



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
ECONOMIC GOVERNANCE TECHNICAL ASSISTANCE AND CAPACITY BUILDING
APPROVED ON MARCH 20, 2012
TO
MINISTRY OF PLANNING AND ECONOMIC DEVELOPMENT (MPDE)

GOVERNANCE

AFRICA

Regional Vice President:	Ousmane Diagana
Country Director:	Coralie Gevers
Acting Regional Director:	Francisco Galrao Carneiro
Practice Manager/Manager:	Alexandre Arrobbio
Task Team Leader(s):	Saidou Diop, Murielle Laurette Irina Edon Babatounde



ABBREVIATIONS AND ACRONYMS

AE	Commitment Authorization (Autorisation d'engagement)
AF	Additional Financing
ARMP	Public Procurement Regulatory Authority (Autorité de Régulation des Marchés publics)
COVID-19	Corona Virus Disease 2019
DNSI	National directorate of Information Technology (Direction Nationale des Systèmes Informatiques)
EGTACB	Economic Governance Technical Assistance and Capacity Building
EHCVM	Harmonized survey on household living conditions
ENSEA	National School of Statistics and Applied Economics
FUGAS	Civil servant information system (Fichier Unique de Gestion Administrative et Salariale)
GAR	Gestion Axée Résultats
IDA	International Development Association
IFR	Interim Financial Reports
INS	National Statistical Institute (Institut National des Statistiques)
IRI	Intermediate Results Indicators
ISR	Implementation Status & Results Report
IT	Information Technology
LORLF	Organic Law on Finance Laws (Loi Organique Relative aux Lois de Finance)
MEPS	Ministry of Civil Service and Modernization of Public Administration (Ministère de la Fonction Publique et de la Modernisation de l'Administration)
MFPREMA	Minister of Public Service and State Modernization
MPDE	Ministry of Planning and Economic Development
PDO	Project Development Objectives
PFM	Public Financial Management
PIM	Public Investment Management
PIP	Public Investment Plan
PNDES	National Economic Development Plan
RGE	General Census of Enterprises
SIGPIP	System and Management of the Public Investment Program
SIGMAP	Système Intégré de Gestion des Marchés Publics
SNLC	Ani COVID 19 national Strategy (Stratégie Nationale de Lutte contre le COVID 19)
TOFE	Government 's Financial transactions table (Tableau des Operations Financières de l'Etat)
US\$	United States Dollar



BASIC DATA

Product Information

Project ID P125890	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 20-Mar-2012	Current Closing Date 30-Jun-2021

Organizations

Borrower Ministry of Economy and Finance, Ministry of Planning and Economic Development (MPDE)	Responsible Agency Project Coordination Unit (PCU) - UCEP, Project Coordination Unit (PCU) - UCEP
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Project Development Objective (PDO)

Original PDO

To re-establish and strengthen basic systems and practices to improve the management of public financial and human resources in Guinea.

Current PDO

The project development objective (PDO) is to modernize public financial and human resource management and enhance statistical capacity in Guinea.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
IDA-D2000	09-Jun-2017	26-Jul-2017	12-Dec-2017	30-Jun-2021	22.00	7.20	15.39
IDA-V0860	25-May-2017	30-Jun-2017	30-Jun-2017	12-Dec-2017	0	0	0
IDA-H7650	20-Mar-2012	23-Apr-2012	17-Oct-2012	31-Dec-2017	9.87	9.37	0
TF-12640	23-Apr-2012	23-Apr-2012	17-Oct-2012	31-Dec-2014	.14	.14	0



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Project Status

1. **The Economic Governance Technical Assistance and Capacity Building (EGTACB) Project was approved in the amount of US\$9.87 million by the International Development Association (IDA) Board on March 20, 2012.** An Additional Financing of US\$22 million was approved by the IDA Board on June 9, 2017 and became effective on December 12, 2017. The project has made important implementation progress since its original effectiveness on October 17, 2012. The original financing allocation was almost fully disbursed (95 percent) and overall project disbursement has reached 52 percent. The project's performance was rated Moderately Satisfactory (MS) for both Project Development Objectives (PDO) and Implementation Progress (IP) in the latest Implementation Status and Results (ISR) report (archived on March 31, 2020). Implementation Progress across each of EGTA's components is summarized below.

- a. **Component 1: Strengthening basic public expenditures management.** Through this component, audit of Public Financial Management (PFM) systems has been completed, including budget preparation and execution; public accounting system; production of financial statements; and Government's Financial transactions table (Tableau des Operations Financières de l'Etat) (TOFE). A project-financed consultant is currently developing a strategy to integrate the various systems. A Public accounting system has been agreed to be urgently carried out by the project within the limits of existing financing and subject to the implementation of the activity within the current implementation period. The procurement package for the system will be based on the technical specifications prepared by European Union consultants. A budget execution manual has been developed and an action plan for incorporating the innovations in this manual into the budget execution software (LEB) is planned to be developed by a firm to be financed through the project. Progress secured to date is reflected in achievement of PDO indicators with the share of public contracts procured through open competition reaching 86 percent, exceeding the end of project target of 80 percent. The proportion of the Public Investment Plan (PIP) 2019 -2021 included in the investment budget has increased from 0 percent (at baseline) to 36 percent (against an end-project target of 40 percent). Important progress has also been secured across relevant Intermediate Results Indicators (IRIs) for this component. The average rate of execution of public procurement commitment plans in the targeted three sectoral ministries has reached 81.5 percent (against a target of 85 percent), while 35 percent of public investment proposals were prepared according to agreed procedures (against a target of 90 percent). Meanwhile, activities are underway to support achievement of remaining IRIs.
- b. **Component 2: Improving Human Resource Management.** Through this component, the Ministry of Public Service and State Modernization (MFPREMA) has advanced Government Human Resource Management as demonstrated by achievement of PDO indicators and IRIs relevant to this component. The discrepancy between the civil service database and the payroll has decreased to 3.6 percent, close to the end of project target of 2



percent. Meanwhile, 17,985 additional public agents have been registered in biometric census against a target of 30,000. While a consultancy firm has carried out a feasibility study and proposed three options to MFPREMA for development of the civil servant information system (FUGAS), the system will no longer be supported by the project due to COVID-19 re-prioritization.

- c. **Component 3: Statistical capacity development.** Data collection for the Harmonized Survey on Household Living Conditions (EHCVM) was completed in July 2019 while preparation for the General Census of Enterprises (RGE) is underway. These developments anchor achievement of the PDO indicator relevant to this component. The National Statistical Institute (Institut National des Statistiques) (INS) is in the final phase of publishing the results of the EHCVM and the RGE; upon which two out of the three statistical products targeted by the PDO indicator on statistical products (household survey, national accounts) completed and published in line with international standards would be met. The third statistical product, enterprise census has been interrupted by the COVID-19 pandemic. Development initiatives for young Guinean statisticians is progressing well; as a result, scholarships were awarded to 14 Guineans in African Schools of Statistics, and the recruitment of young professional statisticians was completed. This has exceeded the IRI target of training of 5 Statisticians or equivalent from regional statistics or demography schools. Outstanding activities under this component include the publication of the results of the Harmonized Survey on Household Living Conditions. To increase HR statistical capacity, there is also a need to train middle level managers in statistics. This is planned through the National School of Statistics and Applied Economics (ENSEA) in Abidjan, as a follow up to a technical assistance program financed by the European Union. Finally, new poverty indices (poverty incidence, poverty gap, poverty severity) through the household survey have been developed.
 - d. **Component 4: Project management.** The project management team is in place and is fully operational. The outgoing project coordinator has been satisfactorily replaced by a new coordinator who assumed duties on April 1, 2020. Interim Financial Reports (IFR), and Annual audited financial statements are submitted on time and are of acceptable quality for the World Bank.
2. **Project fiduciary (financial management and procurement) is adequate to support project implementation.** The project has been submitting acceptable interim financial reports (IFR) and annual audited financial statements on time and there are no outstanding IFRs or audit reports. There are no unsettled ineligible expenditures with respect to the project. In terms of procurement, the project is implementing the Systematic Tracking of Exchanges in Procurement (STEP): A World Bank planning and tracking system which provides data on procurement activities and establishes benchmarks. The project has been timely submitting updates to the procurement plan through STEP and updates have been duly approved by the World Bank.

B. Rationale for restructuring

3. **Project restructuring is proposed in line with Government's request, to support Guinea's response to the Corona Virus Disease 2019 (COVID-19) crisis.** Project restructuring is intended to support Government's coordination and management of the COVID-19 response. The proposed restructuring aims at reinforcing results achieved by the project to date and ensuring their sustainability while adapting interventions to address challenges arising from the COVID-19 crisis. To that end, the restructured project aims to: (i) support intergovernmental coordination of the economic and social response to the COVID-19 crisis; (ii) strengthen public resources mobilization; and (iii) support public administration continuity for improved management of the COVID-19 crisis. Moreover, the Government has requested an extension of the closing date from June 30, 2021 to June 30, 2022. This comes in response to implementation delays, including postponement of capacity building activities and implementation support missions,



resultant from social distancing and lockdown measures taken by authorities to address challenges raised by COVID-19.

II. DESCRIPTION OF PROPOSED CHANGES

4. **This Restructuring Paper (RP) seeks the approval of the Country Director for the proposed restructuring of the EGTCAB project.** This restructuring proposal is in response to the request from the Government of Guinea through a letter dated June 23, 2020 (n°0441/MPDE/SG/CAB/DNID/DSE/20). The following changes to the project were requested by the Government: (a) Change to the financing plan (change to cost of original project components) by reallocating resources across project components to support improved coordination and management of the COVID-19 crisis; (b) Change to scope of original project components to reflect the proposed financing reallocation; (c) Change to Results Framework to reflect revised scope of original project components; and (d) No-cost extension of the project closing date by one year, from June 30, 2021 to June 30, 2022.

5. **The restructuring proposes to finance new and scale-up several existing activities supportive to improved management of the COVID-19 crisis.** New and scaled-up activities are aligned with original project components and will be integrated within these components. Under Component 1 (Strengthening basic public expenditures management), new activities shall include development of a Treasury department information system, acquisition of an electronic declaration and payment system (e-tax portal), young professional capacity development on tax in the mining sector, a PIM Information System, a COVID-19 impact evaluation on the economy, and development of tools and systems to facilitate teleworking. Under Component 2 (Improving Human Resource Management), activities will be scaled-up in support of improved intergovernmental coordination of the economic and social response to the COVID-19 crisis. New capacity building activities shall be availed to support the scientific committee and to the COVID-19 National Response Strategy Committee (SNLC). Under Component 3 (Statistical capacity development), a COVID-19 impact survey will be carried out by INS, and several existing activities will be scaled-up, including around strengthened statistical capacity and development of a public accounting system. While the impact evaluation aims to assess pandemic consequences on different aspects of the economy, the impact survey will target citizens to be aware of how they are dealing with the pandemic (e.g. do they have access to telephone to pay expenses, did lack of electricity prevent children from attending distant schooling, is it more difficult to have access to food etc.). Under Component 4 (Project management), the project coordination unit's capacity has shall be further strengthened and additional financing allocation shall be provided to support the unit's office space rental costs across the extended project duration.

6. **To finance new and scaled-up activities in support of Government's emerging needs, several initially planned activities are proposed to be cancelled.** These activities have been assessed by Government and the World Bank as being of lower priority within the evolving COVID-19 context. Activities proposed to be cancelled include development of SIGMAP(Système Intégré de Gestion des Marchés Publics) and FUGAS (Fichier Unique de Gestion Administrative et Salariale), training on leadership and Gestion Axée Résultats (GAR), monitoring and evaluation software for the Prime Minister's Office, intranet for the Prime Minister's Office, and capacity building in procurement and the National Directorate of Information Technology (Direction Nationale des Systèmes Informatiques) (DNSI). Based on a detailed review of implementation progress of activities and disbursements, it is proposed to reallocate the project proceeds as presented in Table 1 below. An additional US\$0.5 million and US\$0.7 million will be allocated to Component 3 (Statistical capacity development) and Component 4 (project management) respectively. These resources will be mobilized through an equivalent reduction (US\$1.2 million) of the financing envelope for Component 1 (Strengthening basic public expenditures management). The financing allocation for Component 2 (Improving Human Resource Management) will remain unchanged. Importantly, reallocation has also been proposed within each of the four project



components to re-orient activities to more closely support Government’s COVID-19 response and public administration continuity i.e. while the financing allocation for Component 1 is overall reduced, reallocation of remaining amounts will facilitate financing of newly proposed component activities.

7. No-cost extension of the project closing date by one year, from June 30, 2021 to June 30, 2022, is also proposed.

This comes in response to implementation delays, including postponement of capacity building activities and implementation support missions, resultant from social distancing and lockdown measures taken by authorities to address challenges raised by COVID-19. One year no-cost extension will facilitate re-planning of implementation timelines with due consideration for COVID-19 related delays and implications, whilst also helping to re-organize the project around restructured project activities.

8. These proposed changes are not expected to negatively impact upon achievement of the PDO.

The PDO continues to remain relevant and is proposed to be maintained; new proposed activities are in line with the initial project scope and the restructured project will continue to support critical reforms related to modernizing public financial and human resource management and enhancing statistical capacity in Guinea. Implementation of new activities proposed as part of the restructuring will contribute to PDO achievement, including through support to intergovernmental coordination of the economic and social response to the COVID-19 crisis and public administration continuity during the crisis and strengthening public resources mobilization. However, some changes to the Results Framework are proposed to reflect the revised scope of original project components. Given the decision to no longer proceed with development of the civil servant information system (FUGAS), the PDO indicator on *Discrepancy between MEPS civil service database and the payroll* is proposed to be dropped. This will be replaced by a new PDO indicator on *Number of Ministries equipped with remote work tools* for Component 2, alongside a new IRI measuring *Number of Ministries holding virtual meetings*. Registration of public agents in biometric census will continue to be tracked. The IRI on *Number of sector implementing Aggregate Citizen Report Card scores* which does not correspond to any existing or new project activities is also proposed to be dropped. . These proposed changes to the results framework are detailed in Table 2 below. The complete revised results framework is included in Annex 1. The proposed financing reallocation (across and within components) ensures that there is requisite financing to implement maintained and newly proposed activities, and consequently that achievement of the revised Results Framework.

Table 1: Summary of resources allocations by Component (US\$)

Project Components	Initial Allocation	Amount Disbursed	Undisbursed Amount	Restructuring			Revised allocation
				Reallocation	Covid-19	Continuity	
Strengthening basic public expenditures management	12,500,000	1,126,231	11,373,769	(1,200,000)	6,800,000	3,373,769	11,300,000
Improving Human Resource Management	4,000,000	672,314	3,327,686		2,700,000	627,686	4,000,000
Statistical capacity development	4,000,000	2,826,226	1,173,774	500,000	500,000	673,774	4,500,000
Project management	1,500,000	985,532	514,468	700,000		514,468	2,200,000
	22,000,000	5,610,303	16,389,697	0	10,000,000	5,189,697	22,000,000

Table 2: Summary of Changes to PDO INDICATOR (Component 2) and intermediate results indicator for Component 1



Original Indicator	Unit	Baseline	End-Target (2021)	Rationale
<u>Dropped:</u> Discrepancy between MEPS civil service database and the payroll.	Percentage	8.00	2.00	Budget for Component 2 has been reallocated.
<u>Dropped:</u> Number of sector implementing Aggregate Citizen Report Card scores (Percentage) (Percentage)	Percentage	0	3	Budget for Component 1 has been reallocated.
<u>New:</u> Number of Ministries equipped with remote work tools	Number	10	30	Development of tools and systems to facilitate teleworking under Component 2.
<u>New (IRI):</u> Number of Ministries holding virtual meetings	Number	0	10	Development of tools and systems to facilitate teleworking under Component 2.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓



Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Strengthening basic public expenditure management	12.50	Revised	Strengthening basic public expenditure management	11.30
Improving Human Resource Management	4.00	Revised	Improving Human Resource Management	4.00
Project Management	1.50	Revised	Project Management	2.20
Strengthening Statistics Capacity	4.00	Revised	Strengthening Statistics Capacity	4.50
TOTAL	22.00			22.00

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-D2000	Effective	30-Jun-2021		30-Jun-2022	30-Oct-2022
IDA-H7650	Closed	31-Dec-2016	30-Jun-2017, 31-Dec-2017, 17-May-2018	29-Dec-2017	29-Apr-2018
IDA-V0860	Closed	12-Dec-2017	21-Feb-2018		



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TF-12640	Closed	31-Dec-2013	31-Dec-2014, 07-May-2015
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Indicator Name	PBC	Baseline	Intermediate Targets								End Target	
			1	2	3	4	5	6	7	8		
remote work tools (Number)												
<i>Action: This indicator is New</i>												
National Statistical Capacity developed												
Number of statistical products (household survey, enterprise census, national accounts) completed and published by INS following international standards (Number)		0.00										3.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
1. strenghtening basic expenditure management			
Upgrade of the Expenditure Chain in compliance with LORLF (Yes/No)		No	Yes
Public investment proposals prepared according to agreed procedures (Percentage)		0.00	90.00
Average rate of execution of public procurement commitment plans in the targeted three sectoral ministries (Percentage)		30.00	85.00



Indicator Name	PBC	Baseline	End Target
Number of sector implementing Aggregate Citizen Report Card scores (Percentage) (Percentage)		0.00	3.00
<i>Action: This indicator has been Marked for Deletion</i>			
2. Improving Human Resource management			
Additional public agents registered in biometric census (Number)		0.00	30,000.00
Number of Ministries holding virtual meetings (Number)		0.00	10.00
<i>Action: This indicator is New</i>			
3. Statistical capacity development			
New poverty indices (poverty incidence, poverty gap, poverty severity) (Yes/No)		No	Yes
Statisticians or equivalent trained from regional statistics or demography schools (Number)		0.00	5.00



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