

Language : English
 Original : French



**AFRICAN DEVELOPMENT BANK
 GROUP**

**GAZETTED FORESTS PARTICIPATORY MANAGEMENT PROJECT
 FOR REDD+ (PGFC/REDD+)**

COUNTRY: BURKINA FASO

PROJECT APPRAISAL REPORT

July 2013

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TABLE OF CONTENTS

Page

Equivalents, Fiscal Year, Weights and Measures, Acronyms and Abbreviations, Project Information Sheet, Executive Summary, Project Matrix, Implementation Schedule.....i-vii

I. STRATEGIC THRUST AND RATIONALE 1

- 1.1 PROJECT LINKAGES WITH COUNTRY STRATEGY AND OBJECTIVES..... 1
- 1.2 RATIONALE FOR BANK'S INVOLVEMENT 1
- 1.3 Donor COORDINATION..... 2

II. PROJECT DESCRIPTION 2

- 2.1 PROJECT COMPONENTS 3
- 2.2 TECHNICAL SOLUTIONS AND ALTERNATIVES EXPLORED 4
- 2.3 PROJECT TYPE 5
- 2.4 PROJECT COST AND FINANCING ARRANGEMENTS..... 5
- 2.5 PROJECT AREA AND BENEFICIARIES 6
- 2.6 PARTICIPATORY APPROACH FOR PROJECT IDENTIFICATION, DESIGN AND IMPLEMENTATION..... 7
- 2.7 BANK GROUP EXPERIENCE AND LESSONS REFLECTED IN PROJECT DESIGN 7
- 2.8 KEY PERFORMANCE INDICATORS 8

III. PROJECT FEASIBILITY 8

- 3.1 ECONOMIC AND FINANCIAL PERFORMANCE 8
- 3.2 ENVIRONMENTAL AND SOCIAL IMPACT 9

IV. PROJECT IMPLEMENTATION 11

- 4.1 IMPLEMENTATION ARRANGEMENTS 11
- 4.2 MONITORING 13
- 4.3 GOVERNANCE 14
- 4.4 SUSTAINABILITY 14
- 4.5 RISK MANAGEMENT 15
- 4.6 KNOWLEDGE BUILDING 15

V. LEGAL FRAMEWORK 17

- 5.1 LÉGAL INSTRUMENT..... 17
- 5.2 CONDITIONS ASSOCIATED WITH BANK'S INVOLVEMENT..... 17
- 5.3 COMPLIANCE WITH BANK POLICIES AND FIP CRITERIA..... 17

VI. RECOMMENDATION 17

- APPENDIX I: Burkina Faso's Comparative Socio-Economic Indicators
- APPENDIX II: On-going Bank Group Operations in Burkina Faso
- APPENDIX III: Map of Project Area

Volume 2 (Technical Annexes)

- Annex A SECTOR OVERVIEW AND DONORS' SUPPORT
- Annex B SUPPORT FOR KEY REPORT ARGUMENTS
- Annex C OPERATIONAL ANNEXES

Currency Equivalents

(July 2013)

UA 1 = USD 1.50396 = CFAF 754.23248 = EUR 1.14982

USD 1 = CFAF 501.4977

EUR 1 = CFAF 655.957

Fiscal Year

1 January – 31 December

Weights and Measures

1 metric ton	=	2 204 pounds
1 kilogramme (kg)	=	2.20 pounds
1 metre (m)	=	3.28 feet
1 millimetre (mm)	=	0.03937 inch
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms and Abbreviations

ADF:	African Development Fund
BDOT:	Land Use Database
BOAD:	West African Development Bank
CIF:	Climate Investment Fund
CSP:	Country Strategy Paper
DGFF:	General Directorate of Forestry and Wildlife
DMP:	Development and Management Plan
ERR:	Economic Rate of Return
ESMP:	Environmental and Social Management Plan
FIP:	Forest Investment Programme
FSSP:	Forestry Sector Support Programme
GHG:	Greenhouse Gas
IFAD:	International Fund for Agricultural Development
IP:	Investment Plan
MEDD:	Ministry of the Environment and Sustainable Development
MRV:	Measurement, Reporting and Verification
NPV:	Net Present Value
PCU:	Project Coordination Unit
PNSR:	National Rural Sector Programme
PRSP:	Poverty Reduction Strategy Paper
PSC:	Project Steering Committee
RBCSP:	Results-based Country Strategy Paper
REDD+:	Reducing Greenhouse Gas Emissions from Deforestation and Forest Degradation, Maintenance and Enhancement of Carbon Stocks
R-PP:	REDD+ Preparation Plan
RTMC:	Regional Technical Monitoring Committee
SCADD:	Accelerated Growth and Sustainable Development Strategy
TFP:	Technical and Financial Partner
UA:	Unit of Account
UNDP:	United Nations Development Programme
UNFCCC:	United Nations Framework Convention on Climate Change

Project Information Sheet

Client Information Sheet

BORROWER : Burkina Faso

EXECUTING AGENCY: Ministry of the Environment and Sustainable Development (MEDD)

Financing Plan

Source of Financing	Amount <i>(in USD million)</i>	Instrument
FIP	11.50	Grant
Government	1.20	
TOTAL	12.70	

Key Financing Information

Grant Currency	USD
NPV	CFAF 4.918 Billion
ERR	17.5 %

Timeframe – Main Milestones (Expected)

Concept Note Approval:	June 2013
Project Approval:	September 2013
Signature:	November 2013
Effectiveness:	January 2014
Completion:	December 2018
Last Disbursement:	June 2018
Closing Date:	December 2018

EXECUTIVE SUMMARY

1. Project Overview

Burkina Faso has prepared an Investment Plan (IP) with the assistance of the African Development Bank and the World Bank which the FIP Sub-committee approved on 6 November 2012. The investment plan will be implemented through two projects: (i) the Project for the Decentralized Management of Forests and Wooded Areas financed through the World Bank, and (ii) the Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+) financed through the Bank. The sector objective of the PGFC/REDD+ is to contribute to increasing gazetted forest carbon sequestration capacity and reducing poverty in rural areas. The main expected outcomes of the PGFC/REDD+ are (i) the development of the MRV system for REDD+, (ii) the improvement of forest governance for REDD+, (iii) the securitization and management of 284 000 ha of gazetted forests and (iv) the establishment of socio-economic support infrastructure for neighbouring municipal councils. The cost of the project is USD 12.7 million financed by the FIP and the Government. It will be implemented over a five-year period, from 2014 to 2018. The needs of forest exploiters in terms of technical capacity building by the project will be defined in a participatory manner with the communities which will be responsible for implementing reforestation and forest maintenance and development activities. The project will therefore affect directly 5 400 producers, of which 2 700 of them women, and indirectly the entire population of the 31 neighbouring municipal councils, that is 847 929 people, of which close to 52% of them women.

2. Needs Assessment

About 25 % of Burkina Faso's surface area is covered by forest (7 million ha) which is, however, under heavy pressure with a 0.8% average annual deforestation rate, leading to biodiversity loss and degradation of soil productive capacity. The PGFC/REDD+ therefore provides the opportunity for Burkina Faso to achieve the triple win (mitigation, adaptation and poverty reduction).

3. Value Added for the Bank

This project is a continuation and consolidation of the achievement of the Bank operations completed in December in the forest sector 2010: (i) the Sustainable Forest Resources Management Project in the South-West, Centre-East and East Regions (PROGEREF) and (ii) the Burkina Faso component of the Niger River Basin Silting Control Programme (PLCE/BN). These two operations helped to develop proven expertise in the participatory management of forest resources to the satisfaction of the riparian populations.

4. Knowledge Management

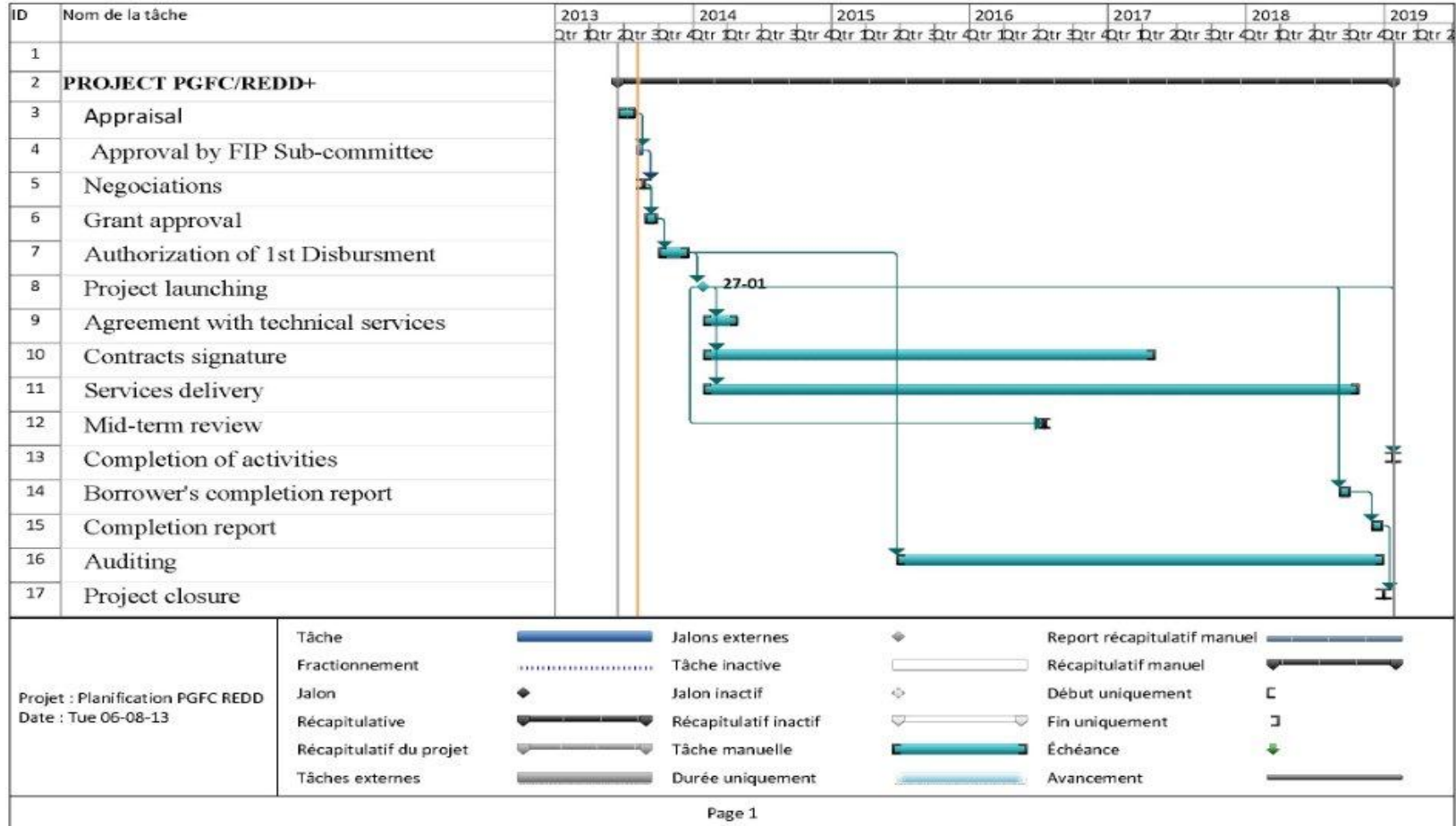
The PGFC/REDD+ will help to test a sustainable dry woodland management model within the framework of the REDD+, based not only on the capacity of these woodlands to stock carbon, but also on their capacity to improve the resilience of the local populations' livelihood within the climate change adaptation context.

RESULTS-BASED LOGICAL FRAMEWORK

COUNTRY AND PROJECT NAME : GAZETTED FORESTS PARTICIPATORY MANAGEMENT PROJECT (PGPFC/REDD+)						
PROJECT GOAL: Reduce deforestation and degradation of gazetted forests while increasing the income of local communities						
RESULTS CHAIN		PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS AND MITIGATIVE MEASURES
		Indicator (including CSI)	Baseline Situation	Target (2018)		
IMPACTS	The net carbon sequestration capacity of the project forests has increased	Additional tons of sequestrated CO2 in the project area	-	4.7 MtCO2	INSD Survey Project Monitoring and Evaluation System Project MRV	
	Poverty is reduced	Poverty index in rural areas	50.7% in 2009	45.6%		
OUTCOMES	Forest governance is improved	Rate of reduction of offences and conflicts in gazetted forests	-	50%	Report of Technical Services	Risks: - Recurrent droughts Mitigative Measures: - Reforestation with CC-resilient species
	Deforestation and net gazetted forests degradation have reduced	Initial measurement of forest carbon certified internationally	-	1	Project MRV	
		Rate of reduction of deforestation and degradation in gazetted forests	-	50% (over 5years)		
		Rate of increase of income per hectare generated from gazetted forests	-	25%		
Riparian populations' income from gazetted forests has increased	Number of persons who generate sustainable income from gazetted forests (men/women)	500	(2700/2700)	Project Survey		
Outputs	1. Reinforcement of Forest Governance	1.1 UNFCCC standards-compliant MRV system available and operational	1.1 : 0	1.1 : 1	Project Progress Reports	Risks : -Gazetted forest use conflicts - Monopolization of resources by occasional producers Mitigative Measures: - Operationalization of frameworks for consultation of local stakeholders - Identify and revitalize existing FMGs.
		1.2 UNFCCC standards-compliant baseline scenario available	1.2 : 0	1.2 : 1		
		1.3 Number of complementary instruments for REDD+ adopted	1.3 : 0	1.3 :10		
		1.4 Number of REDD+ sustainable forest management tools available	1.4 : 0	1.4 : 5		
	Country institutional and legal capacity built for REDD+	1.5 Number of senior officers (men/women)trained	1.5 : 0	1.5 : 150/50		
		1.6 Nazinon Training Centre rehabilitated	1.6 : 0	1.6 : 1		
		1.7 Number of training awards (men/women)	1.7 : 0	1.7 :6/4		
		1.8 Forest exploitation standards adapted to CC	1.8 : 0	1.8 : 1		
Administrative capacity built						

Outputs	2. Gazetted Forests Participatory Development and Management Forests securitized and developed Operational capacity of stakeholders built Support actions for neighbouring communities 3. Project Coordination and Management Coordination and Monitoring of Project Activities Project Monitoring and Evaluation Procurements Project Auditing	2.1 : Surface area of gazetted forests securitized (ha)	2.1 : 0	2.1 : 284 000	Acceptance Report Control Firm's Report Bank Supervision Mission or Mid-term Review Report Project Implementation Unit's Monitoring Report Project Progress Report
		2.2 Roads/Firewalls constructed (km)	2.2 : 0	2.2 : 2227/3510	
		2.3 Number of anchor infrastructure built	2.3 : 0	2.3 : 95	
		2.4 Surface area (ha) reforested or regenerated	2.4 : 0	2.4 : 6600	
		2.5 Number of producers' organizations structured and equipped (men/women)	2.5 : 0	2.5 : (90/90)	
		2.6 Number of producers trained in exploitation and management technique (men/women)	2.6 : 0	2.6 : (3000/1000)	
		2.7 Number of women's multipurpose platforms installed	2.7 : 0	2.7 : 10	
		2.8 Number of improved stoves disseminated	2.8 : 0	2.8 : 2000	
		2.9 Number of beekeeping kits (apiaries)	2.9 : 0	2.9 : 25	
		2.10 Supply of equipment for restoring degraded land to DGFF	2.10 : 0	2.10 : 2	
		2.11 Implementation rate of Environmental and social safeguard measures (ESMP)	2.11 : 0	2.11 : 100%	
Component 1 : Reinforcement of Forest Governance: (i) Reinforcement of Country Legal Framework for REDD+ and (ii) Building of the Capacity of the Administration Component 2 : Gazetted Forests Participatory Development: (i) Securitization and Development of Forests, (ii) Building of Stakeholders' Operational Capacity and (iii) Support Actions Component 3 : Project Management		Costs of Components: Component 1 : USD 2.88 million Component 2 : USD 8.52 million Component 3 : USD 1.30 million TOTAL : USD 12.70 million			Sources of Financing: CIF/FIP : USD 11.50 million Government : USD 1.20 million TOTAL : USD 12.70 million

PROJECT EXECUTION SCHEDULE



BURKINA FASO

GAZETTED FORESTS PARTICIPATORY MANAGEMENT PROJECT FOR REDD+ (PGFC/REDD+)

Management hereby submits this report and recommendation concerning a proposal to award a USD 11.50 million FIP grant to Burkina Faso as a contribution to the financing of the Gazetted Forests Participatory Management Project for REDD+ to promote sustainable forest co-management.

I. STRATEGIC THRUST AND RATIONALE

1.1 Project Linkages with Country Strategy and Objectives

1.1.1 The objective of Burkina Faso's FIP is to contribute to reducing deforestation and forest degradation in order to reinforce forests' carbon sequestration capacity thanks to improved governance, environment-friendly local socio-economic development and sustainable management of forest resources and wooded areas. It will be implemented through two complementary projects, namely the Project for the Decentralized Management of Forests and Wooded Areas (PGDEB) supervised by the World Bank, and the Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+) supervised by the Bank. The PGFC/REDD+ is entirely in line with the first and fourth thrusts of Burkina Faso's SCADD (2011-2015). The activities of the PGFC/REDD+ are also in line with sub-programmes 3.1 and 3.4 of thrust 3 of the National Rural Sector Programme (PNSR) which is the framework for the operationalization of SCADD in the rural sector for the period 2011-2015.

1.1.2 The PGFC/REDD+ plugs into the two strategic pillars included in the 2012-2016 Results-based Country Strategy Paper (RBCSP) which are (i) the development of growth support anchor infrastructure and (ii) the consolidation of governance as well as cross-cutting issues related to the environment such as climate change, job creation for young people and gender. It is in keeping with the Bank's 2013-2022 Ten-Year Strategy and also in line with the Bank's 2010-2014 Agriculture Sector Strategy focused on the improvement of rural infrastructure and the extension of the surface area sustainably developed for improving the resilience of the natural resources base. Lastly, the project ties in with the Bank's strategy for climate change adaptation and management of related risks.

1.2 Rationale for Bank's Involvement

1.2.1 The Government of Burkina Faso has adopted environment, forestry, adaptation and mitigation sectoral strategies, alongside a comprehensive ten-year investment plan (2008-2018). Such context provides an opportunity for the project to initiate a real transformation of forest management geared towards satisfying the needs of the neighbouring populations and generating income through payments for environmental services, notably carbon sequestration. These achievements enabled Burkina Faso to be admitted as one of the eight Forest Investment Programme (FIP) pilot beneficiary countries. FIP seeks to mobilize policies, measures and substantially increasing financing to facilitate the reduction of deforestation and forest degradation and promote sustainable forest management, which should lead to the reduction of greenhouse gas emissions, an increase in forest carbon stocks

and poverty reduction (REDD+). The Burkinabe Government has chosen the Bank as FIP supervisory entity.

1.2.2 Recently completed operations in the rural development sector and particularly the management of natural resources include (i) the Project for the Sustainable Management of Forest Resources in the Centre-East, East and South-West Regions completed in December 2010; (ii) the River Niger Basin Silting Control Programme completed in December 2010; and (iii) the Community Agricultural Fertility Investment Project co-financed by IFAD and BOAD, completed in June 2012. These operations helped to develop proven expertise in sustainable forest management and aroused great expectations among the populations with respect to this development approach. This explains why the Bank has been selected by the Government of Burkina Faso as FIP supervisory entity. On the other hand, the Bank has supported in 2011 and 2012, Burkina Faso for the preparation of its' FIP investment plan and R-PP.

1.3 Donor Coordination

1.3.1 The Ministry of the Environment and Sustainable Development is receiving support from many multilateral and bilateral technical and financial partners (TFPs). In all, 21 projects are being implemented or were recently completed. Most of them concern the management of natural resources and adaptation to climate change. The TFPs are grouped within the Environment Sector Consultation Framework headed by UNDP. They also participate in the Rural Development Consultation Framework currently headed by Germany. The Bank participates in all the sector consultation frameworks existing in the country namely the Budget Support Partners' Group, the Rural Development Consultation Framework, the Infrastructure Development Consultation Framework, the Education Development Consultation Framework, the Water Development Consultation Framework and the Sanitation Development Consultation Framework. It heads the infrastructure and budget support consultation frameworks as well as the chair of the Troika since July 2013. The table below presents a summary of forestry sector donor information.

Sector or Sub-sector		GDP in 2012	Exports in 2012	Labour Force
Forestry Sector		6.58%*	-	80%
Stakeholders : State – Donors (ODA) in CFAF million				
Government : Annual Public Expenditures (average 2011-2012)	Donors** : ODA Disbursements for 2011-2012			
	46 830			
	Budgeted Aid (CFAF million)			
	Multilateral: 20 650		Bilateral: 26 180	
	World Bank	8 567	Austria	953
	FAO	918	Austria	2 274
	GEF	4 831	Luxembourg	15 953
	MM-UNCCD	159	Sweden	7 000
5 470	UNDP	5 565		
	UNEP	600		
Level of Aid Coordination				
Existence of Thematic Working Groups TWGs	Yes			
Existence of a Comprehensive Sectoral Programme	No			
ADB's Role in Aid Coordination	TWG Member			

*= Source : MEDD, Poverty and Environment Initiative, 2010

** = details of each donor's operations are presented in Annex A project Description

2.1. Project Components

Table I-1 : Project Components

	Component Name	Estimated Cost (USD million)	Component Description
1	Reinforcement of Forest Governance	2.88 (22.7%)	<p><u>Reinforcement of the Legal Framework for REDD+</u> : Development of the MRV system and the REDD+ benchmark scenario at the national level and for the PGFC/REDD+, reinforcement of the legal and institutional framework for sustainable forest management under REDD+.</p> <p><u>Building of the Capacity of the Administration</u>: Training of 200 senior officers from the administration and civil society, rehabilitation and operationalization of the Nazinon Training Centre, award of 10 scholarships for REDD+ specialization studies, revision of forest exploitation standards with respect to climate change and building of the intervention capacity of 4 regional directorates.</p>
2	Participatory Development and Management of Gazetted Forests	8.52 (67.1%)	<p><u>Forest Securitization and Development</u>: Demarcation, boundary marking and development of 12 gazetted forests totaling 284 000 hectares ; establishment and operationalization of 6 forest management committees, construction of anchor infrastructure in 12 forests (2 227 km of road, 3 510 km of firewalls, 54 crossings, 6 living bases and posts rehabilitated or constructed, 3 eco-lodges constructed, 2 fishing landing piers built, 9 wood markets constructed, 5 forage markets constructed, 16 water points developed, demarcation of 356 plots) ; reforestation of 6 671 hectares.</p> <p><u>Building of Stakeholders' Operational Capacity</u>: Structuring and training of 180 producers' groups, provision of 180 groups with forest product exploitation and processing equipment, equipping of the local populations and producers' groups with 8 non-wood forest product storage facilities, 10 multipurpose platforms, 25 beekeeping kits, 2000 improved stoves and 50 bio-digesters, equipping the DGFF with soil restoration and forest maintenance machines and provision of 60 producers' groups with infrastructure and forest maintenance equipment.</p> <p><u>Support Actions for Neighbouring Communities</u> Construction of 5 basic community facilities around the Koulbi forest and implementation of the Environmental and Social Management Plan.</p>
3	Project Coordination and Management	1.30 (10.2%)	<ul style="list-style-type: none"> ▪ Planning of project activities ▪ Coordination and monitoring of activities ▪ Procurement of goods, services and works ▪ Financial management ▪ Project monitoring and evaluation ▪ Project annual auditing and final evaluation

2.2. *Technical Solutions and Alternatives Explored*

2.2.1 Forestry-related economic activities account for more than 6% of rural household income, thereby cushioning the impact of droughts and periods of hardship. Burkina Faso's forest area, estimated at about 7 million ha, is seriously affected by an annual average 0.8% deforestation rate. The major direct factors of deforestation and forest degradation in Burkina Faso are (i) agricultural expansion, (ii) overgrazing, (iii) bush fires, (iv) demand for firewood and charcoal, (v) over-exploitation of non-wood forest products (NWFPs) and (vi) mining. The exclusive State management of gazetted forests adopted up to the end of the 1980s did not help to check the deforestation and forest degradation process and limited the forest enhancement potential for the development of the local populations. The need for increased community participation in forest management has been gradually recognized during the past three decades. Burkina Faso has therefore implemented a participatory management of gazetted forests through Forest Management Groups (FMGs) geared towards the sustainable exploitation of forest resources, mainly wood. The decentralization of natural resources management powers (General Local Community Code and Forestry Code) has opened new avenues for the involvement non-state actors in the management of gazetted forests, notably local communities (municipal councils and regions).

Table I-2 : Alternative Solutions Explored and Reasons for Their Rejection

Alternative	Brief Description	Reason for Rejection
State management	The forestry service alone manages gazetted forests	This management method has shown its limited capacity to check forest degradation
Management through concession to non-state actors for a specified period according to specifications	The State grants forest management powers to non-state actors: local communities, civil society organizations or private operators. This mode is primarily the one used for hunting areas (Wildlife) management just focused on the conservation of natural resources.	The specifications are not observed by the private operator and neighboring communities do not derive any benefits.

2.2.2 The project objective is to contribute to improving the carbon sequestration capacity of gazetted forests and reducing poverty in rural areas. Specifically, the project aims to i) improve forest governance for better utilization of forest resources, ii) reduce deforestation and degradation of gazetted forest, and iii) increase the income of forests' neighboring communities. The PGFC/REDD+ seeks to promote sustainable management of gazetted forests in Burkina Faso through co-management (State, local governments, communities, private operators), as State management has shown its limits. The project will support the participatory management of gazetted forests through the structuring and reinforcement of producers' organizations, on the one hand, and the establishment of consultation frameworks and forest management committees involving the communities, on the other hand. These committees will have responsibility for monitoring and management of potential conflicts related to forest management. The project's activities will contribute to reducing greenhouse gas (GHG) emissions, an environmental service for which Burkina Faso could be paid through a performance-based mechanism. The PGFC/REDD+ is expected to contribute to establishing the REDD+ strategy in Burkina Faso. It will therefore be used to prepare the

country for future environmental service payments based on duly measured GHG reduction efforts.

2.2.3 The achievement of Burkina Faso's FIP objectives is contingent upon the establishment of synergy between the two projects (PGDEB and PGFC). To ensure such synergy, the two projects will operate in a concerted manner in common areas organized around a major forest to be developed. The PGFC/REDD+ is expected to target actions involving State services and Forest Management Groups (FMGs) for the participatory development of forests (gazetted forests for the State or local communities). The PGDEB is expected to target land-use planning actions in the wider sense of the term (landscape approach) for communities adjacent to the forest developed by the PGFC project.

2.3. *Project Type*

The PGFC/REDD+ will be financed by the Trust Fund of the Strategic Climate Fund (SCF) under the Forest Investment Programme (FIP). It is an investment project to mitigate climate change through the reduction of deforestation and forest degradation and to promote sustainable forest co-management which should lead to the reduction of greenhouse gas emissions, increased forest carbon stocks and poverty reduction (REDD+).

2.4. *Project Cost and Financing Arrangements*

2.4.1 The total cost of the PGFC/REDD+, including contingencies and net of taxes and customs duties, is estimated at USD 12.70 million, or about CFAF 6.355 billion. The summary of estimated project cost by component and by expenditure category is presented in the tables below.

2.4.2 The project will be jointly financed by the FIP and the Government. The FIP grant is USD 11.50 million, representing 90.9% of the total project cost net of taxes. The Government will contribute CFAF 579 946 000, equivalent to about USD 1.20 million, representing 9.1% of project cost. The project beneficiaries (Forest Management Groups) will contribute in kind to forest development activities.

Table I-3: Estimated Project Cost by Component

Component	Cost (CFAF '000)			Cost (USD '000)			% Foreign Exchange	% Base Cost
	LC	Foreign Exchange	Total	LC	Foreign Exchange	Total		
Reinforcement of Forest Governance for REDD+	461 875.00	863 625.00	1 325 500.00	920.99	1 722.09	2 643.08	65	23
Participatory Development and Management of Gazetted Forests	1 409 958.08	2 513 631.93	3 923 590.00	2 811.50	5 012.25	7 823.75	64	67
Project Management	346 195.00	249 630.00	595 825.00	690.32	497.77	1 188.09	42	10
Base Cost	2 218 028.08	3 626 886.93	5 844 915.00	4 422.81	7 232.12	11 654.93	62	100
Physical Contingencies	102 031.55	165 512.25	267 543.80	203.45	330.04	533.49	62	5
Price Escalation	118 497.68	124 544.58	243 042.26	236.29	248.35	484.63	51	4
Total Cost	2 438 557.30	3 916 943.75	6 355 501.06	4 862.55	7 810.50	12 673.05	62	109

Table I-4: Project Cost by Expenditure Category

Expenditure Category	Cost (CFAF '000)			Cost (USD '000)			% Foreign Exchange	% Base Cost
	LC	Foreign Exchange	Total	LC	Foreign Exchange	Total		
Works	787 900.20	1 181 850.30	1 969 750.50	1 571.10	2 356.64	3 927.74	60	34
Goods	317 808.63	1 044 625.88	1 362 434.50	633.72	2 083.01	2 716.73	77	23
Services	781 924.25	1 203 480.75	1 985 405.00	1 559.18	2 399.77	3 958.95	61	34
Operation	330 395.00	196 930.00	527 325.00	658.82	392.68	1 051.50	37	9
Total Base Cost	2 218 028.08	3 626 886.93	5 844 915.00	4 422.81	7 232.12	11 654.93	62	100
Physical Contingencies	102 031.55	165 512.25	267 543.80	203.45	330.04	533.49	62	5
Price Escalation	118 497.68	124 544.58	243 042.26	236.29	248.35	484.63	51	4
Total Cost	2 438 557.30	3 916 943.75	6 355 501.06	4 862.55	7 810.50	12 673.05	62	109

Table I-5: Sources of Financing

Sources	Cost (CFAF '000)			Cost (USD '000)			%
	Foreign Exchange	LC	Total	Foreign Exchange	LC	Total	
FIP GRANT	7 349.16	4 167.46	11 516.62	3 685 582.89	2 089 971.84	5 775 554.73	90.9
GVT.	461.34	695.09	1 156.43	231 360.86	348 585.46	579 946.32	9.1
TOTAL	7 810.50	4 862.55	12 673.05	3 916 943.75	2 438 557.30	6 355 501.06	100.0

Table I-6: Use of Resources by Category (USD million)

Categories	FIP Grant	Government
Works	3.77	0.60
Goods	2.61	0.28
Services	4.15	0.17
Operation	0.97	0.15
Total	11.5	1.20

2.5 Project Area and Beneficiaries

2.5.1 The project area covers 6 (six) gazetted forests located in 31 municipal councils belonging to 4 administrative regions: the Boucle du Mouhoun, the Centre-West, the South-West and the East. The gazetted forests selected for development cover a total surface area of 284 655 ha: Tapoa Boopo in the East Region; Tiogo and Nazinon in the Centre-West; Koulbi, the Bontioli Partial Reserve (PR) and the Bontioli Total Reserve (TR) in the South-West; and a string of 6 small forests in the Boucle du Mouhoun: Tissé, Kari, Ouoro, Toroba, Nosébou, and Sorobouli. The project will therefore directly affect 5 400 producers. Indirectly, it will benefit the entire population of the 31 neighbouring municipal councils, representing 847 929 people, 52% of them women. The project's direct beneficiaries are smallholders and vulnerable women who depend on forest products for their livelihood. The PGFC/REDD+ is a climate change adaptation and mitigation project. In fact, it will improve the populations' resilience to climate change through the diversification of income sources. The project will lay emphasis on the development of gazetted forest wood and non-wood products. More women are involved in non-wood product exploitation in Burkina Faso, notably in almond and shea processing, beekeeping, etc. The project will build their capacity through training and the provision of processing equipment.

2.6 Participatory Approach for Project Identification, Design and Implementation

2.6.1 The preparation of Burkina Faso's FIP Investment Plan is the outcome of a consultation process involving all the local stakeholders operating in the forestry sector, namely: various ministries, national offices and directorates, private sector representatives, civil society associations and users of forest resources (including wood, non-wood and wildlife resources), representatives of local communities and representatives of Burkina Faso's key technical and financial partners. The proceedings of the Ouagadougou Workshop held on 14 and 15 February 2011 and the detailed reports of the technical consultations that followed the workshop (on 16 and 17 February 2011) reflect not only the number and variety of institutional actors involved in the Investment Plan preparation process, but also the richness of the discussions. Other workshops were organized in September 2011 and March and May 2012 during the preparation of the R-PP. Specifically concerning the World Bank-implemented PGPFC/REDD+, regional workshops for consultation with stakeholders were organized on the project sites from 6 to 30 May 2013, with the participation of stakeholders living near each of the 6 forests selected. In addition, for the implementation of activities, the project plans to establish a consultation framework for all the stakeholders living around each of the 6 forests, as well as exchange visits between the different consultation frameworks to turn these surrounding communities into the owners of the project with the technical support of the Regional Directorate of the Environment and Sustainable Development.

2.7 Bank Group Experience and Lessons Reflected in Project Design

2.7.1 The Bank's active portfolio as at 30 June 2013 comprised 13 projects, of which 4 multilateral projects, for a total commitment of UA 252.0 million made up solely of resources from the ADF window (100%). The sector distribution of ADB's portfolio reflects the predominance of the infrastructure sector (transport, energy, water and sanitation, 69.6%) followed by the social sector (20.9%) and agricultural sector (9.5%), which is an indication of its strategic alignment with the SCADD. It should be noted that none of the 13 ongoing projects is problematic. Recently completed operations in the natural resource management sub-sector include (i) the Project for the Sustainable Management of Forest Resources in the Centre-East, East and South-East Regions completed in December 2010; (ii) the Niger River Basin Silting Control Programme completed in December 2010; and (iii) the Community Agricultural Fertility Investment Project jointly financed by IFAD and BOAD and completed in June 2012. The completion reports of all these projects have been approved and their implementation deemed satisfactory.

2.7.2 The key lessons learned from the implementation of these projects are: (i) the planned efficient implementation of a forest development plan and the empowerment of projects must necessarily be carried out in the long term (15 years and above); (ii) the involvement of local communities in project implementation is an important action sustainability pillar; and (iii) the adoption of transparent principles through the management tools of economic interest groups promoted good governance within natural resources management entities. The PGPFC/REDD+ sought to consolidate the achievements of previous projects by (i) operating only in gazetted forests which already

have a development plan; (ii) involving local communities in forest management; and (iii) taking into account the need to professionalize groups through management capacity building.

2.8. Key Performance Indicators

2.8.1 The internal monitoring and evaluation of project activities and the indicators defined in the logical framework will be done by the PCU monitoring and evaluation specialist, in close collaboration with all the associated partners and entities, notably the DGFF, the DEES, the DREDD and the FIP focal point. Special emphasis will be laid on the targeting of the most relevant parameters that can be monitored and collected internally, and on the definition of those relating specifically to women. Using the baseline situation, monitoring will cover notably: (i) the rate of reduction of offences and conflicts in gazetted forests; (ii) the rate of deforestation and degradation in gazetted forests; (iii) the increase in income generated per hectare of gazetted forest; (iv) the realization of the initial measure of forest carbon with the MRV; (v) the level of functionality of forest management committees and groups of producers; (vi) the access of women and youth in the project resource rates (vii) the number of senior officers (men/women) from the administration and civil society trained in REDD+ tools; (viii) the surface area of gazetted forests securitized and developed; (ix) the number of producers trained (men/women) in improved forest product exploitation and processing techniques; (x) the rate of construction of anchor exploitation infrastructure and development and marketing of forest products; and (xi) the implementation rate of the ESMP measures. All the indicators chosen for the project will be aligned with the indicators chosen at a wider level within the framework of the FIP and the PNSR. The various supervision missions and the periodic progress reports will state the level of achievement of each of the indicators.

III PROJECT FEASIBILITY

3.1. Economic and Financial Performance

3.1.1 The additional value added induced by the project is CFAF 4.918 billion in a peak year resulting from additional income generated by beneficiaries. The Project's economic rate of return (ERR) is CFAF 17,5%. Economic analysis was conducted based on the project's economic costs and benefits over a 25-year lifespan, from 2014 to 2038. The economic benefits used are the project's costs net of taxes, including physical contingencies and price escalation. The annual costs used, which take into account infrastructure maintenance costs, are opportunity costs or income loss incurred in part by firewood exploiters owing to shortfalls attributable to the rate of reduction of wood harvest from 50% to 30% annually, that is from 14 steres per ha per year to 8.4 steres per ha per year; opportunity costs or income loss incurred in part by farmers owing to shortfalls recorded as a result of the development by the projects of areas hitherto under cultivation; and, lastly, recurrent costs at the time of project implementation estimated at 10% of the total project investment cost. The sensitivity of the project's economic performances was analyzed with respect to: (i) the 5% increase in project investment cost, thereby taking into account a possible delay in project effectiveness; (ii) the 10% increase in recurrent costs; (iii) the 10% reduction in all the project's economic benefits, and (iv) the simultaneous action of two factors, namely the 10% increase in recurrent costs and the 10% reduction in economic benefits. In any case, the analysis shows that the project is economically viable, with variations in economic rate of return ranging from 0.55 to

2.50 points; however, there is a need to ensure that the project is implemented within the set timeframe and starting from the prescribed date. Details of the economic and financial analysis are presented in the technical annex.

Assumptions	5% Increase in Project Cost	10% Increase in Recurrent Costs	10% Reduction in Economic Benefits	10% Increase in Recurrent Costs and 10% Reduction in Economic Benefits
ERR	16.8%	17.0%	15.6%	15.0%
NPV (CFAF Billion)	4.605	4.176	3.500	3.100

3.1.2 Besides increasing forest carbon stocks and their value to the global climate, the economic analysis does not take into account the many others environmental services associated with forest, the project will strengthen. These include conservation of biodiversity, soil conservation and prevention of erosion, watershed conservation, crop pollination, preservation of local cultures, etc. Although difficult to quantify in Burkina Faso in the current state of knowledge, the value of these services is important reflecting the multifunctional dry forests role of the country's economic, social, environmental and cultural as well as their important role in the adaptation climate change and the poverty reducing.

3.2. Environmental and Social Impact

3.2.1 Environment: the PGFC/REDD+ is classified under Environmental Category 2 according to the Bank's environmental procedure (ESAP, 2001). In accordance with the Bank's guidelines and policies and Burkina Faso's regulatory, legal and institutional framework, an Environmental and Social Management Plan (ESMP) was elaborated during project preparation. It is posted on the website of the Bank and in the country since 29 July 2013. The PGFC/REDD+ will therefore have major positive impacts on the environment and the preservation and management of gazetted forests notably: (i) improved biodiversity conservation, (ii) the improvement of the productive capital of gazetted forests, (iii) contribution to reducing greenhouse gas through the development of carbon sinks and the reduction of emissions from deforestation and forest degradation and (iv) watershed and soil conservation and prevention of erosion.

3.2.2 The most significant negative environmental impacts will include (i) vegetation destruction during road and firewall construction works; (ii) the risk of increasing poaching and illegal wood harvests with the construction of roads; (iii) the obstruction of wildlife movement during development works; and (iv) water pollution associated with the construction of bridge infrastructure. The ESMP has outlined various measures and activities to minimize, reduce and optimize potential project negative and positive impacts and effects and related costs and measures. The implementation of the ESMP and environmental monitoring will involve various actors (Administration, Local Authorities, communities, grass-root organizations, NGOs, population, women, the private sector, research institutes, service providers, specialized consultants, etc.). Project environmental surveillance will be done by the competent entity in Burkina Faso, namely the National Environmental Assessment Bureau (BUNEE). The ESMP implementation budget is estimated at USD 1.0 million including the budget for capacity building of producers (see details in Annex B9).

3.2.3 Climate Change: The PGFC/REDD+ will therefore contribute significantly to conserving biodiversity and improving gazetted forest management aimed at reducing carbon

emissions from deforestation and forest degradation, controlling desertification and regenerating and conserving the gazetted forests concerned. The project will thus help to increase carbon stocks in the targeted areas and contribute to mitigating climate warming. In addition, the establishment of forest development plans and the promotion of regeneration/reforestation will help to increase ecosystems resilience to climate change. The project's actions are a tool for the payment of environmental services, including carbon sequestration pending the establishment of the national MRV system. The project will help to increase the population's capacity to adapt to climate change through natural resource preservation and conservation activities and the adoption of best practices and sustainable natural resources management methods.

3.2.4 Gender Issues: specific activities will be carried out under this project to mitigate gender inequalities. Women are expected to be involved in the project implementation process notably in forest management groups and committees. Women-specific activities are the setting up of 10 platforms for the development of non-wood products, the structuring and training of 90 women's groups, the training of 1 000 women in wood product exploitation techniques and management and the dissemination of 2 000 improved stoves. It will also be necessary to involve men and women on an equal footing in all project activities. Indeed employment opportunities will be created by the project both during construction of infrastructure and their operation. Women and unemployed youth in rural areas will also find opportunities to improve their income. The project also makes provision for a major capacity building programme which will benefit women and youths in particular in various areas (improvement of forest product collection, processing and storage techniques, marketing, management, organization, leadership, etc.). This program will integrate a gender component for technical services and local authorities. The project will encourage women to get involved and assume responsibilities in decision-making bodies and in consultation and forest management frameworks.

3.2.5 Social Impact: strategically, the project will contribute to the reinforcement of Burkina Faso's policy and institutional framework with respect to the environment and natural resources management, the reinforcement and consolidation of the on-going decentralization process, and the involvement and participation (co-management) of the population and communities in the management of natural resources. This pilot project could also open up new avenues and opportunities for other Sahelian countries with respect to eligibility for climate funds such as the Forest Investment Programme (FIP).

3.2.6 The project will have major positive social impacts with regard to employment and the improvement of the income of the populations living around the forests. During the works phase, some activities (reforestation, construction of inland roads, forest maintenance, etc.) will be directly entrusted to the communities. The supply of forest product exploitation and processing kits will lead to increased development of wood and non-wood forest products and, hence, higher income for beneficiary households, particularly women and youths. In the long run, the empowerment of the communities to maintain and conserve gazetted forests in exchange for payments for environmental services rendered by forests will ensure sustainable incomes for the communities. The project will create about 5 400 direct jobs. The popularization of improved stoves will not only enable urban households to save money, but will also lead to time savings and reduction in firewood consumption, thereby reducing pressure on the forest. Such popularization of improved stoves will reduce cooking time and the risk run by the populations (particularly women and children) while fetching firewood in the forests.

3.2.7 The most significant negative social impacts of the project will be: (i) the risk of conflicts related to forest settlement based on gazettement orders; (ii) the risk of conflicts between stakeholders in the use of forest resources; and (iii) the risk of conflicts related to lack of transparency and inequitable access to resources generated by gazetted forests. The project has made provision for the conduct of a study at project start-up to define, in conjunction with all the stakeholders (Administration, regions, municipal councils and communities), the conditions for co-managing gazetted forests to be developed. There is also provision for the establishment, for each gazetted forest, of a consultation and forest management committee which will be the framework for discussions on project activities and the resolution of conflicts between stakeholders. The project will support forest management committees in terms of conflict resolution capacity building and sensitization on sustainable management of natural resources.

3.2.8 The project will operate within State-owned securitized gazetted forests and will consequently not involve any population displacement.

IV. PROJECT IMPLEMENTATION

4.1 Implementation Arrangements

4.1.1 The Project Executing Agency is part of the institutional mechanism of the Ministry of the Environment and Sustainable Development, under the General Secretariat. The fiduciary (financial management and procurement) staff will be recruited and the technical staff placed at the disposal of the Project by the Ministry. In addition, as part of the harmonization and pooling of the implementation resources of the Ministry's programmes and projects under the National Rural Sector Plan of the Accelerated Growth and Sustainable Development Strategy (SCADD), a single Steering Committee and a Programme Coordination Unit will be established for Bank and World Bank projects. PGFC/REDD+ activities will be implemented on a day-to-day basis by a dedicated team, under the guidance and supervision of the Programme Coordination Unit. This steering mechanism will be supplemented in each region by a Regional Technical Monitoring Sub-Committee (STRS) which will be established within each region's consultation framework to steer activities in the region.

4.1.2 The Coordinator will be assisted by a financial management expert, a procurement expert, a communication expert, a monitoring and evaluation expert, and a procurement assistant. Concerning the strategic component involving knowledge sharing with the other FIP pilot countries at the international level and the management of relations with the FIP Secretariat, the Coordinator will put at the disposal of the FIP Focal Point, who is responsible for the Secretariat, all information and data required to ensure sharing of and international advocacy on Burkina Faso's experience. Only fiduciary experts (*financial management and procurement*) will be recruited through competitive bidding. The other experts will be designated from among MEDD's senior officers.

4.1.3 The PGFC/REDD+'s technical team is made up of a forest development expert, a capacity building expert and an accountant. The support staff will comprise a female secretary, two drivers and one liaison officer. Regional programme coordination will be done by the Regional Directorates of the Environment and Sustainable Development in each region (East, Centre-West, Boucle du Mouhoun, and South-West) of the Project area. The activities of each region will be implemented under the technical responsibility of site managers (1 per

forest), assisted by an accountant (Head of the Regional Administrative and Financial Service), under the supervision of the Regional Director. The entire staff of the Technical Team will be designated from among senior officers of the Ministry of the Environment.

4.1.4 Procedures for the Procurement of Goods and Services: the national procurement procedures were evaluated by the Bank in 2010 and found, on the whole, to be largely compliant with international standards, and the standard bidding documents (SBDs) used are modelled on the standard documents of multilateral development banks and international financial institutions. The procurement of goods and works through International Competitive Bidding (ICB) and the procurement of consultancy services for the proposed project will be done in accordance with “Bank Rules of Procedure for Procurement of Goods and Works” (May 2008 edition revised in July 2012) and “Bank Rules of Procedure for the Use of Consultants” (May 2008 edition revised in July 2012), using the relevant Bank standard bidding documents, as well as the provisions set forth in the financing agreement. As concerns the proposed project referred to in Section B5.1, procurement through Local Competitive Bidding (LCB) will be done in accordance with the domestic legislation on Government procurement (Decree No. 2008 – 173/PRES/PM/MEF of 16 April 2008 to lay down general regulations governing Government procurement and the delegation of public services and its amendment Decree No. 2012-123/ PRES/PM/MEF of 2 March 2012), using the country’s standard bidding documents, as well as the provisions set forth in the financing agreement.

4.1.5. Agreements will be signed with the appropriate research entities or centres for the implementation of the respective activities which they alone are currently authorized in Burkina Faso to undertake for public sector projects. Inland road construction and forest maintenance works will be procured by Forest Management Groups (FMGs) in accordance with the Bank’s procedure for community procurement. The 18-month procurement plan prepared by the Donee, the detailed procurement methods and the table on the procurement of works, goods and services are presented in Annex B7 of Volume 2 of the report.

4.1.6 Financial Management: the Project budget will be developed each year in an annual budget based on the procurement plan and the activities to be implemented, and submitted for approval by the Steering Committee. The experience of the Ministry’s Finance Department in the preparation of the State budget and various projects of the Ministry is an asset for Project budget management. The Project’s accounting system will be modelled on the SYSCOHADA and managed using the multi-project and multi-currency TOMPRO management software already acquired under the Bank-funded Forest Resources Management Project (PROGEREF) which has been closed. Project internal control, designed to ensure transparent, traceable and appropriate implementation of activities, will be based on Project agreements and evaluation documents, as well as the administrative and financial procedures manual to be prepared. The terms of reference for the preparation of the procedures manual will be validated by the Bank, and the manual should be finalized and its users trained before Project launching. Project financial information will be provided through the monitoring of bank accounts by the systematic preparation of bank balance reconciliation statements, and the production of quarterly budget execution reports, quarterly progress reports and annual financial statements.

4.1.7 Disbursement: the Project’s resources will be disbursed through two methods: the direct payment and the revolving fund or the special account. To acquaint the Project staff with these methods, the Bank will provide training on the operating principles and rules of each method during Project launching. The disbursement arrangement comprises a special

account opened in a commercial bank acceptable to the Bank, as well as four sub-accounts opened in the same bank in the four Project intervention regions. The special account will be operated under the co-signature of the PCU Coordinator and the Financial Management Expert, while the sub-accounts will be jointly operated by the signatures of the Regional Coordinators and regional accounting officers in the persons of the Heads of the Regional Administration and Finance Services. Reforestation and forest maintenance works carried out by the communities, training and operating costs will be financed through the revolving fund.

4.1.8 Auditing: the Project's annual accounts will be audited by an independent audit firm recruited through competitive bidding. The audit terms of reference will be validated by the Bank, and the contract signed for a 3-year period. The audit costs will be paid from Project resources. The audit reports shall be submitted to the Bank no later than the six months following the close of the financial year.

4.2 Monitoring

4.2.1 The project's monitoring and evaluation (M&E) mechanism will be established in line with the project's organization chart. The Government and the Bank will ensure close monitoring throughout project implementation. Joint supervision, monitoring and mid-term review missions will be conducted by the Bank during project implementation. An M&E manual identifying the relevant indicators as well as the monitoring procedures to be implemented will be prepared at the start of the project. The project will ensure two monitoring types: internal monitoring and external monitoring. Internal monitoring will be conducted by the Project Coordination Unit based on trend charts to be prepared for that purpose. Quarterly and annual progress reports will be produced.

4.2.2 External monitoring will mainly deal with project impacts, outcomes and outputs with a view to achieving the objectives of Burkina Faso's FIP. It will function in close collaboration with the knowledge management system incorporated into component 3 of the World Bank project. Information collected as part of M&E will help to organize knowledge management activities, identify and share best practices, identify problems and constraints and foster continuous improvement within the framework of FIP and, more extensively, at the national level. The project will organize periodic forums for exchange of information on forest management which will provide a framework for discussions on best practices developed by FIP and the other partners.

4.2.3 The project implementation schedule is presented in the table below:

Table IV-1 : Project Implementation and Supervision Schedule

Activity	Responsible Entity	Deadline
Approval by the FIP Sub-Committee	FIP/ADB	August 2013
Negotiations	Government / ADB	August 2013
Grant Approval	ADB	September 2013
Authorization of 1 st Disbursement	ADB	December 2013
Project Launching	Executing Agency / ADB	January 2014
Agreements Signed with Technical Services	Executing Agency / Gv't	April 2013
Signing of Contracts	Government	July 2017
Service Delivery	Executing Agency / Gv't	September 2018
Mid-term Evaluation	Government / ADB	June 2016
Completion of Activities	Government / ADB	December 2018
Borrower's Completion Report	Government	September 2018

Completion Report Auditing	ADB Executing Agency	December 2018 Annually
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4.3 Governance

4.3.1 With the complete communalization that Burkina Faso experienced in 2006 and the transfer of part of the forests to Local Communities, the number of stakeholders involved in forest resources management has greatly increased. As part of the process embarked on by the Ministry of the Environment and Sustainable Development for decentralization in the forestry sector, there is a need to take stock of forest resources at the national and regional levels by involving Local Communities and by providing all stakeholders with a more reliable and more appropriate databank which will help them to manage their forest resources more judiciously and more sustainably. With the support of FAO, MEDD had prepared an institutional, legal, fiscal and technical reform framework to enable forestry services, local communities and civil society organizations to fully assume their responsibilities in the participatory management of forest resources. As such, the guidelines of the proposed reforms have already been defined notably in the General Local Community Code and the Forestry Code. However, the technical capacity of local communities is either low or virtually non-existent.

4.3.2 The financial fallouts from CAF are reserved for the State (taxes), forest development workers (individuals) and the development fund. There is no community benefit that could underlie collaboration with municipal councils. It is important to better place CVDs in context by highlighting their responsibility for all the natural resources of the village, and better co-ordinate exchanges with FMGs. The conditions for council support by forestry services are still to be clarified, just like the capacity of LCs to negotiate with TFPs and other private sector partners or CSOs. The forest governance reinforcement component of PGFC/REDD+ will contribute to reinforcing the existing framework.

4.3.3 There is a need for more progress in fiduciary management to align with WAEMU community provisions. Recent evaluations by the Bank and the World Bank show that significant progress has been made and that, on the whole, the national procurement system and procedures have, to a large extent, been aligned with international standards. Nonetheless, some improvements are required. It is therefore recommended that, in the spirit of the Paris Declaration, the national fiduciary system be applied to the components deemed acceptable and that, moreover, capacity building actions be undertaken with respect to the other components. The project comprises fiduciary risk mitigative measures.

4.4 Sustainability

4.4.1 The intervention method based on the participation and involvement of various categories of stakeholders (State, Local Communities, municipal councils and grass-root communities) and, more specifically, co-management is a factor favourable to the sustainability of gazetted forest management. Such co-management is a decisive turning point in forest governance as it lays down the responsibilities of categories of stakeholders according to their areas of competence. As concerns sustainability, it is necessary to add to the programme participatory and management aspects opportunities and, above all, gains in the form of job-creation and income-generation that the management of the developed forests brings to the communities. Lastly, demarcation, boundary marking and registration confer on

developed forests a well-defined territoriality accepted by all forest management stakeholders as well as land securitization.

4.4.2 Forest co-management is intended to continue and develop through local communities which will be involved in the various activities. The exiting strategy consists in gradually involving communities, under the supervision of provincial technical services, in forest maintenance and conservation activities in replacement of service providers from the third year of project start-up. Project recurrent costs will be financed with FIP resources and national counterpart contribution. The project intervention approach is to make the communities responsible for forest maintenance in return for environmental service payments (ESPs). The services will be paid using the resources of the Forest Development Fund (FDF) to be established by the project for each forest in compliance with the provisions of the Forestry Code. On the other hand, the Government, with the support of the Forest Sector Support Programme (FSSP) financed by the Luxembourg and Swedish Cooperation, will, as from 2014, establish the environment intervention fund (FIE) provided for by the Environmental Code. The FIE will therefore reinforce the FDFs to take over from the FIP and make payments to communities for the maintenance of gazetted forests. In the longer term, the FIP intends to operationalize the REDD+ strategy which is expected to generate income from reforestation activities for the communities in return for forest maintenance and conservation services rendered.

4.5 Risk Management

4.5.1 The achievement of the expected project outcomes could be jeopardized by the potential risks outlined below. However, the mitigative measures proposed will help to eliminate the said risks to ensure smooth project implementation. A summary of the risks, their level and mitigative measures is presented in the table below.

Table IV-2 : Potential Risks and Mitigative Measures

N°	Potential Risks	Level	Mitigative Measures
1	Recurrent droughts	High	Reforestation will be done with climate change resilient species.
2	Gazetted forest use conflicts.	Moderate	The operationalization of forest management committees will help to manage possible forest resource use conflicts as they occur.
3	Monopolization of project resources by occasional producers	Moderate	The project will conduct a diagnosis to revitalize existing FMGs at the start-up of activities. The selection of FMGs eligible for activities will be based on transparent criteria adopted in a participatory manner. Similarly, support will be provided in compliance with an agreement signed between the project and each FMG, renewable each year depending on the performance level.

4.6 Knowledge Building

The PGFC will help to test a sustainable dry woodland management model within the framework of REDD+, based not only on the capacity of these woodlands to stock carbon, but

also on their capacity to improve the resilience of the local population's livelihoods within the climate change adaptation context. The project will help to gather more information on gazetted forest co-management by the Administration and the communities, and its capacity to generate fallouts for the local populations and benefits for the environment, notably the mitigation of climate change. It will also help to generate knowledge on the national and local implementation of REDD+ technical, legal and institutional tools in Burkina Faso. The lessons learned will be disseminated at the national and international levels through periodic meetings of FIP pilot countries and will be built on for the replication of the PGFC/REDD+ intervention strategy at the national level, in the sub-region and in any other country with dry woodlands capable of being integrated into REDD+. Management of FIP knowledge is incorporated into Component 4 of World Bank-funded PGDEB "Information Sharing, Programme Coordination, Lessons Learned and Research".

V. LEGAL FRAMEWORK

5.1 *Legal Instrument*

The financing instrument which will be used in this project is a SCF FIP grant and Government's counterpart contribution. A grant protocol will be concluded between the African Development Bank, as SCF Trust Fund executing agency, and Burkina Faso.

5.2 *Conditions Associated with Bank's Involvement*

5.2.1 Conditions Precedent to Grant Effectiveness: the entry into force of the grant protocol shall be subject to its signing by the Bank and the Government of Burkina Faso.

5.2.2 Conditions Precedent First Disbursement: in addition to grant effectiveness, the first disbursement shall be subject to fulfilment by Burkina Faso, to the total satisfaction of the Bank, of the following conditions:

- (i) Provide the Bank with a copy of the signed Ministerial order establishing a FIP coordination unit and evidence of the designation of the FIP Coordinator.
- (ii) Provide the Bank with evidence of opening a special account in the name of the project in a bank acceptable to the Bank, into which grant resources allocated for project management will be deposited.

5.2.3 Commitment: Burkina Faso undertakes to implement the Environmental and Social Management Plan of PGFC/REDD+ (Annex B9).

5.3 *Compliance with Bank Policies and FIP Criteria*

The project is in line with all applicable Bank policies and FIP eligibility criteria for reducing deforestation and forest degradation, leading to greenhouse gas emission reduction, increased forest carbon stocks and poverty reduction (REDD+).

VI. RECOMMENDATION

Bank Management hereby recommends that the Board of Directors approve the proposal to award a USD 11.50 million Forest Investment Programme (FIP) grant to Burkina Faso for the purpose and under the conditions set forth in paragraph 5.2 of this report.

Appendix I. Burkina Faso's Comparative Socio-economic Indicators

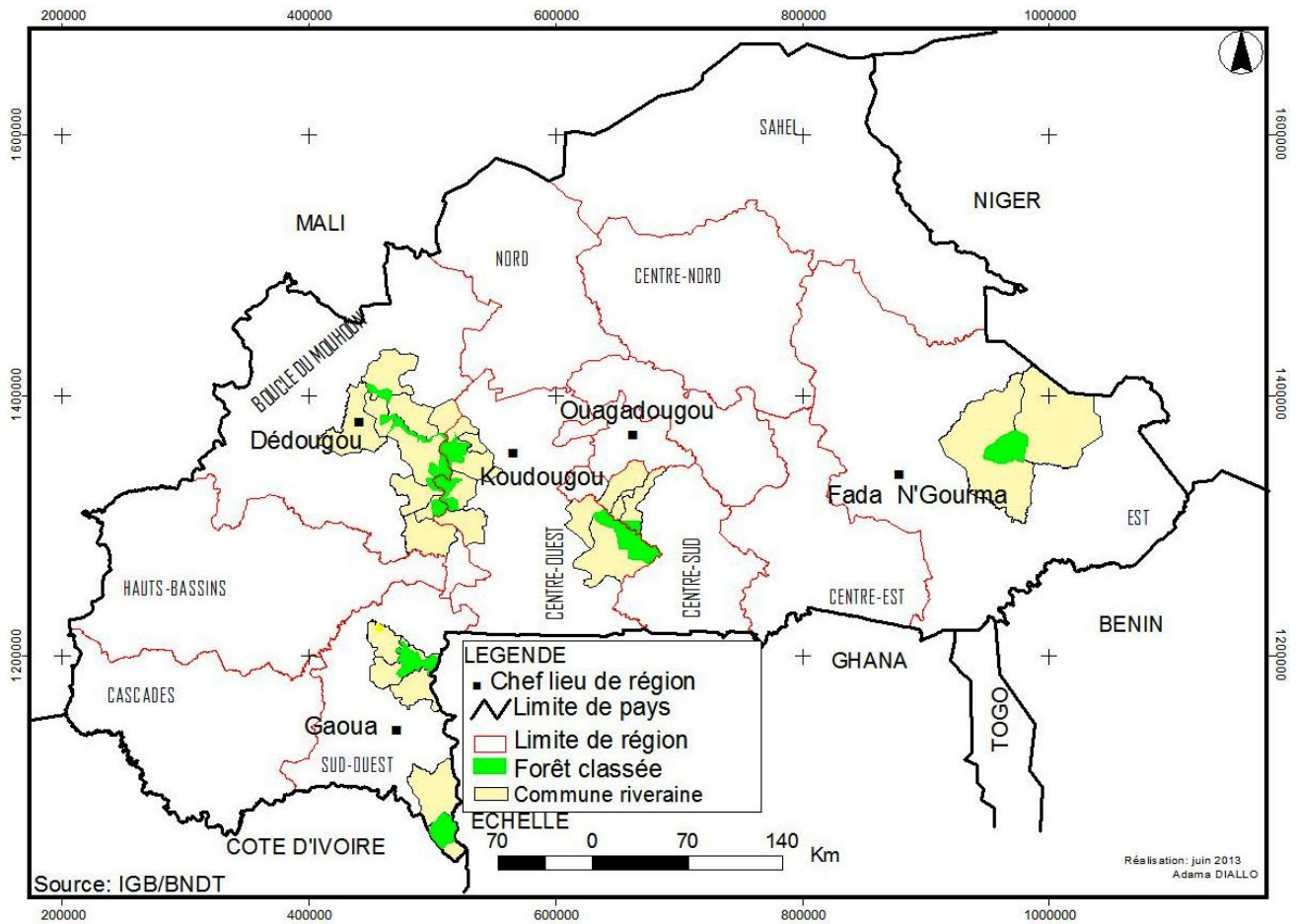
	Year	Burkina Faso	Africa	Developing Countries	Developed Countries
Basic Indicators					
Area (000 km2)	2011	274	30323	98458	35811
Total Population (million)	2012	17.5	1070.1	5807.6	1244.6
Urban Population (% of Total)	2012	27.4	40.8	46.0	75.7
Population Density (per km2)	2012	61.9	34.5	70.0	23.4
GNI per capita (USD)	2011	570	1609	3304	38657
Labour Force Participation- Total (%)	2012	44.7	37.8	68.7	71.7
Labour Force Participation- Female (%)	2012	47.6	42.5	39.1	43.9
Gender –Related Human Development Index Value	2007-2011	0.383	0.502	0.694	.911
Human Development Index (Rank among 187 countries)	2012	183
Population Living Below USD 1.25 a Day (% of Population)	2009-2011	44.6	40.0	22.4	...
Demographic Indicators					
Population Growth Rate – Total (%)	2012	3.0	2.3	1.3	0.3
Population Growth Rate - Urban (%)	2012	6.2	3.4	2.3	0.7
Population <15 years (%)	2012	45.2	40.0	28.5	16.6
Population >= 65 years (%)	2012	2.3	3.6	6.0	16.5
Dependency Rate (%)	2012	90.5	77.3	52.5	49.3
Sex Ratio (per 100 women)	2012	98.8	100.0	103.4	94.7
Female Population 15-49 years (%)	2012	23.5	49.8	53.2	45.5
Life Expectancy at Birth – Total (years)	2012	55.9	58.1	67.3	77.9
Life Expectancy at Birth – Female (years)	2012	56.8	59.1	69.2	91.2
Gross Birth Rate (per 1000)	2012	42.6	33.3	20.9	11.4
Gross Death Rate (per 1000)	2012	11.4	10.9	7.8	10.1
Infant Mortality Rate (per 1000)	2012	71.8	71.4	46.4	6.0
Under-five Mortality Rate (per 100)	2012	149.6	111.3	66.7	7.8
Total Fertility Rate (per woman)	2012	5.8	4.2	2.6	1.7
Maternal Mortality Rate (per 100 000)	2012	300.0	417.8	230.0	13.7
Women Using Contraception (%)	2012	18.2	31.6	62.4	71.4
Health and Nutrition Indicators					
Physicians (per 100 000 people)	2004-2010	6.4	49.2	112.2	276.2
Nurses (per 100 000 people)	2004-2009	72.9	134.7	187.6	730.7
Births Attended by Skilled Health Personnel (%)	2006-2012	53.5	53.7	65.4	..
Access to Safe Water (% of Population)	2010	79.0	67.6	86.4	99.5
Access to Health Services (% of Population)	2005	33.2	65.2	80.0	100.0
Percent. of Adults (15-49 years) Living with HIV/AIDS	2010	1.1	4.6	.9	0.4
Incidence of Tuberculosis (per 100 000)	2011	57.0	234.6	146.0	14.0
Children Immunized Against Tuberculosis (%)	2011	99.0	81.6	83.9	95.4
Children Immunized Against Measles (%)	2011	63.0	76.5	83.7	93.0
Underweight Children (% of children under 5 years)	2011	26.0	19.8	17.4	1.7
Daily Calory Intake per Capita	2009	2647	2481	2675	3285
Public Expenditure on Health (as % of GDP)	2010	6.7	5.9	2.9	8.2
Education Indicators					
Gross Enrolment Ratio (%)					
Primary - Total	2010-2012	79.4	101.9	103.1	106.6
Primary - Female	2010-2012	76.4	98.4	105.1	102.8
Secondary - Total	2010-2012	22.6	42.3	66.3	101.5
Secondary - Female	2010-2012	19.8	38.5	65.0	101.4
Primary School Female Teaching Staff (% of Total)	2011	36.3	43.2	58.6	80.0
Adult Literacy Rate – Total (%)	2007-2010	28.7	67.0	80.8	98.3
Adult Literacy Rate – Men (%)	2007-2010	36.7	75.8	86.4	98.7
Adult Literacy Rate – Women (%)	2007-2010	21.6	58.4	75.5	97.9
Percentage of GDP spent on Education	2008-2010	4.0	5.3	3.9	5.2
Environmental Indicators					
Arable Land (as % of Total Surface Area)	2011	20.8	7.6	10.7	10.8
Annual Rate of Deforestation (%)	2000-2009	0.2	0.6	0.4	-0.2
Forests (as % of Total Surface Area)	2011	20.4	23.0	28.7	40.4
Per Capita CO2 Emissions (metric tons)	2009	0.1	1.2	3.1	11.4
<i>Source: ADB Statistics Department Database</i>			<i>Last Update</i>		<i>May 2013</i>
<i>World Bank WDI; UNAIDS; USND; WHO; UNICEF; WRI; UNDP; Country Reports</i>					
<i>Notes: Not Applicable; Data: Not Available</i>					

Appendix II. On-going Bank Grop Operations in Burkina Faso

(Active Portfolio as at 30 June 2013)

PROJECT NAME	SAP CODE	APPOVAL DATE	CLOSING DATE	AMOUNT (UA)	DISBURSEMENT RATE (%)	AGE (YEAR)	PROJECT RISK
BURKINA-FASO FACILITATION CORRIDOR	P-Z1-DB0-097	27.06.2012	31.12.2018	21 530 000,00	0.00	1.0	NO SUPERVISION
BURKINA-FASO FACILITATION CORRIDOR	P-Z1-DB0-097	27.06.012	31.12.2018	84 600 000,00	0.00	1.0	NO SUPERVISION
REINFORCEMENT OF ELECTRICAL INFRASTRUCTURE	P-BF-FA0-006	07.07.2010	31.12.2014	25 150 000,00	29.55	3.0	NO PP / NO PPP
BURKINA-FASO - CREATION OF LIBERATED AREAS	P-Z1-AZ0-009	08.12.2004	30.06.2013	9 340 000,00	69.83	8.6	NO PP / PPP
BURKINA-FASO - CREATION OF LIBERATED AREAS	P-Z1-AZ0-009	08.12.2004	30.06.2013	238 975,72	100.00	8.6	NO PP / PPP
SUPPORT FOR GNAGNA AND KOURITTENGA RURAL DEVELOPMENT	P-BF-AB0-012	21.07.2006	31.12.2013	12 500 000,00	88.12	7.0	NO PP / NO PPP
COTTON SECTOR SUPPORT PROJECT –WAEMU	P-Z1-AA0-075	29.11.2006	31.12.2014	2 000 000,00	71.34	6.6	NO PP / PPP
COTTON SECTOR SUPPORT PROJECT- B- FASO	P-Z1-AA0-094	29.11.2006	31.12.2013	10 000 000,00	72.04	6.6	NO PP / NO PPP
WAEMU – SUPPORT TO HIGHER EDUCATION	P-Z1-IAD-002	24.07.2006	31.12.2013	20 000 000,00	47.37	7.0	NO PP / NO PPP
SUPPORT TO AUST & 2IE PROJECT	P-Z1-IAD-004	18.03.2009	31.12.2013	12 000 000,00	39.39	4.3	NO PP / NO PPP
RURAL DWSS PROJECT (4 REGIONS)	P-BF-E00-008	24.07.2007	30.09.2013	20 000 000,00	48.91	6.0	NO PP / PPP
RURAL DWSS PROJECT (4 REGIONS)	P-BF-E00-008	24.07.2007	30.09.2013	9 647 759,54	45.55	6.0	NO PP / PPP
TOTAL				252 006 735,26			

Appendix III. Map of Project Area



This map has been produced by the staff of the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown on this map do not imply on the part of the Bank and its members any judgment concerning the legal status of a territory or any approval or acceptance of these borders.