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WEEKLY REPORT: MAY 25-31, 2009

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

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REVIEW OF WEEKLY DEVELOPMENTS

I. BACKGROUND

Following several months of intensive technical assistance in project development and infrastructure development, the Technical Support Project of the United States Agency for International Development (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 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 project implementation, the FDS has come under increased scrutiny from the Parliament of the Government of the Republic of Equatorial Guinea (GREG) recently. To strengthen 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 has been working with GREG ministries with first round projects to both accelerate project implementation and help them adopt best practices for transparent and accountable project management, as indicated by proposed FDS procedures manuals. DAI has worked with Program Committee (PC) staff from the Ministry of Education, Science and Sports (*Ministerio de Educación, Ciencia y Deportes*, MECD) and the Ministry of Social Affairs and Women’s Promotion (*Ministerio de Asuntos Sociales y Promoción de la Mujer*, MINASPROM) to prepare requests for funding for the next several months of activities for their first round projects, and the USAID/TSP worked with MINASPROM PC staff on a detailed workplan for the first trimester of funding for the Rural Women’s Self-Employment Project, through instruction on the use of an advanced project management software. DAI is working to promote the use of transparent practices in project management by instructing the PCs with first round projects in the forms and procedures elaborated in the proposed FDS procedures manuals. PCs have already employed the standard model for requests for funding, and DAI will conduct a one-day workshop on project expenditure reconciliation procedures found in the Finance and Administration Manual. Since it is unclear when the second round projects will have financing available, DAI decided to train the Ministries of Interior and Local Corporations (*Ministerio de Interior y Corporaciones Locales*,

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.

MICL) and Ministry of Fishing and Environment (*Ministerio de Pesca y Medio Ambiente*, MPMA) PCs on these practices at a time closer to the implementation of their projects. In the meantime, the Programs Manager of the FDS Secretariat has been working with staff of various ministries to install baseline information for second round projects into the FDS's Project Information Management Software.

Due to funding and approval delays, DAI has been unable to provide the full amount of technical assistance needed by the GREG ministries at this time. DAI submitted a request for unobligated funds under its current contract which would extend the project to October 31, 2009, which would allow the project to mobilize a number of consultants that would facilitate the efficient and transparent implementation of FDS projects. These include a PIU Advisor, a Construction Bidding Expert, a Human Resources Specialist and a Communications Specialist. A planned USAID/TSP partners meeting to plan technical strategy for an additional year of the project is likely to be postponed due to the unavailability of USAID/West Africa staff. DAI continues its close-down activities, as it has not received any project extension beyond its current June 30, 2009 end date.

II. PENDING ISSUES FOR USAID/TSP AND FDS LEADERSHIP

- GREG counterparts have repeatedly demonstrated a misunderstanding of the nature and operations of USAID and its contracting mechanism. Most recently, this could be a contributing factor in the tardy disbursement of funds to the U.S. Government for the third tranche of funding for the USAID/TSP. USAID should consider delivering a detailed explanation of USAID operations to high level FDS leadership, so they understand and can work more constructively with both USAID and USAID contractor counterparts in the future.
- The 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.

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 part of Enrique Nvó School, a site the FDS currently plans to completely reconstruct.

- 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 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.

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>		-First report for soil analysis report for Enrique Nvó school completed by sub-contractor and delivered to sub-contractor Apside Architecture and Engineering (Apside A&E) for use in development of final blueprints.		
<u>Activity Summary</u>	-No activity to report this period.	-Apside A&E is working on developing final blueprints for Enrique Nvó school for July 2009 competitive bidding process.	-No activity to report this period.	-Models for new schools could be based on Enrique Nvo design. -Preschool and primary schools are being developed for Enrique Nvo by sub-contractor Apside A&E. Designs to be completed in June.
<u>Problems</u>		-Executive Secretary has not indicated his intention to approve the Infrastructure Procurement Rules proposed by DAI May 21, a prerequisite for a bidding process for the construction on Enrique Nvó.		
<u>Recommendations</u>		-Communication of delay in approval of Infrastructure Procurement Rules by Executive Secretary and implications for Enrique Nvó construction to MECD. -Urgent rate approval of Medrano by USAID.		

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>	-Requests for additional funding for five first round projects from MECD and MINASPROM completed.		-Submission of a proposal for one PIU within the FDS Secretariat responsible for administrative supervision of all FDS projects to FDS leadership.	
<u>Activity Summary</u>	-Development of new requests for funding for first round projects with MECD and MINASPROM Program Committees. -Development of detailed workplans for the next trimester's funding for MINASPROM Rural Women's Self-Employment Project. -Installation of second round project baseline information in the Project Information Management Software by FDS Programs Manager and staff from MECD, MINASPROM and MSBS with DAI guidance.	-Preparation for a planned workshop on reconciliation of project expenditures, in preparation for submission of requests for additional funds for first round projects. Reconciliation formats based on those developed for proposed Finance and Administration Manual. -Proposed infrastructure procurement rules submitted to FDS Executive Secretary May 21 for approval.	-Development of modified PIU proposal, creating a single PIU within the FDS Secretariat responsible for administrative supervision of all FDS projects.	-No activity to report this period.
<u>Problems</u>	-If the current one-month incremental funding practice adopted by FDS Secretariat for the first disbursements of project funds in November 2008 continues, first round FDS projects will continue to suffer serious delays, and the projects will produce very few results in the next few months.	-Executive Secretary unavailable to meet regarding plan of action for approval of procedures manuals by FDS leadership.	-To implement PIU within the Secretariat, 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 FDS Secretariat yet.	-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.

<p><u>Recommendations</u></p>	<p>-Expansion of incremental funding periods to trimesters. -Submission of requests for full trimester of funding to Secretariat in pending first and second round funds disbursement requests.</p>	<p>-USAID/TSP is employing procedures manuals in work with each Program Committee to prepare for more intensive implementation of first round projects, including in reconciliation of project expenses and requests for new funds.</p>	<p>-Urgent decision on proposed PIU Advisor rate by USAID. -Development of detailed personnel requirements and operational budget for Secretariat PIU, once PIU Advisor Maria Luisa Salvatierra arrives to Malabo.</p>	<p>-Urgent decision on proposed PIU Advisor rate by USAID. -Resume implementation plans upon a modification of the contract to provide additional funds. -DAI to conduct full bid analysis with FDS Secretariat in preparation for an extension.</p>
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Project Development Component:

The Prime Minister requested that the USAID/TSP help the FDS to develop additional projects for approval beyond the first and second round projects. Of the previously identified group of projects, twenty-three remain to be developed.

<p><u>Technical Sub-Area</u></p>	<p>Ministry of Social Affairs and Women's Promotion</p>	<p>Ministry of Education, Science and Sports</p>	<p>Ministry of Interior and Local Corporations</p>	<p>Ministry of Fishing and Environment</p>	<p>Ministry of Health and Social Welfare</p>
<p><u>Achievements</u></p>					
<p><u>Activity Summary</u></p>	<p>-No project development activity this period.</p>	<p>-No project development activity this period.</p>	<p>-No project development activity this period.</p>	<p>-No project development activity this period.</p>	<p>-No project development activity this period.</p>
<p><u>Problems</u></p>					
<p><u>Recommendations</u></p>					

III. ADMINISTRATIVE SUMMARY

USAID/TSP Contract Termination/Extension:

Despite the recent transfer of funds from the GREG to the U.S. Government, the USAID/TSP is still scheduled to close down June 30, 2009. The current close-down situation is the following:

- USAID/TSP Staff: notification of contract termination to all permanent local and expatriate staff delivered.
- Project Property: notification of departure of premises to landlord delivered.
- Project Inventory: project inventory complete and quotes for delivery of materials to USAID received. Confirmation of U.S. Embassy as reception site to be received.
- Final Report: outline for final report drafted.
- USAID/TSP Request for Unobligated Funds: USAID/TSP submitted a request for unobligated funds under its current contract which would extend the project to October 31, 2009. This extension would provide USAID time to develop a modification to the current contract for a larger extension of the project with a portion of the funds recently transferred to the U.S. Government from the GREG.

Paris Planning Meeting:

- Delays: meeting between USAID, DAI and FDS representatives scheduled for June 15-17, 2009 in Paris is likely to be postponed due to the unavailability of USAID personnel.
- New Plans: meeting likely to be postponed until September 2009, given the travel restrictions placed on USAID/WA personnel for the end of June and first half of July due to U.S. President Obama's visit to Ghana and the traditional vacation period for GREG Ministers in July and August.

STTA Mobilization:

- Project Implementation Unit Advisor: Maria Luisa Salvatierra
 - *Mobilization Status*: awaiting rate approval from Contracts Officer (CO).
- Construction Bidding Expert: Jaime Medrano
 - *Mobilization Status*: awaiting rate approval from CO.

TCN Evacuation Procedures:

- TCN Evacuation Procedures: Consul for the United States in Equatorial Guinea verbally committed to accept evacuation responsibility for all non-U.S. citizen expatriate staff members of the USAID/TSP and indicated the information required from the USAID/TSP to comply with this request. Written commitment from U.S. Embassy pending.

Leave:

- Personal Leave: Finance and Administration Director Lauren Quillian returned from personal leave May 30 and will return to the USAID/TSP office June 1.