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IMPLEMENTATION COMPLETION AND RESULTS REPORT
(IDA – H8670)

ON A GRANT

IN THE AMOUNT OF SDR 6.7 MILLION

(US\$10 MILLION EQUIVALENT)

TO THE

REPUBLIC OF GUINEA

FOR A

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME) DEVELOPMENT PROJECT

August 29, 2018

Finance, Competitiveness and Innovation Global Practice
Africa Region

CURRENCY EQUIVALENTS

Exchange rate – Effective August 29, 2018

Currency Unit = Guinea Francs (GNF)

US\$1 = GNF 9,054

GOVERNMENT FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ACH	Automated Clearing House
APIP	Agency for Promotion of Private Investment
CBRG	Central Bank of the Republic of Guinea
CRS	Credit Reporting System
ERR	Economic Rate of Return
DBR	Doing Business Report
GDP	Gross Domestic Product
GNF	Guinean Franc
IFC	International Finance Corporation
ICR	Implementation Completion and Results Report
IDA	International Development Association
IP	Implementation Progress
IT	Information Technology
ISR	Implementation Status and Results Report
M&E	Monitoring and Evaluation
MISME	Ministry of Industry and SMEs
MSMEs	Micro, Small and Medium Enterprises
NPV	Net Present Value
OHADA	Organization for the Harmonization of Business Law in Africa (<i>Organisation pour l'harmonisation en Afrique du droit des affaires</i>)
PAD	Project Appraisal Document
PCR	Project Completion Report
PIU	Project Implementation Unit
PDO	Project Development Objective
PIP	Project Implementation Plan
PPD	Public-Private Dialogue
PRSP	Poverty Reduction Strategy Paper
RTGS	Real Time Gross Settlement System
SC	Support Center
SMEs	Small and Medium Enterprises
TA	Technical Assistance
TTL	Task Team Leader

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TABLE OF CONTENTS

DATA SHEET	1
I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES.....	5
A. CONTEXT AT APPRAISAL.....	5
B. SIGNIFICANT CHANGES DURING IMPLEMENTATION	11
II. OUTCOME	15
A. RELEVANCE OF PDOs.....	15
B. ACHIEVEMENT OF PDOs (EFFICACY).....	17
C. EFFICIENCY	22
D. JUSTIFICATION OF OVERALL OUTCOME RATING	23
III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME	26
A. KEY FACTORS DURING PREPARATION.....	26
B. KEY FACTORS DURING IMPLEMENTATION	27
IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME ..	29
A. QUALITY OF MONITORING AND EVALUATION (M&E).....	29
B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE	32
C. BANK PERFORMANCE.....	33
D. RISK TO DEVELOPMENT OUTCOME	34
V. LESSONS AND RECOMMENDATIONS	35
ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS.....	37
ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION	46
ANNEX 3. PROJECT COST BY COMPONENT.....	48
ANNEX 4. EFFICIENCY ANALYSIS	49
ANNEX 5. EXECUTIVE SUMMARY OF THE BORROWER COMPLETION PROJECT REPORT	52
ANNEX 7. SUPPORTING DOCUMENTS (IF ANY)	63



DATA SHEET

BASIC INFORMATION

Product Information

Project ID	Project Name
P128443	Guinea - MSME Development Project
Country	Financing Instrument
Guinea	Investment Project Financing
Original EA Category	Revised EA Category
Not Required (C)	Not Required (C)

Organizations

Borrower	Implementing Agency
Ministry of Industry, SME and Private Sector Promotion	Ministry of Industry -- PIU PAPME

Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is to support the development of MSMEs in various value chains and to improve selected processes of Guinea's investment climate

PDO as stated in the legal agreement

The objective of the Project is to support the development of MSMEs in various value chains and to improve selected business processes of the Recipient's investment climate.



FINANCING

	Original Amount (US\$)	Revised Amount (US\$)	Actual Disbursed (US\$)
World Bank Financing			
IDA-H8670	10,000,000	9,995,130	9,515,307
Total	10,000,000	9,995,130	9,515,307
Non-World Bank Financing			
Borrower	0	0	0
Total	0	0	0
Total Project Cost	10,000,000	9,995,130	9,515,307

KEY DATES

Approval	Effectiveness	MTR Review	Original Closing	Actual Closing
28-Jun-2013	06-Dec-2013	18-Jul-2016	31-Dec-2017	31-Dec-2017

RESTRUCTURING AND/OR ADDITIONAL FINANCING

Date(s)	Amount Disbursed (US\$M)	Key Revisions
02-Feb-2016	2.91	Change in Results Framework Change in Components and Cost Change in Institutional Arrangements

KEY RATINGS

Outcome	Bank Performance	M&E Quality
Moderately Satisfactory	Moderately Satisfactory	Modest

RATINGS OF PROJECT PERFORMANCE IN ISRs

No.	Date ISR Archived	DO Rating	IP Rating	Actual Disbursements (US\$M)
01	14-Dec-2013	Satisfactory	Satisfactory	.40



02	25-Jun-2014	Satisfactory	Satisfactory	1.25
03	13-Sep-2014	Moderately Satisfactory	Moderately Satisfactory	1.41
04	17-Apr-2015	Moderately Unsatisfactory	Moderately Unsatisfactory	1.76
05	28-Oct-2015	Moderately Unsatisfactory	Moderately Unsatisfactory	2.54
06	29-Apr-2016	Moderately Satisfactory	Moderately Satisfactory	3.18
07	31-Oct-2016	Moderately Satisfactory	Moderately Satisfactory	3.99
08	12-May-2017	Moderately Satisfactory	Moderately Unsatisfactory	5.61
09	29-Dec-2017	Satisfactory	Moderately Satisfactory	8.39

SECTORS AND THEMES

Sectors

Major Sector/Sector (%)

Public Administration 22

Central Government (Central Agencies) 22

Financial Sector 34

Banking Institutions 16

Other Non-bank Financial Institutions 18

Industry, Trade and Services 44

Agricultural markets, commercialization and agri-business 21

Services 13

Other Industry, Trade and Services 10

Themes

Major Theme/ Theme (Level 2)/ Theme (Level 3) (%)



Private Sector Development	65
Business Enabling Environment	42
Investment and Business Climate	29
Regulation and Competition Policy	13
Enterprise Development	23
MSME Development	23
Finance	23
Financial Infrastructure and Access	23
MSME Finance	23
Public Sector Management	13
Rule of Law	13
Legal Institutions for a Market Economy	13

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I. PROJECT CONTEXT AND DEVELOPMENT OBJECTIVES

A. CONTEXT AT APPRAISAL

Country Context

1. **Economic context.** Guinea is a medium-sized low-income African country which is highly endowed with natural resources. The country possessed around one third of world's bauxite reserves, deposits of gold, diamond, and iron-ore. It also had vast arable land, its coastline was rich in fish, and it had vast hydroelectric potential. However, the country's economic performance was not proportionate with this endowment. At appraisal, agriculture and mining, the major sources of growth in the economy had performed modestly. The overall economic growth averaged 3.0 percent over 2008–2012, with agriculture growth limited by the fact that only one fourth of the available arable land was cultivated, thus production was insufficient to feed the local population. Meanwhile, the mining sector, from which the country derives over 90 percent of its export revenues, contracted in real terms by 6 percent between 2008 and 2010—despite rising world commodity prices. In addition, in the two decades from 1990 to 2010, industry and manufacturing had virtually stagnated. Manufacturing's share in gross domestic product (GDP) had changed little, from 4.6 percent in 1990 to 4.7 percent in 2010. As a result, at appraisal, the standards of living had declined, and poverty rates went from 53 percent in 2007 to 55.2 percent in 2012. This was especially disappointing given that the country had a strong growth potential in several sectors, particularly mining and agriculture.

2. **Political Context.** Besides sectoral potential, changes in the political landscape offered hope for reorientation of the country's priorities toward an economic policy favoring more growth, investment, and poverty reduction. After years of instability, Guinea's first democratically elected President assumed power in December 2010. The vision of the new Government was to transform Guinea's political and economic governance to start sharing the benefits of its very rich agricultural and geological endowments. However, the political transition had been difficult. Parliamentary elections—and in sequence the local elections—were postponed several times, and continued delays and a difficult political debate posed a challenge to the country's transition to a stable democracy. Nonetheless, macroeconomic stability was restored, and debt sustainability dramatically improved with the attainment of the enhanced Highly Indebted Poor Countries (HIPC) completion point in September 2012. The social, institutional, and economic decline, which had been ongoing for years, was halted.

3. **Sector and Institutional Context.** Guinea could have received significant foreign investment in mining and related infrastructure projects, which, if well-managed could have supported the development of other industries in the country. However, the private sector was not able to contribute enough to growth because it was constrained by many underlying barriers such as low labor productivity, which, according to firm level data, was around US\$1,495 per worker against US\$3,152 per worker in neighboring Senegal and US\$20,160 per worker in South Africa (World Bank 2012b). These led to low productivity and under-investment in diversifying sectors of the economy, which was a key issue for Guinea given the risks of overdependence in the extractive industries, notably their potential impacts on the relative competitiveness of other tradable industries and on the vulnerability of the economy to external shocks. Overall, Guinea was ranked 141th out of 144 countries in the 2012 World Economic Forum Global (WEF) Competitiveness Index that measures the impact of a set of institutions, policies, and factors—that is, the investment climate—on the level of productivity of a country. Guinea's investment climate mostly



affected Micro, Small and Medium Enterprises (MSMEs) as they accounted for the largest share of firms in the country. At the appraisal stage, estimates suggested that 98 percent of formal firms with less than 100 employees were MSMEs.¹

4. Overall, MSMEs operated in an environment where all the underlying sources of growth had severe weaknesses that limited investment possibilities. Specific areas of concern to drive investment included the lack of information on investment opportunities and administrative constraints. The intensity of investment climate related constraints was stronger for MSMEs and some of the underlying causes of these weaknesses included the following:

- (a) **A poor legal environment.** Business registration, property registry, and access to an electrical connection encountered significant problems (World Bank's 2013 Doing Business report). Survey data showed that MSMEs suffered more acutely from such an environment. For example, while less than 15 percent of large firms identified tax rates, tax administration, business licensing and permits as major constraints, this was the case for 17 percent to 48 percent of MSMEs.
- (b) **Weak access to finance due to political and macroeconomic instability** (despite the transition to democracy and the improvement in the economic front, poor regulatory framework, and limited government efficiency). On the domestic side, access to finance was a key constraint. In the late 2000s, around 54 percent of formal firms had access to a bank against 87 percent in Sub-Saharan Africa (SSA), investment was almost entirely self-financed—94 percent of the value of investment in Guinea against 79 percent for SSA on average. Moreover, access to finance was more difficult for smaller firms, while 85 percent of large firms had a bank account only 51 percent to 73 percent of MSMEs had such an account.
- (c) **Low human capital.** As of 2010–2011, the literacy rate was 41 percent for adults, while the ratio of teachers to pupils in primary education is 42 to 44 pupils per teacher, suggesting problems of quality.
- (d) **Government limitations.** Besides financial, monetary, and fiscal instability, as well as micro issues such as lack of property rights, corruption, and excess taxes, Guinea was in the lowest decile in the world on rule of law, control of corruption, and political stability (2011 World Governance Indicators).
- (e) **Weak infrastructure.** Almost all transportation was done by road and the condition of the roads was very poor (only 19 percent of the paved roads are in good condition). Similarly, electricity and telecommunication services (landlines and internet) were weak.

5. It was against this backdrop that the World Bank's support to MSMEs was conceived through this project that builds upon policy dialogue with the Guinean authorities and the domestic private sector, major mining groups, and the financial sector. The Government of Guinea had clearly indicated that it wanted to implement a program of economic diversification and transformation to meet pressing social demands and create sustainable jobs in the short to medium term through greater involvement of the

¹ Estimate based on the 2006–2007 enterprise survey. These are estimates as, in 2013, Guinea had not undertaken a census of firms on a countrywide basis.



private sector in productive activities.

Theory of Change²(Results Chain)

6. The Project Appraisal Document (PAD) included a logical framework of the project. The framework outlined that the aim of the project which was to support the overarching Poverty Reduction Strategy Paper (PRSP)³ goal of accelerating, diversifying, and ensuring the sustainability of growth. The project would contribute to the higher-level objectives of poverty reduction, economic diversification, and competitiveness. The project aimed to support the development of MSMEs in various value chains and to improve selected processes of Guinea's investment climate. The project was to achieve this through the establishment of support centers (SCs) for MSME development and support to investment which would result in improved supply chain and firm level investments, attract investment, and contribute to improved banking infrastructure and systems in accessing finance.

7. To support the development of MSMEs in various value chains, the project initially aimed to establish Small and Medium Enterprise (SME) SCs, one of which would support female entrepreneurship. These SMEs would improve technical skills related to firm competitiveness: (a) productivity, (b) quality of products and services (packaging, standards), and (c) efficient management, in specific sectors and female entrepreneurs would improve skills in nontraditional female sectors; the skills development of the SMEs would improve the supply chain and investments, resulting in increase in sales of the operators.

8. To improve selected processes of Guinea's investment climate, meaning improving investment promotion from foreign sources, it was envisaged that the project would improve business registration, support Investment promotion by introducing enhanced initiatives to attract investment, and ensure an effective public-private dialogue (PPD) through the Agency for Promotion of Private Sector (APIP). The activities included: (a) technical support, research activities on market opportunities, information on existing technologies, identification of bottlenecks and opportunities for innovation (products and processes), One-stop-shop registration services and training on value chains; and (b) help to improve the processes linked to attracting investment through: (i) wide dissemination of marketing instruments among stakeholders and private sector, coaching APIP on improvements on its website, creating a road map to PPD platform and capacity building of APIP; and (ii) operationalization of a public credit information system and increase transactions in payment systems, with support from the Central Bank of the Republic of Guinea (CBRG).

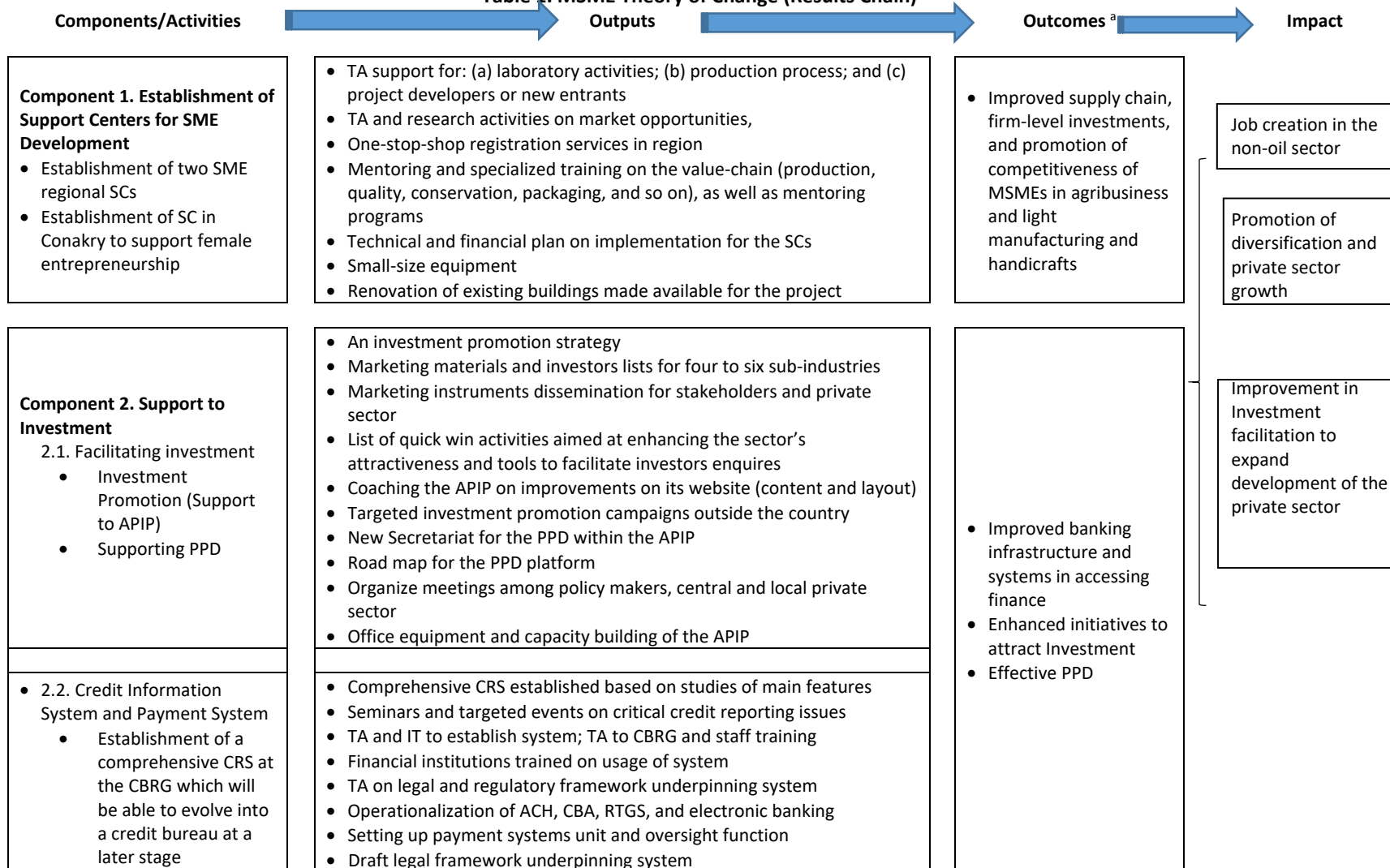
9. These activities would improve the conditions for facilitating investment and improving the banking infrastructure in accessing finance. The achievement of the expected outputs from this project would contribute to job creation in the non-mining sector, promote diversification and private sector growth, and improve investment facilitation to expand development of the private sector. Improved competitiveness and business climate will ultimately play an important role in the longer-term objectives of enhancing economic diversification and moving toward overall reduction of poverty and inclusive growth in Guinea. Table 1 illustrates the proposed MSME Results Chain.

² The theory of change was not required in projects until recently, although clear attribution and strong Results framework linked to the Project Development Objective (PDO) have always been expected in project designs.

³ Poverty Reduction Strategy Paper of 2013–2015 was prepared by the Staff of the International Development Association and the International Monetary Fund and was approved in 2013.



Table 1. MSME Theory of Change (Results Chain)



^a= Number of firms benefitting from SCs.

Project Development Objectives (PDOs) and Key Expected Outcomes and Outcomes Indicators

Project Development Objectives (PDOs)

10. The Project Development Objectives (PDO) was to support the development of MSMEs in various value chains and to improve selected business processes of Recipient's investment climate.

Key Expected Outcomes and Outcome Indicators

- Objective 1: Support the development of MSMEs in various value chains
- Objective 2: Improve selected business processes of Guinea's investment climate

11. The PDO indicators are shown in Table 2 as they were adjusted during the Restructuring in 2016.

Components

12. The project was intended to support the Government of Guinea in reaching the PDOs through three components:

- (a) Component 1. Establishment of Support Centers for SME Development
- (b) Component 2. Support to Investment
- (c) Component 3. Project Implementation and Monitoring and Evaluation

Component 1. Establishment of Support Centers for SME Development (original allocation US\$4.2 million, actual allocation US\$3.4 million)

13. The aim of this component was to promote diversification and private sector growth through direct investment in skills development of SMEs, mainly in selected regions and women-owned enterprises⁴ in Conakry with potential for growth in terms of income and employment.

14. The SCs would provide four types of assistance: (a) technical support, (b) information, (c) One-stop-shop registration services, and (d) training to MSMEs, including cooperatives. The technical support included laboratory activities, TA to MSMEs in the production process, and technical support for project developers or new entrants. The information activities included market opportunities, information on existing technologies, identification of bottlenecks/opportunities for further innovation (products and processes), and transport options for local and international markets; the One-stop-shop registration services like the one provided by the APiP; and the training assistance included specialized training on the value chain (production, quality, conservation, packaging, and so on), as well as mentoring programs. Given the context in Guinea, all the activities such as sharing of information and training were to be disseminated through stakeholders and would be fully covered by the project. The technical support

⁴ According to the Household Survey, 2007–2008, the latest at appraisal, women were significantly more than men, employed in the informal sector—72 percent of women worked in informal enterprises versus 61 percent of men. Therefore, the percentage of women-owned formal MSMEs was less.



provided directly by the centers was envisioned to require a contribution of at least 10 percent from the beneficiaries, and more customized initiatives implied that the entrepreneur's contribution would increase to up to 25 percent, depending on the specificities.

Component 2. Support to Investment (original allocation US\$4.6 million, actual allocation US\$4.2 million)

15. Under this component specific elements of the investment climate were to be improved aimed at facilitating the development and investment of the private sector. This included facilitating business registration, promoting investment, improving the PPD, and improving access to credit. This component had two sub-components: Facilitating Investment and establishing a Credit Information System and Payment System.

Sub-component 2.1. Facilitating Investment (original allocation US\$2.0 million, actual disbursement US\$1.8 million)

16. The aim of this sub-component was to help the APIP become the main investment facilitator in the country and bring it to international standards. Therefore, the Project aimed to facilitate investment in four areas: first, in collaboration with World Bank/International Finance Corporation (IFC) Investment Climate Practice, it would advance the reform program by reinforcing the One-stop shop within the APIP. Second, it would support the development of the APIP's investment promotion strategy. Third, it would support efforts of the APIP and the Ministry of Industry and SMEs (MISME) in developing the PPD in the country and leading the dialogue in terms of the legal business environment. Finally, the project would support general capacity strengthening of the APIP to ensure that the tasks could be completed properly.

Sub-component 2.2: Credit Information System and Payment Systems (original allocation US\$2.6 million, actual US\$2.4 million)

17. This sub-component aimed to finance the establishment of a comprehensive Credit Reporting System (CRS) at the CBRG which would evolve into a credit bureau at a later stage. It would be based on the General Principles for Credit Reporting published by the World Bank and would make use of the IFC's knowledge/expertise in this area. The CRS would include information from firms and consumers with both positive and negative credit history. The activities financed by the project would include: (a) building awareness on critical credit reporting issues through seminars and targeted events; (b) undertaking preparatory studies of the main features of the CRS; (c) providing institutional TA and IT to establish the system; (d) training CBRG staff to operate and oversee the system; (e) training financial institutions on the usage of the system; and (f) providing TA on the legal and regulatory framework underpinning the system.

18. On the Payment Systems (PS) side, the project aimed to finance equipment and TA activities to the CBRG by: (a) assisting the CBRG staff in the operationalization of the ACH, CBA, Interconnection, RTGS, and electronic banking; (b) assisting CBRG staff in setting up a payment systems unit and an oversight function; (c) assisting CBRG staff in drafting a legal framework underpinning such systems; and (d) TA to create capacity at the CBRG for the continuous development of the payment and credit reporting systems, as well as to deal with increased foreign exchange flows.



Component 3. Project Implementation and M&E (original allocation US\$1.2 million, actual allocation US\$1.9 million)

19. This component aimed to finance the establishment and operation of the Project Implementation Unit (PIU), the Steering Committee, and the monitoring and evaluation (M&E) of the project, which was to support the project implementation costs as follows:

- Consultant fees for a Project Coordinator with a specialization in investment climate and MSME promotion, Procurement Specialist, Financial Management Specialist, Monitoring and Evaluation Specialist, Accountant, and technical support staff
- Training in procurement and financial management
- Training and consulting services to enable the PIU to effectively perform the following functions:
 - Coordination of executing agencies and monitoring the performance indicators of the project
 - Preparation of progress reports and working documents required by implementation support missions
 - Provision of information and reports to the Steering Committee and the World Bank
 - Implementation of the M&E plan and related surveys
 - Monitoring and consolidation of the project's financial management and assistance to the executing agencies in procurement and financial management
- Relevant office equipment

B. SIGNIFICANT CHANGES DURING IMPLEMENTATION

Revised PDOs and Outcome Targets

20. The PDOs were not revised during project implementation. However, the project was restructured in February 2016 (before the mid-term review of July 2016) to incorporate several changes that the World Bank deemed necessary given that project implementation had not progressed as expected due to multiple factors as described in the section 'Rationale for Changes and Their Implication on the Original Theory of Change'. The changes introduced took place in: (a) the Results Framework and M&E arrangements to adjust selected indicators and targets and ensure the implementation of effective impact assessment procedures; (b) the components; (c) the disbursement estimates to realistically reflect the disbursement projections over the remaining project implementation period; and (d) the institutional arrangements.

Revised PDO Indicators

21. At project restructuring, the revision in the Results Framework comprised several changes in the wording of the PDO-level indicators, rather than in its substance, and a broadening of the focus of Component 2 reflected in the inclusion of three new intermediate-level indicators aimed at better measuring the impact of the support to investment. The revisions made and the reasons for the adjustments are summarized in Table 2 below.

Table 2. Original and Revised Outcome Indicators

Original Outcome Indicators	Revised Outcome Indicators	Reasons for Adjustment
<i>PDO Level Results Indicators</i>		
Sales of MSMEs supported by the SCs, relative to control group	Increase in sales of MSMEs supported by the SCs	The wording was changed to add clarity.
Number of investor inquiries in targeted sectors leading to individual investments in Guinea above US\$500,000	Number of investments generated above \$200,000	The threshold of US\$500,000 in the indicator measuring the number of investments was reduced to US\$200,000 and the target of 15 was replaced by 10, due to the economic and health crisis of 2014.
Value of loans to firms and individuals included in the CRS in a year as percent of all lending in the same year	Percentage of loans awarded to firms included in the Credit Reporting System in a year as a percent of all lending in the same year	The 'individuals' factor was removed to focus on enterprises only, as this was the goal of this project.
Value of yearly transactions settled in Real Time Gross Settlement/Annual GDP		This indicator was not revised.
<i>Intermediate Results Indicators</i>		
<i>Component 1: Establishment of Support Centers for SME development</i>		
Number of entrepreneurs supported by the SCs (of which percentage female)	Number of firms benefitting from SCs	The wording of this indicator was changed to be consistent with other competitiveness indicators. Moreover, given the reduction in the number of SCs, the target was reduced to 200 firms instead of 400.
None	Percent of women owned or run businesses as a share of benefitting firms from SC support	The wording for this sub-indicator was changed from 'of which percentage female' and added as 'Percent of women owned or run businesses as a share of benefitting firms from SC support'. The target was adjusted to 40% of the total number of firms supported by the SCs, given the reduction in the number SCs and the number of firms supported by them.
<i>Component 2: Support to investment</i>		
Number of investor inquiries in APIP's investment promotion		This indicator was not revised.

Number of reforms adopted through the PPD platform	Number of measures/recommendations proposed by the private-public dialogue (PPD) process endorsed for implementation	The indicator on the number of reforms adopted through the PPD platform was replaced by the number of measures/recommendations endorsed for implementation, to be more realistic.
Businesses registered and included in the Credit Reporting System		This indicator was not revised.
Proportion (%) of banks with access to ACH.		This indicator was not revised
None	Number of Firms that benefit from reformed registration requirements	This intermediate indicator was added with an end target of 300 firms to be consistent with the increase in registration of businesses due to reforms.
None	Number of MSMEs that benefit from new or enhanced linkages with large firms	As the SCs aim at facilitating the connection of small firms to larger firms, this intermediate indicator was added with a target of 30 MSMEs

Revised Components and Costs

22. The components' titles and their contents were not substantially revised during restructuring, but the changes introduced were designed to respond to: (a) the need to reduce complexity and adjust the number of activities to the capacity of the implementing agency; (b) assist the implementing agency in its tasks; (c) strengthen the capacity of the implementing agency; and (d) strengthen the capacity of the MISME in order to ensure a positive impact of the project.

Component 1: Establishment of Support Centers (SC) for SME Development

23. The 2014 outbreak of the Ebola health crisis led to a state of emergency in Guinea slowing down the implementation of the project. The revisions included the reduction in the number of SCs from initially three to two pilots, which would be in Conakry and Mamou, while MSME support programs would be launched in other regions. Training and other MSME development activities were to be conducted in temporary sites until the renovation of the centers was completed. This change assumed potential savings on the initial budget for the renovation and operations of centers. The revision also included the participation of the private sector in the design of activities of the centers and in training and capacity building, to establish a demand-driven SC model which would respond to MSMEs' needs on the ground. In this regard, the SCs would also support value chains related to mining. Furthermore, to enhance the responsiveness and efficiency of the MISME, three activities were added to the component: (a) provision of equipment, furniture, and materials for relevant departments at the supervising ministry, in the Directorate of SMEs; (b) completion of department studies relevant to the project; and (c) training activities for the staff at the SME Directorate at the MISME.

Component 2: Support to Investment

Sub-component 2.2: Credit Information System and Payment Systems



24. The estimated budget for two activities under this sub-component TA for the legal framework and training) was reduced, allowing the reallocation of resources to the interconnection between the CBRG and commercial banks on one hand and between the CBRG and its affiliates on the other hand, as requested by the CBRG.

Component 3: Project Implementation and M&E

25. Part of the restructuring of the project was the changes in the PIU to enhance its proactivity, involving reinforcing its capacity in areas such as procurement, additional staff, and adequate training to staff. The costs for this component were increased due to payment of rent for the PIU office (not initially planned) and the recruitment of nine full-time consultants, of which six were for the APIP and three for the PPD Secretariat. The entire staff, including expert consultants were to receive salary support and capacity building during the execution of the project.

Other Changes

26. The other changes took place in the disbursement estimates and in the institutional arrangements. The disbursement estimates were revised taking into consideration the slowing down of project implementation during the mobilization phase (Ebola, lack of ownership by the Government) and expected acceleration following the restructuring. The envisaged changes in the institutional arrangements were aimed at ensuring that the MISME is better able to honor its oversight responsibilities and strengthening the PIU's capacity through modifications to staffing arrangements. Thus, the Steering Committee was enhanced by the participation of the Ministry of Justice, given its key role in the implementation of reforms related to the business climate and in line with the provisions of the Project Financing Agreement. The Director of SMEs at the MISME would directly oversee the implementation of the pilot MSME SCs. Therefore, the organizational structure was revisited as some of the positions were reallocated to other relevant departments. Finally, the restructuring of the PIU involved: (a) revising the PIU staffing plan in agreement with the MISME, (b) strengthening the capacity of the PIU's procurement specialist by putting in place a coaching process that promotes sharing of best practices; and (c) including communications in the responsibilities of the M&E officer.

Rationale for Changes and Their Implication on the Original Theory of Change

27. The reason for the changes in indicators, components, disbursements, and institutional arrangements made during the restructuring was to adjust the project to new conditions in the country resulting from the economic crisis that followed the outbreak of the Ebola health crisis and the slow implementation progress at that time. When the restructuring was proposed, the project was in 'Problem Project' status, with both implementation progress and development outcome rated Moderately Unsatisfactory.

28. The implementation of the project, as of February 2016 (before the restructuring), had not progressed as expected due to several important factors:

- **The 2014 outbreak of the Ebola virus disease led to a state of emergency in Guinea and the sub-region.** The effects on project implementation included: (a) the slowdown of the local economy, including demand and supply for MSME businesses; (b) the restriction of



travel both into and within the country, which made it difficult to recruit/mobilize TA and provide implementation support to the project; and (c) delays in the procurement process as the efforts of the government agencies were mobilized toward responding to the Ebola crisis.

- **The project lacked full ownership of local authorities during its preparation.** It was redesigned several times before its approval and, given the externalities and shifting priorities due to the Ebola crisis, appropriation by project stakeholders, including the MISME was limited. The Ministers' turnover also affected the smooth implementation of the project. Three different ministers were at the head of the MISME since the project started. Inadequate communication and coordination between the PIU and project stakeholders also worsened the lack of appropriation leading to delays in project implementation. The PPD encountered initial delays for almost two years, partly due to the difficulty in engaging the initial dialogue between the Public and the Private Sector.
- **The project had experienced constraints in its implementation due to the limited capacity of staff at the PIU and at the MISME.** Both, the Government and the World Bank Group team agreed that the lack of responsiveness and efficiency of the PIU staff was a key reason for slow procurement processes; hence the necessity to improve the PIU's capacity.
- **Institutional and political instability.** The project suffered from hierarchy changes between different stakeholders/beneficiaries. For example, the APIP, originally under the MISME, was transferred to the Presidency, which delayed project implementation. The country underwent a difficult political transition in 2014–2015, during which constant marches and strikes occurred, leading to agitated parliamentary and presidential elections.
- **The Results Framework needed to be changed significantly to better align the indicators with the PDO.** This is directly linked to a strong theory of change and improved chance of attribution.
- **Finally, budget estimates were also on the low side.** During the Ebola crisis the restriction to travel both into and within the country, made it difficult to recruit/mobilize TA and it had its effect on budget estimates. Moreover, the cost estimate from the feasibility study and quotations received from construction firms for the renovation of the SCs were more than 300 percent higher than what was initially planned.

29. The changes done during the restructuring of the project, however, did not affect the scope or PDO of the project; neither did they trigger any new safeguard policy nor change the existing safeguard category.

II. OUTCOME

A. RELEVANCE OF PDOs

Assessment of Relevance of PDOs and Rating



30. The relevance of the PDOs is assessed as High. The PDO to support the development of MSMEs in various value chains and improve selected processes of Guinea's investment climate continues to be as relevant today as it was when the MSME project was designed. The PDO was streamlined through a restructuring (February 2016), but the overall PDO remained the same. At appraisal, the PDO and the main components of the project were fully consistent with:

- (a) The 2013 PRSP, especially with the second pillar which is of special relevance for the project. In effect, this pillar (acceleration, diversification, and sustainability of growth) entails reaching macroeconomic stability, promoting growth sectors, and improving the business climate and investment incentives;
- (b) The fundamental objectives of the World Bank's Interim Strategy Note (2011) that supported macroeconomic stabilization, the delivery of social services, and the creation of jobs; and
- (c) The World Bank's Country Partnership Strategy for FY2014–17, especially with the second strategic area of engagement (Stimulate Growth and Economic Diversification) which focuses on addressing key constraints to growth, diversification, and employment creation.

31. The PDO further complemented existing World Bank Group operations in Guinea, notably the Mineral Governance Support Project (September 2012) that focused on strengthening the capacity of institutions managing the mineral sectors and IFC's Guinea Local Supplier Development initiative that supported the Government in developing an Investment Code and drafting new regulations for MSMEs, as well as upgrading the managerial capacity of Guinean MSMEs. The MSME project not only complemented but expanded this work by helping build backbone infrastructure in business registration, investment promotion, and access to finance, as well as developing targeted interventions to upgrade the technical capacity of MSMEs in non-mining sectors such as agribusinesses.

32. With regard to the investment climate, the World Bank's 2014 Doing Business report signaled significant issues, largely because of the great number of procedures, high costs, and long delays in indicators such as paying taxes, protecting investors, creating a business, getting credit, and other significant barriers to doing business. Overall, Guinea ranked 175 in the World Bank's 2014 Doing Business report and Guinea's investment climate mostly affected MSMEs as they accounted for the largest share of firms in the country with estimates that suggested that 98 percent of formal firms had less than 100 employees and were MSMEs.

33. The project helped improve the implementation framework of the Government in supporting the private sector and the capabilities of the public beneficiaries. As part of the private sector, several achievements were obtained: implementation and institutionalization of the PPD; implementation of the platform of consultation of the Guinean private sector; and implementation of reforms allowing the improvement of the business climate and the repositioning of Guinea in the World Bank's Doing Business ranking. In effect, from 2014 to 2018, Guinea advanced 22 places from 175 to 153.

34. Several indicators reported in the 2018 Doing Business, evidence the advances made. In the Sub-Saharan Africa region, Guinea ranks 125 (equal to the average regional rank) among 190 countries, on the ease of starting a business, resulting from the reduction of the minimum capital requirement to start a

business and by enabling the One-stop-shop reforms that Guinea made during the project life. In this indicator Guinea advanced 21 places from 2014 where it was ranked at 146. On getting credit, Guinea ranks 142 (2018) compared to 150 (2014). On enforcing contracts, Guinea ranks 117 while the regional average is 128, but shows an improvement of 17 places compared to 2014 where it ranked 134. In 2017, Guinea made resolving insolvency easier by introducing a new procedure for companies in financial difficulties and a simplified preventive settlement procedure for small companies, and as a result Guinea ranks 111 in resolving solvency compared to 2014 where it ranked 145. Similarly, Guinea made registering property easier by reorganizing the records at the land registry and reducing the notary fees (2015); however, the country ranks 143 compared to the average regional of 131 and no progress was made compared to 2014.

B. ACHIEVEMENT OF PDOs (EFFICACY)

35. The project's progress toward achieving the PDO is rated as Substantial. The overall project development objective of: (a) supporting the development of MSMEs in selected value chains; and (b) improving selected processes of Guinea's investment⁵ climate was met as evidenced by the achievement of the PDO results indicators and key quantitative intermediate results under each component. It is worth noting that attribution in selected indicators was weak and other factors beyond the project may have contributed to the end targets. In addition, as indicated earlier in this Implementation Completion and Results Report (ICR), at restructuring, the number of SCs was reduced from three to two and at project's closing there is only one SC operating in Conakry.

36. The MSME project monitored the achievement of four PDO-level indicators and eight intermediate outcome indicators. That is, the PDO was evaluated through 12 outcome indicators. Out of the 12 indicators: one was fully achieved (intermediate Indicator 6); ten indicators (PDO-level indicators 1, 2, 3 and intermediate indicators 1, 2, 3, 4, 5, 7, 8) were overachieved; and one indicator (PDO-level indicator 4) fell short of full achievement by less than 1 percent.

37. In summary, 92 percent of the outcome indicators were met; however, as stated, attribution was weak in selected indicators. The following section provides a detailed overview of achievements by PDOs.

Assessment of Achievement of Each Objective/Outcome

38. The achievement of the PDO, of supporting the development of MSMEs in various value chains and improving selected processes of investment climate in Guinea, was attained as reflected by the following PDO-level outcome indicators and by the intermediate outcome indicators. Annex 1 presents the Results Framework and key outputs in detail and Annex 6 displays a list of all the documents available that support each one of the indicators, its calculation, methodology, and source.

PDO Outcome Indicators

39. **PDO Outcome Indicator 1. Increase in sales of MSMEs supported by the SCs. The sales of MSMEs supported by the SCs increased by 67.3 percent exceeding the target of 20 percent. Target overachieved.** The baseline average sales of a sample of MSMEs (2015) was GNF 274,840,000. At the end

⁵ For this project, the investment climate reform comprised, among others, processes of firm's registration, investment promotion, PPD, and banking infrastructure systems.

of 2017, the average sales of a sample of MSMEs reached GNF 459,807,320 (+67.3 percent). The increase in sales can be largely attributed to training programs in administrative, financial, and accounting management; marketing; and learning of production technologies for SMEs. The project trained a total of 522 entrepreneurs in the last year of the project. Due to the project, some of the MSMEs who received training at the SCs were linked to large firms, which resulted in higher sales derived from contracts between MSMEs and Bel Air Mining, MSMEs and the Economic Group of Soumbalako, and MSMEs and the Moroccan Group - Inter Oil Oleoresines SA. Due to the lack of an impact evaluation as envisaged in the PAD, a firm was selected to conduct a survey on the MSMEs at the beginning of the project and a modified selection was measured at the end of the project. Almost all of the MSMEs selected in the final sample were from the initial sample.

40. **PDO Outcome Indicator 2. Number of investments generated above \$200,000—reached 20, exceeding the target of 10. Target overachieved.** At the restructuring the original threshold of US\$500,000 was reduced to US\$200,000 because of the economic and Ebola health crisis that delayed the implementation of the project. It is worth noting that although the number of firms which have invested have exceeded the target, it is difficult to confirm whether these are operational as tracking mechanisms were not built into the measurement of the indicator.

41. **PDO Outcome Indicator 3. Percentage of loans awarded to firms included in the Credit Reporting System in a given year as a percent of all lending in the same year—reached 57 percent, exceeding, by 280 percent, the target of 15 percent. Target overachieved.** The establishment of a CRS increased transparency of the financial operations, reduced transaction costs, and allowed financial institutions to extend credit and loans to new clients. The percentage of loans is based on the value of the outstanding credit to 180 MSMEs transferred to the CRS from the Credit Risk Registry at end-2017. The outstanding credit does not necessarily correspond to new loan operations. It is worth noting that the indicator only measured the percentage of loans to firms included in the system and usage.

42. **PDO Outcome Indicator 4. Value of yearly transactions settled in the Real Time Gross Settlement System/ Annual GDP—reached 148.7 percent, falling short of the target of 150 percent by less than 1 percent. Target almost fully achieved.** These results provided the technical and technological backbone for the expansion and access to credit for firms. The ratio was calculated based on the total value of transactions during 12 months of 2017 over the GDP of 2016. This indicator is difficult to link to the project as it involved measurements of the Gross Domestic Product (GDP) of the country, which is not directly linked to the project.

Intermediate Outcome Indicators

43. **Intermediate Outcome Indicator 1: Number of firms benefitting from SCs. Target Achieved.** At project appraisal, there were no SCs to provide technical support, information, or specialized training to the MSMEs that would address specific needs in growth sectors such as mining, agribusiness, and light manufacturing. At restructuring (2016), feasibility studies for the establishment of MSMEs' SCs were completed and two locations, Conakry and Mamou, were selected by the MISME to host the MSMEs' SCs. However, there was considerable delay in carrying out activities due to constraints related to the identification of physical centers to be rehabilitated to house the SCs and the delay in recruiting TA for the operationalization of these SCs. This had a dual effect of delaying the start-up of the activities of this component and slowing the disbursement of funds from the project. However, in February 2017, an SC

was launched in Conakry and MSMEs' support activities started with the training of 70 female entrepreneurs. Training was also provided in other regions of the country, including Boké, Kindia, Mamou, Kankan, Labé, and Faranah. At project closing the number of enterprises benefitting from the SCs reached 522 exceeding, by 161 percent, the revised target of 200. The supporting evidence available proves strong attribution to the project.

44. **Intermediate Outcome Indicator 2: Percent of women owned or run businesses as a share of benefitting firms from SC support.⁶ Target achieved.** The SC in Conakry was aimed at providing female-owned businesses with the capacity to expand activities to light manufacturing as opposed to traditional sectors such as commerce and retail. More so, at project appraisal, women were more concentrated in the informal sectors—including services and retail—and were often constrained by issues such as limited time for economic activities outside the household and access to skills development programs. During the last supervision mission to Guinea (November 2017) a meeting with a group of female beneficiaries belonging to women associations, independent MSMEs, and individuals evidenced the benefits of the training activities under the project. For instance, the manager of a women organic agribusiness cooperative that comprises about 50 cooperatives and MSMEs dedicated to different activities, handcrafts, agribusiness, and so on, expressed their satisfaction with the training received under the project. They were even able to travel to other countries to get ideas and knowledge. Another SME beneficiary, was a good example of changing the mindset, when she explained that owing to training received, after 18 years in informality, her SME became a formal SME. The revised end-of-project target for the number of female enterprises benefitting from the SCs was 40 percent. At the closing of the operation, the percentage of female beneficiaries reached 47.9 percent, exceeding the target by 20 percent. The supporting evidence which includes seven reports of training/learning for women-managed enterprises, corroborate strong attribution to the project.

45. **Intermediate Outcome Indicator 3: Number of investor inquiries in APIP's investment promotion. Target achieved.** Under the project support, the APIP has fully operational staff, including a manager for its five regional offices and an executive in charge of investment promotion. While regional offices are primarily concerned with the registration of new enterprises, the office in Conakry also covers basic functions of investment promotion, claims processing, and monitoring of investors. At the closing of the project the number of investor inquiries reached 147, exceeding the target (60) by 145 percent. The supporting evidence includes the list of firms that submitted applications for licenses to the APIP, which can be largely attributed to the project support given to the APIP for investment promotion

46. **Intermediate Outcome Indicator 4: Number of measures/recommendations proposed by PPD process endorsed for implementation.⁷ Target achieved.** The Project supported the PPD platform agreed upon by public and private sector players during a first workshop on the PPD that took place in 2014. The Secretariat of the PPD helped organize the public and private sectors for a fruitful dialogue. The public sector appointed representatives to the Public Sector Committee and currently the Public Committee and the Private Platform are working together in the preparation of reforms. At the closing of the MSME, the number of recommendations proposed by the PPD process and endorsed for implementation reached 31

⁶ This intermediate indicator was added as an independent indicator to be consistent with the objective of Component 1 aimed at establishing one SC in Conakry, mostly oriented toward women entrepreneurs.

⁷ This indicator was redefined at restructuring to make it more consistent with the feasibility of reforms through the PPD platform. The target was adjusted from four to eight measures/recommendations.

exceeding the revised target of 8 by 287.5 percent. A table of measures/recommendations, proposed by the PPD process and endorsed for implementation, is available as supporting evidence. However, the advance of Guinea by 22 places in the World Bank's Doing Business, from 2014 to 2018, cannot be solely attributed to the reforms proposed by the PPD.

47. **Intermediate Outcome Indicator 5: Businesses registered and included in the Credit Reporting System. Target achieved.** The MSME project's support to the CBRG comprised the CRS aimed at improving the credit infrastructure by introducing a system to monitor 'payment incidents' and by expanding data collection to credit and loan transactions. Additionally, the establishment of a CRS increased transparency in the banking sector, in some cases reduced transaction costs and allowed banks and other financial institutions to extend credit to new clients. This led to an increase of the customer base to new sectors of the economy and an increase in the penetration of services within those already using their services. At end-2017, the number of business registered and included in the CRS reached 180, exceeding the target of 150 by 20 percent. As supporting evidence, a list of 180 companies that have been included in the CRS since its operationalization, is available. The registered businesses included in the CRS are attributed to the establishment of the CRS under the project.

48. **Intermediate Outcome Indicator 6: Proportion of banks with access to ACH. Target achieved.** The TA given by the project to operate an ACH provided the technological support for the expansion of the financial sector and facilitated firms to have access to credit. With the establishment of the ACH, the banks benefit from better ways for clearing interbank and retail transactions, as well as improve the quality of their lending portfolio. At project closing the proportion of banks with access to ACH reached the target of 100 percent.

49. **Intermediate Outcome Indicator 7: Number of firms that benefit from reformed registration requirements.⁸ Target achieved.** The supportive activities that the SCs were expected to do, such as the One-stop-shop registration services in Conakry and the regions, took some time to jump-start, but currently it is working very well. IFC worked closely with MISME to create a One-stop-shop within APIP to help foster business registration. This indicator was added at project's restructuring to show the important increase in business' registration which is largely attributable to the reformed registration requirements under the project. At the closing of the project the number of firms registered amounted to 24,097, largely exceeding (>7,000 percent) the target of 300 firms, set at the restructuring phase of the project. The statistics of the firms registered under the new procedures is available. The APIP and the PPD Permanent Secretariat update the data on a regular base.

50. **Intermediate Outcome Indicator 8: Number of SMEs that benefit from new or enhanced linkages with large firms.⁹ Target achieved.** At project appraisal Guinea was ranked 141th out of 144 countries in the 2012 World Economic Forum Global Competitiveness Index, that measures the impact of a set of institutions, policies, and factors on the level of productivity. For the same index, in 2017–2018, Guinea is ranked 119th out of 137 countries. The investment climate in Guinea mostly affected MSMEs as they accounted for the largest share of firms. Estimates suggested that 98 percent of the formal firms that had less than 100 employees were MSMEs. The intensity of investment climate-related constraints was

⁸ This indicator was added at the restructuring with an end target of 300 firms aimed at showing the increase in registration of businesses due to reforms.

⁹ This indicator was added at restructuring with a target of 30 SMEs as the SCs aimed at facilitating the connection of small firms to larger firms

also stronger for MSMEs. Some of the underlying causes of these weaknesses included the legal environment and factor markets. For instance, access to finance was more difficult for smaller firms; while 85 percent of large firms had a bank account only 51 percent to 73 percent of MSMEs had such an account; the share of banks in the financing of investment was a decreasing function of firm size—while this was around 7 percent for large firms, it was less than 2 percent for MSMEs, suggesting smaller firms’ constraints in accessing the formal banking market. At end-2017, the number of SMEs that benefit from new links with larger firms amounted to 55, exceeding, by 83.3 percent, the target of 30. The supporting evidence available includes the final report on Capacity Building Program for SMEs,¹⁰ that shows the contracts derived from facilitating the connection of small firms with larger firms. The increase in the number of SMEs that benefitted from enhanced links with larger firms is attributable to the SCs aimed at facilitating the connection of small firms to larger firms.

Justification of Overall Efficacy Rating

51. The overall efficacy is rated Substantial. Three out of four targets set out in the PDO-level indicators were achieved and all eight intermediate-level indicators were fully achieved. However, it is noted that selected indicators cannot be attributed entirely to the project.

52. In addition, Table 3 outlines and maps the project attribution. Further details are included in the Results Framework Annex 1.

Table 3: Mapping Project Attribution

Project Development Objective Element	Indicators	Results
Objective 1: Support the development of MSMEs in various value chains	<ul style="list-style-type: none"> • Increase in sales of MSMEs supported by the SCs • Number of firms benefitting from SCs • Percent of women owned or run businesses as a share of benefitting firms from SC support 	<ul style="list-style-type: none"> • Exceeded 237% • Exceeded by 161% • Exceeded revised target by 20 percent
Objective 2: Improve selected processes of Guinea's investment climate	<ul style="list-style-type: none"> • Number of investments generated above \$200,000 • Percentage of loans awarded to firms included in the Credit Reporting System in a given year as a percent of all lending in the same year • Value of yearly transactions settled in Real Time Gross Settlement system / Annual GDP • Number of investor inquiries in APIP's investment promotion • Number of measures/recommendations proposed by PPD process endorsed for implementation • Businesses registered and included in the Credit Reporting System • Proportion (%) of banks with access to ACH • Number of Firms that benefit from reformed registration requirements • Number of SMEs that benefit from new or enhanced linkages with large firms 	<ul style="list-style-type: none"> • Exceeded by 100% • Exceeded by 280% • Substantially achieved (Attribution weak) • Exceeded by 145% • Exceeded by 287.5% • Exceeded by 20% • Achieved • Exceeded by 7000%

¹⁰ The report on Capacity Building Program for SMEs includes contracts between Bel Air Mining and the MSMEs as well as the sales contract of sweet peppers and dry ginger between the Economic Group of Soumbalako and the Moroccan Group - Inter Oil Oleoresines SA.



C. EFFICIENCY

Assessment of Efficiency and Rating

53. The PAD included an economic analysis and noted that the project had two major components aimed at directly supporting the development of women-led enterprises and firms in targeted value chains and preparing the institutional capacity of government systems and agencies. Success in Component 2 was to be assessed by regular and effective usage of the planned systems and regulations, as measured in the Results Framework in Annex 1. It was envisioned that the changes in quality of business entry and financial systems, coupled with targeting of investors, would in turn have effects on firm-level investment and performance but this causal link was to be difficult to directly associate to the project subcomponents. Therefore, an economic analysis was conducted only for Component 1 of the project, which directly targeted MSMEs, and it was done specifically for the regional centers.

54. The project, under Component 1, was expected to spend US\$4.2 million. The main objective was to improve the skills and information of the economic operators, such as farmers and cooperatives, and MSMEs focused in wholesale, agriculture, and light manufacturing. However, the actual cost of this component was US\$3.4 million, to operationalize one pilot MSME SC in Conakry, instead of two SCs. The Conakry SC has a rented space and was equipped and launched in February 2017. Since then, several programs for capacity building of MSMEs have been implemented in Conakry as well as in the regions of Boké, Kindia, Mamou, Kankan, Labé, and Faranah. The second SC was not identified, and the project is still waiting for the Government to allocate the building. The adjustments introduced at the restructuring phase regarding the reduction of the number of SCs was a lost opportunity to introduce deeper changes that could have accelerated the establishment of the SC in Conakry and allowed the establishment of the second SC in Mamou.

55. The improved technical skills under the SC most likely led to improved productivity through both increases in quality and production efficiency, which allowed the firms that benefitted from the SC to compete in new markets. The provision of relevant information increased the knowledge about market conditions and opportunities, which led to better management of resources—hence efficiency—and through that higher profitability as well as new investments. Results were to be tracked through an impact evaluation, seeking to identify the causal effect of the SCs on firm-level development. The impact evaluation was aimed at comparing what happened with the SCs to firms on these dimensions versus what would happen in the absence of the program. Unfortunately, the impact evaluation was not done but the program achievement, measured by the indicators, evidence positive results.

56. The project achieved economic efficiency as the value-for-money in attaining project objectives yielded significant economic benefits. Annex 4 provides details for the economic analysis incorporating the results at the end of the project. The economic analysis, provided at appraisal, had an estimate of the net present value (NPV) and the economic rate of return (ERR) for project interventions. The investment in the SCs (Component 1) was estimated to result in an NPV of approximately US\$0.3 million, using a discount rate of 17.5 percent to reflect the risk of investing in Guinea. The ERR was estimated at 21 percent for this component. Following the same methodology used in the PAD but updating the actual amount of investment in Component 1, the NPV is estimated at US\$0.8 million with a ERR of 26 percent, showing that the project was originally economically sound and, after implementation, the project went beyond the original estimates.



57. In Component 2, the project was expected to invest US\$4.6 million in both subcomponents (Facilitating Investment and Credit Information and Payments System), but the actual use of financial resources for this component was US\$4.2 million, that is 91 percent of the original allocation. Finally, the original allocation of funds for Component 3, US\$1.2 million, was exceeded by US\$0.7 million, as the actual cost at the closing of the project reached US\$1.9 million. The implementation and M&E of the project under the charge of the PIU covered various activities related to personnel and financial resources management, audit reports, and supervision missions. It also included specific training and study trips to banking institutions in West Africa for the credit information and the national payment systems teams. Additionally, this component covered the rent of the PIU office (not initially planned).

58. The first two components were assessed not only by the outcome indicators and intermediate indicators results, explained in detail in the Results Framework in Annex 1, but also by the project consolidated progress with regard to the following:

- (a) Formalization of women enterprises and increase of the competitiveness of MSMEs, owing to learning, training, and improving the business climate;
- (b) Strengthening the structure and activities of the APIP and the significant number of firms registered through the One-stop-shop;
- (c) The number of reforms facilitated by the PPD allowing the improvement of the business climate and the repositioning of Guinea in the World Bank Group's Doing Business ranking from 175 to 153;
- (d) The important support to the PPD platform and the effective launch of the Guinea Business Forum;
- (e) The support to the CBRG that led to the modernization of the national payment system and the establishment of the credit information systems; and
- (f) Banks' access to the ACH, which coupled with the CRS allowed greater penetration of the economy, where banking transactions constitute up to 150 percent of GDP.

59. Despite the 5 percent reduction in the project's overall financing envelope due to SDR depreciation with respect to the U.S. dollar, the realization of activities scheduled to be supported by the project was not affected. However, the scope of some of activities, specifically, the number of SC centers established against expenditures were below expectations, and, as such, the efficiency of the MSME project is Modest.

D. JUSTIFICATION OF OVERALL OUTCOME RATING

60. The ICR rates the overall outcome as Moderately Satisfactory, because

- The relevance of the project objectives was rated High as it aligned with the country and World Bank strategies;
- Efficacy was rated as Substantial as there is almost full achievement of the targets set out in the PDO level indicators and the full achievement of the intermediate indicators. However,

it is noted that attribution is weak in selected PDO indicators as outlined in Section B (Efficacy); and

- The overall efficiency of the MSME project was Modest due to the high expenditure to operationalize only one SC.

61. A split rating has been included to show the adjustments in PDO indicators and reflect that most of the achievements were accomplished in the last year of the project. The Outcome rating before restructuring is Unsatisfactory (a value of 1 on the 6-point scale). The Outcome rating after the restructuring is Moderately Satisfactory (a value of 4 on the 6-point scale) and overall outcome rating is Moderately Satisfactory (see Table 4).

Table 4. Split Ratings

	Before Restructuring (1)	After Restructuring (2)
Relevance of Objective	High	High
Efficacy	Modest	Substantial
Efficiency	Negligible	Modest
Outcome ratings	Unsatisfactory	Moderately Satisfactory
Numerical value of the outcome rating	2	4
Disbursement (US\$M)	2.9	7.1
Share of Disbursement	(0.3) 30%	(0.7) 70%
Weighted Value	0.6	3
Final Outcome Rating (1+2)	Moderately Satisfactory	

Note: Ratings for outcome and World Bank performance: Highly Unsatisfactory (1); Unsatisfactory (2); Moderately Unsatisfactory (3); Moderately Satisfactory (4); Satisfactory (5); and Highly Satisfactory (6).

E. OTHER OUTCOMES AND IMPACTS

Gender

62. At appraisal, the challenge for Guinea was to develop the necessary steps to seize growing opportunities and place the country in a sustained growth path based on natural resources and economic diversification. To that end, the country needed to address important constraints that limited its potential. Among the constraints were the multiple barriers that investors faced, including access to finance; electricity shortages; lack of managerial and technical skills to compete in high-standard markets; and, last but not least, women-led ¹¹ businesses often being constrained by gender differences in time use (primarily resulting from differences in care responsibilities), gender differences in access to productive inputs (particularly land and credit), and market and institutional failures that disproportionately affect women.

63. Considering the constraints faced by firms, Component 1 of the project comprised one main activity: establishment of SCs for MSME development focusing on specific clusters in two locations in the country. The Conakry center was mostly oriented toward women-led MSME development with the objective of improving the skills in productive sectors as women were more concentrated in the informal sectors and were often constrained by issues such as limited time for economic activities outside the household and access to skills development programs. At restructuring, the intermediate indicator 1 was

¹¹ It is worth noting that gender disaggregated MSME data were not available in the PAD.

adjusted and the number of firms benefitting from SC support was reduced to 200 from 400 to be consistent with the overall country situation following the 2014 Ebola outbreak and the slow down of the local economy, including demand and supply for MSME businesses as such; and to be consistent with the women-led MSMEs, that is the percentage of women-owned or run businesses as a share of benefitting firms from SC support, was reduced from 50 percent to 40 percent. As shown in Annex 1, the results are statistically significant as the target of 40 percent was fully achieved.

Institutional Strengthening

64. The project played a crucial role in institutional strengthening of the MISME, APIP, and CBRG contributing to ownership of the project, improved leadership, and enhanced management of the MSMEs. In fact, the project supported several Government agencies through TA, training, and technical and information systems.

- The MISME (through the PIU) led the implementation of the project and its staff, strategy, and procedures benefitted from the involvement of the project. The project supported the establishment of the SC in Conakry, under the MISME. It equipped the center and financed the rent and functioning expenses.
- The project supported the development of the APIP through various means: better information and technical systems for the One-stop-shop, investment promotion, and capacity building of staff in targeted divisions of the APIP.
- The project also assisted in the development of technical and management capabilities within the CBRG. Specifically, the project supported the establishment of the CRS that covers firms, implemented the payment system, provided equipment, and helped in the preparation of the regulatory framework.

65. Beside the institutional development aspect, support to the APIP, MISME (through the project PIU), and CBRG contributed to significant improvements in the business environment as it facilitated the firms' registration process, made investment easier, and improved access to credits and loans through better financial infrastructure (credit information and payment systems).

Maximizing Finance for Development

66. The project contributed to Maximizing Finance for Development (MFD) by channeling project resources toward activities that were leveraged to increase both domestic and international private sector investment and participation in the country's economic development. Specific activities that enabled MFD include: (i) the project was able to provide expertise and TA to the MSME SC in Conakry, which in turn created the conditions to get a United States Impact Fund to commit to invest US\$20 million to US\$30 million in a Guinea-based SME Fund that would invest in SMEs supported by the project with entry tickets between US\$100,000 and US\$1 million; (ii) the project was able to get into partnership with global business organizations in France and the United States, which through their multinational members were able to create and open markets for local MSMEs; (iii) the project collaborated closely with IFC to align project-supported SME programs with IFC's sectors of interest and investments to maximize the impact

of IFC's investment. The CBRG also benefitted from a grant from the African Development Bank for the development of financial infrastructure, namely for the development of the RTGS and the ACH.

Poverty Reduction and Shared Prosperity

67. The diagnostic conducted under the Poverty Reduction Strategy (2013) suggested the importance of expanding economic opportunities for women and facilitating the access to productive inputs. Against this background, the MSME sought to improve the investment climate and facilitate local and international investment. It supported initiatives to promote firm-level growth in targeted value chains. With the growth of these value chains, it helped the promotion of employment particularly among women. By reducing the constraints of women in accessing skills development programs, it promoted entrepreneurship as a means of poverty reduction.

68. The MSME project contributed to poverty reduction and shared prosperity through increasing and exceeding the target of the percentage of female enterprises supported by the SCs (47.9 percent of all the firms supported by SCs), increasing the number of businesses registered and included in the CRS (20 percent more than the targeted 150), and expanding the number of MSMEs that benefited from new or enhanced linkages with large firms (83.3 percent more than the target of 30).

Other Unintended Outcomes and Impacts

69. Before project closing the World Bank mission met with a group of female beneficiaries of the SCs, belonging to women associations, independent MSMEs, and individual MSMEs to have a direct feedback from the beneficiaries of the project. One by one, the beneficiaries had the opportunity to explain the type of training they received and express their thoughts regarding its usefulness. The findings of this meeting illustrated that the training was much more effective for women than what was originally anticipated regarding the following: (i) transformation of local products resulting from the training received that developed the capacity to improve activities in a professional way and allowed the consolidation of links between women; (ii) training of women-led cooperatives allowed them to provide training to other women in the field; (iii) the training and information received allowed the participants to travel to other countries in search of new ideas and knowledge; (iv) some of the beneficiaries of the training and capacity building have gone from informality to formality; (v) training has allowed women entrepreneurs to improve the way they work, increase communication with other MSMEs, and acquire new ideas regarding products and product diversification.

III. KEY FACTORS THAT AFFECTED IMPLEMENTATION AND OUTCOME

A. KEY FACTORS DURING PREPARATION

70. During preparation the dialogue with the Government was crucial to agree on the project design as the operation intended to support the development of MSMEs in selected value chains and improve selected processes of the investment climate in Guinea. Nonetheless, preparation was quite difficult as this was the first project in three years and the first project that included the private sector. The starting point of the negotiations was not easy, as the Government did not want to accept the creation of the PIU, and this became a source of problems in the negotiations, which was surmounted with the decision to root the project in the MISME. Despite these hurdles, the project went to the Board in June 2013.

Effectiveness occurred on December 6, 2013. However, the effectiveness deadline had to be extended for one month (from end-November 2013 to end-December 2013) due to political unrest following the presidential election and the inability of the country's Supreme Court to produce a legal opinion on time.

71. At preparation the project lacked full ownership of local authorities. The project was redesigned several times before going to the Board, and, given the externalities and shifting priorities due to political instability, appropriation by project stakeholders, including the MISME, was limited. Considering the situation of the country at appraisal, the initial project design could be considered as too ambitious and even too complex. This was the reason why it went through several iterations before being adopted. The original project amount was US\$50 million, then reduced to US\$20 million, and finally to US\$10 million. The consensus comprised multiple beneficiaries and stakeholders (APIP, CBRG, PPD Secretariat, the Private Sector, and MISME), in addition to technically challenging components.

72. For instance, at preparation the financial sector was small. The formal financial sector consisted of 14 active commercial banks and 16 microfinance institutions all of them regulated by the CBRG. Credit to the private sector had stagnated at around 5 percent of GDP for much of the previous decade (IMF 2012b). Access to finance was the top constraint for Guinean firms. The absence of a credit history impeded borrowers from accessing credit under reasonable terms and conditions. Also, banks did not evaluate new clients' credit risk in an efficient manner, which translated into adverse selection. Another key constraint for the financial sector, which affected businesses and the population at large, was the absence of adequate infrastructures for the clearing and settlement of both interbank payments and retail payments. As a result, financial transactions were performed mainly in cash- or paper-based instruments, with those being cleared manually through a system operated by the CBRG, which needed to be considerably improved.

B. KEY FACTORS DURING IMPLEMENTATION

73. Project implementation began in 2014 and it took a period of four years (closed in December 2017). The conditions for project implementation were not complied with during the first phase of implementation of the project (2014–2016) as reflected in various Implementation Status and Results Reports (ISRs). At the beginning of 2016, after two years of implementation, 22 percent of the resources were committed and only 30 percent was disbursed out of the originally approved IDA grant of US\$10 million. The status of the project was considered as problematic and both progress toward achievement and the Overall Implementation Progress were rated Moderately Unsatisfactory.

74. The factors that did not allow progress as originally expected, as already mentioned earlier in this ICR, comprise: (i) the outbreak of the Ebola disease in 2014 that led to a state of emergency not only in Guinea but in the whole sub-region affecting the economy and travel conditions, making it difficult to mobilize TA and provide support to the project; (ii) the limited capacity and efficiency of staff at the PIU and at the MISME, which caused slow procurement processes and limited supervision; (iii) lack of coordination with key stakeholders; (iv) the limitations encountered in the research and proposal of compliant buildings that could be rehabilitated by the project to house the centers to support the SMEs in Conakry and Mamou, delaying the jump-start of the activities of these centers and slowing the disbursement of substantial funds from the project; and (v) the hierarchy changes between different stakeholders. For example, the APIP, originally under the MISME, was suddenly moved under the Presidency, delaying project implementation.



75. Things changed during the second phase of project implementation (after the restructuring that took place in February 2016). The change was evidenced during the Mid-Term review of July 2016. The World Bank mission noted that following the formalization of project restructuring, implementation progress accelerated. In particular:

- Training activities for SMEs began, targeting over 160 women entrepreneurs in Conakry. Further mobilization of training and capacity building had been launched, including in the interior of the country (city of Mamou).
- The project consolidated significant progress regarding strengthening structure and activities of the APIP. The One-stop-shop for business formalities had already registered more than 7,000 firms since project inception.
- The number of reforms facilitated by the PPD had already exceeded the end-project target of eight reforms. The project started to play an important role in supporting the PPD Platform and the effective launch of the Guinea Business Forum.
- The support to the CBRG had led to the modernization of the National Payment System, while the prerequisites for the establishment of a Credit Information System was already provided by the project.

76. During implementation, the project benefitted from substantial collaboration of the IFC Investment climate project (Investment promotion and policy and the Business regulations projects), particularly on SME capacity building and access to market through the following:

- The integrated World Bank Group project team forged powerful synergies to deliver the much needed high-quality and sustainable results.
- One of the defining achievements of this collaboration was the transformation of Guinea's Investment Policy regime. It was the result of a holistic approach by which the IFC Investment Climate Program supported the adoption of investment policy instruments, while the IDA project provided the funding necessary to develop the country's Investment Promotion Agency into a role model institution.
- The project team assisted the Government in the adoption of a new Investment Code and in the drafting of an Investment Policy Letter, instruments that were necessary to raise investor confidence and lead to attracting more foreign direct investment (FDI) in the country. At the same time, with funding from the IDA MSME Project, the newly revamped PIU hired a new team of highly motivated young professionals to run the investment promotion activities. The engagement continued through support for the acquisition of modern IT infrastructure for the PIU (using a software developed by the IFC Investment Climate Project from Senegal) and the development and implementation of a comprehensive training program for staff.
- Another key achievement of the IFC-IDA integrated team effort was the creation of Guinea's PPD Platform, which transformed the country's policy making culture by involving the

private sector in the decision-making process for the first-time ever. As a result, a significant number of private sector development reforms were adopted during the project life cycle, including but not limited to a modern Policy on Domestic Value Addition and various business regulations reforms. The on-time delivery of the project outputs despite the Ebola crisis was possible using the World Bank Group's comprehensive IT infrastructure, which was instrumental for organizing meetings, delivering training, and virtually bringing together the World Bank Group experts from Washington, D.C. and Vienna, as well as staff from counterpart agencies.

IV. BANK PERFORMANCE, COMPLIANCE ISSUES, AND RISK TO DEVELOPMENT OUTCOME

A. QUALITY OF MONITORING AND EVALUATION (M&E)

M&E Design

77. The overall M&E design of the MSME project was not complex in theory, it had two main components, the second with two sub-components. The original design included four PDO-level outcome indicators and five intermediate outcome indicators as the World Bank thought that it was critical that the project design should be simple and with clear actions, objectives, and expected results, given the limited implementation capacity in Guinea. However, the design may have been too ambitious and resulted in a complex and time-consuming effort—support to the SMEs, investment promotion (APIP), and CBRG's implementation of the information and payments systems—that two years after the approval and implementation of the operation, the World Bank realized that a restructuring was needed to refocus certain activities in search for greater efficiency, even though the components linked to support CBRG, the APIP, and the PPD process had advanced relatively well. At restructuring it was clear that the project still had to undertake substantial efforts to achieve its main PDO and that the intermediate indicators required adjustments. Therefore, in consultation with the various stakeholders and the supervisory ministry, activities were refocused basically around Component 2.

78. The MSME project was useful for the development of technical and management capabilities within the CBRG. The establishment of the CRS and the payment system was of utmost importance given that the absence of a credit history had not allowed borrowers to access loans under reasonable terms and conditions. The CRS improves credit risk, and overall portfolio management which are also important tools to enhance access to credit and facilitate investment. However, the Results Framework could have included more precise intermediate indicators that would have allowed the CBRG to closely follow-up the CRS implementation and usage.

79. Based on meetings with CBRG and lenders (banks and microfinance institutions (MFI), the World Bank team in charge of the preparation of a new SME project shared, with the ICR team, preliminary findings about the CRS that led to the conclusion that certain intermediate outcome indicators could have been merged into an overall and more relevant Results Framework. Under the MSME project, the established IT system is an improvement compared to previous versions (2012) as it allows full data sharing automation between banks and the CBRG, but the system is not fully implemented because of delays in provision of data from the lenders. There are areas of improvement, but certain constraints might suggest that the CRS would not fully meet the purposes for which it was created. For instance,



- No automated data quality and validation checks are run by the system—that means that quality and exhaustiveness of data cannot be checked and ensured by the CBRG;
- Because the system is not provided with a matching algorithm, homonymy cases need to be processed manually—this is not sustainable in the long run when the volume is going to increase;
- Apparently, the system is not provided with an online inquiry facility for the lenders—that means that banks cannot make an inquiry to the CRS in case of a new client; and
- There is no credit history, just an aggregated figure on the total exposure.

80. Therefore, the following intermediate outcome indicators could have been included in the Results Framework to ensure that the legal and regulatory framework for the CRS, as well as for the infrastructure (established or strengthened) are in place and operational in line with international standards:

- (a) Number of recommended laws/regulations/amendments/codes enacted or government policies adopted.
- (b) Number of individuals and firms listed in a public credit registry and/or private credit bureau.
- (c) Number of financial institutions/lenders participating in the CRS.
- (d) Depth of credit coverage/credit information, with positive and negative credit data, and history included.

81. With regards to the intervention in the field of payment systems which focused on providing TA to the CBRG so that it can operate the RTGS and ACH and implement an oversight function of both systems, the TA on how to operate such systems could have had a greater impact if the following additional intermediate indicators could have been included in the Results Framework:

- (a) Adoption of the adequate legal framework for the development of the RTGS.
- (b) Setting up of a modern payment system, following a stage-by-stage methodology.

M&E Implementation

82. Project implementation was monitored through a continuous dialogue with the Government counterparts and aimed at assessing the extent to which M&E data were collected and analyzed in a methodologically sound manner. Project implementation was the MISME's responsibility and given the multi-institutional nature of the project, high-level support was required to ensure consistency of interventions and ensure the removal of occasional blockages. This implied setting up a Steering Committee to oversee project progress and ensuring that there was a Project Coordination and Monitoring Unit. The Steering Committee chaired by the Minister of MISME, included representatives from the Ministry of Finance, APIP, CBRG, Presidency, private sector associations, and other relevant agencies. It had to meet twice a year or more frequently if needed. Until restructuring, the Steering

Committee had a low level of engagement, but the restructuring revitalized the Steering Committee and improved project governance and the PIU's capacity and efficiency.

83. The overall responsibility for project implementation was delegated to the PIU set up within the MISME premises under the direct supervision of a designated project coordinator. Monitoring was conducted on an on-going basis and was supported by TA and several studies. The World Bank teams worked closely with the PIU and the authorities to move forward with the implementation of the project. The World Bank's task team undertook periodic and regular supervisions throughout the project life, even during the Ebola crisis. The status of outputs and outcome indicators were conveyed in the PIU's reports, the joint supervision Aide Mémoires, and the World Bank's ISRs.

M&E Utilization

84. Monitoring and reporting progress of each indicator was used to inform project management and decision making and was included in the Aide Mémoires and ISRs. Regular monitoring and data collection facilitated discussions with the Government regarding outcomes. The PIU monitored the performance indicators, prepared progress reports required by the implementation support missions, and provided information and reports to the Steering Committee and the World Bank. This information helped determine whether the agreed outcome indicators were on track and the progress toward achieving the development objective as set out in the Results Framework.

Justification of Overall Rating of Quality of M&E

85. Considering the weaknesses in the design of the M&E system, which makes it somewhat difficult to assess the achievement of the objectives, the ICR assigns an overall rating of Modest to the quality of M&E.

86. The reasons behind this rating can be summarized as follows: first, from the design point of view, all the indicators in the Results Framework, are not clearly connected to the PDOs. Second, there were M&E implementation shortcomings that had to be addressed at the restructuring stage. Third, the current M&E arrangement and utilization of findings has not necessarily reached a level of quality and reliability to support the likelihood of a long-term sustainability.

Expected Follow-up Operation

87. The MSME project has been useful and successful in the development of technical and management capabilities within the CBRG. The establishment of the information system as well as the payment system was relevant to the CBRG, given that the absence of a credit history had not allowed borrowers to access loans under reasonable terms and conditions. Currently, financial market participants are increasingly recognizing the value of the CRSs for improved credit risk and overall portfolio management. However, TA to the CBRG should continue until the CRS is completely operationalized through automatic updates of the databases.

88. The MSME project laid the groundwork for the new SME project under preparation and generated demand on the part of the client by not only building the adequate institutions to drive the private sector and SME development agenda, but also by contributing to creating ownership by the Government and



private sector stakeholders and bringing to the forefront the strategic importance of SMEs in the overall economic development agenda of job creation. Going forward, sustained engagement by the World Bank and donors will be important to support reforms and the business processes, which will contribute to improvements in the investment climate.

B. ENVIRONMENTAL, SOCIAL, AND FIDUCIARY COMPLIANCE

89. **Environmental Assessment.** The Project works were limited to refurbishing the existing buildings made available by the Government and setting up equipment and furniture. These activities have negligible to minimal environmental and social impacts and the project has been implemented according to local and national laws and procedures. No World Bank environmental safeguards policies are triggered, and the project is an environmental assessment Category C. However, to make any significant changes in the selection of the location for SCs the restructuring should have upgraded the category to a higher level.

90. **Financial management.** At appraisal, a financial management assessment was conducted at the MISME with the objective of determining whether there were adequate Financial Management (FM) arrangements in place within the MISME to ensure that the funds were used for the intended purposes. Minimum financial management requirements were put in place for the PIU to become fully operational. The elaboration of the project implementation manual, including financial management administrative, and procurement procedures were completed before project approval (2013). An integrated project management system was maintained for accounting, financial reporting, and disbursement purposes throughout implementation. Despite the lack of experience of the PIU, the lack of capacity and inadequate data entry, the required financial reports were provided on time. The World Bank closely supervised and provided support to the MISME to overcome this situation and improve financial performance during project implementation. Hence, the overall financial management arrangements are rated as Satisfactory.

91. **Procurement.** At appraisal the procurement risk for the project was determined to be High due to the need to align the capacity, knowledge, staff expertise, and procedures of the MISME's Directorate of Procurement. The procurement capacities changed during implementation. In effect, during the first two years the procurement processes were too slow. This was due, to some extent to the lack of experience of the PIU, but also reflected some lack of proactivity, which was flagged by the supervision missions before the restructuring. In 2016, following the restructuring, the PIU accelerated the procurement processes and started a closer collaboration with the Minister of MISME to ensure better results by tackling the constraints to implementation. The PIU Coordinator began his participation in weekly meetings at the Minister's office to discuss challenges that were encountered, share ideas/solutions, and ensure a close collaboration between the project coordination and the Ministry.

92. The Project's procurement process generally complied with the World Bank's procurement rules and procedures, even though some minor deviations were identified and rectified during the project implementation period. The project implementation agencies demonstrated capacity in carrying out the project procurement activities, including procurement preparation, procurement planning, bidding process, and contract management. Thus, the overall project procurement performance is rated as Satisfactory at the closing of the operation.

93. **Social impact.** The project should have positively impacted the poor in Guinea and particularly those economically more disadvantaged such as women. Specifically, Component 1 directly targeted firms (MSMEs) through the SC in Conakry, which focused primarily on women entrepreneurs. Moreover, by seeking to improve the investment climate under Component 2, the project also supported initiatives to promote firm-level growth in targeted value chains with strong potential. By reducing the constraints of women in skills development, it aimed to promote entrepreneurship as a means of poverty reduction. The results show that 47.9 percent of women benefited from the SC's interventions. These activities align with the Poverty Reduction Strategy, which identifies the following critical issues to address the poverty problem: (a) governance; (b) competitiveness and redistribution; (c) need for structural reforms, including investment climate; (d) infrastructure; and (e) social protection. The MSME project focused particularly on the second and third constraints. In that manner, there are no social safeguard issues triggered due to this project and the project is a safeguards assessment Category C.

C. BANK PERFORMANCE

Quality at Entry

94. The World Bank was effective in supporting the MSME project as it was aligned to the country's priorities contained in the Country Partnership Strategy for FY2014–2017. Project preparation was informed by sustained World Bank engagement with the Government of Guinea on private sector development issues since 2007, including the Guinea Enterprise Survey of 2006, the Annual Doing Business Surveys and policy reform missions, a 2011 private-public Investment Climate roundtable, an Investment Climate Policy Note, and a Public-Private Partnership (PPP) workshop in 2012. However, the project design was somewhat ambitious given the constraints in preparation and capacity for implementation of the PIU, which was reflected, prior to the restructuring of the project, in the low results achievements. The project design was also informed by constant dialogue between the World Bank staff and Management with the highest officials in the country and the direct engagement of technical staff from the MISME, APIP, and CBRG. However, additional research and social safeguard measures could have been put in place to ensure that best locations for the SCs were identified as well as for risk mitigation. In effect, a major part of the delay was due to the inability of the Government to identify feasible locations for the SCs.

Quality of Supervision

95. The World Bank team provided timely and effective advice to counterparts, who, to ensure satisfactory implementation of the project, tried to address issues as they arose. However, sometimes actions to address problems were delayed given that Guinea has complex and high risks, not only political, security, and macro-economic risks, but also significant fiduciary and procurement risks. Moreover, project implementation was decentralized institutionally to several participating institutions (MISME, CBRG, and APIP). Despite all the ministries and institutions having experience in implementing donor-funded projects, experience with World Bank projects and procedures was limited. Specifically, the project's main partner—MISME—had low capacity and very limited knowledge of the World Bank's procedures as the MSME project was its first World Bank project.

96. The World Bank undertook a MTR in July 2016, following the project restructuring earlier in the same year (February 2016), whereby it identified the adjustments needed to achieve the expected

outcomes. Project ratings in the ISRs were candid. Progress toward achievement of the PDO was rated Moderately Unsatisfactory before the restructuring and became Moderately Satisfactory to Satisfactory afterward. The Aide Mémoires described the issues encountered in sufficient detail and recommendations to address issues were agreed with the implementing agencies. There were four task team leaders (TTLs) during the lifetime of the project. The TTLs turnover and distance supervision, several instability factors in the country's social and political environment, the lack of capacity and responsiveness of the PIU, counterpart collaboration issues, and an overall lack of ownership on the part of the client contributed to the project remaining a problem project for almost the first three years of project implementation, with a disbursement rate below 30 percent.

97. After mid-2016, the World Bank team worked with the teams to reallocate the project resources to focus on the PDO achievement and committed to an intense project supervision schedule at the rate of one mission every three weeks on average. The intense supervision and continuous dialogue with various counterparts and the Country Management Unit was a major contributor to the project and ultimately led to achieving a Satisfactory rating at project closing and all the PDO results indicators being overachieved. This not only provided continuity to the World Bank supervision but also, after mid-2016, consistent and timely on-site implementation support and close communication with the key counterpart players on an ongoing basis. For instance, when the World Bank supervision team learned that a significant part of the delay in the advancement of Component 1, which provided direct support to MSMEs, was due to the limitations encountered in the research and proposal of compliant buildings that could be rehabilitated by the project to house the centers in Conakry and Mamou, the Government and the World Bank team agreed that the SCs could be established in rented offices to avoid the effect of delaying the start-up of the activities and accelerate the disbursement of substantial funds from the project.

Justification of Overall Rating of Bank Performance

98. The ICR rates the overall World Bank performance as Moderately Satisfactory as there were moderate shortcomings in the quality at entry, although the World Bank team was effective in helping improve implementation significantly during the second half of the MSME project cycle (after the restructuring), with achievement of the PDOs and a disbursement rate of almost a 100 percent (99.96 percent).

D. RISK TO DEVELOPMENT OUTCOME

99. One risk to development outcome pertaining to project completion relates to the financial sustainability of the SC. The sustainability depends on a variety of factors, from the acceptance and engagement by the Government to the overall impact of the MSME development on diversification and private sector growth through direct investment in skills development of MSMEs, mainly in selected areas and in women-owned enterprises in Conakry. Another risk to development outcome relates to the sustainability of specific elements of the investment climate aimed at facilitating the development and investment of the private sector, including facilitating business registration, promoting investment, improving the PPD, and improving access to credit.

100. At project closing, the World Bank team noted that project implementation has significantly improved following restructuring. MSMEs' training, apprenticeship, and support programs as well as the activities planned under the APIP, Organization for the Harmonization of Business Law in Africa

(*Organisation pour l'harmonisation en Afrique du droit des affaires, OHADA*) National Commission, PPD, and CBRG have all been duly implemented. Improving access to credit has been critical not only for MSME growth, but also for the private sector in general. In this regard, the MSME Project has done a remarkable job through the establishment of the CRS and the modernization of the payment system. The joint World Bank/IFC objective of supporting investment through helping the APIP become the main investment facilitator in the country and bringing it to international standards has been largely achieved. The MISME has institutionalized the project's activities and has agreed to continue implementing them at the national level. Therefore, it can be assumed that due to the relevance of the project to the Government's agenda, resources will continue to be made available given the important achievements of the project despite the difficult start.

101. Notwithstanding the positive outlook, Guinea remains politically fragile. The risk that political tensions will evolve into sporadic outbreaks of instability remain, especially when elections draw nearer, and socio-political tensions also remain elevated, due to popular frustration over high living costs, governance, and the negative environmental impact of the mining sector. Likewise, the macro-economic situation remains vulnerable to external shocks. The main risks come from a bigger-than-expected global growth slowdown that would delay investment projects, a deterioration in the region's security, and a resurgence of the Ebola epidemic. This would also result in slowdown of reforms which would make it difficult for the private sector to operate.

V. LESSONS AND RECOMMENDATIONS

102. Experience with the MSME Project validates lessons from other operations but also generates new ones. These lessons are summarized in this section.

103. **Ownership, leadership, and support at all levels of the Government is key for successful implementation of the project.** Leaders at all levels of the Government should focus on the progress and implementation of the project and set up effective interinstitutional cooperation mechanisms. The MSME project lacked full ownership of local authorities during its preparation. As indicated earlier in this ICR, the project was redesigned several times before going to the Board, and, given the externalities and shifting priorities due to the Ebola crisis, appropriation by project stakeholders, including the MISME, was limited. Inadequate communication and coordination between the PIU and project stakeholders also worsened the lack of appropriation leading to delays in project implementation. It is, therefore, confirmed that ownership of the project at all levels of the Government is crucial to successfully achieving outcomes and that ownership from the upper management is not enough. The technical level staff must feel that it is their project.

104. **Strong Institutional set up is key given the complicated, fragile, and low capacity setting.** The project suffered from hierarchy changes between different stakeholders/beneficiaries. The Ministers' turnover affected the smooth implementation of the project. Three different ministers were at the head of the MISME since the project started. Moreover, the APIP, originally under the MISME, was moved from the MISME to the Presidency in 2014, distracting project implementation. A lesson learned on institutional setup would be to choose, as the main counterpart, a third-party institution such as the Ministry of Finance, to play a neutral role between all beneficiaries or as an alternate possibility, which the project undertook during restructuring, to revitalize the Steering Committee and reinforce its capacity to fully play that role.



105. **Field team leadership is important in a fragile environment.** Closer World Bank supervision is needed to follow up with the Government regarding the steps toward achieving the PDO, and having World Bank staff ‘in situ’ based in the Country Office, from the start of the project, to do the follow-up and supervision as part of the implementation would have facilitated the process.

106. **Improving the effectiveness of the institutions and developing instruments associated with the MSME development strategy is important in a fragile environment.** The Project design incorporated lessons learned from the design and implementation of projects in Africa and relevant country experiences (in Latin America and the Caribbean and Middle East and North Africa for firms’ support) besides analytical groundwork, which provided the rationale for the selection of objectives and components. The authorities in Guinea understood that the country was at a turning point and that proper improvement in the business environment and support to MSMEs would help increase and diversify production. The Government also understood that certain factors were critical for the sustainability of the project benefits, such as the institutional support provided to the CBRG and APIP which helped improve public sector efficiency and credibility in relation to the private sector. These practical results, along with reinforcement of the PPD, contributed to significant improvements in the business environment, for example, easing the firms’ registration process, making investment easier, and improving access to finance through better financial infrastructure (credit information and payment systems).

107. **Deeper changes at restructuring would have higher impact.** At the restructuring, for the establishment of the SCs, deeper changes would have been key to improve the efficiency, effectiveness of the outputs, and spending. Unfortunately, the adjustments introduced regarding the reduction from three to two MSME SCs, was a lost opportunity to introduce the changes that would have accelerated the establishment of the SCs and its impact economy-wide. After two years of project implementation (2016) it was clear that the project required substantial efforts to achieve the PDO and that the intermediate indicators needed adjustments if the main objective was to be attained. The World Bank supervision team learned that a significant part of the delay in the advancement of Component 1, which provided direct support to SMEs, was due to the limitations encountered in the research and proposal of compliant buildings that could be rehabilitated by the project to house the SCs to support the MSMEs in Conakry and Mamou. This had the dual effect of delaying the start-up of the activities and slowing the disbursement of substantial funds.

108. **Financial sustainability aspects need to be included early into the program design.** A lesson learned from the project, highly relevant for the MSMEs’ development, is that in an environment in which resource availability is uncertain or constrained, the financial sustainability aspect needs to be included early in the program design. These considerations should influence the nature and scope of the proposed interventions, instruments, and mechanisms to achieve the desired outcomes without unduly compromising the objectives of the project.

109. **In a fragile environment, the Results Framework needs to be simple and relevant.** A simpler but relevant Results Framework, with clearer indicators, could have facilitated the monitoring of the implementation progress, thus contributing to a more timely corrective and/or preventive decision-making process. The MSME Project’s Results Framework with four PDO outcomes and eight intermediate outcome indicators resulted in a complex, time-consuming monitoring scheme.



ANNEX 1. RESULTS FRAMEWORK AND KEY OUTPUTS

A. RESULTS INDICATORS

A.1 PDO Indicators

Objective/Outcome: (i) Support the development of MSMEs in various value chains

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Increase in sales of MSMEs supported by the SCs	Percentage	0.00	20.00	20.00	67.30
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by 237 percent. At restructuring the wording was changed from sales to increase in the percentage of sales of MSMEs supported by the SCs. The baseline average sales of a sample of MSMEs (2015) was 274,840.000 GNF. At the end of 2017 average sales of sample of MSMEs reached 459,807.320 GNF(+67.3%). The increase in sales can be largely attributed to training programs in administrative, financial and accounting management, marketing and learning of production technologies for SMEs. The project trained a total of 522 entrepreneurs in the last year of the project. Some of the MSMEs who had received training at SCs were linked to large firms which resulted in increased sales derived from contracts such as: SMEs and Bel Air Mining, SMEs and the Economic Group of Soumbalako, and SMEs and the Moroccan Group - Inter Oil Oleoresins SA. Due to the lack of an impact evaluation as envisaged in the PAD, a firm was selected to conduct a survey on MSMEs at the beginning of the project, and a modified selection was measured at the end of the project. Almost all of the MSMEs selected in the final sample were from the initial sample.

Objective/Outcome: (ii) Improve selected processes of Guinea's investment climate

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
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Number of investments generated above \$200,000	Number	0.00	15.00	10.00	20.00
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by a 100 percent the target set at the restructuring (2016) and by 33.3 percent the target set at appraisal. At the restructuring the original threshold of US\$500,000 was reduced to US\$200,000 as a result of the economic and Ebola health crisis that delayed the implementation of the project. It is worth noting that although the number of firms which have invested have exceeded the target, it is difficult to confirm whether these are operational as tracking mechanisms were not built into the measurement of the indicator.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Percentage of loans awarded to firms included in the Credit reporting System in a given year as a percent of all lending in the same year	Percentage	0.00	15.00	15.00	57.00
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by 280 percent. The establishment of a Credit Reporting System (CRS) increased transparency of the financial operations, reduced transaction costs allowing financial institutions to extend credit and loans to new clients. The percentage of loans is based on the value of the outstanding credit to 180 SMEs transferred to the CRS from the Credit Risk Registry at end-2017. The outstanding credit does not necessarily correspond to new loan operations. It is worth noting that the indicator only measures the percentage of loans to firms included in the system and usage.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Value of yearly transactions settled in Real Time Gross Settlement system / Annual	Percentage	0.00	150.00	150.00	148.72
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017



GDP					
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Comments (achievements against targets): The percentage of annual transactions settled in the Real Time Gross Settlement System (RTGS) over GDP reached 148.7 percent, falling short of the target of 150 percent by less than 1 percent (0.85%). The ratio was calculated based on the total value of transactions during 12 months of 2017 over the GDP of 2016. This indicator is difficult to directly attribute to the project as it involved measurements of the country's GDP which is not linked to the project.

A.2 Intermediate Results Indicators

Component: Component 1. Establishment of Support Centers for SME development

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of firms benefitting from SCs	Number	0.00	400.00	200.00	522.00
		30-Jun-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017
Percent of women owned or run businesses as a share of benefitting firms from SC support	Percentage	0.00	50.00	40.00	47.90
		30-Jun-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. At appraisal there were no support centers to provide technical support, information or specialized training to SMEs, including micro enterprises. At restructuring (2016), Conakry and Mamou, were selected to host the SMEs support centers. However, there were delays in carrying out activities due to constraints related to the identification of physical centers to house the SCs. In February 2017 a SC was launched in Conakry and SMEs support activities started with the training of 70 female entrepreneurs. Training was also provided in other regions of the country including Boké, Kindia, Mamou, Kankan, Labé, and Faranah. At the closing of the project the number of enterprises benefitting from the SCs reached 522 exceeding by 161 percent the target of 200. The supporting evidence available prove a strong attribution to the project.

With regards to the percentage of women-owned businesses benefitting from SC, at appraisal the reduction of the ratio to 40 percent reflected the



economic and Ebola Health crisis that affected implementation. However, at the closing of the project the percentage of female businesses exceeded the revised target by 20 percent. The supporting evidence including seven reports of training/learning for women-managed enterprises, is largely attributed to the project.

Component: Component 2. Support to investment

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of firms benefitting from SCs	Number	0.00	400.00	200.00	522.00
		30-Jun-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017
Percent of women owned or run businesses as a share of benefitting firms from SC support	Percentage	0.00	50.00	40.00	47.90
		30-Jun-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. At appraisal there were no support centers to provide technical support, information or specialized training to SMEs, including micro enterprises. At restructuring (2016), Conakry and Mamou, were selected to host the SMEs support centers. However, there were delays in carrying out activities due to constraints related to the identification of physical centers to house the SCs. In February 2017 a SC was launched in Conakry and SMEs support activities started with the training of 70 female entrepreneurs. Training was also provided in other regions of the country including Boké, Kindia, Mamou, Kankan, Labé, and Faranah. At the closing of the project the number of enterprises benefitting from the SCs reached 522 exceeding by 161 percent the target of 200. The supporting evidence available prove a strong attribution to the project.

With regards to the percentage of women-owned businesses benefitting from SC, at appraisal the reduction of the ratio to 40 percent reflected the economic and Ebola Health crisis that affected implementation. However, at the closing of the project the percentage of female businesses exceeded the revised target by 20 percent. The supporting evidence including seven reports of training/learning for women-managed enterprises, is largely attributed to the project.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised	Actual Achieved at
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				Target	Completion
Number of investor inquiries in APIP's investment promotion	Number	0.00	60.00	60.00	147.00
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by 145 percent. The number of investors' inquiries reached 147 at the end of 2017. This is a aggregated sum of yearly requests as follows: 26(2014), 34(2015), 35(2016) and 52(2017). The supporting evidence includes the list of firms that submitted applications for licenses to the Agency of Promotion of Private Investment (APIP), which can be largely attributed to the project support given to APIP for investment promotion.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of measures/recommendations proposed by PPD process endorsed for implementation	Number	0.00	4.00	8.00	31.00
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by 287.5 percent the revised target set at restructuring. This indicator was redefined at restructuring to make it more consistent with the feasibility of reforms through the PPD platform. At the closing of the MSME, the number of recommendations proposed by the PPD process and endorsed for implementation reached 31 exceeding the revised target of 8. A table with the recommendations is available as supporting evidence. However, the improvement in the World Bank's Doing Business rankings by 22 places from 2014 to 2018 cannot be solely attributed to the reforms proposed by the PPD.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Businesses registered and	Number	0.00	150.00	150.00	180.00



included in the Credit Reporting System		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017
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Comments (achievements against targets): Achieved. Target exceeded by 20 percent. As supporting evidence, a list of 180 firms that have been included in the Credit Reporting System (CRS) since its operationalization. The development of the CRS will facilitate the expansion of credit to the economy and contribute to decreasing its cost, in particular for SMEs and micro-enterprises. The registration of business included in the CRS is attributed to the establishment of the CRS under the project.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Proportion (%) of banks with access to ACH	Percentage	0.00	100.00	100.00	100.00
		31-Dec-2013	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. The target of 100 percent was attained. All 15 licensed banks have access to the Automated Clearing House (ACH). The implementation of the ACH in Guinea will allow for more safety and efficiency in interbank payments, in support of economic activity. The implementation of the ACH will also allow the development of retail transactions for both companies and individuals. This is attributed to the project support.

Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of Firms that benefit from reformed registration requirements	Number	0.00	0.00	300.00	24097.00
		31-Dec-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. Target exceeded by more than 7000 percent the end of project target. This indicator was added at project's restructuring to show the important increase in business' registration which is largely attributable to the reformed registration requirements. The statistics of the firms registered under the new procedures is available. APIP as well as the PPD Permanent Secretariat update the data on a regular basis.



Indicator Name	Unit of Measure	Baseline	Original Target	Formally Revised Target	Actual Achieved at Completion
Number of SMEs that benefit from new or enhanced linkages with large firms	Number	0.00	0.00	30.00	55.00
		31-Dec-2015	28-Jun-2013	02-Feb-2016	29-Dec-2017

Comments (achievements against targets): Achieved. The outcome exceeded by 83.3 percent the target set at project restructuring. The supporting evidence available include the final report on Capacity Building Program for SMEs, that shows the contracts derived from facilitating the connection of small firms with larger firms. The increase in the number of SMEs that benefitted from enhanced linkages with larger firms is attributable to the support centers aimed at facilitating the connection of small firms to larger firms.



B. KEY OUTPUTS BY COMPONENT

Objective/Outcome 1 Support the development of MSMEs in various value chains	
Outcome Indicators	1. Increase in sales of MSMEs supported by the SCs
Intermediate Results Indicators	2. Number of firms benefitting from SCs 3. Percent of women owned or run businesses as a share of firms benefitting from SC support
Key Outputs by Component (linked to the achievement of the Objective/Outcome 1)	<p>Component 1</p> <ol style="list-style-type: none"> 1. Training of 50 women's SMEs in the management of companies 2. The training of 200 firms or women's Economic Interest Groups in accounting and financial management 3. Learning techniques of production and commercialization for the benefit of 310 female SMEs in dyeing and coloring (100 SMEs), soap fabrication (50 SMEs), fruits and vegetables transformation (50 SMEs), and shea butter production and preparation (110 SMEs) 4. Training of managers of 100 SMEs according to the IFC's 'Business Edge' approach for the strengthening of their management capabilities 5. Training of 60 suppliers and/or potential AluFer subcontractors (Bel Air Mining) that could lead to effective contracts with major contractors in mining, energy, construction, logistics, and transport. 6. This training enabled the completion of 29 contracts and subcontracts with the company 'Bel Air Mining' 7. Support to the Soubalako Economic Interest Group for the development of its branch in Mamou.
Objective/Outcome 2 Improve selected processes of the Recipient's investment climate	
Outcome Indicators	1. Number of investments generated above US\$200,000 2. Percentage of loans awarded to firms included in the Credit Reporting System in a given year as a percent of all lending in the same year 3. Value of yearly transactions settled in Real Time Gross Settlement system/Annual GDP
Intermediate Results Indicators	1. Number of investor inquiries in APiP's investment promotion



	<ol style="list-style-type: none">2. Number of measures/recommendations proposed by PPD process endorsed for implementation3. Businesses registered and included in the Credit Reporting System4. Proportion (%) of banks with access to ACH5. Number of firms that benefit from reformed registration requirements6. Number of SMEs that benefit from new or enhanced linkages with large firms
<p>Key Outputs by Component (linked to the achievement of the Objective/Outcome 2)</p>	<ol style="list-style-type: none">1. As part of the strengthening of the capacities of the APIP, the MSME allowed for recruiting of six individual consultants as technical assistants in charge of (a) the management of the One-stop-shop, (b) the department of the promotion of private investments, (c) the communications department, (d) the promotion of investments, (e) the management of the host service for guidance and documentation, and (fi) the management and improvement of the APIP website.2. Computerization of the single window3. Implementation of a virtual One-stop-shop for the creation of businesses. This virtual One-stop-shop (SYNERGUI) resulted in the instant creation online (in one month) of almost one 1,326 firms in Guinea. Note: link to https://synergui.apipguinee.com/fr.4. As part of the promotion of PPD the MSME allowed for<ol style="list-style-type: none">(a) Funding of the Guinean participation in the world forum that helped define a road map for the PPD in Guinea;(b) Implementation of the PPD created by the Secretariat resulted in the consolidation of reforms as part of the 'Doing Business' and the identification of actors in the public and private sectors involved in the process of dialogue;(c) Formalization of the PPD that supported the design and implementation of the platform of cooperation of the Guinean private sector and of the Public Committee for Reforms; and(d) Architecture of the Guinea Business Forum (GBF) as the main forum of the PPD in Guinea.5. Regarding the improvement of the national payment system, the project provided<ol style="list-style-type: none">(a) Technical assistance for the adaptation of the legal framework;(b) Implementation of the RTGS; and(c) Support to the ACH.



ANNEX 2. BANK LENDING AND IMPLEMENTATION SUPPORT/SUPERVISION

A. TASK TEAM MEMBERS

Name	Role
Preparation	
Jean Michel Noel Marchat	Team Leader
Franciso Moraes Leitao Campos	Team Member
Magueye Dia	Team Member
Tugba Gurcanlar	Team Member
Alan Andrew Moody	Team Member
Papa Demba Thiam	Team Member
Johanna Michaela	Team Member
Maria Do Ceu Da Silva Pereira	Credit Information System
Arnaud D. Dornel	Team Member
N'Faly Keita	Team Member
Siobhan McInerney-Lankford	Senior Counsel
Fredesvinda F. Montes Herraiz	Infrastructure Finance Specialist
Samuel Taffesse	Team Member
Virginia Tanase	Team Member
Niraj Verma	Team Member
Johanna Michaela Weber	Team Member
Supervision/ICR	
Mohamadou S Hayatou	Task Team Leader
Mariama Cire Sylla	Task Team Leader
Jean Michel Noel Marchat	Task Team Leader
Lorenzo Bertolini	Task Team Leaderr
Franciso Moraes Leitao Campos	Team Member
Thierno Habib Hann	Task Team Leader
Alpha Mamoudou Bah	Procurement Specialist
Celestin Adjalou Niamien	Financial Management Specialist
Maiko Miyake	Team Member
Maman-Sani Issa	Social Safeguards Specialist
Mamadou Mansour Mbaye	Team Member
Racky Dia Camara	Team Member
Kathy Khuu	Team Member
Thierno Hamidou Diallo	Team Member
Emeran Serge M. Menang Evouna	Environmental Safeguards Specialist
Axel Gastambide	Team Member
Maria Do Ceu Da Silva Pereira	Sr. Financial Sector Specialist
Fredesvinda F. Montes Herraiz	Team Member
Alexandra Mincu	Team Member
Paivi Koskinen-Lewis	Social Safeguards Specialist
Ngor Sene	Team Member
Jean Charles Amon Kra	Team Member
Abou Gueye	Team Member



Cheikh A. T. Sagna	Social Safeguards Specialist
Mahamadou Bambo Sissoko	Team Member
Tahirou Kalam	Team Member
Armadno Heilbron	Senior Investment Promotion Officer
Barbara Weber	Team Member
Tanangachi Ngwira	ICR Task Team Leader
Ana Lucia Armijos	ICR Author

B. STAFF TIME AND COST

Stage of Project Cycle	Staff Time and Cost	
	No. of staff weeks	US\$ (including travel and consultant costs)
Preparation		
FY12	31.314	164,089.70
FY13	27.952	182,555.80
FY14	.025	104.40
FY15	0	0.00
Total	59.29	346,749.90
Supervision/ICR		
FY14	11.532	86,941.50
FY15	29.752	168,345.13
FY16	18.021	131,890.45
FY17	13.475	73,382.36
FY18	21.520	102,311.74
Total	94.30	562,871.18



ANNEX 3. PROJECT COST BY COMPONENT

Components	Amount at Approval (US\$M)	Actual at Project Closing (US\$M)	Percentage of Approval (US\$M)
Component 1. Establishment of Support Centers for SME development	4.2	3.4	42%
Component 2: Support to Investment	4.6	4.2	46%
Component 3: Project Implementation and M&E	1.2	1.9	12%0
Total	10.0	9.5	100%



ANNEX 4. EFFICIENCY ANALYSIS

1. The Project Development Objective was to support the development of MSMEs in various value chains and to improve selected processes of the Recipient's investment climate. The project was to achieve this through two components, first, the establishment of SCs aimed to promote diversification and private sector growth through direct investment in skills development of MSMEs, mainly in selected regions and women-owned enterprises and firms in targeted value chains; and, second, support to investment to improve specific elements of the investment climate with a view of facilitating the development and investment of the private sector and to prepare the institutional capacity of government systems and agencies.

2. Component 2 was to be assessed by regular and effective usage of the planned systems and regulations, as measured in the Results Framework. To contextualize the team's analysis, the PAD noted that in the absence of an impact evaluation for this component—which would be difficult to design in any case—it will be challenging to attribute changes in firms and (international) investors' behavior to the project. The changes in quality of business entry and financial systems, coupled with targeting of investors, would in turn have had effects on firm-level investment and performance, but this causal link would have been difficult to directly associate with some of the project subcomponents. Therefore, an economic analysis was conducted only for Component 1 of the project, which directly targets MSMEs, and it was done specifically for the regional centers.

3. The PAD noted that the main objective of Component 1 was to improve the skills and information of the economic operators—farmers and cooperatives, SMEs focused in wholesale, and agro-processors in specific sectors and regions of the country. In turn, changes were expected in (a) farm-level yields, (b) efficacy in crop selection, (c) quality of the agricultural products resold (packaging, standards, and so on), with effects on access to new markets, and (d) presence of agro-processing. The project trained a total of 522 entrepreneurs in the last year of the project. The MSMEs were trained in management skills, production, and commercialization in agriculture and light manufacturing and logistics. The MSMEs were also linked to suppliers in the market. It is noted that training of MSMEs was conducted in the last 11 months of the project, and as such, total impact could not be evaluated, although it is acknowledged that project activities have contributed to significant improvements in MSME productivity.

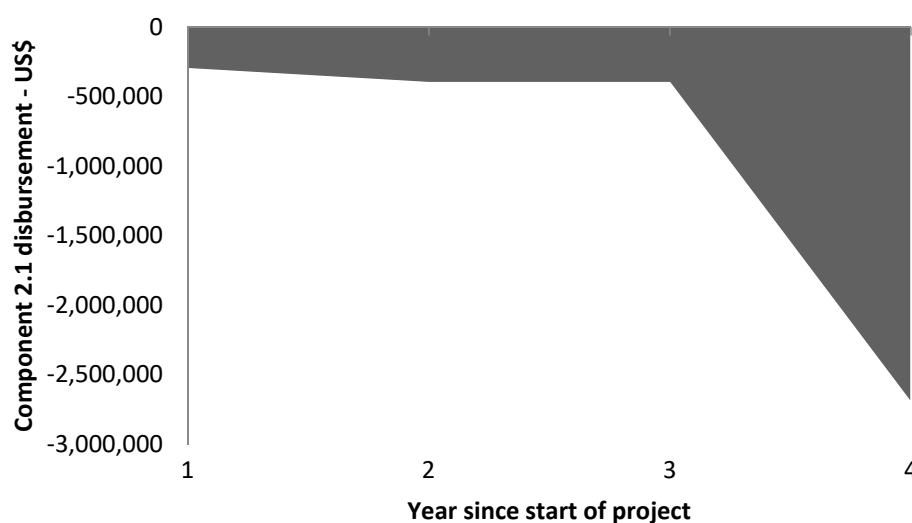
4. The project achieved economic efficiency as the value-for-money in attaining project objectives yielded significant economic benefits. The economic analysis provided at appraisal had an estimate of the net present value (NPV) and the economic rate of return (ERR) for project interventions. The investment in the regional SCs in Component 1 was estimated in this analysis to result in an NPV of approximately US\$0.3 million, using a discount rate of 17.5 percent to reflect the risk of investing in Guinea. The ERR was estimated at 21 percent for this component. It is worth noting that the economic analysis done in the PAD was for three regional centers and targeted household farming, cooperatives, MSMEs, investors in new sectors, and food processors. However, the project only supported one center, but provided training to SMEs in the regional areas. Following the same methodology used in the PAD, but updating the actual amount of investment to US\$3.4 million, the NPV is estimated at US\$0.8 million with an ERR of 26 percent, showing that the project was originally economically sound and after implementation, the project went beyond the original estimates (Table 5).

Table 5. NPV and ERR

		ICR 2017	PAD 2013
Component 1: Supporting the Development of Entrepreneurship Skills	NPV (US\$, million)	0.8	0.3
	ERR (%)	26	21

5. The establishment and operationalization of the SC in Conakry took place in February 2017. It is estimated that the investments for the implementation process of operating the center (Figure 1) took place in year 3 and 4.

Figure 1. Disbursement Component 1 – Support Center



Source: MSME Project.

6. There have been different groups of participants in the program: (a) household farmers, (b) women’s SMEs mostly working on wholesaling fruits and vegetables, dyeing and coloring, soap fabrication, and shea butter production; and (c) food processors. As shown in Table 6 most of the participants are SMEs and individual farmers. They represent most potential clients, and the services rendered to these clients are reflected in the kind of training received (see Annex 1 - Key outputs by component) which include the following: training of 50 women's SMEs in the management of companies; training of 200 firms or women's Economic Interest Groups (EIG) in accounting and financial management; learning techniques of production and commercialization for the benefit of 310 female SMEs in dyeing and coloring (100 SMEs), soap fabrication (50 SMEs), fruits and vegetables transformation (50 SMEs), and shea butter production and preparation (110 SMEs).

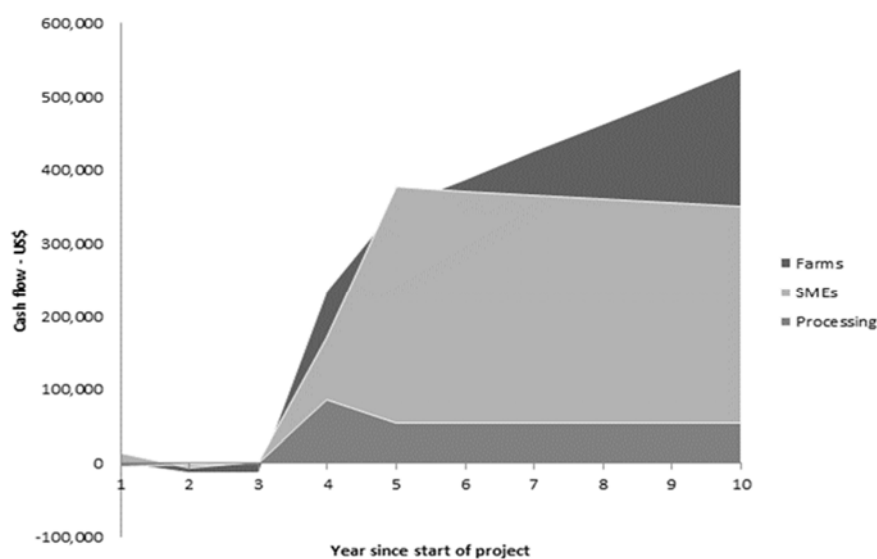
7. Finally, the SCs have supported other players in the value chains, including training of 60 suppliers and/or potential AluFer subcontractors (Bel Air Mining) that led to effective contracts with major contractors in mining, energy, construction, logistics, and transport. This training enabled the completion of 29 contracts and subcontracts with the company ‘Bel Air Mining’ and support to the Soumbalako Economic Interest Group for the development of its branch in Mamou. The effects on this group will likely

be seen only post-conclusion of the four-year project, as by year 4 they would have started co-investing in the opportunities arising from the technical knowledge.

Table 6. Number of Support Centers and Clients

	YR1	YR2	YR3	YR4	Total
Operating centers	0	0	0	1	1
Number of firms supported					
HH farming	0	0	0	261	261
Cooperatives	0	0	0	0	0
SMEs	0	0	0	261	261
Investors new sectors	0	0	0	0	0
Food processors	0	0	0	20	20
Total	0	0	0	542	542
<i>% of total</i>	<i>0%</i>	<i>0%</i>	<i>0%</i>	<i>100%</i>	

Figure 2. Cash Flows by Type of Beneficiary of the Support Center



Source: MSME Project.

ANNEX 5. EXECUTIVE SUMMARY OF THE BORROWER COMPLETION PROJECT REPORT ¹²

1. The Government of Guinea, through the Ministry of Industry and SMEs, prepared a Project Completion Report (PCR) documenting the final outcomes of the project implementation. The borrower's PCR was used in preparing this ICR. This annex includes a summary of the main points raised in the document and particularly those related to the following topics: (a) results obtained by component, (b) the borrower's assessment of the impact of the project, (c) the key factors affecting implementation of the project, and (d) the borrower's lessons learned from the project implementation and recommendations based on key experiences.

« Rapport d'Achèvement du Projet d'Appui aux Petites et Moyennes Entreprises (PAPME)

2. Dans le cadre de la coopération avec le Groupe de la Banque Mondiale, la République de Guinée a bénéficié d'un financement de l'IDA de 6 700 000 DTS, soit 10 millions USD, pour la mise en œuvre du Projet d'Appui aux PME (PAPME). L'Accord de financement a été signé le 20 août 2013 et la mise en vigueur du Projet est intervenue le 6 décembre 2013. Le Projet a été effectivement exécuté en quatre (4) ans, de janvier 2014 à décembre 2017, sous la tutelle du Ministère de l'Industrie, des PME et de la Promotion du Secteur Privé (MIPMEPSP).

3. La revue à mi-parcours conduite en juin 2015 a jugé opportune, la nécessité de restructuration des objectifs du projet tels qu'initialement définis ainsi que la redynamisation des mécanismes de mise en œuvre. Cette restructuration a recommandé le recadrage du projet sur l'appui direct aux PME et a favorisé une meilleure appropriation du Programme par les bénéficiaires. Elle a ainsi permis la mise à jour des plans d'action, compte tenu des contraintes de terrain et du faible taux de décaissement estimé à 21,01%.

4. Les activités menées, telles qu'elles ressortent de l'Accord de Financement et du Rapport d'évaluation du projet ont concerné la réalisation d'études et de travaux, l'acquisition de fournitures et la mise en œuvre de programmes de formation ciblés. A cet effet, le présent rapport se fonde sur les documents suivants : l'Accord de Financement restructuré, le Document d'évaluation du projet (PAD), les Rapports périodiques, les rapports spécifiques, les aide-mémoires, la revue à mi-parcours et les rapports d'audit des comptes du projet. Le Rapport fait (i) le point sur l'exécution du projet clôturé le 31 décembre 2017, (ii) passe en revue les performances des parties prenantes, (iii) évalue les impacts et (iv) note les principales leçons apprises.

I. Rappel Des Objectifs Et Composantes Du Projet

5. L'Objectif de Développement du Projet tel que défini dans le PAD est de "*soutenir le développement des MPME dans diverses chaînes de valeur et d'améliorer des processus sélectionnés du climat des affaires en Guinée*". En vue de permettre la réalisation de cet objectif, le Projet a été structuré en trois composantes (i) *Appui au secteur et mise en place de CAPME* ; (ii) *Soutien à l'Investissement* ; et (iii) *Mise en œuvre et Suivi-Evaluation*.

6. **La Composante 1** « *Appui au secteur et mise en place de CAPME* » visait à promouvoir la

¹² The complete version of the Project Completion Report prepared by the Government is available with the World Bank Team.



diversification et la croissance du secteur privé par le biais du soutien au développement des filières dans les régions ciblées de la Guinée, notamment les activités de l'agro-business qui ont un potentiel de croissance en termes de revenus, de création d'emplois, ainsi que le développement des entreprises dirigées par des femmes à Conakry.

7. Elle s'est appuyée sur l'expérience positive connue de la SFI avec le programme « Développement des fournisseurs locaux en Guinée » visant à établir deux Centres d'Appui aux PME (CAPME) dont un à Conakry essentiellement destiné à l'entrepreneuriat féminin et un second à l'intérieur du pays.

8. Le CAPME devrait assurer une formation spécialisée sur la chaîne de valeur (la production, la qualité, la conservation, l'emballage), ainsi que des programmes de tutorat (apprentissage). Il devrait apporter notamment de l'assistance aux PME par :

- Un soutien technique qui englobe les activités de laboratoire, l'assistance technique aux PME sur le processus de production et un soutien technique aux promoteurs de projets ou aux nouveaux arrivants ;
- Des activités d'information comprenant : les opportunités de marchés, les informations sur les technologies existantes, l'identification des goulots d'étranglement ou opportunités pour de nouvelles innovations (produits et processus), et les options de transport pour les marchés locaux et internationaux ;
- Un service d'enregistrement à guichet unique de l'APIP dans la région administrative de l'implantation du CAPME.

9. **La composante 2** « *Soutien à l'Investissement* » avait pour but d'améliorer le climat des affaires, afin de favoriser l'investissement et le développement du secteur privé en République de Guinée. Elle devrait inclure la facilitation de la création d'entreprises et la promotion de l'investissement à travers un appui à l'Agence de Promotion des Investissements Privés (APIP), l'amélioration du Dialogue Public Privé (DPP) par sa systématisation et la promotion de l'accès au crédit suite aux appuis apportés à la BCRG, pour la mise en place d'un Système d'Information du Crédit (SIC) et le développement du Système National de Paiement (SNP).

10. **La Composante 3** « *Mise en œuvre et Suivi-Evaluation* » portait sur la mise en place et le fonctionnement de l'Unité d'Exécution du Projet (UEP) et du Comité de Pilotage.

II. Résultats Obtenus Par Composante

11. Au titre de la **composante 1** « *Appui au secteur et mise en place de CAPME* », le Projet a mis en place à Conakry un Centre d'Appui aux PME (CAPME) pilote sur un site provisoire faute d'obtention de friches industrielles répondant aux normes environnementale et sociale tel que prévu dans l'Accord de Financement. Ce Centre a été aménagé et équipé par le PAPME et son lancement a eu lieu le 22 février 2017. Depuis cette date, plusieurs programmes de renforcement des capacités des PME ont été mises en œuvre aussi bien à Conakry que dans les régions de Boké, Kindia, Mamou, Kankan, Faranah et Labé. Il s'agit notamment, de :

- La formation de cinquante (60) PME féminines à la gestion d'entreprises ;



- La formation de 200 entreprises ou GIE féminins en gestion financière et comptable ;
 - Apprentissage en techniques de production et de commercialisation au bénéfice de 310 PME féminines en teinture (100 PME), saponification (50 PME), transformation fruits et légumes (50 PME) et Karité (110 PME) ;
 - La formation des gérants de 100 PME selon les approches business « Edge » de la SFI pour le renforcement de leurs capacités en gestion ;
 - La formation de soixante (60) fournisseurs et/ou sous-traitants potentiels de AluFer (Bel Air Mining) pouvant déboucher sur l'obtention effective de contrats avec de grands donneurs d'ordres, des secteurs miniers, de l'énergie, du BTP, de la logistique et Transport. Cette formation a permis de conclure avec la société "Bel Air Mining" vingt-neuf (29) contrats de sous-traitance ;
 - L'accompagnement du GIE de Soumbalako pour le développement de sa filière maraichère à Mamou.
12. Sur la base des résultats positifs enregistrés au niveau des bénéficiaires dans ces différents programmes, le Gouvernement Guinéen a décidé de financer sur les ressources du BND, l'acquisition d'une infrastructure immobilière moderne devant abriter le CAPME de Conakry.
13. Dans le cadre de l'appui institutionnel au MIPMEPSP, le PAPME a permis de :
- Réaliser des études stratégiques pour l'élaboration de (i) la Lettre de Politique Nationale des PME, (ii) la Charte Nationale des PME, (iii) la Lettre de Politique de Promotion du Secteur Privé, (iv) la Lettre de Politique Nationale de Développement Industriel, (v) le Plan de Recadrage et d'opérationnalisation du Centre Pilote de Technologies Industrielles et (vi) du Répertoire National des PME. Ces Documents de Politiques ont fait l'objet d'une campagne de vulgarisation dans les capitales régionales du pays en octobre et novembre 2017 par le MIPMEPSP ;
 - Renforcer les compétences du Personnel du département à travers (i) l'identification des besoins et l'établissement d'un Plan de Formation, (ii) la conduite de séminaires sur les stratégies et politiques de développement industriel, les filières porteuses de croissance, la promotion du secteur privé, le montage et la gestion de projets, (iii) l'exécution du Plan de Formation personnalisé établi après l'identification des besoins ;
 - Améliorer les conditions de travail du personnel du MIPMEPSP par la fourniture de mobiliers de bureau, de matériels informatiques, de matériel roulant et la numérisation des archives du Ministère.
14. Le cout de la mise en œuvre de cette composante est de 3 376 547 USD contre une prévision budgétaire initiale de 4 200 000 USD, soit un taux de réalisation de 80,4%.
15. Au titre de la **composante 2** « *Soutien à l'investissement* », les activités réalisées concernent essentiellement le renforcement des capacités de l'Agence de Promotion des Investissements Privés



(APIP) et l'informatisation de son Guichet Unique, la Promotion du Dialogue Public Privé (DPP), le renforcement du Système d'Information du Crédit (SIC) et l'Amélioration du Système National de Paiement (SNP) au niveau de la BCRG.

16. Dans le cadre du renforcement des capacités de l'APIP, le PAPME a assuré le recrutement de six (6) consultants individuels aux postes d'Assistants Techniques chargés respectivement: (i) de la Direction du Guichet Unique; (ii) du Département de la Promotion des Investissements Privés, (iii) du Département Communication, (iv) de l'accueil pour la Promotion des Investissements; (v) de la gestion du service Accueil-Orientation et Documentation, et (vi) de la gestion et l'amélioration du site Web de l'APIP. Tous ces consultants ont bénéficié d'une prise en charge au titre des honoraires et d'un renforcement de capacités durant l'exécution du Projet. Pour cela un plan de formation a été élaboré et entièrement exécuté dans divers instituts de formation spécialisés en Guinée et à l'extérieur. Des primes ont été également allouées à la Direction Générale de l'APIP.

17. Dans le cadre de l'informatisation du Guichet Unique, les efforts ont porté sur l'implémentation d'un Guichet Unique virtuel pour la création des entreprises (One-stop-shop). Ce Guichet Unique virtuel (SYNERGUI) a permis en un mois d'exploitation en ligne, la création à distance et de manière quasi instantanée de mille trois cent vingt-six (1326) entreprises en Guinée. Le PAPME a également apporté un appui logistique à la Commission Nationale OHADA et a amorcé la numérisation progressive du RCCM à partir du Logiciel OHADA de gestion des registres africains.

18. Dans le cadre de la Promotion du Dialogue Public Privé (DPP), le Projet a financé la participation guinéenne au forum Mondial du DPP qui a permis de définir une feuille de route DPP en Guinée. Ainsi, le Secrétariat du DPP créé par le projet a abouti à la consolidation des réformes dans le cadre du "Doing Business" et à l'identification des acteurs des secteurs public et privé intervenant dans le processus du dialogue. Le processus de formalisation du DPP aboutit la conception et la mise en place de la Plateforme de Concertation du Secteur Privé Guinéen (PCSPG) et du Comité Public des Réformes (CPR). L'ensemble du processus a débouché sur l'architecture du Guinée Business Forum (GBF) en tant que principale instance du Dialogue Public Privé en Guinée.

19. Quant au renforcement du SIC de la BCRG, l'étude de faisabilité menée dans le cadre du Projet a permis d'évaluer l'existant et d'établir le périmètre d'information sur le crédit. Elle a également fait une revue du cadre juridique et réglementaire et proposé les ajustements nécessaires. Enfin, l'étude a été complétée par un cahier de charges et un plan de formation des techniciens de la BCRG. Le logiciel du SIC a été conçu et configuré, testé avec succès et le Système est opérationnel depuis le 1er décembre 2017. Il a permis de basculer dans le SIC près de 200 entreprises suivies par la centrale de risques et dont les créances constituent 57% des crédits bancaires.

20. S'agissant de l'amélioration du Système National de Paiement, le projet a financé l'Assistance Technique pour l'adaptation du cadre juridique, la mise en place du Système de Règlement Brut en Temps Réel (SRBTR) et la Chambre de Compensation Automatisée (CCA) qui ont été lancés le 13 mars 2016. Le projet a également procédé au renforcement des capacités de la BCRG pour un total de vingt-neuf (29) formations spécifiques dédiées à des fonctions déterminées du personnel du SNP. La mise en œuvre de la composante 2 a consommé quatre millions cent quatre-vingt-un mille quatre cent six dollars américains (US\$4 181 406) contre US\$4600,000 prévus dans le document initial du projet, soit 91%.



21. Au titre de la **composante 3** « Mise en œuvre et Suivi Evaluation du Projet », la gestion administrative et financière a été assurée par l'Unité d'Exécution du Projet (UEP) comprenant une équipe fiduciaire composée du Coordonnateur, d'un Responsable Administratif et Financier, d'un Responsable Suivi-Evaluation et d'un Responsable Passation de Marchés. Cette gestion a couvert les activités suivantes : gestion du personnel, gestion des ressources financières, missions de supervision et d'audit.

22. S'agissant du Personnel, l'UEP a démarré en 2014 avec dix (10) personnes comprenant : le Coordonnateur de l'Unité d'Exécution du Projet (UEP), le Responsable Administratif et Financier (RAF), la Responsable de la Passation des Marchés (RPM), le Responsable du Suivi-Evaluation, le Responsable du Suivi des Réformes, les trois (3) Experts Consultants du CAPME (en Développement Rural, Agronomie et Agro-Industrie), le Comptable et l'Assistante Administrative. Ce personnel a été recruté par voie d'appel à candidature sur la base de termes de référence spécifiques à chaque poste. Les contrats de travail signés ont fait l'objet de renouvellement annuel formalisé. Suite au décès du Comptable en début 2015, un nouveau Comptable a été recruté pour combler la vacance de poste. Au cours de la même année, le Responsable du Suivi des Réformes a quitté le PAPME et le poste n'a pas été renouvelé. En avril 2016, pour des raisons de restructuration du Projet, les trois (3) postes d'Experts Consultants ont été supprimés de l'organigramme de l'UEP. En lieu et place, un poste d'Expert en Environnement des Affaires a été créé en octobre 2016 et ses prestations ont commencé en décembre de la même année.

23. Dans le cadre du renforcement des compétences au niveau des services bénéficiaires du Projet, neuf (9) consultants à temps plein ont été recrutés, dont six (6) ont été mis à la disposition de l'APIP et trois (3) autres à la disposition du Secrétariat du Dialogue Public Privé. L'ensemble du personnel recruté y compris les Experts Consultants ont bénéficié d'une prise en charge salariale et d'un renforcement de capacités durant l'exécution du Projet. Les équipes de la BCRG, chargées respectivement du Système d'Information sur le Crédit et du Système National de Paiement ont bénéficié de formations spécifiques et de voyages d'études dans des institutions bancaires en Afrique de l'Ouest, au Maghreb et en France.

24. En référence à la mobilisation des ressources financières au titre de ce projet s'établissant à US\$9 491 943,45 au 31 décembre 2017, il ressort que la composante 3 a consommé US\$1 933 990,45 contre US\$1 200 000 prévus soit un excédent de US\$733 990,45 ou 61, 20% de plus que prévus. La gestion financière a consisté à l'élaboration du budget annuel dans le Plan de Travail Budgétisé Annuel (PTBA), la mobilisation des ressources financières auprès de l'IDA, le paiement des dépenses sur pièces justificatives et le suivi financier de l'accord de financement et du budget.¹³

25. Les différents mécanismes de décaissement par DRF et par DPD ont fonctionné normalement en dehors de quelques aléas de fin de projet, et ont permis de mobiliser en tout 9.491.943,45 USD sur la durée du projet, soit un taux d'exécution de 100%, déduction faite du manque à gagner susmentionné.

26. L'UEP, le Comité de Pilotage et la Banque ont assuré conjointement le suivi financier de l'Accord. A cet effet, plusieurs missions d'appui ont été effectuées dans le domaine comptable, financier et de l'audit. Durant la vie du projet, au total seize (16) rapports financiers trimestriels non audités ont été envoyés à la Banque au plus tard 45 jours après la fin de chaque trimestre et cinq (05) rapports annuels

¹³ En matière de mobilisation des ressources financières, il faut noter qu'en raison de la dépréciation du DTS par rapport au Dollar US, le financement qui était de 10.000.000 USD au démarrage du Projet en janvier 2014, s'est établi à US\$ 9.491.943,45 au 31 décembre 2017, date de clôture, soit un manque à gagner de US\$508.056,55 USD



audités ont été produits et transmis à la Banque dans les délais.

27. Le Plan de Passation des Marchés (PPM) préparé au démarrage du projet a été régulièrement mis à jour pour prendre en compte à la fois le réaménagement des activités et les glissements de délais. Au total Quatre-vingt-six (86) marchés ont été passés dont trois (03) pour les travaux, trente-trois (33) pour les fournitures et cinquante (50) pour les services de consultants. La révision à la hausse du seuil des montants autorisés pour les différents modes de passation des marchés, intervenue en mars 2016, a permis de passer un plus grand nombre de marchés en Appels d'Offres National et par Cotation.

III. Analyse Des Performances

28. A la faveur de la restructuration sollicitée par le MIPMEPSP et intervenue en juin 2016, il a été procédé au recadrage des différentes activités du Projet sur le principal objectif de soutien au développement des PME. Cette opération de restructuration et la création en janvier 2017 d'un comité de suivi du PAPME, ont permis l'amélioration significative de la mise en œuvre des activités et la visibilité sur l'ensemble des composantes du Projet.

29. L'objectif de développement du projet s'est traduit par quatre (4) indicateurs qui sont :

- ODP1 : L'accroissement du Chiffre d'affaires des MPME soutenues par les Centres d'Appui aux PME(CAPME). Cet accroissement devrait être d'au moins 20% en fin 2017 et 40% du groupe témoin devrait être des MPME féminines ;
- ODP2 : Le nombre d'investissements générés supérieurs à 200.000 USD fixé au minimum à 10 ;
- ODP3 : Le pourcentage des prêts accordés aux entreprises incluses dans le SIC (15%) ;
- ODP4 : La Valeur des transactions annuelles établies en SRBTR/PIB en fin 2017 (150%).

30. Les indicateurs de résultats intermédiaires figurant dans le tableau de suivi du cadre de résultats ci-joint, prouve que le premier objectif de développement du projet lié à l'accroissement du Chiffre d'affaires des MPME devant être soutenues par les Centres d'Appui aux PME (CAPME) a été atteint en partie, en raison des difficultés liées à la mise en place des CAPME de Conakry et de Mamou.

IV. Impacte Du Projet

31. La mise en œuvre du projet a permis d'améliorer la cadre institutionnelle du Secteur Privé et les capacités d'intervention des bénéficiaires publics. Au titre du Secteur Privé, les impacts ci-après ont été obtenus :

- Mise en place et institutionnalisation du cadre de Dialogue Public Privé (DPP);
- Mise en place de la Plateforme de Concertation du Secteur Privé Guinéen;



- Conduite de réformes ayant permis l'amélioration du climat des affaires et le repositionnement de la Guinée au classement « Doing Business » du Groupe de la Banque Mondiale classant le pays de 173ème à 151ème (avec 22 points obtenus);
- Formalisation des entreprises féminines et accroissement du CA et la compétitivité des MPME, notamment celles impliquées dans l'Agro-business grâce aux apprentissages, formations et à l'amélioration du climat des affaires obtenus dans le cadre du Projet.
- Facilitation de l'accès au crédit par l'instauration du Système d'Information sur le Crédit à la BCRG
- En plus de la BCRG, toutes les 15 Banques agréées ont accès à la Chambre de Compensation Automatisée. Le CCA couplé au SRBTR ont permis une plus grande bancarisation de l'économie, les transactions bancaires constituant 150% du PIB.

32. Pour ce qui est des bénéficiaires publics le Ministère de l'Industrie, des PME et de la Promotion du Secteur Privé en tant que tutelle, a bénéficié :

- De réalisation d'études stratégiques ;
- Du Renforcement des compétences du personnel tant à l'intérieur qu'à l'extérieur du Pays ;
- De l'amélioration des conditions de travail du personnel par l'ameublement et l'équipement informatique du département, l'acquisition du matériel roulant et l'amélioration de l'archivage au niveau du MIPMEPSP.

33. D'autres structures étatiques ont bénéficié :

- Du renforcement des capacités de l'APIP à travers l'Assistance Technique, la dotation en équipements informatiques et au financement de la fourniture internet ;
- De l'appui logistique à la Commission Nationale OHADA pour la mise en place du logiciel OHADA de gestion des registres africains.

V. Facteurs Majeurs Ayant Affecté L'exécution Du Projet

34. Les difficultés rencontrées se situent principalement au niveau de la préparation et des délais d'évaluation et d'approbation des dossiers de passation de marchés. L'exécution du PAPME a été fortement pénalisée par son inscription dans la catégorie "C" environnementale et sociale. Ceci a empêché l'UEP de mener toute activité nécessitant la prise de mesures de mitigation d'impact environnemental et social, rendant ainsi difficile le respect de l'Accord de financement qui demande à la partie guinéenne de mettre à disposition des friches industrielles à rénover pour abriter les CAPME. Aucune des propositions faites dans ce cadre ne répondait à cette exigence. Le temps mis à attendre l'obtention des bâtiments devant abriter les CAPME a constitué la principale cause de retard dans l'exécution du Projet.



VI. Conclusion Et Recommandations

35. Le Projet d'Appui aux PME a été conçu et mis en œuvre sans que la tutelle et les principaux bénéficiaires ne se l'approprient au départ, malgré que la raison qui ait prévalu à son initiation soit fondée sur le manque de projets ou de programmes dédiés aux PME guinéennes. C'est pourquoi, sa composante fondamentale visait à apporter un « **appui au secteur et la mise en place de Centres d'Appui aux PME (CAPME)** » avec pour objectif de « soutenir le développement des MPME dans diverses chaînes de valeur et d'améliorer des processus sélectionnés du climat des affaires en Guinée. A cette composante fondamentale, s'est greffée une autre composante dédiée au « soutien à l'investissement » à la demande de la BCRG et de l'APIP auprès du Groupe de la Banque Mondiale.

36. Le projet a enregistré de nombreuses difficultés à son commencement liées principalement à la mise en œuvre de la composante 1, le recrutement du personnel devant animer l'UEP et la mise en œuvre du projet avec une référence à la tutelle réduite durant les deux premières années.

37. Toutefois, le Projet a atteint tous ses objectifs, notamment :

- L'Appui directe aux MPME, notamment celles féminines et l'accroissement de leurs CA.
- La mise en place et l'institutionnalisation du cadre de Dialogue Public Privé (DPP);
- La mise en place de la Plateforme de Concertation du Secteur Privé guinéen ;
- La conduite de réformes ayant permis l'amélioration du climat des affaires et le repositionnement de la Guinée au classement « Doing Business »;
- L'opérationnalisation et l'informatisation du Guichet Unique,
- La facilitation de l'accès au crédit par l'instauration du Système d'Information sur le Crédit.

38. A l'issue de l'analyse des performances et insuffisances ainsi enregistrées dans la mise en œuvre du projet, les recommandations ci-après, loin d'être exhaustives, sont à prendre en compte pour les prochains projets ou programmes de développement à initier :

- (i) Impliquer les principaux Cadres du département directement concernés et les potentiels bénéficiaires à la conception, à la formulation et à la mise en œuvre des projets ou programmes ;
- (ii) Prendre en compte l'expertise du Département au processus de recrutement du personnel devant mettre en œuvre les projets ou programmes ;
- (iii) Faire en sorte que les projets ou programmes aient un ancrage institutionnel précis même s'ils sont dédiés à plusieurs secteurs ou bénéficiaires ;
- (iv) Mettre en place un cadre logique au démarrage du projet ou programme en rapport avec toutes les parties prenantes afin de faciliter son appropriation et le suivi de son exécution ;



- (v) Planifier les demandes d'acquisition de fonds après validation du PTBA pour faciliter l'exécution des activités programmées ;
- (vi) Planifier les réunions avec toutes les parties prenantes dans le but de lever progressivement les obstacles à la mise en œuvre du Projet ;
- (vii) Responsabiliser une structure pour assurer le suivi de la mise en œuvre du Projet (en l'occurrence le BSD) qui doit faire des notes périodiques à l'attention de la tutelle.



ANNEX 6. LIST OF SUPPORTING DOCUMENTS FOR THE RESULTS FRAMEWORK

Available Documents	Related PDO and Intermediate Indicators	Sources
<ul style="list-style-type: none"> List of MSMEs supported by the project stating the theme of support, activity areas, gender, and contact Report of the sales made by a sample of MSMEs Roadmap of the launching of the SC of Conakry in February 2017 Five reports of management training for MSMEs Several reports of training/learning for women-managed enterprises (dyeing, soap fabrication, processing of fruits and vegetables, and production of shea butter) Three reports on study tours of women entrepreneurs, in Tunis, Bamako, and Ouagadougou Final report on the Capacity Building Program for MSMEs of the area of Boffa—<i>Cabinet Intellact</i>—(MOU between Bel Air Mining and the MSMEs) Sales contract of sweet peppers and dry ginger between the Economic Group of Soumbalako and the Moroccan Group - Inter Oil Oleoresines SA. 	<p>PDO Indicator 1: Increase in sales of MSMEs supported by the SCs</p> <p>IRI 1: Number of firms benefitting from SCs</p> <p>IRI 2: Percent of women-owned businesses as a share of firms benefitting from SC</p> <p>IRI 8: Number of MSMEs that benefit from new or enhanced linkages with large firms</p>	<p>Project Implementation Unit (PIU)</p> <p>West African Consultants (WAC)</p>
<ul style="list-style-type: none"> List of firms that have invested over US\$200,000 List of firms that submitted applications for licenses to the APIP Table of measures/recommendations proposed by the PPD process and endorsed for implementation 	<p>PDO Indicator 2: Number of investments generated above US\$200,000</p> <p>IRI 3: Number of investor inquiries in APIP’s investment promotion</p> <p>IRI 4: Number of measures/recommendations proposed by PPD process endorsed for implementation</p>	<p>Agency for Promotion of Private Investment (APIP)</p> <p>Public-Private Dialogue (PPD) Permanent Secretariat</p>



<ul style="list-style-type: none"> Statistics of the firms registered under the new procedures 	<p>IRI 7: Number of firms that benefit from reformed registration requirements</p>	
<ul style="list-style-type: none"> List of 180 companies in the Credit Risk Registry that have been included in the Credit Reporting System (CRS) since its operationalization 	<p>PDO Indicator 3: Percentage of loans awarded to firms included in the Credit Reporting System in a year as a percent of all lending in the same year</p> <p>IRI 5: Businesses registered and included in the Credit Reporting System</p>	<p>Central Bank of the Republic of Guinea (CBRG) General inspection of Banks</p>
<ul style="list-style-type: none"> Statistics of the annual transactions settled in Real Time Gross Settlement System (2016 to 2017) Data on the Gross Domestic Product (GDP) for 2015 and 2016 	<p>PDO Indicator 4: Value of yearly transactions settled in Real Time Gross Settlement system/Annual GDP</p> <p>IRI 6: Proportion (%) of banks with access to ACH</p>	<p>National Payments System</p> <p>National Institute for Statistics (GDP 2015–2016)</p>

Note: IRI = Intermediate Results Indicators.



ANNEX 7. SUPPORTING DOCUMENTS (IF ANY)

World Bank Preparation Documents

World Bank, Country Partnership Strategy for the Republic of Guinea FY2014–2017. Report No. 76230-GN, September 4, 2013.

World Bank, Project Appraisal Document for the Republic of Guinea: Micro, Small, and Medium Enterprises Development Project (MSME) Report No. 73338-GN, June 6, 2013.

Joint IDA-IMF Staff Poverty Reduction Strategy Paper for the Republic of Guinea. Report No. 77641-GN, April 30, 2013.

World Bank (IDA), Enterprise Surveys. Guinea Country Profile, 2016.

World Bank Group Flagship Report, Doing Business 2017–2018.

World Bank Project Implementation Documents

World Bank (IDA), Financing Agreement between the Republic of Guinea and the International Development Association for the MSME Development Project. August 20, 2013.

World Bank (IDA) Restructuring Paper of the Guinea MSME Development Project. Report No. RES20125, February 2, 2016.

World Bank Aide Mémoires, Back-to-Office Reports, and Implementation Status and Results Report (ISR) of all the supervision missions from December 14, 2013 (ISR 1) to December 29, 2014 (ISR 9).

Other Project Implementation-related Documents

International Monetary Fund Guinea: Staff Report for the 2016 Article IV Consultation. Country Report No. 16/261, July 2016.

International Monetary Fund Guinea: Debt Sustainability Analysis. January 28, 2015.

Guinea Ministry of Economy and Finance, Poverty Reduction Strategy. DSRP III (2013–2015) May 2013.

Economist Intelligence Unit (2017), Guinea: Country Report.

World Economic Forum, Global Competitiveness Report 2013 and 2017–2018.



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