



**The World Bank**

Guinea Natural Resources and Environmental Management Project (P168613)

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# Project Information Document (PID)

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Appraisal Stage | Date Prepared/Updated: 15-Feb-2021 | Report No: PIDA26955

**BASIC INFORMATION****A. Basic Project Data**

Country Guinea	Project ID P168613	Project Name Guinea Natural Resources, Mining and Environment Project	Parent Project ID (if any)
Region AFRICA WEST	Estimated Appraisal Date 15-Feb-2021	Estimated Board Date 19-Apr-2021	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guinea	Implementing Agency Ministry of Environment, Water and Forests, Ministry of Mines and Geology	

## 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

Mining and Environment Political, regulatory and institutional framework  
 Mining policies, institutions, governance and economic inclusion  
 Environmental and natural resources management  
 Project management

**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	65.00

**Non-World Bank Group Financing**

Counterpart Funding	6.00
National Government	6.00

## Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

## 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<sup>1</sup>. **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<sup>2</sup>, 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**<sup>3</sup>. Guinea's exceptional ecosystems and biodiversity are internationally recognized and include four biosphere reserves<sup>4</sup>, the world heritage site of Mount Nimba, 16 designated wetlands of international importance (Ramsar sites)<sup>5</sup>, 18 Important Bird & Biodiversity Areas (IBA)<sup>6</sup> and 22 Tropical Important Plants Areas (TIPA)<sup>7</sup>. To protect its natural resources Guinea has established a protected area network composed of two established national parks (Badir, Haut-Niger), a national park under creation (Moyen-Bafing), 14 natural reserves & 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<sup>8</sup>. The landscape is part of the larger Upper Guinea forest system that covers Guinea, Liberia, Sierra Leone, Côte d'Ivoire, Ghana, and Togo. These forests – the Guinean

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

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

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

<sup>4</sup> Biosphere Reserves of (i) Mount Nimba, (ii) Ziama, (iii) Badir and (iv) Haut-Niger

<sup>5</sup> [https://rsis.ramsar.org/ris-search/?f%5B0%5D=regionCountry\\_en\\_ss%3AAfrica&f%5B1%5D=regionCountry\\_en\\_ss%3AGuinea](https://rsis.ramsar.org/ris-search/?f%5B0%5D=regionCountry_en_ss%3AAfrica&f%5B1%5D=regionCountry_en_ss%3AGuinea)

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

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

<sup>8</sup> USAID. 2012. Guinea Environmental Threats and Opportunities Assessment. USAID/Guinea.



forests of West Africa – are one of the 35 world's biodiversity hotspots<sup>9</sup>. The country harbors species of global significance, including critically endangered (e.g., Western chimpanzee<sup>10</sup>), 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<sup>11</sup>.** 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.

**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<sup>12</sup>. **Mining accounts for 35 percent of GDP<sup>13</sup>, and agriculture contributes 16 percent<sup>14</sup>.** 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<sup>15</sup>.

**5. On average, 55 percent of the Guinean population live below the poverty line, extreme poverty is at 35%<sup>16</sup>; COVID-19 further affects poverty in Guinea.** Poverty is highest in the country's south-east, particularly in Nzérékoré (67 percent), followed by Labé (65 percent) and Kankan provinces (49 percent)<sup>17</sup>. 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<sup>18</sup>. In 2019, Guinea ranked 174<sup>th</sup> out of 189 countries according to the United Nations' Human Development Index (HDI)<sup>19</sup>. 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 9 percentage points following the COVID-19 outbreak. This 9 percent increase in the poverty rate translates to approximately 1.1 million additional poor people (World Bank 2021, under preparation).

<sup>9</sup> 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](http://www.conservation.com)).

<sup>10</sup> 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/>

<sup>11</sup> USAID. 2012. Guinea Environmental Threats and Opportunity Assessments. October 2012.

<sup>12</sup> Ministère d'Etat Chargé de l'Economie et des Finances. 2013. Document de Stratégie de Réduction de la Pauvreté. DRSP III (2013-2015). Secretariat Permanent de la Stratégie de Reduction de la Pauvreté.

<sup>13</sup> World Bank. 2018. Country Partnership Framework for the period FY 2018-2023. Data refer to 2015.

<sup>14</sup> 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>

<sup>15</sup> World Bank. 2018. Country Partnership Framework for the period FY 2018-2023.

<sup>16</sup> World Bank Poverty & Equity Brief (2019): [https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global\\_POVEQ\\_GIN.pdf](https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_GIN.pdf)

<sup>17</sup> Republic of Guinea. Overcoming growth stagnation to reduce poverty. Systematic Country Diagnostic. Report No. 123649-GN.

<sup>18</sup> World Food Programme. 2018. Guinea Country Brief. WFP (<https://www1.wfp.org/countries/guinea>)

<sup>19</sup> <http://hdr.undp.org/en/content/2019-human-development-index-ranking>



## Sectoral and Institutional Context

### ***Sectoral context - Mining***

6. **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 other. 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 4 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 6 in 2014 to 13 in 2019, and Guinea progressed from sixth to third 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% of GDP, 78% of exports, and 32% of Government revenues, or US\$505 million in 2017 compared with US\$345 million for 2016 -- a growth of over 46% in a single year.

7. **The significant mineral development in the country over the past several years increased production 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 forcefully face up to several challenges to achieve continued, integrated and equitable mineral sector development. These include:

8. **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 chapters.

9. **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.

- (i) **Guinea modernized its cadaster, which is now available online.** Guinea is a proof that mineral endowment only isn't enough to foster significant mining operations. Modern and transparent licensing is one of the key enablers. The transparency embedded in the current cadaster isn't 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 & Technology (IT) systems in the Ministry of Mines, the Tax Office, and other departments to enable a more integrated and collaborative sector management.
- (ii) **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.

10. **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 of and scope of the new mines which including significant transport (rail roads, ports, and river), the pipeline of advanced projects some of which are larger than the GDP of the country mean that the country requires to significantly strengthen its institutions to drive compliance of new and existing mining to good technical, financial, environmental and social standards to avoid or mitigate the impacts of mines. A strengthened government sector management capacity is also paramount to collecting rent and to driving inclusion and equity dimensions of mineral development. Artisanal and small-scale mining (ASM) is still below good practice standards.

11. ASM is an established prominent activity, and perhaps the second employer in Guinea but 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.

12. **Guinea conducted in 2016 a Strategic Environmental and Social Assessment (SESA)<sup>20</sup>, 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 (MEEF) and its environmental agency<sup>21</sup> 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.

13. **Local content of goods and services input to mining.** The new investments in mining create opportunities for the sector's further contribution, beyond fiscal, to employment, economic diversification, and overall economic development, including at the local level. For this Guinea needs to: (i) strengthen the implementation of its policy for local content<sup>22</sup> developed with the support from the WBG; (ii) support further the deployment of the Online Local Content Platform (*Bourse de Sous-Traitance et de Partenariat - BSTP*) to enable SMEs to supply miners with the standards required; (iii) incentivize and strengthen capacities and governance mechanisms for an efficient use of funds earmarked for communities (0.5% of mining turnover retained) through the *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 opportunities. While local development (including mining communities) is supported through several projects including by the World Bank

<sup>20</sup> <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

<sup>21</sup> The Environmental Agency evolving from Bureau Guinéen d'Etude et d'Evaluation Environnemental (BGEET) to Bureau Guinéen d'Audit et de Conformité Environnementale (BGACE)

<sup>22</sup> Local content refers to the supply of goods and services input in mining operations by Guinean small, medium and large enterprises



(Agribusiness Development Project – P164184, and Support to Local Governance Project – P167884), the enabling of local content stimulation (currently benefiting from the soon to be completed IFC support) is at infancy and Guinean SMEs needs substantial support to access to purchasing of goods and services opportunities from mines in order for them to realize the PNDES ambition of raising local content in mining from 20% to 35%.

14. **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 it has produced EITI reports from 2006-2017 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.

15. **Gender.** Gender gaps in mining 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 lower focus on gender-sensitive activities. Bursaries for geoscience and technical vocational education and training (TVET) targeted towards female students, training, and micro-credit to support women's entrepreneurial initiatives, or gender counseling activities would help.

16. To help Guinea overcome the constraints described above, this project proposes in its mining component two sets of activities which will run in parallel, with stronger governance and gender measures being transversal and running through both. While each set of activities will have its own subcomponent, 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 were not, or were insufficiently covered under the MGSP (or elsewhere) that are essential for the long-term management of the sector. The second set will consist of activities to enhance the transparency and the economic integration of the mining sector with the rest of the economy and increase the sector's contribution to sustainable development, such as transparency, gender sensitive mineral development and promoting the provision of goods and services to miners by local SMEs.

Box 1 - Selected Achievements of the MGSP

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



**Promotion of mineral potential:** (a) Geochemistry 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 for the ministries in charge of mines, finance and environment for the collection and processing of mining data, technical, and financial control and monitoring of mining operations; (b) enabling field environmental inspections of industrial and small scale mines; (c) providing laboratory equipment for the ministry in charge of environment; (d) training of 894 civil servants and sensitizing 37,353 artisanal miners; and (e) providing equipment for 33 regional mining and environmental offices.

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

**Regional Development:** Boké Economic Development Plan and its cumulative environmental and social assessment.

**Selected impacts:** Over US\$2 billion in MFD; significant increase in mining revenues (over 40% between 2012 and 2016).

### ***Sectoral context – Environment and Natural Resources***

17. **Guinea's significant natural wealth can also have negative environmental and social impacts if exploitation of these resources is not well-planned or implemented.** The Adjusted Net Savings in Guinea has been negative (-48 percent of the country's Gross National Income during 2011-2015), **suggesting that natural capital is being depleted without being replaced**<sup>23</sup>. 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<sup>24</sup>. Consequently, Guinea recognizes its need to address its capacity for managing environmental and social 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.

18. **Guinea's natural resources are subject to major threats, which cause significant damages.** 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<sup>25</sup>. 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

<sup>23</sup> Lange, G-M., Wodon, Q., K. Carey. 2018. The Changing Wealth of Nations 2018: Building a Sustainable Future. Washington, DC: World Bank.  
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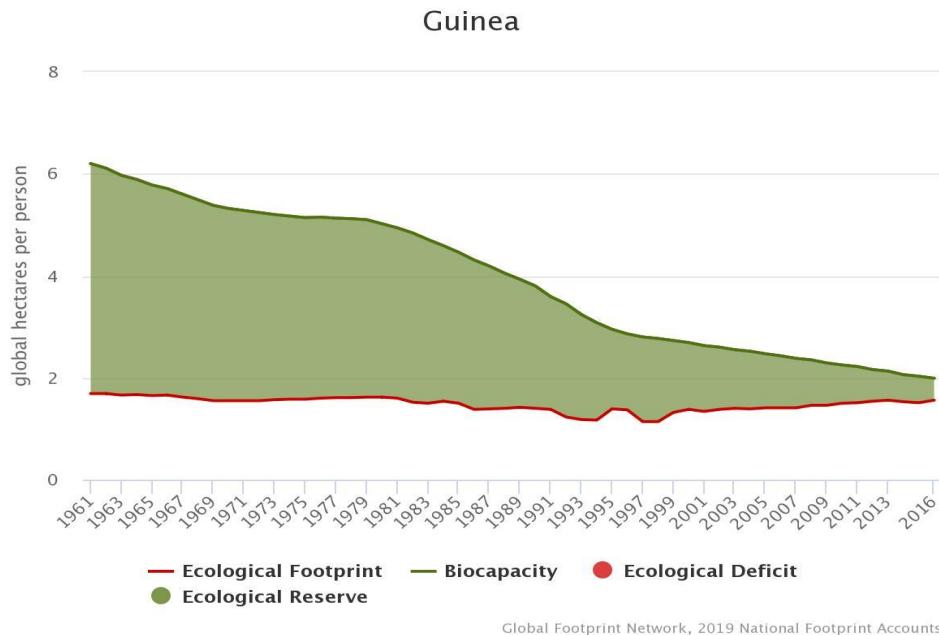
<sup>24</sup> Republic of Guinea. 2018. Overcoming growth stagnation to reduce poverty. Systematic Country Diagnostic. Report No. 123649-GN.

<sup>25</sup> Global Forest Watch. Tree Cover loss in Guinea. <https://www.globalforestwatch.org/>



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)<sup>26</sup>.

**Figure 1. Guinea's Ecological Footprint**



19. **Moreover, climate change is likely to exacerbate environmental damage.** According to the Country Partnership Framework (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 will likely contribute to an increase in arid zones and a decline in the potential of the country's forest resources<sup>27</sup>. 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)<sup>28</sup> and 11 percent of Ghana's GDP (national level degradation)<sup>29</sup>.

20. **Aware of the importance of conserving its natural resources, the Government of Guinea 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<sup>30</sup>.

<sup>26</sup> <https://data.footprintnetwork.org/#/>

<sup>27</sup> Climate Change Technology Center and Network. 2017. Programme de gestion durable des écosystèmes forestiers pour une adaptation aux changements climatiques.

<sup>28</sup> 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.

<sup>29</sup> World Bank. 2020. Ghana Country Environmental Analysis. World Bank, Washington, DC.

<https://openknowledge.worldbank.org/handle/10986/33726> License: CC BY 3.0 IGO.

<sup>30</sup> 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.



Currently, there is a network of 53<sup>31</sup> protected areas which cover about 36,900 km<sup>2</sup> and are composed of terrestrial, coastal and freshwater ecosystems (Table 1)<sup>32</sup>. 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 <sup>2</sup> )	Projected Area by 2025 (km <sup>2</sup> )
Terrestrial ecosystems	21	21,100	22,100
Freshwater ecosystems	7	10,500	14,800
Coastal ecosystems	25	5,300	24,600
<b>Total</b>	<b>53</b>	<b>36,900</b>	<b>61,500</b>
<b>Total (% of the country's land)</b>		<b>15%</b>	<b>25%</b>

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

#### **Cross-Cutting Context – Environment and Mining**

21. **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, impacts on biodiversity, etc. These impacts can happen through industrial and artisanal mining.

22. **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 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; and what the mining sector can contribute as financial revenue to the environment sector through mitigation and offsets.

<sup>31</sup> In addition, there are 186 community forests and 162 classified forests subject to conservation efforts.

<sup>32</sup> Republique de Guinee/PNUD/GEF. 2016, cited above.



### ***Institutional context***

23. 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 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 Environmental and Social Impact Assessment (ESIA) and protected areas management. Both institutions still lack the appropriate capacities, training and equipment to fulfill the new mandates.

24. **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 CPDM (*Centre de Promotion et de Développement Miniers*) 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) ANAIM (*Agence Nationale d'Aménagement des infrastructures Minières*) 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.

25. **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 Guinean Office for Parks and Reserves (*Office Guinéen des Parcs et des Réserves, 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<sup>33</sup>. To strengthen the effectiveness of protected areas management, the Government has created a body of nature conservationists with special status (*Corps Paramilitaire de 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<sup>34</sup>.

<sup>33</sup> These departments include the General Direction of Nature Conservators, the Nzerekore 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, OGUB).

<sup>34</sup> République de Guinée/PNUD/GEF. 2016. Stratégie Nationale sur la Diversité Biologique pour la Mise en Œuvre en Guinée du Plan Stratégique



- The Guinean Office of Audit and Environmental Compliance (*Bureau Guinéen d'Audit et de la Conformité Environnementale, BGACE*) has the mandate of promoting Government policy in terms of environmental assessment, including strategic environmental assessments, environmental and social impact assessments, validation of a projects' environmental screening and monitoring, environmental audits and public hearings<sup>35</sup>. 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 (*La Direction Nationale des Nuissances, 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 directorate has set up a "GHG Concertation Platform" to mobilize technical departments, civil society and the private sector.

26. **Other MEEF entities will support targeted activities of the project** including: (i) MEEF Strategic Office (*Bureau de stratégie et de développement - BSD*) supporting the coordination of the Natural Resources Management (NRM) & Environment Component of the Project, including for Monitoring & Evaluation (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) National Environmental Laboratory (*Laboratoire d'analyse environnementale - LAE*) and the National Service for Disaster Risk Management and Environmental Emergency (*Service National de gestion des catastrophes et des urgences environnementales - SNGCUE*) which will complement the missions of the BGACE; and (v) National coastal & 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.

27. **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 \$3,500), 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, Conflict and Violence (FCV) context of Guinea.

28. **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<sup>36</sup>, 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

2011-2020 et des Objectifs d'Aichi. Ministère de l'Environnement, des Eaux et des Forêts.

<sup>35</sup> Decree MDEEF/CAB/2011 on the organization, mode of operation and management.

<sup>36</sup> These are Benin, Burkina Faso, Cameroon, Chad, Côte d'Ivoire, Guinea, Mali, Niger and Nigeria.



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.

**29. The engagement of citizens and civil society organizations in the environmental sector is encouraged by the Government and even 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 level** (National Technical Committee for Environmental Analysis) and at the local level (Prefectural Committees of Environmental and Social Management Plans). CSOs are dynamic in the mining and environmental sectors in Guinea. Several associations are involved in the transparency, community development and analysis of social impacts of development projects; a few CSOs focus on monitoring<sup>37</sup> 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. Additionally, the administration engaged in activities to mobilize local populations to contribute to natural resources management building on social governance structure established by the "Agence Nationale de Financement des Collectivités en Guinée" (ANAFIC) with the support of the "*Projet d'Action Communautaire Villageois*" (PACV) including the establishment 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.

**30. The Government validated a National Gender Policy<sup>38</sup> in 2011, aiming at eradicating gender disparities by involving all key players in the socio-economic development of the country.** Despite these efforts, inequalities persist<sup>39</sup>. In 2018, Guinea ranked 116 out of the 149 countries in the Global Gender Gap Index<sup>40</sup>. The gender gap is particularly large in the areas of educational attainment, salary earnings, health and survival. In the agricultural sector, women dominate the workforce (144 women vs. 100 men), however they have considerably less access to inputs, technology and means of production than men. Women are more likely to be the decision makers for sales and processing, while men mostly control the incomes from those sales. Women' participation in the formal private sector is also low<sup>41</sup>. In the environmental sector, they play a crucial role (e.g., food processing, wood collection, water transport), yet they do not participate in the decision-making related to this sector. This project will reduce gender gaps by providing business and participatory decision-making opportunities for women in rural areas.

## C. Proposed Development Objective(s)

### Development Objective(s) (From PAD)

<sup>37</sup> 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.

<sup>38</sup> 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.*

<sup>39</sup> World Bank. 2019. Guinea. The Economic Benefits of Gender. Washington DC.

<sup>40</sup> 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. 2018. The Global Gender Gap Report.

<sup>41</sup> Only 9 percent of Guinean firms had a woman amongst their owners, which is about three times lower than the Sub-Saharan Africa (29 percent) and low-income (25 percent) countries averages (World Bank, 2019).



The Project 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.

31. **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 in addition, 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, 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).

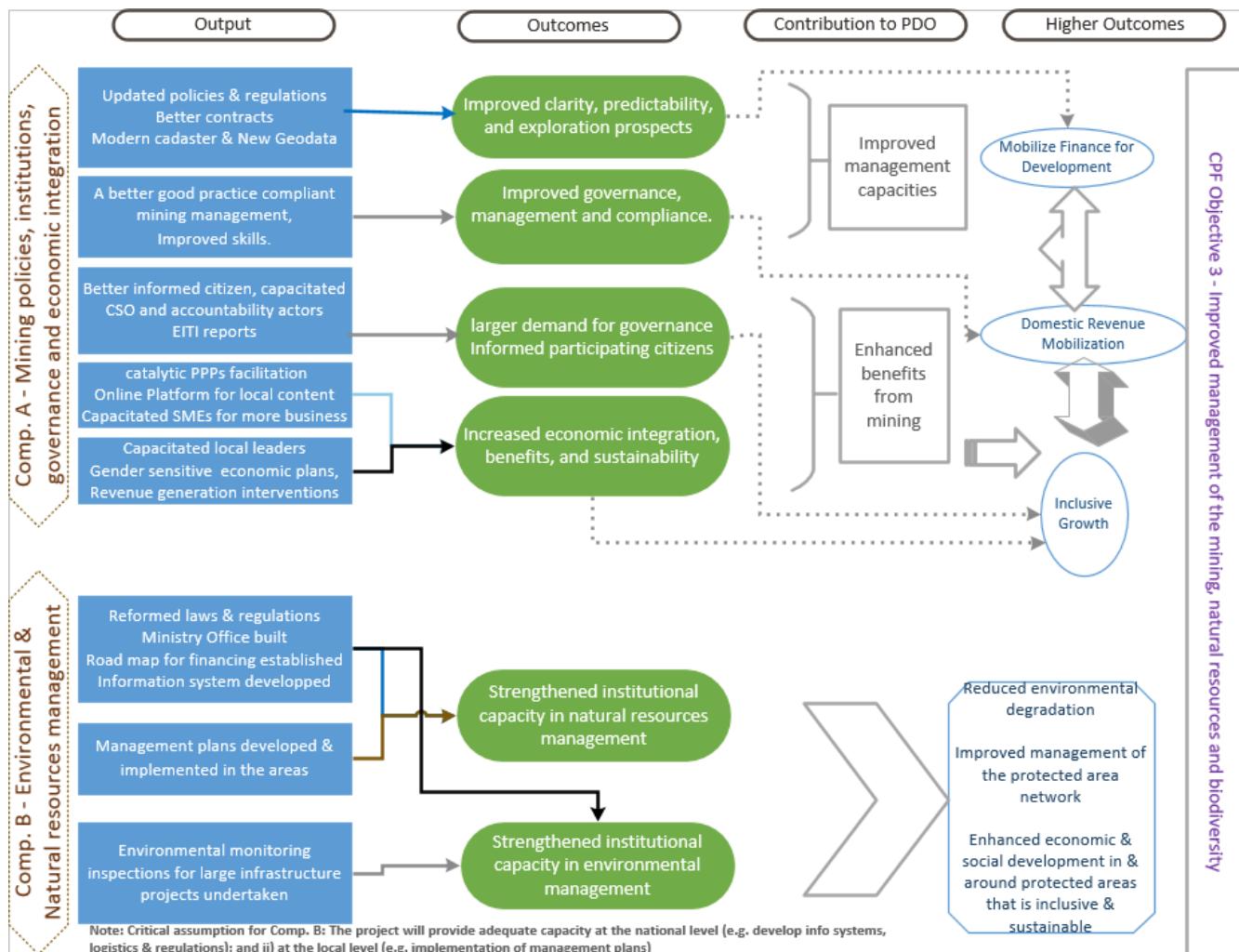
32. **Theory of change.** Without the project, the development of the mineral sector may continue, but with limited oversight, optimization of the socio-economic benefits and mitigation of environmental impacts. Transactions that Guinea concludes in the future may be suboptimal in terms of revenues, communities' benefits or ancillary infrastructure development with more consideration given to projects economics and timelines as opposed to overall land planning/use considerations. Damages 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:

- (i) improve the country's capacity in **mining and environmental management** by reinforcing the institutional capacity of the ministries, including for environmental and social standards (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;
- (ii) 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;
- (iii) **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.

33. 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 for the proposed project



## D. Project Description

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

35. **Component A. Improve the institutional framework for mining and environment (US\$5 million).** 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”<sup>42</sup> and the “National Strategy for the Implementation of the Mitigation Hierarchy and the Compensation of Impacts on Biodiversity and Ecosystems”.<sup>43</sup> 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.

**36. Component A1. Coordination of mining and environment strategy and regulation (US\$1.5 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’ Strategic Environmental and Social Assessment” (SESA)<sup>44</sup>. 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”<sup>45</sup>.

**37. Component A2. Tools to enhance mining and environment coordination (US\$2.5 million).** The recommendations of studies in the mining and environmental sectors<sup>46</sup> have highlighted key tools for mining and environment collaboration for land and water management as well as the potential financial contribution mining can make for the sustainable management of natural resources. The project will set up building blocks to develop and operationalize these tools including: (i) engagement in 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.

**38. Component A3. Strengthening Guinea's capacity to address its global commitment on climate change (US\$1 million).** Guinea has a Nationally Determined Contribution (NDC) that was updated in 2020; Guinea will undertake an NDC Investment and Partnership strategy for NDC implementation. It also has a greenhouse gas (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 greenhouse gas (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 3<sup>rd</sup> 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.

**39. Component B – Mining policies, institutions, governance and economic integration (US\$29 million)** The management of the mining sector requires a sound policy and regulatory framework, an efficient administration both within and between key institutions managing the sector, including ministries of budget, transport, energy and environment with qualified personnel equipped with the

<sup>42</sup> From the 2016 Mining reforms SESA : <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

<sup>43</sup> Validated September 2019 with the support of COMBO project (funded by AFD, FFEM et MAVA)

<sup>44</sup> <https://mines.gov.gn/rapport-etude-strategique-environnementale-et-sociale-eses/>

<sup>45</sup> Cadre directeur pour une meilleure gouvernance E&S dans le secteur minier

<sup>46</sup> (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



appropriate tools – all working within a context of transparency and effective coordination. This project will support Guinea to face up to new challenges brought about by new, large and more complex mineral developments and related impacts.

40. **Component B1 – Mining policies, institutions and access to resources (US\$20 million)** Guinea will benefit from continuing to strengthen its institutional capacities and its coordination mechanisms to realize the benefit potential from 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 input into mining operations.

41. ***B1.1 – Mining related policies, laws, regulations and guides (US\$1 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 including for example for shared ancillary infrastructure development, mining revenues collection administration, local content, etc.

42. ***B1.2 - Access to Resources (US\$11.0 million):***

- (i) **The cadaster, One Stop shop and Mining Information System (US\$2.0 million)**. The cadaster was modernized and became accessible online in 2017. However, this constitutes a first stage for a digitized management system for the mining sector including various databases, agencies and ministries. The functioning of a sustained modernized cadaster requires more operational and ongoing maintenance support. The Geological and Mining Information System (*Système d'Information géologique et minière - SIGM*) is an essential promotion tool. The SIGM needs to be updated, made available online and connected with the cadaster and the MMG IT systems. The One Stop Shop setup to facilitate large project implementation will be assessed and restructured to enable its sustainability.
- (ii) **Technical, financial and legal advisory support (US\$4.0 million)** will be provided for: (i) the negotiations of agreements for mines and related ancillary infrastructure; (ii) technical assistance 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 for example; and (iii) support to the monitoring of the development of large mining projects.
- (iii) **Geological services (US\$5.0 million)**. The geological infrastructure data intended to promote mineral diversification will be addressed through the: (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) 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.

43. ***B1.3. Capacity building of mining public institutions (US\$8.0 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.

44. This project will continue the support provided by MGSP, on building the capacity of key administrations involved in the management of the mining sector through the: (i) strengthening of the control and monitoring functions; (ii) development and implementation of a training program for government officials; (iii) provision of tools and equipment to enable effective monitoring of operations in the field; and (iv) scholarships grants for specialization, including as useful studies abroad. Specific support will also be provided to the MMG to address issues related to gender, and local sector governance. in mining districts as follows:

- (i) Ministry of Mines and Geology (US\$6.0 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 in 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) 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.
- (ii) Other key ministries involved with mineral management (US\$2.0 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 miners; (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 managing mining in Guinea in mining related oversight activities.

45. **Component B2 – Economic integration of the mining sector and governance (IDA US\$9 million).** This project will support programs and initiatives to improve transparency in the management 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 miners by Guinean enterprises, and advocate for economic opportunities from mining for various groups, including women and youth.

46. B2.1. Local content and economic integration enablers (US\$6.0 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.

- (i) 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 World Bank Group 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 of technical, financial and management capacities of local suppliers of goods and services to mining operations; (iii) extending the services of the BTSP to mining districts; (iv) promoting local purchasing of goods and services by all miners regardless of their corporate culture, including periodical peer-to-peer learning; (v) sponsoring the functioning of the BSTP for two years to support its autonomy and provide time for it to become financially sustainable; and (vi) building the capacity of the chamber of mines to facilitate collaboration between the administration, SMEs and mining companies.

- (ii) The Government developed, through the MGSP, an inclusive and participatory Regional Development Strategy for Boké (*Strategie Régionale pour le Développement de Boké-SRDP*), the main conclusions of which were approved by the Guinean State. 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.

47. **B2.2. Transparency and citizen engagement (US\$3.0 million).** Sustainability in mineral management 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 continue to encourage transparency and citizen engagement regarding mining by supporting: (i) EITI reports production and publication; (ii) incentivizing, sensitizing and 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 IT; (iv) activities of CSOs active in the mining sector; and (v) a more effective functioning of the accountability agencies including the parliament sub-committee for mining, the national audit agency, and other relevant agencies.

48. This project will continue to support national women 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.

49. **Component C. Environmental and natural resources management (IDA US\$28 million, GoG US\$5.4 million).** 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 environmental and social standards MEEF applies; and (iii) provide the appropriate tools for improved management of the country's protected areas network, and pilot them in target areas. In all cases, an approach is sought that builds both on 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 2 sub-



components:

50. **Component C1. Institutional, logistical support and environmental & social standards management (IDA US\$9.6 million, GoG US\$0.4 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, Directorate of Pollution, Nuisances and Climate Change – 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 environmental and social standards both for large infrastructure (including mining) and for disaster risk management including technical capacity building to implement E&S standards, 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 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 financial management structure for OGPR and BGACE.

51. **Component C2. Protected area management in selected areas (IDA US\$18.4 million, and estimated GoG US\$ 5 million).** This sub-component aims to improve the protected area management by OGPR in collaboration with other relevant institutions such as the Niger River Basin Authority (*Autorité du bassin du Niger - ABN*), CPMZC, the National Center for Fisheries Surveillance (*Centre national de surveillance des pêches - CNSP*), local communities and third-party stakeholders such as NGOs. The project will focus investments in four areas: (i) Kounounkan area; (ii) Niger river basin 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 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 (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.

52. **Component D. Project management (IDA US\$3 million, GOG US\$0.6 million).** This component will finance the operational costs of the Project Implementation Unit (PIU), which will build on the PIU of the MGSP project under the leadership of the MMG and will be responsible for monitoring the implementation of the project according to the World Bank's fiduciary, environmental and social standards. This component will cover key staff recruitment and training, operating costs, monitoring and evaluation, audit, communication, etc. 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.



## Legal Operational Policies

## Triggered?

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

## Summary of Assessment of Environmental and Social Risks and Impacts

Given the environmental conservation nature of the project, impacts associated with natural capital resources are expected to be positive. The majority of the impacts likely to be generated from the project activities can be mitigated with measures that are readily identifiable. As a result, the environmental risk is considered moderate.

On the Social side, the risk rating is considered substantial because of the operating context of the mining sector. The context is challenging and the rating is linked to the Borrower's capacity to manage social risks linked to vulnerable groups and their ability to address livelihoods restoration of impacted women. While the proposed project activities do not require land acquisition they will affect the access of local communities to natural resources in protected areas.

In addition, the potential adverse risks and impacts are related to:

- ? The implementation and consolidation of protected area management plans, such as rehabilitation and improvements to existing management or infrastructure, demarcation, improvement of surveillance trails, and provision of equipment (e.g. solar panel). These potential adverse impacts are not likely to be significant and are expected to be site-specific, predictable, temporary and/or reversible;
- ? Whilst the MMG have implemented World Bank-financed projects, the MEEF has not and the human and logistical resources within the MEEF are limited. The two main beneficiary agencies, namely BGACE (previously BGEEE) and OGPR (previously OGUIPAR), have also limited experience implementing environmental and social standards;
- ? Potential impacts associated with construction work for the office building covered under the project.

The risks that may arise during the construction phase of the infrastructures (new construction for small eco guard dwellings/rehabilitation works and associated handling and storage of construction material; construction of the MEEF building) are: (i) habitat disruption from the civil work activities, (ii) disposal and management of generic waste, (iii) occupational health and safety of workers, (iv) nuisances related to air and noise emissions, (v) community health and safety, and (vi) cultural heritage.

**Note:** To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

## E. Implementation

### Institutional and Implementation Arrangements

53. **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 Project Implementation Unit (PIU) that implemented MGSP, (ii) the creation of two dedicated accounts and two procurement plans for the activities in each of the sectors, (iii) the establishment of a Project Steering Committee and (iv) a Technical Monitoring Committee, as well as (v) the implementation of a capacity building program on project management, technical, fiduciary, monitoring & evaluation and communication aspects.

54. **Project Implementation Unit.** 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 financial management), monitoring of indicators, coordination and regular reporting. It is envisaged that the PIU will be supervised by MMG.

55. 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 monitoring and evaluation specialist.

56. **The PIU will manage two designated accounts and procurement plans.** The PIU will manage the two designated accounts, one for activities undertaken by MMG and the other for activities undertaken by MEEF. It will also manage 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.

57. **At project effectiveness, the entire fiduciary aspects of the project will be under the responsibility of the PIU.** The FM team of the PIU will have the overall fiduciary responsibility including preparation and submission of a consolidated Annual Work Plan and Budget, submission of the Withdrawal Application, preparation of consolidated Interim Financial Reports and audited financial statements.

58. 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 Deputy Minister 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 Secretary General of the Ministry of Environment with the deputy being a representative from MMG. It will be composed of focal points designated by the authority of the various Ministries having significant activities in the Project.

59. **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 financial management 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 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").

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