



# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

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Concept Stage | Date Prepared/Updated: 09-Sep-2016 | Report No: PIDISDSC17726



**BASIC INFORMATION**

**A. Basic Project Data**

Country Nigeria	Project ID P159761	Parent Project ID (if any)	Project Name Nigeria: Mineral Sector Support for Economic Diversification Project (MinDiver) (P159761)
Region AFRICA	Estimated Appraisal Date Oct 10, 2016	Estimated Board Date Feb 01, 2017	Practice Area (Lead) Energy & Extractives
Lending Instrument Investment Project Financing	Borrower(s) Federal Ministry of Finance	Implementing Agency Ministry of Solid Mineral Development	

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**Financing (in USD Million)**

Financing Source	Amount
International Development Association (IDA)	150.00
<b>Total Project Cost</b>	<b>150.00</b>

Environmental Assessment Category  
B-Partial Assessment

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

Other Decision (as needed)

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**B. Introduction and Context**

Country Context

1. Until recently, Nigeria’s economic growth has been relatively stable over the last decade and averaged around 7% a year. As a result of a statistical rebasing of the gross domestic product (GDP) in 2014, Nigeria’s GDP was placed close to US\$500 billion, making it the world’s 26th largest economy. Nigeria’s economic position was founded on strong and stable macroeconomic fundamentals (tight fiscal and monetary stance as well as a stable interest and exchange rates). It was also underpinned by oil sector growth as a result of high oil prices. More importantly, the country’s strong platform created positive domestic developments through strong inflow of foreign direct and domestic investments into the non-oil sector, particularly, the communications, agriculture, construction, and manufacturing sectors. As such, the Nigerian economy has become more diversified, more services-oriented, and is no longer dominated by oil and agriculture as it was a decade ago. These developments point towards the immense potential of Nigeria that would still need to be harnessed.



2. During the period of high growth, the greatest challenge that Nigeria with a population of about 170 million people faced was not only with sustaining growth but with making it more inclusive and socio-economically beneficial to its citizens. Although its Human Development Index value improved between 2005 and 2014, the country still ranked amongst countries with a low development index at 152 out of 188 countries and territories, with an index of 0.514. Based on official poverty numbers, progress was made in reducing absolute poverty between 2004 and 2010 but these gains were outstripped by population growth. In addition, the country is confronted with high unemployment, especially among the youths, inequality, especially between the Northern and Southern parts of the country, and a high infrastructure deficit. Ongoing conflict in the North, particularly around the North-Eastern part, has had negative implications for investment in that part of the country and created a large number of internally displaced persons and refugees.

3. Since June 2014, the economy has been facing challenges following the precipitous decline in global crude oil prices from record high prices in 2014 as well as a slow global economic recovery. As a result, Nigeria's dependency on the oil sector for fiscal revenues, in spite of non-oil sector growth, has affected the macroeconomic stability of the past years in the short and medium term. Obvious effects of the oil price drop include sharp reductions in export earnings and government revenues, limited fiscal reserves, negative GDP growth, and a downward pressure on the Nigerian Naira. Oil production has been on the decline following renewed militancy in the oil-producing south, which has cut output to 1.4 million barrels per day from a budgeted 2.2 million bpd. Non-oil growth, which continues to drive the economy's growth, has also been affected, although slightly compared to oil, and is attributable to lower government spending based on lower oil receipts as well as the effects of some monetary policy actions aimed at managing foreign exchange demand. Security challenges in some part of the northern part of the country and low returns from tax collections have also affected the performance of the non-oil sector. State governments have also been heavily impacted by declining oil revenues and have been having difficulties with meeting their high public service personnel costs and increasing social spending costs. With prospects of commodity prices remaining lower for a longer period, the chances of recovery through commodities appears unlikely in the short to medium term.

4. After a successful political transition in May 2015, the new government has been consolidating its efforts towards narrowing macroeconomic and fiscal risks, achieving more inclusive growth, and increasing revenues from the non-oil sector to compensate for declining oil revenues. However, opportunities for rapidly recovering from the economic downturn and restoring growth to pre-oil price drop are limited. A paradigm shift in the way that the economy is managed, including revenues, expenditure, debt, and investment, will be needed to cope with the new landscape of low oil prices and low oil revenues without fiscal buffers to lean on. In aiming for more inclusive growth, Nigeria's growth and poverty reduction strategy has to focus on addressing the fundamental and structural causes of inequalities across the country and to uplift its citizens out of poverty as well as ensure an even basis for sharing prosperity. An even stronger economic foundation is required to facilitate the diversification of the export base and non-oil growth through improvement in external competitiveness factors. Investing in improving the competitiveness and governance of the mining sector will be key in achieving these goals. Revenues from Nigeria's mineral sector will probably not be able to come close to revenues generated by oil or gas revenues. However, contributions from the sector will most likely have an impact on employment, livelihoods, economic diversification, as well as the development of small to medium scale exploitation of quarry materials, gemstones, gold, industrial minerals such as barites and limestone. Although the mineral sector provides an opportunity for growth and development, it is imperative that it does not cause poor social and economic outcomes for the country, but rather transforms the wealth generated from the sector into well-being and economic, social, and political stability.



## Sectoral and Institutional Context

5. One of the key priorities of the Nigerian government is to enhance the diversification of the economy to mitigate its over-dependence on the petroleum sector. In this context, agriculture and the mining sector have been identified, by the newly elected government, as potential sources of growth for the future. Nigeria has an important geological potential for a number of minerals that, if adequately assessed, well exploited and managed, could support economic growth through mineral sector development. The government has identified a number of strategic minerals including barite, gold, bitumen, iron ore, lead/zinc, coal and limestone. Mining is widespread across almost all the states of the Federation, including the northern regions of the country where inequality and poverty rates are highest. In the North Eastern region of the country, mining development could be a driving force to bring jobs and revenue sources thus impacting on the economic stabilization of the region.

6. Nigeria's mining sector is diverse in mineral resources, including high-value commodities (i.e. gold), bulk commodities (i.e. iron ore and tin) as well as gemstones and dimension stones. Despite the country resource potential and its past experience as a significant player in solid minerals development (about 4-5% in the 1960s-70s), today the sector has one of the lowest outputs in the Nigerian economy. The mining sector's contributions to GDP has steadily declined from 5.6% in 1980 to around 0.33% of GDP by 2015, which is significantly lower than other mineral rich countries in the region. Exploration expenditure in Nigeria from 2011-14 has been estimated in US \$ 88 million, including fees and royalties. Activities in the solid minerals sector can be grouped according to their contribution to the GDP, for instance in, Ghana 6.16%, Mali 8%, Guinea 20%, Niger 3%, Senegal 20%, and Mauritania 24%. In 2015, Nigeria gained about 0.02% of its export earnings from solid minerals, compared to more than 20 percent in Namibia, Botswana and Zambia, and more than 50 percent of export earnings were generated in the Democratic of Congo. The sector faces several challenges with geosciences, Industry participants, Stakeholders, Institutions, Governance and other enablers of the sector.

7. The mining sector in Nigeria today is dominated primarily by domestic small scale companies and artisanal miners. Nigeria currently does not have any active operations by *major* international mining companies, due in part to the lack of sufficient geo-data. There have been a few intermediate to junior mining companies (from Australia, UK, China, Ukraine, and India) actively engaged in the sector, focused primarily on the exploration and exploitation of gold, iron ore, lead-zinc, and coal. There are a large number of small domestic mining companies (around 633 as of December 2015), primarily involved in quarry operations for construction stones and limestone. Over 90 percent of the revenue accrued to the government from royalties in the mining sector come from quarrying operations. Most of the quarrying supplies the local construction industry, and in more recent years, local cement manufacturing.

### Bank's Engagement in the Sector

8. In 2005 with support from the World Bank Sustainable Management of Mineral Resources Project (SMMRP, P086716), the Government embarked on a series of institutional and administrative reforms, aimed at refocusing the role of the State and removing inefficient and discretionary regulation. The objective of the project was to provide support to the government in the implementation of a strategy designed to: (i) Increase the Government's long-term institutional and technical capacity to manage Nigeria's mineral resources in a sustainable way; and (ii) establish a basis for poverty reduction and rural economic renewal in selected areas via the development of non-farm income-generating opportunities through artisanal and small-scale mining and via diversification away from oil sources of income. At project closure, in May 2012, implementation was rated as Satisfactory by the Independent Evaluation Group (IEG). The project was able to achieve some strong results including: 1) first-phase geodata collection through airborne geophysical surveys of the entire country and creation of a geodata database; 2) establishment of modern mining cadastre (licensing management) system and cadastral procedures are considered transparent, publicly available, and



non-discretionary; 3) creation of an investor-friendly legal and regulatory framework based on international standards, including passage of the Minerals and Mining Act (2007), promulgation of regulations (2011), and an update to the fiscal regime; 4) capacity building for about 2,000 staff from the Ministry's departments, the Mining Cadastre Office, the Nigerian Geological Survey Agency and the National Institute for Mining and Geosciences; and 5) established linkages throughout the sector and formalized employment for about 251,500 miners who had previously engaged in informal and illegal mining. Many of these activities created the framework for strong sector governance.

9. Following the completion of the SMMRP, the Bank provided support to the Preparation of a Strategic Roadmap for Mining Sector Development in Nigeria (P132733) through an Externally Funded Output (EFO) financed by the Australian and Canadian governments from 2012 to 2016. The aim of the EFO was to provide analytical support to the Ministry of Solid Minerals Development (MSMD) for design of long-term sector vision using key analytical products on mineral resource corridor development and decision support system (DSS) for information management, ASM development, environmental analysis, mineral taxation optimization, gender mainstreaming, education and learning, among others; based on these priorities six separate EFO products covering each of these topics were developed. In addition, the roadmap provides the basis for the design for many key elements of this proposed project such as an enhanced DSS for multi-sectoral territorial planning.

10. Recognizing the need for transparency to reduce corruption, stimulate foreign investment, bolster financial independence, reduce donor assistance and regain the trust, the Nigerian government at the time launched the Nigeria Extractive Industries Initiative (NEITI) in 2004. In doing so, Nigeria became the first African country to follow the EITI global standard for improving transparency of resource revenues as well as to enact legislation, the NEITI Act, 2007, to sustain implementation of the Standard. With support from the Bank (P090895, P132087) Nigeria recently produced and published its first NEITI audit report for the mining sector in December 2012 covering the 2007-2010 period. For six years prior to that NEITI looked only at the oil and gas sector. Since then the country has published two additional reports covering 2011-2012, and the latest NEITI report (for 2013) was published in May 2016.

### Barriers to Sector Development

11. As discussed above, despite these reforms and the country's geological and metallogenical potential, Nigeria continues to struggle with becoming a significant player in most of the core global mining commodities. Even during the commodity super cycle, the county was unable to attract significant investment in the sector. Moreover, productivity from the Nigerian mining sector is still insufficient to meet local demands for key inputs from mining. Many junior and mid-tier mining companies are unaware of Nigeria's full mineral prospectivity potential, largely as a result of incomplete coverage of geological mapping, at the required scale, and associated geochemical and geophysical surveys. More detailed analytical and geodata interpretation work is necessary to fully understand the geology, assess mineral potentialities, and thereafter to undertake a new approach to engaging investors on investment opportunities at all the stages of the mineral development cycle.

12. Extensive stakeholder dialogue and analytical work with support from the EFO has identified a number of core constraints and challenges to sector development, including the following:

- *Financing.* Domestic investors lack access to exploration and capital financing and are therefore unable to undertake preliminary work that would attract foreign investors;
- *Geodata.* Insufficient pre-competitive geoscience knowledge and geological mapping (geo-data) suitable to identify prospective areas for investor interest
- *Infrastructure.* Inadequate infrastructure for multi-sector planning such as roads, rails, and electric power supply to support exploration, mining, and mineral processing activities. Moreover, investors cite inadequate master plans for water resource management, and this has become a limiting factor.



- *Human Resources/Skills.* Lack of adequate human resource capacity and related man power development programs that will enhance professional skill acquisition, and inadequate modern technical knowledge and technology transfers as regards minerals mining and processing;
- *Regulations.* Complex and multiple regulatory requirements related to land acquisition, community relations, equipment importation, expatriate quota approvals, etc;
- *Environmental, Health and Safety.* Multiple environmental issues and occupational health and safety violations triggered by the high degree of informality in artisanal mining sector due to weaknesses in regulatory and monitoring capacity by the Ministry of Mines.
- *Artisanal and Small Scale Mining.* Inability to have a proper oversight and control of illegal and informal mining activities, including smuggling, due to lack of necessary monitoring and supervision facilities;
- *Fragility and Conflict.* Insecurity particularly in the Northern region of the country have increased risks and community-based conflicts.

#### Relationship to CPF

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13. The Nigeria Country Partnership Strategy (CPS FY14-17) puts strong emphasis on supporting the Government to achieve its goals of laying the foundation for a socially and regionally inclusive economic growth. This includes addressing the infrastructure deficits and stimulating non-oil growth. Targeting the mining sector, through this project's interventions at the large, medium, small and artisanal scale levels of the mining sector would improve the contributions and impact from the sector on job creation, poverty alleviation, revenue generation, and non-oil growth. In response to Government priorities, the CPS seeks to support the government through three main strategic clusters: (i) federally-led structured reform agendas for growth and jobs; (ii) quality and efficiency of social service delivery at state level for greater social inclusion; and (iii) governance and public sector.

14. The proposed Mining Mineral Sector Support for Economic Diversification Project directly supports the CPS and will build on first generation governance reforms to address the fundamental barriers to sector development and stimulate non-oil growth through the mining sector. In aligning with the CPS, the project will stimulate foreign direct and domestic investment to develop medium to large mining operations, poverty alleviation, job creation, and facilitate the flow of mineral transactions for domestic market industrial development. This project also aligns with the second CPS cluster by stimulating job creation as well as enhancing the economic opportunities of artisanal and small scale miners. Lastly, improvement of governance and public sector management along with greater transparency and increased accountability of the mining sector is a cross-cutting component of the program that aligns very well with the third CPS component. Apart from aligning with national strategies, the project is also aligned with the African Mining Vision through its emphasis on integration and linkages with the domestic economy, improvement of economic opportunities for ASMs as well as improved geological and mining information systems and mineral sector governance.

15. **Relationship to the World Bank's Gender Strategy.** The World Bank's New Gender Strategy with its emphasis on gender equality and poverty reduction will help to inform the project's gender analysis in order to increase the potential benefits of a strong mining sector equally between men and women. This will be done by: undertaking a gender impact assessment; inclusive stakeholder consultations and a gender mapping exercise identifying the history of gender relations in formal and informal mining in Nigeria. In the bases of this analysis several inventions targeting women and gender inclusiveness will be designed and implemented throughout life of the project.

### C. Proposed Development Objective(s)



The Development Objective is to support the Government of Nigeria to further enhance the mining sector's contribution to the economy through improved governance and institutions, strengthened downstream linkages, access to finance, improved sector investment climate and competitiveness, and fostered participation in the sector.

Key Results (From PCN)

- i. Increase availability and transparency of precompetitive geo-science data to enhance mineral transactions, investor confidence, and sector competitiveness;
- ii. Enhance regional development and spatial planning through the development of information infrastructure and multi-sector planning tools;
- iii. Increase the sustainability of ASM operations, including through the formalization of artisanal and small scale miners, enhancing their skills, and facilitating the development of mineral marketing centers;
- iv. Improve the government's capacities on environmental and social compliance, including strengthened monitoring and enforcement mechanisms to ensure appropriate environmental, social and mitigation standards at mining sites.

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**D. Concept Description**

**I. Description**

16. The proposed project will be financed through an IDA Credit in the amount of US \$150 million. Based on consultations with government counterpart, this proposed project is designed to deliver both short-term results (1 – 2 years) and longer-term results (4-5 years). Targeted activities expected to produce 'quick win' results which will be implemented earlier on in project implementations include the following: (1) Undertaking a demand/gap analysis of industrial minerals required by the local industries to explore some import substitution potentials as well as facilitate the flow of mineral transactions. (2) Facilitating access to finance, technology and equipment, knowledge, and markets as well as provision of mineral extension services; (3) Supporting the mining and processing of the minerals and dimension-stones to meet the required specifications of the local industries in accordance with best practices; and 4) Developing measures for formalizing, regulating and inventorying artisanal and small-scale mining (ASM).

17. Over the medium to longer-term, government's success in developing its mining sector and achieving diversification through the sector, will ultimately be measured against ability to successfully attract and develop mineral transactions on medium to large mining operations as well as any other mining related (i.e. infrastructure) investments. As such, this proposed project has largely been designed based on this principle; many of the project activities are aimed at removing the fundamental barriers to sector development by providing practical technical assistance based on at least one "proof of concept" investment/transaction bringing the asset to a higher developed stage within the conventional mining cycle.

**II. Project Components**

**Component-A: Establishing a Strong Foundation for Mining Sector Development**



**A1. Strengthening mining governance, transparency, accountability, and administration.** Building on the reforms supported by the SMMRP and the EFO, as well as the findings and recommendations of the NEITI mining audit reports, this component will support a second generation of governance reforms. The following activities are envisioned (a) *Updating the Policy, Legal, and Regulatory Framework to align* with international standards and promote investment, (b) *Improve Organizational Efficiency* including the development of an integrated “data repository management system” for improved inter-ministerial coordination, land-related multi-sector planning and operational efficiencies, (c) *administrative capacity building* to the Ministry of Solid Minerals Development and over relevant government agencies, (d) *strengthen revenue assessment and collection including* support of implementation of NEITI mining audit recommendations, (e) *mineral revenue management* in collaboration with the WB Governance Global Practice (GP), Macroeconomics & Fiscal Management GP and the IMF, (f) *Building independent oversight capacity with* parliamentarians, civil society groups and communities to ensure transparency and accountability.

**A2. Strengthening Geological Knowledge and Information Infrastructure.** Identification of prospective areas to facilitate bidding rounds to attract investors. This component will support the collection of new geodata and the digital capture of existing historical geodata for the development of a modern computerized geo-database in order to facilitate mineral asset transactions and attract exploration interest that is necessary to sustain discovery of new deposits and sector growth. To achieve this three activities are envisioned: 1) Geo-data collection (detailed geophysics & geochemistry), interpretation/ analysis and mapping, 2) Prospectivity Analysis to identify potential targets and assigning exploration success probabilities based on ore deposit models, 3) Support mineral asset transaction and valuation processes of selected mineral/ mining targets & packaging for bidding rounds. In addition to information infrastructures other mining-related facilities will be upgraded such as mineral and geochemical laboratories.

**A3. Skills Building and Education Support for Mining Sector Development.** To address skills gaps and in follow-up to activities implemented under SMMRP, this sub-component support the education of the next generation of sector specialists. The project will support building partnership with a local university or other educational institution and association to build practical technical capacity within Nigeria.

**A4. Environmental and Social Performance.** This will include (a) an assessment of social and health related impacts and associated regulatory reforms, including the preparation of a Strategic Environmental and Social Assessment (SESA); (b) the establishment of an Environmental Information System (EIS); (c) capacity building within government to assess environmental information, regulate and monitor the environmental and health impacts associated with the mining sector, including ASM and medical geology; (d) a conflict-assessment to identify potential risks and mitigation measures focused on key areas of the North which will feed into the EIS allowing for continuous monitoring; and (c) implementation of gender equality programs and projects in the mining sector .

## **Component –B: Facilitating Downstream Sector Development and Enhancing Competitiveness**

**B1. Developing measures for formalizing, regulating and inventorying artisanal and small-scale mining (ASM).** The objective is to enhance their economic opportunities, reduce smuggling practices, supporting gender inclusiveness, and bringing incentives towards its inclusion within the “real economy” thus reducing revenue collection misalignments and non-transparent practices in line with poverty alleviation and job creation objectives. Specific activities to be implemented under this sub-component may include some of the following: (1) revalidating ASM sites and making an inventory/survey of the ASM areas of work in the country. (2) Establishing a simplified system for the formalization and registration process and acquisition of mineral title (Small Scale Mineral Title (SSML) and compliance with work obligations and ensuring that men and women can obtain equal titling rights; (3) Building a satellite remote sensing capability to support regular monitoring and area extent of the operations building on the methodology developed through the EFO work; (4) Undertaking localized geological information at the ASM sites; (5) Developing



Environmental and Social Impact Assessment at the site levels and providing mitigation measures; (6) Providing access to value addition/processing opportunities and entrepreneurship skills development; (7) Facilitating market connectivity between the ASM sector and other downstream sectors; (8) Introducing transparency through mineral buying centers; (9) Instituting a legal system for implementation and monitoring of benefit sharing mechanism from mining ventures to communities (benefit sharing is a transversal component); (10) Facilitating the establishment of mineral support centers across the country; (11) Institutionalizing the safer mining support program.

**B2. Catalyzing the mineral sector for regional development.** The aim of this component is to leverage the mining sector to enhance regional development in several strategic resource-rich regions identified as priorities for the government: Northeast, Northwest, and Southwest regions. Other activities under this component could include the development of an enhanced regionally-based resource corridor analysis (DSS) and local content analysis and development, and a small grants program in those regions.

**B3. Implementing steps to enhance value-addition.** Activities under this component will include technical support to increase downstream processing of mineral products. As part of this work, attention will be given to (a) formulation of effective policy measures, (b) accreditation and certification of laboratories, (c) research & development (R&D) processes for new technologies, targeting backward integration, (d) specialized training, and (e) analysis of economic drivers linking supply of industrial minerals with demand for construction materials.

**B4. Addressing access to finance and mineral sector investment climate constraints.** In collaboration with the Trade & Competitive Industries GP, this sub-component includes developing and implementing reforms to address access to finance and investment policy constraints in order to encourage greater competitiveness in the global mineral market. Specifically, the activities will include: Assessing investment entry constraints, investment entry reforms, improving and facilitating access to the domestic as well as regional markets, develop more efficient investment incentives.

**B5. Transaction Support, Identifying and Advancing “Proof of Concept” Investments.** Activities under this component will include: (a) analytical work to identify a pipeline of “proof of concept” investments to bring forward mineral assets within the mining cycle (i.e. strategic concessions, mines or infrastructure), and (b) transaction support to the government to move investment to contractual close as part of an increased knowledge of its resources and economic potentialities. This sub-component will likely include support to establish and capitalize a subsidiary “facilitator fund” of the Solid Mineral Development Fund through disbursement linked indicators (DLI).

**Component - C. Project Management.** Support the GoN in managing and coordinating the Project and building its procurement, financial management, safeguards management, monitoring and evaluation capacity through the provision of technical advisory services, training, acquisition of goods, and operating costs. An external support action to enhance and professionalized project management (certifications PMP, project server etc...) is envisaged besides the traditional project administration and coordination roles.

### **Project Preparation Advance (PPA).**

In addition to this a Project Preparation Advance (PPA) of up to US\$2 million has been anticipated for project preparatory activities.

## **SAFEGUARDS**

### **A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**



Project activities will be located in Resource Rich regions identified as priorities for the government such as Northeast, Northwest and Southwest regions of Nigeria. These areas will be more specific during project preparation.

**B. Borrower’s Institutional Capacity for Safeguard Policies**

Nigeria has demonstrated its commitment to mitigating adverse social and environmental impacts in the implementation of a range of World Bank projects, including category A projects. There are adequate legal and institutional frameworks in the country to ensure compliance with World Bank safeguards policies triggered by the proposed project. In Nigeria, the Federal Ministry of Environment (FMEnv) is responsible for setting policy guidelines on environmental issues and ensuring compliance with national environmental standards. While in the MMSD, the Environmental Compliance Department has had several years of supporting Bank projects and has supported the preparation of a SESA, ESIA and RPF for the first mining sector project, the Sustainable Management of Mineral Resources Project (SMMRP).

**C. Environmental and Social Safeguards Specialists on the Team**

Joseph Ese Akpokodje, Edda Mwakaselo Ivan Smith

**D. Policies that might apply**

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This proposed project is primarily technical assistance project and as such physical impacts of the project such as land acquisition or air pollution are not anticipated or currently known. At this stage the team does not anticipate that physical works will be directly funded by the IDA credit, however transactions advisory services on mineral developments will be supported through the project. A Strategic Environmental and Social Assessment (SESA) will be developed during implementation to ensure that any potential adverse social and environmental impacts are mitigated in accordance with World Bank policies.
Natural Habitats OP/BP 4.04	No	The proposed project does not trigger this policy as this is primarily a Technical Assistance project and specific information on location of potential transaction support are not yet known. The SESA will evaluate the laws and policies related to Natural Habitat protection and mining, and provide recommendations for risk mitigation.
Forests OP/BP 4.36	No	The proposed project does not trigger this policy as this is primarily a Technical Assistance project and



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			specific information on location of potential transaction support are not yet known. The SESA will evaluate the legal framework and policies related to the forest protection and mining, and provide recommendations for risk mitigation.
Pest Management OP 4.09	No		This Policy is not triggered
Physical Cultural Resources OP/BP 4.11	No		This Policy is not triggered
Indigenous Peoples OP/BP 4.10	No		The proposed project does not trigger this policy as this is primarily a Technical Assistance project and specific information on location of potential transaction support are not yet known. The SESA will evaluate the policies related to the protection of indigenous peoples and mining, and provide recommendations.
Involuntary Resettlement OP/BP 4.12	TBD		The proposed project does not trigger this policy as this is primarily a Technical Assistance project and specific information on location of potential transaction support are not yet known. However Resettlement Policy Framework was prepared under SMMRP, and will be updated under the project
Safety of Dams OP/BP 4.37	No		This Policy is not triggered.
Projects on International Waterways OP/BP 7.50	No		This Policy is not triggered
Projects in Disputed Areas OP/BP 7.60	No		This Policy is not triggered

### E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Oct 03, 2016

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

This project is a technical assistance project and as such physical impacts of the project such as land acquisition or air pollution are not anticipated or known. Furthermore, any potential physical works will not be directly funded by the IDA credit which will provide transactional support. However, a Strategic Environmental and Social Assessment (SESA) will be developed during implementation to ensure that any potential adverse social and environmental impacts are mitigated in accordance with World Bank policies. The key objectives of this SESA will be to:

1. Identify the regional policy, institutional, and regulatory adjustments required to integrate social and environmental considerations into mineral sector development; and
2. Formulate recommendations that enhance the wider environmental and social benefits of mining sector development regional infrastructure and economic diversification are also developed.
3. Provide a policy framework for applying World Bank Safeguards policies on environmental impacts, involuntary



resettlement and stakeholder engagement.

## CONTACT POINT

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## APPROVAL

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