

# **AFRICAN DEVELOPMENT BANK**



...../...../.....

**Language: English**

**Original: French**

---

## **GUINEA**

### **RURAL DEVELOPMENT SUPPORT PROJECT FOR THE NORTH-WEST FOUTA DJALLON AREA**

### **PROJECT PREPARATION FACILITY**

**(PPF)**

**DEPARTMENT OF AGRICULTURE  
AND RURAL DEVELOPMENT  
CENTRAL & WEST REGIONS - OCAR.3**

**March 2004**

## **TABLE OF CONTENTS**

		<b><u>Page</u></b>
1.	<b><u>Introduction</u></b>	1
1.1.	Background Information	1
1.2.	Objective of the Study	1
1.3.	Justification for the Use of PPF Advances	2
2.	<b><u>Description of the Study</u></b>	2
2.1	Preparatory Activities	2
2.2.	Expected Outputs	5
2.3.	Implementation Modalities	5
3.	Cost Estimates for the Preparatory Activities	6
3.1	Detailed Cost Estimates	6
3.2	Financing Plan	7
4.	<b><u>Mode of Procurement of Goods and Services</u></b>	9
4.1.	Mode of Procurement of Services	9
4.2.	Mode of Procurement of Goods	9
5.	<b><u>Implementation Schedule</u></b>	9
6.	<b><u>Financing Arrangements</u></b>	9
6.1.	Refinancing and Repayment of Advances	10
6.2.	Suspension of Disbursement of Advances	10
6.3.	Special Deposit Account	10
6.4.	Letter of Agreement and its Annexes	10
7.	<b><u>Conclusions and Recommendations</u></b>	10
7.1	Conclusions	10
7.2	Recommendations	10
7.3.	Conditions Precedent to the First Disbursement of the Loan	10

## **ANNEXES**

## **No. of Pages**

1.	Request including Evidence of the Government's Commitment	3
2.	Letter of Agreement for the Advance, and its Annexes	8
3.	Composition of the Team of Consultants	2
4.	Terms of Reference of the Study	3
5.	Map of Guinea	1

## **I. INTRODUCTION**

### **1.1. Background Information**

1.1.1. The agricultural sector plays an important role in the Guinean economy, and involves about 85% of the total population. More than 52% of the country's poor population live in rural areas. The illiteracy rate, which ranges from 69% to 76%, is more significant in rural areas. Access to drinking water is limited to only 55% of the population. Furthermore, these figures conceal considerable disparities between the regions and prefectures. In addition, there is limited access to advisory and technical support services, and very poor accessibility. This shows that there will be no significant poverty reduction in rural areas without effective and sustainable socio-economic development.

1.1.2. The Government is committed to meeting all these challenges, and has set, as its major objective the achievement of an annual agricultural Gross Domestic Product (GDP) growth rate of 10% in 2010. To achieve this objective, the Government has made the agricultural sector the priority of its economic and social development policy. This has led to a significant increase in investments in the sector in recent years. Accordingly, to reinforce the agricultural development process initiated since 1991, it became necessary to ensure optimal distribution of agricultural investments so as to improve the standard of living of the rural population, in particular the most underprivileged, and reduce inter-regional disparities.

1.1.3 In order to further support this political will towards poverty reduction, the African Development Bank (ADB) granted the Guinean Government's request for the financing of the preparation of the feasibility study on a rural development support project in the North-West Fouta Djallon area, in particular Gaoual and Koundara prefectures in the Middle Guinea region. This region has the highest poverty ratios in the country. Nearly 51% of the population of Middle Guinea are poor, and live on an annual income below US\$ 300 per inhabitant. Guinea is ranked 150th out of 174 countries in terms of the Human Development Index.

1.1.4 The envisaged study is one of the Government's priority in its economic development policy in general, and in its poverty reduction strategy, in particular. It is also fully consistent with the Bank's CSP for Guinea. The present Terms of Reference were prepared by a Bank mission to Guinea in March 2002, and updated in September 2003.

### **1.2. Objective of the Study**

1.2.1 The objective of the study is to determine the technical and economic feasibility of a rural development project in the North-West Fouta Djallon area, aimed at sustainably improving agricultural production and increasing the incomes of the population, so as to promote environmental development in ways that guarantee the sustainability of production systems and maintain the agro-ecological potential.

1.2.2 The study should ultimately define a project with priority development actions that can help to reduce poverty and improve the living conditions of the rural population. As such, the participation of the beneficiary population, in particular women, will be essential to guarantee rational management, as well as sustainable and optimal maintenance of the activities to be carried out. The ultimate aim of the study is to establish a process that would transform the assistance role of the population to that of self-enhancement, so as to guarantee

higher sustainability of investments and outputs. Within this context, outputs with the participation of the population, decentralized administrative structures, the civil society and the private sector, will be promoted. Priority will therefore be given to the participatory approach in the design and conduct of the study, so as to ensure a good design and content of a project that can guarantee sustainable development.

### 1.3. Justification for the Use of PPF Advances

1.3.1. The project area experiences many constraints which impede its economic development, in general and the revitalization of the agricultural sector, in particular. Food security and sufficient incomes for the population have not yet been guaranteed. The major constraints on the project area are as follows: (i) inaccessibility of many localities during the rainy season; (ii) marketing problems, worsened by the lack of effective means of conservation and processing, often resulting in considerable post-harvest loss and poor sale of produce; (iii) inadequate basic social and economic infrastructure, and (iv) the lack of an agricultural and veterinary inputs supply system. The environment of the project area is perceptibly degraded as a result of the production systems (slash-and-burn shifting cultivation, extensive stockbreeding, etc.) and firewood consumption, which are increasing under demographic pressure, thereby further extending deforestation.

1.3.2 Despite these constraints, the project area has some potential that needs to be tapped in order to sustainably increase the productivity of farms and improve the standard of living of the population. In fact, the farmers of the area engage in the production, marketing and primary processing of agricultural products. Furthermore, there is considerable potential for agricultural intensification and large-scale stockbreeding for the development of the agricultural and livestock sectors.

1.3.3 Available information and studies on the project area are inadequate for preparing a good quality project. Furthermore, the Government does not have the resources to conduct the feasibility study on a rural development project that guarantees quality at entry. The few studies conducted in the project area are sectoral, and cover only sectors specific to rural areas (study on the cotton, fisheries, livestock and groundnuts sub-sectors) or are very old and require complete updating; for example, the regional socio-economic study: “Diagnostic Review of Middle Guinea Prefectures”, conducted with UNDP support in 1988. On the other hand, some aspects relating to the socio-economic development of rural areas, an assessment of the natural potential and its development, the role of women, the environment, the marketing and processing products, as well as income-generating non-agricultural activities have been neglected so far.

1.3.4 A feasibility study will help to closely analyze all the aforementioned development aspects, and the implementation of the resulting project will help to eliminate the above-mentioned constraints, consolidate outputs, and initiate coherent and sustainable development.

## II. DESCRIPTION OF THE STUDY

### 2.1. Preparatory Activities

2.1.1. The preparatory activities, covering eight (8) months, concern the conduct of a feasibility study on the project. They will be carried out in two (2) essential phases: (i) the

first phase will consist in undertaking a diagnostic review of the development potential and constraints, which will be based on a review of existing documents and field investigations to update the existing information and data on the project area and define the strategic development orientations; and (ii) the second phase will concern the feasibility study itself, which will define the project activities and implementation, as well as its organization and management, cost estimates and the expected socio-economic and environmental impacts; it will also define the institutional framework in collaboration with the various operators and beneficiaries.

Phase 1: Diagnostic review of the development potential and constraints, as well as strategic orientations

2.1.2 This activity will comprise: (i) a desk review for historical background on the agricultural and rural sector of the study area (Gaoual-Koundara) and the outputs of past operations of the Bank<sup>1</sup> and other donors; and (ii) conduct of a participatory diagnosis of the development potential and constraints of the area to attract the interest of the population and other partners, as well as identify their needs and participation capacities. The diagnosis will be based on an analysis of existing documents and field data concerning mainly:

- (i) the physical features, comprising in particular the potential and constraints of the area;
- (ii) the social context of the area in terms of gender, its interests and expectations depending particularly on: (a) the crops and production systems; (b) the available resources (i.e. mechanization); (c) the amount of land and strength of the workforce, etc.;
- (iii) the role of women in the rural development process, in general, and the agricultural sector in particular;
- (iv) a description and analysis of the major agricultural and animal production activities and constraints, and a review of the available data on producers' strategies;
- (v) the land tenure status of developable sites; the consultant will focus specifically on problems caused by land pressure in some areas and its consequences, and on the conditions of land ownership, especially for women and youths;
- (vi) a description of other aspects of the local context: (a) rural equipment and infrastructure (feeder roads, village water supply, rural electrification); (b) health, education; (c) agricultural service activities (inputs, mechanization, agro-industry, marketing, etc.);
- (vii) the identification of social infrastructure and services needed to settle the rural population and/or improve their living conditions (schools, health posts, recreational centres, etc.);
- (viii) an analysis of the micro-finance institutions and systems, and identification of their future needs;
- (ix) a description of the different operators in the area, and an analysis of their structures, activities as well as results, capacities and skills for the development of gender issues;

---

- (x) an analysis of the implemented or ongoing projects<sup>1</sup> in the project area, focusing on: (a) the objectives, (b) organization of operations, (c) technical, economic and organizational evaluation, and (d) the lessons to be drawn;
- (xi) the definition of strategic options for carrying out the scheduled activities;
- (xii) the selection of priority activities to be carried out, coupled with the development of natural resources under the project;
- (xiii) the identification of income-generating activities for the underprivileged population and single mothers; and
- (xiv) the roles of the different actors of the selected sub-sectors, indicating the options that would take into account the sub-objectives of job creation and income redistribution (poverty reduction).

2.1.3 This phase will, two months following the start of the study, culminate in the production of a report presenting the potentials and constraints of the area, the development problems and the strategic options adopted. A validation workshop, bringing together the Administration and the different actors (population, civil society, donors, administration, etc.), will be organized to validate the content of this first phase. The workshop will more closely examine the development problems, the identified activities, and the adopted strategic proposals and options.

Phase 2: Project Feasibility: This phase will focus on the following activities:

- (i) specifying and assessing the areas to be developed and those to be supervised, the accompanying activities to be carried out based on a participatory approach involving all the participants concerned;
- (ii) locating the irrigation sites taking into account the following constraints: topography and pedology, accessibility, human resources and availability of land, water resources and the aspirations of the beneficiaries;
- (iii) proposing types of development plans of selected areas for all the sites in consultation with the population;
- (iv) defining activities to support stockbreeding and agriculture;
- (v) defining the role of women, and activities to increase their incomes;
- (vi) determining the socio-economic infrastructure needs (feeder roads, health centres, schools, drinking water, etc.) and the income-generating activities required;
- (vii) determining the credit requirements, and the mechanisms for operating the credit;
- (viii) clearly defining the role of operators and producer organizations;
- (ix) calculating the costs and financing plan of the project;
- (x) studying the technical, economic and environmental feasibility of the different project activities, as well as their social and environmental impacts and any mitigating measures;
- (xi) producing the interim and final reports of the feasibility study; and
- (xii) organizing a workshop for all the partners (population, civil society, donors, administration, etc.) to validate the outputs

---

<sup>1</sup> Cotton Project, CAOPA, Livestock Support Project (PAE). Support for the integrated management of natural resources in the Niger and Gambian Basins (AGIR).

## 2.2. Expected Outputs

2.2.1 The proposed study will be used in preparing a technical, economic and environmental feasibility report on a rural development project for the North-West Fouta Djallon area, aimed at improving the living conditions of the population, reducing poverty, and improving food security.

2.2.2 The consultant will submit to the Government and ADF the following documents:

- (i) an initial report, one month following the start of the study, presenting the team organization, the intervention schedule of the different experts, the intervention methodology, and the time frames for submitting the reports;
- (ii) a report on the diagnosis and strategic development orientations, prepared two months following the start of the study. The report will cover all the aspects treated during the first phase;
- (iii) an interim report on the project feasibility as a multi-faceted file (Annexes) concerning all the aspects examined during the second phase of the study, and a synthesis note on the different chapters covered; and
- (iv) a final feasibility report comprising a final synthesis report presenting a summary of the outputs of the different phases of the study, and annexes on data and specific components (diagnostic review of the environment, agriculture, stockbreeding, irrigation, basic socio-economic infrastructure, economic analysis, cartography, environmental study, etc.). The synthesis report will comply with the standard format of the appraisal report recommended by the Bank.

## 2.3. Implementation Modalities

2.3.1. The PPF has been requested by the Government to enable it to prepare a project of high quality, using the senior staff of the Ministry of Agriculture and Livestock (MAE) and the available national experts, as much as possible. Guinea has highly qualified experts who can handle some aspects of the study, particularly in the following areas: (i) organization of the population and rural development activities; (ii) rural socio-economy; and (iii) rural engineering and development. The study will be conducted in the field in consultation with all the development partners. The effective participation of the senior staff and the different partners will facilitate assumption of ownership of the project right from the beginning, as well as its implementation.

2.3.2. The study will be managed by the MAE. However, the management will be delegated to the Central Studies and Agricultural Planning Office (BCEPA), which has the required skills to successfully carry out the mission. The Office will be responsible for ensuring the general coordination of the study and reviewing the different reports produced by the consultant. It will also work in close collaboration and regular consultation with the different services, field partners and other donors involved in the rural sector. Furthermore, it will be responsible, with the support of the national technicians of the different services concerned, for monitoring the conduct of the study, as well as ensuring the implementation of the design and methodology adopted, achievement of the outputs, and that the concerns of all

the stakeholders are taken into account. It will also ensure implementation of the recommendations of the workshops to validate the outputs obtained.

2.3.3 The national technicians of the MAE and other departments concerned (national counterparts) will participate in the conduct of the study by assisting the consultant with prospection work and conduct of field surveys, as well as preparation of some specific information within the administration. Furthermore, they will participate in the preparation of the working methodology and design of the study, given their deep knowledge of the environment and working conditions in Guinea. They will also closely monitor all the stages of reflection conducted under the study. By working with the international experts, the national counterparts will benefit from on-the-job training in the activities of the study (skills transfer) which will enable them to monitor and supervise the implementation of the future project for which the study is conducted, after the departure of the international experts.

2.3.4. Activity and Audit Reports: The Government will submit quarterly reports on the use of PPF funds and project formulation activities. An interim and a final preparation report will be submitted to the Bank for approval in accordance with the implementation schedule presented in paragraph V of this memorandum. The disbursed PPF advances will be audited on completion of the preparatory activity and the audit report will be submitted to the Bank. The auditing will be financed with PPF funds.

### III. COST ESTIMATES OF THE PREPARATORY ACTIVITIES

#### 3.1. Cost Estimates

The total cost of the study is estimated at UA 523,550. This amount covers the consultancy services as well as expenses relating to the conduct and monitoring of the study. It also includes a provision for physical and financial contingencies. The detailed costs are presented in Table 3 in Annex 2. Table 1 below summarizes the costs by component.

Table 1

Cost Estimates for the Study (in UA)

N°	Components	ADF Foreign Exchange	Local Currency		Total
			ADF	GOV	
	<b>A. CONSULTING FIRM</b>				
1.	Fees of International and National Experts	196 000	21 000	-	217 000
2.	Sundry equipment, hiring of vehicles	80 000	15 000	-	95 000
3.	Other expenses (per diem, travel, insurance, etc.)	80 300	7 200	-	87 500
4.	Reports and publication	20 000	5 00	-	25 000
	<b>Sub-Total A</b>	<b>376 300</b>	<b>48 200</b>	<b>-</b>	<b>424 500</b>
	<b>B. MONITORING-IMPLEMENTATION</b>				
5.	Salaries and allowances of coordination staff	-	9 400	9 550	18 950
6.	Organization of workshops		25 000	-	25 000
7.	Renting of offices and sundry expenses (water, electricity, etc.)	-	-	24 000	24 000
8.	AUDIT	10 000	-	-	10 000
	<b>Sub-Total B</b>	<b>10 000</b>	<b>34 400-</b>	<b>33 550</b>	<b>77 950</b>
	<b>Base Cost</b>	<b>386 300</b>	<b>82 600</b>	<b>33 550</b>	<b>502 450</b>
	Physical Contingencies (5%)	5 000	2 100	-	7 100
	Price Escalation (3%)	14 000	-	-	14 000
	<b>Total</b>	<b>405 300</b>	<b>84 700</b>	<b>33 550</b>	<b>523 550</b>



### 3.2. Financing Plan

3.2.1 The cost of the study (UA 523,550) will be shared by the ADF and Guinean Government. ADF contribution will amount to UA 490,000 or 94% of the total cost. The contribution by the Guinean Government will amount to UA 33,550 or 6% of the total cost; it will cover the local currency expenses on the salaries of the coordination staff, the renting of offices as well as water, electricity and telephone expenses. Table 2 below provides a breakdown of the costs by source of finance:

Table 2

Financing Plan (in UA)

Source	Foreign Exchange	Local Currency	Total	% Total
ADF	405,300	84,700	490,000	94
Government	-	33,550	33,550	6
Total	405,300	118,250	523,550	100

3.2.2 The detailed cost estimates by expenditure category are presented in Table 3 below.

Table 3 Cost of Expenses by Category (in UA)

N°	Items	Unit	Qty	Unit Cost	Total	% FE	FE	LC	Source
<b>I.</b>	<b>FEES</b>								
<b>1.1.</b>	<b>International Experts</b>								
	Agro-economist (Mission Leader)	s/m	8	8 500	68 000	100	68 000	-	ADF
	Agronomist pedologist	s/m	5	8 000	40 000	100	40 000	-	ADF
	Animal Production Expert	s/m	3	8 000	24 000	100	24 000	-	ADF
	Rural Engineer	s/m	3	8 000	24 000	100	24 000	-	ADF
	Forest Engineer/Environmental Expert	s/m	2	8 000	16 000	100	16 000	-	ADF
	Financial Analyst, Micro-finance Expert	s/m	3	8 000	24 000	100	24 000	-	ADF
	<b>Sub-Total 1</b>				<b>196 000</b>		<b>196 000</b>		
<b>1.2.</b>	<b>National Experts</b>								
	Sociologist, Expert in POs and rural development	s/m	5	3 000	15 000	-	-	15 000	ADF
	Hydrologist/regional planner	s/m	2	3 000	6 000	-	-	6 000	ADF
	<b>Sub-Total 2</b>				<b>21 000</b>			<b>21 000</b>	
	<b>Total I</b>				<b>217 000</b>		<b>196 000</b>	<b>21 000</b>	
<b>II</b>	<b>EQUIPMENT</b>								
	Computer and office automation equipment	U	2	10 000	20 000	100	20 000	-	ADF
	Cartography	Ft	-	10 000	10 000	100	10 000	-	ADF
	Other equipment	Ft	1	15 000	15 000	100	15 000	-	ADF
	Hiring of vehicles	Km	10 000	5	50 000	70	35 000	15 000	ADF
	<b>Total II</b>				<b>95 000</b>		<b>80 000</b>	<b>15 000</b>	
	<b>Total (I + II)</b>				<b>312 000</b>		<b>276 000</b>	<b>36 000</b>	
<b>III</b>	<b>OPERATING COSTS</b>								
<b>3.1</b>	<b>Coordination of the Study (allowances)</b>								
	Agro-economist (Coordinator)	s/m	8	300	2400	-	-	2400	ADF
	Agricultural Engineer	s/m	3	200	600	-	-	600	ADF
	Socio-economist/rural development	s/m	3	200	600	-	-	600	ADF
	Rural Engineer	s/m	3	200	600	-	-	600	ADF
	Forest Engineer	s/m	2	200	400	-	-	400	ADF
	Livestock Engineer	s/m	2	200	400	-	-	400	ADF
	Accountant	s/m	8	300	2400	-	-	2400	ADF
	Secretary	s/m	8	150	1200	-	-	1200	ADF
	Driver	s/m	8	100	800	-	-	800	ADF
	<b>Sub-Total 3.1</b>				<b>9 400</b>			<b>9 400</b>	
<b>3.2</b>	<b>SALARY OF COORDINATION STAFF</b> (cf. point 3.1 above)				<b>9 550</b>			<b>9 550</b>	GVT
<b>3.3</b>	<b>TRAVEL AND PERDIEMS</b>								
	Per-diem international experts	s/d	300	120	36 000	100	36 000	-	ADF
	Per-diem national experts	s/d	240	30	7 200	-	-	7 200	ADF
	International travel (experts)	A/R	9	1 500	13 500	100	13 500	-	ADF
	Other international expenses (insurance and others)	Ft	-	-	30 800	100	30 800	-	ADF
	<b>Sub-Total 3.3</b>				<b>87 500</b>		<b>80 300</b>	<b>7 200</b>	
<b>3.4</b>	<b>OFFICES AND OTHER EXPENSES</b>								
	Renting of offices	Months	8	2000	16 000	-	-	16 000	GVT
	Other expenses (water, communication, electricity)	Months	8	1000	8 000	-	-	8 000	GVT
	<b>Sub-Total 3.4</b>				<b>24 000</b>		<b>-</b>	<b>24 000</b>	
<b>3.5</b>	<b>VALIDATION WORKSHOPS</b>	U	2	12 500	25 000	-	-	25 000	ADF
<b>3.6</b>	<b>PUBLICATION OF REPORTS</b>	Ft	1	25 000	25 000	80	20 000	5 000	ADF
	<b>Total III</b>				<b>180 450</b>		<b>100 300</b>	<b>80 150</b>	
<b>IV</b>	<b>AUDIT</b>	Ft	1	5.000	10 000	100	10 000	-	ADF
	<b>BASE COST</b>				<b>502 450</b>		<b>386 300</b>	<b>116 150</b>	
	Physical contingencies (5% of II, 3.5 and 3.6)				7 100	89	5 000	2 100	ADF
	Price Escalation (3% base cost)				14 000	100	14 000	-	ADF
	<b>TOTAL</b>				<b>523 550</b>		<b>405 300</b>	<b>118 250</b>	

#### IV. MODE OF PROCUREMENT OF GOODS AND SERVICES

##### 4.1. Mode of Procurement of Services

4.1.1. The international expert will be recruited on the basis of a short list, submitted to the Fund for prior approval. The national counterparts will be assigned to the study following selection by the BCEPA. The CVs of the candidates shall receive the prior approval of the ADF. The auditing services for the PPF accounts will be procured through competition on the basis of a short list submitted to the Fund for prior approval.

4.1.2. The following documents will be submitted to the Bank for consideration and approval before publication: (i) the Letters of Invitation for the conduct of the study (UA 297,300) and audit (UA 10,000); (ii) the bids evaluation reports, with recommendations on the award of the contracts; and (iii) the draft contracts, where those incorporated in the bidding documents have been modified.

##### 4.2. Mode of Procurement of Goods

The sundry goods and equipment (computer equipment and others amounting to UA 95,000) will be procured through national shopping.

#### V. IMPLEMENTATION SCHEDULE

The study will cover a period of eight (8) months with effect from the date of the first disbursement of the PPF revolving fund. Here below is the proposed preparatory schedule:

	<u>Activities</u>	<u>Duration</u>	<u>Completion Date</u>
1.	<b>Approval of the Memo by the Bank</b>		April 2004
2.	Installation of the Coordination Team		May 2004
3.	Recruitment of consultants and procurement of equipment	M+0	May 2004
	<b>Phase I</b>		
6.	Start of study and preparation of the initial report	M+01	September 2004
7.	Diagnostic review and strategic options (Phase I),	M+02	October 2004
	<b>Phase II</b>		
9.	Engineering and feasibility studies	M+5	January 2005
10.	Interim report of the feasibility study	M+6	February 2005
11.	Final report of the feasibility study	M+7	March 2005
12.	Approval by the Government and ADF	M+8	April 2005

#### VI. FINANCING ARRANGEMENTS

The PPF will be financed in the form of an ADF advance on the loan for the project to be prepared. The Guinean Government will be responsible for the salaries of the local senior staff monitoring the study, the taxes and customs duties, and the renting of offices.

#### 6.1. Refinancing and Repayment of Advances

The project to be prepared is backed by the Government's guarantee that it will be implemented by the Ministry of Agriculture and Livestock. This guarantee is reinforced by the formal request for the financing of the project from the Government to the Bank. Consequently, the refinancing and repayment of the advances will take place as stipulated in the financial provisions applicable to PPF advances.

#### 6.2. Suspension of Disbursement of the Advances

Where it is necessary to suspend the disbursement of the advance, the suspension will comply with the guidelines for the use of PPF resources.

#### 6.3. Special Deposit Account

The PPF resources will be deposited in a special account in a currency agreed between the Bank and the Government. The Coordinator of the study, based in the Central Studies and Agricultural Planning Office (BCEPA), will be the co-signatory of the account with the Director-General of BCEPA. The account will be opened in a primary bank in accordance with the rules for the use of PPF resources.

#### 6.4. Letter of Agreement and its Annexes

A draft Letter of Agreement, signed by the Minister of the Economy and Finance of Guinea, is presented in Annex 2.

### VII. CONCLUSIONS AND RECOMMENDATIONS

#### 7.1. Conclusions

The proposed study is one of the Government's economic and social development priorities and is consistent with the Bank's CSP for Guinea. It will facilitate the preparation of the rural development project aimed at improving the living conditions of the population, reducing poverty, and ensuring food security by increasing products of plant and animal origin and their availability on the market and diversifying farmers' sources of income.

#### 7.2. Recommendations

In view of the foregoing and in order to ensure good quality at entry for the Rural Development Support Project for the North-West Fouta Djallon area, it is recommended that an advance not exceeding UA 490,000 be placed at the disposal of the Government of Guinea to enable it to carry out the activities of the study as described in this memorandum. The granting of the advance and its effectiveness will be subject to the conditions below.

#### 7.3. Conditions Precedent to the First Disbursement of the Loan Funds

Prior to effectiveness of the agreement and first disbursement, the Recipient shall submit to the Fund:

- (i) evidence of the delegation of project management to the Central Studies and Agricultural Planning Office (BCEPA) (para. 2.3); and
- (ii) evidence of the opening of a special account in a bank acceptable to the Fund, into which the PPF resources will be deposited (para. 6.3).

**PROJECT PREPARATION FACILITY (PPF) REQUEST FORM**

1. **Project Title** : Rural development support project for the North-West Fouta Djallon area (PADER-NORD)
2. **Country** : Guinea
3. **Borrower** : Government of the Republic of Guinea
4. **Executing Agency** : Ministry of Agriculture and Livestock  
BP 576, Conakry, Republic of Guinea  
Telephone: (+ 224) 41 10 02  
Fax: (+ 224) 45 11 81

5. **Detailed Description of the Preparatory Activities**

The activities indispensable for the project preparation will consist in conducting a diagnosis of the project in order to identify rural development problems and propose activities that would help to reduce poverty. They will consist in:

- a) **Field Investigation Activities**: These activities will include (i) a critical analysis of the current rural development problems in the project area (Gaoual and Koundara Prefectures); (ii) an analysis of the socio-economic situation of the area; (iii) the major agro-pastoral development activities and constraints; (iv) identification of the main agro-pastoral production systems and assessment of the resources; (v) description and analysis of the major plant and animal production sub-sectors; (vi) selection of the priority activities to be carried out, coupled with the development of natural resources; (vii) definition of the strategic options for land development and management; (viii) identification and role of the different operators, indicating the options which would take into account the sub-objectives of job creation and income redistribution (poverty alleviation); and (ix) an analysis of the role of women and division of tasks in rural areas.
- b) **Project Feasibility**: It will consist in carrying out the following activities: (i) specify and assess the areas to be developed and those to be supervised (other foodstuffs), the accompanying activities to be carried out, as well as rural infrastructure and services required (schools, health stations, etc.); (ii) determine the irrigation sites taking into account the following constraints: topography and pedology, accessibility, human resources and availability of land, water resources; (iii) propose standard development plans for the selected areas of all the sites; (iv) define the support activities (livestock, women, infrastructure, etc.), the role of operators and organization of producers; (v) propose the project costs and financing; (vi) review the practical modalities (definition of objectives, types of information, equipment, human resources, costs, etc.) for establishing a geographical and environmental information system; and lastly, (vii) prepare and produce the interim and final reports of the feasibility study.

The BCEPA will be the delegated manager of the project, and will ensure close collaboration and regular consultations with the different services, field partners and other donors involved in the rural sector. It will also be responsible for the technical monitoring of the study and for reviewing the consultant's reports. Furthermore, it will play an essential role in monitoring the implementation, as well as orienting and ensuring the application of the design and methodology, achieving the outputs, and ensuring that the concerns of all the stakeholders are taken into account. Lastly, it will ensure implementation of the recommendations of the workshops conducted to validate and reorient the study, where necessary.

In fact, the project area is located in a region considered as very poor, where the majority of the population lead precarious lives. The area has considerable agricultural and animal production potential, which has not been well developed. However, there are production and marketing activities in the area as a result of the cotton project. Since the cotton sub-sector has been privatized, the absence of new projects and inadequate sustainability of the cotton project outputs will have direct impacts on the standard of living of the population.

## **6. Rationale for the Preparatory Activities**

Following a mission of the African Development Bank to Guinea from 23 February to 11 March 2002, the Central Studies and Agricultural Planning Office (BCEPA) assessed the available studies, and noted the additional data required for formulating a rural development support project for the North-West Fouta Djallon area. Some studies are available in some areas, particularly in the rice, cassava, maize, fonio, and groundnuts sub-sectors, farmers' strategies, etc.

<b>7. <u>Cost Estimates of the PPF</u> :</b>	Foreign Exchange	:	UA 405 300
	Local Currency	:	UA 118 250
	Total Amount	:	UA 523 550

<b>8. <u>Financing Plan</u> :</b>	ADF	:	UA 490 000
	Government	:	UA 33 550
	Total	:	UA 523 550

## **9. Proposed Mode of Procurement**

- a) Services: The international expert will be recruited by competition on the basis of a short list, submitted to the Fund for prior approval. The national counterparts will be assigned to the study following selection from among MAE staff by the BCEPA. The auditing services for the PPF accounts will be procured through international competitive bidding on the basis of a short list submitted to the Fund for prior approval.

The following documents will be submitted to the Bank for consideration and approval before publication: (i) the bidding documents; (ii) the bids evaluation reports, with recommendations on the award of contracts; and (iii) the draft contracts, where those incorporated in the bidding documents have been modified.

- b) Goods: The sundry equipment (computer equipment, etc.) will be procured through national shopping.

## **10. Implementation Schedule**

The project preparation will cover a period of 8 months with effect from the date of the first disbursement of the PPF revolving fund. For example, the preparation schedule is indicated below: (i) installation of a coordination team not later than the end of January 2004; (ii) recruitment of consultants and procurement of equipment not later than end of May 2004; (iii) start of the study and preparation of the initial report in June 2004; (iv) diagnostic review and strategic options (Phase I) in July 2004; (v) engineering and feasibility studies in November 2004; (vi) interim report of the feasibility study in December 2004; (vii) final report of the feasibility study in January 2005 ; (viii) approval by the Government/ADF in February 2005; and (ix) project appraisal in March 2005.

## **11. Evidence of Government Commitment to Implement the Project**

- a) Probability that Government will Implement the Project: Rural development is one of the financing priorities because it sustains more than 80% of the population. Agriculture and stockbreeding are the major activities of the population and generate considerable income for both the producers and the operators of the sub-sector and the Government. The agricultural sector contributes 18% to the country's GDP.

The Agricultural Development Policy Letter 2 (LPDA2) adopted by the donor community in 1998 and the national consultation in 2001 on the National Poverty Reduction Strategy Paper (PRSP) laid special emphasis on the need to support this sector so as to ensure sustainable development. The Government has given all assurance that the project to be prepared under the supervision of the Ministry of Agriculture and Livestock through the BCEPA, the sector support and coordination structure, will be implemented. This guarantee is reinforced by the formal request for the project financing from the Government to the African Development Bank.

- a) The Minister of the Economy and Finance will sign the Letter of Agreement.  
b) The Minister of Agriculture and Livestock will be responsible for monitoring the project formulation and use of the advances.

**Signature and stamp of the Permanent Secretary of the Ministry of the Economy and Finance**





**LETTER OF AGREEMENT FOR THE ADVANCE**

Date:

The Honourable Minister of the Economy and Finance  
Republic of Guinea  
BP 519: Conakry  
Fax: (224) 41 21 47; Tel.: (224) 41 45 17

Dear Minister:

Subject: Advance for Preparation of Study on the Rural Development  
Support Project for the North-West Fouta Djallon Area.  
Letter of Agreement

I am writing, on behalf of the African Development Bank, to indicate the Bank's agreement to grant to the Republic of Guinea (herein referred to as "the Recipient") an Advance in an amount not exceeding UA 490,000 (herein referred to as "the Advance"). The purpose of the Advance is to finance certain expenditures required for the preparatory activities, training or procurement of a certain quantity of goods for the implementation of components of the proposed project, study or programme the execution of which the Recipient has requested the financial assistance of the Bank.

The Advance is granted for the purposes and on the terms and conditions set forth in the attachments hereto. The Recipient hereby represents, by confirming its agreement hereunder, that it is authorized to contract, withdraw and repay the Advance for the said purposes and on the said terms and conditions.

The amounts of the Advance withdrawn shall carry a service charge at the rate of 0.75 percent per annum as per paragraph 5 of the Letter of Agreement Financial Provisions Applicable to Advances for Project Preparation.

The granting of this Advance does not constitute or imply any commitment on the part of the Bank to assist in the financing of the project for the preparation of which the Advance is granted.

Please confirm your agreement with the foregoing on behalf of Government, by signing, dating, and returning to us the enclosed copy of this letter. On receipt of the countersigned copy by the Bank, this Letter of Agreement will become effective on the date of countersignature.

Sincerely,

AFRICAN DEVELOPMENT BANK

By

Vice-President, Operations\_\_\_\_\_

OR

President \_\_\_\_\_

Date \_\_\_\_\_

AGREED

THE REPUBLIC OF GUINEA

By Cheick Amadou CAMARA  
Minister of the Economy and Finance

Date 24.X.02



**Attachment I**

**PURPOSE, TERMS AND CONDITIONS OF THE ADVANCE**

1. The Advance is granted for the following activities required for project preparation:
  - i) conduct field investigations to update existing information and data in the project area, and define the strategic development options; and
  - ii) conduct the feasibility study itself, focusing on project organization, cost estimates and the expected impacts, definition of the institutional framework, etc.
2. Expenditures to be financed, by category, are as follows:

Category	For. Exch	Loc. Curr.	Total Cost	Percentage
Equipment	80 000	15 000	95 000	18
Experts' Fees	196 000	21 000	217 000	42
Operating Costs	100 300	80 150	180 450	34
Audit	10 000	-	10 000	2
Contingencies	19 000	2 100	21 100	4
Total	405 300	118 250	523 550	100.00

The Recipient shall:

- i) carry out the project preparation activities outlined above with due diligence and efficiency;
  - ii) promptly provide the funds, facilities, services and all other resources required for the purpose;
  - iii) furnish to the Fund all information covering such activities and the use of the proceeds of the Advance as the Bank shall reasonably request; and
  - iv) from time to time exchange views with the Fund's representatives on the progress and results of such activities.
3. To facilitate the carrying out of the said project preparation activities, the Recipient may open a special deposit account ("the special account") in local currency in a commercial bank acceptable to the Fund according to the terms and conditions set forth in Attachment II. The depository bank of the special account shall confirm in a form acceptable to the Fund that the funds in the special account will be segregated as a special deposit for the specific purposes for which the Advance is granted and that the funds are not subject to claims of setoff, seizure, or attachment.
4. The Recipient shall employ consultants acceptable to the Fund on terms and conditions satisfactory to the Fund. The consultants shall be selected in accordance with principles and procedures acceptable to the Fund and on the basis of the Fund's *Rules of Procedure for the Use of Consultants* (January 2000). No substitution of such consultants or modification of the terms and conditions of their employment shall be made except with the prior approval of the Fund. Procurement of goods will be carried out in accordance with the Fund's *Rules of Procedures for the Procurement of Goods and Works* (January 2000).

5. Withdrawal, use and repayment of the Advance shall be made in accordance with the Financial Provisions Applicable to Advances for Project Preparation (the financial provisions) set forth in Attachment III.

6. The Advance shall carry a service charge as provided in paragraph 5 of the Financial Provisions.

7. The date of 31 December 2004 (\*) is hereby specified for the purposes of paragraph 6 of the Financial Provisions. No withdrawals of the Advance shall be made after said date, and any amount of the Advance then remaining unwithdrawn shall be cancelled, unless the Bank shall establish a later date for the purposes of paragraph 6.

8. The Minister of Finance shall sign withdrawal applications for the Advance on behalf of the Recipient, or any person designated in writing by said authorized Government Official. Authenticated specimen signatures of the designated persons shall be provided with the first application.

---

\* Note that the date to be inserted in item 7 above is the date of effectiveness of this Agreement, i.e. the date the Letter of Agreement is countersigned by the Minister of Finance of the Recipient.

**Attachment II**

**SPECIAL DEPOSIT ACCOUNT**

1. For the purposes of this Attachment:
  - a) the term “categories” means categories of items to be financed out of the proceeds of the Advance as set forth in paragraph 2 of Attachment I;
  - b) the term “eligible expenditures” means expenditures in respect of the reasonable cost of goods and services required for the project preparation activities to be financed out of the proceeds of the Advance; and
  - c) the term “authorized allocation” means an amount not less than UA 20,000 to be withdrawn from the Advance and deposited in the Special Deposit Account (the “Special Account”) pursuant to paragraph 3 (a) of this Attachment.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Attachment.
3. After the Fund has received satisfactory evidence that the Special Account has been duly opened, withdrawals of the authorized allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:
  - a) for withdrawals of the authorized allocation, the Recipient shall furnish to the Bank a request or requests for a deposit or deposits that do not exceed the aggregate amount of the authorized allocation. On the basis of such request or requests, the Fund shall, on behalf of the Recipient, deposit in the Special Account such amount out of the proceeds of the Advance as requested by the Recipient.
  - b) for replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Fund shall specify; and
  - c) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Attachment. On the basis of each such request, the Fund shall, on behalf of the Recipient, deposit into the Special Account out of the proceeds of the Advance such amount as requested by the Recipient and shown by the said documents and other evidence to have been made out of the Special Account for eligible expenditures.
4. For each payment made by the Recipient out of the Special Account, the Recipient shall (at such time as Fund shall reasonably request) furnish the Fund such documents and other evidence showing that such payment was made exclusively for eligible expenditures.
5. Notwithstanding the provisions of paragraph 3 of this Attachment, the Fund shall not be required to make further deposits into the Special Account:
  - a) if at any time, the Bank determines that all further withdrawals of the Advance should be made directly by the Recipient; or
  - b) once the total unwithdrawn amount of the Advance equals the equivalent of twice the amount of the Authorized Allocation.

6. a) If the Fund determines at any time that any payment out of the Special Account was:
- i) made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Attachment; or
  - ii) not justified by the evidence furnished to the Fund;

The Recipient shall promptly upon notice from the Fund:

- a) provide such additional evidence as the Fund may request; or
- b) deposit into the Special Account (or, if the Fund shall so request, refund to the Fund) an amount equal to the amount of such payment or the portion thereof not so eligible or justified.

Unless the Fund shall otherwise agree, no further deposit by the Fund into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

- b) If the Fund determines at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Fund, refund to the Fund such outstanding amount.
- c) The Recipient may, upon notice to the Fund, refund to the Fund all or any portion of the funds on deposit in the Special Account.
- d) Refunds to the Fund made pursuant to paragraph 6 (a), (b) and (c) of this Attachment shall be added to the un-withdrawn amount of the Advance.

**Attachment III**

**FINANCIAL PROVISIONS APPLICABLE TO ADVANCES FOR PROJECT  
PREPARATION**

1. In these Provisions, the term “Fund” means the African Development Fund (the «Fund»).
2. The Fund shall disburse funds to the Recipient (Republic of Guinea) of a project preparation advance to meet expenditures specified in the Letter of Agreement for the advance. The Recipient should submit a written application for withdrawal in the form specified by the Fund. The application shall be signed by an authorized representative of the Recipient and accompanied by evidence of the expenditures made, or if the Fund shall so agree, to be made.
3. The Advance shall be disbursed in the currency agreed to by the Fund and the Borrower in accordance with the Fund’s rules of disbursement.
4. Withdrawals shall be made only for expenditures for services supplied from, or goods produced in countries eligible under the Bank’s *Rules of Procedure for Procurement of Goods and Works*.
5. As specified by the Fund in the Letter of Agreement for the Advance, the amounts of the Advance withdrawn and not repaid shall carry a service charge of 0.75 percent per annum.
6. The amount of the Advance withdrawn, together with the service charge accrued thereon shall be repaid by the Recipient to the Fund as follows:
  - a) If by or before the date agreed upon for this purpose by the Recipient and the Fund in the Letter of Agreement for the Advance, a loan shall have been granted by the Fund for the purpose of assisting in the financing of the project for the preparation of which the Advance was made, then the full amount of the Advance withdrawn and outstanding shall be repaid to the Fund. Such payment shall include the accrued service charge on the Advance to the date of repayment. The repayment shall be made by means of a withdrawal of the proceeds of such loan in accordance with the provisions of the agreement providing therefor, as soon as such agreement shall have become effective.
  - b) If by the date referred to in paragraph (a) above, no such loan or grant shall have been made, or if by such date or at any time thereafter, the agreement providing for such loan or TAF grant shall have been terminated without becoming effective, then:
    - i) if the amount of the Advance withdrawn does not exceed UA 20 000, such amount shall be repaid by the Recipient to the Fund, together with the accrued service charge thereon to the date of repayment, on such date as the Fund shall specify in a notice to the Recipient; such date shall in no event be earlier than 60 days following the date of dispatch of such notice; and

- ii) if the amount of the Advance withdrawn shall exceed UA 20 000, the aggregate of such amount shall be paid by the Recipient to the Fund in three equal annual instalments of principal, together with service charges accrued on such aggregate outstanding amount from time to time in the amounts and on the dates specified by the Fund in a notice to the Recipient; in no event shall the first instalment date be earlier than 60 days following the date of dispatch of such notice.
- 7. All payments to the Fund shall be made in the currency of which the Fund disbursed the Advance or equivalent sum in another currency agreed to by the Fund and the Borrower in accordance with the Fund's disbursement rules.
- 8. The Fund may, by notice to the Recipient, suspend at any time further withdrawals of the Advance if any of the following events of suspension shall have occurred: (a) funds withdrawn have not been used for the purpose agreed between the Recipient and the Fund; (b) the preparatory activities are not carried out in accordance with the standards and methods agreed between the Recipient and the Fund; or (c) the right of the Recipient, or any other entity to which the Fund has granted a loan with the guarantee of the Recipient, to make withdrawals under any loan or TAF grant agreement with the Fund shall have been suspended.
- 9. At any time after withdrawals of the Advance shall have been suspended pursuant to these provisions, the Fund may, by notice to the Recipient, cancel any amount of the Advance remaining unwithdrawn.



## **COMPOSITION OF THE TEAM OF CONSULTANTS**

1. Agro-Economist: Mission Leader

- Senior Agro-economist, holder of a university degree, specialist in development planning, design and preparation of integrated rural development projects and programmes;
- At least 15 years experience in the implementation of integrated rural development projects and programmes in rural areas and more particularly studies relating to agricultural planning, in general, and other related fields (processing, marketing, etc.);
- Very good reference in community participation projects and wide experience in the conduct of a multi-disciplinary study, as well as in selecting and coordinating the work of a team of experts recruited to participate in the study; and
- Experience acquired from similar projects, especially experience acquired in sub-Saharan African countries.

2. Agricultural Engineer /Pedologist

- Specialist in the cultivation of rice and other food crops, and experience in pedological analysis, soil management, studies on production systems and analysis of sub-sectors. Holder of a university degree with solid experience in the design and implementation of rural development projects and programmes. At least 15 years experience in similar projects, particularly in sub-Saharan African countries or elsewhere.

3. Rural Engineer

- Specialist in irrigation schemes (agricultural hydraulics) and feeder roads. Holder of a university degree with good experience in the organization and community management of irrigated areas. Long experience in the design of projects and addressing rural development problems based on the participatory approach. At least 15 years experience in similar projects.

4. Sociologist specialized in institutions, POs and rural development

- Specialist in organization and community development, and in the evaluation of institutional aspects. Holder of a university degree with at least 15 years experience in rural development problems based on the participatory approach, planning and coordination, preparation of pedagogic programmes, information and sensitization, and in the definition and implementation of special support measures for women.

5. Forest Engineer/Environmentalist

- Holder of a university degree with at least 10 years experience in the study and assessment of environmental impacts, in particular the preparation of rural development projects and programmes.

6. Financial Analyst specialized in Micro-finance

- Specialist in finance and micro-finance, holder of a university degree with solid experience in the financial analysis of rural development programmes and projects, and decentralized financial systems. At least 15 years experience in the design of projects based on the participatory approach.

7. Specialist in Animal Production

- Holder of a university degree in animal production with at least 10 years experience in the study and appraisal of livestock projects, particularly in the preparation of rural development projects and programmes.

8. Hydrologist

- Holder of a university degree in hydrology with at least 10 years experience in the study and appraisal of development projects, particularly in the preparation of rural development projects and programmes.

## **TERMS OF REFERENCE OF THE STUDY**

### **1. INTRODUCTION**

1.1 The agricultural sector plays an important role in the Guinean economy, and involves about 85% of the total population. More than 52% of the country's poor population live in rural areas. The illiteracy rate, which ranges from 69% to 76%, is more significant in rural areas. Access to drinking water is limited to only 55% of the population. Furthermore, these figures conceal significant disparities between the regions and prefectures. In addition, there is limited access to advisory and technical support services, and very poor accessibility. This shows that there will be no significant poverty reduction in rural areas without effective and sustainable socio-economic development.

1.2 The Government is committed to meeting all these challenges, and has set, as its major objective the achievement of an annual agricultural Gross Domestic Product (GDP) growth rate of 10% in 2010. To achieve this objective, the Government has made the agricultural sector the priority of its economic and social development policy. This has led to a significant increase in investments in the sector in recent years. Accordingly, to reinforce the agricultural development process initiated since 1991, it became necessary to ensure optimal distribution of agricultural investments so as to improve the standard of living of the rural population, in particular the most underprivileged, and reduce inter-regional disparities.

1.3 In order to further support this political will towards poverty reduction, the African Development Bank (ADB) granted the Guinean Government's request for the financing of the preparation of the feasibility study on a rural development support project in the North-West Fouta Djallon area, in particular Gaoual and Koundara prefectures in the Middle Guinea region. This region has the highest poverty ratios in the country. Nearly 51% of the population of Middle Guinea are poor, and live on an annual income below US\$ 300 per inhabitant. Guinea is ranked 150th out of 174 countries in terms of the Human Development Index.

1.4 The proposed study is one of the Government's priority in its economic development policy in general, and in its poverty reduction strategy, in particular. It is also fully consistent with the Bank's CSP for Guinea. The present Terms of Reference were prepared by a Bank mission to Guinea in March 2002, and updated in September 2003.

### **2. AREA OF THE STUDY**

The purpose of the study is to define the contents of a rural development support project for the North-West Fouta Djallon area, particularly for the Gaoual and Koundara prefectures.

### **3. OBJECTIVE OF THE STUDY**

The objective of the study is to determine the technical and economic feasibility of a project aimed at sustainably improving production conditions and increasing the incomes of producers in

the area, so as to promote rural development in ways that guarantee the sustainability of production systems, and maintain the agro-ecological potential.

#### **4. DESCRIPTION OF THE STUDY**

4.1. The proposed study will be conducted in two successive phases, over a total period of eight (8) months, including two one-month periods each for the consideration and approval of reports by the Guinean Administration and the ADF, as well as the finalization of the reports by the consultant.

4.2. The first phase will consist in field investigations to update existing information and data in the project area, and to define the strategic development options. It will include the following activities:

- i. a critical analysis of the current rural development problems in the project area (Gaoual and Koundara);
- ii. an analysis of the socio-economic situation;
- iii. the major activities and constraints of agro-pastoral development;
- iv. definition of the main agro-pastoral production systems and an evaluation of resources;
- v. a description and analysis of the major production sub-sectors;
- vi. selection of the priorities activities to be carried out, coupled with the development of natural resources;
- vii. definition of strategic options of land development and management;
- viii. identification and role of the various operators, indicating the options that would take into account the sub-objectives of job creation and income redistribution (poverty reduction);
- ix. an analysis of the environmental impacts (soil, water, forests, etc.) indicating the activities to be carried out (fertility conservation, control of erosion, etc.), as well as their impact on the other rural activities and actions aimed at reducing environmental risks.

This phase of the project will cover two (2) months, and a workshop will be organized to validate the selected options.

4.3. The second phase will concern the feasibility study itself, focusing on: activities and organization of the project, cost estimates and expected impacts, definition of the contractual framework, etc. It will comprise the following activities:

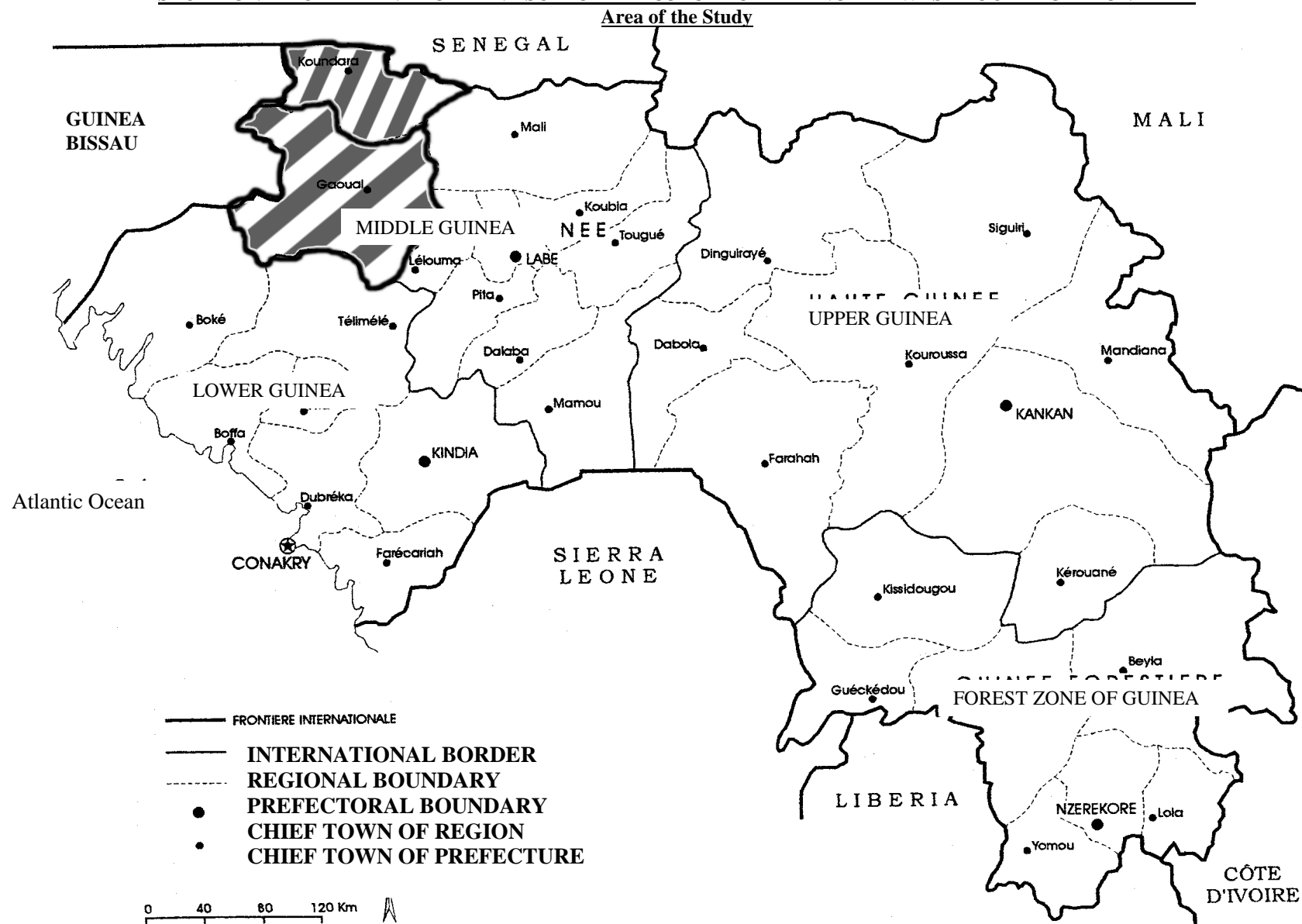
- i. the engineering studies of the identified activities;
- ii. evaluation of the aspects relating to technical options and costs;
- iii. definition of the management modalities;
- iv. financial and economic analysis; and
- v. analysis of the environmental impact of the project, etc.

This phase will produce feasibility documents. It will cover eight (8) months, including the period for review and finalization of reports.

5. EXPECTED OUTPUTS OF THE STUDY

The proposed study will prepare technical and economic documents for the rural development support project for the North-West Fouta Djallon area. The feasibility documents will comprise a general summary report, prepared in the form recommended by the Bank, and Annexes relating to the different components of the study.

**REPUBLIC OF GUINEA**  
**STUDY ON A RURAL DEVELOPMENT SUPPORT PROJECT FOR THE NORTH-WEST FOUTA DJALLON AREA**



This map was provided by the staff of the ADB Group exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown on the map do not imply on the part of the ADB Group and its members any judgment concerning the legal status of a territory nor any approval or acceptance of these borders.