



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

Concept Stage | Date Prepared/Updated: 05-Dec-2017 | Report No: PIDISDSC22885



BASIC INFORMATION

A. Basic Project Data

Country Guinea	Project ID P164326	Parent Project ID (if any)	Project Name Guinea Integrated Agricultural Development Project (GIADP/PDAIG) (P164326)
Region AFRICA	Estimated Appraisal Date Apr 02, 2018	Estimated Board Date May 08, 2018	Practice Area (Lead) Agriculture
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guinea	Implementing Agency West Africa Agricultural Productivity Program (WAAPP) Project coordination unit	

Proposed Development Objective(s)

The Project development objective is to increase productivity, processing and market transactions between producers and other actors participating in targeted agricultural values chains in the project areas.

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	40.00
Total Project Cost	40.00

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



B. Introduction and Context

Country Context

- 1. Guinea is fortunate to possess considerable agricultural and mining resources.** It possesses the world's richest deposits of bauxite and iron as well as abundant agricultural land and water resources ("water tower" of West Africa). However, Guinea has yet to take advantage of this endowment to achieve sustainable economic growth and poverty reduction. Guinea remains one of Africa's poorest countries and is classified among the Low Income and Food Deficit Countries by the World Bank. Per-capita income was approximately US\$490 in 2016, less than one third of the regional average (US\$1,505), and the majority of the population continues to live in extreme poverty. According to UNDP's 2015 Human Development Report¹, Guinea ranks 182th out of 188 countries in terms of the Human Development Index (HDI). Guinea's HDI of 0.411 is below the average for countries in the low human development group (0.505) and also for countries in Sub-Saharan Africa (0.518).
- 2. Guinea past economic growth has been too slow and too inconsistent to reduce poverty.** Since the mid-80s, economic growth increased due in part to the implementation of the *Programme de Redressement Economique et Financier* (Financial and Economic Redressing Program - PREF)². Annual economic growth averaged 4.5 percent during the 1990-97 period, outpacing population growth (3.1 percent). Poverty declined and most social indicators improved³. However, these gains were short-lived. After 2000, the country experienced a series of internal political crises, and was negatively impacted by conflicts in neighboring countries (Liberia, Sierra Leone and Cote d'Ivoire)⁴. Economic growth slowed and poverty increased from 49 percent in 2002 to 53 percent in 2007 and more than 55 percent in 2012. As is typical for many Sub-Saharan African countries, most of the poor are living in rural areas with a poverty rate of 65 percent against 32 percent in urban area (2012). Per recent detailed surveys of food security in Guinea⁵, close to a third of the country's households (30.5 percent) are food insecure.
- 3. Economic growth resumed after 2010 following the presidential elections that resulted in a return to constitutional order.** Macroeconomic policies improved, structural reforms were carried out in key sectors and the country's cooperation with external partners improved. Guinea reached the Highly-Indebted Poor Countries (HIPC) Completion Point in 2012 with the cancellation of two-thirds of its external debt. However, growth again faltered in 2013-2015 with the Ebola outbreak which had a devastating impact on economic activity⁶. Economic growth dropped drastically to 2.4 percent in 2013, then 1.1 percent and 0.1 percent respectively in 2014 and 2015. GDP per capita declined accordingly to -0.9 percent, -2.1 and -2.2 over those years. The Ebola crisis took a heavy toll on the agriculture and the food sectors. Guinea like other African countries is highly vulnerable to internal and external shocks that can wipe out hard-earned development gains, and worsen already entrenched poverty. However, in 2016 strong growth was recorded (6.7 percent) driven by a strong harvest and the mining sector.
- 4. Mining and agriculture are the dominant sectors in the country.** The agriculture sector represents 20 percent of GDP. The mining sector currently consists of industrial-scale mining of bauxite, alumina and gold, and accounts for about

¹ 2015 Human Development Report (HDR) Work for Human Development; UNDP 2015.

² Supported by the International Monetary Fund and the World Bank, focusing on macro-economic stabilization and the liberalization of the economy.

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

⁴ Guinea recorded more than half-a million refugee.

⁵ "Evaluation de la sécurité alimentaire en situation d'urgence », PAM, July 2015; and « Guinea, Nutritional Assessment », Feed the Future, USAID, 24 November 2015.

⁶ The World Bank estimates Ebola economic impact to 0.7 -2.3 % of GDP during 2014-2015.



20 percent of GDP, 80 percent of foreign currency earnings and 20 to 25 percent of government revenue. However, the extractive industries do not create enough direct jobs opportunities. Secondly, strong investment and policies from the Government are a condition to diversify the economy. Thirdly, the sector increases governance risks and the potential for corruption. There is a strong risk that Guinea's economy could become subject to the "resource curse" resulting from an overreliance on extractive industries. Such undesirable developments can be avoided by increasing investment in agricultural value chains to increase productivity and competitiveness, as well as investing in transport and marketing infrastructure and energy to facilitate economic diversification, inclusive private sector development and job creation.

Sectoral and Institutional Context

5. **The economy of Guinea is not sufficiently diversified, and structural transformation is incomplete.** The agricultural sector is, along with the mining sector, the main engine of the economy⁷. Contrary to mining, which provides most of the country's export revenues but creates little employment, agriculture still occupies approximately 80 percent of the active population. As a result, sustainable agricultural development is central to Guinea's economic and social development agenda.
6. **Guinea is richly endowed with natural resources: 6.2 million ha of cultivable land, abundant rainfall and varied agro-climatic conditions favorable to the production of a wide variety of cash and food crops.** This considerable potential is largely underutilized. Only 25 percent of cultivable land is cultivated (including fallow land, with less than 10 percent cropped every year). Only 32,000 ha have been developed for irrigation out of a potential of 360,000 ha (less than 10 percent).⁸ Agricultural productivity is very low, using extensive, rainfed agricultural and livestock farming systems. Farms are small and produce primarily for household consumption, with very little marketed surplus. The main food crops are cereals (rice, maize and fonio), root crops (cassava, yam, sweet potato and potato) and groundnut. Rice is by far the main crop representing more than two thirds of all cultivated land, and produced by 80 percent of agricultural households. It is also the main food import of the country. Women play particularly a key role in rice production, processing and marketing. The main cash crops are coffee, cotton, cashew, oil palm and rubber. Their importance in Agricultural GDP is negligible and exports are low despite the potential and market opportunity.
7. **Guinea's agriculture is key for poverty reduction, job creation and food security.** The country has not been able to build on its natural advantages and on the traditional expertise of its farmers. Agriculture in Guinea is entangled in a vicious circle starting from lack of investment, and distorted incentives and interference in markets, leading to low productivity and competitiveness. Producers face high costs of factors and inputs, as well as high costs of transformation and commercialization. Unable to invest in quality, their products are sold at low prices, and face significant challenges reaching domestic and export markets.
8. **As a result, Guinean agriculture is missing the positive outcomes that would have been generated from overseas trade and market-oriented agribusiness, while other countries in the region have become world exporters of cash crops.** Agriculture in Guinea represents 11% of exports and 17% of imports (PNIASA 2012). Agricultural exports are declining. In 2013, only five agricultural products were exported overseas: coffee, cocoa, rubber, cashew and mango. Cotton and banana, once Guinean major exports, have disappeared from overseas market. Guinean fruits and vegetables, as well as palm oil and rice are sold in neighboring countries, that are less demanding in terms of quality.

⁷ 20% for agriculture, 41% for the industrial sector (of which 15% for the mining sector) and 34% for the service sector.

⁸ Of which 9 000 ha of bottom land (20% of potential), 15 000 ha of mangrove (13%), 8 000 ha of flood plains (6%).



To break the spell, a holistic approach to agriculture is needed, focused on markets, and enhancing upstream and downstream linkages.

9. **Agricultural growth has been driven by the increase in cultivated land estimated at 3% per year, consistent with the increase in rural population.** Agriculture suffers from very low productivity constrained by a combination of limited use of improved technologies, failures in input, output and financial markets, and land tenure issues. Subsistence farmers, who account for 95 percent of the cultivated area, use very few agriculture inputs (e.g. improved seeds, fertilizer, pesticides, irrigation, and mechanization). Improved seeds are used on less than 8 percent of cultivated land with only 7 kg of fertilizer used per hectare, per year (among the lowest use in Africa). Yields are very low and have been stagnant for many years at less than 1t/ha for rainfed rice and 5 tons/ha for cassava. Many production areas are cut off from markets for part or most of the year, access to financial institutions is nearly non-existent and post-harvest losses are high (rice: 10 percent, maize: 15-20 percent, roots and tuber: 20-45 percent, fruits and vegetables: 30-60 percent) due to poor cultural practices and post-harvest handling, the lack of storage and deficient transport services. Processing is negligible and mostly small-scale. The project would be instrumental in addressing these challenges.
10. **Animal husbandry is an important activity for the rural population. Guinea has a large herd of mostly local breeds, hardy and trypanotolerant⁹.** Animal husbandry accounts for approximately 20 percent of Agricultural GDP and 4 percent of total GDP. It provides revenues to approximately 30 percent of agricultural households. It also provides much needed animal protein to the population, and thus contributes to food security and nutritional status. Livestock systems are mostly traditional, extensive and with low productivity. The country has significant advantages for livestock production possessing large tracts of natural pasture land, water resources and ample availability of agricultural sub-products. Thus, despite very low public investment (less than 5 percent of public investment is in the agricultural sector), Guinea has registered reasonable long-term growth (3.8 percent per year). However, competition for land with agriculture is increasingly causing conflict, and constraining prevailing extensive, transhumant cattle raising systems. National production cannot keep up with demand, and the country has experienced a significant increase in livestock imports, mostly poultry and milk.
11. **Over the last few decades, increasing population pressures have been responsible for an accelerating degradation of the natural resource base,** most visible in mangrove areas along the coast and in Guinée Forestière. These anthropic factors have been amplified by climate change. Data since 1960 show a continuous increase in temperature and decline in rainfall, together with an increased variability in the start of the agricultural season and more frequent dry spells and floods. Although difficult to predict with any precision, it is anticipated that these trends will continue in the future, with important negative impacts on ecosystems and agricultural production with a decrease in crop yields estimated at 10 to 25 percent by 2050¹⁰. To mitigate these adverse developments, Guinea has prepared its Programme d'Action National pour l'Adaptation aux Changements Climatiques (National Action Program for Climate Change Adaptation - PANA, 2007) which identifies preventive and adaptation measures such as development of irrigation, development and dissemination of drought-resistant varieties, protection of forests and watersheds, improved soil and water conservation practices, environmental education, etc.
12. **Regarding institutional context, the Government of Guinea has long recognized the critical role of agriculture for economic growth and poverty reduction.** It has prepared and implemented a series of strategies and plans. The most recent are: (i) the Plan National d'Investissement Agricole et de Sécurité Alimentaire (National Agricultural and Food

⁹ Estimated in 2012 at 5.5 million cattle, 4.0 million small ruminants, 105.000 pigs and 24 million poultry.

¹⁰ Various models forecast a decline in rainfall of 100-to-400 mm and an increase in temperature of 1.5 to 3.0 degrees by 2050.



Security Investment Plan - PNIASA, 2013-2017), (ii) the Programme Accéléré de Sécurité Alimentaire et Nutritionnelle et de Développement Agricole Durable (Accelerated Program of Food and Nutritional Security, and Sustainable Agricultural Development - PASANDAD, 2016-2020), and (iii) the Plan National de Développement Economique et Social (National Economic and Social Development Plan – PNDES, 2016-2020). PASANDAD is a strategy, an orientation framework and a program fully integrated in the PNDES and aiming at improving food and nutrition security, accelerating agricultural production (crop, animal, fish and forestry), improving commercialization, storage and processing, and reducing foods imports. PNDES is targeting a primary sector growth rate of 8.1 percent by 2020 horizon by setting up agro-poles across the districts focusing on the development of values chains with high value-added, a core component of PASANDAD. Also, PASANDAD is seeking to spur implementation of PNIASA which will be completed on December 31, 2017.

13. **A detailed analysis of PNIASA achievements has been initiated in the context of preparation of the successor program (PNIASA 2) for the 2018-22 period.** This assessment is on-going and preliminary results from 2015 showed clearly that, although some positive results were achieved, most of PNIASA’s strategic objectives will not be met:

- **Actual growth** in the sector has been lower than the PNIASA annual 6 percent growth target with 5.1 percent in 2013, 2.7 in 2014 and 4.1 in 2015. Like most of Sub-Saharan African countries, Guinea did not meet the ECOWAS and CAADP 6 percent agricultural growth goal;
- **About rice production**, the objectives - a 300 percent increase in production through increased use of irrigation, a doubling of yields (from 1.2 to 2.45 t/ha) and the elimination of rice imports - will not be achieved. Rice production continued to increase at about 3% per year, largely through the expansion of cultivated areas, and rice imports have increased;
- **Regarding food crop diversification**, while satisfactory results have been achieved with maize and fonio production which has exceeded PNIASA’s objectives, the production of cassava has not;
- **With respect to cash crop production and exports**, there has been no significant increase, as the current business environment related to access to markets, inputs and services is still not conducive to large private investments in agricultural sector;
- **Concerning livestock production**, despite very little public support with less than 2 percent of the agricultural budget, the sector continued to show reasonable annual growth of about 4 percent on the strength of its traditional extensive systems and also of the development of peri-urban poultry production;
- **Regarding development of infrastructure**, only 1,400 km of rural roads have been rehabilitated through 2015, against an objective of 3,000 km (47 percent), and only 10,000 ha brought under irrigation to date against the end of the Plan target of 110,000 ha.

14. **The disappointing results registered so far are due in part to the impact of the Ebola epidemic, as well as a large shortfall in the PNIASA financing plan.** The financing plan suffered from two clear weaknesses: (i) an extreme dependency on external sources (approximately 90 percent of financing); and (ii) the low level of financial resources mobilized at the start (less than 25 percent). In fact, annual budget allocations for the sector averaged 5 percent, much lower than anticipated by PNIASA’s financing plan and the Maputo objective of 10% public spending on agriculture. As lessons learnt from PNIASA underperformance, it is worthy to have ambitious development objective, but mobilization of required resources and its efficient distribution and use across the activities driving growth are critical to meet it. Also, whatever the agricultural potential and opportunities offered by the country, private sector could be attracted if and only the business environment is favorable.



15. **Like the new PNDES approved in June 2017 by the Parliament, PNIASA 2 will be consistent with the African Union's Agenda 2063 for the structural transformation of Africa, the Paris Agreement (COP 21) on climate change and the UN's Universal Program for Sustainable Development.** PNIASA 2 will also be based on the main principles of the Malabo Declaration (2014) which reaffirms that agriculture is at the heart of Africa's economic and social development while enlarging governments' commitments to areas, such as rural infrastructure, natural resource management and nutrition which, are critical for agricultural growth and poverty reduction.
16. **Realigning its interventions to the PASANDAD, World bank will support the development of value chains and the emergence of commercial agriculture, complementing ongoing operations** with (i) the proposed IDA operation focusing on selected staple crops for domestic and regional market, (ii) an IBRD-enclave operation focusing on potentially exportable crops for international market, (iii) another IDA operation on rural mobility and connectivity, and (iv) a Development Policy Operation (DPO) supporting structural reform in the governance of the sector and particularly the agricultural subsidy program for more targeting, transparency and efficiency. In addition, a review of the agricultural sector and the Systematic Country Diagnostic (SCD) are being completed. The proposed project will draw heavily on findings from these analytical works.
17. **Progress is being made by the Agriculture Sector Support Project (PASA-G) on strengthening institutional capacity and by the West Africa Agricultural Productivity Program (WAAPP) on reinforcing research, regional transfer of innovations and improved technologies to farmers, and rebuilding seeds production systems.** Building on these achievements, to pave way for structural agricultural transformation for inclusive economic growth and poverty reduction, Guinea needs to: (i) increase agricultural productivity through a climate-smart intensification and sustainable mechanization of the production systems to create jobs, leveraging on WAAPP; (ii) develop and integrate agricultural values chains and food systems to increase value addition; (iii) improve competitiveness and develop agricultural markets seizing upon growing domestic, regional and international food demand; (iv) reinforce basic production infrastructure and logistics to enable irrigation, connection, connectivity or mobility, storage and agro-processing for a better agri-business environment more attractive to the private sector. Also, a special attention should be paid to finding ways to attract youth to modern agribusiness including access to water and land-efficient technologies, modern labor-saving irrigation and agro-processing technologies, and advisory and financial services. The project will be instrumental in contributing to this development agenda.

Relationship to CPF

18. **The last closing Guinea Country Partnership Strategy (CPS, 2014-2017) focused on: (i) improving governance and service delivery, (ii) stimulating growth and economic diversification, and (iii) strengthening human capital.** A Systematic Country Diagnostic (SCD) is being completed. The SCD identified two hypotheses and the five most critical binding constraints and opportunities facing Guinea in achieving the World Bank Group's twin goals of ending extreme poverty and boosting shared prosperity. The first hypothesis arguing that poor political and economic governance is at the center of Guinea's development difficulties, leading to natural resources mismanagement, institutional fragmentation, and ineffective public investment. The second hypothesis is that low levels of structural transformation are affected by unproductive agriculture and poorly planned urbanization. Guinea's position regarding agriculture is interesting since Guinea is performing significantly below its potential despite abundant rainfall and agricultural land. For a variety of historical reasons, agriculture was not given prominence in Guinea, and the potential for agricultural development remains largely underexploited. The three critical binding constraints related to agriculture are the following. First, although resilient, Guinea's agriculture is underperforming, partly due to farmers' limited access to



quality inputs (fertilizer, seeds, and equipment). Second, Guinea's poor infrastructure (road, ports and logistics services, power and telecommunications) is a major obstacle to private sector development. Finally, access to finance is difficult for smallholders and entrepreneurs and low levels of private investment and undercapitalization are manifest. Taken together, the improvement in these constraints will be able to help Guinea move forward. The project will be instrumental in addressing most of these constraints in the agricultural sector by improving productivity, value chain diversification and integration, market development and competitiveness, infrastructures and logistics to enable agribusiness development and create job. A multisector approach will be used bringing Agriculture, Trade and Competitiveness, and Transport Global Practices to team up. The project will support anticipatively the implementation of the upcoming CPS which will be guided by findings from the SCD. The project is also consistent with the Africa Regional Strategy.

C. Proposed Development Objective(s)

19. The Project development objective is to increase productivity, processing and market transactions between producers and other actors participating in targeted agricultural values chains in the project areas.

Key Results (From PCN)

20. The proposed PDO level performance indicators are: i) Number of Farmers reached with agricultural assets or services of which female (at least 40%) and youth (at least 10%); ii) Increase in productivity (ton/ha) of targeted agricultural commodities by direct beneficiaries; (iii) Volume of targeted agricultural commodities processed with the new facilities (t); and (iv) Increase in volume of market sales of targeted agricultural commodities by Project-supported beneficiaries (%). A detailed result monitoring framework and indicators would be developed during project preparation.
21. It is expected that the project would result in increased productivity and production coupled with reduced post-harvest losses, more integrated agricultural systems, improved product range and quality, more efficient processing with a better access to facilities, and improved marketing and mobility, thereby generating additional incomes for producers and other operators in the targeted value chains. The preliminary selected value chains are rice, maize, horticulture (vegetables and fruits), livestock (poultry in particular) and aquaculture (fresh, dry and smoked fish) for which market opportunities exist and productivity gains are achievable through better water control and adoption of proven technologies leveraging on WAAPP. These commodities present potentially profitable business opportunities that can attract youth and the private sector and contribute directly to rural poverty reduction as production is dominated by poor smallholders. The project will be gender-sensitive targeting both men and women as key players of the value chains. It is expected also that the project would develop an innovative business model for youth insertion in agribusiness replicable throughout the region.
22. The project would contribute to integrated agricultural development to improve food security, income and youth employment. This would be achieved by improving productive infrastructure, integrating values chains, and developing agribusinesses and markets. An integrated approach would be used vertically along the targeted values chains and horizontally across the selected agricultural subsectors including crops, livestock and aquaculture.

D. Concept Description



23. **The design of the proposed project would build upon the achievements and lessons learned from the implementation of on-going or closed projects and programs in Guinea and elsewhere in the region.** Close coordination and synergy would be sought with ongoing or upcoming projects and programs, and approaches would be harmonized to leverage support in critical areas, optimize development outcomes and avoid duplication. In particular, partnerships would be sought with (i) the project financed by Agence Française de Développement (French Development Agency - AFD) and the European Union (EU) for developing rice-cum-fish production; (ii) the forthcoming AFD-financed rural road project; (iii) the Third Village Community Project (PACV) financed by IDA and AFD; (iv) the West African Agricultural Productivity Program (WAAPP) financed by IDA; (v) the Agriculture Sector Support Project (PASA-G); (vi) the Agricultural Services Support Project financed by USAID under its « Feed the Future » Program; (vii) the Growth Pole Project under preparation for funding by the Abu Dhabi Development Fund; (viii) the upcoming rural mobility and connectivity project financed by IDA; and (ix) the future IBRD-enclave project.
24. **The design of the project considers the growing need for Guinea to transform its agriculture sector** by increasing substantially productivity and resilience against climate change, integrating value chains, developing markets, improving competitiveness, and reinforcing infrastructure to foster economic growth, improve food security and nutrition, and contribute to end extreme poverty. With the increasing concern for youth employment, it is more than ever critical to enable agriculture to offer attractive business opportunities for youth. The project will focus support on (i) a selected number of value chains that are both important in terms of food and nutrition security, and have significant development potential to respond to market opportunities; (ii) a selected geographical area to resolve the binding constraints on productivity, quality, value-addition and market linkages.
25. The proposed project would consist of four interconnected components structured as follows:

Component 1: Supporting productive infrastructure and logistics systems

26. This component would support critical public and private infrastructure and logistics systems required to better valorize land and water resources to improve productivity and competitiveness of agricultural value chains. It would consist of three sub-components:
27. **Subcomponent 1.1: Water control and management.** This subcomponent would consist of improving water management and small scale irrigation systems within existing irrigation schemes to be rehabilitated or developed. Land planning and water management are critical in strengthening resilience and increasing productivity and competitiveness. This would enable the expansion of cropped areas, the mechanization of production systems and production two to three times a year and consequently, yield increases. Increasing the cropping intensity is yet an opportunity to be exploited for Guinea agricultural development. Less than 10% of the irrigable land estimated at 360,000 ha is developed. Also, the project would contribute to restore and develop under-used low-land (9,000 ha out of a potential of 180,000 ha) and flood plains (8,000 ha out of a potential of 200,000 ha). A master planning study on irrigation is underway and will inform the interventions areas and perimeters to be targeted. By targeting some works with no or limited environmental impact such as catchment weirs and drainage networks, supporting small-scale irrigation systems and promoting the adoption of efficient water and land management technologies, the project would contribute significantly to developing irrigated agriculture in line with PANSANDAD priorities. It would support the use of improved labor-saving irrigation systems to modernize horticultural production, alleviate women's irrigation burden and attract youth to this business. It would finance water user associations and develop management procedures and guidelines to ensure the sustainability of irrigation infrastructures. The project would aim at a



substantial increase in yield in the irrigated perimeters, leveraging on WAAPP for producer access to improved certified seeds and technologies.

28. **Subcomponent 1.2: Storage, conditioning and logistics systems.** This subcomponent would address the lack of agricultural machinery, storage, conditioning and logistics assets that prevent value chain development. It would seek to improve postharvest management facilities to improve quality, lower costs and enhance competitiveness, particularly for domestically produced rice and horticultural crops. In particular, the project would finance: (i) storage facilities for adequate conservation of the harvest; (ii) agro-processing equipment to reduce post-harvest losses and allow processing and packaging of agricultural produces for value addition; (iii) production and processing facilities for livestock (poultry and milk) and fish produces (smoked and dry); (iv) agricultural market infrastructure; and (v) processing platforms in targeted large production zones and in partnership with the upcoming IBRD-Enclave operation. Investment selection would be based on selection criteria including economic analyses. Investments would require a business plan, a mechanism for sustainable operation, and be tied to market demand. Private sector involvement in those investments could be structured either through direct investment, joint ventures or PPP projects.
29. Finally, the project would work closely with the Rural Mobility and Connectivity project under preparation to unlock production areas, connect farmers to markets, and attract private sector investment in agricultural values chains. The required roads to be built in the targeted areas would be jointly identified.

Component 2: Increasing agricultural productivity

30. **Subcomponent 2.1: Access to quality inputs and machinery.** The project would leverage on WAAPP to enable the wide diffusion of improved technologies including certified seeds of improved varieties, fertilizers, best and environmentally-friendly practices for the intensification of production systems. The project's emphasis would be on supporting appropriate and sustainable agricultural mechanization through the transfer of improved motorized machinery developed throughout the region leveraging on WAAPP, the development of machinery services and leasing systems. The project would provide financial and technical assistance for entrepreneurs developing agricultural machinery and using appropriate technology to develop prototypes and systems. It would engage these entrepreneurs via business plan competitions and matchmaking with regional and international incubators for innovation and appropriate technology.
31. **Subcomponent 2.2: Institutional strengthening.** Leveraging on WAAPP, the project would provide support to the national extension service, the Agence Nationale de la Promotion Rurale et du Conseil Agricole (National Agency for Rural Promotion and Agricultural Council - ANPROCA), strengthening its institutional capacity through financial and logistic support, and capacity building. Efforts would be put on connecting and articulating agricultural extension services to research to enable dissemination of improved technologies and agricultural advisory services.

Component 3: Developing and integrating agricultural values chains

32. **Subcomponent 3.1: Capacity building and value chain coordination.** Under this sub-component, the project would strengthen the technical and management skills of producers' groups including youth and women's groups, cooperatives, professional associations and other stakeholders benefiting from the project. With support from agro-processing research institutes, more sophisticated agribusiness firms, NGOs and entrepreneurship incubators, training would focus on improving and upgrading agro-processing technologies. Training may concern packaging and compliance with food safety standards for quality assurance while promoting artisanal agro-processing. Training in



accounting, operations, using technology for business, financial management and marketing may be provided. The project would develop, adapt and/or deliver training on a range of business and technical subjects. Innovative personal initiative training that encourages entrepreneurial thinking and problem solving may also be delivered. Building on WAAPP experiences, innovation platforms may be created or reinforced for some value chains to develop partnerships among stakeholders. These efforts would build on, and may form partnerships with past and present training and capacity building efforts of World Bank Group partners, and other donors and organizations. IFC's Agribusiness team may help replicate its Agribusiness Leadership Program which aims to professionalize producers/cooperatives by improving their technical and managerial capacity, and supporting them to access finance. The project may collaborate with IFAD's program (Plan National d'Appui aux Acteurs des Filières Agricoles) whose objective is also to provide capacity building to farmer's organization in the same value chains targeted by this project. FAO and AFD have similar programs in different value chains. Finally, for coordination of all initiatives on farmer's professionalization, the project may work within the local Market Ecosystem Alliance (AMEA) platform, under creation by the IFC's Agribusiness advisory team, which aims to standardize tools and mechanisms for farmers' professionalization. For SMEs, more involved at the middle of value-chains (processing, packaging, storage, transportation), the recently-created SME Business center under Guinea MSME Project has the potential to become a robust platform to provide technical and management capacity to SME. The project would take stock of the SME Business Center's development with an aim to partnering with it to deliver technical assistance and services.

33. **Subcomponent 3.2: Access to finance for agribusiness development.** This subcomponent would promote youth entrepreneurship and private sector investment in agribusiness through a matching grant mechanism to be defined in consultation with stakeholders. The project would support development of Micro, Small and Medium Agribusiness Enterprises (MSMAEs) to increase domestic production and processing of high-quality rice, horticultural produces (mango, pineapple, banana, potatoes etc.), and livestock, particularly for poultry and dairy products, and fish (aquaculture, dry and smoked fish etc.). The percentage of cost sharing required by beneficiaries would be determined during the project design phase. The matching grants may be disbursed through one or more windows each targeting specific types of beneficiaries, kinds of financial support or objectives. Training and capacity building activities would be made available to complement financing. The project would develop relationships with financial institutions to encourage co-financing of beneficiaries' activities. Under this subcomponent, support would be given to the creation of integrated aquaculture-poultry-rice firms leveraging experience developed in Nigeria under the West and Central Africa Council for Agricultural Research and Development (CORAF/WECARD) Multi-Donor Trust Fund. In addition, this subcomponent would support the development of agricultural machinery services led by youth groups or producers' organizations.
34. **Subcomponent 3.3: Formation of productive alliances for cash crops.** The productive alliance is an economic agreement between a group of organized producers and a buyer (intermediary, wholesaler, agro-processor or processor, international mining company) in which all parties assume risks, provide resources, and share the benefits, such that the agreement can continue over the medium and long term. The subcomponent's main output would be the implementation of subprojects with clearly defined and sustainable goals, and cost sharing accompanied by technical assistance and business development services. It would help build productive alliances between rural producers and their buyers (intermediaries, wholesalers, processors or exporters) for cash crops value chains, and finance part of joint business plans. By formalizing relationships among value chain actors, the project would facilitate access to finance and expand opportunities for investment in cash crop value chains ultimately increasing the revenues of producers and industrial firms, improving the quality of Guinean products, and increasing exports and value added.



35. This subcomponent would leverage past and ongoing efforts in Guinea to study and develop productive alliances. The World Bank and the IFC have undertaken studies to identify potential sectors and potential value chain participants for productive alliances. This effort would be linked to IFC's network of more sophisticated agribusinesses that may be interested in buying from producers' associations associated with the project. This subcomponent would link with IFC and World Bank work with financial institutions to de-risk, identify opportunities and increasingly lending to agribusinesses. Furthermore, the project would leverage ongoing IFC initiatives supporting the development of the local content in the mining sector specifically to overcome obstacles to selling food to the mines.
36. **Subcomponent 3.4: Provision of the market information system:** This subcomponent would finance collaboration with producers' and marketing associations to provide agribusinesses with the information they need to plan their operations and transact with their customers. The project would build upon pre-existing IT solutions in place where possible, or create new systems that are responsive to the needs of agribusinesses, their suppliers and their customers, and managed by market-oriented organizations. The goal would be to link producers to customers in markets in urban areas in Guinea and in neighboring countries, build business relationships between buyers and sellers, and facilitate transactions. A survey of market information systems initiatives and use, and an action plan would be prepared during project preparation.
37. **Subcomponent 3.5: Support to investment promotion in agricultural value chains.** Through a results-based Memorandum of Understanding (MoU) with the Investment Promotion Agency (APIP), this subcomponent would finance experts, targeted Technical Assistance (TA), consulting services, trainings, and IT development and equipment to facilitate private investments in agribusiness and cash crop value chains. Support for APIP under the Guinea MSME Development Project has increased the Agency's capabilities, but agribusiness investing is and requires special attention. The new project would continue to support APIP so that it can attract and retain agribusiness investors, both foreign and domestic. This subcomponent would also fund efforts to improve public-private dialogue to inform policy decisions that take stock of the needs of agribusiness investors. The project would use the World Bank-developed framework, "Enabling the Business of Agriculture," to identify business environment constraints to investment support activities to overcome them.

Component 4: Project implementation and coordination

38. This component aims to ensure that the project is efficiently managed, monitored, and that performance and impacts are carefully tracked. It would: (i) finance the incremental expenses incurred in implementing the project through the project implementation unit (PIU) and the participating field implementing agencies and various service providers; (ii) provide technical assistance through consultancies, audits, and training to enhance implementation capacity of the PIU; (iii) finance communication and outreach activities; (iv) finance monitoring and evaluation of project outcomes and impacts; (v) support institutional strengthening to ensure sustainability of the project; and (vi) provision funds to address emergency demands arising from natural disasters or other shocks.
39. Finally, the project may finance the agricultural census in partnership with others donors.

SAFEGUARDS



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

Activities with a physical footprint includes water control and management, building or rehabilitating storage facilities and establishment or development of Micro, Small and Medium Agribusiness Enterprises (MSMAEs) to increase domestic production and processing capacities for staple crops including high-quality rice, horticultural produces (mango, pineapple, banana, potatoes etc.), livestock and particularly poultry and dairy produces, and fish produces (aquaculture, dry and smoked fish etc.). The physical locations and specific details of the proposed project interventions are not as yet known.

B. Borrower's Institutional Capacity for Safeguard Policies

This preliminary Borrower's institutional Capacity for Safeguard policies will be completed during the project preparation to complete the information that are not yet available. The preliminary assessment considers:

(i)-Policy framework:

Article 19 (3) of the constitution states that: "the People has the right to the preservation of his heritage, culture and of its environment ". Therefore, the environmental policy framework is rooted in the provisions of the Constitution. The Environment code was published on May 28, 1987. In November 8, 1989 the government published a Decree Regulating Impact Studies.

(ii)-Operationalization of policy framework:

The national Environmental and Social Assessment and ESIA review process is under the responsibility of the Ministry of the Environment through the Guinean Bureau of Studies and Environmental Assessment (BGEEE). It is part of its functions to monitoring and preserving the quality of the environment and advising the Government on the environmental issues.

Since March 2013, the Government adopted a General Environmental Assessment Guide that provides project developers with technical support to carry out environmental and social impact studies necessary for a better analysis of their projects.

(iii)-Resourcing

In general, the ministry of environment and other state institutions in charge to handle environmental and social issues including BGEEE are poorly staffed.

At the institutional level, environmental and social units are set up in the main sectors (agriculture, livestock and fisheries). At the decentralized level, the environmental monitoring committees (CPSE) exist.

At the concept stage of the project, the structure that will host the PIU is not yet found. Once defined, an in-depth assessment will be conducted and an action plan defined. The Unit will hire full time Environmental and Social Development Specialists during project preparation and implementation period.

(iv)-Practice/outcomes/track record

BGEEE statistics are not published yet annually confirming that a robust archiving system will be necessary. Despite the past experience with the WB safeguards policies implementation (WAAPP, PASAG, PRAO...) the borrower capacity to ensure the safeguards implementation in the in the satisfactory manner remains low and more capacity building will be needed including the logistic support to BGEEE.

C. Environmental and Social Safeguards Specialists on the Team

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Emmanuel Ngollo, Environmental Safeguards Specialist

Cheikh A. T. Sagna, Social Safeguards Specialist

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D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The proposed project is categorized as B under this OP because its potential social and environmental risks are expected to moderate and mostly site specific, with no significant or long-term negative impacts. The potential environmental impacts are related to components 1, 2 and 3 activities (Water control and management, building or rehabilitating storage facilities and establishment or development of Micro, Small and Medium Agribusiness Enterprises (MSMAEs) to increase domestic production and processing capacities for high-quality rice, horticultural produces (mango, pineapple, banana, potatoes etc.), livestock and particularly poultry and dairy produces, and fish produces (aquaculture, dry fish etc.). An ESMF will be prepared and disclosed prior appraisal to guide the way that potential negative environmental and social impacts of future sub-projects (following the positive list) will be identified and mitigated during the project implementation. In the meantime, specific sites will be identified during the project preparation and ESIA/EMPs prepared for the first year of the project implementation.
Natural Habitats OP/BP 4.04	TBD	
Forests OP/BP 4.36	TBD	The decision to trigger or not this policy will be taken prior appraisal. Nevertheless, the project activities will avoid any negative impacts on the health and quality of forests. The project will avoid financing any activity that should have any negative impact in the natural forests. The ESMF will include sections relevant on how.
Pest Management OP 4.09	Yes	The project activities will likely increase the use of chemical pesticides which could have negative environmental and health impacts. A pest management plan will be prepared to mitigate this risk. Moreover, the Project will support the diffusion of best agricultural practices environmentally-friendly including integrated pest management practices combining chemical and biological control of pest and disease to support sustainable agriculture.



Physical Cultural Resources OP/BP 4.11	Yes	The proposed operation will involve excavations and movement of earth for the building facilities. During the development of the ESMF physical cultural resources will be taken into consideration and baselines defined. The ESMF will include clear procedures that will be required for identification, protection of cultural property from theft, and treatment of discovered artifacts, and will be included in standard bidding documents. The ESMF will also provide procedures for handling with “chance finds” during implementation project activities.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	Involuntary Resettlement is triggered in the vent that sub-projects should involve involuntary resettlement as the Project will finance construction/rehabilitation of processing facilities; and infrastructures that may imply land acquisition in the covered areas. A RPF will be prepared that will guide the management of such situations should they arise during project implementation. RAPS will be prepared as and when necessary.
Safety of Dams OP/BP 4.37	No	The project is not anticipating financing any dam.
Projects on International Waterways OP/BP 7.50	No	The project does not anticipate any wide activity that could impact international waterways. only small irrigation scheme will be rehabilitated or developed.
Projects in Disputed Areas OP/BP 7.60	No	The project does not anticipate any disputes in the targeted area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Feb 15, 2018

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

Terms of reference for consultants in charge of safeguard-related studies will be completed in October 30, 2017 and consultants will be hired by November 30, 2017.

Environmental and Social Management Framework (ESMF), Pest Management Plan (PMP), and Resettlement Policy Framework (RPF,) will be delivered by January 30, 2018.



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APPROVAL

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