I. Introduction and Context

Country Context

Burkina Faso is a low-income, landlocked, Sub-Saharan country with a population estimated at 14 million inhabitants of which 80% live in rural areas. Burkina’s poverty rate is estimated at 43.9% and the country ranked 161th of 169 countries in UNDP’s Human Development Index (2010). Burkina Faso’s economy relies predominantly on the performance of the cotton sector (23% of exports in 2009, 32% in 2008) and gold mining (42% of exports in 2009 and 53% in 2010). Despite the increase observed in gold exports the economy remains vulnerable to fluctuating gold and cotton prices and to the impact of climate changes. Poverty is mainly rural; 50.7% of rural populations live below the poverty line. The rapidly expanding population (growth rate of 3.1% in 2006) relies upon a very narrow natural resource base with agriculture representing 40% of GDP. The agrarian economy is particularly vulnerable to climatic and external shocks. Burkina’s fragile Sahelian environment is inherently drought-prone, a situation aggravated by the recent climate change phenomena. The country is also vulnerable to fluctuating fuel, food and cotton prices, which have a significant impact on the nation. Burkina’s harsh and deteriorating climatic conditions combined
with the high demographic growth rate greatly hinders the impact of initiatives to reduce poverty, and is likely to put the job market under stress, endanger food security and accelerate environmental degradation. With limited fiscal space and growing demand for more basic services, improved governance and efficiency in delivering services at the local level will be critical to underpin improvements in human development.

Sectoral and Institutional Context

Agriculture and Rural Development. Agriculture (including livestock and agro-processing) remains the most obvious source of growth and poverty reduction in Burkina Faso. The agriculture sector employs over 80 percent of the population and contributes to 40 percent of national GDP. Between 2001 and 2008, while growth in agriculture exceeded the national average, productivity has remained stagnant. Except for the cotton sector, subsistence farming is widespread, with limited access of producers to both internal and external markets and minimal involvement of agribusinesses in the sector. Rural development has relied upon unsustainable area expansion of land for cultivation (at a rate of 3% per year).

Environmental Threats, Forest and Land degradation. As part of the Sahel-Saharan region, livelihoods in Burkina Faso depend heavily on the soil, water and vegetation resources. Burkina is subject to erosion from wind and water, loss of soil nutrients, and bush fires. It is estimated that 34% of the territory have deteriorated from anthropogenic reasons, continuing at a rate of 105,000 - 250,000 ha each year, while 74% of arid and semi-arid areas are affected by desertification or degradation land. Deforestation rate estimates range from about 0.2% per year to 1.5% a year, mainly caused by expansion of agricultural land, as well as grazing and over exploitation of forest (timber and non-timber products). As demonstrated during the 2007 droughts and the 2009 floods with devastating damage and loss of life, Burkina Faso is vulnerable to climatic shocks that affect vegetation and biodiversity, threaten food security and exacerbate poverty.

Accelerated Growth and Sustained Development. After a comprehensive assessment of the ten-year implementation of the PRSPs, Burkina Faso prepared a Strategy for Accelerated Growth and Sustainable Development (SCADD) through a participatory process. The SCADD targets a 10 percent per annum economic growth rate to reduce poverty to 35 percent between 2011 and 2015 while respecting the principle of sustainable development, through four pillars: (1) Accelerated growth; (2) Human capital development and social protection; (3) Improved governance environment and (4) Cross-cutting priorities and themes. The strategy sees the sustainable management of natural resources as a cornerstone of agricultural development, particularly through an increased pace of reforestation, exploitation of forest wealth and protection of wildlife resources.

Land tenure. Since 1991, Burkina has constantly considered land tenure as a key development challenge while recognizing its very sensitive nature. Several donors supported the initiative, in particular AFD (France), MCA (United States) and the World Bank. During Phase 1 of the CBRD project, the Bank supported land tenure pilot operations and, in Phase 2, supported studies, the formulation in 2006 of the National Policy on Rural Land Tenure Security (Politique Nationale de Sécurisation Foncière en Milieu Rural), the elaboration of Rural Land Tenure Security Law (Loi 034 sur la Sécurisation Foncière en Milieu Rural) adopted in June 2008 and its main implementing decrees as well as the first tools for the implementation of the new law, such as the land tenure chart and registry. The next step is the installation of the institutions that will be in charge of implementing the law at village and commune level, their equipment, the training of their staff, information-communications campaigns and few demonstration operations.
Decentralization. The June 1991 constitution highlighted decentralization as a key element in the promotion of development and democracy in Burkina Faso and in the fight against poverty. The legal framework for the decentralization process was outlined in the Decentralization Orientation Texts (Textes d’Orientation de la Décentralisation-TOD), promulgated in 1998. In 2004, the Government adopted the Territorial Collectivity General Code (Code Général des Collectivités Territoriales) which details the overall orientation, direction, and phasing of the decentralization process, the competencies and resources to be transferred, and the structures to be created in order to make the aforementioned a reality. Thirteen Regional Collectivities and 302 Rural Communes were created. First local elections were held in April 2006 for the municipal and regional councils.

The above decentralization process was supported by the Bank since 1991 through the first PNGT project (Environmental Management Project 1991-1998) and subsequently through Phase 1 and 2 of the CBRD APL program (PNGT2) which supported the elaboration of the legal frameworks mentioned above, institutional and capacity building and the transfer to-and management of-Project investment funds by the rural communes in order to help them achieve their socioeconomic development and protect their environment and natural resources. The next challenge is the consolidation of this decentralization policy.

Community-Driven Development. The World Bank has supported community-based rural development in Burkina since 1991 with the Environmental Management Project (PNGT) (1991-1998), followed by a 15 year Adaptable Program Loan (APL) (2000-2015), the Community Based Rural Development Project (PNGT2-CBRD). The first project (PNGT) and the first two phases of the APL supported local development activities in a participatory and sustainable manner, through institutional and capacity building and investment funding at village and commune level and, recently, through rural land tenure reform and institutional decentralization. Specifically the CBRD (Phase 1 and 2) supported the formulation of the Territorial Collectivity General Code, adopted in 2004, the National Policy on Rural Land Tenure Security (2006) and the Rural Land Tenure Security Law (2008).

In 2004-2010, a GEF project (Sahel Integrated Lowland Ecosystem Management - SILEM) complemented the APL by supporting a watershed management approach in four different agro climatic regions in order to test the Integrated Ecosystem management (IEM) Approach. The Local Development Fund component of CBRD supported villages and communes with socio-economic and natural resource management investments. SILEM supported specifically the natural resource management investment part. The CBRD reached all of the 302 rural communes of the country while the GEF activities concentrated on the four watersheds.

Results of CBRD APL (Phase 1 and 2) and the SILEM and next step. The local institutional and capacity building at village and commune level led to the adoption of a participatory process for the management of local community affairs driven by democratically elected bodies that are now able to prepare and implement (with limited assistance) their own Community Development Plans, mobilize and manage financial resources, pass contracts for the execution of investments operations and secure their maintenance and carry-out monitoring an evaluation. The socioeconomic investments have noticeably improved the living conditions of the rural communities while the NRM and environmental investments are positively reducing land degradation, increasing soil fertility, significantly improving biodiversity and increasing agriculture yield. While the achievements are many and impressive, they remain fragile and need to be consolidated. More
capacity building and investments are needed in order, for the communities, to build a sustainable basis for decentralized rural development which will pave the road for a true socioeconomic takeoff.

The proposed project represents the third phase of the CBRD APL program. It will be accompanied by the second phase of the GEF-funded SILEM (GEF companion). The proposed combined project will ensure synergies with the Burkina Faso Forest Investment Program (FIP) under the Climate Strategic Fund (SCF) which presents a set future projects that will support transformational changes to protect forests and manage woodland, with the support of the World Bank and the African Development Bank.

The proposed project will be closely linked to the Bank-funded Local Government Support Project - PACT (2012-2017) which will help with the implementation of critical aspects of fiscal and administrative decentralization in six of the 13 regions of Burkina Faso. The proposed project will also complement the following ongoing Bank-sup ported projects that intervene in the rural sector: (i) PAFASP; (ii) PAPSA and (iii) the West African Agricultural Productivity Program (WAPP)

Relationship to CAS
The current country CAS (2010-12) is a transition strategy seeking to assist Burkina Faso to begin to transform its economy, support equitable and shared growth and make progress on human development, while providing flexibility to address the impact of the global recession. The 2013-2015 CAS is under preparation and will be in support to SCADD (2011-2015). The objectives of the proposed project are strongly related to the two strategic themes supported by the current CAS of (a) Minimizing economic vulnerability and promoting growth through economic transformation; and (b) Sharing growth through improved service delivery. The proposed project will specifically contribute to the intended Outcome 2 of the CAS aiming at increased agricultural productivity and improved environmental management, to help improve food security, generate rural revenue and facilitate the shift from subsistence farming to production for market. It also responds to the goal of improving social service delivery and supporting institutions to do so. The proposed project is also in line with the above mentioned SCADD’s four pillars: (1) Accelerated growth; (2) Human capital development and social protection; (3) Improved governance environment and (4) Cross-cutting priorities and themes.

The proposed GEF companion project is part of the Sahel and West Africa Program in support of the Great Green Wall Initiative that aims to expand Sustainable Land and Water Management (SLWM) in targeted landscapes and in climate vulnerable areas in West African and Sahelian countries. As such, the project is consistent with the World Bank’s Strategy for Africa (2011), Africa’s Future and the World Bank’s Support to It, and the new African Region Strategy for Making Development Climate Resilient.

II. Proposed Development Objective(s)
Proposed Development Objective(s) (From PCN)
The three-phase APL Program’s PDOs is, as stated in 2000, to achieve “Building on the accomplishments of Phase 1 and Phase 2, the PDO of Phase 3 is to put the empowerment of rural communities in leading their own local development process on a sustainable institutional and financial footing”.

As stated in the Phase 1 and Phase 2 Appraisal Documents, the broad objective of Phase 3 is to consolidate the accomplishments of the first and second phases and establish a sustainable basis for
decentralized rural development. This sustainable basis will be obtained by (i) pursuing and completing the work on Institutional development and capacity building; (ii) supporting the implementation of rural land tenure reform and (iii) funding social, economic and environmental investments at the commune level.

Triggers from Phase 2 to Phase 3:

a) Trigger: Modalities have been adopted by Government that permit World Bank financing for Rural Communes’ investment activities to be integrated into the Permanent Fund for Territorial Collectivity Development (Fond Permanent pour le Développement des Collectivités Territoriales).

Result: at mid-term review of Phase 2, it was considered that it was too premature to rely on this newly created Permanent Fund. This trigger was therefore removed and it was suggested that it would become a performance indicator for Phase 3.

b) Trigger: Monitoring and evaluation of the program’s activities are sufficiently integrated into the Government systems and structures.

Result: Phase Two of CBRD is supporting Regional Directorates of Economic Planning (DREPs) and providing them with all data produced or collected. DREPs are then regularly using the data for carrying out their different activities. DREP runs also the permanent Technical Secretariat for regional and provincial coordination.

c) Trigger: Each Rural Commune has a Secrétaire Général (General Secretary) in place. Local elections are foreseen to be held by the end of 2012 in order to renew the mandate of Municipal Councils; if conducted before the close of Phase II, they should be considered “free and fair” by independent election observers.

Result: General Secretaries are in place and the election date was set for November 2012

Key Results (From PCN)

Project Indicators:

Since this would be the third phase of the APL, the indicators for the end of Phase 3 correspond to those of the program as stated in 2000, namely:

- Increase in household income at all socio-economic levels due to increased yields thanks to the improvement in the status of the natural resource base (soil fertility, vegetative cover, increase in land area with SLWM in targeted areas and evolution towards sustainable land use patterns).
- Increase in the % of the rural population benefiting from access to basic services and evolution in the volume, diversity, quality and cost of services provided at local level.
- Rural municipalities established with successful mechanisms for sustainable resource mobilization.

In addition, the following indicator, more specific to Phase 3 is added:

- % increase in crop yield by type of crops
- % increase in income of participating household farmers
- % increase in farmers with land titles
- % increase in rural population with access to basic rural services (water, KVIPs, etc)?
- Total number of community beneficiaries % of which is female.
III. Preliminary Description
Concept Description

1. Description
As mentioned above, the broad objective of Phase 3 was to consolidate the accomplishments of the first and second phases and establish a sustainable basis for decentralized rural development. This will be achieved by (i) pursuing and completing the work on Institutional development and capacity building initiated in Phase 1 and 2; (ii) supporting the implementation of rural land tenure reform law which was promulgated under Phase 2; (iii) pursuing the funding social, economic and environmental investments at the commune level to reach a sustainable level.

The proposed project will have the four following components:
(i) institutional development and capacity building for decentralized Rural development;
(ii) support to the implementation of rural land tenure reform;
(iii) funding of social, economic and environmental investments at the commune level and
(iv) project management and coordination and monitoring and evaluation.

Component 1: Strengthening Capacity for Decentralized Rural Development (US$ 16 M)

Sub-Component 1A. Capacity Building for Rural Communes and Institutional Development
The proposed project will focus on sustainability by continuing to provide support to Rural Communes staff and services in order to enhance/complete their knowledge in the areas of organization, planning, management (economic, financial, technical, procurement), governance and monitoring and evaluation. For new council members that will be elected in Nov. 2012, there will be a greater capacity building effort.

Sub-Component 1B. Capacity Building for local stakeholders
Rural Communes’ local partners (private contractors, NGOs, decentralized government institutions, etc.) will be taught how Rural Commune institutions function and to interact and deal with them in an efficient way.

Sub-Component 1C. Capacity Building for Regional Councils
Regional Councils (RC) play an important role in representing the interests of rural communes at the regional level where central government agencies are most represented and have decision powers. It is therefore important to provide capacity building for the Regional Councils to help them learn how to work with government institutions at regional level. In addition, at the end of the proposed project, corresponding to the end of the APL program, it is foreseen that Regional Development Agencies (ARD/RDA), working under the umbrella of the RC will take over the role of the Project Regional Coordination Units. The project will therefore assist the Regional Councils set up and prepare the RDAs for their future role.

Component 2: Supporting the Implementation of rural land tenure law (US$3M)
Support will be provided to rural villages and communes for the effective implementation on the ground of the rural land tenure law. For that purpose, the land tenure law agency will be assisted for the definition of implementation procedures. This will also imply the installation of the institutions that in charge of implementation at village, commune and regional level, their equipment, the training of their staff, information-communications campaigns and the financing of few demonstration operations (surveys, production of maps, production of land registry, etc.). The progress of this component will be monitored using an M&E system that will be specially designed for that end.
Component 3: funding local development investments at the rural commune level (US$65 M).

In order, for the communities, to build a sustainable basis for decentralized rural development which will pave the road for a true socioeconomic takeoff. This component would support local socioeconomic and environmental investments to complete the construction of basic and vital infrastructure that is indispensable for the social wellbeing of the communities (social investments) and for their economic development (economic investments) and to work towards stopping and reversing the natural resource degradation process (environmental and NRM investments).

The project funds to be allocated to Component 3 in Phase 3 were initially supposed to be channeled through the Permanent Fund. However, this fund is not yet operating efficiently and is hampered by heavy approval and disbursement procedures. During the first year of the proposed project, the modalities for the transfer of the funds allocated analyzed and if and when all conditions of efficiency are met, funds may be channeled through the Permanent Fund.

Component 4: Project Coordination, Management, Monitoring and Evaluation (US$8M)

This component’s objective is for the project components and activities to be effectively carried out, coordinated, monitored and regularly evaluated. It will support (i) the coordination and efficient administrative, technical and financial management of the project and (ii) the monitoring and evaluation of the performance, results, and impacts of the project and overall program. The National Coordination Unit (NCU) that was established for Phase One and Two for the overall management and coordination of the Project will ensure the quality of technical and fiduciary aspects (procurement, safeguards, financial management) of all project activities. The NCU will also liaise closely with key government ministries. At regional level, the NCU will be represented by 13 Regional Coordinating Units (RCUs). In six regions, the RCUs will also coordinate the implementation of the PACT project. Support will also be provided to the National Forum (Cadre National de Coordination et de Concertation du Développement Rural Décentralisé) to guide overall programmatic support to local development. Coordination mechanisms between projects and donors involved in local development and NRM will be reinforced for optimal synergies. The concerned World Bank projects are: CBRD, PACT, PAFASP, PAPSA and WAPP.

Project monitoring and evaluation will include: the monitoring and evaluation of the performance, results, and impacts of the project and overall program (i) real-time monitoring of physical and financial execution of the Project; (ii) tracking project progress with respect to the agreed results-oriented indicators; (iii) technical and financial audits of the Project; (iv) monitoring and evaluating the economic, environmental and institutional impact of the Program and the Project at the national level, and (v) drawing lessons from the various national experiments in decentralized and participatory rural development.

GEF Funding.

GEF funding ($8M) will be fully blended. The amount will be utilized against the activities falling under Biodiversity ($1.5M), Climate Change ($1.5M), Land Degradation ($3M) and Sustainable Forest Management ($2M). Activities to be funded under the GEF can fall under any of the four project components as long as they fall under the above four windows. The largest amount (65%) will be directed towards funding local development investments at the rural commune level.
(Component 3). Under this latter, component activities must be included in the Communal Development Plans prepared by the rural communes and meet the criteria set under the four GEF windows. The GEF Focal Point has identified few potential activities but the final decision will rest with the communes.

IV. Safeguard Policies that might apply

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V. Tentative financing

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