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Report No: PAD991

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON

A PROPOSED GRANT

IN THE AMOUNT OF SDR 9.8 MILLION
(US\$15 MILLION EQUIVALENT)

TO THE

REPUBLIC OF GUINEA

FOR AN

AGRICULTURE SECTOR SUPPORT PROJECT

September 9, 2014

Agriculture Global Practice
Country Department AF2CF2
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective June 30, 2014)

Currency Unit = Guinean Francs (GNF)

GNF 7000 = US\$1

US\$ 1.55 = SDR 1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AFD	<i>Agence Française de Développement</i> (French Development Agency)
AfDB	African Development Bank
AgPER	Agriculture Public Expenditure Review
ANASAA	<i>Agence Nationale des Statistiques Agricoles et Alimentaires</i> (National Agen
ANPROCA	<i>Agence Nationale de la Promotion Rurale et de Conseil Agricole</i> (National Agency for Rural Promotion and Agriculture Advisory)
APD	<i>Avant Projet Détaillé</i> (Preliminary Detailed Project)
APS	<i>Avant Projet Sommaire</i> (Preliminary Project Summary)
AU	African Union
BGEEE	<i>Bureau Guinéen des Études et des Évaluations Environnementales</i> (Environmental Studies and Evaluations Bureau)
BSD	<i>Bureau de Stratégie et de Développement</i> (Strategy and Development Bureau)
BTGR	<i>Bureau Technique du Génie Rurale</i> (Rural Engeneering Technical Bureau)
BRPR	<i>Bureau Régional des Pistes Rurales</i> (Regional Bureau of Rural Roads)
CAADP/ PDDAA	Comprehensive Africa Agriculture Development Program (<i>Programme Détaillé de Développement Agricole en Afrique</i>)
CNA	<i>Chambre Nationale d’Agriculture</i> (National Agriculture Chamber)
CEPERMAG	<i>Centre de Perfectionnement en Machinisme Agricole</i> (Center for Refinement in Agriculture Mechanization)
CFIT	<i>Centre de Formation en ingénierie et travaux</i> (Training Center in Engineering and Works)
CNSHB	<i>Nationale des Sciences Halieutiques de Boussoura</i> (Boussoura National Center of Science)
CNSP	<i>Centre National de Surveillance et de Protection des Pêches</i> (National Center of Fisheries Monitoring and Protection)
CO	Coordinator delegate
COD	Operational Coordination Unit / <i>Unité de Coordination Déléguée</i>
CPIS	<i>Comité Interministériel de Pilotage Stratégique</i> (Project Strategic Interministerial Steering Committee)
CPS	Country Partnership Strategy
CRA	<i>Chambre Régionale d’Agriculture</i> (Regional Chamber of Agriculture)
CONAPE	<i>Confédération Nationale des Pêcheurs de Guinée</i> (Guinea National Confederation of Fishermen)

CONEG	<i>Confédération Nationale des Eleveurs de Guinée</i> (Guinea National Confederation of Breeders)
EAPSP	Emergency Agriculture Productivity Support Project
EGTACB	Economic Governance Technical Assistance and Capacity Building Project
ERR	Economic Rate of Return
DAF	<i>Direction Administrative et Financière</i> (Administrative and Financial Directorate)
DNAAHP	<i>Direction Nationale de l'Alimentation Animale et de l'Hydraulique Pastorale</i> (National Directorate for Animal Feed and Pastoral Hydrolic)
DNEF	<i>Direction Nationale des Eaux et Forêts</i> (National Directorate of Water and Forests)
DNGR	<i>Direction Nationale du Génie Rural</i> (National Directorate of Rural Engineering)
DNP	<i>Direction Nationale de la Pisciculture</i> (National Department of Fish Farming)
DNPCA	<i>Direction Nationale de la Pêche Continentale et Aquaculture</i> (National Department of Inland Fisheries and Aquaculture)
DNPIA	<i>Direction Nationale des Productions et Industries Animales</i> (National Directorate of Animal Industries and Productions)
DNPM	<i>Direction Nationale de la Pêche Maritime</i> (National Directorate of Maritime Fishing)
DNSV	<i>Direction Nationale des Services Vétérinaires</i> (National Directorate of Veterinary Services)
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GoG	Government of Guinea
HIPC	Heavily Indebted Poor Country
ICF	International Consultancy Firm
IDA	International Development Association
IFAD	International Fund for Agriculture Development
ISDB	Islamic Development Bank
IRAG	<i>Institut de la Recherche Agricole de Guinée</i> (Guinea Institute of Agricultural Research)
LOA	<i>Loi d'Orientation Agricole</i> (Farm Bill)
LCVD	<i>Laboratoire Central Vétérinaire de Diagnostic</i> (Central Veterinary Laboratory Diagnosis)
LPVK	<i>Laboratoire de Production de Vaccins Vétérinaires de Kindia</i> (Kindia Laboratory of Veterinary Vaccine Production)
MA	<i>Ministère de l'Agriculture</i> (Ministry of Agriculture)
MIS	Management Information System
MEEF	<i>Ministère de l'Environnement, Eaux et Forêts</i> (Ministry of Environment and Water and Forest Resources)
MEPA	<i>Ministère de l'Elevage et des Productions Animales</i> (Ministry of Livestock and Animal Production)
MPA	<i>Ministère de la Pêche et de l'Aquaculture</i> (Ministry of Fisheries and Aquaculture)
MTEF	Medium Term Expenditure Framework
NEPAD	New Partnership for Africa Development
NGO	Non-Governmental Organization
OGUPAR	<i>Office Guinéen des Parcs et Réserves</i> (Guinean Office of Parks and Reserves)

ONP	<i>Observatoire National des Pêche</i> (National Observatory of Fishing)
PAPAM	<i>Projet d'Accroissement de la Productivité Agricole au Mali</i> (Agricultural Productivity Increase Project in Mali)
PAPEGM	<i>Projet d'Appui à la Planification Economique et à la Gouvernance Minière</i> (Economic Planning and Mining Governance Support Project)
PASAG	<i>Projet d'Appui au Secteur Agricole de la Guinée</i> (Guinea Agricultural Sector Support Project)
PDO	Project Development Objective
PIF	<i>Postes d'Inspection aux Frontières</i> (Borders Inspection Services)
PIM	Project Implementation Manual
PNIASA	<i>Plan National d'Investissement Agricole et de Sécurité Alimentaire</i> / National Plan for Agriculture Investment and Food Security
PPB	Planning, Programming and Budgeting
PPA	Project Preparation Advance
PRSP	Poverty Reduction Strategy Paper
PTBA	<i>Programme de Travail et Budget Annuels</i> (Annual Work Program and Budget)
PUAPA	<i>Projet Urgence pour l'Amélioration de la Productivité Agricole</i> (Emergency Agricultural and Productivity Support Project)
RAP	Resettlement Action Plan
RB-MAS	Results Based-Management and Accountability System
ReSAKSS	Regional Strategic Analysis and Knowledge Support System
RF	Results Framework
SDR	Special Drawing Right
SESA	Strategic Environmental and Social Assessment
SESASEDI-PA	<i>Service des Domaines et Infrastructures de la Pêche et de l'Aquaculture</i> (Services of Fisheries and Aquaculture Infrastructures Areas)
SG	SG <i>Secrétaire Général</i> / General Secretary
SGRH	<i>Service de Gestion des Ressources Halieutiques</i> (Service Management of Fishery Resources)
SIA	<i>Service d'Inspection des Abattoires</i> (Abattoirs Inspection Service)
SNFR	<i>Services National du Foncier Rural</i> (National Service of Rural Land)
SVCF	<i>Services Vétérinaires de Contrôle aux Frontières</i> (Veterinary Control Services at Borders)
TA	Technical Assistance
TORs	Terms of Reference
WAAPP	West Africa Agricultural Productivity Project

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Republic of Guinea

Agriculture Sector Support Project

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PAD DATA SHEET*Guinea**Guinea Agricultural Support Project (P148114)***PROJECT APPRAISAL DOCUMENT***AFRICA**0000009056*

Report No.: PAD991

Basic Information			
Project ID P148114	EA Category B - Partial Assessment	Team Leader Amadou Alassane	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints []		
	Financial Intermediaries []		
	Series of Projects []		
Project Implementation Start Date 30-Sep-2014	Project Implementation End Date 31-Jul-2018		
Expected Effectiveness Date 31-Jan-2015	Expected Closing Date 31-Jan-2019		
Joint IFC No			
Practice Manager/Manager Martien Van Nieuwkoop	Senior Global Practice Director Juergen Voegelé	Country Director Ousmane Diagana	Regional Vice President Makhtar Diop
Borrower: Republic of Guinea			
Responsible Agency: Ministry of Agriculture			
Contact: Telephone No.:	Jacqueline Marthe Sultan	Title: Email:	Minister sultanjm@yahoo.com
Project Financing Data(in USD Million)			
[] Loan	[X] IDA Grant	[] Guarantee	
[] Credit	[] Grant	[] Other	
Total Project Cost:	15.00	Total Bank Financing:	15.00
Financing Gap:	0.00		
Financing Source		Amount	

BORROWER/RECIPIENT	0.00
IDA Grant	15.00
Total	15.00

Expected Disbursements (in USD Million)

Fiscal Year	2015	2016	2017	2018	2019					
Annual	2.50	4.50	5.00	2.00	1.00					
Cumulative	2.50	7.00	12.00	14.00	15.00					

Proposed Development Objective(s)

Project Development Objective (PDO). The proposed project development objective is to strengthen the capacity of selected sector institutions to support the effective implementation of the Recipient's National Agriculture and Food Security Investment Plan (PNIASA).

Components

Component Name	Cost (USD Millions)
Component 1: Strengthening sector management capacities	6.30
Component 2: Analytical support for PNIASA implementation	6.90
Component 3: Project Management and Coordination	1.80

Institutional Data

Practice Area / Cross Cutting Solution Area

Agriculture

Cross Cutting Areas

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	45		
Agriculture, fishing, and forestry	Agricultural extension and research	40		
Agriculture, fishing, and forestry	Irrigation and drainage	10		
Information and communications	Information technology	5		

Total		100	
<input checked="" type="checkbox"/> I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.			
Themes			
Theme (Maximum 5 and total % must equal 100)			
Major theme	Theme	%	
Rural development	Rural services and infrastructure	60	
Rural development	Other rural development	40	
Total		100	
Compliance			
Policy			
Does the project depart from the CAS in content or in other significant respects?		Yes []	No [X]
Does the project require any waivers of Bank policies?		Yes []	No [X]
Have these been approved by Bank management?		Yes []	No []
Is approval for any policy waiver sought from the Board?		Yes []	No [X]
Does the project meet the Regional criteria for readiness for implementation?		Yes [X]	No []
Safeguard Policies Triggered by the Project		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
Legal Covenants			
Name	Recurrent	Due Date	Frequency
Strategic Environmental and Social Assessment		31-Jan-2018	
Description of Covenant			

The Recipient shall create, not later than three (3) years after the Effective Date, prepare and adopt a Strategic Environmental and Social Assessment (SESA) in form and substance acceptable to the Association, and ensure that the Project is carried out in accordance therewith.

Name	Recurrent	Due Date	Frequency
Pest Management Plan		31-Jan-2018	

Description of Covenant

The Recipient shall, not later than three (3) years after the Effective Date, prepare and adopt a Pest Management Plan (PMP) in form and substance acceptable to the Association, and ensure that the Project is carried out in accordance therewith.

Name	Recurrent	Due Date	Frequency
Performance Contract		30-Apr-2015	

Description of Covenant

The Recipient shall, not later than three (3) months after the Effective Date: (i) enter into a performance contract (“Performance Contract”) with an International Technical Assistance Firm, in form and substance satisfactory to the Association.

Name	Recurrent	Due Date	Frequency
Unaudited financial report	X		Quarterly

Description of Covenant

Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association not later than forty-five (45) after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

Name	Recurrent	Due Date	Frequency
Financial Statement	X		SemiAnnual

Description of Covenant

The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project.

Name	Recurrent	Due Date	Frequency
External Auditor		30-Jun-2015	

Description of Covenant

The Recipient shall, not later than five (5) months after the Effective Date, recruit the external auditor referred to in Section 4.09 (b) of the General Conditions in accordance with Section III of Schedule 2 of this Agreement and pursuant to terms of reference satisfactory to the Association

Name	Recurrent	Due Date	Frequency
Accounting Software		31-Mar-2015	

Description of Covenant

The Recipient shall, not later than two (2) months after the Effective Date, acquire, install and thereafter maintain for the Project, an accounting software acceptable to the Association.

Conditions			
Source Of Fund	Name	Type	
IDAT	Project Implementation Manual	Effectiveness	
Description of Condition			
The Recipient has adopted the Project Implementation Manual in accordance with the provisions of Section C of Schedule 2 to the Legal Agreement.			
Source Of Fund	Name	Type	
IDAT	Inter-ministerial Strategic Steering Committee	Effectiveness	
Description of Condition			
The Inter-ministerial Strategic Steering Committee has been established and staffed in accordance with Section A.2 of Schedule 2 to the Legal Agreement.			
Source Of Fund	Name	Type	
IDAT	Coordination Unit Delegate	Effectiveness	
Description of Condition			
The Coordination Unit Delegate (COD) has been established and staffed in accordance with Section A.3 of Schedule 2 to the Legal Agreement.			
Team Composition			
Bank Staff			
Name	Title	Specialization	Unit
Maurice Adoni	Senior Procurement Specialist	Senior Procurement Specialist	GGODR
Amadou Alassane	Sr Agricultural Spec.	Team Lead	GAGDR
Volana Andriamasinoro	Program Assistant	Program Assistant	GAGDR
Kadidiatou Bah	Program Assistant	Program Assistant	AFMGN
Alpha Mamoudou Bah	Senior Procurement Specialist	Senior Procurement Specialist	GGODR
Racky Dia Camara	Program Assistant	Program Assistant	AFMGN
Thierno Hamidou Diallo	Disbursement Asst.	Disbursement Asst.	AFMGN
Safiatou Lamarana Diallo	E T Consultant	Operations	AFMGN
Faly Diallo	Financial Officer	Financial Officer	CTRLA
Salam Hailou	Program Assistant	Program Assistant	GAGDR
Johannes Herderschee	Senior Economist	Senior Economist	GMFDR
Jane C. Hopkins	Senior Agriculture Economist	Senior Agriculture Economist	GAGDR
Siobhan McInerney-Lankford	Senior Counsel	Senior Counsel	LEGAM
Celestin Adjalou Niamien	Sr Financial Manage-	Sr Financial Manage-	GGODR

	ment Specialist	ment Specialist	
Juvenal Nzambimana	Senior Operations Officer	Senior Operations Officer	GAGDR
Ali Zafar	Senior Economist	Senior Economist	GMFDR
Non Bank Staff			
Name	Title	City	
Raymond Audette	M&E and Operations Manual Specialist	Québec	
Jean-Claude Balcet	Consultant, Agricultural Economist	Washington	
Medou Lo	Consultant	Washington	

I. STRATEGIC CONTEXT

A. Country Context

1. The presidential election of November 7, 2010 marked the return of Guinea to constitutional order after the army seized power on December 23, 2008. After a difficult period of military transition, the first democratically elected president, Professor Alpha Condé, and the new political context paved the way for new economic opportunities for Guinea. Several reforms were introduced and Guinea reached the completion point for the Heavily Indebted Poor Countries (HIPC) Initiative in September 2012. The political transition completed with the legislative elections that took place on September 28, 2013.

2. Recently, Guinea has been facing a deadly Ebola virus disease outbreak since mid-February 2014 with serious implications in the country and at the Sub-regional level. Several airline companies have suspended travel to Guinea and many expatriates working for local companies have moved to different locations until further notice. From an economic standpoint, the country's progressive isolation will likely result in a loss of revenues during the upcoming months, as well as a potential increase in the inflation rate due to rising commodity prices. The partial containment of the outbreak in the southeast due to the vigilance of authorities and Doctors without Borders has helped to prevent further spread of the disease.

3. The Guinean economy is dominated by mining and agriculture. The agriculture sector represents about 20 percent of GDP. Ongoing implementation of the 2012-2014 economic and financial programs, supported by the IMF Extended Credit Facility, helped to reduce macro-economic imbalance. In 2012, despite the international crisis, economic activity remained strong, supported by the acceleration of investments in agriculture and the mining sector. Real GDP grew by 3.9 percent in 2011 and reached 3.8 percent in 2012, compared with 1.9 percent in 2010. However, there was a slowdown of real GDP growth in 2013 to 2.5 percent due to a combination of external shocks and delays in mining investment, coupled with internal political factors. In parallel, the inflation rate fell to 10.6 percent in 2013 compared to 12.8 percent in 2012 thanks to central bank prudent monetary policy and the economy's resilience to external shocks. It is 10.5 percent in 2014.

4. Despite progress in the overall economy, per capita GDP remained at about US\$500 in 2012, while poverty has increased steadily. The 2012 Limited Poverty Evaluation Survey showed that 55 percent of the population was considered to be poor, compared with 53 percent in 2007 and 49 percent in 2002. As is typical for many of the sub-Saharan countries, most of the poor are still living in rural areas. The results of the 2012 survey showed that 65 percent of the rural population is considered to be poor compared with 32 percent for the urban population. However, poverty is increasing more in urban areas, mainly because of the increase in prices for essential goods, the rural exodus and the employment crisis.

5. Growth will continue to be largely supported by government consumption, which is expected to remain strong despite fiscal consolidation in recent years. Economic growth was expected to reach five to six percent in 2015; however, this growth is unlikely to materialize. For 2014, it is projected to be 2.4 percent in the aftermath of Ebola outbreak, delays in mining investment and contractions in agriculture and services. The risks are also considerable and growth could be derailed if political stability is not restored and the global economic context remains weak.

B. Sector and Institutional Context

6. **Sector Outlook.** With about 64 percent of Guinea's population living in rural areas, including 88 percent of the poor and 90 percent of the extreme poor, increasing agricultural productivity is critical for job creation, income generation and poverty alleviation. In comparison with the performance of Guinea's overall economy, the agriculture sector has done relatively well. It grew at 4.0 percent from 2000-04 when overall GDP growth was 3.0 percent; it grew at 3.0 percent from 2005-10, when overall GDP growth recorded 2.3 percent, while in 2011-12, the sector grew at 4.6 percent against an overall GDP growth rate of 4.8 percent.

7. However, agriculture growth is primarily driven by expansion of cultivated land at significant environmental costs, and productivity remains low despite the significant agricultural potential the country has. Guinea is endowed with favorable climatic conditions and fertile soil. Moving forward, there is a clear need to raise agricultural productivity, rather than rely on expansion of cropped land as the driver in agricultural sector growth. At the same time, the consumer demand will be increasingly concentrated in urban areas. As we shift towards high value agriculture products, such as fruits, vegetables, dairy and meat products, the importance of diversification, access to market, logistics and processing will grow and increasingly determine agriculture competitiveness. With increased agriculture production risks due to climate change, resilience of agriculture production systems will need to be considered a critical pre-condition for productivity growth.

8. **National Plan for Agricultural Investment and Food Security – PNIASA¹.** The Plan was developed under the umbrella of the Comprehensive African Agriculture Development Program (CAADP), which is coordinated by the African Union (AU) and the New Partnership for Africa Development (NEPAD). CAADP's aim is that under the Maputo Declaration (2003), African countries agreed to allocate at least 10 percent of their national public budget to agriculture to help them attain 6 percent annual growth in the agriculture sector. Over the five-year period covering 2013-17, PNIASA's overall objective is to increase agricultural production and contribute to food and nutrition security while safeguarding social protection and employment in rural areas. Key performance indicators include: (i) increase in agriculture sector growth rate (from 3 percent in 2009 to 7 percent by 2020); (ii) reduction in number of people below poverty line from 55 percent in 2012 to 45 percent in 2020; and (iii) increase in overall national food and nutrition security through increasing food production by 25 percent. The Plan identifies five priority investment programs: (i) sustainable development of the rice subsector; (ii) diversification for food security; (iii) promotion of agricultural exports and agribusiness; (iv) integrated natural resource management; and (v) institutional capacity building. PNIASA calls for an investment program amounting to US\$1.07 billion or roughly US\$200 million per year, to be financed from internal resources, donor contributions and private sector investments.

9. **Agriculture Public Expenditure Review (AgPER).** An agriculture PER covering the period 2003-2012 was completed in November 2013. Key messages from this review corroborate the analysis of the weaknesses of sector institutions (see paras 10 and 11 below). These messages include: (i) agriculture expenditures have increased, especially over the last few years; they now stand at 7.2 percent of the total public budget, still falling short of the 10 percent CAADP target; (ii) the budget execution rate in the sector stands at 74 percent; this points to a weak absorptive capacity, compounded by excessive transaction costs due to complicated and

¹ *Plan National d'Investissement Agricole et de Sécurité Alimentaire (PNIASA)*

cumbersome procurement procedures; (iii) recurrent expenditures, including outlays for input subsidies, have increased from 42 percent to 53 percent of the agriculture sector budget, raising questions about the efficacy of spending on productivity enhancing activities ; (iv) serious under-investment exists in the livestock, rural roads, and irrigation infrastructure subsectors, compounded by a serious neglect of Operations & Maintenance arrangements; and (v) the M&E system and statistics are extremely weak, making it extremely difficult to link expenditures to results. Accordingly, there is substantial sector growth to be gained by improving the efficacy and efficiency of public spending in the sector. As Government is embarking on the implementation of the ambitious PNIASA, it is critical to address these issues from the outset.

10. Sector Institutions. The agriculture, rural development and food security sector is managed by four ministries: Ministry of Agriculture (MA), Ministry of Livestock and Animal Production (MEPA), Ministry of Fisheries and Aquaculture (MPA) and Ministry of Environment, Waters and Forests (MEEF). With close to 7,000 staff, the MA is the largest of these ministries and has the sector leadership role, including oversight over *the national agency for Statistics (Agence Nationale des Statistiques Agricoles et Alimentaires - ANASAA)*. The sector stakeholder is the National Chamber of Agriculture (*Chambre Nationale d'Agriculture-CNA*) which is composed of the National Confederation of Peasant Organizations of Guinea (*Confédération Nationale des Organisations de Producteurs de Guinée-CNOPG*), the National Confederation of Farmers of Guinea (*Confederation Nationale des Eleveurs de Guinée-CONEG*), and the National Confederation of Fisherman of Guinea (*Confederation Nationale des Pêcheurs de Guinée- CONAPE*). The CNA is a professional-type public entity created in 1997 and supervised by the MA; it has regional branches (*Chambres Régionales d'Agriculture-CRAs*) in each of Guinea's eight regions; the CNA's Consular Assembly is in the process of being renewed.

11. Progress towards the achievement of the sector development objectives and the delivery of quality services is hampered by the weak absorptive capacity of the sector ministries and other public institutions and correspondingly low program execution rates. Pervasive capacity deficits at all levels of the sector institutions lie at the heart of the absorptive capacity challenge. They are poorly equipped to conduct long term strategic planning, develop sector policies, secure adequate funding, ensure timely procurement processes, efficiently deliver goods and services or evaluate operational processes and deliveries. The weak capacity in the core areas of planning, budget management, procurement, monitoring and evaluation has jeopardized the efficient implementation of national development programs and has ultimately had a negative impact on service delivery and development outcomes.

12. The weak performance of the sector ministries and other public entities is affected by multiple factors. First, remuneration and pension benefits are still low as is the case for the entire administration. Second, the absence of effective modern human resources systems for merit-based nomination and promotion and results-based performance management has resulted in the persistence of a civil service culture that lacks accountability. In addition, sector civil servants are ageing, and do not have access to quality in-service training or modern systems of public administration to enable them to work efficiently. The absence of structured in-service training opportunities for core civil service functions limits the capacity of the existing civil servants to update their skills and that of new recruits to develop their skills. Training opportunities are not currently offered on the basis of an evaluation of the training needs of either individual civil servants or governmental institutions. While some limited progress has been made in

introducing information systems, to support planning, financial management and monitoring processes independently, there is a need to update and interconnect existing systems to ensure that sector administrators are equipped with the necessary information to efficiently mobilize revenues and manage public expenditures.

C. Rationale for Bank involvement

13. GoG's strategy, supported by the Bank along with the donor community, is aimed essentially at reducing poverty. Since poverty in Guinea is predominately a rural phenomenon, agriculture (including livestock and fisheries) is of critical importance in mitigating poverty. GoG has committed to support agriculture development through a twin approach: (i) increasing budget allocations to sector institutions to meet the target of at least 10 percent of the national budget as agreed under the 2003 Maputo Declaration; currently the sector ministries' share of the national budget is only 7.2 percent (average 2011-2012); and (ii) raising the efficiency of sector institutions to support the implementation of PNIASA and raise the impact of public expenditures on agriculture development. Under increasing budgetary allocation, GoG is committed to channel more mining revenues into agriculture development. To improve the institutional efficiency, the GoG will support the provision of analytical support in the implementation of PNIASA, with a medium to long-term objective of laying the groundwork for the future preparation of a Sector-Wide Approach (SWAp).

14. The project has been prepared in close collaboration with key development partners in Guinea that are also providing support to the Government's reform agenda and capacity building of sector institutions. As such, there is a well-functioning group of Technical and Financial Partners led by the French Development Agency (AFD) with which the Bank has fully interacted in the preparation of this project. The current project will focus on certain key areas of capacity building such as financial management, monitoring & evaluation, and accountability systems whereas other donors will fund other areas (e.g., procurement support). Concerning support to PNIASA, the project's limited funding will be centered on key sub-sector master plans and studies meant as frameworks to help coordinate future donor efforts in those areas.

D. Higher Level Objectives to which the Project Contributes

15. The proposed project is aligned with Guinea's Country Partnership Strategy (CPS, FY14-17) contributing to the CPS Strategic Objective 2 -- 'Catalyzing shared growth and economic diversification'. It is consistent with the Poverty Reduction Strategy Paper (PRSP) and will support the implementation of the recommendations of the AgPER conducted in November 2013). The project is meant as a first step towards laying the groundwork for a SWAp operation that will support the implementation of Guinea's PNIASA. It draws on the lessons learned from the on-going Second Emergency Agricultural Productivity Support Project (EASPSP) and the West Africa Agricultural Productivity Project (WAAPP) and is expected to inform subsequent Bank operations in the agriculture and food security sector.

II. PROJECT DEVELOPMENT OBJECTIVE

16. The proposed PDO is to strengthen the capacity of selected sector institutions to support the effective implementation of the Recipient's National Agriculture and Food Security Investment Plan (PNIASA). This will be achieved through the strengthening of the four sector ministries (Ministry of Agriculture-MA, Ministry of Livestock and Animal Resources-MERA, Ministry of Fisheries and Aquaculture-MPRH, and Ministry of Environment, Water and

Forestry-MEEF, referred to thereafter as the ‘sector ministries’) as well as the Chamber of Agriculture and other sector entities, and provision of targeted analytical support for PNIASA implementation. The project subsequent objective is to lay the groundwork for the preparation of a Sector Wide Approach (SWAp) to agriculture sector.

17. **Project Beneficiaries.** Project beneficiaries include the staff of the four sector ministries (including autonomous agencies under these ministries), the Chamber of Agriculture and other sector entities which will be trained by the project, as well as the agricultural producers targeted under the Detailed Pre-Project Designs (APDs) under the irrigated areas, rural roads and other master plans developed by the project. It is estimated that staff to be trained will number around 1,500 including 20 percent female staff. The agricultural producers who will be impacted by the project-prepared APDs are estimated to number about 5,000 including 40 percent female producers.

18. **PDO Level Results Indicators.** These indicators relate to: (i) sector ministries’ budget execution improved, measured by the budget execution rate (PDO Indicator 1: 74 percent baseline, 78 percent Year 1, 80 percent Year 2, 82 percent, Year 3 and 85 percent Year 4); (ii) sector ministries’ investment budget is aligned with PNIASA’s priorities, measured by percentage of total budgeted investments (PDO Indicator 2: 50 percent baseline, 55 percent Year 1, 60 percent Year 2, 70 percent, Year 3 and 80 percent Year 4); and (iii) the sector ministries’ operating expenses are increased (PDO Indicator 3: 8 percent baseline, 8.5 percent Year 1, 9 percent Year 2, 9.5 percent, Year 3 and 10 percent Year 4 (see Results Framework in [Annex 1](#)).

III. PROJECT DESCRIPTION

A. General

19. The operationalization of PNIASA using a sector approach is the keystone in PASAG (Projet d’Appui au Secteur Agricole de la Guinée) design. PNIASA is Guinea’s five-year investment plan (2012-2017) for agriculture and food security which has been prepared and has started being implemented as part of the AU/ NEPAD CAAPP process. The proposed PASAG is a Technical Assistance project which will provide US\$15 million equivalent financing over a four-year period to strengthen the ministries involved, as well as the Chamber of Agriculture and other sector entities, and provide selective analytical support to implement PNIASA. Parallel financing is expected to be provided by the French Development Agency and other technical and financial partners (including the Food and Agriculture Organization-FAO, the International Funds for agriculture development-IFAD, the Islamic development bank-ISDB, and the World Food Program-WFP). All PNIASA partners have agreed to harmonize their projects’ institutional mechanisms and management procedures as part of the sector approach supported by PASAG. The proposed project will be implemented in close liaison with the Bank-financed Guinea West Africa Agricultural Productivity Project (WAAPP, FY2012) designed to strengthen the national agricultural research system and extension services, and the Second Emergency Agricultural and Productivity Support Project (EAPSP2, FY2013) focused on food security and agriculture productivity.

B. Project components

20. The project will have three components to strengthen the four sector ministries involved as well as the Chamber of Agriculture and other sector entities. Component 1 will support the improvement of capacity for planning, budgeting and overall management, as well as their

capacity to support a sector approach. Component 1 will provide targeted analytical support for the implementation of PNIASA's selected priority sub-programs. Component 3 will support project management and coordination and will include supervision and communication, as well as the payment of Operating Costs, and the procurement of goods and services required for the project's purpose. The Project is not intended to respond to the wide array of needs required for PNIASA's implementation, even if these needs are not presently covered by other sources of funding.

21. In recent years, Guinea has undertaken a number of public administration and management reforms. Several key policy documents have been prepared and a key core law has been revised and/or enacted. The public financial management reforms underway include the procurement process (with Bank assistance), the programming and monitoring of public spending (AfDB-African Development Bank). The recent AgPER undertaken by the Bank raised several important issues regarding the management of sector ministries, particularly a deficient planning and budgeting process that excludes external financing and does not provide for recurrent expenditures, slow and cumbersome procurement procedures and weak monitoring of financial performance. In addition, some sector ministries have excess numbers of staff far beyond the numbers provided by the organic framework both at central and decentralized level. The central and decentralized structures are no longer aligned with the needs flagged under the reforms.

Component 1: Strengthening of sector management capacities (US\$6.3 million).

22. This component aims at building the capacity of the sector ministries, as well as the capacity of the Chamber of Agriculture and other sector entities, with a medium to long-term objective of establishing a sound institutional environment in support of PNIASA implementation and laying the groundwork for the future preparation for a SWAp. It is expected to lead to an increase in PNIASA's physical and financial execution rate, help mitigate mismanagement risks and minimize transaction costs.

23. ***Sub-Component 1.1 Strengthening of sector management capacities.*** This sub-component aims to review and strengthen the legislation and regulatory texts governing sector institutions. It will provide support to: (i) review the organizational structure of the sector ministries, as well as that of the Chamber of Agriculture and other sector Institutions, (ii) revise the legal and regulatory framework needed to implement the review of the organizational structure; (iii) review the codes governing Priority Subsectors; and (iv) prepare the regulatory instruments required for the implementation of the *Loi d'Orientation Agricole (LOA)*.

24. To lay the foundation for capacity building, it will be critical to undertake an institutional/organizational assessment early in project implementation. The terms of reference (TORs) for such assessment have been discussed and agreed with GoG and the Technical and Financial Partners (TFPs). AFD (*Agence Francaise de Developpement*) has indicated its intention to be associated with this study. Specialized consultancies will be funded to undertake the required revisions of the ministries' organizational structures, and job descriptions, as well as the required revisions of sub-sector codes and related procedure manuals.

25. ***Sub-Component 1.2: Establishing a Management and Information System (MIS).*** With the view to establishing a sound MIS, the sub-component will support the core management functions of the sector ministries, as well as the Chamber of Agriculture and other sector entities. To help the institutions, the following areas will be covered; (i) fiduciary capacity (accounting

and financial management); (ii) social and environmental safeguards; (iii) Monitoring & Evaluation (M&E) of programs results and impact; (iv) information and communication; and (v) implementation of the Recipient's newly enacted procurement code; and (vi) the capacity of institutions responsible for collecting basic statistics including support to the preparation of the Agricultural and Livestock Census in partnership with FAO

26. For the implementation of this sub-component, PASAG will provide the required technical assistance, training and logistical support to the DAFs and BSDs of the sector ministries. This is expected to result in the preparation of 'dash boards' governing sector management, as needed for PNIASA implementation. Attendant quarterly progress reports will be prepared.

27. PASAG will build on the reforms and capacity building activities supported by on-going donor projects such as the Bank-funded Economic Governance Technical Assistance and Capacity Building Project (EGTACB) and the AfDB-funded Economic planning and Mining Governance Support Project (PAPEGM). PASAG support has been specified in such a way as to be complementary to these projects with a focus on:

- The use of adequate budget tools for expenditure monitoring for the selected ministries including the monitoring of investment expenditure under both domestic and external financing, and corresponding reporting on a regular basis;
- Support to sector ministries responsible for the implementation of the new procurement code, including additional training; and
- Support to the Environmental Studies and Evaluations Bureaus (BGEEE) of the Ministry of Environment, Water and Forests to account for environmental and social aspects through training modules based on identified needs.

28. Monitoring and Evaluation (M&E) is a central element of this sub-component. The M&E system is intended to focus on the needs of both monitoring PNIASA implementation and the sector ministries' own performance. Support from PASAG will complement support provided by the PAPEGM (*Projet d'Appui à la Planification Economique et à la Gouvernance Minière*) for the monitoring of the Poverty Reduction Strategy. A comprehensive results framework for PNIASA to be jointly monitored by the two projects will be developed. PASAG will train the central staff of the BSDs, and their correspondents in the decentralized services (at regional and prefecture level). It will provide the technical assistance necessary for the design and development of computer software, and the training of agents involved in data collection at all levels. It will finance the acquisition of computer equipment, and additional logistical support at the regional level, as well as data processing and analysis. It will also support the preparation and dissemination of M&E reports by the BSDs which will be shared widely with all partners. Good quality of basic statistics is essential for efficient M&E.

29. **Sub-Component 1.3:** Capacity development of the Sector Ministries and the Chamber of Agriculture. This sub-component will develop the sector ministries, and the Chamber of Agriculture's and other entities, capacity to support the sector approach. The cycle will start with the preparation of a comprehensive PNIASA's Results Framework (RF) based on the aggregation of the results frameworks of the various PNIASA programs and economic and sector analysis of public investments. The PNIASA's RF combined with the findings of the Agriculture Public Expenditure Review (AgPER, 2013) will be used to prepare the sector Medium-Term

Expenditure Framework (MTEF). This latter, in turn, will be used to guide the Planning, Programming and Budgeting (PPB) process leading to the preparation of annual Work Programs and Budgets (*Programmes de Travail et Budgets Annuels* - PTBAs). These PTBAs will be monitored and evaluated on an annual basis. The sub-component will also introduce and implement a Results-Based Management and Accountability System (RB-MAS) for all sector activities.

30. Sub-components 1.2 and 1.3 will finance the related Technical Assistance (TA)², staff training, logistical means, and, on a declining basis, the corresponding incremental operating expenditures. TA support is meant to help set-up and run the required systems during the pilot phase. Hence, the TA experts at the beginning will co-manage activities together with their national counterparts. But soon, they will have to transfer all responsibilities and expertise to these latter as part of competencies transfer programs with precise objectives and timeframe. The TA experts will undertake on-the-job coaching, with additional training being provided through specialized sessions, seminars and workshops organized at national level, regional or international level. Logistical means will comprise computer equipment and furniture, computer software, vehicles, as well as corresponding incremental expenditures on a declining basis with gradual takeover by the national budget. The recipient structures within the sector ministries will be the General Secretariats, the Administrative and Financial Departments (Direction Administrative et Financieres- DAFs) and the Strategy and Development Bureaus (BSDs), Technical Divisions as well as the Chamber of Agriculture at central level delegations.

Component 2: Analytical support to PNIASA implementation (US\$6.9 million).

31. The aim of this component is to create an enabling environment and establish the required preparedness conditions for selected PNIASA programs. BSDs will develop a detailed content for each sub-program and projects included in the PNIASA through PASAG TA support. It will finance the required consultancies and studies in specific thematic areas considered as priorities for PNIASA implementation. These activities will result in action-oriented analytical reports and/or master plan with detailed action plans. The component will also finance, as necessary, the related tests and priority actions designed to lay the groundwork for the launch of the full-fledged programs.

32. ***Sub-Component 2.1: Preparation of Feasibility Studies.*** This sub-component will finance the elaboration/ update of two main national master plans in the fields of irrigation infrastructure and rural roads network development, respectively. The sub-component will also support the preparation of a national pastoral space management scheme.

33. The master plan for the development of irrigated agriculture schemes will be designed with a national vision and a process of validation involving all national stakeholders and development partners. It will include: (i) an assessment of the country's irrigation potential; (ii) a detailed multivariate analysis of irrigation development; (iii) the definition of broad national objectives to be assigned to irrigated agriculture with regards to economic development and food security; (iv) strategic considerations with respect to implementation of future programs; (v) medium and long term investment plans; and (vi) a quantified action plan. The master plan will be accompanied by the preparation of Detailed Design Plans (APDs) for 6,000 ha. AFD has

² This technical assistance will be provided through the services of an International Consultancy Firm (ICF), recruited through a performance-based contract, and/ or through specialized individual consultancies in each field of expertise required.

agreed to finance additional APDs for targeted mangrove areas in Maritime Guinea, and for combined rice-and-fish producing irrigated areas in Forest Guinea where a detailed lowland potential survey has already been carried out by FAO (October 2009). The preparation of the master plan will be undertaken by a consultant under the supervision of the National Directorate of Rural Engineering.

34. PASAG's support for rural roads will consist of updating the master plan for rural roads scheme (in force since 1989) so that it serves as a technical reference tool for planning and decision support. The master plan will include: (i) a national inventory of the rural road network; (ii) strategic orientations including the development of technical standards, an update of road classification, guidelines for prioritizing investments, mechanisms for management and maintenance; and (iii) an investment plan in the short, medium and long term for the opening of production areas. It will be completed by the preparation of Preliminary Design Plans (APDs) and Detailed Design Plan (APDs) respectively for a 1,100 km and 1,000 km, primarily in the irrigated areas. The formulation of the master plan and supplementary studies will be undertaken by a consultant under the supervision of the National Directorate of Rural Engineering (DNGR).

35. ***Sub-Component 2.2: Sub-sector studies.*** These studies will comprise an inventory of land use, a review of rural finance and miscellaneous other studies to be financed based on demand. The inventory of land use is intended to provide support for the precise delineation of the parks and protected areas of Guinea that are being encroached by producers and pastoralists. It will consist essentially of mapping the areas concerned and establishing markings on the ground.

36. The Sub-Component will also finance: (i) value chain studies for selected priority sub-sectors included in the PNIASA; these studies will incorporate an analysis of the implementation of the institutional framework (inter-profession) as well as other priority activities action plan to implement recommendations; and (ii) impact assessments of selected priority PNIASA programs and sub-programs.

37. The sub-component will also finance selective economic and sector work (ESW) in the field of rural finance. This will include the review of the national strategy and policy concerning rural subsidies. GoG currently is yet to have a comprehensive strategy in that field and there is a need to harmonize actions across projects as they often support financing schemes based on different approaches and rules. Sub-Component 2.2 will specifically review GoG's current input and equipment subsidy scheme. This review will explore options to increase the efficiency and effectiveness of the scheme, including delivery options using vouchers. The sub-component will also review existing matching grant schemes for infrastructure, social development and income generation. It will make proposals to harmonize these schemes based on common procedures.

38. Other studies will be financed by Sub-Component 2.2 in selected priority areas. These studies will be demand driven so that they respond to current needs as project implementation unfolds. Examples of studies that would be eligible include diversification value chains such horticulture, poultry farming, small ruminants, fish-farming and non-wood forest products, or critical issues such as after-harvest losses. One area that will receive particular attention relates to statistics, particularly as regards the agriculture and livestock statistical censuses. Guinea has not had such censuses for over a decade and they are clearly overdue. FAO has prepared a project document for the conduct of these censuses but the funding has not yet been secured. Sub-Component 2.2 could finance a number of preparatory/ pilots' activities that would

technically pave the way for implementation of the censuses and help undertake fund-raising for the censuses.

Component 3: Project management and coordination (US\$1.8 million).

39. Project activities will be coordinated by a small Operational Coordination Unit (COD) headed by a Coordinator Delegate (CD) and consisting of a small number of staff (8) including a financial expert, an accountant, a procurement specialist, a monitoring and evaluation specialist, an administrative assistant and two drivers/messengers. The CO will be assisted by the head of the TA Team. Project funding will cover the cost of the COD’s logistics (vehicles, office furniture and equipment, computer stations, etc.), as well as its operating expenditures over the four year period of project implementation.

C. Project Financing

40. **Lending instrument.** The proposed instrument is an Investment Project Lending (IPF) with an IDA Grant of US\$15 million. The IPF would be disbursed over the four-year project duration. Since the proposed project is mainly TA-type activities, consisting of specific TA support, capacity-building and analytical support activities, the IPF instrument is deemed appropriate. Budget support provisions, as part of a full-fledged SWAp approach, were never envisaged for the project, as Guinea is yet to have the required institutional framework and fiduciary capacities to support such a scheme. The IPF will provide the required capacity building in that area with a view to pave the way for a future SWAp.

41. **Project costs and financing.** The project costs and financing is presented in Table 1 below and shows IDA’s Grant allocation by component and sub-components.

Table 1 - Project Costs and Financing (US\$ million)

Project Components	Total in US\$ million
<u>Component 1:</u> Strengthening of sector management capacities	6.3
1.1 Strengthening of sector management capacities	0.4
1.2 Establishing a Management Information System (MIS)	3.1
1.3 Developing the Capacity of the Sector Ministries and the Chamber of Agriculture.	2.8
<u>Component 2:</u> Analytical support for PNIASA	6.9
2.1 Preparation of Feasibility Studies	4.8
2.2 Sub-sector studies	2.1
<u>Component 3:</u> Project Management and Coordination (including PPA)	1.8
<u>Total Project Costs</u>	<u>15.0</u>

D. Lessons learned and reflected in the project design

42. The project concept, as a sector-wide TA project, is designed to strengthen the national capacity to manage the PNIASA process in the context of Guinea. In the past, Guinea had a number of sub-sector ‘structuring’ or ‘framework’ projects (e.g., for rural roads, livestock

development and export sector), and large technical assistance projects (PAGEN and more recently the Bank-financed Governance Support Project). Successful projects put heavy emphasis on capacity building and human resource development on all forms while the majority of the projects that failed were due to lack of an enabling institutional, legislative and regulatory environment, hence the need to address these issues. The PASAG design therefore draws on these earlier lessons.

43. PASAG also takes into account the current lessons of the on-going Governance project. This project is generating extremely valuable results regarding overall administrative management, particularly in areas such as procurement and budget management. This project has fully recognized and internalized the fact that the crisis period in Guinea have led to a weakened public service exhibiting insufficient expertise, resources, organizational systems and lack of transparency. The agriculture ministries have not been immune to these difficulties. They have lost their core basic management expertise and have failed to keep up with cutting edge knowledge regarding technical expertise.

44. PASAG also draws on the lessons arising from on-going agricultural sector projects in-country and in West Africa, as well as SWAp-type projects in other regions notably Central America. In-country, valuable lessons have been learned through the Bank on-going agricultural support projects (including the ongoing WAAPP and PUAPA-*Projet d'Urgence et d'Amelioration de la Productivité Agricole*) projects, and recent analytical work (e.g., the Agriculture Public Expenditure Review). In the sub-region of West Africa, the Togo Agriculture Support Project (ASP) has served partly as model to design PASAG. The Togo ASP is currently at mid-term implementation stage and has generated extremely valuable lessons especially regarding training, including on-the-job training and transfer of competencies by TA staff. Similarly, the lessons of the Mali PAPAM (*Projet d'Accroissement de la Productivité Agricole au Mali*) also at Mid-Term stage have proved valuable in designing PASAG. These lessons concern in particular the necessity to avoid being over-reliant on certain key ministry structures, equivalent to the Guinea BSDs, as they are too heavy and lack the required capacities. In Central America, SWAp-type projects have generated key implementation lessons for the sector-wide approach in agriculture, notably as regards the necessity for donor alignment in support of the Government's public investment program.

45. Finally, PASAG builds on experiences with the CAADP process that have been on-going for a longer period of time in other West-African countries such as Ghana, Benin and Togo in terms of implementation of their own PNIASA priority investment plans. These experiences have illustrated the need for donor alignment on the country's priority investment plan and harmonization of approaches and operational procedures as part of the CAADP process. This has been a key guiding principle for project design and implementation arrangements. The CADDP process in other countries has also illustrated the need to leverage IDA resources with the resources of other donors and specialized trust funds.

IV. IMPLEMENTATION

A. Institutional and implementation arrangements

46. Amongst the four sector ministries, MA has leadership and overall responsibility for PNIASA coordination. Hence, it has been agreed that it would also be given leadership and operational responsibility for PASAG. Project activities will be coordinated by a small

Coordination Unit Delegate (COD) of 8 members headed by a Coordinator Delegate (CD), and consisting of a small staff including a senior accountant, a procurement specialist, an administrative assistant and two drivers of which one messenger. The CD will be a competitively-selected senior national staff reporting to the MA Secretary General. The fiduciary staff of the COD will report to the CD but they will be physically located within the MA Administrative and Financial Division. The M&E specialist will report to the Director of BSD. The TA staff in charge of supporting overall project coordination will work with CD and will report to the SG through the CD. The fixed-term TA team recruited as part of Component 1 will report directly to Secretary General of the MA through the relevant services where they will be located in collaboration with the SG and corresponding structures in other relevant ministries. The short-term Consultants recruited under Component 2 to prepare specific studies and ESW work will report to the various Technical Directorates to which they will be assigned.

47. Responsibility for PASAG operational implementation will rest with the project directorates and agencies of the four sector ministries. Given their current limited capacity they will take up their roles incrementally. They will be first substantially supported by TA staff. Subsequently, as project implementation unfolds and their capacities are strengthened, they are expected to gradually take charge of all the project implementation tasks. In that sense, the TA staff will aim at putting their counterparts fully in command based on a competency transfer strategy and phasing-out plan. TA services will be provided by individual consultants or by an international consultancy firm (ICF) to be competitively recruited under a performance based contract. TA staff will provide critical assistance in key areas such as RB-MAS, financial management, procurement, M&E, and relevant agricultural expertise, including policy guidance. The TA staff will use an approach based on companionship, quality control and gradual phasing out. The core technical assistants will be present full time during the first 18 months (2 years or until Mid-Term Review for the TA staff acting as counterpart to the CD), and part time during the last years of project implementation.

48. A Project Strategic Steering Committee (*Comité de Pilotage Stratégique*) including representation of the four sector ministries involved (MA, MEPA, MEEF and MPA), the Chamber of Agriculture and the Minister of Economy and Finance will be established. The Steering Committee will oversee the PASAG's activities and will be chaired by the Minister for Agriculture. It will include the participation of all other sector ministries, as well as the Chamber of Agriculture in its unifying role of other producer organizations. The CIPS will meet twice a year to vet PASAG's progress, approve the PTBAs and decide on major issues that may affect project implementation. No operational structure has been designated yet to ensure the day-to-day oversight over PNIASA implementation. It is expected that the COD, in addition to being responsible for PASAG, will fill partially that gap and eventually become the full-fledged PNIASA implementation unit. The COD will: (i) coordinate all partners involved in PASAG implementation; (ii) monitor the developments and progress of PASAG activities; (iii) prepare the technical and financial progress reports on project implementation for their submission to CPS; (iv) establish the project annual work and budget plans (PTBAs) for onward transmission and approval by the CIPS; (v) facilitate dialogue with technical and financial partners for the implementation of the PNIASA programs being supported by PASAG; and (vi) provide support to communication departments in concerned ministries to ensure better visibility of the project and the PNIASA. Under suitable partnership arrangements to be agreed with GoG, development partners are expected to be associated to PASAG implementation, and provide additional funding as needed during project implementation.

B. Results Monitoring and Evaluation

49. The M&E framework proposed for the project emphasizes capacity building services responsible for M&E within the Bureau of Strategy for the Development (BSD) of each of the four sector ministries involved in PNIASA. Capacity building will focus on the BSD staff of each Department that relies, for data collection, on staff of the decentralized services in regions, prefectures and sub-prefectures or rural communities (CRDs). The Project will support (i) the development of results matrices and harmonized indicators for each program and sub-programs of PNIASA and a global matrix for the entire program (consistent with the monitoring framework adopted to monitor the national Poverty Reduction Strategy); (ii) the design of a monitoring and evaluation system (M&E) adapted to different program composing PNIASA, including tools and methodological support; the M&E will focus on monitoring implementation, monitoring results, outcomes and impact, and monitoring of disbursements (national and external financing); (iii) capacity building of staff involved in the chain of data collection, analysis and reporting of information from sub-prefectures level, prefecture, regions and national level; (iv) logistical support to BSDs (vehicles, computers, software and other equipment of M&E); (v) the cost of technical assistance; and (vi) specific training in RB-MAS including training outside the country for M&E responsible BSD staff.

50. M&E framework for the Pan-African CAADP (ReSAKSS) defines a set of key indicators to monitor the process of implementation at national level of CAADP commitments and sector funding donors, governments and the private sector. These indicators will be part of the minimum set of key indicators to monitor the implementation of the Regional M&E framework. PNIASA M&E system will integrate the set key indicators.

V. SUSTAINABILITY

51. GoG's commitment to the CAADP process and ownership of the project are strong. Project design addresses factors that are critical to PNIASA implementation as part of the CAADP process. Prominent amongst these factors are capacity building of the four sector ministries, as well as the Chamber of Agriculture, and strengthening of the coordination between them. To that effect, the project relies on existing institutional structures, and allocates the bulk of its resources to institutional capacity and improving collaboration across sector services, directorates and autonomous agencies. The sector ministries' reform with strengthened management and renewed functional operating systems, particularly financial management, planning, programming and budgeting, which is central to the project design. In that respect, the project also builds on the recommendations of the sector Public Expenditure Review (PER), as a tool to address expenditure priorities and ensure sound budget management. These strengthened capacities are expected to improve sector management, support PNIASA implementation and pave the way for sustainability of project activities as part of the design and implementation of a full-fledged SWAp.

VI. KEY RISKS AND MITIGATION MEASURES

52. Project overall risk rating is High (see [Annex 4](#)). Project implementation is centered on sector development and embedded into the CAADP-driven PNIASA process which has strong momentum, effectively commanding the bulk of the sector ministries' attention. In that respect, the effective deployment of the TA resources and strong emphasis on training activities, as

planned in project implementation, will be key factors for reducing risks. Effective donor coordination will also be critical for achieving the Government's goals for sector development, hence mitigating project risks. Project implementation is expected to be co-financed and/or closely coordinated with other donor-funded sector and sub-sector projects. It is expected that, as part of the cross-donor harmonization process, these projects will gradually share common operational modalities, systems and procedures in key implementation areas (e.g., fiduciary, planning, programming and budgeting), hence increasing overall sector implementation capacity and reducing project implementation risks. However, if the Ebola virus is not rapidly contained in the whole sub-region, less attention will be directed at this project.

VII. APPRAISAL SUMMARY

A. Economic and Sector Analysis

53. Expected benefits. By supporting institution management, and building the accompanying human resources capacity, the project is expected to have major benefits in terms of effective and efficient implementation of the selected sector ministries' programs, in support of PNIASA's implementation. PASAG will not support an institutional reform agenda *per se*, i.e., it will not introduce and develop a new institutional framework. Rather, it will strengthen and improve existing institutions by breaking binding constraints to public sector performance. However, the nature of project activities, centered on capacity building, does not permit to make a quantitative assessment of their benefits in preparing the economic and sector analysis. Hence, it has proved impossible to compute any NPV or IRR as is generally expected for production-oriented project.

54. Despite the lack of quantitative data, available evidence from similar Bank projects and from empirical research point to a substantial increase in the efficiency of administrative and technical systems gained through provision of capacity building, strengthening of human resources and operating means relative to the counterfactual situation. Regarding PASAG, this is the case of the systems and processes which will be supported as part of the reinforcement of the MIS (Sub-Component 1.2) and the SWAp (Sub-Component 1.3). It is expected, in particular, that the performance of the following systems and processes will be greatly enhanced under PASAG: (i) the M&E system, resulting in the timely preparation of progress reports and impact assessment studies (see intermediate result indicator 1.2.2); and (ii) the annual PTBA process, resulting in the timely approval of the annual PTBAs (see intermediate result indicator 1.3). The efficiency of other basic sector management systems -- in the fields of accounting and financial, procurement and social safeguards management, as well as economic analysis and Planning, Programming and Budgeting -- is also expected to be strengthened. One aspect supported by the project that deserves a particular attention is the sector ministries, the Chamber of Agriculture and other sector entities information and communication systems which will allow them to efficiently disseminate the information generated to all involved constituencies and partners.

55. Cost effectiveness. The project has been designed in the most cost-effective way based on the experience of on-going and completed Bank projects. Cost effectiveness has been achieved particularly using national service providers and TA experts to the extent possible. The cost of international TA expertise is expected to be kept to the commonly applied rates used in the West-African sub-region. TA experts are programmed to be gradually phased out as project

implementation unfolds, with effective transfer of competencies to national staff, hence decreasing overall project costs.

56. **Relationship of Project Components to PDO.** Given the overall economic and sector context, the proposed PDO is to strengthen the capacity of selected sector institutions to support the effective PNIASA implementation. This will be achieved through the strengthening of the four sector ministries, the Chamber of Agriculture and other sector entities, and provision of targeted analytical support for PNIASA implementation. There are several facets to achieving the PDO, including technical assistance to enhance the Government's capacity to support agriculture, combined with provision of capacity building and operating means, as well as analytical support to key PNIASA sub-programs. All of these are embodied in the main Project Components described in Section III of the PAD.

57. **Justification of Public Sector Financing.** Public financing is warranted in the case of the proposed project as the appropriate vehicle to achieve the PDO, essentially because the project consists of support to core public administration functions. These functions constitute a public service which is the legal responsibility of the Government and cannot be delegated to the private sector. In addition, by financing certain recurrent budget expenditures on a declining basis, the project is expected to lay the groundwork for increased budget allocations to the sector ministries. With the forthcoming mining revenues, it is expected that there will be enough fiscal headroom to accommodate these increases.

58. **World Bank's Value added.** The value-added of World Bank resources is demonstrated by several factors characterizing the proposed project, i.e, (i) it is justified based on cost effectiveness (see para 49 above); (ii) it supports expected outcomes that are aligned with the Bank Country Partnership Strategy (CPS, FY14-17) contributing to the CPS Strategic Objective 2 'Catalyzing shared growth and economic diversification', it is consistent with the Poverty Reduction Strategy Paper (PRSP), and it will support the implementation of the recommendations of the Agriculture Public Expenditure Review (AgPER, November 2013); and (iii) it responds directly to three PNIASA's priority investment programs: sustainable development of rice, integrated natural resource management, and institutional capacity building. The additional value added of the World Bank's intervention is its convening power in Guinea to bring development partners together to help support the Government to implement the PNIASA's agenda.

B. Technical

59. The Project focuses on strengthening the sector ministries MISs, through the upgrade of administrative/ financial, procurement and M&E, and improving their planning, programming and budgeting cycle. These activities will be implemented using cutting edge practices with the support of experienced service providers recruited through performance-based contracts. The establishment of the RB-MAS as the core cross-cutting mechanism applicable to all aspects of management will be key to ensuring that all activities are duly results-oriented.

C. Financial Management

60. A financial management assessment of the implementing entity, i.e. the Ministry of Agriculture (MA), has been conducted by the Bank in accordance with the Financial Management Manual issued on March 1, 2010. The overall FM residual risk following mitigation has been rated as Substantial due to the MA's weak capacity in regards to its ability to

handle project activities per Bank procedures. As such, project management, including FM activities, will be the responsibility of a delegated coordination unit (COD) to be established within MA. It is expected that the basic conditions to mitigate FM risks will be met under the Project Preparation Advance (PPA) before effectiveness, hence laying the groundwork for strengthening the FM system within the COD (see Financial Management Action Plan, Annex 3). These conditions include: (i) the preparation of acceptable financial and accounting procedures as part of the PIM; and (ii) the recruitment of an FM officer with TORs acceptable to IDA.

61. The following additional measures will be agreed as dated covenants to strengthen FM capacities: (i) the set-up of an adequate computerized accounting software system; (ii) the appointment or recruitment of an accountant, preferably a civil servant for capacity building purposes, as part of the COD team under TORs acceptable to IDA; and (iii) the recruitment of an external auditor based on TORs acceptable to IDA. Prior to effectiveness, GoG will open an account where US\$1 million (US\$250,000 per year) of counterpart funds will be deposited in amounts required to finance operating expenditures not covered by the IDA financing and take over operating expenditures in areas where project support will gradually retrench.

D. Procurement

62. During project preparation, the Bank conducted an assessment of the procurement capacity of the four sector ministries in accordance with Bank's procurement Risk Assessment and Management System. It included a review of the organizational structure for project implementation. The assessment concluded that the sector ministries were not sufficiently familiar with Bank's procurement procedures to implement the project as regards procurement activities. It was agreed that the Government would put in place an Operational Coordination Unit (COD) under the Secretary General of the Ministry of Agriculture with the required procurement capacity for project implementation.

63. The potential procurement risks identified are due to a large number of factors such as insufficient skills and experience regarding Bank procurement procedures of the four sector Ministries' staff, lack of existing procurement capacity to implement the project, and lack of a procurement manual. Based on the assessment of the system in place, the overall project risk for procurement is **High**. It may be lowered to Substantial once the mitigations measures are implemented. Detailed procurement risk mitigation measures are presented in Annex 3 of the PAD.

E. Environment and social

64. The project is rated Category B, in line with Bank policies with respect to environmental and social considerations. The environmental and social impacts associated with the project are expected to be largely positive given the scope of activities typical of a Technical Assistance project which consists essentially of capacity building (including training and some refurbishing of office buildings) and preparation of key studies (including master plans for irrigation and rural roads). It is to be noted that the irrigation and rural roads master plans will be only accompanied by the preparation of the Summary Design Plans (APSS) and of Detailed Design Plans (APDs) for irrigation development and for improving access to the targeted area. The project direct adverse impacts are expected to be minimal. However, in aiming at fostering investments in agriculture through institutional capacity building and preparation of master plans along with feasibility and detailed studies, the project may induce some negative effects (expansion of

cultivated areas, increased use of agricultural inputs, etc.). All the above entails environmental sustainability concerns regarding compliance with key safeguard policies. Hence, the project triggers the following policies: OP 4.01 (Environmental Assessment), OP 4.09 (Pest Management), and OP 4.12 (Involuntary Resettlement).

65. **Environmental Assessment** (OP 4.01). This policy is triggered to prevent and manage the potential environmental risks downstream. To that effect, a Strategic Environmental and Social Assessment (SESA) will be prepared along with the master plans and the feasibility studies expected to be completed during project implementation. The SESA will provide an overall assessment of the framework, direction and resources, as well as specific guidance documents, needed for the implementation of these master plans and studies. This will in turn facilitate the detailed assessment and mitigation of specific potential impacts of PNIASA activities, since the master plans and studies are meant to be analytical work in support of key PNIASA programs. The ToRs of the said SESA were cleared by the National Environmental Studies and Assessment Bureau (BGEEE) and the Bank, and disclosed at the World Bank InfoShop on April 17, 2014.

66. PNIASA will be implemented by technical directorates of the sector ministries. The BGEEE, attached to the Ministry of Environment, will be responsible of ensuring that the project complies with the national legislation on environment. In this regard, experience from recent and ongoing Bank-financed, and other externally-financed projects, has revealed that the sector ministries' capacity, as well as BGEEE's capacity, for implementing safeguard policies and monitoring compliance is very weak and that there is a need for strong support to upgrade that capacity to an acceptable standard. To overcome that weakness, it has been agreed that an Environmental and Social Safeguard Unit will be created in each of the four sector ministries involved in PNIASA implementation. The project will support safeguards training programs for these offices.

67. These environmental and social units will be responsible *inter alia* for (i) ensuring that projects and programs implemented by the sector ministries are in compliance with safeguards requirements, and (ii) reporting on environmental and social aspects. Through the support provided by the project, it is expected that each environmental and safeguard unit will be able to ensure that: (i) projects and programs implemented by the ministry are duly screened for their environmental and social impacts, and, where appropriate, the relevant safeguard instruments are prepared, submitted to consultation, disclosed and executed in a timely manner; (ii) bidding documents for constructions include the relevant environmental and social aspects that the contractors must consider in their proposals; (iii) work contracts include appropriate provisions of the implementation of the environmental and social aspects; and (iv) contractors effectively implement the environmental and social diligences during works under the control of the supervising engineers, with their contracts including supervision of the environmental and social measures executed by the contractors.

68. **Pest Management** (OP 4.09). This policy is triggered to ensure availability of pest mitigation measures when the irrigation plots will be financed. The ToRs for a Pest Management Plan (PMP) were cleared by the National Environmental Studies and Assessment Bureau (BGEEE) and the Bank, and disclosed at the World Bank InfoShop on April 17, 2014. A stand-alone Pest Management Plan will also be prepared together with the SESA during project implementation.

69. **Involuntary Resettlement** (OP 4.12). The social safeguard issues of the proposed project are possibly associated with Component 2 in the sense that master plans and studies have the potential to lead to socially adverse impacts when investments will be financed. OP 4.12 is triggered due to the potential need for land acquisition when the Government starts developing irrigation perimeters and rural road networks. The SESA will provide guidance to address potential environmental risks and social impacts linked to land administration when the master plans are implemented. It is not anticipated that project activities will lead to any land acquisition or restriction of access to sources of livelihood. Throughout the entire process of project preparation, consultations were conducted with key stakeholders from the public sector (Ministry of Agriculture-MA, Ministry of Livestock and Animal Resources-MERA, Ministry of Fisheries and Aquaculture-MPA, and Ministry of Environment, Water and Forestry-MEEF) and rural civil society. The same stakeholders were involved in the definition of the scope of activities and they will remain engaged during implementation, supervision and evaluation stages of the project. In particular, the Chamber of Agriculture and the producer organizations were consulted while the project is essentially a technical assistance project with very limited environmental and social negative impact. The project is expected to improve the agriculture sector management capacity for the effective implementation of Guinea's National Agricultural and Food Security Investment Plan (PNIASA). This will be achieved through the strengthening of sector institutions and civil society including the Chamber of commerce and agriculture producer organizations.

Table 2 - Safeguard Policies Triggered by the Project

	Yes	No
<u>Environmental Assessment</u> (OP/BP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[]	[X]
Pest Management (OP 4.09)	[X]	[]
Indigenous Peoples (OP/BP 4.10)	[]	[X]
Physical Cultural Resources (OP/BP 4.11)	[]	[X]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Forests (OP/BP 4.36)	[]	[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]

Annex 1: Results Framework and Monitoring

GUINEA: AGRICULTURE SECTOR SUPPORT PROJECT

Development Objective (PDO): to strengthen the capacity of selected sector institutions to support the effective implementation of the Recipient's National Agriculture and Food Security Investment Plan (PNIASA).												
<u>PDO Level Results Indicators</u>	Core Ind.	Unit	Base-line	Target	PY1	PY2	PY3	PY4	Frequency	Data source/ Methodology	Responsibility for data collection	Comments
PDO Indicator 1: The sector ministries' budget execution is improved	<input type="checkbox"/>	%	74 %	85 %	78 %	80 %	82 %	85 %	Annual	Budget reports	DAFs and BSDs	Indicator measures overall budget execution rate
PDO Indicator 2: The sector ministries' investment budget is aligned with PNIASA's priorities	<input type="checkbox"/>	%	50 %	80 %	55 %	60 %	70 %	80 %	Annual	Technical and budget reports	DAFs and BSDs, with Technical Directorates	Indicator is the budgeted investments aligned with PNIASA priorities as a percentage of total budgeted investments.
PDO Indicator 3: The sector ministries' operating expenses are increased	<input type="checkbox"/>	%	8 %	10 %	8.5 %	9 %	9.5 %	10 %	Annual	Budget reports	DAFs and BSDs with Technical Directorates	Indicator is the operating budget (excluding salaries) as a percentage of total budget.
<u>Core indicators (beneficiaries)</u>												
CI Indicator 1: Staff from the sector ministries, the Chamber of Agriculture and other affiliated entities benefiting from project training	<input checked="" type="checkbox"/>	Number(% female)	0	1,500 (20%)	100	500	1000	1500		Sector ministries and PASAG annual report	BSDs and project M&E specialists	
CI Indicator 2: Agricultural producers benefiting from the project Detailed Pre-Project Studies undertaken as part of the Irrigation and Rural Roads Development Schemes (% female)	<input checked="" type="checkbox"/>	Number (% female)	0	5,000 (40%)			2000	5000		MA Annual report and survey	BSDs and project M&E specialists	

INTERMEDIATE RESULTS											
Intermediary Results Indicators		Unit	Base-line	PY1	PY2	PY3	PY4	Fre-quency	Data Source/ Methodology	Responsibi- lity for Data Collection	Com- ments
<u>Component 1: Strengthening sector management capacities</u>											
<u>Sub-Component 1.1: Strengthening of sector management capacities</u>											
Indicator 1.1 The sector ministries' and Chamber of Agriculture's institutional diagnosis is completed and validated	<input type="checkbox"/>	Yes/ No	No	Yes				Once	Studies PASAG report	BSDs and project M&E specialist	
<u>Sub-Component 1.2: Establishing a Management Information System (MIS)</u>											
Indicator 1.2.1 The sector ministries' and Chamber of Agriculture's progress reports are prepared semi-annually	<input type="checkbox"/>	Yes/ No	No		Yes	Yes	Yes	Semi-annual	Sector minis-tries reports	BSDs and Project M&E specialist	
Indicator 1.2.2 PNIASA is monitored and evaluated in accordance with its results framework	<input type="checkbox"/>	Nb.	0	1	1	1	1	Annual	M&E reports	BSDs	Indicator refers to M&E reports
<u>Sub-Component 1.3: Capacity development of the Sector Ministries and the Chamber of Agriculture</u>											
Indicator 1.3 The sector ministries' Annual Work Programs and Budgets (PTBAs prepared under RBMAS) are approved	<input type="checkbox"/>	Yes/ No	No		Yes	Yes	Yes	Annual	Sector ministries and PASAG re-ports	BSDs and PASAG M&E specialist	
<u>Component 2: Analytical support for PNIASA implementation</u>											
<u>Sub-Component 2.1: Preparation of Feasibility Studies</u>											
Indicator 2.1 The detailed plans (APDs) for irrigated areas are prepared	<input type="checkbox"/>	Ha	0			6000	6000	Once	Master Plan and APDs + DNGR reports	BSDs and PASAG M&E specialist	
<u>Sub-Component 2.2: Priority sub-sector studies</u>											
Indicator 2.2.1 The rural finance study (including the e-voucher system) is completed		Yes/ No	No		Yes			Once	Study, and PASAG reports	BSDs and PASAG M&E specialist	
Indicator 2.1.2 The master plan for the feeder roads scheme is updated including detailed design plans for 1 000 km	<input type="checkbox"/>	Km	0			1000	1000	Once	Master Plan and APDs + DNGR reports	BSDs and PASAG M&E specialist	
Indicator 2.2.3 The operational institutional frameworks for priority value chain (<i>filières</i>) are implemented		Num-ber	0		1	2	3	Once	Studies and PASAG reports	BSDs and PASAG M&E specialist	

Annex 2: Detailed Project Description

GUINEA: AGRICULTURE SECTOR SUPPORT PROJECT (PASAG)

A. Project Description

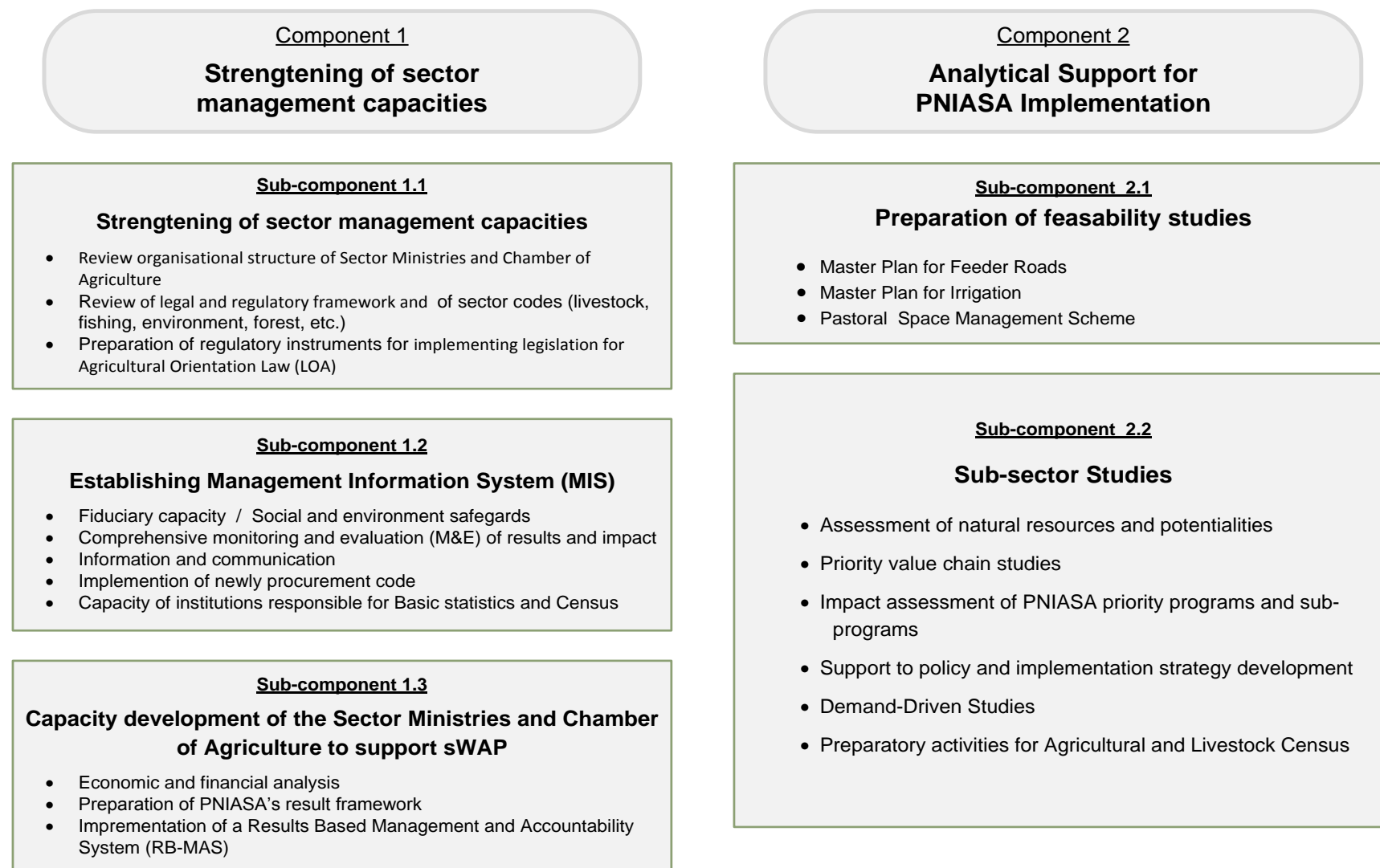
1. The proposed PASAG is an IPF project that will provide US\$15 million equivalent financing over a four-year period to strengthen the selected sector ministries as well as the National Chamber of Agriculture (CNA) and the National Confederation of Peasant Organizations (CNOP-G), and provide selective analytical support to implement PNIASA. Parallel financing is expected to be provided by the French Development Agency (AFD) and other donors (including FAO, WFP).

2. **National Plan for Agricultural Investment and Food Security – PNIASA³**. The Plan was developed under the umbrella of the Comprehensive African Agriculture Development Program (CAADP) and coordinated by the AU and NEPAD. CAADP's aim is that each African country would allocate at least 10 percent of its national public budget to agriculture and attain 6 percent annual growth in the agriculture sector, as agreed by all African states under the Maputo Declaration (2003). Over the five-year period 2013-17 PNIASA overall objective is to increase agricultural production and contribute to food and nutrition security while safeguarding social protection and employment in rural areas. Key performance indicators include: (i) increase in agriculture sector growth rate (from 3 percent in 2009 to 7 percent by 2020); (ii) reduction in number of people below poverty line from 55 percent in 2012 to 45 percent in 2020; and (iii) increase in overall national food and nutrition security through increasing food production by 25 percent. The Plan identifies five priority investment programs: (i) sustainable development of the rice subsector; (ii) diversification for food security; (iii) promotion of agricultural exports and agribusiness; (iv) integrated natural resource management; and (v) institutional capacity building. PNIASA calls for an investment program amounting to US\$1.07 billion or roughly US\$ 200 million per year, to be financed from internal resources, donor contributions and private sector investments (see Appendix 2.1).

3. The Project will consist of three components: (i) Component 1 aims to strengthen the sector management capacity of the four ministries involved in PNIASA; (ii) Component 2 provides analytical support for PNIASA implementation; and (iii) Component 3 covers Project management and coordination. PASAG will (i) strengthen the capacity of the selected four sector ministries as well as the National Chamber of Agriculture (CAN) and the National Confederation of Peasant Organizations (CNOP-G), for planning, budgeting and overall management, as well as their capacity to support a sector approach (Component 1), and (ii) provide analytical support for the implementation of PNIASA's selected priority sub-programs (Component 2). The Project is not intended to respond to the wide array of needs required for PNIASA's implementation, even if these needs are not presently covered by other sources of funding. Diagram A2.1 below gives a summary presentation of PASAG's organization in two (2) technical components and five (5) subcomponents.

³ *Plan National d'Investissement Agricole et de Sécurité Alimentaire (PNIASA)*

Diagram A2.1 - Presentation of PASAG Components and Sub-Components⁴



⁴ Above figure emphasize on technical components. Component 3, Project management and coordination, is not included

B. Project Components

Component 1: Strengthening of sector management capacities (US\$6.3 million)

4. Component 1 aims at building the capacity of the sector ministries, as well as the capacity of the National Chamber of Agriculture (CAN) and the National Confederation of Peasant Organizations of Guinea (CNOP-G), with a medium to long-term objective of establishing a sound institutional environment in support of PNIASA implementation and laying the groundwork for the future preparation for a SWAp. It is expected to lead to an increase in PNIASA's physical and financial execution rate, help mitigate mismanagement risks and minimize transaction costs. Component 1 consists of three sub-components: (i) institution reorganization and strengthening of regulatory framework; (ii) Management and Information System; and (iii) support for sector wide approach.

5. ***Sub-Component 1.1: Strengthening of sector management capacities.*** This sub-component aims to review and strengthen the legislation and regulatory texts governing sector institutions. It will provide support to: (i) review the organizational structure of the selected sector ministries, as well as that of the CAN including the CNOP-G, CONAPEG, CONEG, and redefine their organizational set-up, including job descriptions, as required to pursue PNIASA's implementation; and (ii) revise, expand and/or complement the existing legal texts, and/or prepare new texts as required, as basis to implement the agreed institutional changes. Sub-component 1.1 will also provide resources to review the codes and regulations governing priority sub-sectors (e.g., pastoralism, livestock, fisheries, environment, forests). It will support as well the preparation of the regulatory documents required for the implementation of the Agriculture Orientation Law (LOA).

6. To lay the foundation for capacity building, it will be critical to undertake an institutional/organizational assessment as part of early project implementation. The TORs for such an assessment have been discussed and agreed with the Technical and Financial Partners (TFPs) and GoG. AFD has expressed its desire to be associated with this study. Specialized consultancies will be funded to undertake the required revisions of the ministries' organizational structures, and job descriptions, as well as the required revisions of sub-sectorial codes and the related manuals of procedure.

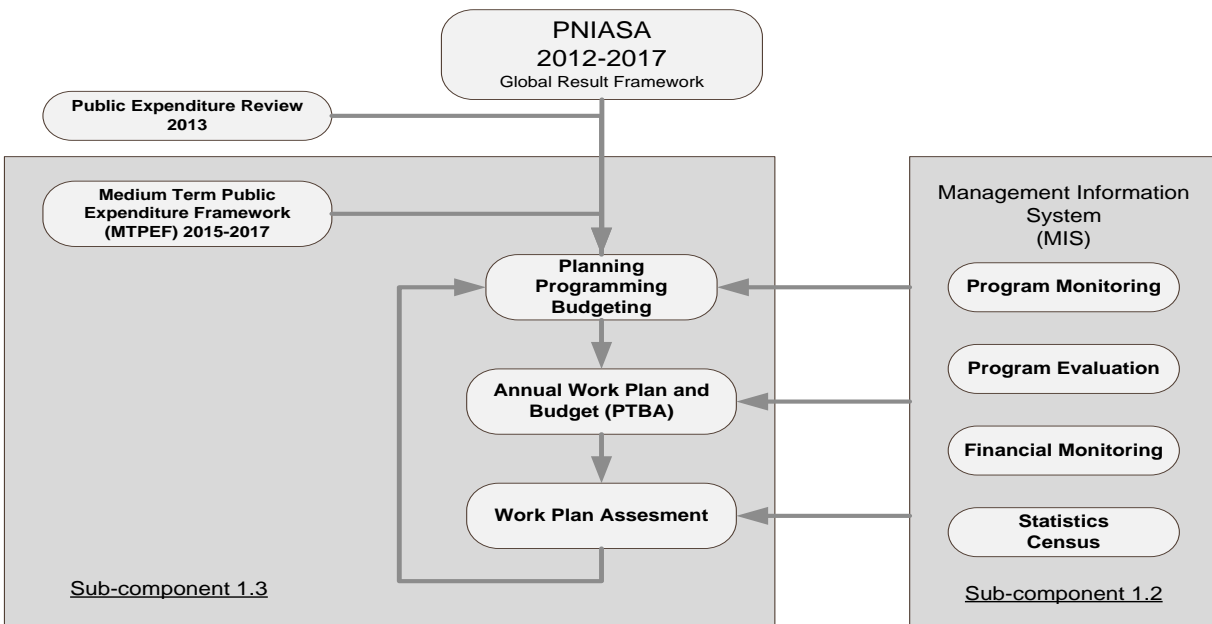
7. ***Sub-Component 1.2: Establishing a Management and Information System (MIS).*** With the view to establishing a sound MIS, the sub-component will support the core management functions of the sector ministries, as well as the CNA and CNOP-G, regarding (i) fiduciary capacity (accounting and financial management, and procurement); (ii) social and environmental safeguards; (iii) Monitoring & Evaluation (M&E) including M&E frameworks to cover the results and the impacts of PNIASA priority programs and subprograms; (iv) information and communication; and (v) Statistics. This is expected to result in the preparation of 'dash boards' governing sector management, as needed for PNIASA implementation. Attendant quarterly progress reports on the sector ministries' activities will be prepared. Monitoring and Evaluation (M&E) is a central element of this sub-component. The M&E system is intended to focus on the needs of both monitoring PNIASA implementation and the sector ministries' own performance. Support from PASAG will complement support provided by the PAPEGM for the monitoring of the Poverty Reduction Strategy. A comprehensive results framework for PNIASA to be jointly

monitored by the two projects will be developed. PASAG will train the central staff of the BSDs, and their counterpart staff in the decentralized services (at regional and prefecture level). It will provide the technical assistance necessary for the design and development of computer software, and the training of agents involved in data collection at all levels. It will finance the acquisition of computer equipment, additional logistical support at the regional level, as well as data processing and analysis. It will also support the preparation and dissemination of M&E reports by the BSDs which will be shared widely with all partners.

8. **Sub-Component 1.3: Capacity development of the Sector Ministries and the Chamber of Agriculture..** This sub-component will develop the sector ministries, CNA’s and CNOP-G’s capacity to support the sector approach. The cycle will start with economic and sector analysis and the preparation of PNIASA’s Results Framework (RF) based on the aggregation of the results frameworks of the various PNIASA programs. The PNIASA’s RF combined with the findings of the Agriculture Public Expenditure Review (AgPER, 2013) will be used to prepare the sector Medium-Term Expenditure Framework (MTEF). This latter, in turn, will be used to guide the Planning, Programming and Budgeting (PPB) process leading to the preparation of annual Work Programs and Budgets (*Programmes de Travail et Budgets Annuels* - PTBAs). These PTBAs will be monitored and evaluated on an annual basis. The sub-component will also introduce and implement a Results-Based Management and Accountability System (RB-MAS) for all sector activities.

9. The work flow regarding Subcomponents 1.2 and 1.3 is depicted in Diagram A2.3 below.

Diagram A2.2 - Work Flow under Sub-Components 2 and 3



10. Sub-components 1.2 and 1.3 will finance the required Technical Assistance (TA)⁵, staff training, logistical means, and, on a declining basis, the corresponding incremental operating expenditures. TA support is meant to help set-up and run the required systems during the pilot phase. Hence, the TA experts at the beginning will co-manage activities together with their national counterparts, and provide on-the-job training. Each TA will be embedded with clear objectives and timeframe to transfer all responsibilities and expertise to the national counterparts. BSDs will develop detailed content for each sub-program and projects included in the PNIASA through PASAGs TA. The TA experts will undertake on-the-job coaching, with additional training being provided through specialized sessions, seminars and workshops organized at national level, regional or international level. Logistical means will comprise computer equipment and furniture, computer software, vehicles, as well as corresponding incremental expenditures on a declining basis with gradual takeover by the national budget. The recipient structures within the sector ministries will be the General Secretariats, the Administrative and Financial Units (DAFs) and the Strategy and Development Bureaus (BSDs), and the Agricultural Offices of the seven regional delegations. The upper management structure of the CNA and CNOP-G will also receive support.

Component 2: Analytical support to PNIASA implementation (US\$ 6.9 million).

11. The component's objective is to create an enabling environment and establish the required preparedness conditions for the implementation of selected PNIASA programs. It will finance the required consultancies and studies in specific thematic areas considered as priorities for PNIASA implementation. These activities will result in action-oriented master plans and analytical reports, including detailed action plans and operational designs (APDs). These activities are expected to facilitate submissions to donors for PNIASA funding and pave the way for PNIASA implementation.

12. ***Sub-Component 2.1: Preparation of Feasibility Studies.*** This sub-component will finance the revision/ update of two main national master plans in the fields of irrigation infrastructure development and rural roads respectively. The TORs for the preparation of these plans have already been agreed. Regarding irrigation development, the scheme will include the supplementary preparation of Detailed Design Plans (APDs) for 6,000 ha. AFD has agreed to finance the APDs for targeted mangrove areas in Maritime Guinea, and for combined rice-and-fish producing irrigated areas in Forest Guinea where FAO carried out a detailed survey of the potential of lowland areas in October 2009. As part of the rural roads master plan, special attention will be given to linking irrigated areas with markets. The master plan will include 1,000 km of rural roads. Sub-component 2.1 will also support the preparation of a national pastoral space management plan (TORs have already been provided by MERA).

13. ***Sub-Component 2.2: Priority Sub-sector studies.*** These studies will comprise an inventory of land use, a review of rural finance and miscellaneous other studies to be financed based on demand. The inventory of land use is intended to provide support for the precise delineation of the parks and protected areas of Guinea that are being encroached by producers and pastoralists. It will consist essentially of mapping the areas concerned and establishing markings on the ground.

⁵ This technical assistance will be provided through the services of an International Consultancy Firm (ICF), recruited through a performance-based contract, and/ or through specialized individual consultancies in each field of expertise required.

14. The Sub-Component will finance also: (i) the value chain studies for selected priority sub-sectors included in the PNIASA; these studies will incorporate an analysis of the implementation of the institutional framework (inter-profession) as well as other priority activities action plan to implement recommendations; and (ii) the impact assessments of selected priority PNIASA programs and sub-programs.

15. The sub-component will also finance selective economic and sector work (ESW) in the field of rural finance. This will include the review of the national strategy and policy concerning rural subsidies. GoG currently is yet to have a comprehensive strategy in that field and there is a need to harmonize actions across projects as they often support financing schemes based on different approaches and rules. Sub-Component 2.2 will specifically review GoG's current input and equipment subsidy scheme. This review will explore options to increase the efficiency and effectiveness of the scheme, including delivery options using vouchers. The sub-component will also review existing matching grant schemes for infrastructure, social development and income generation. It will make proposals to harmonize these schemes based on common procedures.

16. Other studies will be financed by Sub-Component 2.2 in selected priority areas. These studies will be demand driven so that they respond to current needs as project implementation unfolds. Subject matters that would be eligible concern diversification value chains such horticulture, poultry farming, small ruminants, fish-farming and non-wood forest products, or critical issues such as after-harvest losses. One area that will receive particular attention relates to statistics, particularly as regards the agriculture and livestock statistical censuses. Guinea has not had such censuses for over a decade and they are clearly overdue. FAO has prepared a project document for the conduct of these censuses. But they are yet to be financed. Sub-Component 2.2 could finance a number of preparatory/ pilots' activities that would pave the way technically for implementation of the censuses and help undertake fund-raising for the censuses.

17. Component 3: Project management and coordination (US\$1.8 million). Project activities will be coordinated by a small Operational Coordination Unit (*Coordination Opérationnelle Déléguée-COD*) headed by a Coordinator Delegate (CD) and consisting of a small staff including a financial specialist, an accountant, a procurement specialist, an administrative assistant and two drivers/ messengers. Project funding will cover the cost of the COD's logistics (vehicles, office furniture and equipment, computer stations, etc.), as well as its operating expenditures over the four project years.

Annex 3: Implementation Arrangements

GUINEA: AGRICULTURE SECTOR SUPPORT PROJECT (PASAG)

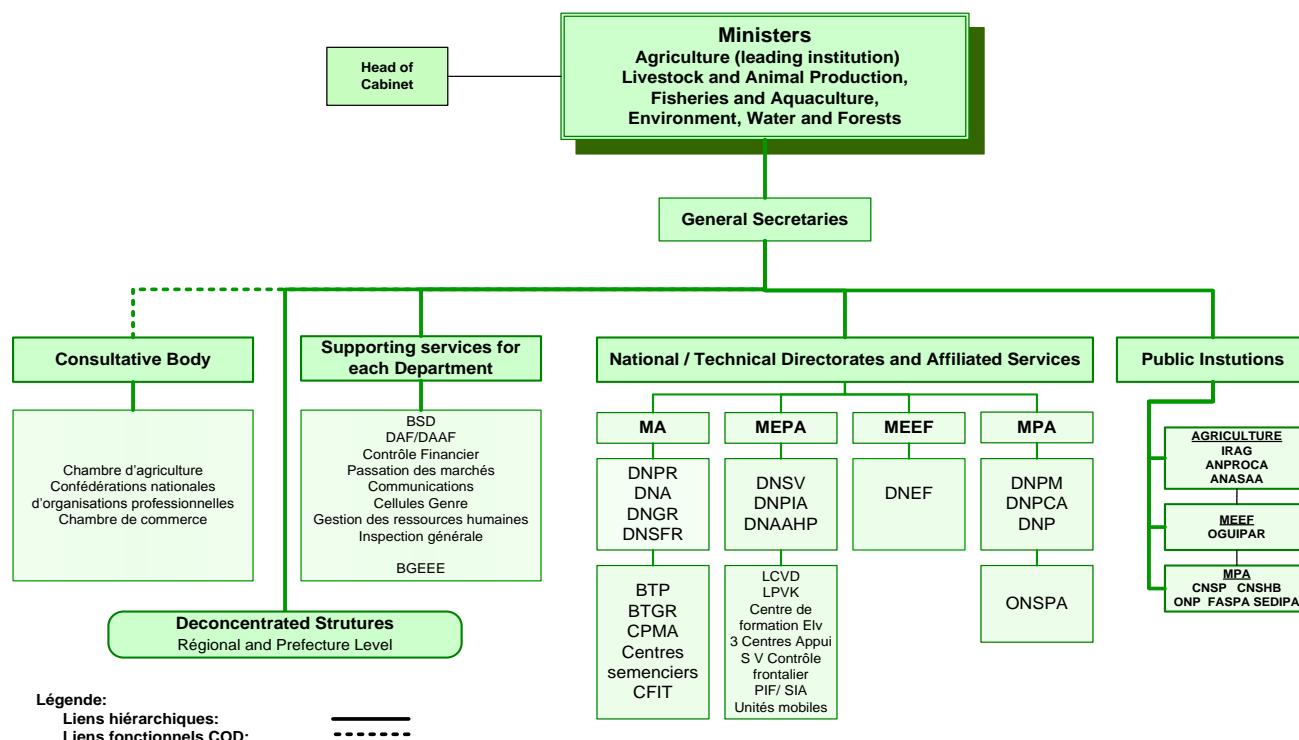
Sector Entities Involved in PASAG Implementation

1. PASAG design was based on a sector approach to PNIASA operationalization. PNIASA is Guinea's five-years investment plan (2012-2017) for agriculture and food security which was prepared and has started being implemented by the four sector ministries (Ministry of Agriculture-MA), Ministry of Livestock and Animal Production-MEPA, Ministry of Fisheries and Aquaculture-MPA, and Ministry of Environment, Water and Forestry-MEEF) (see summary organizational structure in [Diagram A3.1](#) below), as part of the AU/NEPAD CAAPP process. These ministries are the 'sector ministries' involved in PASAG implementation. MA is the largest of these ministries and has the sector leadership role. The two other important PASAG stakeholders are: (i) the National Chamber of Agriculture (*Chambre Nationale d'Agriculture-CNA*): the CNA is a professional-type public entity created in 1997 and supervised by the MA; it has regional branches (*Chambres Régionales d'Agriculture-CRAs*) in each of Guinea's eight regions; the CNA's Consular Assembly is currently being renewed; there is no consensus amongst agricultural producer organizations that the CNA be their sole representative with the Government; and (ii) the National Confederation of Peasant Organizations of Guinea (*Confédération Nationale des Organisations Paysannes de Guinée-CNOP-G*): this entity was created in 2005; its mission is to support the interests of producer organizations (OPs) and enable them to strengthen and revitalize the peasant movement; the CNOP-G has four regional offices based in Dubréka (Lower Guinea), N'Zérékoré (Forest Guinea), Kankan (Upper Guinea) and Labé (Medium Guinea); in 2009, it adopted an Orientation and Action Plan for the period 2010-2015; the CNOP-G is the entity that has most clout and credibility amongst OPs for their representation with the Government.

Donor Coordination

2. All PNIASA partners have agreed to harmonize their projects' institutional mechanisms and management procedures as part of the sector approach supported by PASAG. The proposed project will be implemented in close liaison with key projects dealing with the sector's public and management notably: (i) the Bank-financed Economic Governance Technical Assistance and Capacity Building Project (EGTACB) which started in 2013 and focuses on capacity building for public finance management and procurement; and (ii) the ADB-financed Economic Planning and Mining Governance Support Project which started in 2012 and focuses on planning and M&E capacity building, particularly with the four sector ministries (see [Table A.3.1](#) below). PASAG implementation will be carried out also in close liaison with the Bank-financed Guinea West Africa Agricultural Productivity Project (WAAPP, FY2012) designed to strengthen the national agricultural research system and extension services, and the Emergency Agricultural and Productivity Support Project (EAPSP, FY2013) focused on food security and agriculture productivity.

Diagram A3.1 – Summary Organizational Chart of Sector Ministries Involved in PASAG Implementation *



* See abbreviations and acronyms in [Appendix A3.1](#)

Table A3.1 – Donor-Funded Public Management and Technical Support Projects

Project /Support activities	Financing / Duration	Technical Assistance	Equipment supplied	Synergy and Complementarities
<p>Economic Governance Technical Assistance and Capacity Building Project (EGTACB-WB)</p> <ul style="list-style-type: none"> Economic reforms (public expenditure management and procurement) 	<p>US\$2.6m + US\$1.34m from the EU TF Period: 2013-2017</p>	<p>- Training Sector Dept. to the new procurement code - Capacity building DNIP (public investment)</p>		<ul style="list-style-type: none"> Capacity building in planning, programming and monitoring of public investments / expenditures, and procurement
<p>Support Project for Economic Planning and Mining Governance / ADB (PAPEGM-BAD) in conjunction with PARCGEF Strengthening the implementation of development policies of the country</p> <ul style="list-style-type: none"> Sub-component. 1.1 Improved monitoring of the imple- 	<p>US\$7.5 m for the component (+US\$7m Mining governance component) Duration :</p>	<p>PRSP Monitoring framework and Framework for measuring the performance level of PRSP and Public Investment Program</p>	<ul style="list-style-type: none"> Support to 12 BSD incl the 4 Agric. Sectors + Regional BSD (PC, printers, software) 	<p>Sharing Project Coordination Unit with WB EG-TACB.- Important complementarity on M&E Design and Capacity building</p>

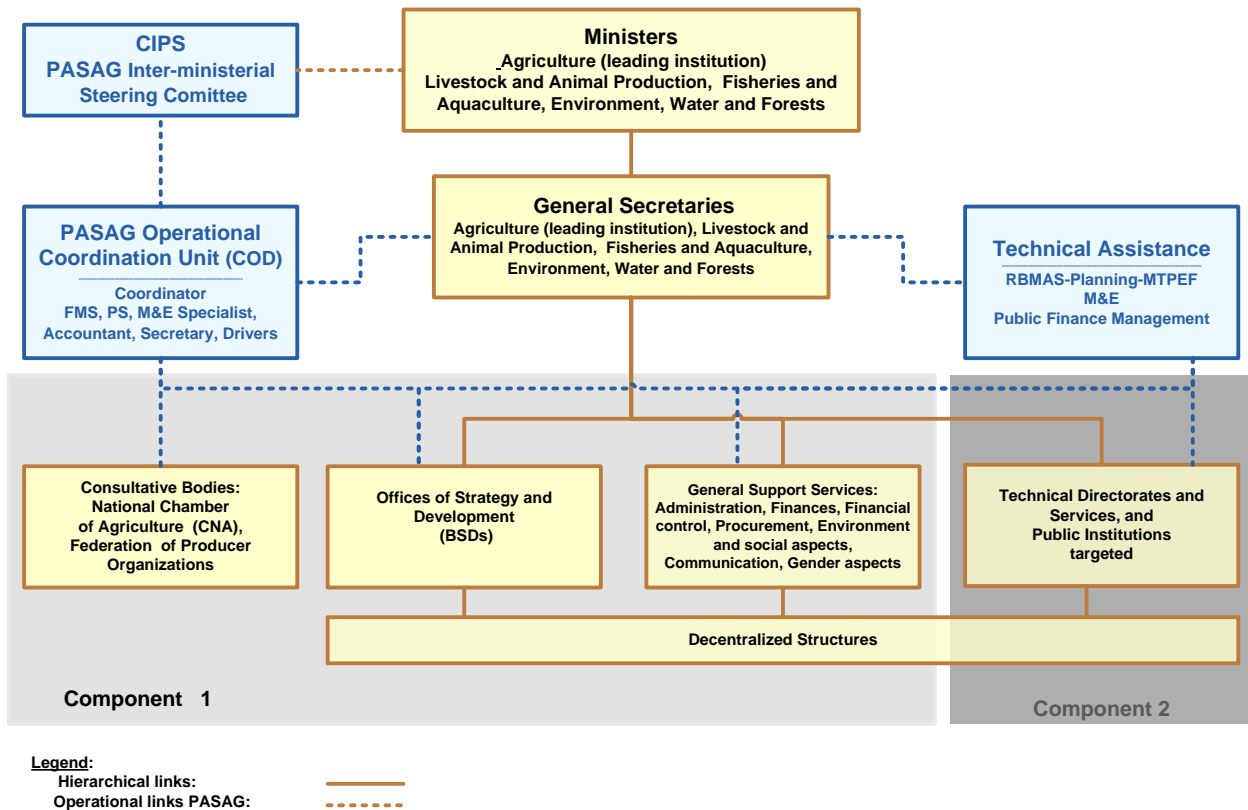
Project /Support activities	Financing / Duration	Technical Assistance	Equipment supplied	Synergy and Complementarities
mentation of the PRS (SP, BSD, regions) <ul style="list-style-type: none"> • Sub-comp. 1.2: Modernization of Programming and Monitoring System of public investments and mobilization of External Finance 	2012-2016			
AFD Guinea Projects under planning: targeted interventions sectors: <ul style="list-style-type: none"> • Institutional diagnosis • Interventions on improving land issues • Irrigation and feeder road Master plan in targeted areas: Lower and Forest Guinea (incl. detailed preliminary design) 	Funds for studies €7m + €15 m (C2D) for projects	✓	✓ Yet to be detailed	Complementarity on all these points with interventions PASAG. Clear interest to support Sector wide approach. Are involved in coordination Donors in agric. Sector
PNAFA (FIDA) Project to Support Agricultural Value Chain Actors : <ul style="list-style-type: none"> • Support to BSD/MA and decentralized bodies • Support to farmers Organization (CNOFG) • Infrastructure for irrigation 	US\$48m Incl. US\$10 m for irrigation infrastructure 2012 / 2019	To improve BSD's M&E system for project implementation (agriculture ministry only)	Motorcycles for Agriculture agents involved in M&E (local level)	Complementarity M&E of project implementation
Islamic Development Bank (BID) <ul style="list-style-type: none"> • Targeted intervention sectors: Irrigation infrastructure including studies (at least US\$1m) 	US\$1m for studies + Irrigation Scheme			Complementarity to Irrigation master plan. Could finance detailed preliminary studies
FAO <ul style="list-style-type: none"> • Ministry of Agriculture request for supporting the design of a distribution policy inputs accepted • Ministry of Fishing and aquaculture (improving legal framework) 		✓ ✓		Complementarity to: Component2 Component 1

Project /Support activities	Financing / Duration	Technical Assistance	Equipment supplied	Synergy and Complementarities
<ul style="list-style-type: none"> • Support to the development and validation of the Agricultural Orientation Law (LOA) • Geo-referenced inventory of lowland forest Guinea • Agriculture and Livestock census preparation (pending funding mobilization by the GoG.(US\$10m) 	US\$400 000	<ul style="list-style-type: none"> ✓ ✓ ✓ 		<p>Component 1</p> <p>Input for irrigation master plan</p> <p>PNIASA M&E</p>

Project Overall Implementation Arrangements

3. The lead responsibility for project implementation will be vested with the Ministry of Agriculture (MA). This ministry has the *de facto* leadership role in the agriculture, rural development and food security sector. Within the MA, the project implementation will be the responsibility of the Secretary General acting as lead coordinator on behalf of the four sector ministries. Implementation will be overseen by an Inter-ministerial Steering Committee (*Comité Interministériel de Pilotage Stratégique-CIPS*), chaired by the agriculture minister. The CIPS membership will consist of the other sector ministers (or their representatives), the representatives of all directorates involved in project implementation, as well as representatives of the National Chamber of Agriculture and other producer organizations, a representative of the civil society, a representative of the private sector, a representative of microfinance institutions, and a representative of each Financial and Technical Partner involved (as observers). Diagram A3.2 below presents the institutional framework and organizational arrangements for project implementation.

Diagram A3.2 - Institutional framework for Project implementation



4. The Secretary General of the MA acting as PNIASA national coordinator will have PASAG's overall oversight. The project will be managed on a daily basis by an Operational Coordinating Unit (*Coordination Opérationnelle Déléguée-COD*), responsible for the project overall management, including planning, budgeting, financial management, procurement, safeguards compliance and M&E. The COD will be headed by a Coordinator Delegate (CD) who will be a competitively-selected senior national professional staff reporting to the MA Secretary General. The CD will work in close collaboration with the two supporting central directorates in each participating ministry: (i) the Bureau for Strategy and Development (BSD) in charge of planning, programming, budgeting, monitoring & evaluation, as well as compliance with safeguards; and (ii) the directorate in charge of administrative and financial affairs (DAF), including procurement matters. S/he will also liaise closely with the technical national directorates (e.g., the directorate of rural engineering) and the regionally decentralized offices of the sector ministries targeted by the project.

5. The COD's team, in addition to the CD will consist of four national senior staff (a financial manager, an accountant, a procurement specialist and a M&E specialist), a program assistant and two drivers/ messengers. The financial manager, the accountant and the procurement specialist will be located with the MA Financial and Administrative Directorate (DAF). The M&E specialist will be located with the MA Bureau of Strategy and Development (BSD). The CD will be assisted by an International Consultant (IC), leader of the Technical Assistance Team of the International Consultant Firm (ICF, see below).

6. An ICF will be recruited to strengthen the four ministries' capacity through formal and on the job training and quality control. The ICF's TA team will consist of an administrative management specialist, expert in Results-Based Management Accountability System (RB-MAS), a financial management specialist and an M&E specialist. Technical consultants will also be recruited as part of the ICF's TA team as needed for project implementation. The ICF's TA team's role will be to provide overall support to the sector ministries and strengthen their capacity to coordinate and implement PNIASA. It will also help the ministries to transition to a future SWAp. The ICF will be recruited based on a Technical Assistance Plan that clearly presents activities and schedules for the achievement of the following results: (i) government ownership and transfer of competences; (ii) improved sector strategy, financial management and M&E; (iii) enhanced harmonization and consultation mechanisms with donors and other partners supporting PNIASA implementation; and (iv) effective basis for a future full-fledged SWAp following project completion. The TA Plan will include target values and indicators for monitoring results. The TA Team will implement a strategy based on "companionship", quality control and gradual withdrawal. The TA team assignment will be for a fixed duration varying between 18 and 24 months depending on the type of expertise, and on a part-time basis up to six months during the remainder of the project. Such a strategy will ensure the transfer of competencies to the national staff and avoid substituting for their responsibilities to better pave the way for project sustainability.

7. Table A3.2 below presents the composition of the TA team. This team will consist of: (i) a mission leader, specialized in RBMAS, as advisor to the MA General Secretary and assistant to the CD; s/he will stay full time during the first two years, and part time for six month thereafter; (ii) a financial management expert, based at the MA DAF, full time for 18 months; and (iii) a Monitoring and Evaluation expert, based at the MA BSD, full time during the first 18 months, and part time thereafter for six months for the remainder of the project period; and (iv) a provision of 10 months of miscellaneous technical expertise to cover needs for the four project years.

Table A3.2 - Composition of TA Team

TA Team	Permanent Assignment	Part-Time Assignment	Total Duration of Assignment
RBMAS specialist (Head of Team)	24	6	30
Public finance specialist	18		18
M&E specialist	18	6	24
Various expertise		10	
Total (persons months)	60	22	82

8. Each semester, an internal review will be organized to monitor progress achieved in implementing the sector ministries' reform, the RBMAS and other key project activities, and PNIASA's progress. The ICF TA Team will present a periodic technical assistance report to the Bank, approved by the Secretary General. The ICF technical assistance report will elaborate specifically on indicators included in its TA Plan. Payments will be based on progress with regard to these results.

9. The Secretary General in each sector ministry will be responsible for the ministry's restructuring, as well as the updating of the sub-sector codes envisaged and the procedures for implementing the LOA under Sub-Component 1.1. These activities will be carried out with the support of external individual consultants or consultancy firms competitively recruited specifically for this purpose.

10. The Bureau of Strategy and Development (BSD) in each of the four ministries will be responsible for establishing enhanced planning, programming and monitoring and evaluation (M&E) systems with the support of the ICF's TA Team as intended under PASAG's Sub-Components 1.2 and 1.3. Focal points for BSD activities will be appointed in the sector ministries' technical directorates and specialized agencies. This structure will be validated under the reform process and restructuring supported by PASAG's Sub-Component 1.1. The required staff will be appointed through competitive internal calls for application.

11. The Directorate in charge of Financial and Administrative affairs (DAF) in each of the four sector ministries involved will be responsible for improving its ministry's financial management under Sub-Component 1.2. With the support of the ICF's TA team, an enhanced financial management system, including improved financial management procedures and tools, will be established. The TA team financial management expert will ensure on the job training through a companionship approach, quality control and gradual transfer of competences.

12. The various technical directorates of each ministry will be responsible for the master plans and studies envisioned under Component 2.

Financial Management and Disbursement Arrangements

13. A financial management assessment of the implementing entity, i.e. the Ministry of Agriculture (MA), has been conducted by the Bank in accordance with the Financial Management Manual issued on March 1, 2010 with the objective of determining: (i) whether there is within the Ministry, especially the Directorate of Finance (DAF-MA), adequate FM arrangements in place to ensure that the Project's funds will be used for the purposes intended in an efficient and economical manner. The assessment concluded that the current FM arrangements, based on national FM procedures as applied by the Directorate of Finance of the Ministry of agriculture, are not adequate to handle the project activities following Bank procedures. As such, the overall Coordination and FM activities will be the responsibility of a delegated coordination unit (COD) to be established within and under the oversight of the MA. It is therefore expected that the current financial management arrangements for this project will meet the Bank's minimum fiduciary requirements under OP/BP10.00 once the proposed mitigation measures, as presented in the following action plan, are implemented. The FM residual risk is deemed **Substantial**.

14. The following Table A3.3 presents the major FM weaknesses or risks, and Action Plan to reinforce the FM control environment.

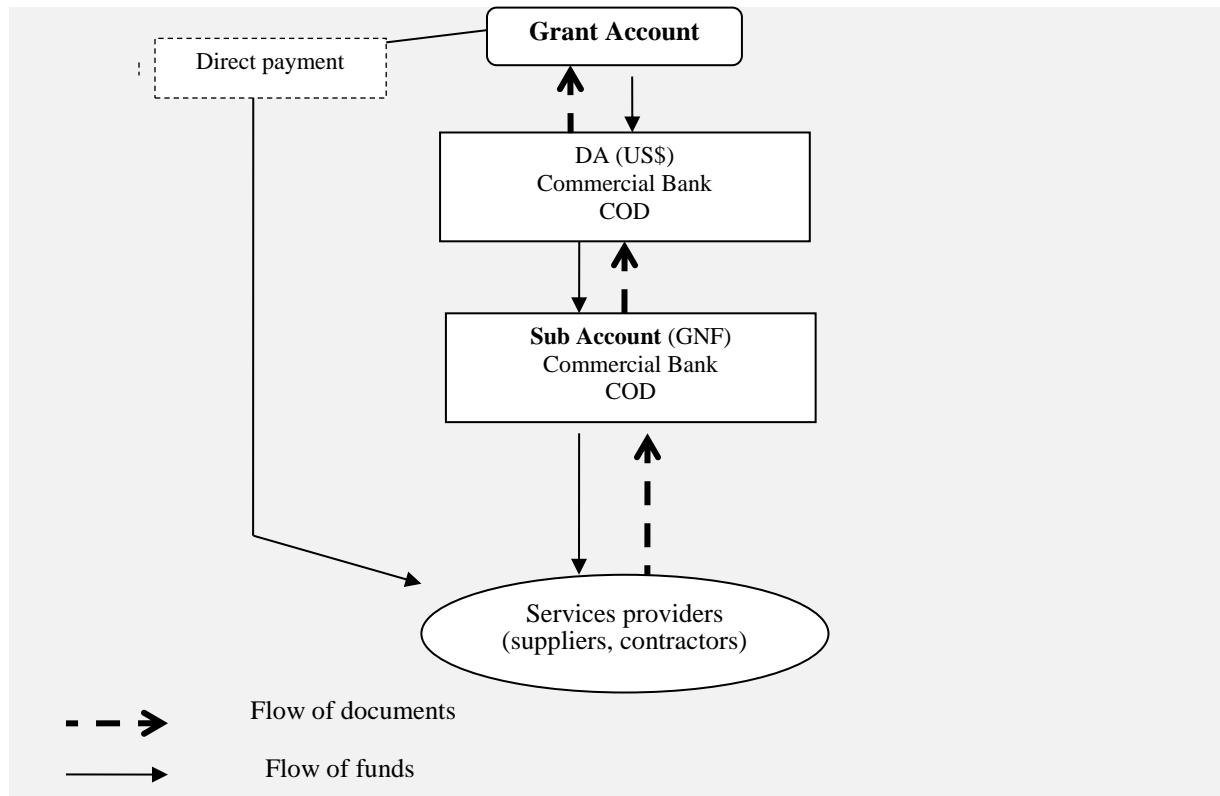
Table A.3.3 – FM Weaknesses and Risk, and Mitigation Actions

Significant Weaknesses or risks	Action	Responsible body	Completion
Implementation, supervision and coordination issues	Prepare a draft financial, administrative and accounting procedures	MA	Before Effectiveness
Inadequate staffing	Recruit an FM officer based on ToR acceptable to IDA	MA	Before Effectiveness
	Recruit or appoint an accountant based on ToR acceptable to IDA	COD-MA	One month after effectiveness
Delays in bookkeeping and reporting due to the lack of adequate accounting software	Purchase and make operational an accounting software for FM project activities management purposes	COD-MA	Two (02) months after effectiveness
Lack of adequate capacity of the Chamber of Accounts of the Supreme Court	Recruit an external auditor with TORs acceptable to the Bank (including fraud & corruption)	COD-MA	Within Five (05) months of effectiveness

15. **Staffing and Training.** The Project FM staff will consist of one FM officer and one accountant with acceptable experience who will be appointed or recruited as part of the COD. The project FM staff will be trained on IDA FM procedures and requirement over the project entire implementation period.

16. **Flow of funds.** The flow of funds is depicted in [Diagram A3.3](#) below. One Designated Account (DA) in US\$ will be maintained in a commercial bank and managed by the COD. The DA will be managed according to the disbursement procedures described in the Administrative, Accounting and Financial procedures and the Disbursement Letter. The DA ceiling is US\$700,000. Funds will therefore flow from the DA in US\$ to a sub account in GNF. Suppliers and contractors will be paid through the sub-account in GNF under the responsibility of the COD and the joint signatory of the Directorate of Finance (DF) of the MA and the COD Coordinator. In case of absence of the DF, the FM officer or a third person designated by the DF will co-sign.

Diagram A3.3 – Flow of Documents and Funds for PASAG Disbursement



17. **Disbursement.** Disbursement procedures arrangement will be detailed in the manual of accounting, administrative and financial procedures and the disbursement letter. Upon project effectiveness, transaction-based disbursements will be used. An initial advance up to the ceiling of the DA (US\$ 700,000) and representing three months forecasted project expenditures paid through the DA will be made into the Designated Account and subsequent disbursements will be made on a monthly basis against submission of SOE or records as specified in the Disbursement Letter. Thereafter, the option to disburse against submission of quarterly unaudited IFR (also known as the Report-based disbursements) could be considered subject to the quality and timeliness of the IFRs submitted to the Bank and the overall FM performance as assessed in due course. In the case of the use of the report-based disbursement, the DA ceiling will be equal to the cash forecast for two quarters as provided in the quarterly unaudited Interim Financial Report. If and when IFRs are used as the basis of disbursements, the contents and format will be revised to include disbursement-related information. In addition to the “advance” method, the option of disbursing the funds through direct payments to a third party, for contracts above a pre-determined threshold for eligible expenditures (e.g. 20 percent of the DA ceiling), will also be available. Another acceptable method of withdrawing proceeds from the IDA grant is the special commitment method whereby IDA may pay amounts to a third party for eligible expenditures to be paid by the Recipient under an irrevocable Letter of Credit (LC).

18. **Budgeting arrangements.** The project budgeting process will follow Bank procedures and be clearly defined in the Budget section of the project implementation manual. The budget will

be adopted before the beginning of the year and monitored through the project accounting software. Annual draft budgets will be submitted to the Bank's non-objection before implementation. The consolidated Annual Work Plan and Budget (PTBA) approved by the steering committee will be submitted to the Bank no later than November 30 every year.

19. **Accounting policies and procedures.** Project accounts will be maintained and supported with appropriate records and procedures to track commitments and to safeguard assets. Annual financial statements will be prepared by the COD using an adequate accounting software system. This system which will be designed during the project preparation so as to also generate automatically acceptable IFRs and financial statements. The accounting policies and procedures will be documented in the accounting procedures. The project through its administrative and financial management units will apply the OHADA (*Organisation pour l'Harmonisation en Afrique du Droit des Affaires*) accounting principles.

20. **Internal controls and audit.** An implementation manual (PIM), including accounting administrative and financial procedures, will be prepared before project effectiveness. To maintain a sound control environment, the project team is expected to follow the control mechanisms that will be described in the manual of procedures. The manual will ensure that adequate internal controls are in place for the preparation, approval and recording of transactions as well as the clear delineation of duties. The manual will set forth the role and responsibility of each stakeholder. The manual will be subject to update as needed. A third party will be committed to ascertain the performance of the TA firm and report to the steering committee and the COD to allow payment under the performance contract. Such mechanism will be described in the implementation manual

21. **Reporting and monitoring.** The COD will prepare quarterly Interim Financial Reports (IFR) during project implementation. The reporting format and content will be documented in the administrative, financial and accounting procedures. The Interim unaudited Financial Reporting (IFR) includes the following statements: (i) Statement of Sources of Funds and Project Revenues and Utilization of funds; (ii) Statement of Expenditures classified by project components/activities (economic classification) showing comparisons with budgets for the reporting period and cumulative for the project life; and (iii) Note to the IFR providing reasons for the variances and any information on the statement of sources of funds and project revenues and utilization of funds. Interim Financial Reports will be furnished to the Bank not later than 45 days after the end of the quarter. Annual financial statements will be prepared by the COD and will be subject to annual external audits.

22. The COD will also produce the projects Annual Financial Statements and these statements will comply with SYSCOHADA and World Bank requirements. They will be comprised of: (i) a Statement of Sources and Uses of Funds which includes all cash receipts, cash payments and cash balances; (ii) a Statement of Commitments; (iii) accounting Policies Adopted and Explanatory Notes; and (iv) Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements.

23. **Audit arrangements.** The Financing Agreement (FA) will require the submission of Audited Financial Statements for the project to IDA within six months after year-end. The auditor will conduct an annual audit of the annual financial statements. A single opinion on the Audited Project Financial Statements in compliance with International Standards on Auditing (ISA) will be required. The report will also include specific controls such as compliance with

procurement procedures and financial reporting requirements and consistency between financial statements and management reports and field visits (e.g. physical verification). The audit report will thus refer to any incidence of non-compliance and ineligible expenditures and other irregularities identified during the audit mission. The external auditors will prepare a Management Letter giving observations and comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Financial Agreement

24. **Governance.** Inefficient service delivery is normally perceived as the manifestation of corruption and poor governance. In the context of Guinea this is an inherent issue. The Bank’s close supervision of the project activities that will be fully implemented following Bank procedures will contribute to mitigate that risk. In addition, the project will rely on a private TA team; therefore additional risks might jeopardize the project objective of capacity building through a TA mechanism. Then there is a risk of no value for money i.e. the TA firm is paid although agreed results are not achieved on the ground. As a mitigation measure, the project design might include a performance control mechanism under the oversight of the COD and the steering committee.

25. **Implementation Support Plan.** The Coordination unit will send to the Bank quarterly Interim Financial Reports in addition to annual audited financial statements. The auditor will also provide a management letter assessing the internal control system. The project FM residual overall rating is deemed **Substantial**. Based on that, the Bank FM team will conduct supervision missions on a semester basis. The first FM review will thus be carried out within 6 months of grant effectiveness. This detailed review will cover all aspects of financial management, internal control systems, and overall fiduciary control environment. Thereafter, the on-site supervision intensity will be based on risk - initially on the appraisal document risk rating and subsequently on the updated financial management risk rating during implementation. Based on the outcome of the FM risk assessment, the following implementation support activities will apply:

Table A3.4 – Type and Schedule of FM Implementation Support Activities

FM Activities	Frequency
Desk reviews	
Interim financial reports review	Quarterly
Audit report review of the project	Annually
Review of other relevant information such as interim internal control systems reports.	Continuous as they become available
On site visits	
Review of overall operation of the FM system	Bi-annual (Implementation Support Mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audit and other reports	As needed
Transaction reviews (if needed)	As needed
Capacity building support	
FM training sessions	When needed.

26. ***Financial Covenants.*** The following financial covenants will be agreed as part of the IDA financing agreement:

- a) A financial management system including records, accounts and preparation of related financial statements shall be maintained in accordance with accounting standards acceptable to the Bank;
- b) The Financial Statements will be audited in accordance with international auditing standards. The Audited Financial Statements for each period shall be furnished to the Association not later than six (6) months after the end of the project fiscal year. The Borrower shall therefore recruit an external auditor not later than five (5) months of effectiveness; and
- c) The Borrower shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim un-audited financial reports for the Project, in form and substance satisfactory to the Association.

Procurement Arrangements

27. ***Procurement Assessment Review and measures taken to date.*** A Country Procurement Assessment Review, carried out in Guinea in February 2002 flagged the main issues regarding procurement, such as the lack of capacity regarding the recipient's staff, the absence of standard bidding documents at the national level, the insufficient capacity of local contractors for contracts subject to ICB, and the existence of corruption. Recommendations were made to address these issues. The Bank, through an IDF (TF 55853) signed in November 2005, provided support on the public procurement reform. The main objectives were to: (i) enhance transparency of the procurement system; (ii) put in place the new institutional framework (public procurement directorate controlling procurement transactions, public procurement regulatory body including an appeal committee for complaints; (iii) update the procurement code; and (iv) design standard bidding documents. On March 2009, the legal framework was revisited, and the new Procurement Law and the new Procurement Code were adopted and approved respectively on October 11, 2012 and December 03, 2012. The national procurement system is still governed by the Act L/97/016/AN passed on June 03, 1997 and its implementing regulations for six months after the publication of the new texts on the Official News.

28. ***Assessment of project procurement capacity and mitigation measures.*** In February 2014, the Bank conducted an assessment of the procurement capacity and ability to perform procurement activities in accordance with World Bank procedures and guidelines. The assessment conclusions regarding the criteria of experience in procurement concluded that the four sector ministries have no experiences in Bank's procurement procedures and have no manual of procedures in accordance with Bank requirements. In order for these bodies to implement Bank funded activities in accordance with the Bank guidelines on procurement, the assessment mission recommended the recruitment of a procurement specialist to strengthen each of the structures and the preparation of either a manual of procedures or the updating of existing one to comply with Bank requirement on procurement.

29. ***Frequency of procurement reviews and supervision.*** Bank's prior and post reviews will be carried out on the basis of thresholds indicated in the following table. The IDA will conduct six-monthly supervision missions and annual Post Procurement Reviews (PPR); with the ratio of post review at least one to five contracts. The IDA may also conduct an Independent Procurement Review at any time until two years after the closing date of the project.

30. **Procurement risk assessment and recommended actions.** The overall procurement risk is assessed as High. With respect to the COD, the recommendations cover the following actions to be implemented before project effectiveness: (i) the recruitment of one procurement specialist who will support the above-mentioned capacity building; and (ii) the preparation of procurement procedures as part of the PIM.

31. **Guidelines and procurement documents.** Procurement for the proposed project will be carried out in accordance with the Bank *Guidelines: (i) 'Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants' dated January 2011 and as revised in July 2014; and (ii) 'Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers dated January 2011 and as revised in July 2014.* Procurement will be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. The Recipient/Borrower will develop standard documents based on the Bank's SBDs for National Competitive Bidding (NCB) for goods and works and the Bank's RFP for the selection of consultants through methods other than Quality and Cost Based Selection (QCBS). These documents will be submitted to the IDA for prior approval.

32. **Advertising procedures.** The General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest and results of the evaluation and contracts award should be published in accordance with advertising provisions in Bank guidelines. For ICB and request for proposals that involve international consultants, the contract awards shall be published in the United Nations Development Business (UNDB) online within two weeks of receiving IDA's no objection to the recommendation of contract award. For Goods, the information to publish shall specify: (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published: (i) names of all consultants who submitted proposals; (ii) technical points assigned to each consultant; (iii) evaluated prices of each consultant; (iv) final point ranking of the consultants; and (v) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who submitted proposals. The other contracts should be published in national gazette periodically (at least, quarterly) and in the format of a summarized table covering the previous period with the following information: (i) name of the consultant to whom the contract was awarded; (ii) the price; (iii) duration; and (iv) scope of the contract.

33. **Procurement of works.** The works to be financed by IDA will include only minor rehabilitation and construction of buildings of less than US\$5,000,000 equivalent. These works may be procured through NCB. Contract estimated to cost less than US\$50,000 equivalent per contract may be procured through shopping procedures. For shopping, contracts will be awarded following evaluation of bids received in writing on the basis of written solicitation issued to several qualified suppliers (at least three). The award would be made to the supplier with the lowest price, only after comparing a minimum of three quotations open at the same time, provided he has the experience and resources to execute the contract successfully. For shopping, the project procurement officer will keep a register of suppliers updated at least every six month.

34. **Procurement of goods.** The Goods to be financed by IDA would include: office furniture, equipment, and supplies, vehicles, etc. Similar Goods that could be provided by a same vendor would be grouped in bid packages estimated to cost at least US\$500,000 per contract and would be procured through ICB. Contracts estimated to cost less than US\$500,000 equivalent may be procured through NCB. Goods estimated to cost less than US\$50,000 equivalent per contract may be procured through shopping procedures. For shopping, the condition of contract award shall be the same process as described above for procurement of works.

35. **Procurement of consulting services.** The project will finance Consultant Services for activities such as: engineering designs and supervision of works surveys, environmental and social safeguards studies and supervision, technical and financial audits, technical assistance to project partners, institutional strengthening and capacity building to inter-professions and cooperatives, training and workshops facilitators. Consultant firms will be selected through the following methods: (i) QCBS; (ii) selection based on the Consultant's Qualification (CQS) for contracts which amounts are less than US\$200,000 equivalent and are relative to exceptional studies and researches which require a rare and strong expertise; (iii) Least Cost Selection (LCS) for standard tasks such as insurances and, financial and technical audits costing less than US\$200,000; and (iv) Single Source Selection, with prior agreement of IDA, for services in accordance with the paragraphs 3.10 to 3.12 of Consultant Guidelines. Individual Consultant (IC) will be hired in accordance with paragraph 5.1 to 5.4 of Bank Guidelines; Sole source may be used only with prior approval of the Bank. Short lists of consultants for services estimated to cost less than US\$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if a sufficient number of qualified individuals or firms are available. However, if foreign firms express interest, they would not be excluded from consideration.

36. **Procurement of non-consulting services.** Procurement of non-consulting services, such as services for organizing workshops, data collection, transport services and maintenance of office equipment (if any), will follow procurement procedures similar to those stipulated for the procurement of goods, depending on their nature. The applicable methods shall include ICB, NCB, Shopping and Direct Contracting and the applicable thresholds are as for goods.

37. **Training, workshops and conferences.** Trainings (including training material and support), workshops and conferences, will be carried out based on a Capacity building and Training Plan (CBTP) to be approved along the Project's Annual Work Plan and Budget (AWPB). Detailed TORs will be prepared for each line of activity in the project, providing information on the nature of activity (training, workshop, study tour, field missions etc.), the number of trainees/participants, of which women, duration, staff months, timing and estimated cost, and will be submitted to IDA for review and approval prior to initiating the process. The appropriate methods of selection will be derived from the detailed schedule. Project would be requested to include a brief in the quarterly PIAs and Project's implementation progress report (IPR) summarizing completed activities under the project and their outcomes as regards the attainment of the project development objective.

38. **Operating Costs.** Operating costs financed by the project are incremental expenses incurred for implementing project activities by the Project management unit. They include facility services (electricity, internet, water, etc.), vehicles operation and maintenance, maintenance of equipment, communication costs, supervision costs (i.e. transport,

accommodation and per diem), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the Project Financial and Accounting Manual.

39. **Procurement methods and review thresholds.** The table below presents the agreed procurement methods and review threshold per expenditure category and contract value.

Table A3.5 – Procurement Methods and Review Thresholds

Expenditure Category	Contract Value (US\$)	Procurement Method	Contract Subject to Prior Review
1. Works	≥5,000,000	ICB	All
	<5,000,000	NCB	First contract
	<50,000	Shopping	The first contract
	No threshold	Direct contracting	All
2. Goods	≥500,000	ICB	All
	<500,000	NCB	The First contract
	<70,000	Shopping	The first contract
	No threshold	Direct contracting	All
3. Consultants			
Firms	≥200,000	QCBS; QBS; LCS; FBS	All contracts
	<200,000	QCBS; QBS; LCS; FBS, CQ	The first contract
Individuals	≥100,000	EOI	All contracts
	<100,000	comparison of 3 CVs	The first contract
Selection Firms & Individuals	No threshold	Single Source	All

40. All Term of Reference regardless of the value of the contract are subject to prior technical review. All trainings, terms of reference of contracts, and all amendments of contracts raising the initial contract value by more than 15 percent of original amount or above the prior review thresholds will be subject to IDA prior review. All contracts not submitted for prior review, will be submitted to IDA post review in accordance with the provisions of paragraph 5 of Annex 1 of the Bank’s Consultant Selection Guidelines and Bank’s procurement Guidelines.

41. **Procurement Plan.** For each contract, the procurement plan will define the appropriate procurement or consultant selection methods, the need for pre-qualification, estimated costs, the prior review requirements, and the time frame. The procurement plan has been reviewed and formally confirmed during negotiations. The procurement plan will be updated at least annually, or as required, to reflect the actual project implementation needs and capacity improvements. All procurement activities will be carried out in accordance with approved original or updated procurement plans. All procurement plans should be published on Bank website according to the Guidelines.

Environmental and social safeguards arrangements

42. During the project preparation process, consultations were conducted regarding the project's environmental and social safeguards with key stakeholders from the public sector (Ministry of Agriculture-MA, Ministry of Livestock and Animal Resources-MERA, Ministry of Fisheries and Aquaculture-MPRH, and Ministry of Environment, Water and Forestry-MEEF), as well as the Chamber of Agriculture and producer organizations. These stakeholders were involved in the definition of the scope of activities and they will remain engaged during implementation, supervision and evaluation stages of the project.

43. The project is rated Category B, in line with Bank policies with respect to environmental and social considerations. Indeed it is a Technical Assistance project with very limited environmental and social negative impact. It is expected to improve the agriculture sector management capacity for the effective implementation of Guinea's National Agricultural and Food Security Investment Plan (PNIASA). This will be achieved through the strengthening of sector institutions and civil society including the Chamber of commerce and agriculture producer organizations. The environmental and social impacts associated with the project are expected to be largely positive given the scope of activities typical of a Technical Assistance project which consists essentially of capacity building (including training and some refurbishing of office buildings) and preparation of key studies (including master plans for irrigation, rural roads and land management). However, in aiming at fostering investments in agriculture through institutional capacity building, and preparation, approval and pilot implementation of master plans, the project may induce some negative effects (expansion of cultivated areas, increased use of agricultural inputs, etc.). All the above entails environmental and social sustainability concerns regarding compliance with key safeguard policies. Hence, the project triggers the following policies: OP 4.01 (Environmental Assessment), OP 4.09 (Pest Management), and OP4.12 (Involuntary Resettlement).

44. To that effect, a Strategic Environmental and Social Assessment (SESA) and a Pest Management Plan (PMP) will be prepared along with the master plans and the feasibility studies expected to be completed during project implementation. The ToRs of the SESA and the PMP were cleared by the National Environmental Assessment Bureau (BGEEE) and the Bank, and disclosed at the World Bank InfoShop. During project implementation, the SESA and PMP studies, as well as any other environmental assessment related to the detailed studies, will be cleared by the BGEEE and the Bank before disclosure. The National Environmental Assessment Bureau (BGEEE), attached to the Ministry of Environment, is the entity responsible for ensuring that all projects and programs comply with the national legislation on environment.

45. PASAG is expected to yield substantial positive environmental and social impact: (i) strengthening public institutions and rural civil society organizations; (ii) BGEE staff and the regional and local staff will receive training to increase their capacity to manage environmental and social issues related to agricultural investments; (iii) gender equity will be considered in the design and implementation of the Guinea's National Agricultural and Food Security Investment Plan (PNIASA); and (iv) community-based organizations, civil society organizations, and producer groups will actively participate in the design and implementation of the project activities.

47 **Environmental Assessment** (OP 4.01). This policy is triggered to prevent and manage the potential environmental risks. To that effect, a Strategic Environmental and Social

Assessment (SESA) will be prepared ahead of the master plans and studies expected to be completed during project implementation. The SESA will provide an overall assessment of the framework, direction and resources, as well as specific guidance documents, needed for the implementation of these master plans and studies. This will in turn facilitate the detailed assessment and mitigation of specific potential impacts of PNIASA activities, since the master plans and studies are meant to be analytical work in support of key PNIASA programs. The ToRs of the said SESA were cleared by the National Environmental Assessment Bureau (BGEEE) and the Bank, and disclosed at the World Bank InfoShop on March 2014.

48. PNIASA will be implemented by technical directorates of the sector ministries. The BGEEE, attached to the Ministry of Environment, will be responsible of ensuring that the project complies with the national legislation on environment. In this regard, experience from recent and ongoing Bank-financed, and other externally-financed projects, has revealed that the sector ministries' capacity, as well as BGEEE's capacity, for implementing safeguard policies and monitoring compliance is very weak and that there is in need for strong support to upgrade that capacity to an acceptable standard. To overcome that weakness, it has been agreed that an Environmental Office will be created in each of the four sector ministries involved in PNIASA implementation. The project will support safeguards training programs for these offices.

49. These environmental offices will be responsible *inter alia* for (i) ensuring that projects and programs implemented by the sector ministries are in compliance with safeguards requirements, and (ii) reporting on environmental and social aspects. Specifically, regarding PASAG's implementation, each environmental office will ensure that: (i) projects and programs implemented by the ministry are duly screened for their environmental and social impacts, and, where appropriate, the relevant safeguard instruments are prepared, submitted to consultation, disclosed and executed in a timely manner; (ii) bidding documents for the refurbishment of offices include the relevant environmental and social aspects that the contractors must consider in their proposals; (iii) the refurbishment contracts include appropriate provisions of the implementation of the environmental and social aspects; and (iv) contractors effectively implement the environmental and social diligences during refurbishment works under the control of the supervising engineers, with their contracts including supervision of the environmental and social measures executed by the contractors.

50. **Pest Management** (OP 4.09). This policy is triggered to ensure availability of pest mitigation measures when the irrigation developments are made following studies financed by PASAG. The ToRs for a Pest Management Plan (PMP) were cleared by the National Environmental Assessment Bureau (BGEEE) and the Bank, and disclosed at the World Bank InfoShop on April 17, 2014, prior to the project appraisal. A stand-alone Pest Management Plan will also be prepared together with the SESA during project implementation.

51. **Involuntary Resettlement** (OP 4.12). The social safeguard issues of the proposed project are possibly associated with Component 2 in the sense that master plans and studies (most of them will include pilot activities) have the potential to lead to socially adverse impacts. OP 4.1 is triggered due to the potential need for land acquisition when the Government starts developing irrigation perimeters and road networks. The SESA will provide guidance to address potential environmental risks and social impacts linked to land administration when the master plans are implemented. The potential adverse social impacts directly associated with project implementation are likely be small-scale and site-specific since they will concern limited-scope

pilot activities. It is not anticipated that project activities will lead to any major land acquisition or major restriction of access to sources of livelihood. Nevertheless, project's activities will be duly screened for applicability of OP 4.12. In the event that people are physically or economically displaced because of the project's activities, a Resettlement Action Plan (RAP) will be prepared in accordance with the requirements of OP4.12 before the commencement of any relocation activities. This plan will be cleared by the Bank and disclosed. When repercussions are minor, an Abbreviated Resettlement Action Plan (ARAP) will be prepared.

52. One key recurrent sensitive social question that will need attention as part of project implementation regards land issues. These issues are becoming increasingly important in Guinea due to the competition between different land users (real estate developers, mining investors, agricultural producers, cattle herders, etc.). If these issues are not properly addressed, they have the potential to lead to serious social tensions and conflicts. In this context, PASAG will support selective activities focusing on specific institutional, technical and legal options to secure land tenure in rural areas through participatory management. Project activities will include, as needed, support for: (i) the preparation of land plans; (ii) the simplification and formalization of texts describing prevailing land agreements; and (iii) the adaptation of the legislative and regulatory framework to the needs of rural areas.

Table A3.6 - Safeguard Policies Triggered by the Project

	Yes	No
<u>Environmental Assessment (OP/BP 4.01)</u>	[X]	[]
Natural Habitats (<u>OP/BP 4.04</u>)	[]	[X]
Pest Management (<u>OP 4.09</u>)	[X]	[]
Indigenous Peoples (<u>OP/BP 4.10</u>)	[]	[X]
Physical Cultural Resources (<u>OP/BP 4.11</u>)	[]	[X]
Involuntary Resettlement (<u>OP/BP 4.12</u>)	[X]	[]
Forests (<u>OP/BP 4.36</u>)	[]	[X]
Safety of Dams (<u>OP/BP 4.37</u>)	[]	[X]
Projects on International Waterways (<u>OP/BP 7.50</u>)	[]	[X]
Projects in Disputed Areas (<u>OP/BP 7.60</u>)*	[]	[X]

Annex 4: Operational Risk Assessment Framework (ORAF)
GUINEA: AGRICULTURE SECTOR SUPPORT PROJECT (PASAG)

Stage: Board

Risks							
Project Stakeholder Risks							
Stakeholder Risk	Rating	High					
Risk Description: Stakeholders may have differing views of their role in project thereby complicating project implementation	Risk Management: Project identified and prepared through the Ag PER following a very participative approach.						
	Resp: Both	Status: In Progress	Stage: Both	Recurrent:	Due Date: 31-Dec-2017	Frequency:	
	Risk Management: Inter-ministerial Steering Committee will be put in place for project oversight.						
	Resp: Client	Status: In Progress	Stage: Both	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	CONTINUOUS
Implementing Agency (IA) Risks (including Fiduciary Risks)							
Capacity	Rating	Substantial					
Risk Description: Capacity of sectoral ministries to provide overall project coordination and management (in addition to the public sector mandate of each of them) may not be adequate.	Risk Management: 1- Institutional assessment of key ag sector institutions were carried out during project preparation and a roadmap developed for restructuring and capacity building. 2- Agriculture Ministry will be in charge of overall project management/coordination and will be reinforced with a small project coordination team consisting of a delegated project coordinator, financial management specialist, accountant and procurement specialist.						
	Resp: Client	Status: In Progress	Stage: Both	Recurrent:	Due Date: 31-Jan-2015	Frequency:	

Governance	Rating	Substantial					
<p>Risk Description:</p> <p>As a result of decades of authoritarian rule and reliance on patronage networks, the state institutions are weak, accountability mechanisms are inoperative, and the administration has lost many core skills. State institutions and the public administration need to be modernized and reformed. The agricultural sector has suffered from decades of poor management and institutional instability characterized by several episodes of merging and then splitting of key ministries. Currently there are four Ministries (Agriculture; Livestock; Fisheries; Water, Environment and Forestry). Lack of good governance can translate into one or more of the following events: (i) funds may be diverted away from intended purposes because of inadequate internal control by management, lack of control measures and absence of internal audit; (ii) possible delays in the submission of project audits and/or inadequate scope of work; and (iii) delays by management in taking corrective actions on identified weaknesses. There are possible duplication of project activities (e.g. same activity funded by multiple donors) - or appearance of duplication - due to a lack of transparency, poor internal coordination, and inadequate communication with Development Partners.</p>	Risk Management:						
	<p>1- An Agriculture Public Expenditure Review was carried out and provides basis for government to improve the effectiveness of public expenditures in the sector.</p> <p>2- The project will reinforce the medium term planning, financial management and M&E capacity of key agricultural sector Ministries.</p> <p>3- A functioning framework exists for dialogue between Development Partners and there is strong partner support for the institutional strengthening and reform activities proposed under the project.</p>						
	Resp: Client	Status: In Progress	Stage: Both	Recurrent:	Due Date:	Frequency:	CONTINUOUS
				<input checked="" type="checkbox"/>			
Project Risks							
Design	Rating	Substantial					

<p>Risk Description:</p> <p>1- The GoG agricultural institutions unable to adapt to the required reforms suggested from the PER thus to achieve: (i) attainment of the Maputo target , (ii) adopt a sector wide approach and (iii) ensure compliance of agriculture subsidies , irrigation and rural roads investments with cost-recovery and / or OM standards. 2- Full synergy and complementarity may not happen if the national institutions don't work in close cooperation with each other.</p>	<p>Risk Management:</p> <p>1- The GoG has a strong will to reform the approach for agricultural sector\ management and particularly for agricultural campaigns' preparedness and activities implementation. 2- Regular consultation between key institutions including producers organizations involved in the implementation of key outcomes of the Ag PER.</p>						
<p>Social and Environmental</p>	<p>Rating</p>	<p>Moderate</p>					
<p>Risk Description:</p> <p>The environmental and social safeguards risks associated with the project are limited given the scope of project activities typical of Technical Assistance, which consists of capacity building and key studies consisting of designing master plans for irrigation, rural roads and land management. Civil works are likely to be limited to refurbishment of official building. The introduction of an e-voucher input subsidy platform may help rationalize input distribution at grass roots level and may require some awareness raising at producers level.</p>	<p>Risk Management:</p> <p>1- Provide regular training to the various stakeholders on environmental safeguard instruments and supervise closely during implementation. 2- Adequate communication strategy and adapted training on inputs use will mitigate any adverse impact generated by the use of inputs as a result of the new mechanism.</p>						
<p>Program and Donor</p>	<p>Rating</p>	<p>Moderate</p>					
<p>Risk Description:</p> <p>Limited amounts and multiplicity of donor funds may create duplication in their use, can create inefficiency and reduce the impact of rationalizing the budget's planning and implementation.</p>	<p>Risk Management:</p> <p>1- Continuous donor's coordination and appropriate training of the various national stakeholders might reduce the risk and favor the budget planning and implementation rationalization by the Medium Term Expenditures Framework (MTDF) . 2- This risk is also mitigated because this project is financing capacity building that is directly linked to the success of the budget planning and implementation and the ongoing Bank financed projects may provide some experience and capacity to the involved agriculture sector institutions.</p>						
<p>Resp: Client</p>	<p>Status: In Progress</p>	<p>Stage: Implementation</p>	<p>Recurrent:</p>	<p>Due Date: 30-Sep-2014</p>	<p>Frequency:</p>	<p>CONTINUOUS</p>	
<p>Resp: Client</p>	<p>Status: In Progress</p>	<p>Stage: Implementation</p>	<p>Recurrent: <input checked="" type="checkbox"/></p>	<p>Due Date:</p>	<p>Frequency:</p>	<p>CONTINUOUS</p>	

	Resp: Client	Status: In Progress	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	CONTINUOUS
Delivery Monitoring and Sustainability	Rating	Substantial					
<p>Risk Description:</p> <p>Duplication of role can occur given the likely involvement in the M&E of the four ministries as well as the ANDASA and lack of reliable data. Project impact not fully or adequately captured due to weak institutional capacity to monitor and evaluate results.</p>	<p>Risk Management:</p> <p>Acknowledging this problem, the PIU to be put in place will include an M&E expert who will working with all Ministries to strengthen capacity.</p>						
	Resp: Client	Status: Not Yet Due	Stage: Implementation	Recurrent: <input checked="" type="checkbox"/>	Due Date:	Frequency:	CONTINUOUS
Other (Ebola Outbreak)	Rating	Substantial					
<p>Risk Description:</p> <p>Guinea has been facing a deadly Ebola virus disease outbreak since mid-February with serious implications in the country and at the Sub-regional level. Economic impacts already registered may affect negatively affect the general economy including agriculture sector.</p>	<p>Risk Management:</p> <p>1-The Bank is currently preparing an Ebola Emergency Response Project for Guinea, Sierra Leone, and Liberia.</p> <p>2-The Health Project as scheduled in the CPS has been fast forwarded to be delivered in FY15.</p>						
	Resp: Both	Status: In Progress	Stage: Implementation	Recurrent:	Due Date: 26-Jun-2015	Frequency:	
Overall Risk							
<p>Overall Implementation Risk: High</p>							
<p>Risk Description:</p> <p>Capacity of sectoral ministries to provide concerted overall project coordination and management to turn the involved ministries into efficient and effective entity capable of planning, budgeting and implementing sustainable investment program is a major challenge. Too many stakeholders in a rather weak enabling environment make this operation a high risk. Effective capacity building and analytical support will be key to mitigating the project implementation risk. Supervision will have to be intense to make sure all the stakeholders stay the course.</p>							

Annex 5: Implementation Support Plan

GUINEA: AGRICULTURE SECTOR SUPPORT PROJECT (PASAG)

1. **General.** The proposed PASAG is a Technical Assistance project that will provide US\$15 million equivalent financing over a four-year period to strengthen the ministries concerned, as well as the National Chamber of Agriculture and National Federation of Peasant Organizations of Guinea (CNOP-G). It will also provide selective analytical support to implement the National Investment Plan for Agriculture and Food Security (PNIASA). The Project builds on current sector ministries' and program implementation Directorates' strategies for the planning and monitoring of operational activities. An Operational Coordination Unit (COD) will be established to support the project implementation. A permanent dialogue was established with the ministries concerned, the representatives of the CNA, the CNOP-PG and the donor community in the purpose to use PASAG as a vehicle to create a multi-donor SWAp program. Key partners have been sensitized and most have agreed to harmonize their projects' institutional mechanisms and activities as part of anticipating the sector approach supported by PASAG. The PASAG's Implementation Support Plan specifically focuses on the areas and activities presented in the following paragraphs.
2. **Strengthening of sector management capacities and technical support.** This activity will be achieved through the activities to be undertaken to strengthen the capacities of ministries (including their BSDs, DAFs and Safeguards Units), the CNA and the CNOP-G. It will aim at establishing a sound institutional environment in support of PNIASA implementation. The purchase of goods and services under PASAG will follow the Bank procurement rules and procedures as per existing updated guidelines. The COD staff and the staff concerned within selected institutions will be coached and trained by Bank specialists. An International Consultancy Firm (ICF) to be recruited competitively at early stage of project implementation. It will train and coach concerned services, particularly the BSDs, the DAFs and related services within the selected ministries. This ICF will have a results-based contract with the Borrower.
3. **General Supervision inputs.** There will be two formal supervision missions per year complemented by visits by sector specialist as needed. In addition, team members based in the Guinea Country office and at Headquarters will provide day-to-day supervision of all operational aspects, as well as coordination with the client and Bank team members. Where possible, missions will be conducted jointly with development partners supporting the Capacity Building Program as of the future SWAp approach. The ICF's performance will be during these supervisions.
4. **Procurement implementation support by the Bank.** This will include: (i) providing training to the CD and COD staff; (ii) providing detailed guidance on the Bank's Procurement Guidelines; (iii) reviewing procurement documents and providing timely feedback to the COD; and (iv) monitoring procurement progress against the Procurement Plan.
5. **Financial management and disbursement implementation support by the Bank.** This will include: (i) providing training to the COD's financial management unit and the Project

team; and (ii) reviewing the Project’s financial management system and its adherence to the Project Operations Manual, including but not limited to, accounting, reporting and internal controls.

6. **Sector civil service capacity building** regarding planning, budgeting, results-based M&E as well establishing the MTEF will be ensured by the ICF, the performance of which will be assessed during the supervision missions. Such missions will include a qualified audit bureau in this regard.
7. **Mid-Term Review.** A mid-term review will be conducted by the Bank team 24 months after project effectiveness to assess the progress of the project and adjust the project design and DLIs as needed.
8. **Fiduciary requirements and inputs.** Training will be provided by the Bank’s financial management and procurement specialists before commencement of Project implementation. The Bank team will continue to support the COD on the basis of identified additional training needs to identify capacity building needs to strengthen overall Project implementation, with an emphasis on fiduciary aspects. Both the task team’s financial management and the procurement specialists are based in Conakry office or in offices nearby Guinea allowing for timely support.
9. **Monitoring and Evaluation.** In collaboration with the Bank, implementation support to the COD’s M&E Specialist and the BSDs’ staff in charge of M&E will be provided during the supervision missions to ensure due diligence in reporting and results assessments. This mechanism is expected to ensure the quality of the M&E activities of the project components. The ICF will be particularly accountable to reinforce the BSDs’ capacity in planning, budgeting and M&E.
10. **Environmental and Social Safeguards.** Semi-annual implementation support missions will include Safeguards Specialists to ensure capacity building is effective in environmental and social safeguards areas. Such missions will also assess progress in the setting up of the two main strategic frameworks, on Environment and Social Evaluation, and Pests and Pesticides Management respectively, which are required for this project.
11. The main inputs and focus in terms of support to implementation is summarized in the Table A5.1 below.

Table A5.1 - Implementation Support Inputs

Time	Focus	Skills Needed	Staff weeks
Year 1	Dialogue with Client and Team leadership	Team Leadership	12
	Overall procurement training (two sessions)	Procurement Specialist	6
	Capacity building and technical and procurement review of the bidding documents	Procurement Specialist	4
	Capacity building and financial management review	Financial Management Specialist	4
	M&E and Results-Based-Monitoring training and supervision	M&E and RBM Specialist,	6

Time	Focus	Skills Needed	Staff weeks
Year 2	Dialogue with Client & Team leadership	TTL	12
	Procurement Support	Procurement Specialist	4
	Financial management	FM specialist	4
	Disbursement and reporting Mid-term review	Disbursement specialist Evaluation Specialist	2
Year 4	Project supervision coordination & Technical, M&E, Fiduciary, safeguards Specialists	TTL and Sector Specialists	22
Year 4	Project supervision coordination & Technical, M&E, Fiduciary, safeguards Specialists + Evaluation	TTL and Sector Specialists Evaluation Specialist	32

Annex 6: Guinea Map

