Report Number: ICRR0022887

1. Project Data

Project ID	Project Name
P122916	GN:Mineral Governance Support Project
Country	**Practice Area(Lead)**
Guinea	Energy & Extractives

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-H8040	31-Dec-2018	18,841,578.27
Bank Approval Date	**Closing Date (Actual)**	
25-Sep-2012	30-Nov-2020	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	20,000,000.00	0.00
Revised Commitment	19,909,122.02	0.00
Actual	18,841,578.27	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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Public Disclosure Authorized

2. Project Objectives and Components

a. Objectives

The objective of the project, as stated in the Financing Agreement dated January 13, 2013, was to strengthen capacity and governance systems of key institutions for managing the minerals sector in the Recipient's territory.

For the ICR evaluation, the project development objective (PDO) is parsed into two parts:

Objective 1: To strengthen capacity of key institutions for managing the minerals sector.

Objective 2: To strengthen governance systems of key institutions for managing the minerals sector.

b. Were the project objectives/key associated outcome targets revised during implementation?

No

c. Will a split evaluation be undertaken?

No

d. Components

Component A: Facilitating access to mineral resources (Appraisal cost estimate: US$6.0 million; Actual cost: US$6.0 million)This component was aimed at helping to build the capacity and systems of the Government of Guinea (GoG) for negotiating contracts with private sector mining companies and with developers of ancillary mining infrastructure. The component also sought to strengthen the institutional and governance structure of the of *Société Guinéenne du Patrimoine Minier* (SOGUIPAMI), the state-owned (SoE) mining company to enhance its ability to do business with mining sponsors. The specific activities supported by this component were the provision of: (a) technical assistance to SOGUIPAMI to clarify its roles and mandates of vis-a vis those of the key ministries involved in the sector – Ministry of Mining and Geology (MMG), Ministry of Finance (MF) and Ministry of Transport (MoT); and (b) transaction advisory support to relevant government entities regarding available options for financing, ownership, access fees, and operating costs of mines and infrastructure. The second subcomponent was to support mining regulatory reform to assess and update where relevant the environmental and social laws, regulations, norms, and standards pertaining to the mining sector, including mining revenues collection administration issues, health and safety standards, artisanal and small-scale mining standards; community development and gender issues; and local procurement of goods and services by mining companies (and their subcontractors) (PAD, p. 9).

Component B: Institutional strengthening for mineral management (Appraisal cost estimate: US$9.5 million; Actual cost: US$9.5 million)The aim of this component was to strengthen the GoG's capacity to license, control, and monitor technical, environmental, and financial compliance of mining operations. Activities supported by the component comprised provision of TA, equipment, and training to the MMG, MoT, MF and Ministry of Environment (MoE) to perform their respective roles in the mining sector (PAD, p.10).

Component C: Promoting economic development of mining areas and good governance (Appraisal cost estimate: US$2.5 million; Actual cost estimate:US$2.5 million).This component supported sustainable investments, including the facilitation of regional and local development plans through partnerships with the private sector, and the strengthening of mechanisms for demand for good governance (DFGG) (PAD, p.10 and 11).

Component D: Project management (Appraisal cost estimate:US$2.0 million; Actual cost: US$2.0 million)This component supported the MMG-based Project Implementation Unit (PIU) in managing fiduciary activities, conducting project monitoring and evaluation (M&E), and implementing project activities in accordance with the Project Implementation Manual (PIM) and Bank's guidelines (PAD, p. 11).

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Total Project Cost: The estimated project cost at appraisal was US$20.0 million and the actual cost at completion was US$18.8 million. **Project Financing**: Bank financing covered the total project costs as estimated at appraisal. There was no Borrower contribution towards project financing.

Dates: The project was approved on September 25, 2012 and became effective on April 19, 2013. The project underwent two Level 2 restructurings to extend the project closing dates. The first restructuring on December 9, 2018, extended the project closing date by 12 months from December 31, 2018, to December 31, 2019, to allow enough time for completion of delayed activities, including two activities which had been added during implementation (a cumulative environmental and social impact assessment for the Boke region and some geochemical studies). Since additional financing (AF) was being considered a further objective of the project closing date extension was to retain the Project Implementation Unit (PIU) and to use it to prepare the AF activities. The Bank subsequently decided to include the mining AF activities in a new Natural Resources, Mining and Environment Project (P168613). A second project restructuring, approved on December 18, 2019, extended the project closing date by eleven months to November 30, 2020, to enable the GoG to use the remaining funds for preparation of the mining and environmental sectors (including the mining activities that had been previously considered for financing with AF under the MGSP). The extension was also to allow important aspects of the institutional setup of this project to be maintained and thereby facilitating a smooth transition to the new project. The project was closed on November 30, 2020.

3. Relevance of Objectives

Rationale

Alignment of the PDO with Strategies. The Project was prepared and implemented under three World Bank strategies for Guinea – the Interim Strategy Note (ISN) for FY2012-13 (Report No. 59671-GN), the Country Partnership Framework (CPF) for FY2014-17 (Report No. 125899-GN) and the CPF for FY2018-2023 (Report No. 125899-GN). The PDO was aligned with all three World Bank strategies in seeking to leverage the country's vast mineral resources for sustainable development. The country had about one third of the world's bauxite resources, and large deposits of gold, diamonds, and iron ore and yet the level of sector development was low compared to other countries with less mineral resources. Even though the mining sector contributed about 80 percent of Guinea's export revenues, 20-25 percent of the government's revenues,10,000 direct jobs and more than 200,000 artisanal and small-scale mining jobs, its overall contribution to economic and social development remained substantially below its potential given its abundant resources.

Economic projections indicated that development of large new mining projects that were under consideration could result in a doubling of both nominal and real GDP growth between 2012 and 2015 with significant growth continuing thereafter through 2020. The failure to translate abundant resource endowment into economic and social development was attributed to weaknesses in the country's legal, regulatory, and institutional framework, including the capacity of stakeholders to oversee and manage sector operations (PAD, page 3, para. 7). The weak political governance environment during most of Guinea's post-independence existence since 1958, including during the transition to civilian rule in 2009-10 gave rise to corrupt practices, especially in the licensing of mineral rights, all of which reinforced the barriers to investment caused by the weak sector policies, laws regulations and management of operations.

At project closure the PDO was aligned to the World Bank's CPF 2018–2023 for Guinea, Pillar 1 on Fiscal and Natural Resources Management. The Pillar includes, among its objectives, improving the management of mining, natural resources, and biodiversity (objective #3). Pillar 4 aims to promote the sustainable management of natural capital, and to make mining a catalyst for structural transformation of the economy of Guinea's economy. Consistent with the PDO the CPF specifically states that the Bank's intention to provide further resources to strengthen capacity and governance systems of key institutions for managing the minerals sector and to support the implementation of the Extractive Industries Transparency Initiative (EITI). The project activities were consistent with both the country strategies (World Bank and GoG) and the PDO as these were aimed at resolving mining sector development constraints by helping to strengthen the capacity and governance systems of key institutions for management of the sector.

Country context: The project was prepared immediately following the transition to civilian rule which was expected to usher in political and economic reforms, including improved governance and transparency in the mining sector. The new government's commitment to reforms provided confidence that the PDO outcomes of increased investments in mining and ancillary infrastructure, better policy, legal and regulatory conditions for growth of the sector and improved capacity for sector management would be achievable. The PDO was, thus, outcome oriented and the expected achievements assessable.

The World Bank had a long-term engagement with the GoG dating back from the early 1990s on mining sector issues. In more recent years the dialogue had focused on EITI advisory and implementation assistance (Extractive Industry Technical Advisory Facility – P127264, EITI Implementation–P106148) and on broader sector management issues (Improved Transparency and Management of the Mining Sector – P06936, Governance Technical Assistance – P125890). The PDO and design of the project built on this earlier technical assistance, which identified sector governance related development constraints, including the lack of due process and legal compliance, and low capacity to manage the sector.

The relevance of the PDO is rated **High** because as described above it was aligned with both the World Bank and GoG strategies at project closure (CPF2018-23 and GoG Vision 2040 respectively), was development outcome oriented and consistent with the World Bank's past and ongoing dialogue with the GoG.

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

PDO 1: To strengthen capacity of key institutions for managing the minerals sector.

Rationale

Theory of Change: The theory of change was that, through the provision of training, workshops, study tours and advisory services, the capacity of the relevant key ministries and government agencies for managing the minerals sector would be strengthened. Specifically, the provision of support would lead to capacity strengthening in the following areas:

- Revenue collection, tax administration, assessment of the economic impacts of the Government's holding of mining assets, evaluation of mining transactions and conducting fiscal inspection of mining installations for the MF.
- Implementation of sector policies, monitoring of the operations of mining companies, licensing of minerals exploration and exploitation, and conducting technical, health and safety inspections of mining companies' installations for the MMG.
- Preparation of environmental and social assessments, monitoring of environmental and social management plans and inspection of mining installations for the ME.
- Interaction with mining companies and communities on minerals sector issues for civil society and community-based organizations.
- Compliance by the GoG with the EITI requirements on publication of revenues from the minerals sector.

The theory of change envisaged that the capacity building activities would collectively help the institutions to conduct their roles more effectively and efficiently by improving the sector's legal and regulatory framework, enhancing skills of technical staff to conduct inspections of mining operations, assess the viability of mining and ancillary infrastructure schemes, and by providing operational manuals and procedural guidelines. The awareness programs for community-based organizations (CBO) and civil society organizations (CSO) and the publication at the local and national levels of data on social investment and allocation of revenues would lead to greater accountability and transparency.

The theory of change inferred from the PAD was appropriate because the outputs and outcomes were reasonably expected to result from activities and were the most relevant to the PDO.

OUTPUTS

The outputs related to the strengthening capacity of MMG to monitor and manage the mining sector were:

- An updated and modernized mining cadaster with data on titles, tenure, and other pertinent details accessible online. This has helped to improve the efficiency of the licensing system, improve security of title and as well as transparency and accountability. **Achieved**
- The mining regulatory framework and standards were updated. The 2011 Mining Law was revised and led to the preparation of 21 related regulations that clarified certain provisions relating to, among other things, health and safety and the earmarking of and management of mining revenues to local communities. **Achieved**.

- Improved time norms for issuance of mining licenses. Time to issue licenses achieved were 25 days and 59 days for exploration and 59 days for exploitation. These exceeded the targets of 30 days and 120 days respectively. **Achieved**

For the Ministry of Finance, the main output was the adoption of minerals revenue collection administration procedures prepared under the project. Other outputs realized together with other agencies are described below in the paragraph on capacity strengthening involving more than one agency.

The outputs related to strengthening the capacity of the Ministry of Environment to monitor and manage the mining sector were:

- Number of mining communities establishing a Prefectural Environmental Monitoring Committee - 16 mining communities compared to a target of 9 established a Prefectural Environmental Monitoring Committee, thus exceeding the target. **Achieved**.
- Number of artisanal and small scale-miners who participated in the environmental awareness campaign (43,367 compared to target of 15,000). This included 5,310 females compared to the target of 3000. The actual results exceeded the targets. **Achieved.**
- Preparation of Strategic Environmental and Social Assessment which fed into the preparation of a new Environmental Law in 2019.

Capacity strengthening involving more than one institution

- About 5,150 people (inspectors, mining communities, CBO) were trained in updated environmental legislation related to mining operations (target was 5,000). **Achieved.**
- Fifty members of mining communities (compared to target of 18) were aware of social investment and government revenues supposed to be transferred to local communities and of the actual transfers. **Achieved.**
- Regional development plans adopted in at least one region. A regional development plan was developed for the Boke region with the participation of key ministries, mining companies, local development communities and other organizations. **Achieved**.

OUTCOMES

The project achieved the expected outcomes for the PDO of strengthening capacity for managing the minerals sector as follows:

- The number of mines subjected to fiscal controls per year in line with established standards was five and exceeded the target of three. **Achieved.**

- The number of annual technical inspections of mines conducted by MMG in line with established standards was eight and exceeded the target of six. **Achieved**

- The percentage of environmental monitoring inspections of mining activities carried out per year by ME with cooperation of the Prefectural Environmental Monitoring Committee was eight and exceeded the target of six. **Achieved**.
- Publication at local and national levels of the amount of social investment (voluntary contributions by mining companies) and government revenues transferred to local communities was done. With the

support of an independent EITI administrator hired under the project Guinea was able to prepare and disclose a backlog of EITI reports going back from 2007 to 2010 and to start disclosing reports on an annual basis. **Achieved.**

- About 56,454 people were direct beneficiaries of the project compared to the target of 25,000 (41 percent of the beneficiaries were women compared to the target of 25 percent. While the target for the number of direct beneficiaries reached by the project was exceeded, it is likely that the target was understated at the project design stage. This is because the definition of direct beneficiaries was very broad as it meant that anyone who participated in some form in an event involving the project was a direct beneficiary. **Achieved.**

PDO1 was fully achieved. Three indicators on strengthening the capacity of MMG, MF and ME for monitoring/managing the sector in their respective roles were exceeded. The target of direct beneficiaries was exceeded by a large margin although it is likely that the target was understated at project design stage because of the broad definition of direct beneficiaries as explained above. The indicator (publication of social investments and mining revenues at local national and national levels was met and the GoG is now publishing EITI reports on annual basis.

Rating
Substantial

OBJECTIVE 2
Objective
To strengthen governance systems of key institutions for managing the minerals sector

Rationale
Theory of Change: The theory of change was that the clarification of institutional roles, responsibilities and mandates for mining and ancillary mining infrastructure would lead to improved investment and development of the mining sector. A new state-owned joint stock company – Société Guinéenne du Patrimoine Minier (SOGUIPAMI), was established in 2011 to hold the GoG's interests in mining companies, but its wide remit which included ownership of all state mining assets and accruing revenues, and the ability to contract loans and obligations, posed high financial and budgetary risks to public finances. In addition, SOGUIPAMI's SEGUIPAMI's powers were overlapping with those of other key agencies in the sector. Updating the legal and regulatory framework for development of ancillary mining infrastructure to clarify responsibilities of construction, financing, operation, and management, and providing advisory services on structuring and evaluation, including standard agreements were expected to reduce risks and encourage increased investment in the sector.

OUTPUTS

The outputs regarding the clarification of institutional roles and the mandate of SEQUIPAMI were as follows:

- A Presidential Decree (SGG (D/2015/016/PRD/SGG) establishing SEQUIPAMI's roles and responsibilities in line with Guinean laws and vis-à-vis the ministries of Mines and Geology, Finance, and Transport was enacted in 2015.

- A revised governance structure for SOGUIPAMI was adopted through Presidential Decree (D/2019/123/PRD), incorporating a new supervisory Board comprising ministers of MMG, MF and MT and placing SOGUIPAMI under the supervisory authority of the President's Office in 2020.

The outputs regarding a model BOT to guide the development of ancillary mining infrastructure were as follows:

- Mining ancillary infrastructure related regulations, standards were updated. The 1995 Merchant Marine Code which had some provisions related to ancillary mining infrastructure was revised (Law L /2019012/AN) and so was the railway law which was approved by the Council of Ministers in January 2020. **Achieved.**
- Hundred people, as targeted, were trained on technical, financial, control and monitoring of ancillary infrastructure in the ministries of Mines and Geology, Finance and Transport and in SOQUIPAMI. A**chieved**.
- The 2014 ancillary infrastructure master plan was updated and jointly adopted by the MMG and MT in 2019. An operational manual on ancillary infrastructure was prepared and adopted by MT. **Achieved**

OUTCOMES

The two outcomes for this PDO were: (a) clarification of roles and responsibilities of SOGUIPAMI vis-a vis key ministries involved in the sector; and development and adoption of a BOT convention for the ancillary mining infrastructure. The first outcome was achieved through Presidential Decree (SGG (D/2015/016/PRD/SGG) of 2015 which set out the responsibilities of the different agencies, including the role of SOGUIPAMI and Presidential Decree (D/2019/123/PRD) which defined SOGUIPAMI's governance structure.

According to the ICR (page 25) as a result "... SOGUIPAMI now fulfills its responsibility for negotiating with private mining companies interested in making large investments in the mining sector, including the development of ancillary mining infrastructure. In lieu of borrowing and putting public finance at risks, SOGUIPAMI is now a net contributor to the Government Budget as highlighted in EITI reports." Hence this outcome was **achieved**.

The second outcome – the development and adoption of a BOT convention for the ancillary mining infrastructure was achieved through the development and adoption of a Model Build Operate and Transfer (BOT) convention for mining ancillary infrastructure. The model BOT was approved by the Council of Ministers followed by a Presidential decree in 2019. The target of developing and adopting a BOT model convention was **achieved**.

PDO2 was substantially achieved with the clarification of SOGUIPAMI's roles and responsibilities vis-à-vis those of the other key sector agencies, its governance revised to reduce fiscal risks and a model convention for development of mining ancillary infrastructure developed and adopted through a Presidential decree.

Rating
Substantial

OVERALL EFFICACY

Rationale

The project was fully successful in meeting its two objectives of strengthening: (a) the capacity to monitor and manage the mining sector; and (b) governance systems of key institutions for managing the mining sector. Targets for three of the outcome indicators measuring the capacity of MMG, MF and ME to monitor and manage the sector in their respective areas (technical, fiscal, and environmental respectively) were exceeded. The fourth outcome indicator for PDO1 on public disclosure of social investment by mining companies and mining revenues by the GoG was met and Guinea continues to disclose this data in compliance with EITI requirements. The number of direct beneficiaries was exceeded. Thus, PDO 1 was fully achieved. The targets for the outcome indicators for the second PDO were also fully achieved with the clarification or roles and responsibilities of SOGUIPAMI vis-à-vis other key agencies in the sector and the development and adoption through Presidential decrees of the redefined roles and responsibilities and a governance structure for SOGUIPAMI.

Therefore, the overall efficacy rating for the project is Substantial.

Overall Efficacy Rating

Substantial

5. Efficiency

The PAD did not include quantitative efficiency analysis noting the difficulties of doing so for technical assistance projects to which revenue attribution cannot be done on an objective basis. Nonetheless the PAD broadly described the project's efficiency benefits in qualitative terms. The ICR has taken a similar approach in more depth and has also applied a similar approach to administrative and operational efficiency.

On economic efficiency the ICR presents three broad arguments in favor of a substantial efficiency rating: (a) a doubling of fiscal revenues between 2012 and 2019 (from US$199 million to US$397 million) compared to the modest amount of the IDA Credit (US$20 million) and human resources time applied; (b) export revenues increases during the same period (not quantified); (billions of US$ in foreign direct investments enabled by the project - supported reforms and improvements in the government's management of the sector;(c) increased contribution to GDP due to the expansion of the sector facilitated by the project. The ICR also notes that all procurement was conducted on a least cost basis which resulted in significant efficiency gains.

Regarding administrative and operational efficiency the ICR points to several areas in which socio-economic gains would have occurred, including (a) regulatory and policy framework (e. g., negotiations for the multiuser infrastructure sharing agreement between the government and three mining companies, (b) restructuring of the mining State-Owned Enterprise (SOGUIPAMI) and of the Ministry of Mines; and (c) preparation of the Boke regional economic development plan and its cumulative environmental and social assessment.

The ICR rates the project substantial for efficiency because of this analysis. Efficiency ratings for technical assistance projects are often difficult to make. However, in this case despite the problem of attributing fiscal and export revenues, foreign direct investment, GDP growth, job growth; etc. to the project the improvement in the investment climate that made these achievements possible was, at least in part, attributable to the reforms supported by the project.

On balance, the project is rated Substantial for Efficacy.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of the PDOs is rated **High** because they were aligned with both the World Bank and GoG strategies at project closure (CPF2018-23 and GoG Vision 2040 respectively) and were also development outcome-oriented in seeking to remove constraints to the development of the mining sector, an engine of economic growth for Guinea. Further, the PDOs were consistent with the World Bank's past and ongoing reform dialogue which identified sector governance related development constraints, including the lack of due process and legal compliance, and low capacity to manage the sector as major issues for development of the sector.

Overall Efficacy is rated Substantial because all targets for the seven outcome indicators were either met or exceeded (three were exceeded and four were fully achieved).

Efficiency is rated substantial based on a qualitative analysis of administrative and operational efficiency and of economic efficiency because of the problem of assigning revenues/benefits to technical assistance projects. The analysis indicates that the project's reforms contributed to Guinea's substantial increases in fiscal and export revenues and in foreign direct investment flows, amongst other factors.

Based on a relevance rating of High, and Substantial ratings for both Efficacy and Efficiency, the project outcome is rated Satisfactory.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The project contributed to an improvement in the attractiveness of Guinea's mining sector as a destination for investment, and thus also contributed to the country's favorable economic prospects. The challenge is to maintain and continue strengthening the capacity and governance of key sector institutions, including, the level of community involvement and sharing of resources to sustain the role of the sector in the country's development.

There are a few risks, but these appear to be manageable. There is the risk of political instability and governance problems that have beset Guinea for most of its post-colonial era. Political instability accompanied by corruption is a risk that can reverse the gains that have been achieved.

The ICR observes several factors that may help to reduce the risk, including extensive stakeholders' engagement, the extensive development of the sector which has taken place, broad consensus on mining sector reforms, resilience of the sector heightened by its role in the economy, amongst other reasons. Another important factor is the World Bank's continued support to the sector, including through an ongoing follow up operation which is helping to consolidate the achievements of the project.

The ICR also points to the risk of a decline in global commodity prices and the impact on revenue flows. The strategy of using mining revenues to diversify sources of growth by supporting other sector such as agriculture and to promote regional development schemes such as for Boke (supported by the Project) is a prudent risk management plan.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project was prepared in 2011-12 in the aftermath of the first democratically elected government since Guinea's independence in 1958. At project preparation there were high hopes for strong reforms and a commitment by the GoG to fighting corruption. This was an opportune timing for inclusive stakeholder consultations which have helped to strengthen the sector considerably.

The design of the project was based on a strong analytic basis and on the World Bank's own recent experience in the sector and elsewhere in the region. The analytical work and lending sources of knowledge included EITI advisory and implementation (Extractive Industry Technical Advisory Facility

– P127264, EITI Implementation–P106148) and on broader sector management issues (Improved Transparency and Management of the Mining Sector – P06936, and Governance Technical Assistance – P125890). The earlier work had correctly identified sector governance related development constraints, including the lack of due process and legal compliance, and low capacity to manage the sector. Experience from the region included from similar operations in other countries in Africa such as Burkina Faso, Ghana, Mali, Nigeria, Mauritania, Democratic Republic of Congo, Malawi.

The project components were appropriately designed to address the key issues such as access to resource information, institutional performance, economic development of mining areas and promotion of good governance. The design addressed issues at each EITI value chain except for revenue management which was being addressed by another operation.

The results framework (RF) was appropriately designed with logical linkages between activities, outputs, and intermediate and outcome indicators. The RF included 7 outcome indicators and 17 intermediate outcomes which allowed almost all the important indicators to be captured without crowding the outcome indicators. The target for project beneficiaries (25,000) was probably too low given the breadth of the coverage-all persons impacted by the project over a planned 6-year period.

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The project was supervised on a regular basis (at least every six months). ISRs and other project documents are available from the Bank's portal. The files also indicate that implementation was a continuous process with use of electronic and video-based media substituting for in-person meetings with the clients during intervals between mission. These alternative methods were particularly useful during the disruption caused by the Ebola virus disease (2014-2016). Covid-19 did not impact mission supervision activities as the project was largely complete.

Implementation support missions focused appropriately on progress of all project components, progress towards achievement of the project development objectives, and on compliance with fiduciary requirements, especially financial management. The Bank team made use of the results framework and the progress reports submitted by the PIU on a regular basis to identify issues for focused discussions with the client. The outcome of the mission reviews and discussions were used to recommend action for resolving implementation challenges, including for the Bank's response to the client's two requests for extension of closing dates.

The project had satisfactory ratings on both implementation progress and progress towards achieving its PDOs throughout its duration, except in the first year when it was rated moderately unsatisfactory due to a slow start. A Mid-term review of the project was carried out a year later in July 2014 and did not surface any need for restructuring action.

As the project faced counterpart funding difficulties the World Bank was supportive by agreeing to pre-finance some activities so that there was no significant negative impact on the implementation of the project. In addition, implementation suffered from delays due to limited procurement capacity but the World Bank team provided extensive support to both improve client capacity and to minimize delays.

The was only one Task Team Leader for the duration of the project from preparation to completion which may have helped to strengthen the relationship and coordination between the Bank team and the client teams and to ensure consistency of approach on issues.

Quality of Supervision Rating
Satisfactory

Overall Bank Performance Rating
Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
A robust results framework designed at appraisal includes all the essential elements – intermediate indicators, outcome indicators, baseline values, and target data, frequency, and responsibilities for data collection. Results data was collected by the participating institutions, and all stakeholders and consolidated in the PIU by the project M&E specialist who had primary responsibility for monitoring and evaluation at the client's end. The M&E specialist was also tasked with developing a training program to build the capacity of focal points in the ministries involved to improve data collection and monitoring. Where possible, M&E included data disaggregated by gender.

b. M&E Implementation
According to the ICR (p.38) the PIU conducted systematic project progress monitoring based on the results framework. Progress reports were shared with the Bank on a regular basis and constituted the basis for discussion with the Bank during supervision missions, the MTR and at any other time as needed. The reports were designed to facilitate performance reviews of PDO indicators and intermediate results indicators, as well as the important activities and actions undertaken during each period.

c. M&E Utilization
The M&E was used to inform project management and decision making, including during the MTR and its performance and results were used and incorporated in the ISR and factored into decisions related to subsequent project activities. At the MTR in particular, the M&E was slightly restructured with related resources reallocated for a new task (geochemistry). The M&E also informed the project restructuring.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project triggered OP/BP 4.01 “Environment Assessment” during preparation and was assigned a Category ‘B’ rating. The rationale for a category B rating was that although the project did not include physical works it could facilitate physical investments in future because of its support for reforms. A strategic environmental and social assessment (SESA) was prepared. SESAII was later prepared to assess E&S risks and impacts of mining regulations and policies. A cumulative environmental impact Assessment was prepared for the Boke regional development plan in 2019.

SESA included recommendations in a "Guiding Framework for Improved Environmental and Social Governance". The project supported implementation of 13 of the recommendations. SESA also served as a basis for several activities such as (a) supporting improvement of environmental and social management of the mining sector, and (b) enhancing the environmental management capacity in the country by supporting M&E to: (i) develop environmental inspection procedures and sector guides and manuals; (ii) train and equip the units dealing with mining to effectively monitor and control mining activities; and (iii) sensitize artisanal and small scale miners on environmental and social aspects of their activities.

Throughout the implementation period environmental safeguards policies were complied with and the last ISR assigned Safeguards a Satisfactory rating.

b. Fiduciary Compliance

Both the financial management and procurement ratings were Satisfactory in the last ISR of November 20, 2020.

At the early stages of the project there were delays in the recruitment of external auditors and there were also some inconsistencies in the Interim Financial Reports submitted to the World Bank. There were also some moderate delays in the submission of audited financial statements to the World Bank. The situation, however, improved and there were no outstanding audit reports at project closure.

There were significant procurement delays in the early years, but the situation improved as the client built capacity with the World Bank team’s support. Over the past several years before project closure procurement was consistently rated Satisfactory. The project complied with all covenants. Acceptable (unqualified audited financial statements were submitted throughout the project period. There are no overdue audits.

The financial management performance rating was also satisfactory throughout the period.

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c. Unintended impacts (Positive or Negative)

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d. Other

Gender

The ICR notes correctly that the project did not have a specific gender objective but the project beneficiaries; data was disaggregated to monitor the percentage of women. The 25 percent target of women among the direct beneficiaries was exceeded with the actual value being 41 percent. Other indicators also enabled tracking of women in studies and training including sensitization training of ASM to environmental and social issues in mining. The ICR (p.35) also states that a women miners' association was supported to promote women participation in the mining sector and in other income generating activities.

Private financing

The project was instrumental in the implementation of legal and regulatory reforms, enhancing capacity of GoG agencies to negotiate with mining companies, improving management capacity in the sector, improving governance and transparency, increasing access to mining resources – all the changes that have made the sector attractive for private sector financing. This has contributed to increased private investment flows. The number of companies involved in mining exploration has increased from 6 in 2012 to 17 in 2020.

Poverty reduction and shared prosperity

The project had no activities targeted at addressing poverty. However, the project has indirect poverty impacts through several transmission channels. Investments that were enabled by the stable investment climate conditions to which the project contributed resulted in job creation (jobs increased from about 19,000 in 2010 to about 51,000 in 2019), increased wage bill which accrue to employees, taxes which flow to the national treasury and to various uses, including local mining communities, indirectly created jobs by local suppliers to mining companies; etc.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Quality of M&E	Substantial	Substantial	
Quality of ICR	---	Substantial	

12. Lessons

Key lessons learned from project implementation. The ICR contains substantive lessons learned from the operation. The following additional lessons are suggested:

In a country environment characterized by frequent political instability it is important to conduct analytical work in readiness for a window of opportunity when it becomes possible to engage key stakeholders in a broad-based dialogue to build consensus on policy reforms. This is because in times of instability and tensions it is difficult to engage all key stakeholder in policy dialogue. In Guinea, The World Bank had undertaken substantial analytical work in the mining sector which enabled it to support a broad-based stakeholder engagement when the transition to a democratically elected President occurred in 2010. With the World Bank's support, the GoG was able to undertake substantial legal and regulatory reforms.

It may be preferable, on critically important reform issues to allow dialogue to continue for some time rather than to rush to second best alternatives. Consensus building on policy reforms can be difficult, especially when there are vested interests or serious divergences of views among key stakeholders. One of the key reforms supported by the project was the development and adoption of a Build-Operate-Transfer convention defining the rules, roles and responsibilities and obligations in the construction, ownership, operation and use of ancillary mining infrastructure. The BOT was drafted by 2015 but it took four years before it was adopted due to complex policy and legal issues and differences of view among key agencies, including on procedural issues. However, the GoG's adherence to the process and focus on this important policy reform finally led to a successful outcome agreed by all the key stakeholders.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is well written and thorough and provides a clear sense of the context in which the project was conceived and implemented.

The main shortcoming is that the ICR is too long at 44 pages (excluding Annexes) and thus substantially exceeds the guideline of 15 pages for the main text. Section B on efficacy at about 18 pages alone exceeds the 15 pages guideline for the whole body of the main text. While the section contains a wealth of information the bulk of it could have been placed in an Annex.

The efficiency analysis is in two parts – on administrative and operational efficiency and economic efficiency. Administrative and operational efficiency was assessed on a qualitative basis and is not robust and convincing. Economic efficiency was based on the project's contribution to the mining sector's huge impact on fiscal and export revenues and on investment flows. However, the economic efficiency argument was not made quantitatively due to the problem of attributing economic impacts to the project in a robust manner.

The ICR has rated Risk to Development Outcome. The Bank no longer assigns a rating to this risk.

Overall, on balance the quality of the ICR is rated Substantial.

a. Quality of ICR Rating
Substantial