriptions to the Bank's capital. Algeria has always fulfilled its financial obligations vis-à-vis the Bank promptly.

5.2 For internal reasons connected to its external debt management, Algeria made an early reimbursement of its debt at the beginning of 2004, amounting to UA 415.73 million. There are twelve projects concerned, namely the three multisector programmes, the social sector project, four transport sector projects, three agricultural sector projects and one public utility project (cf. Annex VIII for details of the operations concerned).

## VI. MEASURES TO IMPROVE PORTFOLIO QUALITY

### 6.1 Potential Problems and Solutions

6.1.1 Efforts by the two parties to improve portfolio performance have not resolved all the problems noted during the last portfolio review and the different recommendations that were formulated then have not all been implemented.

6.1.2 The Vice-President's visit to Algiers on 17 to 18 July 2004 had a positive impact on communication between Algeria and the Bank, but contact should be maintained on a regular basis. The opening of the country office will also contribute to further strengthen communication. Furthermore, it was recommended that the mission program be organized in collaboration with the DGRFE, for greater effectiveness.

6.1.3 Regarding the quality of audit reports, following AUDT's mission to Algeria in September 2004, there was agreement to conduct specific training for the IGF. The dates have not yet been fixed. To resolve the problem provisionally, the mission handed out model audit reports to IGF staff in order to help them in drafting reports. Furthermore, it will be necessary to involve the IGF more closely in the portfolio follow-up and management activities (participation in supervision and review missions).

**Table 4**

#### Assessment of the Implementation of Recommendations of the Previous Portfolio Review

RECOMMENDATIONS OF THE 2002 REVIEW	DONE	NOT DONE	REMARKS
Pursue and step up efforts to improve communication between the Bank, the Ministry of Finance, the Algerian Development Bank and the different executing agencies.	As from the 2 <sup>nd</sup> half of 2003		The opening of the national office will be a key factor
Maintain the practice of making available adequate working capital for certain projects.	For certain projects		
Communicate loan disbursement records to the Government regularly.	At executing agency level	At the Algerian Development Bank level	
Contribute to the formulation of terms of reference of the mission of each audit concerning a Bank-financed project.		Documents were distributed during the March 2002 seminar.	A standard format was given during the July 2004 mission pending the organization of specific training.
Organize, at least once every two years, a financial supervision mission for ongoing projects.	Done		
Systematize at least once a year, a dialogue mission on the portfolio.	Done		Notably during supervisions.
Provide for training on rules and procedures on the procurement of goods and works during each launching mission.	Seminars organized for new projects at launching		The new executing agencies desire in-depth training.
Strictly implement the portfolio improvement plan which was drawn up following the present portfolio review and use it as a key dialogue tool with Algerian authorities on the inadequacies of the portfolio.	Done		
Produce and transmit to the Bank, the audit reports for 2000.	Done		
Institute an accounting system for Bank-financed projects.	For new projects		
Implement the different recommendations of the supervision missions.	Followed up by the Ministry of Finance.		
Implement the different recommendations of project audit reports.	For certain projects		

Thoroughly examine the works implementation capacity of contracting firms selected to implement project works.	Systematically during supervision missions and confirmed in completion reports		
Improve the programming of projects to be proposed to the Bank for financing to permit more careful preparation and appraisal of new projects.		No action taken to that end	The Ministry of Finance informed the Bank that it is the only agency empowered to discuss the cooperation framework with the Bank

6.1.4 Lastly, the difficulties encountered in the construction of the Koudiat Acerdoune dam highlight the recurrent problem of quality of project feasibility studies. It is recommended that in-depth studies be conducted prior to project implementation, in particular for major water works.

## 6.2 Action Plan to Improve Portfolio Performance

The detailed action plan to improve Bank portfolio performance and the implementation schedule is presented in Annex V. Its purpose is to respond to the four generic problems of the portfolio, namely: (i) communication; (ii) audit report quality; (iii) unfamiliarity of the new agencies with Bank procedures for disbursements and procurement of goods and services; and (iv) technical difficulties encountered in the implementation of water works.

## 6.3 Lessons Drawn for Future CSPs and Portfolio Review

6.3.1 This portfolio review has shown the positive effects of the recommendations made by the 2002 portfolio review report. The increase in the number of portfolio supervision and dialogue missions, as well as the efforts made to improve communication between the Bank and executing agencies have been fruitful. The two parties have also agreed on the importance of project preparation, with special emphasis on the quality of technical studies in order to avoid the problems of amendments encountered in the past.

6.3.2 The Government has once again reiterated its desire to see an improved portfolio performance, with new cooperation in view. It informed the mission that cooperation would henceforth focus on technical assistance in the areas of expertise and support to private sector development. This new cooperation must fall within a well defined framework coordinated by the Ministry of Finance.

6.3.3 Lastly, it should be noted that among the operations financed in Algeria, the reform programmes were implemented within the set time-frames and attained their objectives - a very positive experience for the Bank in that domain with Algeria. Considering the major reform projects ongoing in Algeria, the Bank will be able to provide its assistance in the form of "support to reforms". Similar experiences in neighbouring countries, namely Morocco and Tunisia, notably in terms of financial reforms and competitiveness could be shared and adapted to the Algerian situation.

## VII. CONCLUSION AND RECOMMENDATIONS

### 7.1 Conclusion

7.1.1 The portfolio review has permitted a detailed examination of all ongoing operations in Algeria. The average rating of 2.3 obtained following the assessment of the entire portfolio reflects the satisfactory overall management and implementation noted since 2000 by the different supervision, monitoring and review missions. However, it does not show the wide performance disparity between projects which attain or even exceed their objectives, on the one hand, and those which are blocked or face start-up difficulties and delays, on the other hand. Accordingly, the current objective with regard to the portfolio is to improve its quality by accelerating the effective take-off of new projects and strengthen the supervision of problem projects.

7.1.2 Furthermore, the assessment of the social impact of projects remains sketchy, given the lack of specific criteria defined at project appraisal. It would therefore be necessary during appraisal of future projects to clearly specify and define social impact indicators, giving their *ex-ante* level, the level at appraisal, and spelling out the calculation method for *ex-post* assessment.

### 7.2 Recommendations

In the light of the foregoing review, the following recommendations are made to the two parties:

#### The Bank:

- Pursue and step up efforts to improve communication between the Bank, the Ministry of Finance, the Algerian Development Bank and the different executing agencies, through (i) upstream discussions for the scheduling of these missions (at the DGRFE for the Algerian party and ONCB for the Bank); and (ii) relying on the Executive Director's Office, where necessary;
- Organize training for IGF staff, systematically formulate terms of reference for the mission of each auditor of bank-financed projects and ensure that the IGF is the first recipient of a copy thereof;
- Organize training for the new agencies (ARPT and Algérie Télécom) on the rules of procedure for the procurement of goods and works;

#### The Government

- Further strengthen communication between the Bank, the Ministry of Finance, the Algerian Development Bank and different executing agencies, notably by using the electronic mail system;
- Ensure the regular submission and improvement of the quality of audit reports;
- Ensure the institution of an accounting system for Bank-financed projects;
- Organize meetings between the Bank and the executing agencies during specific missions in order to build up experience in the procurement of goods and services;
- Ensure compliance with loan disbursement schedules and project implementation schedules by executing agencies;
- Improve the quality of engineering studies prior to project implementation, particularly for major water works.

#### Specific recommendation

- Finalize the study on the reorganization of the ANB and ensure that the recommendations are implemented.

**ALGERIA: LIST OF BANK GROUP OPERATIONS**  
**(in UA million)**

PROJECTS	GROSS LOANS		CANCELLATIONS		NET LOANS		DISBURSEMENTS		% DISBURSEMENTS		APPROV.	SIGNAT.	EFFECTIVENESS	CLOSURE	REMARKS
	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF	ADB	ADF					
<b>1 AGRICULTURE</b>															
BOUNAMOUSA I	3.00	0.00	0.00	0.00	3.00	0.00	3.00	0.00	100.00	0.00	23/03/71	08/02/72	30/06/72	31/12/75	Completed
BOUNAMOUSA II	2.40	0.00	0.00	0.00	2.40	0.00	2.40	0.00	100.00	0.00	11/06/73	16/01/74	06/10/74	31/03/81	Completed
Line of credit at BADR	60.00	0.00	4.70	0.00	55.30	0.00	55.30	0.00	100.00	0.00	22/12/86	03/10/87	01/08/88	31/12/94	Completed
Poultry Development Programme	96.80	0.00	1.88	0.00	94.92	0.00	94.92	0.00	100.00	0.00	14/12/87	24/01/89	09/04/92	31/12/97	Completed/PCR prepared
Mid-Chelif Development Programme	68.16	0.00	53.32	0.00	14.84	0.00	14.84	0.00	100.00	0.00	18/04/89	30/03/90	24/05/91	31/12/98	Completed
Harba Irrigation Scheme Study	0.00	0.69	0.00	0.69	0.00	0.00	0.00	0.00	0.00	0.00	01/05/93	02/08/93			Cancelled
Sidi Ben Taiba Dam	50.60	0.00	33.37	0.00	17.23	0.00	17.23	0.00	100.00	0.00	31/08/93	17/09/93	24/05/94	31/12/03	Ongoing
Total 1	280.96	0.69	93.27	0.69	187.69	0.00	187.69	0.00	100.00	0.00					
<b>2 TRANSPORT</b>															
El Goléa In Sala Road	3.00	0.00	0.00	0.00	3.00	0.00	3.00	0.00	100.00	0.00	21/07/71	02/08/72	15/05/72	31/12/75	Completed
Air Algérie Maintenance Base	40.17	0.00	0.38	0.00	39.79	0.00	39.79	0.00	100.00	0.00	18/09/89	02/07/91	27/08/91	31/12/99	Completed/PCR prepared
New El Achir Tunnel	49.08	0.00	0.79	0.00	48.29	0.00	48.29	0.00	100.00	0.00	17/06/91	11/03/91	06/03/93	31/12/01	Completed
El Achir II Tunnel	19.06	0.00	14.35	0.00	4.71	0.00	4.71	0.00	100.00	0.00	31/11/00	5/10/01	12/03/02	31/12/04	Ongoing
Road Reinforcement	36.00	0.00	20.72	0.00	15.28	0.00	15.28	0.00	100.00	0.00	25/03/92	26/11/92	05/06/93	31/12/99	Completed
Djen Djen Port Equipment	21.80	0.00	2.22	0.00	19.58	0.00	19.58	0.00	100.00	0.00	24/11/93	31/03/94	15/06/95	31/12/99	Completed
Constantine Highway By-pass Phase 1	25.75	0.00	1.22	0.00	24.53	0.00	24.53	0.00	100.00	0.00	22/11/95	15/05/96	13/02/97	31/12/00	Completed
Constantine Highway By-pass Phase 2	52.41	0.00	0.00	0.00	52.41	0.00	0.00	0.00	0.00	0.00	4/12/02	02/06/03	24/11/03	31/12/07	Ongoing
Total 2	247.27	0.00	39.68	0.00	207.59	0.00	155.17	0.00	74.75	0.00					
<b>3 PUBLIC UTILITIES</b>															
Electricity I	5.00	0.00	0.00	0.00	5.00	0.00	5.00	0.00	100.00	0.00	02/10/76	04/05/76	30/05/78	31/12/80	Completed
Electricity II	5.00	0.00	1.62	0.00	3.38	0.00	3.38	0.00	100.00	0.00	28/12/77	13/02/78	30/10/80	31/12/80	Completed
Electricity III	5.00	0.00	0.67	0.00	4.33	0.00	4.33	0.00	100.00	0.00	31/08/93	23/10/78	30/11/81	31/12/80	Completed
Koudiat Acerdoune Rock-fill Dam	106.40	0.00	97.24	0.00	9.16	0.00	9.16	0.00	100.00	0.00	31/08/93	17/09/93	08/01/94	31/12/99	Cancelled
Koudiat Acerdoune Compacted Concrete Dam	59.66	0.00	0.00	0.00	59.66	0.00	21.22	0.00	35.57	0.00	04/10/00	24/04/01	01/08/01	31/12/04	Ongoing*
Electricity IV Project	57.70	0.00	2.94	0.00	54.77	0.00	54.77	0.00	100.00	0.00	20/09/94	01/09/95	09/04/95	30/06/01	Completed/PCR prepared
Gas Transportation and Distribution	102.72	0.00	63.84	0.00	38.87	0.00	32.56	0.00	83.75	0.00	08/07/98	14/12/98	05/07/99	31/12/04	Ongoing
Sidi Bel Abbes DWS	47.77	0.00	0.00	0.00	47.77	0.00	30.12	0.00	63.06	0.00	12/09/98	27/05/99	04/05/00	31/12/04	Ongoing*
Total 3	389.25	0.00	166.31	0.00	222.95	0.00	160.54	0.00	72.01	0.00					
<b>4 TELECOMS</b>															
Sector Upgrade and Support	82.06	0.00	0.00	0.00	82.06	0.00	0.00	0.00	0.00	0.00	03/07/02	03/01/03	03/07/03	31/12/07	Ongoing
Total 4	82.06	0.00	0.00	0.00	82.06	0.00	0.00	0.00	0.00	0.00					

<b>5 INDUSTRY AND BANKING</b>															
Line of Credit to CPA	40.00	0.00	0.58	0.00	39.42	0.00	39.42	0.00	100.00	0.00	23/08/88	02/10/89	01/05/90	30/06/95	Completed
CDTA Institution Building	0.00	1.44	0.00	1.44	0.00	0.00	0.00	0.00	0.00	0.00	27/01/92	05/08/92			Cancelled
Second Line of Credit to CPA	100.00	0.00	12.54	0.00	87.46	0.00	87.46	0.00	100.00	0.00	12/10/96	05/07/97	18/07/97	31/12/00	Completed
Second Line of Credit to BADR	156.17	0.00	0.00	0.00	156.17	0.00	151.56	0.00	97.05	0.00	07/07/99	06/06/00	28/08/00	31/12/04	Ongoing
<b>Total 5</b>	<b>296.17</b>	<b>1.44</b>	<b>13.12</b>	<b>1.44</b>	<b>283.05</b>	<b>0.00</b>	<b>278.44</b>	<b>0.00</b>	<b>98.37</b>	<b>0.00</b>					
<b>6 SOCIAL</b>															
Strengthening of Technical Education	81.00	0.61	22.63	0.00	58.37	0.61	46.57	0.25	80.63	41.00	18/12/89	26/07/91	06/12/92	30/06/00	Completed/PCR prepared
<b>Total 6</b>	<b>81.00</b>	<b>0.61</b>	<b>22.63</b>	<b>0.00</b>	<b>58.37</b>	<b>0.61</b>	<b>46.57</b>	<b>0.25</b>	<b>80.63</b>	<b>41.00</b>					
<b>7. MULTISECTOR</b>															
Economic Enhancement Programme	150.00	0.00	0.05	0.00	149.95	0.00	149.95	0.00	100.00	0.00	17/04/90	30/05/90	16/07/90	30/06/94	Completed/PCR prepared
PACEF	150.00	0.00	2.98	0.00	147.02	0.00	147.02	0.00	100.00	0.00	24/06/92	08/07/92	12/10/92	30/06/97	Completed/PCR prepared
Structural Adjustment Programme	150.00	0.00	0.00	0.00	150.00	0.00	150.00	0.00	100.00	0.00	12/10/96	27/03/97	29/06/97	31/12/99	Completed/PCR prepared
<b>Total 7</b>	<b>450.00</b>	<b>0.00</b>	<b>3.03</b>	<b>0.00</b>	<b>446.97</b>	<b>0.00</b>	<b>446.97</b>	<b>0.00</b>	<b>100.00</b>	<b>0.00</b>					
<b>GRAND TOTAL (1 to 7)</b>	<b>1826.71</b>	<b>2.74</b>	<b>338.652</b>	<b>2.13</b>	<b>1488.07</b>	<b>0.61</b>	<b>1275.36</b>	<b>0.25</b>	<b>85.71</b>	<b>41.00</b>					

**SUMMARY OF PERFORMANCE BY SECTOR AND BY PROJECT**

<i>SECTOR/PROJECT</i>	<i>Loan Conditions</i>	<i>Procurement of Goods and Services</i>	<i>Financial Performance</i>	<i>Activities and Output</i>	<i>Impact on Development</i>	<i>Overall Assessment</i>
<b>TRANSPORT SECTOR</b>	<b>2.5</b>	<b>1</b>	<b>1.3</b>	<b>1.5</b>	<b>2</b>	<b>1.6</b>
1. Constantine Highway	2.5	1	1.3	1.5	2	1.6
<b>PUBLIC UTILITIES SECTOR</b>	<b>2.1</b>	<b>2.7</b>	<b>2.3</b>	<b>2.1</b>	<b>3</b>	<b>2.4</b>
2. Gas Transportation and Distribution	2.3	3	2.5	2.8	3	2.7
3. Koudiat Acerdoune Dam	2	2	2	1	3	2.0
4. Sidi Bel Abbes Dam	2	3	2.5	2.5	3	2.6
<b>TELECOMMUNICATIONS</b>	<b>2</b>	<b>1.8</b>	<b>2</b>	<b>1.5</b>	<b>2</b>	<b>1.8</b>
5. Sector Support	2	1.5	2	1.5	2	1.8
<b>INDUSTRY AND BANKING SECTOR</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2.8</b>
6. Second Line of Credit to BADR	3	2	3	3	3	2.8
<b>OVERALL AVERAGE</b>	<b>2.3</b>	<b>2.1</b>	<b>2.2</b>	<b>2.0</b>	<b>2.7</b>	<b>2.3</b>

**CONSTANTINE HIGHWAY PROJECT**

PROJECT PERFORMANCE CRITERIA	
Indicators	RATING
A. Loan conditions	
Compliance with loan conditions precedent to entry into force	3
Compliance with general conditions	2
Compliance with other conditions	
B. Procurement of goods and services	
Procurement of consultancy services	-
Procurement of goods and works	1
C. Financial performance	
Availability of foreign exchange	3
Availability of local currency	1
Disbursement flows	0
Cost management	-
Performance of co-financers	-
D. Activities and works	
Adherence to implementation schedule	1
Performance of technical assistance	-
Performance of contractors	-
Performance of project management	2
E. Impact on development	
Likelihood of achieving project objectives	2
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	-
Likely contribution of the project towards an increase in institutional capacity	-
Expected rate of return	-
F. Overall assessment	<b>1.6</b>
At present	
Trend over time	
Legend:	
3 = Highly satisfactory	
2 = Satisfactory, occasional problems	
1 = Unsatisfactory, the Bank should monitor closely	
0 = Highly unsatisfactory, serious problems	

**GAS TRANSPORTATION AND DISTRIBUTION PROJECT**

PROJECT PERFORMANCE CRITERIA	RATING	
	Previous Report	Current Report
Indicators		
A. Loan conditions		
Compliance with loan conditions precedent to entry into force	3	3
Compliance with general conditions	-	2
Compliance with other conditions	-	2
B. Procurement of goods and services		
Procurement of consultancy services	-	3
Procurement of goods and works	3	3
C. Financial performance		
Availability of foreign exchange	3	3
Availability of local currency	3	3
Disbursement flows	-	2
Cost management	-	2
Performance of co-financers	-	-
D. Activities and works		
Adherence to implementation schedule	2	3
Performance of technical assistance	-	3
Performance of contractors	-	3
Performance of project management	2	2
E. Impact on development		
Likelihood of achieving project objectives	3	3
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	3	3
Likely contribution of the project towards an increase in institutional capacity	2	3
Expected rate of return	2	3
F. Overall assessment		
At present	<b>2.7</b>	<b>2.7</b>
Trend over time	3	
Legend:		
3 = Highly satisfactory		
2 = Satisfactory, occasional problems		
1 = Unsatisfactory, the Bank must monitor closely		
0 = Highly unsatisfactory, serious problems		

**KOUDIAT ACERDOUNE COMPACTED CONCRETE DAM PROJECT**

PROJECT PERFORMANCE CRITERIA	RATING	
	Previous Report	Current Report
A. Loan conditions		
Compliance with loan conditions precedent to entry into force	1	3
Compliance with general conditions	2	1
Compliance with other conditions	2	2
B. Procurement of goods and services		
Procurement of consultancy services	2	2
Procurement of goods and works	2	2
C. Financial performance		
Availability of foreign exchange	NA	3
Availability of local currency	3	3
Disbursement flows	0	2
Cost management	2	0
Performance of co-financers	NA	NA
D. Activities and output		
Adherence to implementation schedule	0	0
Performance of technical assistant(s)	2	1
Performance of contractors	2	2
Performance of project management	1	1
E. Impact on development		
Likelihood of achieving project objectives	2	3
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	3	3
Likely contribution of the project towards an increase in institutional capacity	2	3
Expected rate of return	2	3
F. Overall assessment		
At present	<b>1.8</b>	<b>2.0</b>
Trend over time	2	
Legend:		
3 = Highly satisfactory		
2 = Satisfactory, occasional problems		
1 = Unsatisfactory, the Bank must monitor closely		
0 = Highly unsatisfactory, serious problems		

**SIDI BEL ABBES DRINKING WATER SUPPLY PROJECT**

PROJECT PERFORMANCE CRITERIA	RATING	
	Previous Report	Current Report
Indicators		
A. Loan conditions		
Compliance with loan conditions precedent to entry into force	2	2
Compliance with general conditions	2	2
Compliance with other conditions		2
B. Procurement of goods and services		
Procurement of consultancy services	3	3
Procurement of goods and works	3	3
C. Financial performance		
Availability of foreign exchange	3	3
Availability of local currency	3	3
Disbursement flows	2	2
Cost management	2	2
Performance of co-financers		
D. Activities and output		
Adherence to implementation schedule	2	2
Performance of technical assistant(s)		3
Performance of contractors		3
Performance of project management	2	2
E. Impact on development		
Likelihood of achieving project objectives	3	3
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	2	3
Likely contribution of the project towards an increase in institutional capacity	2	3
Expected rate of return	2	3
F. Overall assessment		
At present	<b>2.54</b>	<b>2.6</b>
Trend over time	2.59	
Legend:		
3 = Highly satisfactory		
2 = Satisfactory, occasional problems		
1 = Unsatisfactory, the Bank must monitor closely		
0 = Highly unsatisfactory, serious problems		

**TELECOMMUNICATIONS SECTOR SUPPORT PROJECT**

PROJECT PERFORMANCE CRITERIA	
Indicators	RATING
A. Loan conditions	
Compliance with loan conditions precedent to entry into force	3
Compliance with general conditions	2
Compliance with other conditions	1
B. Procurement of goods and services	
Procurement of consultancy services	2
Procurement of goods and works	1
C. Financial performance	
Availability of foreign exchange	3
Availability of local currency	3
Disbursement flows	0
Cost management	-
Performance of co-financers	-
D. Activities and output	
Adherence to implementation schedule	1
Performance of technical assistant(s)	-
Performance of contractors	-
Performance of project management	2
E. Impact on development	
Likelihood of achieving project objectives	2
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	-
Likely contribution of the project towards an increase in institutional capacity	2
Expected rate of return	
F. Overall assessment	<b>1.8</b>
At present	
Trend over time	
Legend:	
3 = Highly satisfactory	
2 = Satisfactory, occasional problems	
1 = Unsatisfactory, the Bank must monitor closely	
0 = Highly unsatisfactory, serious problems	

**SECOND LINE OF CREDIT AT BADR**

PROJECT PERFORMANCE CRITERIA	RATING	
	Previous Report	Current Report
A. Loan conditions		
Compliance with loan conditions precedent to entry into force	3	3
Compliance with general conditions	2	3
Compliance with other conditions		
B. Procurement of goods and services		
Procurement of consultancy services	NA	NA
Procurement of goods and works	2	2
C. Financial performance		
Availability of foreign exchange	2	3
Availability of local currency	2	3
Disbursement flows	2	3
Cost management	2	3
Performance of co-financers		
D. Activities and output		
Adherence to implementation schedule	3	3
Performance of technical assistant(s)	NA	NA
Performance of contractors	NA	NA
Performance of project management	2	3
E. Impact on development		
Likelihood of achieving project objectives	3	3
Likelihood that benefits will be realized and sustained beyond the investment stage of the project	3	3
Likely contribution of the project towards an increase in institutional capacity	3	3
Expected rate of return	NA	NA
F. Overall assessment		
At present	<b>2.4</b>	<b>2.8</b>
Trend over time	2.5	
Legend:		
3 = Highly satisfactory		
2 = Satisfactory, occasional problems		
1 = Unsatisfactory, the Bank must monitor closely		
0 = Highly unsatisfactory, serious problems		

**PERFORMANCE INDICATORS**

<b>INDICATORS</b>	<b>2000</b>	<b>2002</b>	<b>2004*</b>
<b>Overall portfolio</b>			
Number of projects	28	31	32
Net commitments (in UA million)	1,499.19	1,466.16	1,489.36
Disbursements (in UA million)	904.76	1,129.66	1,276.12
Disbursement rate	60.35%	77%	85.68%
Number of problem projects	5	1	1
<b>Ongoing projects</b>			
Number of active projects	11	10	6
Net commitments (UA in million)	618.98	596.28	436.95
Disbursement rate	37.51%	44.46%	53.88%
Average age of projects	4.7	6.2	3.33
Performance rating	2.1	2.3	2.3

\* As at 31 October 2004, excluding emergency grants

**ALGERIA: MATRIX OF MEASURES TO IMPROVE PORTFOLIO PERFORMANCE**

	<b>Problems Encountered</b>	<b>Actions Taken</b>	<b>Actions required</b>	<b>Indicator</b>	<b>Date</b>
<b><u>Generic Problems</u></b>					
Communication between the Bank and the Algerian party, programming of missions.	Lack of communication and harmonization of mission programmes, resulting in postponements and modifications.	<ul style="list-style-type: none"> <li>- Follow-up of initiated correspondence.</li> <li>- Exchange of information with executing agencies.</li> <li>- Priority given to direct contacts between the Bank's task managers and national project managers.</li> </ul>	<ul style="list-style-type: none"> <li>- Centralization of mission programming at the DGRFE for the Algerian party and at ONCB for the Bank.</li> <li>- Maintain contact through frequent phone calls and information exchange.</li> <li>- Discuss and seek solutions prior to official correspondence.</li> </ul>	<ul style="list-style-type: none"> <li>- ONCB centralizes the management of mission programming</li> </ul>	From July 2004
Transmission of disbursement-related documents	Omission of certain addressees and errors in the disbursement records.	<ul style="list-style-type: none"> <li>- Working session on documents</li> <li>- Latest records provided</li> </ul>	<ul style="list-style-type: none"> <li>- Update the list of addressees.</li> <li>- Check the quality of records to be transmitted.</li> </ul>	<ul style="list-style-type: none"> <li>- BalD receives records</li> <li>- Records are reliable.</li> </ul>	From 3 <sup>rd</sup> quarter of 2004 From 3 <sup>rd</sup> quarter of 2004
Lack of specific terms of reference for each project audit.	Poor quality of reports, a standard format for project audit terms of reference, whereas specific TORs were adopted, delays in transmitting reports.	<ul style="list-style-type: none"> <li>- Model report format provided.</li> </ul>	<ul style="list-style-type: none"> <li>- Specific training for IGF workers</li> <li>- Formulation of TORs for the audit of each project</li> <li>- Involvement of auditors in supervision missions.</li> <li>- Transmission of disbursement notices on time.</li> </ul>	<ul style="list-style-type: none"> <li>- Training undertaken</li> <li>- TORs drawn up</li> <li>- IGF present</li> <li>- Dates of dispatch of notices</li> </ul>	1 <sup>st</sup> half of 2005  During missions
Procurement and disbursements.	Unfamiliarity with Bank procedures on disbursement and procurement of goods and services procurement.	<ul style="list-style-type: none"> <li>- Seminar on procedures at every project launch.</li> </ul>	<ul style="list-style-type: none"> <li>- Specific training of PPRU and FFCO for new project executing agencies.</li> <li>- Follow-up by project officers (telephone, correspondence, missions)</li> </ul>	<ul style="list-style-type: none"> <li>- Training undertaken</li> <li>- Time of reply to mail.</li> </ul>	1 <sup>st</sup> half of 2005

Difficulties in communicating through modern electronic means with the different structures involved in managing Bank-financed projects.	Non-systematic connection to the Internet.	- Support to the telecom sector.		- Number of agencies and partners connected to the Internet.	2006
Late provision of financial information to executing agencies by the Bank's services in charge of disbursements.		- Systematic sending of monthly disbursement summary.	- Processing disbursement requests on time. - Systematic sending of disbursement notices to those concerned and to the Ministry of Finance. - Direct contact with project accountants or financiers.	- Response time for a disbursement request.	
<b><u>Specific Problems</u></b>					
Constantine II Highway Bypass	Slow start-up, errors in bid evaluation on the basis of domestic preference.	- Explanatory correspondence - Discussions with officials	- Transmit the certified translation of the document for the conditions for first disbursement concerning compensation of the population. - Repeat bid analysis in accordance with Bank procedures. - Award the contract.	- Translation forwarded  - "Non-objection" notice from the Bank. - Commencement of works.	End 2004  End 2004 Early 2005
Telecommunications Sector Support and Upgrade.	Slow start-up, unfamiliarity with Bank procedures.	- Intensification of supervision missions.	- Specific training for project officers - Increase the number of telecoms experts at the Bank.	- Training undertaken - Recruitment of a telecoms expert.	1 <sup>st</sup> half of 2005 2005
Koudiat Acerdoune Compacted Concrete Dam	Landslide, re-assessment of technology, costs and time-frames.	- Studies under way.	- Draw up a plan of action following the site meeting of 7 and 8 September 2004.	- Proposal adopted - Implementation of the plan of action	November 2004 2005
Sidi Bel Abbes DWS.	Delay in implementing Component J.		- Submit a request for a one-year extension.	- Extension request granted	End 2004

**ALGERIA: PORTFOLIO REVIEW - MATRIX OF COMMON PROBLEMS**

<b>Common Problems</b>	Constantine II Highway Bypass	Gas Transportation and Distribution	Koudiat Acerdoune Compacted Concrete Dam	Sidi Bel Abbès Drinking Water Supply	Telecommunications Sector Support and Upgrade	Second Line of Credit to BADR
Lack of communication		x	x		x	
Unfamiliarity with procurement procedures	x				x	
Regularity and reliability of bank's disbursement notices		x	x	x		
Quality of audit reports submitted to the Bank		x	x	x		
Delayed physical implementation			x	x		
Slow start-up	x				X	x
Delayed entry into force	X	X	X			X

**ALGERIA: PORTFOLIO REVIEW - MATRIX OF CROSS-CUTTING ISSUES**

<b>Cross-Cutting Issues</b>	Constantine Phase II Highway Bypass	Gas Transportation and Distribution	Koudiat Acedoune Compacted Concrete Dam	Sidi Bel Abbès Drinking Water Supply	Telecommunications Sector Support and Upgrade	Second Line of Credit to BADR
Environment	X	X	X	x		
Gender mainstreaming	X	X	x	x	X	X
Participatory approach		X		x		
Poverty reduction	X	X	x	x	X	X
Population		x	x	x		

## LIST OF PROJECTS CONCERNED BY THE ADVANCE REPAYMENT

Loan No.	Project title	Currency	Currency			UA Equivalent		
			Principal	Charges	Total	Principal	Charges	Total
2000190000012	KOUDIAT ACERDOUNE DAM CONSTRUCTION	EUR	3,869,999.47	152,563.97	4,022,563.44	3,288,019.94	129,621.04	3,417,640.98
2000190000012	KOUDIAT ACERDOUNE DAM CONSTRUCTION	JPY	233,357,516.00	8,029,281.00	241,386,797.00	1,467,888.13	50,506.57	1,518,394.70
2000190000012	KOUDIAT ACERDOUNE DAM CONSTRUCTION	UAC		2,839.05	2,839.05		2,839.05	2,839.05
2000190000012	KOUDIAT ACERDOUNE DAM CONSTRUCTION	USD	1,818,582.22	92,711.70	1,911,293.92	1,205,604.61	61,461.98	1,267,066.59
<b>2000190000012 Total</b>						5,961,512.68	244,428.64	6,205,941.32
2000190000013	CONSTRUCTION OF NEW EL ACHIR TUNNEL	EUR	5,774,241.93	228,203.88	6,002,445.81	4,905,897.98	193,886.05	5,099,784.03
2000190000013	CONSTRUCTION OF NEW EL ACHIR TUNNEL	USD	36,019,776.24	1,840,887.52	37,860,663.76	23,878,825.97	1,220,391.62	25,099,217.59
<b>2000190000013 Total</b>						28,784,723.95	1,414,277.67	30,199,001.62
2000190000015	STRENGTHENING OF TECHNICAL EDUCATION	CHF	251,138.38	6,878.69	258,017.07	135,180.53	3,702.60	138,883.13
2000190000015	STRENGTHENING OF TECHNICAL EDUCATION	EUR	7,211,327.51	285,299.73	7,496,627.24	6,126,871.29	242,395.70	6,369,266.99
2000190000015	STRENGTHENING OF TECHNICAL EDUCATION	JPY	439,046,373.00	15,160,307.00	454,206,680.00	2,761,732.18	95,362.83	2,857,095.01
2000190000015	STRENGTHENING OF TECHNICAL EDUCATION	USD	24,925,964.63	1,275,250.13	26,201,214.76	16,524,332.84	845,409.92	17,369,742.76
<b>2000190000015 Total</b>						25,548,116.84	1,186,871.05	26,734,987.89
2000190000016	DJEN-DJEN PORT EQUIPMENT	EUR	4,808,092.01	189,418.99	4,997,511.00	4,085,039.94	160,933.72	4,245,973.66
2000190000016	DJEN-DJEN PORT EQUIPMENT	USD	11,819,560.96	602,161.78	12,421,722.74	7,835,618.89	399,195.04	8,234,813.93
<b>2000190000016 Total</b>						11,920,658.83	560,128.76	12,480,787.59
2000190000017	SIDI BEN TAIBA IRRIGATION DAM	EUR	1,189,518.09	46,893.44	1,236,411.53	1,010,635.59	39,841.49	1,050,477.08
2000190000017	SIDI BEN TAIBA IRRIGATION DAM	JPY	53,516,948.00	1,841,391.00	55,358,339.00	336,637.51	11,582.89	348,220.40
2000190000017	SIDI BEN TAIBA IRRIGATION DAM	UAC		115,794.81	115,794.81		115,794.81	115,794.81
2000190000017	SIDI BEN TAIBA IRRIGATION DAM	USD	18,016,310.77	757,002.98	18,773,313.75	11,943,670.79	501,844.94	12,445,515.73
<b>2000190000017 Total</b>						13,290,943.89	669,064.13	13,960,008.02
2000190000018	EXTERNAL TRADE PROGRAMME ADJUSTMENT	EUR	32,315,830.33	1,275,964.90	33,591,795.23	27,456,100.53	1,084,082.32	28,540,182.85
2000190000018	EXTERNAL TRADE PROGRAMME ADJUSTMENT	JPY	5,107,498,518.00	176,012,877.00	5,283,511,395.00	32,127,683.71	1,107,173.31	33,234,857.02
2000190000018	EXTERNAL TRADE ADJUSTMENT PROGRAMME	USD	33,628,064.22	1,717,055.45	35,345,119.67	22,293,272.67	1,138,298.80	23,431,571.47

<b>2000190000018 Total</b>						81,877,056.91	3,329,554.43	<b>85,206,611.34</b>
2000190000019	STRUCTURAL ADJUSTMENT PROGRAMME	USD	178,985,950.00	9,091,975.15	<b>188,077,925.15</b>	118,656,327.07	6,027,402.60	<b>124,683,729.67</b>
<b>2000190000019 Total</b>						118,656,327.07	6,027,402.60	<b>124,683,729.67</b>
2000190000020	ROAD REINFORCEMENT	EUR	309,883.61	12,225.37	<b>322,108.98</b>	263,282.59	10,386.90	<b>273,669.49</b>
2000190000020	ROAD REINFORCEMENT	JPY	888,742,561.00	30,602,206.00	<b>919,344,767.00</b>	5,590,454.86	192,496.96	<b>5,782,951.82</b>
2000190000020	ROAD REINFORCEMENT	USD	4,581,053.17	233,716.05	<b>4,814,769.22</b>	3,036,947.56	154,938.92	<b>3,191,886.48</b>
<b>2000190000020 Total</b>						8,890,685.01	357,822.78	<b>9,248,507.79</b>
2000190000021	CONSTANTINE HIGHWAY	EUR	780,349.50	15,191.46	<b>795,540.96</b>	652,646.22	12,705.40	<b>665,351.62</b>
2000190000021	CONSTANTINE HIGHWAY	USD	26,587,176.85	667,936.35	<b>27,255,113.20</b>	18,143,165.97	455,801.70	<b>18,598,967.67</b>
<b>2000190000021 Total</b>						18,795,812.19	468,507.10	<b>19,264,319.29</b>
2000192000133	POULTRY DEVELOPMENT PROGRAMME	CHF	5,938,985.12	116,786.48	<b>6,055,771.60</b>	3,155,141.06	62,043.91	<b>3,217,184.97</b>
2000192000133	POULTRY DEVELOPMENT PROGRAMME	EUR	2,090,185.81	41,102.21	<b>2,131,288.02</b>	1,750,163.96	34,415.91	<b>1,784,579.87</b>
2000192000133	POULTRY DEVELOPMENT PROGRAMME	JPY	2,098,117,623.00	41,258,189.00	<b>2,139,375,812.00</b>	12,839,669.93	252,484.19	<b>13,092,154.12</b>
2000192000133	POULTRY DEVELOPMENT PROGRAMME	USD	19,158,386.97	376,737.86	<b>19,535,124.83</b>	13,043,208.91	256,486.66	<b>13,299,695.57</b>
<b>2000192000133 Total</b>						30,788,183.86	605,430.67	<b>31,393,614.53</b>
2000192000135	MIDDLE CHELIF HYDRO-AGRICULTURAL DEVELOPMENT	CHF	7,734.19	381.16	<b>8,115.35</b>	4,163.09	205.18	<b>4,368.27</b>
2000192000135	MIDDLE CHELIF HYDRO-AGRICULTURAL DEVELOPMENT	EUR	1,221,722.36	60,209.71	<b>1,281,932.07</b>	1,037,996.91	51,155.23	<b>1,089,152.14</b>
2000192000135	MIDDLE CHELIF HYDRO-AGRICULTURAL DEVELOPMENT	JPY	406,971,034.00	20,056,611.00	<b>427,027,645.00</b>	2,559,968.76	126,162.05	<b>2,686,130.81</b>
2000192000135	MIDDLE CHELIF HYDRO-AGRICULTURAL DEVELOPMENT	USD	5,378,226.65	265,053.25	<b>5,643,279.90</b>	3,565,422.99	175,713.49	<b>3,741,136.48</b>
<b>2000192000135 Total</b>						7,167,551.75	353,235.95	<b>7,520,787.70</b>
2000192000136	POLICY-BASED LOANS	CHF	5,030,524.58	253,019.31	<b>5,283,543.89</b>	2,707,785.87	136,192.98	<b>2,843,978.85</b>
2000192000136	POLICY-BASED LOANS	JPY	24,224,767.00	1,218,428.00	<b>25,443,195.00</b>	152,380.98	7,664.27	<b>160,045.25</b>
2000192000136	POLICY-BASED LOANS	USD	65,823,859.49	3,310,729.73	<b>69,134,589.22</b>	43,637,041.90	2,194,803.72	<b>45,831,845.62</b>
<b>2000192000136 Total</b>						46,497,208.75	2,338,660.97	<b>48,835,869.72</b>
Grand Total						398,178,781.73	17,555,384.75	<b>415,734,166.48</b>