

# **AFRICAN DEVELOPMENT BANK GROUP**



## **MANAGEMENT RESPONSE TO THE INDEPENDENT REVIEW MECHANISM (IRM) COMPLIANCE REVIEW REPORT AND UPDATE ON IMPLEMENTATION OF THE PRELIMINARY ACTION PLAN CONCERNING THE COMPLAINT AGAINST THE MULTINATIONAL ROAD DEVELOPMENT AND FACILITATION PROGRAMME WITHIN THE MANO RIVER UNION (GUINEA SECTION)**

**RDGW/SNSC**

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## LIST OF ABBREVIATIONS

<b>AGEROUTE:</b>	Roads Management Agency
<b>BCRM: .....</b>	Compliance Review and Mediation Unit
<b>BNETD: .....</b>	Bureau National d'Etudes Techniques et de Développement (National Bureau for Technical Studies and Development)
<b>CEGENS:</b>	Nimba and Simandou Mountains Environmental Management Centre
<b>DNI:</b>	National Directorate of Infrastructure
<b>DNRN</b>	National Directorate of National Roads
<b>ESAP:</b>	Environmental and Social Action Plan
<b>ESIA: .....</b>	Environmental and Social Impact Assessment
<b>GEF: .....</b>	Global Environment Facility
<b>GoG: .....</b>	Government of Guinea
<b>IRM : .....</b>	Independent Review Mechanism
<b>MIE : .....</b>	Ministry of Economic Infrastructure
<b>MRU: ....</b>	Mano River Union
<b>NGO: .....</b>	Non-Governmental Organization
<b>PAPs:</b>	Project Affected Persons
<b>FRP: .....</b>	Full Resettlement Plan
<b>KP : .....</b>	Kilometre point

## EXECUTIVE SUMMARY

This report has been prepared by the Bank Management (Management) in response to the Independent Review Mechanism (IRM) compliance report and update on the implementation of the preliminary action plan as at December 2018. It contains: (i) an update on the project implementation; (ii) management response to the IRM compliance review report dated March 2019; (iii) an update on the implementation of the preliminary action plan; (iv) revised action plan.

Regarding the update on project implementation, as of December 31, 2018, the level of completion of physical work was as follows: (i) 74% for site installation; (ii) 65.85% for the clearing of rights-of-way; (iii) 100% for general earthworks; (iv) 23.44% for drainage. Overall, actual work progress is 40.74%, for a consumed timeframe of 48.3% as of 31 July 2018 from October 25, 2017 (date of amended Service Order). The Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP) reports have been updated, approved and fully disclosed in-country and on the Bank's website. As of February 2019, only 27% of the 1001 project affected people were compensated. Given that the Government of Guinea (GoG) failed to provide satisfactory evidence of compliance with the environmental and social related conditions and commitments as per the loan facility agreement, disbursement was suspended by the Bank on the project on 13 March 2019.

As acknowledged by the IRM compliance report, the Bank Management has taken several important actions to address the allegations made by the Requestor. Management is also satisfied that the IRM report acknowledges that all the actions taken so far by management are significant steps in the right direction. Finally, Management is satisfied that the proposed actions in the IRM December 2018 report are in line with those made in Management's preliminary action plan of August 2018.

Management agrees with the recommendations contained in the IRM compliance review report. They are all in line with the actions defined by Management in the preliminary action plan in anticipation of the IRM compliance review report. Out of the 10 recommendations formulated in the IRM compliance report the following is the status of implementation<sup>1</sup>:

- Six recommendations out of the ten (10) made in the IRM compliance report have already been fully implemented by management;
- One recommendation is under implementation;
- Three recommendations are yet to be implemented.

The recommendations that are yet to be implemented are:

- The Bank Management in collaboration with the Ministry of Public Works, the contractor and the BGEEE, prepare not later than two months after Board approval of the compliance Review Report an environment and social action plan highlighting: (i) The actions required to be implemented every six months in the ESMP; (ii) The responsibility of each of the entities responsible for monitoring, follow up and control ; (iii) The revised project budget to pay for the additional resources set forth in the ESMP after reconciliation between the figures quoted in the ESMP and the ones quoted in the August 2018 Bank Management Update on the Implementation of the Preliminary Action Plan;

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<sup>1</sup> As at end of February 2019

- The Project budget be revised within three months following the Boards' approval of the findings and recommendations of the IRM report to ensure that the costs of the ESMP and the revised FRAP can be fully disbursed in accordance with a revised environment and social action plan (ESAP) as indicated in the August 2018 update of implementation of the preliminary action plan for the complaint that was included in the Management Response to the Request;
- the social and environmental specialists of the Bank should exceptionally undertake missions every two months until the Bank is comfortable that all the compensations are paid to the PAPs in accordance with the Bank Policy and the Loan agreement as of November 2018 and until the Bank is satisfied that compensation were was paid to the PAPs in accordance with the FRAP”.

Although Management agrees with the recommendations yet to be implemented, Management does not believe that the timelines are realistic and will be met, for the following reasons: (i) the need to revise the list of goods and services in the project to mobilize the required resources to implement the ESMP and FRAP; (ii) the time required to replace the dismissed project accountant; (iii) the time required for the Bank to strengthening GoG's capacity to address the additional measures proposed; (iv) the fact that the Bank has suspended disbursement on the project, knowing that the RAP cost is funded 100% by the ADF as part of the project cost.

The following action plan has been prepared by Management to: (i) address the remaining implementation issues; (ii) bring the project to compliance with the Environmental and Social Assessment Procedures for Public Sector Operations (2001), the Policy on the Environment (2004) and the AfDB Involuntary Resettlement Policy (2003).

Action	Responsible	Deadline
Update and Implement the roadmap agreed with the Bank in June 2018	Ministry of Public Works (MTP)	As per agreed deadlines
Submit to the Bank the proposal to revise the list of goods and services with the objective of covering the total cost of the ESMP and the FRAP	MTP	End of May 2019
Provide a technical assistance to the MTP as a means of strengthening its capacity for the implementation of the ESMP and RAP	SNSC/RDGW/COGN	End of May 2019
Undertake an Environmental and Social Audit of the project	SNSC/RDGW/COGN	End of July 2019
Undertake environmental and social supervision missions of the project every two months	SNSC/RDGW/COGN	Every two months
Facilitate resources mobilization and disbursement to ensure timely compensation of the remaining PAPs	SNSC/RDGW/COGN/MTP	As soon as satisfactory evidences of compliance with loan agreement are submitted to the Bank

## **I. INTRODUCTION**

1.1 A complaint was submitted to the Compliance Review and Mediation Unit (CRMU) on 15 September 2016 by two Guinean nationals from the non-governmental organization (NGO) called Agro-forestry Resources Unlimited (ARU), working in the areas of environment and governance. The complaint was lodged against the Road Development and Facilitation Programme within the Mano River Union (UFM), Guinea section. The complaint was registered by the Compliance Review and Mediation Unit (CRMU) dated 28 November 2016 under Request No. RQ2016/3.

1.2 In according with Paragraph 36 of the IRM Rules, Management submitted its Response to the Request within twenty one (21) working days after the receipt of the Notice of Registration on 9 January 2017. It recognized that there are shortcomings in the ESIA which could not be addressed due to the Ebola crisis prevailing in Guinea at the time of appraisal/approval and two years after approval of the project by the Board of Directors. The Management Response laid out an Action Plan to address these shortcomings. In August 2018, Management submitted to the IRM an update on the implementation of the action plan.

1.3 This report has been prepared by Bank Management in response to the Independent Review Mechanism (IRM) compliance review report and update on the implementation of the preliminary action plan as at December 2018. It contains: (i) an update on the project implementation; (ii) management response to the IRM compliance review report dated March 2019; (iii) an update on the implementation of the preliminary action plan; (iv) revised action plan taking into account the relevant recommendations of the IRM compliance review report.

## **II. PROJECT CONTEXT**

### **2.1 Programme Description**

2.1.1 The Bank, on 18 December 2014, approved the Roads and Transport Facilitation Programme within the MRU. The Governments of Cote d'Ivoire, Guinea, Liberia and Sierra Leone submitted to the Bank a request for financing the development and asphaltting of the Danane-Lola (87.35 km), Bolequin-Liberia's Toulepleu-Border (65 km), Tabou-Prollo (28 km), Karloken-Fish Town (80 km) and the Harper-Cavally junction (16 km). It consists of 276.35 km of yet dirt roads, barely 6m wide, impassable in all seasons, with crossings for the most part made of makeshift wood.

2.1.2 The region's isolation, the high number of roadside checks and the inadequacy of border posts are factors of fragility that fuel the successive crises that have characterized the region over the past 20 years. However, these roads record traffic that is expected to increase in light of the area's economic potential and the efforts being made to get these countries out of recurring crises that have for long been plaguing them. In order to cope with current and future traffic, it is imperative to improve the level of road services, increase their capacity to support traffic in all seasons and ease border controls. This will require the development and asphaltting of roads and border posts for joint controls.

2.1.3 The programme will be beneficial to transport users, carriers, agricultural producers and the 2.83 million people in its impact area, and particularly the disadvantaged groups (women and children) who make up the majority of the population. The programme will be carried out from June 2015 to June 2019 at a tax and customs free estimated total cost of UA 221.97 million).

2.1.4 The programme's overall objective is to support the post-conflict economic recovery of the MRU region through the improvement of road infrastructure and the promotion of intra-community trade. Its specific objectives are to: (i) improve transport conditions on the roads concerned and thus reduce transport costs, (ii) promote the free movement of people and goods between the three countries, namely Côte d'Ivoire, Guinea and Liberia and improve the living conditions of the population in the project area.

2.1.5 The programme's Guinean component includes, among other things, the asphaltting of the 39.75 km- long Lola-Ivorian border road.

### **III. STATUS OF IMPLEMENTATION OF THE PROGRAMME'S GUINEAN COMPONENT**

3.1. The main dates of the contract's work schedule are as follows: (i) ) Service order to start work was given by the project owner on April 10, 2017 ; (ii) Service resumption order to start work on 25 October 2017 ; (iii) Effective work commencement date on 06 November 2017 following the meeting held on 25 October 2017 during which the service order was modified and presented as baseline for start of work on the Lola-N' Zoo- Cote d'Ivoire Border project; (iv) the report of the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan (ESMP) made available to the supervising engineer by the project owner on 07 December 2017. The final versions of the ESIA/ESMP were submitted to the supervising engineer and contractor on October 2018. The final version of the revised RAP was shared with all relevant stakeholders in January 2019.

3.2. As of 31 December 2018, the level of completion of physical work was as follows: (i) 74% for site installation; (ii) 65.85% for the clearing of rights-of-way; (iii) 148.38% for general earthworks; (iv) 23.44% for drainage. Overall, actual work progress is 40.74%, for a consumed timeframe of 48.3% from 25 October 2017 (date of amended Service Order). The works thus have a delay compared to the time spent.

3.3. In terms of human resources, the supervising engineer's environmental expert and its community development specialist were mobilized respectively on 23 January and 23 February 2018. The company has had a health and safety officer since project's inception. At the level of the project owner, an environmentalist was assigned to the project since its design. However, the recruitment of a social development specialist to strengthen the project implementation unit has been considerably delayed. Although the job description was validated since 2017, recruitment at national level has encountered difficulties, on the one hand, with regard to the required quality of CVs and, on the other hand, to the duration of the national recruitment process.

#### IV. MANAGEMENT RESPONSE TO THE RECOMMENDATIONS OF THE IRM COMPLIANCE REPORT

4.1. This section provides Management response to the key findings and recommendations of the IRM compliance review report. For ease of reading, management opted to respond in the form of the table. The following table summarizes Management response to the main findings of the IRM report. As acknowledged by the IRM compliance report, Management has taken several important actions to address the allegations made by the Requestor. In anticipation of the findings of the compliance review report, Management has developed and implemented an action plan. The remaining actions proposed by the IRM compliance review report are in line with those proposed in Management preliminary action plan.

Main Findings of the IRM compliance review report	Management response
The Bank Management has taken several important actions to address the allegations made by the Requestor through the update of the ESIA and the ESMP. The effort includes an Action Plan in anticipation of the major findings of the compliance review report. The Action Plan was provided to the BRCM in August 2018. These were significant steps in the right direction. However, as the updated documents indicated, additional actions are still required to ensure that the Bank complies with the policies and procedures applicable to this Project.	<b>Agree:</b> Management is satisfied that the IRM is acknowledging the significant measures taken by the Bank to address the allegations made. Management is also satisfied that the proposed actions in the IRM December 2018 report are in line with those made in Management's preliminary action plan of August 2018.
The commitment set forth in the Program Appraisal Report in section 5.2D (i) related to the implementation of the ESMP by the contractors was not yet implemented. This is an indication that the Bank Management has not yet complied fully with the Bank Group's Policy on Environment of 2004 and the Environmental and Social Review Procedures of the African Development Bank for Public Sector Operations of 2000.	<b>Agree/action already taken:</b> Management has already suspended loan disbursement on the project given that GoG failed to provide satisfactory evidence of compliance with conditions and commitments as per the loan facility agreement.



4.2. Management agrees with the recommendations contained in the IRM compliance review report. They are all in line with the actions defined by Management in the preliminary action plan in anticipation of the IRM compliance review report. Management has already taken the necessary actions to implement the recommendations. Out of the 10 recommendations formulated in the IRM compliance report the following is the status of implementation:

- Six recommendations out of the ten (10) made have already been fully implemented by management;
- One recommendation is under implementation;
- Three recommendations are yet to be implemented.

4.3. The recommendations that are yet to be implemented are:

- The Bank Management in collaboration with the Ministry of Public Works, the contractor and the BGEER, prepare not later than two months after Board approval of the compliance Review Report an environment and social action plan highlighting: (i) The actions required to be implemented every six months in the ESMP; (ii) The responsibility of each of the entities responsible for monitoring, follow up and control ; (iii) The revised project budget to pay for the additional resources set forth in the ESMP after reconciliation between the figures quoted in the ESMP and the ones quoted in the August 2018 Bank Management Update on the Implementation of the Preliminary Action Plan;
- The Project budget be revised within three months following the Boards' approval of the findings and recommendations of the IRM report to ensure that the costs of the ESMP and the revised FRAP can be fully disbursed in accordance with a revised environment and social action plan (ESAP) as indicated in the August 2018 update of implementation of the preliminary action plan for the complaint that was included in the Management Response to the Request; and
- The social and environmental specialists of the Bank should exceptionally undertake missions every two months until the Bank is comfortable that all the compensations are paid to the PAPs in accordance with the Bank Policy and the Loan agreement as of November 2018 and until the Bank is satisfied that compensation were was paid to the PAPs in accordance with the FRAP”.

4.4. Although management agrees with the said recommendations, management does not believe that the timelines are realistic and will be made, for the following reasons: (i) the need to revise the list of goods and services in the project to mobilize the required resources; (ii) the time required to replace the dismissed project accountant; (iii) the time required for the Bank to strengthening GoG's capacity to address the additional measures proposed; (iv) the fact that the Bank has suspended disbursement on the project, knowing that the RAP cost is funded by the ADF as part of the project cost.

Main recommendations of the IRM compliance review report	Management response
<p>A non-technical executive summary be prepared of the ESIA of August 2018 and disclosed on the website of the Bank and if possible on the websites of the Ministry of the Environment, Water and Forestry and the Ministry of Public Works</p>	<p><b>Agree/already implemented.</b> A non-technical executive summary has been posted on the Bank's website on March 15, 2019. However, it is worth mentioning that, as at January 2019, the Ministry of Environment and BGEEE in Guinea are yet to have an operational website. Therefore, this recommendation will be implemented in Guinea only once the Ministry of the Environment, Water and Forestry has an operational website.</p>
<p>Bank Management to request that the executive summary be prepared to enable key stakeholders to easily follow, implement and monitor the ESMP. The length of this summary will be around 50 to 60 pages and will cover all relevant aspects of the ESIA of 626 pages and ESMP if 126 pages.</p>	<p><b>Agree/ already implemented.</b> A summary of 34 pages of the ESIA and a summary of 22 pages of the ESMP were prepared and published on the Bank's website on March 14, 2019.</p>
<p>The Bank Management in collaboration with the Ministry of Public Works, the contractor and the BGEEE, prepare not later than two months after Board approval of the compliance Review Report an environment and social action plan highlighting: (i) The actions required to be implemented every six months in the ESMP; (ii) The responsibility of each of the entities responsible for monitoring, follow up and control ; (iii) The revised project budget to pay for the additional resources set forth in the ESMP after reconciliation between the figures quoted in the ESMP and the ones quoted in the August 2018 Bank Management Update on the Implementation of the Preliminary Action Plan. .</p>	<p><b>Agree/Not yet implemented.</b> However, the two months deadline is not realistic for the following reasons: (i) the need to revise the list of goods and services in the project to mobilize the required resources; (ii) the time required to replace the dismissed project accountant; (iii) the time required for the Bank to strengthening GoG's capacity to address the additional measures proposed; (iv) the fact that the Bank has suspended disbursement on the project.</p>
<p>The Ministry of Public Works should submit every six months a progress report on the status of implementation of the ESMP, and in case of delays or deviations, the Bank should take the necessary actions described in the Loan Facilities Agreement to compel the Ministry to comply.</p>	<p><b>Agree/already implemented.</b> A template for the submission of the progress report has been discussed with the Ministry of Public Works since March 2018. Given that GoG failed to provide satisfactory evidence of compliance with conditions and commitments as per the loan facility agreement, disbursement was suspended by the Bank on the project.</p>

Main recommendations of the IRM compliance review report	Management response
The Bank should conduct an independent environmental audit in June 2019 to ensure that the ecosystems and the environment in general are not harmed by the Project	<b>Agree/under implementation.</b> ToRs for the recruitment of an independent environmental consultant have been prepared by Management in January 2019.
The FRAP should be fully disclosed on the Bank website and on the website of the Ministry of the Environment, Water and Forestry and the Ministry of Public Works	<b>Agree/Already implemented.</b> The full report was posted on the Bank's website on December 5, 2018. It is worth mentioning that, as at January 2019, the ministry of Environment and BGEEE are yet to have an operational website. Management is therefore not in a position to commit to posting reports on websites that are yet to exist. Hence the need to add, if possible or where feasible.
The Project budget be revised within <u>three months</u> following the Boards' approval of the findings and recommendations in this Report to ensure that the costs of the ESMP and the revised FRAP can be fully disbursed in accordance with a revised environment and social action plan (ESAP) as indicated in the August 2018 update of implementation of the preliminary action plan for the complaint that was included in the Management Response to the Request	<b>Agree/Not yet implemented.</b> However, more time will be required given: (i) the need to revise the list of goods and services in the project to mobilize the required resources; (ii) the need to replace the dismissed project accountant; (iii) the time required for the Bank to strengthening GoG's capacity to address the additional measures proposed.
Specific supervision of the compensation process should be initiated. The Bank supervision mission are normally scheduled every six months. However, given the urgency of the Borrower to fulfill the loan condition on compensation and the importance of this issue to the livelihoods of the people affected by the Project, the social and environmental specialists of the Bank should exceptionally undertake missions every two months until the Bank is comfortable that all the compensations are paid to the PAPs in accordance with the Bank Policy and the Loan agreement as of November 2018 and until the Bank is satisfied that compensation were was paid to the PAPs in accordance with the FRAP".	<b>Agree/Not yet implemented.</b> Management will strengthen the supervision of the project including on the compensation process. The frequency of Bank's mission every two months will be discussed and agreed with GoG. The first mission for 2019 is planned for April 2019.
The Bank should scale up on a priority basis, the compensation of those PAPs that will lose their houses and the commercial facilities. If the contractor CHICO continues work in the vicinity of these facilities or proceed with the asphaltting of the road, the Bank should take the necessary action to implement its threat of loan suspension	<b>Agree/ Already implemented.</b> Management has already suspended loan disbursement on the project given that GoG failed to provide satisfactory evidence of compliance with loan conditions and commitment as per the loan facility agreement.
The Bank Management officially informs the Agroforestry Resources Unlimited that the GEF project is no longer being implemented by the Bank and that instead, the Bank has provided as part of the ESMP under the regional road project, additional resources for the protection of the fauna and the flora of the Nimba Mountains.	<b>Agree/Already implemented.</b> The Bank wrote to the Ministry of Public Works on January 15, 2019 to request the project to officially notify the NGO that the GEF component is no longer implemented by the AfDB.

## **V. STATUS OF IMPLEMENTATION OF THE PRELIMINARY ENVIRONMENTAL AND SOCIAL ACTION PLAN (ESAP)**

It is worth mentioning that this Environmental and Social Action Plan (ESAP) was prepared by Management at the time of project's approval given the shortcomings that were identified at appraisal stage but could not be addressed due to Ebola. This ESAP was further updated and enhanced following the complaint against the project. This ESAP has been agreed and implemented prior to the IRM compliance review. Below is an update of the said ESAP.

### **5.1 Suspension of all Physical Activities until Closure of Complaint Processing**

5.1.1 The purpose of this action was to make it possible to clear, based on the precautionary principle, all outstanding issues in the complaint. Notwithstanding the fact that an environmental and social action plan (ESAP) was agreed upon with the Guinean government in 2016, it was only on 03 April 2018, after several reminders, that the Bank obtained proof of notification to the contractor. This notification made by letter No. 0240/MTP/CAB/DNRN/2018 dated 03 April 2018 to the company indicates the suspension of works in the areas not compensated and expropriated until the effective compensation of affected persons.

5.1.2 The Bank's March 2018 environmental and social supervision mission was informed that clearing works has been carried out on the project's right-of-way in sections not affected by expropriation or by the Nimba Mountains borders. However, the mission noted through exchanges that some farms (with or without crops) have been affected. The supervising engineer in collaboration with the affected persons identified in a participatory manner the people the farms (Rubber tree, Coffee tree, Cola tree, Banana tree, etc.) that were affected by the works. An inventory was made but no document in proof of compensation was produced.

5.1.3 The Bank reminded the Government of Guinea (GoG) that this constitutes non-compliance with the Bank's rules and procedures and the financing agreement, as no proof of compensation has been provided to the Bank to date. For this reason, on June 11 2018, the Bank, notified the GoG of its intention to suspend disbursements for the project so that corrective measures can be implemented as quickly as possible.

5.1.4 The Bank drew the attention of the Guinean party to the fact that finalization of the resettlement action plan and compensation of project affected persons is a prerequisite for the total clearance of the right-of-way. To speed up the process, the following recommendations were made for the update and finalization of the Full Resettlement Plan (FRP): (i) agreeing and notifying Project Affected Persons (PAPs) of the eligibility cut-off date; (ii) publishing in consultation with the local authorities, the list of PAPs in each locality and opening a notebook in each of these localities to record remarks/corrections and complaints; (iii) setting up complaint reception committees in each locality and at the Lola Prefecture; (iv) building an updated PAPs database based on information collected.

5.1.5 From July 6 to 9, 2018, the Ministry of Public Works (MTP), in collaboration with the local authorities and the persons affected, compensated the people whose agricultural property have been affected (see section on presentation of proof of compensation for details).

## **5.2 Updating of ESIA and FRP Reports**

5.2.1 The objective of this action was to enable consideration of all the comments made by the Bank on the ESIA and the FRP in accordance with the ESAP established in 2014. Indeed, an ESAP had been agreed upon between the Bank and GoG for the updating of reports to take into account, among others: (i) protection measures for sacred and cultural sites; (ii) updating of the FRP and issuance of the declaration as of public interest; (iii) consultation of stakeholders; (iv) definition and management of long-term impacts on biodiversity and trans-boundary forests; and (iv) measures to prevent the Ebola virus disease.

## **5.3 Revision of Reports following Publication of Summaries**

5.3.1 The above issues could not be satisfactorily addressed at the time of the publication of the summaries on the Bank's website in August 2014, given the Ebola prevalence in the country. The Bank was also unable to visit the site during project appraisal because of the travel restrictions imposed on its staff. Following release of the summaries, the National Bureau for Technical Studies and Development (BNETD) submitted in October 2014 a revised version of the ESIA and the FRP (called version 2).

## **5.4 Revision of reports after Site visit in 2016**

5.4.1 During the Bank's December 2016 mission to verify the facts of the complaint against the project, it was clear from the discussions with GoG that no progress had been made in the implementation of the 2014 ESAP. This concerns in particular the validation of the reports at the national level and declaration of project as a public utility. This situation is mainly due to: (i) the fact that the versions of the detailed design reports, including the ESIA and the FRP, were submitted late to the Guinean party by BNETD, in December 2016; (ii) the ESIA and FRP reports, which should have been submitted to BGEEE by DNI in 2014, in accordance with the 2013 Bank Preparation Mission recommendations, were only submitted in 2016; (iii) the context marked by the spread of the Ebola virus disease between 2014 and March 2016. It was during this mission that the Bank received the environmental compliance certificate issued on 20 December 2016 by the Ministry in charge of the environment, in accordance with national regulations.

5.4.2 However, the site visit enabled the Bank to note that versions 2 of the ESIA and FRP reports did effectively contain inconsistencies that could not be detected due to the absence of a site visit during project appraisal. In line with the ESIA prepared in 2014, an additional study on the characterization of flora and fauna was requested. An updated ESIA was agreed upon with GoG. In January 2017, the Bank, together with the GoG, drafted the Terms of Reference (ToR) for the update of the ESIA, ESMP and FRP reports. The ToRs were validated by BGEEE in February 2017. BGEEE also recommended national experts that could be considered by BNETD for further studies.

5.4.3 BNETD was requested to update these reports. Indeed, following a joint agreement between the Government of Cote d'Ivoire and the GoG, the Road Management Agency (AGEROUTE), in its capacity as Delegated Contracting Authority, acting on behalf of the Ministry Economic Infrastructure (MIE) of Cote d'Ivoire, commissioned BNETD to conduct, between 2013 and 2014, detailed engineering studies (technical, geotechnical, hydrological,

economic, environmental, social and cost estimates) for the construction and asphaltting of the Danane-Lola road (including the Cote d'Ivoire-Lola border). On the basis of this agreement, BNETD mobilised a multidisciplinary team of Guinean and Ivorian experts between March 2017 and July 2017 as follows: (i) Fish Biodiversity Specialist; (ii) Bird Biodiversity Specialist; (iii) Mammalian Biodiversity Consultant; (iv) Amphibian and Reptiles Biodiversity Specialist Consultant; (v) Plant Biodiversity Specialist; (iv) Socio-economic experts. For water resources and water quality analysis, basic data obtained by the laboratory of the Centre for Environmental Studies and Research (CERE), on behalf of the WAE 2014 mining company, were used. Noise and air quality measurements were conducted in 2017 to complete the update of the ESIA and ESMP reports. A complete inventory of properties was carried out together with the MTP in 2017 and in 2018, to update the FRP.

5.4.4 It is important to note that the considerable delay in updating the ESIA, ESMP and FRP reports was due to : (i) non-payment by AGEROUTE in Côte d'Ivoire of the fees for the studies conducted in 2014. Given the high cost of mobilizing additional experts, AGEROUTE had to clear all arrears and make the necessary advances for further studies. This took a great deal of time, because of the procedures involved; (ii) in addition to this resource mobilisation problem, the coordination and submission of deliverables by the different experts was delayed; (iii) the fact that the entity that finances and conducts the studies is not in Guinea did not facilitate project ownership and monitoring in Guinea by the project owner.

5.4.5 As at December 31, 2018 all the reports (ESIA, ESMP and FRP) have been finalized approved by AfDB and fully disclosed (see section on disclosure).

## **5.5 Revision of Reports after Change in Road's alignment in the Bamboo Area (bordering the Nimba Mountain central area)**

5.5.1 On the recommendation of the Ministry of Public Works by letter No. 0853/MTP/DNRN/2017 dated 15 November 2017, a joint committee was set up by the Prefect of Lola to find an alternative to reduce the road's right-of-way. Thus, the initial 40-metre right-of-way was reduced to 24 metres, i.e. to 12 meters on both sides of the road axis. from 30 March to 25 April 2018, a census of the property and people in the 24-metre right-of-way was conducted.

5.5.2 The planned route, from kilometre point (Pk) 13 + 800 to Pk 16 + 900 was reviewed as part of the analysis of alternatives and variants. This section of the proposed road was the closest to the boundaries of the central area of the Nimba Mountains. Five variants were analysed. A variant called "concerted variant" was chosen as the optimal variant from the technical, environmental, social and economic standpoints. It has the following characteristics: (i) it is 4.55 km long and is one of the shortest of the variants analysed; (ii) it is far by approximately 250 m from the boundaries of the central area of the Nimba Mountains; (iii) it moves away from the Foromota village as well as of the remnant SSMN buildings, thus reducing the resettlement cost. However, implementing this variant will require additional actions, including: (i) flora and fauna assessment to determine the baseline situation of the remnant SSMN buildings; (iii) vegetation restoration after work completion.



5.5.3 A version 4 of the ESIA, ESMP and FRP reports was drawn up to take into account the change in alignment. These versions were submitted to the Ministry of Public Works and the Bank. The Bank also made comments on this version.

5.5.4 In order to speed up the process, the Bank had exchanges with all the stakeholders and requested the project to formally decide on this variant so that the above measures can be taken. On the strength of this demand, the MTP sent its confirmation for the concerted variant to the contractor on 03 April 2018. In accordance with the minutes of the working session for the selection of the concerted variant, it was agreed that a quantitative and qualitative inventory of the flora be carried out over a 5 km distance in the deviation zone. Since SSNM has 12 researchers including botanists, entomologists, zoo-technicians, etc. with the capacity to conduct such an inventory, an agreement was prepared and signed in April 2018 between the contractor and SSNM under the supervision of the control mission. A deadline of one month was agreed upon for conducting the floristic inventory to which was added a wildlife inventory.

5.5.5 In May and June 2018, SSNM submitted the interim and final report of the complete inventory to the MTP and the Bank. Following submission of the report, BNETD developed version 5 of the ESIA, ESMP and FRP reports to take into account the results and the measures proposed. The latter included field inventories and other properties that will be affected in the detour area. This version 5 also included the Specific Terms and Conditions (CCTP) of the environmental and social aspects that were submitted to MTP for consideration in the contractor's contract. Following successive comments from the Bank, BNETD successively produced versions 6 through to 11 of the ESIA and ESMP reports. This latest version of the reports was submitted in August 2018 and the CCTPs.

## **5.6 Disclosure of Updated Versions of ESIA and FRP Reports**

5.6.1 The purpose of this action was to facilitate access by both stakeholders and complainants to the updated versions. This would, if necessary, make it possible to take into account all concerns before finalizing the reports. The main stages of consultation and engagement with the population were preceded by prior disclosure of environmental and social information in the appropriate context.

5.6.2 It is worth recalling that during the ESIA and the FRP update, public consultations were held from 19 June to 9 July 2017 in the 13 localities crossed by the road. The purpose of these community meetings was to inform them about the ESIA and FRP, on the one hand, and, on the other hand, to promote stakeholder ownership of the outcomes of the studies. The localities, where the properties of the population have been affected, are those of Gouela, Bourata, Doromou, Gbie, Zoo, Keoulenta, Gbakore, Gouamo, Weyakore, Gokota and Lola Centre.

5.6.3 On 09 and 10 October 2017, public consultations were conducted by BGEEE, Local Authorities and the MTP project coordination team. The public inquiry consisted in visiting each village to provide a summary of ESIA and FRP findings and consulting people in each village to obtain their views on the construction of the road.

5.6.4 Another public consultation was held on 12 October 2017 in the conference room of the Lola Prefecture and focused on the ESIA and FRP reports (version 4) on the Lola-N'zoo Gouela-Cote d'Ivoire Border road construction project. It was attended by 75 people, including the Lola

Prefect with his collaborators, and departmental officials representing the Ministries of Environment, Water and Forests (MEEF); Town Planning, Housing and Construction; Livestock; Trade and Industry; Tourism and Handcrafts; Health; Education ; Social Affairs; Agriculture; Plan, and Public Works, Sub-divisional and Municipal authorities of N'zoo; Civil Society representatives; Youth organizations; Religious groups; NGOs; Mining Companies (Guinea Iron Mines Corporation, West Africa Exploration and Sama Resources); representatives of neighbouring communities to the road route; Women ; Elders; the Press, the Body of Nature and Security Conservationists.

5.6.5 A public hearing was also held on 1<sup>st</sup> November 2017 in Conakry, Guinea. It brought together members of the Technical Committee for Environmental Analysis (CTAE) in the technical room of the Guinean Bureau of Studies and Environmental Assessment of the Ministry of the Environment, Water and Forests, from 9:30 am to 13:35 pm, to review and validate the ESIA, ESMP and FRP reports. It was attended by representatives of MEEF, the Ministry of Mines and Geology, the Ministry of Territorial Administration and Decentralization, the Ministry of Public Works, the Ministry of Higher Education and Scientific Research and the Civil Society. Following this hearing, the revised versions of the ESIA, ESMP and FRP (version 4) reports were validated in accordance with national regulations.

5.6.6 At the Bank's request and in accordance with the ESMP, a campaign to sensitise local populations, health services involved in the project as well as transport unions, motorcycle taxi riders, etc. was carried out between 25 January and 25 April 2018. In accordance with the ESAP, it was decided that the ESIA, ESMP and FRP reports should be submitted to complainants. Following the complaint, a variant solution (concerted variant) was reviewed and taken into account in versions 4 and other later versions of the ESIA, ESMP and FRP. The draft versions of these reports were submitted by letter 089/MTP/DNI/2017 of 15 December 2017 to the NGO ARU complainants. No comments were received from the complainants on the submitted reports.

5.6.7 Following complainants' access to the ESIA, ESMP and FRP reports and enhanced consultations and dialogue to find an optimal solution, notably the working session of 09 February 2018, the complainants notified BCRM of their agreement on the materialization of the 5 km detour at the level of the scientific station and their satisfaction about the approach taken by GoG and Bank.

5.6.8 In addition to making the full documentation available to local stakeholders including the complainants, the Bank published the full ESIA, ESMP and RAP reports on its website. The Bank's website and accessible through the following link: <https://esa.afdb.org/document/etudes-dimpact-environnemental-et-social-16>.

## **5.7 Preparation and Implementation of Project's Consultation and Communication Plan**

5.7.1 The purpose of this action was to facilitate adherence to, participation in, and ownership of the project by all the key actors throughout its implementation. Given the financial and human resource constraints in Guinea and Cote d'Ivoire, the Bank supported the DNI and BNETD in preparing the consultation plan.



5.7.2 This plan was finalized in April 2018. This delay was mainly due to delays in mobilizing resources to carry out this work in support of BNETD. This plan is an integral part of versions 5 and later versions of the ESIA, ESMP and FRP reports. The revised version of this plan dates from June 2018. It provides all the information on the consultation and communication actions carried out up to June 2018. The public engagement and consultation plan was also published on the Bank's website along side the ESIA, ESMP and FRP. <https://esa.afdb.org/document/etudes-dimpact-environnemental-et-social-16>.

## **5.8 Presentation of Proofs of Payments to Affected Persons**

5.8.1 The objectives of this action are to: (i) set up expropriation commissions including grievance redress committees; (ii) Pay compensation and, where necessary, assist in resettlement; (iii) Prepare the project's implementation report and submission of evidence to the Bank.

5.8.2 By a Prefectural decision, 015/PREF/LO/2018 dated 25 April 2018, grievance redress committees were created in each project-related village or sector. The list of committee members has been posted in each village and is accessible to the concerned populations. These committees have been accepted by the populations who use them for submitting and processing of various grievances.

5.8.3 From 6 to 9 July 2018, the MTP began compensating people whose farms were affected. This compensation was preceded by a week of negotiations. The compensations concerned the localities of Gogota, Weyakore, Kemeta, Gbakore, Gouamo, Foromota, Keoulenta, N'zoo and Gbie. No protests or absences were recorded. Of the 116 people concerned, 95 were compensated for a total amount of GNF 1.464 billion. The Compensation Commission was chaired by the Secretary General of the Decentralized Communities of Lola in the presence of the committees in charge of receiving and managing complaints in each locality. The remaining 21 people in the villages of Doroumou, Bourata and Gouela will be catered to during the second compensation phase. Negotiations are completed with all the project affected people (PAP). It should be noted that those affected by the change of alignment in the vicinity of the Mont Nimba Reserve were compensated during this first tranche of payment.

5.8.4 Unfortunately as at end of February 2019, the Bank did not receive the full evidence of compensation of PAP, especially on sections where works have started. Management sent a warning letter to GoG on 5 December 2018, drawing its attention on the fact that this constitutes a non-compliance to conditions and commitment made in the financing agreement. A deadline of 31 December 2018 was given to GoG to submit the said evidence. After several reminders, the Bank finally suspended disbursement for the project on March 13, 2019.

## **5.9 Finalisation of Agreements with BGEEE**

5.9.1 The objective of this activity is to define the framework for BGEEE's participation in the monitoring and implementation of the ESMP. In accordance with the ESMP, an agreement (001/DNI/OEP/2017) was signed between DNI and BGEEE on 22 December 2017 for Loan No. 2100150038293 amounting to FG 500,000,000. The agreement covers the monitoring of the reconstruction of both the Coyah-Farmoriah-Sierra Leone border road and the Lola-N'zoo-Border- Cote d'Ivoire road.

5.9.2 The Bank's supervision mission of July 2018 was informed that the National Directorate of National Roads signed a separate agreement No 002/DNRN/UGP/2018 of June 2018 at the tax-free cost of GNF 375,198,690 solely concerning the implementation of the Coyah-Farmoreah-Sierra Leone Border ESMP. An agreement will have to be drawn up separately for the Lola-

N'zoo-Border - Cote d'Ivoire project. This agreement will be signed upon approval by the Bank of the revision of the list of goods and services which should lead to the mobilization of additional financial resources for the financing of the additional ESMP and RAP costs.

**5.10 Additional activities and specific plans, if necessary and as the case may be, to the contractor's contract, the control office and for the procurement of equipment for specific support to CEGENS/OGUIDAP, etc.**

5.10.1 The objectives of this action are to: (i) take into account the mitigation measures resulting from the updated ESIA and ESMP reports; (ii) ensure that they are applied by the concerned party.

5.10.2 Following the updating of the ESMP, a number of measures were taken into account, notably:

- Support to the Environment Management Centre of the Nimba and Simandou Mountains (CEGENS) of the Ministry of Environment, Water and Forests : (i) finalisation and validation of the Nimba and Simandou Mountains management plan; (ii) logistical support (motorcycles and GPS) to forest rangers to ensure the reserve's integrity; (iii) support for fire fighting; (iii) compensatory reforestation of at least 15 ha at the Nimba Mountain reserve ; (iv) signalling of the reserve's boundaries along the road with signs;
- Support to the SSMN for the renovation of the laboratory of the former IFAN Base wich is now the Nimba Mountains Scientific Station, to improve the technical conditions of scientific research on the rich biodiversity and environment of the Nimba Mountains;
- Mitigation measures in the 5 km stretch close to the Mont Nimba reserve from the opening of the right-of-way, work monitoring and compensation, particularly the degraded sites in the bamboo detour area, old quarries and the Gouamo -Gonomalota crossroads - an old road parallel to the bamboo detour zone road;
- Ecological monitoring of species of special interest for nature conservation and sensitive habitats;
- Strengthening awareness-raising measures for environmental protection, STIs/HIV-AIDS, etc.
- Updating the list of people physically and economically affected by the project as well as related property on both the initial route and the road deviation.

5.10.3 The main environmental and social measures resulting from the updating of the ESIA, ESMP and FRP has led to substantial variations in the cost of the ESMP and the FRP, as indicated in the table below. Overall, the total cost of environmental and social measures has doubled by more than 2.6. For the FRP, in particular this cost has been multiplied by 12 compared to the initial cost earmarked in the project's appraisal report. This is mainly due to: (i) updating of the unit prices used for the 2014 appraisal as compared to those of 2018; (ii) increase in the number of people as a result of the change of eligibility date; (iii) consideration of economic losses, especially commercial losses at the entry to Lola.

5.10.4 It is worth noting that the initial ESMP estimate took into account the costs indicated in the appraisal report approved by the Bank, notably: (i) those included in the works contract; (ii) the provisions made for awareness-raising; (iii) the provisions made for implementation monitoring; (iv) the provisions made for the FRP.

Environmental and social measures	Initial cost (GNF)	Current cost (GNF)
ESMP-works measures	1,597,281,280.00	1,597,281,280.00
Sensitisation of people on HIV/AIDS, malaria, road safety, Ebola virus and environmental protection	9,920,829,417.00	9,920,829,417.00
Implementation of ESMP	109,497,535.50	109,497,535.50
Additional measures (catering, support to CEGENS, support to SSMN, ecological monitoring)	-	2,429,068,181.82
FRP	1,607,000,580.30	20,511,852,006
<b>TOTAL ESMP and FRP</b>	<b>13,234,608,812.80</b>	<b>34,568,528,420.32</b>

5.10.5 Financing for additional measures has been discussed with GoG. This will concern the use of savings made under the works contract. It will also take into account a review of the consistency of the initial ancillary works envisaged under the project. It was decided that related construction work concerning the paving of 2.8 km of roads and sanitation in Lola, costing UA 1,477,559 or GNF 15,792,002,836, will be suspended as the project crosses the entire city of Lola for over 1,5 km.

5.10.6 It was agreed that GoG will review all options and submit to the Bank a proposal to revise the list of goods and services with the aim of financing the total cost of the ESMP and the FRP. Until end of February 2019, the GoG was yet to submit an acceptable proposal to the Bank.

## VI. CONCLUSION

6.1 As acknowledged by the IRM compliance report, the Bank Management has taken several important actions to address the allegations made by the Requestor. Management is also satisfied that the IRM report acknowledges that all the actions taken so far by Management are significant steps in the right direction. Finally, Management is satisfied that the proposed actions in the IRM December 2018 report are in line with those made in Management's preliminary action plan of August 2018.

6.2 Management agrees with the recommendations contained in the IRM compliance review report. They are all in line with the actions defined by Management in the preliminary action plan in anticipation of the IRM compliance review report. Out of the 10 recommendations formulated in the IRM compliance report the following is the status of implementation<sup>2</sup>:

- Six recommendations out of the ten (10) made in the IRM compliance report have already been fully implemented by management;
- One recommendation is under implementation;
- Three recommendations are yet to be implemented.

6.3 The recommendations that are yet to be implemented are:

- The Bank Management in collaboration with the Ministry of Public Works, the contractor and the BGEEE, prepare not later than two months after Board approval of the compliance Review Report an environment and social action plan highlighting: (i) The actions required to be implemented every six months in the ESMP; (ii) The responsibility of each of the entities responsible for monitoring, follow up and control ; (iii) The revised project

<sup>2</sup> As at end of February 2019

budget to pay for the additional resources set forth in the ESMP after reconciliation between the figures quoted in the ESMP and the ones quoted in the August 2018 Bank Management Update on the Implementation of the Preliminary Action Plan;

- The Project budget be revised within three months following the Boards' approval of the findings and recommendations of the IRM report to ensure that the costs of the ESMP and the revised FRAP can be fully disbursed in accordance with a revised environment and social action plan (ESAP) as indicated in the August 2018 update of implementation of the preliminary action plan for the complaint that was included in the Management Response to the Request;
- the social and environmental specialists of the Bank should exceptionally undertake missions every two months until the Bank is comfortable that all the compensations are paid to the PAPs in accordance with the Bank Policy and the Loan agreement as of November 2018 and until the Bank is satisfied that compensation were was paid to the PAPs in accordance with the FRAP”.

6.4 Although management agrees with the recommendations yet to be implemented, management does not believe that the timelines are realistic and will be met, for the following reasons: (i) the need to revise the list of goods and services in the project to mobilize the required resources to implement the ESMP and FRAP; (ii) the time required to replace the dismissed project accountant; (iii) the time required for the Bank to strengthening GoG's capacity to address the additional measures proposed; (iv) the fact that the Bank has suspended disbursement on the project, knowing that the RAP cost is funded by the ADF as part of the project cost.

6.5 The following action plan has been prepared by management to: (i) address the remaining implementation issues; (ii) bring the project to compliance with the Environmental and Social Assessment Procedures for Public Sector Operations (2001), the Policy on the Environment (2004) and the AfDB Involuntary Resettlement Policy (2003).

Action	Responsible	Deadline
Update and Implement the roadmap agreed with the Bank in June 2018	Ministry of Public Works (MTP)	As per agreed deadlines
Submit to the Bank the proposal to revise the list of goods and services with the objective of covering the total cost of the ESMP and the FRAP	MTP	End of May 2019
Provide a technical assistance to the MTP as a mean of strengthening its capacity for the implementation of the ESMP and RAP	SNSC/RDGW/COGN	End of May 2019
Undertake an Environmental and Social Audit of the project	SNSC/RDGW/COGN	End of July 2019
Undertake environmental and social supervision missions of the project every two months	SNSC/RDGW/COGN	Every two months
Facilitate resources mobilization and disbursement to ensure timely compensation of the remaining PAPs	SNSC/RDGW/COGN/MTP	As soon as satisfactory evidences of compliance with loan agreement are submitted to the Bank