I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country: Mauritania</th>
<th>Project ID: P108554</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name: Mauritania Port of Nouakchott Development Project</td>
<td></td>
</tr>
<tr>
<td>Task Team Leader: Ibou Diouf</td>
<td></td>
</tr>
<tr>
<td>Estimated Appraisal Date: March 15, 2012</td>
<td>Estimated Board Date: September 17, 2012</td>
</tr>
<tr>
<td>Managing Unit: AFTTR</td>
<td>Lending Instrument: Specific Investment Loan</td>
</tr>
<tr>
<td>Sector: Ports, waterways and shipping (100%)</td>
<td>Theme: Infrastructure services for private sector development (100%)</td>
</tr>
<tr>
<td>IBRD Amount (US$m.): 50.00</td>
<td></td>
</tr>
<tr>
<td>IDA Amount (US$m.): 0.00</td>
<td></td>
</tr>
<tr>
<td>GEF Amount (US$m.): 0.00</td>
<td></td>
</tr>
<tr>
<td>PCF Amount (US$m.): 0.00</td>
<td></td>
</tr>
<tr>
<td>Other financing amounts by source:</td>
<td></td>
</tr>
<tr>
<td>Borrower 5.00</td>
<td></td>
</tr>
<tr>
<td>Foreign Private Commercial Sources (unidentified) 55.00</td>
<td></td>
</tr>
<tr>
<td>60.00</td>
<td></td>
</tr>
</tbody>
</table>

B. Project Objectives [from section 2 of PCN]

The Project Development Objective is to ensure that PANPA (Port Autonome de Nouakchott dit Port de l’Amitié # Port Authority of Nouakchott) meets its long term traffic growth in an efficient and effective manner, while effectively mitigating the negative environmental impacts generated by its activities and existing and planned infrastructure.

C. Project Description [from section 3 of PCN]

In order to deal with the issues mentioned above, the Port of Nouakchott Development Program would be based on the following strategy: (i) build a container terminal parallel to the shore through a Public Private Partnership (PPP) financially supported by the Bank, the Government of Mauritania (GOM) and the private sector, and (ii) build new docks perpendicular to the shore through Chinese intervention, more specifically aimed at oil, bulk and general cargo traffic. This would be complemented by environmental measures aimed at mitigating the consequences of both the initial port infrastructure and their extensions. China is funding the construction of new docks, while the Bank is supporting the government establishment of a PPP scheme for a new container terminal, under an IBRD enclave project while funding activities in support of the environmental action plan.
The Bank project will have three components, for which several financial instruments available from the World Bank Group (WBG) might be used. An IBRD enclave Credit guaranteed by GOM will constitute the core of WBG support to PANPA, however.

The estimated project cost is about US$110 million broken down as follows:

- Social and environmental mitigation measures - US$15 million, of which US$5 million would be funded by the GOM;
- Technical assistance to GOM - US$5 million; and
- Building of the new container terminal - US$90 million, of which US$55 million would be funded by private sponsors and US$35 million by an IBRD enclave credit.

What follows is a detailed description of the proposed project activities:

(i) Component 1: Mobilize private funding and secure private sector involvement in the container terminal management

The proposed project is expected to support: (i) the concessioning of the container terminal through a PPP Build-Operate Transfer (BOT) scheme, and the supervision of its implementation, through technical assistance, using an IBRD enclave Loan; (ii) if deemed necessary by the investors, the provision of a guarantee (commercial or political guarantee) to the private investment; and (iii) IFC Advisory Services transactional advisory mandate to secure private sector involvement. In addition, in case it is not considered as a conflict of interest, IFC investment could provide provision of equity or lending support to selected sponsor of the BOT. A provision of US$2 million is made to support implementation of Component 2.

(ii) Component 2: Support the optimized investment program for the long-term development of PANPA

Preparatory studies have already been carried out using the Technical Assistance, the Project Preparation Advance (PPA) and the Urban Development Project. As a matter of fact, studies related to Port development master plan, technical and financial review of Port operations, financial modeling of Port operations and environmental plan to protect Nouakchott littoral against coastal erosion and flooding, have already been completed. An IBRD enclave loan could be used to fund: (i) part of the container terminal infrastructure if viability of a full private sector option is not secured (US$35 million), (ii) support to GOM and PANPA to supervise the investments implementation (US$1.5 million); and (iii) secure that investments are complemented by appropriate facilitation measures to ensure efficiency (US$1.5 million).

(iii) Component 3: Mitigation of negative environmental impacts of existing and planned port infrastructure

The project would support the implementation of safeguards measures as identified by the existing study on Nouakchott flooding prevention and by the Environmental Impact Assessment, including a solid environmental monitoring and evaluation tool for PANPA and restoration of
coastal water transit, through: (i) investment in environmental protection and possibly sediment transit restoration, (ii) capacity building of all stakeholders to efficiently monitor environmental impacts. Preliminary estimate of the Environmental Mitigation Plan (EMP) is about US$15 million. Though the port infrastructure extension is not expected to increase the intensity of already existing coastal erosion, it is foreseen to generate significant cargo volume growth and, thus, raise further pollution, safety and security risks. Under Mauritania’s national legislation, and as a requirement of World Bank financing, this impact must be the subject to an Environmental Assessment (EA), both to improve the design of the proposed infrastructure and to guide the execution of construction activities and future port operations. The EIA will review and proposed mitigation measures for the impact of the port expansion program on coastal transport of sediments as well as include a review of:

- The regulatory framework covering environmental management at PANPA (national and international);
- The status of current operations with regard to this regulatory framework;
- Existing sources of contamination;
- Further perturbation of the hydro-sedimentary system by new structures and dredging;
- Environmental and social impact of construction activities and erosion;
- Disposal of dredge material during construction and future operations;
- Management of solid, liquid and gaseous waste from shipping and land-based sources in future operations; and
- Management of oil spills and other hazards during future operations (establishment of a response plan, since the PANPA is in an ecologically sensitive area, where thousands of fishermen are dependent on marine catches for their livelihood).

**D. Project location (if known)**

PANPA (18°03’37”N - 15°59’04”W), including its extension areas, is located on a lowland and flood-prone coast of Mauritania, between the #Banc d’Arguin National Park# in the north (20°04’06”N - 16°23’41”W) and the WWF #Marine turtle conservation in West Africa# site in the south (17°01’06”N - 16°18’04”W). It is on the southward road of the cold Canary current which normally feeds West African shoreline with sandy sediments contributing to their long term equilibrium. Moreover, the maritime zone stretching from Banc d’Arguin to the Senegalese coast is well-known to be productive for marine fisheries which support national economies and thousands of local employments in Mauritania, Guinea, Guinea Bissau, Cape Verde, the Gambia and Senegal. As with any similar port, two main threats arise from the geographical position of PANPA: (i) coastal erosion with adverse human settlements and economic facilities like road, (ii) biological and chemical pollutions generated by both land-based activities in the port platform and vessels operations at berths and in near-ocean.

Yet, the construction of the port pier, completed in 1986, has created a significant perturbation in the coastal transport of silt, leading to the deposition of sediment on the North side of the pier, increasing the shoreline at an annual rate of 35 meters, and the erosion of the coastline immediately south of the port at the rate of 25 meters per year, with effects discernible as far as 23 km south of the port. With no mitigating actions it is expected that these processes will continue at the present rate, with the deposition of sediment likely to extend beyond the pier by
2015, with the erosion expected to extend to more than 1,000 m inland by the same date, and continuing to extend southward.

The two major threats posed by this impact are (i) erosion of the natural coastal protection south of the port, leading to the possible flooding of much of the city of Nouakchott, and (ii) the accretion of silt beyond the pier, threatening the operations of PANPA. Given the potentially significant economic impact of these threats, it is essential that they be addressed in the near future, whether or not the port is expanded. It is worth noting that the impact of PANPA’s extension, if any, is likely to be much less than that of the initial construction.

E. Borrower’s Institutional Capacity for Safeguard Policies [from PCN]
The regulatory framework, both national and international, governing the environmental management of operations at PANPA is currently unclear. The proposed EA will include an analysis of relevant legislation, and will help clarify the need for any measures necessary to close regulatory gaps. The strengthening and implementation of the regulatory framework will be facilitated by the proposed creation within the Merchant Marine Directory of a Sea Environment and Port Areas Preservation Service. The project will include support to help strengthen the regulatory and institutional framework for the environmental management of port and shipping operations, and will especially help develop an Environmental Management System in collaboration with the port operator during operation (the development of this system will be part of the Environmental Assessment).

F. Environmental and Social Safeguards Specialists
   Ms Salamata Bal (AFTCS)
   Mr Maman-Sani Issa (AFTEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered</th>
<th>Yes</th>
<th>No</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Though the extension is not expected to increase the coastal erosion dimension, it is foreseen to enhance the capacity of the whole port and then increasing the annual cargo volumes and number of visiting vessels. This brings up the concerns of pollution risks increasing and the importance of safety and security enhancements. Thus, and so far, the team considered the extension project taking into account the current challenges of the port and aiming at solving or limiting the initial and significant construction impact. As far as the global is considered fragile biotope and Port are always likely to generate huge pollution (eg. Accidental oil spills, explosion, etc.), the policy is triggered and the category is set A.

The sources of potential impacts to be considered in the Environmental Assessment will include, but not necessarily be limited to, the following:
- The regulatory framework covering environmental management at PANPA (national and international);
- The status of current operations with regard to this regulatory framework;
- Existing sources of contamination;
- Further perturbation of the hydro-sedimentary system by new structures and dredging;
- Environmental and social impact of construction activities and erosion;
- Disposal of dredge material during construction and future operations;
Safeguard Policies Triggered

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Management of solid, liquid and gaseous waste from shipping and land-based sources in future operations;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Management of oil spills and other hazards during future operations (establishment of a response plan, since the Nouakchott Port in an ecologically sensitive area, where thousands of fishermen are dependent on marine catches for their livelihood).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The EA will also help define the extent of the environmental liabilities of any future concessionaire investing in the port and its operations.

Natural Habitats (OP/BP 4.04)

As stated under section D of the ISDS, there is no natural habitat (in the sense of OP 4.04) surrounding/nearby the project site; the well known Banc d'Arguin is located in the north of the site while the oceanic current is southward.

Forests (OP/BP 4.36)

Pest Management (OP 4.09)

Physical Cultural Resources (OP/BP 4.11)

Indigenous Peoples (OP/BP 4.10)

Involuntary Resettlement (OP/BP 4.12)

There might be impacts on the fish catches as a consequence of construction and people and businesses might be affected by the port expansion. Though the preliminary assessment from the team indicates that this should not be the case, a social specialist will visit the project site to assess whether social impacts need to be mitigated, and assess potential positive impacts.

Safety of Dams (OP/BP 4.37)

Projects on International Waterways (OP/BP 7.50)

Projects in Disputed Areas (OP/BP 7.60)

Environmental Category:  A - Full Assessment

III. SAFEGUARD PREPARATION PLAN

A. Target date for the Quality Enhancement Review (QER), at which time the PAD-stage ISDS would be prepared: 12/08/2011

B. For projects that will not require a QER, the target date for preparing the PAD-stage ISDS: N/A

C. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS.
   As of December 2010, the conclusions of the EA report including the Environmental and Social Management Plan (ESMP) have been transmitted to the Government of Mauritania.
   This EA report will be subject to a participatory validation by December 2011, under the lead

¹ Reminder: The Bank’s Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in-country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.
of the Ministry of Environment and Sustainable Development. The final report is expected to be disclosed both in Mauritania and InfoShop prior to Appraisal.

The conclusions of the EA report will also be used as the basis of a general Environmental Action Plan for Mauritania Ports. A consultant will be recruited to build-on a package of comprehensive toolkits (regulations, norms, etc.) for the use of all the port authorities.

A study will was launched in June 2011 to review the environmental legislation for the ports of Mauritania and design an appropriate structure between the Ministries of Environment, Fishing and Transport which will be in charge of monitoring the implementation of the ESAP or any future Environmental Action Plan.

A study related to the security and safety of the port domain and the preparation of a port emergency plan was also launched early July 2011. Upon the request of the Port Authority, the scope of this study, initially limited to the security and safety of the future oil terminal, has been broadened to capture all the port area and activities.

### IV. APPROVALS

<table>
<thead>
<tr>
<th>Signed and submitted by:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Task Team Leader:</td>
<td>Mr Ibou Diouf</td>
</tr>
<tr>
<td>Approved by:</td>
<td></td>
</tr>
<tr>
<td>Regional Safeguards Coordinator:</td>
<td>Ms Alexandra C. Bezeredi</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
<tr>
<td>Sector Manager:</td>
<td>Mr Emmanuel A. James</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
</tr>
</tbody>
</table>