



The World Bank

Road Sector Development Project (PDSR) (P173581)

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 15-Apr-2020 | Report No: PIDC28821

**BASIC INFORMATION****A. Basic Project Data**

Country Guinea	Project ID P173581	Parent Project ID (if any)	Project Name Road Sector Development Project (PDSR) (P173581)
Region AFRICA	Estimated Appraisal Date Feb 22, 2021	Estimated Board Date Mar 31, 2021	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Republic of Guinea	Implementing Agency Ministère des Travaux Publics	

Proposed Development Objective(s)

To improve road connectivity, sustainability and safety on axis Kankan-Kerouane-Beyla-Ivory Coast border to support social and economic development.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	250.00
Total Financing	100.00
of which IBRD/IDA	100.00
Financing Gap	150.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	100.00
IDA Grant	100.00

Environmental and Social Risk Classification
High

Concept Review Decision
Track II-The review did authorize the preparation to continue



B. Introduction and Context

Country Context

1. **Guinea is a medium-size, low income, resource-rich country in West Africa.** The country benefits from an exceptional climate and soils, which are extremely favorable for a wide variety of agriculture production (rice, vegetables, fruits, coffee, cacao, etc.). Guinea is also one of the most important producers of bauxite in the world and has important unexploited mining resources. Yet, the country remains very poor, compared to other Sub-Saharan countries¹, and faces many challenges. Guinea experienced a difficult post-colonial history with a difficult transition period to democracy. The past six months leading up to the March 2020 combined legislative election and constitutional referendum were characterized by sustained protests and riots which resulted in an extremely unstable social and political environment. The fragile socio-economic and political situation is likely to be aggravated by the growing number of cases of the new Covid-19 pandemic in the country and the weak capacity of the Government to tackle it.
2. **The Guinean economy is growing rapidly, led by the development of the mining sector.** The macroeconomic situation recently improved, as growth stood at around 10 percent in 2016 and 2017, reaching about 6 percent in 2018. The mining industry grew 7.5 percent in 2018, with higher than anticipated bauxite and diamond production offsetting the sharp decline in the production of artisanal gold. Nonetheless mining activities in the country continue to provide limited number of jobs and very marginal income to the local population as the sector is mostly driven by foreign direct investors. Guinea has signed a 3-year program with the IMF and a recent different budget support programs (DPF) was approved by the Bank in 2019. Guinea is part of Economic Community of West African States (ECOWAS) but not of West Africa Economic and Monetary Union (WAEMU), and the President, Alpha Condé, is currently leading the African Union.
3. **Despite abundant natural resources, Guinea is one of the poorest countries in the world.** Home to a population of 12.6 million (2015), the annual per capita gross domestic product (GDP) in Guinea is only US\$5312. Poverty stagnated at around 55 percent between 2002 and 2012. A series of external shocks, including the 2014-2015 Ebola pandemic and the sharp decline of commodity prices, has further exacerbated the poverty rate, which was close to 58 percent in 2014. Most of the poor people live in the three regions of Kankan, Kindia and Nzérékoré³. Furthermore, economic inclusion is hindered by the lack of job opportunities, limited access to rural infrastructure and services, especially for poor households, low agricultural productivity, and low human capital. The provision of education and health services across geographical areas and regions is highly uneven in Guinea, especially in Boké, Kankan and Labé where girls' primary completion rates are particularly low.
4. **Agriculture remains the main source of employment in Guinea and is critical for poverty reduction and rural development.** The sector provides income for 57 percent of rural households and employment for 52 percent of the workforce, with potential for further growth. There have been recent private investments in the agri-processing units and commercial farming, but agricultural productivity remains among the lowest of Sub-Saharan Africa. Only 25 percent of cultivable land and 10 percent of the irrigable land are currently developed and farmed.

¹ Guinea ranks 182 out of 188 in terms of Human Development Index (HDI).

² Country Partnership Framework (CPF) for the Republic of Guinea for the period FY2018-23. Report No. 125899-GN. World Bank, May 2018.

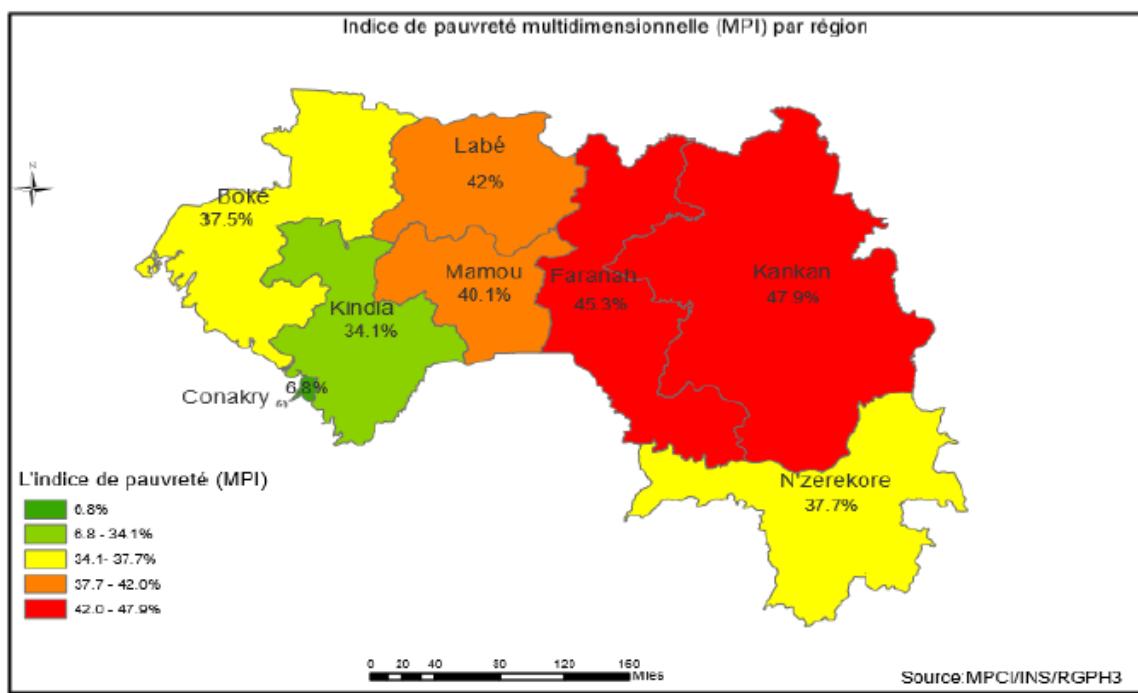
³ Country Partnership Framework (CPF) for the Republic of Guinea for the period FY2018-23. Report No. 125899-GN. World Bank, May 2018.



This is in part due to the low use of fertilizers⁴, lack of agricultural machineries and basic irrigation systems in rural areas as well as poor or low transport accessibility of rural products to market. One consequence has been Guinea's needs to import rice for many years to recover its population's own nutrition needs.

5. **Improved Road connectivity and road transport are paramount to supporting economic and social development in the country.** Due to the poor conditions of the roads, large parts of rural Guinea are not adequately linked to markets, which hinder producers from fully exploiting the new opportunities offered by increased urban demand and export possibilities. Rural communities are confronted with great hardships in accessing basic human capital services of health and education, mainly due to their physical isolation, particularly during rainy seasons.
6. **The proposed Kankan-Kérouané-Beyla sections of road national no. 1 (RN1) to be rehabilitated connect two natural regions that cover about half of the national territory with high incidence of poverty:** Upper Guinea (Haute Guinée), which is the driest area and one of the regions of extreme poverty in the country, and Guinea Forestière (Guinée Forestière), which constitutes the bread basket of the country. The regions also encompass the two regions of Kankan and Nzérékoré with prefectures where the density of the poor people is among the highest in the country⁵. In Kankan, the prefectures of Mandiana and Kouroussa are the most disadvantaged in terms of non-monetary poverty in this region. Indeed, it is in these prefectures that we have the largest proportions of the multidimensional poverty index (respectively 56.4% and 50.7%). Similarly, the Nzérékoré region with a poverty index of 37.7% is one of the regions with an index higher than the national average (35.4%). At the prefecture level, the indices range from 29.2% (Nzérékoré) to 50.4% Beyla).

7. Figure 1: Incidence de pauvreté multidimensionnelle par région

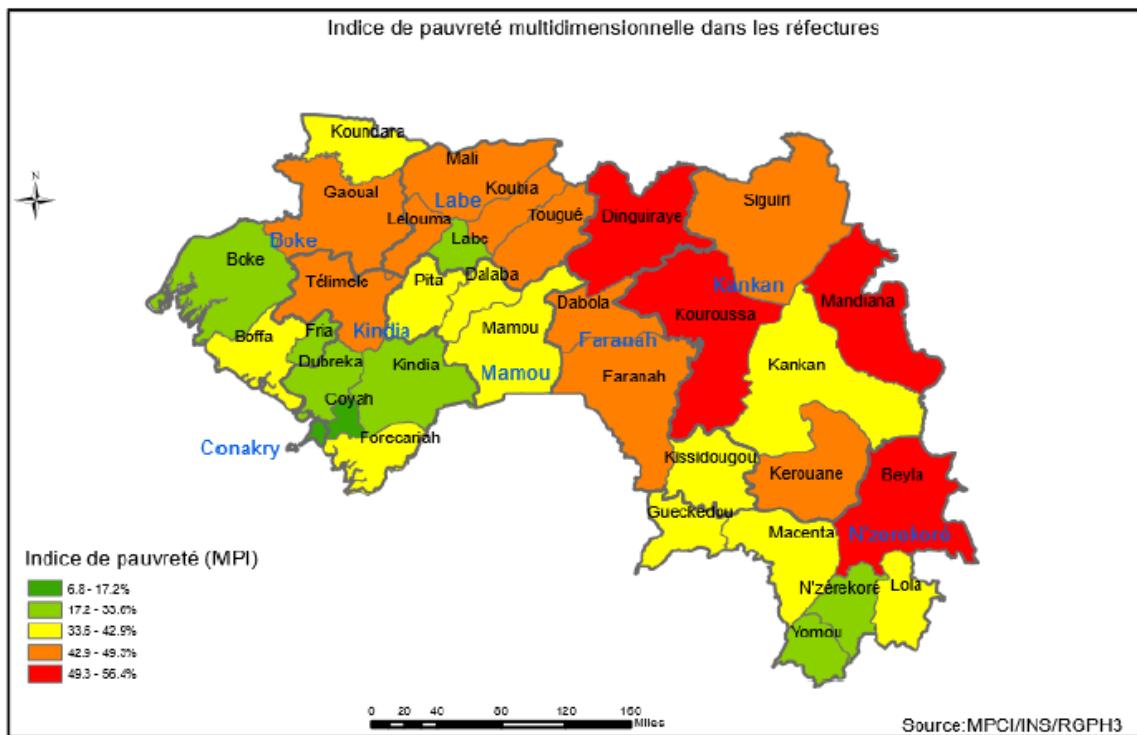


⁴ In the DPF operation under discussion, one measure concerns the distribution of voucher to increase the use of fertilizers.

⁵ Troisième Recensement General De La Population Et De L'habitation (RGHP3). Thème : Analyse de la Pauvreté. République de Guinée. Décembre 2017.



8. Figure 2: Incidence de pauvreté multidimensionnelle par préfecture



9. Currently, poor road conditions on these sections hamper socio-economic development, especially during the rainy season. The degraded state of the road constitutes a serious hindrance for the movement of people and their goods. Poor road accessibility leads to: scarcity of vehicles and other motorized transport; higher risk of road injuries and accidents; the perishing of agricultural products; fluctuation of product prices on the markets and high cost of transport costs for users; difficulty in accessing health infrastructure, education and other essential services. The rehabilitation of the road will not only allow the reconversion of traffic flows within the country to improve food security, lower transport costs, and improved access to services such as health and education in regions with high poverty levels but will also contribute to the revival and diversification of productive activities by strengthening Guinea's position in domestic and intra-community trade.

Sectoral and Institutional Context

10. **Road transport is the dominant mode of transport in Guinea.** The country has a total road network of 43,300 km (2018) of which: a) 7,576 km are national roads; (b) 15,879 km are regional roads, and (c) 19,846 km are feeder roads/ tracks. Within the total road network, paved national roads represent only 6% (2742,04 km). It is estimated that 61% of dirt roads are in bad condition. The road condition has deteriorated over the last ten years because of multiple crises and there is an urgent need of road rehabilitation all around the country. The national roads are the primary network and represent the lifeline of the economy because they connect all the secondary cities to the capital. The two other most important modes of transport are the railway and the inland water



transport, accounting for less than 5 percent of the market and used primarily for the transport of mining products.

- 11. Poor road access in the country has led to poor connectivity and poor trade connections within its borders and with neighboring countries (Mali, Guinea Bissau, Sierra Leone, Liberia, Senegal, and Côte d'Ivoire).** Agricultural products, when available, are transported to markets in nearby villages and cities and especially to the urban area of Conakry, which accounts for about one third of the population. Improving regional corridor connectivity – through reforms and infrastructure – would be an important driver of more and better trade in the region. Guinea also possesses several large secondary, cities scattered across the country. Better connectivity among secondary cities and with Conakry could foster greater trade and growth, making them more attractive to investors and helping to alleviate poverty. This could slow down the rural migration to Conakry, which has been contributing to the capital city's saturation issues. In this context, the Rural Mobility and Connectivity Project (P164543, \$40M), declared effective in August 2019, aims to improve accessibility of rural communities to local markets and contribute to improving connectivity to regional corridors and promoting trade exchange and commerce.
- 12. A Road management agency (Agence routière, Ageroute-Guinée), which was created in April 2018 is not yet operational.**⁶ This agency, which was modeled from the experience of similar agencies in Senegal, Mali, and Ivory Coast, will operate under the technical supervision of the Ministry of Public Works. Under this framework, the technical ministries will be responsible for the strategic planning while Ageroute will be responsible for the implementation of road maintenance programs financed by the state budget, the FER, or donors. In this context, Ageroute is expected to manage the procurement process for road maintenance works and to supervise their implementation. To address procurement bottlenecks, the Government plans to implement a comprehensive procurement reform. Within the new procurement framework, each single procurement authority (Ministry, agencies, etc.) will be responsible for its own procurement system, while the National procurement authority will supervise and control the overall procurement system. This would allow the procurement cycle of road maintenance contracts to be aligned with the weather cycle⁷ The Ministry of Public Works will sign a contract with Ageroute to delegate its road maintenance functions. The creation⁸ of Ageroute is a positive step to improve the planning, design, and execution of road maintenance works.
- 13. Insufficient financing for road maintenance contributes to the poor quality of roads.** The Road Fund (FER) collects about 266 billion GNF (about US\$29 million) per year from a fuel levy on imports of 250 GNF per liter, equivalent to US cents 2.7 per liter. This fuel levy is one of the lowest in Sub-Saharan Africa - well below Kenya, for example, which collects more than US cents 17 per liter. As a result, only about 15 percent of the estimated financial resources necessary to cover the annual road maintenance needs are mobilized. In addition to the lack of planning, the procurement thresholds for road maintenance contracts are too low, which results in low execution rates.
- 14. Road safety is an issue in Guinea as in many sub-Saharan countries, but there is a lack of reliable data.** The official records of road traffic fatalities (629 in 2013) are far from the World Health Organization estimation (3,211 deaths in 2013). The National Road Safety Strategy is focused on urban and national roads and does not address the specificity of road safety in rural areas. There is limited crash data available and the collection of road safety

⁶ See presidential decree D2018/046//PRG/SGG.

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⁸ The European Union has provided technical assistance for the drafting of Ageroute's status and operational manual.



data is not fully implemented as the newly created road safety observatory (l'Agence Guineenne de Sécurité Routière – AGSR) is not yet operational.

15. **Road infrastructure, mainly unpaved in Guinea, is highly vulnerable to climate change.** Data since 1960 show a continuous increase in temperature and decline in rainfall, together with an increased variability of the rainy season and more frequent dry spells and floods. Although difficult to predict, these trends are likely to continue in the future, with significant negative impacts on road infrastructure. Increased precipitation and longer rainy seasons damage roads, most of them earth or gravels roads, reducing the lifespan of new investments. Mobility for people and goods is reduced as an effect of road closures, long travel times and high costs of transport to markets and common services such as schools and health centers. Rural communities can be isolated for long stretches of time from markets and basic social services seriously impacting the livelihood of communities. The negative consequences also include an increase in maintenance costs to restore the road condition.
16. **Structuring and developing the road network in the proposed area of intervention will promote regional economic integration and economic development.** Rehabilitation of the Kankan-Kérouané-Beyla sections along the RN1, extending to the border with Côte d'Ivoire, would provide a link between the eastern part and western of the country, including to Conakry, with the potential to stimulate trade between poor regions within Guinea as well as between Guinea and Mali on one hand, and Guinea and Liberia as well as Côte d'Ivoire on the other. The project would also further promote the development corridor approach already supported through two main corridors (Conakry-Boké and Conakry-Mamou) and the ongoing road rehabilitation of RN1 road sections Conakry-Mamou- Dabola with support from an IMF non-concessional loan of EUR 328.9 million to be disbursed during 2019-2023.

Relationship to CPF

17. **The proposed project is well aligned with the Country Partnership Framework (CPF) for FY18-23 (Report No. 125899-GN).** The current CPF (FY18-23) was approved in May 2018 to support Guinea in achieving a structural transformation of its economy, that is, in moving from an economy based on mining and low productivity agriculture to a more diversified, productive private sector capable of employing its young people. It does this while also seizing opportunities to address the drivers of fragility, conflict and violence (FCV) that threaten Guinea's progress. The CPF emphasized three focus areas: (1) fiscal and natural resource management; (2) human development; and (3) agricultural productivity and economic growth. The proposed project would support both the second and third pillars of the CPF by opening road infrastructure for general transport purpose (freight and people) and support the development of value chains and logistical development of the agricultural economy.
18. **The Project is also aligned with the Government's National Socio-Economic Development Plan (PNDES 2016-2020).** The PNDES identifies among the drivers for a shared and inclusive economic growth: (i) the promotion of a sustainable and productive agriculture, and (ii) the construction of catalytic, reliable, sustainable and resilient transport infrastructure.
19. **The project would also bring operational synergies across the Bank Portfolio with the following investment operations supporting agriculture:** The Rural Mobility and Connectivity Project (P164543, \$40M), declared effective in August 2019, aims to improve accessibility of rural communities to local markets and contribute to improving connectivity to regional corridors and promoting trade exchange and commerce. Other projects include the Guinea Agricultural Support Project (P148114), the Guinea Integrated Agricultural Development



Project (GIADP) (P164326), Guinea Agribusiness Development Project (P164184) and the Rural Roads Emergency Infrastructure Project (P156557)⁹. All these projects share common vision and objectives: (i) increase agricultural productivity; (ii) improve agricultural value chain; (iii) promote agricultural markets at domestic and regional levels and; (iv) reinforce logistic and transport infrastructure for agricultural production.

C. Proposed Development Objective(s)

To enhance road connectivity in selected areas and improve the management of the road sector.

Key Results (From PCN)

D. Concept Description

20. **The proposed project will enhance road connectivity in the Upper Guinea (Haute Guinée) and Guinea Forestière (Guinée Forestière) regions through climate-resilient interventions on primary, secondary, and tertiary road networks.** Direct project beneficiaries would be the population living in the area of influence of the Kankan-Kérouané-Beyla road, extending to the border with Côte d'Ivoire. The PDO would be achieved through the following components:
21. **Component 1: Rehabilitation of National Road no. 1 (RN1) and selected rural roads works (US\$ 235 million).** This component primarily focuses on the climate-resilient rehabilitation of a 245-kilometer section of RN1 linking Kankan, Kérouané, and Beyla. This portion of the RN1 crosses 3 prefectures (Kérouané, Kankan and Beyla) and aims to connect the main towns in the eastern and southern part of the country. Many synergies are expected to be derived from greater road access and improved connectivity in the region, in particular the development of the agricultural and mining sector. Currently, the physical condition of the road and the wet season are likely the major causes of reduced traffic on the proposed road section. However, it is expected that the proposed project and its associated investments in infrastructure and improved access to economic opportunities and essential services will have a positive impact on the level of mobility and all-season road access to meet and surpass the current demand needs for transport in the area. It is also likely to result in increased public forms of transport and taxis to meet demand. The works interventions will include, among other things, construction of bridges, rehabilitation or reconstruction of hydraulic structures, rehabilitation of roads and their pavements, and improvement of related road safety facilities¹⁰. These works will be informed with consideration of risks of natural disasters and climate change impacts.
22. This component will also finance improvement works on selected rural roads connecting to the rehabilitated RN1 road segments. Selected rural roads will include sections of secondary and tertiary roads to enhance road accessibility and climate resilience in selected communes/prefectures of the project area, including design studies and supervision of works. These roads will improve access to markets and human capital services, including schools and health centers, and agriculture production areas. The types of interventions include, among others, reconstruction or rehabilitation of hydraulic structures, and graveling. The selection of the road segments

⁹ This project aims at building 6 bridges and 36 box culverts in the region of Guéckédou and Macenta, as a quick response to the Ebola crisis in this region. The expected amount is 3M\$ and the implementation period should be short, through direct contracting.

¹⁰ Horizontal and vertical signage, traffic calming measures, guardrails, etc.



will be based on a complementary economic impact assessment and/or spatial analysis of the road, bridge and other infrastructure needs along the RN1. Prioritization of the rural road works will be based on the anticipated impact of increased accessibility to a road in good condition and improving road access to schools, health centers and agricultural areas in relation to the RN1 rehabilitated road segments.

23. The road works under the proposed project will provide much needed jobs to local workers and also improve road accessibility to rural communities who are confronted with great hardships in accessing basic Human Capital services of health and education, mainly due to their physical isolation – this is particularly relevant during rainy seasons and now to access to economic activities and any emergency health services needed in response to COVID-19. The project will also promote accessibility of rural communities to agricultural production zones, local markets and contribute to improving connectivity to regional corridors for general transport purpose (freight and people).
24. **Component 2: Support for Access to Economic Opportunities and Small Community Infrastructure (US\$2.5 million).** This component will aim to maximize the impact of the project by financing small community infrastructure and/or income generating activities for the rural population living in the project's area of influence, especially women and other vulnerable groups. The proposed project is expected to benefit women and the youth, many of whom have much to gain from lower transport costs and better access to markets and essential services. An assessment on the livelihood means of the population living along the road will be conducted in order to identify economic activities and/or investments in small community infrastructure that the project could support.
25. **Component 3: Institutional Strengthening and Project Management (US\$ 10 million).** The sustainability of the PDO requires the full operationalization of the recent road maintenance reforms in order to avoid premature deterioration of the road investment due to lack of adequate and credible road maintenance mechanisms. This component will finance capacity building and institutional-strengthening activities of the transport sector, among other things, in the following areas: (a) strengthening the institutional capacity of the MTP and supporting the operationalization of the newly created Ageroute, the Road Fund and improving road asset management; (b) building capacity for ensuring road safety and the support to the AGSR; (c) mainstreaming performance-based contracts by introducing community and performance-based works while seeking opportunities to fill the gender disparity gaps; (d) building capacity for the inclusion of climate resilience in the planning and management of road infrastructure; and (e) strengthening the capacity of the Public Works Laboratory (Laboratoire des Bâtiments et Travaux Publics - LBTP), which is responsible in particular for ensuring the inventory, cataloging and classification of soils and materials in the field of Civil Engineering, including road works.
26. This component will also finance the operational costs of the PIU, the fiduciary audits, monitoring & evaluation, social and environmental safeguards monitoring, resettlement action plans, citizen engagement activities, and activities designed to prevent and mitigate GBV including SEA and violence against children (VAC) risks linked to project civil works sites, as well as their monitoring.
27. **Component 4: Contingent Emergency Response (US\$0 million).** This zero-dollar component is designed to provide swift response in the event of an Eligible Crisis or Emergency, by enabling Guinea's Government to request the World Bank to reallocate project funds to support emergency response and reconstruction. Given the ongoing new Covid-19 pandemic, and since Guinea will remain vulnerable to climate change and severe weather events, even with the successful implementation of the first two components, supporting pandemic mitigation and post-disaster recovery is an important feature of the project.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

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**APPROVAL**

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