



USAID
FROM THE AMERICAN PEOPLE

WEEKLY REPORT: MAY 4-10, 2009

**TECHNICAL SUPPORT PROJECT FOR
SOCIAL INVESTMENT AND CAPACITY BUILDING
IN EQUATORIAL GUINEA**

CONTRACT NO. DFD I-00-05-0020 TASK ORDER NO. 2

MAY 4-10, 2009

This publication was produced for review by the United States Agency for International Development. It was prepared by DAI.

WEEKLY REPORT: MAY 4-10, 2009

**TECHNICAL SUPPORT PROJECT FOR
SOCIAL INVESTMENT AND CAPACITY
BUILDING
IN EQUATORIAL GUINEA**

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

REVIEW OF WEEKLY DEVELOPMENTS

I. BACKGROUND

Following several months of intensive technical assistance in project development and infrastructure development, the USAID/TSP helped the five Fund for Social Development (*Fondo para el Desarrollo Social*, FDS or “the Fund”) project implementing ministries develop and gain approval for 16 different second round projects from the Administration Council on April 27, 2009. In total, the FDS now has 26 total projects with financing available for implementation.¹ The FDS Secretariat and the FDS ministries now face the challenge of implementing and monitoring all of these projects simultaneously in an effective and transparent manner. To ensure the success of FDS projects, the USAID/TSP and FDS would need to dedicate significant resources to strengthening project implementing structures within the ministries and reinforcing the oversight and regulating capacity of the Fund. This includes such activities previously proposed by DAI such as the adoption of procedures manuals to establish clear rules for finances and procurement, the procurement of standard accounting software and design of a budget tracking system and the installation, staffing and training of professional Project Implementation Units (PIUs) responsible for project administration in each ministry. Adding to the urgency of effective and efficient project implementation, the FDS has come under increased scrutiny within the Government of the Republic of Equatorial Guinea (GREG) recently. This week, the Parliament called the FDS Executive Secretary to answer questions regarding the use of FDS funds and the impact of first round projects. As the amount of money disbursed to FDS projects increases with additional approved projects over the next several months, the scrutiny is likely to continue. To maintain positive political backing, the FDS must focus its efforts on implementation and accountability in the coming months, and the Fund will require significant technical assistance to complete this mission.

The USAID/TSP, however, is scheduled to close down June 30, 2009, pending an extension of its current contract and the allocation of additional resources by USAID. Former USAID/TSP Chief of Party (COP) Leony Yu Way has returned to oversee the project close down procedures through June 30. USAID/TSP Acting Contracting Office Technical Representative Kevin Sharp visited Malabo during this period to review project progress and issues, meet with GREG counterparts and discuss plans for a potential extension of the USAID/TSP through 2010 via the transfer of a third tranche of funding from the GREG to USAID.

The USAID/TSP must continue close down procedures until an extension, or letter from USAID indicating its intent grant DAI an extension with additional resources, is received. In the next week, DAI will have demobilized all consultants and will operate with only the COP, the Communications and Outreach Director and the Finance and Administration Director until project close down completes or an extension is granted. Nonetheless, the USAID/TSP will continue to make preparations for a potential

¹ This includes sixteen recently approved second round projects developed with DAI’s technical assistance, one recently approved second round project developed without DAI’s technical assistance (Construction, Equipping and Opening of National Physical Education and Sports Institute), eight first round projects currently in the implementation phase, and one first round project approved but uninitiated due to a lack of identified implementer, the Project to Extend the Malaria Control Project in the Continental Region.

extension through support to FDS projects in progress and the preparation for short, medium and long term technical assistance scenarios beyond June 30, 2009 with the project staff still in Malabo.

II. PENDING ISSUES FOR USAID/TSP AND FDS LEADERSHIP

- The Ministry of Education, Science and Sports (*Ministerio de Educación, Ciencia y Deportes*, MECD) and Exxon-Mobil's Social Development Program in Equatorial Guinea are moving toward a potentially damaging confrontation over reconstruction plans for Enrique Nvó School, one of the targets of the first-round Rehabilitation, Expansion and Construction of Schools Project. Exxon-Mobil has made previous investments in minor renovations of the school, which the MECD plans to demolish and reconstruct. Given the positions of both parties involved, mediation will likely be required by the FDS Executive Secretary, the U.S. Embassy and/or USAID to avoid a result that prohibits future collaboration between the two entities.
- The Exxon Mobil case and other recent smaller examples² of duplication of assistance efforts emphasize the need for the FDS to assume a greater leadership role in coordinating all foreign social development assistance in Equatorial Guinea. As the primary mechanism for social development resources in the GREG, the FDS is most logically placed to assume this role.
- A number of lessons have been learned from the development of first and second round projects which FDS leadership should examine moving forward to improve their social development and institutional reform planning practices.
- To maximize its investment in such areas as training; infrastructure and equipment; monitoring and evaluation; and communication, which are common to most FDS projects, the FDS leadership should establish coordinated strategies in each of these areas, with mandate across all FDS projects. Such strategies would improve the effectiveness and efficiency of FDS projects.
- The structure of project implementation units needed in each ministry for efficient project execution require discussion amongst FDS leadership and the Ministries to establish means of financing.
- The FDS Secretariat should consider an increase in staff and restructuring of management if it plans to effectively supervise what will soon be 26 total projects across five ministries, once the second round projects initiate activities. The FDS Secretariat currently does not have the capacity to monitor this many projects. It will need to ensure that it contracts qualified staff and further elaborate its management structure if it is to fulfill its intended role in the future. Information Technology tools have been helpful in monitoring and evaluation, and the USAID/TSP could provide assistance in the development of an IT-based M&E system.

² The USAID/TSP recently learned of a rural micro-credit program in development, financed by EGLNG in Malabo, a similar program to the FDS's first round Rural Women's Self-Employment Project. Additionally, the USAID/TSP has learned that the Diplomats' Wives Association in Malabo had plans to build a new construction in a part of Enrique Nvo School, a site the FDS currently plans to completely reconstruct.

III. TECHNICAL SUMMARY

DAI's technical assistance is currently focused along three main themes: assistance to the MECD in the execution of a large educational center infrastructure project; the adoption of transparent and efficient practices for the successful implementation of financed FDS projects; and the ongoing development of additional FDS projects. The tables below detail progress and issues with each component:

Infrastructure Component:

DAI is providing technical assistance to implement the design portion of a project to Rehabilitate, Expand or Reconstruct Educational Centers for the Ministry of Education, Science and Sports (MECD). Three schools will be renovated and 13 will be reconstructed as new. As part of this project DAI is financing the development of national model school designs for preschool and primary schools, to be used for the new schools to be reconstructed.

<u>Technical Sub-Area</u>	3 Schools to Renovate	4 New Schools with Property Identified	9 New Schools with No Property Identified	Model School Designs
<u>Achievements</u>	<p>-Adjusted basic architectural design for Patricio Lumumba school, based on recent topographical survey showing a significantly smaller property area for P. Lumumba than reported by school officials in November 2008.</p> <p>-Final basic architectural designs for Bioko Norte, Acacio Mañe and P. Lumumba schools are completed.</p>			
<u>Activity Summary</u>	<p>-Adjustments to P. Lumumba basic architectural design based on topographical survey results.</p> <p>-Architectural consultant final report for basic architectural designs developed.</p>	<p>- Sub-Contractor Apside is working on developing final blueprints for Enrique Nvó school. On schedule to complete blueprints for Terms of Reference in June 2009.</p> <p>- Models for new schools could be based on Enrique Nvó design.</p>	<p>- Program Committee coordination of trip to main land to identify precise properties for these schools is pending.</p>	<p>-Design for Enrique Nvó to be used as model and is expected to be completed in June.</p> <p>-Preschool and primary schools are being developed for Enrique Nvó by sub-contractor Apside A&E. Designs to be completed in June.</p>
<u>Problems</u>	<p>-Final detailed architectural design for rehabilitation is pending.</p>	<p>-A coordinated visit with the Ministries of Infrastructure, Interior and Education has not been programmed by the MECD Program Committee.</p>	<p>-Precise properties must be identified and surveyed before blueprint production can begin, based on model school designs.</p> <p>-No further activities on these projects due to lack of funds.</p>	<p>-Soil testing report results for Enrique Nvó school site still pending.</p>
<u>Recommendation</u> S	<p>-Transfer of responsibility for development of final blueprints for B. Norte, A. Mañe and P. Lumumba schools to the MECD under Construction, Rehabilitation and Expansion of Schools Project: Construction Phase.</p>	<p>-Transfer of responsibility for development of final blueprints for all three schools other than Enrique Nvó to the MECD under Construction, Rehabilitation and Expansion of Schools Project: Construction Phase</p>	<p>-Transfer of responsibility for contracting of surveyors and draftsmen for development of final blueprints for all four schools to the MECD under Construction, Rehabilitation and Expansion of Schools Project: Construction Phase.</p>	<p>-The first soil testing report expected by May 11. Final report to be sent to Sub-Contractor Apside A&E May 15.</p>

Project Implementation Component:

DAI is providing guidance to project implementing staff in each ministry as they implement projects already financed while they promote the adoption of a series of standard systems and structures for the FDS. These include the adoption of three procedures manuals for all FDS projects (Operations Manual, Finance and Administration Manual and Infrastructure Supervision Manual), the incorporation of Project Implementation Units in each ministry with FDS projects and the development of a standard accounting system for the FDS.

<u>Technical Sub-Area</u>	FDS Project Progress	Procedures Manuals	Project Implementation Unit	Accounting System
<u>Achievements</u>	- No achievements to report this period.	- Final versions of all manuals finalized. -Standard construction contractor bidding process documents finalized.	- No achievements to report this period.	- No achievements to report this period.
<u>Activity Summary</u>	-Seminar in development to approve model school designs for Rehabilitation, Expansion and Construction of Educational Centers Project. -Acting COP Ligia Carvajal accompanied FDS Exec. Sec. in his presentation to Parliament.	-Modifications to F&A Manual and Operations Manual and Infrastructure Supervision Manual.		
<u>Problems</u>	-Delays in implementation of many first round projects due to current one-month incremental funding practice adopted by FDS Secretariat.	-Executive Secretary unavailable to meet regarding plan of action for approval of procedures manuals by FDS leadership.	-To implement PIUs, GREG must dedicate adequate qualified personnel, a consistent accounting system, approved accounting and administrative procedures and sufficient equipment and office space, none of which has been assigned by the GREG.	-This component has been removed from DAI's current technical assistance plans due to lack of funding for necessary software and trainers. -DAI awaiting approval of PIU Advisor rate approval to help develop standard accounting system for FDS.
<u>Recommendations</u>	-Expansion of incremental funding periods to trimesters.	-Request for plan of action or timeline for adoption of procedures from the Executive Secretary.	-Follow up report following Administration Council meeting to FDS leadership from DAI regarding nature and level of resources required to implement the PIUs for each ministry with FDS projects.	-Resume implementation plans upon a modification of the contract to provide additional funds. -DAI to reexamine bids received in March 2009 bid process to determine the software needed in preparation for acquisition should an extension be granted. -PIU Advisor rate approval or denial.

Project Development Component:

The FDS Executive Secretary has asked the FDS to help five GREG ministries develop up to 16 projects for presentation for financing approval at an April 15 meeting of the FDS Administration Council.

Technical Area: Project Development

Reporting Coordinator: Peter Dugan

<u>Technical Sub-Area</u>	Ministry of Social Affairs and Women's Promotion	Ministry of Education, Science and Sports	Ministry of Interior and Local Corporations	Ministry of Fishing and Environment	Ministry of Health and Social Welfare	Other Issues
<u>Achievements</u>						
<u>Activity Summary</u>	-No project development activity this period.	-No project development activity this period.	-No project development activity this period.	-No project development activity this period.	-No project development activity this period.	-Review of list of remaining FDS projects not developed for approval.
<u>Problems</u>						
<u>Recommendations</u>						

III. ADMINISTRATIVE SUMMARY

Major Issues Covered in COTR Visit:

- FDS Audit: COTR will seek a waiver of the audit requirement under the current USAID/TSP contract.
- Potential Contract Extension: DAI requested a signed Letter of Intent indicating the extension of the contract with DAI. Upon receipt of a Letter of Intent USAID, DAI would be able to stop close-down procedures because it indicates the extension of the project. Sharp indicated that the project is likely to receive a temporary extension of the project through August 6, 2009, the end of the third option year under the original BRDG contract year, once USAID confirms the receipt of the third tranche of funding from the GREG to the U.S. Treasury. This temporary extension would serve until USAID can develop a new Terms of Reference for a modified USAID/TSP contract that would include a full year's extension.
- Disposition Plan: In the event of closedown, DAI was previously instructed that it would be responsible for disposing of all project property at the U.S. Embassy in Malabo or at a location designated by the COTR. COTR agreed to confirm with U.S. Embassy its willingness to temporarily accept project inventory, and Sharp stated that it would be likely that a USAID/West Africa official would come to Malabo to oversee the submission of project equipment.
- TCN Evacuation Procedures: Sharp secured the verbal commitment of the U.S. Embassy in Malabo to accept responsibility for all non-U.S. citizen expatriate staff members of the USAID/TSP.
- Six-Day Workweek for Long-Term Personnel: Sharp agreed to verify whether or not USAID permits a six-day billable workweek for long-term staff under this project. If permitted, Sharp agreed to grant USAID/TSP long-term personnel a six-day billable workweek, as short term consultants on the project already receive.

Short Term Technical Assistance (STTA) Mobilization Plans:

- Organizational Development Expert: Ligia Carvajal.
 - Mobilization Status: scheduled to demobilize May 15.
- Infrastructure Specialist: Oscar Callejas.
 - Mobilization Status: scheduled to demobilize May 15.
- Education Architect: Juan José Tejada.
 - Mobilization Status: demobilized May 8.
- Manual Writer: Osmar Velasco.
 - Mobilization Status: demobilized May 8.

Leave:

- Personal Leave: Finance and Administration Director Lauren Quillian will be on personal leave from May 22 to May 30.
- Medical Leave: COP Leony Yu Way returned from medical leave to Malabo May 6.

Local Staff:

Given local labor law and current project close down plans, the USAID/TSP must notify all local staff that they will be dismissed in one month on May 23.