1. Project Data

<table>
<thead>
<tr>
<th>Project ID</th>
<th>Project Name</th>
<th>Country</th>
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<tbody>
<tr>
<td>P125890</td>
<td>GN: Economic Governance Technical Assist</td>
<td>Guinea</td>
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<th>Closing Date (Actual)</th>
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<th>Grants (USD)</th>
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<td>30-Jun-2022</td>
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<table>
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<th>Revised Commitment</th>
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<td>10,000,000.00</td>
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</table>

Prepared by          Reviewed by        ICR Review Coordinator   Group
Paul J. Kaiser       Clay Wescott     Jennifer L. Keller    IEGEC (Unit 1)

2. Project Objectives and Components

a. Objectives

According to the original Financing Agreement dated April 23, 2012 (page 5), the project development objective (PDO) of the Economic Governance Technical Assistance and Capacity Building Project was: "to re-establish and strengthen basic systems and practices to improve the management of public financial and human resources".
According to the Additional Financing (AF) Agreement dated July 26, 2017, the revised PDO was: "to modernize public financial and human resource management and enhance statistical capacity".

b. Were the project objectives/key associated outcome targets revised during implementation?  
Yes

Did the Board approve the revised objectives/key associated outcome targets?  
Yes

Date of Board Approval  
08-Jun-2022

c. Will a split evaluation be undertaken?  
Yes

d. Components

Original Project

The original project comprised three components (Financing Agreement, pages 5-6) (US$10 million, US$1.34 million European Union [EU] Trust Fund [TF] estimate at appraisal)

Strengthening Basic Expenditure Management (US$2.72 million + US$1.34 million EU TF estimate at appraisal) aimed to: (i) strengthen the public procurement framework; (ii) build public financial management (PFM) capacity; and (iii) promote efficient and affordable public investments.

Improving Human Resource Management (HRM) (US$6.13 million estimate at appraisal) aimed to: (i) support the development and adoption of a Public Administration Reform Strategy; (ii) conduct a biometric identification for civil servants; (iii) build capacity for human resource data management and control; and (iv) interface the human resource management system with the payroll system.

Project Management (US$1.15 million estimate at appraisal) aimed to support overall project implementation, management, coordination, administration, monitoring and evaluation, and fiduciary capacity.

Revised Project

The revised project: (i) comprised the same three components, but with some activities dropped, and new ones added; (ii) added one new component; and (iii) revised cost allocations accordingly (Additional Financing Agreement, pages 1-4) (US$22 AF, total estimated project cost US$32 million at AF). A split evaluation was undertaken to reflect the new component on strengthening statistical capacity development.

Strengthening Basic Expenditure Management (US$12.5 million additional funds estimate at AF) aimed to: (i) improve public financial management (PFM) and public investment management (PIM) planning and multi-year, annual budgeting at both the central and sectoral levels; (ii) strengthen the recipient's public procurement framework; and (iii) automate government business processes in investment planning and
monitoring, procurement and for the gradual introduction of an integrated financial management information system (IFMIS).

Improving Human Resource Management (US$4.0 million additional funds estimate at AF) aimed to: (i) support an additional biometric census of the civil service to cover retirees, temporary staff, and newly recruited staff; (ii) interface the human resource management system with the payroll system; and (iii) strengthen the capacity of the government to implement on-going public sector modernization reforms.

Statistical Capacity Development (US$4.0 million additional funding estimate at AF) aimed to: (i) update the basis of national accounts and the gross domestic product (GDP), estimate the new poverty rate, and provide data for evidenced-based policy analyzes; (ii) increase the capacity of the National Statistical Institute (Institut National des Statistiques) and the National Statistics System; and (iii) improve its capacity for producing economic and social statistics and archiving and dissemination of statistical information.

Project Management (US$1.5 million additional funding estimate at AF) aimed to support overall project implementation, management, coordination, administration, monitoring and evaluation, and fiduciary capacity.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The original project cost, including contingencies, was US$10 million. The AF reallocated the cost across components, with a total revised project cost of US$32 million.

Financing: IDA financed SDR 6.5 million (US$10 million equivalent) and the EU TF financed US$1.34 million for the original project (US$136,200 for Component 1 activities). IDA provided SDR 16,100,000 (US$22 million equivalent) for AF in 2017.

Borrower Contribution: The Republic of Guinea did not provide counterpart funding.

Dates: The project was approved on March 20, 2012, became effective on October 17, 2012, and was restructured three times along with one AF. The first restructuring (approved on August 9, 2016) extended the project closing date until June 30, 2017, to allow for the finalization of AF which was approved on June 9, 2017. The second restructuring (approved September 10, 2020) aimed to reinforce results and support interventions to address the COVID-19 health crisis. There were changes in the results framework (RF), components and cost, and closing date. The third restructuring (approved June 7, 2022) cancelled some parts of the project, allowing undisbursed funds to be reallocated to other World Bank (WB) operations.

3. Relevance of Objectives

Rationale

Original Project
The objective of the project at approval -- to re-establish and strengthen basic systems and practices to improve the management of public financial and human resources -- was relevant to the political context, economic conditions, and development priorities of the Government of Guinea (GoG).

Political Context: At the time of approval, the country had recently transitioned to democratic rule after over five decades of autocratic rule (PAD, p. 2). Following a military coup in December 2008, the WB put Guinea under OP 7.30 status until February 2010, suspending most of its operations except for some emergency and humanitarian assistance. Guinea’s first-ever competitive elections were held in 2010 when Professor Alpha Condé was elected President and nominated a new coalition government. The Condé administration requested the WB to support public financial management (PFM) and human resource management (HRM) reforms.

Economic Conditions: Between 2008-2010, per capita income in Guinea declined. After the election in 2010, GDP growth turned positive, driven by the resumption of investment in mining and trade, but it remained constrained. The first priority of the newly elected government was to re-establish basic controls over public finances and civil service management, by enforcing compliance with existing rules and regulations.

Development Priorities: During the first two years of the new government (2010-12) Guinea was in Fragile, Conflict, and Violence (FCV) affected status. The government faced enormous challenges of consolidating and fostering the recent democratic gains and restoring state functions and institutions. The reform agenda centered on reducing the internal stress that fed state fragility and building the foundation for effective institutions which were instrumental in improving governance and enhancing transparency, accountability, and the rule of law in the public sector. To anchor this reform agenda, a Priority Action Plan PAP was endorsed by the GoG in 2011. The 2011-2014 Poverty Reduction Strategy Paper PRSP confirmed the GoG’s focus and commitment to improving economic governance, specifically focusing on reforming the public and security sectors. The WB’s strategy at approval was to maximize the impact of its support for the newly elected government's reform priorities in PFM and HRM.

Revised Project

In 2017, the GoG requested additional financing from the WB to consolidate and deepen PFM and HRM reforms and introduce a new component focusing on statistical capacity development in response to an emergent objective of improving national economic management.

Political Context: President Condé was reelected in 2015, and again in 2020 after a new constitution was approved in a national referendum that changed presidential term limit rules. The GoG’s request for AF was conveyed to the WB after President Condé was elected for a second term and it reflected the GoG’s PFM and HRM reform priorities at the time. He was serving his third term when he was deposed by a military coup on September 5, 2021.

Economic Conditions: At the time of AF approval, the national poverty rate was declining (from 48.5 percent in 2014 to 43.7 percent in 2018/19), but annualized consumption growth of the bottom 40 percent of the population was negative. 32 percent of the population suffered deprivations in education, health, and access to basic infrastructure in 2018 and based on COVID-19 surveys, about 35 percent of the population experienced severe food shortages. Economic growth averaged 6.2 percent during 2017-21 (3.3 percent per capita), helped by the mining sector (bauxite, gold) and low fiscal deficits (2.5 percent). (Macro Poverty Outlook for Guinea: October 2022).
Development Priorities: In August 2020, the government launched the second National Plan for Economic and Social Development. Emerging themes included the: (i) role of innovation as a driver of structural transformation; (ii) acceleration of the digital economy in Guinea; (iii) promotion of the green economy; need to strengthen resilience; and (iv) importance of maximizing and realizing the value of Guinea's human capital.

Overall, the objectives of the original and revised projects remained relevant to the political context, economic conditions, and development priorities in Guinea. In 2012, the project focused on supporting the new administration's efforts to stabilize the economy and improve the effectiveness of state institutions. In 2017, the revised project focused on further consolidating PFM and HRM reform priorities while responding to the emerging national priority of improving economic management. Both projects were responsive to the administration's evolving development priorities and its efforts to consolidate PFM and HRM in the country.

Original Project Rating for Relevance of Objectives: High

Revised Project Rating for Relevance of Objectives: High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1
Objective
Improve Management of Public Financial Resources

Rationale

Targets for two of the three original PDO indicators were achieved (one indicator changed to intermediate results indicator [IRI] at AF).

- Public contracts procured through open competition. Baseline: 15 percent in 2011. Target: 55 percent in 2017. Revised target: 80 percent in 2022. The proportion of contracts procured through open competition was 100 percent at closure (achieved).
- Budget preparation occurs according to the new PFM Legal Framework. Baseline: No in 2012. Target: Yes in 2017. Target was met in 2016 but the indicator was erroneously dropped in AF (achieved).
- Public investment proposals prepared in accordance with agreed procedures. Baseline: 0 percent in 2012. Target: 75 percent in 2017. This was changed to an IRI with a new target of 90 percent. The PDO target for the original project was not achieved, but the IRI target for the revised project was
achieved, with 100 percent of public investment projects prepared in accordance with agreed procedures at closure (original target not achieved as a PDO indicator; revised target achieved as an IRI).

Targets for three of the original five project IRIs were achieved.

- Budget is presented for legislative approval according to the budget calendar. Baseline: Yes in 2012. Target: Yes in 2017 (not achieved).
- PFM practitioners trained. Baseline 0 in 2012. Target: 400 in 2017. 85 PFM practitioners were trained with project support, well short of the end-project target (not achieved).

Rating
Substantial

OBJECTIVE 1 REVISION 1
Revised Objective
Modernize Public Financial Resource Management

Revised Rationale
One revised PDO Indicator was achieved.

- Proportion of the public investment proposals (PIPs) compliant with public investment manual (PIM) investment budget. Baseline: 0 percent in 2016. Target: 40 percent in 2022. 100 percent of PIPs were compliant with PIM at closure (achieved).

Two of four revised Project IRIs were achieved.

- Public investment proposals prepared according to agreed procedures. Baseline: 0 percent in 2016. Target: 90 percent in 2022. The project achieved 100 percent, surpassing end-project target (achieved).
- Number of sectors implementing Aggregate Citizen Report Card scores. Baseline: 0 in 2017; Target: 3 in 2021 (not achieved).
Average rate of execution of public procurement commitment plans in the targeted three sectoral ministries. Baseline: 30 percent in 2016. Target: 85 percent in 2022. The project achieved 81.5 percent, falling short of end-project target (partially achieved).

Revised Rating
Modest

OBJECTIVE 2
Objective
Re-establish and Strengthen Basic Systems and Practices to Improve the Management of Human Resources.

Rationale
Targets for one of two original PDO indicators was achieved.

- Discrepancy between the Ministry of Employment and Public Service (MEPS) civil service database and the payroll. Baseline: 8 percent in 2012. Target: 2 percent in 2017. Revised Target of .06 percent in 2022 (achieved).
- Direct project beneficiaries, of which percent are women. Baseline: N/A. Target: 400, 10% women in 2017. Revised Target 259, 24% women in 2021. The project reached 259 direct beneficiaries, well short of the end-project target of 400. This indicator fulfilled the gender-disaggregated sub-PDO indicator, with 24 percent of project beneficiaries being women against an end target of 10 percent. This indicator was dropped at AF (project beneficiaries not achieved; percent women achieved).

Targets for one of three original project IIRIs was achieved and two were partially achieved.

- Irregular civil service cases resolved. Baseline: 100 percent in 2011. Target 100 percent in 2017. Revised target 90 percent in 2022. The irregular civil service cases that were resolved reached 90 percent at closure (partially achieved).


Rating
Modest

OBJECTIVE 2 REVISION 1
Revised Objective
Modernize Human Resource Management
Revised Rationale
Target for one revised PDO indicator was achieved.

- Number of Ministries equipped with remote work tools. Baseline: 10 in 2020. Target: 30 in 2022. A total of 40 ministries were equipped with remote work tools (achieved).

Targets for one of two revised project IRIs was achieved.

- Additional public agents registered in the biometric census. Baseline: 0 in 2016. Target 30,000 in 2022. 17,985 additional public agents were registered at closure (not achieved).
- Number of Ministries holding virtual meetings. Baseline: 0 in 2017. Target 10 in 2022. 50 virtual meetings were held at closure (achieved).

Revised Rating
Modest

OBJECTIVE 3
Objective
None.

Rationale
N/A

Rating
Not Rated/Not Applicable

OBJECTIVE 3 REVISION 1
Revised Objective
Enhance Statistical Capacity

Revised Rationale
Target for one revised PDO indicator was partially achieved.

- Number of statistical products (household survey, enterprise census, national accounts) completed and published by INS following international standards. Baseline: 0 in 2016. Target: 3 in 2022. By project closure, two statistical products had been prepared against a target of 3 (partially achieved).

Targets for two of two revised project IRIs were achieved.
- New poverty indices (poverty incidence, poverty gap, poverty severity). Baseline: No in 2016. Target: Yes in 2022. A household survey that provided the required data was successfully completed (achieved).

- Statisticians or equivalent trained from regional statistics or demography schools. Baseline 0 in 2016. Target 5 in 2022. 24 statisticians were trained, surpassing the end target of 5 (achieved).

**Revised Rating**

Modest

**OVERALL EFFICACY**

**Rationale**

**Original Project**

Project efficacy under the original and revised objectives was Modest. Uneven but notable progress was made across all three of the project’s outcome areas.

The original PDO focused on re-establishing and strengthening basic systems and practices to improve the management of public financial and human resources. There was no Theory of Change (ToC) described in the PAD but there was a narrative on how the PDO was to be achieved. The ICR developed a ToC based on this narrative and attempted to establish causal relationships between the evidence presented (based on the PDO indicators and IRIs) and each objective/outcome area. The ICR ToC traced the planned activities (organized by component) described in the PAD to outputs (based on IRIs), short-term outcomes (based on PDO indicators), and expected outcomes (based on the PDO). Overall, the assumptions underlying this ToC were clear, but weaknesses were revealed in the original design of the project. The ICR notes on page 20 that the PDO was overly ambitious and did not effectively capture the "discrete scope and magnitude of project activities."

Regarding the PDO on PFM (Component 1), the activities initially focused on public expenditure and investment management and procurement, while the PDO focused more broadly on the entire PFM system by “establishing and strengthening basic systems and practices.” Two PDO indicators were output-oriented and more appropriate for the IRI level (focusing on public contracts procured and public investment proposals prepared). This undermined the logical flow from activity inputs to output targets (at the IRI level) to outcome targets (PDO level). While these indicators were appropriate, they should have been at the IRI level, with more robust outcome indicators developed for the PDO level.

One of the two HRM PDO indicators (Component 2) was a core World Bank indicator that tracked direct project beneficiaries (along with the percentage of women). This indicator did not measure the project’s intended contribution to the PDO and did not capture the higher-level reforms originally envisaged in the PAD, specifically improving the management of GoG human resources through the preparation of a public administration reform strategy and the verification and consolidation of the regular civil servant database.
The outputs reported in the RF can be reasonably attributed to the project, but they did not clearly demonstrate the achievement of the PDO. Regarding Component 1, targets for two of the three PFM PDO indicators were achieved (one of the indicators downgraded to IRI at AF), and targets for three of the five IRIs were achieved. For Component 2, the target for one of two HRM PDO indicators was achieved, one of three IRI targets was achieved and two were partially achieved.

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<th>Overall Efficacy Rating</th>
<th>Primary Reason</th>
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<td>Low achievement</td>
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### OVERALL EFFICACY REVISION 1

#### Overall Efficacy Revision 1 Rationale

#### Revised Project

The updated PDO focused on modernizing public financial and human resource management and enhancing statistical capacity. An updated ToC for the revised project demonstrated similar weaknesses to the project as the one for the original project. The new PDO indicator focused on measuring the number of statistical products, which is output and not outcome based.

As part of the AF, three of the project's five original PDO indicators were modified, as follows: (i) the PDO indicator on "Budget preparation (that) occurs according to the new PFM legal framework" was erroneously dropped in response to its full achievement in 2016; (ii) the PDO indicator on "Direct project beneficiaries, of which percentage of women" was dropped; and (iii) the PDO indicator on "Public investment proposals (PIP) prepared according to agreed procedures" was downgraded to IRI level and replaced at the PDO level by a new indicator capturing "Proportion of the PIP [Public Investment Project/Proposal] complaint with PIM [Public Investment Management] manual investment budget." Reflecting the project's expanded scope, the AF introduced a new PDO indicator capturing the "Number of statistical products completed and published by INS following international standards." The two-remaining original PDO indicators on "Public contracts procured through open competition" and "Discrepancy between MEPS civil service database and the payroll" were maintained without change as part of the AF. The second project restructuring dropped "Discrepancy between MEPS civil service database and the payroll" and replaced it with a new PDO indicator capturing the "Number of Ministries equipped with remote work tools."

The revisions to the RF at AF attempted to address shortcomings in the original RF. The Component 1 PDO indicator on public investment proposals was downgraded to an IRI indicator, with a new PDO indicator added to focus on PIP compliance with the PIM. The second PDO indicator on public contracts remained, even though it was more appropriate as an IRI. The revised RF added a third outcome focusing on enhancing statistical capacity.

Overall, the outputs reported in the RF can be reasonably attributed to the project, but they did not clearly and reasonably demonstrate progress toward achievement of the PDO. Targets for PDO indicators for PFM and HRM were achieved, but the target for the new PDO focusing on enhanced statistical capacity was only partially achieved. The pause in disbursements resulting from OP7.30 prevented access to the resources needed to develop a General Census of Enterprises. Targets for two of four IRIs for PFM and one of two indicators for HRM were achieved, along with both IRIs for enhanced statistical capacity.
5. Efficiency

The efficiency of the project is rated as Modest, given the lack of an economic efficiency measure at appraisal, and based on the economic and financial analysis conducted for the ICR.

**Economic Efficiency:** Economic rate of return (ERR) and internal rate of return (IRR) analyses were not calculated at appraisal. The PAD said they were "not applicable to this project." Instead, the PAD referenced a 2007 Public Expenditure and Financial Accountability assessment and cited a positive GDP trend following the election. To address this gap in economic analysis, the ICR team retroactively conducted the economic and financial analysis (EFA) of the project both at appraisal (*ex-ante*) and at completion (*ex-post*). Two types of economic benefits were considered in the EFA: (i) the impact of improved procurement and public investment on GDP growth; and (ii) the fiscal multiplier resulting from wage bill savings. A detailed analysis of the EFA and the assumptions used was included as Annex 4 of the ICR. The underlying assumptions and methods of the EFA were reasonable and relevant to the original and revised project PDOs.

Based on this analysis, the estimated economic and financial impact of the project at completion was lower than the impact estimated at appraisal. At appraisal, it was estimated that the project, through improved public investment efficiency and execution rate, would yield important economic gains with: (i) a Net Present Value (NPV) of US$4,155.6 million (representing 60 percent of the GDP at the start of the project in 2012); (ii) an IRR of 362.2 percent; (iii) a ratio of public investment to GDP moving from an average of 7 percent before the project to an estimated level of 10.8 percent by 2025; and (d) a GDP growth reaching an annual rate of 7 percent by 2025, compared to 3.9 percent before the project. Wage bill savings were estimated to lead to a financial NPV of US$190.37 million and a financial IRR of 434.89 percent at appraisal (low scenario). The extra resources gained by the government from cleaning the wage bill would yield important economic gains through the fiscal multiplier that showed potentially important economic benefits from the wage bill by 2030, amounting to US$250.4 million (3.6 percent of GDP) in the low scenario and up to US$1,001.7 million (14.3 percent of GDP) in the high scenario. However, these scenarios could not be adequately adjusted to reflect the GoG’s implementation capacity, ownership, and willingness to reform, critical factors required for the wage bill savings to materialize.

**Operational Efficiency:** The project took ten years to implement while its overall financing increased over three-fold, from US$10 million at effectiveness to US$32 million after AF. The project had an original closing date of December 31, 2016, but closed on June 30, 2022, following three extensions totaling five and a half years. AF of US$22 million, five years into what was originally intended to be a four-year implementation, substantially expanded the original project scope. The Ebola outbreak, COVID-19 pandemic, and political uncertainty leading up to and immediately following the 2020 national elections and the 2021 military coup created significant implementation delays that contributed to the need for a further closing date extension. The final restructuring, which occurred in the final month of implementation, canceled the following activities that could not be completed across three project components.

Component 1: (i) acquisition of a fiscal administration system; (ii) fiscal training for agents of the Tax Directorate (*Direction Nationale des Impots*); (iii) training of Ministry of Planning and sectorial ministries staff related to PIM; and (vi) training on the new procurement code.
Component 2: technical assistance and training activities.

Component 3: (i) General Census of Enterprises (RGE) statistical product; and (ii) high-frequency COVID-19 telephone survey.

The financing envelope was reduced by US$ 5 million to US$27 million. Project management costs totaled US$2.2 million, representing 12.9 percent of the final disbursed amount, of which US$1.42 million was charged for staff time.

**Efficiency Rating**

Modest

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

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<th>Rate Available?</th>
<th>Point value (%)</th>
<th>*Coverage/Scope (%)</th>
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<tr>
<td>ICR Estimate</td>
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</tbody>
</table>

* Refers to percent of total project cost for which ERR/FRR was calculated.

**6. Outcome**

**Original Project**

The relevance of objectives is rated as High. The efficacy of the project is rated as Modest. The efficiency of the project is rated as Modest. The outcome of the original project is assessed as Moderately Unsatisfactory.

**Revised Project**

The relevance of objectives is rated as High. The efficacy of the project is rated Modest. The efficiency of the project is rated Modest. The outcome of the revised project is assessed as Moderately Unsatisfactory.

**Split Rating Table**

<table>
<thead>
<tr>
<th></th>
<th>Before second Project Restructuring</th>
<th>After second Project Restructuring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance of PDO</td>
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<tr>
<td>Overall Efficacy Rating</td>
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<tr>
<td>Project Efficacy Assessment under the Original Objectives</td>
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<td></td>
</tr>
<tr>
<td>Project Efficacy Assessment under the Revised Objectives (original outcome targets)</td>
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<tr>
<td>---</td>
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<td></td>
</tr>
<tr>
<td>Project Efficacy Assessment under the revised objectives (revised outcome targets for both PFM and HRM outcomes)</td>
<td>Modest (rated Substantial in ICR)</td>
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<tr>
<td>Efficiency Rating</td>
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<tr>
<td>1. Outcome Ratings (ICR Guidelines, Appendix H)</td>
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<td>Moderately Unsatisfactory</td>
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</table>

*Highly Unsatisfactory (1); Unsatisfactory (2); Moderately Unsatisfactory (3); Moderately Satisfactory (4); Satisfactory (5); Highly Satisfactory (6)

Overall, the ICR ratings were consistent with the ICRR assessment, except for project efficacy of the revised project. The ICR rating was rated as Substantial. This ICRR rates this as Modest, due in large measure to the limited progress that was made on the additional PDO added during the second restructuring that focused on enhancing statistical capacity, which was only partially achieved.

a. **Outcome Rating**
   Moderately Unsatisfactory

### 7. Risk to Development Outcome

The risk to the sustainability of the development outcome is assessed as Substantial.

Despite the overall strengthening of the legal, regulatory, and human resource aspects of PFM institutions in Guinea, the country will likely continue to exhibit the characteristics of an FCV-affected state. While the project restructuring enabled the GoG to ensure remote connectivity and business continuity during COVID-19, and statistics activities enabled the GoG to develop basic tools to measure and assess the incidence of poverty in the country, the sustainability of these and other project achievements will be constrained by (i) overall weak governance, (ii) low staff capacity, and (iii) political uncertainties associated with the country’s tenuous transition to democracy that was impacted by the 2021 coup.

### 8. Assessment of Bank Performance

a. **Quality-at-Entry**
   At the time of appraisal, there was a lot of optimism in the country, with the election of the first-ever democratic government in Guinea in 2010. The Condé administration embarked on a comprehensive reform agenda centered on building the foundation for effective institutions, including PFM, HRM, and
broader public sector management. The WB partnered with a new administration committed to meaningful PFM and HRM reform. The project that was developed reflected this optimism.

Project design was informed by several analytical works, including the 2007 PEFA assessment and the 2018 PEFA and PIMA assessments for the restructuring. The lack of political economy and/or stakeholder analyses focusing on PFM, HRM and more generally at the national level (at appraisal and during project implementation) was a missed opportunity to better understand contextual political and FCV dynamics. The absence of a standard cost-benefit analysis at appraisal was also a missed opportunity to better understand the economic context. The lack of a ToC at appraisal made it difficult to establish causal linkages between the indicators and project objectives.

While the project was aligned with the GoG’s PFM and national development strategies, the ICR notes that this resulted in an overly ambitious and scattered project scope, with separate and distinct PFM and HRM components that did not lend themselves to supporting a comprehensive reform program (See Section 4).

**Quality-at-Entry Rating**
Moderately Unsatisfactory

**b. Quality of supervision**
The Bank conducted regular supervision of the project, with support missions generating 19 ISRs from November 2012 to June 2022. However, there were four TTLs over a ten-year period from project preparation to closure. This relatively high turnover of TTLs compromised institutional memory and implementation continuity. A Midterm Review was not conducted, which could have identified implementation challenges and questioned the advisability of additional financing given the slow progress. They would have enabled the WB Team to develop more realistic PDO indicators and IRI targets that more closely reflected component-level activities and were more directly aligned with the project’s overall PDO.

**Quality of Supervision Rating**
Moderately Unsatisfactory

**Overall Bank Performance Rating**
Moderately Unsatisfactory

**9. M&E Design, Implementation, & Utilization**

**a. M&E Design**
The ICR notes several shortcomings that affected the quality of M&E design in both the original and revised projects: (i) the PDOs were overly ambitious and too general, resulting in fragmented and disconnected components not clearly linked to the broader reform agenda; (ii) the PAD did not provide a theory of change (ToC) to capture the link between the PDO and objective- and IRI-level indicators; (iii) many of the
indicators were output driven, making it difficult to trace and establish project outcomes; (iv) the project's second restructuring dropped several key activities for COVID-19 reprioritization, further diluting the project's notional ToC developed at the second restructuring; and (v) the PDO and IRI-level indicators did not capture some key activity-generated results (See Section 4).

b. M&E Implementation

Project M&E arrangements were adequate, with ministries and agencies involved in collecting and sharing this data with the Project Coordination Unit (PCU), which maintained a local M&E specialist. However, these arrangements were disrupted by frequent institutional changes and changes to the PCU. The overall supervision of the PCU changed twice, from the Ministry of Economy and Finance to the Minister of Planning and Economic Development, and then to the Prime Minister's office. Frequent changes characterized the PCU itself. Due to turnover, the preparation of M&E reports was delayed but delivered in compliance with Bank requirements. Better monitoring of beneficiaries and relevant ministries should have been carried out to ensure the objectives were achieved. The large number of beneficiaries and the frequent changes to the project results framework also added complexity to M&E implementation. While an M&E manual was drafted at the beginning of the project, it was not revised to reflect the changes to the RF based on the AF and project restructurings.

c. M&E Utilization

M&E data on performance and results progress could have been better used to inform strategic redirection, resource reallocation (especially given the large AF envelope), project management, and decision-making. This information should have been collected and analyzed in an MTR, which the project team did not conduct.

While ISRs were regularly prepared, they did not accurately track the changes to the RF that were made in project restructurings and at AF. Some of the indicators were not reported, making it difficult to assess the progress and impact at project closure. For example, the final ISR (Sequence #19, June 30, 2022) reported on 4 PDO indicators and 7 IRIs which did not account for the 8 PDO indicators and 16 IRIs that the ICR lists on pages 13-14 (the original PDO indicator on public investment proposals prepared that was downgraded to an IRI at AF is counted as an IRI). The ICR notes that project management and institutional changes, coupled with frequent revisions to the project results framework, challenged M&E utilization. There was no mention in the ICR if project findings were communicated to stakeholders beyond regular WB reporting (including Aide Memoires, Management Letters, ISRs, and dialogue with the GoG on project restructurings and the AF).

**Original Project:** Modest

**Revised Project:** Modest

**M&E Quality Rating**

Modest
10. Other Issues

a. Safeguards

**Environmental Safeguards:** The project did not include any activities that involved significant social risks, nor did it deal directly with the population at large. The project financed consulting services, goods, training, and workshops.

**Social Safeguards:** No civil works or activities with negative environmental implications were undertaken. The project was classified under category C, with no environmental safeguard policies triggered.

b. Fiduciary Compliance

Throughout implementation, the project effectively complied with the financing agreement covenants. The PCU submitted periodic Interim Financial Reports with a quality (content, format, and depth of information) satisfactory to the Bank. It provided relevant information to help management in decision-making on using funds. In addition, acceptable audit reports and management letters were prepared and timely submitted to the Bank in acceptable form and substance. The PCU, for the most part, fully implemented the external auditors’ recommendations. Some financial management (FM) weaknesses were identified, mainly related to budget monitoring and the overrun in some budget lines. This, even if on a regular basis, would not have impacted the quality of the FM system. Overall, based on supervision missions, review of the financial statements, and annual audit reports, despite some irregularities noticed, project FM's performance was adequate and satisfactory.

c. Unintended impacts (Positive or Negative)

The ICR noted several unintended positive impacts that were not captured by the results framework but contributed to the overall PDOs for the original and revised projects. They included: (i) implementation of the Treasury’s digital platform; (ii) development of the national strategy for the fight against COVID-19; and (iii) the revision of the public procurement code. See the Efficacy Section above for additional unintended impacts in Components 1 and 2.

d. Other

The ICR raised no other issues.

11. Ratings

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<thead>
<tr>
<th>Ratings</th>
<th>ICR</th>
<th>IEG</th>
<th>Reason for Disagreements/Comment</th>
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<tr>
<th>Outcome</th>
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<td>Quality of M&amp;E</td>
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<tr>
<td>Quality of ICR</td>
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## 12. Lessons

The following five lessons are informed by the ICR and project documents (ICR, pages 24-25).

**Political economy matters, and it is important to be cognizant of vested interests and manage them carefully, especially for projects promoting complex and sensitive reforms.** Comprehensive PFM and HRM reforms require adequate preparation including political economy analysis, wide political and social ownership, consensus-building efforts, and feedback loops. Without such thorough preparation, the likelihood of success is low, undermining the achievement of potentially substantial, long-run gains for the country and society. While the initial design was aligned with government strategy, providing a sound policy base and relevance, it was not realistic relative to the context. It benefited from some analytical underpinning, but no political economy analysis was conducted to better understand the enabling environment for PFM and HRM reforms.

**Ensuring realism, prioritization, and sequencing of PFM and HRM reforms and testing the credibility and commitment of the government in pursuing such reforms is essential.** The first-ever democratically elected government in Guinea developed a comprehensive and ambitious governance reform program to address the enormous challenges ahead. In attempting to support GoG priorities, project implementation suffered from a highly complex and overly ambitious project design (and re-designs) that did not adequately account for the political economy of PFM and HRM reform nor the credibility, commitment, and consistency of the government in pursuing such reforms. In such contexts, it is important not to take for granted that a democratically elected government would be fully committed to pursuing reforms. The government’s political commitment and ownership should be analyzed and tested and be reflected accordingly in the project design. Design should also adequately account for existing capacity limitations and the overall fragile environment.

**For operations with a long duration and high staff turnover, it is necessary to ensure candid reporting, which can help to mitigate institutional memory loss and provide reliable data for decision-making.** Throughout implementation, there was a high turnover of TTLs and procurement specialists, which meant the project could not maintain and benefit from the institutional memory on the part of the WB. Three restructurings and one AF over ten years made it difficult for new project team members to track activities, indicators, and results, thus undermining the use of data for informed decision-making.

**A clear ToC, informed by rigorous analytical products, should be the foundation for developing project activities that provide data for a coherent M&E framework.** The absence of rigorous and targeted political and economic analyses conducted at appraisal and the lack of a ToC were major shortcomings that undermined the utility of the M&E for informing implementation and measuring
impact. This made it difficult for the ICR team to develop a coherent and comprehensive storyline for the ten-year project.

WB Task Teams should be encouraged to close underperforming operations and develop follow-on projects that incorporate lessons learned, especially in countries that experience protracted and unpredictable political transitions. The numerous changes made to the project across an AF and three separate restructurings in a country beset by a challenging transition to democratic rule made it difficult to keep focused on the higher-level reform PDOs. The project's financing more than tripled and its implementation timeline expanded from four to ten years, while repeated redirection of its scope and resourcing contributed to uneven efficacy across all areas that the project attempted to engage. In such situations of substantial re-set and re-design, it would be better to initiate dedicated and organic policy dialogue and analytical underpinning that could lead to new project/program design.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR presented a clear and coherent narrative of the project, which was long in duration (ten years) and very complex, with multiple restructurings and an AF that substantially increased the project budget. The ICR provided seven annexes that provided ample data and analysis to understand implementation challenges and demonstrate project successes, even without a ToC and standard cost-benefit analysis at appraisal. The analysis was comprehensive and balanced, providing an honest and thoughtful understanding of project outputs and outcomes, both intended and unintended. The lessons learned were clear, comprehensive, honest, and on target. They logically flow from the data and analysis provided in the ICR. The final lesson learned candidly reflects on the need for Task Teams to carefully weigh the costs and benefits associated with restructuring or closing underperforming operations. The ICR also identifies some of the limitations of the RF, providing clear and actionable ways that could have improved the monitoring of outputs and outcomes and better connected to the original and revised project PDOs. ICR guidelines and methodology were followed in a concise and consistent way.

a. Quality of ICR Rating

Substantial