



**CURRENCY EQUIVALENTS**

(Exchange Rates Effective April 30, 2014)

Currency Unit = CFAF

CFAF 478 = US\$1

US\$1.55 = SDR 1

**FISCAL YEAR**

January 1 – December 31

DIMA	<i>Direction Générale de la Mécanisation et des Intrants Agricoles</i> (Directorate for Inputs and Agricultural Machinery)
DRRAH	<i>Direction Régionale des Ressources Animales et Halieutiques</i> (Regional Directorate for Livestock and Fisheries)
DREAHA	<i>Direction Régionale de l'Eau, des Aménagements Hydrauliques et de l'Assainissement</i> (Regional Directorate for Water, Hydraulic Development, and Sanitation)
DREDD	<i>Direction Régionale de l'Environnement et du Développement Durable</i> (Regional Directorate for Environment and Sustainable Development )
DRASA	<i>Direction Régionale de l'Agriculture et de la Sécurité Alimentaire</i> (Regional Directorate for Agriculture and Food Security)
DVRD	<i>Direction de la Vulgarisation et de la Recherche-Développement</i> (Directorate for Extension and Development Research)

MTR  
NEPAD

Mid Term Review  
New Partnership for African Development

SC	Steering Committee
SDR	Special Drawing Rights
SIL	Specific Investment Loan
SNAT	<i>Schéma National d'Aménagement du Territoire</i> (National Scheme for Land Planning)
SNDDAI	<i>Stratégie Nationale de Développement Durable de l'Agriculture Irriguée</i> (National Strategy for Sustainable Development of Irrigated Agriculture)
SNSA	<i>Stratégie Nationale de Sécurité Alimentaire</i> (National Strategy for Food Security)
SONAGESS	<i>Société Nationale de Gestion des Stocks de Sécurité</i> (National Society for Food Security Stock Management)
SONATER	<i>Société Nationale de l'Aménagement des Terres et de l'Équipement Rural</i> (National Society for Land Development and Rural Equipment)
SP/CPSA	<i>Secrétariat Permanent de la Coordination des Politiques Sectorielles Agricoles</i> (Permanent Secretariat for the Coordination of Agricultural Sectoral Policies)
SPAI	<i>Sous-Produits Agro-Industriels</i> (Agro-industrial by-products)
SSS	Single Source Selection
TMC	Technical Monitoring Committee
UEMOA	<i>Union Economique et Monétaire Ouest Africain</i> (West African Economic and Monetary Union)
UNDP	United Nations Development Program
USAID	U.S. Agency for International Development
WAAPP	West Africa Agricultural Productivity Program
WB	World Bank
WECARD	West and Central Africa Council for Agriculture Research and Development
WFP	World Food Program
Yr.	Year

Vice President:	Makhtar Diop
Country Director:	Ousmane Diagana
Sector Director:	Jamal Saghir
Country Manager:	Mercy Miyang Tembon
Sector Manager:	Martien van Nieuwkoop
Task Team Leader:	Elisée Ouédraogo

**BURKINA FASO**

**ADDITIONAL FINANCING FOR AGRICULTURAL PRODUCTIVITY AND FOOD SECURITY PROJECT**

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## PROJECT PAPER DATA SHEET

Basic Information – Additional Financing (AF)	
<b>Country Director:</b> Ousmane Diagana <b>Country Manager:</b> Mercy Miyang Tembon <b>Sector Director:</b> Jamal Saghir <b>Sector Manager:</b> Martien van Nieuwkoop <b>Team Leader:</b> Elisée Ouédraogo <b>Project ID:</b> P149305 <b>Expected Effectiveness Date:</b> 11/01/2014 <b>Lending Instrument:</b> Investment Project Financing (IPF) <b>Additional Financing Type:</b> Scale-Up	<b>Sector:</b> General agriculture, fishing and forestry Sector (60 percent); Irrigation and drainage (20 percent); Animal Production (10 percent) <b>Theme:</b> 100 percent Global food crisis response
Basic Information - Original Project	
<b>Project ID:</b> P114236  <b>Project Name:</b> Agricultural Productivity and Food Security <b>Lending Instrument:</b> SIL	<b>Environmental category:</b> B - Partial Assessment <b>Expected Closing Date:</b> 6/30/2018 Joint IFC: Joint Level:
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other: Proposed terms: Standard	
AF Financing Plan (US-\$m)	
Source	Total Amount (US\$ m)
Total Project Cost	79.39
Co-financing by beneficiaries	4.13
Global Agriculture and Food Security	37.10
BORROWER/RECIPIENT	2.21
Total Bank Financing	35.95
IBRD	-
IDA:	
New	34.37
Recommitted	1.58



**Client Information**

**Recipient:** Government of Burkina Faso  
**Responsible Agency:** Ministry of Agriculture and Food Security  
**Contact Person:** Gisèle Tapsoba / Maré  
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**AF Estimated Disbursements (Bank FY/US-\$m)**

FY	FY15	FY16	FY 17	FY 18		
Annual	20.00	20.00	20.00	13.05		
Cumulative	20.00	40.00	60.00	73.05		

**Project Development Objective and Description**

**Original project development objective:** “to improve the capacity of poor producers to increase food production and to ensure improved availability of food products in rural markets”.

**Revised project development objective:** The PDO remains unchanged with the Additional Financing (AF).

**Project description**

**Component 1 Improving food production:** The component aims to secure and increase crop production, as well as facilitate access to fishery resources and promote livestock production.

**Component 2: Component 2. Improving the availability of food products:** This component aims at strengthening the capacities of stakeholders to manage the variability of food supplies at local and national levels.

**Component 3 Institutional development and capacity building PCU.** This component aims at reinforcing capacities of institutions directly involved in the project implementation as well as project coordination, M&E, procurement and financial management.

<b>Safeguard and Exception to Policies</b>		
Safeguard policies triggered: Environmental Assessment (OP/BP 4.01) Natural Habitats (OP/BP 4.04) Forests (OP/BP 4.36) Pest Management (OP 4.09) Physical Cultural Resources (OP/BP 4.11) Indigenous Peoples (OP/BP 4.10) Involuntary Resettlement (OP/BP 4.12) Safety of Dams (OP/BP 4.37) Projects on International Waterways (OP/BP 7.50) Projects in Disputed Areas (OP/BP 7.60)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is approval of any policy waiver sought from the Board (or MD if RETF operation is RVP approved)? Has this been endorsed by Bank Management? ( <i>Only applies to Board approved operations</i> ) Does the project require any exception to Bank policy? Has this been approved by Bank Management?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Conditions and Legal Covenants</b>		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
<b>SCHEDULE 2, Section I, A(2)</b>	The Recipient shall within four (4) months of the Effective date strengthen the Project Coordination Unit through the addition of: (a) one (1) civil works engineer (specialist of irrigation development); (b) one (1) agronomist specialist of crop and livestock development; (c) one (1) specialist in charge of marketing infrastructure and the warehouse receipt system (“warrantage”); (d) one (1) fisheries/aquaculture expert; (e) one (1) monitoring and evaluation specialist; 1 (one) environmental and social expert; and (f) one (1) procurement specialist.	March 27, 2015

## **I. INTRODUCTION**

- 1. This Project Paper seeks the approval of the Executive Directors to provide Additional Financing (AF) to the Governmen**

overtaking cotton as the leading export. These exports, however, remain highly variable and are concentrated on a limited number of commodities and the country remains dependent on global commodity prices.

6. **Burkina Faso faced difficult years in 2012 and 2013, confronting food shocks and refugee crises.** An inflow of Malian refugees in 2012 put strong fiscal pressure on Burkina's budget. The GoBF responded in 2012 by allocating close to US\$10 million to pay for food and schools for the Malian refugees. In relation to the food crisis, government had spent close to US\$130 million in 2012 and US\$64 million in 2013 to help feed the vulnerabl

10. SCADD focuses on achieving a 10 percent per year economic growth through increased private sector investment. For the agricultural sector, objectives set out in the SCADD are: (i) to establish a suitable institutional and regulatory framework to attract investments in irrigation; (ii) to adopt agricultural land development and use policies that promote the use of already established and newly developed irrigation, as well as small private and community irrigation schemes; and (iii) to promote domestic value addition in production and marketing.

11. **Rural sector strategic and operational framework.** PNSR is the strategic and operational framework for implementing the SCADD's vision for rural development. PNSR has integrated all relevant strategies, policies and plans for food security and irrigation development into an updated and more coherent approach, based particularly on the strategies and programs developed under: (i) the SNSA which specifically aims at supporting the MDG1 goal of halving hunger by 2015; (ii) the SNDDAI (irrigation strategy) which intends to boost access to irrigation water as a mean to increasing and securing agricultural production; and (iii) the PAGIRE (water resources management plan) which deals with water management.

12. **Link with existing strategies, policies and programs:** The SCADD model, as indicated above, combines promotion of growth poles and support for agribusiness and small and medium-sized enterprises with pro-poor programs and critical structural reforms. The National Program for the Rural Sector (PNSR) is therefore the operationalization of the SCADD in the rural sector. The PNSR consists of the following five pillars: (i) Pillar 1 - Improving food security and sovereignty; (ii) Pillar 2 – Increased incomes for the rural population; (iii) Pillar 3 - Sustainable development of natural resources; (iv) Pillar 4 - Improved access to drinking water and living environment; and (v) Pillar 5 - Development of partnerships between rural stakeholders. The proposed AF focuses on pillars 1, 2 and sub-programs 3.2, 3.3 and 3.4 of PNSR.

13. **A Country Partnership Strategy (CPS), discussed on September 19, 2013** by the Board, lays out how the World Bank Group will support the GoBF's SCADD. The SCADD and the CPS have identified the agriculture sector and related interventions in rural development as a major source of growth for the country with high potential for shared prosperity and poverty reduction.

14. The AF is aligned with the following strategic objectives and outcomes of the CPS, including: (i) outcome 1.3 which aims to “reduce infrastructure deficits (Energy, Roads, ICT) and set up more effective value chains” under Strategic Objective 1; and (ii) outcome 3.2 which aims to “enhance food security” under Strategic Objective 3 concerning “reduced social, economic, and environmental vulnerabilities”. The implementation of the project will complement and promote synergies with other Bank supported rural sector projects, including the Agricultural Diversification and Market Development Project (PAFASP) to address competitiveness of selected agricultural subsectors that target both national and regional markets especially onion, cattle/beef and poultry; the West Africa Agricultural Productivity Program (WAAPP) which promotes the generation and dissemination of agricultural technologies with special attention to improved crop variety seeds, onion and tomatoes; the Bagré Growth Pole Project (BagrePole) which aims at increasing economic activity to promote an increase in private investment, employment generation, and agricultural production, and the Community Based Rural Development Program (PNGT2- Phase 3) to address rural land tenure issues on developed lowlands and irrigated perimeters.

## **B. Objective, design, and scope of the original project**

15. The original Project for US\$40 million in IDA grant was approved by the WB Board on December 10, 2009 and became effective on July 10, 2010. The project Development Objective (PDO) is “**to improve the capacity of poor producers to increase food production and to ensure improved availability of food products in rural markets**”. The Project is financing the adoption of

improved agricultural productivity technologies and supports the improvement of food products for poor household farmers. Project investments would promote food security and farmers' resilience to climate variability under the Sahelian conditions, and address poverty with an inclusive approach and a focus on small and poor farmers.

16. The PDO of the original project will remain unchanged under this AF. The original Project comprises the following three components: Component 1: Improvement of food production (total US\$32.3 million, IDA financing: US\$26.7 million). Component 2: Improving the availability of food products (total: US\$6.7 million, IDA financing: US\$5.4 million). Component 3: Institutional development and capacity building (total: US\$11.5 million; IDA Financing: US\$7.1 million). For more details see the project description in Annex 7.

### **C. Project implementation performance to date**

17. Overall, the project is progressing towards a successful achievement of its development objectives. The project is currently rated satisfactory both in terms of progress towards achieving its Development Objective and in overall Implementation Progress. As of May 15, 2014, the disbursement rate of the project is 89.4 percent.

18. There are no outstanding financial audits. The implementation of the safeguards requirements which caused the safeguards to be rated moderately satisfactory before the March 2014 mission has now been addressed. All the issues agreed on during the Mid-Term Review have now been addressed and the documents sent to the Bank for review. A revised Results Framework with updated performance indicators is attached in Annex 1. An ORAF is attached as Annex 2. Annex 8 provides more details on the project implementation performance of the parent project.

19. The key results so far have been the development of 6,623 ha of lowlands (82 percent of the target); coverage of 7,952 ha with soil and water conservation measures (53 percent of the target); and construction of 9,396 compost pits (84 percent of the target). For animal production 3,200 dairy cows have been artificially inseminated; and about 25 million of poultry vaccinated against Newcastle disease. Environmental related activities implemented have included proofreading/revision of six forest development plans, completion of 10 inventories of fauna in four targeted protected forests, rehabilitation of 600 ha of degraded land in protected areas and the manual opening of 3,000 km of access roads. The project has supported the procurement of 52 multifunctional platforms<sup>1</sup> (MFP) and distributed 230,000 conservation bags (triple-bagging) for cowpea conservation to women groups that have contributed to improve the quality of products stored. Environmental related activities included acquisition of 350 hives and 16 Shea butter extraction presses that helped improve income generation of local communities around protected areas with an increase from CFAF 100 million to CFAF 290 million. The project has supported 60 "Warrantage" schemes which so far have stored 1,878 tons of products, and leveraged CFAF 118,886,505 (US\$273,773) credit from microfinance institutions. Furthermore, 98 cereal banks have been restructured into marketing cooperatives. For animal production, 2.6 million liters of milk were collected by 44 milk processing units against 1.3 million targeted.

20. **Financial Management (FM):** The overall performance of the Agricultural Productivity and Food Security Project in financial management is moderately satisfactory due to identified shortcoming in the internal control environment. The coordination unit has however made significant

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<sup>1</sup> The idea has been to place an MFP (diesel engine that powers devices such as pumps, grain mills and grinders) designed for different cereals and nuts (rice, millet, maize, sorghum, peanuts and Shea nuts) and for electricity in rural areas. This helped farmers to augment their production of added-value products and to raise the quality of their products, promote access, especially for women, to the modern energy services by bringing electricity right into the heart of the village.

progress to address the key exceptions mentioned in the 2012 audited financial statements such as ineligible and unjustified expenditures and gathered tangible evidence that goods and services were

ESMPs will be prepared, consulted upon and disclosed for project activities with moderate to major impacts.

26. While an RPF was prepared for the original project, to date, it has not been necessary to prepare a RAP, as no land acquisition leading to resettlement or restrictions of access to resources or livelihoods has occurred. Land is owned by communities, and, following a consultative process within the communities, tenants, with assistance from the project, have been making improvements to the land they cultivate during the dry season. Once the improvements are made to the land, priority is given to the tenants to choose plots for farming. In April 2014, the Bank undertook a social audit to examine the land tenure arrangements. While the audit confirmed that RAPs are not necessary, it recommended that: the record-keeping for the land tenure arrangements be improved so that such records were accessible to the communities; remind communities about the availability of a grievance redress system for the project; ensure the safeguards documents are available in all the participating



However, the technology generation should take into consideration among other things opportunities and constraints associated with input and output markets and the enabling policy environment. Therefore, the additional financing will integrate the innovation platform approach promoted under the WAAPP project with the aim of promoting multi-institutional learning to better understand what to change and influence in order to improve the adoption of improved agricultural technologies. This suggests bringing together multi-stakeholder and multi-disciplines into a context of multi-stakeholder learning practice to boost technologies adoption.

### **E. Rationale for the additional financing**

30. The rationale for the Additional Financing is to scale up the impact and development effectiveness of PAPSA and to improve food security by promoting activities that build farmers resilience to climate shocks, increase agricultural productivity, improve irrigation infrastructures and their sustainable management, and reduce post-harvest losses and the marketing of food products and *Warrantage*. Moreover, in 2013, Burkina Faso proposed a Sustainable Water Management and Food

34. **Implementation risks.** The project is classified as an A-type project under the Burkinabé national law regulating externally-funded projects. As an A-type, the project will be fully administered and managed by government bodies which may have weak financial, institutional, technical and fiduciary capacity. Efforts will be made to strengthen the capacity of stakeholders involved in project implementation and reinforce all the implementation ag



from vouchers, (iii) number of input shops created with support of the project that are functional and (iv) number of pharmaceutical deposits set-up and functional with project support; and (b) the addition of the following indicators; (i) number of direct project beneficiaries of which female (percent) and young people (percent); (ii) yield increase rate of targeted crops (maize, rice, cowpeas tomato and onion) in the project targeted zones; (iii) area of developed lands in targeted zones (lowlands and perimeters); (iv) the areas under su

made it impossible to implement the voucher-for-work scheme. It was therefore necessary to seek alternatives to the original scheme. An alternative scheme to align the Project's input distribution system with the input distribution scheme run by the Government

## F. Proposed components description

45. The project components will remain the same and will take into account activities suggested under the GAFSP additional financing and will be implemented through the three components (i) improving food production, (ii) improving the availability of food products and (iii) coordination, management and monitoring & evaluation (M&E) of project activities. Changes in project costs per Components are indicated in Table 3.

**Table 3: Changes in Project Costs (US\$ million) by Components with Additional Financing**

Components	Original Costs		Changes with AF			Total revised project costs
	Total	IDA only	Total AF	IDA only	% IDA original	

supporting livestock artificial insemination, and milk collection and processing and will promote new rural private sector actors to sustain the development of livestock artificial insemination.

49. For fish farming the AF will support the construction of a fish hatchery station in Yakouta (Sahel region), the rehabilitation of the fish farm station in Bazèga (Center-South region), the promotion of 26 weighing centers to improve fish marketing and the development of fish farming around water reservoirs. Fish farming is covered at hundred percent by GAFSP financing.

50. For zones adjacent to protected areas in which agricultural production has been curtailed or prohibited by law the AF will continue supporting valorization of non-timber forestry products and will promote lowland management and small game breeding units to significantly improve poor households revenues. GAFSP contribution to environmental related activities will cover the protection of river banks and land reclamation around water reservoirs.

51. This component will continue supporting agricultural technology dissemination. The technological packages for food crop production include improved seed being developed and/or tested by the WAAPP project, fertilizer, manure, sustainable soil management technologies, animal traction, and improved post-harvest technologies. For livestock production, the focus will remain on milk production and short cycle livestock products including cattle and sheep fattening and the technology packages that include genetic improvement (local and exotic breeds) and access to veterinary services and products (including, vaccination, and animal feed). The AF will integrate the innovation platform approach and will ensure that technology packages to be disseminated are adapted to the needs and to the specificity of the regions.

52. **Component 2. Improving the availability of food products (US\$14.81 million of which: IDA financing: US\$5.50 million; GAFSP financing: US\$9.31 million):** This component aims at strengthening the capacities of stakeholders to manage the variability of food supplies at local and national levels. This component will keep the two subcomponents:

53. **Sub-Component 2.1: Reducing post-harvest losses:** This sub-component will continue providing matching grants to eligible producer groups to: (i) ensure dissemination of improved technologies for reducing post-harvest losses, including improved storage (triple-bagging). Under the AF, triple-bagging will be targeting the Warrantage and restructured cereal banks; (ii) support sustainable management of the already acquired multifunctional platforms as the project will not procure new multifunctional platforms before making sure that the existing ones are fully functional; (iii) support the reinforcement of small scale improved food processing units managed principally by women groups around water reservoirs

will be modulated according to the potentialities of the targeted zones. The project will support the scaling-up of the implementation of the warehouse receipt system, and the partnership with decentralized financial institutions (Réseau des Caisses Populaires and other microfinance institutions) to further extend these activities to the areas which have expressed their interest in the system. In addition to cereals, the AF will include cowpeas in the Warrantage system as suggested by women groups and applicable even in the cereal deficit areas.

56. These facilities will help reduce post-harvest losses, reduce the risk arising from the low level and/or volatility of producer prices at harvest time and improve the quality and value addition of the marketed products. The proposed component will build on the experience of the project in that area. The construction of the required facilities will be entrusted to AGETEER and/or SONATER, or other private companies through delegated execution agreements.

57. The restructuring of cereal banks into marketing cooperatives in deficit zones: the networking of these cooperatives with the National Agency for Management of Emergency Stocks (Société Nationale de Gestion des Stocks de Sécurité - SONAGESS) will continue. In addition, the project will support completion of the development of market information systems (MIS) and its full implementation and monitoring. Already existing platforms set-up with Manobi Company will be strengthened to take into account modules that allow better targeting of project beneficiaries through mobile phone technology.

58. **Component 3: Institutional development and capacity building (US\$12.03 million of which: IDA financing: US\$9.48 million; GAFSP financing: US\$1.51 million):** This component aims at reinforcing capacities of institutions directly involved in the project implementation. Specifically, the component finances consultant services, equipment, training sessions, study tours and farmers' field days, and communication and information activities (e.g. awareness-raising campaigns, technology workshops, etc.). The project activities will continue to focus on the following sub-components

59. **Sub-Component 3.1: Building capacities for extension and advisory services to farmers:** This sub-component will provide the required knowledge support for the implementation of project activities. It will contribute to build the capacity, including training of project stakeholders, multidistechology workshops, etc.)d46teas of i



62. **Sub-Component 3.4: Coordination, Management and Monitoring & Evaluation (M&E)** of project activities: Project will continue to be coordinated by existing directorates of the implementing ministries, and the Regional Chambers of Agriculture and the central project coordination unit. In this context, the Project will provide financial and logistical support to these institutions, particularly in the areas of fiduciary management and the development of the Project's monitoring and evaluation system, including the social and environmental impacts of the project. The Project Coordination Unit (PCU) staff will be strengthened by the addition of the following staff: (i) a civil works engineer (specialist of irrigation development), (ii) an agronomist specialist of crop and livestock development, (iii) a specialist in charge of marketing infrastructure and the warehouse receipt Warrantage system and (iv) a fisheries/aquaculture expert, as well as two other specialists respectively in monitoring & evaluation and procurement. The respective sections in charge of capacity building, monitoring & evaluation, and administrative and financial matters of the PCU will also be reinforced with additional staff and adequate incremental operating costs. The project Focal Points in the regions will be supported by specialists in crop, livestock and fisheries development and marketing as required from the decentralized ministries structures and from the Regional Chambers of Agriculture.

### **G. Implementation Arrangements**

63. The project is classified as an A-Type project under the Burkinabè national law regulating externally-funded projects. As an A-type, the project will be fully administered and managed by government bodies. The implementation of the project will now include the Ministry of Water, Hydraulics Development and Sanitation (MEAHA) to take into account the strong water management aspect of the project, bringing the number of Ministries involved to four instead of three under the parent project. The four Ministries of Agriculture and Food Security (MASA), Livestock and Fisheries (MRAH), Environment and Sustainable Development (MEDD) and Water, Hydraulics Development and Sanitation (MEAHA) will be responsible for project implementation, each in its relevant areas of intervention. The Government will continue delegating implementation supervision, monitoring and evaluation at regional level to CRAs (Regional Chambers of Agriculture). For OFINAP (National Office of Protected Areas) since the project will be targeting the seven protected areas instead of only the three protected areas governed by OFINAP, the mid-term review suggested the project focal point at the MEDD will be mandated to supervise environmental related activities of the project including OFINAP.

64. Overall management of the project will be under the Ministry in charge of Agriculture. Each of the four implementing Ministries (Agriculture, Livestock, Environment, Water Hydraulics and Sanitation) will implement the Project's activities pertaining to their areas of competence.

65. A designated Coordinator for the overall project at the Ministry of Agriculture, and a designated focal point in each implementing ministry, will be in charge to coordinate the project's implementation. The Executive Secretary (Secrétaire General) of the National Chamber of Agriculture will be the project focal point for the National Chamber of Agriculture. For OFINAP (National Office of Protected Areas) since the project will be targeting the seven protected areas instead of only the three protected areas governed by OFINAP, the mid-term review suggested the project focal point at the MEDD will be mandated to supervise environmental related activities of the project including OFINAP. The mandate of the project coordinator, with the support of the focal points in their respective sectors, will include the preparation of consolidated annual work plans and budgets as well as progress reports, based on submissions from implementation partners, financial management and procurement information, general supervision activities, and monitoring and evaluation of project outcomes.

66. The focal points for the Ministries will be assisted by the Ministries' administrative and financial services for financial management, procurement and disbursement, as well as the Ministries planning units for Monitoring and Evaluation (M&E) activities. They will have a broad management and technical background with the required experience relating to project activities. They will be selected on the basis of agreed terms of reference.

#### **IV. APPRAISAL SUMMARY**

##### **A. Project design and Implementation arrangements**

67. The project institutional set-up and implementation arrangements have proved so far to be efficient in delivering infrastructures and services to the rural population. The implementation arrangements under the AF will therefore remain the same as for the parent PAPSA but strengthened

confirm the robustness of the results from the Additional Financing and low sensitivity to risks associated with increased costs, decreases in, or delays in, the realization of project benefits. Details on the Economic and Financial Analysis are indicated in Annex 6.

### **C. The rationale for public provision of project services**

71. As stated above, in Burkina Faso there is a crucial need for productivity-led growth in the agricultural sector considering the country's existing demographic dynamics, its vulnerability arising from the Sahelian environment, its precarious food security situation and its exposure to market shocks. Public involvement and funding are fully justified because of public goods benefits of a significant number of people especially vulnerable poor producers with a large proportion of women (43 percent) to access food and to improve their livelihood. Annex 5 provides more details on gender

10.00, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by World Bank.

75. Two Designated Accounts (DAs) will be opened at the Central Bank in Ouagadougou and will receive project proceeds on the basis of the project cash needs. The DAs will be used as a transit account and as such, funds will be transferred from the DAs to transactions accounts. These accounts will be opened at a commercial bank acceptable to the Association. The Coordinator and the Finance Officer will be joint signatories of these accounts. Direct payments and special commitments, will be made to service providers if needed. Disbursements will continue to be based on IFRs. Additional details are contained in a Disbursement Letter.

76. In-year Reporting and Monitoring: The un-audited Interim Financial Report (IFR) format of the original project will be updated to include the new elements introduced under additional financing. It will comprise sources and uses of funds by project expenditure classifications, a comparison of budgeted and actual project expenditures (commitments and disbursements) to date, and for the quarter. The PCU will submit the financial reports to the Bank within 45 days following the end of each calendar quarter. More details on financial management are indicated in Annex 9.

## **G. Procurement**

77. Procurement for the project will be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated January 2011 (Procurement Guidelines); and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated January 2011 (Consultant Guidelines) and the provision stipulated in the Financial Agreement. The various procurement actions under different expenditure categories are described in general below. For each contract to be financed under the Financing Agreement, the various procurement or consultant selection method, the need for pre-qualification, estimated costs, prior review requirements, and time frame have been agreed between the borrower and the Bank in the Procurement Plan. The

to increase agricultural productivity and production; (ii) considerable rural transformation through development of lowland and irrigation infrastructure; (iii) substantial transformation of production systems underpinned by the development of irrigated agriculture and/or improvement of marketing infrastructure that enable farmers

## Annex 1 Operational Risk Assessment Framework (ORAF)

### Burkina Faso: Additional Financing for the Agricultural Productivity and Food Security Project (P149305)

#### Risks

##### Project Stakeholder Risks

Stakeholder Risk	Rating	Moderate
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Risk Description:

Inadequate capacities at local level to

low capacity for project management  
low capacity of producer grade level  
low capacity for M&E in targeted zones

**Risk Management**

Under Sub-Contract

Resp: Client

**Risk Management**

Specific technical

Resp: Client

**Risk Management**

MASA's decision

Resp:

**Governance**

Rating

Risk Management:





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**Risk Management:**

Land issues may be of constraint	<b>Risk Management:</b> Application of the land law and active monitoring and prevention of land conflicts will be ensured; synergies will be built with the World bank financed project (PNGT2-Phase 3) which is addressing this issue;									
	Resp:	Both	Stage:	Implementation	Recurrent:	Due Date:	Frequency:	CONTINUOUS	Status:	In progress
Lack of market access and fluctuation of prices may be a disincentive	<b>Risk Management:</b>									
	Construction of storage structures and implementation of Warrantage scheme will reduce post-harvest losses and give more price negotiating power to producers;									
	Resp:	Client	Stage:	Implementation	Recurrent:	Due Date:	Frequency:	CONTINUOUS	Status:	In progress
<b>Social and Environmental</b>	Rating	Moderate								
Risk Description: Limited compliance with environmental regulations due to the lack of environment management capacities among Project stakeholders.	<b>Risk Management:</b>									
	The project will recruit an environmental specialist as technical team member.									
	Resp:	Client	Stage:	Implementation	Recurrent:	Due Date:	27 March, 2015	Frequency:	Status:	Not Yet Due
Risk Description: Climate change and rainfall variability may undermine the gains of management practices and household income, as rainfall strongly affects production and hence rural poverty.	<b>Risk Management:</b>									



## **Annex 2: Revised Results Framework and Monitoring Indicators**



*Comments or rationale of change*

**Food Availability**

**ent and Capacity Building**

udget of input shops creation has been dropped due to constraints related to ownership, sustainability and management.

udget of input shops creation has been dropped due constraints related to ownership, sustainability and management

s related activities have been transferred to bank funded APP program

indicator is added to take into account the expanded project activities around water reservoirs

**REVISED PROJECT RESULTS FRAMEWORK**

<b>Indicator Name</b>	<b>Core</b>	<b>Unit of Measure</b>	<b>Baseline Original Project Start</b>
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Indicator Name	Core	Unit of Measure	Baseline Original Project Start 2010	Actual (Current) Baseline AF 12/31/2013	Cumulative Target Values				Data Collection		
					Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017 (End Target)	Frequency	Source data/ Methodology	Resp. for data collection
Intermediate Results Indicators											
<b>Component 1: Improving food production</b>											





Indicator Name	Core	Unit of Measure	Baseline Original Project Start 2010	Actual (Current) Baseline AF 12/31/2013	Cumulative Target Values				Data Collection		
					Year 1 2014	Year 2 2015	Year 3 2016	Year 4 2017 (End Target)	Frequency	Source data/ Methodology	Resp. for data collection
<b>Component 3: Institutional Development and Capacity Building</b>											
Percent of targeted producers and community organizations who organize annually their general assembly during which they report on activities		Percentage	Not available	75	80	90	100	100	Annual	Project's M&E system	Project M&E/ DGFOMR
Percent of water reservoirs with functional self-management organizations		Percentage	NA (new)	0	70	100	100	100	Annual	Project's M&E system	Project M&E/ DGFOMR/ DGADI

N.48 2.5f/99.54 2.5f/99.54 2.5f/99.2 454.2 1199.54 2. cs .8 g244.199294 sc0ulic2.36 56.26 2.23333 .95Cs6 cs .85.199294 s239.04 2.52 2153i.862753 11.46 44.94 refBT0 10.02 -10.02 0 26

**Annex 3. Project costs**

**BURKINA FASO - Agricult**



<b>Province</b>	<b>Commune</b>	<b>Village</b>	<b>Name of the Water reservoir</b>	<b>GPS Coordinates</b>	<b>Type of Infrastr ucture</b>	<b>Reservoir Volume ( x 000 m3)</b>
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Province	Commune	Village	Name of the Water reservoir	GPS Coordinates		Type of Infrastructure	Reservoir Volume (x 000 m3)	Area to be developed (Ha)		
				Longitude	Latitude			up-stream	down-stream	Total
<b>CENTER-EST REGION (12 SITES)</b>										
Boulgou	Bane	Ouanda	Yaya Diallo Popsy	00°21'36.5" W	11°29'18.5" N	Dam	2.500	62.5	66.7	129.2
	Bittou	Bittou	Bitou	00°18'35.9" W	11°16'18.3" N	Dam	420	10.5	11.2	21.7
	Tenkodogo	Tenkodogo	Tenkodogo I	00°22'36.2" W	11°46'21.8" N	Dam	340	8.5	9.1	17.6
	Tenkodogo	Tenkodogo	Tenkodogo II	00°21'39.6" W	11°47'24.7" N	Dam	655	16.4	17.5	33.8
	Zabre	Youngou	Youngou	00°33'56.0" W	11°06'19.4" N	Dam	380	9.5	10.1	19.6
Koulpélogo	Sangha	Ganzadouré	Ganzadoure	00°03'44.0" E	11°17'42.0" N	Dam	2.544	63.6	67.8	131.4

Kourittenga

## **Annex 5. Gender mainstreaming in PAPSA activities**

1. ***Gender and access to land:*** Burkina Faso's economy is highly dependent on agriculture, livestock, and forestry. Almost 90 percent of the population is engaged in subsistence agriculture, often on lands that are highly fragile and prone to erosion and desertification. The introduction of soil and water conservation techniques and lowland development under the PAPSA project has enabled many farmers to grow crops on land they had long since abandoned. But, tenure security is critical to enable adoption of these techniques. It is well known that many women lack the necessary control rights over the land they farm, diminishing their incentives and capacity to invest in measures that could significantly boost the productivity of their crops.

2. However, the activities implemented under the project have strongly supported land access rights especially for women since up to 43 percent of project beneficiaries on lowlands developed are women. The additional financing will continue supporting equitable access to land for men and women in developed lands with reference to the newly adopted Rural Land Tenure Law adopted in June 2009 (Act. No 034 on The Rural Land Tenure System).

3. ***Gender and income generating activities:***

project aims at liberating time and energy for the most vulnerable groups in the community and in using the time gained for productive and income generating activities, and at bringing electricity right into the heart of the village. Time-use surveys conducted by UNDP suggest that the introduction of multi-functional platforms reduces between two to six hours per day the time women devote to domestic chores, such as agro-processing and food preparation. In almost all the villages studied, the platforms have helped to increase agricultural production, particularly of Shea butter, rice and maize.



## **Annex 6. Economic and Financial Analysis**

### **BURKINA FASO: Agricultural Productivity and Food Security Project (PAPSA) – Additional Financing (AF)**

#### **A. Methodology**

1. The Additional Financing (AF) would not lead to any change in the development objective of the parent project which is to improve the ability of small farmers to increase food production and ensure greater availability of agricultural products on the markets. The AF will focus on: (i) the completion of infrastructure investments implemented in the initial project such as irrigation infrastructure (lowland and perimeters). Such infrastructures strengthen the resilience of smallholder farmers to food insecurity, poverty and climate change evidenced by floods and water and wind erosion caused by increased frequency of severe weather events (wind / rain), heavy layers of dust due to wind erosion and drought and heat waves due to both the increase in temperature and decrease in rainfall; (ii) the completion of market infrastructure (storage warehouses for inventory credit and marketing cooperatives) that help regulate the supply of products to facilitate smallholder access to credit and make available food in areas of chronic food deficit; and (iii) strengthening the capacity of stakeholders of targeted sectors and

production of sorghum on erosion-controlled sites (1 ha); Model 5: grass-fed beef (unit a herd of 5); Model 6: sheep fattening (20 herd unit); Model 7: poultry farming (unit of 7 hens and 120 chickens marketed per year); Model 8: pig breeding (unit of 7 heads and 24 piglets marketed per year); Model 9: aquaculture with fish fed PEP food; Model 10: aquaculture with fish fed local food; Model 11: storage of cereals and cowpeas (250 tons filled to 80 percent capacity); Model 12: honey production (60 l / year, 4 hives / beekeeper); Model 13: honey processing, packaging (6,000 l / year treating honey from about 100 beekeepers).

5. Financial prices used are market prices as of March 2014. Economic prices were estimated from the wholesale price or FOB price minus intermediate costs. In Burkina Faso, input taxes are almost nonexistent, and therefore economic and financial prices are very similar. A conversion ratio of financial to economic price of 95 percent was used. A period of 20 years was used for the economic analysis. Without subsidies, the adoption of new technologies will be difficult in the context of Burkina Faso where access to credit in general and rural credit in particular is very limited. But the financial analysis was conducted without subsidy. In the economic analysis the subsidy was not removed.

### **B. Analysis of the financial impacts of investments on project direct beneficiaries**

6. Based on the above assumptions, the investment activities promoted and provided without subsidies, would give encouraging results looked at in three ways:

(i) *Costs and Financial Benefits due to the Additional Financing:* Through Component 1 and Component 2, the AF supports the adoption of new technologies that require acquisition of new skills and increase the level of expenditure (investment costs and operating expenses) compared to the baseline. Although expenditures would increase, the analysis shows that farm models supported in the project substantially improve sales and gross margin of activities as shown in Tables 1 and 2 below.

**Table 1: Median Increase in financial costs and benefits**

	Baseline (without project situation)	Situation with project	Increase rate (percent)
Median Investment Cost (CFAF)	95,000	750,000	689.5
Median Operating expenses (CFAF/yr)	150,000	421,800	181.2
Median Gross returns(CFA F /yr)	175,000	791,667	352.4
Median Gross margin (CFAF/yr)	30,000	340,400	1034.7

(ii) *The financial Rates of return of different farm models are satisfactory:* They are: 88 percent for onion production, 63 percent for pig farming, 61 percent for poultry, 55 percent for sheep fattening; 54 percent for fish farming fed with PEP and sorghum production on erosion-controlled sites, 53 percent for cattle fattening, 42 percent for aquaculture fed with local fish food, 39 percent for irrigated and lowland rice, 27 percent for the production of honey and 20 percent for the processing and packaging of honey.

**Tableau 2: Profitability of investments for project beneficiaries**

	TECHNOLOGY	IRR (percent)	NPV (at 10 percent) (in CFAF)
MODEL 1	Lowland rice (1 ha)	39	1,423,142
MODEL 2	Irrigated rice (1 ha)	39	6,401,170
MODEL 3	Onion (1 ha)	88	19,316,220
MODEL 4	Sorghum SAE (1 ha)	54	1,238,817
MODEL 5	Sheep fattening (herd of 20)	53	4,810,880
MODEL 6	Cattle fattening (herd of 5)	55	4,724,074
MODEL 7	Poultry (7 hens with 120 chicken marketed / yr.)	61	923,302
MODEL 8	Pig farming (7 units, 24 piglets marketed /yr.)	63	2,064,856
MODEL 9	Fish farming in enclosures fed with PEP	54	2,124,630
MODEL 10	Fish farming in enclosures with local fish food	42	1,041,629
MODEL 11	Storage of cereals and cowpea (250 tons filled to 80 percent)	26	24,478,534
MODEL 12	Honey (60 liters / yr., 4 hives)	27	457,865
MODEL 13	Processing and packaging of honey (6,000 liter/yr.)	20	679,974

(iii) *Analysis also shows that the mechanism of matching grant financing and the distribution of agricultural inputs promoted under the PAPSA are effective instruments:* Their combination has enabled vulnerable small producers to better confront their cash needs at the beginning of the crop year in an environment where this group of farmers would normally not meet the conditions of access to bank credit and micro-finance institutions that would facilitate their adoption of new technologies. These new technologies have helped improve agricultural productivity, increase production and to generate marketable surpluses. The matching grant financing mechanisms have contributed to improve the cash flow of small producers and processors and have led to increased incomes (gross margin) for these small producers / processors. Measures to introduce stricter selection criteria for beneficiaries of inputs under the PAPSA -AF will be crucial to ensure economic viability. In this regard, it would be important to strictly observe the selection procedures that are being introduced in the Implementation Manual currently being revised as part of the Additional Financing.

### C. Economic impacts of investments at country level

7. The Economic Net Present Value (NPV) has been calculated using an interest rate of 10 percent assumed to correspond to the opportunity cost of capital in the country. The resulting NPV is about US\$44.1 million. The Economic Rate of Return (ERR) of the entire AF program is estimated at 16.8 percent. Although satisfactory, this rate is lower than the initial project. The main reasons for this include: (i) the reduced access to agricultural inputs because of the non-implementation of the “voucher for work” mechanism; (ii) taking into account 100 percent of the cost of additional financing excluding input subsidies while for the initial project only the cost of component 1 “improved production and access to food” was included in the economic analysis; and (iii) the delay in the implementation of the initial project, which has limited the dissemination of results of tests of technology packages.

8. These rates are explained by the yields that are increasing due to improved farming techniques and technologies and the availability of irrigation infrastructure and marketing promoted by the project. The above results are conservative because they are based solely on quantifiable benefits of Components 1 "improved production and access to food" and 2 "Improving the availability of food," and do not take into account the expected results from component 3 "Institutional Development and Capacity Building" that have not been quantified.

**Table 3: Economic Return Rate (ERR) of the project (NPV in US\$)**

	Economic	
	ERR	NPV
Baseline scenario	16.8 %	
NPV (at 10 percent (million \$US))		44.1

#### D. Sensitivity Analysis

9. The sensitivity analysis based on increases of 10 percent, 20 percent and 30 percent of project costs gives rates of return of 15.7 percent, 14.6 percent and 13.6 percent respectively. The sensitivity analysis based on reductions of 10 percent, 20 percent and 30 percent of project benefits results in economic rates of return of 15.5 percent, 14.1 percent and 12.5 percent



**BURKINA FASO - Agricultural Productivity and Food Security Project  
Additional Financing**

**Annex 7: Detailed Description of Continuing, Modified, or New Project Activities of the AF  
Phase**

1. The three project components would remain unchanged under the Additional Financing



11. For input subsidies and other incentives, project support to grain production will be based on the alternative mechanism to the Voucher for work system put in place by the Government of Burkina Faso, including a subsidy of up to 50 percent to improve the access of farmers to quality inputs for the maintenance of soil fertility and to increase crop yields of developed lowlands and targeted irrigated perimeters. This subsidy will be made available equally to all the farmers (men and women) of the project-supported irrigated perimeters. The project will also support the production and use of organic fertilizer through existing methods of composting being extended under the parent project. It is expected that by project end, participating producers would have appreciated the value of improved inputs (especially fertilizers, improved seeds and organic matter), through increased productivity and incomes, they would have mobilized sufficient resources on their own to purchase these inputs even at non-subsidized prices. To preserve the common practice among market gardeners who traditionally purchased fertilizers at cost, the project will not finance fertilizer subsidies for this group of producers.

12. **Component 2. Improving the availability of food products (US\$14.81 million of which: IDA financing: US\$5.50 million; GAFSP financing: US\$9.31 million):** This component aims at strengthening the capacities of stakeholders to manage the variability of food supplies at local and national levels. This component will keep the two subcomponents:

13. **Sub-Component 2.1: Reducing post-harvest losses:** This sub-component will continue providing matching grants to eligible producer groups to: (i) ensure dissemination of improved technologies for reducing post-harvest losses, including improved storage (triple-bagging). Under the AF, triple-bagging will be targeting the Warrantage and restructured cereal banks; (ii) support sustainable management of the already acquired multifunctional platforms as the project will not procure new ones before making sure that the existing multifunctional platforms are fully operational; (iii) support the reinforcement of small scale improved food processing units managed principally by women groups around water reservoirs; (iv) scaling-up milk collection by ensuring that equipment of milk collection centers are better organized and are functional; (v) extending the support for the valorization of non-timber forest products to the Sahel Protected area; and (vi) promoting sustainable management of fishery resources through the use of inputs and equipment that comply with fishing norms and standards. To this end, the project will facilitate the acquisition of such inputs by fishermen and their access to weighing equipment to improve fish marketing.

14. Taking into consideration the perishable nature of horticultural products which will be produced around reservoirs, the project will also support the conservation and processing of onions and tomatoes. This will involve equipping women's groups with processing equipment including solar drying units. The acquisition and installation of these units will be fully subsidized by the project. Beneficiary contribution will be modulated according to the type of micro-projects. Operational mechanisms will be detailed in the PIM.

15. **Sub-Component 2.2: Supporting the marketing of food products.** This sub-component will continue financing the development of village level warehouse receipt (*Warrantage*) schemes with the construction of an additional 50 community warehouses of which 20 will have a capacity of 500 tons each and 30 with a capacity of 250 tons each, equipped with mechanical winnowing, bagging and processing equipment of agricultural production. The project will support the scaling-up of the implementation of the warehouse receipt system, and the partnership with decentralized financial institutions (*Réseau des Caisses Populaires, and other microfinance institutions*) to further extend these activities in the areas which have expressed



their interest in the system. In addition to cereals, the AF will include cowpeas in the *Warrantage* system as suggested by women groups and applicable even in the cereal deficit areas.

16. These facilities will help reduce post-harvest losses, reduce the risk arising from the low level and/or volatility of producer prices at harvest time and improve the quality and value addition of the marketed products. The proposed component will build on the experience of the project in that area. The construction of the required facilities will be entrusted to AGETEER and/or SONATER, or other private companies through delegated execution agreements.

17. The key activities to be funded are: (i) sensitizing and training farmers on best practices for conservation and storage to minimize losses due to poor storage conditions; (ii) training farmers on collective marketing of cereals; and (iii) connecting producers with financial institutions and potential buyers (using market information, dissemination of price information, organization of consultations and meetings, etc.). Based on observed cases such as the experience of the Union of groups of agricultural marketing (UGCPA) in the Mouhoun area, the expected impact of *Warrantage* is price stabilization, i.e., the reduction of the price difference observed between harvest time and the lean time which is currently about 20 percent. The other expected impact is an increase in the annual average price of 10 percent to the producer.

18.

22. Moreover, innovation under the AF includes the promotion of new rural private sector actors to sustain the development of livestock artificial insemination. Therefore, support will be provided in terms of equipment, capacity building and exchange visits to provide technical and managerial capacity for improved quality of services in the 13 regions.

23. ***Sub-Component 3.2: Strengthening agricultural input supply delivery systems.*** This subcomponent will support expanding of existing network of input distributors in the rural areas, and strengthening their capacities to provide advisory services to farmers. Moreover, the project will promote the use of Information and Communication Technologies (ICT) in targeting project beneficiaries and in facilitating the project monitoring and evaluation. The e-extension/e-voucher technologies will be piloted and implemented. The project will build on the WAAPP project in terms of dissemination of ECOWAS new laws on seeds, agricultural inputs and legislations on veterinary products.

24. ***Sub-Component 3.3: Strengthening the capacity of Producer Organizations.*** The parent project supported the training of 86 leaders of farmers' umbrella organizations and 348 farmers' organization members. The project also supported the training of 83 inter-professional organization members on partnership contract management and on quality standards of agricultural products. The project contributed to reinforcing the technical capacity of farmers involved in the development of value chains. Indeed, 6,774 producers of whom 1,725 are women received training in various topics against 2,000 targeted by the project.

25. The project will continue financing: (i) the capacity strengthening of Regional Chambers of Agriculture to allow them to efficiently undertake their mandate under the project; and (ii) capacity strengthening and networking of grass roots farmer-based organizations to help them play a more active role in technology transfer and marketing of food products. Value chains inter-professional organization will also be supported.

26. The project will also provide special support to the establishment of irrigation committees

infrastructure and the warehouse receipt Warrantage system, and (iv) a fisheries/aquaculture expert, as well as two other specialists respectively in Monitoring & Evaluation and procurement. The respective sections in charge of capacity building, Monitoring & Evaluation, and administrative and financial matters of the PCU will also be reinforced with additional staff and adequate incremental operating means. The project Focal Points in the regions will be supported by specialists in crop, livestock and fisheries development and marketing as required from the decentralized ministries structures and from the Regional Chambers of Commerce.

### **Beneficiaries' targeting**

30. **Selection of household beneficiaries of the project's activities will be based on criteria, such as farm size, types of crops and gender.** For agriculture, priority will be given to producers with less than 5 ha land size with no farm equipment. For livestock production, cattle and sheep fattening, poultry, priority will be given to households having less than 5 dairy cows, 5 hogs or 30 chickens. At least 30 percent and 10 percent of the subsidies will be provided to women and young household heads respectively, given the critical role of these demographic groups in supporting rural economic growth and food security in the country.

31. **Regarding milk production,** the project will also give priority to organized women groups around the existing 150 small milk collection units to directly connect them to private sector.

32. For post-harvest processing and marketing activities (including Warrantage), the project will target existing farmers organization who are recognized by the chamber of agriculture and are officially registered. The justification for using CRAs is that they are 'umbrella' bodies, representing all stakeholders at the regional level. The project will primarily target women and youth groups who are especially active in these activities.

33. **The project will target communities living around the following protected areas:** Nazinga Forest Reserve and Game Ranch, Po or Kabore Tambi National Park, Boulon-Koflande Forest Reserve, Comoe-Leraba Forest Reserve, Arly National Park, Hippo Lake Biosphere and Forest Reserve, and Sahel Forest and Game Reserve. These communities are already organized in associations and have prepared community development plans including the development of non-timber forestry products.

34. **For irrigation infrastructures,** the selection of beneficiaries will be based on the procedures described in Decree No. 2012-705-PRES/PM/MAH/MEF/MATDS/MEDD/MRA of September 6, 2012 regarding 'the general prescriptions for land occupation related to the use of family type irrigation schemes. In a nutshell, the decree provides for the establishment of an ad'hoc selection committee composed of local authorities, administrative, customary, civil society, decentralized technical services authorized, producer organizations, and women's organizations. This decree also specifies that gender should be taken into account in the allocation of plots, by setting a quota in favor of women, youth and other disadvantaged groups.

35. **Project activities will be entrusted to private sector operators (including NGOs),** whenever they have sufficient expertise to handle project tasks. The project will provide training to facilitate participation in project activities by interested operators that are insufficiently equipped for technology transfer.

**Annex 8: Project Implementation**



8. As of December 2013, the project has supported the procurement of 52 multifunctional platforms for women groups and distributed 230,000 conservation bags (triple-bagging) for cowpea conservation to women groups. The average storage duration was increased from 2 to 7 months and women's income improved. Environmental related activities included acquisition of 350 hives and 16 Shea butter extraction presses improved income generation of local communities around protected areas with an increase from CFAF 100 million to CFAF 290 million as well as the availability of non-timber forest products through production and processing such as honey and Shea butter.

9. As of December 2013, the project has supported the establishment of 60 *Warrantage* schemes which stored 1,878 tons of products, and leveraged CFAF 118,886,505 (US\$237,773) credit from microfinance institutions. Furthermore, 98 cereal banks have been restructured into marketing cooperatives and have provided encouraging results and attracted the interest of the beneficiaries. For animal production, 2.6 million liters of milk have been collected by 44 milk processing units against 1.3 million targeted.

10. **Component 3. Institutional development and capacity building. This component aims at reinforcing capacities of institutions directly involved in the project implementation and coordination and M&E activities.** Specifically, the component finances consultant services, equipment, training sessions, study tours and farmers' field days, and communication and information activities (e.g. awareness-raising campaigns, technology workshops, etc.). The project activities have been implemented through the following sub-components: (i) Sub-Component 3.1:-Building capacities for extension and advisory services to farmers; (ii) Sub-Component 3.2:- Strengthening agricultural input supply delivery systems; (iii) Sub-Component 3.3:- Strengthening the capacity of Producers' Organization; and (iv) Sub-Component 3.4: - Coordination, Management and Monitoring & Evaluation (M&E) of project activities with the aim of providing the required knowledge support for the implementation of project activities, expanding of existing network of input distributors in the rural areas and capacity building including training for project stakeholders, multidisciplinary teams, and local technical staff.

11. **The project has supported the capacity building of public and private service providers to support the implementation of the project activities including the project coordination team, producers, farmers' organization, etc.** Training has been provided on various topics with the aim of ensuring proper implementation of advisory support activities. Training of public and private technical advisory service providers benefited 1,338 persons. The project has supported the training of leaders of 86 farmers' umbrella organizations and 348 farmers' organization members. The project also supported the training of members of 83 inter-professional organizations on partnership contract management and on quality standards of agricultural products. The project contributed to reinforcing the technical capacity of farmers involved in the development of value chains. Indeed, 6,774 producers out of whom 1,725 are women have already received training in various topics against 2,000 targeted by the project.

## **Annex 9. Financial Management, Procurement and Safeguards**

### **A. Financial management**

1. The overall financial management risk for the additional financing is rated Substantial. It is considered that the financial management satisfies the Bank's minimum requirements under OP/BP 10.00, and therefore is adequate to provide, with reasonable assurance, accurate and

Bank Borrowers” dated January 2011 (Consultant Guidelines) and the provision stipulated in the Financial Agreement. The various procurement actions under different expenditure categories are described in general below. For each contract to be financed under the Financing Agreement, the various procurement or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame have been 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. The implementing entities, as well as contractors, suppliers and consultants will observe the highest standard of ethics during procurement and execution of contracts financed under this project. “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006, updated in January 2011 (the Anti-Corruption Guidelines) shall apply to the project.

8. **Procurement of Goods, Works and non-consulting services:** Procurement will be done under International Competitive Bidding (ICB) or NCB using the Bank’s Standard Bidding Documents for all ICB and National Standard Bidding, or alternatively documents agreed with or satisfactory to the Bank. Community participation in accordance with the provisions of paragraph 3.19 of the Procurement Guidelines will apply for activities outlined in the financial agreement and elaborated in the project implementation document. Small value procurements for goods and works may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the procurement plan in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines.

9. **National Competitive Bidding (NCB) Procedures:** For all contracts which are not advertised internationally, identified as NCB procurement method in the project procurement plan approved by the Bank, national procedures will apply consistent with the legal framework for procurement in Burkina Faso. The national competitive bidding procedures currently in force in the Burkina Faso were evaluated previously by the Bank, and generally found to be acceptable, with certain exceptions. Firstly the



composed entirely of national consultants in acc

20. An environmental audit of the project was undertaken in February 2014. While most of the sub-projects involved minor civil works and impacts for which mitigation measures were guided by the ESMF, in some cases, Environmental and Social Management Plans (ESMPs) should have been prepared and more efforts need to be undertaken to improve capacity for environmental management. Corrective measures have been undertaken. During implementation of the AF and the original project, ESMPs will be prepared, consulted upon and disclosed for project activities with moderate to major impacts.

21. While an RPF was prepared for the original project, to date, it has not been necessary to prepare a RAP, as no land acquisition leading to resettlement or restrictions of access to resources or livelihoods has occurred. Land is owned by communities, and, following a consultative process within the communities, tenants, with assistance from the project, have been making improvements to the land they cultivate during the dry season. Once the improvements

## **Annex 10. The Warrantage scheme description**

1. Warrantage is a rural credit guarantee scheme. Its introduction in West Africa (Niger) in 1999 is generally attributed to the European Union's Aid Program for World Hunger but the scheme, in fact, has its roots in agriculture credit in Europe in the 19th century. The scheme enables groups (associations) of village farmers to: (i) receive full or partial payment for their crop production upon delivery; (ii) access financial institution financing using the crop as collateral; (iii) enhance sales prices due to the "consolidation" of the group's production; and (iv) benefit from higher price trends which may materialize once the "glut" of seasonal supply has passed. It allows farmers to borrow money without having to sell off their produce when prices are the lowest, conduct other income generating activities but also take advantage of price increases at the time of lean periods and/or dispose of their production for their own consumption after repayment of the loan. Warrantage financing is increasingly being successfully used in West Africa (notably Niger, Burkina Faso, Niger and Senegal), as well as globally, and is increasingly receiving the support of the World Bank Group, European Union, FAO, USAID and other donor and microfinance institutions.

2. The credit advance generally covers a period of several weeks or months. Warrantage is typically extended by or through a microfinance institution, working independently or in concert with commercial banks or donor organizations which have greater access to financing resources. The scheme is purposely kept "simple" and relevant to the farmer association. It draws on the local MFI's astute institutional knowledge of the farmer and farming community and their proven track record to perform. A farmer will generally deliver his or her harvest to a local warehouse, whose access is held jointly by the financial institution and farmer association, usually in the form of two pad locks. Upon delivery of the harvest, the farmer receives some payment. The stock generally serves as collateral for advances which the farmer then uses to buy essential inputs for



roda

