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Report No: PAD3370

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 23.0 MILLION
(US\$32.5 MILLION EQUIVALENT)

AND A
PROPOSED GRANT

IN THE AMOUNT OF SDR 23.0 MILLION
(US\$32.5 MILLION EQUIVALENT)

TO THE
REPUBLIC OF GUINEA

FOR A

NATURAL RESOURCES, MINING AND ENVIRONMENTAL MANAGEMENT PROJECT

May 4, 2021

Environment and Natural Resources Global Practice
Energy and Extractives Global Practice
Western and Central Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2021)

Currency Unit = Guinea franc (GNR)

GNR 10,041 = US\$1

SDR 0.70561173 = US\$1

FISCAL YEAR

January 1 - December 31

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ABBREVIATIONS AND ACRONYMS

ABN	Niger Basin Authority (<i>Autorité du Bassin du Niger</i>)
AFD	French Development Agency (<i>Agence Française de Développement</i>)
AIGA	Alternative Income-generating Activity
ANAFIC	National Agency for the Financing of Communities (<i>Agence Nationale de Financement des Collectivités en Guinée</i>)
ANAIM	National Agency for Mining Infrastructures Development (<i>Agence Nationale d'Aménagement des Infrastructures Minières</i>)
ASM	Artisanal and Small-Scale Mining
AWPB	Annual Work Plan and Budget
BCRG	Central Bank of the Republic of Guinea (<i>Banque Centrale de la République de Guinée</i>)
BGACE	Guinean Office of Audit and Environmental Compliance (<i>Bureau Guinéen d'Audit et de la Conformité Environnementale</i>)
BGEEE	Guinean Office of Environmental Study and Assessment (<i>Bureau Guinéen d'Etude et d'Evaluation Environnemental</i>)
BSD	Guinean Ministries' Strategic and Development Office (<i>Bureau de Stratégie et de Développement</i>)
BSTP	Online Local Purchase Exchange Platform (<i>Bourse de Sous Traitance et de Partenariat</i>)
CAFE	African Environment Funds Consortium (<i>Consortium des Fonds Africains pour l'Environnement</i>)
CBA	Cost-benefit Analysis
CBG	Guinea Bauxites Company (<i>Compagnie des Bauxites de Guinée</i>)
CEGENS	Management Center of Nimba and Simandou (<i>Centre de Gestion du Nimba et de Simandou</i>)
CEPF	Critical Ecosystem Partnership Fund
CFZ	Nzérékoré Forest Center (<i>Centre Forestier de Nzérékoré</i>)
CNSP	National Center for Fisheries Surveillance (<i>Centre National de Surveillance des Pêches</i>)
COMBO	Conservation, Impact Mitigation and Biodiversity Offsets in Africa
COVID-19	Coronavirus Disease
CPCN	Nature Conservation Rangers (<i>Corps Paramilitaire des Conservateurs de la Nature</i>)
CPDM	Mining Promotion and Development Center (<i>Centre de Promotion et de Développement Miniers</i>)
CPF	Country Partnership Framework
CPIA	Country Policy and Institutional Assessment
CPMZC	National Coastal and Marine Environmental Protection Center (<i>Centre de Protection Environnementale du Milieu Marin et des Zones Côtieres</i>)
CRI	Corporate Results Indicator
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DNCSOE	Department for Environmental Monitoring and Information Systems (<i>Direction Nationale du Cadre de Vie, Surveillance et Observation Environnementale</i>)
DNG	National Geology Directorate (<i>Direction Nationale de la Géologie</i>)
DNM	National Directorate of Mines (<i>Direction Nationale des Mines</i>)
DNNPCC	Directorate of Pollution, Nuisances and Climate Change (<i>Direction Nationale des Nuisances, Pollutions et Changement Climatique</i>)
DPO	Development Policy Operation
DRSP	Poverty Reduction Strategy Paper (<i>Document de Stratégie de Réduction de la Pauvreté</i>)

E&S	Environmental and Social
ESCP	Environmental and Social Commitment Plan
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
EITI	Extractive Industries Transparency Initiative
EU	European Union
FCV	Fragility, Conflict and Violence
FDI	Foreign Direct Investment
FECN	Environment and Natural Capital Fund (<i>Fonds pour l'Environnement et le Capital Naturel</i>)
FFEM	French Global Environment Facility (<i>Fonds Français pour l'Environnement Mondial</i>)
FNDL	National Fund for Local Development (<i>Fonds National de Développement Local</i>)
FODEL	Local Development Fund (<i>Fonds de Développement Local</i>)
FM	Financial Management
GAC	Guinea Alumina Corporation
GDP	Gross Domestic Product
GEF	Global Environment Facility
GEMS	Geo-Enabled Monitoring and Supervision
GHG	Greenhouse Gas
GIS	Geographic Information System
GoG	Government of Guinea
GPS	Global Positioning System
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HDI	Human Development Index
IBA	Important Bird and Biodiversity Areas
IBRD	International Bank for Reconstruction and Development
ICHA	Indigenous and Community Heritage Areas
IDA	International Development Association
IDF	Institutional Development Fund
IFC	International Finance Corporation
IGA	Income Generating Activity
IMETT	Integrated Management Effectiveness Tracking Tool
IMF	International Monetary Fund
IPF	Investment Project Financing
IRR	Internal Rate of Return
LAE	Environmental Analysis Laboratory (<i>Laboratoire d'Analyse Environnementale</i>)
M&E	Monitoring and Evaluation
MB	Ministry of Budget
MEEF	Ministry of Environment, Water and Forest (<i>Ministère de l'Environnement, des Eaux et des Forêts</i>)
MFD	Maximizing Finance for Development

MIGA	Multilateral Investment Guarantee Agency
MGSP	Mineral Governance Support Project
MMG	Ministry of Mining and Geology (<i>Ministère des Mines et de la Géologie</i>)
MoU	Memorandum of Understanding
MRV	Monitoring, Reporting and Verification
NAPA	National Adaptation Programme of Action
NDC	Nationally Determined Contribution
NGO	Non-governmental Organization
NPF	New Procurement Framework
NPV	Net Present Value
OGPR	Guinean Office for Parks and Reserve (<i>Office Guinéen des Parcs et des Réserves</i>)
OGUIB	Guinean Office of Wood (<i>Office Guinéen du Bois</i>)
PA	Protected Area
PACV	Village Community Support Project (<i>Projet d'Action Communautaire Villageois</i>)
PAD	Project Appraisal Document
PAMETT	Protected Area Management Effectiveness Tracking Tool
PF	Process Framework
PFM	Public Financial Management
PNDES	National Economic and Social Development Plan (<i>Plan National de Développement Economique et Social</i>)
PARSS	Program for the Reform of the Security Sector in Guinea (<i>Programme d'Appui à la Réforme du Secteur de la Sécurité</i>)
PDO	Project Development Objective
PEFA	Public Expenditure and Financial Assessments
PIDACC	Program on Integrated Development and Adaptation to Climate Change
PIM	Project Implementation Manual
PIMA	Public Investment Management Assessment
PIU	Project Implementation Unit
PPIAF	Public-Private Infrastructure Advisory Facility
PPSD	Project Procurement Strategy for Development
PRMP	Procurement Officer (<i>Personne Responsable des Marchés Publics</i>)
RAF	Financial Management Officer (<i>Responsable administratif et financier</i>)
RAPPAM	Rapid Assessment and Prioritization of Protected Area Management Tool
SEP	Stakeholder Engagement Plan
SESA	Strategic Environmental and Social Assessment
SIGM	Geological and Mining Information System (<i>Système d'Information Géologique et Minière</i>)
SMART	Spatial Monitoring and Reporting Tools
SME	Small and Medium-sized Enterprises
SMI	Small and Medium-sized Industries
SNCPM	National Office for the Control of Mining Projects (<i>Service National de Contrôle des Projets Miniers</i>)
SNGCUE	National Service for Disaster Risk Management and Environmental Emergency (<i>Service National de Gestion des Catastrophes et des Urgences Environnementales</i>)
SOE	Statement of Expenditure
SOGUIPAMI	Guinean Mining Heritage Company (<i>Société Guinéenne du Patrimoine Minier</i>)

SRDP	Boké Regional Development Strategy (<i>Strategie Régionale pour le Développement de Boké</i>)
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TIPA	Tropical Important Plant Areas
ToR	Terms of Reference
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNOPS	United Nations Office for Project Services
USAID	United States Agency for International Development
VfM	Value for Money
WARFP	West African Regional Fisheries Program
WBG	World Bank Group
WCF	Wild Chimpanzee Foundation
WDPA	World Database on Protected Areas
WFP	World Food Programme

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DATASHEET

BASIC INFORMATION

Country(ies)	Project Name	
Guinea	Guinea Natural Resources, Mining and Environmental Management Project	
Project ID	Financing Instrument	Environmental and Social Risk Classification
P168613	Investment Project Financing	Substantial

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
26-May-2021	30-Sep-2027

Bank/IFC Collaboration

No

Proposed Development Objective(s)

The Development Objective is to strengthen institutional capacities for integrated management of mineral and natural resources in Guinea and enhanced benefits from the mining and environment sectors

Components

Component Name	Cost (US\$, millions)



Improve the institutional framework for mining and environment	5.00
Mining policies, institutions, governance, and economic integration	29.00
Environmental and natural resources management	28.00
Project management	3.00

Organizations

Borrower: Republic of Guinea

Implementing Agency: Ministry of Environment, Water and Forests
Ministry of Mining and Geology

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	65.00
Total Financing	65.00
of which IBRD/IDA	65.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	65.00
IDA Credit	32.50
IDA Grant	32.50

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	Guarantee Amount	Total Amount
Guinea	32.50	32.50	0.00	65.00
National PBA	32.50	32.50	0.00	65.00
Total	32.50	32.50	0.00	65.00

Expected Disbursements (in US\$, Millions)



WB Fiscal Year	2021	2022	2023	2024	2025	2026	2027	2028
Annual	0.00	2.67	5.61	8.26	9.56	9.98	20.00	8.91
Cumulative	0.00	2.67	8.29	16.55	26.11	36.09	56.09	65.00

INSTITUTIONAL DATA

Practice Area (Lead)

Environment, Natural Resources & the Blue Economy

Contributing Practice Areas

Energy & Extractives

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Substantial
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

[] Yes [✓] No

Does the project require any waivers of Bank policies?

[] Yes [✓] No

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

Legal Covenants

Sections and Description

No later than one (1) month after the Effective Date, recruit a social development specialist, an accountant and a



procurement analyst with experience, qualifications and terms of reference satisfactory to the Association.

Sections and Description

No later than one (1) month after the Effective Date, adopt a project implementation manual, in form and substance satisfactory to the Association, containing detailed arrangements and procedures.

Sections and Description

Not later than three (3) months after the Effective Date, install, and thereafter maintain throughout Project implementation, an accounting software for the Project acceptable to the Association.

Sections and Description

Not later than six (6) months after the Effective Date, recruit, an internal auditor and an independent external auditor with qualifications, experience and terms of reference acceptable to the Association.

Sections and Description

Further to the Environmental and Social Commitment Plan (ESCP), ToRs for the mining SESA evaluation to be finalized not later than one (1) month after the Effective Date; an evaluation of the SESA to be completed not later than six (6) months after the Effective Date.

Conditions



I. STRATEGIC CONTEXT

A. Country Context

1. Located on the western coast of Africa, Guinea is a low-income country, with a population of 12.8 million in 2019.¹ **The country is endowed with abundant natural resources, featuring rich minerals, water and forests.** It has a third of the world's reserves of bauxite,² the world's largest and highest quality of undeveloped iron ore deposits, significant gold and diamond resources, and oil. As the source of several major rivers, the country is considered the West Africa's "water tower". It has the region's largest hydropower potential, estimated at 6,230 megawatts — little of which has been exploited. Abundant rainfall and diverse agro-climatic conditions provide economic potential for productive agriculture. Its strategic position as a coastal country offers a competitive advantage for business development.
2. **Guinea is home to rich terrestrial and aquatic ecosystems.**³ Guinea's exceptional ecosystems and biodiversity are internationally recognized and include four biosphere reserves,⁴ the world heritage site of Mount Nimba, 16 designated wetlands of international importance (Ramsar sites),⁵ 18 Important Bird and Biodiversity Areas (IBA)⁶ and 22 Tropical Important Plants Areas (TIPA).⁷ To protect its natural resources, Guinea has established a protected area network composed of two established national parks (Badiar, Haut-Niger), a national park under creation (Moyen-Bafing), 14 natural reserves and wildlife sanctuaries and more than 150 classified forests. Guinea also serves as a major watershed for West Africa, where 22 rivers originate, including the Niger and Gambia rivers.⁸ The landscape is part of the larger Upper Guinea forest system that covers Côte d'Ivoire, Ghana, Guinea, Liberia, Sierra Leone and Togo. These forests – the Guinean forests of West Africa – are one of the world's 35 biodiversity hotspots.⁹ The country harbors species of global significance, including critically endangered (e.g., Western chimpanzee¹⁰), endangered (e.g., African wild dog), and vulnerable species (e.g., African bush elephant, zebra duiker).
3. **Guinea's natural areas are important for the livelihoods of nearly all Guineans as they provide essential environmental services.**¹¹ The population is heavily dependent on the goods and services provided by these areas, such as clean water and air, food and medicinal plants, and fuelwood for cooking. The poor are particularly dependent on these services. Thus, conserving natural areas and their biodiversity is crucial for improving livelihoods.

¹ <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=GN>

² United States Department of Interior. 2016. Mineral Commodity Summaries. US Geological Survey. The country is also the world's sixth largest producer of bauxite.

³ USAID. 2007. Guinea Biodiversity and Tropical Forests 118/119 Assessment. USAID; Freshwater Ecoregion of the World: <http://www.feow.org; https://www.worldwildlife.org/publications/marine-ecoregions-of-the-world-a-bioregionalization-of-coastal-and-shelf-areas>

⁴ Biosphere Reserves of (i) Mount Nimba; (ii) Ziama; (iii) Badiar; and (iv) Haut-Niger.

⁵ https://rsis.ramsar.org/ris-search/?f%5B0%5D=regionCountry_en_ss%3AAfrica&f%5B1%5D=regionCountry_en_ss%3AGuinea

⁶ <http://datazone.birdlife.org/country/guinea/ibas>

⁷ <https://www.kew.org/about-us/press-media/22-areas-guinea-tropical-important-areas-africa>

⁸ USAID. 2012. Guinea Environmental Threats and Opportunities Assessment. USAID/Guinea.

⁹ Biodiversity hotspots are areas where extraordinary concentrations of biodiversity exist (Marchese, 2015. Biodiversity hotspots: A shortcut for a more complicated concept. Global Ecology and Conservation (30): 297-309). To qualify as a biodiversity hotspot, a region must meet two strict criteria: (i) it must have at least 1,500 vascular plants as endemics (i.e., it is irreplaceable); (ii) it must have 30 percent or less of its original natural vegetation (i.e., it is threatened) (Conservation International, www.conservation.com).

¹⁰ The country harbors the largest population of critically endangered species of chimpanzee (Western chimpanzee) in West Africa. <https://africanconservation.org/wildlife-news/guinea-approves-creation-largest-sanctuary-west-african-chimpanzee/>

¹¹ USAID. 2012. Guinea Environmental Threats and Opportunity Assessments. October 2012.



4. **Despite its rich endowment, Guinea is one of the poorest countries in Sub-Saharan Africa**, with a per capita Gross Domestic Product (GDP) of US\$962 in 2019, compared to the region's average of over US\$1,600.¹² **Mining accounts for 35 percent of GDP,¹³ and agriculture contributes 16 percent.**¹⁴ These two sectors are drivers of economic growth which reached 10 percent in 2017, thanks to increased bauxite and gold production, a dynamic construction sector and positive agricultural performance.¹⁵

5. **Based on the most recent official survey data, 44 percent of the Guinean population lived below the poverty line in 2018/2019; Coronavirus disease (COVID-19) further affects poverty in Guinea.** Poverty is strongly a rural phenomenon, with more than 55 percent of the rural population living in poverty, compared to 22 percent in urban areas. Poverty rates also vary substantially across regions. Labé, Faranah, and Kindia are the three poorest regions with poverty rates of 60 percent or more. In contrast, the capital city, Conakry, and the Kankan region present the lowest poverty rates (15.7 and 30.5 percent, respectively). Most of the poor are self-employed in agriculture and have limited sources of income. Their vulnerability has been exacerbated by frequent adverse shocks such as losses of crops, livestock, health problems, which contributed to a decrease in household incomes. Food insecurity affects 18 percent of the population, while the chronic malnutrition rate is about 26 percent nationwide.¹⁶ In 2019, Guinea ranked 174th out of 189 countries according to the United Nations' Human Development Index (HDI).¹⁷

6. **The COVID-19 pandemic is negatively affecting Guinea.** Macroeconomic projections indicate that Guinea's economic growth will decline to 4.2 percent and the fiscal deficit will widen to 3.4 percent of GDP in 2020 due to the COVID-19 outbreak. Simulation results suggest that poverty is expected to increase by approximately 4 percentage points following the COVID-19 outbreak. This 4 percent increase in the poverty rate translates to approximately 492,000 additional poor people.¹⁸ See also Annex 6.

B. Sectoral and Institutional Context

Sectoral context - Mining

7. **Guinea is significantly endowed with minerals** including about a third of global bauxite reserves, the largest undeveloped iron ore deposit in the world (the Simandou), gold, diamonds, and others. Reforms conducted over the past seven years including through the Mineral Governance Support Project (MGSP – P122916) resulted in unprecedent new investments in mining, and the largest Foreign Direct Investment (FDI) in the country's history. Over US\$2 billion were invested in mines over the past four years, and the pipeline of advanced projects is strong with over US\$10 billion expected to be invested in the foreseeable future. The number of mines in Guinea grew from six in 2014 to 13 in 2019, and Guinea progressed from the sixth to the third leading producer of bauxite in the world during this time. Artisanal mining of gold and diamonds is prevalent in the country and employs some 250,000 people directly. In 2017 mining represented 15 percent of GDP, 78 percent of exports, and 32 percent of Government revenues, or US\$505 million in 2017 compared with US\$345 million for 2016 -- a growth of over 46 percent in a single year.

8. **The significant mineral development in the country over the past several years increased production**

¹² Ministry of State in charge of the Economy and Finance. 2013. Poverty Reduction Strategy Paper. DRSP III (2013-2015). Permanent Secretariat of the Poverty Reduction Strategy

¹³ World Bank. 2018. Country Partnership Framework (CPF) for the period FY 2018-2023. Data refer to 2015.

¹⁴ Republic of Guinea, Overcoming Growth Stagnation to Reduce Poverty. Systematic Country Diagnostic. March 2018. / <https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=GN>

¹⁵ World Bank. 2018. CPF for the period FY 2018-2023.

¹⁶ World Food Programme. 2018. Guinea Country Brief. WFP (<https://www1.wfp.org/countries/guinea>)

¹⁷ <http://hdr.undp.org/en/content/2019-human-development-index-ranking>

¹⁸ World Bank 2021, Guinea Poverty Assessment.



and benefits from the mining sector to the country but highlighted outstanding and new challenges on sector management capacities, equity and sustainability. The country needs to continue strengthening reforms in the mining sector (which, in a context of overall weak governance in the country, remain fragile), while at the same time stimulating increasing mining linkages with the national economy to enable wider benefits for citizens who are increasingly active and vocal. Guinea's own mining history, which predates its independence, indicates that this will not happen by itself, and that it will have to face up to several challenges to achieve continued, integrated and equitable mineral sector development. These include:

9. **The mining sector in Guinea remains constrained** in terms of diversification of mined commodities, economic inclusion, informality of artisanal mining, and institutional capacity to monitor and manage the sector to realize its developmental potential sustainably. Extensive stakeholder dialogue, analytical work and experience with the MGSP suggest that the outstanding barriers to further sector development are as discussed in the following paragraphs.

10. **Access to resources: contracts, cadaster, and mineral base diversification.** Expanding the reserve base to sustain the continued contribution of mining to Guinea's socio-economic development requires further reduction in the risks to accessing mineral resources on several fronts.

a) **Guinea modernized its cadaster, which is now available online.** Guinea is proof that mineral endowment alone is not sufficient to foster significant mining operations. Modern and transparent licensing is one of the key enablers. The transparency embedded in the current cadaster is not necessarily welcomed by some powerful vested interests who are still trying to revert to old practices of granting licenses to speculators. The system needs to: (i) be maintained and strengthened to further embed transparency; (ii) exclude forestry and biodiversity areas from being amenable to mineral licensing; and (iii) be connected to the Information and Technology (IT) systems in the Ministry of Mines and Geology, the Tax Office, and other departments to enable a more integrated and collaborative sector management.

b) **Guinea is currently substantially dependent on bauxite mining revenues which, given the volatility of commodity prices, may expose the country to macro vulnerabilities.** The country is also endowed with iron ore deposits, and discoveries of traces (anomalies) of sought-after commodities, such as graphite, bode well for diversification of mined minerals. Given the state of capacities in the country and the asymmetry of skills with the private companies holding licenses of known deposits, Guinea will benefit from access to technical, financial and legal advisory services to enable the advancement of known projects toward development (e.g., iron, graphite) by supporting the realization of balanced contracts. Further geoscientific research and the promotion of gold, graphite and other non-mined minerals will help to mitigate macro risks for Guinea as it builds on its mineral endowment to build a diversified economy.

11. **Sector control and monitoring.** There have been strides in increasing the capacity of the ministries in charge of mines, budget, transport and environment to control and monitor mining operations and make the sector more transparent. However, the significant number and scope of new mines and the pipeline of advanced projects, including the development of significant transport infrastructure (railroads and ports) that are larger than the country's GDP, means that the country needs to significantly strengthen its institutions to drive compliance with the required technical, financial, environmental and social standards (ESS). A strengthened government sector management capacity is paramount to collecting revenues and to driving inclusion and equity of mineral development. Artisanal and small-scale mining (ASM) is still below good practice standards.

12. ASM is an established prominent activity, and perhaps the second employer in Guinea but it remains largely informal and unregulated. Needs include regulating the activity, providing extension services, formalizing miners, mitigating environmental impacts, stimulating acceptable commercial transactions of mined minerals, and sensitization and demonstration for more environmentally friendly mineral recovery processing methods. These



are pertinent issues that are beyond the scope of this project given resources constraints.

13. **Guinea conducted in 2016 a Strategic Environmental and Social Assessment (SESA),¹⁹ and in 2019 a cumulative environment impact assessment in the Boké region.** It implemented some of the recommendations from these assessments, but more remain to be addressed. The Ministry of Environment, Water and Forest (*Ministère de l'Environnement, des Eaux et des Forêts, MEEF*) and its environmental agency²⁰ were recently restructured to strengthen environmental management, but it still needs the appropriate capacities, training and equipment to fulfill its mandate with respect to proper environmental management in the country.

14. **Local content of goods and services input to mining.** New mining investments can create opportunities for greater sector contributions at the local level beyond fiscal benefits to the Government through employment, economic diversification, and overall economic development. In order to better benefit from mining sector investments, the Government of Guinea (GoG) should take the following actions: (i) strengthen the implementation of its policy on local content²¹ developed with World Bank Group (WBG) support; (ii) support further deployment of the Online Local Content Platform (*Bourse de Sous-Traitance et de Partenariat, BSTP*) to enable local small and medium-sized enterprises (SMEs) to supply goods and services to mining companies up to the required quality standards; (iii) incentivize and strengthen capacities and governance mechanisms for the efficient use of funds earmarked for communities (i.e., 0.5 percent of mining companies' turnover) through the Local Development Fund (*Fonds de Développement Local, FODEL*); and (iv) develop coherent plans for land use and non-mining economic development in mining districts to enable cross-fertilization between mining and other economic sectors. While local development in various districts including mining communities is supported through several projects including two World Bank projects (Agribusiness Development Project – P164184, and Support to Local Governance Project – P167884), the promotion of local content development is in its infancy and Guinean SMEs need substantial support to meet the demand for goods and services by mining companies to realize the ambition of the National Economic and Social Development Plan (*Plan National de Développement Économique et Social, PNDES*) to raise local content in the mining sector from 20 to 35 percent.

15. **Governance and transparency.** Guinea joined the Extractive Industries Transparency Initiative (EITI) in 2005, became a candidate country in 2007 and achieved compliance with the 2011 rules in 2014. In 2019, Guinea was validated under the 2016 standard and found to have achieved meaningful progress. While Guinea has produced EITI reports from 2006-2018, with the next report due in 2021, the process should be embedded in the management of the sector as opposed to its current isolation. Continued support is also required for Civil Society Organizations (CSO), including women in mining organizations, parliamentarians, and other accountability agencies to enable informed citizen feedback and the developmental potential of the mining sector to be translated into reality for a greater number of citizens.

16. **Gender.** Gender gaps in the mining sector mirror overall gender gaps in the country. Sector-specific gender gaps include: (a) the lack of sector-specific gender policy; (b) the decline of the number of girls entering high school, resulting in fewer women in positions in the public and private mining sectors; (c) insufficient capacities and financial resources to carry out economic initiatives around mining activities; and (d) inadequate participation in the development and deployment of community development plans in general, and in mining Corporate Social Responsibility (CSR) activities in particular, which resulted in a lower focus on gender-sensitive activities. Scholarships for geoscience and technical and vocational education and training (TVET) targeted towards female students, and micro-credit to support entrepreneurial initiatives, would help to increase women's

¹⁹ <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

²⁰ The Environmental Agency evolving from Guinean Office of Environmental Study and Assessment (*Bureau Guinéen d'Etude et d'Evaluation Environnemental, BGEEE*) to Guinean Office of Audit and Environmental Compliance (*Bureau Guinéen d'Audit et de Conformité Environnementale, BGACE*).

²¹ Local content refers to the supply of goods and services input in mining operations by Guinean small, medium and large enterprises.



benefits from the sector.

17. To help Guinea overcome the constraints described above, this project proposes in its mining component two sets of activities (support to mining sector policy and economic integration of the mining sector) which will run in parallel, with strong governance and gender cross-cutting measures. While each set of activities will have its own sub-components, they are designed to reinforce one another across components. The first set will include activities which will consolidate and reinforce reforms and the achievements of the MGSP to enable their sustainability. It will cover matters such as laws/regulations and guides, advisory services, cadaster, controls and monitoring of mines, and capacity-building activities that are essential for the long-term management of the sector. The second set will consist of activities to enhance transparency and the economic integration of the mining sector with the rest of the economy and increase the sector's contribution to sustainable development with the promotion of gender-sensitive mineral development and increase the provision of mining companies' goods and services from local SMEs.

Box 1. Selected Achievements of the MGSP

Regulatory and policy framework: (a) Restructuring of the mining State-owned Enterprise (*Société guinéenne du patrimoine minier, SOGUIPAMI*), and the Ministry of Mines and Geology; (b) negotiations for the multi-user infrastructure sharing agreement between the Government and three mining companies; (c) negotiations for the development of the Simandou iron ore project; (d) updating of the ancillary infrastructure development master plan; and (e) updating of regulations to the mining code and sector environmental guides and regulations.

Promotion of mineral potential: (a) Geochemistry surveys in Kissidougou, Gueckedou and Kerouane; and (b) modernization and computerization of the mining cadaster, which is now accessible online.

Strengthening of human resource capacity: (a) training of staff and provision of equipment to the ministries in charge of mines, finance and environment for the collection and processing of mining data including technical, and financial control and monitoring of mining operations; (b) enabling of field environmental inspections of industrial and small-scale mines; (c) providing laboratory equipment to the ministry in charge of environment; (d) training of 894 civil servants and sensitizing 37,353 artisanal miners; and (e) distribution of equipment to 33 regional mining and environmental offices.

Governance: Support to the preparation of EITI reports. Training of government accountability institutions, including the Parliament, the Auditor General's Office, and CSOs, and women in mining.

Regional Development: Boké Economic Development Plan and its cumulative E&S assessment.

Selected impacts: Over US\$2 billion in private sector finance has been mobilized contributing to Maximizing Finance for Development (MFD); significant increase in mining revenues to the Government (over 40 percent between 2012 and 2016).

Sectoral context – Environment and Natural Resources

18. **Guinea's significant natural wealth is threatened with negative environmental and social (E&S) impacts due to poorly planned exploitation of these resources.** The Adjusted Net Savings in Guinea have been negative (-48 percent of the country's Gross National Income during 2011-2015), **suggesting that natural capital is being depleted without being replaced.**²² The country faces major environmental challenges: changing climate patterns, deforestation, overfishing, soil erosion, poor water quality, and a lack of clear environmental standards for mining and other industries, which cause environmental damage.²³ Consequently, Guinea recognizes its need to address

²² Lange, G-M., Wodon, Q., K. Carey. 2018. The Changing Wealth of Nations 2018: Building a Sustainable Future. Washington, DC: World Bank. © World Bank. <https://openknowledge.worldbank.org/handle/10986/29001> License: CC BY 3.0 IGO.

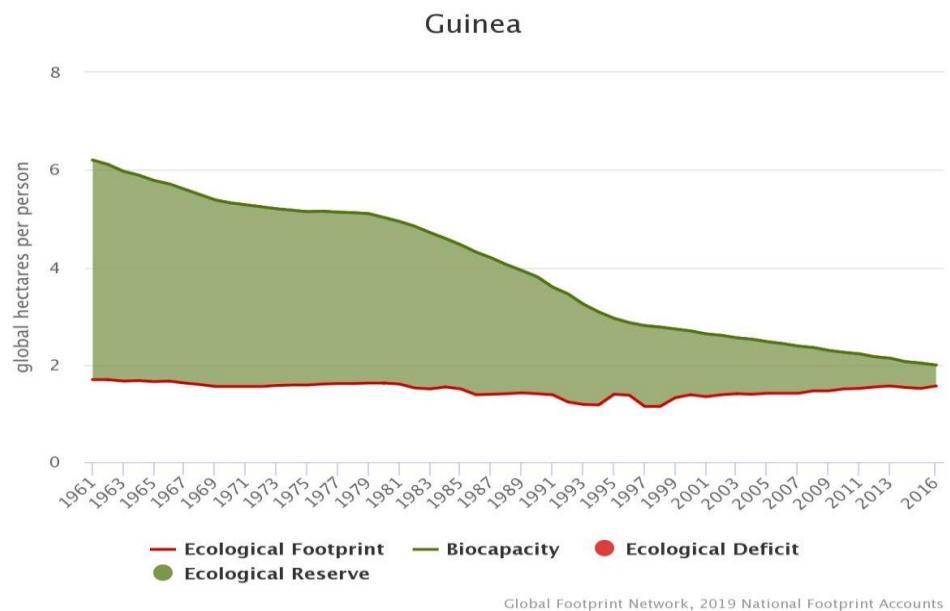
²³ Republic of Guinea. 2018. Overcoming growth stagnation to reduce poverty. Systematic Country Diagnostic. Report No. 123649-GN.



its capacity for managing E&S assessment and monitoring for large infrastructure projects, enabling it to be better equipped for decision-making regarding trade-offs between economic development and its natural capital assets.

19. **Guinea's natural resources are subject to major threats, which cause significant damage.** The country's natural areas, including river basins and protected areas, are affected by human activities such as slash and burn agriculture, extensive wood cutting, uncontrolled bush fires, large-scale charcoal production, overgrazing, overhunting, as well as by a diversity of economic activities such as mining, hydropower and related infrastructure. The deforestation rate has drastically increased at the national level, from 0.2 percent in 2010 to 2.8 percent in 2017.²⁴ These actions cause significant negative impacts on the **environment**: for example, soil erosion and riverbed sedimentation (e.g., due to unsustainable agricultural practices), deterioration of water quality (e.g., due to transport of heavy metals from mining), air pollution (e.g., from extractive industries), losses of watershed services (e.g., due to deforestation); on **health**: e.g., premature mortality and morbidity due to air and water pollution; and on the **economy**: e.g., reduced agricultural productivity due to land degradation. The trend in environmental degradation is consistent over time; the ecological footprint, which measures how much demand human consumption places on the biosphere of the country, shows a consistent decline of natural capital (Figure 1).²⁵

Figure 1. Guinea's Ecological Footprint



20. **Moreover, climate change is likely to exacerbate environmental damage.** According to the FY18-FY23 CPF, the Government highlights the main impacts of climate change affecting the country as those that include: (i) an overall increase in average temperatures; (ii) a drop in average annual rainfall, especially in North-West and North-East Guinea, together with a change in the frequency and intra-year distribution of precipitation; and (iii) a rising sea level (of around 80 centimeters by the year 2100). This has significant risk for agriculture and is expected to modify the dynamics of rivers (such as the Niger River) and lead to more extreme floods; temperature increases

²⁴ Global Forest Watch. Tree Cover loss in Guinea. <https://www.globalforestwatch.org/>

²⁵ <https://data.footprintnetwork.org/#/>



will likely contribute to an increase in arid zones and a decline in the potential of the country's forest resources.²⁶ This degradation can impose large costs on society; although they have not been assessed for Guinea, available estimates in West Africa indicate **significant damages**, equivalent to 5.3 percent of the GDP in Benin, Côte d'Ivoire, Senegal and Togo (coastal zone degradation)²⁷ and 11 percent of Ghana's GDP (national level degradation).²⁸

21. Aware of the importance of conserving its natural resources, the GoG has committed to increase the protected area coverage from 15 to 25 percent of the national territory, as a contribution to Aichi implementation target in the biodiversity strategic plan for the period 2016-2025.²⁹ Currently, there is a network of 53³⁰ protected areas which cover about 36,900 km², composed of terrestrial, coastal and freshwater ecosystems (Table 1).³¹ The strategy for strengthening the network of protected areas includes the creation of new protected areas such as the creation of the Moyen-Bafing National Park as part of a mining development offset initiative, the evolution of the status of classified forest as nature reserves and the improvement of the protection of existing protected areas by strengthening the intervention and management capacity of the administration. However, Guinea recognizes it suffers from a lack of financial and dedicated human resources which impede its capacity to manage its protected areas.

Table 1. Protected Areas under the 2016-2025 Strategic Plan

Protected areas by ecosystem	Number of sites in 2016	Area in 2016 (km ²)	Projected Area by 2025 (km ²)
Terrestrial ecosystems	21	21,100	22,100
Freshwater ecosystems	7	10,500	14,800
Coastal ecosystems	25	5,300	24,600
Total	53	36,900	61,500
Total (% of the country's land)		15%	25%

Source: Republic of Guinea/UNDP/GEF (2016).

Cross-Cutting Context – Environment and Mining

22. Mining exploitation and environment protection are not naturally linked but a common ground is sustainable development – this project is an opportunity for Guinea to recognize impacts of mining and develop this sector in a more sustainable manner. Generally, mining impacts can be damaging both to human and ecosystem health, and can include impacts on water sources through sedimentation, acid or heavy metal pollution, dust for surrounding communities and ecosystems, sinkholes, destructive practices in sensitive ecological zones, and impacts on biodiversity. These impacts can happen through industrial and artisanal mining.

23. Whilst this project will not fund mining investments, it provides a start to integrate strategic mineral and natural resource management in one of the poorest countries in the world. It will focus upstream, avoiding the transaction-by-transaction approach currently undertaken in Guinea. There are numerous opportunities for collaboration between the two sectors on concrete environmental-mining issues such as: providing a global framework for contract negotiations; land-use planning including mining cadaster and protected area networks

²⁶ Climate Change Technology Center and Network. 2017. Programme de gestion durable des écosystèmes forestiers pour une adaptation aux changements climatiques.

²⁷ Croitoru, L., Miranda, J.J. and M. Sarraf. 2019. The Cost of Coastal Zone Degradation in West Africa: Benin, Côte d'Ivoire, Senegal and Togo. World Bank.

²⁸ World Bank. 2020. Ghana Country Environmental Analysis. World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/33726>
License: CC BY 3.0 IGO.

²⁹ République de Guinée/PNUD/GEF. 2016. Stratégie Nationale sur la Diversité Biologique pour la Mise en Œuvre en Guinée du Plan Stratégique 2011-2020 et des Objectifs d'Aichi. Ministère de l'Environnement, des Eaux et des Forêts.

³⁰ In addition, there are 186 community forests and 162 classified forests subject to conservation efforts.

³¹ Republique de Guinee/PNUD/GEF. 2016, cited above.



overlays; environmental impact assessments, environmental management plans; management of mine closure and rehabilitation of old sites; licensing and environmental permitting processes; environmental monitoring and inspection of mines; reduction of the climate and water footprint of mining projects along the mining value chain, development of ecotourism opportunities for mining workers; and what the mining sector can contribute as financial revenue to the environment sector through mitigation and offsets.

Box 2. Moyen-Bafing as a Biodiversity Offset Area for Mining Investments

In line with its 2018-2023 CPF for Guinea, the WBG is fully committed to support Guinea strengthen its capacity in managing risks to people and biodiversity associated with mining and other infrastructure developments. As such, the proposed **Natural Resources, Mining and Environmental Management Project** is designed to address **up-stream capabilities** of the MEEF in two key areas: improve management of protected areas and improve environmental risk management. The preparation of this project is done in coordination with International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA).

IFC, the private sector wing of the WBG, along with its two clients, Guinea Bauxite Company (*Compagnie des Bauxites de Guinée, CBG*) and Guinea Alumina Corporation (GAC), are working with the GoG to establish an aggregated biodiversity offset in the Moyen-Bafing region of Guinea. This is being done to mitigate the biodiversity impacts associated with the CBG and GAC mining developments in the Boké region in the western part of the country, in line with IFC's Performance Standard for biodiversity conservation and sustainable management of natural resources within its investment projects. The two companies have committed US\$48 million to finance this offset, which will be established through the creation and sustainable financing of the Moyen-Bafing National Park. MIGA has also provided guarantees to GAC.

Through this Natural Resources, Mining and Environmental Management Project, the two MEEF entities that will receive funding to build capacity are Guinean Office for Parks and Reserves (*Office Guinéen des Parcs et des Réserves, OGPR*) and Guinean Office of Audit and Environmental Compliance (*Bureau Guinéen d'Audit et de la Conformité Environnementale, BGACE*), to improve management of protected areas and environmental risk management respectively. This will include elements that will support the Moyen-Bafing National Park, through improved managerial and training capacity of OGPR for the management of the country's network of protected areas (including national systems for monitoring and evaluation (M&E), reporting, financial management (FM), architectural design and planning of park buildings to support park rangers and training), as well as through improved managerial and training capacity of BGACE in their national oversight of E&S impacts of large projects. In addition, whilst mining impacts should be reduced as much as possible, if following the mitigation hierarchy there are reasons to create offsets, the Moyen-Bafing can be a model of conservation finance, providing long-term support to national parks. Given the mining expansion planned in Guinea, development partners including civil society should work together to ensure minimal impacts, but where offsets are needed, that they are properly funded and managed.

Institutional context

24. Aware of its challenges, the country developed **Guinea Vision 2040**, the overarching long-term vision for the country's sustainable development, which is operationalized through the National Plan for Economic and Social Development (2016-2020). The plan's fourth pillar aims to **promote the sustainable management of natural capital**, and to make **mining a catalyst of structural transformation** of the economy of the country through: (i) the integration of mining into the national and local economies; (ii) further value addition and job creation; (iii) the promotion of local content; and (iv) efficient utilization of mining revenue. To implement it, the Government started **reforms in the mining and environment sectors in 2011**, consisting of: (i) institutional changes aimed at restructuring the (Ministry of Mining and Geology (*Ministère des Mines et de la Géologie, MMG*) and the MEEF, which culminated with both being restructured; and (ii) regulatory changes through the adoption and revision of legal texts related to natural capital in Guinea, such as adopting a new Mining Code (in 2011 and amended in 2013), Forest Code (2016), Wildlife Protection Code (2018), Environmental Code (2019, under validation), and Protected Areas Code (drafted), and the development of guidelines on ESIA and protected areas management. Both institutions still lack the appropriate capacities, training and equipment to fulfill the new



mandates.

25. MMG is the principal institution responsible for the development and implementation of Government policy for mining. It administers the sector through a set of national and provincial subdivisions including among others: (i) the Mining Promotion and Development Center (*Centre de Promotion et de Développement Miniers, CPDM*) tasked to promote investments in mining and manage licensing systems through the cadaster; (ii) the National Directorate of Mines (DNM) tasked with controlling and monitoring industrial mining activities and organizing ASM; (iii) the National Directorate for Geology (NDG) which conducts geoscientific investigations on behalf of Guinea; and (iv) National Agency for Mining Infrastructures Development (*Agence Nationale d'Aménagement des infrastructures Minières, ANAIM*) which manages mining ancillary infrastructure belonging to the Government. Other relevant departments include the Directorate for Gender and the Directorate for Community Development and Local Content. The MMG was recently restructured to streamline its operations, remove duplications and respond to the evolving needs of the mining sector. Much support is still needed to align the institutional capacities with the growing sophistication in the mining sector in Guinea.

26. MEEF is the principal institution responsible for the development and implementation of Government policy for the environment, water and forests. It includes several entities at the central (e.g., national directions, support services, public bodies) and local levels (e.g., prefectoral and communal directorates). The following entities are particularly relevant for the implementation of the Ministry's policies and for the proposed project:

- The OGPR is the main department responsible for the development and monitoring of the Government's policy on biodiversity and protected areas. OGPR works closely with several other departments within MEEF.³² To strengthen the effectiveness of protected areas management, the Government has created a body of Nature Conservation Rangers (*Corps Paramilitaire des Conservateurs de la Nature, CPCN*). With support from the European Union (EU), about 2,000 rangers have been trained, of which 500 are deployed to monitor the protected areas network.³³
- The BGACE has the mandate of promoting Government policy in terms of environmental assessment, including strategic environmental assessments, ESIAs, validation of a projects' environmental screening and monitoring, environmental audits and public hearings.³⁴ It is the only service in the country that provides the Certificate of Environmental Compliance on behalf of MEEF.
- The Directorate of Pollution, Nuisances and Climate Change (*Direction Nationale des Nuisances, Pollutions et Changement Climatique, DNNPCC*) is in charge of coordinating the implementation of the government's policy on climate change and manages the inventories of greenhouse gases (GHG). To ensure national inclusion of all stakeholders, the ministry has set up the "National committee on climate change" to mobilize technical departments, civil society and the private sector.

27. Other MEEF entities will support targeted activities of the project including: (i) Guinean Ministries' Strategic and Development Office (*Bureau de stratégie et de développement, BSD*) supporting the coordination of the Natural Resources Management (NRM) and Environment Component of the project, including for M&E; (ii) MEEF Department for Environmental Monitoring and Information Systems (*Direction Nationale du Cadre de Vie, Surveillance et Observation Environnementale, DNCSOE*); (iii) MEEF Communication office; (iv) Environmental Analysis Laboratory (*Laboratoire d'analyse environnementale, LAE*) and the National Service for Disaster Risk

³² These departments include the General Direction of Nature Conservators, the Nzérékoré Forest Center (*Centre forestier de Nzérékoré - CFZ*), the Management Center of Nimba and Simandou (*Centre de Gestion du Nimba et de Simandou - CEGENS*) and the Guinean Office of Wood (*Office Guinéen du Bois - OGUIB*).

³³ République de Guinée/PNUD/GEF. 2016. Stratégie Nationale sur la Diversité Biologique pour la Mise en Œuvre en Guinée du Plan Stratégique 2011-2020 et des Objectifs d'Aichi. Ministère de l'Environnement, des Eaux et des Forêts.

³⁴ Decree MDEEF/CAB/2011 on the organization, mode of operation and management.



Management and Environmental Emergency (*Service National de gestion des catastrophe et des urgences environnementales, SNGCUE*) which will complement the missions of the BGACE; and (v) National coastal and marine environmental protection center (*Centre de protection environnementale du milieu marin et des zones côtières, CPMZC*) which will complement the missions of OGPR in the integrated management of the coastal zone.

28. **While the re-organization of MEEF has been clearly defined, its departments do not yet have the regulatory, logistical and operational framework necessary for an efficient management of the country's protected areas and for a sound monitoring of the impacts of development projects on the environment.** This was also a critical aspect of the institutional audit that was undertaken and on which the Ministry's reorganization is made. The audit highlighted the following weaknesses: outdated legal texts that need to be updated and adopted, overlapping responsibilities between departments, aging personnel, very weak ratio of trained rangers per protected area, lack of financial resources (e.g., the yearly operating budget of the BGACE is about US\$15,000), and very limited equipment and logistical support (e.g., OGPR has only 63 surveillance posts to oversee a protected area of about 3.7 million ha). The project will address these challenges by strengthening the institutional capacity of OGPR and BGACE in these areas, cognizant of the fragile context of Guinea.

29. **The Niger Basin Authority (*Autorité du Bassin du Niger, ABN*), under the Ministry of Hydraulics and Sanitation,** is the regional river basin organization responsible for promoting cooperation among its nine member countries,³⁵ to develop and manage the basin's resources. Its goal is to ensure integrated development of the Niger River basin in the areas of energy, water resources, agriculture, livestock, fishing, forestry, transport, communication and industry. A "Shared Vision Process", which led to the signing of the 2004 Paris Declaration, set the management and governance principles for the sustainable development of the Niger Basin and reaffirmed the central role of the ABN for coordination, knowledge, and development. ABN will partner with MEEF in project activities undertaken in the Niger River basin.

C. Relevance to Higher-Level Objectives

30. **The proposed project is part of the lending program under the CPF** for the period FY2018-2023.³⁶ It contributes to achieving Objective 3 *Improved management of the mining, natural resources and biodiversity* under the first pillar *fiscal and natural resource management*. Specifically, the proposed project will strengthen Guinea's institutions to improve the management of natural resources, support a more transparent and inclusive management of the mining sector, help ensure that exploitation of these resources is sustainable, and that natural capital is safeguarded.

31. This project will continue the dialogue between the World Bank, IFC and MIGA in the mining and environment sectors by strengthening the capacity in environmental management to help mitigate the negative impacts of mining activities. In addition, the proposed project will contribute directly to Guinea's strategic framework:

- **Vision 2040** and the **National Plan for Economic and Social Development** (2016-2020), where specifically, the project is directly aligned with the plan's fourth pillar "*sustainable management of natural capital*" which has three strategic outcomes: (i) natural resources are managed rationally; (ii) the environment is protected; and (iii) resilience and adaptation to climate change are enhanced.

³⁵ These are Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Guinea, Mali, Niger and Nigeria.

³⁶ CPF for the Republic of Guinea for the period FY18-FY23. May 10, 2018. Report No. 125899-GN:

<http://documents1.worldbank.org/curated/en/346601528601433676/pdf/Guinea-CPF-Board-Version-Final-05152018.pdf>



- **The Government validated a National Gender Policy³⁷ in 2011, aimed at eradicating gender disparities by involving all key players in the socio-economic development of the country.** Despite these efforts, inequalities persist.³⁸ In 2020, Guinea ranked 125 out of the 153 countries in the Global Gender Gap Index.³⁹ This project will be mindful of addressing some gender issues both through the mining and environment components.
- **Integrated Program for Development and Climate Change Adaptation**, which contributes to: (i) improving the resilience of the populations and ecosystems of the Niger River Basin through sustainable management of natural resources; and (ii) strengthening the regional integration of the nine-member countries of the basin. The project will contribute to the program's activities in Guinea's part of the Niger River Basin.
- **National Plan for Agricultural Investment and Food and Nutritional Security (2018-2025)**, which includes strengthening measures to: (i) reforest degraded areas (in particular mining areas), riverbanks and watersheds; (ii) protect forest resources; (iii) promote protected areas, including indigenous and community heritage areas (ICHA); (iv) strengthen protected areas in the fight against bush fires; and (vi) develop forest and protected area management plans for sustainable management and monitoring of forest and wildlife resources.
- **Nationally Determined Contribution (NDC) under the United Nations Framework Convention on Climate Change (UNFCCC)**. Specifically, it will contribute to achieving the key objective of "*ensuring effective conservation of classified forests and protected areas by means of strengthening supervisory arrangements, awareness raising, participatory management, and enforcement of the criminal sanctions set out in the Forest Code*". This objective has both adaptation (in terms of water quality preservation) and mitigation benefits (in terms of carbon sequestration and reduced deforestation).
- **National Biodiversity Strategy and Action Plan (NBSAP)⁴⁰** with support for the implementation of the 2016-2025 strategic plan, the assessment of Guinea's contribution to the Aichi targets and support for the design and implementation of post-2020 engagements with the Convention on Biological Diversity.

II. PROJECT DESCRIPTION

A. Project Development Objective (PDO)

PDO Statement

32. The PDO is to strengthen institutional capacities for integrated management of mineral and natural resources in Guinea and enhanced benefits from the mining and environment sectors.

PDO Level Indicators

33. The PDO level indicators are:

³⁷ République de Guinée. 2015. Situation globale des inégalités du genre et de la vulnérabilité en Guinée pour le plan de relance de développement post Ebola. Ministère de l'Action Sociale, de la Promotion Féminine et de l'Enfance.

³⁸ World Bank. 2019. Guinea. The Economic Benefits of Gender. Washington DC.

³⁹ Guinea had a score of 63%. Lower scores indicate large gender gaps, while higher scores suggest small gaps. Globally, the three highest-ranking countries have closed over 84% of their gender gaps, while the lowest-ranking country has closed only a little over 50% of its gender gap. Based on the World Economic Forum. 2020. The Global Gender Gap Report.

⁴⁰ <https://www.cbd.int/doc/world/gn/gn-nbsap-v2-fr.pdf>



- (i) Forest area brought under management plans (ha)
- (ii) Annual environmental monitoring inspections of large infrastructure projects undertaken (number)
 - a. with citizen consultation (number)
- (iii) Annual technical monitoring and control completed on all industrial mines (percentage)
- (iv) Value of goods and services procured by mining companies through the online purchasing platform (US\$)

B. Project Components

34. **Approach.** With Guinea's enormous mineral and natural capital wealth and potential for sustainable development, the project targets interventions in these two sectors. It will build on what was achieved under the MGSP and support the MMG with regards to capacity building for stronger institutional governance as well as economic inclusion. Furthermore, MEEF will receive support to build its logistical and operating capacities, strengthen the national ESS compliance of large infrastructure projects and build its capacity to manage natural areas that provide critical environmental services.

35. **Project components.** The project has four components. An overview is provided below with summary of cost shown in Table 2. A more detailed project description and breakdown of funding can be found in Annex 1 and a map showing project areas is in Annex 2.

36. **Component A. Improve the institutional framework for mining and environment (IDA US\$5.00 million equivalent).** This component will aim to strengthen institutional capacities and intersectoral collaboration in the mining, environment and natural resource management sectors. This will be undertaken mainly through the application of the guidelines of the "Framework for Better Environmental and Social Governance in the Mining Sector"⁴¹ and the "National Strategy for the Implementation of the Mitigation Hierarchy and the Compensation of Impacts on Biodiversity and Ecosystems".⁴² The component will (i) strengthen the capacity of MMG and MEEF for a more coordinated approach to strategy and regulation; (ii) support the development of tools to enhance intersectoral management of mining and natural resources (land use planning, water management and sustainable financing); and (iii) strengthen Guinea's capacity to respond to its international engagements on climate change including from mining and land use.

37. **Sub-component A1. Coordination of mining and environment strategy and regulation (IDA US\$1.50 million).** Reforms have been initiated in parallel in the mining, environment, and natural resources sectors. Several studies and joint initiatives of the ministerial departments have helped to structure the dialogue between the sectors, in particular the "Mining Reforms' SESA".⁴³ This sub-component will support: (i) a coordinated assessment and harmonization of sectoral regulations; and (ii) the monitoring and update of the SESA's recommendations defined in the "Guiding Framework for Improved Environmental and Social Governance in the Mining Sector".⁴⁴

38. **Sub-component A2. Tools to enhance mining and environment coordination (IDA US\$2.50 million).** The recommendations of studies in the mining and environmental sectors⁴⁵ have highlighted key tools for mining and environment collaboration for land and water management as well as the potential financial contribution mining

⁴¹ From the 2016 Mining reforms SESA : <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

⁴² Validated September 2019 with the support of COMBO project (funded by French Development Agency (*Agence Française de Développement*, AFD), French Global Environment Facility (*Fonds Français pour l'Environnement Mondial*, FFEM) et MAVA)

⁴³ <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

⁴⁴ Cadre directeur pour une meilleure gouvernance E&S dans le secteur minier.

⁴⁵ (i) SESA, (ii) National strategy for the implementation of the mitigation hierarchy and the compensation of impacts on biodiversity and ecosystems and (iii) cumulative environment impact assessment in the Boké region



can make for the sustainable management of natural resources. This project will set up building blocks to develop and operationalize these tools including: (i) start of a national land-use planning process based on the mining cadaster and protected areas network; (ii) contributing to water monitoring systems for mining and natural resources management in strategic areas; and (iii) developing a sustainable financing mechanism for conservation taking into account mitigation and compensation of the impacts of the mining sector.

39. Sub-component A3. Strengthening Guinea's capacity to address its global commitment on climate change (IDA US\$1.00 million). Guinea has an NDC that was updated in 2020; Guinea will undertake an NDC Investment and Partnership Strategy for NDC implementation. It also has a GHG consultation platform for sectoral technical departments, civil society and the private sector, set up to ensure national inclusion of all stakeholders for climate change actions. Given the work planned, this provides some of the foundations needed for Guinea to improve its reporting capacity, but also potentially to be in a position to benefit from climate finance. The project will support: (i) the development of a GHG inventory and the development of scenarios in the forestry, mining and agriculture sectors as a baseline for the establishment of a national NDC monitoring system; (ii) Guinea's GHG dialogue and reporting obligations (development of biannual national reports and the third national communication on climate change to the UNFCCC); and (iii) the development of practical guidelines for GHG inventories and monitoring systems in mining operations and from land-use change.

40. Component B. Mining policies, institutions, governance and economic integration (IDA US\$29.00 million equivalent) The governance of the mining sector requires a sound policy and regulatory framework, an efficient administration with a good collaboration between key institutions managing the sector; in the case of Guinea this involves the ministries of budget, transport, energy and environment becoming equipped with qualified personnel with access to appropriate tools – and working within a context of transparency and effective coordination. This project will support Guinea to face new challenges brought about by new, large and more complex mineral developments and related impacts.

41. Sub-component B1. Mining policies, institutions and access to resources (IDA US\$20.00 million) Guinea will benefit from continuing to strengthen its institutional capacities and its coordination mechanisms to realize the potential benefits of its vast mineral resources by attracting new investments, while managing the sector with due consideration to good technical, social, environmental and financial practices. This project will support: (i) elaboration of the policy, regulatory and promotion frameworks; (ii) the management capacity of key institutions responsible for regulating the mining sector; (iii) transparency and citizen engagement; and (iv) increased local content of goods and services used in mining operations.

42. *B1.1. Mining related policies, laws, regulations and guides (US\$1.00 million)* Over the past seven years, Guinea has made great progress in this area. However, efforts are still needed to finalize regulations to the 2013 Mining Code, develop a sector gender policy, and complete sector-related guiding documents to improve performance in areas such as shared ancillary infrastructure development, mining revenues collection and administration, and local content.

43. *B1.2. Access to resources (US\$11.00 million):*

- a) **The cadaster, One Stop Shop and Mining Information System (US\$2.00 million).** The cadaster was modernized and became accessible online in 2017. However, that was the first stage for a digitized management system for the mining sector; the next steps include interconnection with other databases from other agencies and ministries. The functioning of a sustained modernized cadaster requires additional operational and ongoing maintenance support. The Geological and Mining Information System (*Système d'Information Géologique et Minière, SIGM*), an essential sector promotion tool, needs to be updated, made available online and connected with the cadaster and the MMG IT systems. The One Stop Shop office setup to facilitate the implementation of large project will be assessed and restructured to



enable its sustainability.

- b) **Technical, financial and legal advisory support (US\$4.00 million)** will be provided for: (i) the negotiation of agreements for mines and related ancillary infrastructure; (ii) technical assistance (TA) to implement project activities beyond the current capacities in the MMG such as those related to geoscience survey, the seismic monitoring system, economic strategies or spatial planning in mining districts; and (iii) supporting the monitoring of the development of large mining projects.
 - c) **Geological services (US\$5.00 million).** The geological infrastructure data intended to promote mineral diversification will be addressed through the: (i) pursuit of geochemical survey in the south of the country and the evaluation of the anomalies discovered over the last two years (particularly with regard to base metals) together with geological and geophysical mapping; (ii) establishment of a seismic surveillance system for the country; (iii) establishment of an IT hub allowing interconnection between the agencies within the MMG, the Ministry of Budget (MB) and other related entities; and (iv) establishment of a transparent procedure to share available geological and mining information with potential investors.
44. ***B1.3. Capacity building of mining public institutions (US\$8.00 million).*** To regulate the sector, the institutional and human resource capacity need to be improved to match the demands of the boom in bauxite production, which started in 2014, increased production increase from about 20 million tons to some 70 million tons currently and is still growing. Should the forecasted development of iron ore materialize in the south-eastern part of the country, public administration of the sector will be seriously challenged to control and monitor the economic, social, environmental compliance of all these larger and more complex operations.
45. This project will continue the support provided under the MGSP, by building the capacity of key administrations involved in the governance of the mining sector, and specific support will also be provided to MMG to address issues related to gender, and local sector governance in mining districts:
- a) **Ministry of Mining and Geology (US\$6.00 million).** The MMG was restructured to streamline its operations, remove duplications, and respond to the evolving needs of the mining sector. Much support is still needed to align the institutional capacities with the growing sophistication of the mining sector in Guinea. Proposed support to the MMG and its structures, include: (i) setting up of a mining information and statistics database to inform stakeholders about ongoing sector activities; (ii) development and implementation of an action plan to control exploration, and exploitation activities; (iii) providing equipment, development and implementation of a comprehensive training program; (iv) strengthening of the capacities of Mines Regional Offices; and (v) strengthening the offices in charge of gender, community relations and local content for the implementation of the sectoral local content policy, and the effective operationalization of the FODEL in the mining areas.
 - b) **Other key ministries involved with mineral management (US\$2.00 million).** Several other ministries play a key role in enabling a responsible, beneficial, and equitable mineral development. These include the ministries in charge of budget, environment, transport, energy, planning, and territorial administration. Support to the MEEF is mainly addressed through Component C below. The project will support: (i) improved mining tax collection administration and control and monitoring of financial obligations of mining companies; (ii) strengthening of the oversight of mining ancillary infrastructure development and operations; and (iii) provision of equipment and capacity building to all key departments and agencies involved in mining sector oversight activities.
46. ***Sub-component B2. Economic integration of the mining sector and governance (IDA US\$9.00 million).*** This component will support programs and initiatives focused on transparency in the governance of the mining sector at the national and local levels and stimulating an increase of the share of the provision of goods and



services to mining companies by Guinean enterprises, as well as advocate for mining sector economic opportunities for groups such as women and youth.

47. B2.1. Local content and economic integration enablers (US\$6.00 million). In coordination with IFC, this project will support two institutions that are essential for local economic integration: (i) the Online Local Purchase Exchange Platform (*Bourse de Sous-Traitance et de Partenariat, BSTP*); and (ii) the Chamber of Mines.

- a) Local content. The Local Content Policy developed in 2018 with the help of IFC reflects the political will to create stronger linkages between the mining sector and other sectors of the Guinean economy. To implement the policy, the Government together with the WBG established the BSTP to: (i) increase access to business opportunities for local SMEs; (ii) develop and strengthen capacities of local suppliers and facilitate their access to finance; and (iii) create opportunities and promote local businesses. The project will support ongoing efforts by: (i) enabling increased access to business opportunities for local SMEs; (ii) strengthening the technical, financial and management capacities of local suppliers; (iii) extending the services of the BSTP to mining districts; (iv) promoting local purchasing of goods and services by all mining companies regardless of their corporate culture, including periodic peer-to-peer learning; (v) sponsoring the functioning of the BSTP for two years to support its autonomization and its sustainability; and (vi) building the capacity of the Chamber of Mines to facilitate collaboration between the administration, SMEs and mining companies.
- b) The Government developed through the MGSP an inclusive and participatory Regional Development Strategy for the Boké region (*Stratégie Régionale pour le Développement de Boké, SRDP*) whose main conclusions were approved by the Guinean Government. The present project will support, *inter alia*, the operationalization of the institutional aspects of the document and facilitate the implementation of the strategy. It will also finance where appropriate their realization, in cooperation with the relevant departments as well as the ministry in charge of planning, prefectoral or regional economic development plans and strategies.

48. B2.2. Transparency and citizen engagement (US\$3.0 million). Good governance of mineral resources requires the existence of appropriate transparency and citizen engagement mechanisms. Stakeholders should be informed of the developments in the sector and the associated costs and opportunities. This project will support advocacy efforts for transparency and citizen engagement regarding mining by supporting: (i) EITI reports production and dissemination; (ii) advocacy for gender- and youth-sensitive activities in the implementation of the FODEL; (iii) transparency and awareness in the use of the FODEL including using appropriate information technology (IT) tools; (iv) support activities of CSOs active in the mining sector; and (v) build the capacity of accountability agencies including the Parliament sub-committee for mining, the national audit agency, and other relevant agencies.

49. This project will continue to support national women's organizations and networks that bring together women from all segments of the mining industry to develop solutions to the problems they face in the sector. It will seek to: (i) improve the organization and functioning of women's organizations promoting gender equality in the mining industry; and (ii) strengthen the capacity of women and youth to participate in sector policy and practices to enhance their voices and benefits.

50. Component C. Environmental and natural resources management (IDA US\$28.00 million equivalent). To improve MEEF's capacity in natural resource and environmental management, the project will: (i) enhance the institutional capacity of key MEEF departments, such as BGACE for sound monitoring of the impacts of development projects on the environment, and OGPR for improved management of the country's protected areas network; (ii) improve the ESS MEEF applies; and (iii) provide the appropriate tools for improved management of the country's protected areas network, and pilot them in target areas (see Annex 1 for details). In all cases, an



approach is sought that builds both on World Bank operations (e.g., mining, agriculture and social projects) and other donor operations (e.g., primarily the EU-funded work through the United Nations Office for Project Services (UNOPS) that has a long-standing relationship with MEEF). The activities of this component are grouped into two sub-components:

51. **Sub-component C1. Institutional, logistical support and ESS management (IDA US\$9.60 million).** The Government recognized it needed fundamental changes to deal with environment. Hence, it restructured MEEF and its agencies – OGPR, BGACE, Department of Legal Affairs, Directorate for Environmental Monitoring and Information Systems, DNNPCC – and is building capacity, and the operational and regulatory framework necessary to undertake its mandate. This sub-component will support these needs by: (i) building foundations to support legal, institutional and logistic reform, logistical support including an OGPR and BGACE office building, complementing relevant regulatory reforms, developing a sustainable financing framework, enhancing the information system for protected areas and environmental management, strengthening capacity on climate change and supporting the initiation of a land-use planning process; (ii) strengthening capacity in ESS both for large infrastructure (including mining) and for disaster risk management including technical capacity building to implement ESS, strengthening national E&S procedures, increasing citizen engagement in E&S assessment and monitoring and operational capacity to establish an effective system for E&S monitoring, supporting screening and risk mitigation for disaster risk management informed by the World Bank's Environment and Social Framework (ESF) and other internationally recognized standards; and (iii) strengthening MEEF operational capacity and activities coordination through training, a communication program and FM structure for OGPR and BGACE. The Government's will make an in-kind contribution related to the office space MEEF provides to its staff on this project.

52. **Sub-component C2. Protected area management in selected areas (IDA US\$18.40 million).** This sub-component aims to improve the protected area management by OGPR in collaboration with other relevant institutions such as the ABN, CPMZC, the National Center for Fisheries Surveillance (*Centre national de surveillance des pêches, CNSP*), local communities and third-party stakeholders such as non-governmental organizations (NGO). The project will focus investments in four areas: (i) Kounounkan area; (ii) ABN areas including Upper Niger national park, Niger source and Niger-Tinkisso Ramsar sites; (iii) Marine protected area network (Rio Pongo, Rio Kapatchez, Konkouré and Loos); and (iv) Guinea Forest area (Pic de Fon, Mount Nimba, Diécké, Béro), and on central OGPR coordination. It is expected that this support will lead to the strategic reform of the national protected area network and that the tools and management systems adopted by the project in these areas will scale-up to improve the management of the country's entire protected area network. This sub-component is building on ongoing initiatives especially: (i) the environmental component of the Program for the Reform of the Security Sector in Guinea (*Programme d'Appui à la Réforme du Secteur de la Sécurité, PARSS*) implemented by UNOPS and funded by EU; and (ii) the mining offset initiative for the creation of the Moyen-Bafing national park. It supports several activities dedicated to strengthening knowledge, training, provision of equipment, protected area infrastructure, implementation of management plans, participatory management and surveillance and a program of alternative income-generating activities (AIGA). Newly recruited rangers' salaries during the Project life are considered as an in-kind contribution of the Government.

53. **Component D. Project management (IDA US\$3.00 million equivalent).** This component will finance the operational costs of the Project Implementation Unit (PIU), which will build on the PIU of the MGSP under the leadership of the MMG and will be responsible for monitoring the implementation of the project according to the World Bank's fiduciary, ESS. This component will cover key staff recruitment and training, operating costs, M&E, audit, and communications. Given the request from the Government, the implementation arrangement will be structured to reflect the flexibility and relative autonomy sought for each of the two sectors (see Annex 3 on Institutional Arrangements). The Government will make an in-kind contribution that relates to the salaries of



dedicated staff within ministries in support to project implementation including BSDs for M&E, procurement focal points and key technical staff from the implementing departments.

Table 2. Project cost and financing source

Project Components	IDA Financing (US\$ million)
Total	
Total project	65.00
Component A. Improve the institutional framework for mining and environment.	5.00
<i>A1. Coordination of mining and environment strategy and regulation</i>	1.50
A1.1. Harmonization of mining, environment and natural resources regulations	0.90
A1.2. Mining reforms' SESA monitoring framework	0.60
<i>A2. Tools to enhance mining and environment coordination</i>	2.50
A2.1. Intersectoral land-use planning process	0.60
A2.2. Sustainable financing for conservation	0.40
A2.3. Contributing to water monitoring systems	1.50
<i>A3. Strengthening Guinea's capacity to address its global commitment on climate change</i>	1.00
Component B. Mining policies, institutions, governance and economic integration	29.00
<i>B1. Mining policies, institutions and access to resources</i>	20.00
B1.1. Mining related policies, laws and guides	1.00
B1.2. Access to resources	11.00
B1.3. Capacity building of mining public institutions	8.00
<i>B2. Economic integration of the mining sector and governance</i>	9.00
B2.1. Local content and economic interaction enablers	6.00
B2.2 Transparency and citizen engagement	3.00
Component C. Environmental and natural resources management	28.00
<i>C1. Institutional, logistical support and ESS management</i>	9.60
C1.1. Institutional and logistical support	2.70
C1.2. ESS and disaster risk management capacities	5.70
C1.3. Operational capacity and coordination of activities	1.20
<i>C2. Protected area management in selected areas</i>	18.40
C2.1. Knowledge, training and management framework	1.70
C2.2. Infrastructures, equipment and facilities	6.70
C2.3. Protected areas participatory and adaptive management	5.00
C2.4. Alternative opportunities for local development and IGAs	5.00
Component D. Project management	3.00



C. Project Beneficiaries

54. The beneficiaries of the mining interventions include:
- a) The MMG together with its agencies and departments, particularly those in charge of licensing, geoscience, control, gender and local content;
 - b) Other key ministries, including budget and transport ministries, who will benefit from TA to support improved mining tax collection administration, and the facilitation of ancillary infrastructure development and operations;
 - c) Local communities in mining areas through better governance and capacities of their leaders, and improvement of their livelihoods and benefits from a more effective implementation of the FODEL;
 - d) Women and youth in mining communities in Boké and Siguiri (and elsewhere should mineral development get realized there during the life of the project) through advocacy, incentivization, training and programs for improved livelihoods;
 - e) Mining companies through better efficiency of public administration involved in the management of the mining and quarrying sector, the introduction of greater transparency in the management of mining titles, and better geological and mining information;
 - f) CSOs, parliamentarians and other public and non-governmental agencies involved with transparency and the demand for good governance; and
 - g) Indirect beneficiaries will include the Guinean population in general who will benefit through increased employment opportunities thanks to sustainable mineral development practices supported by the project.
55. This project aims to improve **local communities' livelihoods, especially for women**. Alleviating socio-economic and environmental pressures resulting from the exploitation of minerals and/or natural resources, currently a means of subsistence for poor families around protected areas, will be addressed through the provision of **AIGAs**. For Component C, income-generating activities will aim to relieve pressure on natural resources within protected areas and will build on local participative governance structures supported by World Bank-funded projects such as Village Community Support Project (*Projet d'Action Communautaire Villageois, PACV - P156422*). Previously, finance has flowed to communities through the PACV Project, but this has evolved with the national agency, National Agency for the Financing of Communities (*Agence Nationale de Financement des Collectivités en Guinée, ANAFIC*), taking over and the flow of funds coming through the Government from mining revenues (expected to reach 15 percent in time). These structures use community participation in budgeting and decision-making for activities. Accordingly with an agreement between OGPR and ANAFIC: (i) the participatory governance structure for the management of protected areas will be built on existing local committees established by ANAFIC; and (ii) planning and monitoring of social and natural resources management activities will be articulated between protected areas management plans and local development plans, especially activities related to community works and IGAs.
56. **Local communities in communes around targeted protected areas**, include about 1 million people living in and around the project areas:⁴⁶ about 70,000 in Kounounkan forest area, 440,000 in the Upper Niger Basin, 230,000 in Guinea Forest protected areas and 350,000 around marine protected areas. These communities will benefit from improved management plans within the protected areas and for targeted groups AIGAs in the buffer zones. In addition, given the current and future contributions of natural resources to the country's economic

⁴⁶ Forecast from 2014 RHPG



growth, other beneficiaries of the project include national and regional stakeholders, e.g., MEEF (including OGPR and BGACE), ABN, CSOs and private sector operators.

57. **The engagement of citizens and CSOs in the environmental sector is enshrined in regulations. To support E&S assessment, validation and monitoring committees, including CSOs, have been established in the development and management of industrial projects at the national and local levels** (National Technical Committee for Environmental Analysis and Prefectural Committees of Environmental and Social Management Plans (ESMP), respectively). Several CSOs are involved in transparency, community development and analysis of social impacts of development projects; a few CSOs focus on monitoring⁴⁷ to carry out related studies and to provide feedback. However, due to insufficient resources, the participation of civil society in the identification and analysis of projects' impacts remains limited.

58. **This project is expected to engage civil society** including in the implementation of AIGAs; public disclosure of the information related to the project development impact; support to local ESMP monitoring committees; and consultative process for ESIA and ESMP. In addition, Component C.2 will focus on: (i) citizen engagement for protected areas management plans and annual work plans; (ii) management activities, such as delimitation of park boundaries, reforestation and restoration of degraded areas; and (iii) local committees with participation of women for the co-management of the protected areas and implementation of an awareness-raising program. Additionally, the administration has engaged in activities to mobilize local populations to contribute to natural resources management, building on the social governance structure established by the ANAFIC with the support of the PACV. These include the establishment and periodic consultations of local committees for the management of natural resources on the periphery of protected areas and natural resources management planning initiatives linked to local development plans (*Plans de développement local - PDL*), currently more focused on social infrastructure. Citizens feedback will also be collected through community monitoring and GRM and relevant suggestions will inform adequate course correction actions to be integrated into project interventions.

59. **Regarding gender, women will be specifically targeted. This project aims to close gender gaps in (i) women's voice and agency; and (ii) access to income in order to improve local communities' livelihoods, especially for women, in the protected areas.** To close the gender gap in voice and agency, the project aims to improve women's participation as decision makers in the governance bodies of protected areas as women are currently poorly represented. Therefore, the existing local development committees will be used as consultative bodies for protected areas management and will be strengthened to increase gender balance and promote women's participation as decision makers in natural resource management (for instance, voting, decisions on resources, and budget allocation). To monitor the closing of the gap, the results framework includes the indicator "Share of women represented in local decision-making committees" in targeted sites' surrounding communes actively engaged in protected areas. The project will improve women's access to income and jobs, in order to reduce gender disparities in the mining, forestry and agricultural sectors that hold back female productivity and entrepreneurship through a variety of mechanisms, including income generating initiatives (IGAs). The implementation of the IGA program will target as a priority women's group in communes linked to the protected areas. Experiences of setting up such programs in Guinea's coastal municipalities within the West African regional fisheries Program (WARFP P126773 – P156759) will be capitalized on, in particularly to support women's groups in the development of sustainable IGAs (for instance, income via plastic recycling, dyeing, saponification, nurseries trees, and bee-keeping). The related indicator in the results framework is "number of women reporting increased income due to access to alternative livelihood". The program of alternative IGAs is targeting 70 percent of women. These two activities contribute to narrowing gender gaps in voice and agency and should contribute to increased

⁴⁷ COD-DC 2019. Technical Note on the Rights of Communities in the Context of Compensation, Compensation and Resettlement of Populations Affected by Major Development Projects in the Republic of Guinea - March 2019.



productivity and commercial access for female producers and will have a long-term impact on household income, welfare and agency.

D. Results Chain

60. **Background:** As Guinea develops its natural, mineral and hydrological wealth, there will be trade-offs concerning its natural resources. Unplanned or unmanaged growth can degrade natural resources. This can be through large-scale economic development (such as surface mining or flooding of areas due to hydro dam construction); but this can also be due to lack of attention to community livelihoods which can further degrade natural resources through increased forest degradation, slash and burn agriculture, extensive wood cutting, and large-scale charcoal production. This environmental degradation translates into damage to both human capital (through damage to health from large-scale mining) and natural capital (through reduced areas of plants and animal species, some of high biodiversity value).

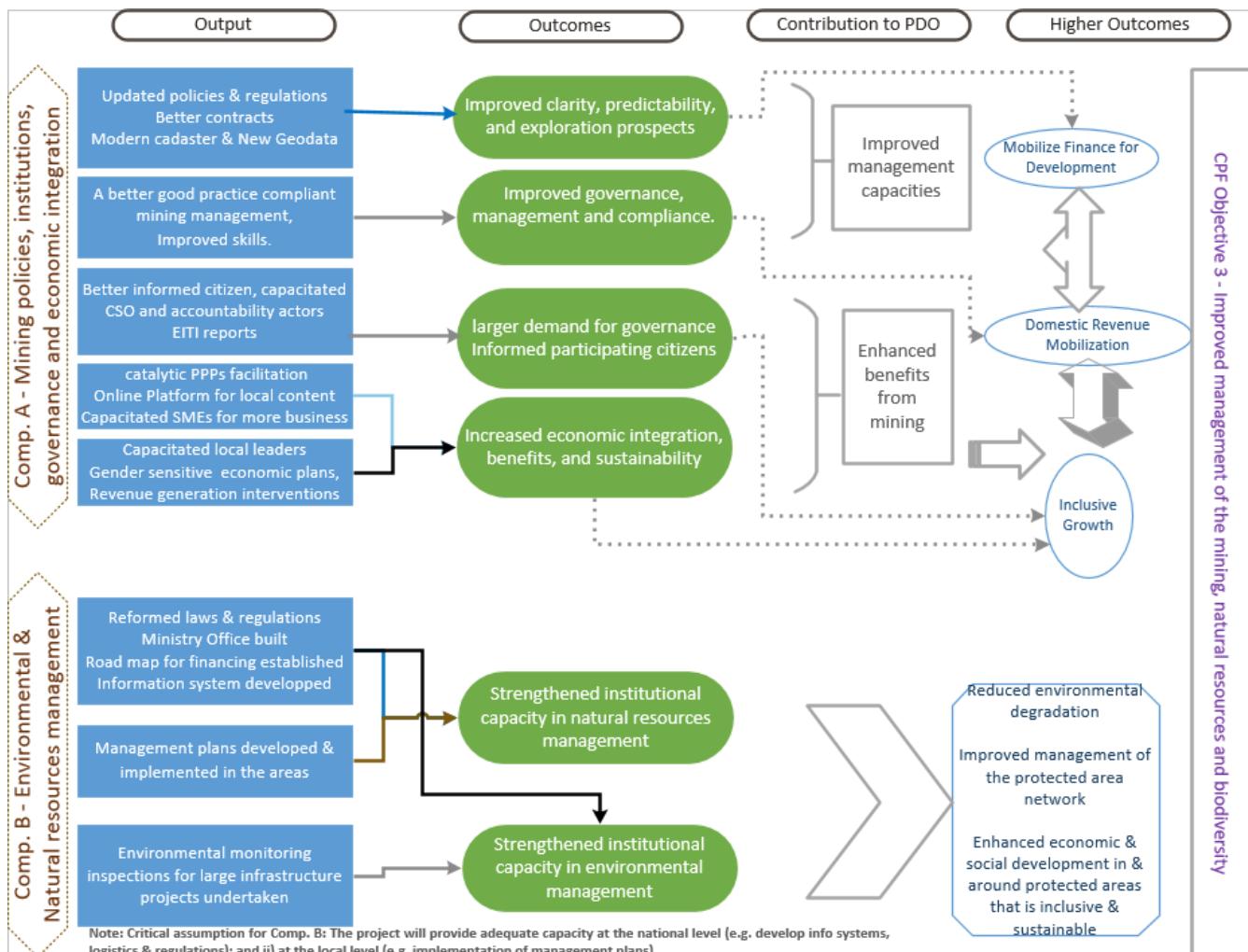
61. **Theory of change.** Without the project, the development of the mineral sector may continue, but with limited oversight, and without optimizing the socio-economic benefits and mitigation of environmental impacts. Transactions that Guinea concludes in the future may be suboptimal in terms of revenues, communities' benefits or ancillary infrastructure development with more consideration given to projects' economics and timelines as opposed to overall land planning/use considerations. Damage from natural, mineral and hydrological development may continue unabated with likely negative consequences on poor people that depend on natural resources (reduced availability of firewood for fuel, water supply, medicinal plants) and on the global environment (carbon emissions, loss of biodiversity). This project will improve the Government's management capacity in ***mining, natural resources and environment*** while enhancing related benefits through several actions:

- a) improve the country's capacity in ***mining and environmental management*** by reinforcing the institutional capacity of the ministries, including for ESS (e.g., based on international standards), and enabling the Government's capacity to mitigate the impact of infrastructure projects (e.g., mining and hydropower) and climate change in the long run;
- b) improve the country's capacity to ***manage its protected areas***, including national parks, nature reserves, and other natural areas with potential for biodiversity conservation. This will include implementing management plans in selected areas with measures that restore biodiversity (e.g., reforestation), release human pressure inside protected areas (e.g., developing alternative IGAs outside protected areas), and enhance surveillance of protected areas; and
- c) ***enhance benefits*** from minerals and protected areas through incentivization of economic integration of the mines through local content, enabling alternative IGAs, and gender-sensitive investments.

62. In addition, actions at the Ministerial level will help back-stop the above main points, for example by providing relevant regulatory and institutional support, including options for ***mechanisms for sustainable finance*** of natural capital. To ensure that this change will persist in the long run, the project will assist the Government to put in place the institutional conditions needed to allow the country gradually to transition from its current dependence on unpredictable, external project-based financing sources to a situation in which stable conservation finance streams are available to support the management of natural capital in protected areas.



Figure 2. Results Chain



E. Rationale for World Bank Involvement and Role of Partners

63. **The World Bank is well-placed to assist Guinea in strengthening its capacity in mineral, natural capital and environmental management.** This is based on the substantial experience both in mining TA projects globally as well as in Guinea, and in its worldwide portfolio in environment and protected area management, particularly for the design and implementation of similar projects in West Africa.⁴⁸ Post-COVID-19, the World Bank is also committed to “building back better”, and this project focuses on both economic and sustainable development.

64. **The WBG has been a crucial partner for Guinea throughout its post-independence mining history.** It supported the development of CBG in the 1970's through an IBRD loan which financed the railroad and a port in Kamsar-Sangaredi, which are the backbone of the current mineral development expansion in the country. The World Bank subsequently financed several projects including: (i) the Mining Sector Investment Promotion Project

⁴⁸ For example, Benin Support to Protected Area Management Project (P122419), Benin Community-Based Coastal and Marine Biodiversity Management Project (P071579), Côte d'Ivoire Protected Area Project (P111290), Guinea-Bissau Biodiversity Conservation Project (P122047), and Gabon Support to Capacity Building of Parks and Biodiversity Management (P070232).



(P001077), which strengthened the Government's capacity to act as a regulator and facilitator, and to attract investments; (ii) an Institutional Development Fund (IDF) grant which supported regulatory and capacity building activities including the negotiation of mining projects; (iii) EITI grants to initiate this process in Guinea and produce several reports; (iv) two Public-Private Infrastructure Advisory Facility (PPIAF) grants for the development of the Master Plan for mining ancillary infrastructure and its regulatory framework; and (v) development policy operations (DPOs) for mining reforms regarding the completion of the renegotiation of mining agreements, or the establishment of the manual of procedures for FODEL. The World Bank also financed the MGSP (P122916) which supported Guinea in spearheading reforms which resulted in unprecedented mineral sector development in the country's history.

65. The proposed project is in line with important aspects of the World Bank's corporate agenda, specifically MFD, synergies with IFC and MIGA, gender equality/women's empowerment and climate change. Continued World Bank involvement in the sector and maintaining the excellent dialogue with Guinea in mining will support these agendas, reinforce and build on the gains made in previous projects, and enable Guinea to continue promoting mining-induced shared prosperity through the following:

- a) A set of activities aimed at MFD will be pursued through improvements to licensing, and negotiations capacities to stimulate further investments in both mining and its positive socio-economic externalities; and further geoscientific investigations to stimulate exploration. Through these activities, this project is expected to generate over ten times the size of the funding for the mining component through FDI;
- b) Continued cooperation with IFC, together with the Chamber of Mines, individual mining companies and the BTSP to increase the economic inclusion of the mining sector, both at the national and local levels to enable SMEs to supply inputs and services to the mining industry; and
- c) Improvement in domestic revenue mobilization through the strengthening of mining revenues collection administration to mitigate tax base erosion risks linked with both the sophistication of the mining companies, and the amenability of the sector to transfer mispricing by supporting capacities in the MB and the required institutional coordination in the country.

66. **There are positive linkages that can be built between existing World Bank projects and this project. This project can also contribute to future World Bank operations**, based on the use of the ESS used to build the risk management capacity of BGACE. Current Bank operations that are being explored for synergies include the:

- Mineral Governance Support Project (P122916);
- Village Community Support Project (P156422);
- Guinea Support to Local Governance Project (P167884);
- Guinea Commercial Agriculture Development Project (P164184);
- Guinea Integrated Agriculture Project (P164326); and
- Rural Mobility and Connectivity Project (P164543).

67. **There are important complementarities with IFC and MIGA.** IFC has on-going investments in the mining sector in Guinea, which include CBG and GAC. MIGA also invested in GAC,⁴⁹ and in the Nimba Iron Ore project with High Power Exploration Inc. (HPX).⁵⁰ IFC supports a new national park, the Moyen-Bafing national park, that is being set up mainly as a biodiversity offset for the current mining investments. This project has several important

⁴⁹ <https://www.miga.org/project/guinea-alumina-corporation-gac>

⁵⁰ <https://www.miga.org/project/nimba-iron-ore-0>



overlaps, such as the Moyen-Bafing national park that will become an additional park under the management of OGPR, and the IFC work also serves as an important model for sustainable conservation finance. The World Bank and IFC teams have worked together throughout the preparation of this project.

68. **The World Bank participates in regular technical and financial partner meetings which aim to share information and ensure that all project activities are well coordinated to avoid conflicts and overlaps.** For example, several donors are actively involved in environmental protection and protected area management in Guinea (e.g., EU, UNOPS, UNDP, AFD). In this context, the proposed project is designed in synergy and complementarity with other donors' initiatives, including:

- African Development Bank - Administrative *Capacity Building Support Project* (2016-2020) aiming to build the public administration's capacity to manage integrated mining projects management in a way to stimulate strong and inclusive economic growth;
- GIZ (German development agency, *Deutsche Gesellschaft für Internationale Zusammenarbeit, GmbH*) - *Regional Resources Governance in West Africa Project* (2019-2022) aiming to support the mining sector in the Mano River countries (Côte d'Ivoire, Guinea, Liberia, Sierra Leone) to make them more closely aligned with the principles of social, environmental and economic sustainability;
- UNDP *Support to Governance of Mining Royalties Project* (2018-2022) aiming to support equity, transparency, and responsibility in the management mining revenues accruing to Boké and Boffa prefectures in Guinea;
- IFC advisory services projects linked with their investments in Compagnie des Bauxite de Guinée and GAC; and the IFC mining offset project (CBG and GAC) for the establishment and sustainable funding of the Moyen-Bafing national park implemented by Wild Chimpanzee Foundation (WCF) and OGPR;
- EU-UNOPS PARSS3 aimed at strengthening MEEF's capacity for sustainable management of natural resources, supporting monitoring activities in Kounoukan and Upper Niger National Park, and involving local communities and private sector in the management of protected areas in Guinea;
- COMBO project on *Conservation, impact Mitigation and Biodiversity Offsets in Africa* (financed by AFD/FFEM/MAVA Foundation) aimed at developing tools for implementing mitigation and compensation measures for biodiversity conservation;
- GEF-UNDP's project on *Ecosystem-based adaptation in Middle and Upper Guinea*, including a multi-sectoral development plan, aimed at an integrated and sustainable management of natural resources by introducing a landscape approach and establishment and operationalization of a core protected area, corridors and buffer zones along the Bafing and Falémé Rivers;
- African Development Bank and other donors' Program on *Integrated Development and Adaptation to Climate Change* (PIDACC) in the Niger Basin aimed at promoting development, while protecting the hydraulic infrastructures built in the Niger basin;
- Royal Botanic Gardens Kew's ongoing project on the creation of a *National Guinean Herbarium*; and Critical Ecosystem Partnership Fund (CEPF)/Missouri Botanical Garden's initiative on the *Assessment of Key Biodiversity Areas* in Guinea. Kew recently published a book on Guinea, identifying Tropical Important Plant Areas (TIPA), which identifies some of targeted areas as Kounoukan, Mont Nimba, Mont Béro, Pic de Fon as hotspots;
- EU-UNOPS' initiative on the *Chimpanzee Conservation Center*, aimed at protecting biodiversity by strengthening the wild chimpanzee populations in the Upper Niger National Park; and



- AFD, the French Facility for Global Environment, and Fauna and Flora International (FFI) support to Ziama biosphere reserve management.
69. The World Bank will continue to coordinate with these institutions, and proactively seek partnerships with donors to strengthen information exchange and establish a sound funding source dedicated to the protection of the environment and natural capital in Guinea. For well-established actors, such as UNOPS, that have worked on the management of national parks, park planning, and training, etc. for several years, the World Bank will join forces with them to strengthen the value-added different partners bring to the Government.

F. Lessons Learned and Reflected in the Project Design

70. The project design incorporates lessons learned from several projects supported by the World Bank on mining and environment and by GEF on sustainable management of protected areas, including:

- a) Government commitment is key to the success of any project. The GoG has demonstrated positive political will to improve the management of the country's mineral and natural resource base by reforming its mining and environment sectors, and by its willingness to commit US\$65 million of IDA resources to the proposed project.
- b) In the case of the mining sector, an important lesson is continued engagement with Government at various levels, and stimulating closer coordination between ministries, which sometimes operate in silos. It is important to stimulate investments while at the same time addressing revenue mobilization issues, mineral sector economic inclusion and sustainability. It is an established lesson from similar mining sector programs that comprehensive institutional reforms and capacity building require more than a single project cycle.
- c) One of the critical lessons learned in Guinea is the importance of the capacity of the PIU to follow established World Bank procedures to shield the project from the overall governance challenges in the country, and the political economy of the mining sector. Powerful vested interests may want to drive outcomes of procurement processes or outputs of specific activities for their own interest. This project has been designed to take account of the above. It will build on the existing MGSP PIU and hire required additional staff.
- d) Involvement of local communities and CSOs in project preparation and implementation: the project will involve local communities in public consultations (e.g., related to management plans of protected areas, ESIA, ESMP), management activities (e.g., involvement in local committees for the participatory management of the project areas), and monitoring of the project activities (e.g., program of IGAs).
- e) Consider long-term financial sustainability and forward planning beyond the five-year time frame of the project. Drawing on previous efforts that established trust funds for biodiversity conservation (e.g., Foundation for Parks and Reserves of Côte d'Ivoire⁵¹, West African Savannah Foundation⁵², Madagascar Biodiversity Fund⁵³) and on the national offset project for establishing and sustainable funding of the Moyen-Bafing national park, the project will set up a mechanism for sustainable financing of the network of protected areas.
- f) Lessons learned from the GEF *Coastal, Marine and Biodiversity Management Project* in Guinea, include:
(i) maintain frequent contact between the Client and the World Bank, but also build into the project design

⁵¹ <https://fondationparc.ci/>

⁵² <http://fsoactf.org/>

⁵³ <http://www.fapbm.org/en>



a ‘learning-by-doing’ approach to build capacity; (ii) use technologies for sustainable use of ecosystem resources to reduce pressure on natural resources, but ensure these are mastered and adapted to local circumstances, including through trained local staff; (iii) focus attention on institutional strengthening for multi-dimensional and multi-sectoral projects which no single institution can implement and for which an integrated approach goes beyond short-term consultancies and disparate studies; and (iv) keep M&E practical and not overly ambitious, and only use indicators when there is baseline data and where the indicators are measurable.

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

71. **The institutional arrangements for the project take into consideration both the need for an efficient organizational structure, based on the experience gained in project management in Guinea, and the Government's request to maintain technical and fiduciary management autonomy** for each of the sectors. These arrangements include (i) the use and strengthening of the PIU that implemented MGSP; (ii) the creation of two designated accounts (DA); (iii) the creation of two transaction accounts and two procurement plans for the activities in each of the sectors; (iv) the establishment of a Project Steering Committee; (v) the establishment of a Technical Monitoring Committee; and (vi) the implementation of a capacity-building program on project management, technical, fiduciary, M&E and communication aspects.

72. **PIU.** In view of the experience gained in the management of IDA funds, it was decided to maintain and strengthen the MGSP PIU team for the management of this new project. The PIU will ensure the overall coordination of the project including fiduciary management aspects (procurement and FM), monitoring of indicators, coordination and regular reporting. The PIU will be supervised by MMG.

73. **A Project Coordinator** will head the PIU and ensure oversight over administration, implementation and overall management of all components. The Coordinator will be supported in the first instance by a financial specialist and two accountants, an internal auditor, a procurement specialist and analyst, an environment specialist, a social development specialist, and a M&E specialist.

74. **Two DAs and procurement plans** will be opened at the Central Bank of the Republic of Guinea (*Banque Centrale de la République de Guinée, BCRG*) with the possibility of opening under each DA, a Guinean Franc transaction account in a commercial bank acceptable to the World Bank. The first Designated Account (DA-A) will be managed by the MMG and the second Designated Account (DA-B) will be managed by the MEEF. The ceiling of the DAs will be specified in the Disbursement and Financial Information Letter (DFIL). A monthly frequency will be adopted for the justification of expenditures and the renewal of advances on the DA. Two procurement plans for contracts related to the activities of the two dedicated accounts which will, in accordance with the current public procurement reform in Guinea, be supported, respectively, by the MMG and MEEF Ministerial Procurement Commissions.

75. **The fiduciary aspects of the project will be under the responsibility of the PIU**, who will have the overall fiduciary responsibility including preparation and submission of a consolidated Annual Work Plan and Budget (AWPB), submission of the Withdrawal Application, preparation of consolidated Interim Financial Reports and audited financial statements.

76. **A Steering Committee** will oversee the implementation of the project, validate reports and annual work plans. It will meet on a bi-annual basis and will be chaired by the Secretary General of MMG with the Secretary General of Environment being his deputy. In addition, a **Technical Monitoring Committee** will be set up for regular



monitoring of the implementation of the project activities. It will meet on a monthly basis and will be chaired by the director general of the BSD of MEEF with the deputy being the director general of the BSD of MMG. It will be composed of focal points designated by the authority of the various Ministries having significant activities in the project.

77. **Capacity building is particularly important for MEEF.** A capacity building program on project management, technical, fiduciary, M&E and communication aspects will be implemented and will complement the institutional arrangements described above. Specifically, the BGACE and the OGPR as 'Government Agencies' will need to build both technical and FM capacity and, where appropriate, have systems in place to manage the flow of funding from headquarters to the field. BGACE has committed to undertaking an institutional assessment as part of this project to determine the most optimal ways to improve its capacity and effectiveness. During the mid-term review, an institutional and financial audit of the BGACE and OGPR could be undertaken to further assess their capacities, and whether dependence on the PIU is necessary or whether a transfer of management responsibilities could be carried out. This capacity building process is part of the implementation of the recommendations of the MEEF audit conducted in 2018, with BGACE and OGPR planned as technical and autonomous administrative agencies ("Government Agencies").

78. Further details on institutional arrangements, including a schematic, are provided in Annex 3.

B. Results Monitoring and Evaluation Arrangements

79. M&E during project implementation will follow standard World Bank practices, including, as appropriate, the use of the Geo-Enabling Initiative for Monitoring and Supervision (GEMS) that the CMU is considering for the Guinea portfolio and for other countries under the fragility, conflict and violence (FCV) context. The PIU will prepare a Progress Report every quarter. The PIU Coordinator will have the overall responsibility for collating information that will be provided by the technical specialists at MMG and MEEF (OGPR, BGACE, BSD, Legal Affairs Department, and through MEEF, ABN). The PIU will have an M&E expert to support this. The Progress Report will include all the data related to project performance and will report on the progress of each indicator.

80. The stakeholders responsible for M&E include (see also Annex 3 for additional information on roles and responsibilities):

- For PDO-level results indicators: the MMG (Component B); for Component A, BGACE Focal point (indicator: environmental monitoring inspections of large infrastructure projects) and OGPR Focal point (indicator: Forest area brought under management plans); and
- For intermediate-level results indicators: PIU Coordinator (Component A indicators); through MMG (Component A and B), BGACE Focal point (Component A and C1 indicators) and OGPR Focal point (Component A and C2 indicators⁵⁴).

81. **The M&E system will involve the participation of local communities** – women, local committees, prefectural committees - in several activities, such as development, M&E of annual work plans of protected areas (Component C2), and monitoring of ESMPs (Component C1). There is reasonable capacity for data collection and M&E given the previous experience of the PIU, and the back-stopping of the BSD units within MMG and MEEF.

⁵⁴ OGPR will collate data from ABN related to the Niger source area.



C. Sustainability

82. The PNDES identified the mining sector as a driver for structural changes in the Guinean economy including through further value addition, greater local content, community development and the efficient use of mining rents for agropastoral and fisheries development. The proposed project directly supports the PNDES. Implementation of the proposed activities is important for the sustainability of the reform agenda in the mining sector and greater inclusiveness of the sector to enable a wider sharing of its benefits, which the Government strongly supports.

83. Guinea has seen the value of reforms for itself, including unprecedented developments in its mining sector spurring overall economic growth and generating revenues the country used as a source of investments including in power, water and health. Mining revenues grew for the treasury, and the Ministry of Mines and Geology making the latter gradually independent in the management of the sector. Guinea is eager to continue the pace of its mineral development and is now focused on gaining ground in its world ranking on bauxite production while diversifying its mined commodities. It is also committed to increasing mining benefits for all its citizens as demonstrated by the restructuring of MMG to create departments of gender, local content and communities, as well as the creation of two funds for local development (including one for all provinces - National Fund for Local Development (*Fonds National de Développement Local*, FNDL and another for mining communities - FODEL). The proposed project will support Guinea in improving its investment climate, diversifying mined minerals, and enhancing shared prosperity from mining through support to local content, SMEs, small and medium-sized industries (SMIs), and gender- and youth-sensitive activities thereby increasing the likelihood of the entrenchment of the activities in its mining sector.

84. The GoG has undertaken reforms in both the mining and environment sectors that lend themselves to improved sustainability. For example, MEEF has reformed its institutional structures to deal with issues that were not critical at the time of its creation, such as climate change impacts. MMG is increasingly aware of E&S impacts and aims to further consolidate the reforms undertaken for transparency and governance inclusive of sustainability and social concerns. Some examples in the project design that highlight the aims of the Government for sustainability include:

- **Sustainable growth.** Exploitation of resources (mining or natural) without due consideration of environment and social impacts has been recognized by the Government as unsustainable. Improving environmental management capacity around areas of both mining and natural capital assets will ensure that the potential negative impacts of activities will be identified and mitigated.
- **Local development actions.** The project will implement AIGAs as a means to compensate local communities for the forgone income from the impacts of mining or from the pressure on natural resources (e.g., wood cutting, grazing). Grants will be targeted to communities residing in the areas most susceptible to degradation (e.g., buffer areas of the Upper Niger National Park), or impacted significantly by mining. Using existing funds (e.g., FODEL, FNDL) and/or existing decentralized structures (e.g., existing committees in communes) will increase the financial flows across sectors and to communities, thereby increasing sustainable outcomes.
- **Improved management and financing of protected areas.** Drawing on good practices in protected area management, the project will provide the infrastructure, equipment, and other practical tools – instruments, technology, and skills – necessary to improve the management and continuous monitoring of these areas. To ensure that these improvements are maintained in the long term, the project will support the development of a **mechanism to finance the running costs of protected areas** after the end of the project.



- **Climate-co benefits.** A number of activities contribute to climate co-benefits, both for adaptation and mitigation. A summary of these is found in Annex 5.
- **Environmentally friendly buildings.** The activities of this project will follow guidance for the adoption, to the extent possible, of renewable energy and rainwater collection/water reuse solutions, as well as other solutions to reduce and recycle waste generated by any economic activity or infrastructure remodeling/construction supported under the project.
- **Sustainable financing for protected areas:** Drawing on the experience of funding mechanisms created in Africa – and particularly of the fund managed by the Foundation for Parks and Reserves of Côte d'Ivoire and the African Environment Funds Consortium (*Consortium des Fonds Africains pour l'Environnement, CAFE*)⁵⁵ the project will establish a roadmap for a similar foundation/fund (during the first four years) and establish the necessary partnerships for the constitution of the necessary capital (during the fifth year). Options for capital formation include contributions from private sector: mining and other infrastructure companies that operate around the protected areas and public donors. This has already been envisaged by the ongoing OGPR project related to the creation of the Moyen-Bafing national park supported by WCF. Establishing a trust fund would be challenging and would require an initial endowment of about US\$30 million.⁵⁶

IV. PROJECT APPRAISAL SUMMARY

A. Technical and Economic Analysis

Technical analysis

85. Effective conservation of natural resources requires sound data and mapping of natural and mineral resources, and a solid park management system, built on an appropriate balance between local development and natural resource conservation. Technical elements of the proposed project that help generate long-term benefits include the use of: (i) state-of-the-art technologies adapted to the Guinean context to improve mapping, information management and management of protected areas (e.g., innovative patrol-based techniques, SMART⁵⁷); (ii) sustainable mechanisms to finance the costs of the project operation in the long run; and (iii) World Bank's ESF and other recognized international standards as the base framework for improving the country's capacity to strengthen its ESS and mitigate the impacts of large infrastructure projects.

Economic analysis

86. This section describes the justification for public sector provision; the expected project impacts; and the results of an economic analysis carried out for the project.

87. **Justification for public sector provision.** Guinea is significantly endowed with minerals, and the ratio of its mining operations to endowment in bauxite reserves is the lowest in the world. It also has the largest undeveloped iron ore deposits in the world. Without the appropriate enabling environment including laws, regulations and sector management capabilities, Guinea's own recent track record shows that its natural endowment won't translate automatically into operations, growth and shared benefits. The creation of a

⁵⁵ <https://www.cafeconsortium.org/about/>

⁵⁶ Assuming annual returns of 5 percent, inflation of 2 percent, and management costs of US\$100,000 per year, this would generate a funding stream of US\$1.3 million/year – which is a minimum estimate of the recurring costs needed to maintain the investments made by the project.

⁵⁷ <https://smartconservationtools.org/>



conducive investment climate is a public sector role that will not otherwise be in place, and the country may continue to remain poor despite considerable natural resource endowments.

88. In addition, degradation or depletion of natural capital – e.g., forests and water – is an externality, as there are often no penalties for actions that harm the environment. These problems result partly from the lack of clear and enforceable property rights, e.g., deforestation due to slash and burn agriculture, and degradation due to overgrazing in protected areas; and partly from their spillover effect, e.g., upstream erosion can reduce water quality for people living far away from protected areas. The communities alone do not have either the incentives or the means to solve these problems. Without intervention, their actions will continue to damage the environment (e.g., riverbed sedimentation in the Niger River source area) and the population living nearby (e.g., lower income from reduced future extractive opportunities). Thus, using public sector funds to finance the project is considered appropriate.

89. **Expected project impacts.** The proposed project will improve the natural capital and environmental management in the target areas. It is expected to provide:

- *benefits to local populations*, such as increased value from forests due to reduced deforestation and degradation, and from reforestation (e.g., wood and non-wood forest products); and improved income through adoption of sustainable livelihood activities;
- *national benefits*, through protection of watershed services due to improved protected areas management; enhanced institutional capacity to replicate the proposed management tools to the country's entire protected area system; and to mitigate the impacts of large infrastructure projects; and
- *global benefits*, through carbon sequestration, reduced emissions from deforestation and forest degradation and biodiversity conservation in the project areas, watershed management in international river basins.

90. **Economic analysis.** Overall, the project is **economically attractive**. The paragraphs below indicate the project's expected benefits for each component. However, the net present value (NPV) or internal rate of return (IRR) could not be estimated at the project level, due to difficulties in their estimation for Component B. The data presented below are therefore conservative.

91. **Component B.** Mining TAs do not lend themselves to NPV calculations. However, experience demonstrates significant returns from TAs such as the MGSP which: (i) created an investment climate that facilitated investments in the form of MFD valued over US\$2 billion; (ii) the modernization of the cadaster resulting in revenue generation to the Government of over US\$50 million between 2016 to 2019; or (iii) positive impact on domestic revenues mobilization with Guinea collecting US\$505 million in 2017 from its mining sector compared to US\$345 million in 2016. The economic impacts from the additional employment, local content and CSR contributions to communities make public investment in enabling mineral development demonstrably worthwhile.

92. **Component C.** A Cost-Benefit Analysis for this component indicates an **NPV of US\$15.5 million**, and an **IRR of 11 percent** (Table 3). A detailed description of the assumptions⁵⁸ and estimates is presented in Annex 4. The estimated *benefits* include improved forest values in areas subject to reduced deforestation, reduced degradation, and reforestation, and higher income of rural populations due to AIGAs. The project *costs* cover direct (e.g., infrastructure, equipment and variable costs) and indirect costs (e.g., forgone income due to restriction of unsustainable activities).

⁵⁸ The analysis is based on a few assumptions, including a 25 percent reduction of the areas subject to deforestation and degradation, due to the project activities. See Annex 4 for more details, including a sensitivity analysis to changes in different parameters.

**Table 3. National cost-benefit analysis (CBA) results for Component C**

	Present Value (US\$ million)
COSTS	
Direct project costs	36.0
Forgone income due to reduced deforestation	1.7
Total Costs	37.7
BENEFITS	
Increased PA benefits due to:	
- reduced deforestation	6.7
- reduced degradation	42.2
- reforestation	0.6
Improved revenue from income-generating alternatives	3.6
Total Benefits	53.2
NET BENEFITS	15.5
IRR (%)	11%

Note: The analysis is based on a time frame of 20 years and a discount rate of 6 percent.

93. In addition to the national benefits mentioned above, the project generates biodiversity and **carbon benefits**. The quantity of carbon sequestered from reforestation and reduced deforestation is estimated at about 12.9 million tCO₂-equivalent, based on EX-ACT. Inclusion of these benefits in a global CBA leads to an NPV of US\$340 million (low) and US\$666 million (high) (Table 4). The high value of carbon benefits is due to: (i) a relatively high quantity of carbon annually sequestered by the project, after the fourth year⁵⁹; (ii) a high shadow price of carbon recommended by World Bank guidelines⁶⁰, which indicate a low bound ranging from US\$40/tCO₂ to US\$61/tCO₂, and a high bound varying between US\$80/tCO₂ and US\$122/tCO₂ during the period analyzed.

Table 4. Results of national and global CBA for Component C

	NPV (US\$ million)	IRR (%)
CBA (without carbon)	15.5	11%
CBA (with carbon, low scenario)	340.1	63%
CBA (with carbon, high scenario)	666.1	90%

B. Fiduciary

Financial Management

94. The FM arrangements for the project have been designed with consideration for the country's fragile situation while considering the World Bank's minimum requirements under World Bank Policy and Directive – Investment Project Financing (IPF), which describes the overall FM World Bank policies and procedures.

95. The Government of the Republic of Guinea adopted in December 2018, the revised strategic framework for public financial management (PFM) reforms "PREFIP", which aims to address the PFM challenges highlighted in recent assessments of the PFM system mainly in the reports of Public Expenditure and Financial Assessments

⁵⁹ The analysis assumes that no carbon is sequestered in the first four years of the project. The quantity sequestered afterwards is estimated at 0.8 million t CO₂ per year, on average (= 12.9 million t CO₂/16 years).

⁶⁰ World Bank. 2017. Shadow price of carbon in the economic analysis. Guidance note.



(PEFA) 2018, Public Investment Management Assessment (PIMA) 2018 and the Country Policy and Institutional Assessment 2019 (CPIA) (Q13-16). The Government is committed to address the weaknesses identified in these recent PFM assessments, whose implementation is on-going.

96. The World Bank cannot thus, at this time, rely 100 percent on the public expenditure framework for this project. The GoG requested to use a ring-fenced financing mechanism for the fiduciary aspects of the program. The project will use existing institutional arrangements including the PIU currently under the MMG. The overall FM aspects of the project will be managed by the FM team of the PIU of the MGSP (P122916); although MGSP closed on November 30, 2020, the PIU is being maintained by MMG.

97. The main finding arising from the assessment of the MGSP PIU conducted in December 2019, February 2020 and February 2021 was that the PIU is familiar with World Bank-financed projects FM procedures and requirements. However, the assessment revealed that the MEEF one of the beneficiaries of the project activities has little previous experiences in managing World Bank-financed projects.

98. The overall FM risk is rated **Substantial** mainly because of the project design and the following factors: (i) multiplicity of actors, resulting in a large number of transactions expected; (ii) beneficiaries based in geographically remote areas and scattered across the country (located in regions); (iii) transfers of funds to implementing agencies and regional office for direct management with limited capacity; and (iv) lack of familiarity of MEEF with World Bank procedures.

99. Regarding the FM function associated with the risk level, the conclusion was that the Entity (PIU of the Project) is in a position to manage World Bank funds once they appoint/assign to the new project: (i) the FM Officer (*Responsable administratif et financier, RAF*); and (ii) the Accountant of the MGSP; in addition; (iii) FM procedures need to be part of the Project Implementation Manual (PIM), which will be adopted within one month of project effectiveness. Given the activities of this project are more elaborate than the MGSP and will include field activities, the PIU will be further strengthened through dated covenants, implemented within one to six months after the project effectiveness date; (iv) one accountant need to be recruited through competitive means working 100 percent on the FM aspects of the activities implemented by the MEEF (one month); and (v) the accounting software needs to be acquired and installed (three months).

100. The PIU will be required during the project implementation period to prepare and submit to the World Bank: (i) consolidated annual work plan and budgets (AWPB) no later than November 30 of the year preceding the year the work plan should be implemented; (ii) consolidated interim un-audited financial statements (IFR) on a quarterly basis no later than 45 days following the end of the quarter; and (iii) audited annual financial statements of the project no later than six months after the end of the fiscal year.

101. Two DAs will be opened at the BCRG with the possibility of opening under each DA, a Guinean Franc transaction account at the level of a commercial bank acceptable to the World Bank. The first DA (DA-A) will be managed by the MMG, and the second DA-B will be managed by the MEEF. The ceiling of the DAs will be specified in the DFIL. A monthly frequency has been adopted for the justification of expenditure and the renewal of advances on the DA. Additional project sub-accounts will be opened in the regions covered by the project.

102. Additional details on the FM assessment are found in Annex 3.

Procurement

103. The Recipient will carry out procurement for the proposed project in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" (Procurement Regulations) dated July 2016 revised in November 2017, August 2018 and November 2020 under the "New Procurement Framework" (NPF), and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants",



dated July 1, 2016, and other provisions stipulated in the Financing Agreements.

104. The Recipient (with assistance from the World Bank) has prepared a Project Procurement Strategy for Development (PPSD) which describes how procurement activities will support project operations for the achievement of PDOs and deliver Value for Money (VfM). The observations made during the preparation of the PPSD are that (i) the procurements packages identified are not complex; (ii) technical assistance are likely to be necessary for the preparation of some terms of references (ToRs) or technical specifications; (iii) there is no obstacle to the use of competitive process for the main procurement processes; and (iv) the socio-political context could cause delays or additional costs in the execution of the contracts. The operational context overall is favorable to procurement, award, management, and monitoring of contracts. The inherent risks that the procurement and implementation of project contracts are affected by uncontrolled technological, environmental, health, social and political aspects is deemed to be substantial and may be moderate with the application of the identified mitigation measures. If the COVID-19 pandemic continues, it will be necessary to generalize the use of electronic submission channels and to take into consideration the risks of additional costs and other impacts on procurement and execution of contracts (transport, availability of stakeholders, payments, contractual deliverables / execution deadlines, etc.).

105. The procurement strategy is linked to the project implementation strategy ensuring proper sequencing of the activities. It considers institutional arrangements for procurement; roles and responsibilities; thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It also includes a detailed assessment and description of the MEEF and MMG capacity and the implementing agency for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues to be considered include the behaviors, trends and capabilities of the market (i.e., Market Analysis) to respond to the procurement plan.

106. **Procurement risk assessment:** The PIU will be integrated into the MMG. The PIU will coordinate and consolidate the annual work plans and budgets and oversee the FM and procurement of all other technical implementing agencies. It will be responsible for all fiduciary aspects of the project including procurement, disbursement, accounting, financial reporting and monitoring, and evaluation of the project, and for ensuring the auditing of project account.

107. A procurement assessment has been conducted as part of project preparation. It took into account that: (i) the project will use existing institutional arrangements including the PIU currently under the MMG; (ii) the main risk lies in the fact that the PIU will have to interact with various partners within the Government that will be involved in the procurement process; (iii) in the MMG and the MEEF there are: a) one Procurement Officer (*Personne Responsable des Marchés Publics-PRMP*) who is responsible for the Ministry public procurement activities; and b) a tender committee which will be involved in the project procurement process; (iv) the existing staff and the tender committee members have limited procurement skills, and insufficient experience in World Bank procurement procedures; (v) Outside the two Ministries, there are other actors which will be involved in the procurement process, mainly the Ministry of Finances (*Direction Nationale du Contrôle des Procédures de Passation des Marchés Publics et Cabinet du Ministre des Finances*). There are significant time delays in the procurement process.

108. Given that: (i) only MMG has experience in World Bank-financed projects implementation, and (ii) MEEF has little experience in World Bank-financed projects implementation; and furthermore, it will have to interact with various partners within the Government that will be involved in the procurement process, the overall procurement residual risk after the mitigation measures is rated **Substantial**.

109. Some of mitigation measures include: (i) to maintain in the PIU's team the actual Procurement Specialist or to recruit competitively a Procurement Specialist with qualifications and experience satisfactory to the World



Bank; and (ii) to elaborate a PIM including Procurement procedures which will be adopted within one month of project effectiveness. Further (iii) a Procurement Analyst will be hired within one month after project effectiveness as a dated covenant; and (iv) procurement training and support to the Tender Committee members in World Bank procurement processes need to be provided. A detailed procurement description and institutional arrangements are in Annex 3, Implementation Arrangements and Support Plan.

C. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	Yes
Projects in Disputed Areas OP 7.60	No

110. As the project activities will be in the Moa River and upper reaches of the Niger River and in the Niger River basin, the World Bank Operational Policy OP 7.50 on International Waterways Operational Policy is triggered and was approved by World Bank management in March 2019. The project will not adversely change the quantity or quality of water flows to other riparian's and will not be adversely affected by the other riparian's possible water use. This project will not cause any adverse impacts on other riparian states and will therefore not trigger the notification requirement.

111. Related to the Niger basin and as mentioned above, the project activities under Component B include (i) surface soil sampling and (ii) provision of safety and security equipment; and under Component C include (i) the financing of studies on water resources in the Niger basin (e.g., gauging, quantitative and qualitative monitoring); (ii) rehabilitation of hydromet stations and setup of piezometers; and (iii) river bank rehabilitation, which might have minor, temporary and localized impact on water quality. These activities are limited to rehabilitation of existing schemes in the most upstream country and will not adversely change the quantity or quality of water. Any studies or water surveys carried out under Components B and/or C will consider riparian issues, as applicable. Geographic areas are expected to include the regions of: Siguiri, Faranah, Kissidougou, Kouroussa, Kankan, Kérouané and Gueckédou.

D. Environmental and Social

112. In terms of the ESF aspects of the project, the components as designed lend themselves to strengthening the country's key economic sectors as well as E&S management effectiveness, which between them, if successful, should contribute to sustainable development.

113. The project's activities related to the mining sector (Component B) are a continuation of work done to-date under a previous World Bank-funded project IPF (MGSP); the activities consist exclusively of TA to the institutions in charge of managing the mining sector. The MGSP became effective in 2013, had a moderate Safeguard B rating and its Implementation Status and Results Report (ISR) record shows that the PIU has had a consistent good record in safeguard management. The overall E&S risk for the project was assessed as "Low" throughout implementation. Similarly, the ISR record shows that the rating for environment and social safeguards was "Moderately Satisfactory" throughout project implementation. The experience of the MGSP offers good lessons learned that can be incorporated into the ESS that the MEEF and MMG will be adopting through this project.

114. In 2016, the GoG prepared a SESA to assess E&S risks and impacts of mining regulations and policies. The



SESA includes in Chapter 3 recommendations defined in a "Guiding Framework for Improved Environmental and Social Governance in the mining sector".⁶¹ The MGSP implemented 13 of the recommendations and this project will cover additional recommendations that are within its scope.

115. In addition, there is an ongoing World Bank Advisory Services and Analytics that potentially can improve the understanding of the interface between mining and environment: the Forest-Smart Mining initiative (P172245) sub-task of the project "Leveraging the Private Sector through Activities and Engagement in Specific Supply Chains to Drive Reductions in Deforestation (P170274)" funded by the Forest Carbon Partnership Facility's Carbon Fund. Close collaboration already exists with teams working on both projects.

116. Given the Environmental Component (C), overall impacts associated with improving natural capital are expected to be positive. These include supporting the Government (OGPR) to move from a system of "protected areas only on paper" to well-organized and funded capacities to manage parts of Guinea's natural capital, important for ecosystem services. This will also include working with communities in a participatory manner to improve management of protected areas, so that communities benefit from the environmental services these provide, but also manage a transition so they benefit from alternative livelihoods if they are impacting the protected areas.

117. The support to BGACE will benefit both the MEEF and MMG as the BGACE is the part of MEEF that needs to build capacity and be able to provide solid assessment of E&S impacts and be in a position to understand and deal with trade-offs. The fact that the Government has agreed both to an institutional assessment of BGACE through this project, and that the BGACE capacity will be built on the World Bank's ESF, or other internationally accepted standards, is a positive step, which should contribute over time to the country's systems. In addition, Guinea is a pilot of Geo-ESF, which is overseen by the World Bank Task Team and will in time be considered as a tool the BGACE can use.

118. As MEEF is short of space to undertake its work, the Government requested a new office building to house BGACE and OGPR. The building will be funded by IDA under the proposed project on Government land, and an E&S impact notice is prepared (see below).

119. In summary, the potential adverse risks in this project and impacts on the environment, are related to:

- the implementation of protected area management plans, with any associated impacts related to improvements to existing management or infrastructure, demarcation, improvement of surveillance trails, and provision of equipment and any possible restriction of access; these will be examined in full, with appropriate mitigation actions described in the ESIAs and ESMPs;
- potential impacts associated with construction work for the BGACE and OGPR office building; and
- the client has no experience or capacity in applying the ESF. Significant efforts will be required to build the capacity of the PIU and familiarize the BGACE and OGPR with the ESF during project implementation.

These potential adverse impacts are not likely to be significant and are expected to be site-specific, predictable, temporary and/or reversible. As a result, the **environmental risk is considered moderate**.

120. **Regarding social aspects, this project benefits significantly from the experience of the IDA-funded PACV Project** which has put in place, and is consolidating through ANAFIC, numerous national and local mechanisms on which this project will build, strengthening **citizen engagement**. These include a functioning, well-reputed national Grievance Redress Mechanism (GRM) and, in each commune across all of Guinea, a local GRM mechanism and participatory management committees. MEEF is keen to use these structures for the participatory approach

⁶¹ Cadre directeur pour une meilleure gouvernance E&S dans le secteur minier.



related to income-generating activities around the key project areas.

121. **Emphasis is to be given to addressing gender issues.** The project design is tailored so that AIGAs, participatory management as well as mining activities are more inclusive of women. Indicators related to women are included in the project to assist monitoring.

122. **The SESA framework** provides a comprehensive set of actions to improve E&S governance in the mining sector. Some of these include specific attention to vulnerable persons, involuntary resettlement and payment of compensations, equal opportunity in labor conditions, and the participation of civil society. The SESA is currently under implementation but ToRs for an evaluation of the SESA will be finalized one month after effectiveness, and an evaluation of implementation progress will be carried out not later than six months after the effectiveness date, to determine outstanding recommendations and identify those that can be effectively addressed in this project. The evaluation would be complemented by an ongoing sector gender assessment which will look into issues such as gender-based violence within the mining sector. This is particularly necessary in light of the February 2019 complaint to the IFC - Compliance Advisor Ombudsman concerning the IFC loan to GAC in Boké. and the procurement plan will be adjusted to reflect new recommendations to be implemented through the project. The SESA will be updated during the project's lifetime.

123. Overall, potential adverse impacts are not likely to be significant and are expected to be site-specific, predictable, temporary and/or reversible and project activities do not require land acquisition although they may affect the access of local communities to natural resources in protected areas. However, given the country context for mining, the **social risk is considered substantial**.

124. The World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts can be found in the Project's ESRS, disclosed on the World Bank info shop February 14, 2021.

125. **The Borrower has prepared and disclosed the following instruments:**

- Environmental and Social Commitment Plan (ESCP), disclosed on the World Bank info shop April 19, 2021, and in country on May 5, 2021;
- Stakeholder Engagement Plan (SEP), disclosed on the World Bank info shop February 14, 2021; updated and re-disclosed on the World Bank info shop and in country on May 5, 2021;
- Environmental and Social Management Framework (ESMF) which describes necessary screening measures and procedures for preparing site-specific ESIA/ESMPs, updated and re-disclosed on the World Bank info shop and in country on May 5, 2021;
- A SESA on the reform of the mining sector had previously been prepared. Although it remains relevant, ToRs for an evaluation of the SESA will be finalized one month after effectiveness, and an evaluation of implementation progress will be carried out not later than six months after the effectiveness date;
- Labor Management Procedures (LMP), disclosed on the World Bank info shop and in country on May 5, 2021;
- Process Framework (PF), disclosed on the World Bank info shop and in country on May 5, 2021;
- An ESIA on the MEEF building construction, disclosed on the World Bank info shop and in country on May 5, 2021.



V. GRIEVANCE REDRESS SERVICES

126. Communities and individuals who believe that they are adversely affected by a World Bank (WB)-supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

VI. KEY RISKS

127. **The overall proposed project risk is “Substantial” based on the majority of risks being “Substantial”.** Key risks and mitigation measures are discussed in the following paragraphs. **The risks linked to politics and governance, sectoral strategies and policies, technical design, institutional capacity, fiduciary, and environmental and social are rated “Substantial”:**

128. **Political and Governance risk.** Political tensions and weak governance represent a substantial risk for this project. Despite a recent election, political tensions and human-rights allegations remain. The political risks may impact on due processes in the governance of the mining sector especially regarding allocation of licenses for projects and their development. The support to this project during preparation has been strong. On Governance, during project preparation, MEEF has undertaken a thorough institutional restructuring, demonstrating that there is a political will to improve the structure and function of the Ministry in decisions concerning natural capital and managing economic and social resources for development. For example, the Ministry is adopting all the recommendations made in a recent independent audit and has asked the World Bank to assist in specific areas, including transparency in financial sources used to manage natural resources. The MMG has received funding through the MGSP with notable successes and good leadership. However, political instability and governance concerns remain.

129. Mitigating this risk will be pursued through monitoring the political situation over the life of the project and seeking advice from World Bank Management as required. To keep a coordinated and coherent response on the reforms, continued engagement by WBG representatives with various levels of Government officials will be pursued. In addition, technical and financial partners in Guinea meet regularly to sustain the reforms. The project team will also maintain the ongoing periodic meetings with CSOs active in mining and natural resources management and are joining forces to maintain support for the reforms.

130. **Sector strategies and policies.** Substantial investments made in mining during the past years yielded results in terms of fiscal revenues and the stimulation of local development. However, more efforts must be invested to enable more citizens to benefit from mining. The Government is aware of the current shortcomings, prioritized local content as part of the PNDES and earmarked mining revenues for communities. This project will help increasing capacities of SME/SMIs to supply mining companies through the Online Platform for Local Content and complement ongoing support to local development by other World Bank projects (local development, and agribusiness). Protection of the environment was not a government priority to-date. However, the latest institutional changes have elevated this sector, with a Minister of State in charge. As mentioned, MEEF is



undergoing reform, and part of the institutional audit results include changes to environmental laws. In addition, the annual budget for this sector has increased – all showing the right trends.

131. **Technical design of project risk.** This is a substantial risk given the multiplicity of the tasks and the diverging experience and capacities at the ministries in charge of mines and environment. In addition, meaningfully enhancing mineral benefits for more citizens in Guinea will present new challenges. Despite this, the nature of activities remains relatively upstream and involve building the capacity of two Ministries, MMG and MEEF. MMG has already received World Bank and donor support, on which this project will build. MEEF has received support to-date from other donors, not from the World Bank, but there are technical underpinnings either the World Bank or other partners have supported and that this project will work with. For example, World Bank TA supported the BGACE capacity on mining; and the EU through UNOPS supported OGPR with park management plans. There are also other elements of successful World Bank projects that will be incorporated and built on, such as the decentralized structures and commune committees that the PACV has contributed to. As required TA will be mobilized to support the ministries in dealing with complex tasks beyond their current capabilities.

132. **Institutional capacity for implementation and sustainability risk.** Whilst the risk of institutional capacity for implementation is moderate for MMG, given the recent experience of the MGSP, there is a substantial risk with MEEF that institutional capacity may impact the project. MEEF has weak capacity, although this is being built up; it is also its first-of-a-kind operation for the Ministry. For MEEF, limited and irregular budgets have impacted their ability to fund operations and park management. Although there are functional teams in Conakry, MEEF's capacity to cover the needs across the country are limited by resources. The institutional leadership of the MMG in the implementation of this project, together with the fact that the project will build on an existing PIU which is familiar with working with the MEEF for the past seven years as part of the MGSP enables the later to more rapidly build its project management capacity while learning from peers in Guinea. For both the institutional and sector risk mitigation, the institutional capacity will be mitigated by maintaining key staff from a well-performing PIU from the MGSP and careful assessment of new recruits. On sustainability, resources to increase effectiveness nationally are being made available and will be targeted in the first instance to specific areas of importance for natural capital. The project is mitigating risk to sustainability by building in ways for the Government to consider longer-term financing for its natural resource priorities.

133. **Fiduciary risk.** FM and procurement risk are both deemed substantial. The project will rely on an already-established PIU for FM and procurement that has supported the MGSP projects since 2013 and rated consistently as “satisfactory”. Fiduciary risk will be mitigated through appropriate oversight, improving capacity and supervision, and working with the country management unit (CMU) on their vision for building capacity in Guinea including support to procurement reforms.

134. **Environmental and social.** Overall, E&S risk is substantial. Although environment risk is ‘moderate’, and the project interventions will build capacity of the government on environment issues, as well as provide funding for improved management of natural capital, the social risk is ‘substantial’ because of the mining context of the country. As part of the mitigation strategy for this, the project will rely on the same PIU as the MGSP which had a moderately satisfactory rating throughout project implementation, but with a further enhanced capacity as a social development specialist will join the PIU. In addition, an evaluation of the mining SESA will be undertaken within six months of effectiveness which will establish any steps to be taken to further mitigate E&S risk.

The macroeconomic and stakeholder risks are rated “Moderate”:

135. **Macroeconomic risk.** This is linked to the country’s dependence on the global economy, ongoing institutional and financial constraints, uncertainties around the depth and duration of the COVID-19 crisis in Guinea, policy slippages and the political environment. Another decline in global commodity prices or further



growth slowdown in China and the advanced economies would have a significant impact on Guinea's economy. In addition, fiscal slippages (from lower revenue mobilization, weak prioritization of public investment projects, or higher current expenditures) could lead to inflationary financing from the central bank, increased borrowing, and lower medium-term debt sustainability. A greater-than-forecast recourse to debt, especially non-concessional debt, would also worsen debt metrics. Externally, risks include a second COVID-19 wave, which would delay the global recovery, depress aluminum prices, and affect demand for Guinea's exports; a deterioration of the terms of trade; and less availability of donor financing. However, Guinea benefits from a recent track record of successful stabilization and structural reforms. The Extended Credit Facility agreed with the International Monetary Fund (IMF) during December 2017–December 2020, increases confidence that macroeconomic risks will be contained. The risk is being mitigated mainly through the project's support to the diversification of mined commodities, improved capacities in the MB, and budget support operations of the World Bank. Other mitigating factors are the Government's response to the health and economic crisis, supported by the donor community.

~~WECF, Standard & Poor's risk report indicates that despite the potential impact on the PDC, given the PDC's focus on the mining and energy sectors, the risk is considered low.~~



V. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Guinea

Guinea Natural Resources, Mining and Environmental Management Project

Project Development Objectives(s)

The Development Objective is to strengthen institutional capacities for integrated management of mineral and natural resources in Guinea and enhanced benefits from the mining and environment sectors

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Strengthen institutional capacities in the integrated management of mineral and natural resources								
Forest area brought under management plans (CRI, Hectare(Ha))		0.00	0.00	0.00	0.00	1,191,800.00	1,191,800.00	1,191,800.00
Kounounkan management plan (Hectare(Ha))		0.00	0.00	0.00	0.00	5,700.00	5,700.00	5,700.00
Niger source management plan (Hectare(Ha))		0.00	0.00	0.00	0.00	260,000.00	260,000.00	260,000.00
Haut-Niger NP management plan (Hectare(Ha))		0.00	0.00	0.00	0.00	705,000.00	705,000.00	705,000.00
Pic de Fon management plan (Hectare(Ha))		0.00	0.00	0.00	0.00	32,200.00	32,200.00	32,200.00
Mont Béro management		0.00	0.00	0.00	0.00	27,600.00	27,600.00	27,600.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
plan (Hectare(Ha))								
Mont Nimba management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	14,600.00	14,600.00	14,600.00	
Diécké management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	59,400.00	59,400.00	59,400.00	
Konkouré management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	29,900.00	29,900.00	29,900.00	
Rio Pongo management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	26,100.00	26,100.00	26,100.00	
Rio Kapatchez management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	29,900.00	29,900.00	29,900.00	
Loos management plan (Hectare(Ha))	0.00	0.00	0.00	0.00	1,400.00	1,400.00	1,400.00	
Annual environmental monitoring inspections of large infrastructure projects undertaken (Number)	0.00	0.00	10.00	15.00	15.00	20.00	20.00	
Annual environmental monitoring inspections of large infrastructure projects undertaken with citizen consultation (Number)	0.00	0.00	6.00	9.00	9.00	12.00	12.00	
Annual technical monitoring and control completed on industrial	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
mines (Percentage)								
Enhance benefits from mining and environment sectors to communities								
Value of goods and services procured by mining companies through the online purchasing platform (Amount(USD))		9,000,000.00	10,000,000.00	15,000,000.00	25,000,000.00	40,000,000.00	50,000,000.00	60,000,000.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
A. Mining and Environment Political, regulatory and institutional framework								
Score for reform of the legal and regulatory framework and dissemination (Number)		8.00	8.00	13.00	13.00	17.00	20.00	20.00
a. Protected Area Code sub-indicator (Number)		1.00	1.00	2.00	2.00	3.00	4.00	4.00
b. Wildlife Code sub-indicator (Number)		1.00	1.00	2.00	3.00	3.00	4.00	4.00
c. Water Code sub-indicator (Number)		1.00	1.00	1.00	2.00	3.00	3.00	4.00
d. Forest Code sub-indicator (Number)		2.00	2.00	3.00	3.00	4.00	4.00	4.00
e. Environment Code sub-indicator (Number)		3.00	3.00	4.00	4.00	4.00	4.00	4.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Updated mining related regulatory framework (Number)	16.00	16.00	20.00	20.00	27.00	27.00	29.00	
SESA updated and recommendations regularly monitored (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
B1 - Mining policies, institutions, and governance								
Mining sector gender strategy drafted (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
Advisory services for projects development or expansion (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
Mining permits excluded from classified forests (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
Civil servants and accountability organizations representatives trained (Number)	0.00	0.00	50.00	100.00	150.00	250.00	350.00	
Training for CSOs, parliamentarians and other accountability organisations (Number)	0.00	0.00	10.00	20.00	40.00	60.00	80.00	
Seismic surveillance system installed (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
Geochemical survey of southern Guinea completed (Yes/No)	No	No	No	No	Yes	Yes	Yes	Yes
Transparent access procedure to Government geological and mining	No	No	No	Yes	Yes	Yes	Yes	Yes



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
assets developed (Yes/No)								
Publication of earmarked revenues distributed to mining communities (Number)	4.00	4.00	8.00	9.00	10.00	10.00	10.00	10.00
Overall beneficiaries of mining interventions (Number)	0.00	0.00	2,000.00	5,000.00	10,000.00	15,000.00	20,000.00	
Including women (Percentage)	0.00	0.00	30.00	30.00	30.00	30.00	30.00	30.00
People trained and sensitized on the environmental, social and gender legislation, good practices in mining. (Number)	5,150.00	5,150.00	6,000.00	8,000.00	10,000.00	12,000.00	15,000.00	
B2 - Economic integration of the mining sector								
SME/SMI registered with the Online Mining Local Content Platform (Number)	1,794.00	1,794.00	2,000.00	2,000.00	2,100.00	2,200.00	2,300.00	
SME/SMI representatives trained (Number)	100.00	100.00	150.00	200.00	250.00	300.00	400.00	
EITI Reports produced (Number)	14.00	14.00	16.00	17.00	18.00	19.00	20.00	
Registered companies with the BSTP belonging to women beneficiaries of contracts with mining companies (Number)	5.00	5.00	5.00	11.00	14.00	17.00	20.00	
C1. Institutional, logistical support and Environmental & Social standards management								
a. Channels institutionalized	No	No	No	Yes	Yes	Yes	Yes	Yes



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
for citizens to provide input on planning and execution of infrastructure projects (Yes/No)								
b. Modernization and generalization of the database of the environmental and social assessment database to all relevant projects (Yes/No)	No	No	No	Yes	Yes	Yes	Yes	Yes
C2. Protected area management in selected areas								
a. Annual person-days of rangers surveillance and control missions in targeted sites (Number)	1,000.00	1,000.00	10,000.00	20,000.00	40,000.00	50,000.00	60,000.00	
b. Proportion of local committees in targeted sites' surrounding communes actively engaged in protected areas management (Percentage)	0.00	0.00	25.00	50.00	50.00	75.00	75.00	
sub-indicator b. Share of women represented in local decision-making committees (Percentage)	0.00	0.00	5.00	10.00	15.00	20.00	20.00	
c. Targeted beneficiaries with increased income due to access to alternative income-generating activities intervention (Number)	0.00	0.00	0.00	200.00	300.00	400.00	500.00	
Sub-indicator c. Women	0.00	0.00	0.00	140.00	210.00	280.00	350.00	



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
reporting increased income due to access to alternative livelihood (Number)								

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Forest area brought under management plans		Annual	MEEF	Status of development & validation of PAs management plan	OGPR
Kounounkan management plan	Status of development & validation of Kounounkan management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Niger source management plan	Status of development & validation of Niger-Source management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Haut-Niger NP management plan	Status of development & validation of Haut-Niger NP management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR



Pic de Fon management plan	Status of development & validation of Pic de Fon management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Mont Béro management plan	Status of development & validation of Mont Béro management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Mont Nimba management plan	Status of development & validation of Mont Nimba management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Diécké management plan	Status of development & validation of Diécké management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Konkouré management plan	Status of development & validation of Konkouré management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Rio Pongo management plan	Status of development & validation of Rio Pongo management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Rio Kapatchez management plan	Status of development & validation of Rio Kapatchez management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR
Loos management plan	Status of development & validation of Loos management plan	Annual	MEEF	Transmission of management plan and related regulation	OGPR



Annual environmental monitoring inspections of large infrastructure projects undertaken	Environmental and social inspection of infrastructures project that are undertaken by MEEF including proportion of inspection carried out with the implication of citizens through the establishment of Prefectoral Committees for E&S management plans monitoring	Annual	MEEF	Analysis Environmental & Social management plans monitoring reports	BGACE
Annual environmental monitoring inspections of large infrastructure projects undertaken with citizen consultation	Environmental and social inspection of infrastructures project that are undertaken by MEEF with the implication of citizens through the establishment of Prefectoral Committees for E&S management plans monitoring	Annual	Environment al & Social management plans monitoring reports	Analysis Environmental & Social management plans monitoring reports to identify citizen consultations evidence	BGACE
Annual technical monitoring and control completed on industrial mines	Annual inspections completed on all operating industrial mines in Guinea.	Annual	Ministry of Mines	Reports from missions	Ministry of Mines, PIU
Value of goods and services procured by mining companies through the online purchasing platform	Amount of goods and services procured by miners from SME/SMI through the Online Purchasing Platform from miners accumulated through the life of project	Annual	Reports from the BTSP, SME, and SMIs	Reports, statistics from BTSP, the miners and the ministry of mines	PIU, BTSP



Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Score for reform of the legal and regulatory framework and dissemination	<p>This indicator should capture the progress of regulatory reforms underway in the natural resources and environmental management sector. It refers to five specific laws and related regulations.</p> <p>Advancement in the reform of each Code will be assessed by the following score:</p> <p>0= No law existing / 1= Drafted law or law to be revised / 2= Law adopted / 3= Law adopted and related regulation drafted / 4= Law and related regulation adopted and disseminated</p> <p>The indicator global score will be the addition of each Code score</p>	Annual	MEEF & official gazette	Review of draft and official publication of regulation	MEEF Legal Affairs department
a. Protected Area Code sub-indicator	Progress of Protected Areas Code regulatory reforms	Annual	MEEF & official gazette	Review of draft and official publication of PA regulation	MEEF Legal Affairs department
b. Wildlife Code sub-indicator	Progress of Wildlife Code	Annual	MEEF	Review of draft and	MEEF Legal Affairs



	regulatory reforms		& official gazette	official publication of Wildlife code regulation	department
c. Water Code sub-indicator	Progress of Water Code regulatory reforms	Annual	MEEF & official gazette	Review of draft and official publication of Water regulation	MEEF Legal Affairs department
d. Forest Code sub-indicator	Progress of Forest Code regulatory reforms	Annual	MEEF & official gazette	Review of draft and official publication of Forest regulation	MEEF Legal Affairs department
e. Environment Code sub-indicator	Environment Code regulatory reforms	Annual	MEEF & official gazette	Review of draft and official publication of Environment regulation	MEEF Legal Affairs department
Updated mining related regulatory framework	Drafted mining related regulations and guidelines	Annual	MMG PIU	Adopted regulation	MMG PIU
SESA updated and recommendations regularly monitored	The existing Mining reform SESA is going to be updated and an annual report on the implementation of the "Guiding Framework for Improved Environmental and Social Governance in the Mining Sector" will be provided	Annual	Reports from activities, official acts, guides and other documents attesting to the implementation of the recommendations compiled in an annual	Report, assessments, Aide memoire	PIU, MMG, MEEF



			report		
Mining sector gender strategy drafted					
Advisory services for projects development or expansion	Legal, technical, and or financial advisory services delivered to support new or existing project expansion.	Annual	Ministry of Mines and Geology PIU	Reports from consultants on legal, technical and or financial advisory services delivered to support new projects or existing project expansion. Reports from the Ministry of Mines and Geology	Ministry of Mines and Geology PIU
Mining permits excluded from classified forests	Classified forests outlined and excluded from licensing possibilities in the mining cadastre	Annual	Mining Cadastre and the Ministry of environment	Outline of classified forests digitized and excluded from possibilities for licensing in the cadastre.	Ministry of Mines and Geology PIU
Civil servants and accountability organizations representatives trained					
Training for CSOs, parliamentarians and other accountability organisations	Training of representatives of CSOs, parliamentarians and other accountability organisations	Annual	Reports	Training attendance sheets	PIU
Seismic surveillance system installed	A network of seismic sensors installed in the country	Semi-annual	Seismic readings from projects installed	report from seismic surveillance office of Guinea	Seismic surveillance office of Guinea



			sensors		
Geochemical survey of southern Guinea completed					
Transparent access procedure to Government geological and mining assets developed					
Publication of earmarked revenues distributed to mining communities	Publication of revenues earmarked for communities	Annual	Reports, medias sources		Ministry of Mines PIU
Overall beneficiaries of mining interventions	Number of people trained, sensitized, or supported through the mining component.	Annual	Reports	Reports, attendances forms, other.	PIU Ministry of Mines and Geology
Including women	Women as a percentage of overall beneficiaries of the project.	Annual	Reports	Attendances, headcount, other	PIU
People trained and sensitized on the environmental, social and gender legislation, good practices in mining.	Mining inspectors, community based organisations, Civil society organisation and artisanal miners trained or sensitized on the environmental, social and gender legislation/regulations and good practices pertaining to mining.	Annual	Reports, PIU, Ministry of environment	Attendant lists, other.	PIU
SME/SMI registered with the Online Mining Local Content Platform	Number of small medium size enterprises and industries registered to potentially participate to the	Annual	Online Mining Local Content Platform	Websites, reports	Online Mining Local Content Platform



	bidding for bidding for mining contracts through the Online Mining Local Content Platform.				
SME/SMI representatives trained	Number of SME/SMI trained to access to potential mining contracts for good and services i	Annual	Reports	Training attendance sheets, other.	PIU Online Mining Local Content Platform
EITI Reports produced	EITI Reports produced	Annual	EITI Reports	EITI Reports publication	PIU, MMG
Registered companies with the BSTP belonging to women beneficiaries of contracts with mining companies					
a. Channels institutionalized for citizens to provide input on planning and execution of infrastructure projects	This indicator will assess the formal involvement of local population committees in infrastructure projects' environmental and social monitoring process	Annual	Regulation for the involvement of local committees in EIA and ESMP monitoring / Environmental and social management plans monitoring reports	Analysis of regulation on involvement of local committees in EIA and ESMP monitoring / Analysis of official involvement of local committees in environmental and social management plans' monitoring reports	BGACE
b. Modernization and generalization of the database of the environmental and social assessment database to all relevant	Capacity of BGACE in identifying and mapping all ongoing or planned	Annual	National database	Analysis of the database	BGACE



projects	infrastructure projects (dams, roads, railways, mines, etc.) to be environmentally and socially monitored				
a. Annual person-days of rangers surveillance and control missions in targeted sites	This indicator measures the efficiency of targeted zones surveillance	Annual	SMART reports	Compilation of monthly SMART reports on targeted sites	OGPR
b. Proportion of local committees in targeted sites' surrounding communes actively engaged in protected areas management	Proportion of communes' committee linked with targeted protected areas, involved into validation of PA annual workplans	Annual	Protected areas annual workplans' assessment and development workshops' reports	Analysis of annual workplans assessment and development workshops' reports to identify effective validation of the workplans by local committees	OGPR
sub-indicator b. Share of women represented in local decision-making committees				Share of women in local committees of targeted Protected area communes	
c. Targeted beneficiaries with increased income due to access to alternative income-generating activities intervention	This indicator will measure the number beneficiaries of the income-generating activities program self reporting an increase in their incomes	Annual	Annual income-generating activities program reports with self reported	Analysis of the list of sub-projects funded in the IGA program	OGPR



Sub-indicator c. Women reporting increased income due to access to alternative livelihood	This sub-indicator targets 70% of AIGAs sub-project to benefit women (70%*600=420)	This indicator will be monitored annually	Annual income-generating activities program reports	Analysis of the list of sub-projects funded in the AIGA program	OGPR
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ANNEX 1: Project Description

Component A. Improve the institutional framework for mining and environment (IDA US\$5.00 million equivalent, (of which US\$3.00 million to MMG and US\$2.00 million to MEEF).

1. This component will aim to strengthen institutional capacities and intersectoral collaboration in the mining, environment and natural resource management sectors. This will be undertaken mainly through the application of the guidelines of the "Framework for Better Environmental and Social Governance in the Mining Sector"⁶² and the "National Strategy for the Implementation of the Mitigation Hierarchy and the Compensation of Impacts on Biodiversity and Ecosystems".⁶³ The component will (i) strengthen the capacity of MMG and MEEF for a more coordinated approach to strategy and regulation; (ii) support the development of tools to enhance intersectoral management of mining and natural resources (land-use planning, water management and sustainable financing); and (iii) strengthen Guinea's capacity to respond to its international engagements on climate including from mining and land use.

2. **Sub-component A1. Coordination of mining and environment strategy and regulation (IDA US\$1.50 million to MMG).** Reforms have been initiated in parallel in the mining, environment and natural resources sectors. Several studies and joint initiatives of the ministerial departments have helped to structure the dialogue between the sectors, in particular the "mining reforms' SESA".⁶⁴ This Component will support: (i) a coordinated assessment and harmonization of sectoral regulations, and (ii) the monitoring and update of the SESA's recommendations defined in the "Guiding Framework for Improved Environmental and Social Governance in the Mining Sector".⁶⁵

3. **A1.1. Coordinated assessment and harmonization of mining, environment and natural resources regulations (IDA US\$0.90 million).** The regulatory reforms that have been undertaken in the mining, environmental and natural resources management sectors are on course to be finalized. The timing is opportune to: (i) ensure coherence across mining and environment regulation, supporting the Government's efforts to finalize the articulation of these regulations; and (ii) to support adoption both by increasing awareness and knowledge of these reforms by the various stakeholders, and through dissemination.

- a) The project will support TA to consolidate the reforms, including (i) updating sectoral regulations (Mining Code, Protected Areas Code, Water Code, Forest Code and Environment Code); (ii) mining, environment and natural resources regulations related to national agencies (BGACE and OGPR); (iii) the regulatory framework for resettlement and compensation; as well as (iv) the directives necessary for the proper management of water in the Niger basin. Particular attention will be given to the articulation and cross-references between regulations in different sectors to ensure the integration of ESS and sustainable development objectives.
- b) The project will support training and awareness raising on the new regulatory frameworks to ensure transparency and the participation of all stakeholders in the implementation of these new regulatory frameworks. Awareness-raising and dissemination of mining-related environmental legislation and good practices will be pursued to enable regional and local representatives of

⁶² From the 2016 Mining reforms SESA : <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

⁶³ Validated September 2019 with the support of COMBO project (funded by AFD, FFEM et MAVA).

⁶⁴ <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

⁶⁵ Cadre directeur pour une meilleure gouvernance E&S dans le secteur minier.



environmental committees to access relevant information, guides and standards. This will also be pursued for other stakeholders to foster good E&S practices in relation to mining. The project will support: (i) the development of an online database of regulations; and (ii) the organization of training for the stakeholders including magistrates, civil society, police services and sectoral ministries.

4. **A1.2. Mining reforms' SESA monitoring framework (IDA US\$0.60 million).** In 2016, the GoG prepared a SESA to assess E&S risks and impacts of mining regulations and policies. The study provides a comprehensive set of actions to improve E&S governance in the mining sector defined in a "*Guiding Framework for Improved Environmental and Social Governance in the Mining Sector*".⁶⁶ Some of the recommendations from these assessments have been implemented, but more remain to be addressed.

- a) An evaluation of the SESA will be carried out at the beginning of project implementation. It will assess the implementation progress and the contribution of the project to its recommendations. It will support the design of a M&E system to regularly assess progress. ToRs for an evaluation of the SESA will be finalized one month after effectiveness, and an evaluation of implementation progress will be carried out not later than six months after the effectiveness date;
- b) During the life of the project, the SESA will be updated to integrate new developments in mining, natural resources and environmental context.

5. **Sub-component A2. Tools to enhance mining and environment coordination (IDA US\$2.50 million of which US\$1.50 million to MMG and US\$1.00 million to MEEF).** The recommendations of studies in the mining and environmental sectors⁶⁷ have highlighted key tools for mining and environment collaboration for land and water management as well as the potential financial contribution mining can make to the sustainable management of natural resources. The project will set up building blocks to develop and operationalize these tools.

6. **A2.1. Intersectoral land-use planning process (IDA US\$0.60 million to MEEF).** As the MMG has developed an online mining cadaster⁶⁸ presenting all the mining concessions for research, exploration and exploitation, synchronizing this cadaster with other land uses in Guinea is essential to avoid land-use conflicts and optimize coordination between sectors. The start of a land-use planning process through the integration of land-use data (mining concessions, agriculture, transport and protected areas) and basic data (geology, ecosystems) must be undertaken to support cross-sectoral land allocation decisions and to resolve conflicts related to land use:

- a) **Shared geographic information system (GIS) pooling sectoral data.** The project will develop a GIS shared between the various ministerial departments involved in land use to enable compatible data exchanges between departments, especially MMG (with the mining cadaster) and MEEF (with protected areas and ESIA), but also, as feasible, with other departments – land-use planning ministry (with land titles), agriculture (with agro-industrial concessions and rural agriculture), transport (with roads, railway lines, port) and hydraulics and energy (with dams). Data from geological and environmental research related to mining potential, biodiversity and ecosystems will also be integrated into the system.

⁶⁶ Cadre directeur pour une meilleure gouvernance E&S dans le secteur minier.

⁶⁷ (i) SESA; (ii) National strategy for the implementation of the mitigation hierarchy and the compensation of impacts on biodiversity and ecosystems; and (iii) cumulative environment impact assessment in the Boké region.

⁶⁸ <http://guinee.cadastreminier.org/fr/>



- b) *Intersectoral dialogue for land-use planning.* The project will (i) set up and support the work of an inter-ministerial Land Use Planning Commission; (ii) mobilize TA to support the Ministry responsible for land-use planning to facilitate dialogue between sectors and decision-making regarding land-use planning, identification and resolution of land-use conflicts; and (iii) develop an integrated coastal zone management plan. The coastal zone concentrates the land-use issues as it's a strategic area for mining and environment sector and other strategic activities in Guinea (agriculture, fisheries and urban planning). The SESA has highlighted that the coastal area requires an integrated approach for multi-sectoral planning to avoid conflicts of use. For the latter, the project will mobilize technical expertise and finance the consultations required to develop the national coastal and marine integrated management plan.

7. **A2.2. Sustainable financing for conservation, including through mitigation and compensation of the impacts of the mining sector (IDA US\$0.40 million to MEEF).** Sustainable financing of natural resources in Guinea requires a budgetary commitment from the Government, better transparency linked to the current financing system (taxation, existing funds, budget allocations) and the development of a mechanism capable of attracting external and internal financing including mining. Currently, MEEF is struggling to mobilize operating and investment costs (infrastructure, logistics) as well as the TA necessary to carry out its missions. Conversely, significant efforts have been made to strengthen the staffing of the ministry with an increase in the staff of the MEEF thanks to the recruitment of more than 2,000 rangers; this financial commitment should be reinforced in the near future with new recruitments planned. A feasibility study for the establishment of a sustainable financing mechanism for the management of the network of protected areas and natural resources was initiated as part of the preparation phase. The project will support (i) assessment of the financial needs for the management of the network of protected areas and environmental monitoring; (ii) the assessment of the current financing mechanisms of the sector including mining contributions; and (iii) understanding the bases for the creation of a financing mechanism (foundation/endowment fund) dedicated to the protection of natural resources to meet the needs of the sector.

- a) *Business plan for the protected areas network and needs assessment for environmental monitoring.* The project will support the development of a business plan based on an analysis of the management needs of protected areas, considering current sources of funding: public funding, bilateral and multilateral cooperation and a strategic analysis of funding gaps to calibrate the additional needs to be mobilized. It will also assess needs to monitor ESMPs from investments.
- b) *Analysis of current financing mechanisms in the sector.* The project will support the completion of a study to assess the current funding mechanism of the sector especially with the analysis of the application of the environmental and forest taxation, the operation of the collection and uses of these incomes in the past in particular the budgetary allocations to services, the National environmental funds merged into the "Environment and Natural Capital Fund (*Fonds pour l'Environnement et le Capital Naturel, FECN*)" which should make it possible to propose concrete solutions for clarification and optimization of environmental and forest taxation as well as the mechanisms for its contribution to the management of the sector.
- c) *Process for setting up a mechanism to finance conservation and manage mining offsets financing.* Based on the recommendations of the "*National strategy for the implementation of the mitigation hierarchy and compensation for impacts on biodiversity and ecosystems*" supported by the COMBO initiative⁶⁹, the project will support the development of the framework for the creation a

⁶⁹ http://combo-africa.org/wp-content/uploads/2017/08/20170802-COMBO_GN_ProjectStatusMemoFR.pdf



sustainable funding mechanism (foundation / endowment fund) dedicated to the protection of natural resources, based on the work initiated in Guinea with offsets including in the mining sector and learning from experiences of successful foundations/endowment funds in the region⁷⁰ (identifying the legal profile, beneficiaries, financial needs and status for a foundation for natural resource management; identifying and partnering with interested donors and private sector).

8. **A2.3. Contributing to water monitoring systems for mining and natural resources management in strategic areas (IDA US\$1.50 million to MMG).** Despite the importance of Guinea's water resources, no effective monitoring system is operational. The direct and indirect impacts of the mining sector and other productive sectors (agriculture) on water resources (quantity and quality, including international waters) therefore cannot be easily assessed and tracked. The project will support, in partnership with the Ministry of Hydraulic, the setup of a water resources monitoring system in the strategic mining and environmental regions especially of Boké and Haut-Niger basin.

- a) In the Boké region, as highlighted in the mining projects' cumulative E&S impacts study, significant gaps in water accounting have been registered and E&S study are lacking baseline data for water. The project will support the installation of a network of piezometers and monitoring operations.
- b) The Haut-Niger Basin is strategic for the country and regionally as an international watershed, ecosystems and water resources are threatened by artisanal small-scale mining, planned dams and agriculture. The project will support the ABN to set-up a water monitoring system (e.g., gauging, quantitative and qualitative monitoring).

9. **Sub-component A3. Strengthening Guinea's capacity to address its global commitment on climate change (IDA US\$1.00 million to MEEF).** Guinea has an NDC that was updated in 2020; Guinea will undertake an NDC Investment and Partnership strategy for NDC implementation. It also has a GHG consultation platform for sectoral technical departments, civil society and the private sector has been set up to ensure national inclusion of all stakeholders for climate change actions. Given the work being planned, this provides some of the foundations needed for Guinea to improve its reporting capacity, but also potentially be in a position to benefit from climate finance. Currently, Guinea cannot account for its emissions as the basic data and methods to quantify these are inadequate. The project will support (i) The development of a GHG inventory and the development of scenarios in the forestry, mining and agriculture sectors as a baseline for the establishment of a national NDC monitoring system; (ii) National GHG dialogue and reporting (operations of the national GHG stakeholder's platform, the development of biannual national reports on climate change and the preparation of the third national communication on climate change to the UNFCCC); and (iii) Guidelines for GHG inventories and monitoring systems in mining operations (practical guide for undertaking GHG inventories of mining operations including emissions due to deforestation and forest degradation, the setting of objectives and the valuation of current initiatives related to the energy transition from certain mining operations).

Component B. Mining policies, institutions, governance and economic integration (IDA US\$29.00 million equivalent to MMG)

10. The governance of the mining sector requires a sound policy and regulatory framework, an efficient administration with a good collaboration between key institutions managing the sector. In the case of Guinea this involves the ministries of budget, transport, energy and environment being equipped with qualified personnel with access to appropriate tools – and working within a context of transparency and effective coordination. This project will consolidate the achievements of the MGSP while supporting

⁷⁰ For example, the Tri-National Sangha park, Foundation for parks and reserves of Côte d'Ivoire, African Consortium of Funds for the Environment.



Guinea is facing up to new challenges brought by new, large, and more complex mineral developments that include ancillary infrastructure which create significant cumulative impacts in the areas where multiple mines are located.

11. **Sub-component B1. Mining policies, institutions and access to resources (IDA US\$20.00 million to MMG)** Guinea will benefit from continuing to strengthen its institutional capacities and its coordination mechanisms to realize the benefits of its vast mineral resources by attracting new investments, while managing the sector with due consideration to good technical, social, environmental and financial practices. This project will support: (i) the policy, regulatory and promotion frameworks; (ii) the management capacity of key institutions responsible for regulating the mining sector; (iii) transparency and citizen engagement; and (iv) increased local content of goods and services used in mining operations.

12. **B.1.1. Mining related policies, laws, regulations and guides (IDA US\$1.00 million).** Over the past seven years, Guinea has made great progress in this area. However, efforts are still needed to finalize regulations to the 2013 Mining Code, develop a sector gender policy, and complete sector-related guiding documents to improve performance in areas such as shared ancillary infrastructure development, the management of geological and mining data collection, mining revenues, and local content.

13. **B.1.2. Access to resources (IDA US\$11.00 million).** The fundamental tools to facilitate access to mining resources were developed in recent years. The project will strengthen those initiatives especially:

- a) **The cadaster, One Stop shop and Mining Information System (US\$2.00 million)**. The cadaster was modernized and became accessible online in 2017. However, the MMG created and built a Center for Mapping and Geological Information that needs a Geological and Mining Information System including applications for geology, prospects, documentation, and statistics.
 - The operation of a sustainable and modernized cadaster requires support for: (i) the operation and ongoing maintenance of the cadastral computer system; (ii) the interconnection with land-use plans from other departments to ensure that, when required, these are considered in the issuance of mining licenses; and (iii) the interconnection of the cadaster with the SIGM of the MMG and the IT systems for mining revenue collection of the MB.
 - The One Stop Shop was setup to simplify procedures for granting licenses to operators and facilitate the rapid development of integrated mining projects. It was setup with the support of an AfDB project (which has since been closed) and need to be put on a path for sustainability. The needed complement involves: (a) an institutional study to clarify its status and identify sources for its sustained funding; and (b) support for its operational costs over a period to not exceed two years.
 - The project will support the modernization of the SIGM to enable promotion and access to mining information and statistics by stakeholders. The support will include: (i) updating the geological information database by bringing together related information from various systems developed over the years; (ii) digitization of key geological information currently in the archives; (iii) bringing a mining information statistics component into the system; and iv) enabling interconnection with IT systems in the MMG and other ministerial departments.
- b) **Technical, financial and legal advisory support (US\$4.00 million)** will be provided for: (i) the negotiations of agreements for mines and related ancillary infrastructure; (ii) TA for project activities beyond the current capacities in the MMG such as those related to geoscience, the seismic monitoring system, economic strategies or spatial planning in mining districts; and (iii)



support to the monitoring of the development of large mining projects.

- c) *Geological services (US\$5.00 million)*. The geological data infrastructure intended to promote mineral diversification will be addressed through: (i) pursuit of geochemistry in the south of the country and the evaluation of the anomalies discovered over the last two years (particularly with regard to base metals); (ii) establishment of a seismic surveillance system for the country; (iii) establishment of an IT hub allowing interconnection between the agencies within the MMG, the MB and other related entities; and (iv) establishment of a transparent procedure to share available geological and mining information with potential investors.

14. **B.1.3. Capacity building of mining public institutions (IDA US\$8.00 million).** The mining sector will continue to play a leading role in the country's economy for some time. The institutional and human resource capacity to regulate the sector needs to be improved to match the demands of the boom in bauxite production the country experienced since 2015 which saw production increase from less than 20 million tons to some 70 million tons currently. Should the forecasted development of an iron ore project materialize in the south-eastern part of the country, the public administration will be seriously challenged to control and monitor the economic, social, environmental compliance of all these operations. This project will continue the support provided under MGSP (its predecessor project) to build capacity specifically for:

- a) *Ministry of Mines and Geology (US\$6.00 million)*. The MMG was restructured to streamline its operation, remove duplications and respond to the evolving needs of the mining sector. Much support is still needed to align the institutional capacities with the growing sophistication in the mining sector in Guinea. Envisioned support to the MMG and its structures include: (i) setting up a mining information and mining statistics database and contributing to its operation and training staff in feeding and updating it whenever new data is received; (ii) equipment, development and implementation of an action plan for monitoring and controlling exploration, advanced projects and mining operations in support of the National Geology Directorate (*Direction Nationale de la Géologie, DNG*), the National Office for the Control of Mining Projects (*Service National de Contrôle des Projets Miniers, SNCPM*) and the DNM; (iii) development and implementation of a comprehensive training program; (iv) strengthening of the capacities of the Regional Directorates of Mines so that they are timely linked with and report to the central administration; and (v) strengthening of the offices in charge of gender and local content for the implementation of the sectoral local content policy, the effective operationalization of the local development fund (*Fonds de Développement Local, FODEL*) in the mining areas.
- b) *Other key ministries involved with mineral sector governance (US\$2.00 million)*. Several other ministries play a key role in enabling a responsible, beneficial and equitable mineral sector development. These include the ministries in charge of budget, environment, transport, energy, planning, and territorial administration. Support to the MEEF is mainly addressed through Component C below. The project will support: (i) improved mining tax collection, administration, control, and monitoring of financial obligations of mining companies; (ii) strengthening of the regulatory oversight of mining ancillary infrastructure development and operations; and (iii) provision of equipment and capacity building to all key departments and agencies with an oversight responsibility on the mining sector in Guinea.

15. **Sub-component B.2. Economic integration of the mining sector and governance (IDA US\$9.00 million to MMG).** This project will support programs and initiatives to improve transparency in the governance of the mining sector at national and local levels, enable the realization of the economic



development potential of the mining sector by stimulating the increase of the share of the provision of goods and services to mining companies by Guinean enterprises, and advocate for economic opportunities from mining for women and youth.

16. **B.2.1 Local content and economic integration enablers (US\$6.00 million).** In coordination with IFC, this project will support two institutions that are essential for local economic integration: (i) the BSTP; and (ii) the Chamber of Mines in order to strengthen the capacities of mining companies on their local purchasing strategies, capacities, and enablers. It will also support the development of entrepreneurs at the national level and in mining areas.

- a) **Local content.** The Local Content Policy developed in 2018 with the help of IFC reflects the political will to create stronger linkages between the mining sector and other sectors of the Guinean economy. To implement the policy, the Government together with the WBG established the BSTP to: (i) increase access to business opportunities for local SMEs; (ii) develop and strengthen capacities of local suppliers and facilitate their access to finance; and (iii) create opportunities and promote local businesses. The project will support ongoing efforts by: (i) enabling increased access to business opportunities for local SMEs; (ii) strengthen technical, financial and management capacities of local suppliers of goods and services to mining operations; (iii) extend the services of the BTSP to mining districts; (iv) promote local purchasing of goods and services by all miners regardless of their corporate culture, including periodical peer-to-peer learning; (iv) sponsor the functioning of the BSTP for two years to support its autonomy and provide time for it to become financially sustainable; and (v) build the capacity of the chamber of mines to facilitate collaboration between the administration, SMEs and mining companies.
- b) **Boké development strategy.** The Government developed, through the MGSP, an inclusive and participatory SRDP, the main conclusions of which were approved by the Guinean Government. The present project will support, *inter alia*, the operationalization of the institutional aspects of the document and facilitate the implementation of the strategy. It will also finance where appropriate, in cooperation with relevant departments as well as the ministry in charge of planning, prefectoral or regional economic development plans and strategies in mining districts and enable their realization.

17. **B2.2. Transparency and citizen engagement (US\$3.00 million).** Good governance of mineral resources supposes the existence of appropriate transparency and citizen engagement mechanisms. Stakeholders should be informed of the developments in the sector and the associated costs and opportunities. This project will support advocacy efforts for transparency and citizen engagement regarding mining by supporting: (i) EITI reports production and dissemination; (ii) advocacy works for gender- and youth-sensitive activities in the implementation of the FODEL; (iii) transparency and awareness in the use of the FODEL including the adoption of appropriate IT tools; (iv) activities of CSOs active in the mining sector; and (v) the capacity of accountability agencies including the parliament sub-committee for mining, the national audit agency, and other relevant agencies.

18. The project will continue to support national women's organizations and networks that bring together women from all segments of the mining industry to develop solutions to the problems they face in the sector. It will seek to: (i) improve the organization and functioning of women's organizations promoting gender equality in the mining industry; and (ii) strengthen the capacity of women and youth to participate in sector policy and practices to enhance their voices and benefits.

**Component C. Environmental and natural resources management (IDA US\$28.00 million equivalent to MEEF)**

19. To improve MEEFs capacity in natural resource and environmental management, the project will: (i) enhance the institutional capacity of key MEEF departments, such as BGACE for sound monitoring of the impacts of development projects on the environment and OGPR for improved management of the country's protected areas network; (ii) improve the ESS MEEF applies; and (iii) provide the appropriate tools for improved management of the country's protected area network and pilot them in target areas (see Annex 2). In all cases, an approach is sought that builds both on World Bank operations (e.g., mining, agriculture and social projects) and other donor operations (e.g., primarily the EU-funded work through the UNOPS that has a long-standing and important relationship with MEEF). The activities of this component are grouped into two sub-components.

20. **Sub-component C1. Institutional, logistical support and ESS management (IDA US\$9.60 million).** The Government recognized it needed fundamental changes to deal with environment. Hence, it restructured MEEF and its agencies – OGPR, BGACE, Department of Legal Affairs, Directorate for Environmental Monitoring and Information Systems, DNNPCC – and is building capacity, and the operational and regulatory frameworks necessary to undertake its mandate. This sub-component will support these needs by: (i) building foundations to support legal, institutional and logistic reform, logistical support including a BGACE and OGPR office building, complementing relevant regulatory reforms, developing a sustainable financing framework, enhancing the information system for protected areas and environmental management, strengthening capacity on climate change and supporting the initiation of a land-use planning process; (ii) strengthening capacity in ESS both for large infrastructure (including mining) and for disaster risk management including technical capacity building to implement ESS, strengthening national E&S procedures, increasing citizen engagement in E&S assessment and monitoring and operational capacity to establish an effective system for E&S monitoring, supporting screening and risk mitigation for disaster risk management informed by the World Bank's ESF and other internationally recognized standards; and (iii) strengthening MEEF operational capacity and activities coordination through training, a communication program and FM structure for OGPR and BGACE .

21. **C1.1. Institutional and logistical support (IDA US\$2.70 million).**

- a) BGACE-OGPR office building. This will finance the construction and furnishing⁷¹ of an office building to accommodate both BGACE and OGPR staff. The current working conditions of both BGACE and OGPR are sub-optimal in terms of physical space and materials to allow their proper functioning.
- b) Use of state-of-the-art technology and establishment of a joint information system for managing forests, land use and their related climate impact. This will finance hardware, software and also the use of latest technologies⁷² adapted to the Guinea context to manage its natural resources: computer equipment, software and licenses necessary for the development of a joint GIS unit in the BGACE/OGPR building, the newly established Directorate of environment monitoring and information systems; internet connection to operate an online GIS; integration of publicly-available maps and datasets related to natural resources, biodiversity, climate change into the national system; integration of national existing datasets including infrastructure, mining,⁷³ EIA and biodiversity inventories; training on online GIS management and field data collection (e.g.,

⁷¹ This includes office equipment, group generator with transformer, and high-speed internet connection.

⁷² The World Bank's hub on disruptive technologies is being consulted.

⁷³ <http://guinee.cadastreminier.org/fr/>



using Spatial Monitoring and Reporting Tools - SMART). This will also strengthen MEEF's capacity to monitor its GHG emissions especially from deforestation and potentially benefit from future climate finance resources by: improving reporting of the National Determined Contribution for land use (e.g., TA, meetings); preparing bi-annual reports on climate change; developing the country's Third National Communication on Climate Change; conducting a national forest inventory; establishing a mechanism for monitoring emissions due to deforestation and forest degradation, particularly in protected areas and their periphery, based on the GIS system; and considering linkages and tools, including monitoring, reporting and verification (MRV) systems as to how activities in different sub-components can contribute to Guineas' NDC. All information will be publicly accessible.

- c) *Operational capacity and coordination of MEEF activities.* This will finance strengthening of coordination (especially from BSD and general secretary office), administrative and fiduciary management capacities, in particular of project activities but also of technical agencies (BGACE and OGPR) through the recruitment of the necessary technical and administrative staff.

22. **C1.2. Strengthening capacity in ESS and disaster risk management (IDA US\$5.70 million).** The remit for E&S conformity is with BGACE. The World Bank's Environment and Social Framework (ESF), along with other internationally recognized standards, will form part of regulatory framework enabling BGACE to implement its activities. The component will support (i) the technical capacity building necessary to implement ESS in donor-funded projects, to integrate in the national procedures all relevant ESS and tools and to increase citizen engagement in E&S assessment and monitoring and (ii) the operational capacity building to establish an effective system for E&S monitoring and control of the development and management of industrial (e.g., mining, hydro) projects. This project will address these gaps through the activities presented below.

- a) *Strengthening technical capacities for E&S management and related standards and instruments.* The project will support MEEF institutions and services involved in ESS and disaster risk management, MEEF's management capacity especially the National Audit and Environmental Conformity Office (*Bureau des Audit et de Conformité Environnementale*, BGACE), the LAE and the SNGCUE. The Government is undertaking an institutional audit of the national E&S management system with World Bank inputs. Taking this and other factors into account, the project will finance (i) the development of operational manuals (defining the procedures of BGACE, LAE and SNGCUE aligning them to international ESS and instruments,⁷⁴ organizing structures and partnerships established to review and validate E&S impact studies, monitor related management plans⁷⁵ and oversee audits and archiving documents related to environmental assessments and audits). This sub-component will also (ii) support the capacity building of BGACE, LAE and SNGCUE in E&S assessment, monitoring and controls, environmental and pollution sampling and disaster risk management (development and implementation of a specialized training program, including on the World Bank's ESF, for existing staff and new recruits, establishment of a consultation and knowledge sharing platform for ESS specialists,⁷⁶ technical support to E&S assessments of complex projects, such as mining, dams, and ports). The sub-component will also strengthen (iii)

⁷⁴ Including processes and templates for development and monitoring of ESMF, ESCP, GRM, SEP, Process Frameworks, ESAs and ESMPs including: Health and Safety Management Plans, occupational health and safety (OHS) measures, Management of Waste, etc.

⁷⁵ Including the composition and operating procedures of the Technical Committee for Environmental Analysis (Decree 03182/MEEFDD/CAB/SGG/010 du 3 August 2010 for the creation of the committee) and Prefectural Committees for Environmental Monitoring.

⁷⁶ This activity will be implemented in collaboration with experts of other projects financed by the World Bank in Guinea through: the establishment and financing of regular meetings of the E&S specialists of other World Bank-financed projects in Guinea; and the development of harmonized tools for the implementation of the ESS in Guinea.



CE and stakeholders' involvement in E&S assessment, monitoring and control (developing an effective system to disseminate publicly the available information on development projects and their impacts,⁷⁷ supporting the participation of local communities – in particular, women – and CSOs in E&S assessments, monitoring of E&S management plans⁷⁸ and disaster risk management, and other activities of CSOs e.g., grants to strengthen their participation in the Technical Committee for Environmental Analysis).

- b) *Strengthening operational capacity for infrastructures E&S monitoring, audits and disaster risk management.* This will improve MEEF's operational capacity for E&S assessment, monitoring, control and disaster risk management through BGACE, LAE and SNGCUE. It covers: (i) development of an electronic database of projects and infrastructure subject to E&S assessment including digital archiving of available documents related to environmental management at the national level;⁷⁹ (ii) conducting field missions⁸⁰ related to environmental studies, follow-up of E&S monitoring plans, pollutions, disaster risk management and related needs (such as the operational costs of BGACE, LAE and SNGCUN teams and Prefectural environmental committee, environmental monitoring equipment, Global Positioning System (GPS), computers); and (iii) monitoring the E&S standard and impacts of the project activities, by carrying out monitoring missions and by developing a grievance mechanism⁸¹ in collaboration with existing local committees.

23. **C1.3. Strengthening operational capacity and coordination of activities (IDA US\$1.20 million).** This pillar will finance MEEF's operations and staffing to ensure the management of Component C activities and coordination of activities between MEEF departments and with other ministries. The Government will make an in-kind contribution related to the office space MEEF provides to its staff on this project.

24. **Sub-component C.2. Protected area management in selected areas (IDA US\$18.40 million).** This sub-component aims to improve the natural resource management by OGPR in collaboration with other relevant institutions, such as the Niger River Basin Agency (*Autorité du Bassin du Niger, ABN*), CPMZC and the CNSP, local communities and third-party stakeholders such as local communities and NGOs. The project will focus its investments on central OGPR coordination and four key areas: (i) Kounounkan area; (ii) Niger River area including Upper Niger National Park, Niger source and Niger-Tinkisso Ramsar sites; (iii) Marine protected area network (Rio Pongo, Rio Kapatchez, Konkouré and Loos); and (iv) Guinea Forest area (Pic de Fon, Mount Nimba, Diécké, Béro). It is expected that this support will lead to the strategic reform of the national protected area network and that the tools and management systems adopted by the project in these areas will scale-up to improve the management of the country's entire protected area network. This sub-component is building on ongoing initiatives in particular (i) the environmental component of the PARSS implemented by UNOPS and funded by EU and (ii) the mining offset initiative for the creation of the Moyen-Bafing national park. It supports several activities dedicated to strengthening knowledge, training, provision of equipment, protected areas infrastructure, implementation of management plans, participatory management and surveillance and a program of AIGAs. Newly recruited rangers' salaries during the Project life are considered as in-kind contribution of the Government.

⁷⁷ Including a web platform to support public consultations related to the assessment of E&S impacts of development projects.

⁷⁸ Meetings and public consultations at the Prefectural Committees for Monitoring the ESMPs.

⁷⁹ Environmental assessments, ESMPs, audit reports and environmental monitoring reports.

⁸⁰ Of BGACE team in Conakry and of five Prefectural Committees.

⁸¹ In accordance with the PACV grievance mechanism.



25. **C2.1. Knowledge, training and management framework for protected areas (IDA US\$1.70 million).** Activities expected under this pillar are:

- a) Strengthening knowledge on natural resources necessary for the efficient management of the project areas. It will finance technical studies related to inventories of flora and fauna building on partnerships between the government and international institutions and NGOs⁸² and collection of relevant information from the E&S impact assessments carried out in or around the project areas;
- b) Draft or revise management plans⁸³ in accordance with the national validated template, annual work plans and other internal regulations for the project areas;
- c) Support the Government in meeting its reporting obligations towards international conventions, by conducting the ten-year review of the Upper Niger Biosphere Reserve, updating the fact sheets of the Ramsar sites concerned by the project, collecting the information needed to maintain the Kounounkan site as an Important Bird Area (IBA) and a Tropical Important Plant Area (TIPA), and transmitting all the updated information on protected areas to the World Database on Protected Areas (WDPA)⁸⁴;
- d) Development of an operational manual to standardize OGPRs procedures including planning documents and process, monitoring and evaluation, FM, accounting and audit (including transfers between headquarters and national parks), procurement, management and renewal of equipment, inventories, missions and patrols; and
- e) Support training plans for protected area management that have been developed by MEEF with the support of UNOPS and in the framework of the establishment and management of parks such as the Moyen-Bafing national park. This will finance: (i) an extension of these plans with a specific module that includes wildfires and water management dimensions, which will be particularly useful for the Niger-source site; and (ii) implementation of these plans for the field staff involved in the management of the project areas.

26. **C2.2. Infrastructure, equipment and facilities (IDA US\$6.70 million).** The project areas do not have the appropriate infrastructure and equipment necessary to deploy field staff needed for appropriate surveillance and management. In addition, at the central level, OGPR is not sufficiently equipped to coordinate its activities in the field. To address these needs, this pillar will finance:

- a) Construction or rehabilitation of field offices and surveillance posts;⁸⁵
- b) Provision of equipment for protected area monitoring (e.g., GPS, tents, uniforms, tracking tools, cameras, communication, vehicles⁸⁶); for OGPR field teams, the OGPR headquarters team and for

⁸² Including the mammal inventory initiated by the Wild Chimpanzee Foundation (<https://www.wildchimps.org/projects/biomonitoring.html>), key biodiversity area assessment conducted by the Missouri Botanical Garden in the framework of the CEPF (<https://www.cepf.net/grants/grantee-projects/updating-key-biodiversity-areas-within-lofa-gola-mano-and-mounts-nimba>) and identification of TIPAs with Kew Royal Botanic Gardens.

⁸³ This cover drafting the management plan for Niger source, Niger-Tinkisso, Rio Pongo, Rio Kapatchez, Konkouré, Ile de Loos, Diéké, Mont Béro and revising and validating the management plans for Kounounkan, Upper Niger national park (which are under elaboration by UNOPS/EU project PARSS3) and Pic de Fon.

⁸⁴ <https://www.protectedplanet.net/>

⁸⁵ These include: in Kounounkan - construction and equipment of one field office and four surveillance posts; in Upper Niger National Park - rehabilitation of field offices in Sidakoro (Mafou sector) and Tokonoun (Kouyah sector) and construction of six surveillance posts (five in Mafou and one in Kouyah); in Niger source – construction and equipment of the field office of the Niger source natural reserve; and rehabilitation and equipment of the regional base office at Faranah.

⁸⁶ This equipment will be complementary to that purchased under the PARSS project.



joint missions with ABN in Niger basin (e.g., rehabilitation of hydro-met stations, acquisition of portable kits for in-situ measurements of water quality parameters, setup of a piezometer);

- c) Other facilities and protected areas management works that will be implemented with local communities including physical delimitations of the project areas, construction and rehabilitation of tracks and roads, watchtowers, fire management facilities, wildlife development facilities, reforestation and riverbank rehabilitation.⁸⁷

27. **C2.3. Participatory and adaptive management of protected areas (IDA US\$5.00 million).** This pillar will finance the costs related to the supervision of the above activities, in particular:

- a) Conducting regular surveillance patrols⁸⁸, using the Spatial Monitoring and Reporting tool-SMART⁸⁹ by OGPR with partners institutions (ABN, CPMM-ZC, CNSP), and supervision missions carried out by OGPR headquarters' teams;
- b) Participatory management of protected areas through reinforcement of local communes' committees established through the ANAFIC with the support of the PACV to involve communities in a participatory manner in the project areas through planning and direct implementation of protected areas management plans;
- c) Conducting regular protected area management effectiveness assessments, aimed at adjusting management strategies based on performance⁹⁰; and
- d) Development and implementation of an information, education and communication program for sustainable natural resources management in the project areas based on existing experiences in the Moyen-Bafing national park (e.g., PAN club in buffer zone schools).

28. **C.2.4. Alternative opportunities for local development and income-generating activities (IDA US\$5.00 million).** This pillar forms part of an integrated approach to park management including awareness raising, direct participation of local communities in decision making, park management activities (ecosystem management and restauration) and development of alternative livelihood. To address these needs, this pillar will finance:

- a) Development and implementation of a program for AIGAs and development of a pilot project for development of alternative energy sources to alleviate pressures of exploitation of natural resources, currently a means of subsistence for poor families in these protected areas. There are examples of alternative livelihoods that promote sustainable management of natural resources in Guinea,⁹¹ but more is needed. This activity will support the implementation of alternative income-generating programs by financing small community projects that support the sustainable development of natural resources, particularly targeting women's self-help groups. The approaches selected for the implementation of these programs will be based on the best practices adopted by World Bank projects and other partners (UNOPS, UNDP-GEF, AFD), and will also build on the decentralized national 'infrastructure' provided by World Bank-funded projects such as

⁸⁷ In the Niger-source, this will be complementary to the UNDP-GEF project work.

⁸⁸ This includes the operating cost of field offices, missions and patrols and recruitment of additional staff to ensure improved management of project areas.

⁸⁹ <https://smartconservationtools.org/>

⁹⁰ PAMETT = Protected Area Management Effectiveness Tracking Tool, IMETT = Integrated Management Effectiveness Tracking Tool, RAPPAM = Rapid Assessment and Prioritization of Protected Area Management Tool.

⁹¹ For example: (i) UNOPS subcontracts local CSOs to support the implementation of small community projects in Upper Niger, (ii) while UNDP-GEF targets local population of Niger basin (in Kankan and Faranah) in the ecosystem-based adaptation project and (iii) agro-forestry projects are developed as part as the process of establishing the Moyen-Bafing national park.



PACV. To-date, finance has flowed to communities through the PACV project, but this has evolved with ANAFIC taking over and the flow of funds coming through the government from mining revenues (expected to reach 15 percent in time). Both PACV and ANAFIC, for example, use community participation in budgeting and decision making for activities; it is proposed that this project coordinates with these same community structures to include income-generating activities. Through increasing community participation, decision-making and finance, the impact of the project should be significantly higher.

- b) *Community works for protected areas.* Communities will also be directly involved in the management of protected areas through their direct involvement in carrying out management and development work such as reforestation, ecosystem restoration, firebreaks and the development of facilities for wildlife.

Component D. Project management (IDA US\$3.00 million equivalent to MMG)

29. This component will finance the operational costs of the PIU, which will build on the PIU of the MGSP under the leadership of the MMG and will be responsible for monitoring the implementation of the project according to the World Bank's fiduciary, ESS. This component will cover key staff recruitment and training, operating costs, monitoring and evaluation, audit, and communications. Given the request from the Government, the implementation arrangement will be structured to reflect the flexibility and relative autonomy sought for each of the two sectors (see Annex 3 on Institutional Arrangements). The Government will make an in-kind contribution that relates to the salaries of dedicated staff within Ministries in support to project implementation including BSDs for M&E, procurement focal points and key technical staff from the implementing departments.

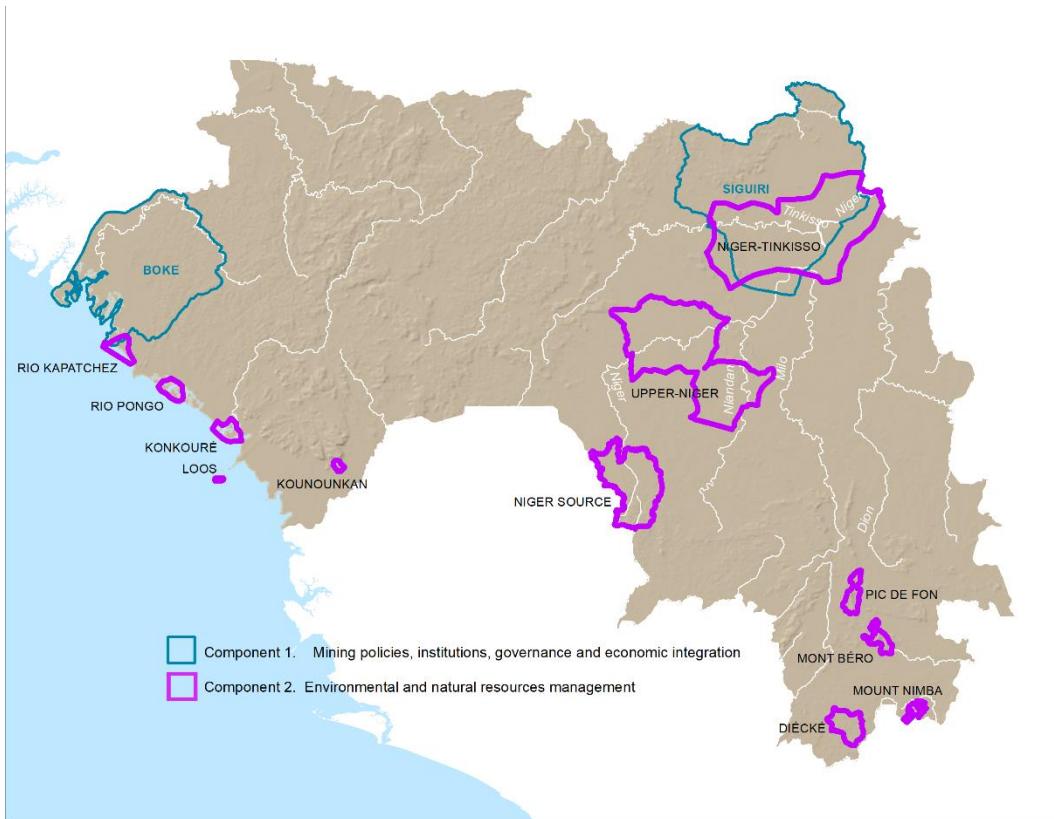
**Table 5. Project component funding in total, and associated breakdown per Ministry**

Project Components	Total funding (US\$ million)	MMG (US\$ million)	MEEF (US\$ million)
	65.00	35.00	30.00
Component A. Improve the institutional framework for mining and environment.	5.00	3.00	2.00
<i>A1. Coordination of mining and environment strategy and regulation</i>	1.50	1.50	
A1.1. Harmonization of mining, environment and natural resources regulations	0.90	0.90	
A1.2. Mining reforms' SESA monitoring framework	0.60	0.60	
<i>A2. Tools to enhance mining and environment coordination</i>	2.50	1.50	1.00
A2.1. Intersectoral land-use planning process	0.60		0.60
A2.2. Sustainable financing for conservation	0.40		0.40
A2.3. Contributing to water monitoring systems	1.50	1.50	
<i>A3. Strengthening Guinea's capacity to address its global commitment on climate change</i>	1.00		1.00
Component B. Mining policies, institutions, governance and economic integration	29.00	29.00	
<i>B1. Mining policies, institutions and access to resources</i>	20.00	20.00	
B1.1. Mining related policies, laws and guides	1.00	1.00	
B1.2. Access to resources	11.00	11.00	
B1.3. Capacity building of mining public institutions	8.00	8.00	
<i>B2. Economic integration of the mining sector and governance</i>	9.00	9.00	
B2.1. Local content and economic interaction enablers	6.00	6.00	
B2.2 Transparency and citizen engagement	3.00	3.00	
Component C. Environmental and natural resources management	28.00		28.00
<i>C1. Institutional, logistical support and ESS management</i>	9.60		9.60
C1.1. Institutional and logistical support	2.70		2.70
C1.2. ESS and disaster risk management capacities	5.70		5.70
C1.3. Operational capacity and coordination of activities	1.20		1.20
<i>C2. Protected area management in selected areas</i>	18.40		18.40
C2.1. Knowledge, training and management framework	1.70		1.70
C2.2. Infrastructures, equipment and facilities	6.70		6.70
C2.3. Protected areas participatory and adaptive management	5.00		5.00
C2.4. Alternative opportunities for local development and IGAs	5.00		5.00
Component D. Project management	3.00	3.00	



ANNEX 2: Project Areas

Map 1. Project areas of intervention



Source: World Bank GeoLab

1. Project areas are selected due to their relevance to each of the mining and environment sectors, but also for the inter-play of mining and other infrastructure on key natural areas. To-date a significant amount of work has been undertaken concerning mining on the **Boké region**. It is recognized as one of the most important sites for bauxite exploitation globally. However, a number of other regional also have mineral exploitation, or planned exploitation. Building on the work done in the MGSP in Boké, this project will also include the **Siguiri region**, the site of Guineas largest gold mine, and where significant ASM occurs. Potential other sites, such as in the **Guinea Forest (Guinée forestière)** area, may be included pending developments in the mining sector.

2. In terms of natural areas, the project focuses on four main areas (Map 1). In addition to their relevance to mining or other infrastructure development, these areas are selected as they represent a diversity of site-types (e.g., ranging from sites that are important for birdlife/wildlife, wetlands and protected areas) and also because they are at various stages of protection (e.g., ranging from formal National Park status to Protected Area or Ramsar status that could be elevated to afford even more protection for that site). All the sites are recognized for their richness of biodiversity by several international classifications (e.g., United Nations Educational, Scientific and Cultural Organization (UNESCO), Birdlife International, Ramsar), but are subject to increasing deforestation rates and severe environmental degradation:



- **Kounounkan forest** is a classified forest,⁹² located in the Prefecture of Forécariah, which is about 100 km from Conakry. It covers about 5,300 ha and has been designated as an Important Bird Area (IBA), according to Birdlife International classification⁹³ and is formally identified as a Tropical Important Plant Area (TIPA).⁹⁴ This forest is not yet recognized as a protected area under the Guinean law of 1999 but there is a plan to turn Kounounkan into a National Park. The area is affected by several pressures including, large-scale slash-and-burn farming, logging, artisanal diamond mining and iron ore industrial mining. These threats resulted in a deforestation rate of 2.8 percent per year in Kounounkan.
- **The Niger River Basin**, which includes the **Upper Niger National Park**, a protected area,⁹⁵ located in the upper basin, extending over 706,000 ha, equally divided between Mafou and Kouya districts. The park includes a UNESCO biosphere reserve (Mafou area) and partially overlaps with two Ramsar sites (Niger-Mafou and Niger-Niandan-Milo). It suffers from severe degradation due to human (e.g., unsustainable agriculture and hunting, bush fires, logging), natural (e.g., climatic disturbances) and institutional factors (e.g., poor enforcement of legislation). Overall, the annual forest loss is about 1.1 percent in the park; the **Niger source sub-basin** which covers the source of Niger River at Faranah in Foroconia District and extends on about 260,000 ha and is home to a Ramsar site (Niger source). In this area, deforestation, brick making, grazing and slash-and-burn agriculture have localized detrimental effects on the quality and volume of water. In addition, climate change is expected to exacerbate these effects, through a projected reduction of Niger River flow of about 16-28 percent during 2050-2100;⁹⁶ and **Niger-Tinkisso sub-basin** which was designated a Ramsar site in 2002. The Tinkisso River joins the Niger River at Siguiri; it suffers from degradation and pollution due to human economic activity including mining, resulting for example in sedimentation and mercury pollution.
- **Pic de Fon, Mount Nimba, Diécké and Mount Béro** are important forest areas in the **Guinée forestière**, or Guinea Forest region. The Mount Nimba and related UNESCO's biosphere reserve include several protected areas such as the UNESCO Natural World Heritage Site nature reserve well-known in Guinea, being at 1,752m the tallest peak in the country; Bossou and Déré nature reserves have the potential to be classified as a national park; as well as the Diécké classified forest area. It is a region of unique biodiversity value but is also a region that holds significant quality-iron ore deposits under discussion for prospecting and exploiting.
- **Rio Pongo, Rio Kapatchez, Konkouré and Loos Islands**, form part of a chain of marine protected areas and are found south of Boké to Boffa and north of Conakry. They are important areas for plant and animal biodiversity, including mangroves and Important Bird Areas, but are increasingly under pressure especially from mining ancillary infrastructure development. Several of those areas have been considered to become marine national parks.

⁹² The site has been designated classified forest through Decree D/94/030/PRG/SGG on 22 March 1994. This forest is not yet recognized as a protected area under Guinean law of 1999.

⁹³ BirdLife International (2019) Country profile: Guinea. Available from <http://www.birdlife.org/datazone/country/guinea>. Checked: 2019-04-27

⁹⁴ See <https://www.kew.org/science/our-science/projects/tropical-important-plant-areas-guinea-conakry> and <https://www.kew.org/read-and-watch/discovery-in-guinea>

⁹⁵ The site has been designated as a national park through the Decree D/97/011/PRE/SGG of 28 January 1997, which covered only the Mafou forest (52,400 ha). It was then extended to include also Kouyah Forest by Order No. A/97/8210/MAEF/SGG of 15 September 1997.

⁹⁶ According to the National Action Plan for Adaptation to Climate Change.



ANNEX 3: Implementation Arrangements

1. The institutional arrangements for the project presented here take into consideration both the need for an efficient organizational structure, based on the experience gained in project management in Guinea, and the Government's request to maintain technical and fiduciary management autonomy for each of the sectors. These arrangements include (i) the use and strengthening of the PIU that implemented MGSP; (ii) the creation of two dedicated accounts, two transaction accounts and two procurement plans for the activities in each of the sectors; (iii) the establishment of a Project Steering Committee; (iv) the establishment of a Technical Monitoring Committee, and (v) the implementation of a capacity building program on project management, technical, fiduciary, M&E and communication aspects.

2. **PIU.** In view of the experience gained in the management of World Bank funds, it was decided to maintain and strengthen the MGSP PIU team for the management of this new project. The PIU will ensure the overall coordination of the project including fiduciary management aspects (procurement and FM), monitoring of indicators, coordination and regular reporting. It is envisaged that the PIU will be supervised by MMG. The PIU will be composed of the following persons, in full-time positions for the duration of the project:

- a) A **Project Coordinator** who will lead the PIU and be responsible for overseeing the overall implementation and management of the project including procurement and FM arrangements and project monitoring and performance indicators. The Project Coordinator will work closely with the sector technical officers on technical aspects.
- b) The Coordinator will be supported by a team of specialists under his authority:
 - i) **An FM specialist** responsible for the day-to-day FM of the project, supervising the two accountants supporting the management of the two dedicated accounts and the transactions accounts, and contributing to the capacity building of the MEEF teams in charge of FM within the public bodies;
 - ii) **Two accountants** working under the supervision of the FM specialist and responsible respectively for the **daily** management of the two transaction accounts and the MMG and MEEF accounting systems;
 - iii) **An internal auditor** working under the supervision of the coordinator will be responsible for the implementation of adequate internal controls for the preparation, approval and recording of transactions;
 - iv) **A procurement specialist** responsible for project procurement, supervising the Procurement Analyst and contributing to the capacity building of the MEEF procurement teams in public agencies;
 - v) **A procurement analyst** working under the supervision of the Procurement Specialist and dedicated to the preparation and implementation of the MEEF Procurement Plan;
 - vi) **An M&E specialist** responsible for the establishment and operation of the Project's M&E system and the regular reporting of indicators, working closely with the designated BSD specialists in MMG and MEEF and with other M&E expertise as required;
 - vii) **An environmental specialist** in charge of monitoring the environmental framework of the Project and the implementation of the environmental management instruments and tools developed within the framework of the Project and working in close collaboration with the



experts of the BGACE;

- viii) **A social development specialist** responsible for monitoring the social framework of the Project and for the implementation of the social management instruments and tools developed under the project and working closely with BGACE experts;
- ix) **Other specialists as required**, e.g., for project communication.

3. **Two DAs and procurement plans** will be opened at the BCRG with the possibility of opening under each DA, a Guinean Franc transaction account in a commercial bank acceptable to the World Bank. The first DA-A will be managed by the MMG, and the second DA-B will be managed by the MEEF. The ceiling of the DAs will be specified in the DFIL. A monthly frequency will be adopted for the justification of expenditure and the renewal of advances on the DA. Two procurement plans for contracts related to the activities of the two dedicated accounts which will, in accordance with the current public procurement reform in Guinea, be supported respectively by the MMG and MEEF Ministerial Procurement Commissions.

4. **Steering Committee.** Based on the experience of MGSP, a Steering Committee will be in charge of the overall steering of the project, the validation of reports and annual budgeted work plans. It will meet on a bi-annual basis. It will be chaired by the Secretary General of MMG with the Secretary General of MEEF as deputy. The Steering Committee will be composed of:

- a) Representatives of the Presidency (Advisers in charge of the environment and mines);
- b) Representatives of the Prime Minister's Office (Advisers in charge of the environment and mines);
- c) Representatives of the Ministries in charge of the Environment and Mines (General Secretaries);
- d) Representatives of key Ministries involved in the project including (for example): Budget, Economy and Finance, Transport, Regional Planning, Territorial Administration, Hydraulics and Sanitation and Fisheries; and
- e) Other representatives of the Presidency, the Prime Minister's Office or other relevant Ministries may be invited to participate in the work of the Project Steering Committee, as appropriate.

5. **Technical Monitoring Committee.** Based on the model of the Technical Monitoring Committee which operated for the MGSP, a Technical Monitoring Committee will be set up within the framework of the project and will be in charge of the regular monitoring of the implementation of the project activities. It will meet on a monthly basis. It will be chaired by the Director General of the BSD of MEEF with the deputy being the Director General of the BSD of MMG. It will be composed of focal points designated by the authority of the various Ministries involved in the implementation of the project.

6. **MEEF Capacity Building Program.** A capacity building program on project management, technical, fiduciary, M&E and communication aspects will be implemented and will complement the institutional arrangements described above. Capacity building is particularly important for MEEF, which has less experience in managing World Bank projects. Overall support for the coordination of all activities may be envisaged by supporting the MEEF General Secretary as well as specifically supporting BGACE and OGPR as 'Government Agencies' that will need to build both technical and FM capacity and, where appropriate, have systems in place to manage the flow of funding from headquarters to the field. This capacity building will include both (i) direct support from PIU experts to the staff of BGACE, OGPR (including accountants) and BSD as well as the setting up of management systems necessary for the proper functioning of public bodies/agencies; (ii) the mobilization of external expertise (individuals, consultancy firms, and NGOs); and



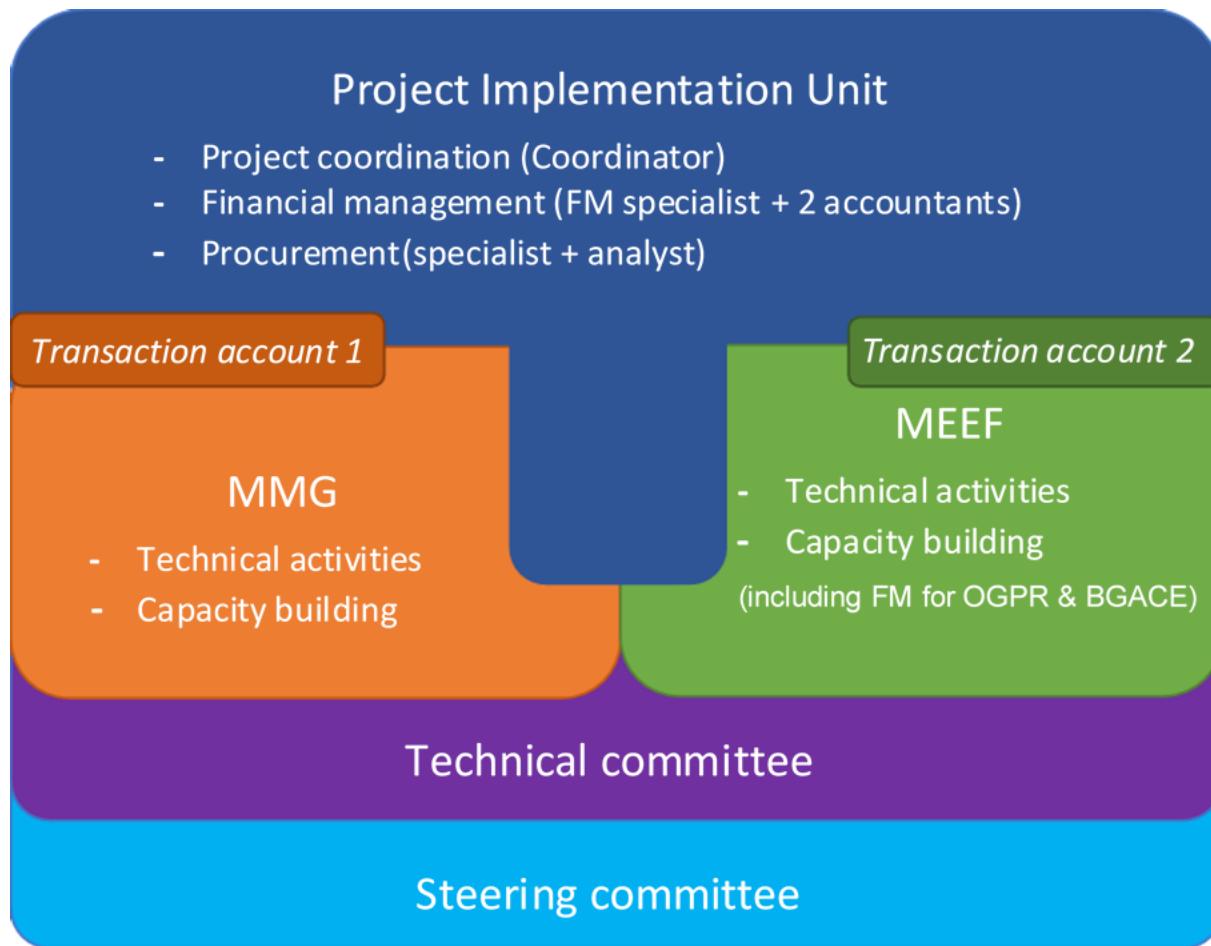
(iii) implementation of a training plan. During the mid-term review, an institutional and financial audit of the BGACE and OGPR could be undertaken to assess their capacities, and whether dependence on the PIU is necessary or whether a transfer of management responsibilities could be carried out. This capacity building process is part of the implementation of the recommendations of the MEEF audit conducted in 2018, with BGACE and OGPR planned as technical and autonomous administrative agencies ("Government Agencies"). Capacity building will include:

- a) **Management of Component C and operational management BGACE and OGPR.** Leadership, management and planning of Component C implementation will be supported in MEEF. It is expected the lead for this role will be from MEEF and will be anchored in BSD, with a view to providing BSD with a role in coordination and management of MEEF's external funding. In turn, technical leads of BGACE and OGPR operations also will be supported as required through consultants and training. The technical leads of BGACE and OGPR will be technical staff from these structures.
 - b) **TA to BGACE and OGPR activities,** through the mobilization of consulting firms and NGOs for the following technical activities:
 - i) Environmental auditing and monitoring and social risk management within BGACE in support of training, planning and implementation of activities;
 - ii) Planning, protected area management and ecological monitoring within OGPR;
 - iii) Implementation of the World Bank's ESF and other international standards as part of Component C activities and for capacity building of BGACE in ESS and management;
 - iv) Development of local communities and support for the implementation of AIGAs within the OGPR to improve the participatory management of protected areas and to coordinate the implementation of AIGAs in the periphery of protected areas; and
 - v) Citizen engagement to strengthen governance and transparency in various aspects of project implementation.
 - c) **Expertise in administrative and FM** to be developed at the level of Government Agencies, specifically for OGPR and BGACE. At the central level, capacity building in administrative and FM (staff and systems) will be required. It is envisaged that specialists in FM, accounting and procurement/equipment/logistics management will be based in both BAGCE and OGPR and will be accompanied by the PIU fiduciary management specialists. In addition, field-based accountants will be responsible for the financial monitoring of field activities. For the OGPR, it is envisaged to mobilize five field accountants for the management of the funds needed for the management of protected areas in the following localities Nzérékoré, Forécariah, Mafou, Tokounou, Kamsar. Field accountants may also be required for BGACE field operations.
 - d) **Expertise in M&E** in MEEF is normally provided by the BSD. Component C will provide technical support to the BSD of the MEEF to support the OGPR and the BGACE in the M&E requirements of the Component.
 - e) **MEEF's expertise in communication** is provided by the specific department in charge of communication, it will be supported in the development and implementation of a communication strategy for the department.
7. **In view of ABN's involvement in Component C,** under the supervision of the Ministry of



Hydraulics and Sanitation, it is expected that a Memorandum of Understanding (MoU) between MEEF and the Ministry of Hydraulics and Sanitation will formalize the relationship. As the authority in charge of the Niger River Basin, ABN will mainly be the recipient of equipment but will also be involved in monitoring the water quality of the Niger River and the flow parameters. ABN will participate in joint missions with OGPR for field monitoring in the Niger basin and will be responsible for the establishment and rehabilitation of water resources monitoring stations.

Figure 3. Implementation arrangements



Financial Management Arrangements and Action Plan

Disbursements

8. Upon credit effectiveness, transaction-based disbursements will be used. The project will finance 100 percent of eligible expenditures inclusive of taxes. The first DA-A will be managed by the MMG, and the second DA-B will be managed by the MEEF. Two transaction accounts will be opened in GNF in a commercial bank under terms and conditions acceptable to IDA. The ceiling of the DAs will be specified in the DFIL. An initial deposit will be made, and subsequent disbursements will be made against submission of SOE reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly unaudited IFRs (also known as report-based disbursements) could be considered, as soon as the project meets the criteria. Other methods of disbursing the funds (reimbursement, direct



payment, and special commitment) will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling. The project will sign and submit Withdrawal Applications electronically using the eSignatures module accessible from the World Bank's Client Connection website. The option to open sub-bank accounts in local currency at regional level and managed following the procedures described in the FM manual and PIM. The assessment will help to agree on the flows of funds mainly the modalities of justifications of funds transferred to regions as well as the reporting arrangements.

Table 6. Eligible expenditures per category

Category	Amount of the Credit Allocated (expressed in SDR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 1.1, Part 1.2 (ii), Part 2 and Part 4 of the Project	12,385,000	11,523,000	100%
(2) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 1.2 (i) and (iii), Part 1.3 and Part 3 of the Project	10,615,000	9,872,000	100%
(3) Refund of Preparation Advance	0	1,605,000	Amount payable pursuant to Section 2.07 (a) of the General Conditions
TOTAL AMOUNT	23,000,000	23,000,000	

9. Payments to implementing entities, regional offices: The PIU through the RAF will make payments to contractors, service providers and the implementing agencies for activities specified in the project and in contracts. In addition to supporting documents, when approving payments, the PIU will consider the findings of the internal auditor. The PIU will have the right to verify expenditures and may request refunds if contractual provisions have not been honored. Activities not authorized could result in suspension of financing for an entity. All payments will be made by the PIU or by implementing agencies as agreed with the PIU for some activities.

10. Disbursement of funds to UN Agencies: When UN agencies are used as implementing agencies or suppliers, upon signing of the MoU between the Government and UN agency, application for withdrawal of proceeds will be prepared by the PIU and submitted to IDA. The special World Bank disbursement procedures will be used to establish a "Blanket Commitment" to allow the amount to be advanced. Funds withdrawn from the IDA grant account will be deposited directly into the UN bank account provided by UN agency for the project activities to be implemented by the UN agency. The amount advanced will be documented through the quarterly unaudited Interim Financial Reports as actual expenditures are incurred by the UN agency.



11. **Local taxes:** Funds will be disbursed in accordance with project categories of expenditures and components, as shown in the Financing Agreement. Financing of each category of expenditure/component will be authorized as indicated in the Financing Agreement and will be inclusive of taxes according to the current country financing parameters approved for the Republic of Guinea.

12. **Support to the implementation plan:** FM supervision will be conducted over the project's lifetime. The project will be supervised on a risk-based approach. Based on the outcome of the FM risk assessment, the following implementation support plan is proposed (Table 7). The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout its life.

Table 7. FM implementation support plan

FM Activity	Frequency
Desk reviews IFRs' review Audit report review of the program Review of other relevant information such as interim internal control systems reports	Quarterly Annually Continuous, as they become available
On-site visits Review of overall operation of the FM system (Implementation Support Mission) Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports Transaction reviews	Every six months for Substantial risk As needed As needed
Capacity-building support FM training sessions	Before project effectiveness and during implementation as needed

13. The FM arrangements for the project have been designed with consideration for the country's fragile situation while considering the World Bank's minimum requirements under World Bank Policy and Directive – IPF; which describes the overall FM World Bank policies and procedures. The FM system of the project must be capable of (i) correctly and completely recording all transactions related to the project; (ii) facilitating the preparation of regular, timely and reliable financial statements; and (iii) safeguarding the project's assets; in addition, it can be subject to auditing diligences as required by the World Bank. The arrangements aim to facilitate disbursements and ensure effective use of project resources while using the country's own systems to the extent possible.

14. In December 2018, the Government adopted a new strategic framework for reforming PFM "*Plan Stratégique de Réforme des Finances Publiques PREFIP 2019-2022*" based on the progress made during the implementation of the 2014-2018 PFM reform actions plans and the findings of the 2018 PEFA and PIMA. The Republic of Guinea counts in particular with strong legal and institutional framework; effective transparent budget in terms of documentation supporting the finances law, access to budget information by the citizen and review of the budget by Parliament; and transparency in the procurement with more than 80 percent of contracts signed following competitive processes.

15. However, there are opportunities to strengthen various components of the PFM cycle including credibility of budgeting, reliability of internal control system of the budget execution, timeliness of accounting and financial reporting and the performance of internal and external auditing arrangements.



The government is committed to address the weaknesses identified in recent PFM assessments, whose implementation is on-going.

16. The World Bank cannot thus, at this time, rely 100 percent on the public expenditure framework for this project. The GoG requested to use a ring-fenced financing mechanism for the fiduciary aspects of the program. The Project will use existing institutional arrangements including the PIU under the MMG.

17. This PIU will be in charge of the fiduciary responsibility and the FM system (staffing, FM procedures manual, computerized management system including an accounting software) which allow the Entity to meet the World Bank minimum FM procedures and requirements.

Risk assessment and mitigation

18. The World Bank's principal concern is to ensure that project funds are used economically and efficiently for the intended purpose. Assessment of the risks that the project funds will not be so used is an important part of the FM assessment work. The risk features are determined over two elements: (i) the risk associated to the project as a whole (inherent risk); and (ii) the risk linked to a weak control environment of the project implementation (control risk). The content of these risks is described below.

19. Overall FM risk for the project is assessed as **Substantial**. The fiduciary risk for this project is assessed as substantial primarily because of the project design and the following factors: (i) a multiplicity of actors in different expertise, resulting in a large number of transactions expected; (ii) the type of planned activities; (iii) the country and project inherent risk level; (iv) the design of the project which will operate across the country in several regions; (v) the weak FM arrangements in place (e.g., FM staff familiar with World Bank procedures; manuals of procedures and accounting software need to be put in place and operationalized); and (vi) the lack of familiarity of the MEEF with the World Bank procedures.

20. Consequently, additional mitigation measures will be incorporated into the design of the program FM arrangements as described in Table 8.

Strengths and Weaknesses

21. The design of the project follows existing FM arrangements to implement World Bank-financed projects in the Republic of Guinea which relies on a ring-fenced financing mechanism for planning, budgeting, accounting, disbursement, procurement, financing reporting, internal control and auditing. The new project will be built on the experiences and lessons learned from the MSGP (P122916).

22. The country political situation has impacted governance and affected corruption environment. Furthermore, the lack of previous experiences of the MEEF in directly managing World Bank-financed projects is a key challenge. To address the governance and fraud and corruption risks, the project will prioritize effective oversight through increased public accountability, increased monitoring and auditing, and greater disclosure and transparency. Additional mitigation measures are built in the FM design.

**Table 8. Risk assessment and mitigation measures**

Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Inherent risk	H			S
Country level The PEFA and the PIMA undertaken respectively in 2018 have highlighted critical areas of weaknesses in PFM that the Government needs to address.	H	Beyond the control of the project. The Government is committed to a reform program that includes the preparation and implementation of a strategic Framework for PFM reforms "PREFIP" adopted in December 2018. However, there are still weaknesses. Use of IDA FM procedures supported.	N	H
Entity level The MEEF is not as familiar with World Bank-financed FM procedures and requirement in terms of budgeting, financial reporting, auditing and disbursement. The existence of two ministries may lead to additional burden including need to consolidate of AWPB and IFRs.	H	Set up a PIU including the appointment of the former RAF and the accountant of MGSP and the adoption of a FM procedures manual will mitigate internal control weaknesses. One qualified and experienced assistant accountant will be recruited one month after effectiveness and will be dedicated 100 percent to the FM aspects of activities managed by MEEF.	N N	S
Project level The resources of the project may not be used for the intended purposes. Delays in the reporting system and auditing due to the lack of familiarity of the MEEF with the World Bank FM procedures. The existence of activities prone to irregularities and geographically dispersed and remote beneficiaries. Existence of a several actors.	S	For efficiency purposes, the PIU will strengthen <i>ex-ante</i> and <i>ex-post</i> control of funds allocated to activities that are prone to irregularities. The scope of audit will include review of expenditures incurred for such category of activities. A computerized accounting system will be set up within three months of effectiveness. Creation of an internal audit function.	N	S
Control Risk	S			S
Budgeting: (i) Weak capacity to prepare and submit accurate work program and budget; (ii) weak consolidation of budgets; (iii) weak budgetary execution and control; and (iv) cost overrun or under run and reasons not detected on timely manner.	S	AWPB required each year and proclaimed. AWPB reviewed and approved by the Steering Committee. The project Financial Procedures Manual will define arrangements for budgeting, budgetary control and the requirements for budgeting revisions. IFR will provide information on budgetary execution and analysis of variances between actual and budget.	N	M



Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
Accounting: Poor policies and procedures, lack of qualified accountant staff (capacity staff) and no familiarity with SYSCOAHADA system and World Bank FM requirements. Delays in recording of transactions incurred at decentralized levels; delays in preparation of consolidated IFRs.	M	(i) The project will adopt the SYSCOAHADA accounting system. Accounting procedures will be documented in the procedures manual; (ii) assignment to the project of dedicated accountants recruited on a competitive basis; and (iii) acquisition and installation of an accounting software within three months of effectiveness.	N	M
Internal Control: Internal control system may be weak due to weak FM capacity of the team; lack of familiarity on World Bank FM procedures by the entity Management team; the lack of FM procedures manual may lead to inappropriate use of the funds and delays in financial report. The audit committee and risk management team may not be effective.	H	(i) Elaborate a FM procedures manual as part of the PIM and training on the use of the manual within one month of effectiveness. (ii) Creation of an internal auditor unit and recruitment of the head of the unit within six months of effectiveness.	N N	S
Funds Flow: (i) Risk of misuse of funds; (ii) delays in disbursements of funds to Implementing Entities and beneficiaries at central and decentralized levels (regions); (iii) inaccurate or delays in submission of withdrawal applications by the entity; (iv) insufficient or inappropriate ceiling of bank account; (v) delays in retiring of advances/transfers made to decentralized offices in regions; (v) inappropriate supporting documents to justify the use of funds by offices in regions.	S	(i) Payment requests as stated in the operational manual will be approved by the Project Coordinator prior to payment of funds to contractors or consultants and implementing entities. (ii) The ToRs of the internal auditor as well as the external auditors include regular physical field visits (controls of works, goods and services acquired). (iii) A ceiling for expenditures that can be handled /paid in cash will be set up in the FM procedures manual. (iv) FM staff capacity will be strengthened prior and during project implementation period.	N	S
Financial Reporting Inaccurate and delay in submission of consolidated IFR and annual accounts due to weak capacity of the unit as	S	(i) Acquisition and installation and computerization of the accounting software within three months of effectiveness. (ii) Consolidated IFR and financial	N	S



Risk	Risk Rating	Risk Mitigating Measures Incorporated into Project Design	Conditions for Effectiveness (Y/N)	Residual Risk
well as lack of familiarity with World Bank FM procedures and requirements; inappropriate or ineffective computerized accounting software.		statements formats have been agreed at project negotiations. (iii) FM team recruited on a competitive basis and capacity building planned before project effectiveness (hands on support and training conducted by the FM expert during the first months of implementation period).	N	
Auditing: Delays in submission of audit report; the scope of the mission may not cover expenditures incurred by all the levels/regions where the project activities are implemented, or audit findings/recommendations may not be implemented in a timely manner or effectively. Audit reports and performance of the external auditor not acceptable.	S	The project's institutional arrangements allow for the appointment of adequate external auditors within six months of effectiveness. The ToRs (to be reviewed by IDA) will include field visits and specific report on findings of physical controls of goods, services and works acquired by the entity.	N	S
Fraud and Corruption Possibility of circumventing the internal control system with colluding practices such as bribes, abuse of administrative positions, and mis-procurement is a critical issue.	S	(i) The ToR of the external auditor will comprise a specific chapter on corruption auditing; (ii) the internal auditor will report to the project Coordinator; (iii) one sample of his/her reports will be submitted to the World Bank on a quarterly basis; (iv) FM procedures manual approved one month from effectiveness; quarterly IFR including budget execution and monitoring and physical progress; (vi) technical auditing if required; (vii) measures to improve transparency such as providing information on the project status to the public, and to encourage participation of civil society and other stakeholder are built into the project design.	N	S
OVERALL FM RISK				Substantial



Financial Management Action Plan

23. The FM Action Plan described in Table 9 has been developed to mitigate the overall FM risks.

Table 9. FM action plan

Issue/Topic	Remedial action recommended	Responsible body/person	Completion date	FM Effectiveness Conditions
Staffing	Appoint the FM Officer (RAF) and the Accountant of the PIU of the MGSP who are familiar with the World Bank FM procedures and requirements	PIU	By effectiveness	No
	Recruit on a competitive basis, one accountant in Conakry assigned 100 percent to the FM aspects of the activities managed by the MEEF	PIU	One month after effectiveness	No
Information system accounting software	Acquire, install and configure the accounting software and train the users	PIU	Three months after effectiveness	No
Administrative Accounting & Financial Manual	Draft the FM and administrative manual as part of the PIM and train the users	PIU	One month after effectiveness	No
Internal auditing	Recruit an internal auditor on a competitive basis (qualifications and experiences)	PIU	Six months after effectiveness	No
External auditing	Select, on ToRs acceptable to the World Bank, the external auditor and sign the contract	PIU	Six months after effectiveness	No

Internal controls and internal audit

24. The PIU has a PIM including accounting administrative and financial procedures. To maintain a sound control environment, the project team is expected to follow the control mechanisms that will be described in the manual of procedures. The said manual will then ensure that adequate internal controls are in place for the preparation, approval and recording of transactions as well as segregation of duties. The manual will set forth the role and responsibility of each stakeholder. The manual will be subject to update as needed. An internal audit function will also be created and operationalized through the selection of an experienced internal auditor. The manual of audit and charter of audit will be developed.

25. **Planning and budgeting:** The PIU will prepare a detailed AWPB for implementing the activities of the project. The consolidated AWPB will be submitted to the project Steering Committee for approval and thereafter to IDA for no-objection, not later than November 30th of the year preceding the year the work plan should be implemented.

26. **Accounting policies:** The prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards—SYSCOHADA—in use in the Republic of Guinea for ongoing World Bank-financed operations will apply. The accounting systems and policies and financial



procedures used by the new program will be documented in the project's administrative, accounting, and financial manual. The PIU will customize the accounting software to meet the project requirements.

27. **IFR:** The consolidated unaudited IFRs will be prepared every quarter and submitted to the World Bank regularly (for example, 45 days after the end of each quarter) and on time. The consolidated quarterly IFR for the project includes the following financial statements: (a) Statement of Sources of Funds and Project Revenues and Uses of Funds; (b) Statement of Expenditures (SOE) classified by project components and/or disbursement category (with additional information on expenditure types and implementing agencies as appropriate), showing comparisons with budgets for the reporting quarter, the year, and cumulatively for the Project life; (c) cash forecast; (d) explanatory notes; (e) DA activity statements; and (f) the table of control. The IFRs will reflect the transactions and activities implemented at region levels.

28. **Annual financial reporting:** In compliance with International Accounting Standards and IDA requirements, the PIU will produce annual financial statements. These include (a) a Balance Sheet that shows assets and liabilities; (b) a Statement of Sources and Uses of Funds showing all the sources of project funds and expenditures analyzed by project component and/or category; (c) a DA Activity Statements; (d) a Summary of Withdrawals using SOEs, listing individual Withdrawal Applications by reference number, date, and amount; and (e) notes related to significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements.

29. **External Auditing:** The PIU will submit audited project financial statements satisfactory to the World Bank every year within six months after the end of the fiscal year (Table 10). The audit will be conducted by an independent auditor with ToR including qualifications and experience acceptable to the World Bank. A single opinion on the audited project financial statements in compliance with the International Federation of Accountants will be required. In addition, a Management Letter will be required. The Management Letter will contain auditor observations and comments and recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financial Agreement. The report will also include specific controls such as compliance with procurement procedures and financial reporting requirements and consistency between financial statements and management reports as well as findings of physical controls. The audit report will thus refer to any incidence of noncompliance and questionable or ineligible expenditures and misprocurement identified during the audit mission. The project will comply with the World Bank disclosure policy of audit reports and place the information provided on the official website within two months of the report being accepted as final by the team and the World Bank.

Table 10. Due dates of the audit report

Audit Report	Due Date	Responsible Party
Audited financial statements including audit report and Management Letter	(a) Not later than June 30 (2000 + N) if effectiveness has occurred before June 30 (2000 + N-1) (b) Not later than June 30 (2000 + N+1) if effectiveness has occurred after June 30, (2000 + N-1)	PIU



Procurement Arrangements and Action Plan

30. **Procurement Rules and Procedures.** The Recipient will carry out procurement for the proposed project in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" (Procurement Regulations) dated July 2016 and revised in November 2017, August 2018 and November 2020 under the NPF, and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated July 1, 2016, and other provisions stipulated in the Financing Agreements.

31. All goods, works, and non-consulting services will be procured in accordance with the requirements set forth or referred to in the Section VI-Approved Methods: Goods, Works and Non-Consulting Services of the Procurement Regulations. The Consulting Services will be procured in accordance with the requirements set forth or referred to in the Section VII-Approved Selection Methods: Consulting Services of the Procurement Regulations, the PPSD, and Procurement Plan, approved by the World Bank. The Procurement Plan, including its updates, shall include for each contract: (i) a brief description of the activities/contracts; (ii) selection methods to be applied; (iii) cost estimates; (iv) time schedules; (v) the World Bank's review requirements; (vi) any other relevant procurement information. The Procurement Plan covering the first 18 months of the project implementation has been prepared and submitted for World Bank's approval. Any updates of the Procurement Plan will be submitted for the World Bank's approval. The Recipient shall use the World Bank's online procurement planning and tracking tools (STEP) to prepare, clear and update its Procurement Plans and conduct all procurement transactions.

32. **PPSD.** The Recipient (with assistance from the World Bank) has prepared a PPSD which describes how procurement activities will support project operations for the achievement of PDOs and deliver VfM. The procurement strategy is linked to the project implementation strategy. It considers institutional arrangements for procurement; roles and responsibilities; thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It also includes a detailed assessment and description of government capacity and the implementing agency for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues to be considered include the behaviors, trends and capabilities of the market (i.e., Market Analysis) to respond to the procurement plan.

33. **Procurement risk assessment and mitigating measures.** A procurement assessment has been conducted as part of project preparation. It took into account that: (i) the project will use existing institutional arrangements including the PIU currently under the MMG; (ii) the main risk lies in the fact that the PIU will have to interact with various partners within the Government that will be involved in the procurement process; (iii) in the MMG and the MEEF there are: a) one Procurement Officer (*Personne Responsable des Marchés Publics - PRMP*) who is responsible for the Ministry's public procurement activities; and b) a tender committee which will be involved in the project procurement process; (iv) the existing staff and the tender committee members have limited procurement skills, and insufficient experience in World Bank procurement procedures; (v) Outside the two Ministries, there are other actors which will be involved in the procurement process, mainly the Ministry of Finances (*Direction Nationale du Contrôle des Procédures de Passation des Marchés Publics et Cabinet du Ministre des Finances*). There are significant time delays in the procurement process.

34. Based on the fact that: (i) only MMG has experience in World Bank-financed projects implementation, and (ii) MEEF has little experience in World Bank-financed projects implementation; and furthermore, it will have to interact with various partners within the Government that will be involved in



the procurement process, the overall procurement residual risk, after the mitigation measures is rated **Substantial**.

35. Some of mitigation measures include: (i) to maintain in the PIU's team the actual Procurement Specialist or to recruit competitively a Procurement Specialist with qualifications and experience satisfactory to the World Bank; and (ii) to elaborate a PIM including Procurement procedures. Further, (iii) a Procurement Analyst will be hired within one month after effectiveness; and (iv) procurement training and support to the Tender Committee members in World Bank procurement processes needs to be provided.

36. **Staffing.** The Procurement Specialist with qualifications and experience satisfactory to the World Bank will be maintained in the PIU and a Procurement Analyst will be hired by one month after effectiveness.

37. **STEP.** The project will use STEP, a planning and tracking system, which will provide data on procurement activities, establish benchmarks, monitor delays, and measure procurement performance. The first 18-month procurement plan has been reviewed and cleared by the World Bank. This procurement plan shall be updated at least annually. All procurement to be carried out under the project shall be included in the procurement plan and cleared by the World Bank prior to its realization.

38. **Operating Costs.** Operational costs financed by the project would be incremental expenses, including office supplies, vehicles operation and maintenance cost, maintenance of equipment, communication costs, rental expenses, utilities expenses, consumables, transport and accommodation, per diem, supervision costs and salaries of locally contracted support staff. Such services' needs will be procured using the procurement procedures specified in the PIM accepted and approved by the World Bank.

39. **Record keeping.** All records pertaining to award of tenders, including bid notification, bid opening minutes, bid evaluation reports and all correspondence pertaining to bid evaluation, communication sent to/with the World Bank on the process, bid securities, and approval of invitation/evaluation of bids will be retained by respective agencies and uploaded in STEP.

40. **Disclosure of procurement information.** The following documents shall be disclosed: procurement plan and updates, invitation for bids for goods and works for all contracts, request for Expression of Interest for selection/hiring of consulting services, and contracts awards for goods, works and non-consulting and consulting services.

41. **Complaints handling.** For the procurement-related complaints, the project will follow the procedure prescribed in the Procurement Regulations [Para 3.26 and 3.31]. in order to deal with the complaints from bidders, contractors, suppliers, consultants and general public at large, a complaint handling mechanism will be set up and detailed procedures will be prescribed in the procurement section of the procurement manual.

42. **Fiduciary oversight and Procurement Review by the World Bank.** The World Bank shall prior review contracts according to prior review thresholds set in the procurement plan. All contracts not covered under prior review by the World Bank shall be subject to post review during implementation support missions and/or special post review missions, including missions by consultant hired by the World Bank.



43. **Contract management capability.** The PIU remain overall responsible for compliance to the agreed procurement procedures and processes and shall monitor the contractual performance including contract management issues, if any.

Table 11. Procurement Action Plan

Action	Responsible party	Deadline
Elaborate PIM including Procurement procedures	MMG PIU	One (1) month after effectiveness
Maintain or Recruit a Procurement Specialist with qualifications and experience satisfactory to the World Bank	MMG PIU	Done
Recruit a Procurement Analyst with qualifications and experience satisfactory to the World Bank	MMG PIU	One (1) month after effectiveness
Training for tender committee members and other partners	PIU with World Bank support	Six (6) months after effectiveness



ANNEX 4: Economic Analysis

1. This annex presents the main assumptions and data used for the Cost-Benefit Analysis conducted for Component C (Section IV. A. Technical and Economic Analysis). It uses a discount rate of 6 percent (World Bank, 2016) and a time horizon of 20 years, to account for the project's long-term benefits.

- **Context and assumptions**

2. Total forest area in the project sites is estimated at about 739,900 ha in 2020.⁹⁷ Deforestation affects 6,500 ha per year, while degradation extends on 370,000 ha. Table 12 provides the breakdown of these areas for mangroves and other forest types. In addition, the annual value of forest in good condition is estimated at US\$4,700 per hectare of mangroves, primarily related to coastal protection and fishery benefits;⁹⁸ and about US\$100 per hectare of other forests, based on studies conducted in Guinea⁹⁹ (carbon and biodiversity excluded).

3. Through its activities, the project is expected to provide the appropriate tools for a sustainable PA management. The economic analysis assumes that the areas affected by deforestation and degradation will be reduced by 25 percent at the end of the project. As the project is providing all the necessary tools (e.g., equipment, knowledge, technology and training) for improved management, this assumption is considered conservative. To account for uncertainty, a sensitivity analysis to changes in these parameters is presented below.

Table 12. Estimated forest area, deforestation and forest degradation in the project sites (ha)

	Mangroves ¹⁰⁰	Other forests ¹⁰¹	Total
Forest area ¹⁰² (ha)	26,900	713,000	739,900
Annual deforestation ¹⁰³ (ha/year)	100	6,400	6,500
Degraded forest ¹⁰⁴ (ha)	13,500	356,500	370,000
Value of forest in good condition ¹⁰⁵ (US\$/ha/year)	4,700	100	n.a.
Value of degraded forest ¹⁰⁶ (US\$/ha/year)	2,350	50	n.a.

- **CBA details**

4. The analysis covers the following costs:

- Direct costs, including the expenses during the project lifetime (years 1-5), and the recurring costs needed to maintain the investments after the end of the project (years 6-20); and
- Forgone income, which corresponds to the net agricultural income lost by local populations due to restricted agricultural activities in the project areas.

5. Overall, the present value of these costs is estimated at US\$37.7 million.

6. The project generates **benefits** from:

⁹⁷ Global Forest Watch, <https://www.globalforestwatch.org>

⁹⁸ Salem, M.E., D.E. Mercer. 2012. The Economic Value of Mangroves: A Meta-Analysis. *Sustainability*, 4, 359-383.

⁹⁹ Based on Limoges (2014) for extractive uses and Sikamaaki (2015) for non-extractive uses. (Limoges, B. 2014. Valeur économique et socio-culturelle de la réserve naturelle de Kounounkan, Guinée, et recommandations en matière de biodiversité et de changements climatiques. Sikamaaki, J. 2015. Global Assessment of Forest Ecosystem Services. Resources for the Future.)

¹⁰⁰ related to Konkouré, Rio Kapathchez, and Rio Pongo

¹⁰¹ related to the other project areas, except for Tinkisso, for which reliable data is not available.

¹⁰² Estimated for 2020 based on data provided by Global Forest Watch data.

¹⁰³ Estimated as an average deforestation rate during the most recent period (2015-2018), based on Global Forest Watch data.

¹⁰⁴ Most forests are degraded in the project areas; in the absence of specific statistics, it is assumed conservatively that degradation affects 50 percent of the total forest area.

¹⁰⁵ For mangroves: Salem and Mercer (2012); for other forests: Limoges (2014) and Sikamaaki (2015).

¹⁰⁶ Estimated at 50 percent of the value of forests in good condition; n.a. = not applicable.



- *Reduced deforestation*, estimated based on reduced deforested area, and the average value of a degraded forest (Table 12);
- *Reduced degradation*, calculated based on reduced degraded area, and a gradual increase of forest benefits, due to their rehabilitation: from US\$2,350 to US\$4,700/ha of mangroves, and from US\$50 to US\$100/ha of other forests between years 5-20;
- *Reforestation*, valued based on the area subject to reforestation (about 900 ha) and the value of annual forest benefits at maturity (US\$4,700/ha of mangroves and US\$100/ha of other forests); and
- *AIGAs* estimated based on the annual net income (US\$600/household) and a 25 percent increase due to alternative activities.¹⁰⁷

7. Overall, the PV of these benefits is estimated at US\$53.2 million.

8. Based on the above, the CBA shows an NPV of **US\$15.5 million** and an **IRR of 11 percent** (Table 13). A sensitivity analysis to changes in different parameters indicates that the project remains economically attractive if: (i) it reduces the areas affected by deforestation and forest degradation to 14 percent each (IRR = 6 percent); (ii) the project costs increase up to 35 percent.

Table 13. Estimated project costs and benefits (US\$ million)

Years	COSTS		BENEFITS				NET BENEFITS
	Direct costs	Forgone income	Reduced deforestation	Reduced degradation	Reforestation	Improved income from AIGAs	
1	4.5	0.0	0.0	0.0	0.00	0.0	-4.5
2	8.2	0.0	0.0	0.0	0.00	0.0	-8.2
3	6.4	0.0	0.0	0.0	0.00	0.0	-6.4
4	6.1	0.0	0.0	0.0	0.00	0.0	-6.1
5	4.8	0.0	0.1	0.8	0.02	0.5	-3.5
6	1.5	0.1	0.2	1.5	0.05	0.5	0.7
7	1.5	0.1	0.3	2.3	0.07	0.5	1.6
8	1.5	0.1	0.5	3.0	0.09	0.5	2.4
9	1.5	0.1	0.6	3.7	0.09	0.5	3.3
10	1.5	0.2	0.7	4.5	0.09	0.5	4.1
11	1.5	0.2	0.8	5.2	0.09	0.5	4.9
12	1.5	0.2	0.9	5.9	0.09	0.5	5.7
13	1.5	0.3	1.0	6.6	0.09	0.5	6.4
14	1.5	0.3	1.1	7.3	0.09	0.5	7.2
15	1.5	0.3	1.3	8.0	0.09	0.5	8.0
16	1.5	0.4	1.4	8.6	0.09	0.5	8.7
17	1.5	0.4	1.5	9.3	0.09	0.5	9.5
18	1.5	0.4	1.6	9.9	0.09	0.5	10.2
19	1.5	0.4	1.7	10.5	0.09	0.5	10.9
20	1.5	0.5	1.8	10.9	0.09	0.5	11.4
NPV	36.0	1.7	6.7	42.2	0.6	3.6	15.5
IRR							11%

¹⁰⁷ Based on EuropeAid. 2012. Programme d'appui aux activités génératrices de revenus d'associations féminines de Conakry, Guinée.



ANNEX 5: Climate Vulnerability, Related Actions and Co-benefits

1. Overall, climate predictions for Guinea impact the northeast and northwest of the country most, with projected rate of warming most rapid in the north and with mean precipitation over West Africa to increase during the rainy season with a small delay to the start of the rainy season. Expect changes for Guinea include: mean annual temperature will rise by 2.0°C in 2050 (RCP 8.5, High Emission); mean annual precipitation will fall by -40.4mm in 2050 (RCP 8.5, High Emission); and total annual hot days of temperature above 35°C will rise by 68.8 days in 2050 (RCP 8.5, High Emission).
2. The climate vulnerabilities¹⁰⁸ of Guinea include:
 - Sea level rise has been occurring along Guinea's coast and will cause increased salinization and flooding in coastal regions, impacting agriculture, shortage in drinking water, destroying infrastructure, destruction of mangrove ecosystems, and proliferation of diseases;
 - Floods are a recurring natural disaster in Guinea that can impact many different aspects of the socioeconomic landscape. Poor sewage and water systems as well as sanitation facilities are frequently affected by flooding, leading to inadequate disposal of human waste and contributing to the transmission of diseases such as cholera, typhoid fever, malaria, and/or polio;
 - Drought is expected to be the highest climate risk for Guinea;
 - Disturbance in rainfall, particularly the decrease in rainfall over Guinea, has led to the disruption of income, interruption of the agricultural calendar, and the disturbance of river regimes;
 - In mountain areas, heavy rains increase the risk of landslides that damage and close roads and bridges; and
 - Guinea's Fouta Djallon Highlands, West Africa's "water tower", are expected to experience rainfall reductions of up to 26 percent by 2100.
3. A significant number of Component A, B and C activities are directly and indirectly related to climate change including both mitigation and adaptation (see Table 14 for a summary of funding in relation to climate).
4. For *mitigation*, the greatest gains are expected to come from land use interventions (Component C2), including reducing deforestation and forest degradation within national parks and protected areas, reducing mangrove conversion in marine protected areas, increasing investments in protected areas buffer zones to include agroforestry, plantation woodlands for fuel and other economic activities, reforestation of degraded mining lands. The funding from Component C2 is dedicated to improving the management and operational capacity of the OGPR, specifically to maintain a healthy natural capital which has been degraded over time. An assessment of the GHG mitigation potential is made in the main text.
5. For *adaptation*, Component C2 is most directly relevant. By addressing land degradation, deforestation and land restoration, through management of both national parks and protected areas, this project will stabilize land, minimize erosion (therefore runoff, landslide, etc.), minimize destructive run-off (e.g., destroying downstream infrastructure or agriculture fields) increase the absorptive capacity of land for water retention and percolation (e.g., leading to more consistent river flow, decrease in flash floods), and increase organic matter content of soils (e.g., improving productivity and water retention). In coastal areas, the marine parks will have benefits for fisheries, erosion, intrusion of sea levels, and coastal agriculture protection. The benefits listed here

¹⁰⁸ <https://climateknowledgeportal.worldbank.org/country/guinea> and <https://www.climatelinks.org/resources/climate-risk-profile-west-africa#:~:text=Climate%20vulnerability%20is%20compounded%20by,warming%20anticipated%20in%20the%20Sahel>.



are just some examples that all address community resilience in the face of increasing climate pressures.

6. Components A, B and C1 also have activities directly and indirectly related to climate change. These relate mainly to building the capacities of the MEEF and the MMG for reporting and quantifying land-use impacts through a few direct means including: (i) improved land-use planning and zoning (A2); (ii) managing maps and cadasters to enable such planning, for example using the mining cadaster to ensure no mining licenses are provided within protected areas (B1); (iii) ensuring through this planning that protected areas will not be included in mining plans and or activities; (iv) ensuring that all major investments (e.g., mines, roads, dams) follow high ESS including impact mitigation hierarchy avoiding deforestation and forest degradation through strengthening MEEF capacities to systematic use and monitoring of all relevant E&S tools (ESIA, ESMP) (C1.2); (v) supporting MMG to develop a capacity to incentivize mining operations to reduce their energy footprint by relying less on fossil fuels and switching to renewable energy (B1); (vi) development of guidelines and specific studies to ensure sharing of mining ancillary infrastructures supporting less development of infrastructures (e.g., railways, roads, ports) avoiding forest and coastal ecosystem degradation (B1); (vii) enabling MEEF to develop GHG MRV systems (A3); (viii) enabling reporting to key conventions including on climate, such as the UNFCCC (A3); and (ix) assisting the Government with support for NDC implementation and MRV systems (A3). In addition, indirect support will be made to regulatory and institutional capacity to enable the functioning of MMG and MEEF will be made.

Table 14. Project components as they relate to climate mitigation and adaptation

Project Components	IDA Financing (US\$ M) Total
	Total Project IDA 65.00
Component A. Improve the institutional framework for mining and environment.	5.00
A1. <i>Coordination of mining and environment strategy and regulation</i>	1.50
Mitigation and adaptation co-benefit can be assigned since this sub-component is financing (i) regulations reforms and harmonization in key sectors including forest, mining, water and will support inclusion of climate change considerations; and (ii) update the mining's reform Strategic SESA and support monitoring of its recommendations including more thorough inclusion of adaptation in mining infrastructure development and mitigation of GHG emissions of mining operations.	
A2. <i>Tools to enhance mining and environment coordination</i>	2.50
Mitigation and adaptation co-benefit can be assigned since this sub-component is financing (i) an intersectoral land use planning process integrating disaster risk assessment resulting in the optimization of land use and avoiding forest loss and degradation from unplanned and unsustainable uses of land; (ii) the development of a sustainable financing mechanism for conservation of ecosystems including forest through mitigation and compensation / offsets from the impact of the mining sector including GHG emission and; (iii) water monitoring systems in major watershed supporting water management adaptation solutions.	
A3. <i>Strengthening Guinea's capacity to address its global commitment on climate change</i>	1.00
Mitigation and adaptation co-benefit can be assigned since this sub-component is financing support to climate change commitments design, investment planning, partnership, development of tools to support implementation and monitoring processes including GHG MRV systems, Guinea's updated NDC and National Adaptation Program of Action (NAPA) implementation and enabling reporting to key conventions including the UNFCCC.	
Component B. Mining policies, institutions, governance and economic integration	29.00
B1. <i>Mining policies, institutions and access to resources</i>	20.00
Mitigation co-benefit can be assigned since this sub-component is financing (i) the mining cadaster; (ii) the geological and mining information system; and (iii) mining potential studies making it possible to improve precision and reduce the number of mining research operations and to optimize the areas targeted for mining operations and therefore reduce emissions from the impact of these operations on ecosystems including systematic exclusion mining licenses from protected areas.	
This sub-component is also financing strategic studies (i) to develop shared mining ancillary infrastructures supporting less development of infrastructures (e.g., railways, roads, ports) avoiding forest and coastal ecosystem degradation; and (ii) to	



incentivize mining operations to reduce their energy footprint by relying less on fossil fuels and switching to renewable energy.

B2. Economic integration of the mining sector and governance	9.00
<p><u>Mitigation and adaptation co-benefit</u> can be assigned since this sub-component is financing concrete actions supporting reduction of GHG emissions including (i) the support to increase local content in mining operations reducing international travel and import of goods; (ii) facilitating the implementation of regional development strategy of mining regions (e.g., Boké) including the consideration of reducing cumulative climate impact of mining operations and climate change adaptation; and (iii) supporting the implementation of climate-smart IGAs through the local development fund established with mining revenues (FODEL).</p>	
Component C. Environmental and natural resources management	28.00
<p>C1. Institutional, logistical support and Environmental & Social standards management</p>	
<u>Mitigation co-benefit</u> can be assigned since this component if financing the national E&S management system ensuring that all major investments (mines, roads, dams) follow high ESS including impact mitigation hierarchy avoiding deforestation and forest degradation through strengthening MEEF capacities to systematic use and monitoring of all relevant E&S tools (ESIA, ESMP)	9.64
C2. Protected area management in selected areas	18.36
<p><u>Mitigation co-benefit</u> can be assigned since this sub-component is financing protected area management that will result in reducing deforestation and forest degradation, reducing mangrove conversion and increasing investments in protected area buffer zones to include, plantation woodlands for fuel and other economic activities including reforestation of degraded mining lands.</p> <p><u>Adaptation co-benefits</u> can be assigned since this sub-component finances nature-based solutions for coastal resilience through coastal and marine protected areas management reducing coastal flooding and erosion. Also, around national parks, local IGAs will be undertaken with a green lens, through existing community planning committees, which will further strengthen the resilience of local communities.</p>	
Component D. Project management	3.00

**ANNEX 6: Guinea Country Program adjustment responding to COVID-19**

1. The WBG's engagement in Guinea has been guided by the FY18-FY23 CPF. It is articulated around three pillars: (i) fiscal and natural resource management; (ii) human development; and (iii) agricultural productivity and economic diversification. The CPF encourages greater focus on institutional and policy reforms for better fiscal management, improved business environment for competitiveness, and enhanced performance in the agriculture and energy sectors. A Performance and Learning Review (PLR) is under preparation and is expected to be delivered to the Board of Executive Directors in July 2021. This PLR will determine the future lending program based on a thorough portfolio review and consultation with stakeholders.

Impact of the COVID-19 pandemic on the country and government response

2. **Economic growth decelerated to 4.7 percent in 2020, 1.8 percent in per capita terms, due to the COVID-19 pandemic.** While mining production sustained growth in 2020, the service sector is estimated to have grown only 0.4 percent due to declining activity in the hotel, restaurant, and transport sectors. Investments in the mining sector boosted bauxite production while higher gold prices bolstered artisanal gold exports. Inflation accelerated to 10.6 percent in 2020, from 9.5 percent in 2019, with higher food prices partly due to supply disruptions and an increase in central bank financing to meet the larger fiscal deficit resulting from COVID-19 impact. Guinea is participating in the Debt Service Suspension Initiative (DSSI), with expected benefits of US\$32.2 million in 2020 and US\$20.1 million in 2021.

3. **Projections based on GDP per capita growth suggest that extreme poverty incidence has declined from 25 percent in 2019 to 24 percent in 2020.** This corresponds to over 3.2 million people living in extreme poverty in 2020. While this indicates that some of the extreme poor have been lifted out of extreme poverty, the COVID-19 pandemic has likely pushed part of the vulnerable population into poverty. Indeed, statistics from the COVID-19 household High-Frequency Phone Survey conducted in October-November 2020 show that more than 8 out of 10 households experienced earnings losses due to the COVID-19 pandemic with households receiving transfers and those owning nonfarm enterprises being the most affected. Non-monetary poverty – the Multidimensional Poverty Index – estimated at nearly 32 percent in 2018, remains high.

4. **The COVID-19 pandemic is Guinea's second health shock in recent years, after the Ebola crisis in 2014-15. Guinea is currently experiencing a new wave of COVID-19 infections as well as a new Ebola outbreak.** The COVID-19 positivity index moved from 2 to 8 percent as of March 15; ICU beds usage has now surpassed 50 percent, prompting reinstatement of some health directives and restrictions on gatherings. The authorities have implemented a COVID-19 response plan and prepared a vaccination plan. The new Ebola outbreak started in January 2015 and has resulted in 14 confirmed cases and 5 deaths as of March 29, 2021. The authorities have also started a vaccination campaign for Ebola, with more than 3,000 people vaccinated to date.

5. **Guinea's COVID-19 vaccine rollout plan aims to reach 20 percent of the population in 2021, with plans under preparation to expand further in subsequent years.** The approved budget, however, does not include space for COVID-19 vaccine financing, nor for the response to the Ebola outbreak. Guinea is engaged in the COVAX initiative and is entitled to one million doses in 2021 but the country has started vaccinating its population with vaccine doses from China and Russia (Sinopharm and Sputnik V vaccines, respectively) using their own resources. As of April 28, 2021, 132,000 doses of vaccine have been administered, with more than 41,000 people now fully vaccinated (or 0.3 percent of the total population). Furthermore, Guinea will implement its COVID-response cash transfers scaling-up in 2021, financed by grants from the delayed World Bank support.

WBG support for responding to the crisis

6. **The WBG has restructured several ongoing projects and approved new projects to support Guinea's COVID-19 response, aligned to the Approach Paper 'Saving Lives, Scaling-up Impact and Getting Back on Track'.**



- To save lives, the World Bank quickly dedicated up to US\$13.8 million from the *Regional Disease Surveillance Systems Enhancement Program (REDISSE; P154807)* and the *Ebola Emergency Response Project (P152359)* to respond to critical needs (e.g., protective equipment for health centers). It has since approved the amount of US\$10.9 million *COVID-19 Preparedness and Response Project (P174032)* which is dedicated to supporting the health plan of Government. Furthermore, the *Guinea Primary Health Services Improvement (P147758)* and *Guinea Health Services and Capacity Strengthening Project (P163140)* will continue focusing on strengthening the health system. The *Guinea Urban Water Project (P157782)* had disbursed US\$1 million to finance the purchase of hygiene materials (e.g., handwashing stations positioned in densely populated sites in Greater Conakry) for vulnerable populations and WASH communication and outreached campaigns. The *Guinea Private Sector Development Project (P164283)* provided technical and financial support to local SMEs to mass-produce high-quality and affordable multi-use masks.
- To protect the poor and vulnerable, the *Emergency Response and Nafa Program Support Project (P168777)*, approved in May 2020, has started to support the social protection response of the Government's plan through cash transfers to vulnerable households and will put in place building blocks of a national shock-responsive social protection system. The World Bank's *Economic Governance TA Program (P125890)* is supporting continuity of critical services, including a COVID-19 National Committee, launch of digital tax payment systems (e-Tax) and a high-frequency survey to monitor the impacts of COVID-19 on households over the next 12 months.
- To save livelihoods, protect jobs, and ensure more sustainable business growth and job creation, the Contingent Emergency Response Component (CERC) of the *Guinea Integrated Agricultural Development Project (P164326)* was activated and disbursed the amount of US\$5 million. It provided drought-resistant and high-yield seeds, as well as climate-smart technologies to affected farmers to ensure food security. The project is also accelerating implementation of a matching grant scheme for SMEs supported jointly with IFC to mitigate the impact of the COVID-19 crisis on enterprises.
- The *Guinea Commercial Agriculture Project (P164184)* was approved in September 2020, and will support several objectives of the COVID-19 response over the medium and long term, particularly pillars #2 (Protecting poor and vulnerable households), #3 (Ensuring sustainable business growth and job creation), and #4 (Strengthening policies, institutions and investments for rebuilding better). The Program, in its first phase, will ensure that critical agricultural value chains continue to function, help relaunch agricultural SMEs activities and generate jobs and incomes within agricultural value chains, including through labor-intensive public works to support livelihoods, while providing communities with infrastructure and strengthening resilience. The operation help strengthen the country's resilience to future shocks through establishment of a solid one-health and food safety system that will contribute to preventing new outbreaks of zoonotic and food-borne diseases, such as Ebola and coronavirus-associated diseases.
- To support the country to purchase COVID-19 vaccines and bring immunization systems and service delivery capacity to the level required to successfully deliver COVID-19 vaccines at scale, an additional financing (AF) to the Guinea COVID-19 Preparedness and Response Project (P174032) under the COVID-19 Strategic Preparedness and Response Program (SPRP) using the Multiphase Programmatic Approach, approved by the Board on April 2, 2020, and the vaccines AF to the SPRP approved on October 13, 2020 is under preparation. The AF is in an amount of US\$28.2 million. Through the AF, the World Bank will help Guinea attain its immunization coverage objective of 34.7 percent of the total population by purchasing enough vaccines doses to cover 8.6 percent of the total population. Since the COVAX Facility and bilateral agreements will enable Guinea to purchase enough doses to cover 23.7 percent of its total population, the AF will bring the total immunization coverage to 32.3 percent of the total population. The AF will also support: (i) establishment of institutional frameworks for the safe and effective deployment of vaccines; (ii) operationalization of vaccination activities by financing; (iii)



communications strategies for public support; and (iv) real-time digitalized monitoring of vaccines-related activities.

Selectivity, Complementarity, Partnerships.

7. The above restructuring and new lending have been agreed with Authorities and are being implemented after approval. They have been shared with Guinea's main development partners. There were further consultations as part of finalizing the PLR. There is close coordination between the World Bank, IMF, African Development Bank, and EU on budget support operations.

Status of COVID-19 cases (as of April 28, 2021): (i) number of confirmed cases – 22,087; (ii) number of recovered people – 19,558; and (iii) death toll stands at 141.