

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: 95776

Date ISDS Prepared/Updated: 12/15/2014

I. BASIC INFORMATION

1. Basic Project Data

Country:	Niger	Project ID:	P150108
Project Name:	Legal and Technical Negotiation Support		
Task Team Leader:	Leader: Mamadou Barry		
Estimated Appraisal Date:	N/A	Estimated Board Date:	January 28, 2015
Managing Unit:	SEGOM	Lending Instrument:	TA Grant
Focal Area:	N/A		
Sector:	Other Mining and Extractive Industries (100%)		
Theme:	Other public sector governance (100%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)			Yes [] No [X]
Project Financing Data (in USD million)			
Total Project Cost :	1.5	Total Bank Financing:	1.5
Total Cofinancing:	0.0	Financing Gap:	0.0
Financing sources			Amount
Borrower/Recipient (US\$m.):			0
IDA (US\$m.):			0
GEF (US\$m.):			0
PCF (US\$m.):			0
Other financing amounts by source (US\$m.):			
Free-standing TFs AFR Sustainable Development			1.5 million
TOTAL			1.5 million
Environmental Category:	C		
Is this a transferred project ?	Yes [X]	No []	
Is this a repeater project ?	Simple [X]	Repeater []	

2. Project Objectives

The objective of this recipient-executed grant is to strengthen the institutional capacity of the government of Niger to negotiate mining and petroleum deals and monitor compliance with contractual and regulatory compliance in the extractive industries.

3. Project Description

1. The Grant has two components, which are consistent with AEITF objectives. The first component, entitled “legal and technical advisory support for licensing reviews and negotiations” fits in the “contract review and negotiations” category of activities in the AEITF classification, while the second component, entitled “institutional capacity building for negotiations” fits in the “contract review and negotiations”, “overarching institutional capacity” and “operations

sustainability” categories of activities in the AEITF classification

2. Component A: Capacity building in operational and regulatory compliance verification: The objective of this component is to strengthen the beneficiary’s capacity to audit the technical and regulatory compliance of on-going operations through extensive training in processes and methodologies of operational audit, as well as in regulatory compliance inspections. The training will include theoretical and real cases studies. It will also be applied to existing mining and petroleum operations in Niger. Indeed, a pilot audit will be conducted as part of this training and it will provide legal and technical assessment of ongoing operations. The specific activities included under “Component A” are as follow:

3. For the mining sector:

- (a) Build the technical expertise of the beneficiaries in the following areas: technical and operational inspections (principles of open pit and underground mining), policy (integrated natural resource policy development), legal framework (mining and petroleum legislation), sector regulations (operational regulations, environmental and social regulations), institutions (building knowledge on optimal institutional structure for resource development, roles of mine inspection office, cadaster, geological survey), and fiscal arrangements;
- (b) Strengthen the capacity of the beneficiaries to fulfill their regulatory functions and monitor compliance with sector policies and with contractual obligations, including development of tools and guidelines to enable contract enforcement and compliance and apply them to a real-life example by performing a technical and financial audit of selected mining operations.
- (c) Provide training to the staff in charge of conducting technical legal, economic, financial and environmental/social due diligence;
- (d) At least one actual audit utilizing toolkits and skills developed would be performed through a joint audit of selected operations, between a qualified team of consultants and staff of the beneficiary ministries.

4. For the petroleum sector:

- (a) Build capacity to understand Oil and Gas Laws and Regulations based on international best practices;
- (b) Develop beneficiary capacity to understand oil and gas contracts, including Drilling contracts, Joint Operative Agreements and Support Agreements, Production Sharing Contracts, Reconnaissance Contracts, Petroleum Data Contracts, Petroleum and Natural Gas processing and storage Contracts, Supply and Purchase Agreements, and Transportation contracts licensing.
- (c) Training of staff in the review and assessment of (i) commercial terms, conditions and intends of oil and gas contracts; (ii) joint operating agreement and accounting

agreement; (iii) audit of technical, financial, safety and environmental compliance of existing oil and gas contracts

- (d) Assist the recipient in the development of tools and guidelines to enable contract enforcement and compliance, and use these tools in the context of a technical and financial audit of selected petroleum operations. The latter audit of an oil project utilizing tools and skills developed under the project would be performed through a joint audit of selected operations, between a qualified team of consultants and staff of the beneficiary ministries.

5. Component B: Institutional capacity building for negotiations: This component would provide basic training basic in policy, legal, technical, environmental, and financial aspects of mining and petroleum agreements to enhance negotiating capacity in oil and gas, and mining. The specific activities included under “Component B” are as follow:

- (a) Develop the beneficiary capacity to review and assess investment proposals and feasibility studies, to provide technical support to the government during negotiations of extractive industries contracts/ concessions
- (b) Capacity building and negotiations: Training of senior officials of relevant Ministries on negotiation strategies to improve the legal, technical and financial terms contracts existing or under negotiation.
- (c) Training of key government operational staff, in transaction evaluation and negotiation, including: transaction due diligence requirements, mineral asset valuation and cash flow modeling, evaluation of risk/return considerations in investment proposals, alternative deal structuring to maximize the economic benefits to the country, contract negotiation techniques, and management of the concession process;
- (d) Building the technical capacity of beneficiary ministries to assist the Government negotiating team to bridge the knowledge/information gap during contract negotiations, ensure that the deals conform to the spirit of the Policies and Laws governing the extractive industries in Niger, and integrate broader factors of economic development into the decision making process;
- (e) Developing toolkits, standard procedures, templates and model agreements to be used in conjunction with the technical, financial, economic, legal, and environmental assessment of investment proposals for the development mineral deposits;
- (f) Conduct awareness raising and information dissemination to sensitize stakeholders about the decision making framework during contract negotiation.

4. Project location (if known)

Country level, Niamey, Zinder and Arlit.

5. Environmental Specialists

Mr Maman-Sani Issa (GENDR)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. 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:

The project is a category C. It is a Technical assistance (TA) to the mining and petroleum sectors with no expected influence on the expansion of investments but improvement in the Government negotiation capacity and sustainability management. As such, no negative impact is expected on the natural and social environments. Instead, the project will have positive environmental and social effects through a better understanding of environmental and social risks in mining and petroleum sectors development, and the enhancement of environmental and social management capacity of the key stakeholders (Ministries of Mines, Petroleum, Environment, NGO, Private sector, CSO, etc.). Analytical work and trainings will take place, and there will be no acquisition of land, new construction or civil works.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The project aims to strengthen the capacity of the government in developing sustainable mining and petroleum activities, thereby contributing to minimize health, environmental and safety risks from the targeted sectors, in the long run. The long term environmental and social impacts are expected to be positive.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

The project is a technical assistance project. No adverse impacts are envisaged.

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.

The Bank will not require the preparation of any mandatory safeguard instrument prior appraisal. However, a Strategic Environmental and Social Assessment (SESA) is being prepared by the Government, including the capacity needs assessment of the key institutions holding mandatory role in the sustainable development of mining and petroleum. In collaboration with the sector ministries, the national environmental assessment bureau (“*Bureau des Evaluations Environnementales et Etudes d’Impacts*” –BEEI-) will play a central role in the implementation of environmental and social capacity building activities supported through the project. Though really weak in terms of skilled staff, tools and equipment and deployment over the country, the BEEI has a fairly good experience of the Bank safeguard policies, as well as work relation with the mining companies operating in the country.

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

No mandatory safeguard instrument is required for this operation. However, the Bank will ensure that all the stakeholders concerned by the sustainability issues in the mining and petroleum industries (Ministry of mining, ministry of petroleum, ministry of environment, Private sector, NGO, national consultant, CSO engaged with communities) be beneficiary of the environmental and social capacity building planned through component A.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	N/A
Date of submission to InfoShop	N/A
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Technical Assistance Project	
For a TA project which will finance the preparation of a specific safeguards instrument, please indicate type of document disclosed, if any.	
N/A	
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:	
N/A	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes [] No [x] NA []
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [] No [] NA [x]
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 [] No [] NA [x]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [] No [] NA [x]
Have costs related to safeguard policy measures been included in the project cost?	Yes [] No [] NA [x]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [] No [] NA [x]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [X] No [] NA []

III. APPROVALS

Task Team Leader:	Mamadou Barry	
<i>Approved By:</i>		
Regional Safeguards Advisor:	Hanneke Van Tilburg, Senior Social development Specialist aActing for Alexandra C. Bezeredi Regional Safeguard Advisor	Date: 12/22/2014
Sector Manager:	Christopher Gilbert Sheldon	Date: 12/24/2014