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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 14-Mar-2017 | Report No: PIDISDSC21305



BASIC INFORMATION

A. Basic Project Data

Country Guinea-Bissau	Project ID P161923	Parent Project ID (if any)	Project Name Guinea-Bissau - Rural Transport Project (P161923)
Region AFRICA	Estimated Appraisal Date Feb 16, 2018	Estimated Board Date May 24, 2018	Practice Area (Lead) Transport & ICT
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Economy and Finance	Implementing Agency Ministry of Public Works, Project Coordination Unit of Rural Community-Driven Development Project	

Proposed Development Objective(s)

The development objective is to improve, in selected areas, the rural population's physical access to markets and essential services.

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	20.00
Total Project Cost	20.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

Guinea-Bissau is among the poorest countries in the world. It is a small (36,000 km²) tropical country located on the West African coast between Senegal and Guinea-Conakry, with an estimated population of 1.8 million. Almost 70 percent of the population is poor and about half of it lives in extreme poverty. The gross national income per capita is US\$590 (Atlas method), the life expectancy at birth 55 years, and the adult literacy rate 57 percent. The country ranks 178th out of 188 countries in the Human Development Index (2015).

Guinea-Bissau is also among the most fragile countries in the world. Although the country is endowed with fertile soil, high rainfall, and mineral resources, its recent history reveals a deep and long-lasting political instability. Since independence from Portugal in 1974, Guinea-Bissau has witnessed numerous military coups d'état. The most recent one in April 2012 was staged by elements of the armed forces about two weeks before the second round of the presidential election.

The election of a new president eventually took place in mid-2014 and created a window of opportunity to re-launch socio-economic development. The government drew up a poverty reduction strategy, named Terra Ranca (2015 to 2025), which received the support of international donors in early 2015. However, tensions within the Government led to a political crisis in August 2015 and resulted in the dismissal of the Prime Minister. The political situation has remained unstable since that time with several governments being appointed and then dismissed due to disagreements between the President and the ruling political party. Attempts at mediation by the international community have so far failed to solve this protracted political crisis. Despite this instability, the successive governments have all endorsed the Terra Ranca strategy.

Guinea-Bissau's economy remains predominantly rural. Small-holder traditional agriculture accounts for about 40 percent of gross domestic product and employs 80 percent of the labor force. Agriculture has yet to be mechanized and relies on manual labor in most areas. The economy relies heavily on a single crop, cashew nut, whose production provides the main cash income for two-thirds of households and constitutes 85 percent of the country's exports by value.

The delivery of public goods, including transport infrastructure, is limited. That's because the government has low capacity and limited budget resources. Well over 70 percent of public spending is essentially on recurrent expenditures, such as salaries related to health and education. Very limited resources are allocated to new investments, construction of new infrastructure or rehabilitation of existing one.

Living conditions are especially difficult for the rural population, which make up about half of the country's population. Standards of living are considerably lower in rural areas than in the capital Bissau, reflecting lower rural human capital and low agricultural productivity.¹ In 2010, the median consumption per capita and per day was 38 percent lower in rural Guinea-Bissau than in the capital Bissau (US\$1.21 against US\$1.96). As a result, poverty rates in 2010 were higher in rural Guinea-Bissau (76 percent) than in the capital (51 percent). The difference in poverty between rural and urban areas has widened over the 2002-2010 period. Access to markets, credit, inputs (such as seeds and fertilizers), and essential services and infrastructures remain key constraints for the socio-economic development of the increasingly impoverished rural population.

¹ World Bank. 2016. *Guinea-Bissau Systematic Country Diagnostic: Turning Challenges into Opportunities for Poverty Reduction and Inclusive Growth*.



Sectoral and Institutional Context

Guinea-Bissau's transport system is basic and under-developed. It consists of: (a) 2,700 km of classified roads, of which only 800 km are paved; (b) an unknown number of unclassified unpaved feeder roads; (c) a deep-water port; (d) an international airport located at Bissau; and (e) an unknown number of small river and coastal ports.

The proliferation of small river ports stems from an important geographic feature of the country, which is deeply crisscrossed by rivers and tidal estuaries. All these rivers provide navigable waterways to much of Guinea-Bissau except for the Northeast, and they offer a good potential for developing a bi-modal (river/road) transport system for both passengers and cargo with modest investments. The small coastal ports are located on the mainland but also on the country's numerous islands (e.g. the Bijagos archipelago), which are connected to the mainland only by boat.

The current poor state of the transport infrastructure hinders the country's socio-economic development. This means that, especially in rural areas where the majority of the poor lives, the population's basic mobility needs are largely unmet. Existing road infrastructure allows acceptable mobility only on the paved road network connecting the main urban areas, and to a lesser extent, within the urban area of Bissau. Conversely, in rural areas served by unpaved roads, mobility is severely reduced by the poor condition of the road network, parts of which have not been maintained for decades. Furthermore, river transport, which can potentially serve as an alternate mode of transport in many areas, is also hampered by the poor condition of the loading and unloading facilities (wharves). Thus, a significant part of the population is isolated from the rest of the country, at least during the 5-month rainy season (June to October), as trips can only be done on foot, thereby limiting access to markets, schools, dispensaries, and other essential services.

Weak connectivity to markets limits households' ability to transport their agricultural production, to benefit from higher prices when demand is high, and to diversify away from cashew nut production. Higher poverty rates for those with poor access to basic infrastructure and remoteness from markets underscores potential transaction costs and lower farm gate prices, particularly in rural areas. According to data from 2010, households with easier access to a local market or public transit were less poor on average than households with difficult access. The difference in poverty rate between households living near a local market (less than 30 minutes) and households living far from a local market (more than 60 minutes) was 19 percentage points; for public transit, it was 15 percentage points. In general, households within short commutes to markets have better diversified income sources.

Women in Guinea-Bissau point out that better transport infrastructure is essential for them to save time, be more productive, and to provide relief to their physical burdens.² They underline in particular the necessity for better rural roads to access markets. In addition, the poor condition of roads in rural areas hamper the access of women, especially pregnant ones, to health care, thereby contributing to the country's very high ratio of maternal mortality. Furthermore, long distance commutes to school appears to be a critical barrier for girls to attend school in Guinea-Bissau.

The Terra Ranca strategy acknowledges that the development/rehabilitation of transport infrastructure, especially roads, should be a key priority. This is because an efficient transport and logistic system is critical to support the four engines (agriculture/agribusiness, fishing, mining, and tourism) of economic development identified by the Terra Ranca strategy. As for agriculture, the strategy is consistent with the World Bank's 2015 Country Economic Memorandum for

² African Development Bank. 2015. *Guinea-Bissau Gender Profile*.



Guinea-Bissau which highlights the following: “Farmers report considerable constraints in marketing their goods, especially during the rainy season when roads are flooded or even washed away. Secondary and tertiary roads are in particularly bad condition, yet these are the roads which tend to be most important for the poorest populations. Rural access roads require considerable rehabilitation work to connect producers with markets, increasing the gains from exports, in the case of cashews, and improving competitiveness with imports for domestic rice. While donors can be called upon for new investment, the government will be expected to take responsibility for road maintenance.”

Relationship to CPF

As acknowledged by the 2016 World Bank’s Systematic Country Diagnostic, improving transport infrastructure is central to unlocking multiple opportunities in Guinea-Bissau, especially in rural areas. That’s because it would facilitate access to markets and essential services (including health and education, in particular for women and girls), reduce transaction costs, and strengthen agricultural value chains. A new Country Partnership Framework is under preparation for the period FY17-FY20: the draft CPF includes the proposed project.

C. Proposed Development Objective(s)

Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet.

The tentative development objective of the proposed project is to improve, in selected areas, the rural population's physical access to markets and essential service.

Key Results (From PCN)

D. Concept Description

Given the country’s current fragility and low capacity, the project design will be kept as simple as possible to ensure implementability of the project activities. This means that the proposed project would essentially focus on civil works and technical assistance in the transport sector. The planned civil works would target the unpaved trunk roads, adjacent feeder roads, and adjacent river transport infrastructure (small wharves).

- **Road transport infrastructure works.** The objective of the road works would be to improve the selected roads into all-weather roads by making them more climate resilient.³ Road works would thus consist in spot improvements of existing roads by constructing or reconstructing culverts, drainage structures, and small bridges to prevent road closures during the rainy season and improve all-weather passability. The roads that would be subject to spot improvements would be carefully selected to maximize all-weather access to isolated parts of the country.

³ According to the 2016 SCD, there is already evidence that Guinea-Bissau’s climate is changing in a number of ways. These changes range from increasing rainfall variability, to late onset of the rainy season, to increases in temperature, and to a rise in sea level and tidal surges.



- **River transport infrastructure works.** The objective of the river infrastructure works would be to extend the impact of the project since river transport could complement road transport. This would foster, in some cases, mobility between regions by allowing bi-modal (river/road) transport services. Works would focus on constructing or improving small wharves to ease loading and unloading of passengers and cargo.

Technical Assistance. Technical assistance would support line agencies to improve road safety and maintenance and to develop a National Plan of Transport and Logistics.

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SAFEGUARDS

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

The proposed zone of intervention embraces rural areas in the northern and eastern parts of the country, namely the regions of Cacheu, Oio, Bafata, and Gabu.

B. Borrower’s Institutional Capacity for Safeguard Policies

The preparation of the proposed project would be supported by the PCU of the ongoing Rural Community-Driven Development Project, which finances feeder road improvements, among other community-based social infrastructure. This existing PCU is fully operational and is composed of a project coordinator and fiduciary (FM and procurement) and safeguards staff that are proficient with World Bank safeguards policies.

The proposed project would be implemented by two entities: the above PCU and the Ministry of Public Works. The capacity of the latter for safeguard policies will be evaluated during preparation.

C. Environmental and Social Safeguards Specialists on the Team

Gernot Brodnig, Melissa C. Landes, Upulee Iresha Dasanayake

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project will focus on improvement of existing roads and the construction or improvement of basic small infrastructure on river banks. The potential negative impacts of the proposed civil works are therefore expected to be limited and site-specific and are not foreseen to have significant environmental impacts that could jeopardize the natural environment of the project’s area of influence. The proposed EA Category is therefore B - partial assessment. As the



		<p>exact nature and location of investments may not be determined up front, the Borrower will prepare an Environment and Social Management Framework (ESMF) which will be consulted upon, validated in-country and at the World Bank, and publicly disclosed before project appraisal.</p>
Natural Habitats OP/BP 4.04	TBD	<p>The project is not expected to result in loss, conversion, or degradation of natural habitats. However, this will be confirmed during the preparation of the ESMF. Should the policy be triggered, the necessary and adequate mitigation measures to avoid or minimize damage to natural habitats will be included in a separate chapter of the ESMF.</p>
Forests OP/BP 4.36	TBD	<p>The project is not expected to directly or indirectly impact forests. However, this will be confirmed during the preparation of the ESMF. Should the policy be triggered, the necessary and adequate mitigation measures to avoid or minimize damage to forests will be included in a separate chapter of the ESMF.</p>
Pest Management OP 4.09	No	<p>The project will not finance any acquisition, transport, storage or utilization of hazardous chemicals, pesticides, fertilizers or any similar products. It will not finance any pesticide application equipment either.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>Rural road improvements may potentially impact cultural and historical heritage along the concerned roads. While not damaging cultural property, project-related civil works will identify and include assistance for preservation of historical or archeological sites. If these opportunities occur, cultural property management plans would be prepared for those related activities. The ESMF will analyze the potential project zones and measures to be followed once these properties are discovered during project implementation. The ESMF will include the appropriate mitigation measures (chance find procedures) as well as clauses for contractors.</p>
Indigenous Peoples OP/BP 4.10	No	<p>There are no indigenous peoples in the proposed zone of intervention.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>Some project activities may include land acquisition/ involuntary resettlement or temporary restriction of access to livelihoods and income generating activities of people living in and around the project area during civil works associated with the project. Because the exact nature</p>



and location of civil works may not be determined up front, the Borrower will prepare a Resettlement Policy Framework (RPF) which will be consulted upon, validated in-country and at the World Bank, and publicly disclosed before project appraisal.

Safety of Dams OP/BP 4.37	No	There are no dam-related activities in the project.
Projects on International Waterways OP/BP 7.50	No	There are no activities related to international waters in the project.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in a disputed area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Dec 01, 2017

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 Appraisal Stage PID/ISDS

The safeguards-related studies (ESMF and RPF) will be launched once the Project Preparation Advance is effective and should be completed within 3-4 months.

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APPROVAL

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