

AFRICAN DEVELOPMENT BANK GROUP



GUINEA

SUPPORT PROJECT FOR BUILDING THE ADMINISTRATION'S CAPACITY FOR INTEGRATED PROJECT MANAGEMENT (PARCA – GPI)

APPRAISAL REPORT

OSGE/GECL
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Document traduit

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Currency Equivalents

(February 2016)

Currency Unit: Guinean Francs (GNF)

UA 1 = USD 1.38

UA 1 = EUR 1.26

UA 1 = GNF 1 0671.27

Fiscal Year

1 January - 31 December

Acronyms and Abbreviations

AFD	French Development Agency
AfDB	African Development Bank
ALSF	African Legal Support Facility
AWPB	Annual Work Programme and Budget
CC	Consultation Framework
CCER	Economic Coordination and Reform Council
CSMP	Sector-Based Public Procurement Commission
CSP	Country Strategy Paper
ESIA	Environmental and Social Impact Assessment
EI-TAF	Extractive Industries - Technical Advisory Facility
GAP	Governance Action Plan
GCF/PTFs	Global Consultation Framework for Technical and Financial Partners
GDP	Gross Domestic Product
Govt.	Government
GS	Sector Group
HDI	Human Development Index
GII	Gender Inequality Index
ISA	International Standard on Auditing
FE	Foreign Exchange
IMF	International Monetary Fund
LDC	Least Developed Country
SME	Small and Medium-sized Enterprise
MASEF	Ministry of Social Affairs, Children and the Family
LC	Local Currency
UAM	Unit of Account Million
MDG	Millennium Development Goal
NGO	Non-Governmental Organization
NA	Not Applicable
NGP	National Gender Policy
PARCA-GPI	Administrative Capacity Building Project for the Management of Integrated Projects
PCR	Project Completion Report
PPIAF	Public-Private Infrastructure Advisory Facility
PIP	Public Investment Programme
PMU	Project Management Unit
PRSP	Poverty Reduction Strategic Paper
TFPs	Technical and Financial Partners
ToR	Terms of Reference
TSF	Transition Support Facility
UA	Unit of Account
UNDP	United Nations Development Programme
US	United States
ADF	African Development Fund
USD	United States Dollar
VAT	Value Added Tax
WB	World Bank

Project Information Sheet

Client Information

BORROWER: Republic of Guinea

EXECUTING AGENCY: PARCA-GPI will be implemented by a Management Unit attached to the Office of the Minister of Mines and Geology, which will comprise a Coordinator, a Deputy Coordinator, a Procurement Expert, an Administrative and Financial Manager, an Accounting Officer, and a Monitoring and Evaluation Expert.

Financing Plan

Source	Amount (UA)	Instrument
ADF	4.00 million	Grant
TSF	2.00 million	Grant
Government	0.86 million	
TOTAL COST	6.86 million	

Key ADF Financial Information

Grant Currency	UA
Interest Type	NA
Interest Rate Margin	NA
Commitment Fee	NA
Service Charge	NA
Tenor	NA
Grace Period	NA
FRR, NPV (baseline scenario)	NA
ERR (baseline scenario)	NA

Timeframe – Key Milestones (expected)

Preparation Mission	January/February 2016
Concept Note Approval	February 2016
Appraisal Mission	February 2016
Project Approval	July 2016
Effectiveness	July 2016
Completion	30 June 2020
Last Disbursement	30 June 2020

Project Summary

Project Overview	<p><i>Project Name:</i> Building the Administration's Capacity for the Management of Integrated Projects (PARCA-GPI)</p> <p><i>Geographic Reach:</i> Nationwide</p> <p><i>Project Period:</i> 48 months (July 2016 – June 2020)</p> <p><i>Project Cost:</i> UA 6.86 million (UA 4.00 million from ADF; UA 2.00 million from TSF; and UA 0.86 million from the Government)</p>
Project Objectives	<p>PARCA-GPI seeks to build the Administration's capacity for integrated project management so as to stimulate strong and inclusive economic growth. The Project comprises three components: (i) Technical assistance for the implementation and monitoring of integrated mining projects; (ii) Building the Administration's capacity for the implementation and monitoring of integrated mining projects; and (iii) Support for management and coordination. The Simandou Project is used as reference for justifying and defining PARCA-GPI activities. The first component aims to support the authorities in setting up an autonomous unit with the human, material and technical capacities required for implementing and supervising mining projects, and a Permanent Secretariat for processing administrative procedures relating to authorizations, licences and permits. The unit will be responsible for managing files relating to the two components of the Simandou Project, namely the mining component and the infrastructure component (port and railway). The second component of PARCA-GPI seeks to support the authorities in maximizing the socio-economic benefits of the Simandou Project. The support includes: (i) the establishment of tax and customs administration units to support the project; (ii) the implementation of their local content policy developed with AfDB support to facilitate the participation of local enterprises and job creation; (iii) the implementation of a land tenure policy that respects the interests and rights of the directly affected communities, as well as environmental impact management; and (iv) the impact on gender throughout the construction and operation of the Simandou Project.</p>
Needs Assessment	<p>Governance deficiencies and weak institutional capacity are major constraints to the sustained and inclusive growth of the Guinean economy. Indeed, despite the huge soil and subsoil wealth, as well as the adoption of successive poverty reduction strategies, the country's economic performance remains mixed and the prevalence of poverty has continued to increase, going from 53% in 2007 to 55.2% in 2012. Poverty remains high in rural areas (65%), although urban poverty has also increased (from 30% in 2007 to 35% in 2012). Furthermore, the economic performance over the past few years has been adversely affected by the Ebola epidemic that hit the country in 2014. The economic growth stood at 1.1% and 0.1% in 2014 and 2015 respectively. Guinea is faced with the challenge of increasing its domestic resources to finance its economic development, which would guarantee the country's emergence from its characteristic situation of fragility. The operation of the Simandou iron ore mine and the related infrastructure will substantially improve State revenue, create new employment opportunities not only in Simandou region, but also all along the 650 km-long Conakry-Simandou Corridor that will be opened up by the railway that will run across the region and will be used for transporting goods and passengers. The project developers have finalized the bankable feasibility study and are currently mobilizing the financing. In all, more than USD 2 billion have been invested to develop the project (see Technical Annex A2 on the presentation of the Simandou Project). The project partners have already funded studies with major field activities for infrastructure development. Significant amounts were allocated to capital expenditure (capital goods), community and environmental activities as well as drilling, geological and support for the construction. However, the administration's weak capacities, especially as regards project management, coordination of the various government functions, processing of applications, permits, licences, and protection of the country's interests in community development, local content, and social and environmental impact hamper the Simandou Project. In addition, the scope of the project, with construction costs estimated at USD 18 billion and the development of infrastructure running across the country, is a major challenge. To remedy these institutional and organizational constraints, PARCA-GPI seeks to build public administration capacity in the implementation and monitoring of integrated projects, particularly the Simandou Project.</p>
Target Beneficiaries	<p>The direct beneficiaries of PARCA-GPI are: (i) central, regional and sector-based administrative entities in charge of the implementation and monitoring of the Simandou Project, in particular, the Ministry of Mines and Geology, the Ministry of the Budget (customs and taxation), the Ministry of Environment, the Ministry of Territorial Administration, business registration offices, the Beyla, Forécariah and Faranah National Employment Offices and women's NGOs; (ii) economic operators, including women entrepreneurs, who will benefit from the easing of procedures for obtaining administrative documents for their business, and the rail and port infrastructure to be built. The indirect beneficiaries are: (i) the State of Guinea because of the improvement in its financial resources as a result of the tax and customs revenue collected and the stimulation of economic activity around the Simandou Project; and (ii) the Guinean population, as a whole, which will benefit from the economic spin-offs (employment for young people and women, as well as business opportunities) and the social impact (poverty reduction) of the Simandou Project.</p>

Outcomes and Impact	The main expected outcomes are: (i) increased efficiency of the Guinean administration in the monitoring and implementation of mining sector development projects; (ii) improved governance in the mining sector, with the mainstreaming of social, environmental and land-related aspects; (iii) development of the local private sector and job creation with the implementation of the Local Content Policy; (iv) increased State revenue derived from the mining sector and greater contribution of the mining sector to the country's economic development; and (iv) strong and inclusive economic growth.
Bank's Value Added	The Bank's comparative advantages and value added in this operation stem from the experience that the institution has gained over the years in the design and implementation of institutional capacity building projects in Member States. In Guinea, the Bank is involved particularly in the mining sector where it is supporting the revision of mining contracts. Under the Simandou Project, the Bank has been supporting the Government for two years in negotiations relating to the project development and formulation of the Local Content Policy. Furthermore, synergies between Bank-financed capacity building, poverty reduction and sector-based projects will provide holistic support to reduce constraints on the country's potential for growth and socio-economic progress.
Knowledge Building	The implementation of PARCA-GPI will foster the development of several types of knowledge, in that the technical assistance to be provided will entail a transfer of knowledge and skills to national officials, who will also receive technical training. In addition, PARCA-GPI will provide Guinean public administrative services with modern working tools (information system, file-processing procedures manual, and the action plan for implementation of the Local Content Policy). Sensitization activities will also be organized for the Guinean population to ensure better understanding of the Simandou Project, and its environmental, social and land-related impact.

Results-Based Logical Framework

Country and Project Name: Guinea – Support Project for Building the Administration’s Capacity for Integrated Project Management (PARCA-GPI)
Project Goal: Build the administration’s capacity for integrated project management to stimulate strong and inclusive economic growth.

	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline Situation	Target		
IMPACT	Economic growth is strong, inclusive, and contributes to reducing poverty and regional disparities	Annual average GDP growth rate	0.1% in 2015	5% in 2022	IMF macroeconomic framework	<u>Risk:</u> Political instability <u>Mitigation measures:</u> Political tensions seem to have subsided since the holding of parliamentary elections in 2013 and the presidential elections in 2015.
		Overall poverty prevalence rate (in rural areas)	55.2% (65% in zones rural areas) in 2012	50% (60% in rural areas) in 2022	National Statistics	
OUTCOMES	Outcome I: The business climate is improved in the mining sector	Time frame for issuing a mining licence	180 days in 2015	30 days in 2020	Ministry of Mines and Geology (report on the Simandou project)	<u>Risk:</u> Discouragement of inventors because of red tape <u>Mitigation measures:</u> The project supports the establishment of permanent structures for the Simandou project (Coordination Unit, Permanent Secretariat, dedicated Customs and Tax Offices) which will be supported by international technical assistance specialized in mining projects.
		Mining product exports as a percentage of GDP	17% in 2015	20% in 2020	IMF macroeconomic framework	
	Outcome II: The socio-economic impact of the Simandou project is improved	Number of jobs generated by the Simandou project (including for youths and women)	-	10 000 (at least 2 000 for youths and 2 000 for women) in 2020	Ministry of Mines and Geology (report on the Simandou project)	
		Budget revenue from the mining sector as a percentage of overall budget revenue	16% in 2015	20% in 2020	IMF Report (Government Flow of Funds Table)	
OUTPUTS	COMPONENT I: TECHNICAL ASSISTANCE FOR IMPLEMENTATION AND MONITORING OF INTEGRATED MINING PROJECTS					<u>Risk:</u> Poor coordination of the project activities <u>Mitigation measures:</u> The establishment of a Steering Committee that includes all project beneficiaries, the private sector and civil society will ensure the participation of all stakeholders. Project activities will be coordinated by the Ministry of Mines and Geology which manages the Simandou project and coordinates the various Ministries involved in the sector. In addition, a Project Management Unit will be set up. <u>Risk:</u> Fiduciary management and procurement-related risk <u>Mitigation measures:</u> The project team will include two financial management and procurement experts to be recruited on a competitive basis. A monitoring and evaluation expert will be recruited to monitor the project implementation on a regular basis and produce combined progress and financial reports.
	I.1 Operationalization of the Coordination Unit	I.1.1 Number of national officials in the Unit that receive training (including women)	0 in 2015	10 (including at least 3 women) before end-2016	Project implementation reports	
		I.1.2 Number of technical analyses conducted by the technical assistance	-	At least five (5) analyses conducted on complex technical files before end-2018	Project implementation reports	
	I.2 Operationalization of the Permanent Secretariat	I.2.1 Number of national officials in the Permanent Secretariat given training (including women) in 2015)	0 in 2015	15 (including at least 5 women) before end-2016	Project implementation reports	
		I.2.2 Number of investors' application files for permits, licences and authorizations that were processed	0 in 2015	At least 100 files are processed between 2016 and 2018	Project implementation reports	
	COMPONENT II: BUILDING THE ADMINISTRATION'S CAPACITY FOR IMPLEMENTATION AND MONITORING OF INTEGRATED MINING PROJECTS					
	II.1 Strengthening the effectiveness of tax and customs units	II.1.1 Number of national officials assigned to dedicated Tax and Customs Offices (including women)	0 in 2015	20 (including at least 5 women) before end-2016	Project implementation reports	
		II.1.2 Installation of SidonyaWorld at the dedicated Customs Office	SidonyaWorld is operational at the Airport Pilot Site	SidonyaWorld is operational at the dedicated Customs Office before end-2017	Project implementation reports	
	II.2 Promotion of the Simandou project local content	II.2.1 Number of businesses (including those owned by women) registered at the Beyla, Forécariah and Faranah business registration offices	0 in 2015	At least 5 000 (with women-owned SMEs accounting for at least 20% and young entrepreneurs for 10%)	Project implementation reports	
		II.2.2 Number of people (including women and youths) registered at the Beyla, Forécariah and Faranah National Employment Offices	0 in 2015	At least 20 000 (5 000 women and 5 000 youth) between 2015 and 2020	Project implementation reports	
		Number of local suppliers that have benefited from the reimbursement scheme and VAT exemption	-	At least 5 000 local suppliers between 2015 and 2020	Project implementation reports	
	II.3 Control of impact on the environment and land tenure of integrated projects	II.3.1 Number of operational Land Commissions	0 in 2015	Ten (10) operational Land Commissions before end-2016	Project implementation reports	
		II.3.2 Number of inspections carried out by the Ministry of Environment	-	At least 15 environmental inspections between 2016 and 2020	Ministry of Environment	

KEY ACTIVITIES		II.3.3 Number of training workshops on environmental management organized for the Ministry, Prefectures, National Environment Bureau, Forestry, and Parks and Reserves	-	At least four (4) training workshops on environmental management between 2016 and 2020	Project implementation reports
		II.3.4 Number of consultation workshops organized for the population (including women's NGOs) on issues relating to environmental impact and land tenure	-	At least six (6) consultation workshops organized for the population (including women's NGOs) on issues relating to environmental and land-related impact between 2016 and 2020	Project implementation reports
	II.4 Strengthening of the gender impact	II.4.1 Number of women's SMEs trained to prepare bid documents at Rio Tinto and to be Rio Tinto sub-contractors	-	500 women's SMEs trained to prepare bid documents and become sub-contractors before June 2020	Project implementation reports
		II.4.2 Number of consultation workshops organized with women on business development issues in the mining sector in 2015	0 in 2015	At least four (4) consultation workshops held with women before June 2020 (2 in 2017 and 2 in 2018)	Project implementation reports
	COMPONENT III: PROJECT MANAGEMENT AND COORDINATION				
	III.1 Strengthening of project management	III.1.1 Establishment of the Project Steering Committee	The Committee is not yet established.	The Project Steering Committee is established before end-July 2016	Project implementation reports
	III.2 Production of project quarterly reports	III.2.1 Number of project implementation quarterly reports produced in 2015	0 in 2015	14 before end-June 2020	Project implementation reports
KEY ACTIVITIES	COMPONENTS				RESOURCES
	<p>Component I: Technical assistance for implementation and monitoring of integrated mining projects: availability of national and international experts and consulting firms; training; IT and office automation equipment; organization of consultation workshops with national stakeholders and international investors.</p> <p>Component II: Building the administration's capacity for implementation and monitoring of integrated mining projects: Technical assistance activities: availability of national and international experts and consulting firms; training; IT and office automation equipment; organization of consultation workshops with national stakeholders and international investors.</p> <p>Component III: Project management and coordination: Monitoring and evaluation system, annual audits; Material capacity building activities: IT and office automation equipment.</p>				<p>Resources:</p> <p>Component I: UA 3.35 million</p> <p>Component II: UA 2.38 million</p> <p>Project management: UA 0.74 million</p> <p>Contingencies: UA 0.39 million</p> <p>Total: UA 6.86 million (UA 4.00 million from ADF; UA 2.00 million from the TSF and UA 0.86 million in Government counterpart funds)</p>

Provisional Project Implementation Schedule

[illegible]

REPORT AND RECOMMENDATION OF BANK GROUP MANAGEMENT TO THE BOARD OF DIRECTORS CONCERNING A GRANT FOR THE SUPPORT PROJECT FOR BUILDING THE ADMINISTRATION'S CAPACITY FOR INTEGRATED PROJECT MANAGEMENT

The proposal submitted to the Board for approval concerns the award of a grant of UA 4 million from the resources of the African Development Fund (ADF) and a grant of UA 2 million from the resources of the Transition Support Facility (TSF) to the Republic of Guinea to finance the Support Project for Building the Administration's Capacity for Management of Integrated Projects (PARCA-GPI). It is an institutional support project to be implemented over the 2016-2020 period aimed at building the administration's capacity for management of integrated mining projects so as to stimulate strong and inclusive economic growth. The PARCA-GPI will support the implementation of the Simandou project which is an integrated project (mine, railway and port). This project is used as a starting point. In the medium term, the government intends to use the system and the institutions that will be established to manage the integrated projects that are under development¹.

I Strategic Orientation and Rationale

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 The Government's medium-term strategic guidelines were defined in the 2011-2015 Five-Year Plan. Longer-term guidelines will be defined in the "Guinea 2035" Vision, which is being finalized. The Five-Year Plan, which is the first sequence of the implementation of the Vision, seeks to ensure sustainable growth that protects the environment and benefits all social categories. It includes all Government actions, and provides guidelines enabling private sector operators to supplement Government operations so as to accelerate the country's economic and social development. The four priority pillars of the third-generation Poverty Reduction Strategy Paper 2013-2015 (PRSP III) which was extended to cover the year 2016 stem from the general guidelines of the Plan defining the Government's medium-term development vision. A new 2016-2020 Five-Year Plan is being prepared, and will constitute the framework for Technical and Financial Partners (TFP) operations on which PARCA-GPI will be based as from 2017. The axes of the new plan are not yet defined but governance continues to be a priority expressed by the authorities.

1.1.2 PRSP III (2013-2015) is the single unifying framework around which the overall development planning process is centered, in accordance with the guidelines of the 2011-2015 Five-Year Plan. It is based on four strategic areas: (i) governance and institutional and human capacity building; (ii) growth acceleration, diversification and sustainability; (iii) infrastructure development to support growth; and (iv) improvement of access to basic social services. The Bank's intervention strategy in Guinea for the 2012-2016 period is underpinned by two pillars: (i) economic and financial governance; and (ii) development of core infrastructure. PARCA-GPI is aligned on the Bank's PRSP and CSP 2012-2016, especially with their focus areas on governance and infrastructure development. The Government intends to extend the PRSP to 2016 with the same focus areas and to better highlight the risks of Ebola and terrorist threats. PARCA-GPI is also linked to the 2015-2017 Post-Ebola Socio-economic Recovery and Resilience Strategy in economic sectors (industry, SMEs and mining), social sectors (support for women's economic empowerment) and the governance sector (public finance, especially taxation and customs).

1.1.3 Furthermore, a local content policy for the Simandou Integrated Mining and Infrastructure Project was approved in July 2015. The objectives of this policy are to: (i) strengthen integration into the local economy; (ii) develop a sustainable local supply and procurement network for the Simandou Project; and (iii) strengthen, over time, the employment of Guineans in the Simandou Project. Key enabling activities identified for the Government to implement with the support of its

¹ PARCA-GPI will also facilitate the implementation of the "Boké Mine-Rail-Port" Project which the Bank has undertaken to finance.

development partners are: (1) Adoption of a VAT reimbursement and exemption plan; (2) Commitment of the Diaspora; (3) Facilitation of business activities; (4) Business listing process; (5) Facilitation of access to financing; (6) Supplier listing process; (7) SME support programme; (8) Stable legal and regulatory environment; (9) Technical and vocational training; and (10) Physical infrastructure. PARCA-GPI will support focus areas 3, 4, and 7 of the Local Content Policy.

1.1.4 Given the issues and challenges that need to be addressed in the area of gender, the Government's vision is to build a society that is free of all forms of inequality and inequity and provide to all persons (men and women, girls and boys) the opportunity to achieve their full development potential. The overall goal of the National Gender Policy (NGP), approved in January 2011, is to promote, by 2020, gender equality and equity through significant and sustained reduction in all forms of gender-based disparities and discrimination. PARCA-GPI is in line with focus area 3 (access, control of resources and equitable distribution of incomes) and focus area 4 (improvement of governance and equitable access to decision-making bodies) of the National Gender Policy. Indeed, the Project will, in accordance with focus area 3, support: (i) the development of economic advancement opportunities for women through improved access to natural resources and employment; (ii) strengthening of the participation of women/men in activities relating to the management and control of natural resources, as well as to the environment and living conditions; and (iii) entrepreneurial capacity building for women with a view to their empowerment. In addition, it will help, in accordance with focus area 4, to create conditions conducive to women's effective participation in power management.

1.1.5 The project is also consistent with the guidelines of the Bank's 2013-2022 Strategy and two fundamental High-Fives priorities, namely industrialize Africa and integrate Africa. Indeed, it helps improve the business climate in the mining sector and supports the implementation of rail and port infrastructure projects. These infrastructures will promote integration with countries of the subregion. Employment and gender are also considered in PARCA-GPI. It is also in line with the guidelines of the Bank's 2013-2017 Private Sector Development Strategy through the first pillar (Investment and Business Climate) and the second pillar (Business Development). It is consistent with the priorities of the 2014-2018 Strategic Framework and Governance Action Plan (GAP II) through the first pillar (Public Sector Management and Economic Management), the second pillar (Sector Governance) through mining sector governance support, and the third pillar (Investment and Business Climate). It is consistent with the guidelines of the Bank's Gender Strategy through the improvement of women's participation in economic activities and decision-making bodies. It is also aligned on the 2011-2015 Regional Integration Strategy Paper (RISP) for West Africa, whose first pillar concerns linking regional markets, particularly through the development of regional infrastructure and trade facilitation with private sector financing participation. Indeed, PARCA-GPI supports the implementation of the mining and infrastructure components (port and railway) of the Simandou Project. In addition, the customs services will be supported to facilitate the import and export of goods.

1.2 Rationale for Bank Intervention

1.2.1 At the political level, Guinea has gone through several episodes of political instability that have affected its economic and social development. Political tension seems to have subsided since the holding of parliamentary elections in 2013. However, the tension is still very strong and tends to be rekindled around election time. Nevertheless, on 11 October 2015, the current President was re-elected in the first round of the presidential elections for a new five-year term, with 58% of the votes cast.

1.2.2 At the economic level, the performance recorded over the past few years was adversely impacted by the Ebola epidemic that hit the country in 2014. Economic growth stood at 1.1% and 0.1% in 2014 and 2015 respectively. However, the prospects for recovery are good with GDP growth of 4% in 2016, sustained by the uptrend in public investment, major development projects in the mining sector, and better electricity supply. The Guinean economy remains highly dependent on the extractive industries. Tax revenue from the mining sector accounted for 16% of the overall tax revenue and 3% of GDP, on average, over the 2013-2015 period.

1.2.3 On the social front, the prevalence of poverty has continued to increase, rising from 53% in 2007 to 55.2% in 2012 with wide spatial, regional and gender disparities. Poverty remains high in rural areas (65%), although urban poverty has also increased (from 30% in 2007 to 35% in 2012). Youth unemployment remains a major cause for concern for the authorities. Indeed, it affects 15% of youths with secondary education, 42% of young people who have completed vocational technical education, and nearly 61% of those with a university degree. Regarding female graduates, 85.7% of them are unemployed, compared to 61% for their male counterparts. Besides being prevalent among young school leavers, idleness and unemployment also affect 70% of youths under 25, regardless of their level of education and place of residence.

1.2.4 PARCA-GPI provides a response to these factors of economic and social fragility by building the administration's capacity for monitoring and implementing integrated projects. A detailed analysis of the country's fragility situation is presented in Technical Annex A2. The operation of the Simandou iron ore mine and the related infrastructure will substantially improve State revenue and create new employment opportunities in Simandou region and throughout the Conakry-Simandou Corridor, which will be opened up by the railway running across the area. The box below presents a summary of the project (see Technical Annex A2 for detailed presentation).

Box 1: Presentation of the Simandou Project

Simandou is a world class project in the South-East of the Republic of Guinea, which seeks to create access to one of the largest untapped iron ore deposits in the world, containing ore of exceptional quality. It is the largest mining investment ever made in Africa, comprising: (i) A world class iron deposit: with estimated reserves of over 1.8 billion tonnes, an iron content of 65.5%. Simandou South (blocks 3 and 4) is expected to produce 100 metric tonnes per annum (mtpa) for over 40 years; (ii) A new Trans-Guinean railway: a multi-purpose and multi-user 650-km-long railway connecting the South-East of Guinea to the coast, along the "South Growth Corridor"; and (iii) A new multi-purpose and multi-user deep-water port in Moribaya. The port will be the first to provide access to large cargo vessels in Guinea. The partners currently involved in the project (and having a stake in Simfer SA, the mine operator) are: the Government of Guinea (7.5%), Rio Tinto (46.57%), Chinalco (41.3%) and the International Finance Corporation (IFC) (4.625%). Rio Tinto is the project leader. The State's stake in Simfer S.A. could reach 35% over time, 15% of non-contributory shares and an option to purchase 20%. The mine and infrastructure that make up the project will be developed and structured as two separate entities. The project partners have agreed to outsource the infrastructure to a third party consortium. The latter will finance, build and own the rail and port infrastructure designed to be multi-purpose. The infrastructure will be handed over to the Republic of Guinea without compensation after 30 years of operation. The project partners have already funded studies with major field activities for infrastructure development. Significant amounts were allocated to capital expenditure (capital goods), community and environmental activities as well as drilling, geological and support for the construction. The bankable feasibility study, presented to the Guinean authorities on 18 May 2016, indicates that the project is still viable despite largely depreciated iron prices. Long-term forecasts of around USD 60 per tonne have been considered, which is very conservative. Furthermore, falling commodity prices have led to the downward revision of the inherent project construction cost, which amounts to a reduction of USD 2 billion in the total investment cost. The total project cost is currently estimated at USD 18 billion, compared to the original estimate of USD 20 billion. In addition, the main companies that will be in charge of the works have already been identified in China.

1.2.5 However the administration's weak capacity hampers progress in implementing the Simandou Project. Even though the deposits were first known about some 50 years ago and the exceptional quality and commercial value of its iron ore immediately acknowledged, the development of the project started only recently. The main challenges that PARCA-GPI attempts to address, in an effort to facilitate implementation of the Simandou Project and integrated projects, are outlined in the paragraphs below.

1.2.6 Coordination is a major challenge for the Guinean Government. The various Government services operate in a disjointed manner, which leaves no room for consistent and efficient management of major projects of the calibre of the Simandou Project. Managing a project of this magnitude requires dedicated teams that will provide much needed regulation, implementation and monitoring competencies in several key areas of project management. Indeed, the Government has a crucial sovereign role to play in the regulation and supervision of the booming mining sector. The establishment of a Project Coordination Unit is part of the Government's legal commitments in the Simandou Project investment. The several missions fielded by the AfDB helped to identify capacity gaps relating to: engineering, management of social and environmental aspects, geological

considerations, as well as financial, legal and commercial aspects, telecommunications and information technology. To remedy these institutional and organizational constraints, PARCA-GPI will support the establishment and operationalization of an entity responsible for monitoring major projects related to the Simandou Project, particularly the iron mine development, as well as the railway and port construction. This entity will be provided with the human and material capacities required to negotiate with private investors so as to defend national interests and expedite administrative procedures related to the implementation of the Simandou Project. The team will consist of international technical assistants and national officials in the above-mentioned areas. These technical assistants will ensure transfer of knowledge and skills to national officials who will also be offered specialized technical training. It is expected that this structure will eventually manage large-scale mining projects that are being developed.

1.2.7 Another commitment by the Government stipulated in the investment framework of the Simandou Project is the setting up of a Permanent Secretariat for the processing of licences, permits and other administrative procedures. Indeed, the number of such transactions will double with the start of construction works. The current average processing time for a permit is 3 to 6 months, while the international average is a few days. A Presidential decree issued in January 2015 provides for the establishment of a Permanent Secretariat for the processing of licences, permits and other administrative procedures relating to integrated mining projects with an investment cost of over USD 1 billion. The Permanent Secretariat will be expected to operate under the direct supervision of a Technical Committee, comprising State officials supervised by an Inter-Ministerial Committee composed of Ministers with supervisory authority. However, these entities are not yet operational for want of resources. PARCA-GPI will support the establishment and operationalization of the Permanent Secretariat. The Permanent Secretariat is expected have national officials from the Ministries involved in the development of integrated mining projects. The Ministries mainly comprise the Ministry of Mines and Geology, the Ministry of the Economy and Finance, the Ministry of the Budget, the Ministry of Public Works, the Ministry of Environment, the Ministry of Transport, and the Ministry of Urban Affairs and Territorial Development. The national officials will benefit from the transfer of knowledge and skills by international technical assistants, as well as from specialized technical training.

1.2.8 Guinea is faced with the challenge of increasing its domestic resources to finance its economic development, which would guarantee the country's emergence from its characteristic situation of fragility. The mining contracts review initiated by the Government with the support of the Bank and ALSF, as well as the promotion of good governance in this sector and the adoption of implementing instruments for the new Mining Code, is expected to improve the mobilization of State resources from this sector. In addition, the exploitation of Guinea's huge mining potential will help to increase exports. Foreign mining companies will import huge capital goods, hence the need for an efficient system for processing import and export documents. However, the fact that the Customs Administration does not have adequate capacity is a major handicap. The time required for importing and exporting goods in compliance with the required documents is 168 hours and 152 hours respectively, according to the World Bank's *2016 Doing Business Report*. These figures are well above the average for Sub-Saharan Africa at 123 hours and 97 hours respectively. In addition, the payment of taxes and duties is a major constraint on the business climate in Guinea. On average, companies make 57 tax payments a year, spend 440 hours to complete the files, prepare and pay the taxes, and pay taxes totalling up to 68.30% of the profit made. On the whole, Guinea ranks 184th out of 189 countries in terms of ease of paying taxes. PARCA-GPI will support the establishment and operationalization of dedicated Tax and Customs Units for the Simandou Project². The aim is to improve procedures for processing import and export documents, and paying taxes.

² The Bank is currently financing technical assistance for the conduct of organizational studies on the coordination unit, one-stop shop, and dedicated Tax and Customs Offices.

1.2.9 The people have high expectations regarding the project's impact in terms of job creation and local private sector development. The contribution of the mining sector to the local economy has remained weak over the past 40 years, whereas the country ranks among the leading world exporters of bauxite. The Bank has supported the Government in preparing the Local Content Policy of the Simandou Project. One of the key objectives is to build the capacity of local companies to enable them to participate in the mining sector supply chain. However, the implementation of the Local Content Policy faces some challenges, in particular: (i) the current tax system places local companies at a disadvantage compared to international suppliers; (ii) knowledge of the mining sector supply chain is limited in the country; (iii) local SME registration mechanisms are available only in the capital city of Conakry, whereas opportunities exist mainly in the mining regions; (iv) knowledge of international standards to be met by local companies is very limited for both public and private entities; and (v) access to financing is a major obstacle. To meet the people's expectations, PARCA-GPI will support the recruitment of an international firm to: (i) develop a detailed plan for implementing the Local Content Policy; (ii) develop and implement a communication plan to ensure that the expectations of local communities and SMEs are taken into account; (iii) establish a VAT reimbursement and exemption system which does not place local suppliers at a disadvantage; and (iv) analyze the different categories of the mining sector supply chain so as to identify immediate and long-term opportunities for local SMEs. Furthermore, PARCA-GPI will support the establishment of business registration offices and national employment offices in Beyla, Forécariah and Faranah. The availability of an efficient business registration process in the project area will facilitate the participation of local companies in the pre-qualification process, as well as enable foreign companies to establish business relations more easily with Guinean-owned companies.

1.2.10 Environmental impact management. In 2013, an Environmental and Social Impact Assessment (ESIA) was conducted. It was accompanied by an action plan to be implemented jointly by the Project Sponsors and the Government. It was observed that the Government lacks capacity at central and provincial levels to implement these actions, particularly in the following areas: biodiversity management, water impact management, acid rock drainage management, and pollution and waste management. Support will be given specifically to the Ministry of Environment and Forestry to: (a) assist in monitoring the 17 environmental permits issued to the contractor of the Simandou Project, and in ensuring that the permits are used in compliance with the regulations; and (b) support implementation of the recently approved Biodiversity Action Plan. To achieve these two main objectives, PARCA-GPI will provide: (i) technical assistance to coordinate activities related to biodiversity as well as environmental management and conservation; (ii) equipment (motor-cycles for field staff and a mobile laboratory); (iii) IT equipment; and (iv) training in environmental management in the Ministry, Prefectures and Departmental Offices. Campaigns will also be organized to raise the people's awareness of these environmental impact-related issues.

1.2.11 Impacts on land use and access. The Simandou Project intends to develop major infrastructure that will run across the country from West to East, and thus have a major impact on land use. To manage this component, a Land Acquisition, Resettlement and Compensation Master Plan (PARC) has been specifically developed in accordance with IFC Performance Standard 5 (Involuntary Displacement). This Master Plan will use compensation in kind, financial compensation and other measures to restore, and if possible improve, the livelihoods of the project-affected persons and communities. PARC implementation is hampered by the lack of a coherent national land reallocation and compensation policy, coupled with the fact that the commissions tasked with implementation lack the required capacity and resources. The land commissions were dissolved in 2014 for political reasons, and are being re-established to allow for implementation of the PARC and Simandou Project. PARCA-GPI will provide technical assistance to support Government activities aimed at building the capacity of land commissions to ensure effective implementation of the Simandou Project. Campaigns will also be organized to raise the people's awareness of land issues.

1.2.12 Gender mainstreaming. Entrepreneurial capacity building for women and young people is a shortcut to reducing poverty and stemming the rising unemployment in Guinea. Indeed, women account for 52% of the population and are not only in the majority, but also constitute the primary support in poor families in which they bear the bulk of household expenses. Furthermore, women are poorly represented in public administration, both at central and local levels. Currently, women make up 22% of parliamentarians. District or neighbourhood councils, as well as decentralized structures (municipal and district councils), which operate mainly on the basis of traditional practices, have a very low number of female members. As part of its gender promotion efforts, PARCA-GPI will support the following activities: (i) technical assistance for gender mainstreaming in the mining sector; (ii) training of women entrepreneurs in the preparation of investors' bidding documents; and (iii) building women's capacity to enable them to become sub-contractors for investors. Awareness campaigns/seminars will also be organized for women on such issues as business development, as well as the environmental, social and land-related impact of the Simandou Project. In addition, PARCA-GPI will support women's representation in the Coordination Unit of the Simandou Project, the Permanent Secretariat, and dedicated Customs and Tax Offices.

1.3 Aid Coordination

1.3.1 Donor operations fall within the implementation of the Economic Reform and Capacity Building Priority Action Plan. A thematic group set up for this component meets regularly to coordinate stakeholder support in the sector. The Bank participates regularly in these deliberations. Since 2014, the Government has strengthened aid coordination with the establishment of an Economic Coordination and Reform Council (CCER) responsible for formulating, coordinating, monitoring, evaluating and controlling the implementation of economic programmes as well as structural and sector-based reforms. In 2015, the Government/Development Partners' Consultation Framework (CC) was also established. In the mining sector, a focus group was also set up. The World Bank intends to contribute to financing the operationalization of the Mining Permanent Secretariat. The IMF is providing technical assistance to model the financial impact and estimate the potential additional revenue that the country could derive through the implementation of integrated mining projects for the maintenance of macroeconomic stability. PARCA-GPI activities, adopted by mutual agreement with the authorities, have been the subject of consultation with donors in an effort to ensure synergy and complementarity of operations. The "Mining/Extractive Sector-Guinea" Thematic Group is very active in dialogue with the authorities on reforms in this sector. The group in which the Bank participates regularly is chaired by the World Bank. Donor intervention in this area is summarized in the table below.

Table 1.1: Major TFP Projects in the Project Sector

PTF	Projects and Costs	Complementarity with PARCA-GPI
AfDB	PARCGEF (USD 2.2 million)	Support for transparency and the business climate in the mining sector (Mining Code, Petroleum Code, implementing legislation, EITI)
WB	Mining Governance Support Project (USD 20 million)	Development of mining infrastructure; legal reform for the mining sector; institution building in the management of the mining sector (support for the Ministry of Mines; development of environmental inspection procedures, guides and manuals, training and equipment; support for the Ministry of Finance relating to mining tax and revenue collection)
WB	PPIAF (USD 490 000)	Master Plan for related mining infrastructure and consultations
WB	EI-TAF (USD 875 000)	Strengthening the legal and regulatory environment in the mining sector
WB - IFC	SME project and investment climate reform (USD 8 million)	Support for SMEs (Simandou) and the investment climate reform - support for the Permanent Mining Secretariat
IMF	Technical Assistance	Mining taxation and financial modelling
AfDB / ALSF	PAPEGM (UA 7.5 million); USD 700 000 and USD 1 200 000	Revision of mining permits and conventions; support for bids for the issue of new exploration and exploitation licenses for Blocks 1 & 2 of the Simandou mountain range; selection of a concession holder from the various bidders responding to the request for proposals
AfDB /WB	PARCGEF - PAPEGM (USD 600 000) and WB-EITI Multi-donor USD 569 000)	EITI process

II Project Description

5.1 Project Objectives and Components

2.1.1 The overall objective of PARCA-GPI is to build the administration's capacity for integrated project management so as to stimulate strong and inclusive economic growth. The project comprises three components: (i) Technical assistance for implementation and monitoring of integrated mining projects; (ii) Building of the Administration's capacity for implementation and monitoring of integrated mining projects; and (iii) Project management and coordination. The first component seeks to support the authorities in setting up an autonomous unit with human, material and technical capacities required for implementation and supervision of the Simandou Project, a Permanent Secretariat for administrative processing procedures for authorizations, licences and permits. The unit will be responsible for managing documents of the two components of the Simandou Project, namely the mining component and the infrastructure component (port and railway). The second component of PARCA-GPI aims to support the authorities in maximizing the socio-economic benefits of the Simandou Project. This includes the establishment of dedicated tax and customs administration units to support the Project, the implementation of the Local Content Policy developed with AfDB support to facilitate the participation of local enterprises and job creation, the implementation of a land policy that respects the interests and rights of communities directly affected by the project, and management of the environmental impact, as well as the impact on gender, throughout the Simandou Project construction and operation process. In the medium term, the government intends to use the system and the institutions that will be established to manage the integrated projects that are under development.

2.1.2 The two components of PARCA-GPI are closely related. The first will allow for proper monitoring and accelerated implementation of the Simandou Project. The staff provided under the technical assistance envisaged in the second component will work closely with the Coordination Unit and the Permanent Secretariat that will be set up under component 1. Table 2.1 below provides details on PARCA-GPI components, sub-components, activities and costs. Technical Annex B2 of this document provides the detailed costs of the component activities, as well as a comprehensive list of goods and services to be procured under PARCA-GPI. In addition, Technical Annex C1 provides detailed rationale and description of project activities.

Table 2.1: Project Components and Activities

Component Name	Cost Estimate	Component Description
Component 1: <i>Technical assistance for implementation and monitoring of integrated mining projects</i>	UA 3.35 million	<p>Activity 1.1: Establishment of a Project Coordination Unit (i) Technical assistance in crucial areas such: as law, engineering, geology, procurement, the industrial and commercial, financial and IT domains, as well as the social, land-related and environmental aspects in order to finalize the study on the organization of the unit, analyze complex technical issues and interact with developers; (ii) Training of staff provided by the Government; (iii) Provision of IT equipment and office furniture.</p> <p>Activity 1.2: Establishment of a Permanent Secretariat: (i) Technical assistance to meet the additional capacity needs of the Permanent Secretariat; (ii) Training of staff provided by the Government; (iii) Procurement of an information system for processing authorization applications; and (iv) Supply of IT equipment and office furniture.</p>
Component 2: <i>Building of the administration's capacities for implementation and monitoring of integrated mining projects</i>	UA 2.38 million	<p>Activity 2.1: Establishment of dedicated tax and customs administration units: (i) Technical assistance to build the capacity of tax and customs units and develop applications for interfacing the customs and tax computer system with the Rio Tinto system; (ii) Training of staff provided by the Government; (iii) Establishment of an electronic customs clearance system; (iv) Provision of IT equipment and office furniture for dedicated customs and tax units.</p> <p>Activity 2.2: Implementation of the Local Content Policy: (i) Technical assistance for the preparation of a Local Content Policy implementation plan (including the study on the VAT reimbursement and exemption scheme, the study on innovative financing mechanisms for the training of local SMEs by foreign investors, analysis of the various categories of the mining sector supply chain and the creation of national databases on local suppliers and registration of local labour); and (ii) Support for equipment of the Beyla, Forécariah and Faranah Business Registration and National Employment Offices.</p> <p>Activity 2.3: Environmental impact and biodiversity management: (i) Technical assistance for coordination of activities related to biodiversity and environmental management and conservation, and the training of the staff of the Ministry of Environment</p>

		at both central and prefectural levels; and (ii) Organization and participation in awareness events/forums/seminars. Activity 2.4: Land policy: (i) Technical assistance to build the capacity of land commissions in the 10 Prefectures affected by the project; and (ii) Organization and participation in awareness events/forums/seminars. Activity 2.5: Impact on gender: (i) Technical assistance for mainstreaming gender into the mining sector and building the capacity of women entrepreneurs in the preparation of bidding documents and sub-contracting in the mining sector; and (ii) Organization and participation in awareness events/forums/seminars.
Component 3: Project management and coordination	UA 0.74 million	It comprises: Strengthening management (procedures manual, Coordinator, Deputy Coordinator, Procurement Expert, Administrative and Financial Manager, Accountant, and Monitoring and Evaluation Expert, operation and annual accounts auditing).
Base costs	UA 6.47 million	
Contingencies	UA 0.39 million	
Total costs	UA 6.86 million	

5.2 Technical Solutions Adopted and Alternatives Explored

2.2.1 During PARCA-GPI preparation, several options were explored, particularly as regards the anchoring of the project, the number of entities to be supported, the scale of investments to be made, and the management of constraints in a number of potentially selected entities. Faced with all these issues, some trade-offs had to be made, so as to: (i) set project objectives to meet targets compatible with the available financial package, and (ii) take into account synergies with the operations of other TFPs.

Table 2.2: Alternatives and Reasons for their Rejection

Alternatives	Brief Description	Reasons for Rejection
Institutional Arrangements	The use of the Project Implementation and Coordination Unit (PICU) which is already implementing two on-going Bank projects (PARCGEF and PAPEGM) and the World Bank's Capacity Building Project. This Unit is located in the Ministry of the Economy and Finance.	This option was rejected for two reasons: (i) the main beneficiary is the Ministry of Mines and Geology; (ii) the Ministry of Mines is better placed to coordinate the project activities, which are mainly geared towards supporting the implementation of integrated mining projects, particularly the Simandou Project.
Use of Government entities for monitoring the Simandou Project	The Ministry of Mines and Geology is in charge of monitoring the implementation of the Simandou Project. The directorates and services of the Ministry do not have the required capacity.	Lack of capacity by officials and administrative burden are the main causes of rejection. Start-up of the Simandou Project was delayed for years mainly because of these weaknesses. However, Ministry officials will be seconded to the dedicated offices that will be set up, and their capacity will be built to enable them to take over in the near future.
Support for the Beyla Training Centre	The Beyla Training Centre was part of the activities to be carried out by the country under Annex 13 of the Protocol Agreement signed in November 2011 with Rio Tinto. The Government is responsible for completing the construction, and the equipment was supposed to come after.	The cost of the required specialized equipment exceeds the project budget.

5.3 Project Type

2.3.1 PARCA-GPI is an institutional project financed with ADF and TSF resources, which seeks to build the administration's capacity for integrated mining projects so as to stimulate strong and inclusive economic growth

5.4 Project Cost and Financing Arrangements

2.4.1 The total cost of PARCA-GPI is estimated at UA 6.86 million (4.00 million from ADF, 2.00 million from the TSF, and 0.86 million being Government counterpart funds), comprising UA 5.01 million in foreign exchange (73%) and UA 1.85 million in local currency (27%). These costs include a 6% provision for contingency expenditures in both foreign exchange and local currency. The detailed costs table is provided in Technical Annex B2 of this report. The summary table below presents the overall project by component.

Table 2.3: Project Cost Estimate by Component

Components	Cost in USD Thousand			Cost in UA Thousand			In %
	FE	LC	Total	FE	LC	Total	
Component 1: Technical assistance for the implementation and monitoring of integrated mining projects	3 619.73	1 001.71	4 621.44	2 620.51	725.19	3345.70	49%
Component 2: Building of administrative capacity for the implementation and monitoring of integrated mining projects	2 018.75	1 275.20	3 293.95	1 461.47	923.18	2384.65	35%
Component 3: Project Management and Coordination	886.39	138.96	1 025.35	641.70	100.60	742.30	11%
Total Base Cost	6 524.87	2 415.87	8 940.74	4 723.68	1748.97	6472.65	94%
Provision for Contingencies	391.49	144.95	536.44	283.42	104.94	388.36	6%
Total Project Cost	6 916.36	2 560.82	9 477.18	5 007.10	1853.91	6861.01	100%

Note: The exchange rate used is indicated in the introduction to the report (i)

2.4.2 The ADF contribution will amount to UA 4.00 million (58% of the project cost), the TSF totals UA 2.00 million (29% of the project cost), while the Government's contribution will amount to UA 0.86 million (13% of the project cost).

Table 2.4: Sources of Financing (UA Thousand)

Source of Financing	Cost in FE	Cost in LC	Total Cost	In %
ADF - Grant	3 107.10	892.90	4 000.00	58.30%
TSF - Grant	1 900.00	100.00	2 000.00	29.15%
Government	0.00	861.01	861.01	12.55%
Total Project Cost	5 007.10	1 853.91	6 861.01	100.00% in RED

Table 2.5: Cost of Project by Expenditure Category (UA Thousand)

Expenditure Category (Overall)	Cost in FE	Cost in LC	Total Cost	% FE
A. Goods	1 007.56	359.22	1 366.78	74%
B. Services	3 604.68	280.21	3 884.89	93%
C. Operating costs	111.44	1 057.05	1 168.49	10%
D. Works	0.00	52.49	52.49	0%
Total Base Cost	4 723.68	1 748.97	6 472.65	73%
Provision for Contingencies	283.42	104.94	388.36	73%
Total Project Cost	5 007.10	1 853.91	6 861.01	73%

Table 2.6: Project Cost by Category of Expenditure from ADF Grant (AU Thousand)

Expenditure Category (Grant)	Cost in FE	Cost in LC	Total Cost	% in FE
A. Goods	1 007.56	359.22	1 366.78	74%
B. Services	1 812.23	185.86	1 998.10	91%
C. Operating costs	111.44	244.78	356.22	31%
D. Works	0.00	52.49	52.49	0%
Total Base Cost	2 931.24	842.35	3 773.59	78%
Provision for Contingencies	175.87	50.55	226.42	78%
Total Project Cost	3 107.10	892.90	4 000.00	78%

Table 2.7: Project Cost by Category of Expenditure from TSF Grant (UA Thousand)

Expenditure Category (Grant)	Cost in FE	Cost in LC	Total Cost	% in FE
A. Goods	0.00	0.00	0.00	-
B. Services	1 792.44	94.35	1 886.79	95%
C. Operating costs	0.00	0.00	0.00	-
D. Works	0.00	0.00	0.00	-
Total Base Cost	1 792.44	94.35	1 886.79	95%
Provision for Contingencies	107.56	5.65	113.21	95%
Total Project Cost	1 900.00	100.00	2 000.00	95%

Table 2.8: Project Cost by Expenditure Category from Counterpart Funds (UA Thousand)

Expenditure Category (Grant)	Cost in FE	Cost in LC	Total Cost	% in FE
A. Goods	0.00	0.00	0.00	0%
B. Services	0.00	0.00	0.00	0%
C. Operating costs	0.00	812.27	812.27	0%
D. Works	0.00	0.00	0.00	-
Total Base Cost	0.00	812.27	812.27	0%
Provision for Contingencies	0.00	48.74	48.74	0%
Total Project Cost	0.00	861.01	861.01	0%

Table 2.9: Expenditure Schedule by Component (UA Thousand)

Components	2016	2017	2018	2019	2020	Total
Component 1: Technical assistance for implementation and monitoring of integrated mining projects	334.57	669.14	1 003.71	669.14	669.14	3 345.70
Component 2: Building the administration's capacity for implementation and monitoring of integrated mining projects	238.47	476.93	715.40	476.93	476.93	2 384.66
Component 3: Project Management and Coordination	74.23	148.46	222.69	148.46	148.46	742.30
Total Base Cost	647.27	1,294.53	1,941.80	1,294.53	1,294.53	6 472.66
Provision for Contingencies	38.83	77.67	116.51	77.67	77.67	388.35
Total	686.10	1 372.20	2 058.31	1 372.20	1 372.20	6 861.01
As percentage of the total project cost	10%	20%	30%	20%	20%	100%

5.5 Project Area and Beneficiaries

2.5.1 The PARCA-GPI project area is the national territory of Guinea. The direct project beneficiaries are: (i) the central, regional and sector-based entities responsible for implementation of the Simandou Project, particularly the Ministry of Environment, the Ministry of Territorial Administration, the Beyla, Forécariah and Faranah Business Registration Offices, and women's NGOs; (ii) economic operators, including women entrepreneurs, who will benefit from the easing of procedures for obtaining administrative documents for their businesses and from the rail and port infrastructure that will be built. The indirect beneficiaries are: (i) the State of Guinea, from an improvement in its financial resources through the collection of tax and customs duties and the stimulation of economic activity in the vicinity of the Simandou Project; and (ii) the entire Guinean population, who will benefit at the economic level (jobs for young people and women, as well as business opportunities) and at the social level (poverty reduction) from the Simandou Project.

5.6 Participatory Approach for Project Identification, Design and Implementation

2.6.1 At both the preparation and appraisal stages, the Bank's team adopted a participatory approach by closely involving the various beneficiary Ministries in its work. Meetings were held with the beneficiaries to agree on PARCA-GPI activities. In particular, the team met with Rio Tinto, the lead investor of the Simandou Project. It also gathered the opinions of the various technical and financial partners operating in domains related to those covered by PARCA-GPI. A working group made up of experts from the AfDB, the World Bank, the IFC and the Government meets regularly to discuss PARCA-GPI activities and harmonize their operations. During the implementation, consultations will be held with the population (civil society, local elected officials, women's organizations, and the private sector) on issues relating to the local content of the Simandou Project, the environmental impact, land tenure, and gender. Civil society, the private sector and all beneficiary Ministries/Directorates will be represented in the PARCA-GPI Steering Committee.

5.7 Bank Group Experience and Lessons Reflected in Project Design

2.7.1 As at 1 February 2016, the Bank portfolio in Guinea contains thirteen (13) operations for a total amount of UA 187.98 million. The net commitments stand at UA 107.34 million, and cumulative disbursement at UA 52.12 million. Fifty-eight percent (58%) of Bank interventions are mainly focused on the energy sector and 23% on the multi-sector. The portfolio's overall performance is satisfactory, with a score of 3.12 out of 4. The detailed portfolio situation, including credit ratings by project, is presented in Annex 2. Notwithstanding the overall satisfactory quality of the portfolio, there were still a number of implementation problems, particularly: (i) start-up delays due to lack of project ownership by the Guinean party; (ii) delays in the procurement process; and (iii) weak project implementation capacity. Measures to address these challenges include: (i) improving the quality at entry by setting up project management bodies prior to project approval; (ii) establishing more stringent procurement plans; and (iii) assessing implementation capacity problems, and accordingly ensuring capacity building and a more careful selection of members of coordination teams. All these recommendations are taken into account in the PARCA-GPI: (i) the government took the Order establishing the project management

unit; (ii) the procurement plan has been developed; (iii) the capacity of the Ministry of Mines and Geology were assessed and capacity building is planned.

2.7.2 As regards governance and economic and financial reforms, recent Bank operations in Guinea comprise three (3) institutional support projects (PADIPOC, PARCGEF and PAPEGM) and one (1) reform support programme (PAREF). The conditions precedent to the first disbursement for these projects/programmes have been fulfilled. Worthy of mention among the main achievements of these operations are PADIPOC institutional support (closed in 2012³ with a moderately satisfactory rating), the creation of public investment programming databases and creation of synergy between supervisory bodies in Guinea. PARCGEF (2011-2016), which has just been completed, was implemented in a very satisfactory manner (December 2015 rating). All procurements of goods and services were made. The disbursement rate was 97% at end-April 2016. The project resulted in the updating of the Customs Code and the Petroleum Code. The AsycudaWorld system was procured for the customs department, and is currently being used at Conakry Airport in its pilot phase. Regarding the Extractive Industries Transparency Initiative (EITI), consultants provided support in the preparation of EITI compliance reports for 2011, 2012, and 2013, which have been validated. The main achievements of PAPEGM (2013-2017) for the mining sector are: financial support for the organization, in Abu Dhabi, of a Roundtable of Guinea's development partners and investors, and the mining contracts review. The disbursement rate was 60.06%⁴ at end-May 2016. The closing date is scheduled for 30 September 2017. Meanwhile, the Economic and Financial Reform Support Programme (PAREF) of 2012⁵ and 2014-2015 supported the implementation of key reforms relating to mining sector governance, such as the adoption of the new Mining Code. PARCA-GPI will consolidate the gains of these earlier projects. In designing PARCA-GPI, the lessons learned from the implementation of previous Bank Group projects in the sector in Guinea and Africa (Table 2.10) were taken into account. Technical Annex B1 presents the main achievements and lessons from previous projects in the area of governance that were mentioned in their completion reports. Completion reports were produced on sector projects that have been closed.

Table 2.10: Lessons Learned and Actions Taken for Their Implementation

Lessons Learned	Actions Taken for Their Implementation
1. The project life is to be fixed in a realistic manner and based on the Bank's previous experience in the country.	1. The project implementation is scheduled to last four years, and selected activities can be implemented within this timeframe.
2. Complementarity with other support from technical and financial partners must be ensured.	2. The project will be implemented in close collaboration with the other technical and financial partners, mainly the World Bank-IFC (see Table 1.1).
3. The lean-structured Project Implementation Unit reduces operating costs, but presents a risk from the standpoint of fiduciary management and procurement.	3. The project will be implemented by a Management Unit attached to the Office of the Minister of Mines and Geology. The Coordinator and Deputy Coordinator will be recruited on a competitive basis. The team will be strengthened by the following experts: a Procurement Expert, an Administrative and Financial Manager, an Accountant and a Monitoring and Evaluation Expert, who will be recruited on a competitive basis. The whole team will be in place before project start-up. The Procurement Plan will be prepared and updated regularly.
4. It is difficult to coordinate project activities if the project has several beneficiaries.	4. The number of beneficiaries was limited to key stakeholders in mining projects. In addition, the project implementation will be supervised by a Steering Committee (SC) which will be a policy body. The SC will be responsible for the supervision and validation of project activities. It will include the Secretary-General of the Ministry of Mines and Geology, the Project Coordinator and Deputy Coordinator, Directors-General of various Project beneficiary Directorates/Services, a representative of civil society, and a representative of the private sector. The various beneficiaries will work in collaboration in the implementation of project activities.
5. Bank supervision and guidance must be proactive, rigorous and comprehensive.	5. The Bank will ensure careful project monitoring through its representation in Conakry, as well as periodic supervision missions by its multi-disciplinary experts.

³ Completion Report - ADF/BD/IF/2012/126

⁴ Satisfactory score in December 2015

⁵ Completion Report - ADF/BD/IF/2013/141 with a satisfactory score

5.8 Key Performance Indicators

2.8.1 The key performance indicators identified and the expected outcomes at project completion are those featured in the results-based logical framework and in Box 1 below. In the short term, it is expected that there will be: (i) an improvement in the business climate of the mining sector; (ii) an improvement in the socio-economic impact of the Simandou Project. In the longer term, a strong and more inclusive economic growth is expected, which will help to reduce poverty and regional disparities.

Box 1: Key Performance Indicators

Output Indicators
<ul style="list-style-type: none">• The number of national officials assigned to the unit that were trained (including women) is at least 10 (with at least three women) by end-2016;• The number of technical analyses conducted by the technical assistance is at least 5 analyses on complex technical files by end-2018;• The number of national officials assigned to the Permanent Secretariat who received training (including women) is at least 15 (with at least 5 women) by end-2016;• The number of application files for permits, licences and authorizations submitted by investors and are processed is at least 100 between 2016 and 2018;• The number of national officials assigned to dedicated tax and customs offices and are trained (including women) is at least 20 (with at least 5 women) by end-2016;• AsycudaWorld is operational at the dedicated Customs Office by end-2017;• The number of people (including women and young people) registered with the Beyla, Forécariah and Faranah National Employment Offices is at least 20 000 (including 5 000 women and 5 000 young people) between 2015 and 2020; /• The number of local suppliers who benefit from the VAT reimbursement and exemption scheme is at least 5 000 between 2015 and 2020;• Ten Land Commissions are operational by end-2016;• At least 15 environmental inspections carried out between 2016 and 2020;• At least four training workshops on environmental management organized between 2016 and 2020;• At least six consultation workshops with the population organized (including two workshops with women's NGOs) on issues of environmental impact and land-related issues between 2016 and 2020;• 500 women's SMEs trained to prepare bid documents and to be sub-contractors by June 2020;• At least four consultation workshops organized with women on business development issues in the mining sector by June 2020 (2 in 2017 and 2 in 2018);• The Project Steering Committee is set up by end-July 2016;• Number of quarterly project reports produced reaches 14 by end-June 2020.
Output Indicators
<ul style="list-style-type: none">• Timeframe for issuing a mining licence drops from 180 days in 2015 to 30 days in 2020;• Mining product export as a percentage of GDP increases from 17% in 2015 to 20% in 2020;• The number of jobs generated by the Simandou Project (including for young people and women) is 10 000 (with at least 2 000 for young people and 2 000 for women) in 2020; and• Budget revenue from the mining sector, as a percentage of overall budget revenue, increases from 16% in 2015 to 20% in 2020.
Impact Indicators
<ul style="list-style-type: none">• The average annual GDP growth rate goes from 0.1% in 2015 to 5% in 2022;• The overall poverty prevalence rate drops from 55.2% (65% in areas rural) to 50% in 2012 (60% in rural areas) in 2022.

2.8.2 The results achieved on these indicators will be verified using data that will be collected by the Project Management Unit (PMU), whose capacity will be strengthened by a Monitoring and Evaluation Expert to be recruited for the duration of the project. The PMU will ensure the preparation of quarterly progress reports, as well as implementation status reports that will be prepared during the Bank's supervision missions. PARCA-GPI's performance will be measured by comparing the baseline data with the progress achieved during project implementation and at project completion.

III Project Feasibility

3.1 Economic and Financial Performance

3.1.1 PARCA-GPI is an institutional support project. It will not generate direct revenue to determine its financial return. However, its performance could be evaluated on the basis of its direct and indirect economic and social outcomes in the medium and long terms. Regarding the expected economic and financial benefits, the project will create conditions for increasing State revenue, promoting the development of the local private sector, ensuring strong economic growth, and reducing unemployment, especially among young people and women.

3.2 Environmental and Social Impact

3.2.1 Environment

3.2.1.1 PARCA-GPI will not have any direct negative impact on the environment, given that its activities are limited to training, technical assistance, studies and procurement of logistics, including a small quantity of IT equipment. Indeed, PARCA-GPI has been classified in Category 3 in accordance with the Bank's Guidelines. However, under the Simandou Project, an Environmental and Social Impact Assessment (ESIA) was conducted in 2013 (Technical Annex A2.2). It is accompanied by an action plan to be implemented jointly by the Project sponsors and the Government. Under PARCA-GPI, it is planned that: (i) at least fifteen (15) environmental inspections will be carried out on the mining sites by the Ministry of Environment between 2016 and 2020; (ii) at least four (4) training workshops on environmental management will be organized between 2016 and 2020 for the Ministry, Prefectures, the National Office of the Environment, Forestry, Parks and Reserves; and (iii) at least six (6) consultation workshops will be organized for the population (including two workshops for women's NGOs) on environmental impact and land-related issues between 2016 and 2020.

3.2.2 Climate Change

3.2.2.1 PARCA-GPI activities are focused on human and institutional capacity building, and will have no adverse impacts on the climate change process.

3.2.3 Gender

3.2.3.1 Regarding gender promotion, training and awareness campaigns/seminars will also be organized for women on business development issues in the mining sector, as well as on the environmental, social and land-related impact of the Simandou Project. It is planned that: (i) 500 women's SMEs will be trained to prepare bidding documents and be sub-contractors by June 2020; (ii) at least four (4) consultation workshops will be organized for women on business development issues in the mining sector by June 2020 (two in 2017 and two in 2018); (iii) at least two (2) workshops will be organized for women's NGOs on environmental impact and land-related issues between 2016 and 2020. In addition, PARCA-GPI will support women's representation in the Coordinating Unit of the Simandou Project, the Permanent Secretariat and dedicated Customs and Tax Offices. Out of the total number of national officials assigned to these structures, 33% will be women. The Simandou Project will have an impact on job creation for women. It is expected that about 2 000 women will have jobs.

3.2.4 Social

3.2.4.1 At the social level, the prevalence of poverty has intensified, rising from 53% in 2007 to 55.2% in 2012. The population has high expectations regarding the impact of the Simandou Project in terms of job creation and development of the local private sector. Women, like young people and other vulnerable groups, will stand to benefit from the selected activities. The Simandou Project is expected to create about 10 000 jobs (with at least 2 000 being for young people and 2 000 for women) by 2020. This will help to reduce poverty rates and regional disparities. The overall poverty prevalence rate will fall from 55.2% (65% in rural areas) in 2012 to 50% (60% in rural areas) in 2022.

3.2.5 Involuntary Resettlement

3.2.5.1 PARCA-GPI will not entail any population displacement. However, the Simandou Project intends to develop major infrastructure that will run across the country from West to East, and thus have a major impact on land use. To manage this component, a Land Acquisition, Resettlement and Compensation Master Plan (PARC) has been specifically prepared in accordance with IFC Performance Standard 5 (Involuntary Resettlement). This Master Plan (Technical Annex A2.2) will use compensation in kind, financial compensation and other measures to restore, and if possible improve,

the livelihoods of project-affected persons and communities. PARCA-GPI will provide technical assistance to support Government activities aimed at building the capacity of land commissions to ensure effective implementation of the Simandou Project. Awareness-raising campaigns on land issues will also be organized for the population.

IV IMPLEMENTATION

5.9 Implementation Arrangements

4.1.1 Institutional Arrangements

4.1.1.1 The project management institutional framework is described in detail in Technical Annex B3. PARCA-GPI will be implemented by a Management Unit attached to the Office of the Minister of Mines and Geology, and its Coordinator and Deputy Coordinator will be recruited on a competitive basis. The Ministry's capacity to manage PARCA-GPI has been analysed. The team will be strengthened by the following experts: a Procurement Expert, an Administrative and Financial Manager, an Accountant and a Monitoring and Evaluation Expert, also recruited on a competitive basis. The implementation of PARCA-GPI will be supervised by a Steering Committee (SC), which will be a policy body responsible for the supervision and validation of project activities. It will include the Secretary-General of the Ministry of Mines and Geology, the Project Coordinator and Deputy Coordinator, Directors-General of the various project beneficiary directorates/services, a representative of civil society, and a private sector representative. The Steering Committee will hold at least two annual meetings.

4.1.2 Procurement Arrangements

4.1.2.1 All Bank-financed goods and consultancy services will be procured in accordance with Bank's procurement policy for Bank Group-financed operations (October 2015 version), and will comply with the provisions of the Financing Agreement. The procurement arrangements are presented in Technical Annex B4 (including a procurement plan). More specifically, procurements will be made in accordance with the Bank's procurement procedures and methods. Indeed, following an analysis of Guinea's procurement system, as presented in the aforementioned Annex B4, the procurement risk was assessed as substantial. Accordingly, for the implementation of this project, the Bank's procurement procedures and methods will be used with the understanding that a capacity building action plan will be discussed with Guinean authorities in order to expedite the use of the national procurement system, following the implementation of reforms identified as necessary.

4.1.3 Financial Management Arrangements

4.1.3.1 In accordance with the fiduciary strategy outlined in CSP 2012-2016, PARCA-GPI will be implemented using a parallel financial management system. A consultant will be recruited on a competitive basis for the preparation of the administrative, financial and accounting procedures manual. The manual will form the basis of internal control. A financial and accounting management software will also be procured, incorporating the budget, analytical and general accounting modules. The accrual basis accounting system based on OHADA rules and principles will be used. The project will submit to the Bank, on a quarterly basis and not later than 45 days after the end of the quarter, a progress report including a financial monitoring report centred on the project's annual work plan and budget (AWPB). The annual financial statements will be submitted to the Bank following consideration and report by the independent auditor (Technical Annex B5).

4.1.4 Disbursement Arrangements

4.1.4.1 Bank resources will be disbursed using the special account method. The project will open a special account in a bank acceptable to the Bank. A second disbursement method (direct payment) will

be used to directly pay suppliers and service providers. Lastly, a third method (reimbursement) will be used to reimburse Guinea for project expenses attributable to the Bank and incurred using national counterpart funds, after the Bank's prior approval. The disbursement letter will specify the procedure for the use of these payment methods and the acceptable thresholds.

4.1.5 Audit Arrangements

4.1.5.1 The financial audit of the project will be conducted by an independent external auditor recruited on the basis of terms of reference approved in advance and following Bank rules and procedures. The annual audit report should reach the Bank no later than six months following the end of the year to which it relates. Audit costs will be paid from the project resources.

5.10 Monitoring and Evaluation

4.2.1 Project implementation is expected to last four years (48 months), from July 2016 to June 2020. The Project Management Unit (PMU) will be mainly responsible for the internal monitoring of the activities and their impacts. It will prepare, in conformity with the Bank's recommended format, quarterly and annual progress reports focused on the monitoring of the project's logical framework indicators. At the end of the project, a completion report will be prepared jointly with the Bank. A Monitoring and Evaluation Officer will be recruited to monitor project outputs and outcomes, in accordance with the Bank's report format for project implementation and outcomes. Monitoring will be strengthened by periodic Bank expert supervision missions. The implementation schedule is as follows:

Table 4.1: Monitoring Milestones and Feedback Loop

Milestones	Responsible	Date/Period
Financing Approval	AfDB	July 2016
ADF and TSF Grant Effectiveness	AfDB /Govt.	July 2016
Preparation/Launching of Competitive Bidding	PMU/AfDB	July 2016
Award/Signing of Contract	PMU	August 2016
Start of Consultancy Services	PMU	September 2016
Mid-Term Review	AfDB/PMU	June 2018
Physical Project Completion	PMU	June 2020
Completion Mission	AfDB/PMU	June 2020

5.11 Governance

4.3.1 Guinea was ranked 139th out of 167 countries in the world in the 2015 Corruption Perception Index (CPI). In 2014, the country was among the countries at the bottom of Mo Ibrahim Index on good governance ranking. The economic cost of poor governance, particularly corruption, leads to embezzlement, waste of public resources and loss of tax revenue due to fraud and tax evasion facilitated by corrupt officials. To combat this phenomenon, the Government has embarked on reforms over the past two years to improve public finance and procurement, as well as build the country's institutional capacity. Regarding PARCA-GPI financial governance, the Executing Agency will keep separate project accounts, enabling it to carry out cost accounting and produce reports showing expenditures by component, category and source of financing. Project accounts will be audited annually by a firm recruited for that purpose. Financial and audit reports will be submitted to the ADF within six months following the close of the accounting period.

5.12 Sustainability

4.4.1 Sustainability of gains resulting from the implementation of PARCA-GPI depends primarily on the Government's commitment to strengthening mining sector governance by improving the business climate in the sector. PARCA-GPI will help clean up the mining sector management in Guinea and allow the Government to derive greater financial resources from the sector with which to cope with the increasing needs and combat poverty in a more effective manner. The technical assistance will ensure transfer of knowledge and skills to national officials, who will also be given specialized technical training. Furthermore, they will be involved in negotiations with investors in order to learn by doing.

They will be in charge of operating the units to be set up.

5.13 Risk Management

4.5.1 The table below presents a summary of the residual risks (other than those related to governance and sustainability), as well as the mitigation measures. The analysis reveals that PARCA-GPI will run moderate risks.

Table 4.2: Potential Risks and Mitigation Measures

Risks	Level	Mitigation Measures
Political instability	Moderate	Political tensions seem to have subsided since the holding of parliamentary elections in 2013 and the Presidential elections in 2015
Discouragement of inventors because of red tape	Moderate	The project supports the establishment of permanent structures dedicated to the Simandou project (Coordination Unit, Permanent Secretariat, dedicated Customs and Tax Offices) which will be supported by international technical assistance specialized in mining projects.
Poor coordination of project activities	Moderate	The establishment of a Steering Committee that includes all project beneficiaries, the private sector and civil society will ensure the participation of all stakeholders. Project activities will be coordinated by the Ministry of Mines and Geology, which manages the Simandou Project and coordinates the various Ministries involved in the sector. In addition, a Project Management Unit will be set up.
Fiduciary management and procurement-related risk	Moderate	The project team will include two financial management and procurement experts to be recruited on a competitive basis. A monitoring and evaluation expert will be recruited to monitor project implementation on a regular basis, and produce combined progress and financial reports.

5.14 Knowledge Building

4.6.1. The implementation of this project will foster the development of several types of knowledge, in that the technical assistance to be provided will transfer knowledge and skills to the national officials, who will also receive technical training. In addition, the project will provide Guinean public administrative services with modern working tools (Information system and procedures manual for records processing).

V Legal Framework

5.15 Legal Instrument

5.15.1 For the financing of the project with ADF grant resources not exceeding UA 4.00 million, a Grant Agreement will be signed between the ADF and the Guinean Government. For the financing of the project with TSF grant resources not exceeding UA 2.00 million, a Grant Agreement will be signed between the ADF and the Guinean Government.

5.16 Conditions for Bank Involvement

Conditions precedent to effectiveness of the Grant Agreement

5.2.1 The ADF Grant Agreement shall become effective on the date of its signature by the Donee and the Fund. The TSF Grant Agreement shall become effective on the date of its signature by the Donee and the Fund.

Conditions precedent to the first disbursement of the grant

5.2.2 In addition to ADF grant effectiveness, the first disbursement shall be subject to fulfilment, by the Donee and to the Fund's satisfaction, regarding both form and substance, of the following conditions: Provide the Fund with evidence of opening a special account in the project's name in a bank acceptable to the Fund into which the ADF grant resources will be deposited.

5.2.3 The first disbursement of the TSF grant shall be subject to its effectiveness.

5.2.4

5.17 Compliance with Bank Policies

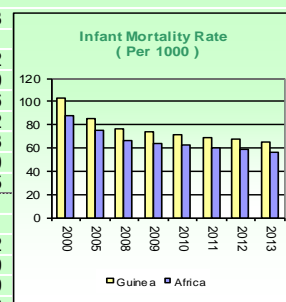
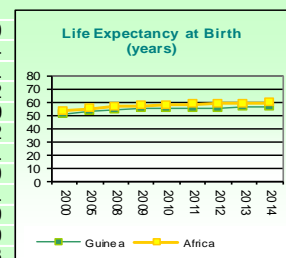
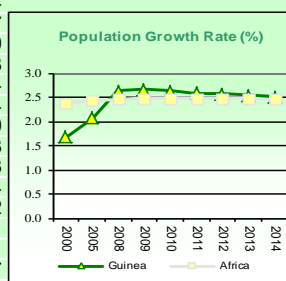
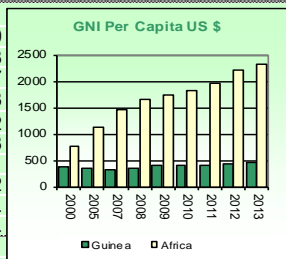
5.3.1 This project complies with all applicable Bank policies.

VI - RECOMMENDATION

Management recommends that the Board of Directors approves the proposed ADF grant of UA 4 million and TSF grant of UA 2 million to the Republic of Guinea for the purpose and under the terms and conditions set forth in this report.

Annex I: Comparative Socio-Economic Indicators of the Country

	Year	Guinea	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2014	246	30,067	80,386	53,939
Total Population (millions)	2014	12.0	1,136.9	6.0	1.3
Urban Population (% of Total)	2014	36.9	39.9	47.6	78.7
Population Density (per Km²)	2014	49.0	37.8	73.3	24.3
GNI per Capita (US \$)	2013	460	2 310	4 168	39 812
Labor Force Participation - Total (%)	2014	72.0	66.1	67.7	72.3
Labor Force Participation - Female (%)	2014	45.8	42.8	52.9	65.1
Gender-Related Development Index Value	2007-2013	0.785	0.801	0.506	0.792
Human Develop. Index (Rank among 187 countries)	2013	179
Popul. Living Below \$ 1.25 a Day (% of Population)	2008-2013	40.9	39.6	17.0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2014	2.5	2.5	1.3	0.4
Population Growth Rate - Urban (%)	2014	3.9	3.4	2.5	0.7
Population < 15 years (%)	2014	42.1	40.8	28.2	17.0
Population >= 65 years (%)	2014	3.1	3.5	6.3	16.3
Dependency Ratio (%)	2014	83.4	62.4	54.3	50.4
Sex Ratio (per 100 female)	2014	100.4	100.4	107.7	105.4
Female Population 15-49 years (% of total populatic	2014	23.4	24.0	26.0	23.0
Life Expectancy at Birth - Total (years)	2014	56.4	59.6	69.2	79.3
Life Expectancy at Birth - Female (years)	2014	57.1	60.7	71.2	82.3
Crude Birth Rate (per 1,000)	2014	36.5	34.4	20.9	11.4
Crude Death Rate (per 1,000)	2014	11.3	10.2	7.7	9.2
Infant Mortality Rate (per 1,000)	2013	64.9	56.7	36.8	5.1
Child Mortality Rate (per 1,000)	2013	100.7	84.0	50.2	6.1
Total Fertility Rate (per woman)	2014	4.8	4.6	2.6	1.7
Maternal Mortality Rate (per 100,000)	2013	650.0	411.5	230.0	17.0
Women Using Contraception (%)	2014	7.0	34.9	62.0	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2004-2012	10.0	46.9	118.1	308.0
Nurses (per 100,000 people)*	2004-2012	51.1	133.4	202.9	857.4
Births attended by Trained Health Personnel (%)	2009-2012	45.3	50.6	67.7	...
Access to Safe Water (% of Population)	2012	74.8	67.2	87.2	99.2
Healthy life expectancy at birth (years)	2012	49.0	51.3	57	69
Access to Sanitation (% of Population)	2012	18.9	38.8	56.9	96.2
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2013	1.7	3.7	1.2	...
Incidence of Tuberculosis (per 100,000)	2013	177.0	246.0	149.0	22.0
Child Immunization Against Tuberculosis (%)	2013	66.0	84.3	90.0	...
Child Immunization Against Measles (%)	2013	62.0	76.0	82.7	93.9
Underweight Children (% of children under 5 years)	2005-2013	35.0	20.9	17.0	0.9
Daily Calorie Supply per Capita	2011	2 553	2 618	2 335	3 503
Public Expenditure on Health (as % of GDP)	2013	1.7	2.7	3.1	7.3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2011-2014	90.8	106.3	109.4	101.3
Primary School - Female	2011-2014	83.1	102.6	107.6	101.1
Secondary School - Total	2011-2014	38.1	54.3	69.0	100.2
Secondary School - Female	2011-2014	29.4	51.4	67.7	99.9
Primary School Female Teaching Staff (% of Total)	2012-2014	29.7	45.1	58.1	81.6
Adult literacy Rate - Total (%)	2006-2012	25.3	61.9	80.4	99.2
Adult literacy Rate - Male (%)	2006-2012	36.8	70.2	85.9	99.3
Adult literacy Rate - Female (%)	2006-2012	12.2	53.5	75.2	99.0
Percentage of GDP Spent on Education	2009-2012	2.5	5.3	4.3	5.5
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2012	12.2	8.8	11.8	9.2
Agricultural Land (as % of land area)	2012	0.6	43.4	43.4	28.9
Forest (As % of Land Area)	2012	26.3	22.1	28.3	34.9
Per Capita CO2 Emissions (metric tons)	2012	0.1	1.1	3.0	11.6



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

June 2016

UNAIDS; UNSD; WHO; UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available.

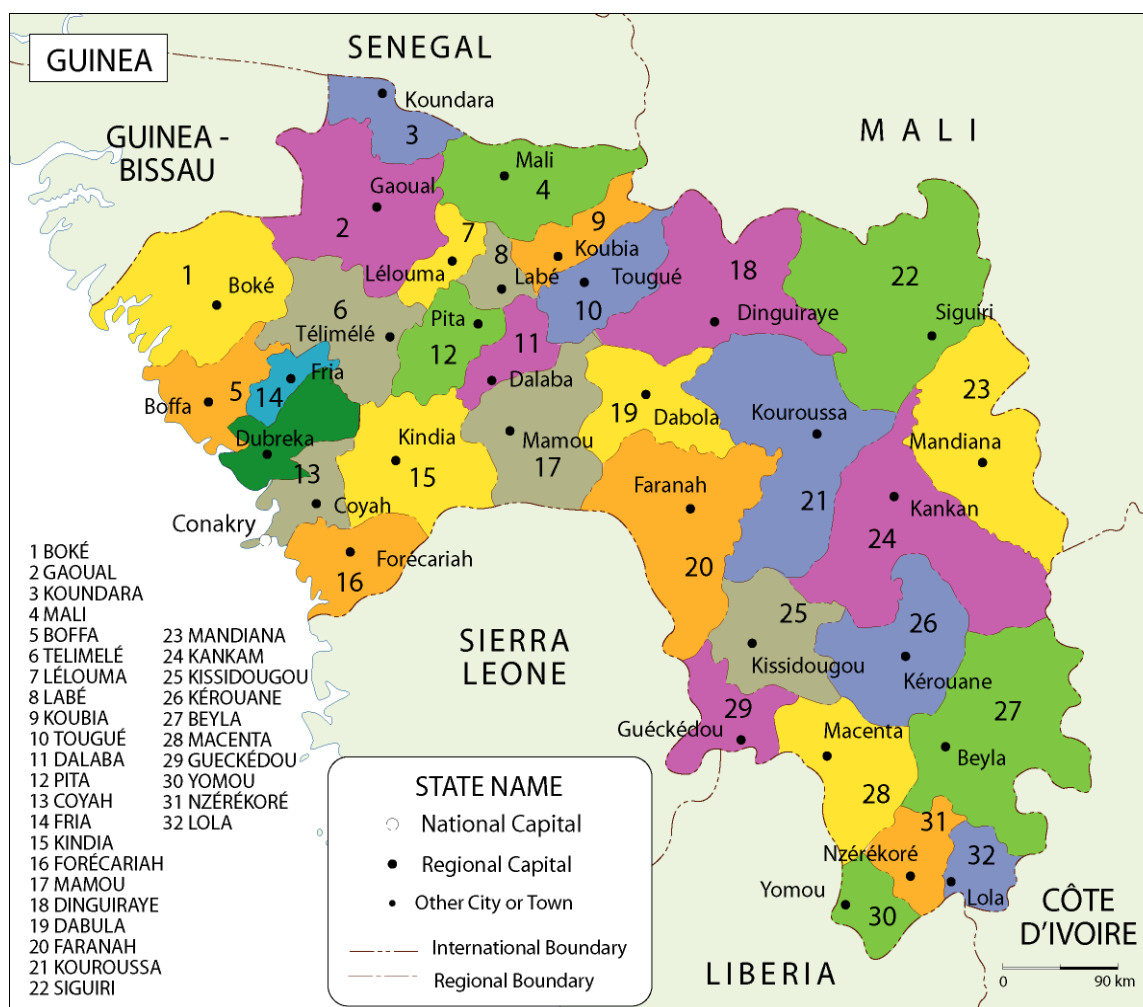
Annex II: Table of Bank Portfolio in Guinea (February 2016)

	Full Name	Approval Date	Closing Date	Amount	Disburs. Rate	Amount Disbursed	Balance	Sector	Supervision Score
1	Study on Institutional Support for the Reorganization of SNAPE	22/01/2014	30/04/2016	352 646	12.85%	45 315	307 331	Water and Sanitation	4
2	Second Conakry Electricity Network Rehabilitation and Extension Project	11/09/2013	31/12/2017	11 000 000	0.00%	0	11 000 000	Energy	4
3	Rural Electrification Project (PER)	21/01/2011	31/11/2017	14 960 000	36.00%	5 385 600	9 574 400	Energy	3
4	Economic and Financial Management Capacity Building Support Project (PARCGEF)	31/01/2011	30/04/2016	7 544 000	97.00%	7 317 680	226 320	Energy	4
45	The Multinational Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) Electricity Networks Interconnection Project	06/11/2013	31/12/2018	28 910 000	0.00%	0	28 910 000	Energy	Not Available
6	The Gambia River Basin Development Organization (OMVG) Energy Project.	30/09/2015	31/12/2020	46 250 000	0.00%	0	46 250 000	Energy	Not Available
7	Economic Planning and Mining Governance Support Project	10/07/2013	30/09/2017	11 380 000	54.31%	6 180 478	5 199 522	Multi-Sector	3
8	Social Investment and Post-Ebola Rehabilitation Fund	21/10/2015	31/12/2020	10 990 000	0.00%	0	10 990 000	Social	Not Available
9	Strengthening West Africa's Public Health Systems' Response to the Ebola Crisis	18/08/2014	30/05/2016	10 000 000	100%	10 000 000	0	Social	Not Available
10	Emergency Relief Fund	22/09/2014	31/12/2015	700 000	100%	700 000	0	Social	Not Available
11	Technical Assistance to Support Countries Most Affected with Ebola Epidemic	03/10/2014	31/12/2015	1 500 000	100%	1 500 000	0	Social	Not Available
12	Post-Ebola Recovery Programme	01/10/2014	31/12/2016	21 000 000	100%	21 000 000	0	Social	4
13	Road Development and Transport Facilitation Programme in the Mano River Union	18/12/2014	30/06/2020	23 399 000	0.00%	0	23 399 000	Transport	Not Available
	Total			187 985 646		52 129 073	135 856 573		

Annex III: Major Related Projects Financed by the Bank and Other Development Partners of Guinea

TFPs	Projects	Costs
ADF	PARCGEF (Support for Transparency and Business Climate in the Mining Sector)	USD 2.2 million
WB	Mining Sector Governance Support Project	USD 0 million
WB	Master Plan for Related Mining Infrastructure and Consultations	USD 490 000
WB	Strengthening of the legal and regulatory environment in the mining sector	USD 875 000
WB -IFC	Support for SMEs (Simandou) and investment climate reforms - support for the Mining One-Stop Shop	USD 8 million
IMF	Technique Assistance (Mining Taxation Financial Modelling)	-
AfDB/ALSF	PAPEGM (Revision of mining conventions)	UA 7.5 million
AfDB/WB	AfDB - PARCGEF - PAPEGM (EITI Process)	USD 600 000
WB	EITI Multi-donor	USD 569 000
WB	Economic Governance, Technical Assistance, and Capacity Building Project	USD 10 million
WB	Village Community Support Programme - Phase II	USD 17 million

Annex IV: Map of Project Area



This map has been drawn by the staff of the African Development Bank exclusively for the use of readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank Group and its members any judgement concerning the legal status of a territory or any approval or acceptance of its borders.