

AFRICAN DEVELOPMENT BANK

AFRICAN DEVELOPMENT FUND

EGYPT

COUNTRY PORTFOLIO PERFORMANCE REPORT

REGIONAL DEPARTMENT

NORTH REGION A (ORNA)

(MAY 2008)

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ACRONYMS AND ABBREVIATIONS

ADB	:	African Development Bank
ADF	:	African Development Fund
BD	:	Board of Directors
CCPR	:	Country Portfolio Performance Review
CPIP	:	Country Portfolio Improvement Plan
CSP	:	Country Strategy Paper
DAG	:	Development Assistance Group
EGFO	:	Egypt Field Office
FO	:	Field Office
FSRP	:	Financial Sector Reform Program
GDP	:	Gross Domestic Product
IP	:	Implementation Progress
MIC	:	Middle Income Country
ORNA	:	Operations Region North Africa
PCR	:	Project Completion Report
PIU	:	Project Implementation Unit
PMU	:	Project Management Unit
SAP	:	System Application Production
UA	:	Unit of Account
USAID	:	United States Agency for International Aid
WP	:	Working Paper

CURRENCY EQUIVALENTS

(May 2008)

Currency Unit	:	Egyptian Pound (LE)
UA1	:	LE 8.6497
UA1	:	US\$ 1.6238
US\$1	:	LE 5.3269

SUMMARY REPORT

I. INTRODUCTION

1.1 This report highlights the findings of the Bank Group's assessment of the performance of its public sector portfolio in Egypt following the Bank's Country Portfolio Performance Review (CPPR) mission undertaken during the period 2-13 December 2007. The purpose is to inform members of the Board of Directors about the performance of the Bank Group's ongoing public-sector operations and also to formulate relevant recommendations for improving the quality of the portfolio in order to achieve the expected results of the projects.

1.2 The report covers only the public-sector operations approved since the last CPPR report was presented to the Board in August 2005¹. The present CPPR report includes Private Sector Department (OPSM) as is the case with the 2007 Bank wide Annual Portfolio Performance Review (APPR) Report. Emergency relief operations were excluded from the performance analysis as they are not subject to regular supervision because they do not contribute directly to the development impact of the overall portfolio. The review was based on information gathered from several sources including the mission, supervision reports, portfolio monitoring information in the Bank's Information System (SAP) and information provided by Task Managers.

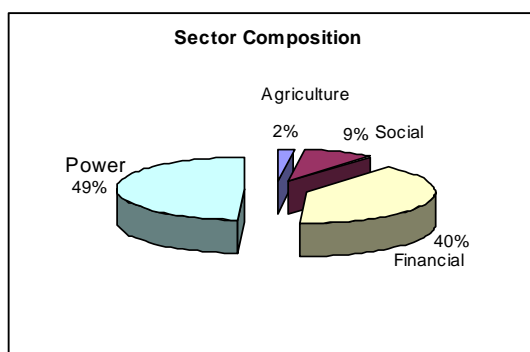
1.3 The report is organized into 5 sections. Following the above introduction in Section 1, an overall review of the ongoing public sector portfolio is discussed in Section 2; an assessment of management implementation capacity and coordination with other donors is outlined in Section 3; potential future problems and lessons for CSP and portfolio management are examined in Section 4, and conclusions and recommendations are presented in Section 5.

II. OVERALL REVIEW OF THE ONGOING PUBLIC SECTOR PORTFOLIO

A. Key characteristics of the on-going projects

2.1 The Bank Group commenced operations in Egypt in 1974 and since then has approved 50 operations, which comprise 35 projects, 3 studies, 2 policy-based loans, 2 institutional support projects, 2 emergency operations and 6 lines of credit. The Bank Group's cumulative public sector commitments, net of cancellations, amounts to UA 2,046.97 million, consisting of UA 1861.26 million from ADB resources, UA 173.13 million from ADF resources, and UA 12.58 million from TAF resources. Under the private sector window, the Bank has approved a total amount of US\$ 541.06 million, net cancellations for seven projects in the private sector.

2.2 The Bank Group's ongoing public-sector portfolio in Egypt (excluding emergency relief operations) consists of 7 approved operations, with a total net commitment value of UA 792.30 million. The portfolio is made up of 1 project in agriculture, 1 in finance, 2 in power and 3 in the social sector. The policy support loan, Financial Sector Reform Programme (FSRP), for an amount of US\$ 500 million (equivalent to UA 316.13 million) is the largest investment operation approved by the Bank. In terms of distribution, power sector



¹ The reference for the 2005 CPPR report is ADB/BD/WP/2005/96 and ADF/BD/WP/2005/107

accounts for the largest share (49.1%) of the total net commitments, followed successively by finance (39.9%), social (9.3%) and agriculture (1.6%). By source of financing, the ADB window accounts for about 96.7% of the total approvals and the ADF window about 3.3% (since Egypt is no longer eligible for ADF financing). This distribution of operations reflects an alignment of the pillars of the previous CSP², the Bank's assistance strategy for Egypt, the Bank's Vision and the Bank's Strategic Framework.

Table 1: Egypt: Ongoing Public and Private Operations as of March 2008

Project	Date of Approval	Amount Approved					Disburs %	Sector %
		ADB	ADF	TAF	MIC	Total		
<i>Agriculture</i>		5.39	6.52	1.00		12.91	96.5	1.6
El Beheira Rural Dev.,Phase II	26-Nov-97	5.39	6.52	1.00		12.91	96.3	
<i>Power</i>		389.36				389.36		49.1
El Kureimat Comb.Cycle Plant	27-Jul-07	163.89					37.3	
Abu Qir Steam Power Plant	14-Nov-07	225.47					0	
<i>Social</i>		55.10	17.00	1.20	0.60	73.90	42.4	9.3
Social Fund III: Support to M&S	11-Oct-06	55.10			0.60	55.70	25.0	
Women's Ec. Empowerment	27-Nov-97		6.00	0.20		6.20	91.1	
Health Sector Reform Program	28-Oct-98		11.00	1.00		120	98.7	
<i>Finance</i>		316.13				316.13	100	39.9
Financial Sector Reform Public	26-Jul-06	316.13				316.13	100	
Total Public Sector		765.98	23.52	2.20	1.20	792.30	53.1	100.0
Damietta Power	4-Dec-07	91.26				91.26	0.0	41.2
SME Support Project (2nd LOC to NBE)	12-Oct-05	121.69				121.69	30.8	54.9
Wnisor Garden City Hotel	21-May-97	8.52				8.52	100.0	3.8
Total Private Sector		221.47	0.00	0.00	0.00	221.47	20.8	100.0
Total Public an Private Sector		987.45	23.52	2.2	1.20	1013.17	46.	

2.3 Ongoing *Private Sector operations* total UA 221.47, including the Damietta Container Terminal (UA 91.26 million), a line of credit to the National Bank of Egypt (NBE) for the support of Small and Medium Enterprises (UA 121.69 million) and Windsor Garden City Hotel, Hurghada (UA 8,52 million).

B. General Assessment of Portfolio Performance

2.4 The active portfolio includes three aged operations (more than 8 years old³). One is in agriculture and the other two are in the social sector. These three projects are the El Beheira Rural Development Project, (in Phase II), the Women's Economic Empowerment Project (WEEP) in the New Lands, and the Health Sector Reform Program (HSRP). The average age of these projects is 9.7 years, and their net commitment value is UA 31.12 million, which accounts for 3.93% of the total net commitment value of the active portfolio. The El Beheira Rural Development Project-Phase II has been under implementation for more than 10 years because of: (i) the long delay in reaching loan effectiveness and project start-up issues caused by the long ratification process of the loan agreement by Parliament; (ii) the borrower's lack of

². The proposed pillars of the CSP covering the period 2007-2011 focus on (i) promotion of the private sector and (ii) social development and protection. The instruments and sectors that are to be targeted include infrastructure (transport, power, water); the social sector; lines of credit to promote exports, tourism and small and medium enterprises (SME); and policy-based loans in support of reforms including in the financial sector.

³. This is in accordance with the Bank's definition for ageing investment projects.

understanding of the rules of procedure for procurement which necessitated modifications in the list of goods and services; and (iii) the re-launching of bidding documents during the project implementation. In addition, the delay has been due to the non-observance of disbursement rules, which led to the Bank's rejection of some requests for disbursement.

2.5 The WEEP was approved in November 1997 and has been under implementation for more than 10 years. The long duration of implementation is also partly due to the delay in reaching effectiveness, which took almost 3 years. A more serious problem relates to design defect. In this context, it should be noted that the main aim of the project was to make credit available to rural women. At the design stage, the project did not include a revolving fund mechanism or a sustainability plan that would ensure that repayments of the credit would continue to be lent to the target beneficiaries beyond the project duration. During the project's implementation, the Bank has made the establishment and operation of the fund a necessary condition for disbursements. Resolving this issue has therefore prolonged the implementation schedule. Other factors that have hampered the progress of implementation include lack of coordination between the government institutions involved in the project; the frequent changes of Project Coordinators during the first 7 years of the project; disbursement delays caused by the government in reacting to requests for clarifications of the justification of expenditures; delays in submitting audit reports by the line ministry; and delays by the Bank in reacting to those reports.

2.6 The HSRP was approved in October 1998 and declared effective in December 2003, slightly more than 5 years after approval. The delay in the project's start up was due partly to the long process of loan ratification by the Parliament. In addition, the project has encountered a number of procurement problems such as delays in awarding contracts for the civil works, which delayed the disbursement of tranches as well as difficulties in accounting for counterpart funds disbursed at the governorate levels. Furthermore, some of the bidders did not use the standard bidding documents, cleared by the Bank. The issue was resolved in May 2007 after the Bank approved the government's request to reallocate the loan amount for financing the civil works for medical equipment. As a result of the delays caused by these problems, the deadline for the last disbursement has been extended twice.

2.7 The strengthening of Egypt's Field Office (EGFO) with adequate staff, and the relevant skills mix as well as with the necessary Information Technology (IT) enhancements has made it possible for direct and punctual delivery of technical support services including supervision. As a result, the implementation rate of each of these ageing projects has improved significantly since 2006. As of now, none of the ongoing operations is considered a problematic project (PP), potentially problematic project (PPP) or project-at-risk (PAR). All three projects are expected to wind up by 30 June 2008⁴.

2.8 For the remaining 4 ongoing operations, no major implementation problems have been encountered. The FSRP has been implemented successfully over a one-year period, due to strong government ownership and the Bank's flexibility in accommodating the government's concerns. Effective coordination between the Bank, the government and the other development partners involved in the operation has also helped. The other three operations, namely, El Kureimat Power, the Abu Qir Steam Power, and the Social Fund III: Support to Micro and Small Enterprises have encountered only minor problems. These include problems associated with the preparation of the procurement plans; finalizing the terms of reference for consultancies; preparation of requests for proposals for consultancies; approval of applications for disbursing amounts relating to suppliers for steam turbine for the El Kureimat Power

⁴ The government, however, may request that the WEEP project be extended in order to utilize the remaining balance of UA500,000 and also to carry out its PCR.

project; All four operations were approved after the establishment and strengthening of EGFO; hence, their strong performance can be significantly attributed to the presence and follow-up by the Office.

2.9 As shown above, the assessment of the portfolio has revealed that general and specific problems have affected the smooth implementation of some of the ongoing projects. The major ones for the government are: (i) project effectiveness' delays; (ii) lack of understanding of Bank's rules of procedures for procurement and disbursement, and (iii) non-observance of reporting requirements. For the Bank, efforts need to be made to: (i) regularly familiarize line ministries with the Bank's procurement and disbursement rules; (ii) react timely to reports sent by the government; (iii) approve application requests on time for disbursement; (iv) continue to assist in preparing procurement plans; and (v) ensure that projects are subject to rigorous quality-at-entry requirements.

Projects	Financial Information			Duration		Rating						Status
	Amount Approved	Disburs (UA million)	% Disbursed	Nb of Extensions	Age (years)	Cond t	Procurement Performance	Financial Performance	Activities and Works	Impact on Dvelopment	Overall Assessment	
Agriculture	12.91	12.43	96.3									
El Beheira II	12.91	12.43	96.3	2	10	2.30	2.50	1.70	2.00	3.00	2.30	PPP
ADB	5.39	5.39	100									
ADF	6.52	6.19	95.0									
ADF/TAF	1.00	0.85	85.3									
Finance	316.13	316.13	100									
Financial Sector Reform Program	316.13	316.13	100.	0	1	2.00	N/A	3.00	3.00	3.00	2.75	
Power	389.36	61.160	15.7									
El Kureimat	163.89	61.16	37.3	0	3	3.00	3.00	3.00	2.5	3.00	2.9	
Abu Qir	225.47	0.00	0.0	0	1	N/A	N/A	N/A	N/A	N/A	N/A	
Social	73.90	31.33	42.4									
Social Fund III	55.70	13.90	25.0	0	1	N/A	N/A	N/A	N/A	N/A	N/A	
Women's Economic Empowerment Project	6.20	5.65	91.1	3	10	2.00	2.00	2.50	2.60	3.00	2.42	PPP
ADF	6.00	5.45	90.8									
TAF	0.20	0.20	100									
Health Sector Reform	12.00	11.78	98.2	2	9	2.50	3.00	2.30	2.00	2.60	2.48	PPP
ADB	11.00	10.78	98.0									
ADF/TAF	1.00	1.00	99.8									
TOTAL /AVERAGE	792.30	421.05	53.1			2.36	2.63	2.5	2.42	2.92	2.57	

2.10 The overall performance of the 7 ongoing operations has been satisfactory, with an overall assessment rate of 2.6 (see Table 2). Since the last CPPR, the Impact on Development indicator has risen from 2.1 to 2.92. This gain is equally spread out across sectors. The amount disbursed was UA 421.05 million, representing a disbursement rate of 53.22% as of March 2008, compared to the disbursement rate of 84.6% recorded for the 2005 review. The lower disbursement rate is due to projects with large loan sizes approved since 2006, some of which have either just started disbursing or are yet to start disbursing. These new projects account for more than half of the net value of commitments of the ongoing operations; as a result, they have

the tendency to pull down the overall average. The average age of the entire portfolio as of March 2008 was 5 years, compared to 5.9 years for the portfolio reviewed in 2005. At the sectoral level, finance recorded the highest performance with a rating of 2.75, followed by power (2.74), social (2.4), and agriculture (2.3).

2.11 Regarding the private sector operations, their performance assessment is based on a specific rating and on credit risk or the operations capacity to pay back their loans. Generally, the performance for these operations has been mixed. Currently one project, the Turin (Windsor) Garden City, for 14.6 million USD has been in arrears since 2003 and therefore has a credit risk rating of 9. The Bank, along other financiers of this project, is a member of the committee to follow up the judicial liquidation process leading towards a plausible solution for the settlement of the outstanding payments owed to the creditors. The most recently approved project, the Damietta Port Container Terminal, on the other hand has a moderate risk rating of 3 and the Line of Credit to National Bank of Egypt is 2-low risk.

C. Comparative Assessment of portfolio performance

2.12 The Bank's portfolio performance in Egypt is relatively strong compared to the Bank wide performance in 2006 (see Table 3). In particular, the current average estimated time period from approval to effectiveness for Egypt is 791 days, which is less than the 2006 Bank wide average of 950 days. In addition, the overall assessment of the ongoing operations as of March 2008 is considered satisfactory with an average rating of 2.47, compared to 2.02 for the 2005 review.

Table 3: Egypt: Comparative Portfolio Assessment

Performance Indicators		Egypt Evolution of portfolio performance		Performance Comparison	
		Previous	Current	Bank Wide 2006	World Bank
Implementation and Impact	Project cycle from approval to effectiveness (days)	n.a	791	950	n.a
	Disbursement rate %	84.6%	53.22%	37%	37.85%
	Supervision mission per year	1.25	1.5	1.5	2
	Average project size (millions)	32.16(UA)	102.9 (UA)	50.35 (USD)	85.7 (USD)
	Projects' overall evaluation	2.02	2.47	2.5	n.a
	Project at risk (%)	29%	0%	37%	n.a
Harmonization and Alignment	% Aid provided as Program-based Approaches	0	14.2%	12%	n.a
	Number of Co-Financed Projects (%)	28%	55%	20%	n.a
	Joint ESW per Total ESW (%)	0%	0%	0%	n.a

2.13 The significant improvement in performance is due to a number of factors. These include the considerable improvement in the Government's ratification processes; the active involvement of EGFO in the follow-up process; and the increase in the average project size from UA 32.16 million to UA 113 million (68 million excluding the Financial Sector Reform Program), which has allowed for staff time and administrative resources to be better used). Noteworthy indicators excluded from the above table, which have an effect on the performance of the Bank Group's portfolio in Egypt, include the backlog of Project Completion Reports (PCRs) of which Egypt has three public sector listings and no public sector operations included on the backlog list and

the loans eligible for cancellation; two minimal balances were cancelled in the first quarter. Additionally, the number of projects co-financed with other donors is another important indicator and is covered in section 3.3 under Aid Coordination.

III. ASSESSMENT OF MANAGEMENT IMPLEMENTATION CAPACITY AND COORDINATION WITH OTHER DONORS

3.1 Government's Performance: The Ministry of International Cooperation is responsible for coordinating the Bank Group operations in Egypt. Its performance in this respect has been satisfactory, especially as it managed to get the government to reduce the time taken for some of the recent loans to reach effectiveness. However, with the exception of the line ministries responsible for the FSRP, the performance of all the other executing agencies appointed by the Ministry has been mixed. In addition to problems discussed above, the three ageing projects have suffered from a high turn-over rate of staff in the PIU management. This has sometimes disrupted the implementation of activities and led to the loss of institutional memory. The high turn-over rate has also led to additional capacity building efforts. Progress on project implementation also suffered because executing agencies sometimes submitted documents relating to procurement and contracts in Arabic, contrary to the general conditions of the loan agreements. This occurred despite the Bank's assistance to the government to establish a Translation Unit within the Ministry of International Cooperation in 2003.

3.2 Bank's Performance: The Bank Group's performance in managing the ongoing portfolio in Egypt has improved significantly since the establishment of the Field Office and especially after the office was strengthened with adequate staff. The Field Office is now fully integrated into the Bank's core operational activities in Egypt. It plays a pivotal role in portfolio management, in conducting supervision and follow-up missions and in the building up of the pipeline of projects. Improvements in portfolio management are evidenced by the fact that the ongoing portfolio has no single problematic project or project at risk now as was often the case in the past. The Office's skill mix will be augmented by the recruitment of a resident country economist who will soon join EGFO.

3.3 Aid Coordination: The Bank Group regularly participates in aid coordination meetings organized by the Development Assistance Group (DAG) through its Field Office (EGFO) in Cairo. EGFO attends DAG's monthly meetings and DAG sub-group sectoral meetings. Within the framework of aid coordination, the ongoing operations include three co-financed projects with donors, namely, the HSRP with the World Bank, European Union (EU) and the United States Agency for International Development (USAID); the FSRP with the World Bank, USAID and the EU; and the Abu Qir Steam Power Project with the Islamic Development Bank, the Kuwait Fund and the Arab Fund for Economic and Social Development (AFESD). The Bank Group's coordination efforts with these donors concerning these interventions have been effective, especially with regard to the FSRP. As already mentioned, implementation of the project took just a little under one year. While the Bank has delivered on its commitment to the Paris Declaration by (i) increasingly aligning its assistance with the country's development priorities; and (ii) by helping to strengthen institutional capacity through grants; it can improve its efforts by eliminating duplication of efforts and aiming at cost-effectiveness through rationalization of activities with other donors.

IV. POTENTIAL FUTURE PROBLEMS AND LESSONS FOR CSP AND PORTFOLIO MANAGEMENT

4.1 As three of the projects in the portfolio are heading towards closure by the end of June 2008, the portfolio size and value will shrink from its current level. The pipeline of projects should therefore be increased to ensure an expansion in the Bank Group's operations in Egypt.

In this context, the issue of loan pricing will continue to be important for the Bank to remain competitive in relation to Egypt's other development partners and for it to continue to play a substantial role in the country. This is particularly important at this time as access to financing is no longer a key issue for middle income countries, since the changing global context has led to additional funding sources. For this reason, the Bank needs to take measures to enhance its price and non-price competitiveness so that processing of projects in the pipeline could be expedited. Also to augment the pipeline of projects, more economic and sector work (ESW) needs to be undertaken.

4.2 Lessons for the next CSP include the need to replicate the success of the FSRP for similar projects in future. The Bank also needs to learn from the positive impact on portfolio performance, which is partly due to the focus on decentralization and increased delegation of authority to the Field Office. Another lesson is the fact that multiple extensions of deadlines for last disbursement led to increased operational and administrative costs. These problems in implementation were caused by a number of the problems discussed above. In this context, extensions lead to the decreased relevance of projects as conceptualized at appraisal, thus limiting the ability to accurately attribute contribution of the Bank's financing, while creating obstacles due to staff turn over and loss of institutional memory.

V. CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

The assessment has shown that the performance of the Bank Group's ongoing portfolio in Egypt during the period under review was satisfactory. This was due mainly to the implementation of the recommendations by the previous Country Portfolio Improvement Plan (CPIP) and the presence of EGFO, which took a proactive role in supervision of the projects given the many problems faced by the PIUs. To further strengthen the quality of the portfolio and address lingering issues, the generic and specific recommendations below and actions in Annex 1 need to be implemented by both the government and the Bank.

5.2 Recommendations for the Government

- i. Ensure that the government adheres to Bank Group rules and procedures for the procurement of goods, services and works, as well as for contract award regulations particularly in social sector projects;
- ii. Foster closer coordination with the government to ensure improved project implementation and enhance timely deliverables to avoid project extensions;
- iii. Introduce ways to reduce the time for regular submission of audit and quarterly reports and also to improve their quality; audit reports should be submitted within 6 months after the end of each financial year and PIUs should comply with draft TORs for external auditors by the Bank;
- iv. Take steps to enhance project monitoring and follow-up exercise for early detection and correction of project implementation-related anomalies;
- v. Take further measures to streamline the ratification processes for loans with a view to decreasing the time between project approval and effectiveness;
- vi. Take steps to ensure that PCRs are prepared soon after project completion. This will enable the Bank to also carry out its PCRs on time so that lessons learned from project implementation could be reflected in the design of subsequent projects.

5.3 Recommendations for the Bank

- i. Organize regular training workshops on Bank rules of procedure for the procurement of goods, services and works, as well processes dealing with accounts' keeping, project disbursements and audits, and the results-based monitoring and evaluation system for members of project implementation units in 2008;
- ii. Closely monitor the remaining ADF projects to ensure that project activities and reporting are completed in a timely manner to ensure the closure of the projects at the appointed time. This will require increased supervision and follow-up, faster response time and better coordination between EGFO, ORNA and the sector departments;
- iii. Greater use of the Country Team (CT) to ensure strategic alignment, coordination, quality at entry as well as monitoring and evaluation of operations within the portfolio;
- iv. Pursue dialogue, through EGFO, on the importance of timely submission of audit and quarterly reports. Appropriate measures should be taken in the cases of non-compliance;
- v. Expedite completion of the business processes in order to benefit from simplified procedures, enhanced delegation of authority and reduced inefficiencies;
- vi. Improve the results framework at entry so as to enhance quality-at-entry and also to provide additional guidance and training to supervision teams to improve the results framework of projects and promote dissemination of best practices;
- vii. Conduct more ESW that will lead to bankable projects so as to increase the size of the pipeline of projects;
- viii. Take a favorable decision on the loan pricing issue so as to improve the Bank's competitiveness, thereby helping to expand operations in Egypt. Meanwhile Bank lending to Egypt for the Social and Agriculture sectors should be blended with a soft loan, either through an MIC grant or co-financing with institutions which are able to provide concessionary resources;
- ix. React quickly to reports including audit and PCRs sent to the Bank by the government and executing agencies and carry out the required follow-up actions on the issues brought to the Bank's attention within reasonable periods of time.
- x. As the bank seeks to leverage its resource and impact it needs to consider a more integrated approach of managing public and private sector operations. In the case of Egypt efforts to explore private sector business opportunities need to be stepped up, especially since policy shifts have led to increased private sector participation in all sectors.
- xi. Strengthen OPSM's project management capacity by augmenting the skill mix and training the country private sector specialist to take on a great role in the overall management of the private sector portfolio

5.4 The Boards are invited to consider the conclusions of the country portfolio performance review report and to adopt the recommendations.

ANNEX 1

EGYPT: MATRIX OF ACTIONS (updated in March 2008)				
Projects	Identified Problems	Actions to be Undertaken	Responsible	Deadline
Agriculture 1. El Beheira Rural Development Project, Phase II	Delays in submitting application request for disbursement for procurement of additional lab equipment and vehicles	Application for reimbursements for payments to be sent to Bank through EGFO	PIU	During May 2008
	Only one bid for procurement of vehicles was received but it did not comply with the requirements. The tender was re-launched in view of the Bank approval to extend the project closing date till 30 June 2008. No bids received before the deadline for procurement of equipment--cooling box type body and a cooling unit. The tender was re-launched in view of the Bank approval to extend the project closing date till 30 June 2008. The Bank PCR to be undertaken.	Abide by the deadlines set by the Bank in its letter dated 21/04/2008. The PCR to be carried out as scheduled in June 2008	PIU Bank	Now June 08
II. Finance 1. Financial Sector Reform Program	Yearly audit, progress reports and the government's PCR are outstanding. The format for the PCR was recently submitted to the CBE.	These reports must be submitted as required	Central Bank of Egypt	As soon as possible
III. Power 1. El Kureimat Combined	Approval of the application for disbursing amount relating to suppliers for steam turbine generator	Last Application no. DP 29 has been approved.	None	None

EGYPT: MATRIX OF ACTIONS (updated in March 2008)				
Projects	Identified Problems	Actions to be Undertaken	Responsible	Deadline
Cycle Power Plant	and auxiliaries is still pending.			
2.Abu Qir Steam Power Plant	This is a fairly new operation, approved on 14 November 2007. Operation is being implemented smoothly. Minor problems encountered include (i) Reaction to progress report submitted has not yet been done;	(i). Reaction to the progress report must be expedited.	Bank	Now
IV. Social 1.Social Fund for Development, Phase III: Support to Micro and Small Enterprises	The preparation of the procurement plan is underway. The 4 ToR for the consultancies under the technical assistance components are being finalized. Following that, preparation of the requests for proposals (RFPs) for procurement of consultancy services will be submitted to the Bank for approval.	(i) Need to provide final inputs to the procurement plan. (ii) Need to provide input to the ToR for the Business Plan Consultancy. (iii) Need to finalize pending 3 ToRs for Training Assessment and Implementation; product Diversification: Monitoring and Evaluation. (iv) Need to start to prepare the RFPs for the procurement of consultancy services.	PIU Bank (OSHD & OPSM) PIU PIU	Now Now
2. Women's Economic Empowerment in the New Lands	Delay by the Bank in responding to report submitted for the period 1 July 2005-30 June 2006 and progress report submitted for the period July-December 2007 Procurement of external auditor to cover the periods from 1/7/2005 to 30/06/2006, from 1/7/2006 to 30/06/2007, and from 1/7/2007 to 31/2/12/2007 is still pending.	Reaction to audit has been done by OSHD. Reaction to the progress reports is yet to be done. Review and approve contract data entered into SAP	Bank Bank	Now Now

EGYPT: MATRIX OF ACTIONS (updated in March 2008)				
Projects	Identified Problems	Actions to be Undertaken	Responsible	Deadline
3. Health Sector Reform Programme	Quality of both audit and progress reports need to be improved to meet Bank standard;	Help must be extended to the PIU's by providing comments;	Bank	Now
	Tender for procurement of vehicles from the grant; tender for external auditor, and 40 computers and printers for Qena and Suez	The contract must be submitted to the Bank.	PIU	Now
	Delay in completing evaluation process for procurement of IT equipment for 75 health units in Qena and Suez;	Submit the bidding evaluation reports	PIU	Now
	Delay in procurement of family folders	Revise the bidding document to take into account EGFO comments.	PIU	Now