

## PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC14723

<b>Project Name</b>	BF REDD+ Readiness Preparation (P149827)
<b>Region</b>	AFRICA
<b>Country</b>	Burkina Faso
<b>Sector(s)</b>	Forestry (60%), General agriculture, fishing and forestry sector (20%), Public administration- Agriculture, fishing and forestry (20 %)
<b>Theme(s)</b>	Climate change (20%), Land administration and management (20%), Environmental policies and institutions (20%), Other environment and natural resources management (20%), Rural policies and institutions (20%)
<b>Project ID</b>	P149827
<b>Borrower(s)</b>	Ministère de l'Environnement et du Développement Durable
<b>Implementing Agency</b>	Programme d'Investissement Forestier - Coordination
<b>Environmental Category</b>	B-Partial Assessment
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<b>Estimated Date of Board Approval</b>	

### I. Introduction and Context

#### Country Context

Burkina Faso has achieved significant and sustained economic growth over the last decade, but continues to face many challenges. Average economic growth between 2003 and 2008 was over 5 percent per year and is expected to average 7 percent through 2015 following a high of 9 percent in 2012, one of the highest in West Africa. However, this positive growth has not had a significant impact on poverty reduction or development outcomes. High population growth rates—3.1 percent, also one of the highest in Africa—are projected to result in a doubling of the population in one generation. The demographic trend accelerates environmental degradation which reinforces the cycle of poverty, especially for rural populations who depend on the natural environment for their livelihoods.

Persistent levels of poverty remain a stubborn challenge. Despite political stability, a strong track record of government decentralization, and steady economic growth in recent years, Burkina Faso remains one of the poorest countries in Africa. In 2013 Burkina Faso's Human Development Index was 0.388, giving the country a rank of 181 out of 187 countries. Rural populations remain largely dependent on agriculture and continue to experience higher rates of poverty—50.7 percent of the rural population lives below the poverty line as compared with 23.7 percent in urban areas. Despite

favorable public expenditure trends, Burkina Faso is unlikely to meet most of the Millennium Development Goals (MDG), particularly those related to literacy, health and sanitation. Although expenditure in all three sectors has increased, the education, health, water and sanitation sectors remain adversely affected by a marked urban bias combined with regional and, in some cases, gender inequalities.

The economy is susceptible to fluctuations in international markets and climate shocks. The economy relies heavily on the performance of the cotton sector and gold mining (43 and 36 percent of exports, respectively). The country benefitted from a boom in the mining sector since 2009-2010, with gold taking over cotton as the leading export. At least 3 million Burkinabe continue to derive their direct or indirect livelihoods from cotton which provides a net transfer of more than US\$200 million into rural areas. Agriculture mostly remains a fundamental source of livelihood for a large portion of the population, representing 40 percent of GDP, and remains highly dependent on variable weather patterns. However, less than 18 percent of the land in Burkina Faso is cultivable due to poor soil quality and recent droughts and desertification. The country has experienced deteriorating climatic conditions in recent years. The agricultural campaigns in 2008, 2009 and 2010 were marked by significant flooding, followed by localized periods of drought that negatively affected harvests and resulted in an increase in basic food prices nationally. These trends are in line with the National Adaptation Program of Action (NAPA) which described how climate change will lead to: (i) a net decrease in water availability, (ii) a decline in the biomass potential, (iii) a drastic reduction and degradation of pastures and more broadly will lead to a noticeable drop in productivity of all socio-economic sectors.

Because agriculture is the leading sector in the economy, local rural populations depend heavily upon the country's steadily depleting soil, water and vegetative resources. Situated in the Sahel-Saharan region, Burkina Faso is particularly affected by soil erosion due to wind and water, loss of soil nutrients and bush fires. It is estimated that 34 percent of the country has deteriorated as a result of anthropogenic factors, continuing at a rate of 105,000 to 250 000 hectares each year, while 74 percent of arid and semi-arid areas are affected by desertification or land degradation. Local populations are unequipped to deal with climatic changes and, as demonstrated during the 2007 droughts and the 2009 floods, this can lead to devastating damage and loss of life. Given that scientists have observed a rapid increase in the occurrence of severe weather and erratic climatic conditions, adaptation to climate change will be an increasing priority.

## **Sectoral and Institutional Context**

### **Context and drivers of deforestation**

Forest and wooded savanna comprise a significant portion of Burkina Faso's arable land. While the country does not have a clear definition of forest, nearly 12.9 million ha can be classified as forested based on forest surveys from 2002, roughly 43 percent of the territory. Nearly two-thirds of forest cover, over 8 million ha, is shrubby and woody savanna, and only 4 million ha are designated as "classified" forests—forests under Government management.

Forest resources are critical for livelihoods and the economy. Forest-based economic activities including the production of charcoal and the sale of forest products make up an important part of many rural household incomes – over 25 percent in some cases – as well as contributing 5.6 percent to GDP. Forests and woodlands provide important environmental and social services including soil fertility, erosion control, watershed protection, and biological diversity (animals for pollen/seeds

dissemination, etc.). Such services lead to indirect economic benefits and increase climate resilience at the landscape level. Forests and woodlands provide additional non-economic benefits to local populations (medicinal plants, hunting, fruits/mushrooms, etc.) that can alleviate the impacts of drought and other climate related challenges. In addition, many tree species (shea tree, nere, gum arabic, etc.) that provide non timber products are part of traditional preservation and usage practices, mainly by women, underscoring the important role that women have to play in any strategy aiming at preserving forest resources.

Forest assets are under threat as a result of land use changes and increasing demographic pressure. Deforestation is mainly caused by expansion of agricultural land, as well as grazing and over exploitation of forest resources (timber, charcoal and non-timber products). Even the protected area system which covers 14 percent of the country's surface and includes hunting areas, game ranches, national parks, and ecological corridors is under pressure. Some areas, such as the PONASI (Po-Nazinga-Sissili) ecosystem, seem to be facing pressure at a much faster rate than elsewhere (overgrazing, agribusiness). These changes pose local challenges to and also threaten to hamper the country's long term development.

While the results from the Second National Forest Inventory (IFN2) survey in 2012/2013 are being finalized, trends observed between 1992 and 2002, the years of two past forest inventories, provide an indication of trends in deforestation and especially forest degradation. Deforestation rate estimates range from about 0.2 to 1.5 percent per year; it is currently agreed that overall deforestation is approximately 105,000 ha/year, 0.83 percent, and although it is difficult to assess, forest degradation is estimated to be at least 0.5 million ha/year. Over 70 percent of land cover change observed between 1992 and 2002 occurred in areas characterized as shrubby savanna, primarily as a result of agricultural activities that led to over-usage and fallow areas that were not allowed enough time to regenerate. The result was land conversion and degradation to a point where land can no longer be naturally regenerated.

Deforestation in Burkina Faso is characterized by direct drivers that correspond essentially to different types of encroachment on forested areas :

- Livestock activities including cattle, goat and sheep husbandry;
- Agricultural expansion including mostly cotton production and food production (subsistence agriculture combined with population growth);
- Overharvesting of firewood due to increasing demand;
- Overharvesting of non-timber forest products;
- Bush fires;
- Gold mining.

Indirect drivers of deforestation and forest degradation result from a complex interplay between socio-economic, political, technological, and cultural factors. This leads to an environment conducive to the emergence of one or more direct drivers. Indirect drivers are related to:

- Economic and demographic factors: growth of impoverished rural populations who depend on forest products for survival;
- Land management: delays in implementing land tenure reforms, insufficient tools for sustainable land use planning and management, insufficient enforcement;
- Technical capacities and knowledge: lack of capitalizing on effective forestry and sustainable land management practices, weak control, lack of resource knowledge;
- Weak stakeholder capacity: at decentralized and central levels;

- Governance: difficulties in enforcing laws and regulations relating to the forestry sector; and
- Weak access to markets which makes it difficult for farmers to intensify production and pushes them to clear forest areas for cultivation.

#### Regulatory context and forest governance

Sustainable management of natural resources is a cornerstone of the national plan to accelerate growth and sustain development. After a comprehensive assessment of the ten-year implementation of the Poverty Reduction Strategy Papers (PRSP), Burkina Faso prepared a Strategy for Accelerated Growth and Sustainable Development (SCADD) through a participatory process that engaged a wide variety of stakeholders across the country. The strategy envisions the sustainable management of natural resources as a cornerstone of agricultural development, particularly through an increased pace of reforestation, exploitation of forest wealth and protection of wildlife resources. The National Program for the Rural Sector (PNSR) provides a cohesive framework for development objectives in rural areas to strengthen coherence and coordination among sectoral interventions in rural development. The PNSR specifically seeks to integrate livestock management, agriculture development and environment policies into a multi-sector programmatic approach to development. The PNSR is now the coordinating framework for programming and implementing the interventions in rural areas in Burkina Faso and constitutes a clear institutional framework for the proposed interventions of this grant.

Burkina Faso's legal framework for forest and land management is extensive and already includes many aspects of forest governance. The most important texts related to forest governance are:

- Act no. 003-2011/AN of April 5, 2011: the Forest Code in Burkina Faso, which replaces the - previous code (Act no. 006/97/ADP of January 31, 1997, the Forest Code of Burkina Faso);
- Act no. 034-2009/AN of June 16, 2009: rural land tenure in Burkina Faso and its implementing regulations;
- Act no.006-2013/AN of April 02,2013: the Environmental Code of Burkina Faso;
- Act no. 055/AN of December 21, 2004: the General Local Government Code in Burkina Faso;
- Decree no. 98-306/PRES/PM/MEE/MEF/MCIA of July 15, 1998, regulating the exploitation and marketing of wood products in Burkina Faso;
- Decree no. 98-310/PRES/PM/MEE/MATS of July 17, 1998 on the use of fires in rural Burkina Faso;
- Joint Order no. 01-048/MEF/MATD/MEE of November 8, 2001 on the establishment of a fund for forest management in Burkina Faso.

The Government of Burkina Faso is making considerable efforts to reform land tenure and forest regulations. The visions expressed in the Forest Code of 2011 and the Rural Land Act of 2009 demonstrate a willingness to address the limitations and injustices of previous codes. For example the Rural Land Act seeks to convey legitimacy and legality to traditional land management arrangements by recognizing rights that were established on the basis of an oral tradition (implicit transmission, recognition of the legitimacy of the community). In addition, the roles of Ethnic minorities and traditional leaders are acknowledged by Decision 2/CP.16 (adopted by Burkina Faso, as a Party to the United Nations Framework Convention on Climate Change, UNFCCC) ensuring that REDD+ activities implemented with local communities will include appropriate safeguard measures.

The recent improvements are also the result of a long term effort that started with the National

Program for Decentralized Rural Development (PNDRD – launched in 2000), which was designed as a fifteen year program to support the decentralization process, with the common objectives of fighting poverty and promoting sustainable development in rural areas.

#### Forest governance and decentralization

As part of the preparation of the FIP investment plan, the World Bank has initiated analytical work on forest governance with the preparation of a country forest governance assessment study. This study highlighted the fact that the Government of Burkina Faso has made considerable progress in improving forest governance (a complex concept which inter-connects economic, administrative, legal and social factors). However many areas still require attention: Although some of the main instruments for adequate forest governance are in place at the national level, their implementation at the local level represents a real challenge at all levels (local administration, decentralized office of the central services, local organizations (GGF), local communities) Many efforts are needed to empower local communities in the management of their forests

Decentralization implies a new logic of collaboration between the central government and its decentralized services, local authorities and civil society organizations. Natural resources management becomes everybody's business and depends on the ability of these actors to work together. Lack of such cooperation is seen to be a major barrier to scaling up reforestation in Burkina Faso. Because Burkina Faso is still in the early stages of the decentralization process, the local governments have not yet embraced their new responsibilities nor do they have the adequate technical capacity to manage the natural resources, leading to governance issues.

Following the assessment of the current situation, forest governance has been identified as one indirect factor of deforestation and the REDD+ strategy is an opportunity for the government to identify the governance weaknesses and possible ways to improve it.

#### REDD+ in Burkina Faso

Burkina Faso's experience with integrated agro-sylvo-pastoral rural development approach to land planning provides a natural bridge to the REDD+ process, even if as a Sahelian country it does not seem to be an obvious forest related mechanism. Based on Burkina Faso's extensive, and successful, experience in participatory management of woodland and forest resources over the past 30 years, Burkina Faso was selected to be one of eight pilot countries of the Forest Investment Program (FIP) of the Strategic Climate Fund by a group of experts appointed through the FIP Sub-Committee. In Parallel, Burkina Faso joined the Forest Carbon Partnership Facility (FCPF), first as an observer, and later as a Participant upon its formal acceptance into the FCPF in December of 2013. The REDD+ approach represents an opportunity to conserve natural resources that will support the livelihoods of the rural populations in the long term. REDD+ is also an opportunity to make significant changes in land use and forest management, agro-forestry and farming systems to reduce forest related GHG emissions and contribute to the mitigation of global climate change.

Burkina Faso offers a unique opportunity for a triple win of mitigation, adaptation, and poverty alleviation. Burkina Faso's REDD+ approach derives its originality from three aspects: (i) its contribution to the REDD+ approach, reflecting the "ecological sensibilities" of a Sahelian country and potential to serve as a model for other countries with similar Sahel-type ecosystems; (ii) its innovative approach to managing dry forests and the broader landscape vision of REDD+ that includes trees outside of protected areas; and (iii) the potential to reduce poverty by focusing on the more densely populated areas outside of forests rather than only on protected areas that have lower

population densities. Enhancing the management of forest resources will strengthen the adaptive potential in response to the adverse impacts from climate change and will create positive spill-over effects for poverty alleviation, such as enhanced forest and agricultural productivity (e.g. agroforestry).

This grant supports activities that will form the foundation for a strong REDD+ program across the three phases of REDD+. Generally, REDD+ has three phases: (1) readiness phase, which focuses on efforts to develop a national REDD+ strategy, an institutional framework, a monitoring system, as well as increase the understanding of national dynamics of deforestation in order to elaborate a reference scenario; (2) investment phase, which is the implementation of the national REDD+ strategy and other activities leading to more effective sustainable forest and woodland management and land use change and; (3) crediting phase, for which performance based payments are made for quantified forest emission reductions and removals against agreed reference levels. This grant will support the readiness phase of REDD+, focusing on strategic activities that will bolster implementation of REDD+ that are not covered by other financing sources.

Burkina Faso has adopted a pragmatic, learning-by-doing, approach to REDD+. Burkina Faso is using secured sources of financing to implement investments that are part of a REDD+ approach in tandem with readiness activities that strengthen the overall process. Financing through the Forest Investment Program (FIP) and other programs will not only inform the REDD+ process with concrete knowledge and experience but will contribute directly to REDD+ readiness activities described in Burkina Faso's Readiness Preparation Plan (R-PP). This should allow Burkina Faso to move ahead rapidly in the REDD+ process as it is implemented through multiple projects and grants, which have either supporting components (for the Readiness phase) or an investment component related directly or indirectly to the reduction of deforestation and forest degradation. The major investments supporting the REDD+ readiness phase as well as related investment phase are:

- Forest Investment Program, which is implemented through two projects, the Decentralized Forest and Woodland Management Project (DFWM – PGDFEB by its acronym in French) financed through the World Bank (WB) and European Union (EU) and the Classified Forest Management Program/ REDD+ (PGFC/REDD+ by its acronym in French) financed through the African Development Bank (AfDB). The first component of each project is supporting the REDD+ Readiness process.
- Forest Sector Support Program (PASF by its acronym in French) financed by Luxemburg and Sweden that is promoting a basket fund for future REDD+ investments and supporting the Ministry of Environment and Sustainable Development (MEDD) in their efforts to implement the National Program for the Rural Sector (PNSR). This basket fund is planned to serve as a financing tool to channel financial resources for environmental activities, including REDD+ strategy implementation.
- Land Tenure Management Project, financed by the French Development Agency (Afd), which is piloting new land use management governance systems at the decentralized level from which lessons will feed into the REDD+ strategy.

### **Relationship to CAS**

The grant is in line with the FY13-16 Country Partnership Strategy (CPS), which was launched on September 19, 2013. The strategic thrusts of the CPS are to help the country to: (a) accelerate inclusive and sustained growth; (b) enhance governance for more efficient social service delivery; and (c) reduce economic, social, and environmental vulnerabilities. Efforts to improve governance and ensure gender equality will also be incorporated into activities.

The proposed activities are also in line with the four pillars of the Strategy for Accelerated Growth and Sustained (SCADD): (1) development of the pillars of accelerated growth; (2) human capital development and promotion of social protection; (3) improved environmental governance and; (4) cross-cutting priorities and themes such as gender, demography, natural resources and capacity building. While aligning with the SCADD, the grant also aims at upgrading these national strategies and increasing the emphasis on REDD+, climate resilience and low-carbon development. Such an influence on the country's major development strategies may have a transformational impact over the long term.

In addition, this grant for REDD+ Readiness activities is aligned with the National Program for the Rural Sector (PNSR), which provides a cohesive framework for development objectives in rural areas to strengthen coherence and coordination among sectoral interventions in rural development. While the PNSR does not mention REDD+ specifically, it seeks to integrate livestock management, agriculture development and environment policies into a multi-sector programmatic approach to development – which is the long term objective of the REDD+ approach.

## **II. Proposed Development Objective(s)**

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The proposed Project Development Objective is to reinforce Burkina Faso's capacity to coordinate the REDD+ readiness process including a socially and environmentally sound national strategy and other key governance systems for REDD+ implementation.

### **Key Results**

Key results expected include:

An effective and operational REDD+ institutional scheme, including a grievance and redress mechanism that is functional at national and sub-national levels for REDD+ readiness coordination and implementation is established;

A socially and environmentally sound national REDD+ strategy that connects the objectives of the SCADD and the reduction of deforestation and forest degradation and includes elements related to the social implication, the cost-effectiveness and the environmental impacts is adopted;

A monitoring system for co-benefits related to REDD+ is operational;

Additional sources of financing for expanding deforestation and forest degradation mitigation are identified.

## **III. Preliminary Description**

### **Concept Description**

#### **Concept**

This grant builds on Burkina Faso's R-PP and the FIP Investment Plan that serves as the framework for the process known as REDD+ Readiness. The R-PP approved by the FPCF in December 2013 is organized in six sections: 1) Organization and Consultation; 2) Development of the national REDD+ strategy; 3) Development of a baseline scenario; 4) Measurement, Reporting, and Verification Systems; 5) Budget and Timeline and; 6) Monitoring Plan and Productive Measurement Framework.

Most of the activities outlined in sections 3, baseline/reference scenario, and 4, monitoring, reporting and verification, of the R-PP will be addressed through interventions funded by the FIP and channeled through the African Development Bank, while some of the activities outlined in sections 1, organization and consultation, 2, national REDD+ strategy, and 6, monitoring

framework, of the R-PP will be addressed through interventions funded by the FIP and channeled through the World Bank. Nevertheless, a financing gap remains and this grant seeks to fill the gap and finance activities that are still not addressed by the two FIP projects. There is a strong need for coordination among the various initiatives, and the REDD+ program provides an overarching framework that will ensure complementarity among different initiatives.

FCPF Readiness funding will be used to strengthen organizational arrangements for REDD+, to carry out studies that will deepen the understanding of the strategic options for REDD+, to strengthen the REDD+ implementation framework, to strengthen the social and environmental safeguard assessment process, to develop a national monitoring, reporting and verification systems that includes the monitoring of co-benefits.

Component 1: Strengthening REDD+ and forest governance (US\$1.6 million). The costs of the institutional arrangements described above (creating the various bodies as well as the operating costs for the meetings) will largely be supported by other programs (such as the FIP). However, this FCPF financing will support the efficient governance of the REDD+ process and facilitate the technical coordination of the team working on the REDD+ agenda. In addition, it will be used to set up tools that will facilitate the planning and monitoring of REDD+ related activities.

Activity 1.a: Building REDD+ technical capacities (about \$US550.000).

Activity 1.b: Development of a Grievance and Redress Mechanism (about \$US300.000).

Activity 1.c: Setting up partnerships with the Ministry of Justice and Ministry of Interior for Forest Law promotion and enforcement (about \$US350.000).

Activity 1.d: Development of a Monitoring System for Co-Benefits (about \$US400.000).

Component 2: Development of National REDD+ Strategy (US \$1.5 million). Burkina Faso will develop a National REDD+ Strategy that will seek to address the complex dynamics that lead to deforestation and forest degradation and will drive subsequent investments in the country. The REDD+ strategy will be drawn on the initial work executed during the preparation of the R-PP and for the FIP Forest Investment Plan. To prepare the strategy, the grant will finance various studies to address gaps in data regarding the impact and quantification of some direct and indirect drivers of deforestation.

Activity 2.a: Design and elaboration of the REDD+ strategy (US\$750.000).

Activity 2.b: Enhancing the Informational Base related to REDD+ (US\$650.000).

Activity 2.c: Strategic Environmental and Social Assessment (SESA) (about US\$100.000).

Component 3: Readiness Monitoring, Coordination and Communication (US\$700,000). Activities will be carried out to allow the REDD+ National Committee, the FIP Coordination Unit and the REDD+ Focal Point to implement and supervise REDD+ Readiness preparation and to report to the FCPF Participant Committee about the progress toward Readiness.

Activity 3.a: Operational Support for grant implementation (about US\$200.000).

Activity 3.b: REDD+ Readiness compliance, control and monitoring (about US\$500.000).

The ultimate goal of the subcomponent is to develop the "R -Package " and REDD+ documents that would eventually facilitate REDD+ or Carbon financing, such as through the Carbon Fund.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		



Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

## V. Financing (in USD Million)

Total Project Cost:	3.80	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		0.00	
Readiness Fund of the Forest Carbon Partnership Facility		3.80	
Total		3.80	

## VI. Contact point

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