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# Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 22-Dec-2016 | Report No: PIDISDSA19410



**BASIC INFORMATION**

**A. Basic Project Data**

Country Nigeria	Project ID P159761	Project Name Nigeria: Mineral Sector Support for Economic Diversification Project (MinDiver)	Parent Project ID (if any)
Region AFRICA	Estimated Appraisal Date 10-Oct-2016	Estimated Board Date 01-Feb-2017	Practice Area (Lead) Energy & Extractives
Lending Instrument Investment Project Financing	Borrower(s) Federal Ministry of Finance	Implementing Agency Ministry of Solid Mineral Development	

Proposed Development Objective(s)

To enhance the mining sector's contribution to the economy by strengthening key institutions, improving information infrastructure and knowledge, and fostering domestic investment in the sector.

Components

Establishing a Strong Foundation for Mining Sector Development  
Facilitating Downstream Sector Development & Enhancing Competitiveness  
Project Management and Coordination

**Financing (in USD Million)**

Financing Source	Amount
International Development Association (IDA)	150.00
<b>Total Project Cost</b>	<b>150.00</b>

Environmental Assessment Category

B - Partial Assessment

Decision

The review did authorize the preparation to continue

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Other Decision (as needed)

## **B. Introduction and Context**

### Country Context

1. For over a decade, Nigeria experienced relatively stable and positive economic growth averaging around 7% a year. As a result of a statistical rebasing of the gross domestic product (GDP) in 2014, Nigeria's GDP was placed close to US\$500 billion, making it the world's 26th largest economy and the largest economy in Africa at that time. Nigeria's economic position was founded on strong and stable macroeconomic fundamentals (tight fiscal and monetary stance as well as a stable interest and exchange rates). It was also underpinned by an oil price boom, particularly between 2010 and the last quarter of 2014 when it reached record high levels especially in 2013. However, contributions from the oil sector as a share of government revenues has been declining since 2011 from around 80.95% to 67.12% in 2014 and growth contributions had been negative mostly due to supply disruptions. More importantly, the country's strong platform created positive domestic developments through strong inflow of foreign direct and domestic investments into the non-oil sector, particularly, the communications, agriculture, construction, and manufacturing sectors. As a result, the Nigerian economy became more diversified, more services-oriented, and less dominated by oil and agriculture than it was a decade. Economy contracted in 2015 on the back of a sharp drop in commodity prices.

2. Although the Nigerian economy had become more diversified, its revenues did not reflect this diversity as it remained dependent on oil sector revenues. After a successful political transition in May 2015, the new government has been consolidating its efforts towards narrowing macroeconomic and fiscal risks, achieving more inclusive growth, and increasing revenues from the non-oil sector to compensate for declining oil revenues. In aiming for more inclusive growth, Nigeria's growth and poverty reduction strategy has to focus on addressing the fundamental and structural causes of inequalities across the country and to uplift its citizens out of poverty as well as ensure an even basis for sharing prosperity. An even stronger economic foundation is required to facilitate the diversification of the export base and non-oil growth through improvement in external competitiveness factors and structural reforms to address severe infrastructure deficiencies. It will also need policies to help support the manufacturing base to improve in order to meet the needs of the public sector, service industry, and industrial sector. Investing in improving the competitiveness and governance of the mining sector will be key in achieving these goals. Revenues from Nigeria's mineral sector will probably not be able to come close to revenues generated by oil or gas revenues. However, contributions from the sector will most likely have an impact on employment, livelihoods, economic diversification, as well as development of small to medium scale exploitation of quarry materials, gemstones, gold, industrial minerals such as barites and limestone to meet domestic manufacturing and industrial needs for production input. Although the mineral sector provides an opportunity for growth and development, it is imperative that it does not cause poor social and economic outcomes for the country, but rather transforms the wealth generated from the sector into well-being and economic, social, and political stability.

### Sectoral and Institutional Context

3. One of the key priorities of the Nigerian government is to enhance the diversification of the economy to a broader range of productive sectors. In this context, agriculture and the mining sector have been identified, by the newly elected government, as potential sources of growth for the future. At the highest



level, the government efforts are focused on accelerating mining investment for resource development to meet the following objectives: (a) capture of lateral economic linkages to diversify the economy, (b) job creation including formalizing of artisanal and small-scale, and (c) increased revenues including capture of leakages within the current system.

4. Nigeria is thought to have a favorable geological potential that, if adequately assessed, well exploited and sustainably managed, could support broader economic growth through mineral sector. There is, however, an incomplete understanding of the full mineral endowment, and sector specialists note that the currently available stock of mineral assets, either in production or available for production (brownfield), represents a small %age of the total. One of the key objectives of this project is to support the government in informing itself of the full mineral endowment (of both brownfield and potential greenfield assets) for policy planning, sector promotion and integrated long-range planning purposes.

5. Highlighting development potential within the existing stock of known mineral resources, one study estimated the known and potential mineral reserves, and compared them to current levels of production, which are modest across all of the commodity groups. The underlying reasons contributing to this disparity between reserves and production will be addressed in the proposed project. Unlocking this potential through key reforms and strategic interventions – even for a small number of mineral assets -- would have a catalytic “proof of concept” effect. Nigeria has recorded relatively few new mines over the past several years, and it is useful to demonstrate to investors an integrated and operating value chain, from initial exploration to brownfield investments to processing and sale of a mineral product.

6. Nigeria has an existing pool of current mining operators, active in developing, operating, or re-opening mines. Mining is geographically widespread across almost all the states of the Federation, being conducted by a small number of companies and individuals who are focused primarily on gold, iron ore, lead-zinc, and coal mineral resources. The most active participants in the sector are the quarry operators for construction stones (mostly aggregates), cement companies for limestone, artisanal miners and mineral traders.

7. Apart from these existing investors, there are other opportunities to be explored for accelerating private sector investment that if adequately assessed, well exploited and managed could support economic growth through mineral sector development. To grow the sector, the government has considered within its sector roadmap two available classes of opportunities: (i) reviving brownfield assets; and (ii) generating new discoveries/targets in greenfield exploration areas.

8. At the present, there is incomplete understanding of the available stock of operating and abandoned mines. Nigeria had a successful mining sector in the 60s and 70s, and some mines were abandoned for a variety of reasons. Within this class of brownfield assets some may have been “blocked” as a result of past, poor environmental or social legacy issues, licensing, or market conditions at the time these mines were abandoned. A benchmarking assessment is needed to determine if current production is correctly sized relative to the underlying mineral resources, or are there impediments resulting from undercapitalization of operators using dated inefficient exploration & extraction technologies. Moreover, within this first class of operating and abandoned mines the proposed project will assess and understand technological, financial, commercial, and environmental / social drivers that – if properly addressed – would provide the industry and government with opportunities for growth.

9. In order to develop greenfield areas, generative exploration is necessary to build a pipeline of potential future discoveries to sustain sector growth. Adding new discoveries to the overall stock of Nigeria’s known mineral resources is an important contribution that will result from successful exploration;



creating a pipeline of new opportunities for employment and broader economic development opportunities. This second class of opportunities is a longer-term activity, driven by private-sector investors responding to local, regional and global market prospects using state-of-the-art technology. Incentivizing exploration begins with the government providing a credible understanding of the underlying mineral endowment, prospective areas, and in some instances detailed geological studies on especially interesting mineral assets.

**10. Barriers to Sector Development and Project Approach:** Nigeria continues to struggle with becoming a significant player in most of the core global mining commodities. Even during the commodity super cycle, the country was unable to attract significant investment in exploration and mining into the sector. Moreover, productivity from the Nigerian mining sector is still insufficient to meet local demands for key inputs from mining. Extensive stakeholder dialogue and analytical work has identified a number of barriers and challenges to sector development. Within these barriers, four have been identified as “binding constraints” which have been prioritized in the project design. They include: 1) insufficient geodata and geological knowledge; 2) weak governance, in particular weak implementation and enforcement of the mining law and Regulations; 3) A very large, poorly regulated and informal artisanal and small scale mining (ASM) sub-sector; and 4) Fragility, environmental, and social issues (as a cross-cutting constraint).

### 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.

Development Objective(s) (From PAD)

To enhance the mining sector's contribution to the economy by strengthening key institutions, improving information infrastructure and knowledge, and fostering domestic investment in the sector.

### Key Results

#### C. PDO-Level Results Indicators

**11.** The key results of this operations will be as follows:

- Mining information management systems (including geological database, DSS, EIMS) developed and rolled-out within the relevant institutions
- Number of proof of concept transactions implemented through the project
- Geological knowledge enhanced through an integrated geological database made publically accessible
- Increased number of domestic manufacturers sourcing mining materials locally leading to economic impact in target areas



- Increase %age of ASM operators inventoried, formalized, and supported through technical assistance
- Increase %age of mining exportation and production projects subject to formal environmental and safety inspections following good international practices set under the project
- Increased production data collected from Artisanal, Small and Medium size mining operations (as a % of total number of operations inventoried under the project)

#### D. Project Description

**12.** The proposed project will be financed through an IDA Credit in the amount of US \$150 million. Based on consultations with government counterpart, this proposed project is designed to deliver both short-term results (1 – 2 years) and longer-term results (4-5 years). Targeted activities expected to produce ‘quick win’ results which will be implemented earlier on in project implementations include the following: (1) Undertaking a demand/gap analysis of industrial minerals required by the local industries to explore some import substitution potentials as well as facilitate the flow of mineral transactions. (2) Facilitating access to finance, technology and equipment, knowledge, and markets as well as provision of mineral extension services; (3) Supporting the mining and processing of the minerals and dimension-stones to meet the required specifications of the local industries in accordance with best practices; and 4) Developing measures for formalizing, regulating and inventorying artisanal and small-scale mining (ASM).

**13.** Over the medium to longer-term, government’s success in developing its mining sector and achieving diversification through the sector will ultimately be measured against ability to successfully attract and develop mineral transactions on medium to large mining operations as well as any other mining related (i.e. infrastructure) investments. As such, this proposed project has largely been designed based on this principle. Activities under Component A are aimed at establishing a strong foundation for mining sector development, while Component B seeks to leverage these gains towards downstream sector development and enhancing competitiveness by providing practical technical assistance based on “proof of concept” investment/transaction, bringing the asset to a higher developed stage within the conventional mining cycle.

#### **14. Component A: Establishing a Strong Foundation for Mining Sector Development**

The objective of this component is to strengthen the government in its role to establish a strong foundation for mining sector development thereby enhancing its capacity as regulator and facilitator. This will involve reviewing and enhancing a number of key requirements for a successful mining environment.

**15. Sub-Component A1. Strengthening mining governance, transparency, accountability, and administration.** The objective of this subcomponent will be to support a second generation of governance reforms in order to improve performance of the sector. This will involve building capacity, updating, strengthening and improving the mining governance and administrative framework, with a particular focus on the MMSD. Specific activities to be implemented under this sub-component include the following: **A1-1)** Strengthening the Institutional Frameworks Governing the Mining Sector through preparation and implementation of an institutional functional analysis of workflows, processes, and information flows, update the institutional dimensions of the policy, legal, and regulatory framework to reflect the finding and recommendations of the functional analysis, and define a roadmap and implement



institutional reforms, and design and implementation of an integrated Mining Management Information System (MMIS) based on the functional analysis.; **A1-2)** Sector administration capacity building to assist the Government (in particular civil servant staff from the MMSD and its associated agencies, as well as other relevant ministries) to build the required technical skills and managerial capabilities to service and develop the mining sector; **A1-3)** Strengthening revenue assessment, collection, and forecasting, including through support to EITI and setting up systems to improve revenue collection in a transparent and accountable manner; and **A1-4)** Building independent oversight capacity and stakeholder consultation mechanisms including by providing support to non-state actors (civil society, NGOs, CBOs, media, academia, professional associations and technical experts) to strengthen their participation in increasing transparency and disclosure in the mining industry.

**16. Sub-Component A2. Strengthening Geological Knowledge and Information Infrastructure.** The objective is to strengthen geological knowledge of the Nigeria's mineral wealth, prepare for the identification of prospective areas (under component A) and facilitate bidding rounds (under component B) to attract investors. All activities under this sub-component will be implemented with a view toward building capacity within the geological survey of Nigeria. Specific activities under this subcomponent include the following: **A2-1)** Basic mapping with international standards using a common satellite imagery and geophysical methods; **A2-2)** Development of a GIS Geodata Schema supported by re-interpretation of data; **A2-3)** Targeting Prospective Areas through diagnostic field work in localized areas to advance priority assets towards further development; **A2-4)** Valuation methods for non-producing assets linked with prospectivity ranking; **A2-5)** Assess mineral asset valuations and deliver a standard procedure to value assets on non-producing mineral properties; and **A2-6)** Dissemination of Geological Information through a web-based portal, investment promotion conferences, and other mechanism.

**17. Sub-Component A3. Skills Building and Education Support for Mining Sector Development.** The main objective is to address skills gaps in the industry and support the education and practical training of the next generation of sector specialists. Programs supported under this sub-component will be based on the needs and requirements of the mining industry, and as such, an initial scoping study will be undertaken. As a complement to this, the project will support designing and implementing a partnership program and integrated capacity development strategy with a local university and other training or educational institutions (international or local), including Nigerian Institute of Mining and Geosciences the MSMD, and the private sector focusing on building practical technical and vocational capacity within Nigeria. It will also involve re-introducing and providing vocational training to technical staff in the country, which is a fundamental requirement to develop and maintain a solid skills base for the industry. One such model that could be deployed is Technikon in South Africa, which provides vocational training for the mining sector.

**18. Sub-Component A4. Environmental, Health and Social Performance.** The objective of this project activity will be to assist the Government to improve environmental and social sustainability of the mining sector and improve its regulatory enforcement capability. Activities under this sub-component will include: **A4-1)** Preparing a Strategic Environmental and Social Assessment (SESA) and implementation if its recommendations, including a review of legal and regulatory framework (including guidelines) for environmental management with the aim of strengthening the roles of the relevant departments within the Ministry towards ensuring effective implementation; **A4-2)** Providing technical assistance on environmental, social, health and safety (ESHS), including assessment of impact and associated regulatory reforms, and capacity building of the inspectorate services to monitor impacts; **A4-3)** Designing and Developing an Environmental Information System (EIS), linked with the DSS, MMIS and Knowledge Management systems; **A4-4)** Implementing conflict-assessment to identify potential risks and



mitigation measures focused on key areas of the North, including establishing robust grievance redress mechanisms (GRM) and undertaking regular stakeholder consultations; **A4-5**) Implementing gender inclusiveness programs for the mining sector, based on preparation of a detailed assessment and action plan.

## **Component B: Facilitating Downstream Sector Development & Enhancing Competitiveness**

**19.** The objective of this component is to facilitate sector development and enhance its' competitiveness and attractiveness to investors for both (a) Greenfield exploration plays identified under A2-1; and (b) Brownfield mineral assets that have become blocked as a result of social and environmental legacy issues, past market conditions, and infrastructure gaps.

**20. Sub-Component B1. Developing measures for formalizing, regulating and inventorying ASM.** The objective of this project activity will be to enhance the economic opportunities of artisanal miners, reduce smuggling practices, and create incentives for their inclusion in the formal economy thus increasing revenue collection, poverty alleviation, and job creation. Specific activities to be supported through this sub-component include: B1-1) Developing an inventory of ASM operations/activities aimed at monitoring the scale and the size of the sub-sector; B1-2) Incentivizing ASM formalization and registration, including through the establishment of mineral buying centers (MBCs) and cooperatives, and by offering technical assistance and extension services; B1-3) Preparation of ASM regulations and strengthening the functions and capacity of the ASM Department and inspectorate services within the MMSD.

**21. Sub-Component B2. Catalyzing the mineral sector for regional development.** The objective of this project activity is to leverage the mining sector to enhance regional development in several strategic resource-rich regions identified as priorities for the government. This Sub-Component will support: B2-1) development and implementation of a roadmap identifying the routes and physical carrying capacities for existing supporting infrastructure, and where existing gaps would be met by investments in minor infrastructure and/or mineral processing centers. The roadmap will take as input the results of Sub-Component A2-3 (Targeting Prospective Areas) and the identification of brownfield assets/abandoned mines sites under Sub-Component B5-1 (Identifying Proof of Concept Investments), in order to invest in feasibility studies and construction of minor infrastructure, mineral processing and refining, and other gaps across the mineral value chain that are impeding production; and B2-2) Development of Minor infrastructure, defined as being ancillary to the mine (within the boundaries of the mineral lease) and associated with facilitating mine development, such as building or refurbishing an access road, power interconnect, gas connection, water management system, etc. Any such support will be in accordance with the Project's ESMF/RFP, and will include an ESIA and a site-specific environmental impact assessment (EIA), where relevant.

**22. Sub-Component B3. Implementing steps to enhance value-addition.** The objective of this project activity is to enhance the value of mineral products via downstream processing and refining across the range of mineral categories (excluding energy minerals) found in the country. The proposed project will provide support to the government on the following activities: B3-1) Analyzing economic drivers to link supply of industrial minerals with demand for construction and industrial materials and providing recommendations; B3-2) Formulating effective policy provisions related to value-addition for mineral products; B3-3) Accrediting and certifying laboratories; B3-4) Promoting research & development processes for new technologies, while targeting backward integration; B3-5) Developing a specialized training program for local enterprise and entrepreneurs along the mineral value chain; and B3-6)



Analyzing benefit sharing aspects of the different stages of the value chain as well as with a view to the country wide institutional and governance framework.

**23. Sub-Component B4. Addressing access to finance and mineral sector investment climate constraints.** The objective of this project activity is to develop and implement reforms, in collaboration with the Trade & Competitiveness Industries GP to address access to finance and investment policy constraints in order to encourage greater competitiveness of Nigeria in the global mineral market. This will involve the following activities: B4-1) assessing investment entry constraints and identifying the key factors limiting access to finance for each category of industry participant (local ASM, junior and medium scale companies) and the appropriate financing mechanisms to strengthen their participation in the sector; B4-2) Assessing the Solid Minerals Development Fund (SMDF) and providing technical assistance for its restructuring and operationalization to include a private sector focused mining fund, (i.e. the SPV Facilitator Fund); by identifying and supporting the preparation of appropriate governance, structure, organization, strategies and operations etc.; B4-3) Establishing a small-grants pilot program and designing its implementation arrangements (through the SMDF SPV or another potential funding vehicle) to support mine operators to bring their projects to a more advanced stage of development in the mining cycle<sup>1</sup>; B4-4) The development and implementation of a training program targeted towards Nigerian financial sector institutions, particularly through the Bankers Committee, aimed at educating them on mining financing, the review of bankable feasibility studies, project economic assessments and business plans.

**24. Sub-Component B5. Advancing “Proof of Concept” Investments.** The objective of this sub-component is to provide support to the Government aimed at attracting private sector investment into targeted exploration areas and mineral production at specific sites. Specific activities financed through this sub-component include: B5-1) Undertaking analytical work to identify several “proof of concept” investments to create a pipeline of mineral assets that are ready for investment within the mining cycle (strategic concessions, mines or infrastructure etc.); and B5-2) providing transaction support to the government to move investments from potential areas and identified assets to contractual close. The tender process will be designed and conducted in line with relevant country procurement laws and, in this particular instance that the World Bank is financing a TA project, in line with applicable donor guidelines.

**25. Component C: Project Management and Coordination:** This component will provide support at implementation to MMSD to undertake project management, in accordance with the Bank’s fiduciary and other guidelines, including incremental operating costs, equipment, training on fiduciary and project management issues, project audits and engagement of technical advisers to provide technical expertise on project performance monitoring and planning. This component will also include provisions for a Total Quality Management program, to ensure quality assurance and control of the activities implemented under this project.

## E. Implementation

### Institutional and Implementation Arrangements

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<sup>1</sup> Once the fund has been established and its governance and fiduciary mechanisms verified by an independent party and acceptable to the Bank, the project will then channel direct support through the SPV for sub-grants program, targeting small and medium miners to finance activities that will allow them to move towards a more advanced stage of the mining cycle, thereby stimulating investment the country’s mining sector. Specific activities to be funded through the sub-grants program include: preparation of environmental and social baseline studies; certification of reserves; in-fill geodata collection; preparation of financing packages; leasing equipment; and establishment of mineral buying and processing centers.



26. The project will use streamlined multi-tiered institutional and implementation arrangements with the aim of maximizing project management, ensuring a high degree of technical input, and facilitating coordination within the MMSD and among all relevant government agencies.

27. **The Ministry of Mines and Steel Development** will be responsible for the overall coordination and implementation of the project, including the drafting of annual work programs and budgets of the project. Technical departments will hold main responsibility for drafting of TOR, definition of technical designs, and oversight of consultant deliverables and installation of goods and works. Being the ultimate beneficiaries, the technical departments will hold final responsibility for quality assurance of deliverables. The MMSD will provide updates and inputs to progress implementation reports for the project, which will be finalized by the PIU four times a year in a format and content acceptable by the Bank.

28. **A dedicated Project Implementation Unit (PIU)** will be established within MMSD and will be responsible for day-to-day project implementation activities, including procurement, disbursement, financial management, and monitoring and evaluation. All PIU staff will be hired following a competitive and open selection. The head of the PIU will be the Project Coordinator, who will report directly to the Permanent Secretary (PS) and Minister on issue related to project implementation. The PIU may also include two to three staff seconded from key departments within MMSD or other relevant agencies (ie Cadastre office, ASM department, NGSA, Admin). In addition to its fiduciary (Safeguards, Financing Management, and Procurement) responsibilities, the PIU's main functions are to ensure that the project work plans are properly coordinated and implemented by the different agencies and departments involved, coordinate strategic planning for project implementation. The PIU will be strengthened by additional national and international experts as necessary, in particular a technical expert. The PIU will also compile a bi-annual (six months) implementation progress report for submission to the Bank and IFRs on a quarterly basis. The detailed terms of reference for the PIU will be further elaborated in the Project Operational Manual.

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#### **F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Project activities will primarily focus on the building capacity and providing technical assistance to the federal government particular the Ministry of Solid Mineral Development. However, several targeted activities (ie on ASM, minor infrastructure development, and environmental/social regulations) are expected to have a direct impact on specific localities located in mineral rich regions throughout the country. Project activities will be implemented throughout the country, however specific sites will be identified during project implementation

#### **G. Environmental and Social Safeguards Specialists on the Team**

Joseph Ese Akpokodje, Edda Mwakaselo Ivan Smith



**SAFEGUARD POLICIES THAT MIGHT APPLY**

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This proposed project is primarily technical assistance project and as such physical impacts of the project such as land acquisition or air pollution are not anticipated or currently known. A Strategic Environmental and Social Assessment (SESA) will be prepared during project implementation. In addition a project specific Environmental and Social Management Framework/Resettlement Policy Framework (ESMF/RPF) has been developed during preparation, and will be disclosed, ensure that any potential adverse social and environmental impacts are mitigated in accordance with World Bank policies.
Natural Habitats OP/BP 4.04	No	The proposed project does not trigger this policy as this is primarily a Technical Assistance project . The SESA will evaluate the laws and policies related to Natural Habitat protection and mining, and provide recommendations for risk mitigation.
Forests OP/BP 4.36	No	The proposed project does not trigger this policy as this is primarily a Technical Assistance project . The SESA evaluate the legal framework and policies related to the forest protection and mining, and provide recommendations for risk mitigation.
Pest Management OP 4.09	No	This Policy is not triggered
Physical Cultural Resources OP/BP 4.11	Yes	This proposed project is primarily technical assistance project and as such physical impacts of the project such as land acquisition or air pollution, chance finds are not anticipated or currently known. A Strategic Environmental and Social Assessment (SESA) during project implementation. In addition a project specific Environmental and Social Management Framework/Resettlement Policy Framework (ESMF/RPF) has been developed during project preparation (and disclosed) to ensure that any potential adverse social and environmental impacts are mitigated in accordance with World Bank policies.
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area
Involuntary Resettlement OP/BP 4.12	Yes	This proposed project is primarily technical assistance project and as such physical impacts of the project such as land acquisition or air pollution



are not anticipated or currently known. A Strategic Environmental and Social Assessment (SESA) will be prepared during implementation. In addition a project specific Environmental and Social Management Framework/Resettlement Policy Framework (ESMF/RPF) was prepared during preparation to ensure that any potential adverse social and environmental impacts are mitigated in accordance with World Bank policies.

Safety of Dams OP/BP 4.37 No

The proposed project does not trigger this policy as this is primarily a Technical Assistance project and specific information on location of potential transaction support are not yet known. The SESA and ESMF will evaluate the policies related to the mines tailings dams and provide recommendations for mitigation measures.

Projects on International Waterways OP/BP 7.50 No

This Policy is not triggered.

Projects in Disputed Areas OP/BP 7.60 No

This Policy is not triggered.

## KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

### A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The proposed project is primarily limited to the provision of technical assistance and capacity building within Federal Government. There maybe some direct social and environmental impacts as a result of the small infrastructure sub-component of the project, however this is expected to be limited . Where potential impact are identified during implementation of the project, the government will be expected to comply with the Bank's safeguard policies as set out in the project Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF).

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

As the proposed project provides technical assistance in the mining sector, activities may indirectly result in some adverse social and environmental impact. However this will be mitigated by:1) building significant capacity within government around social and environmental regulations, including preparation of a Strategic Environmental and Social Assessment (SESA) to support government in identifying and fill institutional, regulatory, and legal gaps; 2) preparation of Environmental and Social Management Framework (ESMF), including a resettlement policy framework (RPF); and 3) the establishment of a mechanism to monitor impact of mining operations to civil society.

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

none



4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

As described above, under the project the borrower will prepare a SESA and has prepared ESMF/RPF to identify and address an potential indirect and direct adverse impacts posed by the project. In addition to this, Nigeria has demonstrated its commitment to mitigating adverse social and environmental impacts in the implementation of a range of World Bank projects, including category A projects. There are adequate legal and institutional frameworks in the country to ensure compliance with World Bank safeguards policies triggered by the proposed project. In Nigeria, the Federal Ministry of Environment (FMEnv) is responsible for setting policy guidelines on environmental issues and ensuring compliance with national environmental standards. While in the MMSD, the Environmental Compliance Department has had several years of supporting Bank projects and has supported the preparation of a SESA, ESIA and RPF for the first mining sector project, the Sustainable Management of Mineral Resources Project (SMMRP).

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

The project will include preparation and implementation of a communication strategy which will target the country as a whole, but in particular communities in mineral rich regions.

**B. Disclosure Requirements**

**Environmental Assessment/Audit/Management Plan/Other**

Date of receipt by the Bank  21-Nov-2016	Date of submission to InfoShop  09-Dec-2016	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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**"In country" Disclosure**

Nigeria  
08-Dec-2016  
  
Comments

**Resettlement Action Plan/Framework/Policy Process**

Date of receipt by the Bank  21-Nov-2016	Date of submission to InfoShop  09-Dec-2016
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**"In country" Disclosure**

Nigeria  
08-Dec-2016  
  
Comments



**C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**

**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?

No

**OP/BP 4.11 - Physical Cultural Resources**

Does the EA include adequate measures related to cultural property?

NA

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

**OP/BP 4.12 - Involuntary Resettlement**

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

**The World Bank Policy on Disclosure of Information**

Have relevant safeguard policies documents been sent to the World Bank's Infoshop?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes



### All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

NA

### CONTACT POINT

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**APPROVAL**

Task Team Leader(s):	Francisco Iguialada Delgado
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**Approved By**

Safeguards Advisor:	Johanna van Tilburg	21-Dec-2016
Practice Manager/Manager:	Boubacar Bocoum	22-Dec-2016
Country Director:	Indira Konjhodzic	28-Dec-2016

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