

**AFRICAN DEVELOPMENT BANK  
AFRICAN DEVELOPMENT FUND**



**REPUBLIC OF NIGER**

**PORTFOLIO REVIEW**

**Regional Department  
West A**

**February 2008**

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## **CURRENCY EQUIVALENTS**

(13 February 2008)

UA 1 = SDR 1  
UA 1 = US\$ 1.59527  
UA 1 = CFAF 703.717

## **WEIGHTS AND MEASURES**

Metric system

## **FISCAL YEAR**

1 January – 31 December

## ACRONYMS AND ABBREVIATIONS

ADF	:	African Development Fund
ARMP	:	Public Procurement Regulatory Agency
BD	:	Bidding Documents
CCD	:	Development Commission
DCE	:	Legal Department
DEP	:	Department of Studies and Programming
DGCMP	:	Directorate General for Public Procurement Control
DGEPD	:	Directorate General for Development Programmes Evaluation
MTEF	:	Medium Term Expenditure Framework
NTF	:	Nigeria Trust Fund
OAGL	:	Office of the Auditor General
PADAZ	:	Zinder Region Agricultural Development Support Project
PADL-Diffa	:	Diffa Region Local Development Support Project
PANGIRE	:	National Action Plan for Integrated Water Resources Management
PAR	:	High-Risk Project
PCNLCP	:	National Poverty Reduction Framework Programme
PEMFAR	:	Public Expenditure and Financial Accountability Review
PIU	:	Project Implementation Unit
PMET	:	Tahoua Departmental Water Mobilization Project
PP	:	Problem Project
PPP	:	Potentially Problem Project
PRS	:	Poverty Reduction Strategy
PRSP	:	Poverty Reduction Strategy Paper
PVDT	:	Dosso and Tillaberi Regions Water Resources Development Project
RBCSP	:	Results-Based Country Strategy Paper
SAP	:	Structural Adjustment Programme
SDRP	:	Accelerated Development and Poverty Reduction Strategy
SRF	:	Special Relief Fund
UA	:	Unit of Account
UNDP	:	United Nations Development Programme

## EXECUTIVE SUMMARY

### **I. INTRODUCTION**

1.1 The last portfolio review report (ADF/BD/WP/97/02) was considered by the Board of Directors on 13 March 1997. The report rated Bank Group portfolio performance in Niger as globally poor. The ensuing redesign of some operations helped to release UA 18.09 million, which was used as ADF contribution to the financing of the Government's 1996-1998 Reform Programme (SAP I).

1.2 This review was conducted in November 2007. It takes into account the conclusions of the February 2005 mission and the audits conducted by the Bank from March 2005 to November 2006 in Niger through the Office of the Auditor General (OAGL). It comes when the Government of Niger has updated its poverty reduction strategy, known as Accelerated Development and Poverty Reduction Strategy (SDRP). It is aimed at informing the Boards of Directors about the status of Bank Group portfolio in the country, and problems hindering the improvement of its performance.

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

#### **2.1 Main Characteristics of Ongoing Projects**

2.1.1 The 15 ongoing operations mobilize financing exclusively from the ADF totalling UA 124.3 million in net commitments, UA 21.8 million of which was disbursed as at 13 February 2008, representing a disbursement rate of 17.6%. An examination of the sectoral breakdown of the active portfolio shows that most resources are mobilized by the rural sector (27.2%), followed by the social sector (25.2%), transport sector (17.7%) and multilateral projects (13.8%). The "water and sanitation" sectors, multisector and "industry and mining" sector mobilize 12.3%, 3.8% and 0% respectively. As Graph 2.1 shows, the most efficient sectors in terms of disbursement and implementation time frames are the agriculture and social sectors, followed by multisector. Multinational projects, and projects of the transport and water and sanitation sectors performed poorly.

2.1.2 **Old Projects, Problem Projects and Potentially Problem Projects:** The portfolio has no old project (more than 8 years). The average age of the 15 ongoing projects is 3.1 years. There is only one problem project (PP) - the Gender Capacity Building Project - which represents a PP rate of 6.7%. The status of the project is considered unsatisfactory (rating of less than 1.5) and its management is characterized by a low rate of implementation. The performance of consultants, including the PIU's contract officers, is considered poor but that of suppliers is on the whole satisfactory. Potentially problem projects include one in the transport sector, one in the social sector, one in multisector and two multilateral projects, representing 33.3% of the number of projects in the portfolio. Given the number of problem projects (one) and potentially problem projects (five), the number of high-risk projects is six, that is 40% of the number of projects in the portfolio.

**Table 2.1**  
**Active Portfolio (in UA million)**

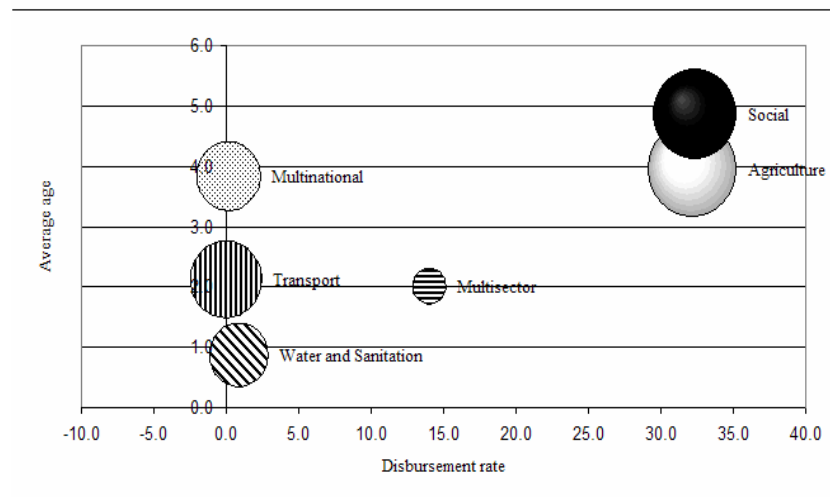
13-Feb-08

No.	Net commitment	Sector in %	Amount disbursed	Disbursement rate	Performance evaluation	PP* & PPP**	Age since approval (years)	Source of finance-
1 Zinder Agricultural Dev. Project	5.8	4.7	4.4	76.6	2.0		6.2	ADF-VIII
2 DIFFA Development Project	15.0	12.1	6.2	41.3	2.4		4.2	ADF-IX
3 Dosso and Tillabery Water Resources Dev. Project	13.0	10.5	0.3	2.0	2.3		1.3	ADF-X
<b>Total Agriculture</b>	<b>33.8</b>	<b>27.2</b>	<b>10.9</b>	<b>32.2</b>	<b>2.2</b>		<b>3.9</b>	
<b>Total Industry/Mining</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>n.a.</b>			
4 Tibiri-Dakoro and Madoua-Tahoua Roads	22.0	17.7	0.0	0.0	1.7	PPP	2.1	ADF-X
<b>Total Transport</b>	<b>22.0</b>	<b>17.7</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>		<b>2.1</b>	
5 DWSS Project in Rural Areas in 3 Regions	14.7	11.8	0.1	0.9	1.6		1.0	ADF-X
6 Niger PANGIRE	0.6	0.5	0.0	0.0	n.a.		0.8	ADF-X
<b>Total Water and Sanitation</b>	<b>15.3</b>	<b>12.3</b>	<b>0.1</b>	<b>0.9</b>	<b>1.6</b>		<b>0.9</b>	
7 Health II	16.0	12.8	6.3	39.2	2.5		6.2	ADF-VIII
Health II	0.4	0.3	0.3	82.5	2.5		6.2	ADF-VIII
8 Education II	10.0	8.0	2.4	24.4	1.8	PPP	4.1	ADF-IX
Education II	2.0	1.6	0.5	25.5	1.8		4.1	ADF-IX
9 Strengthening of Gender Equity	3.0	2.4	0.6	20.7	1.5	PP	3.6	ADF-IX
<b>Total Social Sector</b>	<b>31.4</b>	<b>25.2</b>	<b>10.2</b>	<b>32.4</b>	<b>1.9</b>		<b>4.9</b>	
10 SAP IV - Institutional Support	1.2	1.0	0.6	46.7	1.7	PPP	4.2	ADF-IX
11 Decentralization Support Project	3.0	2.4	0.1	3.3	2.6		1.2	ADF-X
12 Support to PRSP	0.5	0.4	0.0	0.0	n.a.		0.6	Japanese grant
<b>Total Multisector</b>	<b>4.7</b>	<b>3.8</b>	<b>0.7</b>	<b>14.0</b>	<b>2.2</b>		<b>2.0</b>	
13 Weedy Aquatic Plants	1.2	1.0	0.0	0.0	1.0	PPP	3.3	ADF-IX
14 Niger Basin Silt Control Project	3.3	2.7	0.0	0.0	2.1	PPP	4.3	ADF-IX
15 Doritera	12.7	10.2	0.0	0.0	1.9			
<b>Total Multinational</b>	<b>17.2</b>	<b>13.8</b>	<b>0.0</b>	<b>0.0</b>	<b>1.7</b>		<b>3.8</b>	
<b>Grand Total</b>	<b>124.3</b>	<b>100.0</b>	<b>21.8</b>	<b>17.6</b>	<b>2.0</b>		<b>3.1</b>	

\* Problem project

\*\* Potentially problem project

**Graph 2.1**  
**Disbursement Rate, Average Age and Approved Amount by Sector**



## 2.2 Overall Evaluation of Portfolio Performance

2.2.1 Compared to the status of the projects in 1997, there was a relative improvement in the implementation of Bank Group operations in Niger over the 2006-2007 period. Based on the five criteria chosen by the Bank for performance evaluation, the average rating of the 15 projects under review was 2.0 in 2007 as against 1.4 in 1997.

**Table 2.2**  
**Overall Assessment of the Performance of Ongoing Projects**

Indicator	Fulfilment of conditions	Procurement Performance	Financial Performance	Activities and Outputs	Impact on Development	Overall Assessment
1997 rating	0.7	1.2	1.8	1.3	2.3	1.4
2007 rating	2.2	2.1	1.9	1.7	2.1	2.0

2.2.2 In view of the situation that prevailed in 1997, this positive trend was mainly due to the improvement of the country's public finance which enabled the Government to discharge, on a regular basis, the country's debt service owed to the Bank Group. The increase in the number of Bank supervision missions and the strengthening of quality at entry of new projects, the intensification of dialogue with the Government, as well as the organization of several training sessions on Bank rules and procedures also contributed to the improvement of the status of Bank Group projects in Niger. However, persistent weak institutional capacities of some Project Implementation Units (PIU) continue to cause delays, especially in the fulfilment of conditions precedent to first disbursement, as well as the preparation of audit reports and implementation of their recommendations. The negative impact of these impediments to the efficacy of the portfolio is compounded by repeated delays in the payment by the Government of its contributions to the financing of projects.

## 2.3 Outcomes and Impact

2.3.1 **Rural Development:** In this sector, Bank financing essentially led to the development of irrigation schemes in order to increase production capacities and diversify crops through the financing of several projects<sup>1</sup>. The implementation of the investment programme relating to the Kandadji environmental impact assessment should also increase the number of irrigation schemes. The implementation of the project portfolio also allowed for income-generating activities thanks to PMET and labour-intensive works.

2.3.2 **Public Utilities:** The portfolio supports the development of roads, improvement of access to drinking water and sanitation, and preparation of a water resources management action plan. To date, no disbursement has been made for public utility projects, thus limiting their outcomes and impacts.

2.3.3 **Human Resources Development:** The portfolio helped to broaden access to basic education for a period of 10 years with the equipment acquired through the Education Project

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<sup>1</sup> Namely, the Tahoua Water Mobilization Project (PMET) now completed, the Zinder Region Agricultural Development Support Project (PADAZ) and the Diffa Region Local Development Support Project (PADL).

11 for 300 classrooms, laboratories and offices. In the health sector, the Health Care Improvement Project helped to train 220 health committees in community participation, provide equipment to 42 maternity hospitals and 11 laboratories and ensure the surgical operation of 350 women with obstetric fistula. With the gender equity strengthening project, efforts were made in advocacy in favour of gender and institutional capacity building for the formulation of a national strategy and a ten-year plan for gender promotion.

**2.3.4 Decentralization:** Two projects support the decentralization process. The first working capital disbursed by the Bank for the Decentralization Support Project helped to carry out a sensitization campaign on the objectives of the project and revitalize the Decentralization Committees which were supposed to coordinate the key stakeholders. The second project supporting decentralization is PADL-Diffa. This project covers four council areas in Diffa-region. It provides them with a local development fund intended to finance community sub-projects. Community development plans were drawn up and, to date, about ten sub-projects have been implemented and some fifty others are about to be funded.

**2.3.5 Support for Economic Reforms :** Since 2005, on the basis of the study on public expenditure and financial accountability (PEMFAR), the Government adopted, under SAP-V financed by the Bank, a priority action plan comprising the following major actions: (i) budget preparation ; (ii) budget implementation ; (iii) control, accounting and external auditing; (iv) public procurement ; and (v) development of statistical information. The promotion of good governance in public finance was pursued over the 2005-2007 period through measures taken to reinforce internal controls of the State budget, the consolidation of the transparency of Treasury accounts and the extension of the State financial management information system. Institutional support to SAP-IV helped to enhance the institutional capacities of the Legal Department (DCE) and initiate actions to strengthen the Government's anti-corruption and money laundering policy.

## **2.4 Main Portfolio Implementation Constraints**

**2.4.1** In general, a number of constraints are common to the entire portfolio. They stem from: (i) delays in the fulfilment of conditions precedent to disbursements; (ii) poor implementation of audit recommendations; (iii) inadequate coordination with the supervisory Ministries of projects; (iv) inadequate ownership of ADB procurement rules and the provisions of the country's procurement code; and (v) difficulties in the mobilization of counterpart funds. The poor performance of operations is mainly due to the weak institutional capacities of project implementation units, as well as the limited development of the private sector which does not adequately promote competition in public procurement.

**2.4.2 Fulfilment of Conditions Precedent:** Delays in the fulfilment of conditions precedent to effectiveness can be explained by the fact that there are only two parliamentary sessions each year, which limits the period during which loan ratification documents can be considered. Nevertheless, an enabling Act can be tabled before the National Assembly to ratify loan agreements during parliamentary recess. This measure reduced time frames for loan effectiveness from 12 months to 6.3 months. Delays in the fulfilment of conditions precedent to the first disbursement can stem from institutional instability and the mobility of senior staff or from the unrealistic nature of some conditions precedent. It is necessary to limit and adopt more realistic conditions during project appraisal and negotiations so that they can be fulfilled quickly.

**2.4.3 Progress Reports and Auditing:** The main constraints on the preparation of progress reports lie in the production of reports of the various project partners and the validation of the reports within Steering Committees. Pending audits are due to the lack of qualified auditing firms in the sub-region, slow recruitment process, the time taken to obtain no-objection opinions, and especially poor programming. When audit report recommendations concern the repayment of significant amounts of funds, the unavailability of financial resources in the current fiscal year delays the repayment of such funds and the lifting of the suspension of disbursement under the project. To improve the quality of audit reports, it is necessary to provide sufficient financial resources for the recruitment of highly-qualified auditing firms.

**2.4.4 Project Coordination:** The main problems in project coordination arise from inadequate communication between Project Implementation Units (PIU), their supervisory structure and the Ministry of the Economy and Finance. It is necessary to better integrate the PIUs into their supervisory structures and inform them especially about the provision of their budget allocations. The portfolio review recommended that Departments of Studies and Programming (DEP) be further empowered in matters of project coordination, in close collaboration with the Directorate General for Development Programmes Evaluation, and that they be provided with sufficient human and financial resources.

**2.4.5 Procurement Performance:** Problems in this area are related to: (i) inadequate familiarity with the entire procurement process as specified by the provisions of the Public Procurement Code; (ii) conflicts of jurisdiction between the Directorate General for Public Procurement Control (DGCMP) and the Public Procurement Regulatory Agency (ARMP); (iii) low technical, organizational and financial capacity of the private sector, which justifies the use of international competitive bidding ; (iv) delays in the preparation of bid evaluation reports; (v) low capacity of members of the bid evaluation committee; and (vi) delays in obtaining the ADB no-objection opinion. The main actions and measures envisaged concern the use of launching missions to review procurement methods, the involvement of national experts, and greater Bank diligence in the notification of no-objection opinions.

**2.4.6 Financial Management:** Sometimes there are inaccuracies in the detailed cost statement, which results in failure to indicate a non cash charge and thereby commitment of ineligible expenditure. The suspension by the State of the *food for work* approach could lead to a drop in the volume of activities, due to demobilization of the populations and lack of equivalent offsetting measures in *cash for work*. Counterpart funds are difficult to mobilize and depend on the improvement of the cash position of the Government. Other problems impede financial implementation; they relate, in particular, to: (i) the disparity of benefits between projects resulting in demobilization of project staff; (ii) non-eligibility of ADF resources for taxes, social security contributions and certain expenses (procurement board expenses, exemption stamps, etc.) ; (iii) financial effect of the depreciation of the Unit of Account against the CFA franc; (iv) high mobility of project staff and ADB officials responsible for project monitoring ; (v) difficulties in implementing micro-finance components due to the lack of qualified operators in the country ; and (vi) the impossibility of opening foreign currency accounts to receive the financial resources of projects. The main actions recommended are acceptance of the principle of revision of the list of goods and services, better assessment of the ability of beneficiaries to contribute, and adoption of more reliable financial and accounting management systems.

2.4.7 **Activities and Outcomes:** The low development of the private sector in Niger limits competition in the procurement of goods, services and works. Failure to construct many engineering structures is often associated with site identification problems, as well as problems of expropriation and compensation of beneficiaries. Difficulties in the implementation of the Dori-Tera road development project are due mainly to the inadequate financial package for implementing all the project components.

2.4.8 **Monitoring and Evaluation :** The monitoring of project activities faces various constraints relating to the absence of a framework for consultation between the various projects financed by the ADB, the failure to include a budgetary line for monitoring/evaluation in some projects, and inadequate Government supervision missions. The quality of the monitoring/evaluation mechanism is limited by the lack of a results-based logical framework, the lack of a monitoring/evaluation expert, and the inexistence and/or non-functioning of steering committees. The main actions envisaged are the organization of internal and half-yearly portfolio reviews and the opening of an ADB Country Office in Niger due to the landlocked position of the country.

### **III. ASSESSMENT OF PORTFOLIO MANAGEMENT AND AID COORDINATION CAPACITY**

#### **3.1 Government's Performance in Portfolio Management and Aid Coordination**

3.1.1 **Government's Performance in Project Management:** The Development Commission (CCD) coordinates all activities relating to the project cycle. The impact of the action carried out by the CCD on the quality of the portfolio is limited because of structural difficulties encountered by this service of the Ministry of the Economy and Finance, notably: (i) under-staffing and inadequate material and budgetary resources; and (ii) difficulties of communication with executing agencies most of which are located in the hinterland of a vast country of more than one million and two hundred thousand (1,200,000) square kilometres. To reduce the impacts of such difficulties, and consequently enhance portfolio performance, the CCD has been organizing Bank portfolio reviews since 2005.

3.1.2 **Government's Performance in Aid coordination:** Development aid is mainly coordinated by the Ministry of the Economy and Finance through the CCD as concerns sectoral projects and programmes, and the Economy Commission as regards reform programmes. However, the inadequacy of skilled human resources and lack of material resources, including tools for the programming and monitoring-evaluation of project implementation, hinder the efficient performance by both departments of their respective duties. In 2005, the Government, which is aware of this situation, restructured the Ministry of the Economy and Finance so as to better define the duties of each service and improve its efficiency. However, for the moment, the success of this exercise is hampered by the Government's lack of donor support, particularly through projects for CCD capacity building.

#### **3.2 Bank Performance in Portfolio Management and Aid Coordination**

3.2.1 **Bank Performance in Portfolio Management:** The status and performance of Bank Group portfolio in Niger have been improved thanks particularly to the increase in the number of supervision missions and intensification of dialogue with the Government. Consequently, the performance of Bank Group portfolio in Niger could be enhanced, subject

to adoption of the following measures by the Bank: (i) increase the duration of missions and strengthen their composition; and (ii) intensify dialogue with the Government, notably when a Bank Office is opened in the country. Pending solution of these difficulties which requires time and resources, in particular financial and human resources, the Bank should, in the short and medium terms, continue to organize more training workshops and seminars on its procurement rules and procedures in order to build the institutional capacities of the public administration of Niger and the executing agencies.

**3.2.2 Bank Performance in Aid Coordination:** Since 2002, the adoption and implementation of the Poverty Reduction Strategy (PRS) by the Government has helped to strengthen the coordination of development partners in Niger. Like the key development partners of Niger, the Bank chose the PRS as the reference framework for its interventions in the country. Furthermore, the Bank ensures close coordination of its operations with those carried out in the country by other development partners so as to establish synergy with the interventions and increase the impact of Bank group operations on poverty reduction. Such aid coordination is carried out during dialogue, supervision and review missions. In addition, the Bank participates in most sector round tables organized by the Government and, as much as possible, cofinances projects and programmes with other donors. However, the absence of a Country Office in Niamey limits the intensification of its dialogue with the Government and its participation in joint missions organized by development partners, which reduces the Bank's capacity to coordinate with other development partners.

**3.2.3** The adoption of the programme approach should allow for better aid coordination. This, however, requires in-depth reform of the public finance and procurement management system. The main challenges in public finance management are: (i) improvement of interaction between budget preparation, PRSP objectives and MTEFs; (ii) streamlining of exceptional procedures and adoption of accounting practices for greater visibility of budget implementation; and (iii) strengthening of control organs, in particular the Court of Auditors. The main challenges in procurement are: (i) improvement of the institutional framework for public procurement ; (ii) building of the technical capacities of the bid opening committee and the bid evaluation and contract award ad hoc committees; and (iii) reduction of contract award time frames between the opening and evaluation of bids which are two to three months at present.

#### **IV. LESSONS TO BE LEARNT FOR FUTURE COUNTRY STRATEGY PAPERS AND PORTFOLIO REVIEWS**

The 2005-2007 RBCSP required more intervention sector selectivity and the monitoring of its implementation was reviewed in conjunction with the portfolio review. Regarding future CSPs, the Bank should:

- (i) Continue to strengthen intervention sector selectivity through deeper analysis of the economic and sector context, and to enhance coordination with other donors in order to increase the impact of development aid ;
- (ii) Work in consultation with the other partners for the gradual adoption of programme approaches for the implementation of their future operations and harmonization of their respective procedures ;

- (iii) Limit the number of projects to be implemented and increase their size so as to reduce transaction costs, improve the quality and increase the number of supervision missions by reducing the project-expert ratio, and reduce its handling costs in the country; and
- (iv) Strengthen policy dialogue with the Government by opening a Country Office of the Bank in Niamey.

## **V. CONCLUSION AND RECOMMENDATIONS**

### **5.1 Conclusion**

The portfolio review helped to examine, in close consultation with the borrower country and other development partners of Niger, the problems that hamper the effective implementation of Bank Group ongoing projects and the measures to be taken to improve their performance. A review of Bank-funded projects helped to assess the positive outcomes recorded in various areas, in particular the irrigation schemes, institutional support and capacity building, broadening of access to basic education, improvement of health coverage, and environmental protection. However, constraints on portfolio management persist, and are due to weak coordination with the supervisory ministries of projects, inadequate ownership of ADB procurement rules, poor implementation of audit recommendations, and difficulties in the mobilization of counterpart funds. Sustained support by the Bank is necessary to remedy these constraints, as well as the opening of a Country Office in Niger, which is all the more necessary as the country is landlocked and vast, and the technical and institutional capacities of the administration and private sector are limited. The rating of 2.0, obtained following the overall assessment of the portfolio, reflects the progress and satisfactory quality of the portfolio.

### **5.2 Recommendations**

In light of the foregoing, the following recommendations have been made to the Bank and the Government of Niger:

To the Government:

- (i) Use the enabling Act to accelerate the ratification of loan agreements;
- (ii) Speed up the fulfilment of conditions precedent to first disbursement;
- (iii) During negotiations, ensure that the specific conditions are relevant and realistic;
- (iv) Empower the Departments of Studies and Programming (DEP) in matters of project coordination and provide them with the necessary means;
- (v) Establish a framework for consultation between projects financed by the ADB and carry out half-yearly reviews of the Bank's portfolio in Niger ;
- (vi) Appoint competent members in public procurement, and acquaint them with Bank rules of procedure ;
- (vii) Speed up the signing of contracts, and disseminate the public procurement code;

- (viii) Transmit audit reports on schedule and ensure the implementation of the various audit recommendations;
- (ix) Ensure the adoption of the principle of parallel financing in case of cofinancing.

To the Bank

- (i) Select Niger as a country to have a Country Office because of the weak technical and institutional capacity of the public administration and private sector;
- (ii) Pending the opening of the Country Office, pursue discussions on possible options to strengthen the Bank's presence on the ground, either : (i) with UNDP on the establishment of a Bank project monitoring unit; (ii) by recruiting a project officer who would be actively responsible for portfolio monitoring, or (iii) with ad hoc Bank missions conducted by retirees of the institution recruited as consultants;
- (iii) Greater diligence in the processing of disbursement requests and issuance of no-objection opinions for procurements;
- (iv) Ensure the training or retraining of staff involved in the procurement process and mobilize specialists in the types of activity concerned;
- (v) Provide sufficient resources for the recruitment of a highly competent auditing firm;
- (vi) Involve national experts in the appraisal of projects to ascertain the relevance of procurement methods and realistic costing of activities ;
- (vii) Mitigate the UA fluctuation risk by providing enough resources in the "contingencies" category.

## Niger: Action Plan for Portfolio Quality Improvement

PROBLEMS IDENTIFIED	REQUIRED ACTIONS/RECOMMENDATION	RESPONSIBLE STRUCTURES	TIME FRAME	OUTPUT MONITORING INDICATORS
<b><u>I. Conditions Precedent/ Auditing / Coordination</u></b>				
1.1 Long delays in the fulfilment of conditions precedent to effectiveness of projects	<ul style="list-style-type: none"> <li>• Use the enabling Act</li> <li>• Establish closer collaboration between MEF and Finance Committee of the National Assembly (AN)</li> <li>• Provide training in disbursement procedures and project launching</li> </ul>	MEF/MCRI/AN	May, November each year	Passing of enabling Act by the National Assembly
1.2 Low relevance and unrealistic loan or grant conditions	<ul style="list-style-type: none"> <li>• Limit and adopt realistic conditions during project negotiations</li> <li>• Speed up fulfilment of conditions precedent to effectiveness and first disbursement</li> <li>• Transmit appraisal report two weeks before holding of negotiations</li> </ul>	ADB, GVT  PIU	During loan negotiations	Effectiveness : less than 6 months after the signing of the grant or loan agreement  First disbursement : less than 3 months after effectiveness
1.3 Production of progress reports and holding of validation meetings	<ul style="list-style-type: none"> <li>• Produce progress reports on a regular basis</li> <li>• Hold meetings of validation bodies (project steering committee) within the prescribed deadlines</li> </ul>	PIU/ Supervisory Ministries	Quarterly report	Programmes of activities, budgets and progress reports are transmitted to the Bank
1.4 Poor quality of audit reports	<ul style="list-style-type: none"> <li>• Provide sufficient financial resources for the recruitment of a highly competent audit firm</li> <li>• Initiate the process of selection of firms early</li> <li>• Transmit the recommendations of audits validated by the Bank in time</li> </ul>	PIU/DGEPD/ADB	6 months after the closure of each fiscal year	Highly competent audit report available in time
1.5 Weak coordination of projects	<ul style="list-style-type: none"> <li>• Empower the Departments of Studies and Programming (DEP) in matters of coordination and provide them with sufficient means</li> <li>• Establish a framework for consultation between PIUs</li> </ul>	DEP/MEF/DGEPD/PIU	Permanent action	
<b><u>II. Procurement Performance</u></b>				
2.1 Inadequate familiarity with procurement procedures, particularly in the preparation of bidding documents (BD)	<ul style="list-style-type: none"> <li>• Use launching missions to review procurement methods and model BD</li> <li>• Refer to loan agreement and appraisal report in order to determine the procurement method</li> <li>• Involve national experts in the appraisal of projects so as to ascertain the relevance of procurement methods</li> <li>• Ensure the training of project staff in procurement</li> </ul>	ADB/GVT/PIU/Project Owner	Permanent action	Drop in rejections in Bank no-objection opinions

## Niger: Action Plan for Portfolio Quality Improvement (continued)

PROBLEMS IDENTIFIED	REQUIRED ACTIONS/RECOMMENDATION	RESPONSIBLE STRUCTURES	TIME FRAME	OUTPUT MONITORING INDICATORS
<b>II. Procurement Performance (cont'd)</b>				
2.2 Poor quality of bid evaluation committees	<ul style="list-style-type: none"> <li>Appoint competent members for the evaluation of bids</li> <li>Accelerate their appointment</li> </ul>	Project owner	Permanent action	Drop in rejections in Bank no-objection opinion
2.3 Delay in the processing, by the ADB, of documents transmitted by the Government	Notify no-objection opinion in time	ADB		Within 15 days from the date of receipt
2.4 Delays in contract approval process	Speed up the signing of contracts	Project owner	Permanent action	Signing of contracts within 10 days of contract award
<b>III. Financial Management</b>				
3.1 Poor assessment of project cost	<ul style="list-style-type: none"> <li>Sensitize decision-makers on the importance of preparation, appraisal and negotiations</li> <li>Accept the principle of revision of Lists of Goods and Services (LBS) as soon as possible</li> <li>Ensure the adoption of the principle of parallel financing in case of cofinancing</li> <li>Better assess the ability of beneficiaries to contribute</li> <li>Mitigate the UA fluctuation risk by providing enough resources in the "contingencies" category</li> </ul>	MEF/PIU/ADB	Permanent action	<p>Number of projects whose LBS was revised</p> <p>Measures taken to remedy the depreciation of the UA</p>
3.2 Delays in the mobilization of counterpart funds	<ul style="list-style-type: none"> <li>Transmit the counterpart funds utilization plans to the projects</li> <li>Pay credits into project accounts as they are released</li> </ul>	GVT/PIU/ADB		
3.3 Delay in disbursement flows	<ul style="list-style-type: none"> <li>Speed up the processing of requests for the withdrawal of funds (DRF)</li> <li>Transmit the disbursement letter as soon as projects start up</li> <li>Systematize financial supervision missions and disbursement costs</li> <li>Have the State bear the cost of ineligible expenses (taxes, tenders board costs, exemption stamps, social security contributions, etc.)</li> </ul>	ADB/GVT	2008	<p>Time frames limited to 15 to 30 days</p> <p>Provision of enough resources in finance laws</p>

## Niger: Action Plan for Portfolio Quality Improvement (continued)

PROBLEMS IDENTIFIED	REQUIRED ACTIONS/RECOMMENDATION	RESPONSIBLE STRUCTURES	TIME FRAME	OUTPUT MONITORING INDICATORS
<b>III. Financial Management (continued)</b>	<ul style="list-style-type: none"> <li>Accelerate the adoption of a harmonized system of remuneration of project staff</li> </ul>	ADB/GVT	2008	
3.4 Reliability of financial and accounting management systems	<ul style="list-style-type: none"> <li>Prepare an administrative, financial and accounting procedures manual for project start-up</li> <li>Adopt a single software for financial and accounting management by all ADB projects</li> <li>Regularly transmit, to projects, settlement ledgers and notices and ineligible expenses identified during the processing of DRF</li> </ul>	ADB /GVT ADB /GVT ADB	2008 2008 2008	Manual available in projects Software available and administered
3.5 Lack of qualified micro-finance operators	<ul style="list-style-type: none"> <li>Technical support to PIUs in micro-finance</li> </ul>	ADB	Permanent action	
<b>IV. Activities and outcomes and their monitoring/evaluation</b>				
4.1 Project supervision	<ul style="list-style-type: none"> <li>Transmit the programme of supervision missions in time</li> <li>Increase the skill mix of supervision teams and the duration of missions</li> <li>Follow the recommendations of missions (audit, supervision and review missions)</li> <li>Reduce, as much as possible, the mobility of project officers at the ADB</li> <li>Organize internal and half-yearly reviews of the portfolio</li> <li>Envisage the opening of a Country Office in Niger given the landlocked position of the country and problems encountered in the implementation of projects</li> </ul>	ADB ADB PIU MEF/DGEPD ADB ADB	Permanent action    From 2008	TOR of mission sent a month prior to mission  Monitoring reports of recommendations are available at PIUs  Supervisions are carried out at least once a year
4.2 Monitoring and evaluation system	<ul style="list-style-type: none"> <li>Prepare a results-based logical framework for each project and build the capacities of project officers for familiarity with results-based management tools and concepts</li> <li>Put at the disposal of each project a monitoring-evaluation manual and software, as well as a monitoring and evaluation specialist</li> <li>Transmit project completion reports within the prescribed deadlines</li> </ul>	PIU/ADB PIU/ADB  PIU/ ADB  ADB	From 2008	A monitoring/evaluation manual for each project available A results-based logical framework is prepared A software is acquired and a monitoring/evaluation specialist is recruited

## Project Performance Evaluation

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
	Zinder	Diffa	Dozzo & Tibiri	Roac	DWSS	Pangire	Health	Educ II	Gender	SAP IV	Decent.	PRSP	Aqu	Silting	Rd Dori-T	Port. Gio
<b>STATUS</b>	<b>2.1</b>	<b>2.5</b>	<b>2.4</b>	<b>1.5</b>	<b>1.6</b>		<b>2.6</b>	<b>1.8</b>	<b>1.5</b>	<b>1.6</b>	<b>2.4</b>			<b>2.1</b>	<b>1.9</b>	<b>2.0</b>
<b>A. FULFILMENT OF CONDITIONS</b>	<b>2.7</b>	<b>2.7</b>	<b>3.0</b>	<b>1.5</b>	<b>1.9</b>	<b>n.a.</b>	<b>2.5</b>	<b>2.4</b>	<b>1.7</b>	<b>2.0</b>	<b>2.7</b>	<b>n.a.</b>		<b>1.7</b>	<b>2.0</b>	<b>2.2</b>
Fulfilment of conditions precedent to loan effectiveness	3.0	3.0	3.0	1.0	2.6	n.a.	3.0	3.0	3.0	3.0	3.0	n.a.	n.a.	1.0	2.0	2.6
Compliance with commitments made under loan agreement	2.0	3.0	3.0	2.0	1.6	n.a.	2.0	2.1	1.0	2.0	3.0	n.a.	1.0	2.0	2.0	2.1
Compliance with other conditions	3.0	2.0	n.a.		1.5	n.a.	n.a.	2.1	1.0	1.0	2.0	n.a.		2.0		1.8
<b>B. PROCUREMENT PERFORMANCE</b>	<b>2.0</b>	<b>3.0</b>	<b>3.0</b>	<b>2.0</b>	<b>1.5</b>	<b>n.a.</b>	<b>3.0</b>	<b>1.7</b>	<b>2.0</b>	<b>1.0</b>	<b>2.0</b>	<b>n.a.</b>		<b>2.0</b>	<b>2.0</b>	<b>2.1</b>
Procurement of consultancy services	2.0	3.0	3.0	2.0	2.0	n.a.	3.0	2.0	2.0	1.0	2.0	n.a.		2.0	2.0	2.2
Award of goods and works contracts	2.0	3.0	3.0	2.0	1.0	n.a.	3.0	1.4	n.a.	1.0	2.0	n.a.		2.0	2.0	2.0
<b>C. FINANCIAL PERFORMANCE</b>	<b>1.6</b>	<b>2.0</b>	<b>1.8</b>	<b>1.7</b>	<b>1.3</b>	<b>n.a.</b>	<b>2.8</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>3.0</b>	<b>n.a.</b>		<b>2.3</b>	<b>2.0</b>	<b>1.9</b>
Availability of foreign exchange resources	1.0	2.0	2.0	2.0	1.3	n.a.	3.0	1.5	1.5	2.0	n.a.	n.a.		3.0	2.0	1.9
Availability of local currency resources	2.0	2.0	2.0	2.0	1.1	n.a.	3.0	1.4	2.0	2.0	3.0	n.a.		2.0	2.0	2.0
Disbursement flows	1.0	2.0	1.0	n.a.	1.5	n.a.	3.0	1.6	1.0	1.5	3.0	n.a.		2.0		1.8
Cost management/recovery	2.0	2.0	2.0	n.a.	n.a.	n.a.	2.0	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.		
Performance of co-financiers (where applicable)	2.0	2.0	n.a.	1.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.		1.7
<b>D. ACTIVITIES AND OUTCOMES</b>	<b>2.0</b>	<b>2.3</b>	<b>2.0</b>	<b>1.0</b>	<b>1.5</b>	<b>n.a.</b>	<b>2.3</b>	<b>1.5</b>	<b>1.0</b>	<b>1.4</b>	<b>2.0</b>	<b>n.a.</b>		<b>2.3</b>	<b>1.5</b>	<b>1.7</b>
Adherence to implementation schedule	2.0	2.0	2.0	1.0	1.0	n.a.	2.0	1.4	1.0	1.0	2.0	n.a.		2.0	2.0	1.6
Performance of consultants or technical assistants	2.0	2.0	n.a.		2.0	n.a.	2.0	1.5	1.0	1.6	n.a.	n.a.		2.0		1.8
Performance of contractors	2.0	2.0	n.a.		1.5	n.a.	2.0	1.5	n.a.	1.5	n.a.	n.a.		3.0		1.9
Performance of project management	2.0	3.0	3.0	1.0	1.5	n.a.	3.0	1.6	1.0	1.5	2.0	n.a.		n.a.	1.0	1.9
<b>E. DEVELOPMENT IMPACT</b>	<b>2.0</b>	<b>2.5</b>	<b>2.0</b>	<b>2.0</b>	<b>1.8</b>		<b>2.0</b>	<b>2.0</b>	<b>1.8</b>	<b>2.0</b>	<b>3.0</b>			<b>2.3</b>	<b>2.0</b>	<b>2.1</b>
Probability of achieving project objectives	3.0	3.0	2.0	2.0	2.0	n.a.	2.0	2.0	2.0	2.0	3.0	n.a.		2.0	2.0	2.3
Probability of obtaining benefits which will last beyond the initial pha	2.0	3.0	2.0	2.0	2.0	n.a.	2.0	2.0	1.7	2.0	3.0	n.a.		2.0	2.0	2.1
Probable contribution of the project to institutional capacity building	2.0	2.0	2.0	2.0	1.4	n.a.	2.0	2.0	1.7	2.0	3.0	n.a.		3.0	2.0	2.1
Present rate of return	1.0	2.0	n.a.	2.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.		n.a.	2.0	n.a.
<b>OVERALL EVALUATION OF PROJECT</b>																
Present	2.0	2.4	2.3	1.7	1.6		2.5	1.8	1.5	1.7	2.6		1.0	2.1	1.9	2.0
Future trend	2.1	2.4	2.4	2.0	1.8	n.a.	2.0	2.0	1.8	1.8	2.8	n.a.		2.2	2.5	2.1