COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)
CONCEPT STAGE

Report No.: PIDISDSC15557

Date Prepared/Updated: 09-Nov-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Guinea	**Project ID:**	P156422
		Parent Project ID (if any):	
Project Name:	Third Village Community Support Project (P156422)		
Region:	AFRICA		
Estimated Appraisal Date:	02-Feb-2016	**Estimated Board Date:**	31-Mar-2016
Practice Area (Lead):	Social, Urban, Rural and Resilience Global Practice	**Lending Instrument:**	Investment Project Financing
Sector(s):	Irrigation and drainage (10%), General agriculture, fishing and forestry sector (10%), Pre-primary education (30%), Health (30%), Sa nitation (20%)		
Theme(s):	Decentralization (30%), Education for all (20%), Rural non-farm income generation (20%), Rural services and infrastructure (30%)		
Borrower(s):	Ministry of Finance		
Implementing Agency:	Ministry of Decentralization and Territorial Administration		

Financing (in USD Million)

Financing Source	Amount
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	15.00
Total Project Cost	15.00

Environmental Category:	B - Partial Assessment
Concept Review Decision:	Track I - The review did authorize the preparation to continue
Is this a Repeater project?	No
Other Decision (as needed):	

B. Introduction and Context

Country Context

1. Guinea is one of Africa’s poorest countries. Over the past decade, the country has witnessed political instability coupled with military take overs. The presidential elections of November 7, 2010 marked the return of the country to constitutional rule after the army seized power on December 23, 2008. After a difficult period of military transition, the first democratically elected president and the new political context paved the way for 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. This debt cancellation amounted to $2.13 billion reducing Guinea’s total debt from 65.9 percent of GDP in 2011 to 19 percent of GDP in 2012. The political transition was completed with the legislative elections that took place on September 28, 2013. However, political dispute erupted during the President's term and the Members of Parliament (MPs) belonging to the opposition groups withdrew from the Parliament, for about one year, , a few months after the beginning of their term. Ethno-political strains have been and will remain a major threat to stability. In this regard, there have been a number of violent clashes between antigovernment activists and security forces in recent months, in relation to the Presidential and Local electoral calendars. Following pressure from the UN, the Government and opposition leaders agreed to resume talks in early June 2015. As a result, the MPs of the opposition recently returned to Parliament and, in accordance with the constitutional calendar, the new Presidential elections were held on October 11, 2015. As a result, President Alpha Conde was re-elected, and it is expected that ongoing reforms will be pursued, along with the steady implementation of the post-Ebola recovery plan.

2. From the economic standpoint, mining and agriculture are the dominant sectors of Guinea. The mining sector consists of large-scale mining of bauxite, aluminum, and gold; in 2013, it accounted for about 20 percent of GDP, 80 percent of foreign currency earnings, and 20 to 25 percent of government revenues. That same year, the agriculture sector represented 20 percent of GDP. The implementation of the 2012-2014 economic and financial programs, supported by the IMF Extended Credit Facility, helped to reduce macroeconomic imbalance. Real GDP grew by 3.9 percent in 2011 and reached 3.8 percent in 2012, compared with 1.9 percent in 2010. However, real GDP growth slowed down to 2.5 percent in 2013, due to a combination of external shocks and delays in mining investment, coupled with internal political factors. For 2014, GDP was projected to be 2.4 percent due to the aftermath of Ebola outbreak, delays in mining investment, and contractions in agriculture and services. Economic growth was expected to reach five to six percent in 2015; however, this growth is unlikely to materialize given, among others, the magnitude of the impact of the Ebola crisis. The social and political risks are also considerable and growth could be derailed if political stability is not restored and the global economic outlook remains weak.

3. Despite progress in the overall economy, per capita GDP remained at US$480 in 2014, 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 African countries, most of the poor are still living in rural areas with a poverty rate of 65 percent against 32 percent in urban areas in 2012. However, poverty is increasing in urban areas, mainly because of the increase in prices of essential goods, the exodus of the rural population, and the employment crisis.

4. In addition, Guinea has been facing a deadly Ebola virus disease outbreak since mid-

February 2014 resulting in 2,078 dead out of 3,338 affected (62.3% of confirmed cases) in mid-September 2015, which has had serious socio-economic implications in the country and particularly in rural areas. In spite of recent significant progress in the fight against the epidemic, including a vaccine tried with success over a large sample of people, Guinea is still struggling to get to zero cases.

Sectoral and Institutional Context

The decentralization process in Guinea

5. The process of decentralization began in the 1980s with the adoption of laws related to the organization and operation of decentralized local authorities. These local authorities consist of elected boards that are vestedwith legal and financial autonomy. Decentralized entities are Urban Communes (CU) and Rural Communes (CR). The country now has seven administrative regions and the special zone of Conakry, 33 prefectures, 38 urban municipalities, and 304 rural communes covering in total 2,300 rural districts. The municipalities are governed by a municipal council headed by an elected mayor and cover 33 areas of competency that include among others: land-use planning, economic development, social, educational, development of natural resources, etc.

In addition, some institutional and regulatory instruments are in place and govern local governance and local development. The following are some of those instruments:

6. The Local Government Code (CDC), adopted in 2006, focuses on administrative decentralization. The code creates a regional public service and provides local authorities with the responsibility to recruit, supervise, and manage the decentralized staff. It also gives important responsibilities to the CRs for the management of local budget and technical sectors (rural development, health, education etc.). The CDC is currently being revised to clarify the magnitude of these responsibilities and the transfer of planned resources to local governments.

7. The National Policy Letter on Decentralization and Local Development (LPN / DDL), adopted in March 2012, is the government's roadmap for decentralization and local development. It is divided into five areas:(i) territorial development; (ii) de-concentration and decentralization; (iii) capacity-building for decentralized stakeholders; (iv) fiscal decentralization, with the decision on a minimum percentage of the state budget to be allocated to municipal budgets, revision of local taxation and the establishment of a local development funding mechanism; and (v) piloting of decentralization.

8. The new Mining Code (2011), amended in 2013, provides: (i) the mandatory signature of a local development agreement between a mining company and neighboring local communities, which regulates mining companies' financial contribution to local development; (ii) the creation of a Local Development Fund (LDF) replenished by local tax revenues from mining companies; (iii) the introduction of the direct payment of annual taxes calculated according to mining companies' exploitation area and new tax revenue to each municipality concerned; (iv) the allocation of a 15% mining tax to the financing of a local development fund targeting all rural communes(CRs) in the country (equalization).

9. With regard to current issues related to Decentralization and Local Development in Guinea, it is worth noting that, while the process of decentralization is certainly moving, it is however slow and mainly happening through the support of the country's diverse technical and financial partners. Moreover, local entities are in need of legitimacy because their electoral

mandates are extending by far beyond the constitutional term. Thus, they remain hopeful that the State will organize new local elections, which would reinforce territorial governance and constitute a key element of State reforms. Should these local elections materialize, the PACV3 would contribute to the consolidation of rural communes, thereby advancing the decentralization process.

10. The Program (PACV) - In 1998, with support from external partners including the World Bank, a national program for local development and decentralization support (the PACV), was developed. It aimed to support the Rural Communes (CR) in the performance of their tasks as follows: (i) identify and prioritize services needed by the communities through a participatory approach; (ii) build and manage their infrastructures; (iii) mobilize and seamlessly use their financial resources. The program was designed in three phases of four years each.

11. The first phase of "initiation" (2000-2009, $ 38.7 million in total, of which $ 22 million from IDA and co-financed by the Agence française de développement (AFD), International Fund for Agricultural Development (IFAD), the Bank, the Government, and contributions from beneficiaries) covered 159 Rural Communes and funded 371 Annual Investment Programs (AIP) corresponding to 1,034 micro-projects (education, health, village water supply, agriculture, etc.). It enabled (i) the emergence of municipal competencies; (ii) the establishment of a participatory approach to planning; (iii) a more professional and transparent management of budgets; and (iv) better governance of local development actions. The methods and tools applicable to community-driven development (CDD) were tested during this first phase.

12. The second phase (PACV2, 2009-2014, $ 46.3 million in total, of which $ 17.4 million from IDA; co-financed by AFD, IFAD, WB, the Government, and contributions from beneficiaries) extended coverage to the entire country (304 rural municipalities). It contributed to capacity-building in planning, management and monitoring of all communes and funded 311 AI Ps corresponding to 481 projects in the areas of basic services and market infrastructures. The PACV has now become a national benchmark for local development and decentralization.

13. The third phase (PACV3, 2016-2019) is intended to continue the program and sustain its gains by establishing a national funding system and technical support to local communities. This national funding system would rely on an établissement public à caractère administrative (EPA), which is currently being established, and through which government funds would be channeled. Thus, the EPA would benefit from secure domestic financial resources, especially through the implementation of the Mining Code (the 2013 Amendment allows for the allocation of 15 % of the mining companies' revenue to local development). Bank funding would be mostly focused on the capacity enhancement of communal councils and support to the econom ic capacity of rural communities, in particular women and youth, while suggesting sustainable mechanisms for increased national funding to socio-economic infrastructures at the local level and to the functioning of local authorities.

Relationship to CAS/CPS/CPF

14. PACV3 would support the implementation of the Country Partnership Strategy (CPS) for 2013-2017. In fact, the Performance Learning Review (PLR), concluded in August 2015 as a result of the CPS's revision, has confirmed the Bank's contribution to the PACV3's financing for $15 million. This new operation will be part of the operations to be frontloaded in 2016 from the FY 2017 plan accounting for the post – Ebola recovery efforts in Guinea. To this end, it will contribute to the first strategic objective of the CPS, which consists in improving governance and

service delivery.

15. According to the CPS, the Government also plans to strengthen local accountability networks that can challenge the public institutions by enhancing local capacity through decentralization. As part of its development program, the Government foresees a two-phase process to strengthen decentralization over the next 10 years. A first phase is expected to put in place the necessary conditions and instruments for effective decentralization and de-concentration. A second phase plans to focus on strengthening local communities.

16. Through the ministry in charge of decentralization, PACV3 will contribute to the implementation of this second phase.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The development objective of the Third Village Communities Support Project (PACV3) is to improve the living conditions of Guinea’s rural population by strengthening rural communes’ capacities in developing and managing local development plans and annual investment programs.

Key Results (From PCN)

The success of the project in meeting its development objectives will be measured by the following outcome indicators:

- Number of direct project beneficiaries (of which xx% are females).
- Percentage of targeted CRs that have developed and implemented a local development plan (LDP).
- Percentage of targeted Rural Communes that are able to manage their budget, according to their annual investment programs (AIP).
- Percentage of CRs that have increased their own revenues from sources other than PACV3 funding.
- Percentage of beneficiaries that have improved access to basic social services, thanks to infrastructures constructed under the project.

D. Concept Description

17. The design of the proposed PACV3 would build on the achievements and lessons learned from the implementation of the two previous phases (PACV1 and PACV2), similar operations in Guinea such as the United Nations Development Program (UNDP)-funded Local Development Project in Guinea (PDLG), and other ongoing CDD interventions of the Bank and various development partners in West Africa. The design of the project also takes into account the lessons learned from the Community-based Land Management Project (CBLMP/PGCT) and the Coastal Marine and Biodiversity Management (CMBMP), closed in 2013 and 2014 respectively. These two projects whose implementation was associated with the PACV2 put an emphasis on natural resources management, including land management techniques and agroforestry, while aiming at substantially increasing productivity and resilience against climate change, in order to foster economic growth, improve food security and nutrition, and end extreme poverty.

18. With the growing concern of youth unemployment in many African countries, it is critical to enable CDD to be more youth- and gender- oriented by offering further opportunities and incentives for women and the youth. The project design pays a particular attention to these

aspects. Altogether, to achieve the development objective of scaling-up and consolidating the gains from the PACV1, the PACV2, and to their associated projects, as well as increasing the participatory approach and economic opportunities through local governance, the PACV3 would consist of the following three components:

Component I: Infrastructure financing through the local investment fund ($ 8.5 million)

19. Through the Local Investment Fund (LIF), the CR would receive funds to finance basic infrastructure (education, health, drinking water, youth centers, etc.), public markets (markets, abattoirs, etc.), and agriculture and natural resources management (NRM) activities (land protection, small scale irrigation, agro-forestry, etc.), identified in their Local Development Plans (LDPs) and Annual Investment Programs (AIPs). Phase III will co-finance nearly 180 AIPs with a focus on economic micro-projects and sustainable management of natural resources (agroforestry, composters, stone bunds, etc.). Particular attention will be paid to the quality of infrastructure (improved technical reference, in particular to integrate the "gender" dimension, quality control), the requirements for proper operating (equipment provision, Public Service Personnel), and their maintenance. The operating and maintenance mechanisms will cover both PACV3-financed micro-projects and those emerging from proper local level initiatives. Overall, transparency and accountability mechanisms will be established at the community level for the planning, implementation, and monitoring of micro-projects.

20. Under PAVC1 and PACV2, transfers to CRs was set at US $50,000 per CR. This amount will be increased to US$70,000 per CR to finance the full costs of the implementation of their AIPs, and to improve the functionality of the micro-projects, depending on the type of infrastructure financed. Micro-projects led by vulnerable groups, including women, would represent at least 20% of the Local Investment Funds (LIF). Better participation (30% target) of vulnerable populations in the infrastructure management committees, in particular women and youth, will be sought.

Component II. Sustained capacity building and planning ($ 5 million)

21. This component would consolidate the capacity of communal councils in accompanying the municipalities and their partners. The project will aim at strengthening municipal capacity on various topics: local government financing, accounting, procurement, diagnostics, consultations, participatory monitoring and evaluation, etc. The capacity of Communes and Communities will be reinforced so as to ensure full ownership of the local development process. This component would ensure that mechanisms for communes and communities to oversee local expenditures and services delivery are fully established. In addition, it is expected that local entities will have the ability to oversee and monitor the services and resources that are provided to their citizens (e.g. presence of teachers/availability of school books; community-level health workers; drugs availability and their access, etc.).

22. The prefectural services (the SPD) will also receive support (training, small equipment provision, etc.) to enable them to carry out their permanent functions. In this regard, the role of Local Development Agents (ADL) will be further clarified and reinforced. The ADLs’ mission is to support the implementation of activities pertaining to the National Directorate of Decentralization (DND) and the ministry of decentralization and territorial administration (MATD)’s National Directorate of Local Development (DNDL). The ADLs’ mission will

continue including support to the functioning of the EPA, the new public institution to be created for sustainable funding and technical support to local authorities. It will further include local development planning under the oversight of 8 Regional Support Teams (RST/ERA), which will look at the implementation of the project at the regional level. The National Coordination Unit (NCU) and RST will be responsible for the design, evaluation, and improvement of all methodologies and tools for the PACV3. These tools would include inter alia: a guide for Local Development Plans (LDPs), a guide for Annual Investment Programs (AIPs); agreements between municipalities and the mining companies, etc. The NCU and RST would also be in charge of the organization of trainings, exchange workshops, and consultation workshops (targeting communes, decentralized departments, etc.).

Component III. Project Coordination, Monitoring and Evaluation ($1.5 million)

23. This component aims at ensuring the proper functioning of the PACV3's national coordination unit of. This NCU will be tasked with the coordination, management, monitoring and evaluation, and fiduciary management (procurement, financial management, accountability, etc.) of the project. The oversight mandate of the ministry of decentralization and territorial administration will also be part of this component. This component will further finance baseline studies, a mid-term evaluation, an end-of-project evaluation, financial audits, environmental and social safeguards, etc., and will support consultation workshops for the communes, deconcentrated departments, other local level stakeholders including civil society organizations (CSOs), etc.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is nationwide and the exact sites of the subprojects to finance are not yet known. It is however worth mentioning that the particular geography of the country's rural physical features is made of a variety of natural landscapes, which are representative of typical equatorial and humid sudanian biomes. Also, since the country is known to be west Africa's ''water tower,'' any physical activity should take into account natural resources sustainability and/or wise-use principles.

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B. Borrower's Institutional Capacity for Safeguard Policies

This project's predecessor, the PACV2 developed effective mitigation measure to attenuate environmental and social risks associated with small-scale construction and possible land acquisition. Implementation of the environmental and social safeguards throughout the PACV2 has been consistently satisfactory. The safeguards framework will be adopted by this project, including (i) an Environmental and Social Management Framework (ESMF); (ii) a Resettlement Policy Framework (RPF) and/or PF to address potential issues that might arise due to the need for land acquisition, economic loss or restriction of access to revenue sources. As the oversight for the implementation of safeguards will pass from the PACV3 PIU to communes and government ministries, safeguards training will be provided.

C. Environmental and Social Safeguards Specialists on the Team

Abdoul Wahabi Seini (GSURR)

Maman-Sani Issa (GENDR)

D. POLICIES THAT MIGHT APPLY

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project investments, as foreseen through component 1, will certainly be small-scale, thereby suggesting that potential negative impacts be of medium to low/very low magnitude as noticed with the two precedent phases of the project. The environmental and social category is B; and since the subproject types will not change, the existing safeguard documents (ESMF, RPF, PMP) of the precedent phases will be updated to serve this project. These updated versions of the documents will be consulted
Natural Habitats OP/BP 4.04	No	The project will not support any activity that is likely to threat natural habitats and/or protected areas. The ESMF will provide guidance to avoid selecting subprojects that may have a negative impact on natural habitats during implementation.
Forests OP/BP 4.36	No	The project will not finance plantations that involve any conversion or degradation of critical natural habitats, including adjacent or downstream critical natural habitats. The ESMF will provide guidance to prevent the introduction of invasive species, should afforestation/reforestation activities be financed.
Pest Management OP 4.09	Yes	Supporting small-scale irrigation and agroforestry may induce the acquisition and utilization of pesticides and/or any chemical inputs for pest control and yield improvement. A Pest management plan (PMP), including vector control and agrobiology techniques, will be prepared, approved upon, and disclosed in-country and at Infoshop before appraisal.
Physical Cultural Resources OP/BP 4.11	Yes	The project will not finance investment on known cultural resources sites, but since all the archeological sites are not yet inventoried over the country, it may occur that undergrounded artefacts be dug up during construction. To manage such a situation, a ‘’chance find procedure’’ will be detailed in the ESMF.
Indigenous Peoples OP/BP 4.10	No	There are no indigenous people in the project intervention area.
Involuntary Resettlement OP/ BP 4.12	Yes	Similarly to the precedent phase, the existing RPF will be updated and will buidl on lessons learned from its implementation during the previous phase, and will reflect, if any, changes that took place overtime in the Institutional arrangements for

		implementing and monitoring the instrument. The updated RPF will be consulted upon, approved, and then disclosed in-country and at the Bank Infoshop prior to appraisal. Consistent with the requirements for OP 4.12, the updated RPF and eventually RAPs
Safety of Dams OP/BP 4.37	No	The project will not finance dam construction, activity related to dam functioning or activity downstream an existing dam.
Projects on International Waterways OP/BP 7.50	No	The project will not finance activity that will induce withdrawal of large amount of water from international waterways, or pollution of said waterways.
Projects in Disputed Areas OP/ BP 7.60	No	The project will not finance activity in disputed area.

E. Safeguard Preparation Plan

1. Tentative target date for preparing the PAD Stage ISDS

15-Jan-2016

2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

ESMF, RPF and PMP will be completed by end of December 2015.

III. Contact point

World Bank

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Borrower/Client/Recipient

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V. Approval

Task Team Leader(s):	Name: Amadou Alassane	
Approved By		
Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 10-Nov-2015
Practice Manager/ Manager:	Name: Jan Weetjens (PMGR)	Date: 10-Nov-2015
Country Director:	Name: Cheick Fantamady Kante (CD)	Date: 11-Nov-2015

1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.