



Global Environment Facility

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May 25, 2004

Dear Council Member,

The World Bank, as the Implementing Agency for the project, ***Burkina Faso: Sahel Integrated Lowland Ecosystem Management (SILEM), Phase I***, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with the World Bank procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by the Council in October 2002, and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by the World Bank satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at www.gefweb.org. If you do not have access to the Web, you may request the local field office of the World Bank or UNDP to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

for Leonard Good
Chief Executive Officer and Chairman

cc: Alternate, Implementing Agencies, STAP

OFFICE MEMORANDUM

DATE: May 9, 2004

TO: Mr. Leonard Good, CEO/Chairman, GEF

FROM: Steve Gorman, GEF Executive Coordinator



EXTENSION: 35865

SUBJECT: **COUNTRY NAME: Burkina Faso**
Project Name: Sahel Integrated Lowland Ecosystem Management (P070871)

Submission for Final CEO Endorsement

1. Please find attached the electronic file of the GEF Project Document for the above-mentioned project for your final review and endorsement. This project was approved for Work Program entry at the May 2002 Council meeting, under streamlined CEO endorsement procedures. The scheduled Board date for this project is June 22, 2004. We would appreciate receiving your response, so that we may finalize the Bank Board submission, by May 20, 2004.
2. The GEF Project Document is consistent with the objectives, scope, and overall cost of the proposal approved at the May, 2002 Council meeting. Adjustments were made during final project preparation to simplify project implementation by the baseline Project. GEFSEC, STAP, and Council comments have also been addressed and are listed below. Modifications to the Project Document and how comments have been addressed are detailed below.

A. Modifications to the Project Document

The document has been strengthened to better reflect the inclusive requirements and dimensions of integrated land management practices. Since the submission of the Project Brief there have been a number of positive developments which have resulted in a slight change in focus of the project, though in complement with the GEF project development objective to improve land management practices in targeted watersheds. The matrix below summarizes the changes in project design and financing that have been made:

	Original as Approved at Pipeline Entry (April, 2000)	Revision at Project Appraisal (April 2004)
PROJECT DESIGN		
Global Objective (GO)	<p>To generate multiple environmental benefits such as:</p> <ul style="list-style-type: none"> (a) rehabilitation of soil and water resources to stop and reverse desertification (b) increase in carbon storage capacity and reduction of greenhouse gas emissions, decrease in vulnerability to climate change (c) conservation and rehabilitation of biodiversity, agro-biodiversity in particular, by supporting favorable changes in ecosystem management patterns and technology adoption in the targeted region in the medium to long-term (d) stop and reverse to some extent the deterioration of the Volta and Comoe international waters 	<p>The global objective of the Project is the sustainable conservation of biological & agricultural diversity and the rehabilitation of soil and water resources in targeted watersheds. Overall this will lead to decreased rates of desertification, increased carbon storage capacity, decreased environmental and social vulnerability to climate change, and improved food security and income earning potential for rural households.</p>
Project Development Objective (PDO)	<p>There was not a PDO in document approved for pipeline entry (only GO)</p>	<p>Improved resource management practices in targeted sub-watersheds through an integrated ecosystem management approach</p>
Key Performance Indicators	<ul style="list-style-type: none"> 1. Positive changes in biological diversity indicators 2. Use of adaptation measures to decrease vulnerability to climate change 3. Decline in greenhouse gas emission in rural areas 4. Positive changes in soil restoration parameters 5. Carbon sequestration in the soils 6. Improved quality of international waters 	<ul style="list-style-type: none"> 1. Positive trend in an aggregate index of plant and insect diversity, soil organic content, grass and tree biomass in three out of four Project sites in 5 years; 2. Positive trend in an aggregate index measuring comprehension and adoption of IEM approach by targeted communities at all Project sites in 5 years; 3. Number of technologies and innovative IEM mechanisms adopted by Project site communities equals 2 at each Project site in 5 years; 4. Number of functional inter-village councils for sub-watershed management issues, as measured by point system defined in the Project Implementation Manual (PIM) equals 4 in 5 years; 5. Degree of completion for the sub-watershed IEM plan as measured by point system index

		defined in the PIM equals 18 for the 4 Project sites;
		6. Number of new global partnerships supporting IEM or carbon sequestration activities equals 2 in 5 years.
Components:		
	1. Local Capacity Building for IEM	1. Local Capacity Building for IEM
	2. Local Investment Fund for IEM Sub-projects	2. Local Investment Fund for IEM Sub-projects
	3. Institutional Capacity Building for IEM	3. Institutional Capacity Building for IEM
	4. Land Tenure Security Pilot	4. Building Partnerships for Sustainable IEM Financing
	5. Project Coordination, Administration and M&E	5. Project Coordination, Administration and M&E
FINANCING		
Total Cost:	US\$ 25.37	US\$ 25.43*
Project Component Costs:		
1. Local Capacity Building for IEM	1.20	1.03
2. Local Investment Fund for IEM subprojects	1.80	2.08
3. Institutional Capacity building for IEM	0.80	0.38
4. Land Tenure Security Pilot	0.20	0.00
4. Building partnerships for Sustainable IEM Financing	0.00	0.17
5. Project Coordination, Administration and M&E	0.30	0.84

* US\$ 4.5 million in GEF funds; US\$ 20.52 million in IDA baseline Project funds (this includes government and beneficiary contributions to baseline Project), and US\$ 0.41 million in additional government and beneficiary support for SILEM -specific objectives.

Rationale/Reasons for Changes: The overall focus of the project and the GEF grant amount remains the same, however the GEF fund allocation within the components has been modified, based on the change in scope of the project components. In particular the “Institutional Capacity Building” component has decreased because some of the institutional capacity building activities have been shifted to the component on “Building Partnerships for Sustainable IEM Financing” and some have been included in the “Monitoring and Evaluation” component. The “Project Coordination, Administration and M&E” component has increased because of the increased budget allocated to collecting robust environmental

impact data and because of the need, identified during the appraisal mission review of the financial management system, to hire an additional accountant for the baseline Project Coordination Unit to handle the GEF grant funds.

During the appraisal mission, the team identified a more narrowly focused project development objective to complement the project's global objective and redefined the performance indicators to more realistically capture what could be achieved (and what could be measured) in a 5-year period. Both of these actions were in response to concerns raised during the project appraisal Decision Meeting.

Response to GEFSEC, STAP and Council comments

1. The GEFSEC review sheet of April 3, 2002, did not require any additional comments to be addressed at CEO endorsement. All comments from the earlier review sheet had been addressed at Work Program entry.
2. Comments from the STAP reviewer were addressed at the time of Work Program Entry and have been included as additional Annex 11 of the GEF Project Document.
3. Comments from Council Members: Comments (in italics) were addressed as follows:

Germany: Supported the project without any comment.

Switzerland

Comment: The project documents expect much ...

Response: During the project appraisal mission the development objectives and outputs were more narrowly defined and the project documentation was simplified.

Comment: Risks remaining a top-down approach...

Response: There is very little risk of the approach becoming top-down. As is the case in the baseline Project, the starting point for any SILEM is an analysis undertaken by the local communities themselves. The development of a watershed management plan starts with the communities own village-level development plans which are created through a participatory and iterative, learning by doing, process. The village level plans are aggregated to the watershed level and the 'big picture' is then re-examined and discussed by the communities before any external expertise and analysis occurs. Once the external input is received, any changes are then again re-evaluated at the community level. Every effort has been made to avoid a top down approach. Due to the time required for this process top occur, investment activities are not planned, or likely to occur, until the middle of the second year of the project.

Comment: Approach taken omits analysis and understanding of local specific complexes... such as the lack of an enabling environment ...

Response: Two of the project components specifically focus on institutional capacity building at both decentralized (local government) and national levels. A third component focus in local capacity building. The starting point for any capacity building intervention is a participatory analysis and shared understanding of the local institutional context. The local capacity building activities specifically integrate indigenous knowledge and values. Land tenure issues are critical for a comprehensive integrated ecosystem approach and are being addressed through the land tenure pilot of the baseline Project - lessons will be applied to SILEM during implementation.

Comment: Impact monitoring should be based on a baseline using a common assessment of land management and resource degradation, elaborated at the local level with local resource users.

Response: The task team agrees with this analysis and this is reflected in the project's monitoring and impact assessment system. There are two components to the system – a local project monitoring component and an 'outside or 'scientific' environmental impact assessment (in which local resources users are involved in the data collection and interpretation of results).

Please let me know if you require any additional information to complete your review of the project document. We look forward to receiving your endorsement of the project for Bank Board approval.

Many thanks.

Attachments:

1. GEF Project Document
2. Signed Negotiation Minutes

cc: Messrs./Mmes. King, GEF PROGRAM COORDINATION (GEFSEC); M. Barton-Dock, E. Nikiema, D. Prevoo, JM. Pavy (AFTS4); E. Esikuri (ENVTS), C. Crepin, J. Webbe, Khanna, Wedderburn, Aryal (ENV); ENVGC ISC, AFTS4 Divisional Files, Relevant Regional Files

Document of
The World Bank

Report No: 28796-BUR

GEF PROJECT DOCUMENT
ON A
PROPOSED GRANT FROM THE
GLOBAL ENVIRONMENT FACILITY TRUST FUND
IN THE AMOUNT OF US\$4.5 MILLION
TO THE
GOVERNMENT OF BURKINA FASO
FOR THE
SAHEL INTEGRATED LOWLAND ECOSYSTEM MANAGEMENT
IN SUPPORT OF THE FIRST PHASE OF THE
NATIONAL PROGRAM FOR DECENTRALIZED RURAL DEVELOPMENT

May 26, 2004

Environmentally and Socially Sustainable Development IV
Country Department 15
Africa Region

CURRENCY EQUIVALENTS

(Exchange Rate Effective March 22, 2004)

Currency Unit = CFA Franc (CFAF)

535 CFAF = US\$1

US\$0.00187 = 1CFAF

FISCAL YEAR

January 1 -- December 31

ABBREVIATIONS AND ACRONYMS

APL	Adaptable Program Loan
CAS	Country Assistance Strategy
CAS	<i>Comité d'Action Spécifique</i> (Special Action Committee)
CBRD	Community-Based Rural Development (PNGT2)
CCTP	<i>Cadre de concertation technique provinciale</i> (Provincial Technical Coordination Committee)
CDD	Community-Driven Development
CFAF	<i>Franc de la Communauté Financière Africaine</i> (West African Franc)
CCIV	<i>Cadre de Concertation Inter-Villageoise</i> (Inter-village Sub-Watershed Management Committee)
CPAT	<i>Commission Provinciale de l'Aménagement du Territoire</i> (Provincial Commission for Land Administration)
CVGT	<i>Commission Villageoise de Gestion du Terroir</i> (Village Land Management Committee)
CIVGT	<i>Commission Inter-Villageoise de Gestion de Terroir</i> (Inter-Village Land Management Committee)
CONNED	<i>Conseil National pour l'Environnement et le Développement Durable</i> (National Council for the Environment and Sustainable Development)
DGAT	<i>Direction Générale de l'Administration Territoriale</i> (General Directorate for Land Administration)
DGE	<i>Direction Générale de l'Environnement</i> (General Directorate for the Environment)
DGIRH	<i>Direction Générale de l'Inventaire des Ressources Hydrauliques</i> (General Directorate for Water Inventories)
DRED	<i>Direction Régionale d'Economie et de Développement</i> (Regional Office of the Ministry of Economy and Development)
ESMF	Environmental and Social Management Framework
EU	European Union
FAO	Food and Agriculture Organization
GOBF	Government of Burkina Faso
IDA	International Development Association
IEM	Integrated Ecosystem Management
IFAD	International Fund for Agricultural Development
INERA	<i>Institut National de l'Environnement et des Recherches Agricoles</i> (National Institute of Environmental and Agricultural Research)
LIF	Local Investment Fund
LPDRD	<i>Lettre de Politique de Développement Rural Décentralisé</i> (Policy Letter for Decentralized Rural Development)
MAHRH	<i>Ministère de l'Agriculture, Hydraulique et Ressources Halieutiques</i> (Ministry of Agriculture, Water and Fisheries)
MAT	<i>Ministère de l'Administration Territoriale</i> (Ministry of Land Management)
M&E	Monitoring and Evaluation
NCS	National Steering Committee

NEAP	National Environmental Action Plan
NGO	Non-Governmental Organization
NRM	Natural Resource Management
PAGEN	Partnership for Improved Management of Natural Ecosystems
PAGIS	<i>Plan d'Action pour la Gestion et Investissement du Sol</i> (National Soil Fertility Action Plan)
PAN/LCD	<i>Plan d'Action National pour la Lutte Contre la Désertification</i> (National Action Plan for the Fight Against Desertification)
PCU	Project Coordination Unit (<i>Coordination Nationale du Projet</i>)
PCT	Provincial Coordination Team
PIM	Project Implementation Manual
PNGT2	<i>Deuxième Programme National de Gestion des Terroirs</i>
PNDRD	<i>Programme National de Développement Rural Décentralisé</i> (National Program for Decentralized Rural Development)
PPP	Pilot Pastoral Perimeters Program
PRSP	Poverty Reduction Strategy Paper
PSB	<i>Programme Sahel Burkina</i> (Multidonor funded local development program in Sahel region)
STAN	Scientific and Technical Advisory Network
TOD	<i>Textes d'Orientation sur la Décentralisation</i> (Decentralization Laws)
UNDP	United Nations Development Program

Vice President:	Callisto E. Madavo
Country Director:	A. David Craig
Sector Manager:	Mary Barton-Dock
Task Team Leader:	Jane C. Hopkins

BURKINA FASO
SAHEL INTEGRATED LOWLAND ECOSYSTEM MANAGEMENT

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MAP(S)
IBRD 33301

BURKINA FASO
Sahel Integrated Lowland Ecosystem Management

GEF Project Document

Africa Regional Office
AFTS4

<p>Date: May 26, 2004 Sector Manager: Mary A. Barton-Dock Country Director: A. David Craig Project ID: P070871 Focal Area: M - Multi-focal area</p>	<p>Team Leader: Jane C. Hopkins Sector(s): General agriculture, fishing and forestry sector (100%) Theme(s): Environmental policies and institutions (P), Biodiversity (P), Other environment and natural resources management (S)</p>
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Program Financing Data

APL	Indicative Financing Plan				Estimated Implementation Period (Bank FY)		Borrower
	GEF US\$ m	%	Others US\$ m	Total US\$ m	Commitment Date	Closing Date	
APL 1 Loan/ Credit	4.50	91.6	0.41 (IDA-funded baseline project provides 19.11 in financing - Annex 4)	4.91	05/01/2004	12/31/2009	Government of Burkina Faso
APL 2 Loan/ Credit	7.50 (subject to GEF approval)	90.0	0.83	8.33	05/01/2009	12/31/2014	Government of Burkina Faso
APL 3 Loan/ Credit	8.00 (subject to GEF approval)	90.0	0.89	8.89	05/01/2014	12/31/2019	Government of Burkina Faso
Total	20.00		2.13	22.13			

Loan Credit Grant Guarantee Other:

For Loans/Credits/Others:

Amount (US\$m): 4.5

Financing Plan (US\$m):	Source	Local	Foreign	Total
BORROWER/RECIPIENT		0.26	0.00	0.26
LOCAL COMMUNITIES		0.15	0.00	0.15
GLOBAL ENVIRONMENT FACILITY		3.69	0.81	4.50
Total:		4.11	0.81	4.91

Borrower/Recipient: GOVERNMENT OF BURKINA FASO
Responsible agency: MINISTRY OF AGRICULTURE, WATER AND FISHERIES
 Deuxieme Programme National de Gestion des Terroirs (PNGT2)
Address: BP 1487 OUAGADOUGOU 01 BURKINA FASO
Contact Person: Jean-Paul Sawadogo, National Coordinator PNGT2
Tel: (226) 32 47 53/54 **Fax:** (226) 31 74 10 **Email:** PNGT@fasonet.Bf

Estimated Disbursements (Bank FY/US\$m):

FY	2005	2006	2007	2008	2009	2010			
Annual	0.42	0.93	1.00	0.95	0.83	0.37			
Cumulative	0.42	1.35	2.35	3.30	4.13	4.50			

Project implementation period: 9/30/2004 to 06/30/2009
Expected effectiveness date: 09/30/2004 **Expected closing date:** 12/31/2009

A. Program Purpose and Project Development Objective

1. Program purpose and program phasing:

Burkina Faso is among the ten least developed countries in the world, with agriculture and livestock accounting for 32% of GDP, 92% of labor force and 60% of exports. Industry accounts for 28% of GDP and 3% of labor force and is largely based on agriculture. Livelihoods are linked to environmental resources through wood harvesting for firewood and as a building material. Wood represents 96% of the domestic energy consumed, and the annual loss of wooded surfaces is 10,000 ha per year. Other losses of biodiversity occur through bush fires, unsustainable herding practices (cutting branches and bushes) and unsustainable farming practices. Water erosion from short, heavy rains causes soil degradation, which, added to persistent drought, increases desertification. About 87% of the population is engaged in subsistence agriculture and nomadic stock keeping, generally marked by low productivity. The proportion of the population living below the poverty line is 45%, most of which are rural poor, who are increasingly dependent on a declining natural resource base.

Burkina Faso has developed a number of long-term national strategies and action plans to address these issues. These include, *inter alia*, the National Environment Action Plan, the National Strategy and Action Plan for Biological Diversity, the National Desertification Mitigation Action Plan, the National Soil Fertility Management Strategy and Action Plan, and the National Framework for Climate Change Mitigation. A common denominator in all of these plans is that they can only be effectively implemented through decentralized institutions and grass-roots activities that are demand-driven and managed by local communities. The Sahel Integrated Lowland Ecosystem Management (SILEM) program is designed to complement Burkina Faso's National Community-Based Rural Development (CBRD) program (the baseline Project) by introducing a landscape dimension and an Integrated Ecosystem Management (IEM) approach to local development planning. It will thus assist the Government in effectively implementing national action plans aimed at arresting and reversing natural resource degradation.

The purpose of SILEM is the sustainable improvement in the productive capacity of rural resources (natural, physical, human and financial) in selected sub-watersheds. It aims at providing local governments and rural communities with adequate capacity and incentives for IEM as a means of improving the natural resource base, thereby reducing poverty and vulnerability. It will do so by providing 'ear-marked' GEF funds within the baseline Project to: (i) provide rural communities with greater incentives to request and implement sound environmental management and conservation sub-projects; and (ii) assist the Government in establishing adequate decentralized watershed management and environmental protection institutions.

The program focuses specifically on lowlands due to their unique physical and socio-economic characteristics. Because of their water-retention capacity, lowlands are a 'premium' in the semi-arid environment of Burkina Faso. They are used intensively for multiple purposes by a variety of users resulting in degradation with negative implications for neighboring 'upland' areas. By developing and promoting IEM planning and management tools at the sub-watershed level, SILEM aims to reduce pressure on fragile lowland ecosystems, which are vital resources for maintaining biodiversity and combating desertification in dryland regions of Africa.

SILEM is designed as a *fifteen-year program*, financed in three consecutive *five-year project phases* to provide incremental support to each of the three phases of the baseline Project. The first phase of the SILEM will focus on developing the local and institutional capacity necessary for applying an IEM approach. It will develop the instruments and test program components/instruments with communities living in selected watersheds of four provinces. The second phase will confirm and consolidate results from the first phase while extending the program to additional provinces. The third phase will replicate the model

nationwide.

2. Project development objective: (see Annex 1)

The project development objective is to improve the resource management practices in targeted sub-watersheds through an integrated ecosystem management approach.

3. Key performance indicators: (see Annex 1)

The performance of the SILEM will be assessed through changes in the following indicators, some compared with non-intervention areas, over the life of the project. The linkages with specific component-related objectives are shown in the project design summary in Annex 1.

The following indicators will be common to all three phases of the Program, as the second and third phases are mainly designed to scale-up geographically the activities of the first phase:

- Positive trends in soil organic content, plant and insect diversity index and grass/tree biomass;
- Rate of adoption of IEM practices and new sustainable farming technologies;
- Capacity improvement of inter-village councils for sub-watershed management issues;
- Degree and quality of the planning process leading to sub-watershed management plan;
- Success rate in IEM subproject implementation;
- Number of new global partnership supporting IEM or carbon sequestration activities;
- Degree of efficiency of the impact monitoring system.

B. Strategic Context

1. Sector-related Country Assistance Strategy (CAS) goal supported by the project: (see Annex 1)

Document number: 25458-BUR **Date of latest CAS discussion:** 3/12/2003 (CAS Progress Report)

This Project supports the rural poverty reduction objectives of the Government's Poverty Reduction Strategy Paper (PRSP) and the Bank's Country Assistance Strategy (CAS) by increasing the productivity of rural assets (labor and land) through the conservation and sustainable use of natural resources. The last full CAS (11/3/2000) identifies SILEM as a 15-year GEF-financed APL to enhance environmental objectives of the national Community-Based Rural Development Program by incorporating an IEM approach in local development planning and by developing capacity at all levels to support such an approach.

1a. Global Operational strategy/Program objective addressed by the project:

Burkina Faso has ratified the Biodiversity Convention (1992) and the Desertification Convention (1996).

The global objective of the Project is the sustainable conservation of biological and agricultural diversity and the rehabilitation of soil and water resources in targeted watersheds. Overall this will lead to decreased rates of desertification, increased carbon storage capacity, decreased environment and social vulnerability to climate change, and improved food security and income earning potential for rural households

The program will achieve this objective by providing GEF funds within the baseline Project to: (i) provide rural communities with greater incentives to include environmental and conservation sub-projects in their local development plans; and (ii) assist the Government in establishing decentralized institutions to support an IEM approach to local development planning. The need to involve local communities in resource and ecosystem management is clearly reflected in the national environmental action plans and strategies of Burkina Faso, as well as in decisions from the Convention to Combat Desertification (UNCCD), the Biodiversity Convention (CBD) and the UN Framework Convention on Climate Change (UNFCCC). This program falls under GEF OP12 by addressing the focal areas of biodiversity and land degradation. It will also develop the IEM tools which, when scaled up, will have a positive impact on international waters and climate change. The design of SILEM is consistent with the objectives, priorities and guidance provided by the conventions and GEF.

2. Main sector issues and Government strategy:

Burkina Faso, a semi arid country subject to low and variable rainfalls is one of the most vulnerable to global warming. Land degradation and desertification are the main environmental issues facing the rural economy, and have resulted in decreased soil fertility, the loss of genetic (biological and agricultural) diversity, severe declines in arable lands, decreased agricultural productivity, and deforestation. About 20 percent of arable lands have been lost during the past three decades, and yields have declined between 50 and 100 percent. The variability of agricultural output has also increased, thereby increasing the economic vulnerability of the poor.

The government has developed specific strategies and action plans to deal with these issues, which include: the National Environment Action Plan (NEAP), the National Soil Fertility Management Strategy and Action Plan (1999), the National Desertification Action Plan (1999), the National Biodiversity Strategy (2001) and the National Biodiversity Monograph (1999), the National Program for Land Management (1984, 1996), the National Village Forestry Program (1992), and the National Rural Forestry Program (2004). The focus and proposed actions of key strategies are listed in the box below.

A common denominator in all of these plans is that they can only be effectively implemented through decentralized institutions and grass-roots activities that are demand-driven and managed by local communities. The recent *Lettre de Politique de Développement Rural Décentralisé* (LPDRD), endorsed by the Government of Burkina Faso (GOBF) and supported by its development partners, confirms and embodies the fundamental principles that decentralization and participation are pillars of sustainable development. To achieve these goals, the baseline Project: (i) strengthens the capacity of villages and local Governments to prioritize, plan, implement, and maintain community-based investments; (ii) provides decentralized funding for demand-driven and community-managed rural projects; and (iii) supports decentralization.

Box 1: Priority Domains and Actions of National Environmental Strategies

The National Desertification Mitigation Action Plan (PAN/LCD)
<p>Priority domains of this action plan include:</p> <ul style="list-style-type: none">• sustainable natural resources management (NRM)• improvement of the living conditions of the rural and semi-urban population• creation of an enabling environment (policy, legal, and institutional)• development of NRM competence• scientific and technical cooperation• strengthening the economic power and negotiation capacities of vulnerable groups• encourage process of participatory, decentralized planning
The National Strategy and Action Plan for Biological Diversity
<p>Proposed actions for the conservation of biological diversity are:</p> <ul style="list-style-type: none">• increase the participation of local communities in conservation• develop agro-sylvo-pastoralism• improve the organizational capacity and literacy rate of communities to better take into consideration conservation activities• intensify the search, inventory and collection of varieties of agricultural and forestry species for their conservation• promote political and administrative decentralization• preserve fragile or threatened ecosystems of pronounced global and national interest• strengthen the land management and land use planning process• put in place a framework for prevention of biodiversity related risks
The National Soil Fertility Management Action Plan
<p>The main actions proposed are:</p> <ul style="list-style-type: none">• increased investment in the production of agro-minerals (rock phosphate, lime)• facilitate the processing of industrial and urban wastes into organic fertilizers• facilitate the transformation of crop wastes and residues into organic fertilizers• promote the participatory development of technologies adapted to various agro-ecological and economic conditions;• extension of adapted technological packages towards various social groups
The National Action Plan for the Convention on Climate Change
<p>The main actions proposed are:</p> <ul style="list-style-type: none">• create an enabling institutional framework• promote the rational management of natural resources (agricultural, pastoral, forest, water)• promote rational management of energy resources• develop and improve the national capacity to address climate change issues• improve cooperation at sub-regional, regional and international levels

3. Sector issues to be addressed by the project and strategic choices:

The main sector issue to be addressed by SILEM is the deterioration of the natural resource base of the Burkina rural economy, in particular land degradation and desertification. By focusing initially on lowlands, where moisture availability is highest and least variable, SILEM aims to assist the poor to first stabilize its most reliable resource base. SILEM will assist the government with the implementation of the above-listed strategies and action plans (AP). In particular it will contribute to the following objectives:

- Strengthen the land management and land use planning process (Biodiversity AP);
- Promote the participatory development of technologies adapted to various agro-ecological and economic conditions (Soil Fertility AP);
- Intensify the search, inventory and collection of agricultural and forestry species for their conservation (Biodiversity AP);
- Increase the participation of local communities in conservation activities with particular attention to women as users of biological resources and as transfer agents of knowledge to the youth (Biodiversity AP);
- Extension of innovative technological packages (Soil fertility AP);
- Create an enabling policy, legal, and institutional environment (Desertification AP); and
- Develop capacity (Desertification AP).

SILEM will also assist the government in achieving its decentralization goals. By adding a landscape dimension to the baseline Project, the social/institutional capital necessary for effective decentralization will be built across communities as well as within communities, since villages will need to undertake joint planning actions with neighboring villages to address common sub-watershed degradation and management issues.

4. Program description and performance triggers for subsequent loans:

4.1 Program Description

Description of the IDA-financed baseline program: Community Based-Rural Development Program

The Community-Based Rural Development (CBRD) Program is a fifteen-year program financed with an Adaptable Program Loan (APL) consisting of three five-year phases. The first phase of the program is financed by IDA (US\$66.7 million), the International Fund for Agricultural Development (US\$9.5 million), the Embassy of Denmark and the United Nations Development Program (UNDP). The program is focused on reducing poverty and promoting sustainable development by empowering local communities - both administratively and economically – to manage their own development process. Specifically, it aims to build (i) local-level capacity to manage local development efforts; and (ii) institutional capacity to support Burkina Faso's decentralization process. The phases will be flexible in order to adapt to the country's decentralization choices, the pace of resulting institutional reforms, and the need to harmonize various approaches.

The first phase of the CBRD (baseline Project) has five components: (i) local capacity building geared towards strengthening the capacity of villages to plan, implement, operate and maintain investments; (ii) a local investment fund with two windows, one that channels resources directly to rural communities on a matching grant basis, and another for larger investments identified by rural communities and implemented by provinces; (iii) institutional capacity building to train, equip, and operate field teams and activities in support of decentralization; (iv) a land tenure security pilot operation; (v) program management and M&E.

In the first phase, the project will liaise closely with other donor-funded programs, in order to harmonize approaches and arrive at a single national community-based rural development policy by the end of year five.

Phase I (2001-2006) will develop the capacity of rural inhabitants, and facilitate the emergence of rural municipalities (*communes rurales*). To that effect, it will couple capacity building with a local investment fund to enable communities to learn by doing. The baseline Project will also clarify the role of rural municipal institutions, the transfer of responsibilities to rural municipalities, fiscal decentralization, and participatory and decentralized management of village and municipal assets. Phase II (2006-2010) will build upon the achievements of Phase I and expand the Program to national coverage. During this phase, the CBRD program itself will be part of a national program that will reach all villages, either individually or grouped together. Phase III will consolidate what has been achieved and prepare an exit strategy.

Description of the GEF-financed companion program: Sahel Integrated Lowlands Ecosystem Management Program

The Sahel Integrated Lowlands Ecosystem Management Program (SILEM) is designed as a *fifteen-year program*, financed in three consecutive *five-year project phases* to provide incremental support to each of the three phases of the baseline CBRD program. It is a program focused on reducing poverty and promoting sustainable development by reversing the degradation of the natural resource base on which the livelihood of the rural population depends. It will do so within the baseline CBRD program through the introduction of an integrated approach to ecosystem management. Integrated ecosystem management provides a comprehensive cross-sectoral and participatory approach to natural resource management planning on an ecosystem scale to achieve multiple and cross-cutting benefits local, national and global benefits.

SILEM will initially concentrate on lowland areas of selected sub-watersheds in view of their multiple functions as sub-components of larger local, national and international ecosystems. These areas are known to include native species traditionally used as fodder, food, household energy, construction material and medicinal and veterinary care. Accordingly, they are relatively rich in biodiversity and have a high carbon storage capacity. SILEM will selectively intervene in some adjacent uplands to stabilize the lowland ecosystems.

The selection of lowlands as entry points is based on: (a) their relatively high potential for stable and increased agricultural productivity related to moisture availability and more favorable soil conditions, (b) their crucial role as dry season water and fodder providers for local and migrating human populations, livestock and wildlife; (c) the inclusion and/or proximity of particularly valued and less common natural habitats such as gallery forest, sacred forests, nature reserves and wetlands; and (d) the role of many lowlands as water collection sources for international waters.

SILEM will become effective around the time of the mid-term review of the baseline Project. Although initially intended to be more closely phased with the baseline Project, the time lag provides an important advantage in that the baseline institutions are in place at village and province levels, and the mechanisms for channeling investment funds to local level have been worked out. This will allow for a more rapid and focused start-up for SILEM. The first phase of SILEM will be a phase of learning and capacity building in IEM and a landscape approach at the local and regional levels. Pilot IEM investment activities will also take place during the first phase in the sub-watersheds of three to four agro-ecologically diverse provinces (about 120 villages). Consolidation of experience is expected to take place during the second phase with expansion to additional provinces and sub-watersheds. Phase 3 will consist of a rapid expansion to include

watersheds and villages using lessons learned during the first two phases.

4.2 Performance Triggers for Subsequent Loans

From Phase 1 to Phase 2

The following performance indicators are proposed for moving from Phase 1 to Phase 2:

- Positive trend in an aggregate index of plant and insect diversity, soil organic content, grass and tree biomass in three out of four Project sites in 5 years;
- Positive trend in an aggregate index measuring comprehension and adoption of IEM approach by targeted communities at all Project sites in 5 years;
- Number of technologies and innovative IEM mechanisms adopted by Project site communities equals 2 at each Project site in 5 years;
- Number of functional inter-village councils for sub-watershed management issues, as measured by point system defined in the Project Implementation Manual (PIM) equals 4 in 5 years;
- Degree of completion for the sub-watershed IEM plan as measured by point system index defined in the PIM equals 18 for the 4 Project sites;
- Number of new global partnerships supporting IEM or carbon sequestration activities equals 2 in 5 years.

Similar triggers will be set for moving from Phase 2 to Phase 3.

C. Program and Project Description Summary

1. Project components (see Annex 2 for a detailed description and Annex 3 for a detailed cost breakdown):

Using an IEM approach, SILEM will establish participatory systems for sustainable development and management of selected sub-watersheds in three to four pilot provinces and will build the national and local capacity to support and replicate the experience nationwide. In the first phase, the Program will support an integrated approach towards the rehabilitation of degraded lowland ecosystems in the provinces of Soum, Sanmatenga, Kourittenga, and Kompienga. Soum province is in the Sahelian zone with a large number of animals and strong competition for the use of lowland areas by pastoralists and agriculturalists. Sanmatenga is in the northern Sudanian zone and is transected by the Nalambé river. It is an area with a mix of agricultural and pastoral activities and lowlands rich in biodiversity. Kourittenga is also in the northern Sudanian zone, with a very high population density and a highly degraded resource base due to agricultural pressures. Kompienga is a province with a number of important protected areas and high degree of biological diversity.

Key criteria in the choice of the initial provinces were: (a) agro-ecological and socio-economic diversity; (b) the national and global importance of the province's watersheds and biodiversity; (c) the presence of the baseline Project in the province and (d) the degree of land and other resource degradation. Sub-watersheds have been identified in each province based on their importance and potential. Final selection will occur during project implementation using both top-down criteria (e.g. scientific studies and Geographic Information System (GIS) data coupled with administrative input related to priorities/plans) and bottom-up criteria (e.g. community resource mapping, community development plans, and community willingness).

The project will be implemented through five components.

Component	Indicative Costs (US\$M)	% of Total	Bank financing (US\$M)	% of Bank financing	GEF financing (US\$M)	% of GEF financing
1. Local Capacity Building for IEM	1.12	22.8	0.00	0.0	1.03	22.9
2. Local Investment Fund for IEM Sub-projects	2.24	45.6	0.00	0.0	2.08	46.2
3. Institutional Capacity Building for IEM	0.44	9.0	0.00	0.0	0.38	8.4
4. Building Partnerships for Sustainable IEM Financing	0.19	3.9	0.00	0.0	0.17	3.8
5. Project Coordination, Administration, M&E	0.92	18.7	0.00	0.0	0.84	18.7
6. Physical contingencies	0.00	0.0	0.00	0.0	0.00	0.0
7. Price contingencies	0.00	0.0	0.00	0.0	0.00	0.0
Total Project Costs	4.91	100.0	0.00	0.0	4.50	100.0
Total Financing Required	4.91	100.0	0.00	0.0	4.50	100.0

Component 1: Local Capacity Building for Integrated Ecosystem Management

The objective of this component is to strengthen the technical and organizational capacity of rural communities and municipalities to plan, implement and monitor IEM activities. Activities financed under this component will include awareness building and training on IEM concepts, land/water use planning, and environmental issues. This component will also support the development of watershed management committees, which may eventually evolve into associations or foundations with legal recognition. Project staff and service providers will assist communities and watershed management committees in developing watershed management plans and integrating these plans into village-level local development plans. They will train community groups and watershed associations in the use of various IEM tools (such as GIS maps) to visualize their natural resource base and understand the linkages and cause-effect impacts of alternative resource use scenarios. The IEM approach will promote more ecologically sound local development plans and will assist the baseline Project in decentralization by encouraging villages sharing a common watershed to work together to arrive at a common sustainable development plan.

Component 2: Local Investment Fund for IEM Sub-projects

The SILEM Local Investment Fund will have two windows: one for financing village and inter-village (watershed management committee) sub-projects (< US\$ 35,000) and a special window (> US\$35,000 – US\$150,000) to provide provinces with resources to undertake larger investments.

Village and inter-village window

In addition to the baseline Project envelope of \$3-5 per capita per year, SILEM will provide funds (about US\$2,000 per village per year) earmarked for IEM activities included in the overall sub-watershed management plan and incorporated in the development plans of individual villages. IEM activities could include sub-projects that are investment oriented (rehabilitation of lowland sacred forest), economic incentive oriented (reducing the risk of adopting new technologies by providing start-up funds), or learning and innovation oriented (dissemination of IEM technologies). Eligible activities would include:

- promoting zero-tillage and conservation agriculture in lowlands and adjacent uplands
- testing and dissemination of innovative technologies for land rehabilitation
- testing and dissemination of innovative agro-sylvo-pastoral management practices

- supporting emergence and strengthening of enterprises promoting biodiversity (medicinal plants or lowland aquaculture)
- rehabilitating and conserving biodiversity of lowland areas with specific cultural functions
- protecting river banks against livestock damage
- creating arboreta and the protection of sacred woods
- identifying and improvement of wildlife routes
- stabilizing of the banks of fishing waters
- establishing a local system for monitoring fishing activities

Provincial window

SILEM will supplement the provincial window of the baseline Project with an earmarked fund to provide incremental funds for larger scale investments (about US\$100,000 per sub-watershed per year).

Component 3. Institutional Capacity Building for Integrated Ecosystem Management

SILEM will support institutional capacity building for the creation of an adequate policy environment. It will support civil society groups and decentralized government institutions that can contribute to policy dialogues to provide incentives for adoption of IEM practices. The Project will also build institutional capacity for effective participation of Burkina Faso in global environmental conventions and negotiations. The Project will provide organizations with institutional capacity, including training (information, negotiation and conflict resolution), equipment, and incremental operating costs. The main partners to receive such support will be the national structures responsible for monitoring and coordinating the international environmental conventions. Others will be local governments, producer organizations, private sector associations, and NGOs.

With respect to policy dialogue capacity, SILEM will regularly support environmental policy fora for dialogue between IEM stakeholders, including Government, NGOs, producers, the *Commissions Villageoises de Gestion des Terroirs* (CVGTs), the *Commissions Inter-Villageoises de Gestion des Terroirs* (CIVGTs), the *Cadres de concertation techniques provinciaux* (CCTPs) and the private sector. Policy issues to be addressed by the forum could include issues related to: (i) land tenure security; (ii) improved access to fertilizers, (iii) crop-livestock integration and (iv) incentives for time-lagged IEM benefits.

This component would also provide incremental funding for specific studies required to develop participatory economic development plans integrating IEM concerns. Examples of such studies might include surveys of species, land-water use studies, or environmental business development plans.

Component 4. Building partnerships for sustainable IEM financing

The objective of this component is to build the capacity to mobilize national and international funds to address environmental and resource management issues of local, regional and potentially global significance.

The component will (i) assist and train CVGTs, watershed management committees, and community leaders in the mobilization of funds for environmental protection and local development, (ii) provide training to central and local governments to enable them to engage in global financial resource mobilization and environmental negotiations, (iii) initiate contacts between the communities and environmental management partners (e.g. private sector, NGOs, northern hemisphere cities, bilateral donor agencies), and

(iv) assist the parties in reaching mutually beneficial contractual arrangements.

This component will also explore (i) opportunities for partnerships offered by the Kyoto Protocol and the Convention on Climate Change, and partnership through the carbon trade markets (twinning, etc.); and (ii) mechanisms for supporting alternative sustainable financing mechanisms such as a desertification mitigation fund.

Component 5. Program Coordination, Administration and Monitoring/Evaluation

SILEM will provide incremental funding to the baseline Project coordination unit and the provincial teams to support the cost of project implementation. SILEM will also provide incremental funding to adapt the M&E and impact assessment systems of the baseline Project to the added requirements of the SILEM, with a particular emphasis on strengthening the environmental and natural resource components of the M&E system of the baseline Project. The combined monitoring and impact evaluation system (baseline Project and SILEM) will have the following components: (i) an internal project M&E system, (ii) a participatory indigenous M&E system, and (iii) an impact evaluation system that relies on scientific data collection and evaluation.

Indicators for assessing the physical effects of IEM on land quality, soil fertility, biodiversity, carbon sequestration and protection of international waters will be developed and measured periodically with the assistance of research centers, universities, and laboratories.

Initial baseline data were collected during SILEM project preparation with the census and characterization of all lowlands and the construction of a GIS database. The information in the database will be further improved during the first year of implementation to ensure that it contains all necessary information needed to undertake the monitoring and evaluation of the project.

The SILEM may also finance, on a pilot basis, the development of a natural resources account in collaboration with the statistical departments of the Ministries of planning, agriculture, environment and the economy.

2. Key policy and institutional reforms supported by the project:

Reforms supported by both the baseline Project and the SILEM include: (i) improved collaboration among Ministries to facilitate sustainable resource management of natural and productive ecosystems, (ii) harmonization of sectoral legislation and policy (e.g. land tenure issues), (iii) development of a strategic approach to identify priority watersheds; and (iv) in collaboration with the baseline Project, develop decentralized and participatory systems for the preparation of watershed management plans.

3. Benefits and target population:

The general benefits of SILEM can be categorized in the same three broad categories as those of the baseline CBRD program:

- *Impact on living conditions.* The Program will have a direct impact on rural incomes through productive investments, such as the development of bottomlands, and an indirect impact through the spillover or stimulative effect of such investments on the local economy. Increased productivity resulting from soil fertility interventions will lead to increased incomes and improved food security.
- *Impact on natural resources.* Better management of natural resources for long-term sustainable use is

a fundamental aspect of the Program. Improved soil fertility, more abundant vegetation cover, reclaiming bare land, slowing down erosion, and increased biodiversity will be the main results.

- *Impact on local capacity and the institutional environment.* Strengthened capacity of broadly representative village organizations and watershed management committees is a prerequisite to the efficient execution of the Program, the equitable distribution of its benefits and the sustainability of its results. The Program will play an essential coordination role at the village, province and national levels, integrating the interventions of a large number of actors across a broad range of sectors and sub-sectors.

In addition, by contributing to the sustainable management of lowland ecosystems and by developing ecosystem management tools, SILEM will provide the following ecological, social, economic and institutional benefits at the global, regional, and project site levels:

- Combinations of conservation tillage, rock bunds, *zai*, mulching, cover crops, agro-forestry, and organic and mineral manures have proved to be cost-effective land recuperation techniques. Adoption of these practices will arrest, and over time reverse, land degradation, leading to improved soil fertility and resource productivity. Over a fifteen-year period it is estimated that 40-50% of degraded lands in the project areas could be recovered.
- Biodiversity benefits of the program will arise from the recovery of degraded ecosystems. Lowland soil fertility is also expected to increase through improved water management, drainage, soil de-compaction, and improved management of animal manures. In addition, the program will promote small-scale aquaculture, combinations of cropping and fishing/aquaculture, and increase flooded surfaces in lowlands to increase the number of fish species and of other aquatic animals.
- The project will decrease institutional barriers to IEM, and in particular to conservation of biological diversity in natural habitats (lowland gallery forests, forest relics, sacred forests, reservoirs of medicinal plants and woods, pastures or cultivated lands).
- Carbon sequestration benefits will arise from the increased storage capacity in forests, crops and biomass, as well as through an increase in the organic matter content of soils (from 0.60% to 1.5% on average). Crop intensification as a result of improved soil fertility will allow longer fallow periods, and consequently greater carbon sequestration.
- International waters are also expected to benefit from the program wherever the Volta and Niger rivers and their tributaries are present.

The direct beneficiaries for the first phase of SILEM will be the rural population living in the vicinity of the selected watersheds in the targeted provinces - some 120 villages and 12,000 households. However, the tools and approaches developed in the first phase will benefit many more provinces, villages and households during the second and third phases of the program.

4. Institutional and implementation arrangements:

Institutional arrangements:

Oversight: At the national level, SILEM will be under the responsibility of the Ministry of Agriculture, Water and Fisheries and implemented by the CBRD Program.

Steering: A National Steering Committee (NSC) chaired by the General Secretary of the Ministry of Agriculture, Water and Fisheries was established to guide and monitor the implementation of the baseline Project. The same Steering Committee will monitor the implementation of SILEM. The NSC meets annually to (i) analyse the project results consolidated in annual reports, (ii) analyze, discuss and adopt the annual work program and budget, (iii) advise the project team on the conformity of results, annual programs and strategies with national policies and experiences.

Advisory Body: A Scientific and Technical Advisory Network (STAN) will be established to provide scientific and technical guidance on SILEM implementation. It will include IEM specialists and partners from national research institutes, universities, government, NGOs and private operators.

Implementation arrangements:

Project Management and Administration: SILEM will be implemented through the existing structures of the baseline Project, which is the CBRD. At the national level, day-to-day management will rest with the national project coordination unit (PCU) and at the provincial level with the provincial coordination teams (PCT). The main responsibilities of the PCU are to: (i) manage the work program at the national level; (ii) ensure that funds from Government and donors are made available to the beneficiaries in a timely manner and in accordance with the signed agreements with each donor, including GEF (as well as national and international private sector donors and northern hemisphere community partners); (iii) provide technical support to the provincial coordination teams; (iv) organize workshops at the national and regional levels in support of the project objectives; (v) monitor and evaluate the implementation of the work program and its impact, and report results to various stakeholders; (vi) undertake or contract out environmental and social impact assessments of sub-projects; and (vii) provide required information on project implementation and impact to Government and the different donors.

At the provincial level, the baseline Project has 18 PCTs covering 26 of the country's 45 provinces. The PCTs in the provinces targeted for SILEM intervention will be reinforced with the addition of a team member specializing in integrated ecosystem management and will supervise the implementation of the integrated baseline Project/SILEM work program. The responsibilities of the provincial teams are to (i) assist the CCTP in the coordination of the different activities at the provincial level; (ii) provide support to the CCTP in its review of village and sub-watershed development plans; (iii) enter into contracts with, and supervise, service providers hired by the Project to execute specific activities (e.g. training of beneficiaries, participatory needs assessments, project proposal formulation, support to the execution of communities' annual investment plans, technical and financial audits, etc.); and (iv) implement the monitoring and evaluation system at the provincial level.

Project Monitoring: Under the baseline Project, input, output and outcome data are collected at the community level by the beneficiaries themselves and they are receiving training from the baseline Project to effectively carry out this task. The data collected by the beneficiaries is computerized, analyzed and aggregated by the provincial teams and made available to the CCTP and the *Direction Regionale de l'Economie et Developpement* (DRED). At this level, the information is used to (i) review the work

program (supervision needs, audits, approval of new investment budgets, etc...), (ii) improve coordination between development projects, NGOs and public agencies, and (iii) monitor development impact. A copy of the report is provided to the beneficiaries for information and feedback. After initial compilation and analysis by the PCT, the data is forwarded to the monitoring and evaluation staff at the PCU to be further aggregated and analyzed at the national level. The findings will be used in the progress report and the national and regional workshops. In addition, to this participatory monitoring system, the M&E unit of the PCU contracts with outside experts for baseline environmental, institutional and household socio-economic studies and impact analysis. SILEM will draw on the procedures and baselines already in place, add specific biodiversity related indicators not included in the baseline Project's system, and strengthen the environmental impact analyses in the areas specific to SILEM's intervention (e.g. land degradation, soil fertility, biodiversity).

Operational Manuals: The Project Implementation Manual (PIM) of the baseline Project guides day-to-day project implementation and has been adapted to guide the implementation of SILEM. The PIM consists of the following detailed manuals: (i) the Administrative and Financial Procedures Manual, (ii) the Technical Manuals (guidelines for specific types of infrastructure investments), (iii) the Monitoring and Evaluation Manual, (iv) the Local Investment Fund (LIF) Manual, and (v) the Environmental and Social Management Framework. Any further revisions will be carried out during project implementation on the basis of field experience, and as mutually agreed between the borrower and IDA.

D. Project Rationale

1. Project alternatives considered and reasons for rejection:

Regional program

The project was originally intended as a regional program covering Niger, Burkina Faso, Mali and Senegal. However, difficulties in obtaining agreement from all four countries suggested that a regional program was likely to face serious implementation difficulties. It was thus decided to focus on developing national programs instead.

Independent program

An independent, or stand-alone, GEF OP12 program was also considered. However, given the similarity with the baseline Project in the Community Driven Development (CDD) approach that the Program is planning to use, and given the limited financial resources available, it became clear that SILEM would achieve much greater impact by building on the baseline Project, and providing mainly incremental support to IEM activities.

Combined SILEM-PAGEN program

The possibility of combining this program with the Burkina Faso Partnership for Improved Management of Natural Ecosystems (PAGEN) was also considered. This would have led to a GEF project focusing on areas both within protected natural habitats, as in PAGEN, and outside of protected habitats, where communities interact more actively with natural ecosystems. However it became clear that different sets of tools and institutions would be needed to handle both aspects in a single program, and that the resulting program would be complex and difficult to implement. It also became clear that community-driven IEM activities would have much greater impact if combined with decentralization and community-driven capacity building within the baseline Project.

2. Major related projects financed by the Bank and/or other development agencies (completed, ongoing and planned).

Sector Issue	Project	Latest Supervision (PSR) Ratings (Bank-financed projects only)	
		Implementation Progress (IP)	Development Objective (DO)
Bank-financed			
Rural Development/Agriculture	- Community-Based Rural Development (CBRD) Program or PNGT2 (ongoing)	S	S
	- Private Irrigation Project, DIPAC (ongoing)	S	S
	- Second National Agricultural Services Development Project, PNDSA II (ongoing)	S	U
	Environmental Management Project, PNGT1 (completed)	S	S
Environment/ Natural Resources Management	- Partnership for Natural Ecosystem Management Program , PAGEN (on-going)	S	S
	- Pilot Community-Based Natural Resources & Wildlife Management Project, GEPRENAF (completed)	S	S
	- Wood Energy Management Project, RPTES (completed)	S	S
Other development agencies			
AFD/FFEM French Cooperation	- Local Development Projects (ongoing)		
	- Conservation Units Support Project (CUSP) & ARLY National Park Support (completed)		
	- Technical assistance for wildlife conservation units (by SCAC)		
IFAD (International Fund for Agricultural Development)	- Soil and Water Conservation/Agro-Forestry I and II		
	- Central Mossi Plateau Sustainable Lowland Management Project		
	- Local Development Project in Eastern Burkina Faso		

EU (European Union)	<ul style="list-style-type: none"> - South West Rural Development Project - Rural Micro-enterprise Support Project - Support to decentralization - International Project for W National Parks with Niger and Benin, ECOPAS 		
CIDA (Canada)	Pilot Environmental /		
Swiss Cooperation	Desertification Fund (ongoing)		
Dutch Cooperation	<ul style="list-style-type: none"> - Rural Equipment Fund (FEER-1 completed;FEER-2 planned) - Burkina Sahel Program, PSB (completed) - Agro-ecology & Local Development Program in Zoundweogo province (LDPZ) - Local Development Projects in Boulkiemde, Sanguié, and Sanmatenga 		
DANIDA	<ul style="list-style-type: none"> - Local Development/NRM projects: Burkina Sahel Program (PSB), PGRN-SY; PGRN-K; PDR Boulgou 		
UNDP/GEF	<ul style="list-style-type: none"> - Nazinga Game Ranch Support Project (completed) & Support to W National Park peripheral activities (on-going) - Desert Margins Program (regional environment/NRM research, ICRISAT-based) - Indigenous Knowledge Initiative Support Project 		
FAO	<ul style="list-style-type: none"> - Support to Forestry, Wildlife and Fisheries Reforms (needs additional financing) 		
AfDB (African Development Bank)	<ul style="list-style-type: none"> - Forest Management Projects in Comoe-Leraba - Integrated Ecosystem Management of Centre-Ouest Forests (identified) - Bazega & Kadiogo Rural Project (on-going) 		
GTZ	<ul style="list-style-type: none"> - Training Program for Locally Elected Officials (ongoing) - Local Development/ Burkina Sahel Program (PSB) 		

	- Sustainable Agriculture Project in Eastern Burkina Faso (planned) - Gonse Forest Support Project		
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IP/DO Ratings: HS (Highly Satisfactory), S (Satisfactory), U (Unsatisfactory), HU (Highly Unsatisfactory)

Coordination with other partners and projects

An essential characteristic of this program is the creation of a collaborative framework for all relevant activities. Therefore strategic partnerships ensuring co-financing, cooperation, and complementary actions to facilitate the implementation of all ongoing programs, especially with those aimed at combating desertification, are key. Ongoing or planned initiatives of relevance in the Sahelian zone of Burkina Faso are:

- The National Community-Based Rural Development (CBRD) Program, which is the baseline program of SILEM, as described above.
- The GEF-supported Natural Ecosystems Management Program (PAGEN) which builds on the CBRD Program and the Burkina Sahel Program (PSB) and supports natural resource management within natural habitats of the Sahel Partial Reserve (Northern Burkina) and wildlife areas in south-western Burkina. Its focus is on biodiversity conservation and sustainable, locally controlled natural resource management (rangeland, water). SILEM will complement these activities by helping rural communities undertake IEM practices to protect the conservation areas. Activity comparison between the two projects is described in table 3 of Annex 4.
- The PSB, supported by Germany, the Netherlands, Denmark and UNDP, is an anti-desertification program and works closely with the *Comité permanent Inter-états de Lutte contre la Sécheresse au Sahel* (CILSS). It is the only initiative currently involved in this area. The participatory management of natural resources by different groups is one of the main objectives and it has achieved success in some areas. Conflict management, community consultation, linking agro-pastoralists and pastoralists and the creation of local, self-managed investment funds are crucial to the project. CONEDD is currently collaborating with GTZ to implement the German contribution to the PSB.
- The UNDP multi-country research program “Desert Margins Program” (DMP) in Burkina Faso, Mali, Senegal, Niger, Botswana, Kenya, Namibia, South Africa and Zimbabwe, financed by GEF, USAID, the World Bank and France, and coordinated by the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) and CILSS, is a research or technology development program which will collaborate with the project to provide desertification mitigation technologies, knowledge and training.
- Burkina Faso is the only African country with an AIJ (Activities Implemented Jointly) project under the Climate Change Convention with support from the World Bank, Norway and Denmark. Components are community based forest management (300,000 hectares in 6 years), solar technologies promotion and improvement of carbon sequestration.

3. Lessons learned and reflected in the project design:

The project design is based on various lessons that are also reflected in the baseline Project. These include:

Community-Driven Development

Lessons from past experiences in IEM clearly indicate that natural resources are most efficiently managed when communities are entirely involved in the decision-making and control processes. This supports the need for the CDD approach and for a substantial investment in capacity building to enable communities, and in particular the poor, to participate in both processes. The baseline Project and SILEM take into account the five critical factors that characterize successful CDD projects: (i) good local organizational capacity and community groups; (ii) the appropriate fit of technology to community capacity; (iii) effective outreach strategies; (iv) client responsive agencies; and (v) enabling policies and government commitment.

The need for beneficiaries' participation in the identification, planning, implementation and co-financing of sub-projects, and the need to adjust the level and the nature of co-financing, are well known and have been taken into account in the design of both the baseline Project and SILEM.

Integrated objectives and ecosystem management

The integration of crop and livestock husbandry in lowland ecosystems will draw from experiences such as the Pilot Pastoral Perimeters (PPP) Program in Chad and Senegal which established that proper use of rangelands, with rules set up by the community, can improve the rangeland and the relationship among pastors, farmers and traders. The need to address land tenure security issues within an IEM approach has been taken into consideration by drawing on the land tenure security pilot of the baseline Project.

The need for long term commitment and financial sustainability is reflected in the programmatic approach taken, as well as in the financial sustainability component of the Project that will encourage sustainable financing partnerships between the rural communities and external partners.

In building on the baseline CBRD program, and by paying particular attention to IEM action plans and to communities within the peripheries of important habitats/watersheds, the Project also complies with the recommendations of the Bank's Quality Assurance Group (QAG) for the baseline Project: (i) the need to integrate biodiversity into the broader national development agenda; and (ii) the need to focus on methods for addressing socio-economic pressures in zones where populations are dependent on natural habitats.

Institutional sustainability and accountability

Along with the baseline Project, SILEM builds on national institutions as a key for sustainability. In particular it builds on the local decentralized structures such as the DRED at the regional level, the CCTP at the provincial level, and the CVGT and other IEM sub-committees at the village and inter-village level. The support to the decentralization process and the land tenure security activities implemented under the baseline Project provide a solid basis for institutional sustainability of SILEM. The Program also attempts to establish financial sustainability by focusing on south-north partnerships and other sustainable IEM financing mechanisms.

Along with the baseline Project, SILEM builds on the lesson that all efforts at devolving authority to the local level will fail unless local institutions are sufficiently representative of the local population. The participatory planning process, which leads to the local development plans, and the local democratic governance building process that go into the establishment and maintenance of the CVGT and sub-watershed management committees, are expected to provide the required levels of representation and accountability.

Technology fit

A main lesson in agricultural technology development and transfer is that individuals will not adopt a technology unless it fits their environmental, intellectual and socioeconomic capacities, and provides them with substantially greater benefits and lower risks. It is also known that high time discount rates of medium to long-term benefits from IEM tend to lower the adoption rate of related technologies, unless compensations and rewards are used to provide sufficient adoption incentives. The local investment fund and capacity building components of the Project take these factors into consideration by providing incentives for technology adoption and by assisting rural communities, interest groups and the government in the identification and implementation of needed reforms to encourage an IEM approach.

4. Indications of borrower and recipient commitment and ownership:

The Government's concern for land and environmental degradation issues is demonstrated by the numerous strategies and action plans mentioned earlier (NEAP, the desertification mitigation action plan (PAN-LCD), the soil fertility management strategy and action plan (PAGIFS), and the national biodiversity strategy). Burkina Faso has also ratified all international conventions related to the Program, such as the Biodiversity convention (September 1993), the Climate Change Convention (September, 1993), and the Convention to Combat Desertification (January 1996). Other conventions ratified include the Migratory Species (Bonn) Convention and the Ramsar Convention on Wetlands.

SILEM has been endorsed by the General Directorate of the Environment (*Direction Générale de l'Environnement*, DGE), the institution that houses the focal points of all the abovementioned international conventions. Operations funded by the Bank and other donors also demonstrate the commitment of the Government to environmental conservation.

The commitment of the Government to the decentralization dynamic and local empowerment is evidenced from the numerous local development projects endorsed and co-financed by the Government.

5. Value added of Bank and Global support in this project:

Compared to other donors, the Bank and GEF are in a unique position to provide Burkina Faso with long-term financing, programmatic financing and nationwide support. Such support supplements the bilateral donors' interventions that are scattered, in limited geographical areas, across the country. This nationwide and long-term support provides the Government with a unique instrument to better coordinate, monitor and manage all IEM interventions.

The fact that this project supplements a national community-driven rural development program provides GEF with a unique opportunity to tackle local and global environmental degradation issues at their root causes by providing support to communities to stop and reverse environmental degradation. By supporting only the incremental costs of interventions, above the costs covered by the baseline Project, GEF is also able to help communities address such issues in the most cost-effective way.

E. Summary Project Analysis (Detailed assessments are in the project file, see Annex 8)

1. Economic (see Annex 4):

- Cost benefit NPV=US\$ million; ERR = % (see Annex 4)
- Cost effectiveness
- Incremental Cost
- Other (specify)

Like the baseline Project, SILEM does not lend itself to classic quantitative cost-benefit analysis because on one hand, the expected capacity building benefits have undetermined life expectancies and cannot be quantified in monetary terms. On the other hand, the demand-driven nature of investments also leaves the specific investments that will be made under the Project undetermined. Not enough is known about investment attitudes of the rural communities to attempt a simulation exercise. However, it is possible to demonstrate in qualitative terms that economic and social returns are likely from the capacity building and LIF components.

Benefits and Cost-effectiveness of Capacity Building: The capacity building component is most likely to generate substantial economic benefits. Decentralization, land use planning and human capacity building will improve the economic decision making process. The promotion of IEM decision making is also likely to increase the public economic benefits of the Project. Returns to human capacity building are significant, especially when there is an adequate enabling environment. The review of GEF-related activities in Burkina Faso, carried out during project preparation, suggests that the short-term effect of capacity building on productivity ranges from 12 to 30 percent increase in crop yields (Ouadba et al., 2001). Given that the capacity building benefits are likely to accrue for many years beyond the life of the project, they will most likely offset costs, with significant rates of returns.

Benefits and Cost-Effectiveness of Local Investments: The LIF will generate numerous investments that cannot be precisely predetermined given the demand-driven nature of the project. Consequently, no classic *ex-ante* cost-benefit analysis can be applied in this case. However, many eligible types of investments are predetermined and are known to generate significant economic benefits. Previous experience suggests that rural communities usually select projects with very high rates of returns and low risks, and manage them much more efficiently than project management units.

As indicated in the Project Appraisal Document of the baseline Project, research shows positive net returns to natural resource management investments, in particular land restoration. For example, the net value of techniques such as composting, windbreaks or rock bunds is about US\$700 per hectare. Research by the National Agricultural and Environmental Research Institute (INERA) in the Bazega area of Burkina Faso indicates an increase in sorghum yields of 85 kg/ha using erosion control techniques, an increase of 362 kg/ha using organic fertilizer and composting techniques, and an increase of 824 kg/ha using a combination of the two techniques. The review of GEF related projects carried out in preparation of this project similarly indicates yield increases up to 35 percent from soil water conservation techniques without manure and yield increases up to 100 percent with manure (Ouadba et al, 2001). Conservation tillage techniques to be promoted under the Project are known to have significantly positive impacts on yields and to significantly reduce labor costs.

Estimates of growth multipliers for Burkina Faso suggest that each dollar of additional income generated in the agricultural sector will generate an additional US\$1.90 of income in the local economy through the impact of spending on local goods and services (Delgado, Hopkins and Kelly, 1998).

2. Financial (see Annex 4 and Annex 5):

NPV=US\$ million; FRR = % (see Annex 4)

The economic activities that the project will generate are expected to be sufficiently profitable so as to result in increased capital accumulation at the farm level and particularly for the poor. This is expected to substantially improve the financial capacity of rural communities to maintain the investments made under the project and to expand investment activities beyond the lowlands.

A financial soundness analysis will be undertaken for all investments identified by the communities, so as to maximize chances of financial success. The capacity of the private and/or public sectors to sustain recurrent costs of planned investments will receive special attention. Provisions will be made to ensure the operation, maintenance and renewal of those investments. Emphasis will be put on cost-minimization measures and on anticipating additional funding requirements to ensure investment sustainability.

Fiscal Impact:

The long-term objective is for rural municipalities to be able to raise their own fiscal resources from increased local economic activity and consumption, thereby contributing to the funding of their local development plans and reducing the need for fiscal transfers from the central Government. In the short-to-medium term, fiscal transfers from the central Government will be needed to cover what the beneficiary contribution cannot. It must be recognized that the long-term capacity-building needs of the rural communities of Burkina Faso will require considerable support, and that such support will need to come largely from the outside, including support to cover the operating costs of the Program and intermediaries. Such operating costs are part of the investment required to build institutional, and ultimately fiscal, sustainability. The IEM investments financed under SILEM such as gallery forests, biodiversity conservation, lands restoration will increase the income earning potential of the rural population and possibly lead to new opportunities (e.g. eco-tourism) that could eventually generate fiscal revenues for the local governments.

The incremental cost analysis is provided in Annex 4.

3. Technical:

A key technical issue is to ensure that complex IEM planning and projects are well understood by rural communities and local governments, so as to trigger the right mix of investments. This issue is tackled as follows:

- The Scientific and Technical Advisory Network (STAN) will play a key role in ensuring the technical quality of Project activities and Project resources will be available to periodically call on national and international experts to conduct external evaluations or provide specific expertise.
- The DGE, which houses all the GEF focal points for Burkina Faso, will assist the PCU in matters related to technical training for service providers, NGOs, and communities (e.g. identifying environmental issues, drafting IEM-based land & water use plans, supervision of works).
- The Project will undertake a wide dissemination of technical issues for the benefit of rural communities and policy makers.
- Government technical institutions, regional research centers and universities will submit proposals for applied research on behalf of local governments, often in collaboration with international experts or centers of excellence.
- Technical manuals have been designed for small scale IEM investments, with specification of technical

standards and norms, and will be made available to all contractors.

- Protocols will be established between the PCU and technical departments of line ministries for the necessary technical expertise to assist the Project with the design and supervision of sub-projects as needed.
- Independent technical audits will be conducted periodically, based on requests from communities, local governments or the PCU.
- Communities may use a portion of the resources allocated by the LIF to recruit technical expertise to assist in the design, supervision and reception of works.

4. Institutional:

4.1 Executing agencies:

SILEM will be under the responsibility of the Ministry of Agriculture, Water and Fisheries (*Ministère de l'Agriculture, de l'Hydraulique, et des Ressources Halieutiques*, MAHRH) and implemented by the National CBRD Program. The MAHRH has a great deal of experience with local development and natural resource management projects and has the capacity necessary to provide oversight, supervision and monitoring of project implementation. A Memorandum of Understanding (MOU) between the PCU and DGE of the Ministry of the Environment (*Ministère de l'Environnement et de la Cadre de Vie*) will ensure adequate technical oversight in specific areas that do not fall under the competence of the MAHRH.

In addition, capacity building may be necessary within certain directorates of the MAHRH (e.g. the *Direction Générale de l'Inventaires des Ressources Hydrauliques* (DGIRH) and the *Direction Générale de l'Hydraulique Agricoles* (DGHA)) as well as with other Ministerial partners (e.g. the *Direction Générale de l'Aménagement du Territoire* of the Ministry of Land Administration and Decentralization) in IEM approaches to development planning and policy issues related to the adoption of IEM technologies.

4.2 Project management:

As previously mentioned, SILEM will be implemented through the existing structures of the baseline Project. At the national level, day-to-day management will rest with the national PCU and at the provincial level with the PCT. The baseline Project has been effective since December 2001. It has an excellent National Coordinator, highly competent Provincial Coordinators, and a proven track record of high-quality project implementation (as evidenced during various supervision missions and documented in the Project Status Reports). There will be a SILEM focal point within the PCU to assist the National Coordinator in implementing SILEM in accordance with rules and procedures of GEF.

4.3 Procurement issues:

National procurement will be handled by the PCU procurement specialist and local procurement will be handled by the communities (CVGT) assisted by the baseline Project's provincial teams and the provincial procurement commissions. Training is being provided under the baseline Project on a continual basis.

4.4 Financial management issues:

Financial management will be handled by the PCU financial manager and, where appropriate, the regional accounting offices set up under the baseline Project. The main financial management issue will be to track the incremental funds provided by SILEM for disbursement, audit and reporting purposes. The project currently has multiple funding partners (IFAD, DANIDA, UNDP) and the financial management system's

ability to satisfactorily account for its multiple funding sources has been evaluated through several external audits and Bank missions. The risk is considered low.

5. Environmental: Environmental Category: B (Partial Assessment)

5.1 Summarize the steps undertaken for environmental assessment and EMP preparation (including consultation and disclosure) and the significant issues and their treatment emerging from this analysis.

The base-Project has a category 'B' rating. In fulfillment of the World Bank Environmental Assessment guidelines OP/BP/GP 4.01, and in conformity with the recently adopted national environmental impact assessment legislation, the borrower prepared an environmental and social assessment during the preparation of the baseline Project. This report was prepared in consultation with a number of NGOs working on environmental and natural resource management issues in Burkina Faso. It has been available publicly since July 1999.

The SILEM Project is classified as a category B project. It will fund the incremental cost of activities and investments to protect and promote sustainable management of natural resources of local and potentially global importance in the ecosystems of four sub-watersheds in Burkina Faso. Although the project is designed to have mainly positive environmental and social impacts, an Environmental and Social Management Framework (ESMF) has been prepared to provide a guidelines for screening projects and identifying mitigation measures when necessary.

5.2 What are the main features of the EMP and are they adequate?

The ESMF proposes a screening process for sub-project EAs which will be carried out by the Directorate of the Environment according to national regulations. At the national level, a staff member will be appointed within the PCU to monitor environmental and social issues. At the provincial level, one member of the provincial team will be appointed to provide technical backstopping on all aspects of SILEM including environmental and social mitigation. These team members will be trained in the Project's ESMF and Resettlement Policy Framework procedures in order to support the CVGTs to identify and promote sustainable practices for land management, land tenure, land acquisition and involuntary resettlement; and conflict resolution. An annual environmental and social performance audit, will be carried out by an independent consultant. The SILEM provincial team member will encourage CVGTs to develop strategic approaches to environmental sustainability in their communities and inter-village committees. At a more practical level, the details of the ESMF will be integrated into the sub-project cycle. The ESMF has been cleared by the Bank's safeguard team.

5.3 For Category A and B projects, timeline and status of EA:

Date of receipt of final draft: August 18, 2003

5.4 How have stakeholders been consulted at the stage of (a) environmental screening and (b) draft EA report on the environmental impacts and proposed environment management plan? Describe mechanisms of consultation that were used and which groups were consulted?

The ESMF is designed to include a process of consultation with stakeholders that assesses each sub-project as it is proposed for financing. The implementation of SILEM is consultative in nature, with the sub-projects themselves, and the environmental requirements for each one, arrived at in a participatory way. It is therefore implicit that stakeholders will be consulted adequately for the entirety of the project.

In the case of an ESMF, it is impractical to launch a consultation phase prior to project implementation, as the exact activities are not known, however the ESMF study included a two-week mission to Burkina Faso. The mission consisted of field visits to four provinces, and met with government organizations,

stakeholders, NGOs and other persons, and included the review of existing documentation.

SILEM implementation follows the procedures that have been adopted by the national decentralized rural development policy of Burkina Faso, the LPDRD, which supports decentralization and participatory local development. SILEM will also support the ongoing participatory development process that is being carried out under Burkina Faso's poverty reduction and rural development strategies.

5.5 What mechanisms have been established to monitor and evaluate the impact of the project on the environment? Do the indicators reflect the objectives and results of the EMP?

Given that objectives of the Project are environmental in nature, the M&E system and impact evaluation studies all include environmental indicators. The evolution of the following environmental indicators will be closely monitored as a proxy to ecosystem health: soil organic content, plant and insect diversity, and grass and tree biomass. This information is supplemented by, and cross analyzed with, macro-level information provided by the baseline Project environmental monitoring system (e.g national database of land use, national monitoring of biomass production, etc.).

6. Social:

6.1 Summarize key social issues relevant to the project objectives, and specify the project's social development outcomes.

A social and institutional assessment was carried out as part of the base-Project preparation, with the goal of understanding the social dynamics at the household, local institution, and community levels and maximizing the impact on the poor and marginalized groups. Lessons and conclusions were integrated into the baseline Project design as well as SILEM:

- *Institutional Development:* There is no conflict between the institutions promoted by the CBRD and SILEM programs (e.g. the CVGT, watershed management committees) and traditional community-level organizations. On the contrary, traditional structures will find formalization in the CVGT. Very importantly, the assessment shows that "communities" of villages exist, tied together by social, cultural, kinship, religious and market relationships, encouraging villages to work together around common objectives, such as improved watershed management.
- *Vulnerable Groups:* One of the critical issues in bringing the entire community together to select, finance, and implement subprojects is to ensure an equitable and representative decision-making process. Since most Burkinabé cultural groups are very stratified -- organized around ethnicity, age, kinship, and gender -- participatory planning will be used to ensure that vulnerable groups (e.g. women, herders, youth) are fully included in the decision-making process, that village-level committees include representation from vulnerable groups, and that land tenure pilot operations enhance land access and security for vulnerable groups.

In addition, a Resettlement Policy Framework and a Process Framework were prepared during SILEM project preparations and will provide the framework for assessing and monitoring the social impact of project activities and investments.

6.2 Participatory Approach: How are key stakeholders participating in the project?

The base-Project and SILEM were both designed to be participatory at all levels, particularly at the community level. Established participatory needs assessment techniques will be applied to involve the maximum number of beneficiaries in sub-project selection.

6.3 How does the project involve consultations or collaboration with NGOs or other civil society

organizations?

NGOs intervene during project implementation as service providers and assist the communities with training, with the design of their local development plans (including land use planning), and during the implementation of their sub-projects.

6.4 What institutional arrangements have been provided to ensure the project achieves its social development outcomes?

The relevant institutional arrangements are: the representation of all social groups in the village land management committees, the local safeguard screening system for sub-projects and the M&E system.

6.5 How will the project monitor performance in terms of social development outcomes?

Both the M&E system and the impact evaluation studies, track institutional development issues at the community level (including an analysis of the participation of, and impact on, different societal groups) and a socio-economic survey, financed by the baseline Project, will provide some indication of the distribution of benefits at the household level.

7. Safeguard Policies:

7.1 Are any of the following safeguard policies triggered by the project?

Policy	Triggered
Environmental Assessment (OP 4.01, BP 4.01, GP 4.01)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Natural Habitats (OP 4.04, BP 4.04, GP 4.04)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Forestry (OP 4.36, GP 4.36)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Pest Management (OP 4.09)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Cultural Property (OPN 11.03)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Indigenous Peoples (OD 4.20)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Involuntary Resettlement (OP/BP 4.12)	<input checked="" type="radio"/> Yes <input type="radio"/> No
Safety of Dams (OP 4.37, BP 4.37)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in International Waters (OP 7.50, BP 7.50, GP 7.50)	<input type="radio"/> Yes <input checked="" type="radio"/> No
Projects in Disputed Areas (OP 7.60, BP 7.60, GP 7.60)*	<input type="radio"/> Yes <input checked="" type="radio"/> No

7.2 Describe provisions made by the project to ensure compliance with applicable safeguard policies.

Provisions made to ensure compliance with applicable safeguard policies are as follows:

Environmental Assessment: The Environmental and Social Management Framework (ESMF), which is used for CDD projects that are comprised of numerous, small and not fully specified sub-projects, examined the project’s potential negative and positive impacts and recommended measures to address them, in line with BP/GP/OP 4.01 (and as discussed in section 5 above).

Involuntary Resettlement: The Project will not involve any activities that displace people involuntarily, however it may restrict people’s access to resources within protected areas, therefore a Process Framework was prepared. A Resettlement Policy Framework was also prepared to protect populations who might be affected by land acquisition.

F. Sustainability and Risks

1. Sustainability:

Institutional sustainability is the main objective of the first phase of the baseline Program and of the SILEM. Considerable resources will therefore be directed to institutional strengthening. At the sub-project/community level, sustainability depends on the degree to which beneficiaries have ownership over their local development and sub-watershed management plans. This sense of ownership is an essential goal of the participatory process. The contribution required from beneficiaries to finance their local development (reflecting IEM priorities) helps achieve this sense of ownership. Where essential and feasible, community contribution for recurrent maintenance will be a condition of sub-project funding.

The program intends to ensure sustainability through local capacity building. Farmers will be trained in IEM technologies such as soil and water management and improved agro-sylvo-pastoral practices. Furthermore, an adequate enabling environment will be maintained by strengthening the capacity of governance bodies to negotiate policy reforms with government.

SILEM also emphasizes financial sustainability by strengthening the capacity of rural communities to establish financing partnerships with the international private sector and with governments of the northern hemisphere.

1a. Replicability:

The first phase of the SILEM program will focus on developing the tools and institutional capacity for integrated ecosystem management and it will test this approach in four sub-watersheds. The lessons, capacity and tools from the first phase would be used to scale up the results to other sub-watersheds in the country during the second and third phases to achieve the intended national and global impacts.

2. Critical Risks (reflecting the failure of critical assumptions found in the fourth column of Annex 1):

Risk	Risk Rating	Risk Mitigation Measure
<p>From Outputs to Objective</p> <p>Government commitment to decentralized decision-making and resource transfer to rural communities and their grouping (future rural municipalities) is not sustained</p> <p>Natural resources degradation proves not to be a high-priority concern for the communities and therefore buy-in for the sub-watershed approach and engagement in IEM activities is compromised</p>	<p>M</p> <p>N</p>	<p>Ownership of the Program by the Government is high (preparation by National team; high level Steering Committee with representatives of all major ministries involved)</p> <p>Years of experience on NRM in Burkina Faso show that communities are very aware of the constraints imposed on their production systems and usually respond well to land planning and new technologies. The project intends to emphasize communication and discussion to ensure that the proposals and plans that emerge are well owned by the communities.</p>
<p>From Components to Outputs</p> <p>Government does not maintain its support to decentralized rural development</p>	<p>S</p>	<p>The Government policy for decentralized rural development was reaffirmed in its recently approved rural development strategy. Decentralization is an irreversible trend in</p>

		Burkina. Implementation of the baseline CBRD program shows that while the Government is slow in the reform process, this has never resulted in withdrawing a right already secured by local communities and has never prevented successful implementation of community-based local development.
Funds availability for sub-projects are delayed thereby preventing their timeliness or implementation	N	Funds will be mobilized with similar mechanisms as the baseline Project. Experiences so far indicates that the flow of resources from the Special Account to the 90-days account and then to the sub-project is quite efficient. A monitoring system is in place to measure the time between each steps of the process.
Non availability of quality service providers and enterprises in sufficient number	M	A training program for service providers is included in community-based land management/local development approach. A roster of competent service providers was compiled as part of the preparation to assess availability of skills required.
Regional and provincial services do not share the project vision and approach and do not demonstrate a sufficient level of commitment to its results	S	IEM, requires land planning and then multiple interventions from many sectors. Not all regional or provincial services fully share the national vision of their Government not do their all have the skills, or commitment, to engage in agreed plans and new technologies. The project, through its communication strategy, its participatory process and training will attempt to engage these partners to the extent possible. The CPAT will also serve as mediator when difficulties in implementation of new plans or rules are raised by a sector.
Phase 2 of the baseline CBRD program either does not materialize or follows Phase 1 with a time gap which prevents SILEM from the benefit of the administrative support of the baseline program	N	The baseline Project is progressing well toward its triggers and is now a well established “institution” with multiple donors. It is also flexible enough to accommodate changes in the direction and pace of reforms. Should Phase 2 of the baseline CBRD program not proceed, SILEM will recruit a Financial administrator who will supplement and complement the SILEM team already comprising a Coordinator, an accountant and four field officers.
Overall Risk Rating	M	The approach proposed under the Program has

	been tested successfully in Africa in general and in Burkina in particular, and presents relatively low risks. Notwithstanding, the scale of implementation envisaged will be a challenge.
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Risk Rating - H (High Risk), S (Substantial Risk), M (Modest Risk), N(Negligible or Low Risk)

3. Possible Controversial Aspects:

SILEM builds on the baseline Project, which was prepared through a highly participatory process, involving a wide range of local stakeholders. It is being implemented in a satisfactory manner and appears to enjoy broad support across all sectors of the Government and civil society. The risk of controversial aspects has thus been greatly reduced. The Project's monitoring and evaluation system, focusing on socio-economic and environmental impacts, will be instrumental in defusing any unforeseen issues.

G. Main Conditions

1. Effectiveness Condition

The following conditions will be conditions of effectiveness of the GEF grant:

- (a) the Recipient has (i) opened the Project Account; and (ii) paid the Initial Deposit into the Project Account;
- (b) the Recipient has adopted the Project Implementation Manual in form and in substance satisfactory to the Bank, including the procurement plan for the first eighteen months of the Project;
- (c) the Project Steering Committee has adopted the work program for the first year of the Project Implementation;
- (d) the Recipient has recruited the independent auditors under terms and conditions acceptable to the Bank;
- (e) the Recipient has recruited the accountant for the PCU, under terms and conditions acceptable to the Bank;
- (f) the Recipient has adapted the financial management system (manual and software) to the Project specificities in a manner acceptable to the Bank;
- (g) the Recipient has nominated the Project focal point within the PCU; and
- (h) the Recipient has submitted to the Bank terms of reference, acceptable to the Bank, for collecting the data necessary to measure the impact of the Project.

2. Other [classify according to covenant types used in the Legal Agreements.]

The Recipient shall, within six months after the Effectiveness Date, establish and thereafter maintain, until the completion of the Project, the Project Technical and Scientific Advisory Network, in a form and with functions and resources satisfactory to the Bank.

H. Readiness for Implementation

- 1. a) The engineering design documents for the first year's activities are complete and ready for the start of project implementation.
- 1. b) Not applicable.
- 2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
- 3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
- 4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

- 1. This project complies with all applicable Bank policies.
- 2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Jane C. Hopkins
Team Leader

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Sector Manager

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Country Director

Annex 1: Project Design Summary
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p>Sector-related CAS Goal: Reduce poverty and improve the living conditions and productive potential of the rural population</p>	<p>Sector Indicators:</p> <ul style="list-style-type: none"> ● Incidence of rural poverty ● Human development indicators 	<p>Sector/ country reports:</p> <ul style="list-style-type: none"> ● Poverty profile ● Annual UNDP report ● Regular Country Monitoring 	<p>(from Goal to Bank Mission)</p> <ul style="list-style-type: none"> ● Political stability ● Successful development and implementation of requisite sector strategies
<p>Program Purpose: Sustainable improvement in the productive capacity of rural resources (natural, physical, human, & financial) in selected sub-watersheds</p> <p>Program Phasing:</p> <p><u>Phase 1:</u> Initiation and pilot testing of local IEM capacity building and of local/regional IEM investments in 3-4 sub-watershed</p> <p><u>Phase 2:</u> Confirmation and implementation of IEM local capacity building and investment mechanisms in x additional sub-watersheds</p> <p><u>Phase 3:</u> Consolidation and expansion of local IEM capacity building and local investment mechanisms</p>	<p>End-of-Program Indicators:</p> <p>P.1. Percentage improvement in vegetation diversity index *: (a) >0 in 5 years; (b) 2 in 10 years; (c) 5 in 15 years <i>* Index used: Shannon Werner as measured in 5km-spaced quadrates positioned on transect intersecting each micro-basin</i></p> <p>P.2. Percentage improvement in invertebrate diversity index*: (a) >0 in 5 years,(b) 2 in 10 years, (c) 5 in 15 years <i>* Index used: Shannon Werner measured in same quadrates (data collection method tbd)</i></p> <p>P.3. Percentage increase in soil organic content *: (a) >0 in 5 years; (b) 2 in 10 years; (c) 5 in 15 years <i>* Measured along transect; classic soil organic content measurement method</i></p> <p>P.4. Percentage increase in biomass*: (1) grass (a) 5 in 5 years; (b) 15 in 10 years; (c) 25 in 15 years; (2) woody (a) >0 in 5 years; (b) 5 in 10 years; (c) 10 in 15 years <i>* Measured along same transect in specific biomass measurement quadrates</i></p>	<p>Program reports:</p> <ul style="list-style-type: none"> ● Baseline impact evaluation studies ● Scientific monitoring reports ● Project implementation reports 	<p>(from Purpose to Goal)</p> <p>Burkina territorial, land tenure and administrative policies as well as the sectoral strategies continue to place communities and private land owners center-stage in the management of natural resources</p>

<p>GEF Operational Program:</p> <p>OP12 - Integrated Ecosystem Management</p> <p>OP13 - Conservation and Sustainable Use of Biological Diversity Important to Agriculture.</p> <p>The global objective of the Project is the sustainable conservation of biological & agricultural diversity and the rehabilitation of soil and water resources in targeted watersheds.</p> <p>Overall this will lead to decreased rates of desertification, increased carbon storage capacity, decreased environmental and social vulnerability to climate change, and improved food security and income earning potential for rural households.</p>	<p>Outcome / Impact Indicators:</p> <p>O.1. Percentage improvement in vegetation diversity index >0 in 5 years</p> <p>O.2. Percentage improvement in invertebrate diversity index >0 in 5 years</p> <p>O.3. Percentage increase in soil organic content >0 in 5 years</p> <p>O.4. Percentage increase in biomass (1) grass: 5 in 5 years; (2) woody: >0 in 5 years</p>	<ul style="list-style-type: none"> ● Baseline impact evaluation studies ● Scientific monitoring reports ● Project implementation reports 	<p>SILEM benefits from a second and third phase that enables its early outcome to be strengthened and built upon</p>
<p>Global Objective:</p> <p>(Project Development Objective)</p> <p>Improved resource management practices in targeted sub-watersheds through an integrated ecosystem management approach</p>	<p>Outcome / Impact Indicators:</p> <p>O.5. % increase in index measuring comprehension and adoption of IEM approach by targeted communities = X * <i>index defined as</i></p> <p>O.6. Number of technologies and innovative IEM mechanisms adopted* by targeted communities in each targeted Province = 2 * <i>Adopted implies that 10 farmers are using it in >50% of their exploitation</i></p>	<p>Project reports:</p> <ul style="list-style-type: none"> ● Baseline environmental impact studies ● Project implementation reports ● Independent evaluation at Project end 	<p>(from Objective to Purpose)</p> <p>No catastrophe, either natural (e.g. drought, flood) or political (e.g. leading to increased immigration) undermine better practices and prevent ecosystem improvement</p>

Hierarchy of Objectives	Key Performance Indicators	Data Collection Strategy	Critical Assumptions
<p>Output from each Component:</p> <p>1-Local Capacity Building in IEM</p> <p>Local communities and rural municipalities in the pilot sites have the knowledge and competency required to plan, implement, and monitor IEM activities</p> <p>2- Local Investment Fund for IEM</p> <p>The communities and provincial institutions in the pilot sites use the local investment fund effectively in the implementation of the IEM plan for the rehabilitation & sustainable management of the sub-watershed</p> <p>3- Institutional Capacity Building in IEM</p> <p>The local and central institutions responsible for sustainable resource management have an understanding of the IEM approach and the capacity to assist local communities in developing and implementing the sub-watershed IEM plan</p> <p>4- Global partnerships and Sustainable Financing for promising IEM initiatives with local and global environmental benefits</p> <p>The national capacity to mobilize global financial opportunities / mechanisms for IEM initiatives with local and global environmental benefits is improved</p> <p>5- Program Coordination, Monitoring and Evaluation</p> <p>A well functioning information</p>	<p>Output Indicators:</p> <p>R1.1. Degree of functionality of the CCIV, as measured by point system = 9 per Province or 36 altogether <i>* Includes 2 representatives of each village of the sub-watershed (2pts), meet once per semester (2pts), has reviewed & approved the preliminary sub-watershed plan (2pts), has proven its capacity for implementation of the sub-watershed plan and arbitration of conflicts (2pts), review and approves the annual investment plan (2pt)</i></p> <p>R2.1. Number of IEM investments (micro-projects) financed and entirely implemented in each province = 35 (year 3) & 120 (year 5)</p> <p>R.2.2. % of completed IEM investments (micro-projects) receiving a positive evaluation : a) participatory review = 75 ; b) by project review = 60</p> <p>R3.1. Degree of completion for the sub-watershed IEM plan as measured by point system = 18 for the 4 Provinces* <i>* Local development plans coherent together (1pt); sub-watershed plan designed (1pt); validated by CCIV (1pt); adopted by CPAT (1pt)</i></p> <p>R4.1. Number of new initiatives developed even though not all funded = 5</p> <p>R4.2. Number of sub-watershed IEM plans and/or micro-projects financially supported by global partnerships = 2</p> <p>R5.1. Degree of efficacy of impact monitoring system, as measured by point system = 20 per province or 80 overall.</p>	<p>Project reports:</p> <ul style="list-style-type: none"> ● Local development plans ● PASBV ● Minutes of CCSBV meeting ● Provincial PCU Reports ● CVGT annual activities and budget reports <ul style="list-style-type: none"> ● Provincial PCU reports ● CVGT annual activities and budget reports ● Service providers activity reports ● Results of beneficiaries assessments ● Project M&E reports <ul style="list-style-type: none"> ● Provincial PCU reports ● PGT & PASBV ● Minutes of CCSBV & CPAT meetings <ul style="list-style-type: none"> ● PCU reports ● Proposal documents ● Partnership agreements or financing agreements <ul style="list-style-type: none"> ● Provincial PCU reports ● PCU annual reports ● Impact monitoring reports 	<p>(from Outputs to Objective)</p> <p>Natural resources degradation is a relatively high-priority concerns for the communities to buy-in the sub watershed approach and engage in IEM activities</p> <p>None identified</p> <p>None identified</p> <p>None identified</p> <p>None identified</p>

<p>system in place and effectively used for project management and for monitoring and evaluating the project</p>	<p><i>* Data collection & analysis procedure designed and adopted for each of the 4 indicator (4pt), Baseline data collected in year 1 on all 4 indicators (4pt), data collection each year (1/2 pt per indicator per year 2, 3 &4), data collection in year 5 (4pt), Final reports with analysis of impact (4pt)</i></p>		
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Hierarchy of Objectives	Key Performance Indicators		Data Collection Strategy	Critical Assumptions
Project Components / Sub-components:	Inputs: (budget for each component) (US\$,000,000)	% of total	Project reports:	(from Components to Outputs)
1-Local Capacity Building in IEM	1.12	22.8	Provincial Central PCU and CVGT annual activities and budget reports	Government maintains its support to decentralized rural development
2- Local Investment Fund for IEM	2.24	45.6	Annual Investment Plans Contracts & conventions	Funds are timely and effectively available Availability of quality service providers and enterprises in sufficient number
3- Institutional Capacity Building in IEM	0.44	9.0	Annual work program & report	Regional and provincial services share the project vision and approach and demonstrate a sufficient level of commitment to its results
4- Global Partnerships and Sustainable Financing of promising IEM initiatives	0.19	3.9	Annual work program & report	
5- Program Coordination, Monitoring and Evaluation	0.92	18.7	Annual work program, Annual Procurement Plan Annual Reports FMR Audits	Phase 2 of CBRDP follows phase 1 without time gap thereby enabling SILEM to benefit from uninterrupted administrative support of CBRDP

Annex 2: Detailed Project Description

BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

A. Introduction

The Sahel Integrated Lowland Ecosystem Management (SILEM) Project is designed to complement the National Community-Based Rural Development (CBRD) Project (hereafter called the baseline Project). The GEF would fund the piloting of integrated ecosystem and watershed based approaches to land management and local development.

The baseline Project is the first phase of the National Program for Decentralized Rural Development - a 15-year APL in support of Burkina Faso's rural decentralization and poverty reduction agenda. The project, a community-driven development operation with local investment funds managed directly by rural communities, became effective in December 2001. It intervenes in 26 of the country's 45 provinces, and is expected to cover 2,000 of the country's 8,000 villages, by the end of the first phase. All provinces and villages in the country are expected to be covered by the NPDRD by the end of the second phase of baseline Project.

The baseline Project is implemented through the following five components: (i) local capacity building; (ii) local investment fund; (iii) institutional capacity building; (iv) land tenure security pilot and (v) program coordination, monitoring and evaluation.

SILEM was designed with the baseline Project components in mind and thus the components are largely complimentary. The main difference has to do with the pilot components. The baseline Project funds a land tenure pilot activity (results of which will be applied to the SILEM) for which there is no complement under the SILEM, while SILEM funds a pilot activity focused on partnerships for sustainable financing for environmental restoration and management, for which there is no complement under the baseline Project.

B. Detailed Description of Project Components

By Component:

Project Component 1-Local Capacity Building for Integrated Ecosystem Management - US\$1.03 million

This component consists of promotional and training activities, directed at rural communities and their organizations, including both structured programs and on-the-job training in the form of technical support for a wide range of community activities. The specific objective of the component is to strengthen the technical and organizational capacity of the rural population so that they can execute the activities envisaged under the program.

SILEM will provide incremental support, in its intervention zones:

- to disseminate the project objectives and explain the modalities for participation ;
- to introduce, on the basis of Integrated Ecosystem Management (IEM) concepts, land/water use planning tools ; and
- to introduce environmental issues of national concern and solutions proposed in the national environmental strategies and action plans.

This component will also provide organizational and technical support for the emergence of effective watershed management committees (*Cadre de Concertation intervillageois*, CCIV) with membership from all of the Village Land Management Committees (*Commissions Villageoise de Gestion du Terroir*, CVGTs) in the sub-watershed. The primary responsibilities of the CCIV would be to: (i) review, validate and adopt the proposed watershed management plan; (ii) approve the annual work program and report on annual progress; (iii) arbitrate in the case of conflicts regarding agreed upon resource use rules/regulations.

The project will train community groups and members of the CVGT in the use of various IEM tools, including GIS based maps, to visualize their natural resource base and understand the linkages and cause-effect impacts of alternative use scenarios/development plans. The IEM approach will add a new dimension to the baseline Project by introducing a landscape approach and promoting ecologically sound local development plans. In addition, the SILEM will assist the baseline Project in its decentralization goals by strengthening the capacity of villages sharing a sub-watershed, to work together to develop a common environmentally sustainable development plan. The SILEM will pilot the approach in its intervention sites (three to four provinces, four sub-watersheds and about 120 villages).

The local development plan of each community is defined following a participatory diagnostic animated by project funded facilitators in individual communities. As part of the diagnostic, communities identify their development constraints and, in the case of the SILEM pilot sites, integrated ecosystem issues are presented and taken into account. The constraints facing the communities are translated into investment activities and subsequently prioritized in their local development plan and their Annual Investment Plan (AIP).

In the case of the baseline Project, the local development plans and AIPs are directly submitted to the CCTP for verification against policies, existing plans and ongoing activities funded from other sources, and approval (see also Box 1).

In the case of the SILEM, the local development plans are translated by a cartographer into a development plan for the entire sub-watershed. Prior to submission to the CCIV for review, validation and adoption, this consolidated plan is reviewed by a technical/scientific team (contractual staff) to ensure that the plan is technically coherent (no negative externalities), reflects sub-watershed priorities and addresses concerns related to IEM priorities.

Once reviewed by the technical/scientific committee, the consolidated plan is submitted to the CCIV, where it is discussed with the help of facilitators who will guide the CCIV members through the concerns noted by the technical/scientific review committee. The CCIV proposes amendments to the individual local development plans where necessary. The representative of the concerned community on the CCIV then needs to discuss these changes with the CVGT. The CVGT amends their local development plan and AIP subsequent to the discussions. Where necessary facilitators will work with the CCIV members and the CVGT to achieve consensual solutions.

The revised plans are re-submitted for validation to the CCIV. Once validated, the local development plan and AIPs for the entire sub-watershed are submitted to the CCTP/CPAT for validation. At this stage both baseline Project LIF and SILEM LIF follow the same procedures. Following approval by the CCTP, a contract is signed between the CVGT and the provincial team, detailing the activities and responsibilities and once the counterpart contribution is mobilized, funds are released to the CVGT account.

Box 1: Complimentarity of baseline Project and SILEM in LIF Project Selection

Each SILEM village will be eligible for funding from both the SILEM and CBRD LIF. The CBRD envelope is \$5 per capita/per year, while the SILEM envelope is estimated at \$2500 per village year for IEM activities. Each village therefore knows the amount available for annual investment planning from the baseline Project and the SILEM. The amounts are indicative and may be changed based on implementation experience.

Normal scenario: Under the baseline Project, the activity or activities to be included in the AIP is the first group of activities on the list of constraints identified during the participatory diagnostic culminating in the local development plan that can be funded from the available envelope. With the addition of the SILEM LIF, two scenarios are possible. A community has identified the need for IEM related activities to be financed from the baseline Project LIF as part of the participatory diagnostic. In this case the SILEM LIF would support lower priority IEM activities identified by the community, with a preference to those activities that can enhance the utility of the basic IEM investment for local and global environment, up to the limit of both envelopes.

Assuming for instance that the proposed basic IEM investment under the baseline envelope is a set of contour bounds in the village, the additional investment needed for applying conservation tillage or zero tillage in the fields treated with contour bounds (such as cover crops seeds, live fencing, etc.) on individual farms, would be eligible for inclusion in the AIP to be funded by the SILEM envelope, the remaining portion being covered by beneficiary contributions.

In the second case, the community has selected as its highest priority a set of non-IEM activities (e.g. waterhole or health post). In this case, the CBRDP FIL will fund the regular community priorities. The SILEM envelope will be used to fund the highest priority IEM project of the AIP, no matter where it is located in the priority ranking order, provided that it carries some potential local and global environment benefit.

Combination of Funds: Alternatively, where the envelope available under the baseline Project cannot by itself fund any IEM activity identified as an important constraint to development. In this particular case, the envelopes may be combined to ensure that the high priority IEM activity can be included in the AIP.

Project Component 2-Local Investment Fund for IEM Sub-projects - US\$2.08 million

This component will provide resources to communities to implement their development plans based on identified priorities and clear eligibility criteria. These resources are channeled through a local investment fund with two windows: one for financing village and inter-village investments, and another for financing critical provincial-level infrastructure benefiting a large number of villages.

The village/inter-village window will provide resources to villages in the form of a matching grant for financing their AIP derived from their local development plans. Investments selected by villagers and their representatives cover a variety of sectors but they will be subject to a negative list. After a simple check by the operational unit for procedural regularity and by the Provincial Technical Coordination Committee (*Cadre de Concertation Technique Provinciale, CCTP*) for conformity with sectoral policies (e.g. school and health center planning maps), and confirmation of the availability of the beneficiary contribution (cash or in-kind), the funds will be disbursed into an account in a local financial institution opened in the name of

the CVGT. None of the matching grants for individual sub-projects will exceed US\$35,000, as national procurement guidelines do not allow community procurement for higher amounts.

In the case of the provincial window, larger scale sub-projects (between US\$35,000 and US\$150,000) are selected on the basis of priority needs expressed in a number of local development plans. Selection of sub-projects will be conducted by the CCTP on the basis of transparent criteria, in open meetings to which are invited representatives of beneficiary groups. Sub-project implementation is delegated to the provincial coordination of the baseline Project on behalf of the province. Once the province becomes an effectively decentralized entity with sufficient capacity, it will take over sub-project management itself. In general these types of sub-projects will cost from US\$35,000-150,000.

The SILEM Local Investment Fund supplements these two windows as follows: one for financing village managed sub-projects (< US\$ 35,000) and a special window (> US\$35,000 – US\$ 150,000) to provide provinces with resources to undertake larger investments identified in the context of the sub-watershed management plans. Approval procedures and release of funds of SILEM funded activities will be the same as for those funded under the baseline Project.

Village managed sub-projects

In addition to the CBRD envelope of \$5 per capita and per year, SILEM will provide earmarked funds (about US\$ 2,000 per village per year) for sub-projects reflecting IEM priorities included in the AIP and the watershed management plan. The IEM activities funded by the LIF could include both micro-projects that are investment oriented (rehabilitation of lowland sacred ‘forest’), economic incentive oriented (e.g. reducing the risk of adopting new technologies by providing start-up funds for IEM income generation activities with communal benefits), or learning and innovation oriented (demonstration and dissemination of innovative IEM technologies). Eligible activities include:

- promotion of zero-tillage and conservation agriculture in lowlands and adjacent uplands
- testing and dissemination of innovative technologies for land rehabilitation
- testing and dissemination of innovative agro-sylvo-pastoral management practices
- support to innovative bio-diversity promoting enterprises (such as medicinal plant production or lowland aqua-culture)
- rehabilitation and biodiversity conservation of lowland areas with specific cultural functions
- protection of river banks against livestock damage
- creation of arboreta and the protection of sacred woods
- the identification and improvement of wildlife routes
- the stabilization of the banks of fishing waters
- establishing a local system for monitoring fishing activities

Provincial window

SILEM will supplement the provincial window of the baseline Project with an earmarked fund of US\$100,000 per province and per year to provide incremental funds for larger scale investments identified in the watershed management plans.

Project Component 3-Institutional Capacity Building for Integrated Ecosystem Management - US\$ 0.38 million

The objective of this component is to strengthen the capacity of national and local institutions (public and

private) to assist communities in their efforts to plan, implement and manage their development efforts.

Under the baseline Project, this component supports the cost of training, equipping and operating the field teams (largely on a contract basis) and other service providers with whom the baseline Project has signed agreements (protocols with Government technical services ; contracts with NGOs and consulting firms, etc.). It also includes the cost of activities in support of rural decentralization at the local, provincial and national levels (strengthening institutional, human and financial capacities; piloting the implementation of fiscal and financial decentralization; other studies and training).

The incremental activities supported under the SILEM would focus on assisting, and building capacities of provincial, regional, and national institutions (public and private) to integrate IEM approaches in their development plans. It will also build the capacity of these institutions to assist communities in planning and implementing their micro and sub-watershed management plans. Public sector institutional partners will include:

- The Provincial Technical Coordination Committee (*Cadre de Concertation Technique Provinciale, CCTP*) is a committee of the Provincial Commission for Land Administration (*Commission Provinciale de l'Aménagement du Territoire, CPAT*) focused on rural development issues. Its role is to ensure the coordination and harmonization of rural development activities at the provincial level. It is also made up of representatives from government, civil society, NGOs, local associations and development projects active in the province.
- The Regional Directorates for Economic Affairs and Development (*Directions Régionales de l'Economie et du Développement, DRED*) of the Ministry of Economy and Development are the decentralized units responsible for (i) regional development planning, (ii) coordinating and harmonizing development initiatives at the regional and provincial levels, (iii) capitalizing on regional and provincial data and statistics; and (iv) maintaining the secretariat for meetings of the Regional Commissions for Land Administration (*Commissions régionales d'aménagement du Territoire, CRAT*), the CPAT and the CCTP.
- The General Directorate for Land Administration (*Direction Générale de l'Aménagement du Territoire, DGAT*) of the Ministry of Land Administration and Decentralization is responsible for (i) piloting and coordinating the development of master plans for national and regional land management; (ii) monitoring the implementation of the land management master plan at the national level; and (iii) development of technical proposals for decision makers in the domain of land management
- The General Directorate for the Inventory of Water Resources (*Direction Générale de l'Inventaire des Ressources Hydrauliques, DGIRH*) of the Ministry of Agriculture, Water, and Fisheries is responsible for (i) monitoring potential and existing water resources and (ii) developing strategies for water management and exploitation
- The General Directorate for the Environment (*Direction Générale de l'Environnement, DGE*) is responsible for (i) elaborating the overall environmental policy for the country ; (ii) monitoring the application of environmental policies, and (iii) managing and monitoring the application of the international environmental conventions

- The National Council for the Environment and Sustainable Development (*Conseil National pour l'Environnement et le développement durable*, CONEDD) is a national forum for exchange between the government, civil society and development partners on the vision and overall strategic orientations vis à vis sustainable development.

The Project will also build the institutional capacity necessary to improve the effectiveness of Burkina Faso's participation in global environmental conventions and negotiations. The interlocutor for such support would be the national agency charged with this responsibility. At the time of project appraisal this was the General Directorate for the Environment (Direction Générale de l'Environnement, DGE).

SILEM will support provincial, regional and national regional policy forums (depending on the issues raised by communities) among the various actors -- CVGT, watershed management committees, CCTP, DRED, NGOs, producers organizations, and the private sector -- to discuss key issues affecting IEM of resources. These forums will contribute to the dialogue necessary to strengthen the incentives needed for adoption and utilization of optimal IEM practices. More specifically, they will identify constraints to the adoption of IEM and propose necessary solutions (including policy reforms) and action plans. Issues addressed by the forum could include *inter alia* land tenure security in lowlands, improved access to fertilizers, crop-livestock integration, etc.

This component will also fund province-specific studies required to develop a participatory economic development plan integrating IEM approaches that account for alternative resource uses and supporting a variety of economic actors. Examples of such studies might include surveys and inventories of species, land-water use studies, or market/environmental business development plans

Project Component -Building partnerships for sustainable IEM financing - US\$0.17 million

The objective of this component is to build the capacity at national and local levels to mobilize national and international funds to address environmental and resource management issues of local, regional and potentially global significance.

This component does not have an equivalent in the baseline Project. The component will (i) assist and train CVGTs, watershed management committees, and community leaders with respect to the mobilization of national and international funds for environmental protection and local development, (ii) provide training and tools to central and local governments and policy makers to enable them to effectively engage in global financial resource mobilization and in global environmental negotiations, (iii) initiate and support contacts between the communities and potential environmental management and business partners (e.g. local and international private sectors, NGOs, northern hemisphere cities, bilateral donor agencies), and (iv) assist the parties reach mutually beneficial contractual arrangements.

This component will also explore (i) opportunities for partnerships offered by the Kyoto Protocol and in general the Convention on Climate Change, in particular partnership opportunities offered by the emerging carbon trade markets and other mechanisms (twinning, etc.) that rural communities and natural resource management institutions in Burkina Faso could benefit from; and (ii) mechanisms for supporting alternative sustainable financing mechanisms such as a desertification mitigation fund.

Project Component 5-Program Coordination, Administration and Monitoring/Evaluation - US\$0.84 million

The national Project Coordination Unit (PCU) of the baseline Project will be responsible for coordinating all activities under the program, in particular for providing funding to beneficiaries within the established

deadlines, monitoring and evaluating the program at the national level, managing studies and the provision of services, and drawing lessons from the various national experiments in decentralized and participatory rural development.

Monitoring and evaluation is an important activity and an integrated system of management and monitoring for Project implementation (real-time monitoring of physical and financial execution, technical and financial audits) as well as a system for monitoring and evaluating its impact (reference studies on the initial situation, impact studies, and support missions) has been set-up and is being refined. The M&E system has the following components: (i) an internal project M&E system to assess implementation progress and track basic performance indicators, (ii) a participatory indigenous M&E system, to allow beneficiaries to track implementation and performance, and (iii) an impact evaluation system that relies on baseline, scientifically collected data with follow-up collection at the mid-term and end points of each phase of the program.

SILEM will provide funding to the PCU and the provincial coordination teams to support the incremental cost of SILEM project implementation. The SILEM project will also provide incremental support to the baseline Project's M&E and impact assessment system, with a particular emphasis on strengthening its environmental/natural resource component. In particular, emphasis will be placed on the collection of information to assess changes in ecosystem management patterns on a local and national level for land restoration, biodiversity, carbon sequestration and protection of international waters.

Indicators for assessing or estimating the physical effects and impact of the changes in IEM on land quality (soil fertility), biodiversity, carbon sequestration and protection of international waters will be developed and measured periodically with the assistance of technical and scientific service providers (research centers, universities, laboratories).

Initial baseline data were collected during SILEM project preparation with the census and characterization of all lowlands and the construction of a GIS database for all lowland ecosystems in the country. The information in the database will be further improved during the first year of implementation to ensure that it contains all necessary information needed to undertake the monitoring and evaluation of the project as described above.

The SILEM may also support, on a pilot basis, the development of a national natural resources account by financing the design of such accounting system by the indicated national technical competencies and in collaboration with the national statistical departments of the ministries responsible for planning, agriculture, environment, and the economy.

C. Implementation Procedures

During project preparation, sub-watersheds/lowlands were identified and characterized, including an assessment of their potential contributions to poverty reduction and to GEF focal areas. A national lowland digitized database (GIS format) is being developed by the National Agricultural Research Institute (INERA) and the Geographic Institute of Burkina Faso (IGB).

Lowlands that have the potential for contributing significantly to local and global environment and to poverty reduction are identified at the provincial level by the PCU in collaboration with technical agencies (including DGE) based on the information in the GIS data base and other secondary information. Potential intervention sites are thus selected for the first phase.

Information is disseminated about national and global environment and natural resource management strategies and action plans. CONEDD and DGE will coordinate the development of the training and information modules. Workshops are organized for project staff, service providers and policy makers to know and understand the strategies and action plans. Radio, television awareness programs are produced as well as theatrical shows and booklets in local languages.

Service providers at the provincial level are trained to help communities exploit the GIS maps of their territory for integrated ecosystem management (IEM) planning, to provide the environment information and data to communities, and to work with them to make the best use of such information during participatory diagnosis.

Prior to participatory diagnosis, local governments, communities and their CVGTs are informed about their lowland IEM potential and what IEM assistance is available to them under the SILEM. This includes information on capacity building and investment possibilities. The participatory diagnosis takes place in SILEM villages with service providers assisting communities in using the GIS data base to design their local development plans including IEM/land and water use plans. Communities decide on their local development plans, which include their choices of IEM/environment capacity building activities and investments.

Village and small scale inter-village subprojects are managed by the communities while capacity building activities for several communities, larger-scale projects, studies and action research are managed by the PCU and the provincial project teams, all using service providers to assist them as needed.

D. Project Organization

Project Coordination and Management

As with all projects operating in Burkina Faso, an inter-ministerial steering committee was established for the baseline Project. The same committee will oversee SILEM. The role of this committee is to review project progress and review and approve annual work programs and budgets. The approved work program and associated budgets and procurement plans will be submitted to IDA for non-objection after approval by the Steering Committee.

Day to day management of the project rests with the PCU. The PCU's main responsibilities are to: manage the work program at the national level, manage the donors contributions to the project in accordance with the signed agreements with each donor, ensure that funds are made available to the beneficiaries in a timely manner, carry out procurement, provide technical and logistical support to the provincial teams, and monitor and evaluate the implementation of the work program and its impact. In addition, the PCU will organize workshops at the national level and regional level in support of the national coordination framework. At the regional level these workshops will be organized in broad collaboration with DRED.

At the provincial level, CCTPs have been established. These Committees include representatives from the provincial level of Government, donors and NGOs active in the zone, and beneficiaries. They are chaired by the Provincial High Commissioner. The mandate of the CCTPs include the coordination and supervision of donor and Government funded activities at the provincial level and ensuring that these activities properly respond to the development priorities for each province. The baseline Project provides operating support and basic equipment to enable the CCTPs to carry out their mandate in all provinces where the project or other donors, that have agreed to a common approach to community development, intervene. SILEM will provide incremental support for specific IEM-related issues.

The baseline Project has established provincial project coordination teams in 19 provinces. These teams cover the 26 provinces where the Project intervenes directly and consist of 2-4 professional staff plus 1-2 support staff. The primary responsibility of these teams is to (i) support the CCTP in its review of village/inter-village or province level development plans, (ii) enter into contracts with and supervise service providers that have been hired by the project to execute specific activities (training of beneficiaries, assist beneficiaries in the identification, proposal formulation and execution of the sub-projects, and in the identification and proposal formulation of provincial level/sub-watershed level projects), and (iii) implement the monitoring and evaluation system. Once a sufficient number of service providers has been trained in each province, the size project provincial teams will be reviewed. SILEM implementation will be done by the provincial teams of the baseline Project in the provinces where SILEM intervenes with any additional expertise needed are hired on a contractual basis.

Information Flows

All information flows in two directions in order to avoid that the provider of information feels disconnected from the user. All sub-project execution and impact data are collected at the community level by the beneficiaries themselves. In order to do so, they will receive training from the project. The data collected by the beneficiaries is first analyzed and aggregated by the provincial teams and made available to the members of the CCTP and the DREP. At this level, the information is used to plan the work program (supervision, approval of new investment budgets, etc.), improve coordination between development projects, NGOs and public agencies, and monitor development impact. A copy of the report is provided to the beneficiaries for information and feedback. After initial compilation and analysis by the provincial team, the data is aggregated and further analyzed at the national level by the monitoring and evaluation staff at the PCU and included in regular progress reports.

Annex 3: Estimated Project Costs
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

Project Cost By Component	Local US \$million	Foreign US \$million	Total US \$million
Local Capacity Building for Integrated Ecosystem Management	0.94	0.18	1.12
Local Investment Fund for IEM Sub-projects	2.02	0.22	2.24
Institutional Capacity Building for Integrated Ecosystem Management	0.27	0.17	0.44
Building partnerships for sustainable IEM financing	0.07	0.12	0.19
Program Coordination, Administration and Monitoring/ Evaluation	0.81	0.11	0.92
Total Baseline Cost	4.11	0.80	4.91
Physical Contingencies	0.00	0.00	0.00
Price Contingencies	0.00	0.00	0.00
Total Project Costs¹	4.11	0.80	4.91
Total Financing Required	4.11	0.80	4.91

Project Cost By Category	Local US \$million	Foreign US \$million	Total US \$million
Goods	0.07	0.09	0.16
Consulting Services	0.76	0.20	0.96
Training	0.35	0.17	0.52
LIF sub-projects	2.02	0.22	2.24
Operating Costs	0.91	0.12	1.03
Total Project Costs¹	4.11	0.80	4.91
Total Financing Required	4.11	0.80	4.91

¹ Identifiable taxes and duties are 0.26 (US\$m) and the total project cost, net of taxes, is 4.65 (US\$m). Therefore, the project cost sharing ratio is 96.69% of total project cost net of taxes.

Annex 4: Incremental Cost Analysis

BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

The aim of the GEF incremental cost analysis is to define the value of incremental benefits to the project accruing to GEF financing. This is done by first defining the baseline situation (without GEF support), then by considering the alternative (with GEF support). This methodology is consistent with GEF operational policy, in which the requested GEF funds would only be used to finance the incremental costs. In the case of SILEM, the benefits of complementing the IDA-funded CBRDP with the GEF-funded SILEM will be improved natural resource management through the development and implementation of community-based local development plans reflecting integrated ecosystem management priorities.

Environmental Situation in Burkina Faso

In Burkina Faso, as in most other West African countries, a decline in annual rainfall during the last three decades, overexploitation of the natural resources, increasing populations and decreasing agricultural productivity, have caused a serious decline in overall productivity and biodiversity leading to land degradation, desertification, fragmentation, loss of globally valued natural habitats, biodiversity, and carbon storage capacity while threatening the condition of important international waters (see Table 1 below).

The continuing uncontrolled expansion of unsustainable extensive cropping practices is considered the most important human-induced threat to the natural resources in the country, endangering natural rangelands, highly valued natural habitats (forests and wetlands) and surface waters.

In view of the high dependency of the rural population in Burkina Faso on cropping, livestock and natural products for their primary needs, and in the context of the high-risk agricultural circumstances involved (water scarcity, erratic climate, poor soils and high occurrence of agricultural pests and diseases) the integrated management of cropping systems, livestock systems, natural habitats and surface water resources is crucial.

Furthermore, regionally, the application of integrated ecosystem management (IEM) in West Africa is of crucial importance to both sustainable regional rural development and the maintenance of global environmental assets.

Baseline Scenario

The baseline scenario – the IDA-financed CBRD Project without the GEF-financed SILEM – aims to assist the Government in empowering the provincial and local communities to implement their own development process and to support poverty reduction and sustainable rural development. This project is one of the components of the National Decentralized Rural Development Program (*Programme National de Développement Rural Décentralisé* - PNDRD). To achieve its goal, the CBRD Project will implement the following components:

- *Local capacity building*: Organizing villages and strengthening their capacity to plan, implement, operate and maintain investments.
- *Local Investment Fund (LIF)*: Establishment of a local investment fund with two windows,

one that channels resources directly to rural communities on a matching grant basis to finance demand-driven socio-economic and productive investments, and another window for larger investments identified by rural communities and implemented by provinces.

- *Institutional capacity building*: Supporting the rural decentralization process on local, provincial and national levels, while training, equipping and operating the field teams and other service providers with whom the CBRDP has signed agreements.
- *Land tenure security pilot*: A pilot study in six test sites representing the principal systems of land use and ownership will be developed to improve land tenure security and access for all users and solve problems.
- *Program coordination, administration and M&E*: This component includes three sub-components: (i) support for the coordination office/forum of the overall PNDRD, (ii) support for the coordination and management of the IDA-supported Project and (iii) support for the program and project monitoring and evaluation.

Table 1: Linkages between global environmental issues, the environmental situation in Burkina Faso (threats and root causes), and GEF-supported activities under SILEM

Environmental Situation and Impact on Rural Development	Linkages with Global Environmental Issues	Threats	Root Causes	Project Component Activities
<p>Overall land & water degradation involving desertification, a decline and fragmentation of natural habitats, overall decline in productivity & diversity of natural resources leading to decreases in the amount, the diversity & the stability of the supply of water, fodder, food, household energy, construction material, medicinal & veterinary products representing the primary resource base of the rural population & directly affecting the poorest of the poor.</p>	<ul style="list-style-type: none"> • Widespread land degradation including desertification • Degradation of globally valued natural habitats threatening biodiversity and international waters (e.g. Volta river) accompanied by loss of carbon storage capacity 	<p>Unsustainable cropping, spreading from the lowlands, at the expense of the other functions of these lowlands: (1) high potential for increased agricultural productivity; (2) role as dry season water and fodder providers (3) inclusion and/or proximity of highly valued natural habitats.</p>	<ul style="list-style-type: none"> • Decline in annual rainfall • Population growth • Lack of awareness, capacity & coordination between various stakeholders regarding the benefits to rural development of integrated management of the lowland ecosystem • Lack of financial resources to allow for integrated intensification of the agricultural practices in the lowlands. • Unfavorable environmental & agricultural institutional & legislative setting to allow for integrated intensified management of the lowland resources. • Poorly competitive agriculture • Limited alternatives for rural development 	<p>SILEM aims to complement the CBRDP by the following type of activities:</p> <ul style="list-style-type: none"> • Local & national awareness raising & capacity building of rural communities relating to benefits of integrated ecosystem taking the lowlands as entry point. • Provide additional financial resources to the community funds (FIL) established by CBRDP to promote integrated lowland ecosystem management. • Raise awareness, build capacity & support policy reforms of local, regional & national governmental, non-profit and commercial organizations to facilitate integrated lowland ecosystem

		<ul style="list-style-type: none"> • Poor or unequal access to inputs & resources • Increasing knowledge / technology gaps 	management.
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Based on the experience of the PGNT1 - a community-based natural resource management (NRM) project, on which the design of CBRD Project was based - in the short run, only a relatively small proportion of the community-driven projects would be expected to address environmental issues. Those NRM activities being proposed will most likely focus on the short-term recovery or maintenance of the areas under cultivation as sources for cash (e.g. cotton) and food crop production. Although the attention given by the CBRD Project to land tenure security may significantly increase the local interest in longer term management of both the areas under cultivation and the communally exploited land and water resources, without further capacity building, policy reform and financial resources, no particular attention will be given to environmental and rural development concerns of more national and international interest. Policy reform will have to enable integrated management of local natural resources as part of larger ecosystems such as the maintenance of the condition of rivers as a whole, corridors for transhumant livestock and wildlife and highly valued natural habitat.

Furthermore, without SILEM, during the scaling up of the intervention sites of CBRD to 2000 villages during the first phase, no explicit priority would be given to locations where integrated management of the natural resources will be of particular national and/or international environmental interest. As a result, under the baseline scenario, the natural resources management activities will tend to be of short term and locally fragmented interest, failing to support national and/or international sustainability of long-term rural development in West Africa as a whole.

GEF Alternative Scenario

The global environmental objective of the GEF alternative scenario i.e. the IDA-financed CBRD complemented by the GEF-financed SILEM – is to empower rural populations to apply integrated lowland ecosystem management in order to halt land and water degradation while generating multiple global environmental benefits. Integrated lowland ecosystem management is defined for this program as natural resource management of the lower positioned and most humid lands in view of their multiple functions as sub-components of larger local, national and international ecosystems. The following four major interacting functions of the lowlands indicate their keystone role in the functioning of larger ecosystems and justify their selection as entry points to support overall IEM within the context of a broader national rural development program:

- The relatively high potential for stable and increased agricultural productivity related to the moisture availability and most favorable soil conditions,
- The crucial role as dry season water and fodder providers for local and migrating human populations, livestock and wildlife,
- The inclusion and/or proximity of highly valued and less common natural habitats such as gallery forest, sacred forests, nature reserves and wetlands.
- The role of many lowlands as water collection sources for international waters

As related to the highly valued habitats, these are known to include a significant portion of the native

species traditionally used as sources for fodder, food, household energy, construction material and medicinal and veterinary care. Accordingly, they are relatively rich in biodiversity while they also have a relatively high carbon storage capacity.

Presently, however, the maintenance of these major four functions of the lowlands within the territory of Burkina Faso is increasingly threatened by uncontrolled expansion of unsustainable extensive cropping systems from the arable lowlands towards the more fragile uplands and the margins of (semi-) permanent surface waters. This situation not only negatively affects the sustainability of the cropping systems themselves – through the use of shorter fallow periods and cultivation of marginal lands – but also increases the pressure on the remaining non-cultivated areas. These areas cover relatively common natural rangelands and the scarcer highly valued natural habitats – which in turn reduces the availability of dry season water and fodder and the integrity of the highly valued natural habitats. In short, uncontrolled expansion of unsustainable extensive cropping generally goes at the expense of the interests of the croppers themselves but also of pastoralists, hunters, fishermen, wood collectors, gatherers of native food and medicinal and veterinary species and environmental conservationists.

In view of this situation, the program aims to empower the rural population to reverse this trend by enabling them to apply integrated lowland ecosystem management to simultaneously (i) intensify the cropping system, (ii) maintain and/or recover the dry season water and fodder resources and (iii) preserve the highly valued natural habitats. Pro-active attention would be given to integrated lowlands ecosystem management plans that foster financial sustainability and social equity.

The expectation is that once sound management of the lowlands ecosystem is in place – accompanied by a decentralized and modified natural resources tenure policy – the resulting decentralized environmental governance and the additional income generating resources developed through the GEF-Alternative will allow further community investment in the vaster but ecologically and socially less complex upland areas.

To make the most effective use of the limited GEF resources, the activities during the first phase will be confined to four sub-watersheds. The geographic selection of these sites is in progress and is based on (i) the magnitude of land and water degradation, including desertification, (ii) the proximity and importance of highly valued natural habitats and (iii) the proximity of international water. Proximity to intervention areas of another Bank/GEF co-financed project (PAGEN) will be part of the selection criteria as well. The maps below indicate the pre-identified geographic areas of interest in three of the four provinces.

Over the 15-year lifetime of SILEM, land and water degradation is expected to be significantly reduced while many local and national highly valued habitats will have been preserved. Both these achievements will be accompanied by the preservation of globally valued biodiversity, carbon storage capacity and the improved condition of international waters. For example, highly valued natural habitats benefiting from SILEM (besides sites in proximity of PAGEN intervention zones) are: the “W” park across the borders of Benin, Burkina Faso and Niger and multiple micro natural habitats scattered across rural areas throughout the country. Regarding the maintenance of the condition of international waters, both the Niger and the Volta river basins will profit.

The root causes behind the continuing expansion of unsustainable extensive cropping practices at the expense of the multiple functions of ecosystems as a whole are:

- The increasing food demands from continuing population growth combined with unfavorable

rainfall patterns during the last three decades reducing the productivity of the Sahelian agro-ecosystems;

- The lack of awareness and knowledge of all stakeholders involved of the importance of integrated lowland ecosystem management to support ecologically sustainable rural development;
- The existence of an unfavorable institutional and policy framework to enable and foster integrated lowland ecosystem management;
- The lack of financial resources to support all stakeholders in supporting and/or implementing integrated lowland ecosystem management.

Seeking to remove the root causes for uncontrolled expansion of the cultivated areas, SILEM will complement the CBRDP as follows:

- *Local Capacity Building:* Limited to about 120 lowland intervention sites in 3 to 4 provinces, several types of activities will be complemented: (i) incorporated in the awareness raising activities of baseline CBRD Project, SILEM will discuss the characteristics of integrated lowlands ecosystem management, the various types of stakeholders involved, and the linkages with the existing national environmental and rural development policies and action plans; (ii) SILEM will provide the communities with relevant national and international agro-ecological data and technical assistance to develop a natural resources use map of their territory which will enable the design of IEM activities representing the components of IEM and which could be integrated in the local development plans; (iii) like the CBRD Project, SILEM will support the strengthening and emergence of community-based organizations, “extra-ordinary governance bodies”, when these would facilitate the implementation of relevant IEM activities. SILEM would support such organizations also in relevant activities taking place outside the SILEM intervention sites. (iv) SILEM will provide training in the technical implementation of integrated lowlands ecosystem practices through service providers. (v) SILEM will support study tours by community members inside and outside the country to exchange knowledge and experiences relating to IEM, (vi) SILEM will assist in the establishment of longer term financial IEM partnerships with national and international stakeholders and (vii) unlike CBRD, SILEM will also support the establishment or strengthening of commercial activities if their activities would contribute to the achievement of the SILEM objectives.
- *Local Investment Fund (FIL):* For the 120 intervention sites of SILEM, the GEF resources will provide targeted funding of about (US\$ 2,000 per village pre year) to the CBRD budget of US\$ 3-5 per capita per year. As in CBRD, there will be two windows, one for financing village and inter-village IEM sub-projects and one for sub-watershed level projects. Aiming to preserve the major functions of the lowlands as parts of larger ecosystems, the GEF will co-finance sub-projects selected on the basis of a natural resources use map and plan which reflects the objectives of integrated lowlands ecosystem management. These sub-projects may be undertaken at the level of (i) the cultivated areas, (ii) the non-cultivated areas, covering natural rangelands and highly valued habitats and (iii) surface waters. Table 2 gives examples of eligible activities. Through its financial contribution, the GEF will enable the LIF to demand significantly reduced community-required contribution for such activities.

Table 2: Partial listing of activities eligible for GEF co-financing through SILEM

<p>Management of Cultivated Lands</p>	<ul style="list-style-type: none"> • Limit extension of area under cultivation • Take marginal lands under cultivation with annual crops out of production and/or recover through introduction of perennial and/or leguminous species to recover soil fertility and water retention and if possible increase fodder production. • Diversify cropping system through the introduction of native natural rangelands species of particular human, animal and/or anti-erosive use. • Allocate portion of cultivated land to production of fodder, with either native, introduced, mixed leguminous or perennial species • Maintain diversity in traditional crop species (long cycle) • (Re)introduce traditional and biologically sound technologies to improve soil fertility, water retention capacity of soils and pest control. • Applied research activities to test various relevant technologies.
<p>Management of Non-cultivated Lands (covering the more common natural rangelands and the highly valued habitats such as gallery forest, nature reserves, sacred forests and wetlands.)</p>	<ul style="list-style-type: none"> • Prevent expansion of cultivation of marginal lands with annual crops. • Protect areas with highly valued natural habitats against cultivation and other potentially damaging activities such as uncontrolled bushfires and/or over exploitation through either grazing, hunting, wood collection and non-wood plant product gathering. • Establish or recover linkages between fragmented parts of highly valued natural habitats . • Allocate, maintain and respect corridors for seasonally migrating livestock and wildlife • Apply controlled bushfire management • Protect and/or recover severely degraded lands. • Install anti-erosive measures on moderately degraded lands • Protect and/or recover declining native plant and animal species within both the more common and the highly valued natural habitats. • Control grazing, hunting, wood collection and non-wood plant product gathering. • Make inventory of native species of particular human and/or animal use –such as food, fodder, medicinal, veterinary, construction material and household energy – and those of use as barriers against wind and/or water erosion, while indicating those of which the productivity is declining. • Identification and protection and/or recovery of declining native plant species and/or habitats or portions of the community rangelands of particular human, animal or anti-erosive use. • Appraisal of degree of importance of these native species in the identified uses for humans and/or animals.
<p>Management of Surface Waters</p>	<ul style="list-style-type: none"> • Maintenance and/or recovery of riparian vegetation. • Identification protection and recovery of declining native plant species and habitats or portions of riparian vegetation of particular human, animal or anti-erosive use. • Allocation, maintenance and demarcation of livestock watering areas. • Control fishing practices. • Control community-based water flow alteration activities.

- *Institutional Capacity Building and Reform:* In addition to CBRD’s support to the decentralization process, SILEM will (i) raise awareness among development practitioners of the characteristics of integrated lowlands ecosystem management, the various types of stakeholders involved, and the linkages with the national environmental and rural development policies; (ii) nationally disseminate knowledge and experiences of communities with IEM through radio, TV and publications; (iii) organize biannual stakeholder roundtable discussions to identify policy constraints and to propose policy reforms; (iv) train relevant service providers in the transfer of technical knowledge regarding the implementation of integrated

lowlands management activities, (v) promote policy reform to improve local access to organic and mineral fertilizers and to intensify the integration of livestock and cropping systems; (vi) support incentives for adoption of IEM technologies with time-lagged benefits such as agro-forestry; (vii) assist relevant national land and water use planning units in the formulation of natural resources management policies, (viii) train relevant policy task forces and community-based organizations to prevent and resolve natural resources use conflicts, and (ix) promote and assist the development of fiscal tools to enable local governments to mobilize resources to finance IEM activities.

- *Building partnerships for sustainable IEM financing:* The objective is to build the capacity to mobilize national and international funds to address environmental and resource management issues of local, regional and potentially global significance. The component will (i) assist and train CVGTs, watershed associations, and community leaders in the mobilization of funds for environmental protection and local development, (ii) provide training to central and local governments to enable them to engage in global financial resource mobilization and environmental negotiations, (iii) initiate contacts between the communities and environmental management partners (e.g. private sector, NGOs, northern hemisphere cities, bilateral donor agencies), and (iv) assist the parties in reaching mutually beneficial contractual arrangements. This component will also explore (i) opportunities for partnerships offered by the Kyoto Protocol and the Convention on Climate Change, and partnership through the carbon trade markets (twinning, etc.); and (ii) mechanisms for supporting alternative sustainable financing mechanisms such as a desertification mitigation fund.
- *Program Coordination:* Apart from integrating the monitoring of the implementation progress of SILEM into the existing CBRD Project management structure, SILEM will strengthen the following three M&E activities: (i) a community-based M&E system to evaluate the local implementation progress and environmental and socio-economic impact, (ii) a scientific M&E system to assess the impact of the project on local, national and international environmental and socio-economic parameters with the condition of the lowland ecosystems as entry point and (iii) an external M&E system involving national and international experts under the supervision of DGE to provide external assistance.

As such, the GEF-financed SILEM activities will enable the baseline Project to scale up its objectives to empower rural populations to take charge of their own medium to long term development by safeguarding the ecological and socio-economic development of the sub-region as a whole. In return, SILEM will profit from integration with CBRDP through its nationwide and multi-sectoral approach towards rural development, providing the rural population with the basic needs required to allow for an interest in longer term and national and international development issues.

The close collaboration of the management of SILEM with PAGEN, WAFEM, a similar community-based project in Niger, and ALWI will strengthen the global environment partnership in the region. Table 3 provides a detailed comparison of the activities of IDA and GEF funded Bank operations in Burkina Faso.

Table 3. Matrix Comparing Activities Financed under Related World Bank Programs

Community Based Rural Development Program (CBRDP) – Base-line Program	Sahel Integrated Lowland Ecosystem Management Program (SILEM) – Blended GEF program	Partnership for Natural Ecosystem Management Program (PAGEN) – Stand alone GEF program
Funding and Focus		
<p><u>Donors:</u> IDA, IFAD Danida</p> <p><u>Focus:</u> Decentralization Support, Local Empowerment & Capacity Building, Socio-Economic Infrastructure for Local Development</p>	<p><u>Donors:</u> GEF, IDA</p> <p><u>Focus:</u> Multi-focal (desertification, land restoration, biodiversity, agro-biodiversity, climate change) OP12, OP13</p>	<p><u>Donor:</u> GEF</p> <p><u>Focus:</u> Biodiversity , OP1</p>
Intervention Zone		
<p>Nationwide : 2000 villages (of 8000) in Phase 1</p>	<p>Nationwide: 4 provinces (of 45), 4 sub-watersheds and about 120 villages in Phase 1</p>	<p>Nationwide: 4 wildlife conservation zones (natural wildlife habitats officially protected by the Government) and the villages surrounding them</p>
Capacity Building		
<p>General capacity building related to governance and community empowerment (e.g. literacy training, financial management and procurement)</p> <p><u>Local capacity building activities:</u></p> <ul style="list-style-type: none"> • Communication of program objectives and establishment of representative village councils (CVGT) • CVGT training programs (e.g. literacy, financial and organizational management, HIV/AIDS awareness) • Technical support to community organizations to plan and implement local development plans <p><u>Institutional capacity building activities:</u></p> <ul style="list-style-type: none"> • Training of field operators/service providers • Support to Government administrative decentralization institutions at provincial, regional and national levels 	<p>Integrated Ecosystem Management (IEM) capacity building for rural communities, public & private service providers, & national institutions at central & local levels supporting sustainable resource management initiatives</p> <p><u>Local capacity building activities:</u></p> <ul style="list-style-type: none"> • Integrated ecosystem management planning with communities, using GIS database • Support to community organizations or clubs for global environment protection activities (desertification mitigation, medicinal plants conservation, crop species and wildlife conservation, etc.); <p><u>Institutional capacity building activities:</u></p> <ul style="list-style-type: none"> • Creation of IEM enabling environment with the IEM Policy Forum to propose and implement policy reforms in areas of (i) land tenure security, (ii) access to fertilizers & crop-livestock integration, (iii) incentives for time-lagged IEM benefits, (iv) support national land and water management policy formulation • IEM information, education and communication for: (i) dissemination of national environment/IEM strategies and action plans, (ii) preservation and dissemination of indigenous knowledge on environment and IEM, (iii) dissemination 	<p>Capacity building of forestry agents and peripheral communities of officially protected natural wildlife in the conservation of these protected areas</p> <p><u>Local capacity building activities:</u></p> <ul style="list-style-type: none"> • Technical assistance to conservators and concessionaires • Training of staff, partners service providers, villagers, AGEREF associations vis à vis conservation of protected areas • Diagnostics and studies for each protected area • Support for preparing and implementing management plans <p><u>Institutional capacity building activities:</u></p> <ul style="list-style-type: none"> • Support to decentralized management entities of protected areas (forestry department) • Support to project scientific and steering committees • Establish anti-poaching unit in DGEF (Water and Forestry Directorate); • Training and awareness of DGEF staff • Studies and workshops for legal reforms (e.g. reform of the Forestry Code) • Support for national information system on conservation

	<p>and transfer of IEM technology information (research results), (iv) capacity building for IEM policy dialogue and for natural resource conflict prevention and resolution;</p> <ul style="list-style-type: none"> • Sustainable IEM/Environment financing capacity building with: (i) South-North IEM financing partnership skills building and support to facilitation office (ii) development of local IEM/ Environment financing mechanisms 	
Local Investment Fund (LIF)		
<p>The LIF has both village and provincial windows to finance investments identified by communities in their local development plans. Eligible investments include:</p> <ul style="list-style-type: none"> • Soil and water conservation investments • Reforestation, forest management investments • Structural investments for improving animal husbandry (e.g. parc de vaccination) • Structural investments for improving agricultural production (e.g. grain storage facilities) • Water supply infrastructure • Feeder road improvement investments (e.g. culverts, repairs) • Social and economic infrastructure (e.g. local grain storage facilities, local pharmacy, health clinic, school) • Renewable energy initiatives • Nutrition and health education • AIDS/HIV prevention and mitigation activities • Support for expansion of network of decentralized financial institutions • Demand-driven training and action research 	<p>The LIF has both village and provincial windows to finance IEM investments identified by communities in their local development plans and at the provincial levels through aggregation of local development plans or through independent analysis. LIF provides initial financial support to supplemental public and private good- investments to increase local and global environmental benefits and sustainability of CBRD programs' public good investments, e.g.:</p> <ul style="list-style-type: none"> • Investments in IEM planning tools (maps, etc.) • Investments to encourage conservation agriculture and zero-tillage to improve land restoration (live fencing to protect no-till fields, seeds of cover crops, no-till tools and equipment and training, etc.); • Investments to enhance agro-biodiversity • Investments to enhance threatened medicinal plants • Investments to protect threatened livestock, fish and aquatic animals diversification or domestication • Investments to rehabilitate and protect non-officially protected natural habitats • Action research to identify / test innovative solutions to / technologies for local watershed rehabilitation and management 	<p>No project-specific LIF - communities in project areas have access to the LIF under the Base-line CBRD program to finance eligible activities in their local development plans</p>
Land Tenure Security Pilot		
<p>Pilot land tenure security operation in six test sites representing principal systems of land use and ownership problems. Mechanisms for land tenure security in all areas (uplands, lowlands, forests, rivers) to be developed</p>	<p>No land tenure related activities included, as there is a pilot already ongoing.</p>	<p>No land tenure security activities</p>

Project Coordination, Admin., M&E		
The project has a Project Steering Committee and a PCU. Project Monitoring and Evaluation include: <ul style="list-style-type: none"> • real-time monitoring of physical and financial execution of the Project • technical and financial audits of the Project • M&E of economic, environmental and institutional impact of the program 	The project steering committee of the Base-line project will also provide guidance for SILEM. In addition the SILEM will have a scientific and technical advisory network. SILEM will share the same implementation and management structure (PCU) SILEM will provide incremental support for the Base-line project's M&E system. In addition, the environmental impact evaluation system of the Base-line project will be expanded to capture project specific indicators	The Project has its own (i) National Steering Committee and (ii) Scientific and Technical Advisory Council The Project has its own Coordination and management structure, with one PMU per protected area

Incremental Cost Analysis

The incremental cost of the first phase of SILEM is estimated based on the following reasoning:

The “Baseline Scenario”: Adjusting Baseline Costs to Reflect Number of Sites Covered: SILEM’s intervention sites relating to community-based local development plans are limited to only 120 sites (villages) of the 2,000 sites of CBRDP, for the first phase of the project only; i.e. only 5%. Therefore, only 5% of the costs budgeted for the components “local capacity building” and “local investment fund” under CBRDP is considered, while 100% is taken for the activities that are entirely of interest to SILEM’s objectives (e.g. “Institutional Capacity Building”). For “Project Coordination” an estimated 15% is taken based on the coverage of all type of activities. As for “Physical and Price Contingencies” only the proportion of the total resulting from the approach described above regarding the former components is taken, i.e. 31%.

The “GEF Alternative Scenario”: By component, the total of the amounts considered under the “Baseline Scenario” and the budgeted GEF-financing are presented in Table 4.

Table 4: Incremental cost matrix for GEF funding

Component	Cost Category	Cost US\$ M	Domestic and Global Benefits
1. Local Capacity Building	Baseline	0.27	Increased capacity of communities to design and implement natural resources management activities primarily of medium to long term local environmental and development interest with some global benefits, mostly in the area of halting land degradation and desertification.
	GEF Alternative	1.30	Increased capacity of communities to design and implement integrated lowland ecosystem management of long-term local, national and global environmental and development interest. The global environmental benefits will involve: (i) halting land degradation and desertification, (ii) preserving biodiversity, (iii) preserving carbon storage capacity and (iv) maintaining the condition of international waters.
	Increment	1.03	
2. Local Investment Fund (LIF)	Baseline	1.69	A limited number of IEM micro-investments planned and implemented, mostly of medium to long term local environmental benefits with some global benefits (see

			above).
	GEF Alternative	3.77	A significant number of IEM micro-investment planned and implemented based on an “integrated lowland ecosystem management plan” and generating local, national and global environmental benefits (see above).
	Increment	2.08	
3. Institutional Capacity Building	Baseline	12.73	Institutional capacity strengthened and policies reformed to support and encourage local communities to implement IEM activities, mostly of medium to long-term local environmental and development interest with some global benefits (see above).
	GEF Alternative	13.11	Institutional capacity strengthened and policies reformed to support and encourage local communities to implement IEM reflecting “integrated lowland ecosystem management” generating longer term local, national and global environmental and development benefits (see above).
	Increment	0.38	
4.A. Land Tenure Security Pilot	Baseline	3.10	Land tenure policies developed to create medium to long-term commitment to IEM, mainly focusing on local environmental issues and stakeholders with some global environmental benefits (see above)
	GEF Alternative	3.10	This component has no equivalent under the SILEM. The SILEM will benefit from the lessons learned by adjusting its approach based on the various experiences.
	Increment	0.00	
4.B. Building partnerships for sustainable IEM financing	Baseline	0.00	This component has no equivalent under the CBRD. The CBRD will benefit from the lessons learned by adjusting its approach based on the various experiences.
	GEF Alternative	0.17	The objective is to build the capacity to mobilize national and international funds to address environmental and resource management issues of local, regional and potentially global significance.
	Increment	0.17	
5. Project Coordination, Administration, M&E	Baseline	0.82	Efficient and capable staff in place to implement, manage and evaluate the project, of which the number of IEM activities will be limited and mostly of medium to long-term local interest associated with some global environmental benefits (see above).
	GEF Alternative	1.66	Efficient and capable staff in place to implement, manage and evaluate the projects, of which the number of IEM activities will be of significant long-term, local, national and global benefit (see above). The evaluation of the projects environmental impact will be assisted by relevant community-based and scientific institutional monitoring and evaluation activities.
	Increment	0.84	
6. Physical contingencies	Baseline	0.25	
	GEF Alternative	0.25	
	Increment	0.00	
7. Price contingencies	Baseline	1.66	
	GEF Alternative	1.66	
	Increment	0.00	
TOTALS	Baseline	19.52	
	GEF Alternative	25.02	
	Increment	4.50	

The incremental cost of US\$M 4.50 on a total cost of US\$M 25.02 under the GEF Alternative represents 18%. This incremental cost should be viewed conservatively, since many of the activities under “local capacity building” and the “local investment fund” by the nature of supporting “IEM” are designed to have a much larger geographic reach than just the intervention sites. Furthermore, the direct interaction with the CBRD baseline program will certainly have a spin off effect towards the overall project’s approach to support the development of community-based local development plans in other sites.

Annex 5: Financial Summary
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management
Years Ending

	IMPLEMENTATION PERIOD						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Total Financing Required							
Project Costs							
Investment Costs	0.8	0.8	0.9	0.8	0.7	0.0	0.0
Recurrent Costs	0.2	0.2	0.2	0.2	0.1	0.0	0.0
Total Project Costs	1.0	1.0	1.1	1.0	0.8	0.0	0.0
Total Financing	1.0	1.0	1.1	1.0	0.8	0.0	0.0
Financing							
IBRD/IDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Government	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Central	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provincial	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Co-financiers	0.0	0.0	0.0	0.0	0.0	0.0	0.0
User Fees/Beneficiaries	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other: GEF	0.9	0.9	1.0	0.9	0.7	0.0	0.0
Total Project Financing	1.0	1.0	1.1	1.0	0.8	0.0	0.0

Main assumptions:

Beneficiaries make a contribution to project costs through their in-kind contribution to beneficiary executed micro-projects. The annualized contribution does not show up because of rounding as it is about US\$20-30,000.

Annex 6(A): Procurement Arrangements

BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

Procurement

General context

The last Country Procurement Assessment Review (CPAR) on Burkina Faso was carried out in November 1999 and published in November 2000. A CPAR update is scheduled to take place in FY05. The government has undertaken reform of the system of procedures governing public procurement to improve its efficiency and transparency. As part of the reform Decree No 2003/0269/PRES/PM/MFB of May 27, 2003 regulating public procurement was adopted. This was supplemented by three ministerial decrees concerning: (i) the nature and the number of administrative documents to be produced by bidders (ii) conditions and threshold for procurement and (iii) regulations for bidding evaluation, conflict resolution and reception commissions.

Guidelines

Civil Works and Goods financed by the GEF grant will be procured in accordance with the Bank's Guidelines under IBRD Loans and IDA Credits (January 1995 revised in January and August 1996, September 1997, and January 1999), and Bank Standard Bidding Documents, and Standard Evaluation Report will be used for ICB.

Consultant Services contracts financed by the GEF grant will be procured in accordance with the Bank's Guidelines for the Selection of Consultants by World Bank Borrowers (January 1997 revised in September 1997, January 1999, and May 2002). The World Bank's Standard Request for Proposal (SRFP), as developed by the Bank, will be used for requesting proposals and for selection and appointment of consultants. The Bank's Sample form of Evaluation Report will also be used for the Selection of Consultants.

Advertising

A General Procurement Notice (GPN) will be prepared and published in the United Nations Development Business (UNDB) and in the national press listing all works, goods and consulting services contracts to obtain expressions of interest from national and international parties. The GPN will be updated annually for those contracts still outstanding. Specific Procurement Notices (SPNs) and expressions of interest for large contracts for consulting services (above US\$100,000) will be published in the UNDB with sufficient time allowed to respond before making the short list.

Capacity Assessment and Proposed Procurement Arrangements

With respect to this project, the main concerns relate to the capacity of the Ministerial Procurement Commission (*Commission Ministérielle d'Attribution des Marchés*) to respond in a timely manner to project needs. The LIF of the SILEM is expected to generate small number (about 20) of additional procurement review requests for the whole project life. The workload will thus be manageable at the central and provincial level. The existing central and provincial procurement staff have sufficient competency to handle the supplementary procurement due to SILEM activities. The existing Provincial Procurement Commissions (*Commissions Provinciales d'Attribution des Marchés*) are handling all

procurement under the LIF. Training has been provided for all the commission members. There is, however, a need to repeat the training to maintain quality.

At the community level, the simplified procurement procedures included in the Project Implementation Manual have been tested under the baseline Project since 2001 and communities have gained substantial experience in simplified procurement and accounting. The SILEM will thus benefit from this existing capacity built by the baseline Project.

Procurement of all goods, works and services, other than those related to LIF sub-projects executed by the communities will be the responsibility of the PCU. This unit has staff that is fully familiar with IDA's procurement procedures and its procurement performance has been satisfactory throughout the last post procurement review and rated average risk. No increase in staffing is needed for SILEM implementation since the procurement staff at the PCU comprises three persons and the SILEM is implemented in only four provinces where the baseline Project has already established provincial teams and executed activities. The appraisal mission concluded that performance of PCU procurement staff was satisfactory and that sufficient safeguards are in place to ensure transparency and efficiency. Procurement filing is satisfactory. Contract execution tracking needs to be improved to ensure appropriate follow-up and completion of activities within the allotted time.

Procurement for village-managed sub-projects under the LIF will be executed by the CVGT using procedures described above and detailed in the Project Implementation Manual. Capacity building support has been provided by the communities to help them manage sub-projects. Based on periodic assessments additional training is provided to address weaknesses identified.

Beneficiaries have already managed the funds well and were fully implied in all stages of implementation of the baseline Project. Continued assistance in the selection of engineers to design and supervise civil works where no standard plans exist. This lesson has been incorporated into the design of the Project. In addition, care will be taken to avoid overloading beneficiaries -- the investment program will proceed at a pace consistent with the implementation capacity of the beneficiaries.

Procurement Plan

The PCU has submitted a Procurement Plan for the first year of the project implementation. The plan has been agreed between the Borrower and the Project Team on April 23, 2004 and is for the procurement of goods and the selection of consultant services. The Procurement Plan will be updated in agreement with the Project Team at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

The provincial level will submit its procurement plan to the PCU, which will consolidate these and submit to IDA approval.

Procurement methods

Civil Works. No civil works have been identified during project preparation.

Goods (US\$0.16 million, including contingencies). The grant will finance the procurement of vehicles, motorcycles, office equipment (including computers), and field equipment. To the extent practicable, goods will be lumped into lots estimated to cost US\$100,000 or more and will be procured under ICB procedures. Goods that cannot be easily lumped into lots of US\$100,000 or more for a variety of

reasons (timing, specificity, etc.), but are expected to cost more than US\$35,000 can be procured using NCB procedures. Procurement for readily available off-the-shelf goods and/or standard commodities that cannot be grouped in lots of sufficient size, will be procured through prudent local shopping, on the basis of a comparison of quotations from at least three reputable suppliers. Goods may also be procured from UN agencies (UNICEF or IAPSO) provided each contract does not exceed US\$100,000 .

Consultant Services, Training and Audits (US\$1.48 million, including contingencies). Consulting services financed by IDA will be for: (i) studies, financial management support, financial and technical audits; and (ii) technical matters (monitoring and evaluation, environmental impact, technical assistance to communities, etc.) and training (skills gap analysis, skills development and training of staff and local communities).

Consultant services will normally be procured through the selection of short-listed firms on the basis of Quality and Cost-Based Selection (QCBS), except where noted below. All consultant assignments estimated to cost the equivalent of US\$100,000 or more would seek an expression of interest through an advertisement in at least one national newspaper with wide circulation, in Development Business (UNDB). In addition, all such consulting assignments will be listed in the annual GPN.

The following other methods will also apply. For audits (financial) and other services of a standard nature, the Least Cost Selection (LCS) method will be used. Consulting services estimated to cost less than US\$50,000 per contract will be based on the consultant's qualifications (CQ). Services for seminars and small studies, which can be delivered by individuals and do not need teamwork or back-up support services, will be selected through comparison of qualifications among individual consultants expressing interest in the assignment or approached directly based on their experience.

Short-lists of consultants for contracts estimated to cost less than US\$100,000 each may be comprised entirely of national consultants, provided at least three qualified firms are locally available at competitive costs. However, if foreign firms have expressed an interest for those contracts, they will not be excluded from consideration.

Single Source Selection (SSS) will only be used under exceptional circumstances for the selection of services for simple tasks not expected to cost more than US\$5,000 or for local community support services, such as technical assistance and training.

Services for tasks, such as the organization of seminars and small studies, that are generally of low-cost (generally less than US\$20,000) and do not require the use of support systems shall be procured under contracts awarded to individual consultants.

The training program is geared towards the strengthening of the managerial and technical capacities of the Project's implementing agency, its partners, and CVGTs. The Project's training program will be reviewed annually and will be subject to IDA's prior review and approval, as will be all participation in workshops and seminars.

Local Investment Fund Sub-projects (US\$2.24 million). The LIF has two windows. Firstly, the provincial level sub-projects (US\$1.53 million) range in size from US\$35,000 to US\$150,000 and are executed for the beneficiary communities by the Project. The content of these sub-projects are demand driven and can therefore not be predicted with any accuracy. For these sub-projects, the regular procurement procedures for goods and consultant services described above apply. Civil works sub-projects identified on the basis of participatory diagnostics with the communities will follow NCB

procedures under the Guidelines.

In order to increase efficiency, only provincial level executed sub-projects over US\$100,000 will be subject to an *ex-ante* review by the PCU.

Secondly, the village and inter-village level sub-projects (valued at less than US\$35,000) and are executed by the CVGT. Individual sub-projects will be of limited size (80 percent less than US\$500 each), widely dispersed, and co-financed by beneficiaries using varying combinations of in-kind and cash contributions. The bidding documents and contracts used for this category will follow procurement and disbursement procedures as presented in the "Guidelines for Simplified Procurement and Disbursement for Community-Based Investments" and detailed in the Project Implementation Manual. During the Project appraisal, the Government agreed that its own procurement procedures would not apply to LIF sub-projects executed by the CVGTs.

Prior Review. All goods contracts estimated to cost US\$250,000 or more will be subject to IDA's prior review of bidding documents, including draft contracts and technical specifications prior to inviting bids and bid evaluation prior to contract award. Prior Bank review will also be required for contracts for consulting services valued at US\$100,000 or more for firms and US\$50,000 or more for individuals. In these cases, the draft Request for Proposals and the shortlist of consultants must be cleared with IDA prior to inviting proposals from the short-listed consultants. In addition, the evaluation of the technical proposals must be cleared with IDA before the financial proposals of the qualifying firms are opened.

The terms of reference for consulting assignments and training, single source recruitment, and assignments of a critical nature as determined by IDA, as well as amendments to contracts raising them above the above mentioned prior review thresholds, will be subject to IDA prior review regardless of contract amount. All the procedures in Appendix 1 of the Consultant Guidelines will apply.

Post Review. All contracts not subject to the thresholds listed in the preceding paragraph will be subject to an ex-post review. Once a year a procurement staff will accompany a supervision mission and conduct a post review of a sample of contracts not subject to prior review. The Borrower will maintain all documents related to procurement below the prior review threshold for such an ex-post review and for a review by project auditors for up to one year after project completion. The Project will hire engineers to perform technical audits of a random sample of sub-projects. The technical audit will focus on quality of execution and adequacy of procurement procedures followed. The results of the technical audit will be included in the annual reports.

Manuals. A Project Implementation Manual exists. It consists of a main manual with reference to manuals for specific procedures (e.g., Administrative and Financial Procedures, Local Investment Fund Procedures, Monitoring and Evaluation). These manuals will be used as for the SILEM project. Those documents will be reviewed in detail during the forthcoming mid term review of the PNGT2. The manuals clearly detail: (i) eligibility criteria; (ii) procedures for calling for bids, selection of contractors, service providers and vendors, and contract award; (iii) supervision procedures; (iv) financial management and disbursement procedures; and (v) procedures for reception and handing over of completed works.

For the procurement of goods and works executed at the village sub-project level, the Bank's standard documents that have been simplified and included in the PNGT2 Project Implementation Manual will apply.

Procurement methods (Table A)

Table A: Project Costs by Procurement Arrangements
(US\$ million equivalent)

Expenditure Category	Procurement Method ¹			N.B.F.	Total Cost
	ICB	NCB	Other ²		
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.00 (0.00)	0.16 (0.10)	0.00 (0.00)	0.16 (0.10)
3. Services	0.00 (0.00)	0.00 (0.00)	1.48 (1.33)	0.00 (0.00)	1.48 (1.33)
4. LIF sub-projects	0.00 (0.00)	1.47 (1.40)	0.77 (0.67)	0.00 (0.00)	2.24 (2.07)
5. Operating Costs	0.00 (0.00)	0.00 (0.00)	1.03 (1.00)	0.00 (0.00)	1.03 (1.00)
Total	0.00 (0.00)	1.47 (1.40)	3.44 (3.10)	0.00 (0.00)	4.91 (4.50)

^{1/} Figures in parentheses are the amounts to be financed by the Bank Grant. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Prior review thresholds (Table B)

Table B: Thresholds for Procurement Methods and Prior Review¹

Expenditure Category	Contract Value Threshold (US\$ thousands)	Procurement Method	Contracts Subject to Prior Review (US\$ millions)
1. Works	US\$500,000 and above US\$35,00 - US\$500,00 Less than US\$35,000	ICB NCB Small works procedures	(Prior review threshold is US\$500,000) US\$0.00
2. Goods	US\$250,000 or above US\$35,000 - US\$100,000 Less than US\$35,000	ICB NCB Other (local shopping)	(Prior review threshold is US\$250,000) US\$0.00
3. Services (including training and workshops)	US\$100,000 and above US\$50,000 - US\$100,000 Less than US\$50,000 Less than US\$20,000	QCBS (international advertised/shortlist) QCBS (international/national shortlist) QBS (for LIF related technical services/LCS (for financial and technical audits) Individual consultant	(Prior review threshold is US\$ 100,000 for firms and US\$ 50,000 for individual consultants) US\$0.30 US\$0.28
4. Incremental Operating Costs	Less than US\$35,000	Direct contracting, local shopping, etc.	
5. LIF (sub-projects over US\$35,000)	US\$500,000 and below	NCB	0.00
6. LIF (sub-projects under US\$35,000)	Less than US\$35,000	Small works procedures and local shopping	0.00

Total value of contracts subject to prior review: US\$0.58

Overall Procurement Risk Assessment: Average

Frequency of procurement supervision missions proposed: One every 12 months
(includes special procurement supervision for post-review/audits)

¹ Thresholds generally differ by country and project. Consult "Assessment of Agency's Capacity to Implement Procurement" and contact the Regional Procurement Adviser for guidance.

Annex 6(B): Financial Management and Disbursement Arrangements BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

Financial Management

1. Summary of the Financial Management Assessment

A financial management assessment of the CBRD project was carried out by a World Bank accredited financial management specialist (FMS). The objectives of the assessment were to determine whether the project has in place an adequate financial management system as required under Bank guidelines and to recommend Financial Management (FM) arrangements for the mitigation of the fiduciary risk. The recommendations following the assessment are detailed in the time bound action plan (table D below). This action plan shows the steps, responsibilities and deadlines for the different actions and confirms the adequacy of arrangements for inclusion of the SILEM within the financial management framework of the CBRD.

The financial management of the project is the responsibility of the PCU of the CBRD. The related duties of the PCU cover budget and cash management, accounting, internal control, financial reporting, staff management and external audit preparation. The system to carry out these responsibilities is in place and will be reinforced prior to grant effectiveness based on the agreed action plan. The recruitment of an accountant and an external auditor and the adaptation of the FM computerized system (manual and software) will be conditions of effectiveness.

2. Audit Arrangements

Accounting and Auditing

As the project will be implemented by CBRD, its existing financial management system including its administrative and financial manual will be adapted to take into account the requirements for the GEF Grant. Adaptation of the administrative and financial manual and related software will be conditions of effectiveness. The financial management capacity assessment, has shown that the CBRD project (i) is able to maintain project accounts in accordance with International Accounting Standards (IAS) to reflect their operations and financial positions and (ii) has had all its accounts audited by an external and independent audit firm with terms of reference acceptable to the Bank. The same audit firm as retained by the CBRD will audit the project. As the contract for the present audit firm for CBRD is nearing its end, CBRD will seek a new audit firm. Hiring of the firm will be a condition of effectiveness. The new contract can be renewed on annual basis up to a maximum of three years provided performance of the auditor is judged satisfactory. Assurances will be sought at negotiations that the auditor's report, including the opinion on the annual financial statements and the Management Letter, will be submitted to the Bank no later than June 30 of each year.

To ensure proper accountability of funds managed by beneficiaries, technical and financial audits will be carried out on a sample basis. These audits would focus on the technical execution of the works (technical quality and progress), systems to ensure appropriate maintenance, and that basic information is available to track the use of the funds (receipts, contracts, comparison of prices/bids, etc.). Where funds are inappropriately utilized, the Project will cease supporting activities until all funds have been accounted for. In cases where fraud is suspected, local authorities will be notified.

The following assurances were received during negotiations: (i) adherence to standard clauses related to appropriate financial management (keeping of separate accounts by source of funds, maintenance of

information, implementation of annual audits); and (ii) oversight on the use of funds at the village level, with an action plan to combat fraud in the project implementation manual.

Monitoring and Reporting

The World Bank has introduced Financial Management Reports (FMRs) in World Bank Group financed or administered projects. These FMRs are generated from sound financial management, procurement, and output monitoring systems put in place. Where appropriate, if these systems are in place and found to be performing satisfactorily, disbursements may be made on the basis of agreed quarterly Financial Management Reports (FMR) rather than on the basis of individual invoices or statements of expenditure. CBRD financial management has been found to be satisfactory subject to the implementation of the action plan given in Table C above. In addition, it has been agreed that as of June 30, 2004, FMRs will be submitted to the Bank on a one-year trial basis, alongside regular replenishment requests. Upon satisfactory evaluation of the trial, FMRs would be used for disbursement purposes for both the IDA Credit supporting the CBRD and the GEF grant supporting the SILEM. For reporting purposes, it has been agreed that Example 1 of Annex A in the FMR document for Borrower's use (dated November 2002), will be used.

No later than November 30 of each year, the PCU will submit to the Steering Committee, with a copy to the Bank, the proposed Annual Work Programs and Financial Report. The report format will detail activities, associated unit costs and an implementation timetable. It will also include monitorable progress indicators for each proposed activity. In addition, the PCU will produce quarterly progress reports showing budgeted and actual expenditures, source of funds used, statements of progress achieved on the basis of the agreed upon indicators and the (revised) objectives and financial reports for the forthcoming six months.

3. Disbursement Arrangements

Allocation of grant proceeds (Table C)

The grant of US\$4.5 million is distributed over the various disbursement categories as presented in Table C below.

Table C: Allocation of Grant Proceeds

Expenditure Category	Amount in US\$million	Financing Percentage
1. Vehicles and equipment	0.10	100% of foreign expenditures and 80% of local expenditures
2. Consulting services and audits	0.81	100% of foreign expenditures and 80% of local expenditures
3. Training and workshops	0.53	100% of amounts disbursed
4. Sub-grants for IEM sub-projects	2.00	100% of amounts disbursed
5. Operating costs	0.60	80%
6. Unallocated	0.46	
Total Project Costs with Bank Financing	4.50	
Total	4.50	

Use of statements of expenditures (SOEs):

Disbursements for all expenditures should be made against full documentation, except for: (i) consulting firms under contracts in an amount equivalent or inferior to US\$100,000; (ii) goods, works and individual consultants under contracts in an amount equivalent or inferior to US\$50,000; (iii) as well as training, studies and operating costs. All supporting documentation for SOEs will be retained at a suitable location and be readily accessible for review by periodic Bank supervision missions and external auditors.

Special account:

To facilitate project implementation and reduce the volume of withdrawal applications, the Government will open a Special Account (SA) in FCFA in a commercial bank on terms and conditions acceptable to the Bank for GEF's share of eligible expenditures. The authorized allocation will be FCFA 150 million representing about four months of eligible expenditures. The special account will be used for all payments inferior to twenty percent of the deposited amount and replenishment applications will be submitted at least once a month. Further deposits into the Special Account will be made against withdrawal applications supported by appropriate documents.

90-day advance accounts. To expedite project implementation and permit disbursements at project sites as well as facilitate the participation of the beneficiary communities, two 90-day advance accounts will be authorized at the decentralized accounting centers of CBRD that cover the intervention areas of SILEM. The PCU will make these advances out of the Special Account to meet eligible expenditures for a period of 90-days based on an average of four months of expenditures. The advance accounts will be opened in local commercial banks to ensure smooth and timely transfer of funds from the accounting center to these locations. Advances will be replenished on the basis of supporting documentation.

Counterpart Funds, Project Account. The PCU will open a project account in a financial institution, acceptable to the Bank, in which Government's counterpart contribution will be deposited. The initial deposit will be in the amount of CFAF 23 million, which is equivalent to 6 months of expenditures. Replenishments would be done on a semi-annual basis on the basis of forecasts included in the annual work programs and semi-annual progress reports. The establishment of this account and the first deposit into it will be a condition of effectiveness.

Table D. Action Plan to Reinforce FM System

	Tasks	Target Completion Date	Responsibility
1	Recruitment of an Accountant at PCU	June 1, 2004	GOB/CBRD
2	Revised administrative, financial and accounting manual submitted to IDA comments	June 1, 2004	GOB/CBRD
3	Revised manual finalized taking IDA comments into account	June 15, 2004	GOB/CBRD / IDA
4	Recruitment of the external auditor for CBRD and the project	June 25, 2004	GOB/CBRD
5	Computerized financial management system customized to take into account SILEM specificities	June 20, 2004	GOB / CBRD
6	Assessment of the readiness for effectiveness of the FM system and clearance of the project for the related FM conditions	June 27, 2004	FMS / IDA

Annex 7: Project Processing Schedule
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

Project Schedule	Planned	Actual
Time taken to prepare the project (months)	24	48
First Bank mission (identification)		06/26/2000
Appraisal mission departure		04/14/2004
Negotiations		04/28/2004
Planned Date of Effectiveness		09/30/2004

Prepared by:

The project has been prepared by a multi-disciplinary Government team assisted by consultants. Members of this team included staff of the PNGT2 and technical ministries. It was supervised by the Director General for Development Cooperation of the Ministry of Economy and Finance.

Preparation assistance:

GEF PDF-B US\$ 340,000

Bank staff who worked on the project included:

Name	Speciality
Jane C. Hopkins	Agricultural Economist, TTL
Emmanuel Nikiema	Natural Resource Management Specialist, co-TTL
Yves-Coffi Prudencio	Soil Fertility Specialist
Dirk Prevoo	Operations Officer
Jean-Michel Pavy	Ecologist, Biodiversity Specialist
Ibrahim Nebie	Agricultural Services Specialist
Virginie Vasselopoulos	Task Team Assistant
Gwladys Nadine Isabelle Kantiebo	Task Team Assistant
Aguiratou Sawadogo	Procurement Specialist
Mamadou Yaro	Financial Management Specialist
Wolfgang Chadab	Disbursement Officer
Pascale Dubois	Legal Counsel
Monica Sawyer	Legal Consultant

Annex 8: Documents in the Project File*
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

A. Project Implementation Plan

- Manuel de mise en œuvre du PNGT2, July 2000 (updated in 2003)
- Manuel des procédures FIL du PNGT2, July 2000 (updated in 2003)
- Manuel des procédures administratives et financières du PNGT2, July 1999 (updated in 2003)
- Manuel de concertation et de capitalisation du PNGT2, July 1999 (updated in 2003)
- Manuel de suivi-évaluation du PNGT2, April 2000 (updated in 2002)
- Final Report - Systeme de Suivi-Evaluation du Project SILEM en Complement de Celui du PNGT2 (Sawadogo, Seraphine, May 2003)
- Environmental and Social Management Framework, May 2003
- Resettlement Policy Framework and Resettlement Process Framework, May 2003

B. Bank Staff Assessments

- Aide-mémoire de la mission de préparation du SILEM (Prudencio/Nikiema, August 2000)
- Aide-mémoire de la mission de préparation du SILEM (Prudencio/Nikiema, December 2001)
- Aide-mémoire de la mission de préparation du SILEM (Prudencio/Nikiema, October 2002)
- Aide-mémoire de la mission de supervision du PNGT2 (Hopkins/Nikiema, March 2003)
- Aide-mémoire de la mission de préparation et concertation sur la cadre logique du SILEM (Hopkins/Nikiema, July 2003)
- Aide-mémoire de la mission de préparation et concertation sur les tableaux de couts du SILEM (Nikiema/Prevoo, September 2003)

C. Other

- Memorandum des travaux de groupe thematique SILEM -- Annexe de l'aide-memoire de la mission de supervision du PNGT2, March 2004
- Inventaire des Bas-Fonds et Plaines du Sahel, du Plateau Central et de l'Est du Burkina Faso : Resultats & Analyse – Rapport Final (INERA, December 2002)
- North-South Sustainable Financing Partnership Alternatives for Local Development and Natural Resource Management - The Case of the Sahel Countries: Senegal, Mali, Burkina Faso, Niger – Rapport Final (Lewis, Chantal ; September 2002)
- Inventaire de l'Agrobiodiversité au Niveau des Ecosystems de Bas-Fonds et Plaines du Sahel, du Plateau Central , de l'Est et de l'Ouest Burkinabé – Rapport Final (Zongo, Jean-Didier ; April 2002)
- Etat des Lieux et Potentialités dans les Activités relevant des Domaines du FEM au Burkina Faso – Rapport Final (Ouadba, Jean-Marie, et. al. ; October 2001)

*Including electronic files

Annex 9: Statement of Loans and Credits
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management
 29-Apr-2004

Project ID	FY	Purpose	Original Amount in US\$ Millions			Cancel.	Undisb.	Difference between expected and actual disbursements ^a	
			IBRD	IDA	GEF			Orig	Frm Rev'd
P085230	2004	BF - STATCAP	0.00	10.00	0.00	0.00	9.85	0.00	0.00
P071443	2003	BF COMPETITIVENESS & ENTERPRISE DEV	0.00	25.20	0.00	0.00	31.44	-0.40	0.00
P074030	2003	BF - TRANSPORT SECTOR PROJECT	0.00	49.50	0.00	0.00	92.98	9.56	0.00
P076159	2003	AFTKL: BF Dev. Learning Center - LIL	0.00	2.30	0.00	0.00	2.34	1.22	0.00
P052400	2002	BF:PARTNERSHIP FOR NATURAL ECOSYSTEM	0.00	0.00	7.50	0.00	6.89	1.98	0.00
P000309	2002	Basic Educ. Sector	0.00	32.60	0.00	0.00	31.45	7.65	0.00
P071433	2002	HIV/AIDS Disaster Response	0.00	22.00	0.00	0.00	13.27	-0.46	-3.06
P035673	2001	BF:COMMUNITY-BASED RURAL DEVELOPMENT	0.00	66.70	0.00	0.00	53.76	-19.44	-1.44
P000306	2001	OUGADOUGOU WATER SUPPLY PROJECT	0.00	70.00	0.00	0.00	67.76	15.25	0.00
P050886	1999	Burkina Faso:PRIVATE IRRIGATION	0.00	5.20	0.00	0.00	0.30	0.49	0.00
P000296	1998	Burkina Faso:AG SERVICES II	0.00	41.30	0.00	0.00	9.13	9.29	0.09
P000283	1997	MINING CAPACITY BUIL	0.00	21.40	0.00	0.00	4.01	5.38	2.88
P000304	1997	Post-Primary Education	0.00	26.00	0.00	0.00	2.71	4.12	4.16
P000297	1995	URBAN ENV	0.00	37.00	0.00	0.00	15.51	-6.37	-6.43
Total:			0.00	409.20	7.50	0.00	341.41	28.27	-3.81

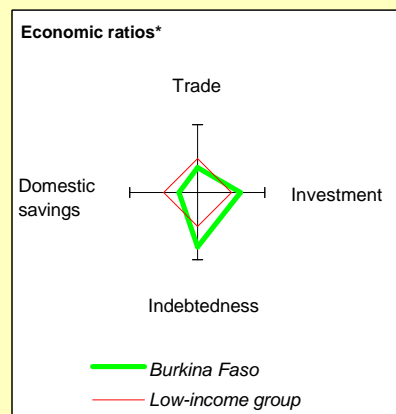
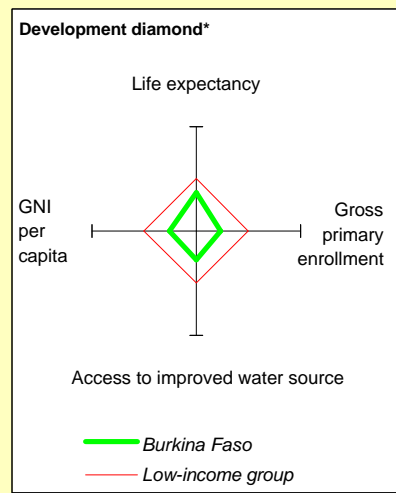
BURKINA FASO
 STATEMENT OF IFC's
 Held and Disbursed Portfolio
 Mar - 2004
 In Millions US Dollars

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
1998	AEF STCBF	0.27	0.00	0.00	0.00	0.27	0.00	0.00	0.00
Total Portfolio:		0.27	0.00	0.00	0.00	0.27	0.00	0.00	0.00
Approvals Pending Commitment									
FY Approval	Company	Loan	Equity	Quasi	Partic				
Total Pending Commitment:		0.00	0.00	0.00	0.00				

Annex 10: Country at a Glance

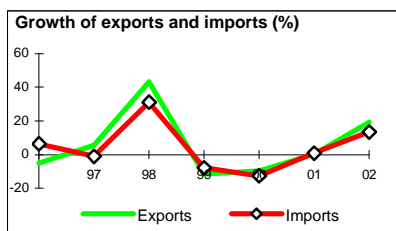
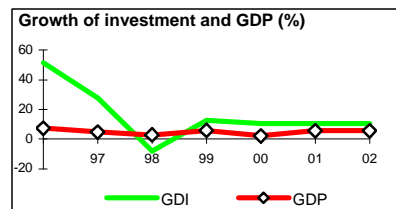
BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

POVERTY and SOCIAL	Burkina Faso	Sub-Saharan Africa	Low-income		
2002					
Population, mid-year (millions)	11.8	688	2,495		
GNI per capita (Atlas method, US\$)	220	450	430		
GNI (Atlas method, US\$ billions)	2.6	306	1,072		
Average annual growth, 1996-02					
Population (%)	2.4	2.4	1.9		
Labor force (%)	2.0	2.5	2.3		
Most recent estimate (latest year available, 1996-02)					
Poverty (% of population below national poverty line)	45		
Urban population (% of total population)	17	33	30		
Life expectancy at birth (years)	43	46	59		
Infant mortality (per 1,000 live births)	103	105	81		
Child malnutrition (% of children under 5)	34		
Access to an improved water source (% of population)	42	58	76		
Illiteracy (% of population age 15+)	74	37	37		
Gross primary enrollment (% of school-age population)	44	86	95		
Male	52	92	103		
Female	37	80	87		
KEY ECONOMIC RATIOS and LONG-TERM TRENDS					
	1982	1992	2001	2002	
GDP (US\$ billions)	1.6	2.0	2.5	2.8	
Gross domestic investment/GDP	20.2	21.1	25.4	26.0	
Exports of goods and services/GDP	9.2	10.1	10.1	10.2	
Gross domestic savings/GDP	-3.9	7.0	9.6	10.8	
Gross national savings/GDP	..	14.9	12.6	13.6	
Current account balance/GDP	-18.1	-9.3	-13.4	-12.9	
Interest payments/GDP	0.5	0.7	0.5	0.6	
Total debt/GDP	22.6	52.1	59.9	..	
Total debt service/exports	6.7	7.4	18.1	..	
Present value of debt/GDP	28.8	..	
Present value of debt/exports	235.1	..	
	1982-92	1992-02	2001	2002	2002-06
<i>(average annual growth)</i>					
GDP	3.4	4.5	5.6	5.6	..
GDP per capita	0.9	2.0	3.1	3.1	..



STRUCTURE of the ECONOMY

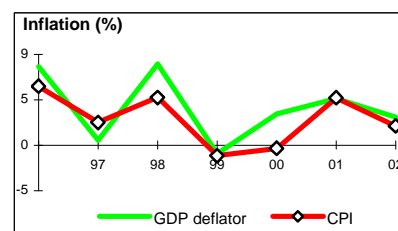
	1982	1992	2001	2002
<i>(% of GDP)</i>				
Agriculture	32.1	33.5	38.2	37.6
Industry	20.9	22.2	20.7	20.4
Manufacturing	15.5	15.7	14.7	14.5
Services	47.0	44.3	41.1	41.9
Private consumption	88.3	77.2	76.6	74.5
General government consumption	15.6	15.8	13.8	14.7
Imports of goods and services	33.4	24.2	25.9	25.4
	1982-92	1992-02	2001	2002
<i>(average annual growth)</i>				
Agriculture	3.7	3.4	7.0	4.6
Industry	2.9	4.8	3.3	7.6
Manufacturing	1.6	5.7	3.3	7.6
Services	3.6	4.6	4.6	5.9
Private consumption	3.1	3.2	3.6	5.3
General government consumption	2.2	1.0	2.5	2.5
Gross domestic investment	6.6	9.9	10.5	10.6
Imports of goods and services	3.4	2.3	1.0	13.4



* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

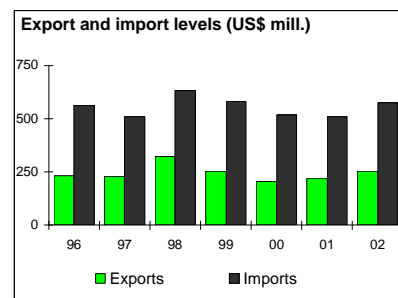
PRICES and GOVERNMENT FINANCE

	1982	1992	2001	2002
Domestic prices				
<i>(% change)</i>				
Consumer prices	3.9	-5.9	4.9	2.0
Implicit GDP deflator	9.0	-1.8	4.8	2.9
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	13.2	14.0	15.3
Current budget balance	..	1.4	2.1	2.5
Overall surplus/deficit	..	-7.7	-11.0	-11.5



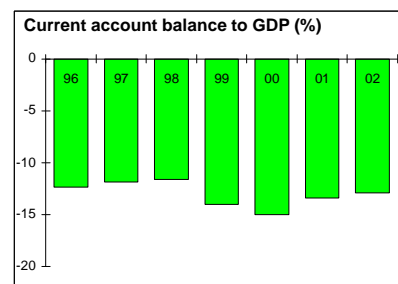
TRADE

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total exports (fob)	..	238	221	254
Cotton	..	94	128	141
Livestock products	..	33	42	55
Manufactures
Total imports (cif)	..	516	510	577
Food	..	90	73	82
Fuel and energy	..	53	93	108
Capital goods	..	131	165	186
Export price index (1995=100)	..	48	105	96
Import price index (1995=100)	..	54	126	118
Terms of trade (1995=100)	..	88	83	81



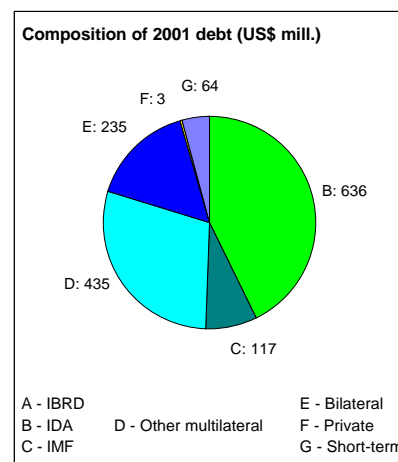
BALANCE of PAYMENTS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Exports of goods and services	175	302	251	288
Imports of goods and services	534	724	658	734
Resource balance	-359	-422	-407	-446
Net income	-10	-12	-5	-2
Net current transfers	89	248	79	82
Current account balance	-281	-186	-333	-366
Financing items (net)	280	247	328	389
Changes in net reserves	0	-61	5	-23
Memo:				
Reserves including gold (US\$ millions)
Conversion rate (DEC, local/US\$)	328.6	396.6	733.0	697.0



EXTERNAL DEBT and RESOURCE FLOWS

	1982	1992	2001	2002
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	352	1,040	1,490	..
IBRD	0	0	0	..
IDA	95	364	636	..
Total debt service	20	33	55	..
IBRD	0	0	0	..
IDA	2	5	12	..
Composition of net resource flows				
Official grants	97	204	207	..
Official creditors	45	128	113	..
Private creditors	21	0	0	..
Foreign direct investment	2	3	26	..
Portfolio equity	0	0	0	..
World Bank program				
Commitments	92	117	204	..
Disbursements	12	50	71	..
Principal repayments	2	2	7	..
Net flows	11	48	65	..
Interest payments	1	3	5	..
Net transfers	10	45	60	..



Note: This table was produced from the Development Economics central database.

8/20/03

Additional GEF Annex 11: STAP Roster Technical Review BURKINA FASO: Sahel Integrated Lowland Ecosystem Management

STAP Review

Project Number: P070871
Country: Burkina Faso
Project Name: Sahel Integrated Lowland Ecosystem Management
STAP Reviewer: Dr. J. Michael Halderman, Independent Consultant, Berkeley, California
Date: March 10, 2002

Key Issues

1) Scientific and technical soundness of the project

The proposed project, *Sahel Integrated Lowland Ecosystem Management* (SILEM), has been thoroughly and well designed following appropriate technical and scientific principles. SILEM (also referred to in this STAP review as the “project”) aims to contribute to sustainable mitigation and alleviation of rural poverty in Burkina Faso by improving the natural resource base. It will provide at local and national levels a combination of skills, knowledge and investment resources to carry out integrated lowland ecosystem management to achieve local and global environmental benefits.

SILEM will complement the “baseline” Community-Based Rural Development Project (CBRDP, credit agreement signed in June 2001). The CBRDP is a follow up to the Environmental Management Project (Programme National de Gestion des Terroirs project), a community-based land management approach to natural resource management (IEM). CBRDP is part of the National Program for Decentralized Rural Development of Burkina Faso (PNDRD), a major national program aimed at implementing the Poverty Reduction Strategy Paper. SILEM will be “fully blended” into CBRDP, although the GEF funds will be tracked separately for accounting and reporting purposes. The activities of SILEM will be fully integrated into CBRDP and support its five components: (1) local capacity building, (2) local investment fund, (3) institutional capacity building, (4) land tenure security pilot, and (5) program coordination.

Technical and scientific aspects relating to integrated ecosystem management (IEM) in selected lowland sites of Burkina Faso are sound. The (a) choice of IEM as the basis of the approach under this project and (b) the blending of SILEM into the CBRDP in order to achieve local and global environmental benefits are particularly appropriate. The integrated projects place heavy emphasis on a community-driven development (CDD) approach. This reflects the accurate recognition that decentralized, participatory approaches to rural development, poverty alleviation and natural resource management are far more effective and sustainable than other approaches. In view of the inter-linking of the IEM and CDD elements, and other aspects discussed below, the project fits well under GEF’s Operational Program # 12.

2) Identification of the global environmental benefits and/or drawbacks of the project

Burkina Faso is in the early stages of what might become a “revolution” in the management of natural resources. There is reportedly strong commitment from the Government and widespread support from the donor community to bring about major changes in IEM aimed at overcoming difficult environmental challenges while simultaneously reducing poverty on a sustainable basis.

The SILEM project is intended to continue for 15 years (2002 – 2017) in three phases: (1) four years to test components and instruments, (2) five years to confirm and consolidate, (3) six years of expansion. During the first phase, the project will primarily support an integrated approach aimed at the rehabilitation of degraded lowland ecosystems in six “Sahel desert margin” northern provinces. During phases two and three, the project will scale up and replicate activities in other provinces of the country, particularly in areas with natural habitats of global importance. SILEM will complement the CBRDP in an effort to achieve considerably greater local, national, regional and global environmental benefits than the CBRDP alone could achieve. The US\$ 4.5 million currently requested from GEF for the “GEF Alternative” is for the first phase.

SILEM will focus on promoting integrated ecosystem management in carefully selected lowland sites (100 in the first phase, 200 in the second phase, 300 in the third phase) to remove pressure on these fragile lowland ecosystems. The project aims to achieve the following objectives related to global environmental benefits: (a) build capacity for sound IEM planning and management to achieve both developmental and environmental goals; (b) reduce and reverse land degradation and desertification; (c) better conserve biodiversity (agro-biodiversity in particular) at ecosystem, species and genetic levels; (d) increase carbon storage capacity and reduce greenhouse gas emissions; (e) reduce, and to some extent reverse, the deterioration of international waters (Volta and Comoe rivers and tributaries).

3) Project fit within the context of GEF goals, operational strategies, programme priorities and relevant conventions

The SILEM project fits well with the criteria listed above. This GEF-funded project incorporates the principles, and is directed towards achieving the potential benefits, of Integrated Ecosystem Management described in Operational Program # 12. Both social and economic factors are integrated into ecosystem management. Project activities at all levels are intended to be flexible and to incorporate lessons learned into project management. The Adaptable Program Loan (APL) instrument of the baseline CBRDP permits flexible, long term funding. The designs of both SILEM and CBRDP already incorporate lessons learned from the Programme National de Gestion des Terroirs project, the predecessor of CBRDP, a good sign. Participatory approaches are at the heart of these fully blended projects. The GEF-funded project aims to develop an enabling policy environment, strengthen relevant institutions, and make investments based on the principles of integrated ecosystem management. The SILEM project also fits well with Operational Program # 13, Conservation and Sustainable Use of Biological Diversity Important to Agriculture. The SILEM project addresses, and promotes synergies between, the GEF focal areas of land degradation, biodiversity conservation, climate change and international waters. The project accords with the UN Convention to Combat Desertification (CCD), the Convention on Biological Diversity (CBD), and the UN Framework Convention on Climate Change (UNFCCC).

4) Regional context

Several West African countries confront similar inter-related problems related to rural poverty and degraded natural resources. At one point, it was intended that there be a regional program combining World Bank and GEF resources covering Burkina Faso, Mali, Niger and Senegal. Difficulties encountered during efforts to set up this regional project suggested that there could be significant implementation problems. It was therefore decided to develop national projects, with the possibility of some regional coordination. This reviewer supports the decision to develop national projects in order to eliminate the likelihood of implementation problems with a regional program. In addition, separate national projects allow (even encourage) experimentation with somewhat different approaches to achieve similar

developmental and environmental objectives. The present set up could foster healthy competition between the projects. Effective exchange of information and experience between the projects should be encouraged, with mechanisms established to facilitate this exchange.

5) Replicability of the project

The project design has many well thought out and innovative elements. If SILEM successfully implements its proposed activities, there would be considerable scope to replicate the approach in other parts of Burkina Faso, as well as in nearby countries with similar ecological and socioeconomic conditions. The project will carry out M&E activities that should provide information and analyses useful to replicating successful activities. There will be: (a) an internal M&E system shared with the CBRDP, (b) and “indigenous IEM M&E system” for use by rural communities themselves, and (c) a scientific M&E system with sustainable process indicators for assessing changes in ecosystem management patterns on a local or national level, (d) a pilot national natural resources accounting system. The project will also support an Environmental and Social Impact Assessment office within the Project Coordination Unit. Every 2-3 years there is to be external M&E activity by a team of national and international experts. The project’s M&E system will include basic tools to assess whether the identified mitigation measures have been implemented and are effective. Given the above factors, it would be useful if the project would develop a strategy to replicate its most successful activities by providing information useful to others interested in following its lead.

6) Anticipated Effectiveness and Sustainability of the project

The project has many well considered elements specifically aimed at achieving sustainability. The crucial importance of capacity building in regard to achieving sustainability is discussed under point 11 below. The project’s Capacity Building component includes innovative efforts to achieve financial sustainability through “financing partnerships” between rural communities and external public and private sector partners. The Local Investment Funds component is limited to about 100 villages (about 05% of the 2000 villages targeted by CBRDP) during the first phase, a necessary step in focusing project activity. The investments aim at reviving and protecting village lowland ecosystems to allow for sustainable land use intensification in limited areas and to achieve other environmental objectives. The project will also support applied IEM studies and IEM research-development or operational research at provincial and regional levels. The project’s third component is aimed at institutional capacity building at local, provincial and national levels. (SILEM/CBRDP deliberately work with and build on national institutions at various levels in their efforts to achieve project success and sustainability.) SILEM will support the creation of an enabling environment, including the establishment of an IEM Policy Forum. The project will also address the crucial issue of land tenure security in the lowlands, including helping the poor to gain access to reliable land conflict resolution mechanisms.

Project designers are clearly aware of a number of risks that may be encountered during implementation, and these risks are presented in the project document. This reviewer was thinking of these very issues as he read the report. The designers seem more confident about their risk mitigation measures than is this reviewer, perhaps reflecting the differences in roles of designers and reviewers. Decentralization is one example. The document explicitly states that the success of SILEM depends on the successful achievement of the political and administrative decentralization process, and the first risk deals with this issue. The risks here may be underestimated. Effective devolution of the responsibility for IEM to local governments and communities will be necessary for CBRDP/SILEM to function as planned and to achieve sustainability. Decentralization and devolution can be complicated and difficult processes, and problems could significantly impede project performance. The condition that the required legal text be issued before

negotiations is appropriate.

In regard to community-driven development, three key points should be kept in mind: (a) highly skilled, well trained individuals are needed at the interface with local communities, (b) efforts should be taken to identify early on communities with real (if latent) potential to successfully carry out community-based activities, (c) elite capture at all levels is a real possibility. The project designers seem aware of these points, but there is a risk that what is planned as a community based approach to IEM / IEM could be subverted into a top down exercise. The need for high quality service providers is critical. In addition, the rural communities in Burkina Faso are highly stratified (see number 10 below), and achieving effective participation by the poor and women may not be easy. If not already done, it would be useful to develop well tailored criteria and procedures to enable communities to target the poor and women for project purposes, and to establish effective control mechanisms to ensure that these activities are carried out.

Secondary Issues

7) Linkages to other focal areas

The SILEM project is multi-focal, covering land degradation, biodiversity conservation, climate change and international waters.

8) Linkages to other programmes and action plans

The GEF-financed SILEM project will be fully integrated into the IDA-funded baseline project, the Community-Based Rural Development Project. The CBRDP is part of and supports the National Program for Decentralized Rural Development in Burkina Faso (PNDRD) which implements the Government's decentralized rural development strategy. The PNDRD is coordinated by the National Forum that aims to evaluate and harmonize experiences and approaches to decentralized rural development in the country. It is intended that there be a gradual transfer of PNDRD coordination responsibilities to the regional directorates for studies and planning (DREPs). The CCTPs will be the PNDRD's coordination entities at the provincial level. The CBRDP and SILEM will support the regional and provincial entities.

Several sectoral strategies and action plans have been developed in Burkina Faso, but they have not yet been operationalized and implemented at local levels. SILEM will contribute to the implementation of existing IEM and IEM strategies and action plans, including the National Environment Action Plan, National Soil Fertility Management Strategy and Action Plan (the Government's top priority action plan for the agriculture sector), National Desertification Action Plan and the National Biodiversity Strategy.

The two blended projects, SILEM and CBRDP, will have linkages to the National Natural Ecosystem Management Program (PAGEN or PRONAGEM, both acronyms are used in the documents) currently being prepared that focuses on wildlife biodiversity conservation inside specific, officially protected natural wildlife habitats. Several other development programs with potential linkages are listed in the project documents, including the Netherlands and DANIDA funded Local Development / Burkina Sahel Program (PSB).

9) Other beneficial or damaging environmental effects

The rationale for GEF to fund the SILEM is that the project would focus its resources on achieving significant local, national, regional and global environmental objectives. In the absence of the SILEM project, the baseline IDA-funded CBRDP would achieve only limited environmental objectives. As

explained in this STAP review, this rationale is sound. No damaging environmental effects have been identified.

10) Stakeholder involvement

The project will affect and/or be influenced by a wide variety of actors, many of them involved in the country's "revolution" in the management of natural resources. The stakeholders (existing and proposed) include: the joint SILEM/CBRDP Project Coordination Unit, the Ministry of Agriculture / Programme National De Gestion Des Terroirs, the National Program for Decentralized Rural Development (PNDRD), the National Forum that coordinates the PNDRD, the National Environmental Management Council (CONAGESE), Government officials involved with the action plans mentioned under point 8 above, the National Natural Ecosystem Management Program, bi-laterals funding CBRDP and their programs, regional directorates for studies and planning (DREPs), provincial PNDRD coordination entities (CCTPs), NGOs, producers organizations, South-North financing partnerships and Finance Facilitation Office, Comites Villageois de Gestion de Terroir (CVGTs), Comites Inter-Villageois de Gestion de Terroirs (CIVGTs), Comites d'Action Specifique (CASs), community-based organizations (CBOs), environmental pressure groups, and federations of IEM committees.

There are also the 100 local communities (in the first phase) that are highly stratified by caste, gender, kinship and age. Given the large number of government and other organizations, officials, technical experts, consultants and others involved in SILEM and CBRDP, it may be quite a challenge to achieve genuine participation on the part of stratified rural communities, especially by the poor and by women.

Significantly, the project will support a Policy Forum every year, or every second year, at the national or regional level. This Policy Forum will be a round table discussion between representatives of IEM stakeholders to identify IEM policy constraints and to propose necessary policy reforms. Consensus policy action plans will be issued each year, or every second year, and their implementation will be monitored by elected policy task forces or by specific civil society pressure groups.

11) Capacity building

SILEM / CBRDP fully recognize and emphasize the need for capacity building at various levels for the projects to achieve their objectives, particularly in regard to sustainability. SILEM will support (27% of total GEF funds) capacity building in: (1) integrated ecosystem management / land use planning capacity, including the construction of a GIS data base and piloting the use of GIS tools in its intervention sites; (2) support to "extraordinary IEM governance bodies" (as needed) at local, regional and national levels to promote environmental protection at all levels; (3) educating policy makers and the general public (rural communities in particular) on environmental issues and solutions through awareness raising and dissemination of IEM action plans, and community exchange of experience and knowledge (including IEM conflict resolution and social peace keeping); (4) sustainable IEM financing (including South-North financing partnerships and a Finance Facilitation Office) and local IEM financing mechanisms. The project intends to build capacity to create an enabling environment that will facilitate the adoption and sustainability of appropriate IEM practices. This includes assisting rural communities, interest groups and the government with the identification and implementation of needed policy instruments and reforms.

The project has a broad, sound approach to capacity building. As the project progresses, however, it will be necessary to carefully assess the relevance, quality and impact of the training and other capacity building efforts to ensure their effectiveness and to make adjustments where necessary.

12) Innovativeness of the project

The Sahel Integrated Lowland Ecosystem Management project is a particularly innovative and promising effort aimed at overcoming serious environmental problems in rural Burkina Faso. SILEM represents a carefully designed approach to effectively promote integrated ecosystem management in specific lowland sites in order to achieve local, national, regional and global environmental benefits. This project will fully blend GEF financing into the baseline project funded by IDA, bi-lateral donors, local stakeholders and the Government of Burkina Faso. The integrated projects will promote community-driven development in attempts to achieve their environmental objectives, promote sustainable development and reduce poverty. This creative and comprehensive approach is fully consistent with the principles and goals of the GEF's Operational Program # 12.

Response to STAP Roster Technical Review

The STAP review was largely positive, highlighting the solid design, technical soundness, innovative approach, and complementarities with the baseline project (the CBRDP) for achieving local and global environmental benefits.

The principal concerns raised by the reviewer had to do with (1) implementation risks (in particular, blockages in the decentralization process) and (2) ensuring adequate stakeholder involvement in highly stratified rural communities and avoiding elite capture of the project. The baseline project acknowledges and addresses both of these risks.

With respect to decentralization, the risk to the first phase of the SILEM project is low. In 1998, responsibility for the management of non-protected resources was devolved to local communities with the adoption by the Council of Ministers of the TOD (*Textes d'Orientation sur la Décentralisation*). The main objective of the baseline project (CBRDP) is to assist the government in operationalizing this legal document by empowering local communities through the transfer of investment funds and by providing the capacity building necessary to manage those funds and execute their own development (and resource management) strategy. Triggers for the second phase of the baseline project are mostly linked to progress on the decentralization agenda. Legal texts allowing the transfer of resources to locally representative bodies (the CVGT and CIVGT) already exist -- they were a condition of negotiations for the CPDRP.

In terms of stakeholder involvement and elite capture, there was substantial national involvement in the preparation of both the baseline project and the SILEM, at all levels (community, province, national government) and from public, private and NGO sectors. The legal text related to the creation of the CVGT and CIVGT explicitly stipulates the manner in which representatives must be selected and the overall composition of the committee. The diagnostic tools used by the CBRDP staff are participatory and all private service providers working with the project will be trained in the use of those tools. This does not, of course, ensure participation, nor eliminate the possibility of elite capture. However, a rigorous qualitative and quantitative M&E system was designed for the baseline project. It includes (i) participatory, community managed modules as well as (ii) statistical in-depth household and community survey modules and (iii) scientific plot / ecosystem level data collection modules. These modules are designed to track indicators of environmental, household welfare and institutional change and should (along with regular supervision) allow us to avoid elite capture and ensure participation.

