ICR Review
Operations Evaluation Department

Report Number : ICRR11598

1. Project Data:		Date Posted :	09/22/2003	
PROJ ID :	P001068		Appraisal	Actual
Project Name :	National Agricultural Export Promotion Project	Project Costs (US$M)	24.6	19.9
Country:	Guinea	Loan/Credit (US$M)	24.6	20.8
Sector(s):	Board: RDV - General agriculture fishing and forestry sector (25%), Agricultural marketing and trade (25%), Central government administration (19%), Roads and highways (16%), General finance sector (15%)	Cofinancing (US$M)	0	0
L/C Number:	C2407			
		Board Approval (FY)		92
Partners involved :	USAID	Closing Date	12/31/2000	12/31/2002
Prepared by :	Reviewed by :	Group Manager :	Group:	
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2. Project Objectives and Components

a. Objectives

The original very high level and ambitious objective of the project (given the initial conditions) was "to promote strong growth in Guinea's agricultural exports by: strengthening the incentives framework and removing the obstacles to the supply response in the agricultural export sector." In 1997 the project was substantially and formally restructured to address serious difficulties in implementation. However, the original objective, which should have been narrowed, was still judged relevant. The revealed objectives of the restructured project, as indicated by reference to the revised design, would have been better characterized as being "to remove, as a first stage, a limited range of first order physical constraints to agricultural exports".

b. Components

There were four original components:
1. *Institutional Strengthening*, including strengthening the professional organizations relevant to the export sector (US$ 2.4 million);
2. *Support to Export Production*, including specialized services to producers and access roads (US$ 11.3 million);
3. *Special Programs*, including credit and a private investment fund (US$ 3.1 million);
4. *Project Management and Monitoring*, including a management contract with a private consultant firm (US$ 3.9 million).

There were four revised components:
1. *Transport, Handling, and Storage Infrastructure* (US$3.5 million);
2. *Export Financing Facility* (US$ 2.0 million);
3. *Reforms in Regulatory and Institutional Framework* for private sector development (US$1.0 million);
4. *Pilot Activities to Support Exporters* (amount unspecified).

c. Comments on Project Cost, Financing and Dates

The restructured project was presented to the Board in November 1997. The project closed two years behind schedule. During the first three years of project implementation about US$ 6.0 million had been disbursed out of a total of US$ 20.8 million.

3. Achievement of Relevant Objectives:

Performance of the project is assessed against the original objectives since the project restructuring was precipitated by poor performance rather than by exogenous factors. Performance was highly unsatisfactory. The objective of promoting strong growth in Guinea's agricultural exports was not achieved. The volume of agricultural exports was at about the same level when the project closed as when it became effective. Little progress was made in strengthening the incentives framework and removing obstacles to the supply response in the agricultural export sector . However, following the project restructuring, a number of constraints to exporting, in particular the administrative constraints, had started to be at least partially addressed, although with little supply response .

4. Significant Outcomes/Impacts:

There were a few positive outcomes. The project succeeded in providing support to the Chamber of Commerce, Industry and Agriculture of Guinea to provide a one-stop window to resolve red tape for companies wanting to invest in Guinea. Some elements of the barge "feedering" system along the Mellacoree River were implemented but there were technical problems and there remain economic questions. An airport fruit terminal was constructed but access roads remain a problem. 190 km of track and road rehabilitation was completed. There was some progress in the overall regulatory and institutional framework for private sector involvement although, given the many other constraints, this has not yet had any impact. A number of technical feasibility studies were completed and matching grants provided for study tours. A number of test shipments were completed.

5. Significant Shortcomings (including non-compliance with safeguard policies):

The objectives were far too ambitious given the initial wide-ranging physical, financial, and economic constraints. Project preparation and appraisal was highly unsatisfactory both strategically and technically . Supervision was a little better except the restructuring itself in some aspects by which time it was too late for anything more than marginal project recovery. As implementation failed the reaction was for the public sector, through the project, to carry out activities itself - a reversion that contradicted the whole strategy of enhancing private sector involvement .

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Unsatisfactory	Highly Unsatisfactory	The project failed to achieve any of its major development objectives.
Institutional Dev .:	Negligible	Negligible	
Sustainability :	Unlikely	Unlikely	
Bank Performance :	Unsatisfactory	Highly Unsatisfactory	Performance at preparation and appraisal was highly unsatisfactory and we give highest weight to that phase as the cause of poor performance in this case. While the restructuring was, in some respects well handled, even here the lack of revision of the objectives raises questions about that element of performance also. Supervision both before and after restructuring was at least Unsatisfactory, in some respects Highly Unsatisfactory (e.g. with respect to staffing).
Borrower Perf .:	Unsatisfactory	Unsatisfactory	Arguably Highly Unsatisfactory because in this case given the substantial policy content the Bank carries somewhat more responsibility for design than the Borrower.
Quality of ICR :		Exemplary	

NOTE: ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR draws a number of important lessons which here are couched in more generic terms and somewhat elaborated:

1. The lending vehicle needs to be suited to the scale and complexity of the reform task (in this case there was a gross mismatch).
2. Private sector investment cannot be expected in the absence of a favorable investment climate . Enhancing investor expectations is a key element. Simply fixing some physical constraints or having some resource advantages cannot alone be a substitute.
3. As in many cases assessed by OED, independent project units with weak ties to government may avoid some of the constraints of government but they lose government involvement and commitment and leave transition problems and therefore sustainability problems.
4. A clear and regularly updated physical implementation plan is important for project management (Computerized Project Management (CPM) programs can be used in both planning and implementation).
5. Phasing and selectivity are particularly important where there is weak capacity but not easy to get right . While clearly this particular project was very poor, the problems encountered highlight the challenge of addressing a wide range of constraints to privatization and export development in a poor country . There was a low base to start from

and the sector faced a competitive world in a situation where any one of a number of constraints could have defeated the ambitious objectives, yet where an ambitious wide-ranging project tackling all constraints was unmanageable. Obviously some form of careful phasing and selectivity was required but this itself would have called for patience in awaiting benefits, modest intermediate targets, and probably modest rates of return up to some threshold of take-off.

8. Assessment Recommended? ○ Yes ● No

9. Comments on Quality of ICR:

An exemplary examination of an unfortunate story. A very frank and well argued document.