INTEGRATED SAFEGUARDS DATA SHEET
CONCEPT STAGE

Report No.: ISDSC13127

Date ISDS Prepared/Updated: 06-Jun-2015

I. BASIC INFORMATION
A. Basic Project Data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Burkina Faso</th>
<th>Project ID:</th>
<th>P146571</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Burkina Faso Sahel Growth Pole (P146571)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task Team Leader(s):</td>
<td>Jeremy Robert Strauss, Aguiratou Savadogo-Tinto, Alassane Agalassou</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Appraisal Date:</td>
<td>05-Aug-2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated Board Date:</td>
<td>29-Oct-2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing Unit:</td>
<td>GTCDR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lending Instrument:</td>
<td>Investment Project Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector(s):</td>
<td>General industry and trade sector (30%), Agro-industry, marketing, and trade (25%), Other Mining and Extractive Industries (25%), Sub-national government administration (20%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theme(s):</td>
<td>Infrastructure services for private sector development (50%), Micro, Small and Medium Enterprise support (40%), Decentralization (10 %)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financing (In USD Million)

| Total Project Cost: | 113.19 |
| Total Bank Financing: | 113.19 |
| Financing Gap: | 0.00 |

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>113.19</td>
</tr>
<tr>
<td>Total</td>
<td>113.19</td>
</tr>
</tbody>
</table>

Environmental Category: A - Full Assessment

Is this a Repeater project? No

B. Project Objectives
Help create conditions for businesses to grow and create jobs in the growth pole zone.

C. Project Description
The Burkina Faso Sahel Growth Pole Project is a regional development project that will focus its
investments in and around the city of Dori to create a dynamic of sustainable, private sector-led growth in the country's Sahel region. The project consists of the following components, subcomponents and activities:

Component I: Investment Climate and Value Chain Development

Subcomponent I.1 Investment Climate Reforms
Under this subcomponent, the Project will support the Government to implement key, specific investment climate reforms in Dori in order to create an enabling environment more likely to attract and maintain investment and develop businesses. More specifically, the Project will aim to: i) simplify and streamline tax administration procedures and practices in Dori, including the possibility of tax and duty exemptions for the local private sector; ii) simplify starting a business and obtaining licenses; iii) facilitating access to land and agricultural inputs for SMEs; iv) improving transparency, governance, and access to strategic information for SMEs in the project area, and v) introducing a movable assets registry to increase collateral for borrowing.

Subcomponent I.2: Access to Finance
The Project will screen and assess several non-bank financial institutions (NBFI). At least one such NBFI will be supported to extend its services in the region. The Project will provide the technical assistance and operational expenses required to open facilities, expand their client outreach and provide partial credit guarantees and/or other financial services to SMEs in Dori and the surrounding area.

In addition, the Project will fund a range of technical assistance to banks such as enterprise officers to work with banks and SME clients to help develop business plans, and help the banks supervise these clients’ performance to signal and remedy impending repayment difficulties. The Project will also co-fund with banks market analysis, strategic plans of banks and other consulting services to develop SME credit products, outreach campaigns and help them expand lending activities in Dori and the surrounding area.

Subcomponent I.3: Value Chains: Animal Products and Mining Suppliers
Animal Products Value Chain
The Project will fund technical assistance to two livestock market facilities in Dori and Djibo. Technical assistance will be provided to develop a financing plan and corporate models for the sustainability of the markets. It will also provide assistance to develop a business plan, revenue models, investment plans, and assist with stakeholder consultation. The technical assistance will also explore corporate structures including privatization that may be feasible for these two markets.

The Project will provide technical assistance to develop the feed market which is a critical element of animal value chain competitiveness. The Project will fund feasibility studies for increasing the local feed supply including: 1) estimating the market for unsubsidized feed and the implications of removal of the subsidy for substitution of agricultural residues, fodder crops and extra pasture production, and 2) an assessment of how much additional residues, fodder crops and extra pasture production could be produced with the same funding used to guarantee loans to these ends.

Technical assistance will develop strategies for increasing investment in the provision of feed in the region. Mining Suppliers Value Chain
The Project will finance a range of technical assistance needed to strengthen potential suppliers and create economic linkages with the mines. Under this subcomponent, technical assistance will fund the development and implementation of business improvement plans. Technical assistance will be
delivered through enterprise officers and a range of business support service providers like consultants, local training centers and schools, and other public and private organizations. The Project will fund outreach, screening, identification and evaluation of potential suppliers. It will fund technical assistance to perform business diagnostics of these beneficiaries and to sign memorandums of understanding (MoUs) outlining the responsibilities of parties with respect to these business improvement plans.

Subcomponent I.4: Matching Grants
The Sahel Growth Pole Project will implement a matching grant system as a tool to achieve results across 4 windows: 1) Animal Products Value Chain, 2) Mining Suppliers Value Chain, 3) Public Training and Research Institutions, and 4) Business Support Services Providers. Each window will serve a different classification of beneficiary, yet will have similar processes for managing selection, implementation, governance and monitoring of the grants. The Matching Grant Manual will be prepared to detail the procedures of the matching grants as part of the Project Implementation Manual. Matching grants will be made on the basis of expressions of interest. Calls for expression of interest will be launched by the PCU. Interested parties will apply, and those meeting the required eligibility criteria will obtain a matching grant. Matching grants may also be conferred to winners of business plan competitions to fund part of the winning plans.

Component II: Improving the Infrastructure Platform in the Sahel Region
The objective of this component is to build and improve infrastructure in the Project area. The selection of infrastructure projects is informed by pre-existing master plans for the municipality, region, technical ministries and other organizations. These include the Ministry of Animal Resources, the Ministry of Mines and Energy, the national power company (SONABEL), the Ministry of Agriculture and Food Security and the Municipality of Dori.

Subcomponent II.1: Reliable access to electricity
A synopsis of Burkina Faso’s power sector can be found in Annex 11. Lack of reliable power is a major obstacle to economic development in Dori and the surrounding area. The region possesses 1.8MW of installed capacity, leaving 1/3 of the city unserved. Furthermore, the transmission and distribution networks require upgrading, extension and rehabilitation. Power is also key to ensuring adequate water supply for the Dori and the surrounding area as water requires power to be treated and pumped to users. SONABEL has been working with the Bank over the years to improve its performance notably under the current Electricity Sector Support Project and Competitiveness and Enterprise Development Project (CEDP). It has planned investments to address these problems. Four specific activities and investments will be funded by the Project: (i) rehabilitation and extension of the distribution network in the town of Dori and extension of the distribution network in Gorom-Gorom; (ii) additional thermal and solar generation capacity; (iii) construction of a 90 kV transmission line from Kossodo-to Kaya via Zinare and two 90/33kV substations to increase electricity transit capacity and improve the quality of energy supply to Dori across the Kaya-Dori 33 kV line, (iv) and technical assistance for the promotion of rural energy enterprises for off-grid areas.

Sub-Component II.2: Common user infrastructure to develop value chains
The Project will rehabilitate, upgrade or construct common-user facilities and infrastructure specific to the value chains. This infrastructure will include the critical market structures in Djibo and Dori, animal holding areas, transport areas, workshops, offices, cold storage, warehousing, etc. The Project will finance (i) the upgrading of existing slaughterhouses (including adding solar panels to the Dori facility) to increase their production capacity and efficiency; (ii) the acquisition and installation of solid waste management systems (incinerators, composting machinery); and (iii) other market
Infrastructure in Dori and Djibo. The slaughterhouses, markets and other assets may be privately run by either privately-owned companies under a management contract with the government, an association or cooperative. It is expected that the public investment will be sustainable and maintained through increased fees’ collection for the use of the modernized facilities or fees collected by the butchers’ federation. The Project will fund technical assistance to examine these options and make recommendations.

Infrastructure rehabilitated, upgraded or constructed by the Project may be located in an enclosed industrial park or estate. The decision to locate infrastructure in an industrial park or estate will be examined in studies funded by the project. These studies will consider options for the size, location and complexity of such parks or estates.

Sub-Component II.3: Transport infrastructure and Services
The Project will rehabilitate and improve pre-existing transport infrastructure, and provide technical assistance to improve the offering of transport services in the Project area. The master plan for Dori funded by the World Bank in 2012 identified transport projects needed in the city. Some of these are consistent with directly enhancing private sector-led growth, and will be funded by the Project. These include: 1) upgrading and improving the layout of the Dori bus station and surrounding thoroughfares for commerce, 2) adding safety elements and ensuring year-around access between the center and peripheral area of the city, 3) upgrading and improving the parking area at the main commercial area and market of the city, 4) upgrading traffic flows around the Mare de Dori, and rehabilitating rural roads that connect Dori to surrounding production areas (190km).

Component III: Establishment of the SahelPôle: Project Coordination, Area Promotion and Community Engagement
The Sahel Growth Pole requires an appropriate institutional framework, including best-practice regulatory, operational, and management systems to raise additional financing, attract investment and transform the City of Dori and its surrounding area. The Project will provide technical assistance and assets for developing an autonomous institutional authority based on the Bagré Growth Pole model. The Project will fund the procurement, monitoring and evaluation, environmental and social impact management, and financial management staffing and operational expenses of the MEBF for this Project up until the time SahelPôle is ready to take over these responsibilities. The Project will fund these expenses for SahelPôle thereafter. The facilities, buildings, assets and other operational costs for the core functions will be funded. The SahelPôle will be resident in Dori with a physical presence in Ouagadougou.

The Project will fund one or more studies to develop a Sahel Growth Pole Master Plan that integrates previous planning studies and strategizes future investments. Spatial designs and strategies will also be created through studies. It will also fund regular conferences and workshops with technical ministries, regional and municipal authorities, the mines and other stakeholders for planning and activity development. The Project will then fund a range of professional services such as legal, engineering, design and construction supervision to facilitate the realization of public and private investments.

Attracting investors to the Dori and the surrounding area is key to developing the region. Additional mines opening up in the region may mean additional investment infrastructure as in the case of the opening of the Tambao mine, more jobs and more CSR activities that can be integrated into the Dori-area master plan. It is also important to keep investors coming into the region as mines close. The master plan of Dori (performed in 2012) indicated sectors of interest for potential investors. The Project will fund action plans to deepen this analysis to develop activities to attract investors in these
sectors (agribusiness, mining, tourism).

The Project will provide technical assistance to perform a robust mapping of stakeholders exercise under this sub-component as well as an inventory of CSOs who can play constructive roles by helping achieve Project objectives in Dori and the surrounding area. Working closely with CSOs is strategic to create a growth-pole ecosystem that is sustainable, mitigates conflict and facilitates community-driven development. The Project will fund development and strengthening of these organizations through grants and other technical assistance so that they can better fulfill their missions. These missions may involve governance, transparency in mining contracts and procurement, education, planning and public investment, environmental and social protection, or provision of health services. In this way, these organizations will turn Project risks into positive impacts.

The Project will perform: (i) a study to design the optimal institutional structure, including staffing and planning, operating procedures and internal governance structure; (ii) an inventory of government assets in the growth-pole area and development of a strategy for determining which assets and defining which functions and public services are best conferred to the growth-pole administrative authority; (iii) preparation of a legislative framework that will be applicable to public-private partnership agreements to be used by the growth-pole administrative authority; (iv) establishment and operationalization of a project-management team for SahelPôle; (v) technical assistance to strengthen planning capacity within of the growth-pole administrative authority; (vi) development of a measurement and evaluation system to measure the impact of the investments in the Project Area and Project performance; and (vii) a robust communications and consultation strategy for Dori and the surrounding area operations.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is designed to be implemented in the Sahel region where Dori is the regional center. Dori will be the center of activities. Investments funded by the project will be mostly realized in Dori, but some may occur in other cities in the region.

Project activities are primarily planned for the commune of Dori which consists of a small city and its surroundings. The project intends to make investments in infrastructure to improve competitiveness of businesses in the growth pole zone. These infrastructure investments may include roads, power lines, water infrastructure, economic zones, cattle holding areas, markets, warehouses, production and processing entities and other economic infrastructure. Individuals may be affected by these investments. They may impact the availability of agricultural land, water resources and other resources tied to livelihoods. Construction and operation of these infrastructure elements will have diverse environmental impacts. There is the potential for creation of water and air pollution, and the generation of solid wastes. There may be social safeguards triggered with respect to sighting infrastructure as this may impact livelihoods or trigger cultural or other safeguard measures. These impacts will require mitigation. Increasing the scale of the animal products value chain is central to the operation. This may have social and environmental impacts that must be studied to determine their severity and mitigation requirements.

E. Borrowers Institutional Capacity for Safeguard Policies

In light of the borrower’s efforts to improve its capacity in this area and with regard to the number of Bank-funded projects past and present one would say that the borrower’s institutional capacity for safeguard policies is acceptable. In addition, the country is currently implementing its first growth
Regarding environmental and social aspects, the country has prepared or is implementing most of the Bank’s safeguard instruments like ESMF, RPF, IPMP, ESIA, RAP, etc. per Bank policies. The country has a robust legal and regulatory framework resulting from its interest in making environmental management one of the key pillars of its Strategy for Accelerated Growth and Sustained Development for 2011–15 (Stratégie pour la Croissance Accélérée et le Développement Durable- SCADD). Furthermore, there is a national agency (Bureau National des Evaluations Environnementales-BUNEE) in charge of environmental studies and the monitoring and control of project implementation at the national level. Nevertheless, PCU capacity building efforts to support project implementation will be done by implementing recommendations contained in the safeguards instruments prepared for the project. The project will also receive guidance from the Bank’s environmental and social specialists in the Project team.

F. Environmental and Social Safeguards Specialists on the Team

Abdoulaye Gadiere (GENDR)
Lucienne M. M'Baipor (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
</table>
| Environmental Assessment OP/BP 4.01 | Yes | The project intends to fund small- to medium-sized water, power and others economic infrastructures. More specifically, it would develop under Subcomponent 1.2, the improving sanitary and feeds conditions. In addition, the Sahelian Growth Pole Project aims to improve markets for animals, slaughterhouse operations and to transform and/or integrate into closely-related sectors (milk, eggs, skins, horn). It also envisions to improve logistics to support export of livestock products, and to structure management of the dairy and slaughterhouse in Dori to be market-oriented.

Under components 2-1 There are activities that will be realized to improve the road network that link Dori with the region, infrastructure elements such as regional markets, watering facilities, collection areas/facilities, warehouses, animal health facilities, slaughterhouses and small processing plants and infrastructure projects essential for creating a growth pole.

Concerning Subcomponent 2.2, The project will facilitate the extension of regional power lines to Dori and installing associated hardware like transformers to increase energy access, put in place sustainable energy generation technologies like biogas and solar power. By the nature, their functions and depending on areas that all these investments |
will be realized, it is expected to have an environmental and social adverse impact that must be taken into account throughout the preparation, the implementation and the follow up of environmental instruments. However, as the exact locations of the future investments are not yet known, an Environmental and Social Management Framework (ESMF) will be developed, More specifically to ensure adequate management of waste derived from Dori’s slaughterhouse and dairy, a separate Environmental and Social Audit including a Waste Management Plan (WMP) will also be prepared.

Both documents will be reviewed, consulted upon and disclosed both in-country and at Infoshop prior to appraisal.

<table>
<thead>
<tr>
<th>Natural Habitats OP/BP 4.04</th>
<th>No</th>
<th>The project does not involve or affect natural habitats.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The project does not involve or affect forests or forestry.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>Yes</td>
<td>The project intends to encourage dry season agriculture in order to provide various vegetables to mines for their consumption. Even if the project does not purchase directly chemical fertilizers or others pesticides, the objective to product more to increase revenues will involve the purchase and the use of these products by farmers. Taking into account this fact, the policy is triggered and an Integrated Pest Management Plan (IPMP) will be developed, reviewed, consulted upon and disclosed in Burkina Faso and at the Infoshop at least four (04) months by the presentation of the project to the board.</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>Yes</td>
<td>Activities related to the constructions of roads and others infrastructures may lead to the discoveries of physical cultural resources as African countries are recognized as being rich culturally. In order to anticipate and to be sure that all the precautions have been taken to protect and safeguard this heritage, addressing these concerns will either be included in a Physical Cultural Resources Management Framework, or embedded in the ESMF, which includes how to handle chance finds or cultural assets within the project area.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
<td>There are no Indigenous Peoples in the project area.</td>
</tr>
</tbody>
</table>
Involuntary Resettlement OP/BP 4.12

Yes

The construction or rehabilitation of a various infrastructures such as roads, power lines, water infrastructure, economic zones, cattle holding areas, markets, warehouses, production and processing entities and other economic infrastructure may entail peoples’ displacement or land acquisition. These potential social adverse impacts to be managed efficiently must have been taken into consideration through the preparation of a Resettlement Policy Framework Policy (RPF). This document once prepared, will be reviewed, consulted upon and disclosed in-country prior to project appraisal.

Safety of Dams OP/BP 4.37

TBD

The project may involve the construction of small dams that may have dam safety issues. This will be confirmed before appraisal.

Projects on International Waterways OP/BP 7.50

No

The project does not involve international waterways.

Projects in Disputed Areas OP/BP 7.60

No

N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 01-Jun-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed.

The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS:

The required environmental and social safeguard documents are the Environmental and Social Management Framework (ESMF), including, possibly a Physical Cultural Resources Management Framework, the Environmental and Social Audit including a Waste Management Plan (WMP), the Integrated Pest Management Plan (IPMP), and the Resettlement Policy Framework (RPF). These instruments need to be prepared, reviewed, consulted upon and disclosed within the country by the Government of Burkina Faso, and at the World Bank’s Infoshop prior to project appraisal.

IV. APPROVALS

<table>
<thead>
<tr>
<th>Task Team Leader(s):</th>
<th>Name: Jeremy Robert Strauss, Aguiratou Savadogo-Tinto, Alassane Agalassou</th>
</tr>
</thead>
</table>

Approved By:

<table>
<thead>
<tr>
<th>Safeguards Advisor:</th>
<th>Name: Alexandra C. Bezeredi (SA)</th>
<th>Date: 06-Jun-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Practice Manager/ Manager:</td>
<td>Name: John F. Speakman (PMGR)</td>
<td>Date: 22-Jun-2015</td>
</tr>
</tbody>
</table>

\(^1\) Reminder: The Bank’s Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.