



The World Bank

Guinea Commercial Agriculture Development Project (P164184)

Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 21-Jul-2020 | Report No: PIDISDSA28077



BASIC INFORMATION

A. Basic Project Data

Country Guinea	Project ID P164184	Project Name Commercial Agriculture Development Project	Parent Project ID (if any)
Region AFRICA WEST	Estimated Appraisal Date 15-Jul-2020	Estimated Board Date 24-Sep-2020	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Republique de Guinée	Implementing Agency Ministere de l'Agriculture	

Proposed Development Objective(s)

The Program Development Objective (PrDO) is to increase the number of farmers and rural households benefiting from commercial agriculture value-chains in Program's areas.

The Project Development Objective (PDO) is to increase the number of farmers and rural households benefiting from commercial agriculture value-chains in the areas of Boke and Kindia.

Components

Improving market access in targeted areas

Supporting private investments

Enabling environment for commercial agriculture development

CERC

Project Management and Coordination

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	107.00
Total Financing	107.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS

World Bank Group Financing



International Development Association (IDA)	100.00
IDA Credit	50.00
IDA Grant	50.00

Non-World Bank Group Financing

Counterpart Funding	7.00
Borrower/Recipient	2.00
Local Govts. (Prov., District, City) of Borrowing Country	5.00

Environmental Assessment Category

A-Full Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

1. Guinea possesses some of the world's largest deposits of bauxite and iron, and abundant agricultural land and water resources, while remaining one of Africa's poorest countries and one of the least competitive countries in the world. The World Bank Group (WBG) classifies Guinea among the Low Income and Food Deficit Countries, and the World Economic Forum *Global Competitiveness Report 2015–2016* ranks it last (140) for overall competitiveness. Poverty is high and rising, affecting 57.7 percent of the population in 2014 (35 percent of whom are extremely poor)¹ compared to 55 percent in the 2012 national poverty survey. Guinea's Human Capital Index score is 0.37, below average for sub-Saharan Africa (0.4), reflecting poor education and health outcomes. Like most African countries, Guinea has a very young population; more than 50 percent of people are under age 30.² Only 31 percent of adults (15+ years) are literate. Access to basic services is low: 28 percent of the population has electricity and 20 percent has improved sanitation. Although income inequality is low, gender gaps are widespread in school enrolment, wages, agricultural productivity, and political representation.

¹ Based on simulations using data from the 2014 population census; see World Bank Group (2018), Guinea Strategic Country Diagnostic.

² Guinea 2016 Demographic Survey.



2. **Guinea's economic growth has been too slow and inconsistent to reduce poverty.** Poverty declined and most social indicators improved in the 1990s³ following implementation of the *Programme de Redressement Economique et Financier* sponsored by the World Bank and the International Monetary Fund. These gains were short-lived. In the 2000s, the country experienced a series of internal political crises and the negative effects of conflicts in neighboring Liberia, Sierra Leone, and Côte d'Ivoire.⁴ Economic growth slowed, and poverty increased from 49 percent in 2002 to more than 55 percent in 2012 (65 percent in rural areas and 32 percent in urban areas). Following a return to constitutional order in 2010, macroeconomic policies improved, structural reforms were carried out in key sectors, and cooperation with external partners improved. Guinea reached the Highly Indebted Poor Countries Completion Point in 2012 with the cancellation of two-thirds of its external debt, but it remains highly vulnerable to internal and external shocks that can wipe out development gains and worsen entrenched poverty. Internal political unrest linked to election cycles and the 2013 Ebola outbreak devastated economic activity⁵ and took a heavy toll on the agricultural and food sectors. Despite the strong growth of recent years, driven by good harvests and the mining sector, per capita growth (averaging 0.6 percent during 1998–2016) has been too low to reduce poverty.

3. **Structural challenges inhibit more inclusive growth.** The agricultural sector represents on average 20 percent of Guinea's gross domestic product (GDP), provides income for 57 percent of rural households, and employs 52 percent of the workforce.⁶ Industrial-scale mining of alumina, gold, and especially bauxite accounts for about 15 percent of GDP, supplies 80 percent of foreign exchange earnings, and provides 20–25 percent of government revenues. The mining industry grew by approximately 50 percent per year in 2016 and 2017. By contrast, the non-mining sector grew by 5.4 percent in 2018, although infrastructure investment and expansion of the primary and tertiary sectors remained strong. Extractive industries do not create many direct jobs; instead, they contribute to increased income inequality, governance risks, and potential for corruption. Overdependency on the mining sector exposes Guinea to external shocks, high food prices, and a high rate of youth underemployment, which are key drivers of fragility, conflict, and violence.⁷ A 2017 Risk and Resilience Assessment concluded that while mining will continue to drive growth in the medium term, it is urgent to mitigate the industry's negative environmental impacts, dramatically improve its contribution to socio-economic welfare and for the country to invest in more sustainable, diversified, and inclusive economic activities.

4. **The ongoing COVID-19 crisis clouds an already strained and fragile economy and will further set back the country's fight against poverty.** As a result of the pandemic, real GDP growth is projected to decline to 1.5 percent in 2020, almost four times lower than in 2019. The Government of Guinea (GoG) has deployed a coordinated strategy to mitigate COVID-19 health, economic and social impacts until the end of 2020, amounting to 1.48 percent of GDP, including 0.81 percent of GDP for COVID-19 health spending, 0.42 percent for protecting the most vulnerable, and 0.27 percent of GDP for supporting the private sector. The short-term phase of the Government response is partly supported through on-going WB operations, including a dedicated DPO, the Guinea Integrated Agricultural Development Project (P164326), and the Support to MSME Growth Competitiveness and Access to Finance Project (P164283).

³ Between 1985 and 1997, primary school enrolment increased from 29% to 51%, access to primary health care from 10% to 40%, and access to drinkable water from 28% to 55%.

⁴ Guinea recorded more than half-a million refugees.

⁵ The World Bank estimates the economic impact of Ebola at 0.7–2.3 % of GDP during 2014–15.

⁶ World Bank Group (2018), Guinea Agriculture Sector Review.

⁷ World Bank Group (2017), "Risk and Resilience Assessment" (May).



Sectoral and Institutional Context

5. **Facilitating private investment in agriculture is critical to unlock the potential of commercial agriculture in Guinea.** Agriculture in Guinea is entangled in a vicious circle in which inefficient government investment and distortionary incentives lead to low productivity and low competitiveness and crowd out private sector investment. As the Strategic Country Diagnostic (SCD) concludes, the absence of market-oriented firms in the sector results in weak upstream and downstream linkages within value chains, leaving farmers with limited access to (or high costs of) production factors and inputs, high transaction costs, and poor market access. As a result, local products are sold at low prices, and Guinean producers have few incentives to pursue commercially oriented agriculture. Interviews with private sector representatives and potential investors in the sector indicate that the binding constraints for investments in commercial agriculture and agro-processing are:

- *The lack of adequate transport infrastructure and services severely constrains farmers' participation in markets.* An estimated 25% of Guinea's agricultural products go to waste because of inadequate transport. Of the 43,500 kilometers (km) of road network, 7,500 km are national roads, 15,500 km are prefectural, and 21,000 km are village roads. Only 30% are paved. Over the past ten years, road conditions have deteriorated because of increased flooding, the absence of investment, and ineffective maintenance mechanisms.⁸ In 2014, 15% of national roads and 14% of unpaved roads were in acceptable condition. Rural roads (35,000 km) are deteriorating due to the lack of funding. Deteriorating roads isolate rural communities and producers from markets and sharply reduce the competitiveness of agriculture.
- *Inadequate infrastructure is restricting export-led growth.* The lack of logistics infrastructure for pooling, handling, storing, cooling, and shipping agricultural products prevents producers from establishing efficient commercial linkages to markets. Production remains too atomized with respect to end-market volume requirements. The lack of proper storage and cooling facilities results in significant waste. Post-harvest losses are high (rice: 10%, maize: 15–20%, roots and tubers: 20–45%, fruits and vegetables: 30–60%).⁹ Efforts to supply large domestic consumption centers such as Conakry and regional capitals are severely constrained by the lack of modern wholesale markets that efficiently pool and distribute food items to consumers. Value chains are poorly structured. The emergence of commercial operators is a prerequisite for coordinating and integrating value chain actors and generating economies of scale. Lacking this integration, agro-processing is negligible, consisting mostly of small-scale processing of staples; industrial processing is limited to flour milling and beverage industries that rely almost exclusively on imported inputs.
- *The lack of efficient market information systems also constrains the development of commercial agriculture.* Most producers have no information on market prices and other key elements of their businesses. The recent development of services based on information and communication technology (ICT) provides new opportunities to develop market information systems and productivity-enhancing services.

⁸ National road density is lower in Guinea than the average for Africa (6.84 km/100 km²), which is already lower than the average in Latin America (12 km/100 km²) and Asia (18 km/100 km²).

⁹ USAID (2015), "Rapid Assessment of the Horticultural Sector in Guinea" (Washington, DC: United States Agency for International Development).



- *Sanitary and quality control for agricultural production is non-existent in Guinea, which does not possess an accredited laboratory.* The absence of these controls creates considerable food safety risks and is a binding constraint for exporting to all but the least sophisticated, least regulated markets, which are becoming fewer and fewer. Guinea must acquire the capacity to manage the sanitary and quality parameters of agricultural production if it wants to develop its agricultural exports. Furthermore, Guinea does not possess any modern slaughtering facility. Animals are slaughtered in open areas in the middle of urban centers, including Conakry. Given the risks associated with these shortfalls, it is urgent for the country to update and enforce the legal and regulatory framework on agriculture and food quality and safety standards, particularly for animal and horticultural products, in line with international and regional standards. The country should also establish critical facilities for managing sanitary and phytosanitary (SPS) requirements. In parallel, private players require stronger capacity to improve quality management through the adoption of (and certification in) good agricultural and agro-industrial practices (HACCP, ISO, GLOBALGAP, and so on).¹⁰
- *Limited access to finance is a constraint for the private sector.* The *Global Competitiveness Report 2015–2016* identified a lack of finance as the most problematic factor for doing business in Guinea. Guinea has one of the lowest levels of access to formal financial services in SSA with 23.5% of Guinean adults reporting to have an account with a formal financial institution up from 7% in 2014 and 3.7% in 2011¹¹. Access is also quite low in rural areas (18.2%) and by women (19.7%) compared to SSA averages¹². The banking sector is somewhat concentrated (three banks share 60% of the market) and operates mostly in the capital, Conakry. It serves only a small number of formal small and medium enterprises (SMEs) and focuses primarily on corporate and retail clients needing short- and medium-term loans.¹³ When available, credit is costly, with average interest rates at 22%. Firms are regularly asked to submit collateral for more than 100% of the loan value. Given these failures in markets for financial services, Guinea cannot attract players to drive value chain development without government support in the near term, accompanied by longer-term reforms to deepen domestic financial markets and ensure their sustainability.
- *Governance problems and a poor business environment* adversely impact the private sector. Guinea ranks below the 25th percentile for most Worldwide Governance Indicators. The indicators of Rule of Law, Control of Corruption, and Government Effectiveness are below the 15th percentile, indicating major challenges in these areas. The Country Policy and Institutional Assessment (CPIA) assigns low scores to Guinea for Government Effectiveness—which rates the quality of public services, the degree of independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies—pointing to a situation that is particularly damaging for private investments. This message is confirmed by Guinea's poor ranking in the WB Doing Business survey (156 among 190 economies in 2019).

6. The GoG “*Vision 2040 for Emerging and Prosperous Guinea*” bet on accelerated development of commercial agriculture for economic transformation.

The Government’s longer-term strategic development framework is phased into four periods from year 2016 through 2040, each with

¹⁰ HACCP (Hazard Analysis and Critical Control Point system to ensure food safety); ISO (International Organization for Standardization); GLOBALGAP is a global certification program for good agricultural practices, with food safety and environmental elements.

¹¹ Findex 2016

¹² DE4A 2020

¹³ USAID (2017), “Initial Scoping of Guinea Financial Sector” (Washington, DC: CNFA-SAVY, United States Agency for International Development).



accompanying national and sectoral implementation plans. With recent improvements in infrastructure along mining corridors, exports of some agricultural products could rapidly develop if the accompanying investments, capacity, and reform measures materialize. Guinea's well-known potential for commercial agriculture is eliciting growing interest from investors, and since 2016, the government has emphasized the promotion of export-oriented agriculture. Proximity to European markets gives the country an important competitive advantage in exporting a variety of crops, including fresh fruits, cashews and fonio, a "superfood" which could spearhead Guinea's repositioning in global food markets. The West Africa region, less demanding in terms of quality, also presents large opportunities for developing Guinean agricultural exports of groundnuts, pineapples, potatoes, and palm oil.

7. The proposed Multiphase Programmatic Approach (MPA) expresses WBG support to the GoG longer term commitment for agriculture development and encompasses the GoG's Vision 2040 second part (2020–2025), and third part (2025-2030), supporting its Pillar 4 on Structural Transformation of the Economy and related national and sector implementation plans. For demonstrative effect, the program will focus its interventions in its first phase in the bauxite mining regions where infrastructure and logistics are being developed, while preparing detailed commercial agriculture investment plans for other mining poles to inform subsequent sector implementation strategies and phases of the program.

8. The MPA will leverage and complement ongoing WBG operations to support the GoG in lifting key constraints to crowding private investors into agricultural value chains. Lifting those constraints will provide: (1) incentives for farmers to invest in productivity and quality and (2) much-needed job opportunities for a growing population, particularly in mining areas. Accelerating the development of commercial agriculture as a critical engine of growth will require a comprehensive public-private partnership. For its part, the government will need to deliver considerable investments in infrastructure as well as continued reforms. These efforts will enable investors to play their part by delivering the capital, expertise, and knowledge of markets, credit for inputs, technology, logistics, and commercialization that are required to modernize agriculture in Guinea. The proposed approach to support the development of commercial agriculture, is a new approach for the country as well as a new area of engagement for the WBG in Guinea. For this reason, the phased approach and learning agenda of the proposed MPA will allow to introduce technical, commercial and institutional innovations which have not yet been tested at scale in Guinea, learn from their implementation and adjust the design over time, to achieve the ambitious objective set for this Program

C. Proposed Development Objective(s)

9. The Program Development Objective is to increase the number of farmers and rural households benefitting from commercial agriculture value-chains in Program's areas. Over its 8-year implementation period, the Program is expected to:

- (i) create 24,000 jobs along the commercial agriculture value-chains (from a baseline of 0), of which 12,000 for women;
- (ii) increase the number of farmers and rural households provided with commercial opportunities (through contracting and access to markets) in agricultural value-chains by 145,000 of which 72,000 women (from a baseline of 0).

10. The Program will target in its first phase the resilient recovery of SMEs in the agricultural sector focusing on domestic value-chains and on the areas of Boke and Kindia, that present high demand



potential and existing infrastructures, and then will expand in its second phase to other value-chains and areas to scale-up its support to commercial agriculture.

11. The Project Development Objective (PDO) for the first phase of the MPA is to increase the number of farmers and rural households benefitting from commercial agriculture value-chains in the Boke and Kindia areas.

Key Results

12. The proposed PDO-level performance indicators are:

- (i) The number of jobs created along the agricultural value-chains, disaggregated by gender (target: 12,000 of which 5,000 women);
- (ii) The number of farmers and rural households provided with commercial opportunities in the agricultural value-chains, disaggregated by gender (target: 65,000 of which 32,000 women).

D. Project Description

13. **The Program intends to support Guinea in transforming its agri-food sector into a competitive and inclusive commercial agricultural sector.** The Program focuses on attracting private investment to develop inclusive agricultural value chains to supply rapidly growing international, regional, or national markets and to create jobs and economic opportunities for the local population in the Program areas. The development of commercial agriculture requires (1) connectivity to markets, (2) support services to private investors and (3) functioning agricultural value-chains and enabling environment.

14. The proposed Program includes two overlapping phases of five years each, which will be implemented over an eight-year timeframe. The phases will overlap to ensure complementarity and incorporation of lessons and experience from the first phase. The design of the second phase will consider the capacity of relevant public agencies and institutions, contributions of other partners and sectors, and challenges.

15. **The proposed Project, Phase 1 of the Program**, with a total cost of US\$ 107 million (of which US\$ 100 million IDA) and a 5-year implementation timeline, will primarily focus on setting-up a conducive for private investments in commercial agriculture. It will primarily focus on improving logistics to connect producing areas to markets through the rehabilitation of rural roads and upgrade of critical markets infrastructures. The operation will also focus on building systems and capacities to support and strengthen existing private investors in commercial agriculture, through access to business development services and a Dedicated Financing Facility (DFF). The operation will also support the creation of an enabling environment for commercial agriculture by (1) strengthening relevant public agencies, (2) strengthening coordination among selected value-chains and (3) set the basis for an efficient sanitary and phytosanitary control system for food quality. The investments in infrastructures described above as well as systems and capacities build will provide critical foundational basis for the development of commercial agriculture in Guinea.

16. **Phase 2 of the Program** with an estimated total cost of US\$ 175 million, of which US\$ 100 million IDA, and a 5-year implementation timeline, will be implemented following the same components. Support provided to private investors will be scaled up based on lessons learned under phase 1 from pilot medium and larger enterprises. It will also expand the support to two other agricultural value-chains. The operation



will also support, based on the lessons learned from the first phase, the preparation and implementation of strategies and plans for developing commercial agriculture in two other mining – agriculture poles (e.g. gold mining areas in the North-East and iron mining areas in Guinée Forestière). Under this second Phase, the Program will also support, through an opportunistic and non-geographically targeted approach, the establishment or expansion of promising private agricultural or agro-processing companies (“low-hanging fruit”) in any other agricultural value chains based on the companies’ specific market prospects, investor profiles, and detailed development plans.

17. The Project’s approach is based on the need for Guinea to transform its agri-food sector towards a competitive commercial agricultural sector. It focuses on attracting private investment to develop agricultural value chains for supplying fast growing markets, either international, regional or national and create jobs and economic opportunities for the local population. The development of commercial agriculture requires connectivity to markets and functioning agriculture supply chains. Therefore, the project intervention is based on the following principles: (i) leveraging existing connecting infrastructures (roads, rail, ports, energy...) along the Boke-Kamsar and Kindia-Conakry corridors, (ii) concentrating initial support on value-chains with high potential (fonio, fruits, red meat and poultry, cashew) and (iii) flexibility to respond to business opportunities contributing to the PDO. The Project consists of five inter-related components: 1) *Improving Market Access* in targeted areas of Boke – Kamsar (Boke Prefecture) and Kindia – Conakry (Prefectures of Kindia and Conakry); 2) *Supporting Private Investment* targeting private investment with significant impacts (e.g. building partnerships with local farmers, creating jobs, and/or providing economic opportunities for youth and women and structuring the local economy); 3) *Enabling environment for commercial agriculture*; 4) Emergency Response; and 5) *Project Management and Coordination*.

Component 1. Improving Market Access in Targeted Areas (US\$57 million, of which US\$52 million IDA)

This component will finance public infrastructures to improve connectivity and logistics between producers and markets in the priority corridors of Boke – Kamsar and Kindia – Conakry where the potential for the development of commercial agriculture is significant. The objective of this component will be to increase market access, reduce transport and logistics cost and overall improve the competitiveness of agriculture in those areas. This component includes the following subcomponents:

Rehabilitation of rural roads. The Project will finance feasibility studies and environmental and social impact assessments for and the rehabilitation of about 800 km of unpaved rural roads connecting the main producing areas to major trade corridors, including design elements to enhance their resilience to climate change.

Establishment of aggregation and logistics centers. In this first phase, the Project will support the establishment of: (i) complementary facilities (a cattle park, butchering facilities) for the slaughterhouse being completed by the GoG in Conakry area as part of the overall effort to improve supply and sanitary standards of the meat value chain; (ii) smaller agri-logistics centers and small scale standards compliant slaughter houses in Boke and Kindia.

Support sustainable management of market infrastructures. The Project will provide technical assistance to ensure that efficient management systems (including cost-recovery) are in place for the rural roads and market infrastructure rehabilitated or constructed under the project.

Component 2: Supporting Private Investment (US\$ 30 million IDA)



The objective of this component is to promote and support private investment into commercial agriculture, to drive the development of inclusive priority agricultural value chains. This component will be implemented in close collaboration with IFC, and will include the following subcomponents:

Support to potential investors. It aims at enhancing the capacity of potential investors and operators through inter alia the following activities : (i) facilitating business partnerships between potential investors and producers aiming at driving value chains development ; (ii) conducting training and technical assistance to all potential investors with a focus on women and young investors' needs to strengthen their business capacities and improve participation in value chains activities; (iii) gathering and sharing information on financial services available for commercial agriculture, and providing training and technical assistance to Financial Institutions to strengthen their capacities to assess agribusiness projects and design adapted financial services; (iv) supporting the implementation of investment (subprojects) supported under the Dedicated Financing Facility (DFF), including the review of subprojects to streamline the implementation of climate mitigation and adaptation approaches; and (v) lessons learning from pilot investments to adapt the support provided.

Private investment financing for inclusive supply chains. This subcomponent will provide co-funding for competitively selected pilot investment initiatives (subprojects) through a Dedicated Financing Facility (DFF). This co-financing will vary according to the investors' profile (size and technical capacity) and will bundle training, technical assistance targeted to the investment initiative, and limited support to investment costs, as further defined in the Project implementation manuals. Climate-resilient investments will be encouraged in the MGIM and it is expected that at least fifty percent of supported subprojects will have climate cobenefits.

Component 3. Enabling environment for commercial agriculture (USD 12 million IDA)

This component aims at enabling the supportive environment necessary to foster the sustained development of commercial agriculture in Guinea. It will build on and IFC Guinea Investment Climate for Agribusiness (ICA) Project and will be implemented in close collaboration with IFC on-going operations. The Project will include the following subcomponents:

Strengthen capacities of relevant public agencies. This subcomponent will strengthen the capacities of key public institutions to facilitate private investments in commercial agriculture and the emergence of efficient agricultural value, including inter alia (i) the Investment Promotion Agency (APIP) to increasing its capacity to attract, mobilize, facilitate, and monitor private investment in agricultural value chains; (ii) the Guinea Export Promotion Agency (AGUIPEX) to facilitate and monitor agricultural exports ; (iii) relevant Government ministries and departments to improve management of information on agricultural land; and carrying out technical studies for planning of future agriculture development in other mining poles.

Strengthening coordination along priority value chains, through (i) the preparation of a detailed mapping of the priority value chains; (ii) providing technical assistance for the structuring of two value-chains' actors into commodity-specific multi-actor platforms; (iii) the preparation with the value-chain actors of detailed development plans for each of the priority value-chains and, (iv) the establishment of specific market information systems for each of the two selected value-chains through the provision of technical assistance and equipment and (v) provision of technical assistance to enhance the agricultural association's regulatory framework.



Enhancing sanitary and phytosanitary control, quality, norms and standards, consisting of carrying out of a program of activities to establish an efficient food safety and sanitary and phytosanitary (SPS) quality control system, including *inter alia*: (i) the upgrading of facilities and equipment of key food-safety laboratories; (ii) the elaboration of technical guidelines, manuals and training to improve capacities of priority value-chains actors to apply good agricultural and climate-smart practices; (iii) the preparation and consultations on a framework law on information, quality control and food safety and a National Quality Policy. Training of key government agencies in charge of SPS and quality control on food safety risk assessment and pest and diseases management will also start during this first phase of the MPA.

Component 4: Contingent Emergency Response Component (CERC, USD 0)

In recognition of Guinea's vulnerability to shocks, a Contingent Emergency Response Component (CERC) with no funds is included in the Project as a mechanism for funding requests arising from emergencies such as natural disasters and other shocks. If such a crisis develops, the GoG can ask the World Bank to reallocate part of the Project funds to cover the costs of emergency response and recovery.

Component 5: Project Management and Coordination (USD 8 million of which USD 6 million IDA)

Component 5 will support project coordination and management activities including: 1) project administration; 2) financial management; 3) procurement; 4) monitoring and evaluation (M&E) of Project performance and impact and documenting lessons learned and experiences to adapt the Program's implementation and inform the subsequent phase; 5) safeguards compliance and grievance redress mechanism , and 6) communication and outreach. The Project will be implemented by a Project Coordination and Implementation Unit (PCIU) embedded in Ministry of Agriculture.

E. Implementation

Institutional and Implementation Arrangements

The institutional implementation arrangements will comprise 3 levels:

- At strategic level, the Project Inter-ministerial Steering and Coordination Committee (PISCO) will be chaired by a designated official at the Government's highest level. The PISCO will (i) ensure alignment of Project's activities with Government strategies and policies, (ii) approve the Project's Annual Work Plans and Budgets (AWPB) as well as appointments by MINAGRI of project's core staff and provide operational guidance, and (iii) review implementation progress and advise on any adjustments needed, as well as monitor the progress in implementation of key private investment projects.
- The PISCO is assisted in its functions by a Project Technical Coordination Committee (PETCO), chaired by the Secretary General of the MINAGRI and include no more than 20 members from relevant planning and technical departments of key ministries and relevant agencies technical agencies, as well as representatives of the private sector, that will ensure the operational coordination and monitoring of the Project. The main functions of the PETCO will be to (i) ensure coherence of approaches and complementarity with other projects and programs, (ii) identify issues and make recommendations to PISCO for resolving private investors' difficulties with national institutions, (iii) ensure technical backstopping to the PCIU, with technical review of



packages submitted by the PCIU for decision, and (iv) approve the Subprojects to be funded under Component 2.

- An independent project coordination and implementation unit (PCIU) will be established within the Ministry of Agriculture and will be responsible for the technical and administrative coordination of the project. The PCIU will be headed by a National Coordinator with adequate qualification and experience and selected competitively. S/he will be assisted in day-to-day management of project operations by a core team of competitively recruited specialists in procurement, accounting and financial management, environmental and social issues, gender specialist, and Monitoring and Evaluation (M&E).
- The PCIU will be supported by (i) two operational units, in Boké and Kindia Prefectures, to facilitate the PCIU coordination of implementing partners on the ground; and (ii) a qualified and competitively recruited agribusiness firm under component 2, that will support the implementation of the Project while strengthening the capacities of the Ministry of Agriculture and implementing partners.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

While specific locations of project investments are yet to be determined, Project's intervention will concentrate on selected value chains in targeted agricultural clusters. Selection of such geographic clusters are based on the likelihood of reaching transformative results in the short to medium term, with the ambition to increase the presence of fresh and/or processed agriculture products for exports and in large consumer markets. Two agribusiness development clusters have been identified across the agro-ecological areas of the country: (a) Boke-Kamsar corridor with the existence of a railway and a port to facilitate exports of agri-food products; (b) Kindia-Conakry, where the railway links could shorten enormously the delivery of agri-food products from Kindia region and the hinterland. The project will focus in its intervention on four value chains (cashew, fruits, fonio and livestock) in these two corridors/clusters which are the highest on connectivity and markets potential. It will also provide opportunistic support to unlock sizable agribusiness investments with substantial economic benefits in other pre-identified clusters with a longer list of value chains. The project approach consists of minimizing intervention on heavy infrastructure for agribusiness development, but rather and opportunistically keying into, and synergizing with existing mining and transport infrastructure, or projected to be completed within the project timeframe. The Project investments will consist of upgrading, rehabilitating or constructing 'last mile' links to such infrastructure along targeted corridors, with associated production and marketing facilities (rural roads, storage and post harvest and processing facilities). Other project interventions will consist of agricultural inputs and equipment, and technical assistance to facilitate producers' connection to off-takers, and for meeting international standards (upgrading laboratories for quality testing and food safety controls). The project also aims at attracting private investments in such areas.



G. Environmental and Social Safeguards Specialists on the Team

Abdoul Wahabi Seini, Social Specialist
Emmanuel Ngollo, Environmental Specialist
Abdelaziz Lagnaoui, Environmental Specialist
Alexandra Annabelle Niesslein, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered as the project activities financed under Components 1 and 2 will have adverse environmental risks and impacts in the project areas of influence. It is anticipated that the nature and magnitude of the potential environmental risks and impacts will be significant, diverse and sensitive. These impacts may affect an area broader than the sites or facilities subject to physical works. The relevant safeguards instrument, the Environmental and Social Management Framework (ESMF), has been prepared, consulted upon, reviewed and disclosed in country on December 20, 2019 and on the World Bank web site on December 23, 2019 prior to project appraisal. Specific instruments, including E&S screening and audit, environmental and social impact assessment (ESIA) for the first batch of identified investments (rural roads, complementary infrastructures to the slaughterhouse and market infrastructures) will be undertaken. In addition, for the second batch of investments to be implemented under Phase 2 and, where necessary, Environmental and Social Impact Assessments (ESIAs) or Environmental and Social Impact Assessment Notices (ESIANS) will be prepared, reviewed, cleared and disclosed.
Performance Standards for Private Sector Activities OP/BP 4.03	No	
Natural Habitats OP/BP 4.04	Yes	This policy is triggered as the proposed activities may cause significant conversion or degradation of natural habitats mainly in the forest areas. The



		Project Coordination and Implementation Unit (PCIU) will ensure that, during the site-specific environmental and social screening, only activities that will not threaten critical natural habitats be funded. The ESMF and sites specific safeguards documents define the relevant measures to address any risks to critical natural habitats.
Forests OP/BP 4.36	Yes	This policy is triggered as the proposed activities may adversely impacts on the health and quality of forests or the rights and welfare of people and their level of dependence upon or interaction with forests, including forest conversion. The PCIU will ensure that, only more degraded forests areas within the project areas of influence are used with forest restoration activities. The ESMF and sites specific safeguards documents (that have to be developed) define the relevant measures to be taken to avoid natural forest degradation.
Pest Management OP 4.09	Yes	The project activities will likely increase the use of chemical pesticides which could have negative environmental and health impacts. The Project beneficiaries will be trained on the promotion of integrated pest management practices and good agriculture practices and are likely to adopt integrated pest management practices. The Pest and Pesticides Management Plan has been prepared, consulted upon and disclosed in country on December 20, 2019 and on the World Bank web site on December 23, 2019.
Physical Cultural Resources OP/BP 4.11	Yes	Rural roads improvement and other civil works along the selected corridors could affect cultural and historical heritage. The ESMF includes the appropriate mitigation measures as well as clauses that contractors must implement in case cultural relics or archaeological remains are discovered along the sites of project implementation activities.
Indigenous Peoples OP/BP 4.10	No	No indigenous Peoples in the Project Area of Influence (PAI).
Involuntary Resettlement OP/BP 4.12	Yes	Only minimal physical displacement of project Affected Persons (PAPs) is expected under the Guinea Agribusiness Development Project. Moreover, some activities may lead to the acquisition of land, loss of assets and/or means of livelihoods. Since the specific locations of the investments are yet to be determined, the client has



		prepared a Resettlement Policy Framework (RPF), publicly disclosed both in-country on December 20, 2019 and on the World Bank web site on December 23, 2019. Where and when warranted, Full Resettlement Action Plans (FRAPs) or Abbreviated Resettlement Plans (ARAPs) will be prepared, reviewed, cleared and disclosed.
Safety of Dams OP/BP 4.37	No	The project is not anticipating to finance any new dam or use an existing dam.
Projects on International Waterways OP/BP 7.50	Yes	Subprojects to be supported under Component 2 may include small-scale irrigation schemes located in the Niger River, Senegal River or Kolenté River basins. A maximum of 1,000 hectares may be rehabilitated under the Project, corresponding to an annual maximum water requirement of 6 million cubic meters. Most of the investments will focus on the rehabilitation and minor alterations for existing small-scale irrigation schemes. The few new schemes to be developed will be located in low land areas and sourcing water from rivers that are not tributary of international waterways to avoid any impact on riparian countries. As a result, an exception to the Riparian Notification Requirement under OP7.50 has been granted on March 24, 2020. The World Bank team will work closely with the GoG and the relevant respective basin authorities to ensure full compliance with the policy.
Projects in Disputed Areas OP/BP 7.60	No	None of the related investments will be located in disputed areas so this policy is not triggered.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

Detailed assessment of project component shows that the activities under Subcomponent 1.1 (Transport and Logistics Infrastructure and market linkages) and Component 2 (Supporting private investments in priority value chains), could have potential environmental and social impacts on human health and other identified receptors within the wider environment. Main positive potential environment impact involves promoting better use of land and water resources through the planned investments. Some negative potential environmental impacts include soil erosion, eutrophication of aquatic environments, crop residue and other solid waste, atmospheric emissions (including particulates), noise and use of pesticides.



Project activities will lead to positive social impacts by providing short term income earning opportunities for private sector entities as well as for youth and women organizations. Beneficiaries will be assisted to overcome constraints to agricultural productivity through improved agriculture technology and improved farming practices, providing agricultural inputs, including basic life and entrepreneurial training. However, it is foreseen that the project may face the impact of the pandemic of coronavirus (COVID-19) which is currently affecting the country, that may exacerbate the project's impact on land and livelihoods.

Though, the potential environmental and social impacts are localized and manageable, there are significant contextual risks of COVID-19 which is beyond the project control and may have impact on environmental and social performance. In addition, there are challenges and concerns about track record of Borrower management of environment and safeguards risks in mining areas and agriculture investments. The project has therefore been categorized as A in accordance with World Bank Safeguard Policy on Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). However, it is very highly unlikely that any of the proposed activities under this project will result in potential large scale, significant and/or irreversible impacts as evidenced by the ESMF and RPF.

To comply with these policy requirements, the project has prepared an ESMF, an RPF and a PMP (consulted on and publicly disclosed in-country on December 20, 2019) published in the Bank website on December 23, 2019.

Since the project's ESMF is already developed and disclosed both in the country and in the WB, if the CERC component was to be implemented, the required CERC-based activities will be assessed against the approved project activities, whether this agriculture sector project intends to support the CERC's activities in the wake of Covid-19 outbreak. If that is the case, there is no need to develop a CERC-ESMF as the activities in the CERC Action plan will fully align with the Project's activities. Based on current situation of the COVID-19 pandemic in the country and, since Guinea remains vulnerable to climate change and severe weather events, the CERC activities would be similar to the Project activities. In any case, if the activities already described in the ESMF are not aligned with the CERC action plan, then the CERC-ESMF specific section should be developed and include (i) a screening process for the potential activities, (ii) the institutional arrangements for environmental and social due diligence and monitoring, (iii) any needed capacity-building measures and, (iv) and generic guidance on emergency on small-scale civil works.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area: The safeguard issues identified under the Guinea Commercial Agriculture Development Project (P164184) which relates to components 1 and 2 in particular are not expected to have indirect and/or long-term irreversible impacts. Furthermore, establishing preventive mitigation measures and ensuring their proper implementation throughout the implementation of project activities will limit any potential adverse effects in the immediate and longer-term.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts. Project alternatives were not considered relevant because the potential impacts of this project are considered manageable as indicated in ESMF and the safeguard arrangements set by the Borrower.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

To comply with triggered Bank Environment Policy (OP/BP 4.01), Involuntary Resettlement (OP/BP 4.12) and Country environmental statutory requirements, the Borrower has decided to prepare the ESMF and RPF with the objective of providing environmental and social mitigation measures. The Project will pay special attention to Gender Based Violence and child exploitation and undertake key measures to minimize and respond to Sexual Exploitation and



Abuse/ Sexual Harassment (SEA/SH) risks and impacts. For the risks related to child exploitation and specifically child labor, the ESIA will include an assessment of labor risks, including child labor, and measures for dealing with these risks. The ESIA will also include measures to assist and support vulnerable groups in the project, a stakeholder engagement plan and a GRM.

In general the Borrower track record with regards to environmental and social risks management is weak. As a mitigation measure, the PCIU will recruit an environmental safeguards specialist and a social safeguards specialist to be supported by consultants at the community as well as the sub-project levels. The capacities of all the participating institutions will be strengthened during project implementation.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders involved in the project include the Prime Minister's office, the Ministry of Agriculture, the Ministry of Finances and other departments such as those in charge of industry and mining, commerce, transport, youth and women. Throughout the Project's development, these stakeholders will be involved in a series of discussions regarding its implementation. The private sector, civil society organizations, communities and direct beneficiaries will continue to be involved throughout implementation.

Additionally, various stakeholder consultations have been held during the revisions of the ESMF and RPF as part of the project preparation. The consultations took the form of community fora, focus group meetings at both community and roundtable meetings. Key project stakeholders identified for consultations included Government ministries and agencies, specifically the Local Government Authorities, local NGOs, and project beneficiary community members. Meetings have been held with key officials and opinion leaders to examine the level of awareness and involvement with the Project, concerns of Project implementation, and to obtain relevant documents or baseline information of Project area and the environmental and social setting of Guinea.

The consultations also served to gather information on the mandates and permitting requirements to inform the development of the Project.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank	Date of submission for disclosure	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
22-Oct-2019	23-Dec-2019	

"In country" Disclosure

Guinea

20-Dec-2019

Comments

Website links for in-country disclosure:



<https://www.pdaig-guinee.com/2019/12/21/cadre-de-gestion-environnementale-et-sociale-cges/>

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 22-Oct-2019	Date of submission for disclosure 23-Dec-2019
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"In country" Disclosure

Guinea
20-Dec-2019

Comments

Website links for in-country disclosure:
<https://www.pdaig-guinee.com/2019/12/21/cadre-de-politique-de-reinstallation-des-populations-cprp/>

Pest Management Plan

Was the document disclosed prior to appraisal? Yes	Date of receipt by the Bank 22-Oct-2019	Date of submission for disclosure 23-Dec-2019
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"In country" Disclosure

Guinea
20-Dec-2019

Comments

Website links fro in-country disclosure:
<https://www.pdaig-guinee.com/2019/12/21/cadre-de-gestion-des-pestes-et-pesticides-cgpp/>

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

To comply with these policy requirements, the project has prepared an Environmental and Social Management Framework (ESMF), and Resettlement Policy Framework (RPF) and a Pest Management Plan. These documents have been consulted on and publicly disclosed in-country on December 20, 2019 and submitted for disclosure in the Bank website on December 23, 2019. Other documents such as ESAs, RAPs will consulted upon, approved and disclosed both in-country and at the World Bank as they become available.



C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes



OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

No

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

OP 7.50 - Projects on International Waterways

Have the other riparians been notified of the project?

No

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?

Yes

Has the RVP approved such an exception?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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