Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 09-Jul-2021 | Report No: PIDC32236

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BASIC INFORMATION

A. Basic Project Data

Country Guinea-Bissau	Project ID P176948	Parent Project ID (if any)	Project Name Enhancing Connectivity in Northern Guinea- Bissau Project (P176948)
Region AFRICA WEST	Estimated Appraisal Date Mar 21, 2022	Estimated Board Date Jun 24, 2022	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Economy, Planning, and Regional Integration	Implementing Agency Ministry of Public Works, Housing, and Urban Planning	

Proposed Development Objective(s)

To provide efficient, safe and climate resilient transport connectivity in selected areas of northern Guinea-Bissau.

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	30.00
Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	30.00
IDA Grant	30.00

Environmental and Social Risk Classification

Concept Review Decision

Track II-The review did authorize the preparation to Substantial

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Other Decision (as needed)

B. Introduction and Context

Country Context

Guinea-Bissau is a fragile state characterized by high political instability, weak institutions, and low socio-economic development. It is a small country of 36,000 km² on the West African coast located between Senegal and Guinea, with a population of 1.9 million inhabitants in 2019, of which 42% are under 15 years of age. Although the country is endowed with fertile soil, high rainfall, and fish and mineral resources, it has been plagued by political turmoil and several successful or attempted coups d'état since its independence from Portugal in 1973. This instability has prevented the formation of stable and accountable institutions and has been detrimental to social development and economic growth. Guinea-Bissau is one of the most socio-economically fragile countries in the world. The country ranks 175th out of 189 countries in the 2019 Human Development Index published by the United Nations Development Program (UNDP), and thus falls under the low human development category. The gross national income per capita is US\$820 (2019, Atlas method, current US\$), the life expectancy at birth reaches 58 years, and the adult literacy rate 46%.

Over the last decade, Guinea-Bissau has made little progress in reducing poverty, which remains predominantly rural. In the period 2010-2018, poverty declined by 1 percentage point on the back of low economic growth. Gross domestic product (GDP) per capita growth averaged 1.5% during that period. In 2018, 48% of the population was poor and 13% lived in extreme poverty. Poverty is predominantly rural, with more than three-quarters of the poor living in rural areas. Growth has been driven by the services sector which occupies around 20% of the labor force. Agriculture occupies 60% of the labor force (if Bissau is excluded, this rate increases to 80% approximately) but has registered a low average growth rate of 2.2% since 2010. The economy remains dominated by small-holder traditional agriculture relying on the production of one crop—raw cashew nut—that constitutes about 90% of the country's exports by value.

The delivery of essential public goods, including basic all-weather transport infrastructure, by the Government of Guinea-Bissau remains limited due to its low capacity and constrained budget resources. Public spending related to education, health, water, or roads is almost exclusively expended on salaries, with little or no resources devoted to the rehabilitation of existing infrastructure or the construction of new one.

Guinea-Bissau faces high risk of natural disasters aggravated by climate change. Guinea-Bissau's terrain is generally made of flat and low coastal plains. Averaging 30 meters above sea level, the country has an intricate coastline and a dense system of estuaries and rivers. This topography, associated with tropical weather and socio-economic vulnerability, puts Guinea-Bissau at high risk for natural hazards, which are likely to worsen with climate change. Floods are a recurring natural hazard in the country, especially along its coastline. Guinea-Bissau has also experienced some devastating droughts in the recent past. Recent climate scenarios portend serious impacts for the country. Among them, irregular and heavy

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¹ By the end of the 21st century, many climate models project mean precipitation over West Africa to increase during the rainy

precipitation, as well as frequent flooding in coastal and island regions, threaten the economy and the population, especially the large proportion of poor and vulnerable households with limited alternative livelihoods. Climate change constitutes a source of additional pressure for the need of climate resilient infrastructure.

The impact of the coronavirus pandemic (Covid-19) on the overall economy has been severe until now. The first case of Covid-19 was recorded in March 2020. Confirmed cases and deaths have reached about 3,800 and 70, respectively, as of June 9, 2021. However, insufficient testing capacity suggests that these figures most likely understate the true number of infections. The pandemic has impacted the economy via external channels (falling cashew's global demand and price, tighter financial conditions), and domestic channels (economic disruption caused by lockdowns and direct health impact of a wider spread of Covid-19). The health sector's capacity is low and readiness to address a pandemic is weak. As of June 9, 2021, only 18,706 vaccine doses had been administered. Household consumption per capita has contracted by an average of 6%. In response, the poverty and extreme poverty rates have increased by 1.03 and 0.71 percentage points, respectively.

As a result of the pandemic, GDP is estimated to have contracted by 2.4% in 2020, from an increase of 4.6% in 2019, and the fiscal deficit to have increased from 3.9% to 9.0% of GDP. On March 30, 2020, a state of emergency was declared that imposes strict stay-at-home restrictions, which remained effective until May 2020. The fluid political situation that followed the 2019 presidential elections delayed a timely response to Covid-19. The pandemic struck at the onset of the annual cashew marketing season, which reduced external demand, causing farmgate prices to reach their lowest levels in six years. Strict lockdown measures have affected the supply of goods and services and increased unemployment. Assuming a subsiding of the pandemic around mid-2021, a gradual recovery of the international cashew market, and higher investments, GDP growth is set to reach 3% in 2021 and increase to 5% by 2023.

Sectoral and Institutional Context

Sectoral context

Guinea-Bissau's transport system remains underdeveloped for the developmental needs of the country. This system consists of: (a) 2,700 km of poorly maintained classified roads, of which only 800 km are paved; (b) an unknown number of unclassified unpaved feeder roads; (c) a deep-water port in the capital Bissau; (d) an international airport located at Bissau; and (e) an unknown number of small river wharves and coastal ports.

The poor state of transport infrastructure hinders the country's socio-economic development. The basic mobility needs of the population are largely unmet, especially in rural areas, where the majority of the poor live. Road transport accounts for between 80% and 95% of passenger and freight traffic in the country. Yet, existing road infrastructure allows acceptable mobility only on part of the paved road network connecting the main urban areas, and to a lesser extent within the urban area of Bissau. In rural areas served by unpaved roads, mobility is severely reduced by the poor condition of the road network, parts of which have not been maintained in decades. Inland water transport, which could serve as an alternate mode of transport in many areas, is also hampered by the dilapidated condition of the river wharves used as loading

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season with a small delay in the start of the rainy season and a slight increase in the number of days with extreme rain. Sea level is projected to rise throughout the 21st century and increase by 0.4 m (low emissions scenario, RCP2.6) to 0.7 m (high emissions scenario, RCP8.5) by 2100.

and unloading facilities. The lack of structured, coherent programs of road rehabilitation and maintenance has caused a progressive degradation of the road network (paved or not), leading to a critical situation where even some sections of the main paved road network have become hardly passable.

The deficient transport network reduces the agricultural sector's productivity and diversification.

The poor quality of the road network in Guinea-Bissau results in significant wastage of agricultural produce en-route to markets, and so reduces its cash value for farmers. Another important impact of poor road access is on transport costs. The reason is that, in agricultural supply chains, the ton-km costs of moving produce on unimproved or poorly maintained roads can be two to three times higher than for subsequent movements on improved or well-maintained roads. Furthermore, bad road connectivity in rural areas limits the ability of rural households to transport agricultural production in a timely fashion, to benefit from higher prices when demand is high, and to diversify away from cashew nut production. The 2016 World Bank Systematic Country Diagnostic (SCD) shows that households with easier access to a local market or public transit are less poor on average than households with difficult access. Overall, households within short commutes to markets have better diversified sources of income.

Surveys in Guinea-Bissau consistently point out that better transport infrastructure is essential for women and girls. In the 2015 Country Gender Profile on Guinea-Bissau published by the African Development Bank, women interviewed especially stressed the need for roads to connect rural areas to market towns. The report acknowledges that better roads would relieve women from their physical burdens and would allow them to save time and be more productive. Better roads would also lead to better access of women to health care and may thereby contribute, among others, to reduce the country's very high ratio of maternal mortality (667 deaths per 100,000 live births in 2017). Finally, long distance commutes to school appear to be a critical barrier for girls to attend school in Guinea-Bissau.

Vulnerability of transport infrastructure to natural hazards is high. This is due to its poor condition and high exposure to floods and costal erosion worsened by the projected increase in precipitation and rise in sea level. The combination of high vulnerability and exposure to floods results in frequent and severe disruption of mobility, especially in rural areas. More specifically, each year during the five-month rainy season running from June to October, a large part of the rural road network becomes impassable for motorized vehicles and in some cases even for non-motorized vehicles, leaving a significant portion of the rural population isolated from the rest of the country. This means that large swathes of the rural population can only move on foot during the rainy season, thereby severely limiting their access to markets, water points, schools, health centers, and other essential services. Loss of access to services and disruption of rural mobility may become more frequent in the future owing to the projected increase in precipitation.

Degraded transport infrastructure presents a significant danger on most roads throughout Guinea-Bissau and contributes to poor road safety. The World Health Organization (WHO) estimates that 565 people died in road crashes in Guinea-Bissau in 2016 (against only 122 deaths reported in-country, indicating a probable underreporting), which corresponds to a rate of 31.1 fatalities per 100,000 inhabitants. This rate is high even by regional standards: for comparison, neighboring countries' rates are 23.4 for Senegal and 28.2 for Guinea. The WHO also estimates that 8,475 people were seriously injured in road crashes in 2016. Around three-quarters of these dead or injured belonged to economically productive age groups (15-64 years). The cost of road fatalities and serious injuries would be around US\$124 million, a significant share of 10.5% of GDP.

Institutional context

The Ministry of Public Works, Housing and Urban Planning is responsible for planning, promoting,

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regulating, controlling, and coordinating activities contributing to the development of all transport modes. It is also responsible for road transport infrastructure. The ministry includes: (a) five general directorates; (b) eleven technical directorates; (c) three autonomous directions; and (d) three other organizations under its authority. The Directorate General of Transport Infrastructure (*Direcção Geral das Infraestruturas de Transporte* in Portuguese - DGIT) is responsible for strategically and operationally managing all road infrastructure.

The Ministry of Transport and Communication is responsible for formulating, proposing, coordinating, and executing government policy in the fields of inland transport (including road safety), shipping, air and maritime security, mail, telecommunications, and meteorology. The ministry includes a general secretariat and a Directorate General of Traffic and Land Transport (*Direcção Geral de Viação e Transportes Terrestres* in Portuguese - DGVTT) and oversees eleven bodies.²

Relationship to CPF

In 2016, the Systematic Country Diagnostic (SCD) confirmed that poor transport infrastructure remains one of the main constraints to accelerate inclusive and sustainable growth in the country. This diagnostic informed the Country Partnership Framework (CPF) for the period FY18-FY21, endorsed by the World Bank Board of Directors on June 13, 2017 and now extended to FY23. The CPF proposes a selective program of investments focused on: (a) increased access to quality basic services; and (b) expanded economic opportunities and enhanced resilience. The proposed project supports the CPF's objectives of 'improved logistics for market access' and 'expanded economic opportunities and resilience' by improving transport connectivity in a safe and resilient manner, including access to markets both domestically (link with Bissau and other market towns) and regionally (link with Senegal and beyond).

C. Proposed Development Objective(s)

The proposed PDO is to provide efficient, safe, and climate resilient transport connectivity in selected areas of northern Guinea-Bissau.

Key Results (From PCN)

The proposed PDO indicators to measure the different dimensions of transport connectivity included in the PDO are the following:

- 'efficient': (i) number of beneficiaries that experience improved access to transport infrastructure as a result of the project (number of people living within 2 km of project road) and/or (ii) average travel time along the rehabilitated road section (hours/minutes)
- 'safe': project road completed with road safety measures implemented (yes/no)
- 'climate resilient': length of road rehabilitated incorporating climate resilience measures (kilometers)

D. Concept Description

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² The Telecommunications Regulatory Authority; the Port Maritime Institute; the National Institute of Meteorology; the Civil Aviation Agency of Guinea-Bissau; the National Chargers Council; the Port Authority of Guinea-Bissau; Guiné Telecom; Guinétel; the Post Office of Guinea-Bissau; the Maritime Transport Society; and the Airport Assistance Service.

The total cost of the project, including taxes and contingencies, is estimated at US\$30 million and will be financed by an IDA grant. The proposed project will have three main components (infrastructure investment, technical assistance (TA), and project management), as described below.

Component 1: Transport Infrastructure Improvement

Infrastructure investment would benefit a priority section of a major road corridor running through the fertile northern hinterland in direction to Senegal. This corridor is the only paved road serving the region north of the capital Bissau, where agricultural production and potential are among the highest in the country. The corridor is also the only paved road linking Guinea-Bissau to neighboring countries and outside markets. The corridor runs for about 115 km from the locality of Safim (8 km north of Bissau) to the border with Senegal at Mpak, 15 km south of Ziguinchor, the largest city in southwestern Senegal, located at 450 km from Dakar.

The road corridor infrastructure is in poor condition. Since its construction in 1989, the road has received little maintenance, except during the 2000-2010 period when the European Union financed periodic and routine maintenance, in addition to the construction of the two large bridges. Consequently, the corridor is now in poor condition. The pavement has for example completely disappeared in several swampy areas where transversal drainage is deficient. This makes the road more and more difficult to pass during the rainy season. Where pavement still stands, surface damage (including potholes) is widespread and the condition of the base remains uncertain. Along a large portion of the corridor, shoulders have been invaded by tall grass and have thus completely disappeared. Due to the poor condition of the corridor, it can take up to between three and four hours to travel the 115 km from Safim to the Senegalese border.

Rehabilitation works are necessary. Rehabilitation of the corridor requires rapid action if more severe damage is to be avoided and if continuity of road transport connectivity is to be maintained in northern Guinea-Bissau and to and from Senegal. The envisaged civil works will focus on surface repairs or resurfacing, bridge repairs, rehabilitation of the base course (where required), drainage improvements, road safety measures, and climate resilience measures. The proposed project would finance rehabilitation works on a priority section still to be identified, whose length would be in the range of 20-40 km (to be confirmed). Existing alignments will be maintained, except when otherwise required for road safety reasons.

Component 2: Technical Assistance to Institutions Responsible for the Transport Sector

This component will aim at reinforcing the capacity of the country's main institutions responsible for road transport, namely the DGIT under the Ministry of Public Works and the DGVTT under the Ministry of Transport. Its content will be defined during preparation, with a view to complement the technical assistance component already financed by the ongoing IDA Rural Transport Project. The technical assistance of the proposed project would focus on road maintenance and/or road safety.

Component 3: Project Management

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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	

At this stage, both the environmental and social risks are considered substantial. The proposed project will be implemented following the Environmental and Social Framework (ESF). While the project's environmental and social outcomes are expected to be positive, potentially negative impacts may arise during the project design and implementation. An environmental and social impact assessment (ESIA) will be required to be prepared and submitted by the Borrower. This document will provide an assessment of the environmental and social risk, and propose mitigation, monitoring, and institutional capacity building measures.

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APPROVAL

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