



Global Environment Facility

1818 H Street, NW
Washington, DC 20433 USA
Tel: 202.473-0508
Fax: 202.522.3240/3245
Internet: www.theGEF.org

May 25, 2006


Dear Council Member,


The World Bank, as the Implementing Agency for the project, ***Guinea: Community-based Land Management*** has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with the World Bank procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by the Council in June 2005, and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by the World Bank satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at www.theGEF.org. If you do not have access to the Web, you may request the local field office of the World Bank or UNDP to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

 Leonard Good
Chief Executive Officer and Chairman

 cc: Alternates, Implementing Agencies, STAP

OFFICE MEMORANDUM

DATE: May 16, 2006

TO: Mr. Leonard Good, CEO/Chairman, GEF

FROM: Steve Gorman, GEF Executive Coordinator



EXTENSION: 35865

SUBJECT: **Guinea: Community-Based Land Management Project
Submission for Final CEO Endorsement**

1. Please find attached the electronic file of the GEF Project Document for the above-mentioned project for your final review and endorsement. This project was approved for Work Program entry on June 8, 2005 (GEF/C.25/6), under streamlined CEO endorsement procedures. We would appreciate receiving your response, so that we may finalize the Bank Board submission, by May 22, 2006.

2. The GEF Project Document is consistent with the objectives and scope of the proposal approved by GEF Council. No change has been made to the proposed GEF grant amount since Work Program entry.

3. Changes since Work Program Submission:

Financing Plan: The financing plan was revised following work program submission. An in-depth assessment of directly linked IDA, IFAD and beneficiary co-funding through the baseline program showed that this amount was less than estimated at Work Program entry (US\$19.2 million at appraisal versus US\$34.4 million at Work Program entry). At Work Program submission, the entire baseline program financing by IDA, IFAD and beneficiaries was included in the Incremental Cost Analysis, instead of GEF Project linked activities only. In the revised analysis, GEF Project co-funding still represents less than one-third of confirmed baseline program funding.

The overall GEF envelope was not affected by these changes (the geographic zone and the planned activities have not changed).

The changes in the financing plan from work program submission are detailed in the table below and reflected in the revised Incremental Cost Analysis (Annex 15).

Financier/Project	Work Program Submission (US\$ millions)	Actual at Negotiations (US\$ millions)
GEF Project	7.00	7.00
Government	1.00	1.10
CRDs/beneficiaries	8.40	2.50
PACV I and II, of which:	25.00	15.60
IDA		11.70
IFAD		3.90
Total Co-financing	34.40	19.20
Total Project Financing	41.40	26.20

GEF Project Duration: The implementation duration was extended by one year (from four to five) to align the GEF Project with the baseline program and also reflect Bank country experience relative to potential start-up delays.

Component Numbering: In response to a request from the national counterparts, the component numbering has changed to make these in conformity with the baseline program. The first component and second components in the Work Program submission have been switched.

5. Comments by GEFSEC, STAP, and Council:

STAP Comments were addressed at Work Program entry.

GEFSEC Comment: A complete financing plan should be in place including confirmation for all funding and co-funding.

Response: The funding arrangements have been re-appraised and are detailed in the minutes of negotiations and in Annexes 5 (Project Costs) and 15 (Incremental Cost Analysis) of the GEF Project document.

Comments from USA: The USA expressed a concern that the process needs to be truly participatory, not just coming in and asking the communities to rubber stamp what others have decided they need. Some flexibility is needed to adapt to local needs as expressed during the project. Monitoring and Evaluation (M&E) will also be crucial in this aspect.

Response: The comment is broad and therefore difficult to directly address. The project documentation, especially Annex 4 and 6 clearly identify the participatory process. In addition, the financial envelope per rural community is flexible to better respond to local

constraints while the menu of eligible micro-project investments has deliberately been defined within broad categories to allow adjustment to local conditions. The M&E system is designed to independently verify the participatory process in the selection of micro-projects. Beneficiary involvement in data collection is already ongoing and will be further strengthened with support from the French funded *Observatoire Guinée Maritime* to ensure community needs are reflected in the indicators.

Comments from Germany: two sets of questions were raised relative to component 2 of the GEF Project.

Question 1: The financial volume of Component 2 (old Component 1) seems to be quite high compared to the investment funds of Component 1 (old Component 2).

Response: As already stated above the need for capacity building under the baseline program was reviewed at appraisal and substantially reduced to bring it more in line with implementation experience under the baseline program and the actual geographic intervention zone of the GEF Project.

Question 2: A strategy is needed to promote the responsibilities of local governments and communities in the areas of planning, implementation and monitoring. This should be developed in the beginning of project implementation.

Response: This comment may have been the result of lack of information in the GEF Project documentation submitted for Work Program approval. As the updated Annex 4, Component 2, clearly outlines, targeted capacity building would be used to introduce the concept of spatial planning and the interactions of various activities on the productivity of the landscape/watershed and on areas of environmentally global importance. This is needed to ensure that communities have the capacity to be in the driver's seat and identify sustainable land management priorities and reflect these in the local development plans. Transparency of the decision making process and quality of micro-project execution would be reviewed through technical audits.

6. Please let me know if you require any additional information to complete your review of the project document. We look forward to receiving your endorsement of the project for Bank Board approval.

Many thanks.

Attachments:
GEF Project Document
Signed Minutes of Negotiation

cc: Messrs./Mmes. GEF PROGRAM COORDINATION (GEFSEC); Mats Karlsson, Country Director, Michelle Keane, Country Program Coordinator, Mary Barton-Dock, Sector Manager, AFTS4, Dirk Prevoo, Operations Officer, TTL, AFTS4, Joseph Ellong, Program Assistant, Kadidiatou Bah, Team Assistant, Claudia Sobrevila, Thematic Specialist, Karen Anne Luz, Thematic Specialist, Christophe Crepin, Regional Coordinator, R. Khanna, S. Wedderburn, Marea Hatzios (ENV); ENVGC ISC, Regional Files

Document of
The World Bank

Report No:

PROJECT DOCUMENT
ON A
PROPOSED GRANT FROM THE
GLOBAL ENVIRONMENT FACILITY TRUST FUND
IN THE AMOUNT OF USD 7 MILLION
TO THE
REPUBLIC OF GUINEA
FOR A
COMMUNITY-BASED LAND MANAGEMENT PROJECT

May 25, 2006

CURRENCY EQUIVALENTS

(Exchange Rate Effective July 31, 2004)

Currency Unit = Guinean Franc (GF)
GF 4,500 = US\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AGIR	Project to Support Integrated Resource Management of the Niger and Gambia River Basins (<i>Appui à la Gestion Intégrée des Ressources du Niger et la Gambie</i>)
CBD	Convention on Biological Diversity
CDD	Community Driven Development
CNC	National Coordination Unit (<i>Cellule nationale de coordination</i>)
CRD	Rural Development Commune (<i>Communauté Rural de Développement</i>)
DNH	National Department for Water Resource Management (<i>Direction Nationale de l'Hydraulique</i>)
GIS	Geographic Information System
IRAG	Agricultural Research Institute of Guinea (<i>Institut de Recherches Agronomiques de la Guinée</i>)
LIF	Local Investment Fund
MAE	Ministry of Agriculture and Livestock (<i>Ministère de l'Agriculture et d'Élevage</i>)
MATD	Ministry of the Interior and Decentralization (<i>Ministère de l'Administration du Territoire et de la Décentralisation</i>)
M&E	Monitoring and Evaluation
MP	Ministry of Planning (<i>Ministère du Plan</i>)
NAPA	National Adaptation Plan for Action
NRM	Natural Resources Management
OGM	Observatoire Guinée Maritime
ONRG	National Observatory for Guinea (<i>Observatoire Nationale de la République Guinéen</i>)
OP	Producer Organization (<i>Organisation des Producteurs</i>)
PACV	Village Communities Support Program (<i>Programme d'Appui aux Communautés Villageoises, PACV</i>)
PACV2	Village Communities Support Program Second Phase
PEGRN	Enlarged Natural Resource Management Program (<i>Programme Elargi de Gestion des Ressources Naturelles</i>)
PGCMB	Coastal Marine and Biodiversity Management Project (<i>Projet de gestion Côtier Marin et de la Biodiversité</i>)
PGCT	Community-Based Land Management Project (<i>Projet de Gestion Communautaires des Terres</i>)
PNIR2	Second Phase National Rural Infrastructure Program (<i>Deuxième Phase du Programme National des Infrastructures Rurales</i>)

PRA Participatory Rural Appraisal
SC Steering Committee
SLM Sustainable Land Management
UNCCD United Nations Convention to Combat Desertification
UNFCCC United Nations Framework Convention on Climate Change

Vice President:	Gobind T. Nankani
Country Manager/Director:	Mats Karlsson
Sector Manager:	Mary Barton-Dock
Task Team Leader:	Dirk Nicolaas Prevoo

GUINEA
Community-Based Land Management Project

CONTENTS

	Page
A. STRATEGIC CONTEXT AND RATIONALE	1
1. Country and sector issues.....	1
2. Rationale for Bank involvement	2
3. Higher level objectives to which the project contributes.....	4
B. PROJECT DESCRIPTION	5
1. Lending instrument	5
2. Project Intervention Zones	5
3. Description of Baseline Project	5
4. Project development objective and key indicators.....	8
5. Project components.....	9
6. Lessons learned and reflected in the project design.....	11
7. Alternatives considered and reasons for rejection	13
C. IMPLEMENTATION	14
1. Partnership arrangements.....	14
2. Institutional and implementation arrangements.....	15
3. Monitoring and evaluation of outcomes/results.....	16
4. Sustainability and Replicability	16
5. Critical risks and possible controversial aspects.....	17
6. Loan/credit conditions and covenants.....	20
D. APPRAISAL SUMMARY	20
1. Economic and financial analyses.....	20
2. Technical.....	21
3. Fiduciary	22
4. Social.....	23
5. Environment.....	23
6. Safeguard policies.....	23
7. Policy Exceptions and Readiness.....	24
Annex 1: Country and Sector Background	25

Annex 2: Major Related Projects Financed by the Bank and/or other Agencies 30
Annex 3: Results Framework and Monitoring 36
Annex 4: Detailed Project Description..... 41
Annex 5: Project Costs 47
Annex 6: Implementation Arrangements 48
Annex 7: Financial Management and Disbursement Arrangements.....Error! Bookmark not defined.
Annex 8: Procurement Arrangements 57
Annex 9: Economic and Financial Analysis 60
Annex 10: Safeguard Policy Issues..... 62
Annex 11: Project Preparation and Supervision 65
Annex 12: Documents in the Project File 67
Annex 13: Statement of Loans and Credits..... 68
Annex 14: Country at a Glance 69
Annex 15: Incremental Cost Analysis 71
Annex 16: STAP Roster Review 77
Annex 17: Monitoring and Evaluation 87
Annex 18: Site Specific Land Degradation Issues..... 91

A. STRATEGIC CONTEXT AND RATIONALE

1. Country and sector issues

Guinea has a rich endowment of natural resources (renewable and non-renewable) and its economy is almost entirely dependent on these. The rural poor are particularly dependent on renewable natural resources and therefore the sustainable management of those resources. Mineral mining and agriculture represent the most important economic activities, providing employment to about 80 percent of total population. Agriculture is the dominant activity of the rural population (65 percent of employment), while 30 percent of the rural population is practicing livestock holding. Past growth was driven to a large extent by the agricultural sector. Increased agricultural production was, however, not through productivity increases but through increased surface under cultivation and decreased fallow periods in certain areas where population growth had led to increased land pressures (primarily along the main transportation axis to Senegal, Mali and Côte d'Ivoire).

While the root causes of Guinea's poor socio-economic performance in rural areas are numerous, land degradation plays a major role. According to the PRSP, the constraints impeding the rural sector's development include:

- the severe decline in production potential of land;
- insufficient rural infrastructure (dirt roads, irrigation infrastructure, etc.); and
- deficiencies in the framework governing private sector development (access to land and secure land tenure, access to credit, public support services, etc.).

The PRSP concludes that the outlook for the rural sector will be largely contingent upon activities implemented to overcome these constraints and places the focus on the rural sector as a source of growth. The Community-Based Land Management Project (GEF Project) will focus on the first constraint, while a number of other initiatives such as the multi-donor supported Second Phase National Rural Infrastructure Project (*Programme National des Infrastructures Rurales*, PNIR2) and Village Communities Support Program (*Programme d'Appui aux Communautés Villagois*, PACV), and the USAID supported private sector development initiatives, are focusing on resolving the other two constraints. The GEF Project will establish close working relationships with the PNIR2 and in particular the PACV

Beyond having significant negative impacts on livelihoods in Guinea, declining land productivity is also threatening the natural environment, which has much wider impacts, given Guinea's status as a key watershed for many of the major West Africa rivers (including the Niger, the Senegal and the Gambia rivers). Many neighboring countries depend on these waters for various purposes (e.g. water supply, food, transport, energy and tourism). Long-term sound management of the waters is indispensable in fighting the water scarcity and stress in West Africa, which is expected to occur over the next decades. Several multi-donor regional programs are ongoing, although most activities in Guinea are limited in scope (See also Annex 2). Finally, many areas of Guinea have high levels of biodiversity and are critical habitats for threatened species. The IUCN red list of threatened species identifies, amongst others, a total of 14 mammals, 10 birds,

and 21 plants,¹ which is confirmed by the 1997 National Monograph on Biodiversity. UNEP states that out of 88 endemic plant species, 36 are threatened. As a result, interventions that protect or improve ecosystem health (in the case of this project through the use of sustainable land management) and reduce human encroachment on habitats also represent a critical contribution to the preservation of biodiversity.

In the case of Guinea, land degradation is exacerbated by weak institutional capacity and lack of knowledge at both the national and local levels regarding sound environmental management in general and in particular on how certain human activities, such as artisanal mining, deforestation and inadequately adapted agricultural practices, impact on fragile ecosystems. Little awareness exists of the longer-term multiple functions of ecosystems and the important role land degradation control and prevention activities can have in these. In particular, there is a lack of decentralized and site specific strategies of sustainable land use linking (i) improved land management practices, which can generate immediate benefits, such as decreased production costs and increased farm income; and (ii) medium and long-term goals of environmental management, including reversing trend in land degradation and loss of (agro) biodiversity, decreasing greenhouse gas emissions, improving carbon sequestration, and improving hydrological cycle at sub-watershed level and beyond.

2. Rationale for Bank involvement

The Bank has considerable experience to offer in institution and capacity building and its environmental safeguards are recognized as setting international standards. In addition, the Bank has recognized participatory community-based approaches as key to the successful implementation of rural development activities.

The Bank adds value through providing technical assistance for designing and implementing sustainable land management projects that draw on worldwide experience gained through management of its important GEF portfolio. The Project is consistent with the strategy proposed under the Bank led multi-donor initiative for SLM (TerrAfrica), as it is cross-sectoral by its very design, seeks to harmonize and learn from past and ongoing activities in Guinea and elsewhere, and will scale-up successful interventions through the mechanism of the ongoing Village Communities Support Program (PACV).

The Bank can also bring incremental grant resources through its relationship with the GEF and partnerships with other stakeholders to assist Guinea in tackling land productivity issues.

b) Rationale for GEF involvement

The Government ratified the three conventions aiming at reducing land degradations, i.e., the UN Convention to Combat Desertification (UNCCD) in June 23, 1997, the UN Framework Convention on Climate Change (UNFCCC) in May 7, 1993, and the Convention on Biological Diversity (CBD) in May 22, 1991. The Project will contribute to the implementation of these conventions, as all three conventions specifically recognize the link between land degradation and desertification, climate change and its negative impact on sites with biological importance at

¹ IUCN website.

the national and global levels. Specifically, the Project will contribute to these conventions through the protection of watersheds and by its emphasis on sustainable land management seek to control, mitigate, and prevent land degradation resulting from deforestation and other human interventions. It will do so through the provision of capacity building, tools and the provision of matching grants for critical investments for which no other sources of funding exist. The link with these three conventions and the Project is summarized in the Table below.

The Project (Community-Based Land Management Project - **Community-Based Land Management Project** (*Projet de Gestion Communautaires des Terres, PGCT*)) emphasizes the development of replicable participatory mechanisms for building the capacity of local stakeholders to recognize land degradation causes and effects and apply sustainable land management practices in their activities (pilot sites will thus cover multiple ecological zones), as well as an institutional mechanism to exchange implementation experiences amongst different actors (development agencies, project staff, staff from government agencies) to determine best practice approaches and to widely disseminate information. The GEF project seeks to ensure sustainability through the implementation of activities through existing national institutions and the mainstreaming of its results through the second phase of the PACV. This approach is fully consistent with the National Environmental Action Plan, which emphasizes the need for mainstreaming the results of such interventions.

The Project will focus on improving the environmental conditions in project sites through land degradation control and prevention activities. As such, it is consistent with GEF objectives for Operational Program 15. In particular, through working with the PACV, the project is seeking to mainstream land degradation considerations into community development planning and decision-making. Furthermore, by demonstrating the multiple benefits of improved land and water management, the Project is expected to create awareness and mainstream sustainable land management and will do so through supporting the application of innovative on-the-ground technologies.

GEF strategic priorities under its Operational Program 15 (OP 15) for capacity building and the on-the-ground application of innovative approaches are fully supported by the project. It is fully recognized that without adequate capacity building of local populations and providing them with the means to take responsibility for controlling and preventing land degradation, it is not possible to have a sustainable impact. Capacity building and the provision of a basket of innovative approaches to control, combat and prevent land degradation are therefore important instruments of the Project.

In the absence of a new dynamic such as that proposed under the Project, the threats described above and detailed in Annex 1 will eventually cause irreversible land degradation, which will undermine the structure of critical ecological systems and directly affect the income earning potential of rural households living in and around these areas, and indirectly in surrounding countries, through reduced and uncertain water flows, as the watershed will be negatively impacted, and reduced land productivity. By focusing on land degradation prevention and control, the Project will provide the tools for sustainable land practices at both the local and national levels within Guinea. This would result in the maintenance and restoration of the stability of these critically sensitive ecological systems.

3. Higher level objectives to which the project contributes

a) Sector-related Country Assistance Strategy (CAS) goal supported by the project: (Annex 1)

Document number: 25925 GN

Date of latest CAS discussion: July 6, 2003

This Project supports the objectives of the Government's Poverty Reduction Strategy Paper (PRSP) and the Bank's Country Assistance Strategy (CAS) by improving the productivity and sustainable use of the natural resource base in Guinea's coastal zone. The last CAS (Report No. 25925 GUI, 2003) identifies this project as a means to improve the management of Guinea's environmental resources.

The Project is consistent with the CAS and PRSP objectives of supporting opportunities for employment and income-generating activities for the poor. In particular, it will contribute to an increase in the productivity of rural assets (labor and land) through the conservation, regeneration, and sustainable use of natural resources, and thus also to increased rural revenues and increased food security. In addition, it will strengthen the institutional capacity of local governments and producer organizations to identify, design and implement such activities.

The Project also supports the Millennium Development Goals of reduced poverty and hunger (#1) and environmental sustainability (#7). Furthermore, the Project supports several of the *New Partnership for Africa's Development's* (NEPAD) objectives. NEPAD explicitly calls for greater attention by multilateral development institutions to the agricultural sector and rural development. It specifically targets the issue of land degradation and identifies it as a priority for intervention noting that 'initial interventions are envisaged to rehabilitate degraded land and to address the factors that lead to such degradation'. The GEF Project is consistent with the strategy proposed under the Bank led multi-donor initiative for SLM (TerrAfrica), as it is cross-sectoral by its very design, seeks to harmonize and learn from past and ongoing activities in Guinea and elsewhere, and will scale-up successful interventions through the mechanism of the ongoing Village Communities Support Program (*Programme d'Appui aux Communautés Villageois*, PACV).

The Project supports the Africa Action Plan. Concerning Pillar I, it supports the integration of database systems into national structure. All impact studies will be done through a public institute attached to the Minister of Planning and built-up with support of the French Government and the French GEF. All data collected through this Project will likewise be stored in an internet accessible portal to ensure sustainability of information. Concerning Pillar III, it supports the drivers of growth by increasing agricultural productivity through the introduction of sustainable land management practices and builds the capacity of women and the poor through its socially inclusive capacity building activities and support to income generation through matching grants and demonstration activities.

B. PROJECT DESCRIPTION

1. Lending instrument

GEF full-sized project (US\$7.0 million) to be implemented over five years.

2. Project Intervention Zones

The Project will intervene in selected sites within four watersheds. As part of project preparation sub-watersheds of the Kogon, Fatala, Gambia and Senegal River watersheds were selected as pilot zones. One criteria was that the selected sites would need to have already benefited from capacity building support under the PACV. A preliminary root causes and threats analysis for these sites is presented in Annex 18. A table listing the Rural Development Communes (*Communauté Rural de Développement*, CRD) in the project pilot zones is presented below. A map is included in Annex 4.

Table 1: Pilot CRDs

CRD	Prefecture	Natural Region
Tanènè	Boké	Maritime
Malapouya	Boké	Maritime
Mombèya	Dalaba	Middle
Daralabé	Labé	Middle
Noussy	Labé	Middle
Donghol Sigon	Mali	Middle
Fougou	Mali	Middle
Porédaka	Mamou	Middle
Bouliwel	Mamou	Middle
Tolo	Mamou	Middle
Santou	Télimélé	Maritime
Gougoudjè	Télimélé	Maritime
Sarèkaly	Télimélé	Maritime

3. Description of Baseline Project

The Project will be associated with the first and second phase of the PACV and implemented from 2006-2011. Start-up of the GEF Project will coincide with the last year of the ongoing first phase of the PACV, while full implementation (four years) would coincide with the second phase (2007-2011). The Project is intended to be a catalyst for sustainable land management (SLM). Its results will be fully integrated, and scaled up nationally, as part of the third phase of the PACV (2011-2014).

The proposed Project would complement the PACV in the pilot CRDs. The aim would be to achieve a synergistic effect, which is demonstrated as follows: PACV support to develop and implement local development plans are targeted on social infrastructure² at community level without taking land use planning into account, while GEF funds would be focused on incremental support to move towards an integrated planning approach for local development plans and piloting of new or adapted technological approaches, identified through participatory methods with local communities, to achieve SLM.

The PACV is presently co-financed by IDA, IFAD³, the African Development Fund (ADF), the Agence Française de Développement (AFD) and the Government of Guinea. This program seeks to reduce rural poverty through capacity-building at the level of the CRD.

The PACV has three phases and was to be implemented over a period of 12 years, in three phases of four years each. The first phase became effective in 1999 and is expected to close on June 30, 2007. The closing date for the first phase was extended twice because of implementation start-up delays and postponement of the local elections, which were a trigger for second phase financing. An additional financing grant was approved by the Board on January 24, 2006, to enable the PACV to complete first phase objectives and extend its geographic coverage from 100 to 146 CRDs. The second phase, which is currently under preparation, is expected to be launched in mid-2007. All 303 CRDs are to be included in the PACV by the end of its second phase.

The first phase of the PACV has three specific objectives: (i) establish an effective and efficient mechanism for transferring public funds to local communities for the financing of prioritized rural community infrastructure; (ii) improve the regulatory, institutional, and fiscal environment and develop local capacity for decentralized rural development; and (iii) rehabilitate and promote regular maintenance of infrastructure and rural roads.

The PACV has tremendously improved the access of communities to basic social services, including health, education, and potable water, with the construction of 263 elementary schools, 155 health centers and dispensaries, and 167 water holes. In addition, the PACV has supported the establishment of 46 communal forests. The rehabilitation of rural roads and construction of 35 bridges has positively impacted access to markets and thereby provided a production incentive for local economies. Progress towards the PACV's overall program objective of strengthening local governance and promoting the rural population's social and economic empowerment is satisfactory. The first phase of the PACV has had a strong impact on local governance, with local communities feeling increasingly empowered to hold officials accountable for the efficient implementation of development activities. Local tax collection has also increased dramatically in response to the need to raise contributions for local development activities funded by external financiers and the close involvement of beneficiaries in the decision-making process.

² Socio-economic investments are likely to be added as part of the second phase.

³ IFAD co-financing has been fully utilized and a new loan is under preparation to support the second phase of the PACV.

One unplanned – and positive – impact of the PACV is that it has become an efficient implementation vehicle for other development projects, including HIV/AIDS community mitigation activities, and health and education projects. The PACV has shown that communities can implement investment activities at the local level more efficiently than public services. The Guinea Education for All Project recently agreed to carry out construction of over 100 elementary schools through the PACV to resolve implementation issues. In addition, all development projects operating in rural Guinea have agreed to use the local development planning process pioneered by the PACV as the sole vehicle for implementing local development activities.

The PACV presently includes three components: (i) a local investment fund to finance village infrastructure; (ii) support for local development; and (iii) program management, monitoring and evaluation.

Local Investment Fund (LIF) is the mechanism for transferring funds to local communities to finance priority community infrastructure micro-projects. The LIF comprises two funding windows: a Village Investment Fund (*Fonds d'Investissement Villageois*, FIV) and an Innovation Fund (*Fonds d'Appui à l'Innovation*, FI). The FIV will help finance a predetermined menu of basic social infrastructure, such as education, health, drinking water and sanitation facilities, and village access roads. Total first phase funding for these activities is about US\$20.0 million⁴.

Support for Local Development component supports the rationalization and operationalization of the regulatory and institutional environment for local development. The component includes support to five sets of activities: (i) streamlining the legal and regulatory framework for decentralization; (ii) effective fiscal and financial decentralization; (iii) CRDs' capacity to develop and manage local development programs (*Plan de Développement Local*, PDL); (iv) strengthen the capacity of the Ministry of the Interior and Decentralization (*Ministère de l'Administration du Territoire et de la Décentralisation*, MATD) agencies and services, which are responsible for decentralization; and (v) sensitizing and training elected local officials and CRD administrative and technical staff in the areas of local development government, planning and financial management. Total first phase funding for these activities is about US\$11.0 million.

The second phase of the PACV will build on the strengths of the first phase and will add a pilot and security component as well as expand the basket of eligible activities to include support for socio-economic micro-projects. At the present time, the Bank and IFAD are likely to provide about US\$40 million for the second phase. Discussions with Government and other donors are ongoing.

Program Management, Monitoring and Evaluation component covers: (i) project coordination, oversight, and financial management, which includes establishing and operating the National and Regional Coordinating Units, and (ii) establishing and operating the overall monitoring and evaluation system. Total first phase funding for these activities component is about US\$6.7 million.

⁴ Including support from the Additional Financing approved by the Board on January 24, 2006.

The second phase of the PACV will add a pilot land tenure component to develop tools for resolving land ownership issues in high conflict zones. These tools would be mainstreamed into the PACV once fully tested.

4. Project development objective and key indicators

(a) Development Objective

The development objective of the Project is to reduce land degradation through the integration of SLM practices into the overall development planning process of communities and local governments in selected pilot sub-watersheds. The GEF funded project thereby broadens the scope of the PACV.

(b) Global objective

The global objective of the Project is to pilot sustainable and replicable approaches to the prevention and mitigation of the causes and negative impacts of land degradation on the structure and functional integrity of ecosystems. By adopting an integrated cross-sectoral approach facilitated by linking up with the PACV, and by using sub-watersheds as a planning basis, it will contribute to the protection of selected critical watersheds. The objective will be achieved through the implementation of activities compatible with OP 15 (SLM) and corresponds to GEF strategic priorities for capacity building and the on-the-ground application of innovative approaches and technologies.

(c) Key indicators

Project indicators will be consistent with the expected outcomes based on the objectives of Operational Program 15. These indicators are detailed in Annex 3 and include:⁵

- Surface under sustainable land management compared to baseline assessment (25,000ha at end of Project);
- reduction in sedimentation rate as a measure of riparian health (to measure both water quality and erosion - 10 percent reduction by end of Project); and
- stabilization of native biological status (selected from 4-5 key site-specific species to be identified through the baseline surveys)

As part of the first year work program, detailed analyses will be carried out on all sites. Based on the results of these studies the key indicators will be developed and goals set for the mid-term and end of project reviews. The indicators will be reflected in the Project Monitoring and Evaluation Manual. The baseline studies are planned for the first six months of Project implementation.

⁵ Based on the baseline surveys which will be carried out immediately following Grant Effectiveness.

5. Project components

Description Summary

The Project's strategy is based on PACV's participatory approach involving greater awareness and assumption of responsibility on the part of beneficiaries. It aims to put local actors who are reliant upon natural resources at the center of the process of generating ideas, decisions and interventions for the management of these natural resources. In order to effectively address land degradation, local beneficiaries must be provided with adequate resources, appropriate information, and a supporting institutional framework. Furthermore, the project will approach land degradation within the framework of watershed management planning. The specific design principles (as described below) are consistent with the approach envisaged by Operational Program 15.

The proposed Project aims to integrate the ecological, social and economic dimensions of land degradation to ensure full participation and cooperation at all levels. Specifically, the GEF will support (i) capacity building of communities to promote new land management techniques, (ii) implementation of micro-projects having a positive impact on productive land and associated ecosystems, (iii) capacity building of decentralized agents of the relevant technical ministries as appropriate, and (iv) development of methodologies for environmental information management and support for the exchange of information to encourage a holistic SLM approach throughout the country.

Specific Components

Formatted

I. Local Investment Fund.

GEF complement (US\$3.4 million): In support of the annual investment plans derived from the PDL, the Project will supplement the targeted local investment funds under the PACV by providing earmarked matching grants for micro-projects having a positive and incremental effect on the productive services of land and water: (i) matching grants for micro-projects that are relatively complex or have broad indirect benefits and are executed by the CRDs; and (ii) matching grants for micro-projects emphasizing SLM that are relatively small and technically simple, which would be implemented by the beneficiaries themselves. Incentives for critical SLM oriented activities will be built-in by varying the counterpart contribution for selected micro-projects.

The Project will supplement the PACV LIF matching grant through the allocation of an envelope of US\$20,000 to US\$50,000 per year and per CRD for undertaking the SLM focused micro-projects identified in their adapted PDL and approved through the micro-project approval mechanisms of the PACV. Beneficiary contributions rates will be 10-20 percent in-kind. The contribution for these types of micro-projects has been set to encourage investments in activities aimed at maintaining and/or improving land quality (SLM), and reducing pressures on sensitive ecosystems. As activities can only be contracted by legally recognized entities, all activities would be organized through the CRD using the existing Supervision Committees (*Comités de Suivi*, CS). Examples of eligible micro-projects are:

(a) Sustainable land and management focused investments, including in relation to: (i) soil fertility management; localized soil erosion control; localized river bank protection; degraded land restoration; support to conservation agriculture or tillage; introduction of locally adapted agricultural technologies for purposes of reduction of risk to farmers from precipitation changes; development of improved pastures for purposes of reduction of need for brush fires and ensuring sufficient-quality animal fodder; and support to forestry and agro-forestry investments for purposes of income diversification, land protection and wood-supply increase (firewood, construction).

(b) Operational research and development activities, upon request by local communities, relating to on-farm or on-site testing and validation of new technologies and activities for purposes of land productivity improvement.

(c) Provision of support to demonstration activities for purposes of reduction of land degradation pressures,

II. Capacity Building for Local Development.

GEF complement (US\$2.5 million): The SLM focus of the Project adds an additional dimension to the capacity building activities of the PACV. GEF incremental funding will focus on strengthening the capacity of local governments and rural communities in the selected pilot sites for spatial planning of development activities, and for the planning, implementing and coordinating of development actions that reflect SLM priorities. Existing Local Development Plans (*Plan de Développement Local*, PDL) would be adapted with the assistance of the Project using a new set of training tools that will assist communities in identifying constraints and identify solutions. In addition, the capacities of local communities to monitor and evaluate the micro-projects will be strengthened and indicators selected following a participatory process. PACV as already made a start with this.

The GEF OP15 allows for the funding of a wide range of land management activities as long as they are incremental to a defined baseline and will bring incremental benefits to the broader environment. Activities identified through participatory techniques with local stakeholders would be ranked on the basis of likely incremental benefits in the PDL to ensure maximum benefits from limited resources.

III. Project Management, Coordination and Monitoring and Evaluation.

III.1. Project Management and Coordination.

GEF Complement (US\$0.5 million): Implementation of the PGCT will be completely integrated into the structure of the PACV. The Project will provide funding to the Ministry of Planning (MP), MATD and agencies of technical ministries implicated in project execution, such as the Ministry of Agriculture and Livestock (*Ministère de l'Agriculture et d'Élevage*, MAE) and the Ministry of Environment (*Ministère de l'Environnement*, ME), to support the incremental cost of Project implementation and management.

In addition, the Project will fund the costs of participation in annual meetings to exchange implementation experiences and relevant baseline and impact data with other SLM focused projects and stakeholders. Project implementation would be adjusted on the basis of the recommendations of these meetings.

III.2. Monitoring and Evaluation

GEF Complement (US\$0.6 million): The Project has specific requirements that will go beyond the requirements of the baseline Project. The internal M&E system of the baseline Project has been adapted to the requirements of the GEF, with a particular emphasis on strengthening the land use and planning monitoring components of the M&E system of the PACV.

The impact evaluation system has been developed and is modeled on the Coastal Marine and Biodiversity Management Project (*Projet de gestion Côtier Marin et de la Biodiversité, PGCMB*). Close collaboration will be sought with national institutions such as the Agricultural Research Institute of Guinea and the University of Conakry. Remote sensing techniques would be used to measure vegetation coverage and the extent of land and water degradation/restoration, as well as sediment loading into rivers. A link would be sought with AGRHYMET (in Niamey) to measure the evolution of vegetation indexes or with another service provider, depending on the costs charged by AGRHYMET, and with a Guinean institution to develop a methodology of monitoring and reducing brush fire. The baseline and impact studies will be carried out by institutions independent from the implementation structure of the PACV. Links for this will be sought through the to be created National Observatory of Guinea (*Observatoire Nationale de la République Guinéen, ONRG*) and the National Statistic Directorate to ensure local capacity building and integration of collected data into national systems.

To assist with M&E, a GIS baseline database would be established for each CRD and pilot watershed. The approach used would be the same as for the PGCMB to ensure that information can be aggregated and compared amongst GEF supported projects. More importantly, after technical validation, it would be the used as the basis for the national database of the PACV.

6. Lessons learned and reflected in the project design

Based on a broad body of experience, including Guinea and other countries with World Bank (including the first phase of the PACV) and non-World Bank funded rural development and natural resource oriented projects, the following lessons were used in the design of the project:

Integrated objectives and SLM

All interrelated ecosystems should be taken into account by modeling the impact of planned SLM interventions on the landscape as a whole, hence a sub-watershed approach has been adopted.

The need to integrate SLM concerns into development. In building on the baseline Project, and by paying particular attention to land degradation control and prevention action plans and to communities living within sensitive watersheds, the Project builds on the need to integrate SLM

concerns into development not only at the community level but also at the sub-watershed and watershed levels.

Measure for results. The Project supports an independent impact monitoring and evaluation mechanism drawing on national and international expertise and supported by the OGM. Project impact would be measured through comparison to time series data where these exist.

Institutional sustainability and accountability

Use existing institutions. Similar SLM oriented projects in Guinea have not been sustainable because their set-up was too much project oriented and did not sufficiently empower existing national institutions. Along with the baseline Project, PGCT builds on national institutions as a key for sustainability. In particular it builds on the local decentralized structures from the National Directorate for Decentralization, the different agencies from MAE, and the Guinean Agricultural Research Institute (IRAG), etc. The support to the decentralization process, implemented under the first phase of the baseline project, provide a solid basis for institutional sustainability of the Project. In addition, the Project supports the building of an internet accessible national database through the ONRG that would serve as a repository for all information collected by national and donor supported initiatives.

Devolve authority to appropriate levels. Along with the baseline Project, PGCT builds on the lesson that all efforts at devolving authority to the local level will fail unless local institutions are sufficiently representative of the local population. The participatory planning process, which leads to the adapted local development plans, and the local democratic governance building process that go into the establishment and maintenance of the sub-watershed management committees, are expected to provide increased accountability.

Community-Driven Development

Recognize community needs. The experience with community-based multi-sectoral or natural resources management projects in West-Africa over the last few decades indicates that the interests of communities tend to progress from addressing immediate needs such as food, health care and income generating activities towards longer-term interests such as natural resources management, to ensure livelihoods are sustained over time. Among the latter, those pertaining to cropping areas are generally given priority over those involving the management of communally used areas, such as surface water resources, rangelands, forests and nature reserves.

Focus activities. SLM activities tend to be fragmented and random, without taking into account either the multiple functions of the local resources as part of larger production systems or the interest of the various stakeholders involved. As a result, the achievements tend to be short-lived while leading to social inequity and instability.

Stakeholder involvement. Lessons from past experiences clearly indicate that natural resources are most efficiently managed when communities are entirely involved in the decision-making and control processes. This supports the need for the participatory Community Driven

Development (CDD) approach and for a substantial investment in capacity building to enable communities, and in particular vulnerable groups, to participate in both processes.

The need for beneficiaries' participation in the identification, planning, implementation and co-financing of micro-projects, and the need to adjust the level and the nature of co-financing, are well known and taken into account in the design of both the baseline Project and PGCT.

Maintenance of micro-projects. Experience under the PACV and other CDD style operations have clearly demonstrated the difficulty in setting up viable maintenance and cost recovery arrangements, which jeopardizes the longer-term viability of investments. Timely follow-up and training with beneficiaries and targeted training programs are therefore needed to ensure agreed cost recovery and maintenance arrangements are being adhered to.

Training and follow-up. It is important to train beneficiaries (either as individuals or organized in professional organizations) over the course of several cropping seasons, in the use of proposed new techniques and follow the application in real life conditions. They should also receive feedback on the results of any sociological, technical and economic monitoring that has taken place. This has been integrated into the M&E system.

Capacity constraints. The CDD approach transfers a number of activities to beneficiaries assisted by service providers. Capacity constraints at all levels (community, public, private, NGO) will be evaluated during implementation.

Socio-Economic Factors

Technology fit. A main lesson in agricultural technology development and transfer is that individuals will not adopt a technology unless it fits their cultural, intellectual and socioeconomic capacities, and provides them with substantially greater benefits and lower risks. It is also known that high time discount rates of medium to long-term benefits from activities associated with land degradation control and prevention tend to lower the adoption rate of related technologies, unless compensation and rewards are used to provide incentives. The LIF and capacity building components of the Project take these factors into consideration.

7. Alternatives considered and reasons for rejection

Two main alternatives were considered and rejected:

- A free-standing GEF project aimed at supporting the introduction of improved SLM practices in specific geographic areas. In the absence of a link with a broader based local development operation, limited incremental resources would not allow for an adequate scaling up of change-inducing capacity-building and investment support to other areas. Project activities could therefore not be mainstreamed into the local development planning process and would thus not be able to achieve sustainable impact.
- Supplement the PACV LIF for certain types of micro-projects focused on land degradation control and prevention, without making changes in the capacity building

approach at the community and CRD levels. This would have the advantage of reduced overhead costs as well as faster project start-up, as less capacity building investments would be needed. This approach had as main drawbacks that it would have been difficult to: (i) mitigate externalities from conflicting activities in neighboring CRDs and focus on land degradation based on a holistic approach, or (ii) optimize available resources, as the interaction of upstream and downstream activities would not have been taken into account in the decision making process, as will be when using a watershed based approach. It would also have likely biased micro-projects under the LIF away from those with higher risks. Under this approach it would have been unlikely that substantial global benefits would be obtained from improved services derived from the watershed and improved health of the ecosystem.

The Project as designed is the most likely to be sustainable through its integration with the PACV and its mainstreaming in the final phase of this program and thus achieve global benefits using limited resources.

C. IMPLEMENTATION

1. Partnership arrangements

The AFD-French Cooperation is likely to continue to provide parallel financing to the PACV and will provide financial and technical assistance to the capacity building elements of the PGCT, where geographic intervention overlaps. IFAD is likely to support a continuation of its paripassu financing arrangements under the second phase of the PACV. At this point it is unclear whether ADF would continue its support, however, site selection has taken this uncertainty into account. The French Global Environment Fund and French Cooperation supported *Observatoire Guinée Maritime* (OGM) will provide capacity building support on impact evaluation, as it is also doing for the PGCMB. It will continue to do so, once foreign funding is stopped and the OGM is transformed into ONRG.

Partnership arrangements will also be sought with the IDA supported ongoing Second National Rural Infrastructure Project (PNIR2) through the same mechanisms that are already employed by the PACV (coordination at the regional level on the basis of needs identified in the PDLs). Of greatest concern to the Project is the need to ensure that rural infrastructure desired by local populations, and indeed needed for local development, minimizes and where possible reduces land degradation. Similarly, linkages would be established with the HIV/AIDS project, which also has a community support fund managed by the PACV. The project would thus work in a network of projects that support a large number of different types of micro-projects aimed at supporting sustainable local development.

At the regional level, the Project would seek partnership arrangements with the ongoing multi-donor supported *Project for Reversing Land and Water Degradation Trends in the Niger River Basin* and the ongoing multi-donor supported *Senegal River Basin Water and Environmental Management Project*.

The Niger River Basin Project focuses primarily on institutional capacity building and information exchange to achieve best practice approaches. It also includes tests for different categories of micro-projects but none of these are planned in the Guinea part of the Niger

watershed. The Project would seek to establish ties with the coordinating mechanism of the Niger River Basin to ensure that it can benefit from experience elsewhere and contribute and validate its own experiences.

The Senegal River Basin Project has a similar focus as the Niger River Basin Project. The Project would seek to collaborate with the Senegal River Basin Project to exchange best practice experiences and collaborate on site selection to avoid that there will be unexpected externalities or duplication of efforts. This risk of duplication is low as the Senegal River Basin Project has only limited funds available for on-the-ground activities (20 community-based micro grant activities planned in four countries), the supported activities are different from those of the Project.

Collaboration with similar projects at the national level has been actively pursued to avoid duplication of activities and actively learn from the lessons with past experiences.

Collaboration on GIS and M&E issues has been established with the USAID supported *Enlarged Natural Resource Management Project* and the EU supported *Project to Support the Integrated Resource Management of the Niger and Gambia River Basins*. The project preparation team also pursued close collaboration with several UNDP/GEF supported activities such as the *Conservation of Biodiversity through Integrated Participatory Management in the Nimba Mountains* and the *National Adaptation Plan for Action*.

2. Institutional and implementation arrangements

The Project will be implemented through the same structures that are responsible for the coordination, management and implementation of the PACV. The philosophy of the PACV is to use existing Government institutions to the extent possible for technical support and coordination of Project activities. Overall management and coordination of the Project will be ensured by the Implementation Unit (*Cellule Nationale de la Coordination, CNC*) under the Ministry of Planning. The CNC, which is adequately staffed for the implementation of the PACV and has shown its strength during the implementation of the first phase of the PACV, will be appropriately strengthened by the Project with the addition of (i) an accountant; (ii) a procurement assistant; (iii) a GIS specialist/cartographer; and (iv) a focal point to assist the National Coordinator.

Project implementation will be on the basis of detailed work programs. For each component a detailed work program has been prepared for the first 18 months of implementation. Preparation of subsequent annual work programs, budgets and procurement plans will follow the same calendar as for the PACV, to ensure appropriate integration. Review and approval of the work program will be the responsibility of PACV's Steering Committee (SC), which meets twice each year⁶. At the first meeting, the results of the previous year's work program and the proposed work program and budget for the following year are discussed, while the second meeting is used to review progress towards attaining work program objectives.

⁶ The present SC does not include the Ministry of Environment. The SC will be expanded to include such representation before Grant Effectiveness.

Implementation progress of work programs will be reviewed bi-monthly by the Technical Implementation Committee (*Comité d'exécution technique*, CTE) of the CNC, which would be enlarged to include the PGCT focal point.

3. Monitoring and evaluation of outcomes/results

Monitoring and evaluation (M&E) processes will be managed within the framework of PACV. The existing M&E procedures and capacity of the PACV will be upgraded with support from the PGCMB and the OGM, and include a GIS based system for planning, monitoring and evaluating project implementation and impact. Part of the M&E system will be managed by local communities and they will receive training in collecting the data and its interpretation. The PGCT will add a number of indicators to the existing ones presently collected by the PACV2. These indicators are detailed in Annex 3. Three studies would be carried out to measure project impact: (i) a baseline study of the selected sites, which will be carried out immediately following Grant Effectiveness; (ii) an impact study at mid-term; and (iii) an end-of project impact study. It should be noted, however, that the mid-term study may not be able to draw statistically significant conclusions because of the long lead time needed before certain activities result in measurable changes, especially where this concerns erosion control activities or soil and plant investments expected to lead to increased carbon sequestration. Details for the M&E system are provided in Annex 17.

4. Sustainability and Replicability

The combined project (PACV and GEF Project) will be coordinated, managed and implemented through existing structures. Combined with capacity building support of these agencies, the mainstreaming of the proposed alternative Project approach through the explicit linkage of land degradation as a threat to agricultural productivity is expected to significantly contribute to the longer-term sustainability of the Project.

The integration of capacity building and buy-in of local communities at the onset will provide for their full empowerment by the end of the Project, and should result in their realization of the importance of SLM. These communities would thus have the capacity to assure a follow-up to the activities undertaken during the Project.

The Project will start in pilot sites to ensure that experience can be gained with this expanded approach to local development. The design of the Project is specifically kept flexible to allow for continual adjustment based on experience gained during implementation and through exchanges with similar SLM oriented projects in Guinea and the sub-region, as the goal is to test replicable approaches to SLM in Guinea. Only after a satisfactory evaluation of project activities at mid-term and confirmed towards the end of project implementation -with all stakeholders- will the approach be mainstreamed into the third phase of the PACV.

5. Critical risks and possible controversial aspects

Risks	Risk Mitigation Measures	Risk Rating with Mitigation Measures
<p>To project development objectives/global environmental objectives</p> <p>Financing gap of baseline project</p>	<p>The GEF funded activities will not be affected if the PACV2 is to be scaled down because of insufficient funds, as site selection is flexible and the project could if necessary collaborate with other donor funded projects</p>	<p>N</p>
<p>Impact due to demographic pressures in vulnerable zones</p>	<p>The envelope is flexible and can provide more resources to those areas under severe stress, while providing less funding to areas under low or moderate stress. Allocations are therefore made on the basis of a participatory diagnostic.</p>	<p>S</p>
<p>Technological adaptation to drought</p>	<p>In drought prone areas, emphasis will be placed on risk diversification and adapted technologies in the context of SLM.</p>	<p>S</p>
<p>To component results</p>		
<p>Component 1</p>		
<p>Limited adoption due to high financial risk or long lag time before benefits become apparent</p>	<p>The beneficiary contribution is adapted to the risk/benefit profile of the proposed activities. Hence the GEF will contribute the risk portion as an incentive for farmers to adopt promising activities that control or reverse land degradation.</p>	<p>M</p>
<p>Insufficient capacity to provide support services for micro-project formulation and implementation to beneficiaries</p>	<p>The first phase of PACV implementation has shown that this poses only a modest risk. In addition, civil servants that would work directly with beneficiaries would be pre-selected and trained to ensure quality services. Moreover, the Project will focus on CRDs that were already included in the first phase of the PACV.</p>	<p>M</p>

Difficulty for beneficiaries to mobilize their contribution	The beneficiary contribution excludes a cash part to ensure that beneficiaries are able to mobilize their contribution. In addition, only direct beneficiaries will be asked for contributions.	M
Competition between PACV and PGCT	Most communities are expected to have substantial needs, in addition, the PACV allowance of US\$50,000 per CRD is small relative to socio-economic infrastructure needs	M
Insufficient resource mobilization for maintenance	Continued follow-up with communities on maintenance issues. This has been a serious issue under the PACV and similar projects elsewhere and increased emphasis will be placed on this under PACV2.	S
Component 2		
Insufficient attention to SLM issues in local development plans	Appropriate training and follow-up with local communities to ensure that land degradation issues are appropriately addressed. Targeted incentives to local communities to address these issues (in part through lower counterpart contributions than under regular PACV micro-projects) Provision of targeted capacity building and awareness raising activities.	M
Component 3		
Weak institutional capacity in Ministries for financial and procurement management	Participating agencies have over five years of experience in implementing the first phase of PACV and are well acquainted with Bank requirements.	N
Overall risk rating		S

N = negligible; M = moderate; S = substantial

The Country Financial Accountability Assessment (CFAA) revealed that the systems for planning, budgeting, monitoring and controlling public resources in Guinea are improving but remain at a level that they do not provide sufficient reasonable assurance that funds are used for

the purpose intended. The risk of waste, diversion and misuse of funds was assessed as partially high. The overall Project risk from a financial management perspective is therefore considered partially high. Nevertheless, various measures to mitigate these risks have been agreed. The financial management arrangements of the project are designed to ensure that funds are used for the purpose intended, and timely information is produced for project management and government oversight, and facilitate the compliance with IDA fiduciary requirements.

As the CFAA recommendations on financial accountability reforms have not fully been implemented yet, the Country Risk is assessed as partially high.

The table below identifies the key risks that Project management may face in achieving its objectives and provides a basis for determining how management should address these risks.

Risk	Risk Rating	Risk Mitigation Measure
Inherent Financial Management Risks: Funds may not be used in an efficient and economical way and exclusively for purposes intended due to corruption and poor governance.	M	The existing team has adequate experience and audits have not shown and quality related issues. Strong internal control procedures have been set up and will be maintained throughout Project implementation.
Confusion may arise between GEF and IDA transactions.	M	A dedicated accountant will be handling the Project financial management under supervision of the senior accountant of the PACV.
Financial Management Control Risks: Teething problems may jeopardize timeliness and accuracy of financial report and thus slow down the disbursement process.	M	Training of new accountant will is expected to be provided by a FM Consultant before effectiveness.
H = High S = Substantial M = Moderate N = Low/negligible		

Various measures to mitigate these risks have been agreed and thus the Project risk from a financial management perspective could be **moderate** provided the risk mitigating measures are properly implemented.

6. Grant conditions and covenants

The following conditions would apply to effectiveness:

- (i) Beneficiary has adopted the GEF Project Implementation Manual, in form and substance satisfactory to the World Bank;
- (ii) Beneficiary has established, in form and substance satisfactory to the World Bank, the steering committee set up under the Recipient's Village Communities Support Program (Phase I), as the Steering Committee for purposes of Project implementation.
- (iii) Beneficiary has extended the existing contract of the PACV external auditor to cover the GEF Project;
- (iv) Beneficiary has selected on a competitive basis, a GEF Focal Point, with qualifications, experience and terms of reference satisfactory to the World Bank, for purposes of Project implementation.

The following covenants would apply to GEF Project implementation:

- focal point to be maintained at all times;
- Steering Committee to be maintained at all times;
- Annual reporting arrangements would follow the same calendar as those detailed in the PACV financing agreement;
- Work programs and associated budgets and procurement plans will be submitted to IDA on same schedule as detailed in the PACV financing agreement;
- Mid-Term Review to be carried out no later than December 2008; and
- All agreed studies for the Mid-Term Review (technical audit and financial audit of micro-projects, economic and financial impact analysis of micro-projects), will be made available to the Bank no later than October 31, 2008.

D. APPRAISAL SUMMARY

1. Economic and financial analyses

Like the PACV, the Project does not lend itself to classic quantitative cost-benefit analysis because on one hand, the expected capacity building benefits have undetermined life expectancies and cannot be quantified in monetary terms, while on the other hand, the demand-driven nature of investments also leaves the specific investments that will be made under the Project undetermined. Not enough is known about investment attitudes of the rural communities to attempt a simulation exercise. However, it is possible to demonstrate in qualitative terms that economic and social returns are likely from the capacity building and the LIF components. A more detailed analysis is presented in Annex 9.

Benefits and Cost-effectiveness of Capacity Building: The Capacity Building component is most likely to generate substantial economic benefits. Decentralization, land use planning and human

capacity building will improve the economic decision-making process. The promotion of improved land management/degradation control decision-making is also likely to increase the public benefits of the Project. In studies for other countries, returns to human capacity building are significant, especially when there is an adequate enabling environment.

Benefits and Cost-Effectiveness of Local Investments: The LIF will generate numerous investments for which no classic *ex-ante* cost-benefit analysis can be carried out. However, many eligible types of investments are predetermined and are known to generate significant economic benefits. Previous experience suggests that rural communities usually select projects with very high rates of returns and low risks, and manage them much more efficiently than Government or project agencies. Most micro-projects are expected to generate an economic rate of return exceeding 15%. A study on the benefits and cost-effectiveness of the various types of micro-projects eligible under the Project will be carried out in the first six months of project implementation.

For those investments where benefits are uncertain an analysis of the financial soundness of proposed activities will be undertaken to maximize chances of sustainability.

In addition, the Project is expected to generate external benefits from activities that will mostly accrue to other parts of the (sub-) watershed, such as improved water quality and water flow through erosion control activities.

Fiscal Impact: The long-term objective is for CRDs to be able to raise fiscal resources from increased local economic activity and consumption, thereby contributing to the funding of their local development plans while reducing the need for fiscal transfers from the central Government. In the short-to-medium term, fiscal transfers from the central Government will be needed to cover what the beneficiary contribution does not. It must be recognized that the long-term capacity-building needs of rural communities will require considerable support, and that such support will need to come largely from the outside, including support to cover the operating costs of the Project and intermediaries. Such operating costs are part of the investment required to build institutional, and ultimately fiscal, sustainability.

2. Technical

A key technical issue is to ensure that complex and interrelated sub-watershed issues are well understood by rural communities and local governments (CRDs), so as to trigger the right mix of investments. This issue is tackled as follows:

- An adequate institutional support framework will be put in place to ensure that local development plans reflect land degradation control and prevention priorities;
- Technical quality of micro-project activities will be reviewed periodically by national and international experts;
- Information, education and communications campaign targeted on pilot sites before training/capacity building activities start;
- Evaluation of impact of training/capacity building activities with appropriate follow-up training where needed;

- Wide dissemination of technical issues for the benefit of rural communities and policy makers through annual fora;
- Technical manuals will be produced for small scale micro-projects, with specification of technical standards and norms, and will be made widely available;
- Independent technical audits to verify proper execution of micro-projects will be conducted periodically and on request;
- Communities may use a portion of the resources allocated to them by the Project to recruit technical expertise to assist in the design, supervision and reception of works.

The STAP Review focuses on the scientific and technical soundness of the project and is presented in Annex 16. The STAP Reviewer's comments were requested at an earlier stage and have been incorporated into the project design. They greatly contributed to strengthening the overall technical quality of project design.

3. Fiduciary

Financial management issues (see Annex 7):

Financial management procedures have been adapted from the manual prepared for the first phase of the PACV, primarily to reflect the different funding source. The CNC would be responsible for financial management and an accountant would be added to enable it to assume the additional workload resulting from the management of the GEF Grant. Financial management capacity of the CNC has been evaluated annually during first phase PACV implementation.

The overall conclusion of the assessment is that the current financial management arrangements are satisfactory to meet IDA FM requirements though the contract for external auditors under the PACV should be extended to the new operation.

By effectiveness, the project will not be ready for report-based disbursements. Thus, at the initial stage, transaction-based disbursement procedures, as described in the World Bank Disbursement Handbook, will be followed i.e. direct payment, reimbursement, and special commitments. After Project implementation start-up, the Recipient may request conversion to report-based disbursements, subject to a review by IDA to determine if the Project is eligible.

Procurement Arrangements (see Annex 8):

Procurement would be handled by the CNC using an adapted version of PACV's present procurement manual to reflect recent changes in procurement guidelines. The same ceilings would apply to the GEF Project as apply to the PACV. Procurement capacity of the CNC has been evaluated annually during the course of first phase PACV implementation.

Demand-driven micro-projects under the LIF will be procured in accordance with the provisions of paragraph 3.15 of the procurement guidelines. These guidelines provide much flexibility for working with communities in as much as procedures are acceptable to IDA. Procurement procedures for demand-driven micro-projects have been detailed in the existing Project

Implementation Manual. These have proven to ensure transparent and efficient management of local procurement. Unlike the PACV, where all micro-projects are executed through the CRD, under the GEF Project, micro-projects can also be executed by formally recognized groups or associations.

4. Social

Local community involvement is critical for the success of the project and the establishment and management of a coastal conservation zone. Activities during preparation included local diagnostic and stakeholder mapping, surveys, broad-based information workshops and communication sessions. Project start-up activities would include training, field visits, village/community meetings and workshops at the project target sites. Project baseline and follow-up studies will be based on social indicators developed with participation of local communities. The positive experience from the Coastal Marine and Biodiversity Conservation Project will be used to ensure extensive involvement of local communities in the process at all stages of Project implementation.

In terms of social safeguards, OP/BP 4.12 related to Involuntary Resettlement was triggered and a Resettlement Process Framework (RPF) has been prepared. An RPF as a mitigation measure was chosen because some of the SLM measures proposed by the project may lead to restrictions in accessing part of the natural resources by the local communities. The RPF spells out the participatory tools and procedures that will be used to associate the local communities in the process of decision making and in the management of access to the concerned natural resources. The RPF was cleared by the Bank and disclosed in-country on February 17, 2006. It was submitted to the Infoshop on the same date. The RPF is the same as that prepared for the second phase of the baseline project.

The Project will not acquire land or any other land related assets through the micro-projects that it intends to finance. Hence no Resettlement Policy Framework was deemed necessary to prepare.

5. Environment

The base-Project has a category ‘B’ rating. In fulfillment of the World Bank Environmental Assessment guidelines OP/BP/GP 4.01, and in conformity to the recently adopted national environmental impact assessment legislation, the Recipient has prepared an Environmental and Social Assessment as part of preparation. An Environmental and Social Management Plan - to provide guidelines for screening projects and identifying mitigation measures when necessary – was also prepared and made available in-country and at the Bank Infoshop on February 17, 2006.

6. Safeguard policies

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[X]	[]
Pest Management (OP 4.09)	[]	[X]

Cultural Property (OPN 11.03 , being revised as OP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

7. Policy Exceptions and Readiness

No policy exceptions are sought.

The different detailed manuals (administrative and financial management, monitoring and evaluation, procedures for capacity building and the local investment fund) were submitted by the Beneficiary prior to appraisal and the Project's procurement plan spanning the first 18 months of implementation have been reviewed at appraisal. An overall implementation manual, which places the various manuals in a framework, will be submitted as a condition of negotiations.

* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

Annex 1: Country and Sector Background

GUINEA: Community-Based Land Management Project

I. Country Context

Guinea has a rich endowment of natural resources (renewable and non-renewable) and its economy is almost entirely dependent on these. The rural poor are particularly dependent on renewable natural resources and therefore the sustainable management of those resources. Mineral mining and agriculture represent the most important economic activities, providing employment to about 80 percent of total population. Agriculture is the dominant activity of the rural population (65 percent of employment), while 30 percent of the rural population is practicing livestock holding. The importance of fishing (5 percent of rural employment) is reflected in its contribution to the national diet (40 percent of animal proteins are provided by fish consumption). Household energy depends for 99 percent on wood fuels, and the healthcare system depends for 80 percent on traditional medicine practices, which rely on the availability of flora and fauna species.

While the root causes of Guinea's poor socio-economic performance in rural areas are numerous, land degradation plays a major role. According to the PRSP, the constraints impeding the rural sector's development include:

- the severe decline in production potential of land;
- insufficient rural infrastructure (dirt roads, irrigation infrastructure, etc.); and
- deficiencies in the framework governing private sector development (access to land and secure land tenure, access to credit, public support services, etc.).

The PRSP concludes that the outlook for the rural sector will be largely contingent upon activities implemented to overcome these constraints and places the focus on the rural sector as a source of growth.

Beyond having significant negative impacts on livelihoods in Guinea, Declining land productivity is also threatening the natural environment, which has much wider impacts, given Guinea's status as a key watershed for many of the major West Africa rivers (including the Niger, the Senegal and the Gambia rivers). Many neighboring countries depend on these waters for various purposes (e.g. water supply, food, transport, energy and tourism). Long-term sound management of the waters is indispensable in fighting the water scarcity and stress in West Africa, which is expected to occur over the next decades. Finally, many areas of Guinea have high levels of biodiversity and are critical habitats for threatened species. The IUCN red list of threatened species identifies, amongst others, a total of 14 mammals, 10 birds, and 21 plants,⁷ which is confirmed by the 1997 National Monograph on Biodiversity. UNEP states that out of 88 endemic plant species, 36 are threatened. As a result, interventions that protect or improve ecosystem health (in the case of this project through the use of sustainable land management)

⁷ IUCN website.

and reduce human encroachment on habitats also represent a critical contribution to the preservation of biodiversity.

II. Main Sector Issues.

a. Declining agricultural production potential

Gains in past levels of food production primarily reflect the expansion of surface areas under cultivation. Improvements in yields have been negligible between 1991-1995, with the exception of cassava for which the yield actually fell from 7.0 to 6.1 metric tons per ha.

The causes for stagnating and declining agricultural productivity are multi-faceted. In many parts of Guinea, agricultural technologies have remained relatively unchanged due to poor technical support provided by agricultural extension and research, and insufficient access to markets, which limits the ability of farmers to sell surplus production and obtain modern inputs to intensify production. In addition, rural poverty has caused seasonal migration of agricultural labor to the coastal zone for employment, which limits the availability of labor required for intensive land cultivation, which has the perverse effect that more land is needed to feed the same population.

The presence of traditional production systems in many areas of Guinea is the result of adaptation to local constraints in the past but they no longer respond to the present-day conditions. Increased demand for land as a result of population growth and changes in seasonal labor availability has led to an increased emphasis on extensive agricultural technologies where slash and burn is used to clear land, and decreases in the time period that land is allowed to lay fallow. In the Fouta Djallon area, fallow periods for up to 15 years were common, now land use data and on-site observations indicate that there have been drastic reductions in the fallow periods in many areas where demographic pressures are increasing and thus a concomitant decline in soil fertility. Land used for extensive cultivation and pasture now accounts for almost half of all arable land, underscoring that land rotation is becoming increasingly difficult.

Slash and burn contributes to reduced agricultural productivity because of the loss in organic content of the soil and increased risk of soil erosion due to the heavy rains at the start of the cropping season.

In Middle and Lower Guinea, added land pressures are caused by the extensive livestock system and the practice of moving herds from Middle Guinea to the relatively more humid coastal areas during the dry season. This practice causes widespread damage to productive systems and is the source of conflicts between farmers and pastoralists.

These developments are all, in varying degrees, contributing to land degradation. Even though estimates of erosion are limited, some studies indicate that it is an increasingly serious issue. Erosion is directly related to topography and rainfall. It is generally accepted to be of importance in many parts of Guinea given the terrain (hilly with many steep slopes). Moreover, there is visible run-off in rivers during the peaks of the rainy season. One of the more recent studies estimated soil erosion at 0.3-0.5 mm per annum on relatively flat terrain. Given the thin

layer of fertile topsoils in many areas and the topography of land under cultivation, this means that there is a high threat of soil erosion.

Mining activities have a dramatic impact on land (directly erosion) and water (through run-off and pollution from transformation of bauxite) and many of the ecologically important estuaries. Given its overall importance to the economy, Government has been slow in adopting and enforcing policies that would place restrictions on mining.

Support services.

Past donor supported interventions to improve agricultural productivity through improved extension and research have only had limited success. The main reasons were the poor capacity of frontline workers and the lack of responsiveness to local needs. In addition, there has been a poor linkage between agricultural research and extension to get adapted technologies to farmers, and agricultural research and local needs, which has limited the usefulness of many adapted technologies. Tests with the contractualization of such services have been somewhat successful under the IDA funded National Agricultural Services Project. Plans to mainstream the results of these tests have not yet been implemented due to lack of donor funding, even though such need is recognized as the most promising way to make service delivery responsive to needs.

Insufficient rural infrastructure.

Although some progress has been made in physical rehabilitation through donor, NGO and local efforts, the country's stock of basic infrastructure, such as roads, public buildings, markets and processing facilities, remains largely in disrepair and wholly inadequate. The situation has been made worse by the spillover effects of (now ended) wars in neighboring countries and internal rebel activity. All this combines to hinder providing access for farmers to inputs and markets, improving access to health, education, security and other government services, and promoting governance and national integration. Within this context, two areas of stand out: (i) rural roads; (ii) commercial infrastructure.

Rural Roads: Most of the rural road network is barely functional and rapidly deteriorating due to lack of maintenance. Because of poor access, many rural communities are cut off for parts of the year from essential social services and markets. With respect to roads, the PRSP's goal is to achieve balanced development of the road network underpinning the nation's economy and places a high priority on reducing isolation to the poorest areas. This will be implemented through the National Transport Plan and the Rural Transport Policy, currently under consideration. These activities are supported under the second phase of the National Rural Infrastructure Project.

Market Infrastructure: Private and export-led agricultural development of the rural sector has been seriously constrained by inappropriate regulatory frameworks, lack of investment resources and a shortage of basic post harvest and marketing infrastructures. Through the efforts of the Agricultural Export Promotion Project (PCPEA) (1993-2002), the Government has made some steps toward improving the agricultural investment climate, notably through the elimination of duties on imported agricultural inputs fertilizers and pesticides) and with the creation of the "one

stop shop" export facilitation centers (CAFEX). The PRSP aims to stimulate the rural economy by capitalizing on the emergence of locally-based professional organizations, and potential marketing partners, to initiate the efficient linkage of farmers to more profitable distribution channels, and, in time, facilitate their integration in high-value produce export supply chains at the international and regional level. Part of this strategy includes developing the basic rural based infrastructure necessary for more effective processing and marketing of agricultural, livestock and fishing products. Along with this, the PRSP aims to build capacity of farmers' organizations in the logistical, quality management, technical and marketing skills to ensure i) an adequate and continuous supply and ii) develop a contractual framework that would ensure sustainable operation and maintenance of these facilities. These activities are supported under the second phase of the PACV.

Access to land and secure land tenure

Land ownership in rural areas is governed by traditional arrangements and land use rights are given out on the basis of social customs and kinship relations. Best land has traditionally been reserved for members of the dominant group. In the case of Guinea, the traditional system is rendered less transparent because of past Government attempts to interfere in the traditional land ownership system. Given the increased demand for land and the required investments to make land more productive, a more formal system of land ownership is needed. It is evident that land tenure has an effect on land fertility. Where user rights are clear, significant investments are made in building and maintaining soil fertility. Where user rights are temporary or not clearly defined, no long-term investments are made. Application decrees for the forestry code have not yet been adopted leaving the formal status of community and private forest holdings unclear thereby providing incentives for outsiders to log wood.

A test to pilot land security in some areas will be part of the second phase of the PACV.

Access to credit

The absence of agricultural credit because of the high perceived risks and poor access to financing in general are major constraints to agricultural development. No formal rural banking exists making it almost impossible for farmers to gain access to credit and other financial services. Lack of credit is a leading cause for low use of modern inputs in production, which is compounded by poorly organized and inadequate input supplies and makes access to farm inputs almost nonexistent for farmers.

III. Government Strategy

The Government's development strategy for the rural sector emphasizes:

- Improving food production and ensuring food security
- Raising rural incomes, in particular through export development
- Conserving natural resources

It will operationalize this by:

- Placing producers, professional organizations and local governments at the heart of the development process
- Enhancing and improving the quality and efficiency of Government services
- Institutional capacity building of all stakeholders (OPs, CRDs, agencies)
- Facilitating access to land and rational management of land resources
- Improved rural infrastructure

The Government strategy specifically recognizes the potential negative effect of development activities, including mining, on the environment and especially on land and water resources. It is therefore also calling for the development of bench marks to which all stakeholders will have to adhere, environmental assessments of new activities and monitoring of new activities.

As part of Guinea's participation in the UN Convention to Combat Desertification, a National Adaptation Plan for Action (NAPA) is being drafted and is intended to outline the Government's priorities and programs to address land degradation issues in the country. The NAPA makes the case for the need for interventions to counter the ongoing degradation of hillsides and watersheds in ecosystems that are critical to maintain the water and soil nutrient cycles. It is seen as vital to improve farming through environmentally sustainable practices for addressing poverty and food security needs, as well as to lessen the pressure on natural resources and off-site land degradation. The Project would be in support of the NAPA.

Annex 2: Major Related Projects Financed by the Bank and/or other Agencies
GUINEA: Community-Based Land Management Project

Sector issue addressed	Project status	Latest Supervision (PSR) Ratings	
		Implement. Progress (IP)	Dev. Objective (DO)
World Bank / IDA			
Community-Empowerment, poverty alleviation and rural development	Village Communities Support Program (PACV) Phase 1 (P050732/P098959)	S	HS
Community-Empowerment, poverty alleviation and rural development	Village Communities Support Program Phase 2 (P065129)	Under preparation	
Renewable Energy	Decentralized Rural Electrification Project (P074288)	MS for IDA; MU for GEF	S
Road Rehabilitation	National Rural Infrastructure Program Phase 2 (P065127)	HU	U
Biodiversity conservation and environmental management in coastal zone	GEF Coastal Marine and Biodiversity Management Project (PGCMB) (P070878)	Board approval is planned for June 22, 2006	
Land and Water Degradation	Reversing Land and Water Degradation Trends in the Niger River Basin (P070256). Regional Program UNDP/WB/GEF	S	S
Land and Water Degradation	Senegal River Basin Water and Environmental Management Program (P093826) Regional Program UNDP/WB/GEF	Under preparation	
Other Agencies			
Land management and biodiversity conservation	Conservation of Biodiversity through Integrated Participatory Community Management in the Nimba Mountains UNDP / GEF To be implemented from 2005til 2013		
Climate change and adaptation	National Adaptation Plan of Action (NAPA). UNDP/GEF. Launched in 2005		

Biodiversity conservation	Identification of Capacity-Building Needs for BD Strategy Implementation and Strengthening of the CHM (Add on). UNDP/GEF. Supplemental preparation phase.		
Capacity building for Global Environment	National Capacity Self-Assessment for Global Environmental Management UNDP/GEF. Launched		
Natural Resource Management	Enlarged Natural Resource Management Project (PEGRN) USAID. On-going.		

Specific information about selected interventions:

1. Second phase of the Village Communities Support Program (PACV)

The PACV2, which is under preparation, will build on and expand on the first phase. By the end of the second phase, the project is expected to cover the entire country. In addition, as the first phase clearly demonstrated, beneficiary populations are now asking for different types of micro-projects than what is now included in the PACV. The project will therefore enlarge the menu of eligible investments. The rural infrastructure activities under the first phase will in part be taken over by the second phase of the PNIR and in part merged with the LIF. Instead, the project will include a pilot land security component.

2. Second Phase of the National Rural Infrastructure Program (Deuxième Phase du Programme National d'Infrastructures Rurales, PNIR 2)

PNIR 2 seeks to rehabilitate 5,600 km of roads, and develop 4,000 ha of lowlands and 2,000 ha of coastal plains. One of the project's weaknesses has been the absence of an effective system for rural road maintenance and the inadequacy of the corresponding budgetary resources, especially to replenish the Roads Fund (*Fonds Routier*). The implementing agency would be the Direction Nationale du Génie Rural (DNGR) under the Ministry of Agriculture and Livestock (MAE).

Accompanying measures will be taken to ensure greater security of land tenure and investments, and to preserve imperiled ecosystems. In addition, a participatory road maintenance strategy will be adopted and implemented in the field. Finally, linkages will be developed with activities under the PACV2 and the PGCT, albeit indirectly through the local development plans as an additional source of funding. Also, by collaborating using the same CDD based approach, the Project will as an additional benefit ensure that proposed infrastructure investments will be in accordance with in-depth analysis done of the pilot watersheds rather than localized impact studies.

3. WB/GEF: Coastal Marine and Biodiversity Management Project (PGCMB)

The PGCMB is presently under preparation and is expected to become effective by September 2005 together with the PACV 2. It aims to promote rational management of Guinea's unique

coastal biodiversity for both local, national and global conservation and sustainable development ends, with a particular emphasis on assisting communities in and around these priority areas to plan, implement and maintain environmentally sustainable and socially inclusive alternative livelihoods options. The project has five closely inter-linked components. Three of these will provide incremental support to the components of the PACV 2 (the LIF, the Local Capacity-Building and the Project Management). The two additional components are:

Component 1: Protection and conservation of coastal Ramsar sites

The aim is to provide the necessary strategic and operational tools and experiences to establish at least one coastal conservation areas (CCA) around the identified Ramsar sites (e.g. Rio Pong) through a participatory approach with concerned communities.

Pilot intervention sites for the **PGCT** include selected sub-watersheds upstream of the CZMP sites (e.g. Tristao/Alcatraz, Rio Pongo). This will increase impact downstream and provide important lessons for impact assessments of proposed interventions following an integrated landscape approach.

Component 2: Institutional strengthening for integrated coastal zone management

The weak capacity of the institutions at national and regional level to sustainably plan, manage and monitor the area's natural resources and coastal ecosystems is a barrier to the effective protection of coastal biodiversity in Guinea. Targeted capacity building will be provided for stakeholders at national and local level to establish an integrated coastal zone management action plan and if needed appropriate legislation and to support the establishment of a coastal zone stakeholder information mechanism around targeted Ramsar sites (e.g. Tristao/Alcatraz, Rio Pongo).

Activities of the **PGCT** would be coordinated through the same base-Project (PACV 2) and thus provide for complementarities and synergies in specific project sites (i.e. up-stream of CZMP sites). A strategic decision was taken to apply the same baseline assessment methodologies for both projects. This will lead to a harmonized impact m&e system linked to the PACV 2's performance m&e system and thus facilitate greatly the comparison and assessment of impact of activities supported under both projects.

4. Identification of Capacity-Building Needs for BD Strategy Implementation and Strengthening of the CHM (Add on)

Jointly financed by the GEF/UNDP and the Guinean Government, this add-on is based on previous GEF/UNDP support given to Guinea for the development of a National Biodiversity Strategy and Action Plan and is managed by the new Ministry of Environment. It is expected that this supplemental support will result in an UNDP project proposal to strengthen the capacity of national and local stakeholders, in particular the Ministry of Environment, to manage the biodiversity resources more sustainably. Together with the proposed NCSA, it will greatly reinforce the capacity of the Ministry of Environment to set standards regarding land uses and land and water management techniques including providing for linkages to the NAPA under development.

5. Senegal River Basin Water and Environmental Management Project.

The four-year Project will be jointly financed by the World Bank, UNDP and GEF, and executed by the Senegal River Basin Authority. The development objective of the Senegal River Basin Water and Environmental Management Project is to provide a participatory strategic environmental framework for the environmentally sustainable development of the Senegal River Basin and to launch a basin-wide cooperative program for transboundary land-water management. To successfully achieve the development objective, the project proposes to strengthen regional and national institutional capacity to enable these institutions to address priority basin-wide, transboundary water and environment management issues. This will allow the Senegal Basin's four riparian countries - Guinea, Mali, Mauritania, and Senegal - to jointly build on ongoing initiatives in the Basin; develop a cooperative regional approach to the environmental management of the Basin; and contribute to effective operation of the Basin's water resources, providing benefits beyond national boundaries.

The project's global objective is to promote broad, basin wide participation in developing and implementing measures that will lead to sustainable, transboundary management of the Senegal River Basin's land and water resources.

The Project would seek to collaborate with the Senegal River Basin Project to exchange best practice experiences and also in site selection to avoid that there will be unexpected externalities or duplication of efforts. This risk of duplication is low, as the Senegal River Basin Project has only limited funds available for on-the-ground activities (20 community based micro grant activities distributed over four countries) and the supported activities are different from those of the Project. Moreover, the implementation of these types of activities in Guinea would require the setting-up of a new project specific implementation structure.

6. Reversing Land and Water Degradation Trends in the Niger River Basin Project.

The Project is supported through a broad multi-donor initiative, including the World Bank, UNDP and GEF, and is implemented by the Niger Basin Authority. Its global environmental objectives are to reduce and prevent transboundary water related environmental degradation, prevent land degradation, and protect globally significant biodiversity, through sustainable and cooperative integrated management of the Basin, enhance existing capacity, informed decision-making and ensure the public's greater involvement in the Basin's decision-making process. The global environmental objectives will be achieved, through broad basin-wide participation and implementation of cooperative decision-making and best practices, sustainable management of the Basin's land and water resources, with special attention to the Africa Integrated Land and Water Initiative of the GEF implementing agencies.

The Project would seek to establish ties with the coordinating mechanism of the Niger Basin Authority to ensure that it can benefit from experience elsewhere and contribute and validate its own experience. The Niger River Basin Project has no planned direct activities in the Guinea part of the Niger watershed.

7. Rural Energy Project

The key development objective of the Bank and GEF supported Learning and Innovation Loan is to support the Government in implementing its strategy for increasing access to electricity in

rural and peri-urban areas and in promoting the adoption of Renewable Energy Technologies (RET). The project's global environment objective is to remove barriers to application, implementation and dissemination of RET. Removal of barriers will make it attractive for the private sector to start investing in decentralized rural electrification schemes, and operate these on a fully commercial basis.

As the project has not yet finalized intervention zones, a dialogue will be maintained to ensure that where overlap is potentially beneficial, the Project would include this in the selection criteria for the remaining two pilot sites.

8. Conservation of Biodiversity Through Integrated Participatory Community Management in the Nimba Mountains - UNDP

This 9-year GEF supported phased program aims to contribute to the protection and sustainable use of the biological diversity of the Nimba Mountains Biosphere Reserve, including the World Heritage Site. It is based on an integrated ecosystem management through participatory approaches according to the philosophy of a biosphere reserve in which conservation of globally important biodiversity, landscape-level sustainable use of natural resources and sustainable development are harmonized. The program further supports mainstreaming of biodiversity conservation into local and national level sustainable development planning. The program consists of:

- supporting protection of three core reserve areas in the Nimba Mountains
- improving sustainable land planning and use, agricultural intensification and revenues in the buffer zone and transition area of the Reserve,
- promoting culturally appropriate animal husbandry and sustainable management and use of wild fauna in the buffer zone and transition area,
- improving local health and hygiene conditions, including promoting complementarity between 'modern' and traditional medicines, and sustainable use and management of traditional medicinal plants in the buffer zone and transition area, and
- strengthening the management authority for the Biosphere Reserve.

Detailed management plans will be prepared to overcome the barriers to improved park management, improved agricultural practices and revenues, and improved animal husbandry and wildlife management.

Near the end of the program, it will develop exit strategies to rural development support, establish with the mining company an independent structure and sustainable financing mechanism to support integrated conservation and sustainable use of the Nimba Mountains, and complete any remaining activities or needed institutional and legal reforms.

The **PGCT** will assure close coordination to exchange lessons learned related to the successful development and implementation of micro-projects through its annual fora.

9. Enlarged Natural Resource Management Project (Projet Elargi de Gestion des Ressources Naturelles, PEGRN)

This project places emphasis on the strengthening of natural resource management and planning capacities of local communities, increased agricultural production, support to small- and micro-enterprises, and policy reform. It is funded by USAID and implemented by a consortium of NGOs.

Coordination with the PEGRN would be in the same way as for the AGIR program through annual fora. The PGCT would also take advantage of the work done by PEGRN on land mapping and experiences with GIS training. During preparation, extensive consultations have been held to ensure that there is no overlap in geographic sites of the two projects and that lessons learned can be shared and used.

Annex 3: Results Framework and Monitoring
GUINEA: Community-Based Land Management Project

Results Framework

Project Development Objective/Global Environment Objective	Outcome Indicators	Use of Outcome Information
PDO: Reduce land degradation through the integration of SLM practices into the overall development planning process of communities and local governments in selected pilot sub-watersheds..	25,000 ha under sustainable land management, compared to baseline assessment.	At mid-term, progress towards these indicators would be reviewed and changes made in the strategy where appropriate. Evaluation at end of project of impact and replicability of approach to other parts of the country and possibly sub-region.
PGEO: Pilot sustainable and replicable approaches to the prevention and mitigation of the causes and negative impacts of land degradation on the structure and functional integrity of ecosystems.	Stabilization of native biological status (selected from key site-specific species identified through the baseline surveys); and 10 percent reduction in sedimentation rates (as a measure of water quality and erosion)	At mid-term, progress towards these indicators would be reviewed and changes made in the strategy where appropriate. Evaluation at end of project of impact and replicability of approach to other parts of the country and possibly sub-region. Low impact could indicate problems with the incentives structure of the Local Investment Fund, awareness raising of stakeholders, capacity building activities aimed at beneficiaries and public agencies, and/or implementation arrangements of the Project.
Intermediate Results One per Component	Results Indicators for Each Component	Use of Results Monitoring
Component One: Local Investment Fund (LIF) CRDs use the local investment fund effectively in the implementation of SLM activities defined in their land management plans.	Component One: Local Investment Fund (LIF) By end of project, 60% of micro-projects funded under the LIF are properly executed and maintained by beneficiaries (OPs, CRDs). 15 innovative SLM technologies and activities adopted per site	Component One: Local Investment Fund (LIF) Progress would be measured annually and weakness would indicate that: <ul style="list-style-type: none"> • beneficiaries may have insufficient capacity to carry out the activities including development of micro-project proposals • incentives structure is inadequate, and

		<ul style="list-style-type: none"> eligible activities do not respond to community priorities
<p>Component Two: Capacity Building for Local Development</p> <p>CRDs and local communities in the targeted sub-watersheds have the knowledge and competency required to plan, implement, and monitor land degradation control and mitigation activities</p>	<p>Component Two: Capacity Building for Local Development</p> <p>60 % of identified stakeholders trained in SLM approaches per CRD.</p> <p>By the end of year 2, 30 percent of first year beneficiary CRDs have appropriately adapted existing PDLs to include SLM priorities.</p> <p>50 % of annually submitted SLM micro-projects are of satisfactory quality, confirmed through technical audits.</p> <p>By end of Project at least 60 percent of beneficiary CRDs have appropriately adapted and formally recognized existing PDLs using the (sub) watershed as the planning basis and including land degradation concerns</p>	<p>Component Two: Capacity Building for Local Development</p> <p>Poor progress could indicate:</p> <ul style="list-style-type: none"> lack of ownership in beneficiary CRDs incentives in place for participation in capacity building exercises may not be appropriate awareness raising and training have not appropriately informed stakeholders of land degradation issues inadequate follow-up measures after completion of the capacity building activities design too complex given context; simpler approaches may be needed
<p>Component Three: Project Management, Coordination and Monitoring and Evaluation</p> <p>Project Funds provided in a timely manner to beneficiaries</p> <p>Satisfactory functioning information system in place and effectively used for project management and for monitoring and evaluating the project</p>	<p>Component Three: Project Management, Coordination and Monitoring and Evaluation</p> <p>Project funds properly managed</p> <p>Work programs and calendar adhered to</p> <p>Funds made available to communities when scheduled</p> <p>M&E has provided reliable information, effective in guiding project management, and independently evaluated</p>	<p>Component Three: Project Management, Coordination and Monitoring and Evaluation</p> <p>Y1-4: poor financial management and delays in providing funds to communities would flag need for additional training of financial staff, additional staff or need for different management approaches (sub-contracting/outsourcing)</p> <p>Y1-4: if M&E evaluation indicates quality issues, the methods of collection, training of enumerators, and capacity of staff doing the compilation and analysis would be reviewed.</p>

Arrangements for results monitoring

Outcome Indicators	Baseline ⁸	Target Values					Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
25,000 ha under sustainable land management, compared to baseline assessment. Stabilization of native biological status (selected from key site-specific species identified through the baseline surveys) 10 percent reduction in sedimentation rates (as a measure of water quality and erosion)	TBD			10,000 ha		25,000 ha	MTR review	M&E system	PIU and CRDs
	TBD	Site-specific		Stabilized		Stabilized	MTR review	Remote sensing and on-site survey measurements	Service provider contracted by CNC
	TBD	ditto		Stable		10% reduction	bi-annual progress reports		
Component 1. Local Investment Fund: 60% of micro-projects funded under the LIF are properly executed and maintained by beneficiaries (OPs, CRDs). 15 innovative SLM technologies and activities adopted per site	0	15 %	30%	40%	60%		Annual	Technical audits	PIU/Minister of Planning and service provider
	0		5 per site	10 per site	15 per site		ditto	ditto	ditto
Component 2: Capacity Building for Local Development 60 % of identified	0	30%	60%				Yr 1 and 2	Project progress	Project M&E,

⁸ Detailed baseline studies will be carried out as part of project preparation activities. These will be reflected in the Project Impact Evaluation Indicators. Studies on at least 80% of the sites will be completed prior to grant effectiveness.

stakeholders trained in SLM approaches per CRD. By the end of year 2, 30 percent of first year beneficiary CRDs have appropriately adapted existing PDLs to include SLM priorities. By end of Project at least 60 percent of beneficiary CRDs have appropriately adapted and formally recognized existing PDLs using the (sub) watershed as the planning basis and including land degradation concerns 50 % of annually submitted SLM micro-projects are of satisfactory quality, confirmed through technical audits.	0	15%	30%				Annual	reports and independent technical audits Surveys	private sector firms Project M&E
	0	15%	30%	40%	60%		ditto	M&E system	CNC/ service provider
	0	50%	50%	50%	50%				
Component 3. Project Management, Coordination and Monitoring and Evaluation: Project funds properly managed Work programs and calendar adhered to Funds made available to communities when scheduled	100%	100%	100%	100%	100%		Annual	financial audit	Independent auditor
	N.A.	60%	80%	80%	80%		ditto	technical audits and project M&E	PIU/Minister of Planning and service provider
	N.A.	75%	75%	75%	75%		ditto	technical audits and project	PIU/Minister of Planning and service provider

M&E has provided reliable information, effective in guiding project management, and independently evaluated	N.A		satisfactory external review		satisfactory external review		Mid-term and end of project	M&E external review	PIU/Minister of Planning and service provider
---	-----	--	------------------------------	--	------------------------------	--	-----------------------------	---------------------	---

Annex 4: Detailed Project Description
GUINEA: Community-Based Land Management Project

The Project's strategy is based on a participatory approach involving greater awareness and assumption of responsibility on the part of beneficiaries. It aims to put local actors who are reliant upon natural resources at the center of the process of generating ideas, decisions and interventions for the management of these natural resources. Furthermore, the project will approach land degradation within the framework of sub-watershed management planning, as the two are intimately linked.

To accomplish this, the Project will take advantage of an initiative already taking place in the country concerned with capacity building for local communities (PACV). In particular, the implementation structure of the GEF support will be fully integrated into the PACV and based on existing institutions. The Project will also directly support the National Environmental Action Plan, the Biodiversity Strategy and Action Plan for Guinea and feed into the National Action Plan for Adaptation (under development).

One of the main limitations of the PACV is that the program insufficiently includes natural resource management considerations into the land planning and needs assessment processes. Where it does so, it is highly localized with little knowledge of potential interactions elsewhere. It is for this reason that the Project will add a watershed-based approach to land use.

Also, the tools made available to communities to assist them in the land use process that would culminate in a land use/degradation control program, will be more sophisticated than used by the PACV in the past. A multi-stage process would be applied. Firstly, an initial analysis would be carried out by technical staff of existing information and updated land occupancy and land use data using satellite imagery of the selected sub-watershed. Secondly, consultations would be held with communities to assess their priorities and constraints and how these match with the technical analysis. Subsequently, a series of meetings would be held with the CRD Council and interested community level stakeholders to arrive at consensual solutions that are technically sound, in the interest of the communities, and most importantly fully supported by the communities.

The Project will therefore support the integration of the ecological, social and economic dimensions of land degradation to ensure full participation and cooperation at all levels into the PACV. Specifically, the GEF will support: (i) capacity building of communities to promote new land management techniques, (ii) the realization of micro-projects having a positive impact on productive land and associated ecosystems, (iii) capacity building of decentralized agents of the relevant technical ministries as appropriate, and (iv) development of methodologies for environmental information management to encourage a holistic approach throughout the country.

Site Selection

A limited number of sub-watersheds will be targeted based on: (i) the importance of environmental threats, (ii) their role as part of regional, national and international ecosystems,

(iii) the potential to strengthen existing programs and/or (iv) the opportunity to fill gaps in the coverage of ecological sensitive areas in the country by other environmental programs.

On the basis of this analysis, the Project will intervene in selected sites within four watersheds. As part of project preparation sub-watersheds of the Kogon, Fatala, Gambia and Senegal River watersheds were selected as pilot zones. A preliminary root causes and threats analysis is presented in Annex 18. A table with the CRDs in the project pilot zones is presented below.

Table: Pilot CRDs

CRD	Prefecture	Administrative Region	Natural Region
Tanènè	Boké	Boké	Maritime
Malapouya	Boké	Boké	Maritime
Mombèya	Dalaba	Mamou	Middle
Daralabé	Labé	Labé	Middle
Noussy	Labè	Labè	Middle
Donghol Sigon	Mali	Labè	Middle
Fougou	Mali	Labè	Middle
Porédaka	Mamou	Mamou	Middle
Bouliwel	Mamou	Mamou	Middle
Tolo	Mamou	Mamou	Middle
Santou	Télimélé	Kindia	Maritime
Gougoudjè	Télimélé	Kindia	Maritime
Sarèkaly	Télimélé	Kindia	Maritime

Site MAPs to be inserted here. They are too big to be e-mailed with the document

Specific Components

Formatted

I. The Local Investment Fund.

GEF complement (US\$3.4 million): In support of the annual investment plans derived from the local development plans, the Project will supplement the targeted local investment funds under the PACV with earmarked matching grants for micro-projects focusing on SLM: (i) matching grants for micro-projects that are relatively complex or have broad indirect benefits and are executed by the CRDs; and (ii) matching grants for micro-projects emphasizing SLM that are relatively small and technically simple with direct benefits to the implementers, and implemented by direct beneficiaries.

The GEF OP15 allows for the funding of a wide range of land management activities so long as they are incremental to a defined baseline and will bring incremental benefits to the broader environment. In this demand-driven investment program involving several thousands of potential micro-projects the determination of incrementality and therefore suitability for support by GEF will be made prior to adoption of the local development plans.

Incrementality of activities would be determined as follows:

- Establishment of a baseline reflecting land degradation concerns
- Identification in a participatory manner of main SLM issues
- Assess effectiveness and constraints to the application of SLM friendly activities
- Identify priority actions in a participatory manner and assess incremental value of these actions

The retained actions need to be reflected in the local development plans required by both the PACV and the PGCT.

The Project will supplement the PACV matching grant mechanism through the allocation of an envelope of US\$20,000 to US\$50,000 per year and per CRD for undertaking the sustainable land management micro-projects identified in their adapted PDL and approved through the micro-project approval mechanisms of the PACV2. Beneficiary contributions rates will be minimized, on average 10-20 percent in-kind based on the type of investment. As activities can only be contracted by legally recognized entities, all activities will be channeled through the CRD. Activities implemented by groups of beneficiaries or individual will be supervised by the CS.

Eligible investments will include:

- sustainable land and water management investments including: soil fertility management; localized soil erosion control; localized river banks protection; restoration of degraded lands; support for conservation agriculture or conservation tillage; introduction of locally adapted agricultural technologies that reduce the risk to farmers from changes in precipitation; development of improved pastures to reduce the need for brush fires and ensure sufficient quality animal fodder; and support to forestry and agro-forestry investments to diversify incomes and protect land and increase wood supply (firewood and construction, etc.);
- operational research and development activities requested by communities for on-farm or on-site testing and validation of new technologies and activities that improve land productivity and have no negative impact on the watershed; and
- support for demonstration activities that will reduce land degradation pressures.

These investments are not eligible under the PACV. Emphasis will be placed on alternative technologies that may also attract interest from NGOs and firms specializing in importing organic produce from developing countries.

The LIF would be supervised through the Regional Coordination Units of the CNC (Component 2 of the PACV).

II. Capacity Building for Local Development.

GEF complement (US\$2.5 million): The Project adds an additional dimension to the capacity building activities of the PACV. GEF incremental funding will focus on strengthen the capacity of local governments and rural communities in the selected pilot sites for spatial planning of development activities, and for the planning, implementing and coordinating of development actions that include SLM priorities. It will support the following activities:

- provision of GIS based planning and investment decision support tools such as maps (with natural resources and land quality information, important for local development as well as their role in SLM), M&E tools such as a GIS based database system, and master plans for the sub-watershed. A multi-disciplinary technical and scientific task force will be set up to review with beneficiaries the proposed sub-watershed development plans to ensure they are consistent with ongoing activities elsewhere in the sub-watershed and will have the desired impact;
- Development of training tools, including a technical reference manual to aid local communities in the revision of the PDL and the design of micro-projects.
- dissemination of technical information and transfer of knowledge in relation to land degradation control and mitigation technologies and potential profitable activities, through training, testing and demonstrating sustainable land use technologies and activities;
- support to participatory rural appraisals (PRAs) to adapt existing local development plans to reflect SLM priorities;
- training for improving the land use planning skills of decentralized services, CRD officers and community leaders, and provision of related adapted data base management tools;
- support local groups for all matters related to SLM and land degradation prevention/control, including provision of organizational, management and negotiation skills;
- support to natural resource use conflict resolution mechanisms (design and implementation) that may otherwise contribute to land degradation;

Upon completion of the capacity building activities, and technical analysis and validation, a team experienced in participatory techniques will work with CRD stakeholders to achieve a bottoms-up view of land degradation issues affecting the CRDs in the sub-watershed. On the basis of the participatory interventions, the stakeholders will express their concerns and proposed mitigation actions at the CRD level, which are subsequently incorporated in the PDL. The resulting

adapted PDLs are subsequently aggregated for the pilot site and compared to the technical analysis. The teams working with the stakeholders will be invited to participate in this review. Where the PDL is insufficiently noting land degradation concerns, in relation to the technical analysis, the team will return to the CRD to verify whether the omission is due to lack of sensitization or other issues (land security, absentee owners, cultural, etc.) and see to what extent it can improve on this. Under no circumstance will the adapted PDL include concerns and activities for which there is insufficient support under the local populations.

The main difference from the PACV is related to the elaboration and validation of the PDLs under the Project. As a first step to the elaboration of adapted PDLs, all existing PDLs for the sub-watershed are translated by a cartographer into a digitized (GIS) development plan for the entire sub-watershed. This consolidated plan is reviewed by a technical/scientific team drawn from different technical agencies and institutes to ensure that the plan is technically coherent (no negative externalities), and appropriately addresses concerns related to SLM priorities.

Once validated, adapted local development plans are submitted to MATD for inclusion in official regional development planning and to ensure that only one PDL will be used for each of the CRDs. As of this point both baseline project and GEF funded Project follow the same procedures, i.e., on the basis of the adapted PDLs, annual investment plans are prepared and submitted for funding under the different matching grant mechanisms of the LIF (CRD and sub-watershed level activities executed by the relevant CRDs).

The coordination of the drawing up of local development plans (PDL) within a given (sub) watershed will be the responsibility of the decentralized technical agencies, which will receive support from technicians drawn from the University of Conakry and/or research institutions and service providers. The Project will fully fund the cost of the technical support.

The PACV supports, in the context of the PRSC, the creation of an institutional environment supportive of sustainable local development. As the enabling institutional environment desired by the Project coincides with the priorities of the PACV (capacity building of the deconcentrated services, and piloting of land tenure security intervention activities), no additional funding will be allocated to this activity.

III. Project Management, Coordination and Monitoring and Evaluation.

III.1. Project Management and Coordination.

GEF Complement (US\$0.5 million): Implementation of the PGCT will be completely integrated into the structure of the PACV. The Project will provide funding to the MP, MATD and MAE to support the incremental cost of Project implementation and management.

In addition, the Project will fund the costs of participation in annual meetings to exchange implementation experiences and relevant baseline and impact data with other SLM focused projects and stakeholders. Project implementation would be adjusted on the basis of the recommendations of these meetings.

III.2. Monitoring and Evaluation

GEF Complement (US\$0.6 million): The Project has specific requirements that will go beyond the requirements of the baseline Project. The internal M&E system of the baseline Project has been adapted to the requirements of the GEF, with a particular emphasis on strengthening the land use and planning monitoring components of the M&E system of the PACV. The impact evaluation system has been modeled on the Coastal Marine and Biodiversity Management Project (*Projet de gestion Côtier Marin et de la Biodiversité*, PGCMB). During implementation, close collaboration will be sought with national institutions such as the Agricultural Research Institute of Guinea and the University of Conakry. Remote sensing techniques would be used to measure vegetation coverage and the extent of land and water degradation/restoration. Sediment loading into rivers will be routinely measured in the eight micro watersheds pre-identified during Project preparation with the help of OGM. In addition, a link would be sought with AGRHYMET (in Niamey) to measure the evolution of vegetation indexes, provided this would be cost-effective. The baseline and impact studies will be carried out by institutions independent from the implementation structure of the PACV.

To assist with M&E, a GIS baseline database has been established for each pilot watershed in each CRD. The approach used would be the same as for the PGCMB to ensure that information can be aggregated and compared amongst GEF supported projects. More importantly, after technical validation, it would be used as the basis for a nationalized database.

Annex 5: Project Costs
GUINEA: Community-Based Land Management Project

GEF Only

Project Cost By Component and/or Activity	Local US\$ million	Foreign US\$ million	Total US\$ million
Local Investment Fund	3.4	0.0	3.4
Capacity Building	1.9	0.6	2.5
Project Management	0.7	0.4	1.1
Total Project Costs¹	6.0	1.0	7.0

All Sources of Funding

Project Cost By Component and Source of Funds	Total	GEF	IDA	IFAD	Others
Local Investment Fund	12.7	3.4	4.9	1.9	2.5
Capacity Building	9.4	2.5	4.5	1.4	1.0
Project Management	4.1	1.1	2.3	0.6	0.1
Total Financing	26.2	7.0	11.7	3.9	3.6

Annex 6: Implementation Arrangements

GUINEA: Community-Based Land Management Project

The Project will be implemented in its entirety by the baseline Project. The following are the institutional arrangements for the second phase of the baseline Project amended for the Project.

Project oversight and orientation will be the responsibility of a Steering Committee (SC) composed of representatives of the implementing agencies and the key stakeholders. This is the same SC that oversees the PACV and has therefore already been established. The SC organizes at least two meetings a year with the Government and the donors participating in the project's financing. The first meeting: (i) reviews the proposed annual work project; (ii) reviews the implementation status and progress toward achievement of project's objectives; (iii) decides on necessary corrective actions relative to project implementation; and (iv) coordinates the various projects in the area of decentralized rural development. The second meeting reviews progress in the agreed annual work program.

The SC's present composition is as follows:

- a representative from the Ministry of Interior and Decentralization, who will be the SC's president;
- two representatives from the Ministry of Planning and the Ministry of Agriculture and Livestock, one of whom will be the SC's vice-president;
- one representative each from the Ministry of Finance, Education, Public Health, Public Works and Fisheries and Aquaculture;
- three representatives from civil society (NGOs and other private institutions); and
- seven representatives of CRD presidents, one from each of the seven administrative regions.

Prior to effectiveness of the GEF Grant, one representative from the Ministry of Environment will be added to the SC.

The overall management and coordination of the GEF Project will be entrusted to the Project Coordinating Unit (CNC) of the PACV, attached to the Ministry of Planning. This is a lightweight structure with most of the day-to-day management of project activities executed by line ministries. Its main focus is thus coordination, liaison, supervision, monitoring, and longer term planning and policy support. In addition, it will assure overall financial management and accounting. It will also have direct responsibility for overseeing the operation of the LIF, whose day-to-day management is handled by its four regional offices (*Unité Régionale de Coordination*, URC). During the first year of GEF Project implementation a fifth URC will be established in the Coastal Zone (Boké). While the regional coordinators and the Community Development Agents will monitor LIF activities and ensure the correct use of LIF funds, they will have no power to reject or change micro-projects proposed by the CRDs, unless they do not conform to the agreed criteria and the approved Local Development Plan. The decision on which priority micro-projects to be submitted for funding will rest totally with the CRDs.

To facilitate the programming, coordination and monitoring of PACV operations, the CNC has established a Management Committee composed of managers of the various components, which convenes monthly to review the progress of the project, ensure complementarity and an efficient coordination of the activities of the different project components, and consolidate programs, budgets, as well as quarterly and annual progress reports.

The CNC acts as secretariat of the Steering Committee and prepares documents commensurate with its functions. The CNC is in charge of preparing consolidated biannual activity programs and related annual budget proposals. These are based on the annual programs and budgets prepared by the executing agencies of the different project components. The consolidated budgets and programs will be submitted to the Steering Committee for approval. Once approved, they will be submitted to the co-financiers of the project.

The PACV CNC, which has shown its strength during the implementation of the PACV, will be appropriately strengthened to assume the additional workload resulting from the Project (accountant, procurement assistant, focal point in Conakry, a geographer specialized in GIS database management, and support staff). In addition, PACV will receive funding for two vehicles, office equipment, and incremental operating costs.

The CRDs will be responsible for implementation of the micro-projects qualifying for LIF financing along the following principles: (i) identification, selection, operation, oversight and maintenance, by and for the benefit of village communities; (ii) contractual implementation of works by local artisans, private enterprises, or by the communities/formally recognized groups themselves; (iii) responsibility for technical supervision and monitoring of micro-project implementation shared by CRDs, territorial administration and deconcentrated sectoral services. In these cases, the CRD will be assisted by Community Development Agents.

The CRD Council (Conseil Communautaire), will decide annually on micro-projects to receive funding from among the priority projects proposed to the CRD by the communities, and in general coordinate development initiatives. Through a service provider and in cooperation with the CRD, the PACV will recruit a Community Development Agent to assist the CRD in providing support for the local micro-project process, from "animation" through project execution. He/she will combine technical and *animation* skills and will be a conduit for information between the CRD and the communities, and act as an honest broker and advisor to the communities. The capacity of the communities to manage and finance the ongoing operation and maintenance of the infrastructure established will be strengthened, and the means/organizational arrangements to take on the new responsibilities created.

The PACV provides incentives to Community Development Agents who are their interlocutors with communities. These field agents will also act as liaison between the service providers, the communities, the CRDs, and the PACV.

The PACV sub-contracts with local organizations to provide technical, administrative, and financial training to CRDs' local elected officials and staff. In addition, local organizations will also organize workshops for elected officials, community leaders, and deconcentrated personnel

to discuss decentralization issues as well as the rights and responsibilities of all stakeholders at the local level.

Financial System and Audit (see Annex 7)

Monitoring and Evaluation

The objective of the monitoring and evaluation (M&E) system is to respond to the internal management and supervision needs of all the project's stakeholders, including the executing agencies responsible for implementing the different project components, and CRDs for the micro projects.

PACV's monitoring system is already organized as a network with each executing agency in charge of monitoring its own activities. The M&E unit is in charge of: (i) developing and exploiting a data collection system appropriate to establish the performance indicators of each project component, (ii) compiling and consolidating on a quarterly basis monitoring information including data related to expenditure and disbursements; and (iii) preparing consolidated quarterly implementation reports for the overall project.

Progress reports will be submitted to the Bank twice a year. Each executing agency will be required to submit a biannual progress report for its component to the PCU no later than one month following the end of each semester. The national M&E specialist will incorporate these individual reports into a consolidated progress report for the entire project.

Independent performance evaluations of the Project will be conducted twice: a mid-term review and an evaluation at the end. These evaluations will be conducted jointly by the Government of Guinea and the co-financiers of the project. These reviews will be based in part on the results and recommendations of the evaluations indicated above and will help make adjustments resulting in a more efficient implementation of the project. The reviews will coincide with those of the second phase of the PACV.

Operational Manuals

The Project Implementation Manual (PIM) of the Project will detail day-to-day project implementation and will be adapted for the sites in which the Project intervenes to allow for the additional targeted matching grants for SLM. The PIM consists of the following detailed manuals: (i) the Administrative and Financial Procedures Manual, (ii) the Technical Manuals (guidelines for specific types of micro-projects), (iii) the Monitoring and Evaluation Manual, (iv) the LIF Manual, (v) the Resettlement Framework, and (vi) the Environmental and Social Management Framework. All manuals have been elaborated prior to appraisal and were confirmed at negotiations. The PIM, which consists of primarily introductory text and references to the detailed manuals was, however, not yet completed. The PIM will therefore be submitted as a condition of Grant effectiveness. Revisions to the PIM will be carried out during Project implementation on the basis of field experience, and as mutually agreed between the Recipient and the Bank.

Annex 7: Financial Management and Disbursement Arrangements

GUINEA: Community-Based Land Management Project

Summary of Financial Management Assessment

Implementing Entity/staffing,

The Project will use PACV's existing financial and disbursement arrangements. These have been evaluated during PACV implementation and found to be satisfactory.

The existing PACV CNC will be responsible for implementing the Project. Staffing at the CNC already includes: (i) a core management team (including the National Coordinator, a Finance Director, two Senior Accountants and a Procurement Specialist); (ii) experts covering M&E and other key aspects of the Project. In addition, a GEF focal point specialized in natural resources, an environmental/social safeguard specialist is also on board. It is suggested that a GIS specialist, an accountant and an assistant procurement specialist will be added to the CNC to handle the additional responsibilities under the Project. Other specialties, related to civil works and agricultural services will be used on a contractual basis. Reviews over the past three years have shown that the CNC has satisfactorily managed the PACV.

Financial Management risks. The financial management risks are related to: (i) the weak implementation capacity and shortcomings in financial management, (ii) the weak implication of the technical staff on the internal control issue who are particularly involved in core activities; (iii) availability of timely regular budget for the operations of the Project (Programme d'Activité Budgétisé); (iv) the assessment of the progress and related costs. It has been mentioned that the PACV has a good track record of implementing Bank projects.

To mitigate these risks, the following has to be observed: (a) regular Bank supervision missions including SOEs reviews and timely follow-up of management issues, will be essential; (b) the planning and budgeting activity should be properly organized; (c) timely information on monitoring and evaluation must be provided.

Accounting System. The accounting system is based on a well-functioning computerized, system. To that end, the financial management, accounting and procurement units of PACV have been equipped with a computerized and integrated financial management appropriate to the scale of the Project. The computerized financial management system namely SUCCESS is multi-currency and include the following modules which comprise of: general accounting, cost accounting, monitoring and evaluation, assets management, preparation of withdrawal applications and tracking of disbursements by donors, reports generating, including quarterly FMR (Financial Monitoring reports) and annual financial statements.

Manual of procedure A Project Administrative, Financial and Accounting Manual is already put in place. It describes: (i) the overall organization of the program including an organizational diagram and job description of the key persons of the PIUs including the accounting and financial staff; (ii) the accounting system which will be on accrual basis; (iii) the main transaction cycles; format, content, and timing of the project financial reporting, i.e., financial

statements and other financial reports including FMRs (Financial Monitoring Reports), filing system, etc.; (iv) the various operational procedures including budget management (planning, execution and monitoring) and management of assets, procurement of goods and services, and disbursement; and (v) internal control procedures.

Financial Reporting and Monitoring

Similar to the PACV, transaction-based disbursement procedures, as described in the World Bank Disbursement Handbook, will be followed i.e. direct payment, reimbursement, and special commitments.

At least two sets of financial reports will be prepared by the implementing team within the PACV unit. The quarterly Financial monitoring Reports (FMRs, as required by the Bank) and the annual Project financial statements and the Project's consolidated financial statements. The quarterly FMRs agreed upon at appraisal will be prepared and submitted to the Bank 45 days after closing of the quarter following the date of effectiveness. The FMRs will be based on formats developed in the Bank's Guidelines on Financial Monitoring Reports, agreed to with the Administrator and the accountants with some adjustments. The FMRs will include financial, physical progress and procurement information that is useful to the Recipient while also providing the Bank with sufficient information to establish whether: (i) funds disbursed to the Project are being used for the purpose intended; (ii) project implementation is on track; and (iii) budgeted cost will not be exceeded. A copy of Financial Monitoring Report Guideline will be provided to the team before project effectiveness by Bank FMS.

Audit Arrangements. The Project's consolidated financial statements will be audited annually by an independent auditor acceptable to the Bank in accordance with auditing standards also acceptable to the Bank. Audit reports of reasonable scope and detail will be submitted to the Bank within six months of the end of the audited period. The auditor will provide a unique opinion on: (i) the Project financial statement of expenditures (SOE); and (iii) the Designated Account;

The auditor will also issue a separate management report on internal and operational procedures, outlining any recommendations for improvements to internal accounting controls and operational procedures identified as a result of the financial statement audit. Detailed terms of reference for the selection of the project's auditor should be prepared, discussed and agreed on before effectiveness. The Audit Scope will be tailored the project's specific risks in accordance with Bank's requirements and agreed with the Recipient. The selection of an auditor acceptable to the Bank is a condition of effectiveness.

To ensure proper accountability of funds managed by beneficiaries, technical and financial audits will be carried out on a sample basis. These audits will focus on the technical execution of the works (technical quality and progress), systems in place to ensure appropriate maintenance, and that basic information is available to track the use of the funds (receipts, contracts, comparison of prices/bids, etc.). Where funds are inappropriately utilized, the Project will cease supporting activities until all funds have been accounted for. In cases where fraud is suspected, local authorities will be notified.

Accounting and internal control

Detailed procedures have been developed for project accounting for each component. The objective of the detailed procedures is to ensure consistent financial reporting. The underlying systems take into account the specific needs and circumstances for each component including accounting procedures at the Regional and CRD level.

Internal accounting controls for the project are set out in detail in the financial procedures of the Project Implementation Manual and are satisfactory for providing reasonable assurances that accounts are properly recorded and resources safeguarded. The accounting system for the implementation units for the components uses updated software. The accounting system has been evaluated over the past years and found to perform satisfactory.

The CRD's (the base accounting unit) will provide quarterly activity reports to the URCs together with quarterly financial reports of the activity of the LIF. The URCs will submit quarterly financial reports with supporting documentation to the CNC. Similarly, the Ministry for Decentralization, in charge of the second component will provide quarterly reports to the CNC. The CNC will subsequently consolidate the financial reports of the operational components.

Work programs and budgets

As part of the preparation of its annual work program and budget, each agency involved in GEF Project implementation will commit itself to specific performance indicators specifying clear targets to be achieved in the course of the year regarding improved access and quality of service delivery. These targets reflect the goals implementing agencies want to achieve during Project implementation. The goals are specified in strategy documents that have already been prepared for the PACV and adapted for the Project. Work programs will be presented to IDA and their approval is a condition of annual disbursements.

No later than November 30 of each year, the CNC will submit to the Steering Committee (SC), with a copy to IDA, the aggregated proposed Annual Work Programs and Financial Report for the Project as a whole and broken down by implementing partner. The report format will detail activities, associated unit costs and an implementation timetable. It will also include monitorable progress indicators for each activity proposed in the work program. The work program and budgets will be reviewed by the CNC prior to submission to IDA for no-objection.

In addition, the CNC will submit semi-annual progress reports to the SC showing budgeted and actual expenditures, source of funds used, statements of progress achieved on the basis of the agreed upon indicators and the (revised) objectives and financial reports for the forthcoming six months.

Disbursements arrangement

The amounts and percentages to be financed through the GEF grant are detailed in the Table below. The Grant will be disbursed over a period of five years, from October 1, 2006 till June 30,

2011. The grant closing date has been set at six months after the expected date for completion of project activities (December 31, 2010), to allow for the orderly processing of final disbursement requests and the production of the project's final audit and annual progress reports.

Table: Disbursements

Disbursement Categories	Allocated Amount (US\$)	Disbursement percentages
1. Vehicles and Equipment	500,000	100% foreign and 80% local
2. Consulting Services	1,000,000	100% of foreign and 80% local
3. Training and workshops	500,000	100%
4. Matching Grants	3,000,000	100% of amounts disbursed
5. Operating Costs	500,000	90%
6. Unallocated	1,500,000	
Total	7,000,000	

The Project will be funded by the GEF grant, beneficiary CRD contributions and Government of Guinea contributions in-kind. The Country Financing Parameters (CFP) for Guinea are expected to be approved in fiscal year 2006 and 100% funding exclusive of taxes is sought for this Project.

Method of Disbursement

The Project will not be ready for report-based disbursements by effectiveness. Thus, at the initial stage, the transaction-based disbursement procedures (as described in the World Bank Disbursement Handbook) will be followed, i.e. direct payment, reimbursements, special commitments and replenishments of the Special Account.

Where the reports are adequate and produced on a timely basis, and the Recipient requests conversion to report-based disbursements, a review will be undertaken by the IDA to determine if the project is eligible for this method. The adoption of report-based disbursements by the project will enable it to move away from transaction-based disbursement method to FMR-based disbursements to the Project's Designated Account, based on FMRs.

Use of Statements of Expenditures (SOEs):

Disbursements for all expenditures will be made against full documentation, except for items claimed under the Statement of Expenditures (SOE) procedure. SOEs will be used for payments claimed under contracts for: (a) works in an amount inferior to US\$, (b) goods in an amount inferior to US\$; (c) consulting firms in an amount inferior to US\$100,000 (d) individual consultants in an amount inferior to US\$50,000 as well as small equipment, office supplies and training. Documentation supporting all expenditures claimed against SOEs will be retained by the CNC and made available for review when requested by IDA periodic supervision missions and project external auditors. All disbursements are subject to the conditions of the Development Credit Agreement and the procedures defined in the Disbursement Letter.

Designated Account:

The CNC will maintain one Designated Account in US Dollars with respective equivalent in current account in Guinean Francs which will be managed by CNC. Funds will be used to make payments to suppliers in the respective contract currencies. Interest income received on these accounts will be deposited to the respective accounts.

The Designated Account in US dollars with respective equivalent in local currency current account would be opened by the CNC in a reliable commercial bank on terms and conditions acceptable to IDA. The authorized allocations would be US\$750,000 for the Designated Account. The respective allocations will cover about six (6) months of eligible expenditures. The Designated Account will be replenished through the submission of Withdrawal Applications on a monthly basis and will include reconciled bank statements and other documents as required until such time as the Recipient may choose to convert to report-based disbursement. The Recipient may also choose to pre-finance project expenditure and seek reimbursement from the Bank as needed.

Upon credit effectiveness, the Bank will deposit the amount of US dollars xxx into Designated Account. The Designated Account will be used for all payments inferior to twenty percent of the authorized allocation and replenishment applications will be submitted monthly. Further deposits by the Bank into the Designated Account will be made against withdrawal applications supported by appropriate documents.

D. NEXT STEPS

Action Plan

The action plan to be implemented before Credit Effectiveness is tabulated below.

ACTION	Target Completion Date
1. Extend the contract of the existing external auditors to the new Operation	By effectiveness

Financial Covenants

A financial management system, including records and accounts will be maintained by the CNC. Financial Statements will be prepared in a format acceptable to IDA, and will be adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the project.

Supervision Plan

Supervision activities will include: review of quarterly FMRs; review of annual audited financial statements and management letter as well as timely follow up of issues arising; and participation in project supervision missions as appropriate. The Bank FMS in charge will play a key role in monitoring the timely implementation of the financial management arrangements.

Conclusions

The overall conclusion of the assessment is that the current financial management arrangements are satisfactory to meet IDA FM requirements though one recommendation needs to be implemented by effectiveness, i.e. the amendment of the external auditor's contract under the PACV to include this Project.

By effectiveness, the Project will not be ready for report-based disbursements. Thus, at the initial stage, transaction-based disbursement procedures, as described in the World Bank Disbursement Handbook, will be followed i.e. direct payment, reimbursement, and special commitments. However, when Project implementation begins, and the Recipient requests conversion to report-based disbursements, a review will be undertaken by IDA to determine whether eligibility requirements have been met and elaborate an action plan.

Annex 8: Procurement Arrangements
GUINEA: Community-Based Land Management Project

A. General

Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" dated May 2004; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, and the provisions stipulated in the Legal Agreement. The various items under different expenditure categories are described in general below. For each contract to be financed by the Loan/Credit, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Borrower and the Bank in the Procurement Plan. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

Procurement of Works: The GEF supported project will not fund any civil works, other than those under the matching grants of the LIF and managed by beneficiary communities. Procedures for these works are detailed in the Project Implementation Manual.

Procurement of Goods: Goods procured under this Project would include: vehicles and equipment for Project implementing agencies, as well as small agricultural equipment procured by Project beneficiaries. The procurement will be done using the Bank's Standard Bid Documents for all ICB and NCB, agreed with or satisfactory to the Bank.

Procurement of non-consulting services: N.A.

Selection of Consultants: Short lists of consultants for services estimated to cost less than \$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. The Project will enter into agreements with Government and/or donor supported institutions, such as the National Agricultural Research Institute, the University in Conakry and the Observatoire Guinee Maritime for M&E of the Project, and for specific implementation support. As no competitive process would be possible, the Project would only fund incremental costs. In addition, where capacities lack, the Project may enter into contractual arrangements with NGOs for certain aspects of implementation (beneficiary training, participatory analyses, etc.)

Operating Costs: The Project would fund incremental operating costs of the implementing agencies (CNC and MAE). Normally, national shopping procedures would apply, except for the case of gasoline, which is purchased through a system of vouchers. For this particular item, a national tender would be held each year.

Others: The procurement procedures for the matching grants under the LIF follow the guidelines for simplified procurement and detailed in the Project Implementation Manual.

The procurement procedures and SBDs to be used for each procurement method, as well as model contracts for works and goods procured, are presented in the Project Implementation Manual.

B. Assessment of the agency's capacity to implement procurement

Procurement activities will be carried out by the CNC. The CNC is staffed with an experienced procurement officer who would oversee procurement under the grant. An additional staff may be hired based on the results of the capacity assessment at appraisal. Arrangements would be made to ensure that such staff would be sufficiently trained prior to project start-up.

An assessment of the capacity of the CNC to implement procurement actions for the Project was carried out by procurement staff in the Guinea Country Office at the time of appraisal. The assessment reviewed the organizational structure for implementing the Project and the interaction between the staff responsible for procurement and the staff/unit responsible for administration and finance.

The overall project risk for procurement is low.

C. Procurement Plan

The Beneficiary has developed a procurement plan for the first 18 months of Project implementation, which provides the basis for the procurement methods. This plan has been formally agreed upon with the Beneficiary at negotiation. It will also be available in the project's database and in the Bank's external website. The Procurement Plan will be updated by the procurement staff of the CNC at least once a year or as required to reflect the actual project implementation needs.

D. Frequency of Procurement Supervision

In addition to the prior review supervision to be carried out from Bank offices, the capacity assessment of the Implementing Agency has recommended two annual supervision missions to visit the field to carry out post review of procurement actions.

E. Details of the Procurement Arrangements Involving International Competition

1. Goods, Works, and Non Consulting Services

(a) List of contract packages to be procured following ICB and direct contracting:

Given the small amount of the GEF grant that is not managed directly by beneficiaries, it is unlikely that any ICB would be needed, except for possibly vehicles.

(b) ICB contracts estimated to cost above US\$200,000 per contract and all direct contracting will be subject to prior review by the Bank.

2. Consulting Services

(a) List of consulting assignments with short-list of international firms: The project is not expected to use international firms, instead all contracts will be with individual consultants.

(b) Consultancy services estimated to cost above US\$100,000 per contract and single source selection of consultants (firms) for assignments estimated to cost above US\$50,000 will be subject to prior review by the Bank.

(c) Short lists composed entirely of national consultants: Short lists of consultants for services estimated to cost less than US\$200,000 equivalent per contract, may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Annex 9: Economic and Financial Analysis

GUINEA: Community-Based Land Management Project

Like the base project, the PGCT does not lend itself to classic quantitative cost-benefit analysis because on one hand, the expected capacity building benefits have undetermined life expectancies and cannot be quantified in monetary terms. On the other hand, the demand-driven nature of investments also leaves the specific investments that will be made under the Project undetermined. Not enough is known about investment attitudes of the rural communities to attempt a simulation exercise. However, it is possible to demonstrate in qualitative terms that economic and social returns are likely from the capacity building and the LIF components.

Benefits and Cost-effectiveness of Capacity Building: The Capacity building component is most likely to generate substantial economic benefits. Decentralization, land use planning and human capacity building will improve the economic decision making process. Returns to human capacity building are significant, especially when there is an adequate enabling environment. The review of GEF-related activities in other countries suggests that the short-term effect of capacity building on productivity ranges from 12 to 30 percent increase in crop yields (Ouadba et al., 2001). Given that the capacity building benefits are likely to accrue for many years beyond the life of the project, they will most likely offset costs, with significant rates of returns.

Benefits and Cost-Effectiveness of Local Investments: The LIF will generate numerous investments that cannot be precisely predetermined given the demand-driven nature of the project. Consequently, no classic *ex-ante* cost-benefit analysis can be applied in this case. However, many eligible types of investments are predetermined and are known to generate significant economic benefits. Previous experience suggests that rural communities usually select projects with very high rates of returns and low risks, and manage them much more efficiently than Government or project agencies.

Research shows positive net returns to natural resource management investments/land degradation control and mitigation activities, in particular land restoration. For example, the net value of techniques such as composting, windbreaks or rock bunds is about US\$700 per hectare. Conservation tillage techniques to be promoted under the Project are known to have significantly positive impacts on yields and to significantly reduce labor costs.

The economic activities that the project will generate are expected to be sufficiently profitable so as to result in increased capital accumulation at the farm level and particularly for the poor. This is expected to substantially improve the financial capacity of rural communities to maintain the investments made under the project and to expand investment activities beyond the lowlands.

A financial soundness analysis will be undertaken for all investments identified with the communities, so as to maximize chances of financial success. The capacity of the private and/or public sectors to sustain recurrent costs of planned investments will receive special attention. Provisions will be made to ensure the operation, maintenance and renewal of those investments. Emphasis will be put on cost-minimization measures and on anticipating additional funding requirements to ensure investment sustainability.

As an illustration, for other projects, financial rates of return on the types of micro investments proposed under the project have ranged from 27.8% (apiculture) to 13.9% for beans and 30.3% for soybeans (both nitrogen fixing crops, thereby also having a longer-term impact on agricultural productivity).

Fiscal Impact: The long-term objective is for CRDs to be able to raise fiscal resources from increased local economic activity and consumption, and thereby contribute to the funding of their local development plans reducing the need for fiscal transfers from the central Government. In the short-to-medium term, fiscal transfers from the central Government will be needed to cover what the beneficiary contribution does not. It must be recognized that the long-term capacity-building needs of the rural communities will require considerable support, and that such support will need to come largely from the outside, including support to cover the operating costs of the Project and intermediaries. Such operating costs are part of the investment required to build institutional, and ultimately fiscal, sustainability. The micro-projects financed under the Project such as community forests, improved agricultural practices, and land restoration will increase the income earning potential of the rural population and possibly lead to new opportunities (e.g., organic farming) that could eventually generate fiscal revenues for CRDs.

Annex 10: Safeguard Policy Issues
GUINEA: Community-Based Land Management Project

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[X]	[]
Pest Management (OP 4.09)	[]	[X]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[]	[X]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Indigenous Peoples (OP 4.10)	[]	[X]
Forests (OP/BP 4.36)	[X]	[]
Safety of Dams (OP/BP 4.37)	[]	[X]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[X]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[X]

OP4.01 Social and Environmental Impact, OP4.04 on Natural Habitats and OP4.36 on Forest

In spite of the expected social and environmental benefits, OP4.01 is triggered because potential minor social and environmental negative impacts were identified as part of the preparation process. Undetermined micro-projects will be carried out with GEF Project support. The individual as well as aggregate impact of these activities will need to be monitored. Large-scale impacts such as major land use change will not be induced by the project. The GEF Project will therefore develop a framework for promoting sustainable development, through a sustainable watershed management approach, emphasizing the inter-relatedness and interdependency of the ecosystem. Procedures have been designed to prevent that the GEF Project finances or induces major irreversible impacts.

The project was prepared and will be implemented from a participatory perspective where all stakeholders, in particular the local communities, play a central role. At the planning stage, three key participatory mechanisms were being used to involve communities. These are: (a) a basic assessment to obtain information on environmental and social assets and constraints to help evaluate the sustainability and broader impacts of various development options; (b) elaboration of local development plans, which define basic development activities; and (c) the development of a strategic framework and coordination mechanisms to draw together stakeholders and sectoral, local and upstream development plans in a coherent strategic vision.

The community strategy will be a key tool for creating awareness, for consensus building, for generating participation in processes of change and development, for making informed decisions and for resolving conflicts. At community level, the communication strategy will focus on the needs to ensure access to information for all local stakeholder groups; and to strengthen the

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

ability of all stakeholders to articulate and disseminate information, and make their own informed decisions. This should help communities become full partners in the process of local and development planning. With the help of the PACV, this process has already started and surveys have confirmed that communities feel empowered and are playing an increasingly important role in the development process.

The GEF Project will also support other activities and measures focused on the improvement of the communities' livelihood and emphasizes participation of identified vulnerable groups, presently not supported by the base program. These focus on more specialized capacity building (income generating skills, leadership and community planning skills with an emphasis on sustainable use of local resources), development of priority community services and infrastructure and investment activities not supported by the PACV.

The project is given a Category B rating since the project will be designed to provide a framework for environmentally sound planning processes. Extensive public consultation processes considered essential to underpin participatory planning for sustainable management were used as part of the preparation process.

These processes have been set out in the Environmental and Social Management Framework, which was disclosed prior to project appraisal. All investments financed by the project will be subject to individual environmental and social assessments in accordance with procedures detailed in the ESMF. The project will also strengthen capacity and processes in Guinea for environmental assessment. Even without the GEF Project, the coming years will see infrastructure and private sector development in certain areas which could lead to the expansion of mining, deforestation, tourism nodes, and in-migration. These trends are already being observed in certain coastal areas. The challenge will be to ensure that the GEF Project induces positive change, and encourages sustainable development.

Forests - The Forest OP is triggered because micro-projects supported by the project may have localized negative impacts. There are two levels at which the GEF Project seeks to guide decision making processes: capacity building and information. In addition, assessments will be carried periodically to evaluate GEF Project environmental and social impact.

OP/BP 4.12 on Involuntary Resettlement and Land Acquisition

Two major factors have led to the triggering of OP/BP 4.12. The first factor is the potential for access restrictions on local communities' livelihoods activities. Communities living in buffer zones are also potentially affected insofar as these multi-resource use areas will be included in local development plans emphasizing sustainable resource use. Yet, the poorest and most vulnerable sectors of rural populations are often the most dependent on renewable natural resources for income generation and risk management strategies. Often, they bear the direct and indirect costs from living in and/or near conservation areas, in terms of loss of access to resources, and damage to or loss of crops, livestock and human life caused by wildlife. Hence, if affected communities do not participate in identifying their resources, designing and agreeing on restrictions to these, and in proposing the mitigation measures, it is unlikely that they will comply with conservation plans. To avoid such a negative effect on the population and avoid unnecessary conflicts, a Resettlement Process Framework has been commissioned and

completed. The purpose of the framework is to describe the process by which potentially affected communities will participate in resource planning and management. The Resettlement Process Framework shows how Local Development Plans will be formulated and adapted with the local population during the design and implementation phases of the project. These plans are instruments that emphasize actions to give communities a voice and that provide them with means to negotiate their position with government authorities. Their design and development provide the opportunity for involvement of NGOs and other partners in helping to empower local communities through various forms of capacity building. Once developed, these plans should become part of the local development plans. No land acquisition or displacement are planned or will be financed under the GEF Project or baseline programs. Hence no Resettlement Policy Framework (RPF) was deemed necessary to prepare.

No Indigenous people or sites known for bearing cultural heritage have been identified. Burial and sacred sites will be excluded from Project supported interventions and their location duly documented and recorded.

Annex 11: Project Preparation and Supervision
GUINEA: Community-Based Land Management Project

	Planned	Actual
PCN/Project Brief review	08/30/2004	12/09/2004
Initial PID to PIC	09/15/2004	03/03/2005
Initial ISDS to PIC	09/15/2004	03/03/2005
Appraisal	01/15/2005	04/24/2006
Negotiations	03/08/2005	05/05/2006
Board approval	04/17/2005	06/22/2006
Planned date of effectiveness	07/31/2005	10/02/2006
Planned date of mid-term review	12/10/2007	10/31/2009
Planned closing date	06/30/2009	06/30/2011

Key institutions responsible for preparation of the project:

- Government of Guinea through the CNC of the PACV
- Ministry of Agriculture and Livestock
- Ministry of Environment
- World Bank

Bank staff and consultants who worked on the project included:

Name	Title	Unit
Dirk Prevo	Operations Officer/Team Leader	AFTS4
Abdoulaye Touré	Sr. Rural Development Specialist	
Bella Lelouma Diallo	Sr. Financial Management Specialist	AFTFM
Enos Esikuri	Peer Reviewer	ENV
Gabriele Rechbauer	Consultant	
Jaime Webbe	Junior Professional Associate	AFTS4
Jane Hopkins	Sr. Agricultural Economist	AFTS4
Joseph Ellong	Language Program Assistant	AFTS4
Kadidiatou Bah	Team Assistant	AFMGN
Mathieu Meguhé	Procurement Analyst	AFTPC
Mohamed Arbi Ben-Achour	Safeguards Specialist (social)	AFTS1
Racky Dia Camera	Team Assistant	AFMGN
Renée Desclaux	Finance Officer	LOAG2
Sameena Dost	Sr. Counsel	LEGAF
Susanne Leloup	Consultant	
Suzanne Piriou-Sal	Sr. Rural Development Specialist	AFTS3

Yves Prévost	Safeguards Specialist (environmental)	AFTS4
Yves-Coffi Prudencio	Sr. Agriculturalist	AFTS2
Zié Ibrahima Coulibaly	Infrastructure Specialist	AFTU2

Bank funds expended to date on project preparation:

1. Bank resources: US\$0
2. Trust funds: US\$215,000
3. Total: US\$215,000

Estimated Approval and Supervision costs:

1. Remaining costs to approval: US\$10,000
2. Estimated annual supervision cost: US\$40,000

Annex 12: Documents in the Project File
GUINEA: Community-Based Land Management Project

Mamadou Tahirou Barry: « *Consultation pour la préparation du projet de gestion intégrée des écosystèmes de Guinée* », Conakry, Mai 2004.

Detailed watershed maps, June 2004 and December 2004 (DNH and OGM).

Project Implementation Manuals for the base-Project.

Implementation Manuals for the Project (M&E, LIF, Impact Evaluation).

Impact studies of the base-Project

Site specific studies

Environmental and Social Management Framework.

Resettlement Process Framework

Annex 13: Statement of Loans and Credits
GUINEA: Community-Based Land Management Project

Project ID	FY	Purpose	Original Amount in US\$ Millions					Difference between expected and actual disbursements		
			IBRD	IDA	SF	GEF	Cancel.	Undisb.	Orig.	Frm. Rev'd
P074288	2003	Guinea: Decentralized Rural Electrificat	0.00	5.00	0.00	0.00	0.00	5.32	1.00	0.00
P073378	2003	Multi-Sectoral AIDS Project (MAP)	0.00	0.00	0.00	0.00	0.00	19.24	3.28	0.00
P050046	2002	Education for All	0.00	70.00	0.00	0.00	0.00	61.39	-19.61	0.00
P050732	1999	Guinea:VILLAGE COMMUNITY SUPPORT PROGRAM	0.00	22.00	0.00	0.00	0.00	3.84	4.07	0.00
P001074	1999	URBAN III	0.00	18.00	0.00	0.00	0.00	7.28	7.00	6.43
P001075	1997	THIRD WATER SUPPLY	0.00	25.00	0.00	0.00	0.00	16.57	-12.32	8.47
Total:			0.00	140.00	0.00	0.00	0.00	113.64	- 16.58	14.90

GUINEA
STATEMENT OF IFC's
Held and Disbursed Portfolio
In Millions of US Dollars

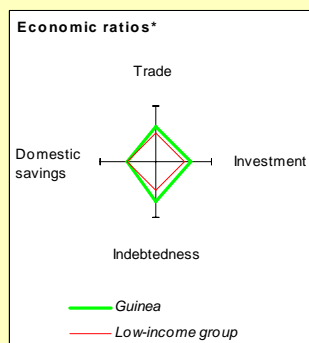
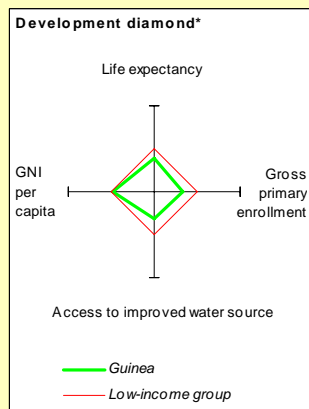
FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
1998	SEF Agro	0.16	0.00	0.00	0.00	0.16	0.00	0.00	0.00
1998	SEF Hamdallaye	0.02	0.00	0.00	0.00	0.01	0.00	0.00	0.00
1993/98	SIG	0.00	0.00	0.54	0.00	0.00	0.00	0.54	0.00
Total portfolio:		0.18	0.00	0.54	0.00	0.17	0.00	0.54	0.00

		Approvals Pending Commitment			
FY Approval	Company	Loan	Equity	Quasi	Partic.
Total pending commitment:		0.00	0.00	0.00	0.00

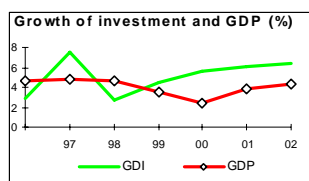
Annex 14: Country at a Glance

GUINEA: Community-Based Land Management Project

POVERTY and SOCIAL	Sub-Saharan Africa*			
	Guinea	Africa	Low-income	
2002				
Population, mid-year (millions)	7.7	688	2,495	
GNI per capita (Atlas method, US\$)	410	450	430	
GNI (Atlas method, US\$ billions)	3.2	306	1,072	
Average annual growth, 1996-02				
Population (%)	2.3	2.4	19	
Labor force (%)	2.1	2.5	2.3	
Most recent estimate (latest year available, 1996-02)				
Poverty (% of population below national poverty line)	
Urban population (% of total population)	28	33	30	
Life expectancy at birth (years)	46	46	59	
Infant mortality (per 1000 live births)	105	105	81	
Child malnutrition (% of children under 5)	33	
Access to an improved water source (% of population)	48	58	76	
Illiteracy (% of population age 15+)	..	37	37	
Gross primary enrollment (% of school-age population)	61	86	95	
Male	74	92	103	
Female	49	80	87	
KEY ECONOMIC RATIOS and LONG-TERM TRENDS				
	1982	1992	2001	2002
GDP (US\$ billions)	..	3.3	3.0	3.2
Gross domestic investment/GDP	..	17.4	21.7	25.6
Exports of goods and services/GDP	..	19.4	27.3	27.4
Gross domestic savings/GDP	..	11.2	20.1	21.3
Gross national savings/GDP	..	5.2	18.9	20.2
Current account balance/GDP	..	-7.4	-3.6	-6.8
Interest payments/GDP	..	1.0	1.0	1.3
Total debt/GDP	..	80.2	107.3	..
Total debt service/exports	..	10.7	15.7	..
Present value of debt/GDP	57.1	..
Present value of debt/exports	208.0	..
	1982-92	1992-02	2001	2002
<i>(average annual growth)</i>				
GDP	3.7	4.3	3.8	4.3
GDP per capita	0.8	1.8	1.5	2.1

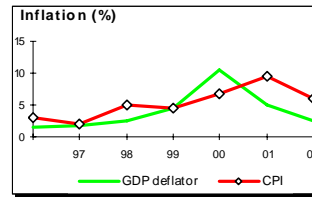


STRUCTURE of the ECONOMY	1982 1992 2001 2002			
	1982	1992	2001	2002
<i>(% of GDP)</i>				
Agriculture	..	22.3	24.4	..
Industry	..	27.9	37.7	..
Manufacturing	..	3.4	4.4	..
Services	..	49.8	37.9	..
Private consumption	..	81.3	75.2	73.4
General government consumption	..	7.5	4.7	5.3
Imports of goods and services	..	25.6	29.0	31.6
	1982-92	1992-02	2001	2002
<i>(average annual growth)</i>				
Agriculture	3.2	4.0	2.4	4.3
Industry	2.3	5.2	4.9	6.0
Manufacturing	..	4.4	5.5	..
Services	3.9	3.2	-1.7	0.2
Private consumption	4.1	3.2	3.4	..
General government consumption	-3.7	5.6	5.2	..
Gross domestic investment	4.1	4.5	6.0	6.3
Imports of goods and services	3.7	3.0	4.0	9.4



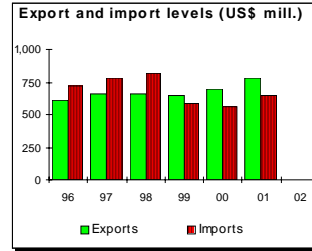
PRICES and GOVERNMENT FINANCE

	1982	1992	2001	2002
Domestic prices				
<i>(% change)</i>				
Consumer prices	..	32.4	9.6	6.0
Implicit GDP deflator	..	26.7	4.9	2.4
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	12.2	12.8	..
Current budget balance	..	2.0	2.2	..
Overall surplus/deficit	..	-7.1	-5.5	..



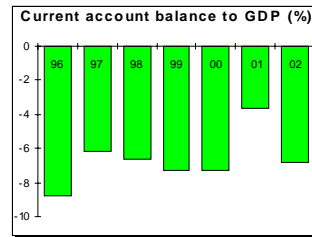
TRADE

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total exports (fob)	..	657	775	..
Other metals	..	343	314	..
Aluminum	..	107	121	..
Manufactures
Total imports (cif)	..	740	648	..
Food	..	49	93	..
Fuel and energy	..	69	107	..
Capital goods	..	98	132	..
Export price index (1995=100)	..	117	92	..
Import price index (1995=100)	..	95	95	..
Terms of trade (1995=100)	..	124	97	..



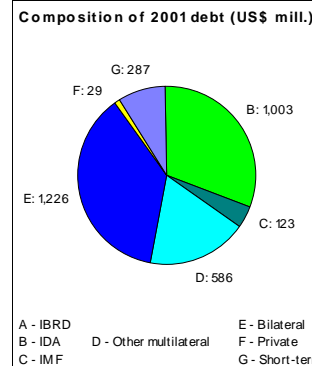
BALANCE of PAYMENTS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Exports of goods and services	484	811	831	868
Imports of goods and services	491	856	880	1,004
Resource balance	-7	-45	-50	-136
Net income	..	-141	-92	-104
Net current transfers	..	-57	31	24
Current account balance	..	-244	-111	-216
Financing items (net)	..	247	164	..
Changes in net reserves	-2	-3	-54	..
Memo:				
Reserves including gold (US\$ millions)	..	155	282	287
Conversion rate (DEC, local/US\$)	22.4	902.0	1,950.6	1,992.7



EXTERNAL DEBT and RESOURCE FLOWS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	1,366	2,634	3,254	..
IBRD	49	0	0	..
IDA	57	548	1,003	..
Total debt service	89	87	130	..
IBRD	8	15	0	..
IDA	1	5	25	..
Composition of net resource flows				
Official grants	20	222	137	..
Official creditors	22	157	16	..
Private creditors	23	-8	0	..
Foreign direct investment	0	20	2	..
Portfolio equity	0	0	0	..
World Bank program				
Commitments	18	78	145	..
Disbursements	11	88	71	..
Principal repayments	3	16	18	..



Annex 15: Incremental Cost Analysis
GUINEA: Community-Based Land Management Project

This annex includes a brief review of the environmental situation in Guinea, with focus on land degradation; Project development goals and global environmental objectives, the baseline scenario without GEF financing versus the alternative scenario of an IDA-GEF blended Project and presents the incremental cost analysis.

The Environmental Situation in Guinea

Increasing demand for land and wood from a growing population, which is still to a large extent utilizing traditional agricultural technologies, has resulted in increasing deforestation of fragile zones, cultivation on marginal lands, and conversion to agriculture of ecosystems such as forests, bottom-lands and marshes. Agricultural lands are overexploited as a result of shorter fallow periods and soil fertility is declining leading to stagnating or declining yields (and increased need for land expansion). Soil erosion and siltation of rivers has increased due to deforestation and watershed degradation, threatening biodiversity and other ecosystem services. The increased vulnerability of soils due to slash and burn practices to cyclical droughts contributes to increased degradation of the natural resource base. Adverse policy incentives and a lack of a sound land tenure system hamper long term investments in increasing the productivity of land. Institutional capacity is weak and appropriate resource use planning is hampered by poor monitoring and inadequate environmental and natural resource related data for most of the country.

Global Environmental Objectives

The GEF Project will pilot a replicable delivery mechanism that would mainstream sustainable land management activities into the overall development planning process through the integration of activities in selected areas into a community driven development program. The GEF supported project will incorporate the achievements of other localized interventions (ongoing and past) supported by other donors. Introduction of improved land use and agricultural practices, and soil and water management measures are expected to help sustain livelihoods, reduce pressure on bottom-lands, forests and other fragile parts of the productive ecosystem, conserve biodiversity, prevent loss of and/or improve habitats, help maintain hydrological cycles affecting global water resources such as Ramsar sites in Coastal Guinea through its upstream interventions, and international waters such as the Niger, Senegal and Gambia rivers, and contribute positively to carbon storage in bottomland sinks. Global benefits accruing from Project activities will also help Guinea in meeting some of its global environmental obligations as represented by its participation in international environmental conventions:

- Convention on Biological Diversity ratified on May 7, 1993
- United Nations Convention to Combat Desertification ratified on January 28, 1997
- Contracting party to the Ramsar Convention on Wetlands on March 18, 1993

- United Nations Framework Convention on Climate Change ratified on May 7, 1993

Guinea developed its first National Environment Strategy in September 1994, which has as its main objectives the improvement of the quality of life (health, lodging, potable water, infrastructures, urban sanitation), sustainable management of natural resources, protection against major risks, prevention and mitigation of sources of pollution, protection of cultural and natural sites. Efforts to implement the strategy are hampered by the lack of resources, capacity and conflicting development priorities. Guinea has moved on the UNCCD priorities and is in the process of drafting a national action plan to combat land degradation. The proposed Project activities will be fully supportive of the priorities as they will emerge in the National Adaptation Plan for Action (NAPA), especially capacity building and support to environmental monitoring. The NAPA is expected to seek integration and harmonization of the various initiatives addressing land degradation, which the proposed Project fully supports.

Guinea is a member of the Niger Basin Authority and has recently joined the Senegal River Basin Authority initiative. The Government recognizes the national and regional significance of the hydrological functions of the watersheds.

Guinea recognizes the importance of biodiversity conservation and management and has developed a National Biodiversity Strategy and Action Plan with the support of GEF/UNDP. This strategy has four main objectives:

- Conservation of biological diversity
- Sustainable use of natural resources
- Strengthening of national framework for conservation and sustainable use
- Strengthening sub-regional, regional and international collaboration for the protection of biodiversity, the sustainable use of natural resources, and the equitable distribution of the benefits from such exploitation.

While the Government of Guinea recognizes the need for an intervention to address land degradation in watersheds, promote sustainable land use, and improve the management of undisturbed lands such as bottom-lands, marshes along the riverbeds and forests that are increasingly encroached on by human activity, it is severely constrained in financial, technical and human capacity.

Baseline Scenario – An IDA only PACV

The baseline Project will be the PACV. The PACV2's objectives are to reduce poverty by empowering rural populations to make decisions about the development of their community and to implement these. PACV2 also contributes to four higher-level objectives of the PRSP: (i) strengthening of decentralization and democratization; (ii) improving allocation and efficiency of public expenditures; (iii) poverty reduction by improving service delivery; and (iv) improving public and private sector efficiency.

PACV2 will focus on capacity building of technical agencies (to improve service delivery).

The main elements of this program are support to CRDs for socio-economic investments through micro-projects, as well as the technical assistance required for effective planning and implementing of these micro-projects. Also included is capacity strengthening of CRDs and local agencies that would support the design and development of these micro-projects. Support to the NCU, located in the Ministry of Planning is also included.

Alternative Scenario: The GEF Co-funded Alternative

The global objective of the Project is to pilot sustainable and replicable approaches to the prevention and mitigation of the causes and negative impacts of land degradation on the structure and functional integrity of ecosystems. By adopting an integrated cross-sectoral approach facilitated by linking up with the PACV2, and by using sub-watersheds as a planning basis, it will contribute to the protection of selected critical watersheds

Overall goals will focus on the maintenance of critical ecosystem functions including hydrological cycles, nutrient cycling, and carbon sequestration. This will be accomplished while fostering multiple global benefits through maintenance of trans-boundary water systems, biodiversity, and carbon sinks.

Soil erosion is a chronic problem throughout the country. Deforestation and soil erosion can lead to increased sedimentation and greater flood risk downstream, while sediments also accumulate in bottomlands and reservoirs. Reduced flow in watersheds encourages growth of noxious plants species and algae. For local stakeholders, land tenure in several parts of the country is unclear or not protected, especially where traditional structures are weak. In addition, producers lack the resources and often the technological know-how to invest in long-term measures to maintain soil fertility.

Continuation of only baseline activities would limit Guinea's ability to continue its objective of increasing productivity over the long term without addressing the issues of land degradation, the cost of which will also increase over time. The trend of declining soil fertility and the lack of financial resources combine to intensify the pressures of agriculture on fragile lands and bottomlands. Steps are thus needed to ensure that a basis is created on which to build sustained land management and planning programs. Thus in the combined IDA and GEF operation, each play complementary roles – the PACV will strengthen the overall environment (including the piloting of vital land tenure activities), while the GEF grant will strive to enhance the longer term (and transboundary) benefits of environmentally sound agricultural practices, land use, and natural resource management.

In addition to activities supported under the baseline scenario, the GEF alternative will include support to the following activities:

a) *Grants for micro-projects:* The GEF Project will finance micro-projects initiated by CRDs, producer organizations and formally recognized groups through a participative process. The details of micro-projects to be supported through GEF Project funds will not be determined in advance because of the demand-driven approach, however, they will focus on productive activities (agricultural research and extension, productive infrastructures, demonstration of new technologies, etc.) and mitigation/protective measures (reforestation, etc.). The approach

involves considerable participation of producers and communities in prioritizing critical areas for investment. GEF Project supported matching grants will be available for incremental sustainable land management activities that are clearly identified in local development plans, supported by proposed indicators that are acceptable to measure their success. Incorporation of clearly identified SLM activities in micro-project proposals will be a required criteria in the selection of micro-projects. The financing will be provided as grants, with an upfront beneficiary contribution (cash or kind) of at least 10 percent of the micro-project costs.

Capacity building of CRDs and Technical Services: The PACV will provide targeted support to central and deconcentrated agencies in the implementation of decentralized development (focused studies and training on the operationalization of decentralization and local development), as well as capacity building of CRDs to plan for and implement local development activities, and adjust existing local development plans to include SLM concerns.

The GEF Project will support the strengthening of capacity of service providers, local NGOs and CRDs through training in techniques of improved ecosystem management. The GEF Project will develop and deliver education and awareness programs that emphasize the way in which environmental issues reflect on, and are affected by, human activities; as well as ways in which long term ecosystem productivity can be maintained and enhanced through the use of environment-friendly techniques. Training will also be provided to extension agents active in the pilot zones in response to constraints identified by communities.

Institutional development will help key decentralized public agencies assimilate the ideas of sustainable land management in their policies and activities through improvements in natural resource use planning, monitoring and coordination, and improvement of environmental management processes.

Capacity building of OPs and other formally recognized groups: The GEF Project will enhance the capacity of community leaders, as well as that of producer organizations (POs) and formally recognized groups. Support will be provided for: (i) strengthening the organizational, technical and management capacities of local communities and POs; and (ii) promoting an understanding of the broader environmental management issues related to land degradation and how these need to be addressed. Support will also be provided to ensure that community organizations are included in the adaptation of existing local development plans to include SLM concerns.

Capacity building of the producer organizations and local communities will be based on a situational analysis and demand, and linked to the local development plans, and offered by contracted service providers.

The benefiting POs and local communities generally will be grassroots-level organizations, but the GEF Project may also assist the capacity building of vertical organizations already existing or ones to be established by producer organizations or local communities. GEF support will be provided to strengthen the capacities of farmers and communities to manage natural resources sustainably, access knowledge on improved methods, use indigenous and local knowledge and native species and implement agricultural systems that enhance agro-biodiversity etc.

This subcomponent will also strengthen, when necessary, the capacity of service providers, to enable them to provide services to producer organizations and local communities.

Project administration and monitoring component would help support the NCU in coordinating, managing and monitoring and evaluating the GEF Project.

Incremental Cost Analysis Matrix

Incremental Costs. The underlying incremental cost analysis compares the total cost of the activities under the Baseline Scenario directly linked with the GEF Project. The GEF Project coverage is limited relative to the PACV. Upon successful evaluation, replication will occur over a much wider geographic area, hence about one-third of IDA and IFAD's support to the PACV, or US\$15.6 million, is considered (see also Annex 5). In addition, about US\$0.4 million in incremental funding from Government and beneficiaries has been committed and included in the analysis.

Table 3: Incremental cost matrix for GEF funding

Component	Cost Category	Cost USD M	Domestic Benefits	Global Benefits
1. Local Investment Fund (LIF)	Baseline	9.0	A limited number of SLM related micro-investments planned and implemented, mostly of medium to long term local environmental benefits	Activities might lead to limited global benefits (mostly related to replanting of community forests) but would lack the support for a coherent institutional and technical framework.
	GEF Alternative	12.7	A significant number of sustainable land management micro-investments planned and implemented based on an "integrated watershed management plan" will lead to the adoption of sustainable land use practices, i.e.: (i) land use changes in critical areas, such as river banks, flood prone or ground water recharge areas, and forest or natural habitats of significant biodiversity values; and (ii) sustainable agricultural practices. These changes will lead to enhancing the structural and functional integrity of ecosystems, and improve rural livelihoods.	The improved functional integrity of ecosystems will have positive impacts beyond the limited (sub-) watersheds where the project intervenes, but will have a positive impact that affects a wider geographical range beyond the national borders.
	Increment	3.7		
2. Capacity-Building for SLM	Baseline	6.8	Increased capacity of communities to design and implement local development plans, which do not always fully take into account land management issues. Institutional capacity strengthened and policies reformed to support decentralization.	
	GEF Alternative	9.4	Increased capacity of communities to design and implement sustainable land management of long-term local, national and global environmental and	Increased understanding of the human activities on the different parts of the eco-system is expected to lead to reduced pressures on globally

			development interest.	significant resources. The global environmental benefits will thus include: (i) halting land degradation and desertification, (ii) preserving biodiversity, (iii) preserving carbon storage capacity and (iv) maintaining the condition of international waters. The LIF will strengthen this impact through incentives for positive behavior.
	Increment	2.6		
3. Project Management and Coordination	Baseline	2.5	Efficient and capable staff in place to implement, manage and evaluate the project's impact.	
	GEF Alternative	3.6	Same as above	The strengthened M&E system, will support improved monitoring of global resources in fulfillment of Guinea's international obligation (desertification, biodiversity, climate change)
	Increment	1.1		
TOTALS	Baseline	18.8		
	GEF Alternative	26.2		
	Increment	7.4		
	of which GEF	7.0		
	Government and beneficiaries	0.4		

The incremental cost of US\$7.4 on a total of US\$26.2 under the GEF supported Alternative Scenario represents about 28%. This would be a conservative estimate since a significant portion of the cost of the first phase of the PACV could have been considered as well. The French support to the PACV is not included in the analysis, because future support may be financed from reflows, the size of which are not known. If these were included, the cost-sharing ratio would drop further. In addition, complementarity with the PNIR 2 and other donor-funded activities were not included in the analysis, such as support provided by PEGRN, because the PNIR 2 had not yet started activities at the time of Project appraisal and the PEGRN had been reduced in size and it was unclear how this would affect this project.

Annex 16: STAP Roster Review
GUINEA: Community-Based Land Management Project

STAP REVIEWER: Pal Vedeld

1. Introduction⁹

The overall impression is that the project is relevant and well suited for GEF support. My comments should be seen in light of that the definitely project should be supported. I do offer some questions, comments and suggestions concerning overall both goal and problem understanding, but also project design, participation, local knowledge and some other issues.

2. Scientific and technical soundness of the project

2.1 Is there sufficient ecological and technical information available to give the project a sound scientific base?

The documents provide substantial knowledge and insights in the problem at hand. It is obviously a strength that the proposed project builds on and into the existing VPSC project and can utilize experience-based insights; both from the field, and in terms of how one best can develop a good organizational structure.

I would still ask for a better basic exposition of the overall problem of land degradation; its main causes and effects and how such causes and effects would typically vary within the country according to climatic, ecological, economic, cultural, social and political factors.

Established agricultural land can be degraded through soil erosion and soil nutrient depletion processes. This type of degradation poses substantial challenges in terms of identifying and getting regeneration activities implemented thus improving productivity on the existing land. However, in many districts, the major land degradation threat is deforestation in various forms; caused by quite different processes such as land clearing for agriculture; both permanently an in shifting cultivation systems; but also charcoaling, legal and illegal cutting of timber and a variety of other activities lead to both deforestation and forest degeneration. What kind of processes that are present in a particular area will depend on various contextual factors (climatic, ecological, economic, etc.) mentioned above.

Important driving forces that create pressures for degradation comprises population growth and in-migration of people. But it also relates to broader and more complex issues of land tenure and policies, removal of subsidies for agricultural inputs (fertilizers, seeds, pesticides, extension service) and outputs, increased conservation of land etc.

The complexities and local variations in causes- and effects will thus demand more locally adapted and less blueprint oriented approaches. It is then for example a question if the proposal

⁹ The STAP review was done at a relatively early stage of project development to aid the team in fine-tuning project design. STAP review comments have been fully incorporated in the final project description.

ought to should start out with lists of activities that are acceptable for funding and not, but rather let such items be subject for local deliberations.

2.2 Have all the threats to the ecosystem been considered?

From what is mentioned above; a more detailed and regionally diversified description could have been included, especially to display the substantial regional variations and challenges of the country.

2.3 Does the type of ecosystem management proposed require further research?

This project is more applied and a substantial research effort is not strictly necessary. One could consider some kind of participatory research efforts on local knowledge and local values, norms and practices on particular land degradation issues.

2.4 Is there a need to develop indicators to achieve the objectives?

The LFA format and the main objectives and indicators developed are good as they are.

On a detailed basis, one could consider if the suggested soil improvement indicator of “organic matter change”, could be considered supplemented by soil phosphorous or even some kind of yield or output measures.

2.5 Will appropriate monitoring be put in place?

A substantial amount of monitoring is suggested in the project on impact, on performance and on financial and project monitoring. All are of course important. I want to raise two issues concerning impact monitoring:

1) A couple of places in the document, the issue of *participatory* monitoring is raised. I feel that the way it is described in the document, is an approach where participation becomes a means rather than a goal in itself. Local people are to be used to collect the material for monitoring and receive a written report afterwards.

A different thinking on participatory monitoring is that local people themselves, together with competent staff, develop indicators and measures for monitoring and that they are able to interpret results and correct actions themselves. I still see these two approaches as more complimentary than alternative and hope it can be considered in the final proposal.

2) I also raise the issue of the suggested GIS – monitoring system. It is now suggested with a rather substantial part of total costs of the programme. I am wondering, for several reasons; first of all; if this project is a pilot and demonstration scheme; is a GIS type of monitoring something that can be sustained upon donor withdrawal? Secondly; is the local level competence and resource situation on GIS at a level where this methodology can be successfully used at present, and in the future? One should at least discuss possible alternatives to (an expensive and sophisticated) GIS system for this kind of impact monitoring.

2.6 Will the approach taken in the project proposal achieve the objectives of conserving biodiversity?

I think especially that the relevant activities suggested in the Local Investment funds; both the Intercommunity SLM Fund Component and the Village Investment Fund have very good and practical orientations. And I would lift out in particular the ideas of both individual and village level factors combined with the intercommunity approach. The latter is often neglected in projects like this, and I feel that is an important and particular asset of this proposed project.

I would also recommend that the *Local Investment Fund*, if possible, is given a larger share of total funds than the present suggested 64% .

2.7 What are the risks and constraint associated with the approach?

I think they are well discussed in the proposal itself.

2.8 Is there any area weakness, gap in the project?

The project has, in general, a lot of good properties. Some aspects could still be discussed further.

There should, as raised earlier, have been a better analysis of causes and effects of land degradation and maybe even discuss the practical implications of a Boserupian compared to a Malthusian approach to land degradation.

There should be a more wholehearted and embracing emphasis on local participation and I feel in particular that issues around local knowledge of both nature, and of social relations should have been more explicitly addressed throughout the proposal.

Linked to this is also the issue on challenges of meeting local heterogeneity; both on natural and on social issues.

I miss a description of the role of the Watershed Management group; who are invited; what kind of powers and authorities will they have; relative to the state, and to the project management.

This is a pilot and demonstration activity. As such, it is important that one consciously selects sites that cover the range of challenges related to project objectives that one will meet throughout the country at large (climate, ecology, markets, ethnic groups, political situation etc.).

So, a closer discussion of possible criteria for selection of sites would have been interesting and important precisely in the context of a pilot and demonstration activity.

2.9 Are there any controversial aspects about the project?

The issue of potential resettlement of people is brought up a couple of places in the project document, but with little description and analyses. I have problems in seeing if and how, such issues will be brought up, if the measures to be undertaken are brought up by local people? If such plans are relevant or important part of the program, it should definitely be clarified, much better than what is done in the present proposal.

Some of the ideas suggested in Appendix 15 may lead to substantial local conflicts and in the name of participation; one may let the content of such a list be part of a participatory process as mentioned before.

It is also mentioned in the project document that no funds will be used for fertilizers and pesticides. That position is of course a highly political issue; but in terms of a participatory approach to generating such a list of “eligible items”, it seems rather probable that such items would be raised and demanded by local people. If a major problem is declining soil fertility, resulting in more land being cleared for agriculture, more fertilizer may actually be a cost-efficient measure to address the problem. This issue is widely addressed and debated by economists, and should at least be problematised in the document.

2.10 Does the project introduce incentives that may lead to overharvesting (in the case of a sustainable use project)?

I cannot see that this is an issue in this project.

2.11 How will drops in revenue as a result of conservation measures be compensated?

As also stated in 2.9, resettlement processes or even conservation measures, that both could trigger drops in incomes for local people, are not addressed in the document. To the extent it is seen as a probable and or substantial activity, it should definitely be addressed in the proposal.

2.12 Are there legal instruments aspects that should be dealt with?

One should clarify tenure issues around the list in Appendix 15 (Table 2), where several items have substantial legal “aspects” on banning land use; by whom and for whom, and who will cover the costs ?

2.13 How will the model of sustainable use outlined in the project be developed?

It is extremely important with good processes for local anchoring of the project ideas. The participation approach has been mentioned and it has been stated that it may deserve closer attention for the final proposal. Participation is better approached as a human rights issue, than as an instrument for external donors, wherever possible.

2.14 How effective will the proposed model be in the local situation?

I think the overall model, as it is partially tested through the PACV, will work well with some adjustments. Very few references are, however, made to the review of the PACV project; of experiences gained, weak and strong sides etc. That could have been included somewhere in the project document.

2.15 Is there evidence that the project offers the best long-term solutions?

There is of course no evidence, as the project has not been implemented. One major challenge is if the project with its objectives will be continued upon donor withdrawal. Many environmental programmes suffer from this. An advantage in this respect for the suggested project is the emphasis on local environmental benefits; which should cater better for local legitimacy and support to the programme; compared to more pure conservation programmes where local benefits are usually less present.

3. Identification of global environmental benefits

As also stated in the project document, this project fits very well with the purposes laid down for GEF to “provide funding for the agreed incremental costs of measures to achieve global environmental benefits in the area of biodiversity”.

To the extent the project delivers planned output; benefits in terms of restoration of degraded lands, improved protection of remaining important biodiversity resources and reduction in rates of future degradation will all contribute to sustainable biodiversity management and conservation. The project has a good flexibility in site selection and can select sites that have substantial global biodiversity interests. The global benefits are thus clear relative to **CBD**. The flexibility also allows for exchange of experiences and ideas between interventions in different ecological zones.

The project will also rehabilitate land and improve vegetation cover and forests and as such contribute to enhanced carbon sequestration relevant for the **UNFCCC**.

The project also plans interventions in the semiarid areas of Guinea and will deliver results relevant for the **UNCCD**.

Guinea has ratified all these three conventions and the proposed project contain components that in a good way contribute to the implementation of the conventions.

4. Regional Context

A substantial number of major African rivers (Niger, the Senegal and Gambia rivers) flow through Guinea and the protection of these rivers, and reducing pollution into these is an important factor in itself and also in protecting the economically and biological valuable marine environment along Guinea’s coastal waters. As such the project has substantial regional meaning and importance.

5. Replicability of the project

This type of project has a good scope for replication, both within the country, to additional sites, but also regionally and even globally.

6. Sustainability of the project

The sustainability of the project has several dimensions;

First of all; if the project ideas themselves are considered profitable in themselves and if farmers and local communities have been involved in developing them, one would expect that activities would continue after donor withdrawal.

Secondly, if the local institutions in charge of the project are able to secure a tax-base or other types of economic instruments that can and will be used for this kind of activities; it may be possible that project activities will continue upon withdrawal.

Thirdly, the project has an expressed strong support from the government, it fits well into other government plans such as CAS and PRSP. This is important in a sustainability context.

Fourthly, if the project has not created separate new own institutions, but instead has placed its organization on long enduring existing organizations, it seems more likely that activities will be sustained upon donor withdrawal. This seems to be the case in this project. One question in this respect has still been raised about status of the Watershed Management Committees.

7. Secondary issues

7.1 Linkage to other focal areas

The project is definitely “consistent with the operational strategies of the other focal areas” such as carbon sequestration and with issues related to combating desertification and also to enhance aquatic biodiversity. This is also reflected in the project document.

The proposal also describes a number of correlated activities, both in Guinea, and also in neighboring countries that link up with the project objectives. One particular project in this respect is the AGIR project supported by EU, with a focus on Integrated Resource Management of the Niger and Gambia River Basins.

The project is well linked up at the national level with the VSCP project and utilizing partly the same organizational structure, and not least the experiences from this programme.

7.2 Other beneficial or damaging environmental effects

Reduced land degradation, deforestation and afforestation measures improve local climate, water retention amounts and quality, reduces soil and wind erosion, improves potentials for urban water supply and electricity and reduces health hazards in addition to enhancing biodiversity resources and soil carbon sequestration.

And, as already mentioned, an improved biodiversity management and afforestation and reduced soil erosion, will also enhance Guineas coastal waters and marine resources.

It is difficult to see any possible negative environmental effects.

7.3 Degree of involvement of stakeholders in the project

This is an area where there may still be room for improvement in the project, both concerning planning, implementation and monitoring activities.

It must be said as a general challenge in biodiversity management undertakings, project operators often come with a “hidden agenda” (not local) to the table, and want people to agree to the agenda in the name of participation. If we see participation as goal in itself, as a right, and as a way to generate legitimate systems for resource management, then the project may plan for more participation on certain items.

On the planning side, for example, it seems crucial that local people have a right to discuss and revise the list of activities eligible for GEF co- financing as presented or suggested in Table 2, Appendix 15.

On the implementation side, how will local people, and in particular poor local people, be involved in practical implementation and monitoring activities? One item relates to that some of the activities to be funded imply restricting particular people from using certain resources. This may lead to relative deprivation for some compared to other groups. A truly legitimate system where in particular vulnerable and poor groups are represented would be important to secure. This may, however, prove to be difficult to achieve.

On monitoring; can we strike a balance between sophisticated and expensive “remote systems” and more barefoot local level participatory monitoring approaches? That is an important- and possible challenge. If we trust local knowledge, competence and institutions not least, participatory monitoring may actually form a glue of legitimacy for project activities to be implemented and sustained. The present suggestion with reports and workshops for local people may not be the most effective way of meeting different groups of local people and their interests.

For all activities, it is also important that both village level institutions and not least the Watershed Management Committee are constituted and given rooms to operate in ways local people perceive as legitimate. This involves both their legitimacy and representativeness and also their ability to handle or resolve local conflicts. The proposal can be clarified in this respect, and will most likely have the experience from the PACV to draw on in this respect. One could also want closer descriptions of LIF, POS and other organizations and their relationship to local people.

7.4 Capacity building aspects

This is an area where there is room for improvement in the proposal. The words local knowledge is not mentioned once in the document, and the thinking is surprisingly old-fashioned in the sense that one talks consistently about transfer of knowledge from project to local people.

The meeting between local knowledge and experience and modern scientific knowledge is crucial for this project. It must be important for the project to develop ideas and approaches that cater for a fruitful mix; both because also experience-based, hands-on knowledge itself is crucial relative to the objectives of the project, but also because it has to do with the legitimacy of governance. How do local people experience the “encounters at the interface?”

One challenge is then not only to train local people; but field staff must learn participatory approaches and be allowed or enabled to develop respect for the local knowledge. It is possible that the PACV project has developed this kind of staff; but in that case, it could be better reflected in the project proposal.

7.5 Innovativeness of the projects

I think this project, despite some more critical points made, in general has a sound and clear approach that makes it suitable as pilot and demonstration project.

In particular, the sustainable use orientation that I read into the project is wise.

Working with local institutions at village level, but also applying a broader watershed perspective is also important as an asset of the project proposal.

The broad array of benefits and the innovative type of activities suggested is another asset.

B. Response to STAP Review comments

The main issues raised by the STAP reviewer can be grouped as follows: (i) need for more technical information related to causes of land degradation; (ii) monitoring and evaluation; (iii) insufficient information related to the proposed participatory processes; (iv) the sustainability of watershed management committees; and (v) capacity building and use of indigenous knowledge.

Information on land degradation.

Following the STAP review, Annex 1 of the Project Brief was substantially revised to provide information on the linkages between the different sector issues (agricultural technology base, poor agricultural services/capacity, lack of rural infrastructure and access to markets, land tenure systems, access to credit, and population growth as an overall issue). In addition, annex 18, with a site specific roots and threats analysis, was added. Also, more detailed analyses of the final selected sub-watersheds are planned of project preparation and would be available at the time of appraisal. On the basis of these analyses, confirmed through consultations with local

stakeholders, appropriate responses would be formulated in a participatory manner and using the community demand driven approach. It should be noted that the Project is piloting an approach of integrating SLM into wider development issues. Project responses to the site specific constraints are flexible, as long as constraints are stakeholder identified and proposed activities are fully supported by local communities.

Monitoring and Evaluation.

There were two aspects to the comments, the first related to the integration of a community based M&E system, while the second related to the cost.

The community will be fully involved in the M&E process and not merely to “feed the beast.” Community representatives involved in M&E information collection will also receive training to interpret data themselves that will help them make appropriate presentations to the community itself, but also to others. PGCT would verify data (also to assess the need for further training) and do a separate analysis covering a wider area that would be shared with communities also.

The cost of a GIS based system to the Project will be limited because the system will be co-funded from several sources. The PACV is in the process of designing a GIS based M&E system using IDA preparation funds for the second phase, GEF preparation funds for the PGCMB, and with technical support from OGM. The cost for individual projects is therefore low. Also, not using a GIS based system for this type of project would have serious drawbacks for measuring project progress and impact, as several indicators require a GIS based system for appropriate monitoring.

Participatory processes and capacity building.

The PGCT places an important emphasis on working in a participatory manner with local communities to identify constraints and design solutions. It is for this reason that capacity building is emphasized. The Project will not propose or impose solutions, it is neutral. The teams that work on the situational analysis and potential solutions with local populations will have no ties with the Project other than this activity and will not include representatives of government agencies to avoid a bias in community responses. Furthermore, communities will not know that their responses may lead to additional matching grants for SLM activities. They will likewise be unaware of which types of activities will be eligible for PGCT funding. This will hopefully lead to honest responses and the identified SLM oriented activities are more likely to have full stakeholder support. Avoiding biased responses is also the reason why these activities will be carried out as part of project preparation and not after the project has already started its activities.

Sustainability of the watershed management committees.

The preparation mission confirmed the difficulty of working with watershed management committees (WMC), especially regarding special interests and sustainability. The concept of WMCs were therefore dropped from the project. Instead, existing government structures at the prefectural and regional levels, which already fulfill a similar function under the PACV, would be responsible for activity coordination. This approach would be more cost-effective and be replicable as it uses existing agencies that have these responsibilities in their mandate.

Use of indigenous knowledge.

As part of the situational analysis, traditional activities will be reviewed and how changing circumstances have impacted these. The PGCT will favor resolving constraints to using traditional techniques or the use of indigenous knowledge rather than importing solutions. Adaptation of indigenous techniques, where feasible, is also a more sustainable solution as beneficiaries can apply these technologies at much lower costs. Quite often maintenance of these solutions is much easier.

Annex 17: Monitoring and Evaluation
GUINEA: Community-Based Land Management Project

1. Introduction

The strategy developed for the project M&E system is based on the (i) results framework (see Annex 3), (ii) lessons learned from the implementation of the first phase of the PACV and similar projects in the country, (iii) methodology developed for the baseline studies and project impact evaluation system (identical for both PACV supplemental GEF projects), and (iv) GEF principles for monitoring and evaluation as well as for OP 15 on Sustainable Land Management.

An M&E manual has been developed as part of Project preparation. Identified project staff at the national and local level, as well as service providers and civil society leaders, will be trained on M&E procedures as needed. During project implementation, the manual will be reviewed and adapted to ensure that it meets the project's needs.

An outline of the guidelines adopted for Project progress monitoring and impacts is described below, established based on the information gathered in the diagnostic preparation phase, results framework and suggestions received from several interested parties during the project preparation phase and on the experience arising from the implementation of other projects and programs.

2. M&E System Components

The project's M&E system includes: (a) impact monitoring; (b) performance monitoring; and (c) financial and project monitoring.

a) Monitoring of Results and Impacts

The Project Impact Monitoring System has been structured in such a way to provide information on the results and effectiveness of the actions implemented, in particular within the range of the micro-projects, along with the evaluation of how the project contributed to solving the core problem to be confronted: the lack of participatory tools and methodology necessary for the reduction of land and water degradation in selected sites.

The impact M&E system provides for the socioeconomic and environmental monitoring of four pilot sub-watersheds. Works would be initiated by an initial diagnostic with the participation of the community, and would contemplate the follow-up of the following indicators: social organization, land use evolution, evaluation of revenues and of physical assets of producers, soils (physical, chemical, and biological indicators), rainfall depending on data availability for the selected sub-watersheds hydro-sedimentometry, chemical characterization of sediments, surface and ground water quality, and evaluation of flora and fauna.

Native vegetative cover in sub-watersheds with micro-projects would be evaluated with the support of images generated by remote sensors (satellite images, aerial photographs, etc.). An initial mapping would be undertaken and updated with a frequency to be determined. This mapping would be complemented by field information. The evaluation of ecological aspects would consider the diversity and relative abundance of species, and the occurrence of natural regeneration, along with other indicators to be identified.

The proposed project impact monitoring system consists of four modules:

- Evolution of state of sub-watershed ecosystems
- Evolution of rural activity systems
- Evolution of rural poverty and capacity
- Evolution of implementation of GEF eligible micro-projects

Each module includes a certain number of specific surveys bearing on a common sample of households and/or production units. Within the sample, one will distinguish between the households / production units concerned with GEF micro-projects of the FIL / PACV and those not concerned. Comparison of evolution of the different indicators and cross-analysis based on multi-theme data will make it possible:

- To characterize the evolution of each theme on each site.
- To determine the overall evolution of the links between poverty reduction, state of land degradation and activity systems dynamics.
- To determine the pertinence, efficacy and replication of proposed approaches.

Of particular interest is the innovative approach taken to assess poverty and capacities of rural communities. The indicators do not only select monetary poverty (income, consumption, ...) but also living standard indicators, access to resources, assets and production factors (to measure vulnerability to risks), social links and poor people's participation in decision-making ("empowerment") as well as indigenous perception of poverty.

The collected data (annual surveys) are encoded so as to be entered by theme in a computer and GIS referenced in the database. This will allow to establish the evolution pattern of the criteria chosen to assess the evolution of each them; carry out multi-criteria analyses in order to establish a causal relation and map the elements and dynamics of the above.

The outcomes and proposals resulting from this project would be widely disseminated in annual fora so that they may be used or adapted to confront similar problems elsewhere.

b) Monitoring of Project Progress

The project progress monitoring (managerial monitoring) aims to exercise systematic control of scheduled actions, evaluating the adequacy of execution in relation to what was planned, and to facilitate any necessary modifications. General responsibility for project managerial monitoring will rest with the CNC, which, in close collaboration with technical and administrative management, would guide the executing units concerning progress, performance and any necessary adjustments.

The project follow-up will be carried out in a systematic manner, considering the phases for planning, execution, verification, and adjustment. The detailed Project Monitoring and Evaluation Plan delineates a detailed form of implementation of Project monitoring and evaluation. Every year a schedule would be prepared regarding the establishment of goals and indicators compatible with the general planning of the project.

Managerial monitoring would be performed through the collection and analysis of information on the implementation of planned activities.

The Semi-annual Follow-up Reports would address:

- Physical execution of the scheduled activities;
- Financial execution;
- Analysis of the compatibility of physical and financial execution;
- Information on non-conformities recorded within the period, highlighting relevant and/or unresolved problems up to that time;
- Realization of events with the participation of the society, especially those focused on qualification, planning and evaluation;
- Partnerships established within the period;
- Other information deemed relevant.

Participation of beneficiaries in M&E will be maximized. Resource persons at the CRD level will be trained in data collection and interpretation. Data collected by these resource persons will be integrated into the overall project's M&E. Beneficiaries will be provided with feedback on project implementation and share in decisions on any necessary mid-course corrections. Consolidated M&E reports will be submitted every six months to the Bank. Specific evaluation studies, independent mid-term and ex-post evaluations will be contracted by the CNC. Together with the M&E reports, these evaluations will provide feedback to adjust project activities and future management interventions that would be incorporated into the Annual Work Plans.

c) Financial and project monitoring

This will focus on the CNCs contracting and coordinating capacity and the relevance, quantity, quality, and economy of public sector, municipal, and civil society services. Project monitoring will be combined with financial monitoring.

3. Proposed Actions for the National Coordination Unit (CNC)

The CNC will undertake the following actions to effectively coordinate project monitoring:

- The CNC M&E specialist will be responsible for training partners, collating and reporting data.
- The CNC and stakeholders will undertake a participatory process, to prepare a nationally owned M&E plan and manual and to build commitment and ownership for M&E.
- Each partner will report results quarterly using a simple, structured reporting form.

- The CNC M&E unit will collate, analyze and prepare semi-annual summary reports of aggregate activities, using a standard format;
- The CNC and key stakeholders will meet semi-annually to review and verify monitoring reports and to identify key lessons; and
- The CNC M&E specialist and key stakeholders will update their operational and M&E manuals and procedures based on lessons learned.

4. Monitoring and Evaluation Budget

M&E operating costs are estimated at US\$0.6 million.

5. Key Steps

Action	Completed
M&E plan and M&E manual produced (up-date of PACV M&E manual)	March 31, 2005
Training of key staff	December 31, 2006
M&E included into the project launching workshop	Project Effectiveness

Annex 18: Site Specific Land Degradation Issues
GUINEA: Community-Based Land Management Project

Four watersheds were selected to pilot the Project's approach. The number of watersheds has been limited to avoid dispersing project activities over too wide an area, which would increase overhead costs and reduce funding available for field activities. In addition, it would be harder to show an impact due to Project supported interventions.

For the watersheds that were selected at an early stage of Project preparation, a roots and threats analysis was carried out, which is presented below.

Table 1: Roots and Threats Analysis for the Kogon and Fatala Watersheds

Problem	Symptoms	Immediate Causes	Roots	Extent	Problem Rating
<i>Inadequate institutional capacities</i>	<p>Lack of knowledge on sustainable land management</p> <p>Inadequate agricultural services provision</p> <p>Insufficient information for informed decision making</p> <p>Insufficient interagency collaboration at the national, regional and CRD levels</p> <p>Insufficient field presence</p>	<p>Poorly trained staff</p> <p>Lack of incentives for collaboration even where structures exist</p> <p>Poorly defined mandates</p> <p>Insufficient operating budgets</p> <p>Donor driven initiatives</p>	<p>Budget allocation process not targeted on priorities</p> <p>Low fiscal revenues going mostly to salaries even when there is no operating budget</p> <p>Low capacity</p>	National	Substantial

<i>Deforestation</i>	<p>Increased scarcity in certain zones of wood suitable for carbonization and for construction, especially closer to urban areas</p> <p>Disappearance of useful species to rural populations (plant and animal)</p>	<p>Poor planning of forest plantations given the importance of wood as energy source</p> <p>Inadequate pricing framework for firewood and charcoal.</p> <p>No appropriate political framework to (re) plant</p>	<p>Rural poverty, thereby forced to focus on opportunities for income generation in the short-run with limited opportunity on longer-term investments</p> <p>Rapid urbanization with associated high demand for wood (construction and energy) on limited areas.</p> <p>Undermined traditional control due to interventions by rent seeking outsiders</p>	Entire zone.	Substantial
<i>Soil Erosion</i>	<p>Increased topsoil run-off due to removal of plant cover through slash and burn.</p> <p>Increased difficulty in maintaining productive potential of land causing stagnating/declining yields.</p> <p>Increased erosion along gullies due to extension of land under cultivation</p>	<p>Seasonal labor migration to urban areas diminishing the supply of labor.</p> <p>Technologies no longer adapted to circumstances</p> <p>No access to fertilizers</p> <p>Population pressures.</p> <p>Absence of improved adapted technologies for sustainable land and water management that are of interest to local populations</p>	<p>Poverty</p> <p>Changes in production system with a shift from production for auto consumption to market oriented production (in particular on lowlands) while technical support is poor.</p> <p>Poor functioning of markets</p> <p>Seasonal rainfall patterns with heavy concentrations during certain periods</p>	Entire zone.	Substantial

Overgrazing of Pastures	<p>Shrinkage of land available for cattle and conflicts based on land utilization.</p> <p>Movement of pastures to lowlands and riverbeds at a greater distance from habitats</p> <p>High concentration of cattle in certain zones causing degradation of land</p> <p>Diminished productivity of pastures</p>	<p>Reduced communal management of pastures.</p> <p>Seasonal migration of herds from Middle Guinea to the coastal areas</p>	<p>Absence of adaptation of land tenure system to changes in production systems</p> <p>Export of fertility from pastures to land around houses</p> <p>Population growth</p> <p>Seasonal droughts limiting carrying of traditional pastures</p>	Particularly in Téliélé, Gaoual et Koundara	High
<i>Lack of alternative sources of renewable energy</i>	See deforestation	<p>Shortages of energy from wood.</p> <p>Relative cost advantage of wood over other sources of energy.</p>	<p>Absence of alternative sources of energy given low household incomes and lack of incentives framework.</p> <p>Limited access to new technologies</p>	Entire zone	Substantial
<i>Declining food security</i>	<p>Insufficient production to ensure food sufficiency during the dry season</p> <p>Competition from imported cereals</p> <p>Changes in urban tastes away from traditional varieties</p>	<p>Chemical inputs are not economically viable.</p> <p>Lack of appropriate technologies, adapted to the environmental, technical, and socio-economic constraints of farmers.</p>	<p>Inadequate focus on improving local, indigent, technologies</p> <p>Rural-urban migration of especially young, males, causing (seasonal) shortages of farm labor.</p>	Entire zone	Substantial
<i>Water pollution</i>	Pollution of the downstream areas of the Fataala et Kogon.	<p>Mining activities.</p> <p>Lack of follow-up and control</p>	Lack of appropriate legal framework and inadequate resources for follow-up	Downstream areas of watersheds	Likely high

Detailed maps have been made overlaying specific geographic information on the watershed (vegetation coverage, topography, population density, land use), based on available geographic information. Several sub-watersheds, with the highest likelihood for land degradation were selected on this basis. Onsite visits were used to confirm the selection. The sub-watersheds are limited in size to avoid dispersal of activities over too wide an area.

As part of the first six months of Project implementation, a detailed analysis will be carried out together with local populations to identify specific causes of land degradation, as threats are likely to be location specific. This work will be carried out by a team that has been contracted for this purpose and has no further affiliation with the project to limit bias on the part of facilitators or communities.

Project responses in terms of capacity building and matching grants for activities that target land degradation/sustainable land management will be tailored to the results of the analysis. This will allow the maximum flexibility for responding to site-specific threats. Similarly, the envelope for matching grants will be determined based on the extent of land degradation in each site.

The key indicators will be applicable to all interventions. In addition, for each project site, zone-specific indicators will be selected based on the threats identified with the local population. The evaluation will be based on careful mapping of specific land attributes and/or values of the representative sites at the baseline situation and in subsequent years. Changes will be evaluated every two years for four representative sites. This will not be systematically done in all of the Project's intervention sites in view of the time and cost involved. Instead, a few representative sites will be selected in each of the four watersheds and results will be extrapolated. The underlying concept of the evaluation is to determine how much land is under sustainable land management. In this way, the results of the land baseline assessment can also be easily integrated with the findings of the socio-economic surveys.

The detailed in-site analysis will determine the types of activities that will be supported by the Project. For illustrative purposes, the basket of activities supported by the Project are shown below.

Area	Priority Responses	Level	Type of action	Urgency
<i>Deforestation</i>	Qualitative and quantitative assessment of deforestation. Reforestation in collaboration with communities using multiple varieties of trees Improved productivity of agroforestry Reduced wood consumption	Intercommunal	Local development plans for the CRD and aggregated for a wider part of the watershed, established together with communities. Formal adoption of such plans by local and regional authorities. Support to reforestation by local communities where such demand exists	High

			Promotion of wood conserving technologies	
<i>Erosion</i>	1.1 Development of methodologies focusing on land fertility, erosion control on the basis of local knowledge and experience. Selection of land based on productive potential.	Intercommunal, national	Collaboration of local communities using participatory approaches. Test and extension of methodologies	Substantial
<i>Water pollution</i>	Monitoring of ongoing mining activities and evaluation of potential negative environmental impact (Fatala and Kogon watersheds)	National and regional	Propose regulatory reforms as part of capacity building activities	High
<i>Energy</i>	See also deforestation			
<i>Lack of institutional capacity</i>	Promotion of collaboration of the different agencies and ministries at the national, regional and local levels. Capacity building programs. Increased field presence	National, regional and local	Capacity building of technical agencies (in part also through the PACV) Funding of incremental operating costs Cross-sectoral collaboration at the watershed level	High
<i>Lack of information</i>	Strengthening of knowledge base and building of national databases in collaboration with government agencies and donors.	National	Baseline studies, SIG based cartography, measuring of erosion over time, design of multi-sectoral database	High
<i>Legislative reforms</i>	Reform of land ownership legislation (through baseline Project on the basis of the pilot)	National	Land legislation (supported through the PACV)	High