



May 17, 2019

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| <p>Closing Date: Wednesday, May 29, 2019 at 6:00 p.m.</p> |
|--|

FROM: Vice President and Corporate Secretary

**Burkina Faso - Scale-Up and Responding to the Needs of Refugees
and Host Communities Project**

Additional Financing

Project Paper

Attached is the Project Paper regarding a proposed additional credit from the IDA18 Refugee Sub-Window (RSW) and a proposed additional grant of which a certain amount is from the IDA18 RSW, to Burkina Faso for the Scale-Up and Responding to the Needs of Refugees and Host Communities Project (IDA/R2019-0150/1), which is being processed on an absence-of-objection basis.

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Report No: PAD3131

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL CREDIT
IN THE AMOUNT OF EURO 6.3 MILLION
(US\$7.0 MILLION EQUIVALENT)
FROM IDA18 REFUGEE SUB-WINDOW

AND A

PROPOSED ADDITIONAL GRANT
IN THE AMOUNT OF SDR 67.0 MILLION
(US\$93.0 MILLION EQUIVALENT)
OF WHICH US\$7.0 MILLION FROM IDA18 REFUGEE SUB-WINDOW

AND A

RESTRUCTURING

TO

BURKINA FASO

FOR THE

SCALE-UP AND RESPONDING TO THE NEEDS OF REFUGEES AND HOST COMMUNITIES PROJECT

May 15, 2019

Social Protection and Jobs Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 31, 2019)

Currency Unit = CFA Franc (CFAF)

CFAF 584.4 = US\$1

EURO 0.89099 = US\$1

SDR 0.72033 = US\$1

FISCAL YEAR

January 1– December 31

ABBREVIATIONS AND ACRONYMS

| | |
|---------|--|
| AF | Additional Financing |
| CERC | Contingent Emergency Response Component |
| CONAREF | National Commission for Refugees (<i>Commission Nationale pour les Réfugiés</i>) |
| CPF | Country Partnership Framework |
| DCMEF | Directorate for the Procurement and Financial Oversight (<i>Direction du Contrôle des Marchés et des Engagements Financiers</i>) |
| DMP | Director of Procurement (<i>Directeur des Marches Publics</i>) |
| ECD | Early Childhood Development |
| ECOWAS | Economic Community of West African States |
| ESMF | Environmental and Social Management Framework |
| FM | Financial Management |
| FGM/C | Female Genital Mutilation or Cutting |
| GBV | Gender-based Violence |
| GRS | Grievance Redress Service |
| IDA | International Development Association |
| IDP | Internally Displaced Person |
| IFR | Interim Financial Report |
| ILO | International Labour Organization |
| LIPW | Labor-intensive Public Works |
| M&E | Monitoring and Evaluation |
| MFSNFAH | Ministry for Women, National Solidarity, the Family, and Humanitarian Action (<i>Ministère de la Femme, de la Solidarité Nationale, et de la Famille, MFSNFAH</i>) |
| MIS | Management Information System |
| NGO | Nongovernmental Organization |
| NPF | New Procurement Framework |
| OAU | Organization of African Unity |

| | |
|-------|---|
| ONI | National Identification Office (<i>Office National d'Identification</i>) |
| PA | Project Account |
| PADEL | Local Economies Support Program (<i>Programme d'Appui au Développement des Economies Locales</i>) |
| PDO | Project Development Objective |
| PIM | Project Implementation Manual |
| PIU | Project Implementation Unit |
| PMT | Proxy-means Test |
| PPSD | Project Procurement Strategy for Development |
| RPF | Resettlement Policy Framework |
| SASPP | Sahel Adaptive Social Protection Program |
| SCD | Systematic Country Diagnostic |
| ToR | Terms of Reference |
| TPM | Third Party Monitoring |
| UN | United Nations |
| UNHCR | United Nations High Commissioner for Refugees |
| VAT | Value Added Tax |
| WFP | World Food Programme |

Regional Vice President: Hafez M. H. Ghanem

Country Director: Pierre Frank Laporte

Senior Global Practice Director: Michal J. Rutkowski

Practice Manager: Jehan Arulpragasam

Task Team Leaders: Rebekka E. Grun

BURKINA FASO
SCALE-UP & RESPONDING TO THE NEEDS OF REFUGEES AND HOST COMMUNITIES

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BASIC INFORMATION – PARENT (Social Safety Net Project - P124015)

| | | | | |
|--------------|------------------------------|-----------------|--------------|---------------------------|
| Country | Product Line | Team Leader(s) | | |
| Burkina Faso | IBRD/IDA | Rebekka E. Grun | | |
| Project ID | Financing Instrument | Resp CC | Req CC | Practice Area (Lead) |
| P124015 | Investment Project Financing | GSP07 (9346) | AFCF2 (6551) | Social Protection & Labor |

Implementing Agency: Ministry of Women, National Solidarity and Family, Ministry of Women, National Solidarity, the Family and Humanitarian Action

| | |
|--------------------------------------|--|
| Is this a regionally tagged project? | |
|--------------------------------------|--|

| |
|------------------------|
| Bank/IFC Collaboration |
| No |

| | | | | |
|---------------|--------------|--|--|---------------------|
| Approval Date | Closing Date | | Original Environmental Assessment Category | Current EA Category |
| 23-Apr-2014 | 31-Aug-2020 | | Not Required (C) | Not Required (C) |

Financing & Implementation Modalities

| | |
|---|---|
| <input type="checkbox"/> Multiphase Programmatic Approach [MPA] | <input type="checkbox"/> Contingent Emergency Response Component (CERC) |
| <input type="checkbox"/> Series of Projects (SOP) | <input type="checkbox"/> Fragile State(s) |
| <input type="checkbox"/> Disbursement-Linked Indicators (DLIs) | <input type="checkbox"/> Small State(s) |
| <input type="checkbox"/> Financial Intermediaries (FI) | <input type="checkbox"/> Fragile within a Non-fragile Country |
| <input type="checkbox"/> Project-Based Guarantee | <input type="checkbox"/> Conflict |
| <input type="checkbox"/> Deferred Drawdown | <input type="checkbox"/> Responding to Natural or Man-made disaster |
| <input type="checkbox"/> Alternate Procurement Arrangements (APA) | |

Development Objective(s)



The PDO is to increase access of poor and vulnerable households to safety nets and to lay the foundations for an adaptive safety net system in Burkina Faso.

Ratings (from Parent ISR)

| | Implementation | | | | |
|--------------------------------------|----------------|-------------|-------------|-------------|-------------|
| | 16-May-2017 | 14-Jun-2017 | 23-Dec-2017 | 28-Jun-2018 | 11-Jan-2019 |
| Progress towards achievement of PDO | MS | MS | MS | MS | MS |
| Overall Implementation Progress (IP) | MS | MS | MS | S | S |
| Overall Safeguards Rating | — | — | — | — | — |
| Overall Risk | M | M | M | M | S |

BASIC INFORMATION – ADDITIONAL FINANCING (Scale-Up and Responding to the needs of Refugees and Host Communities - P169252)

| | | | |
|--|---|--|--|
| Project ID P169252 | Project Name Scale-Up and Responding to the needs of Refugees and Host Communities | Additional Financing Type Cost Overrun, Restructuring, Scale Up | Urgent Need or Capacity Constraints Yes |
| Financing instrument Investment Project Financing | Product line IBRD/IDA | Approval Date 29-May-2019 | |
| Projected Date of Full Disbursement 31-Jul-2024 | Bank/IFC Collaboration No | | |
| Is this a regionally tagged project? No | | | |



Financing & Implementation Modalities

| | |
|--|--|
| <input type="checkbox"/> Series of Projects (SOP) | <input type="checkbox"/> Fragile State(s) |
| <input type="checkbox"/> Disbursement-Linked Indicators (DLIs) | <input type="checkbox"/> Small State(s) |
| <input type="checkbox"/> Financial Intermediaries (FI) | <input checked="" type="checkbox"/> Fragile within a Non-fragile Country |
| <input type="checkbox"/> Project-Based Guarantee | <input type="checkbox"/> Conflict |
| <input type="checkbox"/> Deferred Drawdown | <input checked="" type="checkbox"/> Responding to Natural or Man-made disaster |
| <input type="checkbox"/> Alternate Procurement Arrangements (APA) | |
| <input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC) | |

Disbursement Summary (from Parent ISR)

| Source of Funds | Net Commitments | Total Disbursed | Remaining Balance | Disbursed | |
|-----------------|-----------------|-----------------|-------------------|-------------|------|
| IBRD | | | | <div></div> | % |
| IDA | 50.00 | 32.48 | 12.77 | <div></div> | 72 % |
| Grants | 6.00 | 3.52 | 2.48 | <div></div> | 59 % |

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Scale-Up and Responding to the needs of Refugees and Host Communities - P169252)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)

| | Current Financing | Proposed Additional Financing | Total Proposed Financing |
|---------------------------|-------------------|-------------------------------|--------------------------|
| Total Project Cost | 55.00 | 110.00 | 165.00 |
| Total Financing | 55.00 | 100.00 | 155.00 |
| of which IBRD/IDA | 50.00 | 100.00 | 150.00 |
| Financing Gap | 0.00 | 10.00 | 10.00 |

DETAILS - Additional Financing

**World Bank Group Financing**

| | |
|---|--------|
| International Development Association (IDA) | 100.00 |
| IDA Credit | 7.00 |
| IDA Grant | 93.00 |

IDA Resources (in US\$, Millions)

| | Credit Amount | Grant Amount | Guarantee Amount | Total Amount |
|--------------|---------------|--------------|------------------|---------------|
| National PBA | 0.00 | 86.00 | 0.00 | 86.00 |
| Refugee | 7.00 | 7.00 | 0.00 | 14.00 |
| Total | 7.00 | 93.00 | 0.00 | 100.00 |

COMPLIANCE**Policy**

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any other Policy waiver(s)?

☐ Yes ☒ No

INSTITUTIONAL DATA**Practice Area (Lead)**

Social Protection & Labor

Contributing Practice Areas

Education

Fragile, Conflict & Violence

Health, Nutrition & Population

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks



Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

PROJECT TEAM

Bank Staff

| Name | Role | Specialization | Unit |
|----------------------------------|---|--------------------------|-------|
| Rebekka E. Grun | Team Leader (ADM Responsible) | Senior Economist | GSP07 |
| Bourama Diaite | Procurement Specialist (ADM Responsible) | Procurement | GGOPF |
| Sandrine Egoe Ngasseu | Financial Management Specialist (ADM Responsible) | Financial Management | GGOAW |
| Fatoumata Diallo | Social Specialist (ADM Responsible) | Social Development | GSU01 |
| Leandre Yameogo | Environmental Specialist (ADM Responsible) | Environmental Specialist | GENA2 |
| Ayaba Gilberte Kedote | Team Member | Social Protection | GSP07 |
| Djeneba Bambara Sere | Team Member | Team Assistant | AFMBF |
| Erkin Mamadaliev | Team Member | Operations Officer | GSPGL |
| Faly Diallo | Team Member | Finance Officer | WFACS |
| Julian Alexander Koschorke | Team Member | Social Protection | GSP07 |
| Lydie Anne Billey | Team Member | Program Assistant | GSP07 |
| Maria Ines Rodriguez Caillava | Team Member | Operations Analyst | GSPGL |
| Ramiro Ignacio Jauregui-Zabalaga | Counsel | Council | LEGAM |



| | | | |
|--------------------------------|--------------|---------------------|-----------------|
| Roland Berenger Berehoudougou | Team Member | Social Protection | GSP07 |
| Suzanne Rayaisse | Team Member | Procurement | AFMBF |
| Wolfgang Mohammad Taghi Chadab | Team Member | Finance Officer | WFACS |
| Extended Team | | | |
| Name | Title | Organization | Location |



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

A. Introduction

1. The Project Paper seeks the approval of the Executive Directors to provide an additional credit in the amount of Euro 6.3 million (US\$7.0 million equivalent) and an additional grant in the amount of SDR 67.0 million (US\$93.0 million equivalent) to the parent project Burkina Faso Social Safety Net Project (P124015). The US\$7 million credit and US\$7 million grant would come from the IDA18 Refugee Sub-Window. The total costs of the additional financing (AF) to achieve the Project Development Objective as well as other targets specified in the Results Framework (*see below*) are projected to be US\$110 million. The additional US\$10 million is expected to be covered by additional funds from the Sahel Adaptive Social Protection Program (SASPP) Trust Fund, which are currently being processed and should be available by the end of the 2019 calendar year.

2. The proposed Second Additional Financing (AF2) would help finance the costs associated with (a) scaling up the project to additional geographic areas including, but not limited to, the regions of Center-West, Boucle du Mouhoun, peri-urban areas of Ouagadougou, Center-North, and the fragile Sahel region and covering in excess of an estimated additional 690,000 individual beneficiaries; (b) enhance the accompanying measures; (c) implementing new activities, notably labor-intensive public works (LIPW), aimed at refugees and host communities in the Sahel region of the country following a formal request by the Government of Burkina Faso to this effect; (d) covering cost overruns in the parent project; and (e) meeting additional project management, supervision, and incremental operating costs.

3. The proposed AF2 will also include restructuring of the parent project. While the Project Development Objective (PDO) will remain unchanged, the design of the project, including its components, have been modified to accommodate the new activities to support refugees and host communities in the Sahel region. More precisely, two new components have been added including a LIPW component and a Contingent Emergency Response Component (CERC). The proposed scale-up would lead to increased targets in selected PDO and intermediary outcome indicators as described in annex 1. Resulting from the addition of minor civil works as part of the LIPW component, the environmental assessment category is being changed to “B” from “C” in the parent project. The new project closing date will be March 31, 2024. The closing date of the original credit will not be extended.

4. The proposed AF2 would provide an opportunity for institutionalizing the ongoing efforts to build systems for a nationwide adaptive social protection to support the poor and vulnerable populations, as well as displaced populations and create a foundation for establishing social protection systems in a fragile, conflict-affected setting. AF2 is also expected to be instrumental in improving awareness and promoting uptake of services aimed at promoting the human capital of the poor and vulnerable.

B. Background

5. The parent project, the Burkina Faso Social Safety Net Project (P124015), is financed by an IDA credit of US\$50 million and a first additional financing through a grant from the SASPP Fund of US\$6 million for an adaptive modality of cash transfer administration. The project was approved by the Board on April 23, 2014, and became effective on September 26, 2014. The first additional financing of US\$6 million was approved on December 7, 2016. The project’s PDO is to “provide income support to poor



households and to lay the foundations for an adaptive safety net system in Burkina Faso.” Progress toward achievement of the PDO has been rated Moderately Satisfactory since May 2017, and overall implementation progress has been rated Satisfactory as of May 2018.

6. Before this satisfactory development, the project had issues with fiduciary management to the extent that the core staff of the Project Implementation Unit (PIU) were replaced in January–February 2017. A backlog of financial accounting from before that time remains and is being addressed by the World Bank’s financial management (FM) specialist in close cooperation with the new FM specialist of the PIU. Nonetheless, a rating of ‘Unsatisfactory’ reflects the FM issues that are still being addressed. The in-depth review conducted by the World Bank’s FM team has confirmed that almost all the issues stem from before January 2017. There are currently no overdue audit reports, but the last external audit for 2017 was qualified and there were some ineligible expenditures that are expected to be reimbursed in 2019.

7. The original project has three components: (a) Cash transfers and awareness programs for poor and vulnerable households; (b) Laying the foundations for an adaptive basic national safety net system; and (c) project management. The project design proved successful. The project has built robust systems for registration/enrolment of beneficiaries, a sound payment delivery system, a management information system (MIS) that can be the backbone of a national social registry, and accompanying measures building the human capital of beneficiaries. Several innovations are being tested operationally and through rigorous impact evaluations, including a partnership with the National Identification Office, ONI (*Office National d’Identification*) to issue national IDs instead of project IDs, mobile payments, parenting education, and different productive inclusion activities.

8. Implementation progress has been strong but recently affected by the deteriorating security in Burkina Faso. The project currently reaches 56,576 beneficiary households and 443,081 individuals (within these households) in the North, East, Center-East, and Center-West regions. In the provinces of Yatenga and Zondoma in the North region, the 12th and last payment was made in November 2018, to 15,013 beneficiary households. The project expanded to two new additional provinces in the North (Loroum and Passoré). The first transfers were made in February 2018, covering 5,182 households, 9,451 recipients,¹ and a total of 47,989 individuals. The fourth payment took place from December 19 to December 24, 2018, and included 9,369 recipients.

9. The project has also expanded to the East and Center-East regions, where the first transfers were made in May 2018. In the East, there are 20,411 beneficiary households and 29,385 recipients, covering a total of 167,531 individuals. The second payment in this region, in November 2018, was incomplete and covered only 130 of 159 beneficiary villages due to security reasons. In the Center-East, there are 16,746 beneficiary households and 20,095 recipients, covering a total of 107,370 individuals.

10. In addition, a temporary adaptive benefit, funded by the AF1 and whose technical parameters allow rapid scale-up in response to shocks, is being piloted in the province of Boulkiemdé in the Center-West region. The first batch of payments was made in October 2017 and the second in March 2018, administered through a mobile money company. There are currently 5,434 beneficiary households and 7,612 recipients, covering a total of 34,445 individuals.

¹ Recipient = a mother with children.



11. Results and quality have developed favorably, especially because measures had been taken to strengthen project management, and currently outperform the original targets. Total beneficiary numbers exceed the original target by nearly 75 percent: 443,081 instead of 255,000. Further, 81 percent of beneficiary households participate in accompanying measures, compared to a 75 percent target, and 92 percent of mothers feed their children in a nutritious, age-appropriate way, well over the 80 percent target. Finally, 98 percent of cash transfers reach beneficiaries on time, exceeding the 80 percent target.

12. The project has been catching up with its disbursement projections since mid-2018 and has disbursed 64 percent of the total allocated funds. Moreover, given the faster-than-expected expansion of the project, particularly enrolling more beneficiaries in the East and Center-East regions due to higher poverty levels, the parent project is expected to face a cost overrun of projected US\$18-22 million. This cost overrun would be covered by the proposed AF2.

13. Two key objectives will be accomplished by this AF2: (a) the expansion and adaptation of the existing components to additional regions of the country and (b) the inclusion of refugees and host communities of the fragile Sahel region, with (but not limited to) a new public works component. Both steps have a strong rationale, as explained in the next section.

14. The project will contribute to all three focus areas of the Country Partnership Framework (CPF) for the period FY18-FY23.² First, it will promote job creation through rehabilitation of rural productive infrastructure. Second, human capital will be enhanced through accompanying activities that promote early childhood development (ECD), nutrition and hygiene education, prevention of early marriage, literacy, and use of available basic social services. The scale-up of the core safety net components, as well as labor-intensive public works (LIPW) for both refugee and host communities will contribute to expand social protection. Third, governance and citizen engagement will be mainstreamed through involvement of community members in identification, implementation, and monitoring of activities under the project, as well as through facilitation of civil registration. The project makes a direct contribution to the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity.

C. Rationale for the Project Expansion

15. Poverty remains widespread and vulnerability is high in Burkina Faso. In 2014, 40 percent of the population was living in poverty, down from 50 percent in 2003. The absolute number of the poor did not change significantly, however, currently at about seven million people, due to rapid population growth. Clustering around the poverty line means that a large part of the population is vulnerable to falling into poverty. Two-thirds of the households report that they suffer from shocks each year, mostly related to natural hazards. The 2017 Systematic Country Diagnostic (SCD)³ for Burkina Faso identifies the following key challenges to reduce poverty: (a) improving the management of natural resources; (b) stepping up skills development; and (c) reducing gender inequalities.

16. Indicators of human development remain low and a large part of the population lacks access to basic services. For example, the under-five mortality rate was 84.6 per 1,000 live births compared to an

² IDA/R2018-0193[IFC/R2018-0196, MIGA/R2018-0067].

³ Report No. 114393.



average of 72 in Sub-Saharan Africa in 2016.⁴ In 2017, the net school enrolment of children of official school age was 76.4 percent compared to 77.6 percent in Sub-Saharan Africa.⁵ Child malnutrition and the incidence of stunting was 27.3 percent in 2016.⁶

17. The Government of Burkina Faso is taking steps to address the key challenges in the social protection sector through gradually scaling up the cash transfer project '*Burkin-Naong – Sa Ya*', targeted to the poorest households. It is also working on building a national social registry of vulnerable households, which will help consolidate social safety net programs and channel support to the most needy.

18. The Government has ambitions to scale up the cash transfer program ultimately to all 13 regions of the country. This expansion would form Component 3 of the Government's Program to Strengthen Local Economies (*Programme d'Appui au Développement des Economies Locales*, PADEL) which aims at strengthening social protection, household resilience, and inclusion of the poor and vulnerable people in productive economic activity. The expansion would prioritize, but not be limited to, the Center-West, Boucle du Mouhoun, Center-North, peri-urban areas of Ouagadougou, and the fragile Sahel region. The first three are regions particularly affected by poverty and food insecurity, and the Sahel is the country's most fragile region with the lowest density of services.

D. Inclusion of Refugees and Host Communities in the Sahel Region

Refugees

19. Burkina Faso hosts over 25,122 registered refugees, the majority from Mali, and increasing numbers of internally displaced persons (IDPs).⁷ About 98 percent of Malian refugees are residing in the Sahel. Originating from Northern Mali, around three-fourths of the refugees are Tuareg. A biometric census of the refugee population carried out by the United Nations High Commissioner for Refugees (UNHCR) and the Government in 2017 found that almost two-thirds of the Malian refugees (64 percent) were under the age of 18. Adult women constitute another 20 percent of the Malian refugee population.

20. Most Malian refugees in Burkina Faso live in the arid Sahel region (as shown in figure 1). About 70 percent live in the Mentaou refugee camp near the town of Djibo and the Goudoubo refugee camp near the town of Dori. About 26 percent live in host communities in Oudalan and Soum Provinces. There are smaller numbers of Malian refugees living in the urban areas of Ouagadougou and Bobo-Dioulasso (4 percent). Many of the Malian refugees brought their animals with them when they fled across the border. Because camp life is not compatible with pastoralist practices, many families reside in the camp while younger male relatives look after the herds outside the camps.

21. According to a joint UNHCR-WFP study, 94 percent of the refugee population is vulnerable and dependent on food and other cash and in-kind assistance from the humanitarian community, particularly

⁴ UNDP (United Nations Development Programme). 2018. Human Development Report.

⁵ World Bank. 2019. World Development Indicators.

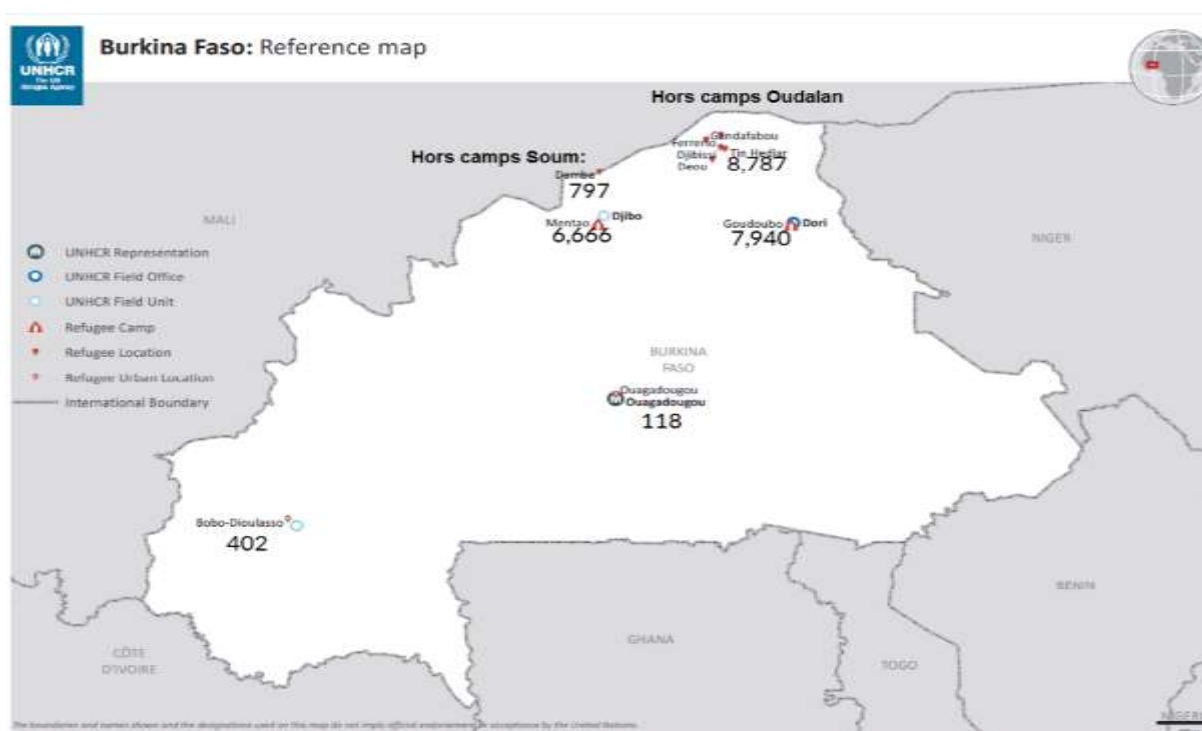
⁶ UNDP (United Nations Development Programme). 2018. Human Development Report.

⁷ There are at least 81 5965 IDPs in Burkina Faso (Office for the Coordination of Humanitarian Affairs [OCHA] statistics, 28 January 2019). This trend is set to continue, with predictions for 2019 estimating that more than 191,000 people may become internally displaced by the end of 2019 (2019 Humanitarian Needs Overview).



those refugees living in camps. The World Food Programme (WFP) is providing food and nutritional assistance in camps. Continued budget cuts and increased humanitarian needs in the region, however, have led to cuts in rations for refugees. While humanitarian agencies have also provided cash assistance, practice has shown that certain vulnerable groups among the refugees, such as women and the servants among a subset of refugees with a legacy of a master-servant caste system (also see in the following paragraphs), do not have individual autonomy to keep the money.

Figure 1. Location of Malian Refugees in Burkina Faso



Source: UNHCR Burkina Faso Operational Update December 2018.

22. Some refugees practice traditional master-servant relationships that meet the International Labour Organization (ILO) definition of 'forced labor' as wages are commonly withheld⁸ and are illegal under Article 2 of the Burkinabe Constitution and other laws.⁹ The Bella ethnicity among the Tuareg, and the Rimaibe ethnicity among the Burkinabe host population, have traditionally been used as unpaid house servants and have historically accepted these relationships to escape poverty. While the practice is outlawed and has become very rare in Burkina Faso, it is widespread among refugees and psychologically anchored in the minds of many 'master' and 'servant' families. Sometimes, a marked difference in confidence between the two ethnicities has persisted over generations.

23. Women and girl refugees are disproportionately vulnerable to the complex challenges listed in the

⁸ ILO Forced Labour Convention, 1930 (No. 29).

⁹ For example, Loi no. 029-2008/AN Portant Lutte Contre La Traite Des Personnes Et Les Pratiques Assimilées.



previous paragraphs. While the Government has made an intensive effort to sensitize citizens about the illegality and negative consequences of child marriage, some girls are still married off as young as 12 years, with lifetime negative consequences for the health and education of both the mothers and their children. Fertility rates are high (6.7 children per woman), coupled with a high risk of maternal mortality. UNHCR has identified six percent of the female refugee population as being at risk.

24. The relationship between the refugees and host communities is by and large one of peaceful coexistence, although there are potential stresses. While they are of different ethnic composition, both hosts and refugees are overwhelmingly pastoralists, with a long history of mobility and interaction between communities. UNHCR and other partners have made their basic service delivery open to the Burkinabe population, which has further supported local tolerance of refugees. However, with both populations relying on scarce natural resources to feed their livestock and with increased insecurity in the region at times perceived to be associated with refugees, this positive relationship has come under increased pressure.

25. The Government of Burkina Faso has adopted a progressive approach to managing the refugee situation. Respectful of the Economic Community of West African States (ECOWAS) policy on freedom of movement and with a national legislative framework that conforms to the Organization of African Unity (OAU) Convention on Refugees (as given in the below paragraphs), Malian refugees enjoy many of the same rights as the Burkinabe population. Burkina Faso is a party to several international conventions related to refugees. These include the 1951 United Nations Convention Relating to the Status of Refugees and the 1967 United Nations Protocol Relating to the Status of Refugees as well as the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa.

26. The Government adopted a Refugee Law in 2008¹⁰ and two implementing decrees in 2011. The 2008 Refugee Law reflects the main provisions of the 1951 Convention and OAU Convention. Article 11 of the law grants refugees the same treatment as nationals with respect to (a) freedom of religion and worship; (b) the right to property; (c) the right of access to justice, including legal aid; (d) the right to work; (e) the right to housing; (f) the right to education, including free education in basic education and access to university; (g) freedom of movement; (h) the right to transfer assets; and (i) the right to public assistance. Article 11 also specifies that refugees may, subject to conditions applicable to foreigners in general, be granted the right to obtain identity documents and travel documents, the right to acquire citizenship, and freedom of association for non-political activities.

27. The Government established the National Commission for Refugees (*Commission Nationale pour les Réfugiés*, CONAREF) in 2008, which is responsible for refugee issues, including registration of asylum seekers, refugee status determination, provision of identity documents and attestations for various purposes (employment and purchase of property), and camp management and administration. The Permanent Secretariat of the Commission belongs to the Ministry of Foreign Affairs and works closely with UNHCR in the management of refugee affairs.

28. In the *Lettre de Politique de Développement* or the Letter of Development Policy written by the Government, four axes were outlined as priorities on which action shall be taken. The third axis included facilitation of voluntary return. In this regard, the Government, through CONAREF, worked in close

¹⁰ Law 042-2008/NA of 23 October 2008 on the status of refugees in Burkina Faso.



collaboration with UNHCR to register and provide necessary information and support to refugees willing to repatriate. About 325 households of 1,269 refugees were repatriated in 2018, and about 400 are currently candidates on the list. In the fourth axis, the Government engaged to strengthen the institutional framework of national structures responsible for refugees to facilitate refugees' integration in the country. This allows enabling and encouraging refugees to settle outside camps and within the host community. However, given the worsened security situation, not much progress could be noted in this regard.¹¹

29. Discussions have been ongoing between UNHCR and the Government to find ways to facilitate refugees' legal integration, notably by making naturalization processes easier and quick. Independent from this project and from UNHCR implementation, refugees are already gradually included in governmental development programs, with professional training coordinated by the national employment promotion agency (*Agence Nationale de la Promotion de l'Emploi*, ANPE) that benefited young refugees in the Sahel region. With UNHCR, the Government has regularly conducted campaigns to promote peaceful coexistence in the camps and in out-of-camp areas.

30. Chiefly for reasons of security, the Government has chosen to tighten the security perimeter around the camps, which has resulted in reduced mobility. While the refugees officially have the right to move freely, the Government has established a fenced perimeter around the camps to control flows and to ensure the protection of the refugees residing in the camps. Refugees must seek permission to leave the camp and they are expected to provide reasons for leaving as well as expected time away. The local population can enter the camp to make use of the school and health center facilities.

31. In the process of determining the Burkina Faso's eligibility¹² for the IDA 18 Refugee Sub-Window for Refugees and Host Communities, the World Bank Group in consultation with UNHCR confirmed that the protection framework for refugees was adequate.¹³

Situation of the Host Population

32. The host communities in the Sahel region are facing severe difficulties in addition to those related to the refugee presence. While suffering from a severe lack of socioeconomic opportunities, the region is not among the poorest in the country, possibly due to the assets held in livestock which also provides a buffer to household-level shocks (selling of livestock is a key coping mechanism). However, the region has been structurally underserved by the Central Government for years and has, for example, 439 citizens per civil servant compared to the national average of 160.

33. Generally, there is a high gap in access to services such as water, food markets, electricity, roads, and schools. This combines with higher aridity and inclement weather to expose inhabitants to food

¹¹ Update provided by UNHCR Ouagadougou in February 2019.

¹² A country is eligible if (a) the number of UNHCR-registered refugees, including persons in refugee-like situations, it hosts is at least 25,000 or 0.1 percent of the country population; (b) the country adheres to an adequate framework for the protection of refugees; and (c) the country has an action plan, strategy, or similar document that describes concrete steps, including possible policy reforms that the country will undertake toward long-term solutions that benefit refugees and host communities, consistent with the overall purpose of the window.

¹³ In accordance with the IDA 18 Refugee Sub-Window guidance, a country protection framework's adequacy is based on the host country's adherence to international or regional instruments (such as the 1951 Refugee Convention or its 1967 Protocol) or the adoption of national policies or practices (or both) consistent with international refugee protection standards.



insecurity, with 48 percent of households facing more than two shocks per year compared to a national average of 38 percent. All households in the Sahel region cope with a shock by selling assets, compared to 54 percent nationwide. Illiteracy stands at 76 percent versus a national average of 63 percent.

34. The area has a high rate of child marriage and worrying demographic dynamics in the light of scarce services. The average age at marriage for women is the lowest among all regions, at 16 years, compared to 18 years nationally and 20 years in Ouagadougou. The first pregnancy also comes early, at 18 years, compared to 19 years nationally and 20 years in the country's Central region. Nearly 40 percent of 15–19-year-old women have already given birth, and with more than seven children per woman, this region has the highest fertility rate in Burkina Faso. Consequently, the Sahel population is overall younger than the rest of the country.

35. Women are markedly disempowered in the Sahel compared to the rest of the country. About 65 percent of married women in the Sahel do not participate in any key decisions of the household, for example, concerning their own health care, shopping, or visiting relatives, compared to 41 percent nationwide. Only six percent participate in decisions on their health care, compared to 24 percent nationwide. However, women retain decision power over their own earnings. About 88 percent of those who have earnings, independently decide how to use them, and five percent decide together with their spouse.

36. Gender-based violence (GBV) has a worrying record in Burkina Faso. About 78 percent of women of childbearing age are excised (victims of female genital mutilation or cutting (FGM/C)), with little variation across regions. About 44 percent of women nationwide and 55 percent in the Sahel, believe there are situations where a husband is justified in beating his wife. About 20 percent of women nationwide report having suffered physical violence at some point in their lives, and this figure is lower in the Sahel, at 11 percent, which may reflect underreporting. Among the women who suffered physical violence, 59 percent have never sought help.

37. The region is also highly vulnerable to climate change risks. Climate change increases the risk of natural hazards (limited and unreliable rainfall and increased frequency of droughts and floods) and compounds the already precarious situation with regard to food security. Land degradation and desertification, accelerated by climate change, negatively affect key assets such as pastures and make rain-fed agriculture more precarious.

E. Security Situation

38. Security along the borders with Mali and Niger has been deteriorating in the past few years with marked intensification of security incidents in 2018, including on the police post protecting the Mentaou camp. The number of attacks and kidnappings has shown a worrying upward trend, making it more difficult to operate in border provinces. The Government has declared a state of emergency in 14 provinces of seven regions in the country, including the Sahel and North, restricting gatherings and allowing local authorities to set curfews. According to the United Nations Department for Safety and Security (UNDSS), no United Nations (UN) agency expatriate staff can stay longer than 48 hours in Dori, no overnight stay in Djibo is allowed, and all cars must be equipped with a tracking system. World Bank staff have been effectively unable to travel to the Sahel region since May 2018. The ongoing efforts by the Government to contain the spillovers of the ongoing conflict in Mali and homegrown terrorism have



reportedly led to incidents involving security forces and local residents, complicating the relationships between the two sides. There have also been reports of internal displacement and of cross-border movements by the Burkinabe population living in the insecure zones along the border.

F. Climate Change

39. Burkina Faso is highly exposed to climate and geophysical hazards, which risk hampering its development outlook. Extreme temperatures are already becoming a more frequent phenomenon, particularly in the northern part of the country. Temperatures are projected to rise by three to four degrees centigrade by 2080-2099 in comparison to the 1980-1999 time period, representing substantially higher temperature increases than the global average. Extreme rainfall has already become more common during the rainy season and is expected to increase in frequency, along with an increase in overall climate variability and a reduction in the length of the rainy season with detrimental impacts on agricultural yields. At the same time, droughts have been a frequent occurrence since the 1970s but risk becoming more frequent with increasing temperatures and changing rainfall patterns. Droughts contribute to reduced or eliminated crop yields, increased food prices, decimated livestock and overall higher poverty. By contributing to land degradation, droughts furthermore risk affecting pastoralist activities.¹⁴ Women are particularly affected given their role in fetching water and growing food for own consumption.

40. Many of the poorest households identified in the on-going project and future beneficiaries of the AF2 reside in the regions most vulnerable to climate-related risks, including in the North and in the Sahel regions. The Sahel region is furthermore home to important pastoralist populations and hosts the majority of refugees in Burkina Faso.

41. The country's ability to mitigate and adapt to climate-related risks is hampered by a number of factors. Country systems are not adequately equipped to detect signs of disasters and are limited in providing timely support during shocks. Many individuals, particularly the poorest, suffer from poor nutrition and health, which could further deteriorate during climate shocks and food insecurity. Limited means and resources to gain resilience in the face of shocks makes them particularly vulnerable.

II. DESCRIPTION OF ADDITIONAL FINANCING

A. Summary of Changes

42. The proposed AF2 would entail the following changes:

- (a) **PDO.** The PDO would remain unchanged as 'to increase access of poor households to safety nets and to lay the foundations for an adaptive safety net system in Burkina Faso'.
- (b) **Results Framework.** The Results Framework has been revised to reflect the new scope and scale-up. This included updated end targets given the expected expansion of the safety net program coverage as well as new targets due to the enhancement of the accompanying measures and the introduction of a public works component. The end target dates have

¹⁴ Based on <https://climateknowledgeportal.worldbank.org/country/burkina-faso>.



been updated to reflect the extension of the closing date.

- (c) **Adjustments to project component design.** Two new components have been added, one to introduce public works and a Contingent Emergency Response Component (CERC). Existing components would be updated to reflect the proposed new scope and coverage of the project.
- (d) **Extension of the closing date.** The closing date of the project would be extended to March 31, 2024. The closing date of the original credit will not be extended.
- (e) **Safeguards.** With the introduction of the public works component, the project will change to Environmental Assessment Category B (from formerly C) and three safeguards policies are triggered: (i) OP/BP 4.01 Environmental Assessment - due to minor civil works and other activities with potential risks to be financed; (ii) OP/BP 4.11 Physical Cultural Resources - due to excavations during civil works with the possibility of cultural heritage discoveries; and (iii) OP/BP 4.12 Involuntary Resettlement.
- (f) **Implementation arrangements.** The implementing agency will remain the same as will the Project Implementation Unit (PIU). However, some modifications to implementation arrangements will be introduced, notably (i) to ensure multisectoral collaboration of the relevant government bodies in the Sahel region and (ii) to introduce additional monitoring and reporting arrangements in view of the higher risk and insecurity in the same region.
- (g) **Procurement.** The New Procurement Framework (NPF) for projects after July 1, 2016, would apply to the AF2 and the parent project. Mandatory for all lending operations after July 1, 2016, the new Framework emphasizes flexibility, quality, and greater value for public spending, while enabling adaptation to country contexts.

B. Components

Changes to Components and Costs

43. The project is being restructured to have five components that would deploy additional funds as described in the following paragraphs.

44. Costs of the AF are projected to be US\$110 million, of which US\$100 million are covered through two IDA grants and one IDA credit. The projected financing gap of US\$10 million is expected to be covered by additional funds from the SASPP Trust Fund currently being processed and expected to become available by the end of 2019. SASPP funding will be earmarked for additional beneficiaries of cash transfers as a response mechanism to address vulnerability and shocks. Should the SASPP funding not materialize, the project will be restructured to revise the Results Targets downward.

Component 1: Cash transfers and awareness program for poor and vulnerable households (US\$137 million, of which AF2 US\$93 million equivalent and US\$10 million equivalent from SASPP)

45. AF2 will allow the project to expand its cash transfers and accompanying measures to additional



regions. These regions have been identified in line with PADEL and include those that host substantial refugee populations. Specifically, the regions that AF2 will allow to cover include all four provinces of the Sahel region (Oudalan, Séno, Soum, and Yagha); the Nayala and Sourou Provinces of the Boucle de Mouhoun region; the Bam Province of Centre-Nord region; the Sanguié Province of the Centre-Ouest region; and the peri-urban areas of Ouagadougou. The Sahel region is the most fragile region and has the lowest density of services and the latter three regions are particularly affected by poverty and food insecurity. While these regions have been prioritized, the AF2 could allow expanding to further regions and provinces in the future. The expected additional funds from the SASPP will allow the expansion of adaptive cash transfers to additional provinces in line with the food security assessment of the Harmonized Framework for the analysis and identification of areas at risk and vulnerable groups in the Sahel (“Cadre Harmonisé”).

46. The expansion resulting from the AF is estimated to benefit an additional 690,000 beneficiaries. The projected beneficiaries by region are 20,000 recipients and 100,000 beneficiaries in the Sahel region and 75,000 recipients and 375,000 beneficiaries in Boucle du Mouhoun and other regions, as well as an additional 40,000 recipients and 200,000 beneficiaries of adaptive cash transfers.¹⁵

47. When targeting the East and Center-East regions, the parent project identified double the projected number of poor beneficiaries and enrolled them, causing a cost overrun. The overrun currently stands at US\$18 million and a ceiling of US\$22 million has been set. This is included in the allocation of the AF2.

48. Given the prevalence of child marriage, GBV, and forced labor in newly selected regions and among certain parts of refugee communities (see the Background section), the project will expand its accompanying measures to influence behaviors in the direction of preventing GBV and social stigmatization and abuse, enabling due follow-up for victims, and reducing the practice of child marriage.

49. Further, given the closure of schools in the Sahel region as an effect of violence, and beneficiary children being out of school, the accompanying measures will now include radio-based primary schooling. Targeting both the beneficiaries of the cash transfers as well as those of LIPW (see activities under Component 4), this is expected to reach around 82,000 children in the Sahel.

50. More precisely, the existing subcomponent on health, nutrition, and ECD will be complemented with three additional subcomponents: (a) child marriage prevention; (b) GBV and forced labor prevention and recourse;¹⁶ and (c) a radio-based age-appropriate primary school program. Families from both the refugee and the host communities are equally welcome to participate in accompanying measures; the receipt of goods associated with participation in the schooling component is reserved for children without access to a primary school.

Child Marriage Prevention

¹⁵ It is expected that about US\$65 million in cash transfers will be financed by IDA and US\$10 million by the SASPP Trust Fund.

¹⁶ The content of these additional subcomponents has been primarily designed by two senior social workers who are members of the PIU of the Social Safety Net. The proposed activities have been tested at a smaller scale in Burkina Faso in previous projects of the Ministry of Women, National Solidarity, the Family, and Humanitarian Action (*Ministère de la Femme, de la Solidarité Nationale, et de la Famille, MFSNFAH*).



51. This subcomponent will develop and implement an integrated communications plan for behavior change to reduce the practice of child marriage. Local media, for example, radio stations, will be trained to lead the activities against the phenomenon through sustained community outreach. In particular, the following activities will be supported:

- **Training of community, traditional, and faith leaders on child marriage**, with a focus on the consequences of this practice for society. Leaders are then empowered to advocate within the community with more success. In collaboration with the project teams, they will also work to prevent incidents by informing and sensitizing heads of households on the rights of children.
- **Training of adolescents in life skills and in sexual and reproductive health.** With parents' consent, adolescents from beneficiary households will be identified and referred to the so-called '*Centres d'Ecoute*' (listening centers). Strengthening their skills will enable them to reduce their vulnerability and be promoters of family planning, in school and non-school environments.
- **A family dialogue approach with the families of children at risk of marriage.** 'Family dialogue' is a grassroots approach that uses the family as a forum. It is a form of reciprocal communication during a home visit, which aims to establish exchanges in which all opinions are respected. The session allows family members to get together in a safe space and share their thoughts and concerns about the topic and receive useful tips.
- **Role models to promote the abandonment of child marriage.** After the different phases of sensitization and training of actors in the community, women and men will be chosen to be 'role models', based on their conviction and commitment. These women and men will then be trained and organized in groups. They will help dissuade parents who are planning to give a child in marriage, and they will also help refer any victims to the relevant services (health and legal). Role models will also be found among high school students who will be constituted as a Watch Committee in their schools to support at-risk students or victims.
- **Public declaration ceremonies.** After the various sensitization and advocacy actions, a public ceremony is organized in the communes during which the traditional leaders and the mayors commit to their communities and their municipal councils, respectively, to put an end to the practice of child marriage. In this context, the national laws protecting children will be disseminated.

GBV and Forced Labor Prevention and Recourse

52. This subcomponent will work with traditional and religious leaders and rely on existing tools of the MFSNFAH to contribute to preventing GBV and social stigmatization and abuse, enabling due follow-up for victims. This will include, but not be limited to, the following:

- **Awareness and capacity building for traditional and religious leaders** on the laws in force in Burkina Faso (human rights) pertaining to women's agency and economic influence, violence against women, and equal right of access to infrastructure for all ethnicities and



social classes. The activities will disseminate the national laws about GBV, refugees, human trafficking, forced labor, and related practices and will draw attention to the obligation to respect Burkinabe laws in Burkinabe territory.

- **Advocacy with traditional and religious leaders for the management of cases of violation of these rights.** In collaboration with project teams, the leaders will work to prevent infringement of rights by (a) informing and sensitizing men and boys about the rights of women and girls; (b) inviting the community to avoid the stigmatization of refugees; and (c) helping refugees and host communities to accept that traditional class divisions will become more fluid, erasing the distinction between masters and slaves. Social infrastructure will be accessible to everyone regardless of status. Children will be sharing schools and other facilities equitably with all ethnicities and classes.
- **Help for women and girls who are victims of GBV.** For refugees, especially women who are unaccompanied or who live alone in camps, their spouses having remained in conflict areas, are particularly vulnerable to serious risks of GBV, including rape and sexual harassment, which, among other issues, affect their health and increase their risk of contracting HIV. As for child marriage, victims of GBV will be referred to health centers and legal authorities.
- The MFSNFAH has tools available for all of the above activities on child marriage, GBV, and forced labor, which should allow a rapid scale-up. This project is combining different field-tested approaches that have been developed under previous ministerial programs.

Radio-Based Primary Schooling

53. In line with the Government's strategy for schooling in insecure zones,¹⁷ it is proposed to accompany unschooled primary pupils among beneficiaries in the Sahel with the following:

- An educational radio transmission in local language (plus French when the national curriculum foresees it). There will be three programs, together covering all six years of primary school by bundling two years in one program. They will adhere to the national primary curriculum.
- A kit for each pupil without access to a primary school that follows the transmission from his/her home. The kit will comprise a solar-powered radio; educational leaflets accompanying the transmission; and tools such as crayons, rulers, and so on.
- Parental sensitization to inform parents about the hours and needs of the program. This will be integrated into the current accompanying program.
- In cooperation with the Ministry of National Education and Local Authorities, appropriate examination of learning progress will be ensured, possibly through rare but regular visits by inspectors to conduct exams.

¹⁷ *Stratégie de Scolarisation de élèves des zones à forts défis sécuritaires au Burkina Faso 2019–2021.*



54. The program will be open to all children from 6 to 14 years old who do not have access to an open school. To anchor this appropriately in the parent project, the Moral Contract signed by beneficiaries will support participation and clarify that the use of the radio is for this particular program. Further, the social workers will be trained to identify and affiliate unschooled pupils. They will also make sure that pupils with access to an open school do not enroll in the radio program.

Climate Change

55. By increasing access to resources, cash transfers are expected to reduce the vulnerability of beneficiaries to climate-related risks. Beneficiaries will be able to use additional disposable income to undertake mitigation measures but also to more effectively adapt in case of shocks.

56. The expansion of adaptive cash transfers to further food insecure regions of the country will furthermore allow households to adapt better to shocks and mitigate their impacts. As food insecurity is closely related to climate-related events, adaptive cash transfers can be understood as a direct contribution to climate change adaptation.

57. Similarly, the various subcomponents targeting behavioral change, including those targeting child marriage, GBV, forced labor, as well as the new education-related activities, are expected to increase resilience of households to climate-related shocks and enable them to adapt better to climate change. These subcomponents furthermore stand to enhance women's empowerment, which global evidence suggests brings about multiplier effects at the household level in a range of areas including health, education, nutrition, and savings among others, thus improving the household's resilience to natural disasters and other shocks and enable them to better adapt to climate-related shocks.

Mass Communication

58. Two strategies will be used across the board for the dissemination of key messages for all themes.

- **The production and broadcasting of radio programs and games.** The programs will be produced by the project's communication officer on various themes and broadcast periodically through radio stations.
- **The implementation of the Community Giant Scoreboard or 'health walls' in the villages.**¹⁸ The project will test this approach developed by the Burkinabe Families Achieving Sustainable Outcomes Program to monitor maternal and child health indicators. The scoreboard or 'health walls' is an innovative monitoring and evaluation (M&E) tool that has been shown to promote behavioral change in communities. The scoreboard is managed by members of the community to follow the evolution of indicators of interest.

Implementation under Insecurity

59. Due to the worsened security situation in many of the project's provinces, some of the above

¹⁸ This approach will be limited to areas secure enough to allow large gatherings.



activities will require adaptation. Given the increased risks of violent attacks on gatherings, the project will refrain from activities that bring together large groups of people in fragile locations. Public meetings, for example, bear the risk of attracting attention and becoming targets of violent attacks.

60. To ensure the seamless implementation of crucial project activities despite the deteriorating security situation, the project will continue to employ innovative approaches and rely on technology where possible. For example, coaching, house visits, and individual interactions can be carried out through telephone calls or even video calls wherever connectivity permits. These can be complemented with visual aids in the form of handouts, posters, and the like. Trainings can be held through training videos or TV shows and through radio programs. As is already being done in some of the current project regions, payments would be carried out using mobile money.

61. In addition, the project will further strengthen its already close collaboration with local authorities. Before any local activity, the PIU will reach out to local authorities and consult them about the rollout process. To the extent possible, members of the local administration will be involved in organizing and accompanying project activities. In several past instances, such a collaboration has worked as an early warning system of possible violence and contributed to the safe completion of cash payments.

Component 2: Laying the foundations for an adaptive national safety net system (US\$7.4 million equivalent; No additional allocation under AF2)

62. No additional funding is foreseen for this component, but by expanding the use of the existing safety net system and including refugees and host communities as potential beneficiaries, the current beneficiary database can take a step toward becoming a social registry. Given the close collaboration with actors of the humanitarian community, such as UNHCR, WFP, and others, the AF2 could encourage these actors to include their beneficiaries in the integrated national system and to use the data to facilitate identification of beneficiaries for humanitarian response.

63. By continuing to put in place SP delivery systems, including laying the groundwork for a social registry and expanding digital payments, the project contributes to the country's ability to quickly react and adapt to various shocks and risks, including climate-related ones. Using a uniform targeting system is expected to enable social protection and other programs to identify better the poor and vulnerable, including those poverty stricken by disasters. The targeting methodology moreover takes into account a number of variables relevant for adaptation to shocks including access to water, ownership of assets, living conditions and the like. By including the poor in formal financial channels through the opening of mobile money accounts, for example, beneficiaries' savings will be better protected from such shocks, which would otherwise threaten decimating other forms of in-kind savings, such as livestock.

Component 3: Project Management (US\$14.1 million, of which AF2 US\$9.5 million equivalent)

64. While the project would continue relying on established project management infrastructure and procedures, the expansion to fragile locations and to refugee and host populations increases the complexity of project management tasks. To successfully operate in the fragile Sahel region, enhanced multisectoral collaboration will be necessary as well as additional monitoring and reporting arrangements. The World Bank and the PIU teams would be strengthened to be able to respond to specific challenges linked to the fragile context in the Sahel region.



65. Given that the security situation in the Sahel region prevents the World Bank from supervising activities on the ground, the project would have to rely on performance audits by credible third parties that provide reports back to the PIU and the World Bank, based on visits to the field. Such partners would be competitively selected from among national and international nongovernmental organizations (NGOs) and agencies working in the area. The key objective of the arrangement is to ensure monitoring and reporting on project performance including on the following: (a) delivery of planned outputs against annual work plans at LIPW project sites, (b) quality of service delivery by the designated service providers based on planned activities in the accompanying measures subcomponent, and (c) verification of the compliance with the pertinent social and environmental standards. The audit contractor will be selected based on its ability to rapidly mobilize a strong project team with appropriate qualifications to meet the terms of reference (ToR) developed for this assignment and ability to begin high-quality monitoring in the project area as of the start date of the contract. This means that qualified contractors must have a local team on the ground who would be capable of starting the assignment immediately. The selected contractor should have in place or be able to rapidly draw on a network of highly qualified staff with expertise and experience in project monitoring and social and environmental standards. This team should include local staff or consultants who are familiar with the local culture and norms as well as speak local languages and understand local protocol.

Component 4: Productive Labor-Intensive Public Works (LIPW) Program (AF2 US\$7.5 million equivalent)

66. This is a new component targeting refugees and host communities in the Sahel region. Beneficiaries would receive income-generating employment opportunities while rehabilitating and maintaining infrastructure in both rural and urban settings and creating economic activities that would create additional job and income opportunities. The LIPW Program has a double advantage when considering appropriate social protection for refugees and host communities in Burkina. First, it provides the necessary temporary income in the context of decreasing humanitarian assistance. While humanitarian partners are engaged in the Sahel region, repeated budget cuts and funding shortfalls have led to decreasing levels of support. By December 2018, the WFP, for example, had received over US\$20 million less than the US\$75.4 million projected as required for the 2018 calendar year.¹⁹ Second, and most important, the targeting approach (detailed in the following paragraphs) appropriate to LIPW ensures that the most vulnerable self-select into the activity and can be implemented equally efficiently in refugee camps and host communities. This is not the case for the targeting approaches appropriate to cash transfers (for example, proxy-means test [PMT] or community-based targeting).

67. LIPW also has an advantage when considering interventions for Burkina Faso's Sahel region. The component will rehabilitate and create much-needed infrastructure. The Sahel region has a significant shortage of social and economic infrastructure after having been structurally underserved for years. Lastly and crucially, all relevant interest groups including the Government of Burkina Faso strongly endorse the inclusion of refugees in LIPW.

68. The LIPW component would be implemented in five communes in the Sahel region, but an expansion to other regions could be envisioned in the future. While all public works will take place outside

¹⁹ WFP Burkina Faso Country Brief December 2018, available at <https://reliefweb.int/sites/reliefweb.int/files/resources/WFP%20BURKINA%20FASO%20COUNTRY%20BRIEF%20DECEMBER%202018.pdf>.



refugee camps, self-selected participation is open to refugees and host communities alike.

69. The total cost of the component would be US\$7.5 million. The allocation of the component's resources among the communes would be based on an appropriate mix between (a) their total population and (b) the estimated number of out-of-camp refugees.

70. It is estimated that, over the project period, the component would provide direct benefits to about 8,500 households (48,000 people), of which 1,800 are refugee households (estimated 1,300 from the 2 camps and 500 from outside the camps)²⁰ and 6,700 households are in the host communities (about 13 percent of the total number of households in the five communes). It is expected that a total of 1,020,000 ($120 \times 8,500$) workdays would be created (510,000 work days in each urban and rural LIPW).²¹ There will be no quota for refugees and target numbers are indicative.

71. The component's activities would be selected in collaboration with the communities, based on their local development plans and on specific criteria linked to the component's main objective.

Urban LIPW (US\$3.75 million)

72. Urban LIPW will be implemented in the main towns of Djibo and Dori. Works would focus on sanitation and the maintenance of existing public infrastructure. Each household would be eligible for about 120 days of work.

73. Urban LIPW would include the cleaning and maintenance of streets (including filling of potholes) and drainage and sanitation networks, the rehabilitation or maintenance of public gardens and green spaces or local markets, and priority public services such as assisting with road traffic (school crossing guards or support to municipal police).

Rural LIPW (US\$3.75 million)

74. Rural LIPW will be implemented in three rural communes of Deou and Oursi in Oudalan Province and Pobé Mengao in the Soum Province.²² They would focus on the establishment of collective productive infrastructures that, in view of the region's farming systems, would include, among others, improved livestock pastures/range; the establishment of water points (water holes for animals/boulis and tube wells); bottom-land development; and improved soil and water management (stone ridges, restoration of degraded land, dune fixation, and so on). Specific investments would be selected from each rural community's local development plan based on priorities identified at the village level through a participatory community planning process and would be based on (a) a minimum labor ratio (unskilled labor to the total cost of the investment/activity) of over 50 percent and (b) a satisfactory rate of return on the investment. These activities would both generate immediate temporary employment and income during the establishment of the infrastructures and offer productive assets and sustainable incomes to

²⁰ About 75 percent of total out-of-camp refugee households.

²¹ Based on 120 days of work per beneficiary.

²² These communes will be confirmed at appraisal. According to UNHCR, Government services are present, and access is possible in Oursi and Pobé Mendao. Access is increasingly difficult in Deou, where schools and health centers are closed. UNHCR accesses this commune, as does their local contractor, the Danish Refugee Council.



selected households (as detailed in the following paragraphs). The latter would also receive technical support to ensure the efficient use of the productive assets.

Implementation of LIPW

75. The implementation of LIPW, under the overall supervision of the PIU, will involve joint work by three entities, with separate but complementary roles: the communities benefiting from LIPW, a local implementing NGO partner in every province, and a payment agency. The PIU will use a third party to monitor the quality of the activities undertaken by each of the three actors involved and the mechanisms established to ensure transparency and to address grievances.

- **Communities benefiting from LIPW.** Identification of LIPW would be undertaken by the municipal technical services considering the priority actions included in the communal development plans and/or the needs expressed by the services of the municipality. The description and programming of works will be done in cooperation with the PIU, based on an agreement.
- **Implementing NGO partners.** They will be contracted by the PIU to undertake outreach and communication activities on the project and select the beneficiaries in accordance with the methodology adopted by the project. A validated list will be sent to the PIU for inclusion in its beneficiary register.
- **Payment agency.** The PIU will define the modalities (instrument, rate, frequency, and conditions) of the cash transfers and will send the list of targeted beneficiaries and a payment order to the contracted payment agency; the latter will make payments and report back to the PIU. Electronic transfer modalities will be used whenever possible, with an option of opening an account to support financial inclusion of beneficiaries.

76. LIPW would be performed by work brigades, each consisting of about 20 members and supervised by a team leader. Beneficiaries above the age of 18 from the target communes (host population and refugees), as well as refugees from camps, if they do not have access to another welfare program, can apply to participate in LIPW. Given a very modest daily wage at the same level as other LIPW programs in the country (CFAF 1,850 or US\$3.2 a day), beneficiaries will self-select. Only people without better earnings opportunities will choose to participate. Even with this self-targeting mechanism, LIPW activities in Burkina Faso are usually oversubscribed, especially in urban areas. Should this be the case, the selection of beneficiaries will be through a transparent lottery process on the list of applicants to ensure an equitable selection of beneficiaries, with (if need be) minimum quotas and lottery for men/women and refugees/local households.²³

77. While it is possible (although unlikely) that individuals benefit from LIPW and cash transfers under Component 1 in parallel, the targeting mechanisms are designed to minimize overlap. First, the geographic overlap between the cash transfers under Component 1 and the LIPW component is limited. Second, the cash transfers do not target refugee camps and would therefore only be available in host communities.

²³ Experience in Burkina Faso demonstrates that there is no real need for a quota for women who are by far the most numerous applicants.



Lastly, the work under the LIPW component is demanding and the proceeds are calibrated at a level that only those in need of assistance would subscribe to the public works.

78. Each beneficiary would receive a 6-month contract.²⁴ They would be provided with protective clothing and the necessary work-related health (vaccination) and accident insurance coverage. Wages would be either paid through mobile money or deposited into a bank account opened by the beneficiary with project assistance at an acceptable local financial institution of his/her choice.

79. Brigade members would benefit during their employment from activities that would enhance their opportunity for permanent employment at the end of their LIPW contract. About 20 days of mandatory training and up to 400²⁵ hours of voluntary training would be provided (in addition to the work period), paid at the same wage as for a working day. Training would include basic social and life skills (social cohesion, prevention of common diseases, nutrition, sports, environment, and protection of the living environment); technical and business-related skills;²⁶ and literacy.²⁷ Training would be carried out by specialized private contractors selected on a competitive basis and participation in LIPW is a prerequisite to benefit from these trainings.

80. A voluntary savings program would be proposed to help participants put aside a part of their wages directly into a savings account, as start-up capital to initiate post-LIPW income-generating activities. The program would also include a matching grant (1-to-1 with the amount saved at the end of the program) to give an incentive for saving and increase the start-up capital of participants.

81. Rural LIPW would be undertaken during the agricultural off-season to avoid interfering with the demand for agricultural labor. A suitable implementing NGO partner in each province would be contracted by the PIU to organize the social intermediation activities, mobilize the local communities, and select beneficiaries. Each implementing NGO partner will retain a specialist responsible for the detailed design of the works in accordance with their nature and the needs expressed by the community. For implementation supervision, communes and the relevant technical ministries would be responsible for providing final approval. A second specialist retained by the NGO will oversee the organization of social intermediation activities to mobilize local communities and mitigate potential conflicts, and the selection of beneficiaries. The PIU would also recruit service providers to monitor the quality of the work. Selected NGOs would also be trained in application of the social and environmental safeguards in accordance with the project's safeguards documentation.

Access to and Use of the Established Productive Infrastructure

82. The collective productive infrastructures established under the component would both provide immediate employment opportunities during their establishment and offer sustainable income-generating activities for households that would have access to these infrastructures. The selection of the households that would benefit from access to and use of the collective productive infrastructures

²⁴ Contract would be for a fixed period but paid daily only for days effectively worked.

²⁵ The number of hours for the standard literacy program of the Government of Burkina Faso is 400.

²⁶ Technical training would target economic activities relevant for the area, that do not require a large up-front investment and for which the basic skills can be acquired in 30-60 days.

²⁷ Given that literacy is critical to employability/productivity and it is likely that more than half of the participants would be illiterate (especially women), a functional literacy program would be proposed to participants.



established under the project (such as recovered lowlands which can now be used for agriculture) would be made through a participatory process at the local level, based on specific eligibility criteria and quotas for refugees and women-headed households. A facilitation would be provided by the CONAREF/UNHCR to ensure the consensual inclusion of refugee households in the selection process.

83. Before the start of the necessary works: (a) an agreement would be concluded, documented, and filed officially, with the holders of the (customary) rights to the concerned land to formalize the conditions under which access to the land would be granted (time period and compensation) and (b) a formal agreement would be obtained from beneficiaries to define the management and maintenance process of the productive infrastructure. Beneficiary households would receive technical support from frontline ministries for ensuring the productive use of these infrastructures and the optimization of revenues derived from beneficiary households.

Gender Aspects

84. The nature of LIPW is often physically demanding and may also lead to a discrimination against women, especially women with very young children. Care would thus be taken to include less demanding tasks and/or tasks that can be paid on a piece rate basis to facilitate women attending to their other obligations. Work sites would have amenities catering to the specific constraints faced by women, including arrangements to organize on-site child care, along the lines of the experiment currently piloted under the Youth Employment Project (P130735). Also, training would be provided for all parents, in cooperation with the local public health centers, on specific child care issues (nutrition, immunizations, ECD, and so on).

Climate Change

85. Particularly in rural areas, LIPW offer the opportunity to enhance climate change mitigation and adaptation. To do so, the project will take into account climate-related considerations in the selection of public works projects. Activities such as terracing, rehabilitation of degraded lands, soil conservation and management, and other activities are proven to contribute to mitigation. Activities that contribute to food security, for example, have been shown to increase resilience and therefore the ability to adapt to climate-related shocks.

86. Furthermore, participants receive financial as well as in-kind support in the form of basic skills training. The additional resources available to participating households are expected to increase their ability to mitigate as well as adapt to climate-related shocks. Trainings and other in-kind support have been shown to improve households' ability to adapt to shocks and to have multiplier effects further increasing their adaptation capacity, particularly when provided to women.

87. Overall, therefore, this project is going to contribute to strengthening adaptation capacity of its beneficiaries in the face of shocks induced by climate change throughout its components.

Component 5: Contingent Emergency Response Component (No initial allocation)

88. Given the deteriorating security situation and the country's exposure to regional instability, displacement, and climate-related shocks, a CERC is added to the project. Following an eligible crisis or



emergency, the Borrower may request the World Bank to reallocate project funds to support emergency response and reconstruction. This component would draw from the uncommitted grant resources from this project (and other projects at the decision of country management) to cover emergency response. An eligible crisis or emergency is an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact, associated with a natural or man-made crisis or disaster.²⁸ Additional criteria for the activation of the CERC include the declaration of a state of emergency (or equivalent) by the competent national or subnational authority in accordance with Burkina Faso's emergency response laws and regulations.²⁹ Consistent with the operational policies of the World Bank Group, the CERC does not finance humanitarian assistance or relief but focuses on (a) rebuilding and restoring physical assets; (b) restoring the means of production and economic activities; (c) preserving or restoring essential services; (d) establishing and/or preserving human, institutional, and/or social capital, including economic reintegration of vulnerable groups; (e) facilitating peace building; (f) assisting with the crucial initial stages of building capacity for longer-term reconstruction, disaster management, and risk reduction; and (g) supporting measures to mitigate or avert the potential effects of imminent emergencies or future emergencies or crises in countries at high risk.³⁰

C. Implementation Arrangements

89. The implementation arrangements under AF2 will mostly remain the same as those for the original project. The PIU is a semiautonomous unit under the authority of the MFSNFAH. The AF will be implemented under the existing institutional and implementation arrangements defined in the Safety Net Project's documents and manuals. A multisectoral Steering Committee³¹ will oversee the project. It is presided over by the General Secretary of the line ministry or another senior civil servant designated by the Minister. The PIU would furthermore execute the CERC if activated unless otherwise specified in the Project Operations Manual.

90. In view of the security situation in the Sahel region that prevents the World Bank from supervising activities on the ground, the project would commission technical performance audits³² by credible partners that are able to field missions to the Sahel and provide reports to the PIU and the World Bank. Such partners would be competitively selected from among national and international NGOs and agencies working in the area. The World Bank and the PIU teams would be strengthened to be able to respond to specific challenges linked to the fragile context in the Sahel region. No military presence is expected to be required during the project implementation.

D. Changes to Results Framework

91. The results framework has been updated to reflect the modifications of the additional financing. At the level of PDO indicators this includes an increase in the number of targeted direct project

²⁸ Operational Policy 8.00 on 'Rapid Response to Crises and Emergencies' revised on July 1, 2014 provides definitions and guidance.

²⁹ Activation criteria for the CERC are specified in the CERC annex to the Project Operations Manual.

³⁰ See Operational Policy 8.00 on 'Rapid Response to Crises and Emergencies' revised on July 1, 2014

³¹ According to Decree N°2018-0092/PRES/PM/MINEFID of February 15, 2018, regulating development projects and programs in Burkina Faso.

³² Technical performance audits will be used as alternative arrangements to Third Party Monitoring (TPM), which is an arrangement whereby the World Bank hires TPM providers directly.



beneficiaries as well as in the number of beneficiary households with information stored in the social registry. Intermediary results indicators have equally been updated to account for the expansion of the project. In particular, this concerns the number of direct beneficiaries of the core (non-adaptive) cash transfers as and the number of beneficiaries of adaptive cash transfers. A set of indicators was furthermore added to reflect the new LIPW component and the remote education activity. Concretely, the results framework will measure the number of LIPW participants, the share of refugees among them, the number of work days generated in both rural and urban LIPW, the percentage of LIPW participants benefiting from matching grants, the number of LIP beneficiaries receiving basic literacy and/or life skills training, as well as the share of eligible children following the educational radio program in the Sahel. All revised and new indicators have been adjusted to reflect the new end date in 2024.

E. Changes to Safeguards Policies

92. The environmental assessment (EA) category of the parent project is “C” and the risk is rated moderate. The change in category to “B” is due to the minor civil works introduced by the AF2. To this end, the Borrower has prepared an ESMF as part of the project implementation to analyze the potential risks, impacts and describe their mitigation plans. At this stage, the actual locations have not been identified and the impacts are not known. Once the sites are identified, environmental and social screening mechanisms, related to potential large scale, significant and/or irreversible impacts, will be used to determine the type of instruments to be developed prior to project implementation.

93. Overall, the potential long-term impacts are by and large anticipated to be positive. Project activities will lead to improved access to earning opportunities for refugee and poor local households either through temporary employment or through access to productive assets, and improve their human capital. There are no major negative environmental impacts expected from the proposed project. However, LIPWs activities such as bottom-land development and other small rural investments and/or their productive use may have small potential negative environmental impacts that may include loss of vegetation, an increase in solid waste (linked to street and drainage systems cleaning). Potential adverse environmental and social impacts of project activities are generally small scale and site specific, and thus easily manageable to a satisfactory level.

III. KEY RISKS

94. **The overall risk of the AF2 is Substantial.** Key risks relate to security, fiduciary, institutional capacity for implementation, and sector strategies and policies. The complex context involving refugees and host communities in a fragile area warrants the overall risk rating.

95. **Political and governance risk is Moderate.** The potential political capture of project benefits by the elites remains a risk. To maintain a strong transparency focus, the project will rely on communication with the public, local authorities, beneficiaries, and policy makers, also supported by the Rapid Social Response Trust Fund on ‘Citizens Curb Corruption’.

96. **Sector strategies and policies risk is Substantial.** The Government has laid out its vision in the Development Policy Letter toward gradual integration of refugees into the local social and economic fabric. This risk is also being mitigated through a recently stronger coordination and a stronger will to collaborate and share information between agencies. However, the current rollout of program budgets



which rely on public sector agents for their implementation bear a Substantial risk due to the inadequate capacity of most of these agents.

97. **Institutional capacity for implementation risk is assessed as Substantial.** The MFSNFAH and the PIU have made notable progress in strengthening implementation capacity for the ongoing Social Safety Net Project. However, LIPW is a new activity for the MFSNFAH and the PIU and will require additional expertise and staff. The risk will be mitigated by strengthening the PIU team with an LIPW specialist and a safeguards specialist. World Bank supervision will also consider this point and complement PIU expertise when needed.

98. **Fiduciary risk is Substantial due to ongoing FM and procurement issues in the parent project.** The World Bank's fiduciary team is working closely with the PIU on the FM and procurement activities of the project to help the project anticipate bottlenecks and ensure that proper procedures are followed.

99. **Security risk is High.** Security in Burkina Faso has deteriorated in the recent years and months. Terrorist activities in the Sahel region have spread to the west and south. The UN agencies' Security Management Team has currently suspended any missions of staff that could be perceived as 'Western' to the Sahel region of the country. Thus, if the situation does not improve, it is planned that supervision of the project on the ground will be carried out through local and experienced Government and PIU staff, in addition to the planned technical performance audits.

100. **Other.** The protection risks associated with refugees is rated Moderate based on the Government's progressive approach to managing the refugee situation. Respectful of the ECOWAS policy on freedom of movement and with a national legislative framework that conforms to the OAU Convention on Refugees, Malians enjoy many of the same rights as the Burkinabe population. A couple of issues raise the risk from Low to Moderate: (a) an increasing threat of terrorism in the Sahel region risk is undermining the tolerance shown from the Government and population toward refugees if seen as complicit; (b) the national asylum procedure is experiencing significant backlog of pending cases, low quality of asylum assessments, and problems in the appeal procedure; and (c) the Government lacks the capacity to provide civil registration services, including the issuance of birth certificates, to Malian refugees. The project will manage these risks by ensuring a continuous collaboration with UNHCR and other partners, including benefitting communities, which will allow for early engagement with the Government to address these issues up front.

IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

101. The economic and financial analysis of the cash transfer program is the same as the one that was undertaken at the time of the preparation of the parent project. Ex ante simulations undertaken for the parent project indicated that a monthly household cash transfer of CFAF 10,000 (US\$17.5) could produce a significant reduction in the poverty gap as well as a reduction in the chronic poverty headcount. Ex ante simulations of the potential impact of the cash transfers on poverty under a range of scenarios with different transfer benefit structures and targeting methods are presented in annex 6. An average monthly transfer of CFAF 10,000 (US\$17.5) targeted to half of all the chronically poor rural households (290,000 households) can be expected to result in a reduction of around 21 percent in the chronic poverty rate and



a reduction of 17 percent in the poverty gap nationwide. Ex post evaluation will be conducted at the project closing.

102. International experience shows that conditional cash transfers can play an important role in improving social indicators such as nutrition, education, and health outcomes. Evidence is also growing on positive effects on local economies and investments toward productive activities. For example, 25 percent of beneficiaries of the Ethiopia Productive Safety Nets Project III used cash transfers to invest in their livelihoods. The targeting approach will ensure benefits reach those most in need.

103. Empirical evidence from a randomized evaluation of the household welfare impacts of a pilot cash transfer program in Burkina Faso indicates that cash transfers improve children's education and health as well as household and adult socioeconomic conditions.³³ They substantially increase school enrolment, attendance, and grade progression, but they have no significant impact on learning outcomes as measured by standardized tests in math and French (indicating a need to improve quality of learning). The cash transfers also improve the health outcomes of children ages 0–5, leading to more routine preventive visits to health clinics; less illnesses (both as reported by parents and as measured by a biomarker for inflammations); and better nutritional outcomes as indicated by anthropometric measurements, particularly during years with poor harvests.

104. A full ex-ante economic analysis of the investments to be undertaken in rural areas under Component 3 is not feasible because the specific public works projects are not identified in advance and will depend on local governments' and communities' choices. There is, however, a large body of evidence showing the positive impact of this type of rural infrastructure on rural livelihoods. Soil conservation projects reduce soil losses and improve soil fertility and water retention, thus increasing productivity, particularly in low rainfall years. Small water retention structures permit dry season irrigation, provide water for livestock, and reduce the distance women and children travel to fetch water. Investments to be undertaken by rural communes are similar to those undertaken under other World Bank-financed LIPW programs in Burkina Faso and an ex post economic and financial evaluation of subprojects financed under the Second Phase of Community-Based Rural Development Project carried out during the preparation of the third phase of the program found high rate of returns (74 percent overall for the mix of sub-projects) and positive benefit-to-cost ratios (ranging from 3.7 for water supply and small multipurpose water works to 1.8 for soil and water conservation and health infrastructure).

105. The value added of the World Bank in this area has been confirmed during appraisal. The World Bank has unique experience in designing, appraising, implementing, and evaluating social safety nets together with and through governments. Rigorous evaluations have proven a positive track record of impact on poverty reduction and human capital building. As for working with refugees, the international donor community has called for a gradual shift of humanitarian to development financing to integrate long-term refugees and has entrusted a significant role to the World Bank through the IDA18 Refugee Sub-window.

³³ Akresh, Richard, Damien de Walque, and Harounan Kazianga. 2016. "Evidence from a Randomized Evaluation of the Household Welfare Impacts of Conditional and Unconditional Cash Transfers Given to Mothers or Fathers." Policy Research Working Paper 7730, World Bank, Washington, DC. <https://openknowledge.worldbank.org/handle/10986/24647> License: CC BY 3.0 IGO.



B. Technical

106. The project was designed considering global experience in implementing similar activities for distressed populations, as well as best practice in both the design of cash transfers, LIPW activities, and the accompanying measures to promote an increase in human capital. The project also considers lessons learned from the implementation of other projects in Burkina Faso, particularly from implementation of the Social Safety Nets and Youth Employment Projects. The resilience-based approach to dealing with protracted crises used in the project is in line with the World Bank's commitment to strengthen the humanitarian-development nexus through its operations.

107. The beneficiaries of cash transfers are selected using a structured combination of targeting methods (geographic, community-based, categorical, and PMT). This approach is an effective way to channel limited resources to the poorest households who are also at risk from child malnutrition. The cash transfer payment system makes use of the latest developments in payment processes and centrally managed information systems. The selection of payment agencies is based on an assessment, undertaken during preparation, of providers available in the project areas.

108. The choice of LIPW as a productive safety net is motivated by the scarce earning and livelihood opportunities for the refugee and host population in the targeted areas. LIPW commonly produce the following outputs: (a) temporary employment for workers to increase their income and (b) public goods in the form of the improved and rehabilitated communal infrastructure and/or support delivery of basic services. In doing so, LIPW contribute to (a) increased income and consumption smoothing; (b) a reduction in poverty and poverty gap ratio; and (c) basic infrastructure development. Building on the experience of similar operations in Burkina Faso, other Sahel countries, and beyond, LIPW under Component 1 will be also accompanied by the following measures to increase participants' employability and improve the sustainability of employment beyond the few months provided by the project: basic skills development both in 'soft' skills (for example, life skills, health, and environment) and in business-related skills (for example, functional literacy and numeracy, basic accounting, and business planning).

109. In addition, as in the ongoing Youth Employment Project, it is expected that women participating in LIPW will organize 'mobile creches' for their children (in particular those 0–24 months). Based on these 'mobile creches', the project will support accompanying activities that will include sensitization of mothers to health, nutrition, and educational topics, as well as provision of educational material for mothers and children.

110. The value of using accompanying measures to encourage investments in human capital and productive activities has been demonstrated in other projects implemented in Burkina Faso. This project builds on them to address specific problems faced by the refugee and host populations in the targeted areas, such as early marriages, GBV, and reduced autonomy. Use of locally adapted information, education, and communication materials and channels will enhance the impact of these activities.

111. The project also complements other existing World Bank-financed operations in the social protection, health, education, potable water, and agriculture sectors and operating in the target areas (for example, Health Services Reinforcement Project [P164696], Education Access and Quality Improvement Project [EAQIP] [P148062]), and Burkina Faso Water Supply and Sanitation Program [P164345]) by (a) supporting improvements in basic rural productive infrastructure; (b) improving the



skills of the poor and vulnerable; (c) improving urban sanitation; and (d) promoting demand for existing social services.

C. Financial Management

112. The FM Unit set up within Social Safety Nets Project PIU will be responsible for FM aspects of AF2 and remains the World Bank focal point.

113. The assessment of the FM Unit of the Social Safety Net Project was carried out in October 2018. The objective of the assessment was to determine whether the FM Unit has adequate FM arrangements in place to ensure that the AF2 funds will be used only for the purpose for which the financing was provided, with due attention to considerations of economy and efficiency. The assessment complied with the FM Manual for World Bank Investment Project Financing Operations, effective December 11, 2014.

114. The FM performance of the PIU was rated Unsatisfactory following the in-depth review completed in June 2018 and the FM risk was deemed High. The following significant issues were identified (a) ineligible expenditures of CFAF 494 million (US\$0.9 million) of IDA funds; (b) understaffing of the FM Unit; (c) the ineffectiveness of the PIU internal control system, due to the vacancy of the internal auditor position; (d) weaknesses in the justification and in the archiving of transactions supporting documents; (e) poor fuel management by the PIU; and (f) uncertainty on cash transfers.

115. There is no overdue audit report in the project at the time of preparation of AF2. The audit report of the Social Safety Nets Project, covering the period ending on December 31, 2017, was submitted on time; the external auditor expressed a qualified opinion. The current contract of the external auditor came to an end with the audit of the financial statements as on December 31, 2017. The recruitment of an external auditor for 2018 to 2020 is in progress and the external auditor will be in place not later than ninety (90) days after the effectiveness of the proposed AF2.

116. To address the issues identified by the 2017 audit an action plan including the high priority recommendations in paragraph 118 was agreed with the PIU and is currently under implementation.

117. The overall fiduciary risk of AF2 has been assessed as Substantial following the primary risk assessment which considered the current risk rating of the parent project and the mitigation measures required for AF2 (table 1).

118. The assessment concluded that the PIU of the Social Safety Net Project could oversee the FM of the AF2 once the following measures are implemented:

- Refund the ineligible expenditures on IDA funds during the first half of 2019.
- Recruit, on a competitive basis and by effectiveness, additional staff with qualifications and experience satisfactory to the World Bank: (a) two accountants; (b) one internal auditor; and (c) one archivist.



- Update, by effectiveness, the Project Implementation Manual (PIM) and the FM Procedures Manual to include (a) specific arrangements related to the AF2, if any; and (b) procedures to ensure the setup and the maintenance of a reliable archiving system.
- Customize the accounting software to record transactions and financial reporting for the AF2 (within thirty (30) days after the effectiveness of AF2).
- Revise the ToR of the external auditor to include the audit of the AF2 and the review of effectiveness of cash transfers within thirty (30) days after the effectiveness of AF2.
- Recruit the external auditor for the parent project and the AF2 ninety (90) days after effectiveness.

119. In addition, the PIU will adopt the following strong arrangements, to address the reasons of ineligible expenditures and risks of ineffective transfers of funds to beneficiaries:

- The internal auditor will review the effectiveness of transactions related to cash transfers to beneficiaries each quarter;
- The PIU to submit for World Bank prior review all the ToR and budgets of any activities related to workshops, training, missions, and conferences, at least during the first 18 months following the effectiveness of AF2; and
- The role of the Review Committee and M&E will be strengthened through effective field visits at least on a quarterly basis.

120. If necessary, the project, in accordance with the World Bank's requirements, may consider recruiting a consultant to perform additional and independent verification of the effectiveness of cash transfers.

121. The internal audit function will be strengthened after the recruitment of the internal auditor. Internal audit reports will be shared each quarter with the World Bank and the Review Committee, no later than 45 days after the end of each quarter. Internal audit reports will also present a follow-up of the FM action plan, conclusions on cash transfer effectiveness controls, and any significant finding.

122. During implementation, the PIU will be required to prepare and submit to the World Bank (a) an approved annual work plan and budget (AWPB) not later than November 30 of the year preceding the year the AWPB should be implemented; (b) unaudited interim financial reports (IFRs) on a quarterly basis; and (c) audited annual financial statements (for example, audit reports prepared by independent external auditors). The project will comply with the World Bank disclosure policy of audit reports.

123. Based on the overall residual FM risk which is Substantial, the project will be supervised by World Bank FM staff at least thrice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way (table 3).

124. The AF will finance 100 percent of eligible expenditures of the project inclusive of tax. The amount



of the initial deposit will be stated in the Disbursement and Financial Information Letter and will be released by IDA at the request of the PIU upon AF2 effectiveness. A Designated Account in CFA francs will be opened at the central bank. A Project Account (PA), managed by the FM Unit with signatories of the coordinator and the FM officer (*Responsable Administratif et Financier*, RAF), will be opened in a commercial bank under terms and conditions acceptable to the World Bank. This PA will be used to pay for all the expenditures related to the financing.

125. Terms and conditions for justification of IDA funds transferred to other agencies involved in the implementation of the project activities for them to make payments of expenditures will be detailed in the subsidiary grant agreements or the Memorandum of Understanding between the project and the agency, as well as in the PIM. Interest incomes on the PA will be deposited into a sub-account opened in a commercial bank and used according to the FM Manual.

Table 1. Update of the FM Risk Rating

| Type of Risk | Residual Risk Rating | | Brief Explanation of Changes and Any New Mitigation Measures |
|-----------------------|----------------------|---------|--|
| | Previous | Current | |
| Inherent risk | | | |
| Country level | M | M | |
| Entity level | H | S | The PIU is very familiar with World Bank FM procedures but its FM performance was rated Unsatisfactory following the in-depth review. Mitigation measures The PIU will finalize the implementation of key recommendations of the action plan of the in-depth review. |
| Program level | S | S | Project activities are complex and could be prone to irregularities. The project design includes sub-delegation of some activities to local governments (communes) Mitigation measures <ul style="list-style-type: none">All budgets related to some project activities (workshops, conferences, training, treasury advances to rural and regional implementation agencies) will be subject to World Bank prior review at least during the first 18 months following the effectiveness of AF2.Supervision mission will include detailed reviews of expenditures. |
| Overall inherent risk | H | S | |
| Control risk | | | |
| Budgeting | S | S | The PIU has experienced delays in the submission and approval of annual work plans and budget. Mitigation measures The annual work plan reviewed and approved by the Review Committee before November 30 of the previous year |
| Accounting | H | S | The last FM supervision revealed (a) current understaffing of the PIU FM Unit and (b) significant delays in book keeping. Mitigation measures <ul style="list-style-type: none">Recruit, on a competitive basis and by effectiveness, additional staff with qualifications and experience satisfactory to the World |



| Type of Risk | Residual Risk Rating | | Brief Explanation of Changes and Any New Mitigation Measures |
|-----------------------------|----------------------|---------|---|
| | Previous | Current | |
| | | | <p>Bank: (a) two accountants; (b) one internal auditor; and (c) one archivist.</p> <ul style="list-style-type: none"> Update by effectiveness, the PIM and the FM Procedures Manual to include (a) specific arrangements related to the AF2, if any, and (b) procedures to ensure the setup and the maintenance of a reliable archiving system. Customize the accounting software to record transactions and financial reporting for the AF2 (within thirty (30) days after the effectiveness of AF2). |
| Internal controls | S | M | <p>Weaknesses of the existing internal controls (a) lack of annual internal control program and (b) lack of transmission internal audit reports to the World Bank</p> <p>Mitigation measures</p> <ul style="list-style-type: none"> Recruit an internal auditor by effectiveness. Prepare an audit chapter. Share the internal audit reports with the World Bank and the Review Committee. The internal auditor will review the effectiveness of transactions related to cash transfers to beneficiaries each quarter. The role of the Review Committee and M&E will be strengthened through effective field visits at least quarterly. |
| Funds flow | M | M | |
| Financial reporting | S | S | <p>Delays in the production and transmission of the unaudited financial reports</p> <p>Mitigation measure(s):</p> <p>Unaudited IFRs will be submitted on a quarterly basis no later than 45 days after the end of each quarter.</p> |
| Auditing | M | M | <p>Revise the ToR of the external auditor to include the audit of the AF2 and the review of effectiveness of cash transfers not later than thirty (30) days after effectiveness.</p> <p>Recruit the external auditor for the parent project and the AF2 ninety (90) days after effectiveness.</p> |
| Overall control risk | H | S | |
| Overall FM risk | H | S | |

Table 2. FM Action Plan

| Action | Responsible Party | Expected completion |
|--|--|---------------------|
| (a) Refund the ineligible expenditures on IDA funds by effectiveness. | Ministry of Finance/Social Safety Nets Project PIU | First half of 2019 |
| (b) Recruit, on a competitive basis and by effectiveness, additional staff with qualifications and experience satisfactory to the | Social Safety Nets Project PIU | By effectiveness |



| Action | Responsible Party | Expected completion |
|---|--------------------------------|---|
| World Bank (two accountants including one for the AF, one internal auditor, and one archivist). | | |
| (c) Update, by effectiveness, the PIM and the FM procedures manual to include (i) specific arrangements related to the AF2, if any, and (ii) procedures to ensure the setup and the maintenance of a reliable archiving system. | Social Safety Nets Project PIU | By effectiveness |
| (d) Customize, within thirty (30) days after the effectiveness of AF2, the accounting software to record transactions and financial reporting for the AF2. | Social Safety Nets Project PIU | Within thirty (30) days after effectiveness |
| (e) Revise the ToR of the external auditor to include the audit of the AF2 and the review of effectiveness of cash transfers. | Social Safety Nets Project PIU | Within thirty (30) days after effectiveness |
| (f) Recruit the external auditor for the parent project and the AF2 | Social Safety Nets Project PIU | Ninety days after effectiveness |
| (g) The internal auditor will review the effectiveness of transactions related to cash transfers to the beneficiaries, each quarter | Social Safety Nets Project PIU | During implementation, each quarter |
| (h) The PIU to submit, for World Bank prior review, all the ToR and budget of any activities related to workshop, training, missions, and conference, at least during the first 18 months following the effectiveness of AF2 | Social Safety Nets Project PIU | During implementation, each quarter |
| (i) The role of the Review Committee and M&E will be strengthened through effective field visits at least quarterly. | Social Safety Nets Project PIU | During implementation, each quarter |

Figure 2. Funds Flow

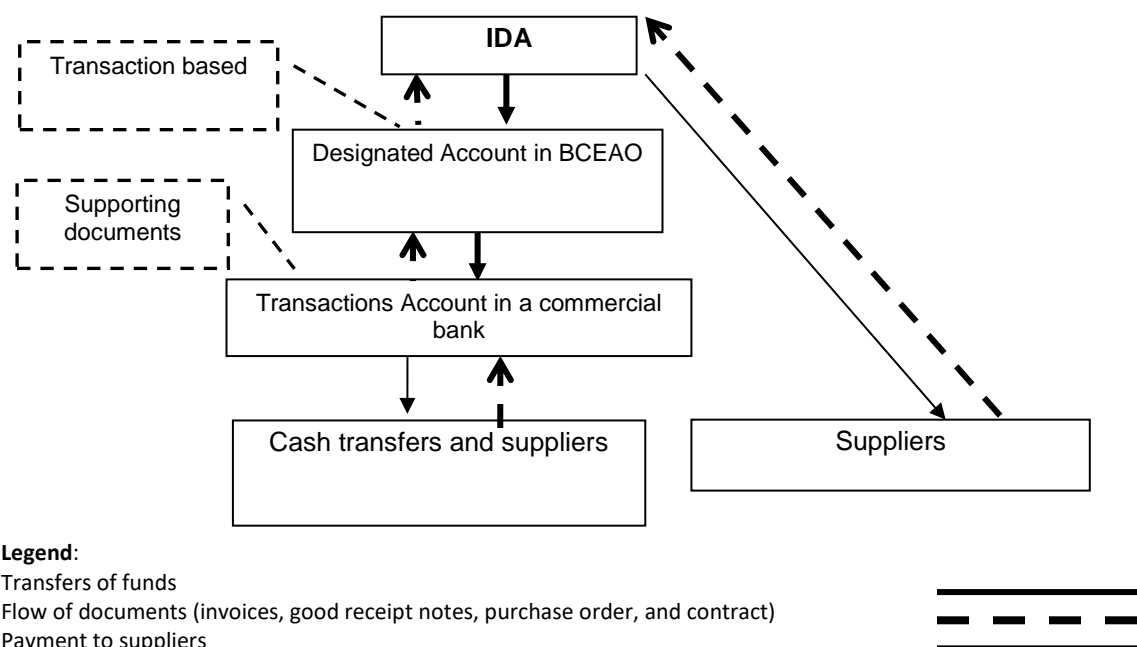




Table 3. Eligible Expenditures

| Category | Amount of the Credit Allocated (expressed in EUR) | Amount of the Grant (expressed in SDR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|---|---|--|--|
| (1) Cash Transfers under Part 1(a) of the Project | 0 | 33,860,000 | 100% |
| (2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Parts 1(b), 2, 3, 4 of the Project | 6,300,000 | 33,140,000 | Such percentage of Eligible Expenditures as the Association may determine for each calendar year and notified to the Recipient, starting in calendar year 2019, covered by the respective AWP. |
| (3) Emergency Expenditures under Part 5 of the Project | 0 | 0 | |
| TOTAL AMOUNT | 6,300,000 | 67,000,000 | 100% |

Table 4. FM Implementation Support Plan

| FM Activity | Frequency |
|---|---|
| Desk reviews IFR review Audit report review of the program Review of other relevant information such as interim internal control systems reports | Quarterly Annually Continuous, as they become available |
| On-site visits Review of overall operation of the FM system (Implementation Support Mission) Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports Transaction reviews | Three times a year As needed As needed |
| Capacity-building support FM training sessions | As needed |

D. Procurement

126. **Applicable procurement rules and procedures.** Procurement for works, goods and non-consulting and consulting services for the project will be carried out in accordance with the World Bank Procurement Regulations for IPF Borrowers (Procurement Regulations), July 2016 and revised November 2017 and August 2018; the 'World Bank's Anti-Corruption Guidelines: Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (revised as of July 1, 2016); and the provisions stipulated in the Financing Agreement.



127. All goods, works, and non-consulting services will be procured in accordance with the requirements set forth or referred to in Section VI: Approved Selection Methods: Goods, Works and Non-Consulting Services of the 'Procurement Regulations'. The consulting services will be procured in accordance with the requirements set forth or referred to in Section VII: Approved Selection Methods: Consulting Services of the 'Procurement Regulations', as well as the Project Procurement Strategy for Development (PPSD) and Procurement Plan approved by the World Bank.

128. Given that the financing is being prepared using condensed procedures, the client has been asked to prepare a simplified PSD which will be completed during implementation, together with its full Procurement Plan.

129. The Procurement Plan, along with its updates, shall include for each contract (a) a brief description of the activities/contracts; (b) the selection methods to be applied; (c) the cost estimates; (d) time schedules; (e) the World Bank's review requirements, and (f) any other relevant procurement information. The Procurement Plan covering the first 18 months of implementation has been approved by the World Bank. Any updates of the Procurement Plan shall be submitted to the World Bank for approval. The Recipient shall use the World Bank's online procurement planning and tracking tools (Systematic Tracking of Exchanges in Procurement [STEP]) to prepare, clear, and update its Procurement Plan and conduct all procurement transactions.

130. When approaching the national market, as agreed in the Procurement Plan, the country's current own procurement procedures may be used with the requirements set forth or referred to in regulations' paragraphs 5.3 to 5.6 (section V Procurement Provisions) related to the National Procurement Procedures. The Burkina Faso Standard Bidding Documents are not yet found acceptable to be used for National Competitive Bidding; the requirements to make them in compliance with clauses 5.3 to 5.6 of the procurement regulations referenced above and other deviations found in the national procurement regulations themselves has been notified to the Government Delegation during negotiations and pointed out in the minutes of negotiation.

131. **Procurement risk assessment and mitigating measures.** The Social Safety Net Project PIU (P124015) of the MFSNFAH has the necessary experience to implement projects supported by the World Bank. The procurement risk is rated Substantial due to (a) the PIU having experienced delays in procurement in the past; (b) the procurement specialist having been hired recently and having limited experience in World Bank procedures; (c) the procurement specialist and MFSNFAH's Director of Procurement (*Directeur des Marchés Publics*, DMP) and the Directorate for the Procurement and Financial Oversight (*Direction du Contrôle des Marchés et des Engagements Financiers*, DCMEF) not having experience in the World Bank's New Procurement Framework (NPF); (d) delays in the procurement process explained by sluggish review of files and publication of procurement notices by the DCMEF who is in charge of prior control on the government side for activities not subject to World Bank prior review; (e) difficulties in mobilizing the technical sub-commissions; and (f) the numerous unforeseen interactions between the national contracting authorities and the control structures due largely to the absence of a Manual of Procedures clearly defining the elements needing review by this directorate.

132. **Oversight and monitoring arrangements for procurement.** PIM will be updated by effectiveness date of the project, building on lessons from the ongoing parent project. The PIM will define the project's



internal organization, roles, and responsibilities of each stakeholder (PIU, DMP, DCMEF, ARCOP³⁴, and so on) and its implementation procedures, and will include, among other things, all the relevant procedures for calling for bids, selecting consultants, and awarding contracts. The project monitoring arrangements for procurement will be analyzed and developed. Table 5 details identified procurement risks and related mitigation measures.

Table 5. Procurement Risks and Mitigation Measures

| Risk Description | Description of Mitigation | Responsibility | Expected completion |
|---|--|-----------------------|-----------------------------|
| Confusion of procedures because of the lack of experience and knowledge of the actors of the NPF and the Procurement Regulations | Provide training for actors in charge to carry out procurement activities. | World Bank | A month after effectiveness |
| | Revise the PIM to include provisions for the NPF and the Regulations. A section needs to be included to tackle the contract management and establish a contract management plan with details on the required capacity and contract management responsibilities for managing contract including third party, consulting forms, and NGOs if any. | PIU | Effectiveness condition |

E. Social (including Safeguards)

133. The project is expected to have overall positive social impacts for populations in project implementation areas mainly in the Sahel region that includes in addition to the host communities, refugees living both in and out of camps. The project implementation will be an opportunity to improve access to human capital building and also to enable beneficiary populations, mainly women and young people, as well as the refugees and the host communities to increase their sources of income and improve their living conditions.

134. It is expected that capacity-building, awareness-raising, and advocacy actions will contribute positively to behavioral change, significantly reduce the risks and negative effects of sociocultural practices and reinforce the peaceful cohabitation and social cohesion overall within project areas' communities and mainly between refugees and the host community in the Sahel region.

135. Some sociocultural practices referring to the situations of violence against women (girls' early marriage, no schooling or early school drop-out, divorces, FGM, sexual abuse, and so on) coupled with the situation of growing insecurity in the Sahel constitute factors of vulnerability mainly for women and girls. Appropriate measures to avoid and minimize the risk of violence against women and mainly girls will be

³⁴ *Autorité de Régulation de la Commande Publique* (Public Procurement Regulation Authority)



developed before the mobilization and deployment of the workforce for LIPW.

136. The component regarding LIPW, which would focus on the establishment of collective productive infrastructure in the Sahel region (improvement of livestock pasture/range, establishment of water points, bottom-land development, and so on), will involve land acquisitions that could lead to loss of property, loss or disruptions of access to means of production or sources of income, and restrictions on access to natural resources for the categories of persons or groups among host populations or refugees. Although the project provides for land agreements from social mediation to be established before the commencement of civil works, the implementation of these activities requires the preparation and implementation of mitigation measures to deal with the risks and impacts of involuntary resettlement.

137. While the Initial financing of the project has not triggered OP 4.12 and because the specific sites of the expected investments are yet not known at this stage of the AF2 preparation process, a Resettlement Policy Framework (RPF) has been developed by the Borrower as due diligence and will guide the preparation and implementation of subsequent Resettlement Action Plans as needed. The RPF has been reviewed, consulted upon, approved by the Borrower and the World Bank and been disclosed within the country in three daily newspapers (*Pays, Observateur, and Sidwaya*) and an online news site (lefaso.net) on the March 11 and 12, respectively, and on the World Bank website on March 14, 2019. The PIU team will include a social specialist to support the implementation of the advocated social mitigation measures of the RPF. The PIU must also ensure that the NGOs undertaking technical and performance audits have been staffed with social specialists to fully and appropriately support social aspects including safeguards.

F. Environment (including Safeguards)

138. The project beneficiaries will be both host and refugee communities. Component 4, the LIPW Program, including the establishment of collective productive infrastructures carries moderate environmental risks.

139. Overall, the impacts of the project on the target areas and populations are expected to be positive in terms of solutions to ecological and livelihood problems, conservation of biodiversity, soils, and physical cultural heritage. Nevertheless, it is also anticipated that project activities may result in minor negative environmental impacts and risks. The proposed AF2 has been classified as Environmental Assessment Category B and two safeguards policies are triggered: (a) OP/BP 4.01 Environmental Assessment due to minor civil works and other activities with potential risks and (b) OP/BP 4.11 Physical Cultural Resources due to excavations along civil works with possibility of cultural heritage discoveries. LIPW activities such as bottom-land development and other small rural investments may have small potential negative environmental impacts that may include the loss of vegetation, an increase in solid waste (linked to street and drainage systems cleaning).

140. Positive environmental impacts will include sensitizing beneficiaries about environment and natural resource protection in general, and in particular improvement in livestock pastures/range; the establishment of water points (water holes for animals/boulis and tube wells); bottom-land development; and improvement of soil and water management (stone ridges, restoration of degraded land, dune fixation).



141. To address the risks and potential environmental negative impacts of future activities whose location, number, and scale are unknown, an Environmental and Social Management Framework (ESMF) has been developed by the implementing entity and approved by the World Bank. The ESMF has been disclosed within the country in three daily newspapers (Pays, Observateur, and Sidwaya) and an online news site (lefaso.net) on the March 11 and 12, respectively, and on the World Bank website on March 14, 2019. It contains standards, methods, and procedures specifying how environmental and social issues will be systematically addressed. The ESMF lays out procedures for screening the risks and potential negative environmental impacts and mitigating them from civil works and rehabilitation and includes the following:

- (a) Checklists of potential environmental and social impacts and their sources;
- (b) Procedures for participatory screening of proposed sites and activities and the environmental and social considerations;
- (c) Procedures for assessing potential environmental and social impacts of the planned project activities;
- (d) Institutional arrangements for mitigating, preventing, and managing the identified risks and negative impacts;
- (e) Typical environmental management planning processes for addressing negative externalities in project implementation;
- (f) A system for monitoring the implementation of mitigation measures at the local level; and
- (g) Recommended capacity-building measures for environmental planning and monitoring of project activities.

142. Further, all civil works and rehabilitation will be contingent on sustained consultation with local communities in the project's intervention areas. Mitigation measures for identified environmental and social impacts, including the protection of cultural and historical resources and other environmental clauses, will be properly implemented by contractors as specified in the safeguard instruments and bidding documents.

143. The Borrower has experience in managing World Bank operations and the safeguards aspects of those operations. The PIU, including the contractors, will be staffed with environmental safeguards specialists whose role is to support the preparation and M&E for environmental aspects in the field during the civil works (new and rehabilitation). The Steering Committee would be responsible for providing general strategic oversight and orientation, for reviewing and approving annual work plans, budgets, reports, environmental instruments/reports, financial audits, and for approving the recruitment of project senior staff.

G. Maximizing Finance for Development

144. As part of the ongoing operation and in preparation of the AF2, the private sector has agreed to effectively co-finance parts of the intervention through three channels. First, two telecommunications providers have agreed to reduce their fees for mobile money transfers from 3.11 percent to 1.10 percent



(excluding value added tax [VAT]) and from 3.5 percent to 1.25 percent (excluding VAT) per transfer, respectively. In the concerned regions, this is equivalent to CFAF 259 million (approximately US\$470,000) excluding VAT for one and CFAF 156 million (around US\$280,000) for the second provider, totaling CFAF 415 million (about US\$750,000) excluding VAT for ongoing contracts. For the AF2, this will create private sector contributions of an estimated CFAF 389 million (approximately US\$700,000). Second, as government-recognized proof of identity is required for acquiring mobile phones, opening mobile money accounts and opening bank accounts, a number of private sector partners, including telecommunications providers and banks, have agreed to support the acquisition of IDs for beneficiaries. Overall, over 90,000 birth certificates and national ID cards are expected to be provided through this scheme. The financing provided through the private sector is projected to be around CFAF 100 million (equivalent to roughly US\$170,000). Third, telecommunications providers have pledged to subsidize the cost of mobile phones, reducing the cost from CFAF 8,500 to CFAF 6,250 per device for one provider and from CFAF 8,500 to CFAF 6,000 for the other. The subsidy is expected to total CFAF 85 million (~US\$154,000) and CFAF 64 million (around US\$116,000), totaling CFAF 149 million (about US\$270,000) for ongoing contracts. For the AF, contributions for mobile phones will be equivalent to around CFAF 152 million (around US\$276,000). Overall, this is adding up to CFAF 1.2 billion or over US\$2 million in private sector co-financing. This outcome represents a positive situation for the project and the private providers alike. From the perspective of the project, overall costs are reduced and security risks associated with the handling of large amounts of cash are mitigated. In return, the provider sector gains access to a group of clients often not profitable for private providers due to their low usage of services. Given the regular transfers carried out through the project, a constant revenue stream is guaranteed and is in fact encouraging the private provider to improve access in remote areas.

V. WORLD BANK GRIEVANCE REDRESS

145. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VI SUMMARY TABLE OF CHANGES

| | Changed | Not Changed |
|--|---------|-------------|
| Implementing Agency | ✓ | |
| Results Framework | ✓ | |
| Components and Cost | ✓ | |
| Safeguard Policies Triggered | ✓ | |
| EA category | ✓ | |
| Legal Covenants | ✓ | |
| Procurement | ✓ | |
| Project's Development Objectives | | ✓ |
| Loan Closing Date(s) | | ✓ |
| Cancellations Proposed | | ✓ |
| Reallocation between Disbursement Categories | | ✓ |
| Disbursements Arrangements | | ✓ |
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| APA Reliance | | ✓ |

VII DETAILED CHANGE(S)

IMPLEMENTING AGENCY

| Implementing Agency Name | Type | Action |
|--|--------------------------------------|---------------------|
| Ministry of Women, National Solidarity and Family | Line Ministry/Ministerial Department | Marked for Deletion |
| Ministry of Women, National Solidarity, the Family and Humanitarian Action | Line Ministry/Ministerial Department | New |



COMPONENTS

| Current Component Name | Current Cost (US\$, millions) | Action | Proposed Component Name | Proposed Cost (US\$, millions) |
|--|-------------------------------|-----------|--|--------------------------------|
| Cash transfers and awareness programs for poor and vulnerable households | 44.00 | Revised | Cash transfers and awareness programs for poor and vulnerable households | 137.00 |
| Laying the foundations for an adaptive national safety net system | 7.40 | No Change | Laying the foundations for an adaptive national safety net system | 7.40 |
| Project management | 4.60 | Revised | Project management | 14.10 |
| | 0.00 | New | Productive Labor-Intensive Public Works (LIPW) Program | 7.50 |
| | 0.00 | New | Contingent Emergency Response Component | 0.00 |
| TOTAL | 56.00 | | | 166.00 |

Expected Disbursements (in US\$)

| Fiscal Year | Annual | Cumulative |
|-------------|---------------|----------------|
| 2014 | 0.00 | 0.00 |
| 2015 | 2,311,400.00 | 2,311,400.00 |
| 2016 | 5,121,830.00 | 7,433,230.00 |
| 2017 | 7,020,510.00 | 14,453,740.00 |
| 2018 | 9,026,500.00 | 23,480,240.00 |
| 2019 | 9,850,120.00 | 33,330,360.00 |
| 2020 | 20,527,820.00 | 53,858,180.00 |
| 2021 | 27,500,000.00 | 81,358,180.00 |
| 2022 | 30,000,000.00 | 111,358,180.00 |
| 2023 | 29,000,000.00 | 140,358,180.00 |
| 2024 | 9,641,820.00 | 150,000,000.00 |



SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

| Risk Category | Latest ISR Rating | Current Rating |
|--|-------------------|----------------|
| Political and Governance | ● High | ● Moderate |
| Macroeconomic | ● Moderate | ● Moderate |
| Sector Strategies and Policies | ● Substantial | ● Substantial |
| Technical Design of Project or Program | ● Moderate | ● Moderate |
| Institutional Capacity for Implementation and Sustainability | ● Substantial | ● Substantial |
| Fiduciary | ● Substantial | ● Substantial |
| Environment and Social | ● Moderate | ● Moderate |
| Stakeholders | ● Moderate | ● Moderate |
| Other | ● Substantial | ● Moderate |
| Overall | ● Substantial | ● Substantial |

COMPLIANCE

Change in Safeguard Policies Triggered

Yes

| Safeguard Policies Triggered | Current | Proposed |
|--|---------|----------|
| Environmental Assessment OP/BP 4.01 | No | Yes |
| Performance Standards for Private Sector Activities OP/BP 4.03 | No | No |
| Natural Habitats OP/BP 4.04 | No | No |
| Forests OP/BP 4.36 | No | No |
| Pest Management OP 4.09 | No | No |
| Physical Cultural Resources OP/BP 4.11 | No | Yes |
| Indigenous Peoples OP/BP 4.10 | No | No |



| | | |
|--|----|-----|
| Involuntary Resettlement OP/BP 4.12 | No | Yes |
| Safety of Dams OP/BP 4.37 | No | No |
| Projects on International Waterways OP/BP 7.50 | No | No |
| Projects in Disputed Areas OP/BP 7.60 | No | No |

Environmental Assessment (EA) Category

| | |
|-----------------------|------------------------|
| Change of EA Category | Original EA Category |
| Yes | Not Required (C) |
| Current EA Category | Proposed EA Category |
| Not Required (C) | Partial Assessment (B) |

LEGAL COVENANTS – Social Safety Net Project (P124015)

| Loan/Credit/TF | Description | Status | Action |
|----------------|--|---------------|-----------|
| IDA-54290 | Finance Agreement :Appoint Financial Management staff Description :The Recipient shall within two (2) months of Effectiveness, appoint the following additional staff to the Project Implementing Unit, one (1) accountant, one (1) financial management assistant, and one (1) internal auditor all in accordance with the provisions of Section III.C of Schedule 2 to the Financing Agreement Due Date :26-Nov-2014 | Complied with | No Change |
| IDA-54290 | Finance Agreement :Financial Management and Accounting software Description :The Recipient shall within three (3) months of Effectiveness, acquire and install within the Project Implementing Unit appropriate financial management and accounting software, in accordance with the provisions of Section III.A.1 and 2. of Schedule 2 to the Financing Agreement Due Date :26-Dec-2014 | Complied with | No Change |



| | | | |
|-----------|---|---------------|---------------------|
| IDA-54290 | Finance Agreement :Provide Financial Management training Description :The Recipient shall within four (4) months of Effectiveness provide financial management Training, including training on report-based disbursement procedures, to staff involved in financial management of the Project, under terms of reference acceptable to the Association Due Date :26-Jan-2015 | Complied with | No Change |
| IDA-54290 | Finance Agreement :Appoint External Auditor Description :The Recipient shall within six (6) months of Effectiveness appoint an external auditor, in accordance with the provisions of Section III.C of Schedule 2 to the Financing Agreement Due Date :26-Mar-2015 | Complied with | No Change |
| IDA-54290 | Finance Agreement :Adoption of Complete Project Implementation Manual Description :The recipient shall adopt no later than six (6) months after the Effective date, a complete Project Implementation Manual, provided to the Association pursuant to Section 4.01 (a) of the Financing Agreement Due Date :26-Mar-2015 | Complied with | Marked for Deletion |

LEGAL COVENANTS – Scale-Up and Responding to the needs of Refugees and Host Communities (P169252)

Sections and Description

The Recipient shall not later than thirty (30) days after the Effective Date in accordance with terms of reference acceptable to the Association customize the accounting software to record transactions and provide financial reporting under the Project to include the Financing to be provided under this Agreement.

The Recipient shall not later than thirty (30) days after the Effective Date in accordance with terms of reference acceptable to the Association revise the terms of reference of the external auditor to include: the audit of Financing to be provided under this Agreement; and expression of an opinion on Cash Transfers.

The Recipient shall not later than ninety (90) days after the Effective Date, recruit, in accordance with the provisions of the Procurement Regulations and have in place, an external auditor to carry out the audit of: (a) the financing provided pursuant to the Original Financing Agreement; (b) the grant provided pursuant to the ASP Grant Agreement; and (c) this Financing.

Conditions



| | |
|-----------------------|--|
| Type Effectiveness | Description The Association is satisfied that the Recipient has an adequate refugee protection framework. |
| Type Effectiveness | Description The Recipient has adopted the Updated PIM, which shall have been revised in accordance with the Section I.B.1 of Schedule 2 to the Financing Agreement and approved by the Association. |
| Type Effectiveness | Description The Recipient has hired and has in place technical staff, including, two accountants, one internal auditor, and one archivist, all under terms of reference satisfactory to the Association. |
| Type Disbursement | Description Under Category (3) for Emergency Expenditures under Part 5 of the Project unless and until the Association is satisfied that all conditions specified in paragraphs (a) through (c) of Section I.D.3 of this Schedule have been fulfilled to the satisfaction of the Association. |



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Burkina Faso

Scale-Up and Responding to the needs of Refugees and Host Communities

Project Development Objective(s)

The PDO is to increase access of poor and vulnerable households to safety nets and to lay the foundations for an adaptive safety net system in Burkina Faso.

Project Development Objective Indicators by Objectives/ Outcomes

| Indicator Name | DLI | Baseline | End Target |
|---|-----|----------|--------------|
| Increase access of poor and vulnerable households to safety nets | | | |
| The share of households benefitting from the cash transfers who belong to the 2 poorest quintiles (Percentage) | | 0.00 | 60.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Direct project beneficiaries (Number) | | 0.00 | 1,150,000.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Female beneficiaries (Percentage) | | 0.00 | 50.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Lay the foundations for an adaptive safety net system in Burkina Faso | | | |
| The definition and publication of a targeting mechanism, used by the CT program and adoptable for other programs (Yes/No) | | No | Yes |



| Indicator Name | DLI | Baseline | End Target |
|--|-----|----------|------------|
| Action: This indicator has been Revised | | | |
| The number of cash transfer beneficiary households with information stored in a registry with data sharing protocols available for other programs (Number) | | 0.00 | 150,000.00 |
| Action: This indicator has been Revised | | | |

Intermediate Results Indicators by Components

| Indicator Name | DLI | Baseline | End Target |
|--|-----|----------|------------|
| Cash transfers and awareness programs for poor and vulnerable households | | | |
| The per capita consumption level of the households benefitting from the cash transfers (% increase) (Percentage) | | 0.00 | 15.00 |
| Action: This indicator has been Revised | | | |
| Timely transfer of cash benefits (Percentage) | | 0.00 | 80.00 |
| Action: This indicator has been Revised | | | |
| Beneficiary households participating in accompanying measures (Percentage) | | 0.00 | 75.00 |
| Action: This indicator has been Revised | | | |
| Direct project beneficiaries of the core cash transfer benefit (Number) | | 0.00 | 880,000.00 |



| Indicator Name | DLI | Baseline | End Target |
|--|-----|----------|------------|
| Action: This indicator has been Revised | | | |
| Direct beneficiaries of the adaptive cash transfer benefit (Number) | | 0.00 | 240,000.00 |
| Action: This indicator has been Revised | | | |
| Percentage of participating mothers whose children followed good nutritional age-appropriate practice (Percentage) | | 0.00 | 80.00 |
| Action: This indicator has been Revised | | | |
| Share of eligible children (i.e. children of primary school age without a functioning school) following educational radio program (Percentage) | | 0.00 | 80.00 |
| Action: This indicator is New | | | |
| Laying the foundations for an adaptive national safety net system | | | |
| Payment system operational (Yes/No) | | No | Yes |
| Action: This indicator has been Revised | | | |
| Institutional coordinating mechanism functioning (Yes/No) | | No | Yes |
| Action: This indicator has been Revised | | | |
| Establishment of a temporary shock-response benefit, with well-defined operational parameters based on shock data (Yes/No) | | No | Yes |
| Action: This indicator has been Revised | | | |



| Indicator Name | DLI | Baseline | End Target |
|---|-----|----------|------------|
| Project management | | | |
| Frequency of publication of monitoring reports (Months) | | 0.00 | 6.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Cash transfer program management expenses as share of total cash transfer program expenses (Percentage) | | 0.00 | 35.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Government contribution to safety net programs (Percentage) | | 0.00 | 24.00 |
| <i>Action: This indicator has been Revised</i> | | | |
| Productive Labor-intensive Public Works (Action: This Component is New) | | | |
| LIPW participants (Number) | | 0.00 | 8,500.00 |
| <i>Action: This indicator is New</i> | | | |
| LIPW participants - refugees (Number) | | 0.00 | 1,800.00 |
| <i>Action: This indicator is New</i> | | | |
| Number of work days generated in rural LIPW (Days) | | 0.00 | 510,000.00 |
| <i>Action: This indicator is New</i> | | | |
| Number of work days generated in urban LIPW (Days) | | 0.00 | 510,000.00 |



| Indicator Name | DLI | Baseline | End Target |
|---|-----|----------|------------|
| Action: This indicator is New | | | |
| LIPW participants that have saved to receive a matching grant (Percentage) | | 0.00 | 50.00 |
| Action: This indicator is New | | | |
| Number of LIPW beneficiaries who received basic literacy course and/or training in life skills (Number) | | 0.00 | 8,500.00 |
| Action: This indicator is New | | | |
| General/ not related to a specific component (Action: This Component is New) | | | |
| Grievances addressed within set timeframe as per project GRM (Percentage) | | 0.00 | 80.00 |
| Action: This indicator is New | | | |

Monitoring & Evaluation Plan: PDO Indicators

| Indicator Name | Definition/Description | Frequency | Datasource | Methodology for Data Collection | Responsibility for Data Collection |
|---|--|-----------|--|---------------------------------------|------------------------------------|
| The share of households benefitting from the cash transfers who belong to the 2 poorest quintiles | This will be measured based on data from the baseline survey of the impact evaluation. | Once | Data of baseline survey of impact evaluation | Baseline survey for impact evaluation | PIU and World Bank |
| Direct project beneficiaries | Total number of individuals | Yearly | Program's | Data collected through | PIU |



| | | | | | |
|---|--|--------|------------------------------|---|-----|
| | benefiting from the program | | information system | program's information system | |
| Female beneficiaries | Total number of female individuals benefiting from the program | Yearly | Program's information system | Data collected through program's information system | PIU |
| The definition and publication of a targeting mechanism, used by the CT program and adoptable for other programs | Targeting methodology operating in all areas covered by the program, and potentially adoptable by other programs | Yearly | Program data and reporting | Program's monitoring reports | PIU |
| The number of cash transfer beneficiary households with information stored in a registry with data sharing protocols available for other programs | Number of beneficiary households with information stored in the registry | Yearly | Program's information system | Data available through program's information system | PIU |

Monitoring & Evaluation Plan: Intermediate Results Indicators

| Indicator Name | Definition/Description | Frequency | Datasource | Methodology for Data Collection | Responsibility for Data Collection |
|---|--|------------------|--|---|------------------------------------|
| The per capita consumption level of the households benefitting from the cash transfers (% increase) | This indicator will be measured by the impact evaluation | Once | Data collected through impact evaluation | Surveys conducted as part of impact evaluation | PIU and World Bank |
| Timely transfer of cash benefits | Cash transfers paid according to schedule | Every six months | Program monitoring data and reports | Data collected through program monitoring and reporting | PIU |



| | | | | | |
|---|--|------------------|------------------------------|---|-----|
| Beneficiary households participating in accompanying measures | Percentage of beneficiaries participating the education groups, village-level meetings and household visits | Every six months | Program's information system | Monitoring data collected with tablets and stored in program's information system | UGP |
| Direct project beneficiaries of the core cash transfer benefit | Number of total individual beneficiaries benefitting from regular cash transfers | Yearly | Program's information system | Program monitoring data collected with tablets and stored in program's information system | PIU |
| Direct beneficiaries of the adaptive cash transfer benefit | Number of total individual beneficiaries benefitting from adaptive cash transfers | Yearly | Program's information system | Monitoring data collected with tablets and stored in program's information system | PIU |
| Percentage of participating mothers whose children followed good nutritional age-appropriate practice | Percentage of participating mothers whose children followed good nutritional age-appropriate practice, defined as follows: - children below 6 months exclusively breastfed - children 6–8 months who had some solids the previous day - children 9– 23 months who have eaten at least 4 out of 7 possible nutritional | Yearly | Program's information system | Data collected with tablets and stored in program's information system | PIU |



| | | | | | |
|---|--|------------------|---|---|-----|
| | categories the previous day | | | | |
| Share of eligible children (i.e. children of primary school age without a functioning school) following educational radio program | Percentage of eligible children (i.e. children of primary school age without a functioning school) following educational radio program | Yearly | Program monitoring data | Monitoring data collected by PIU | PIU |
| Payment system operational | Operational payment system implemented in all program areas | Yearly | Program monitoring data, program's information system | Monitoring data and reporting conducted by PIU | PIU |
| Institutional coordinating mechanism functioning | Coordination with relevant agencies involved in the implementation of safety net programs | Yearly | Monitoring data and reporting | Monitoring data and reports prepared by PIU | PIU |
| Establishment of a temporary shock-response benefit, with well-defined operational parameters based on shock data | Establishment of a temporary shock-response benefit, with well-defined operational parameters based on shock data | Yearly | Program monitoring and reporting | Program monitoring and reporting | PIU |
| Frequency of publication of monitoring reports | Frequency of publication of monitoring reports | Every six months | Program monitoring and reporting | Program monitoring and reporting | PIU |
| Cash transfer program management expenses as share of total cash transfer program expenses | Program management expense: ratio between operating expenses and | Every six months | Program monitoring and reporting | Indicator calculated based on three definitions | PIU |



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| | <p>total annual expenditures for the cash transfer program.</p> <p>Three different definitions have been adopted for this indicator:</p> <ul style="list-style-type: none"> - Project administrative expenses as a share of total expenditures of the IDA funds - Total cash transfer payments as a share of total project expenditures of the IDA funds - Total operational costs linked to cash payments as a share of total cash transfers | | | | |
| Government contribution to safety net programs | Government funding for safety net program as a share total project cost | Every six months | Program monitoring data | Calculation of indicator based on counterpart funding | PIU |
| LIPW participants | Total number of LIPW participants | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |
| LIPW participants - refugees | Number of LIPW participants who are refugees | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |



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| Number of work days generated in rural LIPW | Number of work days generated in rural LIPW | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |
| Number of work days generated in urban LIPW | Number of work days generated in urban LIPW | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |
| LIPW participants that have saved to receive a matching grant | Percentage of LIPW participants that have saved to receive a matching grant | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |
| Number of LIPW beneficiaries who received basic literacy course and/or training in life skills | Number of LIPW beneficiaries who received basic literacy course and/or training in life skills | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |
| Grievances addressed within set timeframe as per project GRM | Grievances addressed within set timeframe as per program GRM rules | Yearly | Program information system | Data collected through program monitoring and stored in program information system | PIU |



