

**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



GUINEA

PORTFOLIO PERFORMANCE REVIEW REPORT (PPRR)

**COUNTRY REGIONAL DEPARTMENT WEST II
JUNE 2009**

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CURRENCY EQUIVALENTS

(June 2009)

Currency unit: Guinean Franc (GNF)

UA 1	=	US\$ 1.50
UA 1	=	EURO 1.12
UA 1	=	GNF 7 662.85

FISCAL YEAR

1 January - 31 December

ABBREVIATIONS AND ACRONYMS

ADB	African Development Bank
ADF	African Development Fund
BD	bidding documents
DNIP	National Directorate of Public Investments
DO	Development objectives (project performance criterion)
DWSS	Drinking water supply and sanitation
ESMP	Environmental and Social Management Plan
MDG	Millennium Development Goal
MEF	Ministry of the Economy and Finance
MTSP	(Bank Group 2008-2012) Medium-term Strategic Plan
NTF	Nigeria Trust Fund
PADER-HG	Haute Guinée Rural Development Support Project
PADIPOC	Public Debt and Investment Management Capacity Building Project
PAEF	Women's Economic Activities Support Project
PAPP	Country Portfolio (Performance) Improvement Plan
PDRN	NERICA Rice Dissemination Project
PDSD-HMG	Haute and Moyenne Guinée Sustainable Social Development Project
PEA	Project Executing Agency
PHR - HG	Haute Guinée Rural Water Management Project
PIU	Project Implementation Unit
PNIR	National Rural Infrastructure Programme Support Project
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
(RB)CSP	(Results-Based) Country Strategy Paper
SI(IA)	Status of implementation of activities /implementation of activities (performance criterion)
TFP	Technical and financial partners
UA	Unit of Account
WB	World Bank

DEFINITIONS

Activity coordinated by technical and financial partners	:	Coordination between technical and financial partners (TFP) relates to missions, economic and sectoral analytical studies (ESS) or project cycle activities
Aggregate rating F1 (current) or F2 (trend)	:	F1 is the weighted average/number of criteria by category A, B, C, D, E of current ratings and F2 is the average of F1 of several periods
Annual disbursement rate or ratio - per period - (in %)	:	Ratio of annual flow of disbursements for an operation or portfolio of a period to the amount of undisbursed net commitments at the beginning of the period
Average (of group, sector, portfolio or type of operation)	:	The averages (of group, portfolio, sector or type of operation) are weighted averages/amount of net commitments
Average age	:	Weighted average of ages/amount of net commitments
Development objective (DO)	:	Criterion of sustainability, expected outcomes and impact of operation
Duration of extension	:	Interval between project approval and the revised (actual) closure date.
Duration or period of implementation	:	Interval between effective initial disbursement during the period considered, including extensions and administrative and arrears penalties
Economic and sectoral analytical studies	:	Economic and sectoral studies of technical assistance provided for the implementation of project cycle activities or the Bank's operational programme in the country
Effective duration of implementation	:	Duration of implementation excluding the period of penalties
Effective operation	:	Operation for which the general and specific conditions for initial disbursement have been fulfilled
Net commitments	:	Amount of commitments, net of cancellations
Ongoing operation	:	Operation that is effective and is the subject of disbursements
Operation rating	:	Score on a 0-3 scale based on performance in fulfilment of 18 individual operation criteria grouped by category A, B, C, D and E (see Annex 1-C)
Overall or cumulative disbursement rate (in %)	:	Ratio of total amount of disbursements for an operation or portfolio to the amount of commitments, net of cancellations
Potential problem project (PPP)	:	Project whose IS and DO ratings are not less than 1.5, and are associated with at least two warnings or risk critical factors (see Annex 1-C)
Problem project (PP)	:	Project whose IS and DO ratings are not more than 1.5 (see Annex 1-C)
Project age	:	Time that has elapsed from project approval to the date considered (= completion date for completed projects)
Project at risk – (number and commitment at risk) at a given period	:	A PPP or PP operation is said to be at risk. For a portfolio, it is the sum of PP and PPP operations and the amount of corresponding net commitments or commitments, net of cancellations not disbursed at a given period
Projected duration of implementation	:	Interval between effective initial disbursement and initial closure date
Rating IS/IA (implementation status or implementation of activities or status,DO (development impact)	:	IS/IA score is the weighted average obtained for criteria A,B,C and D while DO (development objectives) corresponds to E (see Annex 1-C)
Relative age	:	Current age/initially projected duration (determined by initial closure date)
Size of portfolio (group of projects)	:	Total amount of net group or portfolio commitments with respect to the number of group operations
Undisbursed net commitments	:	Balance of undisbursed net commitments used to calculate disbursement ratios

I. INTRODUCTION

1.1 The aim of this report is to inform the Boards of Directors on progress made in the implementation of the Bank Group's ongoing operations in Guinea and plans to improve the portfolio performance. The review was carried out within a relatively favourable context for the implementation of the Bank Group's operations. This context is characterized by the non-accumulation of arrears since 2007. The last formal review was conducted in September 1999 (Report No. ADF/BD/WP/99/95). Previously, frequent suspensions as a result of penalties for payment arrears owed the Bank Group for the period 2001-2007 jeopardized portfolio performance. The report also seeks to sensitize the new authorities of the transition government on the need to speed up the implementation of operations so as to improve outcomes and their impacts on the socioeconomic development of the populations. The report was prepared following a mission carried out in June 2009. It is also based on data contained in the Bank's supervision mission reports as well as on the results of the mid-term review of the 2005-2009 RBCSP in October 2008.

1.2 From 1974, when it launched its first intervention, to 1 June 2009, the Bank Group has financed 72 operations, excluding multinational projects, (54 projects, 8 studies, 7 institutional support and 3 non-project loans) for net commitments representing a total amount of UA 517.05 million – from different windows: ADF (64%), ADB (34%) and NTF (2%). Most of the operations are small in size (UA 7 million on average) distributed in various sectors, including agriculture (26.3%), infrastructure (26.9%), social sector (22%) and multisector (8.6%). The average age¹ of the portfolio (from approval to completion date or 1 June 2009) is 8.6 years with 1.7 years of suspension for unpaid arrears, representing 6.9 actual years of operation. Eighty per cent of the portfolio is renewed by every seven years (8 new operations are included against 10 in stock). Disbursements for the whole portfolio as at 1 June 2009 amounted to UA 435 million (87.5%) which is more than the Bank Group's average of 72%. The duration of implementation or average disbursement profile is 5.2 years after initial disbursement 18 months following approval (including 4 months for signature). Out of the 72 operations financed, 59 have been completed, 10 are ongoing and 2 which were recently approved are not yet effective. The review focuses on the 10 ongoing operations whose closure date is after 1 June 2009, the review date. Guinea also benefitted from 2 multinational operations for a total amount of UA 35.6 million which were not the subject of the review.

1.3 The report comprises 5 sections: Section II presents an overview of the active portfolio and examines its absolute and relative performance; Section III assesses the portfolio management capacity and aid coordination; Section IV examines potential problems and draws lessons for portfolio and CSP management; lastly, Section V summarizes the conclusions and recommendations.

¹ All transaction periods are calculated on the basis of the approval date. The age of completed operations is calculated on the basis of the closure date while 1 June 2009 is used for ongoing operations. All the concepts used in this report have been defined (p. ii).

II. OVERVIEW OF THE ACTIVE PORTFOLIO

A. Main Characteristics of the Portfolio

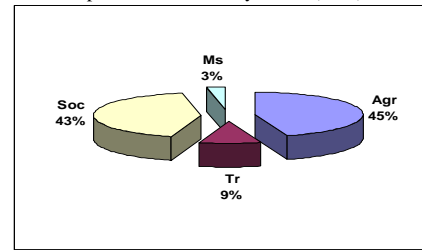
2.1 A diversified, relatively balanced portfolio composed of small-scale operations.

In June 2009, Guinea's active portfolio comprised 12 ongoing operations - including 11 financed with ADF resources and 1 operation financed by NTF - representing a net total amount of UA 107.60 million 42.2% of which has been disbursed. The sectoral distribution is dominated by 3 main sectors: agriculture (38.2%); social sector (36%) and infrastructure (23.5%); multisector (2.3%). The operations of the portfolio are in line with the priorities defined in the Growth and Poverty Reduction Strategy Framework (GPRSF) and the Bank's Results-Based Country Strategy Paper (RBCSP 2005-2009) approved in July 2005². The average size of the ongoing operations (UA 8.2 million) poses problems and leads to high transaction costs³. This review focused on 10 operations, excluding those which were recently approved and not yet effective, namely an operation in the electricity sector (UA 12 million) and another in the transport sector (UA 5 million).

Table 1: Summary of Active Portfolio (in UA million)

Sector	# op.	Net Com.	Share in %	Disbur	Share in %	% Disbur.	Aver. size
Agriculture	5	41.10	45.4%	24.40	53.7%	59.4%	8.22
Transport	1	8.25	9.1%	0.00	0.0%	0.0%	8.25
Social	3	38.75	42.8%	20.80	45.8%	53.7%	9.69
Multisector	1	2.50	2.8%	0.20	0.4%	8.0%	2.50
Total	10	90.60	100.0%	45.40	100.0%	50.1%	8.2

Graph 1: Distribution by sector (in %)



Cross-cutting issues

2.2 *The consideration of cross-cutting issues is increasingly reinforced in the implementation* of the Bank Group's operations in Guinea in view of their importance in terms of expected outcomes and potential risk factors. The domains targeted during the review are: (i) environmental and social impact; (ii) poverty alleviation, micro-credit, progress towards the attainment of other MDGs and gender issues; (iii) governance, institutional development and decentralization; and (iv) regional integration. These issues have a significant impact on the management of the portfolio which stems from the RBCSP and the Bank's Medium-term Strategic Plan (MTSP) on the one hand, and Guinea's Poverty Reduction Strategy Paper (PRSP) and joint strategies of technical and financial partners (TFP), on the other hand.

The review was based on a methodology that is currently under revision⁴. It noted that project executing agencies (PEA) and implementation units (PIU) as well as stakeholders in project implementation increasingly adhere to the policy requirements and operational directives of

² The mid-term review left the strategy unchanged by maintaining the two intervention pillars.

³ It is expected to change rapidly to an objective per operation worth UA 15 million (ADF) or UA 20 million (ADB).

⁴ The review used four instruments, namely: (i) the mid-term results frameworks of the CSP and the annual PRSP review; (ii) the logical framework matrices of projects and rating scale of MDGs; (iii) various Bank and country supervision and monitoring-evaluation reports; and (iv) environmental and social management plans (ESMP), including checklists. Annex 1-D presents a checklist for monitoring ESMPs, in particular.

the Bank and the Government. The aim is to avoid laying themselves open to criticism by peer reviews and NGOs specialized in the monitoring and control of the application of standards and practices in this domain, particularly with reference to poverty alleviation and attainment of MDGs, land tenure and environmental and social responsibility.

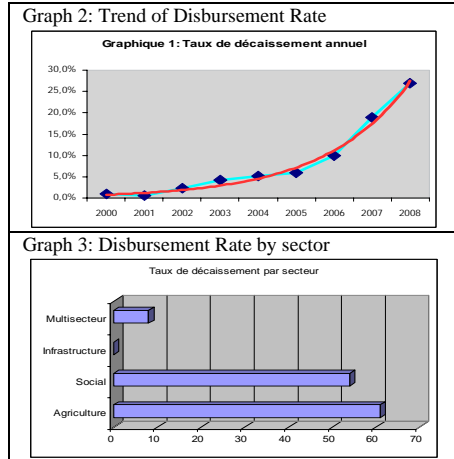
2.3 In general, the Bank Group's operations contributed significantly to the ownership by stakeholders of cross-cutting issues thus producing positive impacts. The projects introduced new methods and techniques in the different intervention sectors (agriculture, water management, roads, education and governance) to improve the environment without major risks. However, in view of negative impacts, mitigation measures envisaged and formulated in the environmental and social management plans (ESMPs) were adopted according to the gravity of the situation: for very serious cases, actions are integrated and implemented in the various components. Out of the 10 operations reviewed: (i) 8 in the agricultural and social sectors are classified in category 2 with negative impact mitigating measures clearly formulated in the ESMPs; (ii) a specific impact assessment was prepared for the Tombo-Gbessia Road Project which is classified in category 1; and, (iii) no particular action is required for the Public Debt and Investment Management Capacity Building Project (PADIPOC) placed in category 3. This classification is summarized in the matrix in Annex 1-D.

2.4 In spite of progress in the overall monitoring of cross-cutting issues, much remains to be done in the specific domains of monitoring of ESMPs, environmental audit and implementation of recommendations. The review noted that efforts are also being made in ministries to implement projects in line with the directives of the respective ministries, particularly the ministries in charge of agriculture, the environment and women's empowerment as well as the Permanent Secretariat in charge of the poverty reduction strategy. However, the need for capacity building to ensure the appropriate monitoring of ESMPs was expressed. The review recommends the development of joint actions at the Bank by OSAN, OSSU, ORQF and ORPC for subsequent dissemination to the country executing agencies. The review stresses the need to include these concerns in launching and supervision activities and live-in training seminars. The next review should make a more thorough evaluation by including the experts of OSSU and OSAN in its team.

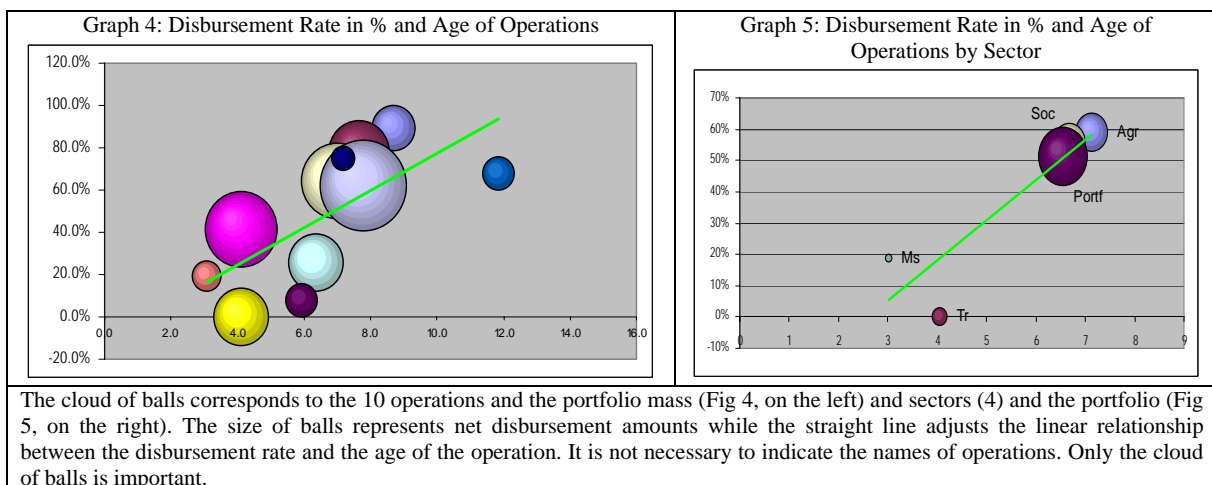
2.5 Operations start-up hampered by difficulties that are increasingly being brought under control. At appraisal, operations are planned to start seven months after approval. Since 2005, the start-up phase, corresponding to the effectiveness, launching and first disbursement process, has lasted 7.4 months compared to 18.6 months before this date. Apart from the fact that Guinea received only grants which became effective after the signing of grant memorandums of understanding, the reduction in start-up periods is due particularly to efforts made to limit disbursement conditions to the opening of a special account and the assignment of staff of management or implementation units. Henceforth, technical, institutional and legal measures are addressed during preparation or implementation phase, with precautionary and safeguard clauses. Delays in meeting conditionalities and setting up the implementation unit increased the start-up period of four operations (in the agricultural and social sectors) out of eleven.

B. Portfolio Performance Evaluation

2.6 ***A portfolio hindered by a fragile administrative environment.*** At 1 June 2009, the disbursement rate of the active portfolio under review is 50.1%⁵ and the annual average disbursement rate is 11.5% as against 20% envisaged during appraisal. Graph 2 opposite shows an increase in disbursement as from 2005 linked to the context presented in §2.2. The disbursement rate per sector is presented in Graph 3. The infrastructure sector and multisector approved after 2005 seem to have been affected by delays in the implementation of the Tombo-Gbessia Road Project and the Public Debt and Investment Management Capacity Building Project (PADIPOC). The problems are exogenous and stem from instability faced by an already fragile administration due to sociopolitical crises and recurrent sanctions for accumulation of payment arrears. Similar obstacles also explain the relatively low disbursement rates of the social and agricultural sectors.

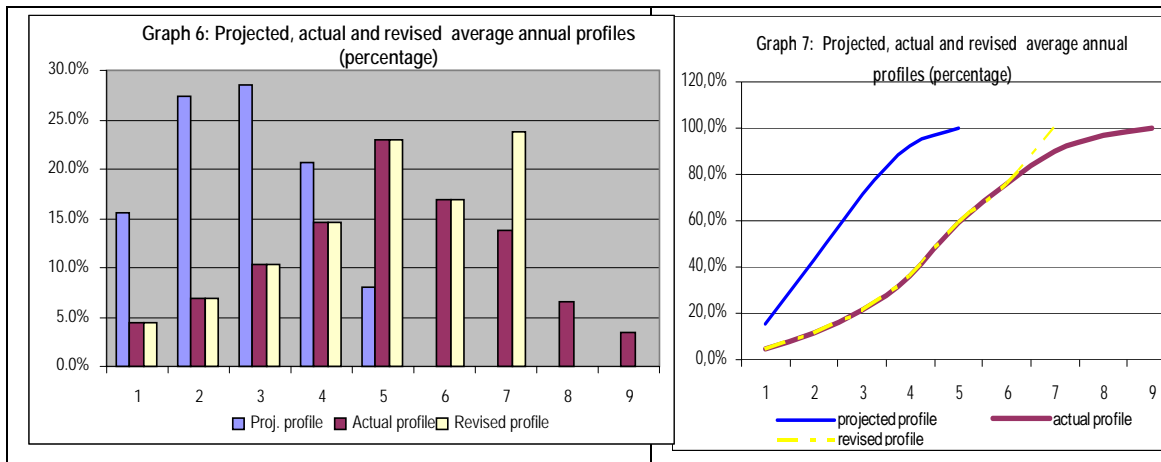


2.7 ***The disbursement rate depends more on the age of commitments irrespective of the sector and amount of commitments.*** A detailed analysis does not indicate significant differences by sector and size of operations. The graphs below which present the disbursement rate by project age (Graph 4 on the left) and by sector (Graph 5 on the right) show a linear relationship between disbursement rate by age already indicated in Graph 3 above. The balls in the graphs represent the size of operations which are on a linear path indicating the impact of institutional and structural factors which are external to project management. An improvement in governance and the consolidation of sociopolitical stability will significantly improve the performance of the administration and speed up the implementation of activities and disbursements. The absence of significant relationships between the disbursement rate and the sector and size of operations should enable the selection of large-scale operations in the form of sectoral programmes to benefit from reductions in transaction costs and economies of scale.



⁵ After the review, the overall disbursement rate rose to 52.7% and the annual disbursement rate to 12% and is tending towards 25% at the end of December 2009.

2.8 *The annual disbursement rate is a typical statistical data of Guinea's portfolio.* The average profile projected at appraisal (see Graph 6 below) is as follows: 15.5%, 27%.28%, 21% and 8%, close to a theoretical distribution of 10%.25%, 30%.25% and 10%. Owing to institutional and structural inertia (procurement and default by contractors) during project implementation, the profile observed is shifted to the right, more skewed and close to a theoretical distribution over seven years (5%; 10%; 15%; 25%; 25%; 15%; 5%) or over six years (5%; 10%; 15%; 25%; 25%; 20%), with undisbursed balances of approximately 5% to 10%. This shift (difference between the projected profile and actual profile in Graph 7) requires that actions be taken quickly for more speedy implementation of projects right from the first year of disbursement to bring the disbursement profile in line with the projected profile.



2.9 *A renewed portfolio that may age.* The average age of the active portfolio is 6.55 years⁶ - that is only 3.6 months more than the completion period (6.3 years) projected during project appraisal and 2.5 years less than the completed portfolio. This performance is fragile in view of the 51% disbursement rate after six years, considering that on average only 2.6 years are remaining, according to the closure date, for the disbursement of the remaining 49%. Sustaining such performance would necessitate the acceleration of disbursements at the rate of 18% each year. This performance can be achieved on condition that (i) agricultural and social projects, excluding the Education IV project, are effectively closed by December 2009, as envisaged; and (ii) the Education IV, Tombo-Gbessia Road and PADIPOC projects are completed within the set deadlines. There is a high chance for this to be achieved inasmuch as (i) the main expenditure categories concern works and equipment; (ii) a relatively well reinforced focal point henceforth exists in the Ministry of Finance; (iii) supervisions are increasingly reinforced by multidisciplinary teams; (iv) management units benefit from the assistance of procurement specialists and are supported by the Bank's reinforced presence in Conakry; (v) constraints linked to the sociopolitical crisis, arrears, rainy season and the absence of an ADB country office are considered.

⁶ The average age of projects in the agricultural (7.1 years) and social (6.7 years) sectors is increasing the age through the traditional fishing and fish-farming project (8 years), the Haute Guinée Rural Development Support Project (7.7 years), the Rural Water Management Project (7 years) on the one hand, and the Women's Economic Activities Support Project (9 years) and the Haute and Moyenne Guinée Sustainable Social Development Project (7 years).

2.10 **Average portfolio performance.** The overall portfolio performance (see Table 2 below) is considered to be satisfactory with an aggregate rating of 2.10 on a scale of 3 for 10 operations supervised – an improvement compared to the rating of 2.07 in 2007 and 1.94 awarded during the previous portfolio performance review in 1999. For Guinea, this overall performance is still significantly hampered by delays due to the absence of an ADB country office and a focal point in DNIP, on the one hand, and by project implementation time overrun due to recurrent suspensions (a total 963 days) suffered by the country (that is notably 306 days in 2004, 139 in 2005 and 131 in 2007), within a very difficult socioeconomic context.

Table 2: Portfolio Performance Rating (score of 0-3)

Sector/Operation	Fulfillment of conditions	Procur.	Finan. perfor.	Activities and outputs	PP index (implem)	ID index (impact)	Aggregate rating	Risk
Comparison PAPP 2007	1.75	2.00	1.8	1.9	2.00	2.20	2.00	3/10
Overall review 2009	1.99	2.00	1.99	1.91	1.97	2.11	2.10	1/10
Rural sector	1.9	2.0	2.1	2.00	2.0	2.4	2.1	0/5
Traditional Fishing Project	2.00	2.00	2.00	2.00	2.00	2.50	2.10	Not PP
Rural Dev't Support Project - HG	1.70	2.00	2.00	1.50	1.80	2.00	1.90	Not PP
Rural Water Mgt Project - HG	2.00	2.50	2.60	2.80	2.60	2.80	2.60	Not PP
Rural Roads Project	2.00	1.50	1.80	1.00	1.60	1.50	1.60	Not PP
NERICA Project	2.00	2.00	2.00	3.00	2.00	2.50	2.30	Not PP
Infrastructure sector	1.67	1.75	1.38	1.54	1.55	2.00	1.67	1/1
Tombo-Gbessia Road	1.00	1.50	1.00	1.33	1.18	1.75	1.32	PPP
Social sector	2.00	2.00	1.88	1.63	1.85	2.00	1.90	¼
Women's Econ. Act. Sup Project	2.00	2.00	2.00	1.50	1.85	2.00	1.90	PP
Social Dev't Project - HM G								Not PP
Education IV	2.00	2.00	1.75	1.75	1.85	2.00	1.90	Not PP
Multisector	2.00	2.25	2.55	2.00	2.22	1.88	2.14	1/1
PADIPOC	2.33	2.50	2.60	2.25	2.43	2.00	2.34	PPP

2.11 Prior to this review, at 1 June 2009, the active portfolio included 2 problem projects (PP) and 3 considered to be potentially problematic (PPP), that is 5 projects or 50% of the risky projects (RP), corresponding to 35% of the total portfolio amount. These projects are classified in this category particularly in view of their age and execution delays. On the whole, some of these projects had a significant impact in their respective areas, but are listed in this category due notably to their low disbursement rates.

2.12 **Problem projects (PP).** At 1 June, the portfolio included 2 problem projects:

- The 4-year old National Rural Infrastructure Programme Support Project (PNIR) with a disbursement rate of 22% at 1 June 2009 and a physical execution rate of 15% has, since its start-up, encountered major problems related mainly to serious technical and financial shortcomings by contractors against whom no effective action had been taken or anticipated.
- The implementation of the 9-year old Women's Economic Activities Support Project which is the oldest in the portfolio was also hampered by long delays and serious obstacles aggravated by persistent delays in the payment of counterpart funds by the Government and the submission of progress and audit reports. The technical difficulties faced by the SAP system should also be emphasized.

2.13 *At the end of recent supervision and review missions, the different actions required were recorded and the portfolio has been streamlined and has no problem projects (PP). The Rural Roads Rehabilitation Projects has thus been restructured to help improve its performance and disbursement rate. After addressing the technical problems of SAP, the Women's Economic Activities Support Project will soon be completed on 31 December 2009.*

2.14 **Potential problem projects (PPP).** At 1 June 2009, Guinea's portfolio comprised three potential problem projects. These projects are included in this category due notably to delays in their implementation, as experienced notably by the Tombo-Gbessia Road Rehabilitation Project which recorded a long delay owing to non-compliance with the Bank's tender procedures which tenders were unsuccessful as a result. However, the main constraint is linked to cost overrun which necessitated an additional grant approved only in April 2009. For its part, the Public Debt and Investment Management Capacity Building Project (PADIPOC) started one year behind schedule due mainly to repeated sanctions imposed on the country for non-payment of debt due. The Haute Guinée Rural Development Support Project (PADER) is also included in this category due to major implementation difficulties linked to problems of poor performances of contractors.

2.15 *Out of the three potential problem projects (PPP), only one project (PADIPOC) is still classified in this category at the end of the review. The implementation of this project which is still being considered as risky should be rigorously monitored, in view of the current sociopolitical context.*

2.16 **Non-problem projects.** This category contains 5 projects 2 of which will be completed on 31 December 2009. On the whole, these projects are being implemented under good conditions as has been illustrated specifically for the Haute Guinée Rural Water Management Project, exceeding its initial execution rates and the Haute and Moyenne Guinée Sustainable Social Development Project (PDSD) considered as examples of success stories, as also underscored by the authorities.

2.17 The review therefore identified difficulties and thus helped to significantly streamline the situation of an active portfolio, by 2010, comprising 5 projects (2 in the agricultural sector, 1 in the social sector, 1 infrastructure project and 1 multisector project), including only one potential problem project (1 PPP). The portfolio represents a total net commitment of UA 50.9 million - to which will be added operations that were recently approved and whose implementation conditions should be fulfilled quickly, in particular those of the Conakry electrical grid rehabilitation project which is the subject of sustained attention to ensure that it is launched as soon as possible.

2.18 **Main generic problems identified.** A number of difficulties common to the whole portfolio were identified and prioritized during the review, namely: (i) defaults by some contractors and service providers; (ii) problems of mobilizing national counterpart funds; (iii) insufficient rigour in technical and financial monitoring of projects by implementing units and supervisory ministries; (iv) absence of an ADB country office in Conakry and non-assignment of goods and services procurement experts to handle procurement problems. All these problems were extensively discussed with the various parties according to a recommendation plan and action matrix jointly approved and attached hereto.

2.19 The establishment of a focal point in the Ministry of Finance and the reinforced presence of the Bank will help Project Management Units to endeavour to improve the quality of files by ensuring better technical and financial follow-up. The Government

undertook to mobilize its contribution in terms of counterpart funds for the financing of projects and to accelerate the procurement process. The Bank intends to speed up the processing of files.

C. Comparison of Portfolio Performance

2.20 In general, the general problems highlighted during the 1999 review and PAMP monitoring in 2007 persist, although there are some improvements in certain domains and operations, as indicated in Table 3 below. Comparison with the ADF average and the World Bank's portfolio shows that the Bank Group's performance is relatively satisfactory despite the long period of sanctions. However, the presence of the World Bank and its practice of implementing relatively large-scale operations gives it an advantage and enhances its performance compared to that of the ADB, hence the need to have a limited number of large-scale operations and to strengthen the Bank's presence in Guinea so as to better monitor them.

Table 3: Comparison of Guinea's Portfolio Performance

Performance indicators		Trend		Internal /external comparison	
		2007	2009	ADF (2007)	WB (Guinea)*
Implementation and impact	Period of effectiveness (from signature/month)	12	5	17	4,5
	Annual average disbursement rate (%)	10.5	11.5	18	10,8
	Gross disbursement rate (%)	45	52.1	37	35,9
	Average age of active portfolio (in years)	8	6.55	4.2	3,43
	Effective implem. period (in years)	7.5	6,2	2,8	4,52
	Average size of projects (in UA million)	7	8.1	17	10.0**
	Proportion of problem projects (%)	2/10	0/10	45	2/23
	Proportion of risky projects (%)	3/10	1/10	45	5/23
Aggregate rating of projects (scale of 0-3)		2.08	2.10	n.a.	2

(*) World Bank's portfolio in Guinea, 2004-2007

(**) The portfolio size is UA 12.72 million excluding technical assistance and emergency relief operations.

III. EVALUATION OF PORTFOLIO MANAGEMENT CAPACITY AND AID COORDINATION

3.1 **Government performance.** The Ministry of the Economy and Finance monitors the management of the entire portfolio and coordinates Bank missions in Guinea, in close collaboration with the technical ministries in charge of project supervision. The borrower's performance with regard to project implementation and aid coordination is still considered to be poor. It will be strengthened by a special ADB project coordinator in the ministry who should be financed under the targeted support programme that is currently being discussed. Project executing agencies and implementing units do not receive sufficient assistance (presence of the ADB and procurement specialists) to reinforce the ownership of the Bank's procurement and disbursement rules and procedures. The Government and the ADB focal point in the ministry should ensure that: (i) all projects prepare procurement and disbursement plans that ensure sound project implementation on the basis of evaluation

reports; (ii) all projects adopt a results-based management approach; and (iii) the national counterpart funds are released timely.

3.2 **Bank performance.** The complexity of some projects and the heavy workload of project officers as well as their frequent change in the Bank's departments often lead to delays in disbursement and transmission of non-objection opinions. To improve the portfolio performance, the Bank should, among other things: (i) improve project preparation; (ii) form multidisciplinary teams for the launching of projects in order to sensitize the different stakeholders on project implementation procedures; (iii) ensure that all projects prepare procurement and disbursement plans that promote sound project implementation on the basis of evaluation reports; (iv) train project executing agencies on new Bank rules and procedures; (v) reduce the Bank's intervention areas within the context of the division of labour with other technical and financial partners.

3.3 **Aid coordination.** External aid remains the main source of financing of development programmes and projects of the country since independence. At the level of the Government, aid is coordinated by the National Directorate of Public Investments (DNIP) of the Ministry of the Economy and Finance. However, it should be pointed out that, strictly speaking, there is no permanent framework for the institutional coordination of aid managed by the Authorities. At the level of development partners, no framework for concerted action has been put in place, except in the area of education and the ADB is associated with this framework.

IV. POTENTIAL PROBLEMS AND LESSONS TO BE DRAWN FOR PORTFOLIO AND CSP MANAGEMENT

4.1 The main obstacles to efforts aimed at improving Guinea's portfolio management are described above. The Bank and the Government should take firm and stringent measures to improve project efficiency and development impact. Specifically, the Government must continue to strengthen fiscal discipline so as to maintain macroeconomic stability which is indispensable for interim debt relief and budget support. It must also continue to make efforts to promote better ownership and close monitoring of ongoing operations.

4.2 The Bank should continue its interventions to build institutional capacities through the Economic Management Capacity Building Project. It should also closely monitor operations particularly by improving communication, reducing time taken to process files, intensifying supervision missions, ensuring capacity building and in particular reinforcing its presence by opening an ADB country office in Conakry. ORWB should, in collaboration with GECL, SEGL and CVSP, take measures and report to senior management.

V. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

For the Government:

1. At the macroeconomic and institutional level

- (a) streamline public finance in order to mobilize counterpart funds for project financing;

- (b) pursue reforms initiated since the implementation of PRSP 2 backed by PRGF, debt relief by the Paris Club by speeding up the fulfilment of requirements for the attainment of the completion point and by improving dialogue with TFP within the framework of a reinforced strategic partnership;
- (c) revive the training of State employees in order to enhance institutional and sustainable management capacity of the administration to pursue the reforms mentioned in (b) particularly with regard to public finance and good governance.

2. Portfolio improvement

- (a) organize the Bank's technical support to the National Directorate of Public Investments (DNIP) to enable it to contribute effectively to the resolution of project-related problems, namely speeding up of the procurement process, monitoring of the impact of price fluctuations on project management, ensuring accountability (submission of management reports and monitoring the implementation of their recommendations), systematic close monitoring of the mobilization of counterpart funds and debt service payment;
- (b) regularly submit project implementation and audit reports as part of contractual obligations, and implement their recommendations to avoid the suspension of disbursements;
- (c) closely monitor the planning of operations approved before 2007 (ADF X) which may record a resource commitment rate of less than 50% in 2009 and 2011, particularly the Tombo-Gbessia Road, Education IV, Institutional Support and electricity projects. This last project, which was recently approved, was not included in this review;
- (d) closely monitor gaps between project implementation planning and implementation status (period of first disbursement, disbursement flows, procurement deadlines and implementation of activities).

3. Proactive portfolio management

- (a) carry out realistic work planning, taking into account timelines for submitting files and their examination by the Bank, final design studies and preparation of bid documents, the rainy season and agricultural calendars, as well as institutional constraints (ministries, State and ADB);
- (b) strengthen the institutional, technical and managerial capacities of project implementation units, backed by the close and effective supervision of sectoral ministries (executing agencies) and the ministries in charge of finance and planning;
- (c) reinforce work control by engineering firms and the competent State bodies and/or by project supervision firms backed by the obligation to render account to the competent authorities (Parliament, Audit Bench and beneficiaries);
- (d) ensure the diligent implementation of the measures set out in the portfolio improvement plan (Annexes 2-A and 2-B).

*For the Bank Group:***1. Improvement of portfolio performance**

- (a) have a pipeline of projects of good quality at entry assessment, backed by detailed implementation studies and preparation of bidding documents, and examine in advance measures precedent to disbursement during project preparation, reducing their number as much as possible;
- (b) reduce the number of large-scale operations;
- (c) apply quality assurance methods to operations and strengthen risk management during key phases of the project cycle (preparation, appraisal, launching, supervision and review) and results-based management (activities, outputs, intermediate outcomes, effects and impacts).

2. Strengthening of portfolio performance monitoring-evaluation

- (a) assist the Government in setting up a suitable monitoring-evaluation system (including the monitoring of ESMPs), including performance indicators to be included in the PRSP and the Bank's CSP;
- (b) popularize methods for monitoring ESMPs at the Bank and in countries to improve the quality of projects and their social impact for the populations.

3. Improvement of communication and coordination at the Bank and with other stakeholders

- (a) strengthen communication and coordination between the Bank Group (and its portfolio unit for the Bank's institutional support) and national stakeholders (Government, agencies, bodies and implementation units) on the one hand, and with TFP, on the other hand;
- (b) rationalize the sharing of responsibilities between the portfolio committee, the focal point and Head Office in order to reduce the response time (non-objection opinion): control the quality of project documents (effectiveness, BD, contracts, request for disbursement, requests for financing) to avoid shuttling;
- (c) organize, on the basis of a trend chart or programme of activities to be submitted to the Country Regional Department West-2 (ORWB), the monthly progress report of the monitoring of individual operations, the quarterly review of risky operations and the annual portfolio review, including a country portfolio improvement plan;
- (d) explore, with the competent Bank units (SEGL, GECL, CSVP) the terms and conditions of strengthening the Bank's presence in Conakry and make recommendations to senior management;
- (e) participate closely and contribute effectively to aid coordination and to the harmonization and alignment process, provide leadership in the Bank's areas of comparative advantage, namely rural development and natural resource management, multinational projects, local financing, micro-credit and governance.

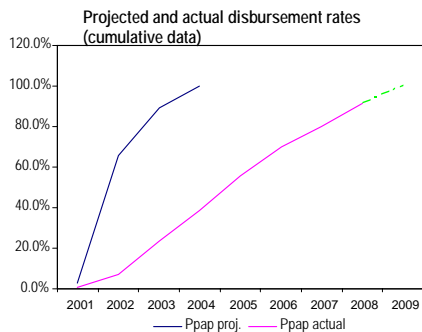
MAIN CHARACTERISTICS OF 10 ONGOING PROJECTS (JUNE 2009)

Sector / Operation	Source of finance	Amount approved (UA million)	Amount disbursed (UA million)	Disburs. rate (%)	Period of fulfilment of condit. preced. to 1 st disburs. (months)	Age (years)	Annual disbursement rate (%)	Risk*
Agricultural sector								
Haute Guinée Rural Dvt Support Project (PADER-HG)	ADF loan	10	7.8	78	11.9	6.7	9.5	Non PP
NERICA Rice Dissemination Project – Guinea (PDRN)	ADF loan	3	1.3	43	7.8	3.1	12.3	
Haute Guinée Rural Water Mgt Project (PHR-HG)	ADF loan	15	9	60	24.2	4.7	15.5	Non PP
Rural Roads Project (PA/PNIR2)	ADF loan	8.1	1.8	22	24.3	4	7.8	Non PP
Traditional Fishing and Fish-Farming Project	NTF	5	4.5	90	10.7	7.3	9.8	Non PP
Subtotal / Average		41.1	24.4	59	15.8	5.2	10.7	
Social sector								
Women's Economic Activities Support Project	ADF loan	3	2	67	12.3	9	5.8	PP
Haute and Moyenne Guinée Sustainable Social Dvt Project	ADF loan	20.0	12.3	62	26.7	5.8	11.9	Non PP
	ADF grant	1.7	1.3	76				
Educational Development Support Project (Education IV Project)	ADF loan	14	5.2	37	7.3	2.6	13.0	Non PP
Subtotal/ Average		38.7	20.8	54	15.4	5.8	8.3	
Infrastructure sector								
Tombo-Gbessia Road Rehabilitation Project	ADF loan	8.3	0	0	--	2.6	0	Non PP
Subtotal/ Average		8.3	0	0	--	2.6	0	
Multisector								
Public Debt and Investment Management Capacity Building Project (PADIPOC)	ADF loan	2.5	0.2	8	10.8	2.6	3.3	Non PP
Subtotal /Average		2.5	0.2	8	10.8	2.6	3.3	
TOTAL / AVERAGE		90.6	45.4	50.1	10.5	4.0	11.0	

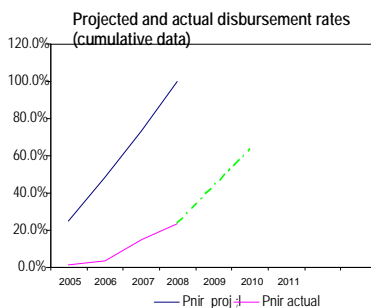
* Non PP = non problem project; PPP = potential problem project; PP = problem project
 RP = risky project (PP or PPP)

PROFILE OF DISBURSEMENTS BY OPERATION (%)

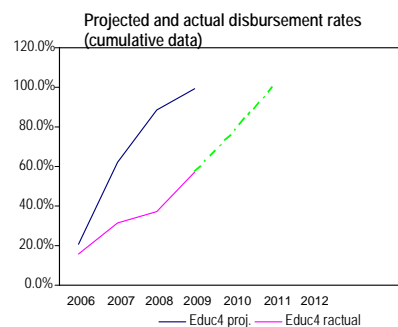
Traditional Fishing Project



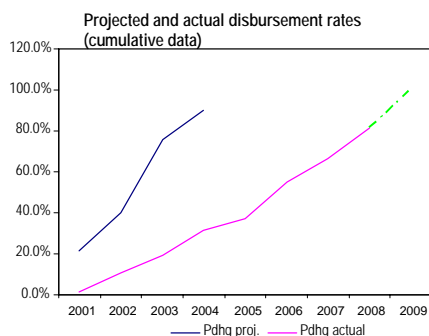
National Rural Infrastructure Project



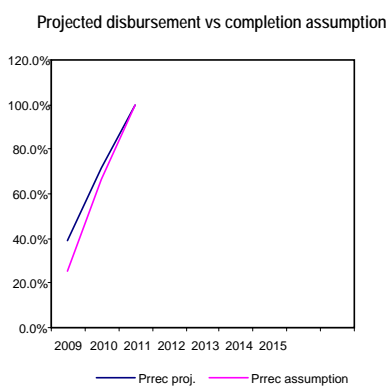
Education IV Project



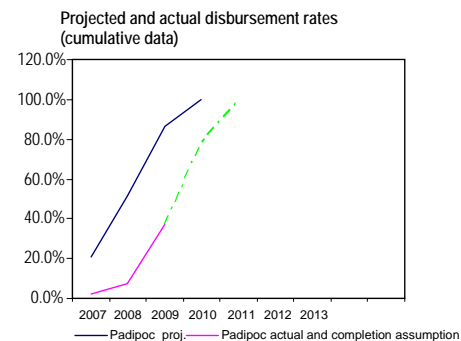
Haute Guinée Rural Development Project



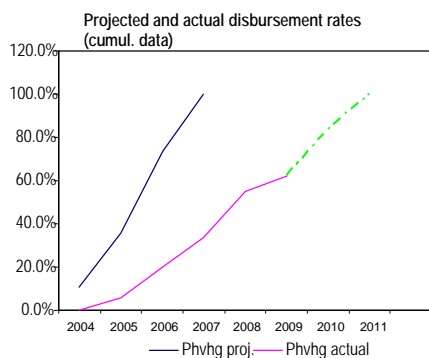
Tombo-Gbessia Road Project



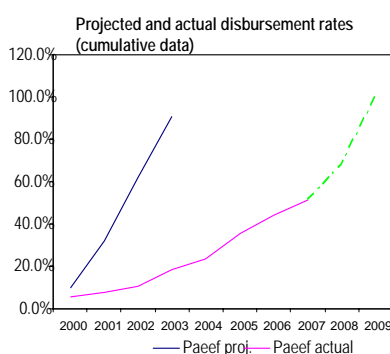
Public Debt and Investment Management Capacity Building Project



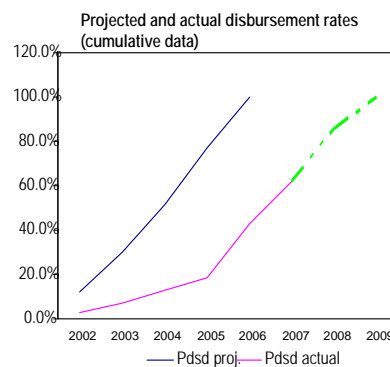
Haute Guinée Rural Water Management Project



Women's Economic Activities Support Project



Haute and Moyenne Guinée Sustainable Social Development Project



METHODOLOGY OF PORTFOLIO PERFORMANCE ANALYSIS⁷

1. Portfolio performance was analysed following a three-stage procedure:

Identification of problem projects (PP): These are operations deemed to be unsatisfactory by project coordinators (PC) by virtue of performance ratings during supervision based on the implementation status (IS) and probability of not attaining development objectives (DO). An operation is classified as problematic (PP) when any of these two criteria has an average rating of less than 1.5. The PP rate corresponds to the percentage of PP with respect to the total number of operations evaluated and rated.

Identification of potential problem projects (PPP): These are projects whose IS and DO ratings are scored not less than 1.5 but which have *at least two* of the critical factors presented in the box below, which indicates a high probability for the projects to experience implementation problems in future and thus suggests the need for close monitoring (Rating: a PPP is an operation that is considered as having recorded satisfactory progress with regard to its implementation, but whose possible (future) problems could be mitigated through further supervision. This is a proactive management approach aimed at obtaining results by paying sufficient attention to the management of operations).

Potential problem project indicators

The operations were evaluated on the basis of the following 10 factors (indicators) to determine if they are potentially problematic although they are considered to be satisfactory with respect to implementation status and development objectives:

- (i) Period of more than 12 months between approval and effectiveness of project loans, reform support loans or TAF financing;
- (ii) Ratings less than 1.5 for the indicators “Conditions precedent to loan effectiveness” and “Disbursement of first tranche”, respectively;
- (iii) Rating less than 1.5 for the indicator “Procurement performance”;
- (iv) Rating less than 1.5 for the indicator “Availability of counterpart resources”;
- (v) Rating less than 1.5 for the indicator “Performance of project management”;
- (vi) The country has a high rate of poor results, judging from past-completion performance evaluation reports (PCPERs) prepared by the Operations Evaluation Department (OPEV) - the PCPERs are deemed to be unsatisfactory, or even worse in at least 50% of the time, over the last 7 years and the country is regarded as an inefficient player;
- (vii) Indicators IS or DO are considered to be unsatisfactory for two consecutive years;
- (viii) Less than 10% of the loan disbursed in two years after its effectiveness or less than 50% disbursed five years after its effectiveness;
- (ix) Project uncompleted 8 years (5 years for studies and institutional support loans) after the approval date;
- (x) Less than 50% disbursement of grant resources allocated for capacity building, 3 years after grant effectiveness.

Identification of risky projects (RP) and risky commitments (RC): RP are the sum of PP and PPP. The RP rate is obtained by dividing the number of RP by the total number of operations rated. RC corresponds to the total value of loans and grants for operations deemed to be risky while the RP rate is obtained by dividing the number of RP by the total value of commitments of the portfolio evaluated.

⁷ Source: Bank Annual Portfolio Performance Report, 2007.

2. Performance criteria are indicated in the table below:

PROJECT PERFORMANCE RATING INDICATORS	
The 14 indicators A, B, C and D are used to evaluate the implementation status (IS)	
The 4 indicators E are used to evaluate the attainment of development objectives or operation impact (DO)	
A.1: Adherence to conditions precedent to effectiveness; A.2: Adherence to general conditions; A.3: Adherence to other conditions.	B.1: Procurement of consultancy services; B.2: Procurement of goods and works;
C.1: Availability of foreign exchange; C.2: Availability of local currency; C.3: Disbursement flows; C.4: Management/cost recovery; C.5: Co-donor performance.	D.1: Adherence to implementation schedule; D.2: Performance of consultants or technical assistants; D.3: Performance of contractors; D.4: Performance of Project Management.
E.1: Probability of project achieving objectives; E.2: Probability of obtaining benefits and their sustainability beyond the life of the project.	E.3: Probability that the project will contribute to enhancing institutional capacity; E.4: Expected rate of return.

CROSS-CUTTING THEMES

1. **The Bank's review included cross-cutting issues in the monitoring of the Bank Group's portfolio results and performance in view of their dual nature (outputs and risk factors).** However, the methodology used is not quite specific. It was based on: (i) frameworks of CSP mid-term results and the annual review of the PRSP; (ii) project logical framework matrices and MDG evaluation scale; (iii) Bank and country monitoring-evaluation reports; and (iv) ESMPs, including checklists. The results are analysed in the paragraphs that follow while the themes covered by projects and an ESMP monitoring checklist are presented in the tables below.

2. **Impact on the environment. The implementation of projects did not result in the destruction of natural resources or displacement of populations, except population displacements linked to the search for social equilibrium thanks to the improvement of the living environment by the projects.** However, in view of the exposure of the populations to the risks of floods, accidents, waterborne diseases (diarrhoea, amoebiasis, helminthiasis and dracunculiasis – guinea-worm disease), the projects have contributed to the reduction of the population's vulnerability by constructing embankments, footbridges and crossing works, improved boreholes and latrines resulting in better practices with regard to access to facilities, hygiene and afforestation. The mitigation measures contained in ESMPs, including result indicators were integrated into the projects. The implementation of the plans was the subject of supervision whose recommendations are especially monitored by the decentralized services of the State and NGOs.

3. **Impact on poverty reduction. The Bank Group's operations contributed** to the improvement of the living conditions of the populations and to the pursuance of global development objectives as confirmed by the (DO) rating of 2.11. More specifically, the five integrated rural development projects and the three projects in the social sector together contributed to the increase in agricultural and food production, drinking water supply and sanitation, the development of income-generating and micro-credit activities, the strengthening of the capacities of the poor, particularly women, opening up of isolated localities and production zones, increase in the school enrolment rate, particularly of girls, improvement of health care coverage and quality and HIV/AIDS control.

More specifically, the supply of drinking water was a priority thrust of the poverty reduction strategy which contributes significantly to the improvement of the living conditions of the populations, through the water function and its relationship with other sectors, public health (protection against diseases), education and the participation of the populations in economic activities. The projects also have direct and indirect effects on income, employment and agricultural productivity. Rural roads and the Tombo-Gbessia road project will help increase the flow of traffic in regions (movement of people and goods), ease access to isolated areas, limit accidents and reduce the cost of transactions and nervous disorders and cardiovascular diseases.

4. **Impact on women. Women and girls are increasingly liberated from the chore of fetching water. They have easier access to factors of production (land, seeds, equipment, water, and micro-credit), infrastructure and knowledge,** and are increasing their contribution to production and trade and using the available time to engage in socio-cultural activities, or other more profitable activities for the family, the education of children and literacy training for adults, particularly girls. They are strengthening their participation in decision-making bodies at various levels (committees for the selection of investment projects, resource allocation, rural infrastructure management and maintenance – especially water management - educational counselling), with increased responsibilities, duties and influence which contribute to their development and change in mentalities.

Table 1: Guinea – Portfolio Review, 2009: Matrice of Cross-cutting Issues

List of Operations	Poverty reduction and social impact	Environment and sustainable development	Gender issues and micro-credit	Capacity building	Governance and institutional development	HIV/AIDS	Regional integration	Point of impact
	1	2	3	4	5	6	7	8
Haute Guinee Development Project	X	X	X	X	X	X	X	7
Traditional Fishing and Fish-Farming project	X	X	X	X				4
Haute Guinée Rural Water Management Project	X	X	X	X		X	X	6
Rural Roads Project/PNIR	X	X	X	X		X	X	6
Nerica Rice Dissemination Project - Guinea	X		X	X	X	X	X	6
Rehabilitation of Tombo-Aerop.Bessia two-lane road	X	X	X					3
Women's Economic Activities Support Project	X	X	X	X	X	X		6
Haute and Moyenne Guinée Sustainable Social Dvt Project i	X	X	X	X	X	X		6
Education IV Project	X	X	X			X		4
Public Debt and Investment Management Capacity Building Project	X		X	X	X			4
Frequency	10	8	10	8	5	7	4	

Table 2: Guinea – Portfolio Review, 2009: Questionnaire for ESMP Monitoring

1. Did the EIA envisage the formal obligation to examine completed projects and assess forecasts and recommendations that are contrary to reality? Did it include the monitoring work plan, procedure review, labour and costs for ESMP? If not, what is the reason?
2. Was an ex-post audit conducted? By who? Environment agency or a group of independent environment agencies?
3. Is it possible to implement ESMPs as proposed? If not, why? Was the problem reported?
4. Have mitigation measures been effectively put in place, implemented, exploited and maintained? To what extent have they been understood and owned by stakeholders? How are the measures assessed in terms of cost efficiency?
5. How successful is the ESMP process in preventing or limiting environmental degradation?
6. Did the plans make accurate projections of impacts and their consequences?
7. Do the plans have satisfactory and effective outcomes? What are the negative impacts beyond those envisaged in the initial EIA report?
8. Are there other major impacts that justify corrective actions? At mid-term? Are they in line with the mitigation measures? Do they contribute to improving the forecasts?
9. Are there regular monitoring reports prepared by executing and environment agencies and project implementation units and Bank Group services?
10. Is it possible to identify emerging problems? How were Bank responses provided? Timely? Appropriately? If not, why?

ACTION PLAN FOR IMPROVING GUINEA'S PORTFOLIO

<i>MAIN PROBLEMS IDENTIFIED</i>	<i>ACTIONS REQUIRED</i>	<i>RESPONSIBILITY</i>	<i>CUT-OFF-DATE</i>
GENERIC PROBLEMS			
Start-up of operations			
Delayed start-up due to the setting up of project implementation units	- Ensure that that a minimum material and operating resources are available during the start-up of operations	GVT/ADB	Quarterly review
Project implementation units face difficulties in initiating and implementing certain operational activities	- Recruit qualified and experienced staff on a competitive basis and draw up individual performance contracts, including an annual evaluation - Take advantage of project launching phases to strengthen the capacities of PIUs - Develop on a regular basis training and capacity building programmes for project teams	GVT/ADB ADB	Quarterly review
Need to have administrative, accounting and financial operations manuals and to establish the accounting and financial system upon the setting up of project implementation units	- Help PIUs to obtain such manuals, accounting and financial systems and to benefit from training adapted to their use	GVT/ADB	Quarterly review
Financial aspects			
Adverse effects of successive suspensions of disbursements on the proper implementation of projects	- Ensure debt service payment at the due date	GVT/ADB	Quarterly review
Long delays in conducting operation audits	- Plan consultations for the recruitment of auditors on time - Keep a timetable for the conduct audits	PMU PMU	Quarterly review
Procurement rules and procedures			
Inadequate mastery of the Bank's rules of procedure for procurement	- Conduct launching missions on time and provide training in procurement for PEAs - Encourage PIUs to use the Bank's standard BD - Depending on project type and complexity, provide for a procurement specialist in the PMU - Review procurements for ongoing projects - Prepare procurement plans and schedules	ADB/GVT GVT/ADB ADB GVT	Quarterly review

MAIN PROBLEMS IDENTIFIED	ACTIONS REQUIRED	RESPONSIBILITY	CUT-OFF-DATE
Excessive delays in the approval and signature of contracts	- Carry out sensitization on the need to accelerate the signing of contracts in accordance with time limits specified in the Public Contracts Code and examine the possibility of decentralizing activities according to the provisions of the Public Contracts Code	GVT	Quarterly review
Persistent weakness of contractors	Draw up a list of defaulting contractors and ensure diversification in the award of contracts	GVT	Quarterly review
Management and monitoring of operations			
Weaknesses in the ownership and monitoring of operations at the national level	- Increasingly involve the sectoral departments concerned and develop internal mechanisms for monitoring activities	GVT	Quarterly review
Low response, lack of adequate anticipation and corrective measures in project implementation	- Strengthen the capacities of DNIP and central supervisory services as well as technical departments to enable them to effectively monitor projects - Speed up the setting up of the portfolio committee	GVT/PMU/ADB	Quarterly review
Discrepancies in project operating costs and PIU staff remuneration	Carry out reflections to submit proposals to the Bank	GVT/ADB	Quarterly review
Delay in communicating Bank non-objection opinions	Reduce the number of projects per expert by designing large-scale projects and empower the future focal point of ADB and DNIP	GVT/ADB	Quarterly review
Delay by the Bank in honouring requests for disbursement and the non-communication of credit notices and disbursement returns and delays in the digitization of information	Empower the services concerned	ADB	Quarterly review
Frequent change of task managers	Ensure the proper handing over files and inform PEAs and PIUs	ADB	Quarterly review
Performance and impact assessment			
Insufficient consideration of past lessons and experiences	- Better capitalize on lessons from past operations	ADB/GVT/PMU	Quarterly review
Poor results-based management culture	- Ensure that monitoring-evaluation systems are based on a results-based management system and publish the results through a communication strategy	GVT/ADB	Quarterly review

ACTION PLAN FOR IMPROVING GUINEA'S PORTFOLIO

<i>MAIN PROBLEMS IDENTIFIED</i>	<i>RECOMMENDATIONS</i>	<i>RESPONSIBILITY</i>	<i>CUT-OFF-DATE</i>
SPECIFIC PROBLEMS			
RURAL ROADS PROJECT (PA/PNIR2)			
The work will end after the current closure date set for 31 December 2009	Extend the closure date to 31 December 2010 on the basis of the request by MEF	DNIP/Min AGRIC/MEF/ADB	July 2009
Slow project implementation owing to the poor performance of contractors and institutional problems	Cancel contracts and redeploy resources amounting to UA 3 million to combat food crisis. Submit a request for the use of resources and extension of closure date to 30 June 2010	DNIP/Min AGRIC/MEF/ADB	June 2009
HAUTE GUINÉE RURAL DEVELOPMENT SUPPORT PROJECT (PADER-HG)			
Aged project implemented slowly due to a long period of sanctions (almost 3 years) and problems of procurement and counterpart funds	The rehabilitation works envisaged should be carried out not later than 31 December 2009 The status report of September 2009 will help decide on the way forward	PIU/DNIP/ADB	31 December 2009
Non-payment of counterpart funds in 2008 and 2009 with consequences on the status of implementation of PIU activities	Request MEF to speed up payments	DNIP/MEF	July 2009
Slow progress of completion works due to the poor performances of contractors	Adjustments were made to continue the execution of ongoing contracts	PIU/DNIP/Min AGRIC	October 2009
Low response of PIU and Consulting Engineer to the default of contractors	Monitoring will be carried out in September 2009 to assess the status of implementation of activities		30 Sept. 2009
Management of lines of credit and other post-project activities (cartography) - need to set up a mechanism for the management of credit funds during the post-project phase	Initiate reflections on the type of mechanism between now and the end of the project.	PIU/DNIP/Min AGRIC MEF/ADB	July 2009
The balance of UA 600 000 allocated for the food crisis was not requested officially. Furthermore, activities will be implemented beyond the current closure date	Submit an official request with a precise schedule for the food crisis and for the extension of the closure date to 31 Dec. 2009.	PIU/DNIP/Min AGRIC/MEF/ADB	30 June 2009
TRADITIONAL FISHING AND FISH-FARMING PROJECT			

MAIN PROBLEMS IDENTIFIED	RECOMMENDATIONS	RESPONSIBILITY	CUT-OFF-DATE
Aged project implemented slowly due to a long period of sanctions (almost 3 years) problems of procurement and mobilization of counterpart funds and delays in the implementation of completion works	Finalize the extension of the closure date to 31 December 2009 and speed up the execution of works identified by the supervision mission of May 2009	PIU/DNIP/Min AGRIC ADB	October 2009
HAUTE GUINEE RURAL WATER MANAGEMENT PROJECT (PHR-HG)			
Efficient project whose implementation is at an advanced stage, hampered initially by exogenous factors related to a long period of sanctions, problems of procurement and mobilization of counterpart funds	Accelerate the execution of ongoing complementary works	PIU/DNIP/ADB	31 December 2009
NERICA PROJECT			
Delay in the construction of rural roads	Redeploy resources to consolidate initial actions and combat food crisis. Publish bid solicitations for community infrastructure	PIU/DNIP/Min	30 June 2009
TOMBO-GBESSIA ROAD PROJECT			
Project being launched and which was plagued by procurement problems that led to supplementary costs for which an additional grant was provided by the ADB.	Accelerate the execution of works on the basis of a specific schedule	PIU/DNIP/MTP/MEF / ADB	30 September 2009
WOMEN'S ECONOMIC ACTIVITIES SUPPORT PROJECT (PAEF)			
Aged project whose implementation is hampered by the long period of sanctions (almost 3 years) and problems of procurement and freezing of the SAP system of the Bank. Project nearing completion on 31 December 2009	Accelerate the execution of completion works Bring the project out of PP to non-PPP status.	PIU/DNIP/Min Social Aff. /ADB	31 December 2009
Low mobilization of counterpart funds which has been affecting the status of implementation of activities by PIU for 3 years now	Request DNIP to clarify and regularize the situation of the project	DNIP/MEF PIU/DNPIP/Min Social Aff.	31 December 2009
Management of lines of credit and other post-project activities – need to set up a mechanism for the management of credit funds during the post-project phase	Monitoring will be carried out in July 2009 to assess the status of implementation of activities Initiate reflection on the type of mechanism by the end of the project.	PIU/DNIP/Min Social Aff./MEF/ADB	31 July 2009 31 October 2009
HAUTE AND MOYENNE GUINEE SUSTAINABLE SOCIAL DEVELOPMENT PROJECT (PDSH/HMG)			
Aged project whose execution is hampered by the long period of sanctions (almost 3 years) and problems of procurement and mobilization of counterpart funds. Project nearing completion on 31	Accelerate the execution of completion works	PIU/DNIP/Min Social Aff./ADB	31 December. 2009

<i>MAIN PROBLEMS IDENTIFIED</i>	<i>RECOMMENDATIONS</i>	<i>RESPONSIBILITY</i>	<i>CUT-OFF-DATE</i>
December 2009			
Low probability of constructing the 320 km of rural roads before the end of the project on 31 December 2009 due to delays in the recruitment of contractors and signing of contracts	Accelerate the construction of the 56 km for which contracts have already been signed Allocate the non-committed balance to community infrastructure (schools, health centres, etc.)	PIU/DNIP/Min Plan/ MEF/ADB	31 October 2009 31 December. 2009
Delays in contract approval by the central administration	Review the provisions of the Public Contracts Code with a view to decentralizing activities Impose time limits whose overrun should be sanctioned	DNIP/MEF	30 June 2009
Delay in the setting up of the Social Development Fund (SDF) as an instrument for sustaining credit activities during the post-project phase	Continue reflections on type of mechanism to be set up by the end of the project and seek financing for studies	PIU/DNIP/Min Plan/MEF/ BCRG/ADB	30 September 2009
EDUCATION IV PROJECT			
Delay by the Bank in processing files and low mobilization of counterpart funds by the Government	Speed up the processing of files by the Bank and ensure that the Government regularizes the payment of counterpart funds	ADB	31 December 2009
PUBLIC DEBT AND INVESTMENT MANAGEMENT CAPACITY BUILDING PROJECT (PADIPOC)			
The equipment bought and supplied is not being used by IGF and DNGDAPD due to delays in the rehabilitation of buildings and may become obsolete	Mount the equipment urgently in buildings that are operational to be used by the beneficiary structures of MEF	PIU/DNIP/MEF/Bene ficiary structures	30 June 2009
Information relating to the implementation of the Finance Law (management accounts, administrative accounts and settlement bills) is not transmitted to the Audit Bench for the auditing of accounts	Take all necessary measures to put the required documents at the disposal of the Audit Bench and speed up efforts to strengthen the said bench.	PIU/DNIP/MEF / Beneficiary structures / Supreme Court	30 June 2009