ENVIRONMENTAL AND SOCIAL ANALYSIS OF THE BURKINA FASO PRSC III
ANNEX

Introduction

1. This document provides an analysis of the potential environmental and social impacts associated with the third Poverty Reduction Support Credit (PRSC-3) for Burkina Faso. This discussion builds on the environmental assessment (EA) of PRSC-2. Given the fact that PRSCs are sequential and continuous operation, this analysis repeats to a noticeable extent the EA compliance measures of the previous operations, and sets the stage for the EA of PRSC-4. The present document will be annexed to the Program Document for PRSC-3.

Operational Context and Description of Project Objectives

2. PRSC-3 is the third operation to support the implementation of Burkina’s poverty reduction strategy spelled out in the 2000 PRSP. PRSC-3 underpins the government’s objective to maintain a sound macroeconomic environment, and accelerate growth by providing external resources for the execution of the government’s 2003 budget. In particular, the operation aims at strengthening short-term macroeconomic management and contributing to the creation of the economic and institutional environment needed for improved effectiveness and efficiency of public expenditures, and sustained improvement in key social indicators.

3. PRSC-3 will continue supporting the reform program adopted and implemented under PRSC-1 and 2. Thus, in addition to sound macro-fiscal management, the operation will support improvements in basic service delivery, notably in education and health, and stimulate the sources of growth through structural reforms and increased investments in rural development. In sum, PRSC-3 focuses on public sector reform and sectoral policies for the poor as its two main components. Its main objectives and activities are described below.

4. Public Sector Reform and Governance: Overall, PRSC-3 will continue to support the government in maintaining a stable macroeconomic framework, and aligning its medium-term expenditure framework with the PRSP priorities. These objectives will be pursued mainly through a set of activities under three sub-components:

   (i) Budget management rules and control: budget preparation and formulation favoring the pillars of the PRSP, in particular health, education, and rural development on the basis of strong public expenditure reviews; better budget execution and monitoring; compliance with standards procedures in procurement and financial management;

   (ii) Civil Service Reform and Decentralization: PRSC-3 will continue the support to the implementation of the decentralization framework, and the deconcentration of budget execution and civil service as a way to improving
the efficiency of the delivery of social services, and the quality of such services;

5. **Basic Education**: Key sectoral issues include: (i) low and unequal access to basic education; (ii) high cost of schooling; (iii) poor use of resources (wastage) and poor quality of education; (iv) inadequate financing of basic education; and (v) weak capacity for management and supervision. The government program for improving indicators of basic education has been outlined in a 10-year action plan (PDDEB) fully in line with the PRSP. Also, as a result of the strong commitment of the government and the soundness of the long-term strategy, Burkina Faso was declared eligible for the EFA fast track initiative which will provide the resources needed to speed up the implementation of the PDDEB. This plan is currently supported by an IDA investment and by the PRSCs. Like PRSC-2, PRSC-3 will continue the efforts toward the improvement of access to, and the lowering of the cost of basic education by helping to:

(i) Implement the government action plan for basic education;
(ii) Subsidize school supplies in poorest provinces;
(iii) Increase access to education in rural areas by expanding the number of schools,
(iv) Continue to provide books free of charge to poorest families; and
(v) Re-enforce the capacity of the Ministry of Basic Education (MEBA) in programming and implementation.

6. **Basic Health**: Relatively high levels of fertility combined with poor health and nutritional status are both a cause and consequence of poverty in Burkina Faso. They exacerbate poverty by diminishing productivity, reducing household incomes while increasing their expenditures. Other factors associated with poverty, including female illiteracy, and limited access to basic social services such as potable water and sanitation also contribute to ill health and poor health outcomes. On average, Burkina has fared worse than other African countries in these areas.

7. In order to improve the health status and the well-being of the population, the government has developed a 10-year Health Development Plan. This Plan supported by a medium-term program includes three pro-poor policies: (i) improve health outcomes of the poor; (ii) limit the financial burden of user charges on poor households; and (iii) expand the involvement of the poorest communities in health care decision making. The specific objectives of the Plan can be summarized as follows:

- Improve access and raise the quality and utilization of health and nutrition services,
- Strengthen communicable disease control with a particular emphasis on reducing HIV infection rates,
- Strengthen human resources,
- Increase overall funding for the health sector and improve financial access to health and nutrition services by lowering barriers to health and nutrition care for the poor, and
- Reinforce institutional capacities of the Ministry of Health.
8. The government is committed to continuing with the measures outlined above, in addition to adopting a new set of policies that focus on alleviating the financial burden of user fees on households. Under PRSC-2 government lowered the profit margins of the national supply center for generic drugs, which decreased the prices and increased affordability. For PRSC-3, the government issued a unified list of prices for standard medical services in hospitals and health centers, including a reduction in the cost of pediatric treatment and assistance at birth. The list also confirmed that prenatal and vaccination services are free of charge. To this end, the government has taken a number of important measures. The status of compliance with the pro-poor policy reform measures under PRSC-3 is as follows:

(i) Reducing the financial burden of essential drugs on the poor,
(ii) Removing fees on preventive services,
(iii) Strengthening the management of cost recovery proceeds,
(iv) Ascertaining the views of beneficiaries with regard to user fees,
(v) Maintaining appropriate financing for basic health services targeted to the poor, and
(vi) Exploring options for developing incentives to maintain personnel in underserved rural areas, and transferring of responsibilities in staff assignment and management at the regional and provincial level.

9. Rural Development: The agricultural sector is the main source of employment and income for about 80 percent of the Burkinabe population, and generates important growth and employment linkages with the potentially dynamic non-agricultural rural economy. The sector is also the principal source of growth for the economy—contributing 32 percent of GDP and 60 percent of export earnings in 1998. In spite of Burkina Faso's relatively good macroeconomic performance, the incidence of poverty remains high, particularly in rural areas where 51 percent of the population live below the poverty line (as opposed to 16 percent in urban areas).

10. There is an urgent need to relieve the pressure that rapid population growth is putting on the fragile and limited land resource base. In particular, agricultural intensification and rapid technological change are seen as the best way to increase the productive potential of the land base, and improve the living conditions in rural areas. The government has developed a strategic orientation document organized around five themes:

- Modernization of agriculture (improved seed, water management, fertilizer, farm equipment),
- Soil fertility management,
- Food security,
- Support to producer organizations, and
- Institutional development.

A full rural development strategy, tying together sub-sectoral strategies, will be finalized in 2003.
The proposed PRSC-3 will continue supporting the objectives defined under PRSC-2, that is, the strengthening of the policy framework needed to create the enabling conditions for a strong performance in key sub-sectors. Most importantly, and in line with the objective of boosting the sources of growth and increasing the income of rural households, PRSC-3 will focus on the finalization and implementation of the action plan for the restructuring of the cotton sub-sector.

In 2001, the government established an action plan to open the cotton sector for private investors, who could compete with the parastatal SOFITEX. The process of reforms began with the lifting of the cotton trading monopoly held by SOFITEX at end-2001. In 2002, consultations began on the sale of two production zones to private investors. The assets of SOFITEX in the two zones were evaluated, a list of the staff to be transferred to the new operators was established, documents on the two zones and their production potential were elaborated and validated, and a team from the privatization commission at the Ministry of Commerce was dispatched to help SOFITEX preparing the privatization. The government has recently approved the bidding documents for the two zones. PRSC-3 will help the government to implement the planned changes in the sub-sector within the broader context of the rural development strategy.

**Environmental Classification and Safeguard Policy**

Based on the above project objectives, PRSC-3 was classified as a sectoral adjustment credit (SECAC) at a meeting convened by the Bank-wide PRSC Working Group, in accordance with the Interim Guidelines for PRSCs of May, 2001. According to Bank policy, the Operational Directive (OD) 8.60, *Adjustment Lending*, and Operational Policy (OP) 4.01 ‘Environmental Assessment’ apply to this Credit. In accordance with OP 4.01, the Credit was categorized as a B without a separate Environmental Assessment. Since the Credit will support rural development through the development of action plans in key ‘filières’ such as cotton and horticulture, OP 4.09, Pest Management may also apply. However, an environmental analysis consistent with the requirements of OD 8.60 is annexed to the Program Document. In accordance with the Bank’s revised disclosure policy, this environmental analysis annex is being disclosed through the World Bank InfoShop, and in Burkina Faso prior to the appraisal of the credit.

**Analysis and Mitigation Measures of the Potential Environmental and Social Impacts of PRSC 3**

**Analysis of potential impacts**

The potential environmental and social impacts of PRSC-3 are those resulting from its sectoral coverage. Such impacts that relate primarily to the investments in education, health, and rural development are not expected to be of a great magnitude, nor would be irreversible. At this stage, these potential environmental and social can only be described in generic terms. More specific description of the potential impacts associated with each targeted sector is provided below.
15. **Rural development:** The rural development operations envisaged under PRSC-3 fall under two categories. The first category concerns the development of actions susceptible to encourage agricultural diversification. The second category of activities includes those associated with the liberalization of the cotton sub-sector.

16. The potential environmental impacts associated with the above-mentioned activities are of many kinds, though not irreversible. Diversification may improve soil fertility management and reduce the need for insecticide use, but could also be accompanied by more intensive agricultural methods. Efforts aiming at intensifying agricultural production may lead to better soil fertility management (e.g., through nutrient replenishment) but may also lead to increased and inappropriate use of pesticides, which may result in adverse (and sometimes catastrophic) environmental and social impacts. The privatization of some of the cotton ginning plants may require that environmental audits be commissioned in order to identify and remedy outstanding any environmental problems that are associated with the operations of these plants.

17. **Health sector development:** Overall, the activities supported under the basic health sector development evolve around strategic policy reforms aimed at more effective targeting of the poor for the delivery of basic services, institutional strengthening and decentralization of service provision, and human resource strengthening. More specifically, improved access (through removing fees on preventive services, reducing the price of essential drugs), maintaining adequate budget allocations for basic health services, and development of better incentives for the outpost personnel will be the priority under PRSC 3. Essentially, these activities that are all based on the 10-year national health development plan will generate limited irreversible adverse environmental impacts. The main environmental concerns evolve around the management of hazardous medical waste, including needles, disposal of hazardous substances, human body parts, etc..

18. **Basic education development:** As mentioned above, the main activities planned under the proposed PRSC 3 include continued support to the poorest families in the form of subsidized school supplies, expanding the number of schools, and strengthening the capacity of the Ministry of Basic Education. The only potential environmental impacts associated with such activities would be those resulting from the construction of school buildings and sanitary facilities.

**Mitigation measures**

19. PRSC-3 will address the environmental concerns described above by drawing on both the national regulations requiring environmental impact assessment of qualified investments, on the on-going Bank-supported sectoral investment projects, and on environmental assessment capacity building activities supported by PRSC-3.

20. **Rural development:** The potential environmental associated with the intensification of agricultural production are addressed through two main axes of government interventions. The first axis is the promotion of conservation practices that
help maintain the productive capacity of the resource base. Soil and water conservation activities have long been at the core of the national efforts aimed at encouraging the adoption of sustainable agricultural practices. In fact, soil and water conservation was the single most important environmental concern identified and included in the PRSP. During the first year of PRSP implementation significant progress was made in this area under the aegis of the national soil fertility initiative (supported by the HIPC resources). Labor-intensive soil and water conservation structures were constructed on 51,000 ha, and the adoption rate 80 percent in some of the targeted areas. The creation of village resource conservation associations helped accelerate these efforts during the second year of the PRSP implementation, although quantitative assessment is not available yet.

21. The second axis of intervention aimed at mitigating the adverse environmental impact of agricultural intensification is the control of pesticide-related pollution, and hazards. The most significant efforts in this area are related to pesticide registration. In addition to national policy initiatives, these efforts benefit from a regional pesticide registration initiative supported by a number of donors through the CILSS. Pesticide and pest management efforts have increased in the last years in Burkina Faso due to the increasing number of pesticide contamination and poisoning cases, but also to the increasing resistance of pests to existing pesticides. In the country, there are cases of successful integrated pest management initiatives. However, these success stories are still very limited in number. In particular, there is no articulated national pest management plan.

22. Through the on-going IDA-financed decentralized rural development operation, the government will support the promotion of alternative and complementary ways of pest management, in compliance with the requirements of Bank OP on Pest Management (OP 4.09), and Burkinabe regulations contained in articles 42-46 (dealing with pesticide and fertilizer management issues) of the Environment Code. Compliance with these policies and regulations will require putting in place specific measures for handling, using, and storing products, awareness raising, and training of stakeholders in these areas. The IDA-financed community-driven rural development operation is developing a screening tool that will help identify and mitigate any adverse social and environmental problems associated with community-driven investments.

23. Finally, an environmental audit of the plants to be privatized will be conducted in order to capture any environmental problems/liabilities associated with this privatization. In addition to determining the scope of these environmental liabilities, the audit will establish how the latter will be handled in the privatization transaction. The environmental audit will be completed before the financial bids are submitted, in order to make allowances for potential environmental and social mitigation costs. The environmental audit of these plants will take place during the preparation of PRSC-4. Prior actions for PRSC-4 also include activities pertaining to the privatization of two key utility enterprises (SONABEL, SONABHY, and ONATEL). In addition to changes in the regulatory framework and the adoption of the privatization strategy, such activities will include the launching of the bidding process for the transfer of assets. The bidding documents and the “cahier des charges” will include provisions for addressing the
environmental aspects identified by the environmental audits of these two enterprises conducted in 2002.

24. **Health sector development**: Long before the country adopted an Environmental Code, hazardous healthcare waste was a concern to the authorities. Specific measures consisting mainly in the conditioning and disposal of these wastes (through incineration) were included in the management and administration of all health care facilities/services. These requirements are included in the current 10-year national plan. Here also, the IDA-supported HIV/AIDS operation has prepared and adopted a national healthcare waste management plan that will guide the implementing unit in handling these wastes.

25. **Basic education sector development**: Through the Basic Education Sector project, PRSC-3 will make sure that Bank’s requirements and policies are met in the construction of school buildings. The Basic Education Sector project has prepared a framework that meets Bank’s requirements.

**Links Between PRSC-3 and Complementary Sector Investment Projects in Safeguards Compliance**

26. As is apparent from the analysis presented above, there is a direct and strong link between PRSC-3 and the on-going sector investment projects, as far as the compliance with environmental and social safeguards is concerned. Given the fact that these accompanying sectoral investment operations have their own environmental management plans (EMPs) that were developed to mitigate the main environmental and social impacts identified during their appraisal, it makes more sense to rely on these elaborate plans to ensure compliance with Bank’s requirements and policies.

27. Since, the TTLs of these investments operations are members of the PRSC-3 team, they are individually (at least, before the PRSC-3 team) responsible for ensuring that the EMPs of the operations they manage are fully implemented. The details of these EMPs can be found in the disclosed EA documents of the respective projects. In addition to the operations of the sectors covered by PRSC-3 (i.e., rural development, health and education), the Competitiveness and Enterprise Development project, and the Urban Environment project will also be part of these compliance efforts because prior actions of PRSC 4 include some activities of these two projects (as mentioned above). More details on these compliance responsibilities are addressed below. For the sake of information, the list of the sector investment operations engaged in, and responsible for ensuring compliance with the environmental and social safeguards of PRSC-3 include the following:

- The Community-Based Rural Development Project;
- The Basic Education Sector Project;
- The HIV/AIDS Disaster Response Project;
- The Competitiveness and Enterprise Development Project; and
- The Urban Environment Project.
Consultation and Disclosure

28. In accordance with the requirements of the revised disclosure policy, this annex will be disclosed publicly in-country, and at the World Bank Infoshop. Investments made with support of the PRSC will be subject to government policy, which likewise requires public consultation and for environmental impact statement ("notice environnementale") documents of projects with potential adverse impacts on the environment.

29. In all cases, an environmental management plan, or a medical waste management plan would have to be produced (cost and institutional arrangement for implementation) and implemented. Arrangements should be made within each ministry in order to oversee the integration of these aspects into the evaluation and implementation of sectoral projects. Overall, PRSC-3 as a single tranche operation is not likely to generate significant adverse environmental and social effects.

Borrower Readiness for Addressing Safeguard Issues

30. Like many other IDA countries Burkina Faso prepared a NEAP in the early 1990's. But unlike others, the Burkina NEAP did not get translated into a coherent investment program that would have included capacity building components. This resulted in delays in the establishment of the regulatory framework, insufficient experience and low capacity in some areas of environmental management, especially, environmental impact assessment. The current regulatory framework for environmental management of the country is the result of a slow but steady development of environmental laws, including a land law, a forestry law, and a mining law.

31. In compliance with the Interim Guidelines (for PRSCs) and OD 8.60, the preparation of PRSCs provided the opportunity to ascertain the readiness of the country to apply environmental assessment to development projects. This readiness that was conducted under PRSC-1 focuses on the institutional and technical capacity of the government agencies involved in the oversight of environmental assessment (EA). Most environmental policies and practices in Burkina Faso are based on the Environmental Law enacted in 1997. Articles 17-24 of this law describe the conditions under which an environmental assessment (EA) of development activities is required, and the procedures to be followed in preparing EA studies. Typically, the law requires that any development activity that is likely to generate significant negative environmental impacts be subject to an environmental impact assessment, and that this assessment be cleared by the Ministry of Environment. The law also requires public consultation to be held with affected parties/communities to discuss the potential impacts and their mitigation.

32. The assessment found that although Burkina Faso has the necessary regulations pertaining to environmental assessment, compliance with such regulations is quite weak. There are three main reasons for this low performance in complying with EA regulations. The first one is the very recent enactment of these regulations (1997), and the late adoption of the implementation decree of these regulations (June 2001). The second reason is the lack of clarity in the responsibilities of the institutions responsible for
ensuring compliance with these regulations. Finally, the lack of technical capacity and awareness both within the government and in the non-government sector for applying EA to development operations constitutes a great obstacle to getting higher level of compliance with the enacted regulations. Based on this assessment, an agreement was reached to make capacity building in environmental assessment the key aspect of the measures proposed to deal with these environmental issues in PRSCs.

33. PRSC-2 provided the opportunity for beginning to tackle these constraints. An agreement was reached during the appraisal of PRSC-2 that the following measures will implemented in order to create the conditions necessary for ensuring compliance with both the World Bank environmental and social safeguard policies and the Government’s own EA regulations:

(i) Preparing a three-year capacity building plan for EA;
(ii) Establish small EA cells, at minimum in the ministries covered by PRSC-2 (i.e., Education, Health, and Agriculture and Livestock). These units will help screen sectoral investments for the integration of environmental and social safeguards when necessary with technical and regulatory oversight from DGPE and CONAGESE). Environmental management plans (EMPs) will be financed by the investing sector/ministry, but the latter may benefit from technical support from other ministries, or specialized public or non public institutions;
(iii) Clarify the mandates and responsibilities of CONAGESE and DGPE in those areas pertaining to EA compliance and enforcement (will be done through the up-coming first national conference of CONAGESE);
(iv) Hold a workshop to share and disseminate the content of national EA procedures and World Bank environmental and social safeguards in order to make it easier for the ministries involved (and other ministries involved in future PRSCs) to comply with these procedures and safeguards; and
(v) Prepare technical guidelines for sector- or activity-specific EAs.

34. Some of these measures were to be implemented before of effectiveness of PRSC-2, others during the implementation of the credit and the preparation and implementation of PRSC-3, still others, such as capacity building required long-term on-the-job, and formal training. In addition to the above measures, it was agreed that in the short-term the main burden of complying with environmental and social safeguards (as required by Bank Policies) will fall on on-going IDA operations.

Implementation of Agreed Measures

35. During the course of 2002, the Government implemented most of the measures agreed at the time of PRSC-2 appraisal:

1. The Government has developed a comprehensive EA capacity development plan;
2. Focal points for EA have created in key line ministries;
iii. A workshop was held with the sectoral focal points, NGOs, and a few consulting firms to workshop to share and disseminate the content of World Bank environmental and social safeguard policies in order to make it easier for the ministries involved (and other ministries involved in future PRSCs) to comply with these policies;

iv. The responsibilities of the former CONAGESE (now CONED) and the Directorate of Environment in assuring compliance with EA requirements were clarified in a national workshop.

36. Under the new institutional arrangements, the ‘Direction Générale de l'Environnement--DGE’ holds primary responsibility for enforcing EA requirement, and CONED (national council for sustainable development- -former CONAGESE) is to ensure that environmental concerns are fully integrated into development planning and policy making. It is worth mentioning that during 2002, the Ministry of Environment adopted a new organizational and functional chart that made it necessary to update the distribution of responsibilities in the implementation of the EA capacity development plan. Overall, by preparing a capacity building plan, establishing EA focal points in line ministries, and clarifying the responsibility between government agencies responsible for ensuring compliance with EA regulations, the Government has created important enabling conditions for ensuring the enforcement and compliance with its own EA requirements, and Bank safeguards.

37. However, these one-shot measures need to be complemented and supported by sufficient investment in creating the technical skills needed to improve the enforcement of EA requirements in the implementation of the public investment program, in particular in the sectors covered by PRSC-3. In fact, compliance with EA requirements remains weak in both the private and the public sector despite the above-mentioned achievements. Lack of awareness among public and private operators, and low technical capacity of the agencies responsible for enforcing EA requirements remain strong binding constraints to achieving effective enforcement of, and compliance with EA requirements.

**Arrangements for Borrower to Address Safeguard Issues**

38. Removing the constraints to ensuring effective compliance with Bank safeguards policies and Burkina’s EA requirements will require a long-term commitment to capacity building. In fact, Based on the review of environmental policies and practices of the country (PRSC-1), an agreement has been reached between the Bank and the Borrower on the fact that long-term national capacity building (national agencies, consulting firms, NGOs, civil society, etc.) in EA is the best avenue for assuring effective compliance with Bank safeguards in PRSCs. This approach that aims at filling the Borrower’s capacity gap is consistent with the Operational Memorandum on the Interim Guidelines for PRSCs (Attachments 1 & 2). The arrangements proposed for the Borrower to address safeguards issues build on PRSC-2. In particular, these arrangements evolve around two sets of activities and aim at enhancing due diligence while allowing for the development of local capacity to reach where national agencies can provide effective oversight and assure adequate enforcement of EA requirements. The first set consists of follow-up measures to
those adopted and implemented under PRSC-2 and the preparation of PRSC-3, while the second set focuses on enhanced supervision of on-going Bank operations in the country, in order to ensure full compliance with the environmental and social safeguards management plans agreed to at the appraisal of these operations.

39. **Follow-up activities to PRSC-2:** As mentioned above, there is a need for the Government to expand its efforts in the creations of the enabling conditions for the enforcement of EA requirements. PRSC-3 will continue and expand the implementation of the capacity building activities initiated under PRSC-2. More precisely, the arrangements aiming at assuring appropriate treatment of environmental issues in the proposed PRSC-3 build on the PRSC-2 measures and will evolve around three elements.

40. **The first element** is capacity building in EA. The activities of the 3-year EA capacity building plan developed by the Borrower include training (Government staff, consulting firms, and NGOs), awareness-raising (education and information campaigns), and enforcement (environmental auditing, and technical assistance in the implementation of environmental management plans of investment operations). The cost of this plan is about US$ 2 million. The plan was prepared with the idea to mobilize donor co-funding to support its implementation. Apart from some limited funding provided by a bilateral donor (now exhausted), resources have not been forthcoming. Thus, little capacity building activities has taken place since PRSC-2 due to lack of appropriate funding. An interim solution proposed under PRSC-3 is to identify priority capacity building activities that could be funded under the 2004 government budget. In the meantime, the dialogue with the Borrower will examine other means to assuring reliable funding sources that will allow a sustained and effective implementation of the updated capacity-building plan.

41. **The second element** focuses on the mainstreaming of environment into sectoral ministries, through development of capacity and awareness raising. Under PRSC-2 this objective was pursued through creation of EA focal points in line ministries. In fact, these focal points consist of one individual per ministry. Given the high risk of having the focal point moved to a different location/function, it was felt that this risk of disappearance of the focal point would be mitigated by expanding it to include more than one individual. During the November 2002 workshop on Bank safeguards, the participants made the request to replace the notion of sectoral EA focal point by sectoral EA cells which will include 2-3 members. These cells will help to ensure compliance with EA requirements in sectoral investments when necessary and several of these cells have already been created. In particular, they serve as environmental screening starting points for public investments in their respective ministries, before the Ministry of Environment can provide more elaborate recommendations, and follow-up.

42. **The third element** of EA capacity strengthening under the proposed credit is the development of sectoral guidelines in order to help the Ministry of Environment, the sectoral focal cells, and the non-government actors (NGOs and consulting firms assisting in conducting EA) in the screening, reviewing, and enforcement of EA requirements.
To sum up, the measures to be taken under PRSC-3 to ensure compliance with Bank environmental and social safeguards include:

- Financing of priority EA capacity development under the government’s budget;
- Developing sectoral EA guidelines for the preparation, and review of EA studies; and
- Changing the sectoral EA focal points to sectoral EA cells with more 2-3 members.

43. **Enhanced supervision of environmental management plans (EMPs):** In order to ensure due diligence and compliance with Bank safeguards under PRSC-3, when EA capacity development activities are underway, it will be necessary to pay increased attention to the implementation of the EMPs on-going sectoral operations supported by IDA. In fact, the task of ensuring compliance with environmental and social safeguards during PRSC-3 will primarily be incumbent upon the ongoing operations in those sectors covered by the credit, that is, Rural Development, Education and Health. Because environmental and social mitigation measures constitute a key element of any EMP, these operations will comply *de facto* with Bank safeguards policies when they implement their respective EMPs. Making sure that the EMPs are adequately funded and implemented is therefore a prerequisite for assuring compliance with Bank safeguards policies under PRSC-3. The specific environmental issues requiring attention in each sector involved in PRSC-3 are described above.

44. The sectoral investment operations involved include the Community-Based Rural Development Project, the Basic Education Sector Project, and the HIV/AIDS Disaster Response Project. Given the sequential nature of PRSCs, and the importance of completing prior actions, this follow-up of EMPs and other issues will also apply the environmental aspects associated with PRSC-4. As a result the PRSC-4 prior actions in the area of utility and telecommunication privatization, and the preparation of an action plan for the achievement of MDGs in the rural and urban water sector, the Competitiveness and Enterprise Development Project, and the Urban Environment Project will also be covered the enhanced supervision efforts.

45. **Monitoring and Supervision.** A monitoring and technical assistance plan will be developed in collaboration with the Ministry of Environment. This plan will allow the Ministry of Environment to help the project implementation units of the sectoral investment projects in the implementation, monitoring, and supervision of their respective EMPs. IDA will ensure the supervision of the arrangements and safeguards measures included in this environment annex, and will produce an implementation report summarizing the results of the PRSC-3 EA measures. This report will provide the basis for developing the EA annex for PRSC-4.