



Nigeria: Mineral Sector Support for Economic Diversification Project (MinDiver) (P159761)

AFRICA | Nigeria | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2017 | Seq No: 3 | ARCHIVED on 25-Apr-2019 | ISR36562 |

Implementing Agencies: Ministry of Mines and Steel Development, Federal Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 14-Apr-2017

Effectiveness Date: 02-Nov-2017

Planned Mid Term Review Date: 31-Jan-2020

Actual Mid-Term Review Date: --

Original Closing Date: 30-Jun-2022

Revised Closing Date: 30-Jun-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To enhance the mining sector's contribution to the economy by strengthening key government institutions, improving information infrastructure and knowledge, and fostering domestic investment in the sector.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Establishing a Strong Foundation for Mining Sector Development:(Cost \$68800000.00 M)
Facilitating Downstream Sector Development & Enhancing Competitiveness:(Cost \$67600000.00 M)
Project Management and Coordination:(Cost \$9600000.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

This ISR presents the implementation status of the "MinDiver" project as of April 2019 and is based primarily on supervision of the project remotely, including monthly video conferences and a mission in late September 2018. .

Overall the pace of project implementation is proceeding at a moderate pace. Over the past year the PIU has been focused on channeling a large number of contracts through the procurement pipeline, which is expected to yield positive results in the coming months as consultancies begin to implement activities.

Over the last several months the project has achieved the following results:

- *Establishment of PIU and Project Management:* The PIU has been fully established and is functioning effectively. This includes the newly procured professional project management firm to support the PIU in project planning, contracts management, M&E, etc.



- *Industrial Minerals: Demand/Gap Analysis for Industrial Minerals for Local Industry:* The project undertook a detailed review of main industrial mineral suppliers and consumers and estimated potential demand in the country for industrial minerals based on the mineral type. In addition an action plan/roadmap with recommendations was developed and a consultant was procured to support its implementation.

- **Decision Support System (DSS):** The DSS is one of the cornerstone activities under the project as the successful implementation several key project activities will depend on its full operationalization. There have been some delays in this regard, and in Mid-March 2019 a decision was taken to close the contract for the original firm procured to support the ministry on its development and operationalization, and procure another firm to support the government. An assessment of gaps in the operationalization of the current DSS system has been undertaken, and over the next several months the government will aim to address those gaps.

- **Cadastre-** Work to strengthen the minerals cadaster on-going, and it expected to move to the 6 geopolitical zones in the next several months. This activities is expected to improve the management and transparency of the sector.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Moderate	● Moderate	● Moderate
Sector Strategies and Policies	● Low	● Low	● Low
Technical Design of Project or Program	● Substantial	● Substantial	● Substantial
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● Substantial	● Substantial	● Substantial

Results

PDO Indicators by Objectives / Outcomes

Mining information management systems (including geological database, DSS, EIMS) developed. Only DSS				
► Mining information management systems (including geological database, DSS, EIMS) developed. Only DSS established but not rolled-out. (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	None of the systems have been fully developed	--	Only DSS established but not rolled-out. System currently under review. MIST not yet in place.	All systems in place and in use by staff in relevant agencies and institutions



Date	01-May-2017	12-Jan-2018	15-Apr-2019	01-May-2022
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Number of proof of concept transactions undertaken through the project

►Number of proof of concept transactions undertaken through the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	7.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	<p>Activity at infancy stage, site visits have been done to ascertain the assets of firms. The selection of <i>proof of concept</i> sites (assets) is ongoing. During the initial stages the MMSD/PIU team has visited numerous sites throughout the country in order to verify the assets of the companies that have applied for <i>Proof of Concept</i> support, and also to ascertain the level of support needed. A new phase of selection. The project undertook call for proposals for this activity and collected about 250 expressions of interests. Of these about 30 sites were visited. It was agreed during the mission that the ministry will need to communicate shortly to the respondents on the status of their proposals so as to manage expectations. In addition to this, the project will need to take steps to recruit a new geological analyst to support them in the next stages of the site selection process.</p>			

Geological knowledge enhanced through an integrated geological database made publically accessible

►Geological knowledge enhanced through an integrated geological database made publically accessible (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	No	Yes
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	<p>The project selected British Geological Survey (BGS) under contract to review and compile electronic geodata archive for NGSA. The BGS will also develop Geodata Policy and data protocols to support transparent and most beneficial to Nigeria use of the data.</p>			

Increased economic linkages from industrial minerals to the services and manufacturing sectors

►Increased economic linkages from industrial minerals to the services and manufacturing sectors (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	<p>The project financed a consultancy to deepen the understanding of the industrial minerals sector of Nigeria and to design a roadmap to improve industrial minerals contribution to Nigeria's economy. An Industrial Minerals Roadmap launch, hosted by MMSD with participation of sector stakeholders, took place during the mission. The strategy for expediting the development of industrial minerals involves supporting local industrial mineral producers with the necessary mining and mineral processing equipment identified to be hindering the production of specified mineral commodities.</p>			



ASM operators inventoried, formalized, and supported through technical assistance				
▶ASM operators inventoried, formalized, and supported through technical assistance (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	Activity pending implementation, procurement is progressing.			

Mining exportation and production projects subject to formal environmental and safety inspections				
▶Mining exportation and production projects subject to formal environmental and safety inspections following good international practices set under the project (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	75.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	<ul style="list-style-type: none"> • SESA is delayed • Review of laws and statutes ongoing • Safeguards activity ongoing 			

Production data collected from Artisanal, Small and Medium size mining operations				
▶Production data collected from Artisanal, Small and Medium size mining operations (as a % of total number of operations inventoried under the project) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	50.00
Date	20-Oct-2016	20-Sep-2018	15-Apr-2019	30-Jun-2022
Comments:	Procurement of consultant is in progress.			

Intermediate Results Indicators by Components

Establishing a Strong Foundation for Mining Sector Development				
▶Functional reviews undertaken and action plan implemented (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No functional review has taken place	--	<ul style="list-style-type: none"> • Assessment of some agencies in preliminary stage. • Agencies that are to be 	Functional review undertaken and action plan fully implemented.



			assessed at the moment are NGSA and SMDF	
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	Procurement ongoing			
► Establishment of a system for the transparent assessment and collection of revenues from the mining sector (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No such system has been established	--	No such system has been established	Revenue system for assessment and collection fully established and operational
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022
► Establishment fiscal accountability and transparency framework for the Solid Mineral Development Fund (SMDF) (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No fiscal accountability and transparency framework in place.	--	No fiscal accountability and transparency framework in place.	Independent audit of the SMDF carried out on an annual basis and disseminated publicly.
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	Activity yet to commence. Under procurement			
► Number of exploration sites monitored and inspected by the Mines Inspectorate Department in collaboration with other relevant agencies (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	40.00
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022
► Number of staff of MMSD and agencies trained through MINDIVER to manage, regulate, and monitor the mining sector, disaggregated by gender and function (policy, regulation, planning, revenue management) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	200.00
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022
Comments:	Project at the stage of hiring consultant to perform skills assessment of MMSD and its Agencies.			
► Partnership programs for skill development and vocational training under implementation (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	NIMG has been established but has not	--	NIMG has been established but has	Action plan developed, partnerships established, and

	been effective in fulfilling its mandate		not been effective in fulfilling its mandate	training programs implemented
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022
Comments:	This activity has yet to commence			
►Decision Support System upgraded with new geo-data on strategic areas (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022
Comments:	This activity is on-going. Some data has been uploaded.			
►Citizen participation and accountability mechanism established for CSO/CBO/Non-state actor participation in the mineral value chain (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022

Facilitating Downstream Sector Development & Enhancing Competitiveness				
►Number of mineral resources identified from new geoscience knowledge and information collected (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	10.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	this activity is still on-going.			
►Number of potential mineral prospectivity areas identified for targeting (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	18.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	The selection of <i>proof of concept</i> sites (assets) is ongoing. During the initial stages the MMSD/PIU team has visited numerous sites throughout the country in order to verify the assets of the companies that have applied for <i>Proof of Concept</i> support, and also to ascertain the level of support needed. A new phase of selection. The project undertook call for proposals for this activity and collected about 250 expressions of interests. Of these about 30 sites were visited. .			
►Number of artisanal miner cooperatives accessing finance and equipment from microfinance institutions and leasing companies (percentage that are female) (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	100.00
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
►Guidance on local supply chain development for industrial minerals developed (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	01-May-2017	20-Sep-2018	15-Apr-2019	01-May-2022
Comments:	The project financed a consultancy to deepen the understanding of the industrial minerals sector of Nigeria and to design a roadmap to improve industrial minerals contribution to Nigeria's economy. An Industrial Minerals Roadmap launch, hosted by MMSD with participation of sector stakeholders, took place during the mission. The strategy for expediting the development of industrial minerals involves supporting local industrial mineral producers with the necessary mining and mineral processing equipment identified to be hindering the production of specified mineral commodities.			
►Mechanism for attracting long term capital into the SMDF SPV in place (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	01-May-2017	20-Sep-2018	20-Sep-2018	01-May-2022

Project Management and Coordination

►Number of ineligible expenditures (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	0.00
Date	02-Nov-2017	18-Sep-2018	15-Apr-2019	30-Jun-2022

Data on Financial Performance

Disbursements (by loan)

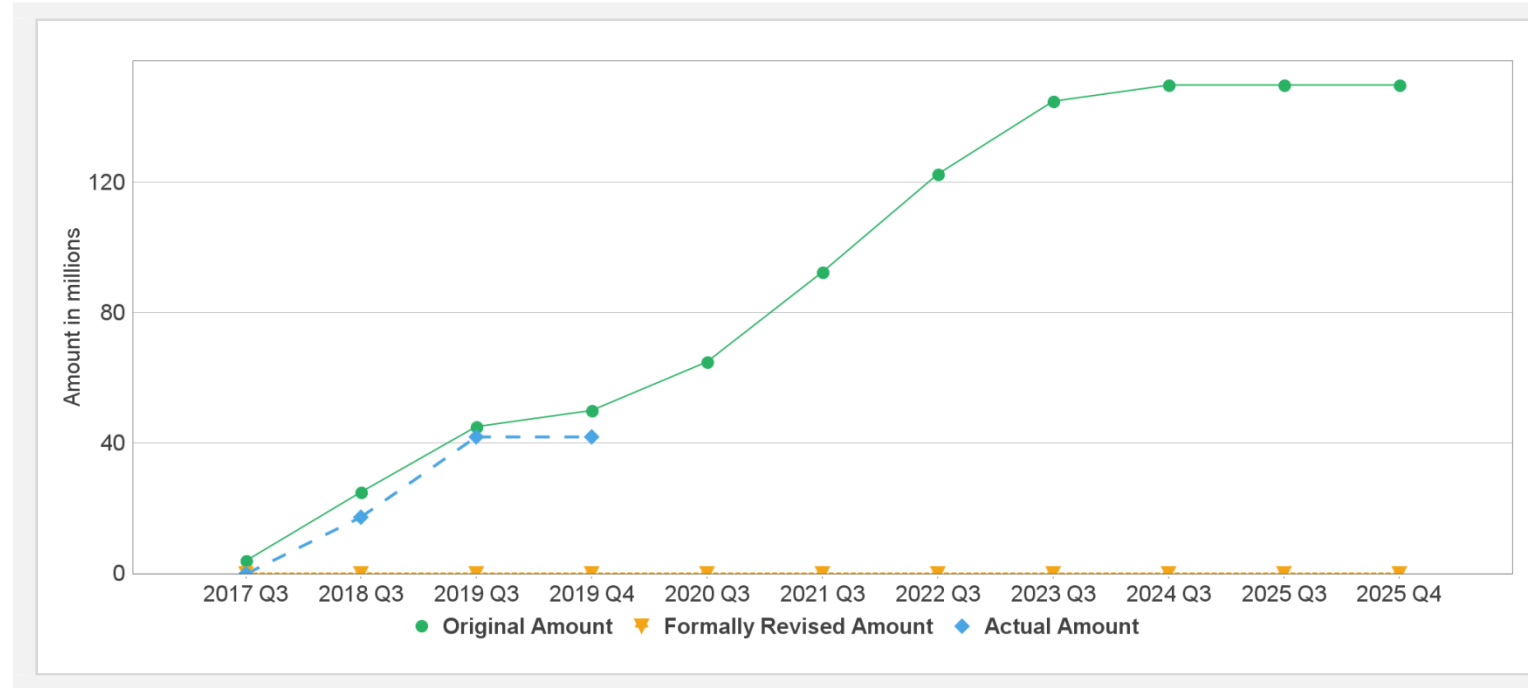
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P159761	IDA-59900	Effective	USD	150.00	150.00	0.00	41.97	112.07	27%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P159761	IDA-59900	Effective	14-Apr-2017	08-May-2017	02-Nov-2017	30-Jun-2022	30-Jun-2022
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Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.