

BOARD APPROVAL
Lapse-of-time Procedure

21 November 2018

FOR INFORMATION

MEMORANDUM

TO : THE BOARDS OF DIRECTORS

FROM : Vincent O. NMEHIELLE
Secretary General

SUBJECT : GUINEA - SUPPORT PROJECT FOR THE TRANSFORMATION OF
GUINEAN AGRICULTURE AND YOUTH AGRICULTURAL
ENTREPRENEURSHIP (PATAG EAJ)*

TSF LOAN OF UA 4.63 MILLION
TSF GRANT OF UA 3.24 MILLION

The **Loan and Grant proposals** with the draft **Resolutions** relating to the above-mentioned project, were submitted for **your consideration on a Lapse-of-time Basis**, on 8.November 2018.

Since **no objection was recorded by 5:00 pm, on 21 November 2018**, the said proposals are considered as **approved** and the Resolutions **adopted**.

Attach:

Cc: The President

*Questions on this document should be referred to:

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AFRICAN DEVELOPMENT BANK GROUP



SUPPORT PROJECT FOR THE TRANSFORMATION OF GUINEAN AGRICULTURE AND YOUTH AGRICULTURAL ENTREPRENEURSHIP (PATAG EAJ)

COUNTRY: GUINEA

APPRAISAL REPORT

Date: September 2018

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AFRICAN DEVELOPMENT BANK GROUP



GUINEA

SUPPORT PROJECT FOR THE TRANSFORMATION OF GUINEAN AGRICULTURE AND YOUTH AGRICULTURAL ENTREPRENEURSHIP (PATAG EAJ)

RDGW/AHAI/COGN/PGCL DEPARTMENTS

November 2018

Translated Document

TABLE OF CONTENTS

I-	Strategic Thrust and Rationale	1
1.1.	Linkages with Country Strategy and Objectives.....	1
1.2.	Rationale for Bank Intervention.....	2
1.3.	Aid Coordination.....	3
II-	Project Description	3
2.1.	Project Objectives and Components	3
2.2.	Technical Solutions Adopted and Alternatives Explored	4
2.3.	Project Type	5
2.4.	Project Cost and Financing Arrangements.....	5
2.5.	Project Beneficiaries and Target Area	7
2.6.	Participatory Approach for Project Identification, Design and Implementation	8
2.7.	Consideration of Bank Group Experience and Lessons Learned in the Project Design	8
2.8.	Key Performance Indicators.....	9
III-	Project Feasibility	10
3.1.	Financial and Economic Performance.....	10
3.2.	Environmental and Social Impact	11
IV-	Implementation.....	13
4.1.	Implementation Arrangements	13
4.2.	Monitoring.....	15
4.3.	Governance.....	16
4.4.	Sustainability.....	16
4.5.	Risk Management.....	17
4.6.	Knowledge Building	17
V-	Legal Framework.....	18
5.1.	Legal Instrument	18
5.2.	Conditions Associated with ADF Intervention, in its Capacity as Administrator of the Transition Support Facility (TSF)	18
5.3.	Compliance with Bank Policies	19
VI-	Recommendation	19

Annex I: Guinea's Comparative Socioeconomic Indicators

Annex II. Table of AfDB Portfolio in Guinea (30 June 2018)

Annex III: Map of the Project Area

Annex IV. Fragility Context

Currency Equivalents

September 2018

UA 1 = USD 1.4013

UA 1 = EUR 1.2028

UA 1 = GNF 12 603.60

Fiscal Year

1 January – 31 December

Weights and Measures

1 metric tonne = 2 204 pounds

1 kilogramme (kg) = 2.200 pounds

1 metre (m) = 3.28 feet

1 millimetre (mm) = 0.03937 inch

1 kilometre (km) = 0.62 mile

1 hectare (ha) = 2.471 acres

Abbreviations and Acronyms

ADF	:	African Development Fund
AfDB	:	African Development Bank
AGUIPE	:	Guinean Agency for Employment Promotion
AHA	:	Irrigation Schemes
ANASA	:	National Agency for Agricultural Statistics
ANPROCA	:	National Agency for Rural Promotion and Agricultural Extension
APD	:	Preliminary Design
AREP	:	Adaptation Measures Review and Evaluation Procedures
ASS	:	After-Sales Service
AWPB	:	Annual Work Plan and Budget
BD	:	Bidding Documents
BGEEE	:	Guinean Environmental Studies and Evaluation Office
BRPR	:	Regional Rural Roads Office
BSD	:	Strategy and Development Office
BTGR	:	Rural Engineering Technical Office
CBR	:	Cost Benefit Ratio
CC	:	Climate Change
CCC	:	Coordination and Consultation Framework
CEPERMAG	:	Centre for Further Training in Agricultural Mechanisation
CES	:	Soil and Water Conservation
CNOP-G	:	National Confederation of Farmers' Organizations
COGN	:	AfDB Country Office in Guinea
CR	:	Rural Community
CSP	:	Country Strategy Paper
CSS	:	Climate Safeguards System
CTS	:	Technical Monitoring Committee
DNA	:	National Directorate of Agriculture
DNGR	:	National Directorate of Rural Engineering
DPA	:	Prefectural Directorate of Agriculture
DU	:	Demonstration Unit
ECOWAS	:	Economic Community of West African States
EIG	:	Economic Interest Group
EIRR	:	Economic Internal Rate of Return
ERR	:	Economic Rate of Return
ESIA	:	Environmental and Social Impact Assessment
ESMP	:	Environmental and Social Management Plan
EWS	:	Early Warning System
FO	:	Farmers' Organisation
GDP	:	Gross Domestic Product
GNF	:	Guinean Franc
RE	:	Rural Engineering
GPHC	:	General Population and Housing Census
GTD	:	Dialogue Thematic Groups
HIMO	:	Labour intensive
IFAD	:	International Fund for Agricultural Development
INS	:	National Institute of Statistics
IRR	:	Internal Rate of Return
M&E	:	Monitoring and Evaluation System
MA	:	Ministry of Agriculture
MASPF	:	Ministry of Social Affairs, Women and Children
MC	:	Ministry of Commerce
ME	:	Ministry of Livestock
MEEF	:	Ministry of Environment, Water and Forests
MEF	:	Ministry of Economy and Finance
METFPET	:	Ministry of Technical Education, Vocational Training, Employment and Labour
MFI	:	Microfinance Institution
MGE	:	Guinean Centre for Entrepreneurs
MIPSP	:	Mission of the Ministry of Industry, SMEs and Private Sector Promotion
MPAEM	:	Ministry of Fisheries, Aquaculture and Maritime Economy
MPCI	:	Ministry of Planning and International Cooperation
MPDE	:	Ministry of Planning and Economic Development
NCB	:	National Competitive Bidding

NGO	:	Non-Governmental Organisation
NPV	:	Net Present Value
PADER HG	:	Upper Guinea Rural Development Support Project
PADER-BGN	:	Rural Development Support Project in North Lower Guinea (PADER-BGN)
PASANDAD	:	Accelerated Programme for Food Security, Nutrition and Sustainable Agricultural
PATAG EAJ	:	Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship
PMU	:	Project Management Unit
PNAFA	:	National Programme to Support Agricultural Value Chain Actors
PNA	:	National Agricultural Development Policy
PDES	:	National Economic and Social Development Plan 2016-2020
PNA	:	National Agricultural Investment Plan
PNIASAN	:	National Plan for Agricultural Investment, Food and Nutrition Security
PNOPPA	:	Organization of Agricultural Producers
PP	:	Procurement Plan
PPF	:	Project Preparation Facility
PIIP	:	Portfolio Performance Improvement Plan
PRCA	:	Procurement Risk and Capacity Assessment
PRODA BEK	:	Beyla-Kérouané Agro-Pastoral Development Project
RE	:	Rural Engineering
SC	:	Steering Committee
SLM	:	Sustainable Land Management
TAAT	:	Technologies for African Agricultural Transformation
TFP	:	Technical and Financial Partners
TOR	:	Terms of Reference
TSF	:	Transition Support Facility
UA	:	Unit of Account
VC	:	Value Chain
WAAPP	:	West Africa Agricultural Productivity Programme
WAEMU	:	West African Economic and Monetary Union
WB	:	World Bank
WFP	:	World Food Programme
ZTA	:	Agri-food Processing Zone

Project Information Sheet

Client Information

BORROWER/DONEE: Republic of Guinea

EXECUTING AGENCY: Ministry of Agriculture (MA)

Financing Plan (TSF Supplemental Support Window)

Source	Amount	Instrument
TSF (Pillar I)	UA 3.240 million	Grant
	UA 4.630 million	Loan
Government	UA 0.897 million	-
Beneficiaries	UA 0.220 million	-
TOTAL COST	UA 8.987 million	

Key TSF Financing Information

TSF grant currency	UA
TSF loan currency	UA
Service fee	0.75%
Commitment fee	0.50%
Loan maturity	40 years
Grace period	10 years
IRR (baseline scenario)	12.7%
ERR (baseline scenario)	18.8%
NPV	UA 5.688 million

Framework – Main Milestone (expected)

Concept Note Approval	10 September 2018
Project Approval	16 November 2018
Effectiveness	January 2019
Completion Date	31 December 2022
Closing of Loan and Grant	30 June 2023

Executive Summary

Project Overview: In Guinea, agriculture remains at the core of development policies and the main source of income for 63¹% of people living in rural areas, and generates 80% of the country's jobs. It contributes about 25% to GDP and employs nearly 80% of the Guinean population. Rice is the dominant food crop, accounting for 67% of the area cultivated, 65% of the country's cereal requirements, 37% of the workforce, 80% of farmers, 23% of primary GDP and 6% of national GDP. On average, rice represents 20% of the population's consumption budget. To compensate for the food deficit, around 600 000 tonnes of rice are imported yearly. The Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ) was designed as part of a participatory and inclusive approach involving all stakeholders – farmers' organisations, local communities and devolved technical services. The discussions and studies conducted with the PATAG EAJ Project Preparation Facility (PPF) in 2018 led to a thorough assessment of the situation and to identify not only the investments needed for the transformation of Guinea's agriculture through promotion of the rice and market gardening value chains, but also the implementation modalities most appropriate for the Boké and Boffa Prefectures. In formulating PATAG EAJ, account was also taken of the country's fragile context, lessons from Bank projects and those of other partners in Guinea, and the need to develop synergies and complementarities. In view of the Bank's strategic orientations for the country, the project was designed with special emphasis on the following: (i) irrigation and market access infrastructure; (ii) value chain development; (iii) decent youth employment, empowerment of women and promotion of women's leadership; and (iv) improvement of resilience and adaptation to the impacts of climate change.

The specific goal of the proposed project, which is expected to cost UA 8.987 million and span a four-year implementation period, is to ensure the development of climate-smart agricultural value chains and the promotion of youth entrepreneurship through the sustainable revival of rice production and market gardening value chains in the Boké and Boffa Prefectures. In addition to the basic transformative infrastructure that will result from the project (development of 237 ha of lowlands comprising 25 ha for off-season market gardening based on the use of shallow wells, 50 ha for seed production, 15 ha for women's gardening activities and 31 ha for youth-run modern market gardening activities; 65.5 km of access roads, 1 weekly market/consolidation centre, 2 markets (stalls), and 6 stores and 2 input shops.), the project will support 20 agricultural processing units and contribute to the dissemination of 25 innovative techniques for increasing productivity (TAAT), improving storage and promoting food processing. These activities will be accompanied by local and organisational capacity building, and special attention will be paid to the creation of value added, youth employment and entrepreneurship, and to women's empowerment. PATAG EAJ will target at least 1 000 young people and women, 5 000 producers, 200 seed companies, 100 groups and 20 women's and youth unions. It will affect a total 39 252 direct beneficiaries and 247 287 indirect beneficiaries through its various activities. The project will eventually increase rice production by about 1 030 tonnes, including 210 tonnes of certified seeds, and market gardening production by about 2 000 tonnes, generating a 19% boost in income. It will create 3 526 direct decent jobs, including 147 jobs generated by agricultural development works, 2 780 jobs by strengthening entrepreneurship and SMEs, and 600 temporary jobs.

Needs Assessment: The project area covers two prefectures - Boké and Boffa - located in agricultural development hubs A and D, whose hydro-agricultural and socioeconomic potential requires the establishment of a rehabilitation and upgrading mechanism, in light of several factors: (i) the existence of high development potential (rice farming and market gardening); (ii) the proximity of consumption areas (Boké, Kamsar, Sangarédi, Fria Kindia, Boffa, Dubréka, Conakry, etc.); and (iii) current and future Bank interventions (the Forécariah road, the Boké-Quebo road and the future Boké agricultural hub). The project is based on the geographic concentration of operations at sector, village and priority site level, designed to maximise impact on target groups and to guarantee the sustainability and visibility of activities.

In line with the country's strategic orientations, PATAG EAJ will contribute to the improvement of productivity and production in priority sectors by transforming Guinean agriculture and improving food and nutritional security through rice production and market gardening. The country has an annual rice deficit of more than 600 000 tonnes. The project will also develop market gardening, whose current production covers only 53% of needs. This activity will help to improve the nutritional status of the beneficiaries, contribute to women's empowerment and develop youth entrepreneurship. Therefore, the project will serve as a catalyst for agricultural expansion in the area by facilitating water control and the development of abundant quality natural resources (water, soil and solar energy), strengthening agricultural infrastructure, promoting sustainable, resilient and smart production,

¹ PNIASAN 2018 – 2025 Republic of Guinea

packaging and processing technologies, and facilitating access to product markets by supporting the growth of the two strategic sectors, i.e. rice production and market gardening.

Value-added for the African Development Bank: Agriculture remains at the core of development policies and the main source of employment. The Bank financed the Nerica Rice Development Project, the Upper Guinea Rural Development Support Project (PADER-HG) and the Beyla-Kérouané Agro-Pastoral Development Project (PRODABEK), etc. These operations made it possible to develop certain specific expertise and provide new insights into key areas (irrigation, seed production and control, processing, etc.). To consolidate these gains, the Bank will support the Government in financing the Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ), in an effort to encourage the emergence of production hubs. By supporting the development of infrastructure in areas that are economically and socially disadvantaged, but endowed with huge irrigated agriculture potential, the Bank will contribute to reducing poverty, promoting decent employment for young people and women, strengthening adaptation to climate change and increasing the resilience of people vulnerable to food and nutrition insecurity.

Knowledge Building: PATAG EAJ will help to train producers and consolidate their expertise. In an inclusive way, it will enable young people and women to develop technical and entrepreneurial capacity by accessing modern factors of farming, and will promote the emergence of leadership. In terms of resilience to climate change, it will develop and disseminate innovative technologies in the agricultural sector for the production, storage and processing of agricultural products, while enhancing local knowledge. PATAG EAJ will support the development of expertise in drip irrigation and solar pumping techniques, as well as in new processing technologies. In addition, support for quality improvement and labelling/certification will help to ensure compliance with norms and standards that promote access to new markets. Knowledge building will also be carried out through mechanisms for the communication and capitalisation of project results and best practice, and generation of endogenous value for the benefit of vulnerable groups via value chain development. Therefore, this project will contribute greatly to improving the attractiveness of the agricultural sector for private enterprise and youth employability.

RESULTS-BASED LOGICAL FRAMEWORK

Country and Project Name: GUINEA – Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ)						
Project Goal: Contribute to the development of climate-smart agricultural chain and the promotion of youth agricultural entrepreneurship						
	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/ MITIGATION MEASURES
		Indicator	Baseline	Target 2022		
IMPACT	Climate-smart agricultural and agribusiness value chains are developed	Agriculture's contribution to GDP	23% (2016)	27%	-INS/PNDES -CILSS - Reports by institutions (FAO, UNICEF, MS, etc.	
OUTCOMES	The volume of rice and market gardening production is increased in the Boké region (the Boké and Boffa Prefectures)	Increase in rice yield per hectare (ha) Increase in market gardening yield per ha Volume of rice production Volume of market gardening production	1 T/ha (2018) 8 T/ha 106 T (2018) 150 T of market gardening produce (2018)	3 T/ha 18 T/ha 1138 T 2075 T	-Annual report, agricultural statistics	<u>Risks:</u> - Political instability coupled with a difficult economic situation - Poor ownership of the project (technical management, works implementation, etc.)
	Rural producers in both regions generate higher additional income	Average annual income of rice-farming households (including women)	GNF 4 800 000 (2018)	GNF 10 000 000	-Periodic monitoring reports	<u>Mitigation Measures:</u> - Contribution to the improvement of socioeconomic and environmental resilience for better stability - Involvement and participation of beneficiaries in all stages and capacity building (producers, Ministry of Agriculture) - Involvement of actors in the external communication of the project - Continuous participatory monitoring and evaluation
	Jobs created for of young people and women	Average annual income of market garden households	GNF 975 000 (2018)	GNF 1 625 000 /farmer	- Midterm review reports and project completion report	
		Jobs created	0	3526 ² (50% women, 60% youths)		
	<u>1. Modernisation and Development of Agricultural Infrastructure</u> Rehabilitation/development of rice farming facilities 1.1 Development of lowlands 1.2 Development of seed-producing areas Rehabilitation/development of market gardening areas 1.3 Women's market gardening with solar energy (BF) 1.4 Women's market gardening areas 1.5 Farms for young entrepreneurs Agricultural infrastructure 1.6 Development of access roads 1.7 Rehabilitation/revitalisation of markets 1.8 Construction of warehouses and input shops 1.9 Construction of agricultural product processing centres	Project Area 1.1 Areas of lowlands developed 1.2 Size of seed-producing area rehabilitated 1.3 Developed area with wells and pumps 1.4 Area with drip equipment and solar panels 1.5 Farms with drip equipment and solar panels 1.6 Length of access roads rehabilitated 1.7 Number of markets rehabilitated 1.8 Number of input shops opened 1.9 Number of processing centres built	Project Area 1.1 0 1.2 0 1.3 0 1.4 0 1.5 0 1.10 0 1.11 0 1.12 0 1.9 0	Project Area 1.1 237 ha (30% W) 1.2 50 ha 1.3 25 ha (100% W, 50% Girls), 1.4 15 ha (80% W, 50% of them G) 1.5 31 ha (100% Youths, 30% of them 30% Girls) 1.6 65.5 km 1.7 1 market 1.8 6 stores and 2 shops 1.9 6 centres (80% W)	- Progress reports of technical services in charge of monitoring - Contracts signed with contractors - Reports of control bureaux - Project progress reports	<u>Risks</u> - Land conflicts and conflicts of interest - Procurement bureaucracy, weak capacity of technical services - Weak capacity of contractors <u>Mitigation Measures</u> - Identification of prior beneficiaries and establishment of an adequate management mechanism - Preparation of priority BDs - Use of specialised NGOs and private companies - Central State departments supported to play their sovereign role - Raising of community awareness on land tenure issues and management of processing units

² Annex B7 – The economic and financial rates of return present the detailed estimated impacts on job creation.

OUTPUTS	<p>2. Development of Youth Entrepreneurship Value Chains</p> <p>Agricultural extension, structuring and organisation of FO, and improvement of access to inputs and improved seeds</p> <p>2.4 Training of groups on resilient and smart TAATs</p> <p>2.1 Demonstration units (DU) put in place</p> <p>2.2 Young seed-producing groups monitored and strengthened</p> <p>2.3 Supervision, advice on technical matters and producer management</p> <p>2.4 Group training on resilient and smart TAATs</p> <p>2.5 Developed sites secured in terms of land tenure requirements</p> <p>Access to production and processing</p> <p>2.6 Setting up a revolving fund for inputs</p> <p>2.7 Input stores operationalised</p> <p>2.8 Operators of farm machinery and craftsmen trained and supported</p> <p>2.9 Post-harvest equipment provided to FOs</p> <p>2.10 Women's EIG for processing set up</p> <p>2.11 Parboilers provided to women's groups</p> <p>Agricultural entrepreneurship and nutrition</p> <p>2.12 Training of young people and FOs on agricultural entrepreneurship</p> <p>2.13 Development and financing of business plans for youths and FOs</p> <p>2.14 Customised training (refresher courses for youths in activity)</p> <p>2.15 Setting up of SMEs for maintenance and servicing</p> <p>2.16 Pilot school canteens supported</p>	<p>2.1 Number of DUs put in place</p> <p>2.2 Number of seed-producing groups</p> <p>2.3 Number of producers supervised</p> <p>2.4 Number of groups trained</p> <p>2.5 Number of sites secured</p> <p>2.6 Number of beneficiaries</p> <p>2.7 Number of shops operational</p> <p>2.8 Number of beneficiaries trained and supported</p> <p>2.9 Number of pieces of equipment provided to FOs</p> <p>2.10 Number of women's EIGs set up</p> <p>2.11 Number of parboilers provided</p> <p>2.12 Number of persons trained</p> <p>2.13 Number of business plans developed and financed</p> <p>2.14 Number of youths trained</p> <p>2.15 Number of SMEs set up</p> <p>2.16 Number of school canteens supported</p>	<p>2.1 0</p> <p>2.2 0</p> <p>2.3 0</p> <p>2.4 0</p> <p>2.5 0</p> <p>2.6 0</p> <p>2.7 0</p> <p>2.8 0</p> <p>2.9 0</p> <p>2.10 0</p> <p>2.11 0</p> <p>2.12 0</p> <p>2.13 0</p> <p>2.14 0</p> <p>2.15 0</p> <p>2.16 0</p>	<p>2.1 51 units (17 for rice and 34 for market gardening) (50% W)</p> <p>2.2 10 (100% Y)</p> <p>2.3 900 (40% W and 30% Y)</p> <p>2.4 15 (50% W)</p> <p>2.5 25 sites (50% W and Y)</p> <p>2.6 100 producers</p> <p>2.7 2 shops (100% Y, 50% W)</p> <p>2.8 10 (100% J, 40% W)</p> <p>2.9 10 kits (80% W)</p> <p>2.10 5 EIGs (80% W)</p> <p>2.11 20 parboilers (100% W)</p> <p>2.12 600 youths trained (50% W)</p> <p>2.13 50 business plans (40% W)</p> <p>2.14 30 youths trained (40% W)</p> <p>2.15 4 SMEs (100% Y, 25% W)</p> <p>2.16 3 canteens</p>	<p>- Project progress reports</p> <p>- Pest and pesticide management policy</p> <p>- Bank supervision reports</p> <p>- Government's external monitoring reports</p> <p>Monitoring and evaluation reports</p>	<p>Risks</p> <ul style="list-style-type: none"> - Mobilisation of counterpart funding - Limited ownership and management of infrastructure - Conflicts between farmers and herdsmen - Limited own financial resources - Need for start-up capital - Environmental risks <p>Mitigation Measures</p> <ul style="list-style-type: none"> - Counterpart funding resources limited to taxes and subsidies for fertilisers and inputs - Participatory approach adopted and awareness-raising among/involvement of various stakeholders - Business plan selection and evaluation committee, programme contracts - Preparation of environmental notices for business plans
	<p>3. Project Management</p> <p>3.1 Procurement activities carried out</p> <p>3.2 Project activities conducted</p> <p>3.3 Financial management performed</p> <p>3.4 Monitoring and evaluation conducted</p> <p>3.5 Communication ensured</p>	<p>3.1 PP kept and followed</p> <p>3.2 Compliant disbursement rate</p> <p>3.3 Audit reports produced</p> <p>3.4 M&E system operational</p> <p>3.5 Communication plan implemented</p>	<p>3.1 PP developed (end-2018)</p> <p>3.2 0% (December 2018)</p> <p>3.3 Consulting firm recruited (January 2019)</p> <p>3.4 Set up (Q1 2019)</p> <p>3.5 Plan developed (2018)</p>	<p>3.1 PP updated at least once a year</p> <p>3.2 20% per year, on average</p> <p>3.3 4 Annual audit reports validated</p> <p>3.4 Midterm and final M&E reports produced</p> <p>3.5 Communication tools disseminated</p>	<p>Procurement Plan (PP)</p> <p>Early warning system (EWS)</p> <p>Audit reports</p> <p>M&E progress reports</p> <p>Brochures, web site, films, etc.</p>	<p>Risks</p> <ul style="list-style-type: none"> - Weak capacity <p>Mitigation Measures</p> <ul style="list-style-type: none"> - Recruitment through calls for candidature after appraisal, performance contracts, capacity building
KEY ACTIVITIES	COMPONENTS			RESOURCES		
	<p>Component A: Modernisation and Development of Agricultural Infrastructure</p> <p>Studies, construction and control of works (lowlands, market gardening irrigated areas, farm-to-market roads, markets, shops and stores, etc.). etc.</p> <p>Component B: Development of Value Chains and Youth Agricultural Entrepreneurship</p> <p>Advisory support, structuring, land tenure security, access to seeds and fertilisers, support for mechanisation purposes, training and installation of young people, support for women, nutrition support, institutional support, etc.</p> <p>Component C: Project Management</p> <p>Coordination, procurement, monitoring and evaluation, financial management, audit, communication, leadership, etc.</p> <p>Component D: PPF</p>			<p>Components:</p> <p>Component A : UA 4.846 million (53.9%)</p> <p>Component B : UA 2.189 million (24.4%)</p> <p>Component C : UA 0.963 million (10.7%)</p> <p>Component D PPF : UA 0.990 million (11.0%)</p> <p>Sources of Financing:</p> <p>TSF Loan : UA 4.630 million (51.5%)</p> <p>TSF Grant : UA 3.240 million (36.0%)</p> <p>Govt. : UA 0.897 million (10.0%)</p> <p>Beneficiaries : UA 0.220 million (2.4 %)</p>		

Remark: CSI refers to the Bank's key sector indicators

Project Implementation Schedule

Year	2018		2019				2020				2021				2022				2023			
Quarter	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1 INITIAL ACTIVITIES																						
PATAG EAJ financing negotiations																						
ADF approval																						
Signing of financing agreements																						
Effectiveness and fulfilment of conditions precedent to first disbursement																						
Publication of the General Procurement Notice																						
Development of management and M&E tools (PATAG EAJ PPF)																						
2 START-UP ACTIVITIES																						
PMU staff confirmation																						
Preparation of priority procurement agreements and BDs																						
PATAG EAJ launching mission																						
Procurement of equipment for the PMU (vehicles, IT, etc.)																						
Signing of agreements with partner entities																						
3 AGRIC. INFRASTRUCTURE MODERNISATION AND DEVELOPMENT																						
Preparation of documents on priority infrastructure and projects																						
Procurement for priority infrastructure and structures																						
Studies on complementary hydro-agricultural infrastructure, roads and buildings																						
Irrigation and road works																						
Marketing and processing infrastructure																						
Implementation of the environmental management and monitoring plan																						
4 DEVELOPMENT OF VALUE CHAINS AND YOUTH ENTREPRENEURSHIP IN THE AGRICULTURAL SECTOR																						
Conduct of agricultural extension activities and improvement of access to inputs and improved seeds																						
Agricultural advisory support, FO structuring and organisation																						
Support for product conservation, processing and marketing																						
Development of agricultural entrepreneurship																						
Nutrition support																						
Institutional support and capacity building																						
5 PROJECT MANAGEMENT																						
Updating management and monitoring/evaluation tools																						
Baseline situation and implementation of the monitoring and evaluation system																						
Coordination, management, monitoring, evaluation and communication activities																						
Annual accounts audit																						
Midterm review																						
TSF and Government Completion Report																						

GUINEA: SUPPORT PROJECT FOR THE TRANSFORMATION OF GUINEAN AGRICULTURE AND YOUTH AGRICULTURAL ENTREPRENEURSHIP (PATAG EAJ)

Management hereby submits this report and recommendations concerning a proposal to extend a *UA 4.63 million loan and award a UA 3.24 million grant from the Transition Support Facility (TSF)* to the Republic of Guinea to finance the Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ).

I- Strategic Thrust and Rationale

1.1. Linkages with Country Strategy and Objectives

1.1.1 In Guinea, agriculture remains at the core of development policies and the main source of income for 57% of people living in rural areas, and creates 80% of the country's jobs. It contributes about 23% to GDP and employs nearly 80% of the Guinean workforce. In the medium term, it will remain the engine of growth and the source of jobs, and an indispensable sector for achieving the objectives of poverty reduction and food security in Guinea. Rice is the dominant food crop, accounting for 67% of the area cultivated, 65% of the country's cereal requirements, 37% of the workforce, 80% of farmers, 23% of primary GDP and 6% of national GDP. On average, rice represents 20% of the population's consumption budget. To compensate for the food deficit, around 600 000 tonnes of rice are imported yearly, representing about 15% of requirements. The rate of coverage of market gardening was 53% in 2015.

1.1.2 In addition to occupying the 12th place among the most fragile countries, Guinea ranked 183rd out of 188 countries in the 2017 Human Development Report. The level of poverty has remained high, with the incidence of poverty rising from 41.9% in 2002 to 55.2% in 2012. About 80% of Guineans live in rural areas, where poverty is exacerbated by the lack of production infrastructure, basic social services and access to markets. The sector's contribution to economic growth was only 0.99% in 2015. The agricultural subsector is the driver of growth in the primary sector, but its contribution to the growth of the rural sector remains considerable, and stood at 4.1% in 2015. The sector's performance has been weak in terms of: (i) the cereal balance sheet; (ii) the productivity and processing level; and (iii) entrepreneurial capacity. The lack of infrastructure for improved access, production with poor water management and processing stifles the development of value chains, product competitiveness and improvement of the living conditions of Guineans. The principal challenge is to strengthen institutional, economic and social resilience while building the capacity of actors and reducing disparities between men and women, and to support the country's structural transformation by setting up key infrastructure for inclusive and green growth. The transformation of agriculture through the development of value chains, the promotion of youth employment and agricultural entrepreneurship, gender mainstreaming and increased involvement of non-State actors (including civil society and the private sector), will help to strengthen the resilience and mitigate the economic, socio-demographic and environmental dimensions of the country's fragility.

1.1.3 In pursuing its objective to develop agricultural value chains, PATAG EAJ will help in increasing the sector's contribution to GDP and in creating jobs and business opportunities by promoting the rice and market gardening sectors in targeted areas. It is an essential response for supporting production and processing activities, and contributing to the improvement of the people's living conditions by promoting value chains and creating entrepreneurship opportunities for young people and women. Therefore, it will contribute to the operationalisation of the National Economic and Social Development Plan (PNDES) 2016-2020, which is in line with the 2040 forward-looking vision for a prosperous and emerging Guinea reliant on the agricultural sector to ensure that: (i) the productivity of the primary sector is doubled between 2014 and 2020; (ii) food security is assured (reducing the incidence of food poverty from 18.2% in 2012 to 9.1% in 2020); and (iii) sustainable agriculture is promoted. PATAG EAJ aligns squarely with the four PNDES pillars: (i) promotion of good governance for sustainable development; (ii) sustainable and inclusive economic transformation; (iii) inclusive human capital development; and (iv) sustainable natural capital management. This project is also in synergy with the various existing strategies, including the revised National Agricultural Development Policy (PNDA 2016-2025), the overall objective of which will

be to increase the contribution of the agricultural sector to food security, nutrition and reduction of poverty among Guineans by boosting growth and agricultural trade through: (a) increased productivity; (b) improved access to promising markets; and (c) improved governance of the agricultural sector. PATAG EAJ also concords seamlessly with: (1) the National Agricultural Investment and Food and Nutrition Security Plan (PNIASAN); (2) the Accelerated Programme of Food and Nutrition Security and Sustainable Agricultural Development (PASANDAD), the precursor to the implementation of PNIASAN through four components: (i) promotion of a favourable environment for sector development (promotion of transformative investments and the institutional framework); (ii) strengthening agricultural chains (structuring of actors and improving the performance of agricultural chains); (iii) promoting nutrition and gender; and (iv) sustainable natural resource management.

1.2. Rationale for Bank Intervention

1.2.1 Despite having many assets (fertile soils, water resources, fishery resources, etc.), Guinea still faces poverty (72% below the poverty line) and food insecurity (around 18%). The low unemployment rate (5.2% in 2014) in fact masks the scope of underemployment, unstable jobs and disparities. The unemployment rates of graduates of vocational schools and higher education institutions stand at 27.7% and 34.7%, respectively. Poverty is essentially rural, with a rate of about 80%, although these areas have proven hydro-agricultural potential. Rice is the staple food and the food deficit is filled annually by imports of about 600,000 tonnes. The main constraints facing the sector include: inaccessibility to production areas, poor water management, degradation of production systems, especially the mangroves owing to salinity and acidity, poor access to inputs, and low processing capacity. The aim of various strategies put in place is to reverse that trend, in particular by boosting investments in the agricultural sector and in production, marketing and processing infrastructure, and by promoting youth entrepreneurship and private sector involvement. It is vital to develop potential water resources and optimise the soil resource management, and to add value to products by reducing post-harvest losses through storage and quality processing that will open access to various markets. PATAG EAJ will fulfil that mission by modernising systems and factors of production, improving access to production areas, restructuring actors and improving conservation, processing and marketing conditions, with increased attention to value chains, youth/women's employment, and learning. PATAG EAJ is also a tool for implementing the CSP (2018-2022), which is built on two pillars: ***improving access to energy (Pillar 1); and developing agricultural and industrial value chains (Pillar 2)***. Since it supports the transformation of the Guinean agricultural sector, this project is founded on Pillar 2. Through the development of agricultural value chains, agribusiness and agricultural entrepreneurship, it will contribute to inclusive and green growth, and to the improvement of people's living conditions. The project is in synergy with current and future operations, including those related to the construction of the Boké-Québo road and the Agricultural Processing Area Project. The area of intervention was also chosen based on the presence of an agricultural economic hub with identified potential in the rice and market gardening sectors. Hence, this project will seek to build on ongoing activities in targeted intervention areas and ensure complementarity to create greater impact.

1.2.2 The objectives of PATAG EAJ are consistent with the Bank's "High 5s", which aim to feed Africa by 2025 and improve the people's living conditions through the development of agricultural value chains, build the capacity of stakeholders, create jobs and generate income. The project is aligned on the Bank's Ten-Year Strategy (TYS) 2013-2022 and its two guiding objectives of inclusive growth and transition to green growth, as well as three areas of special interest: gender, agriculture and food and nutrition security. It plugs into the Bank's Strategy for Addressing Fragility and Building Resilience in Africa, and will help in achieving the objectives of the Enable Youth Initiative and the Jobs for Youth in Africa Strategy by creating opportunities for young people. It is consistent with the Bank's Technologies for African Agricultural Transformation (TAAT) programme, which focuses on the adoption of new production and processing technologies in agricultural value chains. Specifically, it is in harmony with climate change adaptation initiatives by promoting renewable energies, water-saving techniques and resilient systems.

1.3. Aid Coordination

Development aid is coordinated by the Government of Guinea through the Coordination and Consultation Framework (CCC) of the Permanent Secretariat in the Prime Minister's Office. In addition to the CCC, a strategic mechanism for coordination between the Government and technical and financial partners (TFPs), a technical monitoring committee (TMC) to strengthen inter-sector coordination, and thematic dialogue groups (TDGs) bringing together TFP and Government representatives have been set up at the sector level. The "rural development, food security and environment" thematic group is chaired by the World Bank for TFPs, and the Ministry of Agriculture for the Government. Through its Country Office in Guinea (COGN), the Bank is an active member of the CCC and some TDGs. The key ongoing projects with an agricultural value chains and youth agricultural entrepreneurship support component backed by TFPs, and with which PATAG EAJ will need to develop synergies, are highlighted in Volume 2. The project will also establish synergies with Bank projects: the Boké-Quebo Road Construction Project with a rural roads component for the supply of agricultural products (ongoing) and the Boké Agropole Agricultural Processing Area Project (2019). In the wider rural sector (agriculture, livestock, fisheries, and environment), the intervention of the different partners is presented in Annex A4 of Volume 2, and is summarised as follows:

Sector or Sub-Sector		Size of	
	GDP	Exports	Labour
[Rural sector]	[23%]	5% (2015)	80%
Stakeholders – Public Expenditure (ongoing programmes or projects)			
Government	Donors	Amounts (USD million)	Period
7.3% of public budget	World Bank	308.2	2013-2023
	AfDB	247.55	2018-2022
	IFAD	141.8	2013-2024
	IsDB	29.4	2018-2025
	BADEA	44	2017-2021
	AFD	45.93	2017-2022
	USAID	30	2017-2022
	Abu Dhabi Fund	33.7	2018-2024
Existence of thematic working groups		No	
Existence of a comprehensive sector programme		No	
Role of AfDB in aid coordination		Reinforced with COGN	

II- Project Description

2.1. Project Objectives and Components

2.1.1 PATAG EAJ's sector goal is to help foster strong and inclusive economic growth. The specific objectives are to contribute to the development of climate-smart agricultural and agribusiness value chains, and to promote youth agricultural entrepreneurship in the Boké and Boffa Prefectures. It will: (i) help to boost production and productivity, and improve access to production and processing factors and markets; (ii) contribute to the development of climate-smart agricultural value chains that can employ a high number of young people and women; (iii) help to improve access to basic socioeconomic services for economic development; and (iv) build the capacity of the stakeholders involved in implementing PNIASAN/PASANDAD to achieve the objectives of PNDES in general, and of the PNDA in particular, and for better sector governance.

2.1.2 PATAG EAJ was designed in light of results and lessons from the Bank's experience in the country and in the sub-region, acquired from efficient operating procedures, targeting of high-impact priority activities, and strong stakeholder involvement. The activities will take place in the two hubs –

A (Boffa) and D (Boké) – and will target poor, highly inaccessible areas with huge agricultural potential. Beyond the development of production, processing and marketing infrastructure in the areas concerned, the project will support: (i) the strengthening of the organisational and technical capacity of actors, particularly young people and women; (ii) the promotion of processing and marketing through the dissemination of new technologies (TAAT) and support for product labelling; (iii) the promotion of youth entrepreneurship and women’s empowerment; and (iv) the improvement of governance in the sector through the organisation of beneficiaries and capacity building. The selection and involvement of committed farmers, the choice of proven techniques and transformative actions will aim to ensure the sustainability of interventions and infrastructure. PATAG EAJ will support 5 000 farmers, 1 000 young people and women, 100 seed growers, 100 groups and 20 unions, and will impact 39 252 direct beneficiaries and 247 287 indirect beneficiaries through its different activities. It will be implemented over a four-year period (January 2019 - December 2022) and will include three components, summarised below.

Table 2.1: Project Components

Component	Cost	Component Description
Component 1: Modernisation and development of agricultural infrastructure	UA 4.846 million	<p><u>A1 Rehabilitation/development of rice-cultivation facilities and access roads:</u> (i) 237 ha of rice-growing lowlands (with 25 ha of gardens irrigated from wells) and 50 ha for rice seed production, (ii) 65.5 km of access roads; (iii) 32.7 kilometres of hedgerows, and 10 ha of stone barriers.</p> <p><u>A2. Rehabilitation/development of market gardening areas:</u> (i) 15 ha for women’s market gardening (solar pumping and drip irrigation); (ii) 31 hectares of modern farms for young entrepreneurs.</p> <p><u>A3. Construction of agricultural and social infrastructure:</u> (i) Construction of the Lisso market and two stalls; (ii) construction of two input shops and six product storage warehouses; and (iii) construction of six processing centres.</p>
Component 2: Development of value chains and youth agricultural entrepreneurship	2.189 million	<p><u>B1 Production and productivity support:</u> (i) <u>support for access to inputs:</u> development of the Koba seed centre; support for 10 groups of young seed growers; establishment of revolving fertiliser and seed funds; operationalisation of two input shops for young entrepreneurs; (ii) <u>support for agricultural mechanisation:</u> establishment of four service centres for young entrepreneurs, training and support for the establishment of ten young drivers and ten repairers; (iii) <u>advisory support and structuring of farmers’ organisations (FOs):</u> dissemination of 15 TAATs; guidance for 900 farmers and 15 groups, setting up of 50 management committees and 4 maintenance SMEs, land security and conflict prevention on 25 sites.</p> <p><u>B2 Promotion of processing and market access:</u> (i) <u>support for product processing:</u> supply of 10 post-harvest kits to young FOs; capacity building for 5 women unions/economic interest groups (EIGs) (rice, groundnut and fonio parboiling) and 40 groups of parboilers; training of 40 groups and unions in quality and packaging standards management; (ii) <u>promotion of market access:</u> (i) organisation of group sales and matching of farmers and wholesalers; promotion of the “Consume Local/Made in Guinea” label; (iv) support for the certification of agricultural products and the labelling of parboiled rice; and (v) education and nutritional monitoring of the population, and communication for behavioural change.</p> <p><u>B3 Development of agricultural entrepreneurship:</u> (i) training of 600 young people on agricultural entrepreneurship; (ii) support for the establishment 50 young project proponents; (iii) made-to-measure training for 30 young people.</p>
Component 3 Project management	UA 0.963 million	(i) Coordination of project activities; (ii) administrative, accounting and financial management; (iii) acquisition of goods, works and services; (iv) establishment of a communication plan; and (v) project implementation monitoring and evaluation.

2.2. Technical Solutions Adopted and Alternatives Explored

2.2.1 The technical solutions used in PATAG EAJ are based on field data and lessons learned from similar projects, and based on design methods adapted to the specific context of the intervention area. It involves development of medium-sized sites of lowlands with access to new technologies and solar energy for the dewatering.

2.2.2 The technical options selected took into consideration the ease of work management and equipment, the willingness of the beneficiaries to adhere and adopt these choices. The main arguments are: (i) to maximize the intensification level in these areas where two campaigns can be made, (ii) to achieve better water efficiency and control; (iii) to introduce solar energy, clean and renewable resource and appropriate mechanization; (iv) to promote new irrigation technologies through the introduction of drip systems, (v) mastering management and maintenance aspects to ensure sustainability.

Table 2.2: Alternatives Explored and Reasons for Rejection

Alternative	Short Description	Reason for Rejection
Development of one large area, with total water control where the project would be concentrated	Build a large pumping station, coated water transport channels with large civil engineering structures for water collection, supply and delivery for the various blocks and neighbourhoods	This alternative is not technically feasible and does not ensure the availability of labour, in terms of both quantity and quality, for the development of the facilities and the investments to be made. It is highly likely that the area will not be fully exploited, since available labour on several sites close to small villages or large towns can be used to better exploit irrigated areas and develop the facilities.
Development of market gardening areas with improved wells without any means of dewatering	Build large-diameter wells at a rate of one well per hectare where irrigation water is manually drawn and carried by farmers to the parcels	The challenge for the development of market gardening production is the manual removal of water from wells. This takes up a considerable amount of work time in return for mediocre efficiency and makes the task, which is performed mostly by women, very tedious and limits the production capacity of women involved in market gardening, consequently leading to a loss of interest. This method is also only feasible on small gardens not exceeding a few dozen square metres, especially during the dry season, when the demand for water is high.
Development of intermediate animal-draught cultivation instead of motorized ploughing	Animal-draught cultivation in the project regions is adapted to light soils and a limited amount of moisture for high productivity. Its effectiveness depends highly on the physical state of the area to be ploughed	The large areas of arable land in the region, the short period conducive to land preparation and the reduction of the rainy season impede animal-draught cultivation and militate in favour of mechanised ploughing. Consolidation of the network of agricultural mechanisation service providers in the project area will contribute to the achievement of this objective.

2.3. Project Type

PATAG EAJ is an investment operation financed from TSF resources. The Government of Guinea has not yet committed to implementing programmes using the sector approach, given a number of institutional constraints and fragility context. The project approach is the most appropriate, to ensure the achievement of results and the efficient and effective use of the resources allocated to the project.

2.4. Project Cost and Financing Arrangements

2.4.1 **The cost of the project** is estimated at UA 8.987 million or GNF 113 274 million. The foreign exchange portion is UA 3.845 million and constitutes 43% of the total cost. Customs duty and taxes are the responsibility of the State, which must take the necessary measures to ensure the enforcement of this provision. The provision for physical contingencies is expressed as a percentage of the base cost (5%) and applied for civil engineering works, mainly in the form of construction/rehabilitation of irrigation facilities, roads, markets, stores, shops and storage centres. The provision for price escalation, commonly referred to as "financial contingencies", is calculated based on the inflation level. The inflation rate used was 8%. The breakdown of project cost is presented in the tables below, by component and expenditure category. An expenditure schedule by component is also provided. The

detailed table of project costs and the list of goods and services are provided in Annexes B2 and B8.2 of Volume II, respectively.

Table 2.3: Estimated Cost by Component

Components	GNF Million			UA Million			% Foreign Exchange
	Foreign Exchange	Local Currency	Total	Foreign Exchange	Local Currency	Total	
A. Modernisation/development of agricultural infrastructure	27 820	26 445	54 265	2.207	2.098	4.306	51%
B. Support for the development of value chains and youth agricultural entrepreneurship	9 783	15 758	25 541	0.776	1.250	2.027	38%
C. Project management	2 001	10 006	12 006	0.159	0.794	0.953	17%
D. Project Preparation Facility (PPF)	5 772	67 05	12 478	0.458	0.532	0.90	46%
Total base cost	45 376	58 914	104 290	3.600	4.674	8.275	44%
Provision for physical contingencies	1 293	11 81	2 474	0.103	0.094	0.196	52%
Provision for price escalation	1 797	47 13	6 510	0.143	0.374	0.517	28%
Total project cost	48 466	64 808	113 274	3.845	5.142	8.987	43%

Table 2.4: Estimated Cost by Expenditure Category

CATEGORIES	GNF Million			UA Million			% F.E.	% Categ.
	F.E.	L.C.	Total	F.E.	L.C.	Total		
Works	25 857	23 620	49 477	2.052	1.874	3.926	52.3%	43.7%
Goods	6 902	44 88	11 390	0.548	0.356	0.904	60.6%	10.1%
Services	12 617	20 730	33 347	1.001	1.645	2.646	37.8%	29.4%
Operation	-	3 034	3 034	-	0.241	0.241	0.0%	2.7%
Personnel	-	7 042	7 042	-	0.559	0.559	0.0%	6.2%
Base cost	45 376	58 914	10 4290	3.600	4.674	8.275	43.5%	92.1%
Provision for physical contingencies	1 293	1 181	2 474	0.103	0.094	0.196	52.3%	2.2%
Provision for price escalation	1 797	4 713	6 510	0.143	0.374	0.517	27.6%	5.7%
TOTAL	48 466	64 808	11 3274	3.845	5.142	8.987	42.8%	100.0 %

2.4.2 The project will be financed through a grant of UA 3.24 million and a loan of UA 4.63 million from the TSF, representing 87.6% of the project cost, net of taxes and customs duty. The Government's financial participation, estimated at UA 0.898 million, will be limited to covering the costs of taxes and customs duty, and the establishment of a revolving fund for the procurement of inputs (fertilisers and seeds). The contribution of beneficiaries will be limited to their participation in routine maintenance and upkeep, which can easily be carried out, and their 10% participation in the financing of young entrepreneurship projects, estimated at UA 0.220 million. The breakdown by source of financing is shown in Table 2.5 below.

Table 2.5: Sources of Financing

SOURCES	GNF Million			UA Million			% source
	Foreign Exchange	Local Currency	Total	Foreign Exchange	Local Currency	Total	
TSF loan	37 220	21 136	58 356	2.953	1.677	4.630	51.5%
TSF grant	11 246	29 590	40 837	0.892	2.348	3.240	36.1%
Govt.	-	11 310	11 310	-	0.897	0.897	10.0%
Beneficiaries	-	2771	2 771	-	0.220	0.220	2.4%
TOTAL	48 466	64 808	11 3274	3.845	5.142	8.987	100.0%

Table 2.6a: Expenditure Schedule by Component (in UA million)

COMPONENTS	2019	2020	2021	2022	Total
A. Modernisation/development of agricultural infrastructure	1.512	2.721	0.073	-	4.306
B. Support for the development of value chains and youth agricultural entrepreneurship	0.443	0.928	0.440	0.215	2.027
C. Project management	0.296	0.211	0.221	0.225	0.953
D. PPF advance	0.990	-	-	-	0.990
Base cost	3.241	3.859	0.735	0.440	8.275
Provision for physical contingencies	0.098	0.095	0.004	-	0.196
Provision for price escalation	0.229	0.215	0.048	0.025	0.517
TOTAL	3.568	4.168	0.787	0.465	8.987

Table 2.6b: Expenditure Schedule by Source of Financing (UA million)

SOURCES	2019	2020	2021	2022	Total	%
TSF loan	1.367	2.894	0.364	0.005	4.630	51.5%
TSF grant	1.841	0.575	0.369	0.455	3.240	36.1%
Government	0.280	0.559	0.054	0.004	0.897	10.0%
Beneficiaries	0.080	0.140	-	-	0.220	2.4%
TOTAL	3.568	4.168	0.787	0.465	8.987	100.0%

2.5. Project Beneficiaries and Target Area

2.5.1 The project area, consisting of the Boffa and Boké Prefectures (A and D hubs), is part of the Boké region, located in the North-West of the Republic of Guinea. The Boké region covers an area of 35 234 km² and has 5 prefectures (Boké, Boffa, Fria, Gaoual and Koundara), 32 rural municipal councils (“communes”) and 5 urban municipal councils. The region’s climate is conducive to agriculture, with abundant rainfall in coastal areas (2 500-3 000 mm/year) that decreases gradually towards the north to 800 mm and 1 000 mm in Gaoual and Koundara. Estimated at 1 190 724 inhabitants (INS/Demographic Prospects, General Population and Housing Census (RGPH3), 2017 projection), the Boké region population is highly cosmopolitan and is primarily engaged in agro-pastoral activities. The average population density is 32 inhabitants/km².

2.5.2 The Boké region is one of the most important bauxite areas in Guinea. Currently, 14 mining companies are active in the region, attracting a large number of people to the area (accelerated population growth), with growing demand for food and nutrition. Young people, who account for more than 60% of the region's population and the bulk of its agricultural workforce, are abandoning agriculture and opting for work in the mining sector. They are involved in the social unrest that the area has been experiencing because of its status as the bauxite basin par excellence.

2.5.3 The intervention sites were selected based on an analysis comprising multiple criteria: (i) accessibility; (ii) existence of a participatory and community/local operating set-up; (iii) absence of latent land conflict; and (iv) overall consistency with project objectives (availability of labour, level of organisation and spirit of initiative of future beneficiaries, expertise and participation of women and young people). Various types of sites have been pre-identified: (i) *development of lowlands*: with partial control of irrigation water (sites in rice-cultivation lowlands), and with total control of irrigation water (Koba sites for rice seed growers and mixed rice cultivation and market gardening areas in the Boké area); (ii) *mixed areas* of rice cultivation and market gardening alternating over the agricultural year with total water control; (ii) *market gardening areas* (wells, solar pumping equipment, loading tank and drip irrigation).

2.5.4 The population of the area is mainly engaged in agriculture (rice, maize, cassava, groundnuts, sorghum/millet, cowpeas, market garden produce, cashew nuts, etc.), livestock farming and trade. Traditional and family-type agriculture faces various challenges, including lack of or dilapidated state of facilities, difficulty of accessing factors of production (certified seeds, quality inputs, ploughing and post-harvest equipment, etc.) and markets. Women are involved in all rural agricultural activities and participate mainly in work on rice fields and market gardens, as well as in produce processing and marketing. The project is aimed at small farmers, particularly women and young people, who constitute the bulk of the vulnerable segments of the population in terms of food and nutrition insecurity and poverty. The project will reach 1 000 young people and women, 5 000 farmers, 200 seed growers, 100 groups and 20 unions. Other direct targets are artisans, processors, traders, young entrepreneurs, students in pilot school canteens, various service providers and NGOs, etc. Through its activities, PATAG EAJ will reach 39 252 direct beneficiaries and 247 287 indirect beneficiaries.

2.6. Participatory Approach for Project Identification, Design and Implementation

2.6.1 The project design is the result of a participatory process that involved all stakeholders: government departments, farmers' organisations, women's groups, civil society, private sector, TFPs, projects, etc. Initiated as part of implementation of PATAG EAJ PPF activities, these broad consultations continued during the project preparation and appraisal mission. Consultation meetings organised in each of the two prefectures with all the parties (decentralised technical services, NGOs and support and advisory associations, local authorities, beneficiary representatives, including women) led to a consensual identification of the challenges and needs of the intervention area, and for the two sectors concerned. Focused discussions with local institutional and civil society partners and visits to various potential sites, followed by working sessions with beneficiaries, including women and young people, made it possible to draw up an exhaustive inventory of development needs in the area and to identify the support needs for the two sectors and the most appropriate methods of implementation, as well as the appropriate measures for the effective action. The sites and activities were chosen following several investigations and fruitful discussions with the beneficiaries and other stakeholders.

2.6.2 This participatory process revealed strong enthusiasm for the project and a broad consensus on its design and implementation methods. For instance, farmers reaffirmed the need to fully exploit the high potential of the intervention area (land, natural watercourses, mangroves, lowlands, etc.). Women emphasised their interest in market gardening, farm produce processing and marketing with modernisation of production and processing tools, and improved market access. During visits to various sites, stock was taken of existing facilities and infrastructure, and technological options to be adopted for their construction/rehabilitation proposed. Developing a good communication plan around PATAG EAJ and maintaining the participatory approach during its implementation will ensure that local actors take ownership of the project during its execution.

2.7. Consideration of Bank Group Experience and Lessons Learned in the Project Design

2.7.1 PATAG EAJ design drew largely from lessons learned from projects executed by the Bank in Guinea and the sub-region, with every effort made to reflect the context of the country's fragility and to address some of the weaknesses identified during project implementation and highlighted in portfolio reviews and completion reports. At the last review conducted in July 2018, the portfolio performance was deemed satisfactory, but efforts will have to be made with regard to: (i) the effectiveness timeframes (11 months instead of the 6 months recommended by the Bank); (ii) the timely appointment of project management teams, including the coordinator and financial management and procurement officers; (iii) the lengthy procurement timeframe; (iv) delays in the release of counterpart funding, which impedes smooth project execution; (v) the systematic introduction of performance contracts and objective-based annual evaluation; (vi) the timely preparation of the baseline situation and deployment of monitoring and evaluation systems; and (vii) the availability of studies to improve the quality-at-entry of operations.

2.7.2 The Portfolio Performance Improvement Plan (PPIP 2018) also advocates the implementation of specific measures to accelerate project execution and the implementation pace. These lessons were taken into account in this project, as reflected in: (i) continuous dialogue and close monitoring by the Country Office to gradually reduce the long delays and fulfil the conditions for effectiveness; (ii) improvement in project quality by supporting the formulation and preparation of the detailed designs/competitive bidding documents (APD/BDs) and management and monitoring/evaluation tools prior to project start up (with PPF resources); and (iii) building of the procurement and financial management capacity of project management teams. It should be noted that the current portfolio has become significantly younger in recent years, the average age of operations having dropped from 5.5 years in 2011 to 2.7 years in 2017. Moreover, the portfolio had no problematic projects (PP) or potentially problematic projects (PPPs) in 2017.

2.7.3 PATAG EAJ was designed to take the following into account: (i) the need to enhance the quality-at-entry of the project by making feasibility studies available and by preparing the initial competitive bidding documents; (ii) the need to pay special attention to the involvement of local actors, notably farmers directly concerned, through an inclusive participatory approach; (iii) the intervention of other partners (World Bank, World Food Programme, etc.) to ensure coherence, complementarity and synergies in the activities selected; (iv) the need to pay attention to the procurement process and methods; and (v) the primordial importance of building the capacity of the different actors. In light of the above-mentioned strategic thrusts, special emphasis was also placed on certain thematic areas in formulating the project: (a) food and nutrition security; (b) value-chain approach; (c) decent youth employment and women's empowerment; and (d) resilience to climate change. All these provisions will make it possible to satisfy the design and execution criteria contained in Presidential Directive No. 002/2015.

2.8. Key Performance Indicators

The monitoring and evaluation system of the project's logical framework indicators is part of the Ministry of Agriculture's monitoring and evaluation system. The system will come under the supervision of the monitoring and evaluation officer, with the support of Project Management Unit experts (rural engineer, value chain expert, etc.), the Prefectural Directorate of Agriculture (DPA) and the Rural Engineering Technical Office (BTGR). Particular emphasis will be placed on targeting parameters that may be tracked and collected internally, and those relating specifically to women and young people (disaggregated data for women and young people). The main performance indicators that will be monitored from the baseline scenario include: (i) surface area of lowlands developed for rice farming with partial water control; (ii) surface area developed for rice farming with total water control; (iii) surface area developed for market gardening; (iv) infrastructure built (number of hectares with drip irrigation, number of garden farming hectares protected with grill fences, number of markets commissioned, number of kilometres of farm roads, number of product storage warehouses, number of input shops, etc.); (v) level of additional production (tonnes) and crop yields (tonnes/hectare); (vi) number of farmers (including women) by type of development; (vii) number of demonstration units (DUs) and TAATs distributed; (viii) number of farmers' organisations structured and management committees established; (ix) level of increase in farmers' income, including those of women and young people; (x) number of jobs for young people and women created through entrepreneurial initiatives and number of young entrepreneurs established; (xi) number of farmers, processors and merchants trained and organised; (xii) level of involvement of women in decision-making bodies (leadership), and women's rate of access to land following the development; (xiii) number of processing units established and allocated (including to women); and (xiv) number of nutrition activities and school canteens supported, and level of impact on food and nutrition security. The indicators selected for the project will be aligned on those selected under PNIASAN and will be used to assess the impact of the project on fragility, resilience and inclusion. The Bank's various supervision missions and periodic progress reports will reflect the level of achievement of the indicators.

III- Project Feasibility

3.1. Financial and Economic Performance

Table 3: Key Economic and Financial Data

NPV (baseline scenario)	GNF 20 370 million
IRR (baseline scenario)	12.7%
ERR (baseline scenario)	18.8%

3.1.1 The project's financial and economic analysis was conducted based on the cost/benefit of the additional cash flow from the production models of the two priority sectors (rice and market gardening). The following assumptions were used: (i) the period for evaluating the impact of PATAG EAJ is 25 years; (ii) the average basic prices, yields and production costs of the 2016/2017 crop year were selected for the baseline scenario and realistic projections were made covering up to full project development, taking into account the existing potential and the absorptive capacity of beneficiaries; (iii) additional income was determined by calculating the difference between the baseline scenario and the "with-project" scenario, based on gross proceeds minus production costs; (iv) an equal inflation rate was selected for jobs and resources on the cash flow table; (v) for the calculation of the economic rate of return, a cost correction coefficient was added for factors related to distortions inherent in customs duties. The detailed assumptions of the financial and economic analysis, the tables of the operating models (baseline scenario and "with-project" scenario) and financial and economic flows are presented in Annex B7 of Volume 2. The results of the financial and economic analysis show that PATAG EAJ is financially and economically sustainable.

3.1.2 **Financial performance:** The hydro-agricultural improvements and land exploitation will generate additional production of approximately 1 030 tonnes of paddy rice, 210 tonnes of certified seeds and about 2 000 tonnes of market gardening products, in addition to creating 3 500 permanent jobs. The additional income resulting from the various development and farming models selected are the following: (i) lowlands with partial water control (rice): GNF 3 205 641 per ha; (ii) lowlands with total water control (double cropping for rice seeds): GNF 10 309 850 per ha; (iv) lowlands with total water control (double cropping for rice and one cropping for market gardening): GNF 12 325 695 per ha; and (v) irrigated market gardening: GNF 24 326 025 per ha. The overall additional income generated will help to increase the value added brought about by the project, thus increasing the project's contribution to agricultural GDP. The financial internal rate of return (IRR) is estimated at 12.7% for a NPV of GNF 20 370 million.

3.1.3 **Economic Performance:** The basic economic rate of return (ERR) stands at 18.8%, for a net present value (NPV) of GNF 71 691 million and a cost-benefit ratio (CBR) is 1.81. This result is significant, especially since some benefits could not be included in the calculations due to the lack of data to permit their evaluation, notably improvements in living conditions and food security brought about by increased income and food availability, the effects of watershed and environmental protection measures, capacity building in other types of economic activities carried out by the beneficiaries and the multiplier effects on sector actors (suppliers of inputs, equipment, services, etc.). Sensitivity tests were performed based on the assumption of a possible escalation in costs (10%), a decline in agricultural production with the risk of non-adoption of farming techniques by farmers (10%), and a reduction in the benefits generated by the rehabilitation of agricultural products and agricultural infrastructure, and the availability of processing and storage units for agricultural products (10%). Based on the results summarised in Annex B7 of Volume 2, the EIRR seems insensitive to any decreases in the benefits generated by rice and market gardening productions (-10%) (for an IRR of 16.6%), in storage, processing and rural roads infrastructure (-10%) (for an IRR of 18.5%). Similarly, a possible escalation (+10%) in investment and maintenance costs reduces the IRR to 16.8%.

3.1.4 The project's other economic impacts may be summarised as follows: (i) upstream effects of additional income on service providers (NGOs, businesses, suppliers, consulting firms); (ii) downstream effects of the generation of additional income on producers, traders and processors who are essentially women; (iii) decrease in foreign exchange costs owing to the sharp drop of rice import costs in the trade balance; and (iv) impact on wealth creation in the country due to the increase in GDP resulting from the generation of additional value added. For households, project benefits will translate into, among other things, better nutrition for vulnerable groups (children, women of childbearing age and the elderly); lower medical bills and reduction of the difficulty of farm work, especially for women, decline in the incidence of monetary and non-monetary poverty; strengthening of livelihoods and the resilience of PATAG EAJ targets in relation to food insecurity and the effects of climate change.

3.2. Environmental and Social Impact

3.2.1 **Environment:** The project is classified in Category 2 under the Bank's Environmental and Social Safeguards Policies. It was subjected to an Environmental and Social Impact Assessment, the summary of which was posted on the Bank's Website on 12 September 2018. PATAG EAJ activities will be carried out in 18 areas located in the Boffa and Boké Prefectures. The project's environmental impacts will be minimal given the relatively modest size of the infrastructure/development and their distribution across several locations. Moreover, the impact assessment reveals that the project implementation will be really beneficial for the socioeconomic development of the Boké and Boffa Prefectures since it will enable: (i) better management of soil and water resources, thanks to technical supervision of the irrigation methods and the rational distribution of the water to the plots, which will limit their over-exploitation and degradation; (ii) proper water control through adapted and appropriate (environmentally friendly) facilities, and the use of renewable energy; (iii) the reduction of agricultural land degradation, water and soil conservation, the development of vegetation cover, through the installation of erosion-control structures; and (iv) the development/promotion of new technologies and resilient/smart practices. In short, the project's physical activities will cause no major environmental and social impacts. The impacts, if any, will be very short-lived on the receiving environments and on the environmental components as a whole. The summary of the Environmental and Social Management Plan (ESMP) was posted on the Bank's Website on 15 October 2018.

3.2.2 **Climate change:** The project complies with the Bank's climate protection policies since the climate risks have been identified. The programme's climate sensitivity has been analysed in accordance with the Climate Screening and Adaptation Review and Evaluation Procedures Booklet and the Climate Safeguards System (CSS). Based on the preliminary analysis of project activities, some operations will be more sensitive than others. The roads and facilities will be more climate-sensitive than other infrastructure. The design of the roads that will be built will incorporate engineering structures to ensure the normal flow of waterways crossed by the roads. In addition, the longitudinal and transverse profiles of feeder roads will be so designed as to facilitate the evacuation of water that falls or flows onto the road surface and to avoid water stagnation along the right-of-way. The building materials that will be used should promote a good compaction level that can strengthen the adhesion of different primary particles to reduce their crumbling with the falling of exceptional showers. In building supporting infrastructure for the agricultural sector other than the roads, account will be taken of their likely exposure to hazards (high winds, rising temperatures, exceptional rainfall, etc.). In addition, the project will favour the use of solar energy for dewatering in irrigated areas and for operating the equipment that will be installed. This alternative will make project activities cleaner and greener.

3.2.3 **Involuntary Resettlement:** PATAG EAJ activities will not lead to any people resettlement or restriction of access to goods and livelihoods.

3.2.4 **Gender:** Women play a major role in the agricultural economy, and are found throughout the value chain from production, processing to marketing. However, they face major constraints in gaining access to resources and factors of production, including land, inputs, fertilisers, financing, new technologies and extension services. As a result, they work under less favourable conditions compared

to men, which considerably undermines their performance. In rural areas, the income gap between men and women in the agricultural sector may be as high as 50%. To address the gender disparities described in the above gender analysis, PATAG EAJ pays specific attention to women's strategic interests and aims to improve their socioeconomic status in the two regions covered by the project.

3.2.5 Based on consultations and exchanges with individual women and women's groups, as well as with other partners involved in the agricultural value chain and entrepreneurship, the project will implement the following activities: (i) **Build capacity in agricultural production**, entailing the development of 237 ha of lowlands for rice cultivation that will enable women to have at least two rice seasons and one market gardening season per year; development of 46 ha strictly for market gardening, of which 15 ha will be for women's market gardening activities, and 50 ha for the production of rice seeds. In addition, 30% of the rice schemes to be developed will be reserved for women's groups. Despite the strong involvement of women in the rice-farming sector, the management of rice farms remains a male preserve (only 9% of rice areas are managed by women). To address this situation, the project will train all women and men directly affected by the project (5000 producers), on issues pertaining to land tenure security and women's right to acquire land. An awareness campaign on the respect of the community's right of use and conflict prevention and management mechanisms will be organised to facilitate support for rice producer groups to acquire land and title deeds in newly developed areas. The project also includes a package of integrated services for women and young people, aimed at improving their access to socioeconomic infrastructure and innovative production technologies. Through the rehabilitation of rural roads, the project will help to open up the Boké and Boffa areas and facilitate the evacuation of agricultural products to the markets. Socioeconomic infrastructure (rural markets, processing units, market gardens and storage warehouses) will be provided primarily for the benefit of women and young people, with a view to improving their working conditions, easing their tasks, strengthening their economic empowerment, and improving food and nutrition security. The project will apply affirmative action in favour of women and vulnerable groups, wherever local traditions tend to exclude them from decision-making bodies or from certain benefits. Generally, the project will ensure that women are included when it comes to access to factors of production (managed land, agricultural inputs, equipment and production equipment), organisation and management of the new infrastructure (shops, markets, etc.), and training. Therefore, the project will help to strengthen women's economic autonomy and decision-making power; (ii) **Enhance skills in agricultural production and processing, management, marketing and market access**, which entails developing the skills of women and young people through the dissemination of Technologies for African Agricultural Transformation (TAAT), with focus on production and processing. Skills will also be developed in management, packaging, marketing and networking for market access, procurement and inventory management, leadership and entrepreneurship. In this regard, study tours will be organised for women engaged in processing to enable them to draw on the experience of neighbouring countries such as Burkina Faso; and (iii) **Entrepreneurship, job creation and leadership and market access for women and young people**: Increasing production and improving processing conditions will rekindle young people's interest in the agricultural sector, which will reduce youth unemployment rates. Women and young people will be trained in business plan development and given the support needed to set up their own businesses. In addition, women in the processing sector will be put in touch with private economic operators that have been identified as well as with WFP to ensure the direct purchase of their products. The project is classified in Category 2, according to the Gender Marker System. The budget allocated to specific gender promotion and economic empowerment activities stands at approximately UA 2.7 million. Details on the gender analysis are provided in the Technical Annex on gender.

3.2.6 **Nutrition**: The project will develop initiatives to improve the hygiene and nutritional quality of food consumed by the people, especially by women and children, and will collaborate with the World Food Programme (WFP) to supply school canteens with food products from the area. The additional production of rice (1 000 tonnes) and horticultural products (2 000 tonnes) will help to improve feeding and nutrition, and hence the people's health. Incorporating direct nutrition events into project activities

is essential to impacting the people's nutritional status. Furthermore, activities aimed at supporting product quality, labelling and certification will help to improve the nutritional intake. Activities to prevent the resurgence of waterborne diseases and rice urticating caterpillars will also contribute to improving the health and nutrition of the local population.

3.2.7 Social: The different activities implemented under the project (improved access to factors of production, technical routes for production, processing and marketing) will considerably help to enhance food and nutrition security and improve income levels, thereby significantly reducing the incidence of poverty. The project will further strengthen the connectivity between producers and the market through partnerships that will be beneficial to all stakeholders of the rice and horticulture value chains. Enhancing food security through the developments, coupled with awareness raising concerning dietary best practice, will help to improve the people's nutritional status, particularly that of vulnerable groups such as women of childbearing age and children below the age of five. The rehabilitation of roads, construction of the storage/conservation warehouses, rehabilitation of the markets and the support of the processing units, will contribute to reducing post-harvest losses (expected to decline by at least 30%), as well as facilitate product marketing. As a result, the income of households will increase, putting them in a better position to bear food, health and education expenses. By making it easier for beneficiaries to participate in decision-making processes and to secure land (management of community infrastructure, management of conflicts between farmers and herders, maintenance of access roads, etc.), the project will also bolster the local development process and promote good governance. Project activities will lead to: (i) a 19% increase in the people's income; (ii) the creation of 3 526 direct decent jobs, including 147 in agricultural development works, 2780 in entrepreneurship and SME strengthening activities, and 600 temporary jobs; (iii) the creation of self-promotion capacity among project beneficiaries in terms of rural development operations in agricultural value chains; (iv) increased accountability and the development of human resources, leading to better organisation of rural communities; and (v) promotion of small operators (workmen, craftsmen, agricultural workers, micro-enterprises), following the experience acquired by associations from participating in works implementation. The number of direct and indirect project beneficiaries is estimated at 39 252 and 247 287, respectively. The increase in income will benefit the most vulnerable rural households, as they will henceforth be in a better position to bear the food, health and education expenses. Overall, by improving living conditions, the project will help to reduce rural poverty and exodus by retaining the people, especially the youths, in the localities.

3.2.8 The promotion of rural entrepreneurship among young people and women (nearly 100 persons targeted) will help to develop the entrepreneurial culture among project initiators with a view to increasing income, creating decent jobs and promoting leadership among young people and women. The development of agricultural entrepreneurship will improve the attractiveness of the rural environment and create several production hubs in the area. This will produce concrete results and ensure the sustainability of the activities. The project will also facilitate the access of young promoters to critical materials, equipment and inputs (basic kits), depending on their business plans and areas of specialisation. The training will provide basic concepts and will include specialisation modules. There will also be tailor-made training designed to address the specific needs identified.

IV- Implementation

4.1. Implementation Arrangements

4.1.1 Implementation modalities: Project implementation will be overseen by an autonomous Project Management Unit (PMU), comprising a small team based in Boké and placed under the supervisory authority of the Ministry of Agriculture (MA). The Ministry shall exercise its authority through the National Directorate of Agriculture (DNA), which shall be responsible for the technical supervision. The team will be recruited through a call for candidature and will include: (i) a project coordinator; (ii) a responsible for monitoring and evaluation; (iii) a rural engineering specialist, responsible for monitoring the implementation of agricultural infrastructure works; (iv) a value chain

expert, specialised in farmers' organisations and gender issues; (v) an administrative and financial officer; (vi) a procurement specialist; and (vii) an accountant. All experts will sign a performance contract that will be evaluated annually.

4.1.2 The Technical Directorates of the Ministry of Agriculture will monitor the implementation of operations in consultation with decentralised services. Partnership agreements will be signed with DNGR (infrastructure monitoring), ANPROCA (advisory support and PO), IRAG (research development), AGUIPE (youth employment and entrepreneurship), etc. The Strategy and Development Bureau (BSD) will be responsible for project external monitoring. These entities will receive capacity-building support and will adjust their operational mechanisms, if need be, to allow close monitoring on the ground. An agreement will also be established with BGEEE for project environmental monitoring. The project will also ensure the close involvement of Prefectural Directorates of Agriculture and the Rural Engineering Technical Office (BTGR) of Boké and Boffa. Private service providers (enterprises, consulting firms, NGOs, individual consultants, etc.) will be responsible for the delivery of certain works, goods and services, in accordance with the procurement methods defined in the financing agreements. The local population will take part in some labour-intensive works (ring dike, hedgerows and routine maintenance), under the supervision of specialised NGOs and with the support of the Directorate General of Forests and Wildlife.

4.1.4 **Supervision of activities:** A Steering Committee will be set up, chaired by the Minister of Agriculture or a designated representative. The Committee's secretarial services will be provided by the Project Coordinator. In addition to the relevant technical directorates of the Ministry of Agriculture, the Steering Committee will comprise (indicative only) designated representatives of MPDE, MEF, MASPFE, ME, MPAEM, MEEF, METFPET, MC, MIPSP, and representatives of the Chamber of Agriculture and CNOP-G, the private sector and civil society. Its function will include: (i) monitoring the project implementation; (ii) ensuring coherence and planning of eligible activities; (iii) conducting the annual review of the progress report, and approving the annual technical programme and budget; (iv) evaluating the project impact; (v) identifying constraints to and opportunities for improving the project impact; and (vi) ensuring technical and methodological compliance with project objectives, PNDES objectives and relevant sector policies, including the PNIASAN and the rice development strategy. The Steering Committee will meet twice a year to review project outcomes, validate financial statements, discuss programmes and approve the related budgets.

4.1.5 **Procurement.** Goods, works and consultancy services financed by the Bank will be procured in accordance with the Procurement Policy for Bank Group-Financed Operations (AfDB Procurement Policy), October 2015 edition, and the provisions set out in the Financing Agreement. In line with this policy and following various evaluations conducted, it was agreed that procurement of goods, works and services under the project be made using the Bank's procurement system (AfDB System).

4.1.6 **Procurement Risk and Capacity Assessment (PRCA):** In order to take project specificities into account, the Bank assessed: (i) risks at country, sector and project levels; and (ii) the capacity of the executing agencies. The outcomes of these assessments pointed to the existence of a substantial level of procurement risk. Therefore, the Bank's procurement methods and procedures will be used for project implementation, with the understanding that the capacity development action plan proposed in paragraph B.5.9 of Annex B5, Volume 2, will be discussed with the Guinean authorities so that the latter may carry out the reforms identified as necessary to expedite the use of the national procurement system.

4.1.7 **Financial management:** Given that the public management system in force at the Ministry of Agricultural was deemed unsatisfactory upon assessment, a parallel accounting system based on the SYSCOHADA accrual accounting method will be set up and managed by the PMU responsible for project administrative, financial and accounting management. In addition to the other experts, the PMU in charge of PATAG EAJ will comprise an administrative and financial officer (AFO) who will have at his/her disposal the management tools that were procured under the PATAG EAJ PPF. These tools, comprising the administrative, financial and accounting procedures manual, and the accounting

management software, will be developed and staff trained in their use. The AFO will produce quarterly financial monitoring reports providing details on the implementation of project activities and the use of financial resources, and an annual financial statements consisting of the balance sheet, the consolidated financial statements, the status of the capital assets and notes to the financial statements to which the reconciliation statement of the special account will be appended. Training on Bank financial management requirements will be provided by Bank experts at the project launch.

4.1.8 Disbursements: Project financial implementation will mainly involve the reimbursement, special account and direct payment methods. An account will be opened with a commercial bank acceptable to the Bank to receive part of the TSF loan resources and will be used to finance operating expenses. This special account will be used for an initial advance whose amount will be determined based on the estimated budget for six months of project activities. The special account will be replenished on the same basis after the Borrower must have justified the use of at least 50% of the amount of the previous advance. The direct payment method will be used for disbursements relating to goods, services and works contracts. Training in Bank disbursement rules and procedures will be provided at the project launch

4.1.9 Audit: In accordance with the general conditions applicable to African Development Fund financing agreements, the country shall account for the use of the resources allocated. Therefore, an independent and competent external audit firm will verify once a year the reliability of the consolidated annual financial statements prepared by the project management team, and will assess the functioning of the internal oversight system of the entire project. The audit firm will be recruited according Bank terms of reference and following a competitive bidding procedure prescribed by the Bank. The terms of reference shall be subject to the Bank's prior approval. The continuation of audit services during the last two years will be contingent on the Bank's validation of the audit report for the first year. The audit expenses will be financed with ADF resources. Audit reports will be forwarded to the Bank yearly latest six months following the close of the audited fiscal year.

4.2. Monitoring

4.2.1 Monitoring mechanisms: The project's monitoring and evaluation mechanism will be integrated into the PNIASAN monitoring mechanism of the Ministry of Agriculture. It will be designed taking into account the common target indicators adopted in the project logical framework to enable the production of homogeneous and regular information (on a half-yearly basis) on the operations. The baseline situation will be consolidated through the Project Preparation Facility (PPF), with gender-disaggregated data. This system will be participatory and will provide regular information on performance and impact indicators, as well as on the implementation of activities planned. The project partners will be systematically involved in the data collection and monitoring effort. A baseline situation will be established, based on the final hydro-agricultural sites selected. The monitoring and evaluation framework will systematically include gender-disaggregated data to highlight the impacts on women, young people and the most vulnerable groups. Targeted surveys will also be conducted to better understand issues relating to income, food security, nutrition, job creation, gender mainstreaming, vulnerability, and resilience. The information collected will be fed into the computerized monitoring and evaluation system to capture actual values and gauge project impacts and outcomes. This information will be recorded in periodic progress reports, highlighting the level of project progress and the achievement of outcomes. External monitoring and evaluation missions involving the relevant sector departments and the Strategy and Development Bureau (BSD) will also be organised regularly by the Government, in addition to the two annual supervision missions fielded by the African Development Bank with support from its Conakry Office. The ESMP will be monitored by the Guinean Environmental Studies and Evaluation Bureau (BGEEE).

4.2.2 The following is a summary of the provisional project implementation schedule:

<i><u>Activities</u></i>	<i><u>Date/Period</u></i>	<i><u>Responsibility</u></i>
Preparation	July 2018	AfDB/Govt.
Preparation of the ESMF	September 2018	AfDB
Appraisal	2 nd half September 2018	AfDB/Govt.
Preparation of priority PDs and BDs	4 th quarter 2018	AfDB/Govt./PPF PMU
Establishment of the PMU	December 2018	Govt./AfDB
PATAG EAJ negotiation	17 October 2018	Govt./AfDB
Board presentation	16 November 2018	AfDB
Signing of the financing agreement	December 2018	AfDB/Govt.
Effectiveness of first disbursement	January 2019	Govt./AfDB
Launch of PATAG EAJ	January 2019	AfDB/Govt./PMU
Signing of agreements with partners	1 st quarter 2019	PMU/Partners/TS
Preparation of remaining PDs and BDs	1 st half 2019	PMU/MAEP
Works implementation and services	2019 to 2022	Contractors/Firms/PMU
Implementation of operational activities	2019 to 2022	PMU/Govt./Service Providers
Midterm review	1 st quarter 2021	AfDB/Govt./PMU
Project completion date	31 December 2022	PMU/Govt./AfDB
Completion report	1 st quarter 2023	AfDB/Govt.

4.3. Governance

4.3.1 Indicators of political, economic and social governance remain mixed in Guinea, despite the strides made in recent years. The country's weak performance in terms of governance and combatting corruption generally translates into a higher frequency of political and institutional hazards. The trend of the corruption perception index indicates that despite the slight improvements witnessed over the past five years (2012-2017), the situation remains virtually unchanged. Guinea is ranked 148th out of 180 countries with an average score of 25, compared with a regional average of 34.

4.3.2 As part of PATAG EAJ implementation, and with a view to mitigating the risks inherent in the weaknesses highlighted, capacity building for actors and institutional support are envisaged as a means of contributing to sector good governance. Furthermore, it was decided that financial management and monitoring/evaluation tools would be developed and the PMU team recruited through a call for candidature prior to project start up. In addition, although progress has been made in aligning the procurement system on WAEMU guidelines, the sluggishness of the procurement system is one of the major weaknesses encountered during the implementation of development projects. With regard to procurement, operational arrangements were adopted to address the weaknesses observed.

4.4. Sustainability

The sustainability of project investments mainly relates to the beneficiaries' ability to regularly and sustainably maintain and manage the infrastructure. In this regard, the project will pay special attention to the quality and sustainability of the facilities that will be put in place. Transformative works will be carried out based on detailed technical studies and using qualified companies or specialised jobbers. Other activities that will contribute to the sustainability of structures relate to the security of tenure over the land needed for the structures, support for the organisation of beneficiaries, provision of management tools to ensure better maintenance, support of recurrent costs of infrastructure (hydro-agricultural development, markets, shops, farm road, etc.), and strengthening the structuring of producers both men and women. The management committees will be offered technical skills, for the introduction of an annual fee that allows the management of facilities and building maintenance fund. The managerial, accounting and logistical capacity of these entities will be built to enable them, upon project completion and in the long term, to become autonomous enterprises capable of initiating income-generating activities in such areas as maintenance of structures, mechanics, transportation, agricultural product processing, etc. Moreover, the developments will enhance the people's adaptation and resilience capacity in the face of recurrent climate risks, as well as reduce the economic vulnerability of the

beneficiaries. The strong motivation observed among the beneficiaries during field missions is a factor that guarantees the sustainability of the facilities and the participation of beneficiaries in all activities and maintenance works. Other project activities that will contribute to its sustainability include land security for the facilities, support for the organisation of beneficiaries and the availability of management tools to ensure better maintenance, support of the recurrent costs of infrastructure (hydro-agricultural development, markets, shops, farm roads, etc.), and strengthening of producer organisations. In addition, the activities included in the rural entrepreneurship promotion, transformation and market access components will generate value added and wealth, which are factors that would foster the ownership of project developments by the direct beneficiaries.

4.5. Risk Management

Besides the risk posed to this project and to other operations of the portfolio (i.e. the risk of political instability coupled with a difficult economic situation), several other risks were identified, for which mitigation measures are proposed.

Risk	Mitigation Measure	Level
Political instability, coupled with a difficult economic situation	Contribution to improving socioeconomic and environmental resilience for greater stability.	High
Low mobilisation of counterpart resources	Counterpart resources limited to providing premises and paying the salaries of project employees.	Low
Inadequate commitment on the part of technical services of the relevant Ministries and weak capacity of the Project Coordination Unit (PCU)	Prior involvement of technical services in PPF preparation from the project preparation phase; provision of support and capacity building services; recruitment of PCU staff on a competitive basis and establishment of performance contracts.	Low
Procurement and works implementation delays	Enhancement of quality-at-entry through the use of the PPF mechanism; use of the delegated contracting management method (this will be confirmed at the end of the evaluation mission); and use of the community labour system.	Moderate
Inadequate ownership by the beneficiaries	Involvement of beneficiaries in the selection of sites, clarification of land tenancy through an inclusive social assessment process, structuring and training of Management and Maintenance Committees	Moderate
Risks of conflicts between farmers and transhumant herders	Involvement of municipalities in the management of cattle corridors, development of reception areas for transhumant herders and protection of facilities.	Moderate
Weaknesses in financial management and monitoring/evaluation	Prior preparation of the procedures manual and establishment of the monitoring and evaluation mechanism as part of the PPF.	Moderate

4.6. Knowledge Building

PATAG EAJ operations that will lead to better knowledge management and building may be summarised as follows: (i) strengthening of local expertise in local community resilience and adaptability to the recurrent impacts of climate change, through hydro-agricultural works and better water resource management; (ii) dissemination of new production and processing technologies: dissemination of improved seeds and resilient farming techniques, development of drip irrigation and solar pumping techniques, dissemination of new technologies for processing agricultural products, and promotion of mechanisation; (iii) the establishment of demonstration units and the dissemination of best practice will help to protect and preserve resources, and mitigate the vulnerability of soil resources; (iv) support for quality improvement and labelling/certification will help to ensure compliance with norms and standards that promote access to new markets; (v) organisation of workshops and exchange of visits, as tools for interaction between researchers, support staff and producers for the purpose of adapting technologies to the local context; (vi) conduct of awareness and information campaigns through various communication channels (community radios, media programmes, websites, films, etc.); and (vi) promotion of innovative youth and women's employability actions.

V- Legal Framework

5.1. Legal Instrument

The legal framework of the project will be a Grant Protocol Agreement and a Loan Agreement signed between the Republic of Guinea, on the one hand, and the African Development Bank and the African Development Fund (hereinafter collectively referred to as the "Fund"), on the other hand, acting as administrators of the Transition Support Facility (TSF).

5.2. Conditions Associated with ADF Intervention, in its Capacity as Administrator of the Transition Support Facility (TSF)

5.2.1 Effectiveness: The effectiveness the TSF Loan Agreement will be subject to the fulfilment by the Borrower, to the satisfaction of the Fund, of the conditions set out in Section 12.01 of the *General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Fund (Sovereign Entities) of February 2009*.

The TSF Grant Protocol Agreement will become effective on the date of its signature by the parties, in accordance with Section 10.01 of the *General Conditions Applicable to Loan Agreements and Protocol Agreements Relating to Grants from the African Development Fund (Sovereign Entities) of February 2009*.

5.2.2 Disbursement: In addition to the respective effectiveness of the financing agreements, the first disbursement of the TSF loan and the TSF grant will be subject to the fulfilment of the following conditions by the Borrower/Donee, to the Fund's satisfaction:

- (i) Provide evidence of the establishment of the Project Management Unit (PMU) in Boké Region, under the supervision of the Executing Agency; and
- (ii) Provide supporting documents attesting to the recruitment of key members of the Project Management Unit, including: (i) a coordinator; (ii) an administrative and financial manager; and (iii) a procurement specialist, whose qualifications and terms of reference will have been deemed acceptable by the Fund.

5.2.3 Institutional arrangements: The Borrower/Donee undertakes to put the following institutional arrangements in place:

- (i) Within three (3) months following the first disbursement of the loan/grant, provide supporting documents attesting to the PMU's recruitment of: (i) monitoring and evaluation specialist; (ii) a rural engineering specialist in charge of technical monitoring of infrastructure construction; (iii) a value chain specialist for youth entrepreneurship and farmers' organisation; and (iv) an accountant, whose qualifications and terms of reference will have been deemed acceptable by the Fund;
- (ii) Maintain the PMU established under the supervision of the Executing Agency in Boké Region, until project completion;
- (iii) Within three (3) months following the first disbursement of the loan/grant, provide supporting documents attesting to the establishment of the Project Steering Committee, which will be specifically charged with monitoring project activities; and
- (iv) Within three (3) months following the first loan/grant disbursement, provide supporting documents attesting to the appointment of Project Steering Committee members, including a representative of the Ministry of Agriculture who will chair the Committee.

5.2.4. **Other conditions.** The Borrower/Donor also undertakes:

- (i) Within three (3) months following the first loan/grant disbursement, to develop and submit to the Fund the administrative, financial and accounting procedures manual and an accounting management software package, the terms of which will have been deemed satisfactory to the Fund; and
- (ii) Within three (3) months following the first disbursement of the loan/grant, to submit copies of the conventions and protocols signed with: (i) the National Directorate of Rural Engineering (DNRR); (ii) the National Rural Promotion and Agricultural Advisory Agency (ANPROCA); (iii) the Institute of Agricultural Research of Guinea (IRAG); (iv) the Guinean Employment Promotion Agency (AGUIPE); and (v) the Guinea Environmental Studies and Evaluation Bureau (BGESE), the terms of which will have been deemed satisfactory by the Fund.

5.2.5 **Environmental and social safeguards clauses:** The applicable provisions will be provided in the Grant Protocol Agreement and the Loan Agreement.

5.3. Compliance with Bank Policies

This project complies with all applicable Bank policies. It will be implemented as part of the Bank's intervention strategy in Guinea, as defined in the CSP (2018-2022).

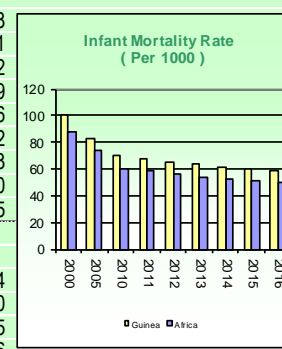
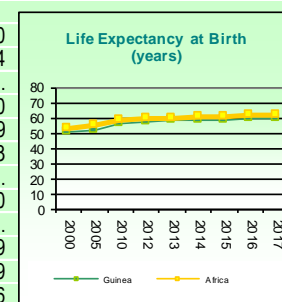
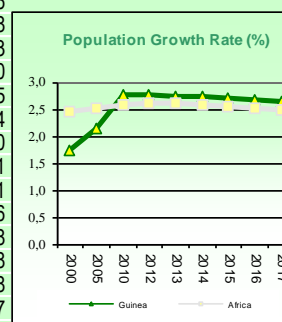
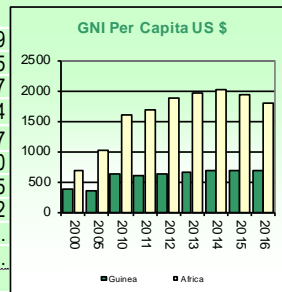
VI- Recommendation

Management recommends that the Boards of Directors approve the proposed award of a UA 4.63 million loan and a UA 3.24 million grant from the Supplemental Support Window (Pillar I) of the Transitional Support Facility, to the Republic of Guinea, for the purpose and according to conditions set out in this report.

Annex I: Guinea's Comparative Socioeconomic Indicators

Guinea COMPARATIVE SOCIO-ECONOMIC INDICATORS

	Year	Guinea	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area ('000 Km²)	2017	246	30 067	80 386	53 939
Total Population (millions)	2017	13,3	1 184,5	5 945,0	1 401,5
Urban Population (% of Total)	2017	37,2	39,7	47,0	80,7
Population Density (per Km²)	2017	54,1	40,3	78,5	25,4
GNI per Capita (US \$)	2016	670	2 045	4 226	38 317
Labor Force Participation *- Total (%)	2017	82,3	66,3	67,7	72,0
Labor Force Participation **- Female (%)	2017	79,4	56,5	53,0	64,5
Sex Ratio (per 100 female)	2017	100,7	0,801	0,506	0,792
Human Develop. Index (Rank among 187 countries)	2015	183
Popul. Living Below \$ 1.90 a Day (% of Population)	2012	35,3	39,6	17,0	...
Demographic Indicators					
Population Growth Rate - Total (%)	2017	2,7	2,6	1,3	0,6
Population Growth Rate - Urban (%)	2017	3,8	3,6	2,6	0,8
Population < 15 years (%)	2017	42,2	41,0	28,3	17,3
Population 15-24 years (%)	2017	19,9	3,5	6,2	16,0
Population >= 65 years (%)	2017	3,1	80,1	54,6	50,5
Dependency Ratio (%)	2017	82,9	100,1	102,8	97,4
Female Population 15-49 years (% of total population)	2017	23,4	24,0	25,8	23,0
Life Expectancy at Birth - Total (years)	2017	60,0	61,2	68,9	79,1
Life Expectancy at Birth - Female (years)	2017	60,5	62,6	70,8	82,1
Crude Birth Rate (per 1,000)	2017	35,5	34,8	21,0	11,6
Crude Death Rate (per 1,000)	2017	9,2	9,3	7,7	8,8
Infant Mortality Rate (per 1,000)	2016	58,3	52,2	35,2	5,8
Child Mortality Rate (per 1,000)	2016	89,0	75,5	47,3	6,8
Total Fertility Rate (per woman)	2017	4,8	4,6	2,6	1,7
Maternal Mortality Rate (per 100,000)	2015	679,0	411,3	230,0	22,0
Women Using Contraception (%)	2017	7,9	35,3	62,1	...
Health & Nutrition Indicators					
Physicians (per 100,000 people)	2016	7,5	46,9	118,1	308,0
Nurses and midwives (per 100,000 people)	2016	36,8	133,4	202,9	857,4
Births attended by Trained Health Personnel (%)	2012	45,3	50,6	67,7	...
Access to Safe Water (% of Population)	2015	76,8	71,6	89,1	99,0
Access to Sanitation (% of Population)	2015	20,1	51,3	57	69
Percent. of Adults (aged 15-49) Living with HIV/AIDS	2016	1,5	39,4	60,8	96,3
Incidence of Tuberculosis (per 100,000)	2016	176,0	3,8	1,2	...
Child Immunization Against Tuberculosis (%)	2016	72,0	245,9	149,0	22,0
Child Immunization Against Measles (%)	2016	54,0	84,1	90,0	...
Underweight Children (% of children under 5 years)	2012	16,3	76,0	82,7	93,9
Prevalence of stunting	2012	35,8	20,8	17,0	0,9
Prevalence of undernourishment (% of pop.)	2015	17,5	2 621	2 335	3 416
Public Expenditure on Health (as % of GDP)	2014	2,7	2,7	3,1	7,3
Education Indicators					
Gross Enrolment Ratio (%)					
Primary School - Total	2014	93,9	106,4	109,4	101,3
Primary School - Female	2014	86,1	102,6	107,6	101,1
Secondary School - Total	2014	40,3	54,6	69,0	100,2
Secondary School - Female	2014	31,9	51,4	67,7	99,9
Primary School Female Teaching Staff (% of Total)	2014	30,0	45,1	58,1	81,6
Adult literacy Rate - Total (%)	2014	32,0	61,8	80,4	99,2
Adult literacy Rate - Male (%)	2014	43,6	70,7	85,9	99,3
Adult literacy Rate - Female (%)	2014	22,0	53,4	75,2	99,0
Percentage of GDP Spent on Education	2014	2,4	5,3	4,3	5,5
Environmental Indicators					
Land Use (Arable Land as % of Total Land Area)	2015	12,6	8,6	11,9	9,4
Agricultural Land (as % of land area)	2015	59,0	43,2	43,4	30,0
Forest (As % of Land Area)	2015	25,9	23,3	28,0	34,5
Per Capita CO2 Emissions (metric tons)	2014	0,2	1,1	3,0	11,6



Sources : AfDB Statistics Department Databases; World Bank: World Development Indicators;

last update :

May 2018

UNAIDS; UNSD; WHO; UNICEF, UNDP; Country Reports.

Note : n.a. : Not Applicable ; ... : Data Not Available. * Labor force participation rate, total (% of total population ages 15+)

** Labor force participation rate, female (% of female population ages 15+)

Annex II. Table of AfDB Portfolio in Guinea (30 June 2018)

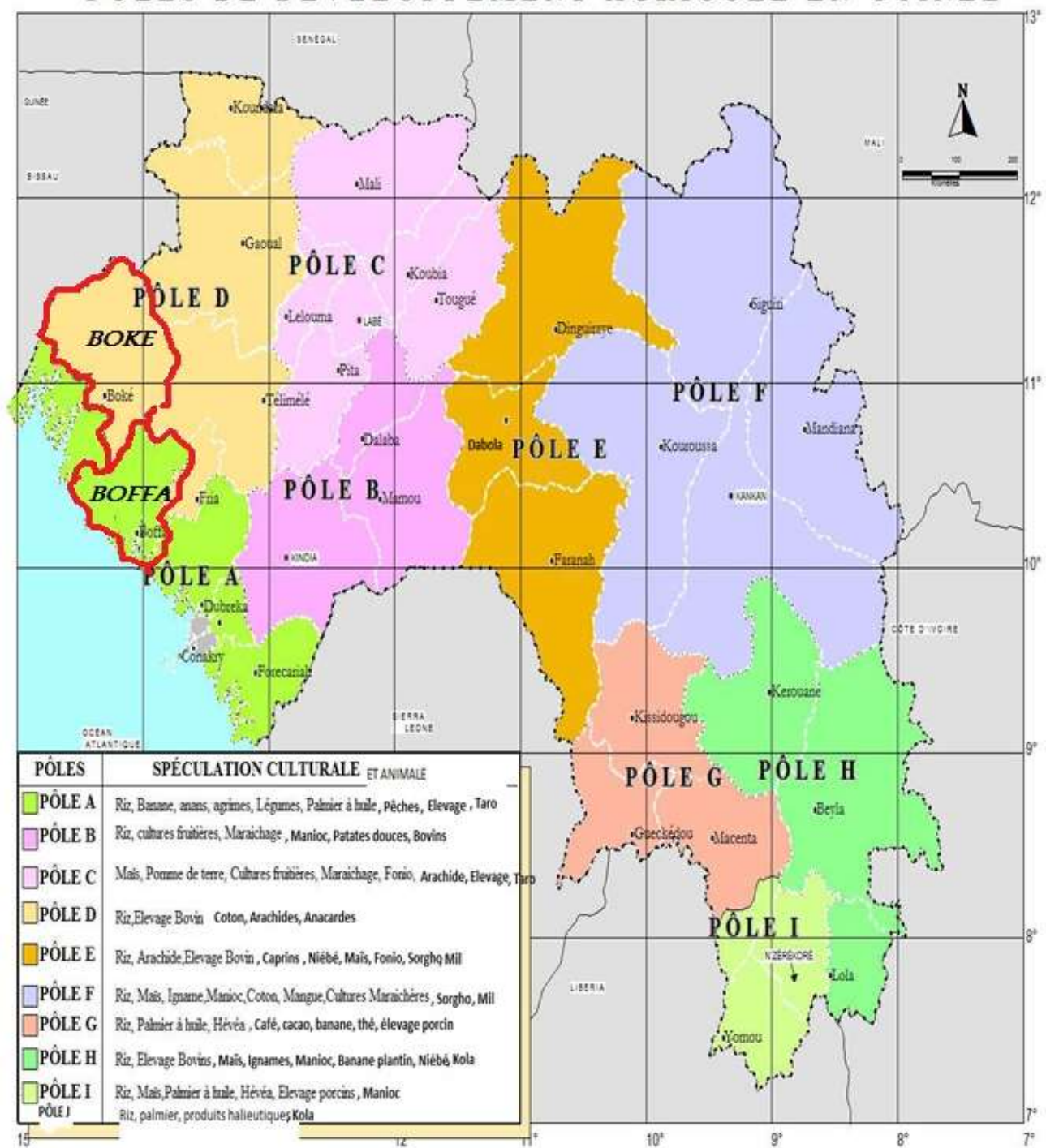
	Approval Date	Signature Date	Effectiveness Date	Closing Date	Project Age (Years)	Project Amounts (in UA)	Disb. Rate.
I. National Public Projects					2.9	32 060 479	65.6%
Energy					4.7	11 000 000	80.1%
Conakry Electricity Network Rehabilitation and Extension Project 2 (PREREC 2).	9/11/2013	11/24/2013	5/20/2014	12/31/2018	4.7	4 690 000	94.8%
	9/11/2013	11/24/2013	11/24/2013	12/31/2018	4.7	6 310 000	69.2%
Governance					2.2	17 670 479	66.3%
Economic Planning and Mining Governance Support (PAPGEM)	7/10/2013	9/10/2013	9/10/2013	9/29/2018	4.9	11 380 000	87.7%
Study on the Improvement of the Balance of Payments	2/18/2016	3/24/2016	3/24/2016	6/30/2018	2.3	290 479	59.8%
Administrative Capacity Building Support Project (PARCA-GPI)	7/15/2016	7/19/2016	7/19/2016	6/30/2020	1.9	4 000 000	37.6%
	11/4/2016	6/21/2017	6/21/2017	6/30/2020	1.6	2 000 000	3.2%
Finance					1.2	2 400 000	12.4%
Financial Sector Modernisation Support Project (PAMSFI)	3/15/2017	6/22/2017	6/22/2017	6/30/2020	1.2	2 400 000	12.4%
Agriculture					1.8	990 000	20.2%
PPF Support Project for the Transformation of Guinean Agriculture - Youth Agricultural Entrepreneurship Component (PATAG EAJ)	8/3/2016	10/18/2016	10/18/2016	9/30/2018	1.8	990 000	20.2%
II. Multinational Public Projects					2.7	181 727 538	9.9%
Energy					3.1	100 450 000	10.7%
Côte d'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) Electricity Network Interconnection Project	11/6/2013	11/24/2013	11/24/2013	10/31/2020	4.6	834 000	0.7%
	11/6/2013	11/24/2013	1/30/2015	10/31/2020	4.6	28 910 000	6.8%
CLSG-WAPP	11/6/2013	11/24/2013	11/24/2013	10/31/2020	4.6	781 000	63.2%
CLSG - Rural Electrification Component	11/6/2013	11/24/2013	11/24/2013	10/31/2020	4.6	10 275 000	10.9%
Gambia River Basin Development Organisation Energy Project (OMVG)	9/30/2015	12/14/2015	9/6/2016	12/31/2020	2.7	46 250 000	15.4%
225 kV Guinea-Mali Electricity Interconnection Project	12/13/2017	1/11/2018	1/11/2018	12/31/2021	0.5	13 400 000	0.0%
Transport					2.2	71 453 000	10.2%
Mano River Union Road Development and Transport Facilitation Programme	12/18/2014	2/12/2015	6/14/2017	30.06.2020	3.5	14 542 000	20.1%
	12/18/2014	2/12/2015	6/14/2017	30.06.2020	3.5	8 857 000	20.7%
Supplementary Loan - Mano River Union Road Development and Transport Facilitation Programme	6/3/2015	5/12/2016	6/14/2017	6/30/2020	3.0	9 774 000	20.0%
Coyah-Farmoreah-Sierra Leone Border Road Reconstruction Project	10/25/2017	10/31/2017	10/31/2017	12/31/2022	0.6	17 060 000	0.0%
	10/25/2017	10/31/2017		12/31/2022	0.6	21 220 000	0.0%
Social					2.6	9 824 538	0.3%
Post-Ebola Recovery Social Investment Fund Project (PERSIF)	10/21/2015	12/18/2015	12/18/2015	12/31/2019	2.6	9 000 000	0.3%
	10/21/2015	12/18/2015	12/18/2015	12/31/2019	2.6	824 538	0.0%
Total Public Projects					2.8	213 788 017	18.27%
Total Effective Public Projects						213 788 017	18.27%
III. Private Projects					0.5	69 161 554	0.0%
Mines					0.5	69 161 554	0
Boke Mine Rail and Port Project	12/6/2017			4/30/2020	0.5	69 161 554	0
Grand Total Commitment					2.7	282 949 572	13.81%

* Source: EWS June 2018

Annex III: Map of the Project Area

AGRICULTURAL DEVELOPMENT HUBS IN GUINEA

PÔLES DE DEVELOPPEMENT AGRICOLE EN GUINÉE



Direction Nationale du Génie Rural/Section Topographie&SIG/Février 2013

Annex IV. Fragility Context

1 Guinea is characterised by great economic, climatic, geographical and social diversity. Nonetheless, it still faces multifaceted factors of economic and structural fragility, despite the huge agricultural, mining and water potential that makes the country "a geological privilege" and "a water tower" in West Africa. Since independence, successive governments have made efforts to guarantee better living conditions for the population, but unfortunately without success. Faced with this situation marked by contested governance, the country has been exposed to many and diverse factors. In this respect, after succeeding in joining the concert of nations with political legitimacy, Guinea is poised to gradually boost its economic, social and environmental resilience in order to combat social, regional and spatial inequalities. The 2017 Fund for Peace Report ranks the country as the 12th (out of 178) most fragile in the world, compared with its 10th place ranking in 2015.

2 The main sources of fragility in Guinea that were identified and analysed as part of the PATAG EAJ appraisal may be summarised as follows: (i) lack of basic infrastructure; (ii) extreme poverty and high unemployment among women and young people, and scarcity of opportunities for their social and professional integration; (iii) vulnerability of the economy to exogenous shocks due to low diversification and high dependence on the mining sector; (iv) socioeconomic exclusion of certain vulnerable segments; and (v) weak capacity of the technical services. Other social and demographic factors also act as "fragility accelerators" and should be addressed by this project, namely: (a) the various forms of gender-based violence; and (b) population growth and rural exodus, which pose a real threat.

3. The main challenge in Guinea is to strengthen institutional, economic and social resilience, while building the capacity of State and non-State actors, reducing gender disparities and supporting the country's structural transformation through the establishment of key infrastructure to ensure inclusive and green growth. The country faces a huge infrastructure deficit, which constitutes a major constraint to the sustained and inclusive growth of its economy. Since independence, the low levels of investment in rural areas and the generation of economic and social enclaves have led to urban growth. However, the growth has not been matched with the formulation of appropriate development programmes and plans, having occurred against a disorganized backdrop. Agricultural areas have remained without connection to infrastructure and access to basic services, which limits all development initiatives that have the potential to generate decent jobs and provide equitable access to public goods and services throughout the country. Rural exodus exacerbates unemployment and urban poverty, which in turn become an additional risk of vulnerability.

4. PATAG EAJ will help to reduce fragility by applying the following measures during the design and implementation stages: (i) strengthen non-State actors such as grassroots associations, local NGOs and the private sector in terms of their economic and social commitments; (ii) ensure that the project takes account of social sensitivities by seeing to it that certain social segments are not left out and especially that gender equity is mainstreamed in decisions related to access to land at community level; (iii) ensure that the project includes ancillary activities aimed at empowering the most vulnerable segments of society, while working in cooperation with the Ministry in charge of Youth and Women's Affairs; (iv) implement activities under the project to raise awareness among and empower project area residents on best nutrition practice and ways of achieving food security; and (v) contribute to the creation of sustainable jobs, especially for young people in both the formal and informal sectors. By ensuring the efficient and sustainable development of the natural wealth of the region, PATAG EAJ will contribute to the paradigm shift and make agriculture in that region an attractive activity, thereby limiting the number people, especially youths, migrating to other activities, such as mining, or leaving the region outright.

BOARDS OF DIRECTORS

Resolution N° B/GN/2018/62 - F/GN/2018/80

Adopted by the Boards of Directors of the Bank and the Fund, on a lapse-of-time basis, on 21 November 2018

Loan to the Republic of Guinea, from the resources of the Transition Support Facility, to finance part of the costs of the Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ)

THE BOARDS OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) Articles 1, 2, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (iii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (“ADF-14”); (iv) the Operational Guidelines for the Implementation of the Strategy for addressing Fragility and building Resilience in Africa and for the Transition Support Facility (the “TSF Operational Guidelines”); and (v) the appraisal report contained in document ADB/BD/WP/2018/242/Approval - ADF/BD/WP/2018/173/Approval (the “Appraisal Report”);

RECALLING

- (i) Resolution B/BD/2008/05 - F/BD/2008/03 approved by the Boards of Directors of the Bank and the Fund on 28 March 2008 establishing a Fragile States Facility;
- (ii) Document ADB/BD/WP/2014/46/Rev.2 - ADF/BD/WP/2014/30/Rev.2 entitled “Addressing Fragility and Building Resilience in Africa: The African Development Bank Group Strategy 2014 – 2019”; and
- (iii) Document ADB/BD/WP/2017/175 - ADF/BD/WP/2017/123 as well as its corrigendum entitled “Fourth Cycle Assessment of Eligibility for Countries to the Transition Support Facility (TSF) Supplemental Support Funding (Pillar I) Resources” which confirmed, *inter alia*, the eligibility of the Republic of Guinea to receive financing from the TSF Supplemental Support Window (Pillar I);

DECIDE as follows:

1. To award to the Republic of Guinea (the “Borrower”), from the resources of the TSF Supplemental Support Window (Pillar I), a loan of an amount not exceeding the equivalent of Four Million, Six Hundred and Thirty Thousand Units of Account (UA 4,630,000) (the “Loan”) to finance part of the costs of the Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ);
2. To authorize the President to conclude a loan agreement amongst the Bank, the Fund and the Borrower (the “Loan Agreement”) on the terms and conditions specified in the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Fund (Sovereign Entities), the TSF Operational Guidelines, the Appraisal Report and, in particular, the terms and conditions specified herein below:

- (i) The duration of the Loan shall be forty (40) years including a grace period of ten (10) years (the “Grace Period”) commencing on the date of signature of the Loan Agreement. During the Grace Period, service charge and commitment charge shall be payable;
 - (ii) The Loan shall be amortized over a period of thirty (30) years after the expiration of the Grace Period, at the rate of two per cent (2%) per annum from the eleventh (11th) to the twentieth (20th) year inclusive and at the rate of four per cent (4%) per annum thereafter, in equal and consecutive semi-annual instalments payable on 15 January and 15 July of each year (each a “Payment Date”), and the first of such instalments shall be payable on the Payment Date immediately following the expiration of the Grace Period;
 - (iii) A service charge at the rate of zero point seventy-five percent (0.75%) per annum on the disbursed and outstanding balance of the Loan shall be payable semi-annually on a Payment Date; and
 - (iv) A commitment charge at the rate of zero point five percent (0.5%) per annum on the undisbursed portion of the Loan shall begin to accrue one hundred and twenty (120) days after the date of signature of the Loan Agreement and shall be payable on a Payment Date;
3. The President may cancel the Loan if the Loan Agreement is not signed within ninety (90) days from the date of approval of the Loan by these Boards; and
4. This Resolution shall become effective on the date above-mentioned.

BOARDS OF DIRECTORS

Resolution N° B/GN/2018/63 - F/GN/2018/81

Adopted by the Boards of Directors of the Bank and the Fund, on a lapse-of-time basis,
on 21 November 2018

**Grant to the Republic of Guinea, from the resources of the Transition Support Facility, to finance
part of the costs of the Support Project for the Transformation of Guinean Agriculture and Youth
Agricultural Entrepreneurship (PATAG EAJ)**

THE BOARDS OF DIRECTORS,

HAVING REGARD to: (i) Articles 1, 2, 32 and 37 of the Agreement Establishing the African Development Bank (the “Bank”); (ii) Articles 1, 2, 26 and 30 of the Agreement Establishing the African Development Fund (the “Fund” or “ADF”); (iii) the Report on the Fourteenth General Replenishment of the Resources of the Fund (“ADF-14”); (iv) the Operational Guidelines for the Implementation of the Strategy for addressing Fragility and building Resilience in Africa and for the Transition Support Facility (the “TSF Operational Guidelines”); and (v) the appraisal report contained in document ADB/BD/WP/2018/242/Approval - ADF/BD/WP/2018/173/Approval (the “Appraisal Report”);

RECALLING:

- (i) Resolution B/BD/2008/05 - F/BD/2008/03 approved by the Boards of Directors of the Bank and the Fund on 28 March 2008 establishing a Fragile States Facility;
- (ii) Document ADB/BD/WP/2014/46/Rev.2 - ADF/BD/WP/2014/30/Rev.2 entitled “Addressing Fragility and Building Resilience in Africa: The African Development Bank Group Strategy 2014 – 2019”; and
- (iii) Document ADB/BD/WP/2017/175 - ADF/BD/WP/2017/123 as well as its corrigendum entitled “Fourth Cycle Assessment of Eligibility for Countries to the Transition Support Facility (TSF) Supplemental Support Funding (Pillar I) Resources” which confirmed, inter alia, the eligibility of the Republic of Guinea to receive financing from the TSF Supplemental Support Window (Pillar I);

DECIDE as follows:

1. To award to the Republic of Guinea (the “Recipient”), from the resources of the TSF Supplemental Support Window (Pillar I), a grant of an amount not exceeding the equivalent of Three Million, Two Hundred and Forty Thousand Units of Account (UA 3,240,000) (the “Grant”) to finance part of the costs of the Support Project for the Transformation of Guinean Agriculture and Youth Agricultural Entrepreneurship (PATAG EAJ);
2. To authorize the President to conclude a protocol of agreement amongst the Bank, the Fund and the Recipient (the “Protocol of Agreement”), on the terms and conditions specified in the General Conditions Applicable to Protocols of Agreement for Grants of the African Development Fund, the TSF Operational Guidelines and the Appraisal Report;
3. The President may cancel the Grant if the Protocol of Agreement is not signed within ninety (90) days from the date of approval of the Grant by these Boards; and
4. This Resolution shall become effective on the date above-mentioned.